

A S S E T S		L I A B I L I T I E S   A N D   S T O C K H O L D E R S '   E Q U I T Y	
CASH AND CASH EQUIVALENTS	9,384	DEPOSIT FUNDING:	
MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS)	139	IMMEDIATED DEMAND DEPOSITS	43,230
INVESTMENTS IN FINANCIAL INSTRUMENTS		TIME DEPOSITS	45,414
NEGOTIABLE FINANCIAL INSTRUMENTS	144,756	FROM THE GENERAL PUBLIC	<u>45,414</u>
FINANCIAL INSTRUMENTS TO COLLECT PRINCIPAL AND INTEREST	<u>202</u>	CREDIT TITLES ISSUED	1,494
DEBTORS UNDER REPURCHASE AGREEMENTS	34,369	GLOBAL COLLECTION ACCOUNT WITH NO MOVEMENTS	<u>114</u>
DERIVATIVES FINANCIAL INSTRUMENTS		INTERBANK LOANS AND LOANS FROM OTHER INSTITUTIONS:	
FOR TRADING	5	SHORT-TERM	2,555
FOR HEDGING PURPOSES	<u>17</u>	LONG-TERM	<u>2,796</u>
VALUATION ADJUSTMENTS OF HEDGING OF FINANCIAL ASSETS	36	CREDITORS UNDER REPURCHASE AGREEMENTS	125,177
LOAN PORTFOLIO WITH STAGE 1 CREDIT RISK		COLLATERALS SOLD OR GIVEN AS COLLATERAL (REPOS)	19,439
COMMERCIAL LOANS:	33,138	DERIVATIVES FINANCIAL INSTRUMENTS	
BUSINESS OR COMMERCIAL ACTIVITY	31,021	FOR TRADING	11
FINANCIAL ENTITIES	228	FOR HEDGING PURPOSES	<u>38</u>
GOVERNMENT ENTITIES	<u>1,889</u>	LEASE LIABILITY	1,526
CONSUMER LOANS	10,214	OTHER ACCOUNTS PAYABLE:	
MORTGAGE LOANS:	11,037	CREDITORS FOR LIQUIDATION OF OPERATIONS	8
MEDIUM AND RESIDENTIAL	11,028	CREDITORS FOR MARGIN ACCOUNTS	1
OF SOCIAL INTEREST	<u>9</u>	CREDITORS FOR COLLATERALS RECEIVED IN CASH	2
TOTAL CREDIT PORTFOLIO WITH STAGE 1 CREDIT RISK	<u>54,389</u>	CONTRIBUTIONS PAYABLE	105
LOAN PORTFOLIO WITH STAGE 2 CREDIT RISK		SUNDRY CREDITORS AND OTHER ACCOUNTS PAYABLE	<u>2,301</u>
COMMERCIAL LOANS:	127	FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES	
BUSINESS OR COMMERCIAL ACTIVITY	127	SUBORDINATED DEBTENTURES OUTSTANDING	3,357
CONSUMER LOANS	451	EMPLOYEES BENEFITS	118
MORTGAGE LOANS:	358		
MEDIUM AND RESIDENTIAL	358		
OF SOCIAL INTEREST	<u>-</u>		
TOTAL CREDIT PORTFOLIO WITH STAGE 2 CREDIT RISK	<u>936</u>	DEFERRED CREDITS ANTICIPATED COLLECTIONS	109
LOAN PORTFOLIO WITH STAGE 3 CREDIT RISK		TOTAL LIABILITIES	<u>247,795</u>
COMMERCIAL LOANS:	2,453		
BUSINESS OR COMMERCIAL ACTIVITY	2,453		
CONSUMER LOANS	294		
MORTGAGE LOANS:	701		
MEDIUM AND RESIDENTIAL	700		
OF SOCIAL INTEREST	<u>1</u>		
TOTAL CREDIT PORTFOLIO WITH STAGE 3 CREDIT RISK	<u>3,448</u>		
TOTAL LOAN PORTFOLIO	58,773		
(+/-) DEFERRED ITEMS	6		
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES	<u>2,396</u>		
LOAN PORTFOLIO, NET	56,383	STOCKHOLDERS' EQUITY:	
OTHER ACCOUNTS RECEIVABLE, NET	1,392	PAID-IN CAPITAL:	3,655
FORECLOSED ASSETS, NET	237	CAPITAL STOCK	263
ADVANCE PAYMENTS AND OTHER ASSETS, NET	1,738	PREMIUM ON SALE SHARES	
PROPERTY, FURNITURE AND EQUIPMENT, NET	4,698	EARNED CAPITAL:	
ASSETS FOR RIGHTS OF USE OF PROPERTY, FURNITURE AND EQUIPMENT, NET	1,479	CAPITAL RESERVES	509
PERMANENT INVESTMENTS	171	ACCUMULATED RESULTS	3,502
DEFERRED INCOME TAX ASSET, NET	703	OTHER INTEGRAL RESULTS:	
		VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS TO	
		HEDGE CASH FLOWS	11
		REMEASUREMENT OF DEFINED EMPLOYEES' BENEFITS	<u>(26)</u>
		TOTAL CONTROLLING INTEREST	7,914
		NON-CONTROLLING INTEREST	-
		TOTAL STOCKHOLDERS' EQUITY	7,914
TOTAL ASSETS	<u>255,709</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>255,709</u>
		ORDER ACCOUNTS	
		GUARANTEES GRANTED	884
		CREDIT COMMITMENTS	9,813
		ASSETS IN TRUST OR MANDATE	
		TRUST	55,815
		MANDATE	19
		ASSETS IN CUSTODY OR UNDER ADMINISTRATION AND INVESTMENT	55,834
		COLLATERALS RECEIVED BY THE ENTITY	328,725
		COLLATERALS RECEIVED AND SOLD OR DELIVERED AS COLLATERAL BY THE ENT	34,092
		UNCOLLECTED ACCRUED INTEREST DERIVED FROM CREDIT PORTFOLIO	19,288
		WHIT STAGE 3 CREDIT RISK	175
		OTHER REGISTRATION ACCOUNTS	<u>142,901</u>
			<u>591,712</u>

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

JESUS ANTONIO RAMIREZ GARZA  
 CHIEF EXECUTIVE OFFICER

LIC. ALEJANDRO GARAY ESPINOSA  
 GENERAL DIRECTOR OF CORPORATE MANAGEMENT  
 FINANCE CONTROLLER

LUIS ARTURO ARIAS MEDINA  
 CHIEF FINANCIAL OFFICER

DAVID GERARDO MARTINEZ MATA  
 DIRECTOR OF INTERNAL AUDIT

Banca Afirme, S. A.  
 Institucion de Banca Multiple, Afirme Grupo Financiero  
 Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.  
 Consolidated Statement Comprehensive Income  
 Period from January 1, to June 30, 2023  
 (Millions of Mexican pesos)

INTEREST INCOME		13,728
INTEREST EXPENSE		<u>(11,432)</u>
FINANCIAL MARGIN		2,296
ALLOWANCE FOR LOAN LOSSES		<u>(910)</u>
FINANCIAL MARGIN ADJUSTED FOR CREDIT RISK		1,386
FEES AND COMMISSIONS CHARGED	1,943	
COMMISSIONS AND FEES PAID	(907)	
INTERMEDIATION RESULT	258	
OTHER OPERATING INCOME, NET	113	
ADMINISTRATIVE AND PROMOTION EXPENSES	<u>(2,450)</u>	<u>(1,043)</u>
OPERATING RESULT		343
EQUITY IN THE RESULT OF UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES		<u>14</u>
INCOME BEFORE INCOME TAX		357
CURRENT IT	(12)	
DEFERRED IT	<u>(57)</u>	<u>(69)</u>
NET INCOME		288
OTHER COMPREHENSIVE INCOME		
VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS TO HEDGE CASH FLOW		<u>(2)</u>
INTEGRAL RESULT		<u>286</u>
NET RESULT ATTRIBUTABLE TO:		
CONTROLLING INTEREST	288	
NON-CONTROLLING INTEREST	<u>-</u>	
INTEGRAL RESULT ATTRIBUTABLE TO:		
CONTROLLING INTEREST	286	
NON-CONTROLLING INTEREST	<u>-</u>	

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

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

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 DAVID GERARDO MARTINEZ MATA  
 DIRECTOR OF INTERNAL AUDIT

**Banca Afirme, S. A.**  
**Institución de Banca Múltiple, Afirme Grupo Financiero**  
**Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.**  
**Consolidated Statement of Changes in Stockholders' Equity**  
**(Millions of Mexican pesos)**

	Paid-in capital			Cumulative results	Earned capital		Total controlling interest	Non-controlling interest	Total stockholders' Equity
	Capital Stock	Premium on share subscription	Capital reserves		Result from valuation of cash flow hedging instruments	Remeasurement of defined employee benefits			
Balances as of December 31, 2022	3,655	263	446	3,277	12	(26)	7,627	-	7,627
Reserve transactions									
Statutory reserves			63	(63)					
Comprehensive income									
Net result				288			288		288
Valuation of derivative financial instruments to hedge cash flows					(2)		(2)		(2)
Balances as of June 30, 2023	<u>3,655</u>	<u>263</u>	<u>509</u>	<u>3,502</u>	<u>10</u>	<u>(26)</u>	<u>7,913</u>	<u>-</u>	<u>7,913</u>

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

This consolidated statement of changes in stockholders' equity was approved by the Board of Directors under the responsibility of the following signing officers.

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**DAVID GERARDO MARTINEZ MATA**  
**DIRECTOR OF INTERNAL AUDIT**

**Banca Afirme, S. A.**  
 Institución de Banca Múltiple, Afirme Grupo Financiero  
 Av. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.  
 Consolidated Statement of Cash flows  
 Period from January 1, to June 30, 2023  
 (Millions of Mexican pesos)

<b>RESULT BEFORE INCOME TAX</b>		<b>358</b>
<b>ADJUSTMENTS FOR ITEMS ASSOCIATED WITH INVESTING ACTIVITIES:</b>		
RESULT FOR VALUATION AT FAIR VALUE	(8)	
DEPRECIATION OF PROPERTY, FURNITURE AND EQUIPMENT	269	
AMORTIZATIONS OF INTANGIBLE ASSETS	-	
EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES	(14)	<u>247</u>
		<b>605</b>
<b>CHANGE IN OPERATING ACTIVITIES</b>		
CHANGE IN MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS)	(124)	
CHANGE IN INVESTMENT IN FINANCIAL INSTRUMENTS (SECURITIES) NET	(95,856)	
CHANGE IN REPO DEBTORS, NET	55,836	
CHANGE IN DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)	223	
CHANGE IN LOAN PORTAFOLIO (NET)	(1,488)	
CHANGE IN FORECLOSED ASSETS (NET)	(2)	
CHANGE IN OTHER OPERATING ASSETS (NET)	(1,022)	
CHANGE IN TRADITIONAL CAPTURE	14,895	
CHANGE IN INTERBANK LOANS AND FROM OTHER ORGANIZATIONS	(1,072)	
CHANGE IN CREDITORS BY REPO	93,997	
CHANGE IN CREDITORS FOR COLLATERAL SOLD OR PLEDGED	(63,895)	
CHANGE IN OUTSTANDING SUBORDINATED DEBENTURES	9	
CHANGE IN OTHER OPERATING LIABILITIES	474	
CHANGES IN EMPLOYEE BENEFIT LIABILITIES	14	
CHANGE IN OTHER PROVISIONS	(288)	
CHANGE IN HEDGING DERIVATIVE FINANCIAL INSTRUMENTS (OF HEDGED ITEMS RELATED TO OPERATING ACTIVITIES)	(226)	<u>1,475</u>
<b>NET CASH FLOWS OF OPERATING ACTIVITIES</b>		<b>2,080</b>
<b>INVESTMENT ACTIVITIES</b>		
PROCEEDS FOR DISPOSITION OF PROPERTY, FURNITURE AND EQUIPMENT	763	
PAYMENTS FOR THE ACQUISITION OF PROPERTY, FURNITURE AND EQUIPMENT	(1,332)	
<b>NET CASH FLOWS OF INVESTMENT ACTIVITIES</b>		<u>(569)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,511</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<u>7,875</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u><u>9,386</u></u>

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

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

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 DIRECTOR OF INTERNAL AUDIT

# Management Report

## Banca Afirme

June 2023

*Hoy creamos*

*Hoy creamos*

EMPIEZA A IMAGINARLO

**AFIRME**  
El Banco de Hoy

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

### OPERATING RESULTS.

Comparative analysis of the period ended June 30, 2023 compared with the period ended June 30, 2022.

At the end of the second quarter of 2023, Banca Afirme profit totaled 74.0 million pesos, a 46.1% decrease compared to the previous year, due to various factors that will be explained later.

### FINANCIAL MARGIN ANALYSIS

#### *YIELDS GENERATED BY THE CREDIT PORTFOLIO*

At the end of the second quarter of 2023, the interest generated by the credit portfolio amounts to 2,033.0mdp, an increase of 23.1% compared to the same period of the previous year. This is due, on one hand, to the behavior of the benchmark interest rates TIIE going from 7.42% to 11.50% from June 2022 to June 2023, on the other hand; the increase in stage 1 and 2 portfolio that increase by 6.5% and 6.2% respectively, which together represents 3,383mdp.

Credit Portfolio Interests	II Q 22	I Q 23	II Q23	Variation	% Var.
Business Credits	875.2	1,002.1	1,055.2	180.0	20.6%
Consumer loans	515.5	592.0	642.6	127.2	24.7%
Home loans	210.2	237.7	253.1	42.9	20.4%
Credits for Gubernamental Entities	36.7	88.7	70.7	33.9	92.3%
Credits for Financial Entities	14.5	10.1	11.4	(3.1)	-21.4%
<b>Totals</b>	<b>1,652.2</b>	<b>1,930.5</b>	<b>2,033.0</b>	<b>380.9</b>	<b>23.1%</b>

During the mentioned period, commissions for credit operations have experienced a marginal decrease of 1.3% per year.

