

At the end of the third quarter of 2021, Banca Afirme has an asset level of 192,933 million pesos, showing an increase of 17.2 % compared to the same period in the previous year.

The credit titles issued have a balance as of September 30, 2021, of \$766 million pesos.

Capitalization

Banca Afirme Capitalization ratio stood at 16.23% at the end of the third quarter 2021 with a basic capital ratio of 12.55%.

Issuance of Subordinated Bonds

At the Extraordinary General Shareholders' Meeting held on October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The bond issues was performed through a public offering for up to 2,300,000 subordinated bonds with a nominal value of \$ 100 pesos each, which accrue interest at a TIIE rate + 2.8%, 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%.

Arrendadora Afirme Consolidated Company in Banca Afirme

In accordance with the corporate restructuring approved by the Board of Directors of the entity, on July 19, 2018, the contribution in kind to Banca Afirme, SA of the subscribed and exhibited capital of Arrendadora Afirme S.A. de C.V. was approved. formerly a subsidiary of Afirme Grupo Financiero, S.A. de C.V.

Capital increases

At the Extraordinary General Shareholders' Meeting held on May 14, 2021, it was agreed to increase the share capital, by \$528 million pesos, by capitalizing the account of "contributions for future capital increases"

Paid-in capital for the increase of future capital

In the Ordinary General Assembly held on April 15, 2021, the shareholders agreed to make an additional paid-in for the increase of future capital of 25 million pesos.

In the Ordinary General Assembly held on September 29, 2021, the shareholders agreed to make an additional paid-in for the increase of future capital of 604 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".

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" for its acronym in Spanish) instructed by the National Banking and Securities Commission ("Banking 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.

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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.

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

SHAREHOLDING OF BANCA AFIRME		
ENTITY	% OF PARTICIPATION	
FONDOS DE INVERSIÓN	99.99%	
AFIRME	4.68%	
CIRCULO DE CRÉDITO	18.00%	
CECOBAN	2.82%	
ARRENDADORA AFIRME	99.98%	

III.- The current and past due portfolio by type of credit as of the third quarter of 2020 and 2021, is integrated as follows:

CURRENT AND NON-PERFORMING LOAN PORTFOLIO						
AMOUNTS IN MILLIONS OF PESOS						
TYPE OF CREDIT	CURRENT PORTFOLIO			PAST DUE PORTFOLIO		
	III QUARTER 2020	III QUARTER 2021	VAR%	III QUARTER 2020	III QUARTER 2021	VAR%
COMMERCIAL CREDITS	30,418.6	31,061.1	2.1%	608.2	893.9	47.0%
CORPORATE OR BUSINESS ACTIVITY	28,082.2	29,173.9	3.9%	608.2	893.9	47.0%
FINANCIAL INTERMEDIARIES	457.3	480.7	5.1%	0.0	0.0	0.0%
GOVERNMENT ENTITIES	1,879.1	1,406.5	25.1%	0.0	0.0	0.0%
CONSUMER CREDITS	7,970.6	7,926.1	-0.6%	214.5	223.1	4.0%
HOUSING CREDITS	7,805.5	8,662.9	11.0%	447.4	672.5	50.3%
TOTAL	46,194.7	47,650.2	3.2%	1,270.1	1,789.5	40.9%

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(figures in Millions of pesos)

CURRENT AND NON PERFORMING LOAN PORTFOLIO AS OF SEPTEMBER 30, 2020					
AMOUNTS IN MILLIONS OF PESOS					
TYPE OF CREDIT	CURRENT PORTFOLIO		PAST DUE PORTFOLIO		TOTAL PORTFOLIO
	NATIONAL CURRENCY	FOREIGN CURRENCY *	NATIONAL CURRENCY	FOREIGN CURRENCY *	
COMMERCIAL CREDITS	29,240.22	1,178.37	608.23	0.00	31,026.81
CORPORATE OR BUSINESS ACTIVITY	26,903.82	1,178.37	608.23	0.00	28,690.42
FINANCIAL INTERMEDIARIES	457.28	0.00	0.00	0.00	457.28
GOVERNMENT ENTITIES	1,879.11	0.00	0.00	0.00	1,879.11
CONSUMER CREDITS	7,970.61	0.00	214.52	0.00	8,185.13
HOUSING CREDITS	7,805.52	0.00	447.40	0.00	8,252.92
TOTAL	45,016.35	1,178.37	1,270.15	0.00	47,464.87

CURRENT AND NON PERFORMING LOAN PORTFOLIO AS OF SEPTEMBER 30, 2021					
AMOUNTS IN MILLIONS OF PESOS					
TYPE OF CREDIT	CURRENT PORTFOLIO		PAST DUE PORTFOLIO		TOTAL PORTFOLIO
	NATIONAL CURRENCY	FOREIGN CURRENCY *	NATIONAL CURRENCY	FOREIGN CURRENCY *	
COMMERCIAL CREDITS	30,089.86	971.26	893.89	0.00	31,955.01
CORPORATE OR BUSINESS ACTIVITY	28,212.91	960.98	893.89	0.00	30,067.78
FINANCIAL INTERMEDIARIES	470.43	10.28	0.00	0.00	480.71
GOVERNMENT ENTITIES	1,406.52	0.00	0.00	0.00	1,406.52
CONSUMER CREDITS	7,926.14	0.00	223.11	0.00	8,149.24
HOUSING CREDITS	8,662.94	0.00	672.52	0.00	9,335.45
TOTAL	46,678.93	971.26	1,789.51	0.00	49,439.71

FOREIGN CURRENCY AMERICAN DOLLARS VALUED TO PESOS AT THE EXCHANGE RATE OF THE END OF THE MONTH

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

IV.- The average interest rates for traditional deposits and for interbank loans and loans from other entities are presented below, by type of currency for the third quarter of 2020 and 2021.

AVERAGE INTEREST RATES				
CONCEPTS	NATIONAL CURRENCY		FOREIGN CURRENCY	
	III QUARTER 2020	III QUARTER 2021	III QUARTER 2020	III QUARTER 2021
BANCA AFIRME				
TRADITIONAL DEPOSITS	<u>3.86%</u>	<u>3.02%</u>	<u>0.54%</u>	<u>2.87%</u>
DEPOSITS PAYABLE ON DEMAND	2.53%	2.01%	0.08%	0.01%
TERM DEPOSITS	5.63%	4.21%	0.00%	0.00%
INTERBANK LOANS AND LOANS FROM OTHER BODIES				
BANCA AFIRME	3.43%	2.27%	0.00%	0.00%
ARRENDADORA AFIRME	8.47%	6.99%	0.00%	0.00%

V.- The movements in the past due portfolio to the third quarter of 2020 and 2021, as well as the transfers to and from the current portfolio, are integrated as follows:

MOVEMENTS OF THE NON-PERFORMING LOAN PORTFOLIO IN THE THIRD QUARTER OF 2020 AND 2021								
AMOUNTS IN MILLIONS OF PESOS								
CONCEPT	COMMERCIAL CREDITS		CONSUMER CREDITS		HOUSING CREDITS		TOTAL	
	III QUARTER 2020	III QUARTER 2021	III QUARTER 2020	III QUARTER 2021	III QUARTER 2020	III QUARTER 2021	III QUARTER 2020	III QUARTER 2021
INITIAL BALANCE	627.9	939.1	251.1	271.9	451.3	674.3	1,330.3	1,885.4
<u>TICKETS</u>								
TRANSFERS OF CURRENT PORTFOLIO	71.8	207.8	207.8	209.9	64.5	117.4	344.1	535.1
<u>DEPARTURES</u>								
RESTRUCTURES AND RENOVATIONS	15.3	23.1	0.0	4.0	31.9	38.9	47.3	66.0
LIQUIDATED CREDITS	14.3	62.7	22.1	22.6	12.3	42.1	48.8	127.5
PENALTIES	53.2	116.5	196.6	196.2	0.0	2.9	249.9	315.5
TRANSFERS TO CURRENT PORTFOLIO	8.7	50.9	25.5	36.0	24.2	35.3	58.4	122.1
PORTFOLIO SALE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FINAL BALANCE	608.2	893.7	214.6	223.1	447.4	672.5	1,270.1	1,789.3

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

FOREIGN CURRENCY AMERICAN DOLLARS VALUED TO PESOS AT THE EXCHANGE RATE OF THE END OF THE MONTH

VI.- The amounts of the different categories of investments in securities, as well as the positions for repurchase operations, by generic type of issuer are presented below for the third quarter of 2020 and 2021:

INVESTMENT CATEGORIES IN SECURITIES AND REPURCHASE					
	AMOUNTS IN MILLIONS OF PESOS	III QUARTER		VAR \$	VAR%
		2020	2021		
ACTIVE					
INVESTMENTS IN SECURITIES	93,804.1	120,873.7	27,069.7	28.9%	
SECURITIES TO NEGOTIATE	93,592.5	120,665.2	27,072.6	28.9%	
WITHOUT RESTRICTIONS	-2,803.9	7,284.8	10,088.7	-359.8%	
GOVERNMENT DEBT	-5,057.3	197.6	5,255.0	-103.9%	
BANKING DEBT	1,450.4	6,226.7	4,776.3	329.3%	
OTHER DEBT SECURITIES	679.0	728.8	49.9	7.3%	
EQUITY INSTRUMENTS	124.1	131.6	7.5	6.1%	
RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS	90,033.4	100,528.6	10,495.1	11.7%	
GOVERNMENT DEBT	73,385.3	89,831.9	16,446.6	22.4%	
BANKING DEBT	16,348.4	10,096.5	-6,251.9	-38.2%	
OTHER DEBT SECURITIES	299.7	600.2	300.5	100.3%	
RESTRICTED OR GIVEN UNDER GUARANTEE OTHERS	6,362.9	12,851.8	6,488.8	102.0%	
GOVERNMENT DEBT	6,362.9	12,851.8	6,488.8	102.0%	
BANKING DEBT	0.0	0.0	0.0	0.0%	
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%	
SECURITIES PRESERVED TO EXPIRATION	211.6	208.6	-3.0	-1.4%	
WITHOUT RESTRICTIONS	211.6	208.6	-3.0	-1.4%	
GOVERNMENT DEBT	0.0	0.0	0.0	0.0%	
BANKING DEBT	0.0	0.0	0.0	0.0%	
OTHER DEBT SECURITIES	211.6	208.6	-3.0	-1.4%	
RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS	0.0	0.0	0.0	166.7%	
GOVERNMENT DEBT	0.0	0.0	0.0	166.7%	
BANKING DEBT	0.0	0.0	0.0	0.0%	
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%	
DEBTORS BY REPURCHASE	6,327.7	10,519.0	4,191.3	66.2%	
GOVERNMENT DEBT	6,327.7	10,519.0	4,191.3	66.2%	
BANKING DEBT	0.0	0.0	0.0	0.0%	
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%	
LIABILITIES					
REPURCHASE OPERATIONS	89,408.7	99,395.5	9,986.8	11.2%	
CREDITORS FOR REPURCHASE	89,408.7	99,395.5	9,986.8	11.2%	
GOVERNMENT DEBT	72,760.0	88,697.5	15,937.5	21.9%	
BANKING DEBT	16,348.7	10,098.0	-6,250.7	-38.2%	
OTHER DEBT SECURITIES	300.0	600.0	300.0	100.0%	
TITLES TO DELIVER	0.0	0.0	0.0	0.0%	
GOVERNMENT DEBT	0.0	0.0	0.0	0.0%	
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%	

As of September 30, 2021, the average term of repurchase operations performed by the Bank in its capacity as seller and buyer is and 20 and 13 days respectively. As of September 30, 2020, these terms were 37 and 20 days. Likewise, interest and returns on repurchase operations during the first quarter of 2021 were \$ 526.51, and \$ 1,703.76, in favor and expense, respectively. And during the third quarter of 2020 the amounts in favor and charge were \$ 619.98 and \$ 1,734.34 correspondingly.

