

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

Consolidated statements of cash flows

Years ended December 31, 2021 and 2020

(Millions of Mexican pesos)

	<u>2021</u>	<u>2020</u>
Net income	\$ 777	321
Adjustments for non-cash items:		
Result from valuation at fair value	(113)	(30)
Depreciation and amortization	552	403
Provisions	417	285
Current and deferred income taxes	220	100
Equity in the result of unconsolidated subsidiaries and associates	(28)	(24)
Loss on sale of furniture and equipment and assets under operating lease	4	-
Deferred employee statutory profit sharing	<u>(178)</u>	<u>-</u>
	1,651	1,055
Operating activities:		
Change in margin accounts	511	(271)
Change in investments in securities	(6,128)	(60,842)
Change in debtors under repurchase agreements	(1,840)	(2,008)
Change in loan portfolio	(2,490)	(4,549)
Change in foreclosed assets	(39)	(19)
Change in other operating assets	6,235	13,791
Change in deposit funding	5,647	5,781
Change in interbank and other institutions loans	490	2,766
Change in creditors under repurchase agreements	2,383	46,093
Change in derivative financial instruments	(486)	209
Change in subordinated debentures outstandings	2	717
Change in other operating liabilities	(3,084)	775
Change in valuation adjustments for hedging financial assets	<u>322</u>	<u>(124)</u>
Net cash flows from operating activities	<u>3,174</u>	<u>3,374</u>
Investing activities:		
Collections for disposition of property, furniture and equipment	86	621
Payments for acquisition of property, furniture and equipment	(1,168)	(1,657)
Dividend collection	<u>10</u>	<u>6</u>
Net cash flows from investing activities	<u>(1,072)</u>	<u>(1,030)</u>
Financing activities:		
Net cash flows from contributions for future capital stock increases	629	223
Dividend payment	<u>(650)</u>	<u>-</u>
Net cash flows from financing activities	<u>(21)</u>	<u>223</u>
Net increase in cash and cash equivalents	2,081	2,567
Cash and cash equivalents at the beginning of the year	<u>7,292</u>	<u>4,725</u>
Cash and cash equivalents at year-end	\$ <u>9,373</u>	<u>7,292</u>

The attached notes are an integral part of these consolidated statements of cash flows.

The consolidated statements of cash flows were prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission based on articles 99, 101 and 102 of the Law for Credit Institutions, general and compulsory enforcement consistently applied, reflecting all the cash inflows and cash outflows related to the transactions carried out by the Institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative rules.

These statements of cash flows were approved by the Board of Directors under the responsibility of the following signing officers.

Signature

Jesús Antonio Ramírez Garza
Chief Executive Officer

Signature

Gustavo Manuel Vergara Alonso
General Corporate Financial Director
Finance Controller

Signature

Jesús Ricardo Gámez Del Castillo
Chief Financial Officer

Signature

David Gerardo Martínez Mata
Internal Audit Director