Commissions received for Credit Operations	II Q 22	I Q 23	II Q23	Variation	% Var.
Business Credits	13.7	15.1	13.0	(0.7)	-5.4%
Consumer loans	31.4	32.5	32.7	1.2	3.9%
Home loans	5.7	4.5	4.6	(1.1)	-19.2%
Credits for Gubernamental Entities	0.1	0.1	0.1	(0.0)	-37.5%
<b>Totals</b>	<b>51.0</b>	<b>52.2</b>	<b>50.3</b>	<b>(0.7)</b>	<b>-1.3%</b>

**INCOME FROM INVESTMENTS IN SECURITIES, REPURCHASE AGREEMENT OPERATIONS AND CASH AND CASH EQUIVALENTS.**

In the second quarter of 2023, the awards, interest, and premiums for investments increased significantly due to a significant increase in interest rates. In the first quarter of 2022, the rates were at 7.42% compared to 11.50% this year. Unlike the 1st quarter of the previous year, in 2023 there has been no charge for inflation premium.

At the end of the second quarter of 2023, positions in securities increased significantly as a profitability strategy of the Institution and due to a decrease in capital in our Investment Bank.

As a relevant strategy in the Institution, we continue with liquidity in order to respond to possible unforeseen events and market stability. The aforementioned along with the rise in benchmark interest rates causes an increase of 110.7% in the interest charged in favor of repo operations.

The sum of the previous factors explains the increase of 106.9% in revenues from securities investments.

Premium, interests and premium derivatives from securities and investments	II Q 22	I Q 23	II Q23	Variation	% Var.
Not restricted titles to negotiate	1,290.1	1,777.4	2,645.4	1,355.3	105.1%
Cash and cash equivalents	98.8	163.9	209.5	110.7	112.0%
<b>Restricted and Repurchase Titles</b>					
Interests Charged and premiums in favor for repurchase operations	1,039.9	2,580.9	2,190.8	1,150.9	110.7%
Income from covered operations	31.9	49.2	44.9	12.9	40.4%
<b>Totals</b>	<b>2,460.7</b>	<b>4,571.4</b>	<b>5,090.6</b>	<b>2,629.9</b>	<b>106.9%</b>



## **PRIZES AND INTEREST DERIVED FROM THE CAPTURE OF**

In the second quarter of 2023, interest expenses show a growth of 101.9% in relation to the same period of the previous year. A large part of this increase is due to the interest and premiums in repurchase agreements, which have a variation of 116.6%, explained by the rise in interest rates, mentioned in the previous paragraphs, and by the increase in reported positions. On the other hand, term deposits increase by 111.1%, mostly due to the rise in rates but also due to the growth in the balance of this item in the balance sheet.

The increase in the mentioned balance was due to the strategy that the institution has maintained to increase its term deposits in order to have even more robust liquidity and give the institution the ability to grow. It is expected that in the near future paid interest will continue to grow due to the increase in the balance size, no longer influenced by increases in the level of rates achieved.

<b>Expenses from interests</b>	<b>II Q 22</b>	<b>I Q 23</b>	<b>II Q23</b>	<b>Variation</b>	<b>% Var.</b>
Immediate enforceability deposits	284.8	391.8	474.6	189.8	66.6%
Fixed term deposits	546.3	975.5	1,153.4	607.1	111.1%
Interbank loans and loans from other institutions	97.7	140.0	138.7	41.0	42.0%
Interests for subordinated liabilities	74.2	117.7	124.4	50.3	67.8%
Bursatile debt	45.9	30.9	35.6	(10.4)	-22.6%
Interests and premiums from repurchase	1,833.0	3,720.7	3,969.7	2,136.7	116.6%
Expenses from covered operations	26.8	5.5	9.2	(17.6)	-65.5%
Interest from global accounts of funds raised	0.2	1.7	0.0	(0.2)	-100.0%
Lease interest expenses	31.5	23.3	52.0	20.5	65.1%
Others	27.7	32.8	34.7	7.0	25.4%
<b>Totals</b>	<b>2,968.1</b>	<b>5,439.8</b>	<b>5,992.3</b>	<b>3,024.2</b>	<b>101.9%</b>

## **FINANCIAL MARGIN RESULT**

2022 was characterized by being a year with constant changes in our country's reference rates and also because there were significant inflation premiums during that year, this was the case in the second quarter of that year, which in 2023 will be very difficult for these events to repeat. The above has been offset by the increase in the size of the balance sheet. In any case, the margin generated remains very satisfactory for the Institution.

<b>FINANCIAL MARGIN</b>	<b>II Q 22</b>	<b>I Q 23</b>	<b>II Q23</b>	<b>Variation</b>	<b>% Var.</b>
Total of interests charged	4,163.9	6,554.0	7,173.9	3,010.0	72.3%
Total of interests paid	2,968.1	5,439.8	5,992.3	3,024.2	101.9%
<b>FINANCIAL MARGIN</b>	<b>1,195.8</b>	<b>1,114.2</b>	<b>1,181.6</b>	<b>-14.2</b>	<b>-1.2%</b>

## **NON-FINANCIAL INCOME**

### **COMMISSIONS AND FEES DERIVED FROM THE PROVISION OF SERVICES**

At the end of the second quarter of 2023, the commissions and fees charged show an increase of 28.7% compared to the same period of the previous year. This variation is mainly due to the commissions charged on electronic banking, which show an increase of 25.2% as a result of the increase in transactions, highlighting the operations on POS terminals. The category of other commissions and fees increased by 21.8% as a result of revenues related to correspondent banks, which had a significant increase during the second quarter of 2023.

<b>Commissions and Fees Charged</b>	<b>II Q 22</b>	<b>I Q 23</b>	<b>II Q23</b>	<b>Variation</b>	<b>% Var.</b>
Credit operations	9.8	9.0	9.4	(0.4)	-3.9%
Funds transfer	7.6	7.7	7.4	(0.2)	-2.8%
Trust Companies Activities	26.6	31.0	22.0	(4.6)	-17.2%
Appraisals	2.8	1.8	3.1	0.4	12.9%
Account Management	18.0	14.3	14.3	(3.6)	-20.2%
Electronic Banking	551.4	657.2	690.3	138.9	25.2%
Guarantee	0.2	0.2	0.2	0.1	37.3%
Right to severance pay	21.8	31.1	21.5	(0.3)	-1.2%
Insurance	0.0	60.6	61.5	61.5	0.0%
Financial Advisory	0.1	17.6	0.1	(0.0)	-14.3%
Other commissions and duties	118.5	138.2	144.3	25.8	21.8%
<b>Totals</b>	<b>756.7</b>	<b>968.8</b>	<b>974.1</b>	<b>217.5</b>	<b>28.7%</b>

### **RESULT BY INTERMEDIATION**

There was a lower income from buying and selling in the second quarter of 2023, mainly in securities to negotiate as we have made fewer movements in the position, due to the market's change of perception about the future in reference rates and that the position in securities, instead of reducing as in past periods, has increased.

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

<b>RESULT BY INTERMEDIATION</b>	<b>II Q 22</b>	<b>I Q 23</b>	<b>II Q23</b>	<b>Variation</b>	<b>% Var.</b>
<b>Valuation Results to Fair Market Value and Reduction of Titles valued at cost</b>	<b>39.9</b>	<b>2.8</b>	<b>4.9</b>	<b>(35.0)</b>	<b>-87.7%</b>
Titles to negotiate	39.9	2.8	4.9	(35.0)	-87.7%
Derivatif instruments with coverage purposes	0.0	0.0	0.0	0.0	0.0%
<b>Results from Sales and Purchase of Securities and Foreign Exchange</b>	<b>233.3</b>	<b>204.7</b>	<b>45.8</b>	<b>(187.5)</b>	<b>-80.4%</b>
Titles to negotiate	197.0	168.9	8.0	(189.0)	-95.9%
Results for Sales and Purchase of Currency	36.3	35.9	37.8	1.4	3.9%
<b>Totals</b>	<b>273.2</b>	<b>207.6</b>	<b>50.7</b>	<b>(222.6)</b>	<b>-81.5%</b>

#### **OTHER OPERATING INCOME (EXPENSE)**

For the close of the second quarter of 2023, the item of other income (expenses) from the operation shows an increase of 21.0 million pesos compared to the same period of the previous year, which represents a 95.1%, mainly explained by the item reserves for other overdue debts decreased by 123.3% mainly due to the fact that during the second quarter of 2022 a reserve account was created for Interest receivable IETU balance for 35.3 million pesos, the item of other + funds increases by 154.0%, mainly due to the fact that in this item the BIN sponsor operations are recorded, which have had a significant increase, on the other hand the write-off of creditor accounts increases the write-off item of accounts payable by 49.9 million pesos.

<b>Other Income (Expenses) of the Net Operation</b>	<b>II Q 22</b>	<b>I Q 23</b>	<b>II Q23</b>	<b>Variation</b>	<b>% Var.</b>
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Recoveries	15.6	20.3	16.6	1.1	6.8%
Debugging accounts payable	(1.3)	7.0	48.6	49.9	-3,886.2%
Result from operating lease	(1.3)	(2.8)	(15.5)	(14.2)	1,094.6%
Collection of written-off credits	40.1	44.5	42.8	2.7	6.7%
Release of reserves	12.5	64.9	0.0	(12.5)	-100.0%
Release of reserves from other debts	0.4	2.0	0.1	(0.3)	-76.4%
Sale of furniture and real estate	2.1	7.1	3.6	1.6	76.0%
Bond from the use of Debit and Credit Cards	(0.3)	0.9	4.4	4.7	-1,605.4%
Other + funds	22.6	37.4	57.4	34.8	154.0%
Loss on portfolio sale	(1.0)	(0.2)	0.0	1.0	-100.0%
Customer bonuses	(15.9)	(25.3)	(25.8)	(9.9)	62.2%
Miscellaneous bankruptcies	(7.0)	(1.9)	(11.0)	(4.0)	56.8%
Reserve for other overdue debts	(40.6)	(11.4)	9.5	50.0	-123.3%
Reserve foreclosed assets	(2.4)	2.4	1.9	4.3	-178.6%
IPAB Contribution	0.0	(78.3)	(85.3)	(85.3)	0.0%
Others	(1.4)	3.8	(4.2)	(2.8)	210.4%
<b>Totals</b>	<b>22.1</b>	<b>70.4</b>	<b>43.1</b>	<b>21.0</b>	<b>95.1%</b>

## ADMINISTRATIVE EXPENSES

During the second quarter of 2023, Administrative expenses showed a variation of 21.6%, primarily due to the IPAB which was no longer presented within the expense and is now housed in other income and expenses and represents 74.0mdp of the variation, depreciations decrease 40.5mdp, i.e., a 19.1% mainly due to asset sales, the category of other operating expenses which decreases 188.4mdp representing a 46.7%, remunerations and benefits increase 44.6mdp i.e., 10.2% mainly due to the performance of the financial desk, fees decrease by 50.7% primarily due to less demand for specialized services, promotional expenses increase 13.9mdp primarily due to sponsorships and advertising campaigns related to digital products and services.

ADMINISTRATION EXPENSES	II Q 22	I Q 23	II Q 23	Variation	% Var.
Salaries and Claims	437.7	436.2	482.3	44.6	10.2%
Professional Fees	106.4	111.2	52.4	(54.0)	-50.7%
Leases	(0.8)	21.8	2.0	2.7	-355.3%
Marketing	31.7	54.8	45.6	13.9	43.9%
Other administrative and operative expenses	403.2	460.6	214.8	(188.4)	-46.7%
Multiple Taxes	72.2	81.9	81.4	9.2	12.7%

Depreciation and Amortization	212.4	199.9	171.9	(40.5)	-19.1%
Nondeductible concepts for ISR	3.3	4.5	5.6	2.3	67.7%
IPAB Contribution	74.0	0.0	0.0	(74.0)	-100.0%
Caused PTU	1.5	21.5	(12.7)	(14.2)	-958.5%
Deferred PTU	6.5	(0.0)	14.1	7.5	115.0%
<b>Totals</b>	<b>1,348.2</b>	<b>1,392.3</b>	<b>1,057.4</b>	<b>(290.8)</b>	<b>-21.6%</b>

## INCURRED AND DEFERRED TAXES

Tax on Profit	II Q 22	I Q 23	II Q23	Variation	% Var.
Caused income tax	0.0	0.0	(12.3)	(12.32)	0.0%
Differed income tax	(32.0)	(63.1)	5.7	37.64	-117.8%
<b>Totals</b>	<b>(32.0)</b>	<b>(63.1)</b>	<b>(6.6)</b>	<b>25.3</b>	<b>-79.2%</b>

At the end of the second quarter of 2023, Banca Afirme submits its tax returns individually, and to date it has no pending tax credits or debts.

## FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

Banca Afirme internal sources of liquidity are constituted by the issuance of its own paper, traditional capture and external sources coming from credit lines granted by financial institutions and development banks.

### *Level of indebtedness at the end of the second quarter of 2023*

The total liability of Banca Afirme as of June 30, 2022, and 2023, has been 123,866.4mdp and 247,793.7mdp respectively, the main component of the liabilities are the operations of the Financial Table.