VII.- The nominal amounts of derivative financial instrument contracts by type of instrument and underlying as of September 31, 2020 and 2021 are shown below:

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS							
AS OF SEPTEMBER 30, 2020							
AMOUNTS IN MILLIONS OF PESOS							
SWAPS	DAYS TO BEAT	AMOUNT and/or NOTIONAL	ACTIVE RATE	LIABLE RATE	FLWS RECEIVABLE	FLWS TO DELIVER	NET FLOWS
			receive	pay	proj		
FOR NEGOTIATION PURPOSES							
RATE.- Swaps with rate coverage1	1,337	500	5.25%	7.77%	8.16	12.08	-3.91
RATE.- Swaps with rate coverage1	1,337	500	5.25%	7.77%	8.16	12.08	-3.91
RATE.- Swaps with rate coverage1	1,342	-500	5.23%	6.39%	8.14	9.94	-1.80
RATE.- Swaps with rate coverage1	1,342	500	5.23%	7.78%	8.14	12.09	-3.96
RATE.- Swaps with rate coverage1	1,343	100	5.23%	7.60%	1.63	2.36	-0.74
RATE.- Swaps with rate coverage1	1,343	100	5.23%	7.57%	1.63	2.36	-0.73
RATE.- Swaps with rate coverage1	1,343	100	5.23%	7.57%	1.63	2.36	-0.73
RATE.- Swaps with rate coverage1	1,218	200	5.22%	7.41%	2.46	3.50	-1.03
RATE.- Swaps with rate coverage1	1,139	-1,000	5.25%	6.46%	16.33	20.11	-3.78
RATE.- Swaps with rate coverage1	1,121	300	5.10%	7.30%	3.57	5.11	-1.54
RATE.- Swaps with rate coverage1	1,093	130	5.37%	7.35%	1.63	2.23	-0.60
RATE.- Swaps with rate coverage1	1,121	200	5.37%	7.03%	2.51	3.28	-0.77
RATE.- Swaps with rate coverage1	1,121	-130	5.37%	6.34%	1.63	1.92	-0.29
RATE.- Swaps with rate coverage1	1,139	-300	5.10%	6.29%	3.57	4.40	-0.84
RATE.- Swaps with rate coverage1	1,218	-200	5.22%	6.29%	2.46	2.97	-0.51
RATE.- Swaps with rate coverage1	1,093	-200	5.37%	6.34%	2.51	2.96	-0.45
RATE.- Swaps with rate coverage1	55	1,000	0.00%	0.00%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	56	2,000	0.00%	0.00%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	57	1,000	0.00%	0.00%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	1,343	-300	5.23%	6.45%	4.88	6.02	-1.14
TOTAL							
FOR COVERAGE PURPOSES							
FEES.- NO FLOW EXCHANGE	2,920	615	5.09%	9.40%	2.67	4.94	-2.27
FEES.- NO FLOW EXCHANGE	942	434	5.08%	13.25%	3.28	4.70	-1.42
FEES.- NO FLOW EXCHANGE	761	135	5.08%	15.29%	0.93	1.38	-0.45
FEES.- NO FLOW EXCHANGE	1,673	300	5.10%	4.59%	3.57	3.21	0.36
FEES.- NO FLOW EXCHANGE	1,584	450	5.20%	4.63%	5.46	4.85	0.61
FEES.- NO FLOW EXCHANGE	944		5.22%	4.63%	6.16	5.46	0.70
FEES.- NO FLOW EXCHANGE	1,492	250	5.37%	4.58%	3.13	2.67	0.46
FEES.- NO FLOW EXCHANGE	1,826	300	5.37%	4.73%	3.76	3.31	0.45
FEES.- NO FLOW EXCHANGE	2,708	500	5.36%	4.70%	6.26	5.48	0.77
FEES.- NO FLOW EXCHANGE	2,495	250	5.36%	4.71%	3.13	2.74	0.38
FEES.- NO FLOW EXCHANGE	2,556	500	5.34%	4.69%	6.23	5.47	0.76
FEES.- NO FLOW EXCHANGE	2,008	250	5.23%	4.69%	3.05	2.73	0.32
FEES.- NO FLOW EXCHANGE	2,800	350	5.10%	4.75%	4.16	3.88	0.29
FEES.- NO FLOW EXCHANGE	2,008	1,203	5.24%	5.08%	8.22	5.01	3.21
FEES.- NO FLOW EXCHANGE	4,450	300	4.99%	4.67%	2.33	2.18	0.15
FEES.- NO FLOW EXCHANGE	623	400	4.98%	4.67%	3.10	2.91	0.20
FEES.- NO FLOW EXCHANGE	2,038	300	4.98%	4.70%	2.32	2.19	0.13
FEES.- NO FLOW EXCHANGE	618	275	5.08%	7.81%	2.61	4.00	-1.39
FEES.- NO FLOW EXCHANGE	982	279	5.08%	7.95%	3	4	-2
FEES.- NO FLOW EXCHANGE	985	60	5.08%	8.11%	1	1	0
FEES.- NO FLOW EXCHANGE	987	226	5.08%	8.86%	3	5	-2
FEES.- NO FLOW EXCHANGE	988	27	5.08%	8.93%	0	1	0

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(figures in Millions of pesos)

FEES.- NO FLOW EXCHANGE	992	278	5.08%	7.98%	3	5	-2
FEES.- NO FLOW EXCHANGE	994	1	5.08%	8.24%	1	1	0
FEES.- NO FLOW EXCHANGE	996	41	5.08%	8.18%	1	1	0
FEES.- NO FLOW EXCHANGE	999	206	5.08%	8.16%	3	4	-2
FEES.- NO FLOW EXCHANGE	1,363	29	5.08%	9.02%	0	1	0
FEES.- NO FLOW EXCHANGE	1,394	1	5.39%	9.36%	1	-2	4
FEES.- NO FLOW EXCHANGE	1,395	165	0.00%	0.00%	0	0	0
FEES.- NO FLOW EXCHANGE	1,398	82	0.00%	0.00%	0	0	0
OPTIONS *							
	699	36	10.00%		0	0	0

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF SEPTEMBER 30, 2021

AMOUNTS IN MILLIONS OF PESOS

SWAPS	DAYS TO BEAT	AMOUNT and/or NOTIONAL	ACTIVE RATE	LIABLE RATE	FLows	FLows TO DELIVER	NET FLOWS
					RECEIVABLE		
FOR NEGOTIATION PURPOSES			receive	pay	proj		
RATE.- Swaps with rate coverage1	13	3,000	4.51%	4.36%	31.57	30.52	1.05
RATE.- Swaps with rate coverage1	15	2,000	4.52%	4.37%	21.09	20.37	0.72
RATE.- Swaps with rate coverage1	104	2,500	4.63%	5.04%	18.02	19.61	-1.59
RATE.- Swaps with rate coverage1	105	3,800	4.63%	5.01%	27.40	29.61	-2.22
RATE.- Swaps with rate coverage1	774	300	4.60%	7.30%	3.22	5.11	-1.89
RATE.- Swaps with rate coverage1	774	300	4.60%	7.30%	3.22	5.11	-1.89
RATE.- Swaps with rate coverage1	12	3,000	4.52%	4.35%	31.64	30.45	1.19
RATE.- Swaps with rate coverage1	162	5,000	4.75%	5.20%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	162	5,000	4.75%	5.21%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	82	5,000	4.75%	5.22%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	82	15,000	4.75%	5.05	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	82	5,000	4.75%	5.04%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	83	10,000	4.75%	5.04%	0.00	0.00	0.00
RATE.- Swaps with rate coverage1	168	2,000	4.75%	5.42%	0.00	0.00	0.00
TOTAL							
FOR COVERAGE PURPOSES							
FEES.- NO FLOW EXCHANGE	396	41	4.60%	7.56%	0.49	0.81	-0.32
FEES.- NO FLOW EXCHANGE	577	169	4.60%	7.30%	1.99	3.17	-1.17
FEES.- NO FLOW EXCHANGE	617	300	4.44%	4.73%	3.11	3.31	-0.20
FEES.- NO FLOW EXCHANGE	620	500	4.44%	4.70%	5.18	5.48	-0.30
FEES.- NO FLOW EXCHANGE	622	250	4.44%	4.71%	2.59	2.74	-0.15
FEES.- NO FLOW EXCHANGE	623	500	4.44%	4.69%	5.18	5.47	-0.29
FEES.- NO FLOW EXCHANGE	627	250	4.52%	4.69%	2.64	2.73	-0.10
FEES.- NO FLOW EXCHANGE	629	500	4.51%	4.63%	5.26	5.40	-0.13
FEES.- NO FLOW EXCHANGE	631	450	4.52%	4.62%	4.75	4.85	-0.11
FEES.- NO FLOW EXCHANGE	634	300	4.60%	4.59%	3.22	3.21	0.01
FEES.- NO FLOW EXCHANGE	998	350	4.60%	4.75%	3.75	3.88	-0.12

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FEES.- NO FLOW EXCHANGE	1,029	300	4.52%	4.67%	3.22	4.36	-1.14
FEES.- NO FLOW EXCHANGE	1,030	400	4.52%	4.67%	5.62	5.81	-0.19
FEES.- NO FLOW EXCHANGE	1,033	300	4.52%	4.70%	4.22	4.38	-0.17
FEES.- NO FLOW EXCHANGE	1,127	161	4.60%	7.81%	1.89	3.21	-1.32
FEES.- NO FLOW EXCHANGE	1,308	172	4.60%	7.95%	2.03	3.51	-1.48
FEES.- NO FLOW EXCHANGE	1,461	43	4.60%	8.11%	0.51	0.91	-0.39
FEES.- NO FLOW EXCHANGE	1,643	189	4.60%	8.86%	2.23	4.30	-2.07
FEES.- NO FLOW EXCHANGE	1,643	21	4.60%	8.93%	0.26	0.50	-0.24
FEES.- NO FLOW EXCHANGE	1,673	215	4.60%	7.98%	2.53	4.38	-1.86
FEES.- NO FLOW EXCHANGE	2,130	53	4.60%	8.24%	0.63	1.13	-0.50
FEES.- NO FLOW EXCHANGE	2,191	36	4.60%	8.18%	0.42	0.76	-0.33
FEES.- NO FLOW EXCHANGE	2,343	188	4.60%	8.16%	2.21	3.92	-1.71
FEES.- NO FLOW EXCHANGE	2,435	25	4.60%	9.02%	0.30	0.60	-0.29
FEES.- NO FLOW EXCHANGE	2,555	141	4.60%	9.40%	1.66	3.39	-1.73
FEES.- NO FLOW EXCHANGE	3,865	1,279	4.60%	5.65%	15.03	18.47	-3.44
FEES.- NO FLOW EXCHANGE	4,085	94	4.44%	9.36%	1.09	2.30	-1.21
FEES.- NO FLOW EXCHANGE	1,219	164	7.11%	8.38%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	579	82	7.84%	9.74%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	253	250	4.44%	4.58%	2.59	2.67	-0.08
FEES.- NO FLOW EXCHANGE	258	309	4.52%	2.94%	3.58	2.33	1.25
OPTIONS *							
	242.00	7.00	10%		0.0000	0.00	0.0000

The necessary prospective and retrospective tests were performed to determine the level of efficiency of the hedges, entailing the following results:

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF SEPTEMBER 30, 2020

AMOUNTS IN MILLIONS OF PESOS

SWAPS

FOR COVERAGE PURPOSES	TYPE OF COVERAGE	LEVEL OF EFFECTIVENESS
Swap with rate coverage	Fair value	100.13%
Swap with rate coverage	Fair value	99.91%
Swap with rate coverage	Fair value	99.89%
Swap with rate coverage	Fair value	97.75%
Swap with rate coverage	Fair value	118.18%
Swap with rate coverage	Fair value	100.10%
Swap with rate coverage	Fair value	100.01%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	101.86%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	99.98%
Swap with rate coverage	Fair value	99.86%
Swap with rate coverage	Fair value	102.01%
Swap with rate coverage	Fair value	100.03%
Swap with rate coverage	Fair value	102.74%
Swap with rate coverage	Cash Flow	99.08%
Swap with rate coverage	Cash Flow	99.93%
Swap with rate coverage	Cash Flow	99.93%
Swap with rate coverage	Cash Flow	99.08%
Swap with rate coverage	Cash Flow	99.93%
Swap with rate coverage	Cash Flow	99.08%
Swap with rate coverage	Cash Flow	99.93%
Swap with rate coverage	Cash Flow	99.27%
Swap with rate coverage	Cash Flow	99.93%
Swap with rate coverage	Cash Flow	99.80%
OPTIONS *	Fair value	100.00%

In the period of the third quarter of 2020, the loss due to ineffectiveness is \$ 0.3

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF SEPTEMBER 30, 2021
 AMOUNTS IN MILLIONS OF PESOS

SWAPS

FOR COVERAGE PURPOSES	TYPE OF COVERAGE	LEVEL OF EFFECTIVENESS
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	99.69%
Swap with rate coverage	Fair value	102.48%
Swap with rate coverage	Fair value	100.02%
Swap with rate coverage	Fair value	86.55%
Swap with rate coverage	Fair value	99.85%
Swap with rate coverage	Fair value	100.03%
Swap with rate coverage	Fair value	99.95%
Swap with rate coverage	Fair value	101.93%
Swap with rate coverage	Fair value	99.94%
Swap with rate coverage	Fair value	99.92%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	99.87%
Swap with rate coverage	Fair value	103.05%
Swap with rate coverage	Fair value	100.57%
Swap with rate coverage	Fair value	102.79%
Swap with rate coverage	Fair value	99.82%
Swap with rate coverage	Cash Flow	99.51%
Swap with rate coverage	Cash Flow	99.76%
Swap with rate coverage	Cash Flow	99.47%
Swap with rate coverage	Cash Flow	98.63%
Swap with rate coverage	Cash Flow	99.47%
Swap with rate coverage	Cash Flow	98.63%
Swap with rate coverage	Cash Flow	99.47%
Swap with rate coverage	Cash Flow	98.81%
Swap with rate coverage	Cash Flow	99.76%
Swap with rate coverage	Cash Flow	99.35%
Swap with rate coverage	Cash Flow	99.76%
Swap with rate coverage	Cash Flow	99%
Swap with rate coverage	Cash Flow	100%
OPTIONS *		
	Fair value	100.00%

In the period of the third quarter of 2021, the loss in result due to ineffectiveness is \$ 1

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

VIII.- Valuation and sale results, by corresponding type of operation during the third quarter of 2020 and 2021:

RESULT FROM INTERMEDIATION				
AMOUNTS IN MILLIONS OF PESOS	III QUARTER		VAR \$	VAR%
	2020	2021		
RESULT BY VALUATION	-115.7	-1.8	113.9	-98.4%
SECURITIES TO NEGOTIATE	-153.6	8.5	162.1	-105.5%
SECURITIES TO RECEIVE IN REPURCHASE OPERATIONS				
SECURITIES TO DELIVER IN REPURCHASE OPERATIONS				
DERIVATIVE FINANCIAL INSTRUMENTS	37.8	-10.3	-48.2	-127.3%
PRIMARY POSITION ATTRIBUTABLE TO HEDGE RISK				
COLLATERALS SOLD	0.0	0.0	0.0	0.0%
RESULT FROM THE PURCHASE OF SECURITIES AND INSTRUMENTS	-26.2	-25.1	1.1	-4.3%
SECURITIES TO NEGOTIATE	-1.9	-28.1	-26.2	1404.2%
DERIVATIVE FINANCIAL INSTRUMENTS	-24.3	3.0	27.4	-112.4%
RESULT FROM THE PURCHASE OF FOREIGN CURRENCIES	32.6	35.5	2.9	8.8%
RESULT FROM SALE OF METALS	0.0	0.0	0.0	0.0%
TOTAL	-109.3	8.6	117.9	-107.9%

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

IX.- Amount and origin of the main items that make up the heading of other corresponding income and expenses during the third quarter of 2020 and 2021.

Other Income (Expenses) of the Net Operation			AMOUNT VAR		% VAR
	III QUARTER 2020	II Q 2021	III QUARTER 2021	IIIQ 20 VS IIIQ 21	IIIQ 20 VS IIIQ 21
Recoveries	16.3	18.1	15.1	(1.3)	-7.7%
Debugging accounts payable	(1.4)	(1.0)	(0.5)	0.9	-65.6%
Result from operating lease	1.4	1.3	0.7	(0.7)	-51.2%
Collection of written-off credits	25.2	33.7	23.3	(1.9)	-7.6%
Release of reserves	0.6	0.0	0.0	(0.6)	-100.0%
Release of reserves from other debts	0.0	0.1	39.1	39.1	0.0%
Sale of furniture and real estate	1.8	(0.3)	2.0	0.2	13.3%
Bond from the use of Debit and Credit Cards	0.0	2.9	0.3	0.3	0.0%
Other + funds	9.2	13.5	19.1	10.0	108.8%
Loss on portfolio sale	(1.2)	(0.8)	(0.3)	0.9	-76.2%
Customer bonuses	(14.3)	(14.3)	(15.5)	(1.2)	8.1%
Miscellaneous bankruptcies	(1.8)	(5.0)	(3.8)	(2.0)	111.5%
Reserve for other overdue debts	(8.1)	(5.3)	(4.6)	3.5	-43.3%
Reserve foreclosed assets	(9.7)	(0.1)	(7.9)	1.7	-18.0%
Others	(0.4)	(0.4)	(0.3)	0.2	-38.5%
Totals	17.5	42.3	66.7	49.2	281.8%

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

X.- Deferred taxes are presented below according to their origin for the first quarter of 2020 and 2021:

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF SEPTEMBER 30, 2020 AMOUNTS IN MILLIONS OF PESOS				
	TOTAL BASE	ISR	PTU	TOTAL
FAVOR MATCHES				
TEMPORARY PROVISIONS	232.0	69.6	0.0	69.6
PREVENTIVE ESTIMATION FOR CREDIT RISKS	1988.4	596.5	0.0	596.5
OTHER TEMPORARY DIFFERENCES	415.0	124.5	0.0	124.5
				790.6
MATCHES CHARGED				
EARLY DEDUCTIONS	-938.8	-281.6	0.0	-281.6
OTHER TEMPORARY DIFFERENCES	175.6	52.7	0.0	52.7
				-229.0
TOTAL DEFERRED TAXES IN FAVOR				561.7

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF SEPTEMBER 30, 2021 AMOUNTS IN MILLIONS OF PESOS				
	TOTAL BASE	ISR	PTU	TOTAL
FAVOR MATCHES				
TEMPORARY PROVISIONS	310.6	93.2	0.0	93.2
PREVENTIVE ESTIMATION FOR CREDIT RISKS	2403.6	721.1	0.0	721.1
OTHER TEMPORARY DIFFERENCES	345.1	103.5	0.0	103.5
				917.8
MATCHES CHARGED				
EARLY DEDUCTIONS	-1334.1	-400.2	0.0	-400.2
OTHER TEMPORARY DIFFERENCES	-92.7	-27.8	0.0	-27.8
				-428.0
TOTAL DEFERRED TAXES IN FAVOR				489.8

Notes on the Consolidated Financial Statements

(figures 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)	III QUARTER	
AMOUNTS IN MILLIONS OF PESOS	2020	2021
ASSETS SUBJECT TO RISK		
OF CREDIT	42,417.4	42,254.4
MARKET	8,750.9	7,336.1
OPERATIONAL	7,540.6	8,579.7
CAPITAL STRUCTURE		
BASIC CAPITAL	6,092.5	7,353.9
COMPLEMENTARY CAPITAL	1,696.5	2,153.0
NET CAPITAL	7,789.0	9,506.9
CREDIT CAPITALIZATION INDEX	18.36%	22.50%
TOTAL CAPITALIZATION INDEX	13.27%	16.34%
AVERAGE MARKET VALUE AT RISK (VAR)	10.34	13.40
PERCENTAGE OF NET CAPITAL	0.13%	0.14%

XIV.- Information by segments.