Total Liabilities	June 2022	Mar 2023	June 2023	Go	%
Traditional Catchment	76,688.0	79,651.6	88,757.9	12,069.9	15.7%
Credit securities issued	792.1	917.6	1,493.3	701.3	88.5%
Interbank Loans and Other Organizations	5,611.8	4,900.1	5,351.4	(260.4)	-4.6%

Repo Creditors	33,181.1	126,293.1	144,615.9	111,434.9	335.8%
Other Accounts Payable	2,766.8	2,538.9	2,416.4	(350.4)	-12.7%
Deferred Credits	81.8	87.5	108.5	26.7	32.6%
Lease Liability	1,693.4	1,212.4	1,525.5	(167.9)	-9.9%
Other liabilities	3,051.5	3,473.0	3,524.7	473.2	15.5%
<b>Total Liability</b>	<b>123,866.4</b>	<b>219,074.3</b>	<b>247,793.7</b>	<b>123,927.3</b>	<b>100.0%</b>

## EVOLUTION OF THE BALANCE SHEET

The total assets of Banca Afirme show an increase of 94.8% compared to the same period of the previous year, impacted by the increase in financial instruments and debtors for repo. This is mainly due to the fact that during the previous year, a "netting" was made between the active and passive operations of these transactions, and from this year, the aforementioned netting was stopped.

The intake increases its balances mainly the term intake, which increases by 23.5%, and the on-demand intake increases by 8.5%. On the other hand, the balance in issued credit securities increases by 701.3 million pesos, showing a balance as of June 30, 2023 of 1,493.3 million pesos.

RELEVANT INDICATORS					
	IIQ 22	IIIQ 22	IVQ 22	IQ 23	IIQ 23
<b>NPL ratio</b> (past due portfolio/total portfolio)	4.19%	4.29%	5.47%	5.66%	5.87%
<b>Overdue portfolio coverage</b> (preventive estimate/past due portfolio)	1.10	1.09	0.85	0.83	0.70
<b>Operating efficiency</b> (administration and promotion expenses/average total assets)	3.91%	3.63%	2.73%	2.54%	1.75%
<b>ROE</b> (return on equity)	7.41%	5.71%	8.58%	11.05%	3.76%
<b>ROA</b> (return on assets)	0.40%	0.35%	0.33%	0.39%	0.12%
<b>Liquidity Ratio</b> (liquid assets/liquid liabilities)	0.92	0.89	0.95	0.97	0.99
<b>MIN</b> (financial margin adjusted for credit risks/productive assets)	2.54%	3.42%	2.13%	1.64%	0.92%
<b>BANCA AFIRME</b>					
Credit Capitalization Index	19.49%	20.15%	20.00%	20.79%	21.37% (1)
Total Capitalization Ratio	15.23%	15.92%	15.76%	15.94%	15.38% (1)
Basic Capital Index	11.66%	11.71%	11.57%	11.81%	11.53% (1)

(1) Previous data before replicas with Banxico

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

## **TREASURY POLICIES**

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

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

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

## **INTERNAL CONTROL**

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

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

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

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

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

**Qualitative Information System Remuneration**

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

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

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

The Risk and Compensation Committee is composed of:

<b>President</b>
<b>Independent Director</b>
<b>Adviser</b>
<b>Independent Director</b>
<b>Managing Director</b>
<b>Head of Comprehensive Risk Management</b>
<b>Deputy General Director of Risk and Credit Management</b>
<b>Deputy General Director Corporate Administration</b>
<b>Secretary</b>
<b>Legal and Trustee Director</b>
<b>Independent Expert</b>



## Guest with voice, without vote

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

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

For the 2023 financial year, the list of these positions is:

STAFF	BUSINESS
CONTROLLER GENERAL	DIRECTOR OF ACQUISITION
DEPUTY GENERAL DIRECTOR OF RISK AND CREDIT MANAGEMENT	COMMERCIAL PARTNERSHIP DIRECTOR
DEPUTY GENERAL MANAGER BUSINESS DEVELOPMENT IN BANKING	DIRECTOR SELF-SERVICES
DEPUTY MANAGING DIRECTOR INVESTMENTS	GOVERNMENT BANK DIRECTOR NUEVO LEON
DEPUTY LEGAL DIRECTOR GENERAL AND FID.	DIRECTOR DIGITAL BANKING
GOVERNMENT CREDIT ANALYSIS DIRECTOR	BUSINESS BANKING DIRECTOR
AUDIT DIRECTOR	CAPTAINING DIRECTOR
DIRECTOR GOVERNMENT BANKING	SME CENTERS DIRECTOR
DIRECTOR SPECIALIZED BANKING	COMMERCIAL DIRECTOR FOR THE TERRITORIAL FORCES
CONTROLLER DIRECTOR	MORTGAGE DIRECTOR
MONEY MARKET CONTROLLER DIRECTOR	DIRECTOR OF NEW TECHNOLOGIES
REGULATORY CONTROLLER DIRECTOR	DIVISIONAL DIRECTOR
DIRECTOR OF OPERATIONAL CONTROL	COMMERCIAL AND DIGITAL EXECUTIVE DIRECTOR
DIRECTOR CORP RELATIONS INSTI AND BCA GOB	EXECUTIVE DIRECTOR OF PRODUCTS
IT CORP, OPERATIONS AND PROCESSES DIRECTOR	EXECUTIVE DIRECTOR BUSINESS BUSINESSES
DIRECTOR OF PARAMETRIC CREDITS	DEPUTY MANAGING DIRECTOR OF BUSINESS
DIRECTOR OF DEVELOPMENT CENTRAL SERVICES AND TRADITIONAL CHANNELS	PAYROLL AND PAYROLL CREDIT DIRECTOR
DIRECTOR OF INFRASTRUCTURE AND SERVICES	CAPTAINING SEGMENT DIRECTOR
DIRECTOR OF ADMINISTRATIVE RECOVERY	CONSUMER SEGMENT DIRECTOR
DIRECTOR OF INFORMATION SECURITY	BUSINESS SEGMENT DIRECTOR
DIRECTOR OF SECURITY AND INTELLIGENCE	SME SEGMENT DIRECTOR
CORPORATE SERVICES DEVELOPMENT DIRECTOR	CREDIT AND DEBIT CARD DIRECTOR
EXECUTIVE DIRECTOR. OPERATIONS AND PROCESSES	
EXECUTIVE DIRECTOR ADMIN. OF RISKS	
EXECUTIVE DIRECTOR CREDIT	
LEGAL EXECUTIVE DIRECTOR	

EXECUTIVE DIRECTOR MONEY MARKET
EXECUTIVE PROJECTS DIRECTOR
HUMAN RESOURCE EXECUTIVE DIRECTOR
TREASURY BALANCE SHEET EXECUTIVE DIRECTOR
FIDUCIARY STRUCTURING DIRECTOR
DIRECTOR FACTORING
TRUSTEE DIRECTOR
FINANCE DIRECTOR
GOVERNMENT AND INFRASTRUCTURE DIRECTOR
LEGAL DIRECTOR OF RECOVERY
MONEY AND EXCHANGE MARKET DIRECTOR
LEGAL STRUCTURING BUSINESS DIRECTOR
DIRECTOR PREV. FRAUDS AND CLARIFICATIONS
IT PROCESS AND ARCHITECTURE DIRECTOR
DIRECTOR OF PROCESSES AND SEC CREDITS STRUCT.

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

The Compensation System considers as eligible personnel the Managerial positions of the first two levels of the Staff areas and the Managerial positions of the first three levels of the Deputy General Business Management. The personnel included were chosen based on the fact that the decisions they make in their daily activities may involve a risk for the Institution.

The extraordinary remuneration schemes established for eligible personnel are subject to analysis by the Comprehensive Risk Management Unit in order to propose adjustments or deferrals to them.

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

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

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

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

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

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

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

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

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

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

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

### **Quantitative Information System Remuneration**

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

- b) Number of employees: 76

1. Number of covered bonds: 3  
Percentage: 0.13847%
2. Number of bonds awarded: 67  
Percentage: 5.45444%
3. Number of compensation and settlements: 6  
Percentage: 0.23877%
4. Bonds pending to be awarded in cash: 0  
Percentage: 0%
5. Fixed + Variable Compensation of personnel subject to SR  
Total: 15.09065%

- c)

1. Fixed Remuneration: 8.26756%  
Variable Remuneration: 5.59290%
2. Transferred: 0%  
Not Transferred: 5.59290%
3. Monetary: 5.45444%

- d)

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

Note: The percentage that account 6410 of Banca Afirme represents in relation to account 6400 (Administration and Promotion Expenses) is 35.8103%.

## **OTHER RELEVANT EVENTS**

At the end of the second quarter of 2023, Banca Afirme has an asset level of 255,709.4mdp, showing an increase of 94.8% against the same period of the previous year. This increase is impacted by the increase in repo debtors as a result of a change in accounting regulations where repo debtors are presented without offsetting with its counterparty, which increases both total Assets and Liabilities.

### ***Dividends to Bank***

At the Ordinary General Shareholders' Meeting held on April 24, 2023, the Shareholders of Investment Funds decreed dividends to the Bank for \$10, which was paid on May 17.

### ***Capitalization***

The Capitalization Index of Banca Afirme was at 15.38% at the end of the second quarter of 2023 with a basic capital index of 11.53%.

### ***Issuance of Subordinated Bonds***

#### **QAFIRME15**

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

#### **QBAFIRME18**

At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an 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 issuance of the bonds was carried out through a public offering of up to 12,000,000 subordinate bonds with a face value of \$100 pesos each, which earn interest at a TIIE + 2.8% rate, this issuance is not secured, the interest payment period is every 28 days and its maturity will be in September 2028. Said issuance was for an amount of \$ 1,200, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 100%.

## **QBAFIRME20**

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

## **QBAFIRME20 - 2**

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

## **QBAFIRME22**

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

## **QBAFIRME22-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the shareholders agreed to carry out an issue of non-preferential subordinate capital obligations which cannot be converted into bank shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. On September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures,

considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for \$403. At September 30, 2022, the amount issued was \$392 and the ratio of the authorized amount of subordinated debentures to the amount issued was 97%.

At the end of the second quarter of 2023, the subordinate obligations program has a balance of 3,357.0 million pesos.

### ***Capital increases***

At the Extraordinary General Shareholders' Meeting (Banca Afirme), held on February 22, 2022, it was agreed to increase the share capital, by 629mdp, through the capitalization of the "contributions for future capital increases" account

## **CERTIFICATION**

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

C.P. Jesus Antonio Ramirez Garza  
Managing Director

Alejandro Garay Espinosa  
Deputy General Officer of Corporate Administration

Financial Controller

Lic. Luis Arturo Arias Medina  
Chief Financial Officer

C.P. David Gerardo Martínez Mata  
Audit Director

## **OTHER RELEVANT EVENTS**

At the end of the second quarter of 2023, Banca Afirme has an asset level of 255,709.4mdp, showing an increase of 94.8% against the same period of the previous year. This increase is impacted by the increase in repo debtors as a result of a change in accounting regulations where repo debtors are presented without offsetting with its counterparty, which increases both total Assets and Liabilities.

### ***Capitalization***

The Capitalization Index of Banca Afirme was at 15.38% at the end of the second quarter of 2023 with a basic capital index of 11.53%.

### ***Issuance of Subordinated Bonds***

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the shareholders agreed to carry out an issue of non-preferential subordinate capital obligations which cannot be converted into bank shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. On September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for \$403. The proportion of the authorized amount of subordinated obligations to the issued amount was 100%.

At the end of the second quarter of 2023, the subordinated obligations program has a balance of \$3,357 million pesos.

### ***Dividends to Bank***

At the Ordinary General Shareholders' Meeting held on April 24, 2023, the Shareholders of Investment Funds decreed dividends to the Bank for \$10, which was paid on May 17.

## **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) instructed by the National Banking and Securities Commission.

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

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

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

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



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

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

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SHAREHOLDING OF BANCA AFIRME

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

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

III.- The amounts of the different categories of investments in financial instruments, as well as the positions for repo transactions, by generic type of issuer are presented below for the second quarter of 2023 and 2022:

	INVESTMENT CATEGORIES IN FINANCIAL INSTRUMENTS AND REPORTS		VAR \$	VAR%	
	(AMOUNTS IN MILLIONS OF PESOS)	II QUARTER			
	2023	2022			
<b>ASSETS</b>					
<b>INVESTMENTS IN FINANCIAL INSTRUMENTS</b>	<b>144,958</b>	<b>47,475</b>	-	<b>97,483</b>	<b>-67%</b>
<b>NEGOTIABLE FINANCIAL INSTRUMENTS</b>	<b>144,756</b>	<b>47,261</b>	-	<b>97,497</b>	<b>-67%</b>
<b>WITHOUT RESTRICTIONS</b>	<b>17,281</b>	<b>12,667</b>	-	<b>4,614</b>	<b>-27%</b>
GOVERNMENT DEBT	656	-	0	656	-100%
BANK DEBT	16,480	12,528	-	3,952	-24%
OTHER DEBT INSTRUMENTS	-	-	-	-	0%
EQUITY FINANCIAL INSTRUMENTS	145	139	-	6	-4%
<b>RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS</b>	<b>126,443</b>	<b>33,546</b>	-	<b>92,898</b>	<b>-73%</b>
GOVERNMENT DEBT	117,868	28,667	-	89,201	-76%
BANK DEBT	8,575	4,879	-	3,696	-43%
OTHER DEBT INSTRUMENTS	-	-	-	-	0%
<b>RESTRICTED OR GIVEN UNDER GUARANTEE OTHERS</b>	<b>1,032</b>	<b>1,048</b>		<b>16</b>	<b>1%</b>
GOVERNMENT DEBT	1,032	1,048		16	1%
BANK DEBT	-	-		-	0%
OTHER DEBT INSTRUMENTS	-	-		-	0%
<b>FINANCIAL INSTRUMENTS TO COLLECT OR SELL</b>	<b>202</b>	<b>214</b>		<b>13</b>	<b>6%</b>
<b>WITHOUT RESTRICTIONS</b>	<b>202</b>	<b>214</b>		<b>13</b>	<b>6%</b>
GOVERNMENT DEBT	-	-		-	0%
BANK DEBT	-	-		-	0%
OTHER DEBT INSTRUMENTS	202	214		13	6%
<b>RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS</b>	<b>0</b>	<b>0</b>		<b>-</b>	<b>0%</b>
GOVERNMENT DEBT	0	0		-	0%
BANK DEBT	-	-		-	0%
OTHER DEBT INSTRUMENTS	-	-		-	0%
<b>DEBTORS BY REPURCHASE</b>	<b>34,369</b>	<b>12,588</b>	-	<b>21,781</b>	<b>-63%</b>
GOVERNMENT DEBT	34,369	12,588	-	21,781	-63%
BANK DEBT	-	-		-	0%
OTHER DEBT INSTRUMENTS	-	-		-	0%
<b>LIABILITIES</b>					
<b>REPURCHASE OPERATIONS</b>	<b>125,177</b>	<b>33,181</b>	-	<b>91,995</b>	<b>-73%</b>
<b>REPO CREDITORS</b>	<b>125,177</b>	<b>33,181</b>	-	<b>91,995</b>	<b>-73%</b>
GOVERNMENT DEBT	116,599	28,299	-	88,300	-76%
BANK DEBT	8,578	4,882	-	3,695	-43%
OTHER DEBT INSTRUMENTS	-	-		-	0%
<b>COLLATERALS SOLD OR GIVEN AS GUARANTEE</b>	<b>19,439</b>	<b>-</b>	-	<b>19,439</b>	<b>-100%</b>
GOVERNMENT DEBT	19,439	-	-	19,439	-100%
OTHER DEBT SECURITIES	-	-		-	0%

As of June 30, 2023, the average term of the repo operations conducted by the Bank in its capacity as repo buyer and repo seller is 14 and 3 days respectively. As of June 30, 2022, these deadlines were 9 and 5 days. Likewise, the interests and returns on repo operations during the second quarter of 2023 were \$2,191 and \$3,970, in favor and against respectively. And during the second quarter of 2022, the amounts in favor and charged were \$1,040, and \$1,533 respectively.

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

IV- The nominal amounts of the derivative financial instruments contracts by type of instrument and underlying as of June 30, 2023, and 2022 are presented below:

### IIQUARTER 2023

FOR HEDGING PURPOSES			Notional	Fair Value		Net Balance	Net Balance		Net Balance	
Underlying type	Operation	Market		Assets Part Amount	Passive Part Amount	MTM	CVA EFFECT	DVA EFFECT	Debtor	Creditor
Interest Rate	VR Coverings	Over-the-counter	1,899	831	(859)	(28)	-	(3)	-	(25)
Interest Rate	VR Coverings	Over-the-counter	984	427	(438)	(11)	-	(1)	-	(10)
Interest Rate	VR Coverings	Over-the-counter	1	31	(34)	(4)	-	-	-	(4)
Interest Rate	VR Coverings	Over-the-counter	226	17	(15)	2	-	-	2	-
Interest Rate	VR Coverings	Over-the-counter	279	9	(7)	2	-	-	2	-
Interest Rate	VR Coverings	Over-the-counter	278	20	(16)	4	-	-	4	-
Interest Rate	FE Coverages	Recognized	1,000	199	(191)	9	-	-	9	-
				<b>1,534</b>	<b>(1,560)</b>	<b>(26)</b>	<b>-</b>	<b>(4)</b>	<b>17</b>	<b>(38)</b>

FOR NEGOTIATION PURPOSES			Notional	Fair Value		Net Balance	Net Balance		Net Balance	
Underlying type	Operation	Market		Assets Part Amount	Passive Part Amount	MTM	CVA EFFECT	DVA EFFECT	Debtor	Creditor
Interest Rate	Derivatives Trading	Over-the-counter	300	7	(13)	(6)	-	-	-	(6)
Interest Rate	Mexder Listings	Recognized	4,000	140	(141)	(1)	-	-	-	(1)
Interest Rate	Mexder Listings	Recognized	3,000	132	(132)	(1)	-	-	-	(1)
Interest Rate	Mexder Listings	Recognized	4,000	140	(141)	(1)	-	-	-	(1)
Interest Rate	Mexder Listings	Recognized	2,000	70	(71)	(1)	-	-	-	(1)

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

Interest Rate	Mexder Trading Listings	Recognized	2,000	35	(36)	(1)	-	-	-	(1)
Interest Rate	Mexder Trading Listings	Recognized	2,000	35	(36)	(1)	-	-	-	(1)
Interest Rate	Mexder Trading Listings	Recognized	2,000	70	(71)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	1,000	35	(36)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	3,200	85	(85)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	5,000	176	(176)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	2,000	53	(53)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	5,000	175	(175)	-	-	-	-	-
Interest Rate	Mexder Trading Listings	Recognized	300	13	(8)	5	-	-	5	-
			<b>1,166</b>		<b>(1,173)</b>	<b>(6)</b>	-	-	<b>5</b>	<b>(11)</b>

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

**II QUARTER 2022**

FOR HEDGING PURPOSES			Fair Value		Net Balance	Net Balance		Net Balance		
Underlying type	Operation	Market	Notional	Assets Part Amount	Passive Part Amount	MTM	CVA EFFECT	DVA EFFECT	Debtor	Creditor
Interest Rate	VR Coverings	Over-the-counter	615	8	(8)	-	-	-	-	-
Interest Rate	VR Coverings	Over-the-counter	434	4	(3)	1	-	-	1	-
Interest Rate	VR Coverings	Over-the-counter	135	0	(0)	1	-	-	1	-
Interest Rate	VR Coverings	Over-the-counter	279	18	(15)	3	-	-	3	-
Interest Rate	VR Coverings	Over-the-counter	165	13	(11)	2	-	-	2	-
Interest Rate	VR Coverings	Over-the-counter	275	13	(11)	2	-	-	2	-
Interest Rate	VR Coverings	Over-the-counter	60	7	(6)	1	-	-	1	-
Interest Rate	VR Coverings	Over-the-counter	206	47	(42)	5	-	-	5	-
Interest Rate	VR Coverings	Over-the-counter	1	12	(10)	1	-	-	1	-
Interest Rate	VR Coverings	Over-the-counter	41	8	(7)	1	-	-	1	-
Interest Rate	VR Coverings	Over-the-counter	27	3	(3)	-	-	-	-	-
Interest Rate	VR Coverings	Over-the-counter	29	7	(7)	-	-	-	-	-
Interest Rate	VR Coverings	Over-the-counter	226	28	(26)	1	-	-	1	-
Currency: dollar	VR Coverings	Over-the-counter	278	32	(27)	5	-	-	5	-
Interest Rate	VR Coverings	Over-the-counter	1,203	559	(345)	214	-	-	214	-
Interest Rate	VR Coverings	Over-the-counter	82	34	(39)	(5)	-	-	-	(5)
Interest Rate	VR Coverings	Over-the-counter	1	37	(39)	(2)	-	-	-	(2)
				<b>830</b>	<b>(600)</b>	<b>231</b>	-	-	<b>237</b>	<b>(7)</b>

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

FOR NEGOTIATION PURPOSES			Notional	Fair Value		Net Balance	Net Balance		Net Balance	
Underlying type	Operation	Market		Assets Part Amount	Passive Part Amount	MTM	CVA EFFECT	DVA EFFECT	Debtor	Creditor
Interest Rate	Derivatives Trading	Over-the-counter	300	25	(37)	(13)	-	-	-	(13)
Interest Rate	Mexder Trading Listings	Recognized	300	38	(29)	9	-	-	9	-
Interest Rate	Mexder Trading Listings	Recognized	5,000	91	(83)	8	-	-	8	-
Interest Rate	Mexder Trading Listings	Recognized	5,000	95	(86)	9	-	-	9	-
Interest Rate	Mexder Trading Listings	Recognized	5,000	92	(89)	3	-	-	3	-
				<b>340</b>	<b>(324)</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>(13)</b>

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

V. - The credit portfolio with credit risk by stages by type of credit for the second quarter of 2023 and 2022, is composed as shown below:

	IIQUARTER 2023			IIQUARTER 2022		
	Pesos	Valued foreign currency	Total	Pesos	Valued foreign currency	Total
<b>Commercial credits</b>						
<b>Stage 1</b>						
<b>Commercial Credits</b>	\$ 32,393	745	<b>33,138</b>	32,396	700	<b>33,096</b>
CORPORATE OR BUSINESS ACTIVITY	30,493		<b>31,021</b>	30,162	700	<b>30,862</b>
FINANCIAL ENTITIES	11		<b>228</b>	530	-	<b>530</b>
GOVERNMENTAL ENTITIES	1,889		<b>1,889</b>	1,704	-	<b>1,704</b>
<b>Consumer loans</b>	10,214		<b>10,214</b>	8,475		<b>8,475</b>
<b>Home loans</b>	11,037		<b>11,037</b>	9,491		<b>9,491</b>
	<b>53,644</b>	<b>745</b>	<b>54,389</b>	<b>50,362</b>	<b>700</b>	<b>51,062</b>
<b>Stage 2</b>						
<b>Commercial Credits</b>	\$ 127	-	<b>127</b>	189	14	<b>203</b>
CORPORATE OR BUSINESS ACTIVITY	127		<b>127</b>	189	14	<b>203</b>
FINANCIAL ENTITIES	-		<b>-</b>	-	-	<b>-</b>
GOVERNMENTAL ENTITIES	-		<b>-</b>	-	-	<b>-</b>
<b>Consumer loans</b>	451		<b>451</b>	197		<b>197</b>
<b>Home loans</b>	358		<b>358</b>	482		<b>482</b>
	<b>936</b>	<b>-</b>	<b>936</b>	<b>868</b>	<b>14</b>	<b>882</b>
<b>Stage 3</b>						
<b>Commercial Credits</b>	\$ 2,453	-	<b>2,453</b>	1,336	-	<b>1,336</b>
CORPORATE OR BUSINESS ACTIVITY	2,453		<b>2,453</b>	1,336		<b>1,336</b>
FINANCIAL ENTITIES	-		<b>-</b>	-		<b>-</b>
GOVERNMENTAL ENTITIES	-		<b>-</b>	-		<b>-</b>
<b>Consumer loans</b>	294		<b>294</b>	258		<b>258</b>
<b>Home loans</b>	701		<b>701</b>	679		<b>679</b>
	<b>3,448</b>	<b>-</b>	<b>3,448</b>	<b>2,273</b>	<b>-</b>	<b>2,273</b>
<b>Total credits</b>						
<b>Commercial Credits</b>	\$ 34,973	745	<b>35,718</b>	33,921	714	<b>34,635</b>
CORPORATE OR BUSINESS ACTIVITY	33,073	528	<b>33,601</b>	31,687	714	<b>32,401</b>
FINANCIAL ENTITIES	11	217	<b>228</b>	530	-	<b>530</b>
GOVERNMENTAL ENTITIES	1,889		<b>1,889</b>	1,704		<b>1,704</b>
<b>Consumer loans</b>	10,959		<b>10,959</b>	8,930		<b>8,930</b>
<b>Home loans</b>	12,096		<b>12,096</b>	10,652		<b>10,652</b>
	<b>\$ 58,028</b>	<b>745</b>	<b>58,773</b>	<b>53,503</b>	<b>714</b>	<b>54,217</b>

\* 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)

The following is the credit portfolio with credit risk by stages by economic sector for the second quarter of 2023 and 2022:

<b>Economic activity</b>	<b>IIQUARTER2023</b>	<b>IIQUARTER2022</b>
<b>Commercial credits</b>		
AGRICULTURE	321	276
COMMERCE	10,735	10,531
CONSTRUCTION	3,794	3,201
MINING AND OIL	4,726	5,044
ELECTRICITY AND WATER	3,207	1,925
MANUFACTURING	274	1,529
SERVICES	7,206	6,452
FINANCIAL SERVICES	228	530
REAL ESTATE SERVICES AND RENTAL	2,060	2,291
TRANSPORT AND COMMUNICATIONS	1,278	1,152
GOVERNMENTAL ENTITIES	1,889	1,704
CONSUMPTION	10,959	8,930
HOUSING	12,096	10,652
	<b>58,773</b>	<b>54,217</b>



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

## Phased credit portfolio by Geographical Area

<b>IIQUARTER 2023</b>				
		<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Downtown <sup>(1)</sup>	\$	8,271	198	472
New Leon <sup>(2)</sup>		33,787	246	2,302
North <sup>(3)</sup>		6,721	359	296
Other <sup>(4)</sup>		5,610	133	378
		54,389	936	3,448
	\$		58,773	

<b>IIQUARTER 2022</b>				
		<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Downtown <sup>(1)</sup>	\$	6,861	249	539
New Leon <sup>(2)</sup>		32,131	114	1,094
North <sup>(3)</sup>		6,859	182	227
Other <sup>(4)</sup>		5,211	337	413
		51,062	882	2,273
	\$		54,217	

<sup>(1)</sup> Includes Mexico City and the State of Mexico.

<sup>(2)</sup> It primarily includes Monterrey and its metropolitan area.

<sup>(3)</sup> Includes Tamaulipas, Coahuila, Durango, Sinaloa, Baja California, Sonora and Chihuahua.

<sup>(4)</sup> It includes Aguascalientes, Colima, Guanajuato, Guerrero, Hidalgo, Jalisco, Michoacán, Morelos, Nayarit, Puebla, Querétaro, San Luis Potosí, Quintana Roo, Yucatán and Veracruz.