Banca Afirme				
Balance Sheet by Segments				
amounts in millions of pesos				
Sep-20	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Assets	53,418.8	110,365.7	817.4	164,601.9
Cash and Cash Equivalents	1,943.6	4,973.0	0.0	6,916.6
Investment in securities Restricted trading securities	0.0	0.0	0.0	0.0
Debtors on repurchase Operations with Securities and Derivatives	0.0	93,804.1	0.0	93,804.1
Loan Portfolio	0.0	6,327.7	0.0	6,327.7
Other assets	45,342.9	148.6	0.0	148.6
	6,132.4	0.0	0.0	45,342.9
	0.0	5,112.3	817.4	12,062.1
Liabilities	47,976.3	110,365.7	0.0	158,342.0
Demand on assets	29,004.2	2,384.1	0.0	31,388.2
Time Collection Term	12,154.3	16,965.1	0.0	29,119.4
Creditors for repurchase	0.0	83,831.7	0.0	83,831.7
Sales Collaterals or Given in Guarantee	0.0	0.0	0.0	0.0
Interbank Loans	4,993.5	0.0	0.0	4,993.5
Operations with Securities and Derivatives	0.0	509.3	0.0	509.3
Subordinated debt issued	0.0	2,508.1	0.0	2,508.1
Other liabilities	1,824.3	4,167.4	0.0	5,991.8
Capital	5,442.5	0.0	817.4	6,259.9
Stockholders' Equity	5,442.5	0.0	817.4	6,259.9
Total Liabilities and Capital	53,418.8	110,365.7	817.4	164,601.9

Banca Afirme				
Balance Sheet by Segments				
amounts in millions of pesos				
Sep-21	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Assets	55,148.5	137,294.7	489.3	192,932.5
Cash and Cash Equivalents	1,846.5	5,623.7	0.0	7,470.3
Investment in securities	0.0	0.0	0.0	0.0
Restricted trading securities	0.0	120,873.7	0.0	120,873.7
Debtors on repurchase Operations with Securities and Derivatives	0.0	10,519.0	0.0	10,519.0
Loan Portfolio	46,692.8	278.3	0.0	278.3
Other assets	6,609.2	0.0	0.0	46,692.8
			489.3	7,098.5
Liabilities	48,180.7	137,294.7	0.0	185,475.4
Demand on assets	32,043.4	2,000.0	0.0	34,043.4
Time Collection Term	8,996.1	20,882.6	0.0	29,878.7
Creditors for repurchase	0.0	99,395.5	0.0	99,395.5
Sales Collaterals or Given in Guarantee	0.0	0.0	0.0	0.0
Interbank Loans	5,753.7	0.0	0.0	5,753.7
Operations with Securities and Derivatives	0.0	84.2	0.0	84.2
Subordinated debt issued	0.0	2,741.1	0.0	2,741.1
Other liabilities	1,387.6	12,191.3	0.0	13,578.9
Capital	6,967.8	0.0	489.3	7,457.1
Stockholders' Equity	6,967.8	0.0	489.3	7,457.1
Total Liabilities and Capital	55,148.5	137,294.7	489.3	192,932.5

Banca Afirme				
Income Statement by Segments				
amounts in millions of pesos				
Sep-20	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Interest Income	1,530.94	2,191.36	0.00	3,722.30
Income from Warehousing Services	0.00	0.00	0.00	0.00
Interest Expense	-414.10	-1,972.13	0.00	-2,386.23
Result by Monetary Position	0.00	0.00	0.00	0.00
Preventive Estimation for Credit Risks.	-507.43	0.00	0.00	-507.43
Commissions and Fees Charged	277.56	0.00	300.27	577.83
Commissions and Fees Paid	-77.74	0.00	-80.24	-157.98
Result by intermediation	32.65	-142.05	0.00	-109.40
Other income (expenses) from the operation	17.47	0.00	0.00	17.47
Administration and Promotion Expenses	-420.91	-71.55	-534.70	-1,027.08
Operating Result	438.44	5.62	-314.67	129.94
Other Expenses and Products	0.00	0.00	0.00	0.00
ISR	-29.71	-1.44	-2.04	-33.19
Result before participation of subsidiaries	408.73	4.19	-316.71	96.76
Participation in the results of subsidiaries			6.22	6.22
Net profit	408.73	4.19	-310.49	103.0

Banca Afirme				
Income Statement by Segments				
amounts in millions of pesos				
Sep-21	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Interest Income	1,458.08	2,285.85	0.00	3,743.93
Income from Warehousing Services	0.00	0.00	0.00	0.00
Interest Expense	-442.10	-1,923.03	0.00	-2,365.13
Result by Monetary Position	0.00	0.00	0.00	0.00
Preventive Estimation for Credit Risks.	-244.40	0.00	0.00	-244.40
Commissions and Fees Charged	249.77	0.00	436.17	685.94
Commissions and Fees Paid	-78.83	0.00	-200.92	-279.75
Result by intermediation	35.51	-26.90	0.00	8.61
Other income (expenses) from the operation	66.70	0.00	0.00	66.70
Administration and Promotion Expenses	-813.87	-286.41	-213.95	-1,314.23
Operating Result	230.86	49.51	21.31	301.68
Other Expenses and Products ISR	0.00	0.00	0.00	0.00
	-54.18	-11.62	-5.00	-70.81
Result before participation of subsidiaries	176.67	37.89	16.31	230.87
Participation in the results of subsidiaries			11.24	11.24
Net profit	176.67	37.89	27.55	242.1

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

The current and past due portfolio by economic sector for the third quarter 2020 and 2021 is shown below:

CURRENT CREDIT PORTFOLIO GROUPED BY ECONOMIC SECTOR				
III QUARTER				
AMOUNTS IN MILLIONS OF PESOS	2020	2021	VAR \$	VAR%
AGRICULTURE	222.0	259.6	37.6	16.9%
COMMERCE	10,106.0	9,807.5	-298.5	-3.0%
CONSTRUCTION	3,347.5	2,687.4	-660.1	-19.7%
ELECTRICITY AND WATER	3,602.1	5,554.7	1,952.6	54.2%
MANUFACTURING	1,709.4	1,576.7	-132.7	-7.8%
MINING AND OIL	1,106.9	1,316.2	209.3	18.9%
SERVICES	7,521.3	4,485.7	-3,035.7	-40.4%
FINANCIAL AND REAL ESTATE SERVICES	2,899.7	2,899.4	-0.3	0.0%
TRANSPORT AND COMMUNICATIONS	1,378.4	1,067.4	-310.9	-22.6%
MUNICIPAL, STATE AND FEDERAL GOVERNMENT	1,879.2	1,406.5	-472.7	-25.2%
CONSUMPTION	4,616.9	7,926.1	3,309.2	71.7%
HOUSING	7,805.5	8,662.9	857.4	(11.0)%
TOTAL	46,194.9	47,650.2	1,455.3	3.2%

NON PERFORMING LOAN PORTFOLIO GROUPED BY ECONOMIC SECTOR				
III QUARTER				
AMOUNTS IN MILLIONS OF PESOS	2020	2021	VAR \$	VAR%
AGRICULTURE	4.7	0.6	-4.2	-88.1%
COMMERCE	350.3	378.8	28.5	8.1%
CONSTRUCTION	32.0	137.3	105.3	328.7%
MINING AND OIL	0.0	0.0	0.0	0.0%
ELECTRICITY AND WATER	0.0	0.0	0.0	0.0%
MANUFACTURING	70.4	93.6	23.3	33.1%
SERVICES	202.4	245.3	42.9	21.2%
FINANCIAL AND REAL ESTATE SERVICES	5.2	4.7	-0.5	-9.0%
TRANSPORT AND COMMUNICATIONS	30.7	33.5	2.8	9.1%
GOVERNMENT ENTITIES	0.0	0.0	0.0	0.0%
CONSUMPTION	127.1	223.1	96.0	75.6%
HOUSING	447.4	672.5	225.1	50.3%
TOTAL	1,270.1	1,789.5	519.3	40.9%

FOREIGN CURRENCY AMERICAN DOLLARS VALUED TO PESOS AT THE EXCHANGE RATE OF THE END OF THE MONTH

Loan Portfolio by Geographic Zone

CURRENT CREDIT PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2020

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
CONSUMER CREDITS	978.26	3,353.77	2,086.09	1,552.49	7,970.61
BUSINESS OR COMMERCIAL ACT	2,682.22	19,487.30	3,452.77	2,460.11	28,082.39
MID AND RESIDENTIAL	1,398.20	2,787.08	1,351.91	2,256.10	7,793.29
OF SOCIAL INTEREST	0.00	12.22	0.00	0.00	12.22
FINANCIAL ENTITIES	1.68	455.60	0.00	0.00	457.28
GOVERNMENT ENTITIES	0.00	1,018.17	0.00	860.94	1,879.11
TOTAL	5,060.37	27,114.14	6,890.77	7,129.64	46,194.92

CURRENT CREDIT PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2021

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
CONSUMER CREDITS	835.84	4,202.30	1,664.93	1,223.07	7,926.14
BUSINESS OR COMMERCIAL ACT	2,766.96	20,607.31	3,655.38	2,138.55	29,168.20
MID AND RESIDENTIAL	1,354.13	3,851.32	1,474.83	1,972.23	8,652.50
OF SOCIAL INTEREST	0.00	10.43	0.00	0.00	10.43
FINANCIAL ENTITIES	0.00	486.40	0.00	0.00	486.40
GOVERNMENT ENTITIES	0.00	1,398.96	7.56	0.00	1,406.52
TOTAL	4,956.93	30,556.71	6,802.70	5,333.86	47,650.19

**NON PERFORMING LOAN PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2020**

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
CORPORATE OR BUSINESS ACTIVITY	151.35	136.47	84.93	235.48	608.23
CONSUMER CREDITS	27.01	96.32	55.75	35.43	214.52
MID AND RESIDENTIAL	82.59	161.72	45.94	157.15	447.40
TOTAL	260.95	394.52	186.63	428.05	1,270.15

**NON PERFORMING LOAN PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2021**

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
CORPORATE OR BUSINESS ACTIVITY	332.07	235.34	120.87	205.61	893.89
CONSUMER CREDITS	21.83	114.36	49.04	37.87	223.11
MID AND RESIDENTIAL	116.14	301.66	54.55	200.17	672.52
TOTAL	470.04	651.37	224.46	443.65	1,789.51

(*) MONTERREY AND ITS METROPOLITAN AREA

(**) MEXICO CITY AND MEXICO STATE

(***) BAJA CALIFORNIA, CHIHUAHUA, COAHUILA, DURANGO, SINALOA, SONORA AND TAMAULIPAS

(****) AGUASCALIENTES, COLIMA, GUANAJUATO, GUERRERO, HIDALGO, JALISCO, MICHOACAN, MORELOS, NAYARIT, PUEBLA, QUERETARO, SAN LUIS POTOSI, VERACRUZ

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

Deposit funding by Geographic Zone

DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2020

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
IMMEDIATE AVAILABLE DEPOSITS	5,845.82	11,508.53	2,461.95	11,299.09	31,115.39
TERM DEPOSITS	3,058.17	12,083.77	3,069.38	5,219.86	23,431.18
CREDITS SECURITIES ISSUED	0.00	384.05	0.00	0.00	384.05
TOTAL	8,903.99	23,976.35	5,531.33	16,518.95	54,930.62

DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE
AS OF SEPTEMBER 30, 2021

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
IMMEDIATE AVAILABLE DEPOSITS	6,888.68	10,435.75	4,363.09	12,429.29	34,116.81
TERM DEPOSITS	2,685.66	18,344.41	2,892.37	5,116.75	29,039.20
CREDITS SECURITIES ISSUED	0.00	766.08	0.00	0.00	766.08
TOTAL	9,574.34	29,546.25	7,255.46	17,546.04	63,922.09

(*) MONTERREY Y SU AREA METROPOLITANA

(**) CIUDAD DE MÉXICO Y ESTADO DE MÉXICO

(***) BAJA CALIFORNIA, CHIHUAHUA, COAHUILA, DURANGO, SINALOA, SONORA Y TAMAULIPAS

(****) AGUASCALIENTES, COLIMA, GUANAJUATO, GUERRERO, HIDALGO, JALISCO, MICHOACAN, MORELOS, NAYARIT, PUEBLA, QUERETARO, SAN LUIS POTOSI, VERACRUZ

XV.- Information on related parties:

The key operations performed with related parties were the following:

CREDITS AND TRANSACTIONS WITH OTHER RELATED COMPANIES		
AMOUNTS IN MILLIONS OF PESOS	III QUARTER	
	2020	2021
NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP		
CASH AND CASH EQUIVALENTS	224.1	208.11
CREDIT CARD	1,251.6	1,164.3
OPENING OF IRREVOCABLE CREDITS	10.0	10.0
TERM DEPOSITS AND REPURCHASE	1,955.4	1,548.9
DEMAND DEPOSITS	648.6	521.0
DEBTORS BY REPURCHASE	58,132.0	55,802.1
CREDITORS FOR REPURCHASE	4,805.5	1,451.6
VARIOUS CREDITORS	1.8	3.5
VARIOUS DEBTORS	33.5	57.1
MEMBERS OF THE BANK AND GROUP BOARD OF DIRECTORS		
CREDIT CARD	4.8	7.4
TERM DEPOSITS AND REPURCHASE	123.2	58.1
DEMAND DEPOSITS	11.2	12.4
SPOUSES AND PEOPLE RELATED TO THE PREVIOUS PEOPLE		
CREDIT CARD	12.2	11.5
TERM DEPOSITS AND REPURCHASE	29.8	26.1
DEMAND DEPOSITS	11.7	17.0

INTEREST, COMMISSIONS AND OTHER EXPENSES OF RELATED COMPANIES		
AMOUNTS IN MILLIONS OF PESOS	III QUARTER	
	2020	2021
INTEREST CHARGED	15.0	17.4
SERVICE REVENUES	23.9	23.3
INCOME COLLECTED	0.5	0.5
FEES CHARGED	62.9	67.3
AWARDS COLLECTED	597.8	744.1
RESULT FROM PURCHASE AND SALE OF INVESTMENTS IN SECURITIES	-	12.5
TOTAL REVENUES	687.6	859.2
SALARIES AND BENEFITS	5.9	11.7
OTHER FEES	146.1	136.5
RENT PAID	31.9	33.9
INTEREST PAID	22.3	20.9
OTHER OPERATING AND ADMINISTRATION EXPENSES	49.1	44.9
AWARDS PAID	10.7	19.3
TOTAL EXPENSES	266.1	267.1

Financial indicators

RELEVANT INDICATORS			
	IIIT 20	IVT 20	IIIT 21
NPL ratio (past due portfolio/total portfolio)	2.68%	3.15%	3.62%
Overdue portfolio coverage (preventive estimate/past due portfolio)	1.47	1.36	1.24
Operating efficiency (administration and promotion expenses/average total assets)	2.49%	2.52%	2.81%
ROE (return on equity)	6.76%	1.84%	13.21%
ROA (return on assets)	0.25%	0.07%	0.52%
Liquidity Ratio (Cash and Cash Equivalents/liquid liabilities)	0.88	0.85	1.03
MIN (financial margin adjusted for credit risks/productive assets)	2.20%	1.51%	2.52%
Banca Afirme			
Credit Capitalization Index	18.36%	18.32%	22.50% (1)
Total Capitalization Ratio	13.27%	14.06%	16.34% (1)
Basic Capital Index	10.32%	10.51%	12.64% (1)
Assets subject to credit, market, and operational risk			
of credit	42,417	44,168	42,254 (1)
market	8,751	5,628	7,336 (1)
operating	7,541	7,761	8,580 (1)
Total	58,709	57,557	58,496

(1) Previous data before Banxico replies

Banca Afirme Portfolio Rating

ANNEX 35
BANCA AFIRME, SA
CREDIT PORTFOLIO RATING
AS OF SEPTEMBER 30, 2020
 Amounts in millions of pesos

DEGREES OF RISK	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	\$30,374	111	\$32	\$14	\$10	\$166
A-2	\$7,186	\$73	\$9	\$9	\$3	\$94
B-1	\$2,604	\$27	\$24	\$6	\$2	\$59
B-2	\$2,431	\$27	\$30	\$4	\$5	\$65
B-3	\$1,862	\$49	\$16	\$4	\$2	\$71
C-1	\$1,340	\$31	\$34	\$10	\$12	\$88
C-2	\$961	\$19	\$48	\$28	\$22	\$117
D	\$1,494	\$298	\$65	\$49	\$78	\$490
E	\$474	\$41	\$220	\$20	\$34	\$315
EXCEPTED QUALIFIED TOTAL	\$0	\$0	\$0	\$0	\$0	\$0
	\$48,727	\$674	\$477	\$145	\$169	\$1,465
Less: RESERVES CONSTITUTED						\$1,866
EXCESS BALANCE RESERVATIONS						-\$401
						\$1,866

GRADES:

- 1.- The figures for the qualification and constitution of loan-loss reserves are those corresponding to the last day of the month to which the balance sheet refers as of September 30, 2020.
- 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 loan-loss reserves constituted by \$ 401', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Banca Afirme Portfolio Rating

ANNEX 35
BANCA AFIRME, SA
CREDIT PORTFOLIO RATING
AS OF SEPTEMBER 30, 2021
 Amounts in millions of pesos

DEGREES OF RISK	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS					TOTAL LOAN-LOSS RESERVES
		COMMERCIAL	CONSUMPTION		HOUSING MORTGAGE PORTFOLIO		
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS			
A-1	\$29,540	\$94	\$35	\$21	\$11	\$161	
A-2	\$8,210	\$77	\$10	\$11	\$3	\$100	
B-1	\$4,112	\$52	\$25	\$7	\$2	\$86	
B-2	\$1,748	\$17	\$23	\$3	\$3	\$47	
B-3	\$3,039	\$89	\$15	\$4	\$2	\$109	
C-1	\$830	\$14	\$21	\$9	\$9	\$53	
C-2	\$957	\$24	\$35	\$17	\$35	111	
D	\$2,007	\$442	\$65	\$33	\$103	\$643	
E	\$583	\$60	\$222	\$22	\$71	\$375	
EXCEPTED QUALIFIED	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL	\$51,027	\$868	\$452	\$127	\$238	\$1,685	
Less: RESERVES CONSTITUTED						\$2,220	
EXCESS BALANCE RESERVATIONS						-\$535	
						\$2,220	

GRADES:

- 1.- The figures for the qualification and constitution of loan-loss reserves are those corresponding to the last day of the month to which the balance sheet refers as of September 30, 2021.
- 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 loan-loss reserves constituted by \$ 535', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

The following shows for each type of portfolio, the Exposure to Default, the Probability of Default and the Severity of the Loss as of September 30, 2020:

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
Commercial Portfolio	31,031.4	5.31%	35.95%
Housing Portfolio	8,252.9	9.98%	14.10%
Non-Revolver Consumer Portfolio	7,401.5	8.83%	71.76%
Revolving Consumer Portfolio: Credit Card	1,377.3	13.95%	73.29%

The following shows for each type of portfolio, the Exposure at Default, the Probability of Default and the Severity of the Loss as of September 31, 2021:

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
Commercial Portfolio	31,985.5	6.96%	34.35%
Housing Portfolio	9,335.5	12.24%	14.45%
Non-Revolver Consumer Portfolio	7,325.2	8.56%	71.73%
Revolving Consumer Portfolio: Credit Card	1,640.3	10.24%	72.81%

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 bond issue was executed through a private offer for up to 11,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 4.0%, this issuance is not guaranteed, the payment period of interest is every three months, it has no expiration 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 issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through OFI/official letters 033-24335. The bond issue was performed through a public offering of up to 12,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest 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 bonds compared to the amount issued was 100%.

QBAFIRME20

At the Extraordinary General Shareholders' Meeting held on September 27, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153 / 12258/2020. The bond issue was executed through a public offering of up to 5,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in September 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 October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The bond issue was executed through a public offering of up to 2,300,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest 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%.

As of September 30, 2021, the subordinated bonds are recorded in the Consolidated Balance Sheet under the heading of "Outstanding Subordinated Bonds", which have the option of prepayment from the fifth year and have, among others, 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 September 31, 2021 and 2020, the subordinated bonds do not have a discount or premium rate.

XVII.- The consolidated financial statements are prepared based on banking legislation, in accordance with the accounting criteria and operating rules for credit institutions in Mexico (the "Accounting Criteria"), established by the Banking Commission, who has in charge of the inspection and surveillance of credit institutions and conducts the review of their financial information.

The Accounting Criteria indicate that in the absence of an express accounting criterion in them and in a broader context of the Mexican Financial Information Standards ("NIF") issued by the Mexican Council of Financial Information Standards, A. C. C. ("CINIF"), it will be observed, the supplementary process, established in NIF A-8 "Supplementary", and only in the event that the International Financial Reporting Standards ("IFRS") referred to in NIF A- 8 "Supplementation", do not provide a solution to the accounting recognition, you may opt for a supplementary rule that belongs to any other regulatory scheme, provided that it meets all the requirements indicated in the aforementioned NIF, the supplementation must be applied in the following order: Generally Accepted Accounting Principles in the United States of America ("US GAAP") and then any accounting standard that is part of a formal and recognized set of standards, as long as it does not contravene criterion A-4 "Qualitative characteristics of the financial statements" of the Banking Commission.

XVIII.- Activity and outstanding operations-

BANCA AFIRME, S. A., Institución de Banca Múltiple, Afirme Grupo Financiero (the "Bank") was incorporated under Mexican law with address at Av. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L. The Bank is a 99.99% subsidiary of Afirme Grupo Financiero, S. A. de C.V. V. ("Grupo Afirme") and based on the Credit Institutions Law ("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 investments in securities, the repurchase operations and derivative financial instruments and the execution of trust contracts, among others. Its activities are regulated by the Banco de México ("Central Bank") and by the National Banking and Securities Commission (the "Banking 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. Multiple Purpose Regulated Financial Entity, Afirme Financial Group ("The Lessor") (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. Sociedad Operadora de Fondos de Inversión ("The Operator") (99.99% participation), which is dedicated to the provision of asset management services, distribution, valuation, promotion and acquisition of shares issued by the Investment Funds, as well as the deposit and custody of investment assets of investment company shares, 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.

a) Accounting criteria -

On January 4, 2018, the Commission released, through the Official Gazette of the Federation ("DOF"), the sole transitory article of an amending resolution, which establishes the incorporation of new NIF issued by the CINIF within of the accounting criterion A-2 "Application of Particular Standards" contained in Annex 33 of the Provisions, where the application and entry into force for credit institutions of the aforementioned NIFs was established as of January 1, 2019, however On November 4, 2019, the Commission announced through the DOF the amendment to the aforementioned transitory article, which established its application and entry into as of January 1, 2021. Subsequently, through a subsequent amendment to said article published in the DOF on November 9, 2020, January 1, 2022 was established as the date of application and entry into force of said NIF. The NIFs that are incorporated into accounting criteria A-2 of the aforementioned amending resolution are those mentioned below:

NIF B-17 "Determination of fair value" - Defines fair value as the exit price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is mentioned that fair value is a determination based on the market and not on a specific value of an asset or a liability and that, when determining fair value, the entity must use assumptions that market participants would use when setting the price of an asset or a liability under current market conditions at a given date, including risk-related assumptions. As a result, the entity's intention to hold an asset or settle, or otherwise satisfy a liability, is not relevant in determining fair value.

NIF C-3 "Accounts receivable" - The key characteristics issued for this NIF are shown below:

- Cancels Bulletin C-3 "Accounts Receivable".
- Specifies that accounts receivable that are based on a contract represent a financial instrument, while some of the other accounts receivable generated by a legal or tax provision may have certain characteristics of a financial instrument, such as earning interest, but they are not in themselves financial instruments.
- It establishes that the allowance for doubtful accounts for trade receivables is recognized from the moment the income is accrued, based on the expected credit losses.

It establishes that, from the initial recognition, the value of money must be considered over time, therefore, if the effect of the present value of the account receivable is important in view of its term, it must be adjusted based on said present value. The effect of the present value is material when the collection of the account receivable is agreed, totally or partially, for a term greater than one year, since in these cases there is a financing operation.

NIF C-9 "Provisions, contingencies and commitments" - Cancels Bulletin C-9 "Liabilities, provisions, assets and contingent liabilities and commitments", its scope is reduced by relocating the issue related to the accounting treatment of financial liabilities in the NIF C-19 "Financial instruments payable" and the definition of a liability is modified by eliminating the qualification of "virtually unavoidable" and including the term "probable". The first time application of this FRS will not generate accounting changes in the financial statements.

NIF C-16 "Impairment of financial instruments receivable" - It indicates that, to determine the recognition of the expected loss, the historical experience that the entity has of credit losses, the current conditions and the reasonable and sustainable forecasts of the different quantifiable future events that could affect the amount of future cash flows to be recovered from financial instruments receivable (IFC).

It also indicates that the expected loss should be recognized when, as credit risk has increased, it is concluded that a part of IFC's future cash flows will not be recovered. The accounting changes that arise should be recognized retrospectively.

NIF C-19 "Financial instruments payable" - The main characteristics issued for this NIF are shown below:

- The possibility of valuing, subsequent to their initial recognition, certain financial liabilities at fair value is established, when certain conditions are met.
- Valuing long-term liabilities at their present value on initial recognition.
- When restructuring a liability, without substantially modifying the future cash flows to settle it, the costs and commissions incurred in this process will affect the amount of the liability and will be amortized over a modified effective interest rate, instead of directly affecting the net profit or loss.
- It incorporates the provisions of IFRIC 19 "Extinction of Financial Liabilities with Capital Instruments", an issue that was not included in the existing regulations.
- The effect of extinguishing a financial liability must be presented as a financial result in the statement of comprehensive income.
- Introduces the amortized cost concepts to value financial liabilities and the effective interest method, based on the effective interest rate.

NIF C-20 "Financial instruments to collect principal and interest" - The main characteristics issued for this NIF are shown below:

The way to classify financial instruments in assets is modified, since the concept of intention to acquire and hold them is discarded to determine their classification, instead the concept of the Administration's business model is adopted.

- In this classification are grouped the financial instruments whose objective is to collect the contractual cash flows and obtain a profit for the contractual interest that they generate, having a loan characteristic.
- They include both financial instruments generated by sales of goods or services, financial leases or loans, as well as those acquired in the market.

NIF D-1 "Income from contracts with customers" - The key characteristics issued for this NIF are shown below:

- The transfer of control, the basis for the opportunity to recognize income.
- The identification of the obligations to fulfill in a contract.
- The allocation of the transaction price between the obligations to be fulfilled based on the independent sales prices.
- The introduction of the concept of conditioned accounts receivable.
- The recognition of collection rights.
- The valuation of income.

NIF D-2 "Income, costs from contracts with customers" - The main change in this standard is the separation of the regulations relating to the recognition of revenue from contracts with customers from the regulations corresponding to the recognition of costs from contracts with customers.

NIF D-5 "Leases" - It comes into force for the years that start from the 1st of January 2022. Cancels Bulletin D-5 "Leases". The first time application of this FRS generates accounting changes in the financial statements mainly for the lessee and grants different options for their recognition. Among the main changes are the following:

Eliminates the classification of leases as operating or capitalizable for a lessee, and the lessee must recognize a lease liability at the present value of payments and a right-of-use asset for the same amount, of all leases with a duration greater than 12 months, unless the underlying asset is of low value.

An expense is recognized for depreciation or amortization of right-of-use assets and an expense for interest on lease liabilities.

- It modifies the presentation of related cash flows since the outflows of cash flows from operating activities are reduced, with an increase in the outflows of cash flows from financing activities.
- It modifies the recognition of profit or loss when a seller-lessee transfers an asset to another entity and leases that asset on the way back.
- The accounting recognition by the lessor has no changes in relation to the previous Bulletin D-5, and only some disclosure requirements are added.

b) Improvements to FRS 2021

In December 2020, the CINIF issued the document called "Improvements to NIF 2021", which contains specific modifications to some existing NIFs. The main improvements that generate accounting changes are the following.

NIF B-1 "Accounting changes and error corrections" - To converge with IAS 8 of the International Financial Reporting Standards, prospective application is incorporated when it is impractical to determine the accumulated effects of an accounting change or the correction of an error. In those cases, the entity should recognize the effects of the change in the error correction in the current accounting period.

The amendment to this NIF comes into effect for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized through prospective application.

NIF C-19 "Financial instruments payable" - Establishes that now the proceeds from forgiveness received or granted must be presented within the results related to operating activities, instead of being presented in comprehensive income.

NIF C-20 "Financial instruments to collect principal and interest" - Establishes that now the effects of the renegotiation of an IFCPPI must be presented within the results related to operating activities, instead of being presented in comprehensive income.

NIF D-5 "Leases" - 1) establishes that the mandatory disclosures of the expense related to short-term and low-value leases for which the right-of-use asset has not been recognized, separately. 2) It incorporates the method to determine the proportion that corresponds to the rights of use retained by the seller-lessee, as well as their accounting recognition.

To date, the Bank's Administration is in the process of evaluating the impact that, on the financial statements, the adoption of the aforementioned NIFs, foreseen by the Banking Commission for January 1, 2022, will have. The improvements to the aforementioned FRS will be evaluated together, with the adoption of the aforementioned FRS.

XX.- The Capitalization Index is shown below (before replications with Banco de México) for the third quarter of 2021, as well as the assets subject to credit and market risk, to comply with the Applicable General Provisions to the institution.

ANNEX 1-O

Figure in millions of pesos as of September 30, 2021
(Before replies before Banco de México)

TABLE I.1 Disclosure format for capital integration without considering transitory 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	0.00
3	Other elements of comprehensive income (and other reserves)	3,411.76
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	7,330.38
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)	313.31
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)	
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)	0.00
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	600.68

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

A	Of which: Other elements of comprehensive income (and other reserves)	581.17
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	19.51
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	913.99
29	Common Equity Tier 1 (CET1)	6,416.39
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
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)	6,416.39
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	
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	0.00
Tier 2 capital: regulatory adjustments		

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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	
57	Total regulatory adjustments to Tier 2 capital	0.00
58	Tier 2 Capital (T2)	0.00
59	Total capital (TC = T1 + T2)	6,416.39
60	Total risk-weighted assets	58,170.16
Capital ratios and supplements		
61	Common Tier 1 Capital (as a percentage of total risk-weighted assets)	11.03
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	11.03
63	Total Capital (as a percentage of total risk-weighted assets)	11.03
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)	4.03
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
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)	

TABLE II.1

Capital concepts	No adjustment for capital recognition	DATA	% WASTR	DATA	Capital recognition adjustment	DATA	With adjustment for capital recognition	DATA	% WASTR	DATA
Basic Capital 1	TO	6,543	$B1 = A / F$	11.25%	C1	0	$A' = A - C1$	0	$B1' = A' / F'$	0
Basic Capital 2	B	811	$B2 = B / F$	1.39%	C2	0	$B' = B - C2$	0	$B2' = B' / F'$	0
Basic Capital	$C = A + B$	7,354	$B3 = C / F$	12.64%	$C3 = C1 + C2$	0	$C' = A' + B'$	0	$B3' = C' / F'$	0
Complementary Capital	D	2,153	$B4 = D / F$	3.70%	C4	0	$D' = D - C4$	0	$B4' = D' / F'$	0
Net Capital	$E = C + D$	9,507	$B5 = E / F$	16.34%	$C5 = C3 + C4$	0	$E' = C' + D'$	0	$B5' = E' / F'$	0
Weighted Assets Subject to Total Risk (WASTR)	F	58,170	Not Applicable		Not Applicable		$F' = F$	0	Not Applicable	
Capitalization index	$G = E / F$	16.34	Not Applicable		Not Applicable		$G' = E' / F'$	0	Not Applicable	