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

The movements in the stage 3 credit risk portfolio for the second quarter of 2023 and 2022, as well as the transfers to and from the stage 1 credit risk portfolio, are integrated in the following way:

**MOVEMENTS OF THE PORTFOLIO STAGE 3 IN THE SECOND QUARTER OF 2023 AND 2022**

(AMOUNTS IN MILLIONS OF PESOS)

		<b>IIQUARTER2023</b>	<b>IIQUARTER2022</b>
Balance at the beginning of the year (overdue portfolio)	\$	3,149	1,740
Restructurings		82	105
PENALTIES		(972)	(316)
Transfers from the portfolio with stage 1 risk		109	40
Transfers to the portfolio with risk stage 1		(131)	(301)
Transfers from portfolio with risk stage 2		1,450	1,247
Transfers to the portfolio at risk stage 2		(43)	(52)
Clearances		(196)	(190)
<b>Total</b>	<b>\$</b>	<b>3,448</b>	<b>2,273</b>

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

VI.- The deferred income tax assets are presented below according to their origin for the second quarter of 2023 and 2022:

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

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

**AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF JUNE 30, 2022**  
(AMOUNTS IN MILLIONS OF PESOS)

	TOTAL BASE	ISR	TOTAL
<b>FAVOR MATCHES</b>			
TEMPORARY PROVISIONS	660	197	197
PREVENTIVE ESTIMATION FOR CREDIT RISKS	2,443	733	733
OTHER TEMPORARY DIFFERENCES	405	123	123
			1,053
<b>MATCHES CHARGED</b>			
EARLY DEDUCTIONS	-1,623	-487	-487
OTHER TEMPORARY DIFFERENCES	21	7	7
			-480
<b>TOTAL DEFERRED TAXES IN FAVOR</b>			<b>573</b>

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

VII.- The following are the average interest rates for traditional deposits and interbank loans and those from other organizations, by type of currency for the second quarter of 2023 and 2022.

CONCEPTS	AVERAGE INTEREST RATES			
	NATIONAL CURRENCY		FOREIGN CURRENCY	
	II QUARTER 2023	II QUARTER 2022	II QUARTER 2023	II QUARTER 2022
<b>BANKING</b>				
<b>TRADITIONAL DEPOSITS</b>	<b><u>8.53%</u></b>	<b><u>4.63%</u></b>	<b><u>0.04%</u></b>	<b><u>3.14%</u></b>
DEPOSITS PAYABLE ON DEMAND	5.77%	6.33%	0.04%	0.00%
TERM DEPOSITS	10.74%	5.31%	0.00%	0.00%
The terms of the maturities are from 1 to 365 days.				
<b>INTERBANK LOANS AND LOANS FROM OTHER BODIES</b>				
BANKING	10.77%	4.45%	6.55%	0.00%
ARRENDADORA (LESSOR)	12.29%	7.70%	5.05%	0.00%

The terms of the maturities are from 1 to 10 years.

As of June 30, 2023 and 2022, the Bank has unused lines of credit with multiple banking institutions, development banks, and development funds, amounting to \$4,791 and \$3,108, respectively. The amount of authorized credit lines as of June 30, 2023 and 2022 is \$10,520 and \$9,321, respectively.

## 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 JUNE 30, 2023

(AMOUNTS IN MILLIONS OF PESOS)

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

#### DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE AS OF JUNE 30, 2022

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY ( ** )</u>	<u>MONTERREY (*)</u>	<u>NORTH ( *** )</u>	<u>CENTER ( **** )</u>	<u>TOTAL</u>
IMMEDIATE AVAILABLE DEPOSITS	10,019	9,612	5,250	14,971	39,852
TERM DEPOSITS	3,658	23,695	3,559	5,846	36,758
CREDITS SECURITIES ISSUED	0	792	0	0	792
GLOBAL COLLECTION ACCOUNT WITHOUT MOVEMENTS	0	77	0	0	77
<b>TOTAL</b>	<b>13,677</b>	<b>34,176</b>	<b>8,809</b>	<b>20,817</b>	<b>77,479</b>

(\*) It primarily includes Monterrey and its metropolitan area.

(\*\*) Includes Mexico City and the State of Mexico.

(\*\*\*) It includes Baja California, Chihuahua, Coahuila, Durango, Sinaloa, Sonora and Tamaulipas.

(\*\*\*\*) It includes Aguascalientes, Colima, Guanajuato, Guerrero, Hidalgo, Jalisco, Michoacán, Morelos, Nayarit, Puebla, Querétaro, San Luis Potosí, Quintana Roo, Yucatán and Veracruz.

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

VIII.- Results by valuation and by sale and purchase, by type of operation corresponding to the second quarter of 2023 and 2022:

	IIQ 2023	IIQ 2022
<b>Result from fair value measurement</b>		
Result from valuation of securities and derivatives	\$ 3	34
Derivatives for hedging purposes	25	18
Impairment loss or reversal of impairment effect of securities and derivatives	1	6
Titles available for sale	0	0
Held-to-maturity securities	0	0
Derivatives	1	6
Result by currency valuation	<b>-446</b>	<b>-241</b>
	-442	-201
<b>Result from buying and selling</b>		
Result from sale and purchase of securities and derivatives	8	197
Titles to negotiate	6	-69
Derivatives for trading purposes	0	0
Derivatives for hedging purposes	2	266
Results for Sales and Purchase of Currency	<b>485</b>	<b>277</b>
	493	474
	-	-
	<b>\$ 51</b>	<b>273</b>

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

IX.- Amount and origin of the main items that make up the category of other income and expenses corresponding to the second quarter of 2023 and 2022.

<b>Other operating expenses, net</b>	<b>IIQ 2023</b>	<b>IIQ2022</b>
<b>Income:</b>		
Recoveries	17	16
Debugging accounts payable	49	-
Collection of written-off credits	43	40
Release of reserves	-	12
Release of reserves from other debts	-	-
Sale of furniture and real estate	4	2
Subscription and membership bonus	4	-
Others	56	21
<b>Total other income</b>	<b>173</b>	<b>91</b>
<b>Expenses:</b>		
Loss on portfolio sale	-	(1)
Result from operating lease	(15)	(1)
Customer bonuses	(26)	(16)
Reserve for other overdue debts	9	(41)
Reserve foreclosed assets	2	(2)
Heartbreaks	(11)	(7)
IPAB Contribution	(85)	-
Others	(4)	(1)
<b>Total other expenses</b>	<b>(130)</b>	<b>(69)</b>
<b>Total</b>	<b>43</b>	<b>22</b>

**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

	<b>CAPITALIZATION AND MARKET VALUE AT RISK (VAR)</b>	
	<b>(BEFORE REPLICATIONS WITH BANCO DE MEXICO)</b>	
	<b>(AMOUNTS IN MILLIONS OF PESOS)</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS SUBJECT TO RISK</b>		
OF CREDIT	47,843	46,710
MARKET	10,643	4,298
OPERATIONAL	8,000	8,722
<b>CAPITAL STRUCTURE</b>		
BASIC CAPITAL	7,666	6,981
COMPLEMENTARY CAPITAL	2,557	2,134
NET CAPITAL	10,223	9,115
<b>CREDIT CAPITALIZATION INDEX</b>	21.37%	19.52%
<b>TOTAL CAPITALIZATION INDEX</b>	15.38%	15.26%
<b>AVERAGE MARKET VALUE AT RISK (VAR)</b>	10.27	15.56
<b>PERCENTAGE OF NET CAPITAL</b>	0.10%	0.17%



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

## XIV.- Information by segments.

**BANCA AFIRME**  
**Statement of Financial Position by Segments**  
amounts in millions of pesos

June 23	Credit Operations	Treasury and Investment Banking Operations	Others	Total
<b>Assets</b>	<b>68,139</b>	<b>186,863</b>	<b>707</b>	<b>255,709</b>
CASH AND CASH EQUIVALENTS	1,873	7,514	-	9,387
INVESTMENTS IN FINANCIAL INSTRUMENTS	-	144,958	-	144,958
DEBTORS BY REPURCHASE	-	34,369	-	34,369
Operations with Securities and Derivatives	-	22	-	22
Credit card	56,383	-	-	56,383
Other assets	9,883	-	707	10,590
<b>Liabilities</b>	<b>60,932</b>	<b>186,863</b>	<b>-</b>	<b>247,795</b>
View catchment	41,235	2,000	-	43,235
Collection Term	10,995	36,026	-	47,021
Repo creditors	-	144,616	-	144,616
Collateral Vein. O Dice in G.	-	-	-	-
Interbank Loans	5,351	-	-	5,351
Operations with Securities and Derivatives	-	50	-	50
Subordinated bonds	-	3,357	-	3,357
Other liabilities	3,351	814	-	4,165
<b>Capital</b>	<b>7,207</b>	<b>-</b>	<b>707</b>	<b>7,914</b>
Stockholders' Equity	7,207	-	707	7,914
<b>Total Liabilities and Capital</b>	<b>68,139</b>	<b>186,863</b>	<b>707</b>	<b>255,709</b>

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

**BANCA AFIRME**
**Statement of Financial Position by Segments**

amounts in millions of pesos

June 22	Credit Operations	Treasury Investment Operations	and Banking	Others	Total
<b>Assets</b>	62,208		68,565	488	131,261
CASH AND CASH EQUIVALENTS	1,896		8,236	-	10,132
INVESTMENTS IN FINANCIAL INSTRUMENTS	-		47,475	-	47,475
DEBTORS BY REPURCHASE	-		12,588	-	12,588
Derivative financial instruments	-		266	-	266
Loan portfolio, net	50,959		-	-	50,959
Other assets	9,353		-	488	9,841
<b>Liabilities</b>	55,302		68,565	-	123,867
Immediate enforceability deposits	37,852		2,000	-	39,852
Term deposits	8,388		29,240	-	37,628
Repo creditors	-		33,181	-	33,181
Collateral Vend. O Dice in G.	-		-	-	-
Interbank loans and loans from other institutions	5,612		-	-	5,612
Derivative financial instruments	-		20	-	20
Subordinated debentures outstanding	-		2,944	-	2,944
Other liabilities	3,450		1,180	-	4,630
<b>Capital</b>	6,906		-	488	7,394
Stockholders' Equity	6,906		-	488	7,394
<b>Total Liabilities and Capital</b>	62,208		68,565	488	131,261

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

<b>BANCA AFIRME</b>				
<b>Statement of Comprehensive Income by Segments</b>				
amounts in millions of pesos				
<b>June 23</b>	<b>Credit Operations</b>	<b>Treasury Investment Banking Operations</b>	<b>and Others</b>	<b>Total</b>
Interest Income	2,083	5,091	0	7,174
Interest Expense	-1,371	-4,622	0	-5,992
Preventive Estimation for Credit Risks.	-651	0	0	-651
Commissions and Fees Charged	335	0	639	974
Commissions and Fees Paid	-125	0	-344	-469
RESULT BY INTERMEDIATION	38	13	0	51
OTHER INCOME (EXPENSES) FROM THE OPERATION	43	0	0	43
Administration and Promotion Expenses	-325	-446	-286	-1,057
Operating Result	27	36	8	71
ISR	-3	-4	-0	-7
Result before participation of subsidiaries	<b>24</b>	<b>32</b>	<b>8</b>	<b>65</b>
Participation in the results of subsidiaries			9	9
<b>Net profit</b>	<b>25</b>	<b>32</b>	<b>17</b>	<b>74</b>

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

**BANCA AFIRME**  
**Statement of Comprehensive Income by Segments**  
amounts in millions of pesos

<b>June 22</b>	<b>Credit Operations</b>	<b>Treasury Investment Operations</b>	<b>and Banking</b>	<b>Others</b>	<b>Total</b>
Interest Income	1,703	2,461		0	4,164
Interest Expense	-888	-2,080		0	-2,968
Preventive Estimation for Credit Risks.	-391	0		0	-391
Commissions and Fees Charged	236	0		520	756
Commissions and Fees Paid	-93	0		-262	-355
RESULT BY INTERMEDIATION	36	237		0	273
OTHER INCOME (EXPENSES) FROM THE OPERATION	22	0		0	22
Administration and Promotion Expenses	-552	-548		-247	-1,347
ISR	-15	-14		-2	-31
Result before participation of subsidiaries	57	55		9	121
Participation in the results of subsidiaries				16	16
<b>Net profit</b>	<b>57</b>	<b>55</b>		<b>25</b>	<b>137</b>

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

## XV.- Information on related parties:

The key operations performed with related parties were the following:

<u>NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP</u>	<b>2Q 2023</b>	<b>2Q 2022</b>
CASH AND CASH EQUIVALENTS	111	204
CREDIT PORTFOLIO	1,640	993
OPENING OF IRREVOCABLE CREDITS	87	431
OTHER ACCOUNTS RECEIVABLE	148	36
DEBTORS BY REPURCHASE	34,369	79,509
PREPAID EXPENSES AND OTHER ASSETS	10	14
TERM DEPOSITS AND REPURCHASE AGREEMENTS	2,315	2,645
UPTAKE AT SIGHT	494	479
REPO CREDITORS	883	1,920
VARIOUS CREDITORS	7	28
SUBORDINATED BONDS	602	599
 <u>MEMBERS OF THE BANK AND GROUP BOARD OF DIRECTORS</u>		
CREDIT PORTFOLIO	8	8
TERM DEPOSITS AND REPURCHASE AGREEMENTS	57	58
UPTAKE AT SIGHT	12	15
SUBORDINATED BONDS	9	9
 <u>SPOUSES AND PEOPLE RELATED TO THE PREVIOUS PEOPLE</u>		
CREDIT PORTFOLIO	17	14
TERM DEPOSITS AND REPURCHASE AGREEMENTS	30	24
UPTAKE AT SIGHT	13	26

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

<i>INTEREST, COMMISSIONS AND OTHER EXPENSES OF RELATED COMPANIES</i>	<b>2Q 2023</b>	<b>2Q 2022</b>
INTEREST CHARGED	41	22
SERVICE REVENUES	49	28
FEES CHARGED	71	10
AWARDS COLLECTED	2,191	1,038
INCOME COLLECTED	1	-
<b>TOTAL REVENUES</b>	<b>2,353</b>	<b>1,098</b>
SALARIES AND BENEFITS	9	-
OTHER FEES	39	45
RENT PAID	39	50
INTEREST PAID	92	42
OTHER OPERATING AND ADMINISTRATIVE EXPENSES	115	108
AWARDS PAID	54	36
RESULT FROM BUYING-SELLING SECURITIES	(5)	41
<b>TOTAL EXPENSES</b>	<b>343</b>	<b>322</b>

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

## Financial indicators

RELEVANT INDICATORS	IIQ 23	IIQ 22
NPL ratio (past due portfolio/total portfolio)	5.87%	4.19%
Overdue portfolio coverage (preventive estimate/past due portfolio)	0.70	1.10
Operating efficiency (administration and promotion expenses/average total assets)	1.75%	3.91%
ROE (return on equity)	3.76%	7.41%
ROA (return on assets)	0.12%	0.40%
Liquidity Ratio (liquid assets/liquid liabilities)	0.99	0.92
MIN (financial margin adjusted for credit risks/productive assets)	0.92%	2.54%
<b>BANCA AFIRME</b>		
Credit Capitalization Index	21.37%	19.49% (1)
Total Capitalization Ratio	15.38%	15.23% (1)
Basic Capital Index	11.53%	11.66% (1)

(1) Previous data before replicas with Banxico

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

**Banca Afirme Portfolio Rating**

**ANNEX 35**  
**BANCA AFIRME, S.A.**  
**CREDIT PORTFOLIO RATING**  
**AS OF JUNE 30, 2023**  
 Amounts in millions of pesos

RISK GRADES	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	\$43,681	\$124	\$44	\$31	\$14	\$214
A-2	\$5,018	\$40	\$14	\$16	\$4	\$74
B-1	\$2,510	\$19	\$34	\$9	\$2	\$63
B-2	\$1,216	\$6	\$27	\$5	\$3	\$42
B-3	\$780	\$11	\$17	\$5	\$2	\$35
C-1	\$2,140	\$139	\$24	\$10	\$8	\$182
C-2	\$1,058	\$7	\$45	\$24	\$40	\$116
D	\$2,148	\$442	\$84	\$63	\$110	\$699
E	\$1,390	\$341	\$388	\$35	\$122	\$886
<b>EXCEPTED QUALIFIED</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$59,942</b>	<b>\$1,128</b>	<b>\$678</b>	<b>\$198</b>	<b>\$305</b>	<b>\$2,310</b>
Less:						
<b>RESERVES CONSTITUTED EXCESS BALANCE RESERVATIONS</b>						<b>\$2,396</b>
						<b>-\$86</b>
						<b>\$2,396</b>

**GRADES:**

- The figures for the rating and establishment of preventive reserves correspond to the last day of the month referred to by the financial situation report as of June 30, 2023.
- 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.
- 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.
- The excess of preventive reserves constituted by \$ 86', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.



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

**ANNEX 35**  
**BANCA AFIRME, S.A.**  
**CREDIT PORTFOLIO RATING**  
**AS OF JUNE 30, 2022**  
 Amounts in millions of pesos

RISK GRADES	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS					
		COMMERCIAL	CONSUMPTION			HOUSING MORTGAGE PORTFOLIO	TOTAL LOAN-LOSS RESERVES
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS			
A-1	\$38,814	\$124	\$39	\$26	\$12	\$201	
A-2	\$5,041	\$42	\$11	\$12	\$4	\$70	
B-1	\$2,715	\$25	\$30	\$7	\$2	\$64	
B-2	\$1,226	\$9	\$22	\$4	\$3	\$38	
B-3	\$1,169	\$29	\$15	\$4	\$2	\$50	
C-1	\$1,696	\$115	\$21	\$8	\$4	\$149	
C-2	\$984	\$8	\$37	\$19	\$42	\$107	
D	\$2,718	\$669	\$57	\$42	\$105	\$872	
E	\$1,358	\$516	\$270	\$25	\$99	\$909	
<b>EXCEPTED QUALIFIED</b>	\$0	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL</b>	<b>\$55,719</b>	<b>\$1,536</b>	<b>\$504</b>	<b>\$148</b>	<b>\$273</b>	<b>\$2,461</b>	
Less:							
<b>RESERVES CONSTITUTED EXCESS BALANCE RESERVATIONS</b>						<b>\$2,510</b>	
						<b>-\$50</b>	
						<b>\$2,510</b>	

**GRADES:**

- 1.- The figures for the qualification and constitution of preventive reserves are those corresponding to the last day of the month referred to in the balance sheet as of June 30, 2022.
- 2.- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by internal methodologies authorized by the Commission itself.  
 The Institution uses the rating methodologies established by the CNBV.  
 Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping loan-loss reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "On the constitution of reserves and their classification by degree of risk", contained in Chapter V of Title Two of the aforementioned provisions.
- 3.- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.
- 4.- The excess of preventive reserves constituted by \$ 50', 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 Loss as of June 30, 2023 and 2022, respectively:

**IIQ2023**

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

**IIQ2022**

<b>Portfolio Type</b>	<b>Exposure to Default</b>	<b>Weighted Probability of Default</b>	<b>Loss Severity Weighted</b>
COMMERCIAL PORTFOLIO	34,771.8	9.86%	37.12%
Housing Portfolio	10,651.8	11.11%	14.43%
Non-Revolver Consumer Portfolio	7,962.0	8.65%	71.68%
Revolving Consumer Portfolio: Credit Card	1,908.9	10.28%	72.68%

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

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

**QAFIRME15**

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

**QBAFIRME18**

At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an 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 issuance of the bonds was carried out through a public offering of up to 12,000,000 subordinate bonds with a face value of \$100 pesos each, which earn interest at a TIIE + 2.8% rate, this issuance is not secured, the interest payment period is every 28 days and its maturity will be in September 2028. Said issuance was for an amount of \$ 1,200, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 100%.

**QBAFIRME20**

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

**QBAFIRME20-2**

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

**QBAFIRME22**

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

**QBAFIRME22-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the shareholders agreed to carry out an issue of non-preferential subordinate capital obligations which cannot be converted into bank shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. On September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for \$403. The proportion of the authorized amount of subordinated obligations to the issued amount was 100%.

As of June 30, 2023 and 2022, the amount placed from current issues in the line of "Subordinated obligations in circulation" amounts to \$3,357 and \$2,944, respectively, which include accrued interest pending payment of \$33 and \$22 and include issuance costs and expenses to be amortized, which amount to \$10 and \$9, respectively.

As of June 30, 2023, the subordinated obligations are registered in the consolidated Financial Situation Statement under the heading of "Outstanding subordinated obligations", which have the option of prepayment from the fifth year and include, among others, the following features:

- I.- They are bearer titles.
- II.- Coupons will not be attached for the payment of interest and the issue will be backed by a single bearer security.
- III.- They meet the requirements and contain the mentions referred to in articles 63 and 64 of the LIC, as well as the provisions of Circular 2019/95 and in the Capitalization Rules.
- IV.- They confer the Bondholders corresponding to this issue equal rights and obligations.
- V.- They enjoy executive action against the issuer, upon request for payment before a notary public.

As of June 30, 2023, the subordinated obligations do not have a discount rate or a premium rate.

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

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

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

### XVIII.- Activity and outstanding operations-

Banca Afirme S.A. Institución de Banca Múltiple, Afirme Grupo Financiero (the "Bank") was incorporated under Mexican laws domiciled at Av. 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. ("Grupo Afirme") and based on the Law of Credit Institutions ("LIC"), is authorized to carry out multiple banking operations, which include, among others, the acceptance and granting of credits, the collection of deposits, the making of investments in financial instruments, the operation of repurchase agreements and financial derivative instruments and the execution of trust contracts, among others. Their activities are regulated by the Bank of Mexico ("Central Bank") and by the National Banking and Securities Commission (the "Commission").

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

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

- Arrendadora Afirme, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Regulated Entity, Afirme Grupo Financiero (the "Leasing Company") (99.976%

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

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stake), dedicated to the execution of financial and operational leasing contracts of movable and immovable property, acceptance and granting of credit, making investments and financial instruments.

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

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

### XIX.- Summary of the main accounting policies-

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

The CINIF has issued the NIF and Improvements mentioned below:

**NIF-B-14 Profit per Share** - Comes into effect for the exercises that start from the 1st. from January 2023 allowing its early application. Make precision for the determination of earnings per share (EPS). The Administration estimates that the adoption of this new IFRS will not generate significant effects.

### **Improvements to the NIF 2023**

In December 2022, the CINIF issued the document called "Improvements to the NIF 2023", which contains specific amendments to some existing NIFs. The main improvements that generate accounting changes are those mentioned on the following page.

**NIF B-11 Disposition of Long-term Assets and Discontinued Operations/ NIF C-11 Equity** - Comes into effect for fiscal years beginning from the 1st. from January 2023, allowing its early application. Any change that is generated must be recognized in accordance with the NIF B-1 *Accounting Changes and Error Corrections*. This improvement stipulates that any difference between the book value of long-term assets delivered to settle dividends or capital refunds, must be recognized in retained earnings.

**"NIF B-15 Foreign Currency Conversion"** - Comes into effect for exercises starting from the 1st. from January 2023, allowing its early application. Any change that is generated must be recognized in accordance with the NIF B-1 *Accounting Changes and Error Corrections*. Make modifications to the practical solution of the NIF that allows the preparation of consolidated financial statements without the effects of conversion to functional currency.

This improvement specifies which entities and in which cases this option can be exercised, establishing that an entity that does not have subsidiaries or a parent company, or that is a subsidiary, associate or joint business, can prepare its consolidated financial statements without making the conversion to functional currency, as long as it is exclusively for tax and legal purposes and does not have users who require the preparation of consolidated financial statements considering the effects of the conversion to functional currency.

The mentioned improvements did not generate effects on the financial information as of January 1, 2023.



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

XX.- The Capitalization Index for the second quarter of 2023 is presented below, as well as the assets subject to credit and market risk, in order to comply with the General Provisions Applicable to the institution.

### ANNEX 1-O

Figure in millions of pesos as of June 30, 2023.  
(numbers prior to replicas with Bank of Mexico)

**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	3,277.67
3	Other elements of comprehensive income (and other reserves)	1,448.44
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	<b>Tier 1 common capital before regulatory adjustments</b>	8,644.74
<b>Tier 1 Common Capital: Regulatory Adjustments</b>		
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)	392.40
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)	

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

21	Deferred income taxes in favor from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable)	<b>328.09</b>
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	699.24
TO	Of which: Other elements of comprehensive income (and other reserves)	677.13
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	22.11
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	<b>Total regulatory adjustments to Tier 1 common capital</b>	2,219.74
29	<b>Common Equity Tier 1 (CET1)</b>	6,425.00
<b>Additional Tier 1 Capital - Instruments</b>		
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	0.00
<b>Additional Tier 1 Capital: Regulatory Adjustments</b>		
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

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

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	<b>Total regulatory adjustments to additional Tier 1 capital</b>	0.00
44	<b>Additional Tier 1 Capital (AT1)</b>	0.00
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	7,225.00
<b>Tier 2 capital: instruments and reserves</b>		
46	Directly issued instruments that qualify as Tier 2 capital, plus your premium	
47	Directly issued equity instruments subject to phase-out from Tier 2 capital	2,533.75
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	<b>Tier 2 capital before regulatory adjustments</b>	2,533.75
<b>Tier 2 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>0.00</b>
58	<b>Tier 2 Capital (T2)</b>	2,533.75
59	<b>Total capital (TC = T1 + T2)</b>	9,758.75
60	<b>Total risk-weighted assets</b>	61,239.12
<b>Capital ratios and supplements</b>		
61	Common Tier 1 Capital (as a percentage of total risk-weighted assets)	10.49
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	11.80
63	Total Capital (as a percentage of total risk-weighted assets)	15.94
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

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

68	Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets)	3.49
<b>National minimums (if different from Basel 3)</b>		
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
<b>Amounts below deduction thresholds (before risk weighting)</b>		
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)	
<b>Limits applicable to the inclusion of reserves in Tier 2 capital</b>		
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	
<b>Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)</b>		
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)	

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

**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	3,214.29
3	Other elements of comprehensive income (and other reserves)	1,582.65
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	<b>Tier 1 common capital before regulatory adjustments</b>	<b>8,715.56</b>
<b>Tier 1 Common Capital: Regulatory Adjustments</b>		
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)	350.43
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)	<b>243.00</b>
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	455.75
TO	Of which: Other elements of comprehensive income (and other reserves)	437.98
B	Of which: Investments in subordinated debt	

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

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	17.77
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	
O	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	<b>Total regulatory adjustments to Tier 1 common capital</b>	1,849.19
29	<b>Common Equity Tier 1 (CET1)</b>	6,866.37
<b>Additional Tier 1 Capital - Instruments</b>		
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	0.00
<b>Additional Tier 1 Capital: Regulatory Adjustments</b>		
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	<b>Total regulatory adjustments to additional Tier 1 capital</b>	0.00
44	<b>Additional Tier 1 Capital (AT1)</b>	0.00
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	7,666.37
<b>Tier 2 capital: instruments and reserves</b>		
46	Directly issued instruments that qualify as Tier 2 capital, plus your premium	
47	Directly issued equity instruments subject to phase-out from Tier 2 capital	2,557.02