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

**TABLE II.1 Balance sheet
figures**

Balance sheet items reference	Balance sheet items	Amount presented on the balance sheet
	Active	192,932.52
BG1	Cash and Cash Equivalents	6,989.57
BG2	Margin accounts	46.89
BG3	Investments in securities	120,873.74
BG4	Debtors by repurchase	10,519.00
BG5	Securities Loan	0.00
BG6	Derivatives	278.25
BG7	Valuation adjustments for hedging financial assets	-46.40
BG8	Total loan portfolio (net)	47,219.86
BG9	Benefits to be received in securitization operations	0.00
BG10	Other accounts receivable (net)	1,471.22
BG11	Foreclosed assets (net)	203.61
BG12	Property, furniture, and equipment (net)	4,084.30
BG13	Permanent Investment	110.04
BG14	Long - term assets available for sale	0.00
BG15	Deferred taxes and employee profit sharing (net)	489.78
BG16	Other assets	692.66
	Liabilities	185,475.46
BG17	Traditional deposits	63,922.09
BG18	Interbank and other agencies loans	5,753.65
BG19	Creditors for Repurchase	99,395.50
BG20	Securities Loan	0.00
BG21	Collateral sold or pledged	0.00
BG22	Derivatives	84.19
BG23	Valuation adjustments for hedging financial assets	0.00
BG24	Debt in Securitization Transaction	0.00
BG25	Other accounts payable	13,524.69
BG26	Subordinated bonds issued	2,741.10
BG27	Deferred taxes and employee profit sharing (net)	0.00
BG28	Deferred credits and early collections	54.23
	Stockholders' equity	7,457.00
BG29	Contributed capital	3,918.63
BG30	Earned capital	3,538.37
	Memorandum accounts	623,554.93
BG31	Guarantees granted	1,195.11

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

BG32	Contingent assets and liabilities	0.00
BG33	Credit commitments	9,136.08
BG34	Assets in trust or mandate	42,067.54
BG35	Financial agent of the federal government	0.00
BG36	Assets in custody or management	293,315.28
BG37	Collaterals received by the entity	55,316.16
BG38	Collaterals received and sold or delivered as collateral by the entity	45,194.63
BG39	Investment banking operations on behalf of third parties (net)	20,673.19
BG40	Uncollected accrued interest from past due loan portfolio	99.53
BG41	Other registration accounts	156,557.41

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

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	313.31	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	

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

6	Investments in shares of the institution itself	16	0.00	
7	Reciprocal investments in ordinary capital	17	0.00	
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	0.00	
13	Reserves recognized as complementary capital	50	222.76	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	19.51	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	

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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 the Commercial Credit	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	
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 bonds amount that complies with Schedule 1-R	31	0.00	
30	Subordinated bonds subject to transitory status that are computed as basic capital 2	33	0.00	
31	Subordinated bonds amount that complies with Schedule 1-S	46	0.00	
32	Subordinated bonds 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	0.00	BG30

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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	3,411.76	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				
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	

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	4,266	341
Operations with debt securities in national currency with a surcharge and a reviewable rate	2,918	233
Operations in national currency with a real rate or denominated in UDI's	82	7
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	34	3
Positions in currencies or with yield indexed at the exchange rate	33	3
Gold Positions	0	0
Positions in shares or with yield indexed to the price of a share or group of shares	0	0
	7,336	587

TABLE IV.2

Concept	Risk-weighted assets	Capital requirement
Group I (weighted at 0%)	0.00	0.00
Group I (weighted at 10%)	0.00	0.00
Group I (weighted at 20%)	0.00	0.00
Group II (weighted at 0%)	0.00	0.00
Group II (weighted at 10%)	0.00	0.00
Group II (weighted at 20%)	0.00	0.00
Group II (weighted at 50%)	0.00	0.00
Group II (weighted at 100%)	0.00	0.00
Group II (weighted at 120%)	0.00	0.00
Group II (weighted at 150%)	0.00	0.00
Group III (weighted at 2.5%)	0.00	0.00
Group III (weighted at 10%)	0.00	0.00
Group III (weighted at 11.5%)	0.00	0.00
Group III (weighted at 20%)	960.30	76.82
Group III (weighted at 23%)	0.00	0.00
Group III (weighted at 50%)	423.36	33.87
Group III (weighted at 57.5%)	0.00	0.00
Group III (weighted at 100%)	0.00	0.00
Group III (weighted at 115%)	0.00	0.00
Group III (weighted at 120%)	0.00	0.00
Group III (weighted at 138%)	0.00	0.00
Group III (weighted at 150%)	0.00	0.00
Group III (weighted at 172.5%)	0.00	0.00
Group IV (weighted at 0%)	0.00	0.00
Group IV (weighted at 20%)	301.27	24.10
Group V (weighted at 10%)	0.00	0.00
Group V (weighted at 20%)	153.26	12.26
Group V (weighted at 50%)	285.64	22.85
Group V (weighted at 115%)	0.00	0.00
Group V (weighted at 150%)	0.00	0.00
Group VI (weighted at 20%)	0.00	0.00
Group VI (weighted at 50%)	1,895.59	151.65

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

Group VI (weighted at 75%)	909.54	72.76
Group VI (weighted at 100%)	4,916.84	393.35
Group VI (weighted at 120%)	0.00	0.00
Group VI (weighted at 150%)	352.14	28.17
Group VI (weighted at 172.5%)	0.00	0.00
Group VI (weighted at 125%)	367.87	29.43
Group VII_A (weighted at 10%)	0.00	0.00
Group VII_A (weighted at 11.5%)	0.00	0.00
Group VII_A (weighted at 20%)	1,140.58	91.25
Group VII_A (weighted at 23%)	0.00	0.00
Group VII_A (weighted at 50%)	233.57	18.69
Group VII_A (weighted at 57.5%)	0.00	0.00
Group VII_A (weighted at 100%)	30,096.15	2,407.69
Group VII_A (weighted at 115%)	0.00	0.00
Group VII_A (weighted at 120%)	0.00	0.00
Group VII_A (weighted at 138%)	218.29	17.46
Group VII_A (weighted at 150%)	0.00	0.00
Group VII_A (weighted at 172.5%)	0.00	0.00
Group VII_B (weighted at 0%)	0.00	0.00
Group VII_B (weighted at 20%)	0.00	0.00
Group VII_B (weighted at 23%)	0.00	0.00
Group VII_B (weighted at 50%)	0.00	0.00
Group VII_B (weighted at 57.5%)	0.00	0.00
Group VII_B (weighted at 100%)	0.00	0.00
Group VII_B (weighted at 115%)	0.00	0.00
Group VII_B (weighted at 120%)	0.00	0.00
Group VII_B (weighted at 138%)	0.00	0.00
Group VII_B (weighted at 150%)	0.00	0.00
Group VII_B (weighted at 172.5%)	0.00	0.00
Group VII (weighted at 125%)	0.00	0.00
Group IX (weighted at 100%)	0.00	0.00
Group IX (weighted at 115%)	0.00	0.00
Group X (weighted at 1250%)	0.00	0.00
Securitized with Risk Grade 1 (weighted at 20%)	0.00	0.00
Securitized with Risk Grade 2 (weighted at 50%)	0.00	0.00
Securitized with Risk Grade 3 (weighted at 100%)	0.00	0.00

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

Securizations with Risk Grade 4 (weighted at 350%)	0.00	0.00
Securizations with Risk Grade 4, 5, 6 or Not Qualified (weighted at 1250%)	0.00	0.00
	0.00	0.00
Re-securitizations with Risk Grade 1 (weighted at 40%)	0.00	0.00
Re-securitizations with Risk Grade 2 (weighted at 100%)	0.00	0.00
Re-securitizations with Risk Grade 3 (weighted at 225%)	0.00	0.00
Re-securitizations with Risk Grade 4 (weighted at 650%)	0.00	0.00
Re-securitizations with Risk grade 5, 6 or Not Qualified (weighted at 1250%)	0.00	0.00
	0.00	0.00

TABLE III.3 Weighted assets subject to operational risk

Risk-weighted assets	Capital requirement
8,580	686

Average of the requirement for market and credit risk of the last 36 months	Average positive annual net income for the last 36 months
3,691	5,720

Banca Afirme at the end of September 2021 is classified as Category I, in accordance with the provisions applicable to the capitalization requirements, issued by the National Banking and Securities Commission to Multiple Banking Institutions in terms of article 50 of the LIC, Chapter I of Title First Bis.

ANNEX 1-O Bis

DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE (Before replicas with the Banco de México)

- 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)	181,480
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	-
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2)	180,566
Exposures to derivative financial instruments		
4	Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin)	153
5	Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments.	40
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 debt of the Central Counterpart)	-
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)	192.71
Total exposures to derivative financial instruments (sum of lines 4 to 10)		

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

12	Gross SFT assets (without offset recognition), after accounting transaction adjustments for sales	10,519
13	(Accounts payable and receivable from SFT cleared)	-
14	Counterparty Risk Exposure by SFT	1,704
15	Exposures by SFT acting on behalf of third parties	-
16	Total exposures from securities financing operations (sum of lines 12 to 15)	12,223
	Capital and total exposures	
17	Off-balance sheet exposure (gross notional amount)	10,331
18	(Adjustments for conversion to credit equivalents)	9,734
19	Off-balance sheet items (sum of lines 17 and 18)	598
	Capital and total exposures	
20	Tier 1 Capital	7,354
21	Total exposures (sum of lines 3, 11, 16, and 19)	193,580
	Leverage ratio	
22	Basel III leverage ratio	3.80%

TABLE II.1

Reference	ITEM	AMOUNT
1	Total assets	192,278
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	- 601
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	238
5	Adjustment for repurchase operations and securities loan	1,704
6	Adjustment for items recognized in memorandum accounts	598
7	Other settings	- 313
8	Leverage ratio exposure	193,427

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

TABLE III.1

Reference	ITEM	AMOUNT
1	Total assets	192,278
2	Operations in derivative financial instruments	- 278.25
3	Repo operations and securities loans	- 10,519.00
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	181,480

TABLA IV.1

MAIN CAUSES OF THE MOST IMPORTANT VARIATIONS OF THE ELEMENTS

(NUMERATOR AND DENOMINATOR) OF THE LEVERAGE RATIO

CONCEPT/QUARTER	T-1	T	VARIATION (%)
Basic Capital 1/	6,965	7,354	5.6%
Adjusted Assets 2/	181,799	193,580	6.5%
Leverage Ratio 3/	4%	4%	-1%

Characteristics of the Debt

Reference	Characteristic	QAFIRME 15 Options	BAFIRME-18 Options	BAFIRME-20 Options	BAFIRME-20-2 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.
2	ISIN, CUSIP or Bloomberg identifier	N/A	N/A	N/A	N/A
3	Legal framework	Credit Institutions Law Credit Institutions, Unique Circular of Banks	Credit Institutions Law Credit Institutions, Unique Circular of Banks	Credit Institutions Law Credit Institutions, Unique Circular of Banks	Credit Institutions Law Credit Institutions, Unique Circular of Banks
	<i>Regulatory treatment</i>				
4	Capital level with transience	Basic 2	Complementary	Complementary	Complementary
5	Capital level without transience	Basic 2	Complementary	Complementary	Complementary
6	Instrument level	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 Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares	Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares	Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares
8*	Amount recognized in regulatory capital	\$ 810.46 recognized within the basic non-fundamental capital.	\$ 1,694.55 are recognized within complementary capital.	\$ 1,694.55 are recognized within complementary capital.	\$ 1,927.07 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.
9A	Instrument currency	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos
10	Accounting classification	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost
11	Date of issue	04/02/2015	11/10/2018	27/03/2020	22/10/2020
12	Instrument term	Perpetuity	Expiration	Expiration	Expiration
13	Expiration date	Without caducity	September 28, 2028	September 15, 2030	10/10/2030
14	Advance payment clause	Yes	Yes	Yes	Yes

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

15	First advance payment date	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
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
16	Subsequent advance payment dates	NA	NA	NA	NA
	Returns/ dividends				
17	Yield/dividend type	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%
19	Dividend cancellation clause	NA	NA	NA	NA
20	Discretion in payment	Mandatory	Mandatory	Mandatory	Mandatory
21	Interest increase clause	NA	NA	NA	NA
22	Yield/dividends	Performance	Performance	Performance	Performance
23	Instrument convertibility	Convertibles	Non Convertibles	Non Convertibles	Non Convertibles
24	Convertibility conditions	NA	NA	NA	NA
25	Degree of convertibility	NA	NA	NA	NA
26	Conversion rate	NA	NA	NA	NA
27	Type of instrument convertibility	NA	NA	NA	NA
28	Type of convertibility financial instrument	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.
30	Decrease in value clause (Write-Down)	NA	NA	NA	NA

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

31	Conditions for decrease in value	NA	NA	NA	NA
32	Degree of loss of value	NA	NA	NA	NA
33	Temporality of the decline in value	NA	NA	NA	NA
34	Time value decrease mechanism	NA	NA	NA	NA
35	Position of	Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares.	Subordinated obligation of non-preferential capital and not susceptible to be converted into shares	Subordinated obligation of non-preferential capital and not susceptible to be converted into shares	Subordinated obligation of non-preferential capital and not susceptible to be converted into shares
	subordination in case of liquidation				
36	Non-compliance characteristics	No	No	No	No
37	Description of default characteristics	NA	NA	NA	NA

* For the purpose of calculating the numeral, the Bonds BAFIRME 18 + BAFIRME 20 are considered according to their nature.

DISCLOSURE OF LIQUIDITY COVERAGE COEFFICIENT

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 Coefficient for the third quarter 2021 is detailed.

LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM			
LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM (Figures in Millions of Mexican pesos)		Unweighted amount (average)	Weighted amount (average)
COMPUTABLE CASH AND CASH EQUIVALENTS			
1	Total Computable Cash and Cash Equivalents	Not Applicable	15,627
CASH OUTFLOWS			
2	Unsecured Retail Financing	24,537	1,825
3	Stable funding	12,577	629
4	Less stable financing	11,960	1,196
5	Unsecured wholesale funding	27,748	11,836
6	Operational deposits	0	0
7	Non-operational deposits	27,748	11,836
8	Unsecured debt	0	0
9	Guaranteed Wholesale Financing	Not Applicable	136
10	Additional requirements:	8,939	815
11	Outputs related to derivative financial instruments and other collateral requirements	989	411
12	Outputs related to losses from the financing of debt instruments	0	0
13	Lines of credit and liquidity	7,951	404
14	Other contractual financing obligations	86	55
15	Other contingent financing obligations	0	0
16	TOTAL CASH OUTPUTS	Not Applicable	14,667
CASH INPUTS			
17	Cash inflows for guaranteed operations	42,721	6
18	Cash inflows for unsecured operations	7,977	5,559
19	Other cash inflows	4,227	4,227
20	TOTAL CASH INPUTS	54,924	9,792
			Adjusted amount
21	TOTAL COMPUTABLE CASH AND CASH EQUIVALENTS	Not Applicable	15,627
22	TOTAL NET OF CASH OUTPUTS	Not Applicable	4,875
23	LIQUIDITY COVERAGE COEFFICIENT	Not Applicable	315.95%

- 92 calendar days of the quarter corresponding to July - September 2021 are considered.
- During the period in question, the main change was due to cash inflows from unsecured operations and the decrease in other non-contractual obligations.

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

- The evolution of the composition of the Eligible and Computable Cash and Cash Equivalents was as follows:

July	August	September
7.18%	-7.34%	10.41%

- 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:

Month	Departures	Tickets
July	2	2
August	2	1
September	3	3

*Amounts in millions of pesos

MAIN SOURCES OF FINANCING

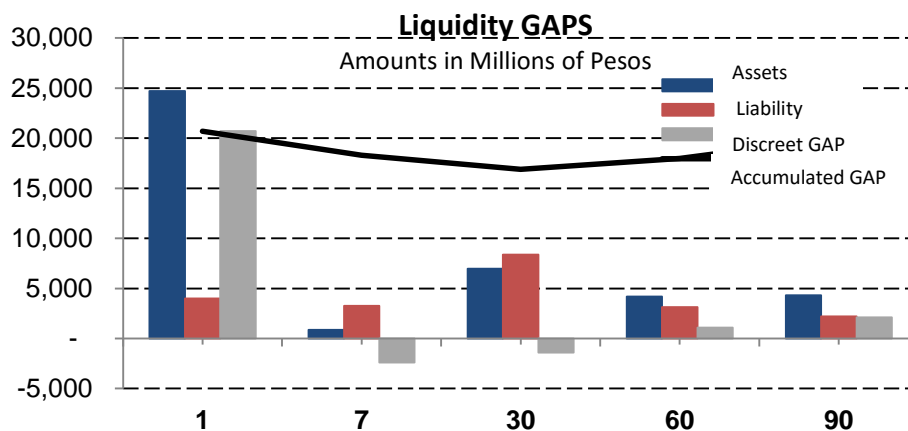
In general, the financing needs of the Institution's loan portfolio are covered by traditional fund-raising, however, other liquidity elements are maintained if required as credit lines and the ability to issue bank paper in the market, not encountering legal, regulatory or operational limitations.

Traditional Catchment September 30, 2021	
Deposits of immediate demand	34,070
Time deposits	29,214
Credit Securities Issued	-
Capture without movements	73
Total	63,358

Liquidity risk

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

Banca Afirme's accumulated 60-day band was \$ 17,967 million pesos at the end of the 3Q 2021, 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 Institution has sufficient high-quality Cash and Cash Equivalents to overcome a significant stress scenario over a 30-day period.

As of September 30, 2021, the Liquidity Coverage Ratio is 241 % . In order to show the behavior of the CCL, the values at the close of 3Q 2021 compared to the previous quarter are shown below.

CCL evolution	June 2021	September 2021
Computable Cash and Cash Equivalents (Weighted)	18,620	20,775
Net Exits at 30 days	10,512	8,631
CCL	177%	241%

The evolution of Computable Cash and Cash Equivalents compared to the immediately preceding quarter is shown below:

Computable Cash and Cash Equivalents Evolution (Unweighted)	June 2021	September 2021
Cash and Cash Equivalents Level 1	17,395	20,241
Cash and Cash Equivalents Level 2	1,440	628
Total Cash and Cash Equivalents	18,836	20,869

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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.

In order to show the behavior of the liquidity-adjusted VaR, the values at the end of the 3Q 2021 are shown below compared to the previous quarter.

Trading Business Unit	Liquidity-adjusted VaR	
	Jun 30, 2021	Sep 30, 2021
Money Table	(30.66)	(70.04)
Treasury	(1.73)	2.58
Global	(47.32)	(30.86)

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
	Jul 2021 - Sep 2021
Money Table	(42.91)
Treasury	(2.45)
Global	(42.39)

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 September 30, 2021	
Deposits of immediate demand	34,070
Time deposits	29,214
Credit Securities Issued	-
Capture without movements	73
Total	63,358

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 Cash and Cash Equivalents.

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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 Cash and Cash Equivalents 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 lines of credit.

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 Cash and Cash Equivalents and punish the concentration both in term and in clients and the reduction of the Cash and Cash Equivalents.

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. Said tests are presented to the Risk Policies Committee on a monthly basis for analysis. The variables used to build adverse scenarios are overdue portfolio, interest rates and sources of financing, mainly.

The institution, in accordance with the regulations applicable to Credit Institutions, has liquidity contingency plans in case at any time 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.

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 counterparts.

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 hedging operations is executed through the quotation, with the authorized counterparts, 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 the *trading operations* is the quotation with the counterparts the standard conditions of the operations observing the quotations of the *brokers* in the market. A Cap is kept in position for hedging purposes, however, the Institution does not operate this type of instrument continuously.

Currently, Banca Afirme operates in the national over-the-counter (OTC) market for these instruments and the eligible counterparties are only national or foreign Banking Institutions with which there are ISDA contracts (Local or International) and a line of credit has been granted in 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 counterpart with which the operations are executed, which is documented in the framework contracts signed with the counterparts, although the valuations reported by the counterparts 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 Banco de México, 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 Integral Risk Management Unit ("UAIR" by its acronym in Spanish), 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 Banco de México.

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.

For the interest rate Cap (option), each *caplet* is valued using the *Black* model, for which the interest rate curves and the volatility surface published by the price provider are used. *Black's model* is a widely recognized model for the valuation of these instruments and assumes a lognormal distribution for interest rates with the volatility obtained for caps.

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 18,000 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 exposure to the main risks mentioned above.

The underlying assets to which there was exposure during the third quarter of 2021 were the interbank interest rate (TIIE) and the currency (peso / dollar), which have daily movements according to market movements. However, these changes did not generate new relevant obligations or affect the liquidity of the Institution.

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

The impact on Cash Flow at the end of 3 Q 2021 is presented below:

	Amount
Interest paid	28,975
Interest charged	16,184
Net effect	- 12,791

Amounts in thousands of pesos

The following table shows the impact on Derivatives Valuation Results for 3Q 2021:

	Balance June 2021	Balance September 2021	Quarter effect
Trading swaps	19,856	-4,442	-24,298
Hedging swaps	-382	-951	-569
Chap	2	1	-1

Amounts in thousands of pesos

During this quarter, 6 interest rate *swap* operations matured and 9 derivative transactions were executed.

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.

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 in thousands of pesos as of September 30, 2021								
Derivative type	End	Notional	Asset value		Fair value		Maturity amounts	
			Current quarter	Previous quarter	Current quarter	Previous quarter	2021	Later
TIIE SWAP	Coverage	7,671,029	4.75	4.53	202,142	163,255	-	7,671,029
TIIE SWAP	Negotiation	61,600,000	4.75	4.53	- 2,994	6,737	8,000,000	300,000
SWAP TIIE *	Negotiation	300,000	4.75	4.53	- 784	389	-	300,000
TIIE CAP	Coverage	7,441	4.75	4.53	0	0	-	7,441
CCS USD-MXN	Coverage	309,574	20.63	19.94	- 8,875	- 1,177	-	309,574

* *Afirme takes a short position, in the rest of the operations it takes a long position*

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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 as of September 30, 2021				
25 PB ^{1/}	50 PB	100 PB	150 PB	200 PB
31,148	62,295	124,591	186,885	249,179

^{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.