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

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	<b>Tier 2 capital before regulatory adjustments</b>	2,557.02
<b>Tier 2 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>0.00</b>
58	<b>Tier 2 Capital (T2)</b>	2,557.02
59	<b>Total capital (TC = T1 + T2)</b>	10,223.38
60	<b>Total risk-weighted assets</b>	66,485.77
<b>Capital ratios and supplements</b>		
61	Common Tier 1 Capital (as a percentage of total risk-weighted assets)	10.33
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	11.53
63	Total Capital (as a percentage of total risk-weighted assets)	15.38
64	Institutional specific supplement (at least it must consist of: the common capital requirement of level 1 plus the capital conservation buffer, plus the countercyclical buffer, plus the G-SIB buffer; expressed as a percentage of total risk-weighted assets)	7.00
65	Of which: Capital Conservation Supplement	2.50
66	Of which: Specific Banking Countercyclical Supplement	Not applicable
67	Of which: Global Systemically Important Banks Supplement (G-SIB)	Not applicable
68	Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets)	3.33
<b>National minimums (if different from Basel 3)</b>		
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
<b>Amounts below deduction thresholds (before risk weighting)</b>		
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

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

75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable)	
<b>Limits applicable to the inclusion of reserves in Tier 2 capital</b>		
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	
<b>Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)</b>		
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)	



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

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

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

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

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

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

26	<p>A. The sum of the cumulative exchange adjustment and the result from holding non-monetary assets considering the amount of each of these items with the opposite sign to that considered for inclusion in reference 3, i.e. if they are positive in this item they will be included as negative and vice versa.</p> <p>B. Investments in subordinated debt instruments, in accordance with the provisions of Section I, paragraph b) of Article 2 Bis 6 of these provisions.</p> <p>C. The amount that results if as a result of the acquisition of securitization positions, the originating institutions record a profit or an increase in the value of their assets with respect to the assets previously recorded in their balance sheet, in accordance with the provisions of section I, paragraph c) of Article 2 Bis 6 of these provisions.</p> <p>D. Investments in the capital of multilateral development or international development organizations in accordance with the provisions of Section I, paragraph f) of Article 2 Bis 6 of these provisions, which have a credit rating assigned by one of the rating agencies to the issuer, equal to or better than Risk Grade 2 in the long term.</p> <p>E. Investments in shares of companies related to the Institution under the terms of Articles 73, 73 Bis and 73 Bis 1 of the Law, including the corresponding amount of investments in mutual funds and investments in indexes as established in section I, paragraph g) of Article 2 Bis 6 of these provisions.</p> <p>G. Investments in shares, other than fixed capital, of listed investment funds in which the Institution holds more than 15 percent of the stockholders' equity of the investment fund, in accordance with Section I (i) of Article 2 Bis 6, which have not been considered in the above references.</p>
	<p>H. Any type of contribution whose resources are destined to the acquisition of shares of the controlling company of the financial group, of the other financial entities that are members of the group to which the Institution belongs or of their financial subsidiaries in accordance with the provisions of section I, paragraph l) of Article 2 Bis 6 of these provisions. I. Operations that contravene the provisions, in accordance with the provisions of Section I, paragraph m) of Article 2 Bis 6 of these provisions. J. Deferred charges and prepayments, net of deferred income taxes payable, as established in Section I paragraph n) of Article 2 Bis 6 of these provisions. K. Positions related to the First Loss Scheme in which risk is retained or credit protection is provided up to a certain limit of a position in accordance with section I subsection o) of Article 2 Bis 6. L. The participation of the workers in the deferred profits in their favor in accordance with fraction I clause p) of Article 2 Bis 6 of these provisions. M. The aggregate amount of the Transactions Subject to Credit Risk by Relevant Related Persons in accordance with section I paragraph s) of Article 2 Bis 6 of these provisions. N. The difference between the investments made by the defined benefit pension fund in accordance with Article 2 Bis 8 minus reference 15. O. Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C1 of the format included in section II of this appendix. P. Investments or contributions, directly or indirectly, in the capital of companies or in the assets of trusts or other similar types of entities whose purpose is to compensate and settle transactions carried out on the stock exchange, except for the participation of such companies or trusts in the latter in accordance with paragraph f) section I of Article 2 Bis 6.</p>
27	<p>Not applicable There are no regulatory adjustments for additional Tier 1 capital or supplementary capital. All regulatory adjustments are made to Common Equity Tier 1. 28 Sum of lines 7 to 22, plus lines 26 and 27. 29 Section 6 minus Section 28.</p>
30	<p>The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital and the Capital Instruments, which meet the conditions set forth in Exhibit 1-R of these provisions in accordance with the provisions of Section II of Article 2 Bis 6 of these provisions. 31 Amount of line 30 classified as equity under applicable accounting standards.</p>
32	<p>Not applicable Directly issued instruments that qualify as additional Tier 1 capital, plus their premium, are recorded for accounting purposes as capital.</p>
33	<p>Subordinated obligations computable as Basic Non-Fundamental Capital, in accordance with the provisions in the Third Transitory Article of Resolution 50a that modifies the general provisions applicable to credit institutions, (Resolution 50a).</p>
34	<p>Not applicable See note in reference 5.</p>
35	<p>Not applicable See note in reference 5.</p>
36	<p>Sum of Sections 30, 33 and 34.</p>

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

37	Not applicable The deduction is made in full from Common Equity Tier 1.
38	Not applicable The deduction is made in full from Common Equity Tier 1.
39	Not applicable The deduction is made in full from Common Equity Tier 1.
40	Not applicable The deduction is made in full from Common Equity Tier 1.
41	<b>National adjustments considered:</b> Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C2 of the format included in section II of this appendix.
42	Not applicable There are no regulatory adjustments for supplementary capital. All regulatory adjustments are made to Common Equity Tier 1.
43	Sum of Section 37 to 42.
44	Section 36, minus Section 43.
45	Section 29, plus Section 44.
46	The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital or in the Non-Fundamental Basic Capital and the Capital Instruments, which comply with Exhibit 1-S of these provisions in accordance with the provisions of Article 2 Bis 7 of these provisions.
47	Subordinated debentures computable as supplementary capital, in accordance with the provisions of the Third Transitory Article of Resolution 50a.
48	Not applicable See note in reference 5.
49	Not applicable See note in reference 5.
50	Provisions for credit risk up to the sum of 1.25% of the assets weighted by credit risk, corresponding to the Transactions in which the Standardized Method is used to calculate the capital requirement for credit risk; and the positive difference of the Total Allowable Reserves minus the Total Expected Losses, up to an amount not to exceed 0.6 percent of the assets weighted by credit risk, corresponding to the Operations in which the method based on internal ratings is used to calculate the capital requirement for credit risk, in accordance with section III of Article 2 Bis 7.
51	Sum of Section 46 to 48, plus Section 50.
52	Not applicable The deduction is made in full from Common Equity Tier 1.
53	Not applicable The deduction is made in full from Common Equity Tier 1.
54	Not applicable The deduction is made in full from Common Equity Tier 1.
55	Not applicable The deduction is made in full from Common Equity Tier 1.
56	<b>National adjustments considered:</b> Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C4 of the format included in section II of this appendix.
57	Sum of Sections 52 to 56.
58	Section 51, minus Section 57.
59	Section 45, plus Section 58.
60	Weighted Assets Subject to Total Risk
61	Section 29 divided by Section 60 (expressed as a percentage).
62	Section 45 divided by Section 60 (expressed as a percentage).
63	Section 59 divided by Section 60 (expressed as a percentage).
64	Report the sum of the percentages expressed in lines 61, 65, 66, and 67.

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

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

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

74	Rights for mortgage services (net of deferred income taxes payable)
75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable)
<b>Limits applicable to the inclusion of reserves in Tier 2 capital</b>	
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
<b>Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)</b>	
80	Current cap on CET1 instruments subject to phase-out
81	Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities)
82	Current limit on AT1 instruments subject to phase-out
83	Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities)
84	Current limit on T2 instruments subject to phase-out
85	Amount excluded from T2 due to limit (excess over limit after amortizations and maturities)

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

**TABLE II.1 Financial Situation**  
**Figures**

Reference of the items of the financial situation statement	Statement of financial position line items	Amount presented in the statement of financial position
	<b>Assets</b>	<b>255,709.39</b>
BG1	Cash and cash equivalents	9,384.14
BG2	Margin accounts	139.18
BG3	Investments in securities	144,957.66
BG4	Debtors by repurchase	34,369.00
BG5	Securities Lending	0.00
BG6	Derivatives	21.69
BG7	Valuation adjustments for hedging financial assets	35.90
BG8	Total loan portfolio (net)	56,383.39
BG9	Benefits to be received in securitization operations	0.00
BG10	Other accounts receivable (net)	1,391.98
BG11	Foreclosed assets (net)	237.15
BG12	Property, furniture, and equipment (net)	4,698.36
BG13	Permanent Investment	170.47
BG14	Long - term assets available for sale	0.00
BG15	Deferred taxes and employee profit sharing (net)	703.35
BG16	Other assets	3,217.13
	<b>Liabilities</b>	<b>247,793.73</b>
BG17	Traditional deposits	90,251.19
BG18	Interbank and other agencies loans	5,351.42
BG19	Creditors for Repurchase	125,176.53
BG20	Securities lending	0.00
BG21	Collaterals sold or pledged	19,439.41
BG22	Derivatives	49.65
BG23	Valuation adjustments for coverage of financial liabilities	0.00
BG24	Obligations from securitization operations	0.00
BG25	Other accounts payable	2,416.44

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

BG26	Subordinated bonds issued	3,357.02
BG27	Deferred taxes and employee profit sharing (net)	1,643.61
BG28	Deferred credits and early collections	108.46
	<b>Stockholders' equity</b>	<b>7,915.56</b>
BG29	Contributed capital	3,918.63
BG30	Earned capital	3,996.93
	<b>Memorandum accounts</b>	<b>591,711.53</b>
BG31	Guarantees granted	884.24
BG32	Contingent assets and liabilities	0.00
BG33	Credit commitments	9,813.29
BG34	Assets in trust or mandate	55,833.27
BG35	Financial agent of the federal government	0.00
BG36	Assets in custody or management	328,725.00
BG37	Collaterals received by the entity	34,091.27
BG38	Collaterals received and sold or delivered as collateral by the entity	19,288.27
BG39	Investment banking operations on behalf of third parties (net)	0.00
BG40	Uncollected accrued interest from past due loan portfolio	175.24
BG41	Other registration accounts	142,900.95



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

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

Identifier	Regulatory concepts considered for the calculation of the components of Net Capital	Reference of the disclosure format of the capital integration of section I of this annex	Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the Net Capital components	Reference (s) of the item of the balance sheet and amount related to the regulatory concept considered for the calculation of the Net Capital from the mentioned reference.
<b>Assets</b>				
1	Commercial Credit	8	0.00	BG16
2	Other Intangibles	9	350.43	BG16
3	Deferred income tax (in favor) from losses and tax credits	10	0.00	BG15
4	Benefits on the remainder in securitization operations	13	0.00	BG09
5	Investments of the pension plan for defined benefits without unrestricted and unlimited access	15	0.00	
6	Investments in shares of the institution itself	16	0.00	
7	Reciprocal investments in ordinary capital	17	0.00	
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	

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

<b>9</b>	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	
<b>10</b>	Direct investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
<b>11</b>	Indirect investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
<b>12</b>	Deferred income tax (in favor) from temporary differences	21	243.00	
<b>13</b>	Reserves recognized as complementary capital	50	0.00	BG8
<b>14</b>	Investments in subordinated debt	26 - B	0.00	
<b>15</b>	Investments in multilateral organizations	26 - D	0.00	
<b>16</b>	Investments in related companies	26 - E	0.00	
<b>17</b>	Venture capital investments	26 - F	0.00	
<b>18</b>	Investments in mutual funds	26 - G	17.77	BG13
<b>19</b>	Financing for the acquisition of own shares	26 - H	0.00	
<b>20</b>	Deferred charges and advance payments	26 - J	0.00	
<b>21</b>	Deferred employee profit sharing (net)	26 - L	0.00	
<b>22</b>	Investments in the defined benefit pension plan	26 - N	0.00	
<b>23</b>	Investments in clearing houses	26 - P	0.00	BG13
<b>Liabilities</b>				
<b>24</b>	Taxes on deferred income (payable) associated with goodwill	8	0.00	
<b>25</b>	Deferred income taxes (payable) associated with other intangibles	9	0.00	
<b>26</b>	Liabilities of the pension plan for defined benefits without unrestricted and unlimited access	15	0.00	
<b>27</b>	Deferred income taxes (payable) associated with the defined benefit pension plan	15	0.00	
<b>28</b>	Deferred income taxes (payable) associated with others other than the above	21	0.00	

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

29	Subordinated obligations amount that complies with Schedule 1-R	31	0.00	
30	Subordinated obligations subject to transitory status that are computed as basic capital 2	33	0.00	
31	Subordinated obligations amount that complies with Schedule 1-S	46	0.00	
32	Subordinated obligations subject to transitory status that are computed as complementary capital	47	0.00	
33	Deferred income taxes (payable) associated with deferred charges and prepayments	26 - J	0.00	
<b>Stockholders' equity</b>				
34	Contributed capital that complies with Schedule 1-Q	1	3,918.63	BG29
35	Results of previous years	2	3,214.29	BG30
36	Result from valuation of instruments for cash flow hedging of items recorded at fair value	3	0.00	BG30
37	Other elements of earned capital other than the above	3	1,582.65	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	
<b>Memorandum accounts</b>				
43	Positions in First Loss Schemes	26 - K	0.00	
<b>Regulatory concepts not considered in the balance sheet</b>				
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	

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

<b>47</b>	Operations with Relevant Related Persons	26 - M	0.00	
<b>48</b>	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	4,898	392
Operations with debt securities in national currency with a surcharge and a reviewable rate	5,247	420
Operations in national currency with a real rate or denominated in UDI's	318	25
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	20	2
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	69	6
Positions in currencies or with yield indexed at the exchange rate	86	7
Gold Positions	5	0
Positions in shares or with yield indexed to the price of a share or group of shares	0	0

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

**TABLE IV.2**

Concept	Risk-weighted assets	Capital requirement
Group III (weighted at 20%)	322.79	25.82
Group III (weighted at 50%)	138.87	11.11
Group III (weighted at 120%)	0.16	0.01
Group IV (weighted at 20%)	262.20	20.98
Group V (weighted at 20%)	147.41	11.79
Group V (weighted at 50%)	355.92	28.47
Group V (weighted at 150%)	158.87	12.71
Group VI (weighted at 50%)	1,300.83	104.07
Group VI (weighted at 75%)	644.05	51.52
Group VI (weighted at 100%)	7,919.96	633.60
Group VI (weighted at 115%)	375.78	30.06
Group VI (weighted at 150%)	289.36	23.15
Group VII_A (weighted at 20%)	964.32	77.15
Group VII_A (weighted at 50%)	49.70	3.98
Group VII_A (weighted at 100%)	30,462.66	2,437.01
Group IX (weighted at 100%)	4,265.62	341.25
Group IX (weighted at 115%)	184.07	14.73

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

**TABLE III.3 Weighted assets subject to operational risk**

Risk-weighted assets	Capital requirement
8,000	640
Average of the requirement for market and credit risk of the last 36 months	Average positive annual net income for the last 36 months
N/A	4,823

Banca Afirme, as of the end of June 2023, is classified as Category I, in accordance with the provisions applicable to capitalization requirements, issued by the National Banking and Securities Commission to Multiple Banking institutions in terms of Article 50 of the LIC, Chapter I of the First Bis Title.

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

**ANNEX 1-O Bis**

(Before replies with Banco de México)

**DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE**

I.- Integration of the main sources of leverage

II.- Comparison between total assets and Adjusted Assets

III. - Reconciliation between total assets and on-balance sheet exposure

IV. Analysis of the most important variations of the elements (numerator and denominator) of the Leverage Ratio.

**I. Integration of the main sources of leverage**

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

Table I.1

Reference	ITEM	AMOUNT
1	Items within the balance sheet (excluding derivative financial instruments and repurchase operations and securities loans -SFT for its acronym in English- but including collaterals received as collateral and recorded on the balance sheet)	219,597
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	- 1,049
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2)	218,548
	Exposures to derivative financial instruments	
4	Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin)	8
5	Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments.	16
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 derivatives 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)	23.69
	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	-
13	(Accounts payable and receivable from SFT cleared)	10,698
14	Counterparty Risk Exposure by SFT	2,252
15	Exposures by SFT acting on behalf of third parties	-
16	Total exposures from securities financing operations (sum of lines 12 to 15)	12,950
	Capital and total exposures	
17	Off-balance sheet exposure (gross notional amount)	10,698
18	(Adjustments for conversion to credit equivalents)	-
19	Off-balance sheet items (sum of lines 17 and 18)	442
	Capital and total exposures	
20	Tier 1 Capital	7,666
21	Total exposures (sum of lines 3, 11, 16, and 19)	231,963
	Leverage ratio	
22	Basel III leverage ratio	<b>3.30%</b>

TABLE II.1

Reference	ITEM	AMOUNT
1	Total assets	253,987
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	- 456
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	2
5	Adjustment for repurchase operations and securities loan	- 21,419
6	Adjustment for items recognized in memorandum accounts	442
7	Other settings	- 350
8	Leverage ratio exposure	232,206



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

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TABLE III.1

Reference	ITEM	AMOUNT
1	Total assets	253,987
2	Operations in derivative financial instruments	- 21.69
3	Repo operations and securities loans	- 34,369.00
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	219,597

TABLE IV.1

MAIN CAUSES OF THE MOST IMPORTANT ELEMENT VARIATIONS  
(NUMERATOR AND DENOMINATOR) OF THE LEVERAGE REASON

CONCEPT/QUARTER	T-1	T	VARIATION (%)
Basic Capital 1/	7,225	7,666	6.11%
Adjusted Assets 2/	141,846	231,963	63.53%
Leverage Ratio 3/	5.09%	3.30%	-35.11%

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

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

**Characteristics of the Debt**

Reference	Characteristic	QAFIRME-15 Options	BAFIRME-18 Options	BAFIRME-20 Options	BAFIRME-20-2 Options	BAFIRME-22 Options	BAFIRME-22-2 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.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.
2	ISIN, CUSIP or Bloomberg identifier	N/A	N/A	N/A	N/A	N/A	N/A
3	Legal framework Regulatory treatment	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular
4	Capital level with transience	Basic 2	Complementary	Complementary	Complementary	Complementary	Complementary
5	Capital level without transience	Basic 2	Complementary	Complementary	Complementary	Complementary	Complementary
6	Instrument level	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries
7	Type of instrument	Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares.	Subordinated 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	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	\$ 800.00 million pesos They are recognized within the basic non-fundamental capital.	\$2,534.12 MOP are recognized within the additional capital.	\$2,534.12 MOP are recognized within the additional capital.	\$2,534.12 MOP are recognized within the additional capital.	\$2,534.12 MOP are recognized within the additional capital.	\$2,534.12 MOP are recognized within the additional capital.
9	Instrument nominal value	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.
9A	Instrument currency	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos
10	Accounting classification	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost

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

11	Date of issue	04/02/2015	11/10/2018	27/03/2020	22/10/2020	15/02/2022	14/09/2022
12	Instrument term	Perpetuity	Maturity	Maturity	Maturity	Maturity	Maturity
13	Expiration date	Without caducity	September 28, 2028	March 15, 2030	10/10/2030	03/02/2032	01/09/2032
14	Advance payment clause	Yes	Yes	Yes	Yes	Yes	Yes
15	First advance payment date	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.
15A	Regulatory or tax events	No	No	No	No	No	No
15B	Settlement price of the advance payment clause	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment
16	Subsequent advance payment dates	NA	NA	NA	NA	NA	NA
	<i>Yields / dividends</i>						
17	Yield/dividend type	Variable Yield	Variable Yield	Variable Yield	Variable Yield	Variable Yield	Variable Yield
18	Cup of Interest/Dividend	Interest Rate: 91-day TIIE + 4.00%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%
19	Dividend cancellation clause	NA	NA	NA	NA	NA	NA
20	Discretion in payment	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Interest increase clause	NA	NA	NA	NA	NA	NA
22	Yield/dividends	Performance	Performance	Performance	Performance	Performance	Performance
23	Instrument convertibility	Convertibles	Non Convertibles	Non Convertibles	Non Convertibles	Non Convertibles	Non Convertibles
24	Convertibility conditions	NA	NA	NA	NA	NA	NA
25	Degree of convertibility	NA	NA	NA	NA	NA	NA
26	Conversion rate	NA	NA	NA	NA	NA	NA
27	Type of instrument convertibility	NA	NA	NA	NA	NA	NA

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

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

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

### 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 ratio for the second quarter of 2023 is detailed.

LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM				
LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM (Figures in millions of Mexican Pesos)	Individual Calculation		Consolidated Calculation	
	Unweighted amount (average)	Weighted amount (average)	Unweighted amount (average)	Weighted amount (average)
<b>COMPUTABLE LIQUID ASSETS</b>				
<b>1</b>	<b>Total Computable Liquid Assets</b>	<b>Not applicable</b>	<b>27,744</b>	<b>Not applicable</b>
<b>27,744</b>				<b>27,744</b>
<b>CASH OUTFLOWS</b>				
<b>2</b>	Unsecured Retail Financing	26,219	2,055	26,219
<b>3</b>	Stable funding	11,334	567	11,334
<b>4</b>	Less stable financing	14,885	1,489	14,885
<b>5</b>	Unsecured wholesale funding	42,456	19,363	42,476
<b>6</b>	Operational deposits	0	0	0
<b>7</b>	Non-operational deposits	42,456	19,363	42,476
<b>8</b>	Unsecured debt	0	0	0
<b>9</b>	Guaranteed Wholesale Financing	Not applicable	666	Not applicable
<b>10</b>	Additional requirements:	10,899	1,815	11,104
<b>11</b>	Outputs related to derivative financial instruments and other collateral requirements	1,394	1,257	1,394
<b>12</b>	Outputs related to losses from the financing of debt instruments	0	0	0
<b>13</b>	Lines of credit and liquidity	9,505	555	9,710
<b>14</b>	Other contractual financing obligations	3	3	3
<b>15</b>	Other contingent financing obligations	0	0	0
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>	<b>Not applicable</b>	<b>23,900</b>	<b>Not applicable</b>
<b>23,900</b>				<b>23,930</b>
<b>CASH INPUTS</b>				
<b>17</b>	Cash inflows for guaranteed operations	76,582	146	76,582
<b>18</b>	Cash inflows for unsecured operations	7,399	4,992	7,590
<b>19</b>	Other cash inflows	5,247	5,247	5,247
<b>20</b>	<b>TOTAL CASH INPUTS</b>	<b>89,228</b>	<b>10,385</b>	<b>89,419</b>
<b>10,385</b>				<b>10,480</b>
<b>21</b>	<b>TOTAL COMPUTABLE LIQUID ASSETS</b>	<b>Not applicable</b>	<b>27,744</b>	<b>Not applicable</b>
<b>27,744</b>				<b>27,744</b>
<b>22</b>	<b>TOTAL NET OF CASH OUTFLOWS</b>	<b>Not applicable</b>	<b>13,515</b>	<b>Not applicable</b>
<b>13,515</b>				<b>13,450</b>
<b>23</b>	<b>LIQUIDITY COVERAGE COEFFICIENT</b>	<b>Not applicable</b>	<b>205.28%</b>	<b>Not applicable</b>
				<b>206.27%</b>

	Second Quarter Average of 2023
Daily individual CCL average for the quarter	205.28%
Daily consolidated CCL average of the quarter	206.27%

- 91 calendar days are considered for the quarter corresponding to April - June 2023.
- During the period in reference, the main change was due to cash inflows from unsecured operations.

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

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- The evolution of the composition of the Eligible and Computable Liquid Assets was as follows:

January	February	March
12.21%	9.79%	18.41%

- 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	Exits	Income
April	2.1	2.6
May	0.4	0.8
June	0.3	0.3

*\*Amounts in millions of pesos*

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

**REVELATION OF THE NET STABLE FUNDING RATIO**

In compliance with Annex 10 of Article 8 stipulated in section III of the general provisions regarding liquidity requirements for Multiple Banking institutions, the format for disclosing the net stable funding ratio for the second quarter of 2023 is detailed.

		Individual Figures					Consolidated Figures				
		Unweighted amount by residual term				Weighted amount	Unweighted amount by residual term				Weighted amount
		Without caducity	< 6 month	From 6 months to < 1 year	≥ 1 year		Without caducity	< 6 month	From 6 months to < 1 year	≥ 1 year	
<b>ELEMENTS OF THE AMOUNT OF STABLE FINANCING AVAILABLE</b>											
1	Capital:	8,674	-	-	2,553	11,227	8,674	-	-	2,553	11,227
2	Fundamental capital and non-fundamental basic capital.	8,674	-	-	-	8,674	8,674	-	-	-	8,674
3	Other capital instruments.	-	-	-	2,553	2,553	-	-	-	2,553	2,553
4	Retail deposits:	-	24,543	428	13	23,266	-	24,543	428	13	23,266
5	Stable deposits.	-	20,661	321	2	19,482	-	20,661	321	2	19,482
6	Less stable deposits.	-	3,881	107	11	3,784	-	3,881	107	11	3,784
7	Wholesale financing:	-	51,510	2,280	50	21,871	-	51,510	2,280	50	21,871
8	Operational deposits.	-	-	-	-	-	-	-	-	-	-
9	Other wholesale financing.	-	51,510	2,280	50	21,871	-	51,510	2,280	50	21,871
10	Interdependent liabilities	-	-	-	-	-	-	-	-	-	-
11	Other liabilities:	4,105	143,757	161	2,818	28,670	4,105	143,757	161	2,818	28,670
12	Liabilities for derivatives for purposes of the Financing Coefficient Stable Net	Not applicable	-	-	-	Not applicable	Not applicable	-	-	-	Not applicable
13	All liabilities and own resources not included in the categories previous.	4,105	143,757	161	2,818	28,670	4,105	143,757	161	2,818	28,670
14	<b>Total Amount of Stable Financing Available</b>	Not applicable	Not applicable	Not applicable	Not applicable	85,033	Not applicable	Not applicable	Not applicable	Not applicable	85,033

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

ELEMENTS OF THE REQUIRED STABLE FINANCING AMOUNT											
15	Total liquid assets eligible for purposes of the Coefficient of Net Stable Financing.	Not applicable	Not applicable	Not applicable	Not applicable	674	Not applicable	Not applicable	Not applicable	Not applicable	674
16	Deposits with other financial institutions for purposes operational.	-	-	-	-	-	-	-	-	-	-
17	Current loans and securities:	-	284,597	10,444	28,921	50,909	-	285,135	10,928	29,203	51,660
18	<i>Guaranteed financing granted to financial institutions with liquid assets level I eligible.</i>	-	268,667	-	7	13,435	-	268,667	-	7	13,435
19	<i>Guaranteed financing granted to financial institutions with different eligible liquid assets level I.</i>	-	-	-	-	-	-	-	-	-	-
20	<i>Guaranteed financing granted to counterparties other than financial institutions, the which:</i>	-	14,704	9,931	27,865	36,511	-	15,242	10,415	28,147	37,262
21	<i>They have a credit risk weighting less than or equal to 35% according to the Basel Standard Method for Credit Risk II.</i>	-	10,415	6,241	23,273	27,992	-	10,749	6,446	23,440	28,403
22	<i>Housing loans (in force), of which:</i>	-	-	-	71	71	-	-	-	71	71
23	<i>They have a credit risk weighting less than or equal to 35% according to the Standard Method established in the Provisions.</i>	-	332	752	9,995	9,037	-	332	752	9,995	9,037
24	<i>Debt and equity securities other than Eligible Liquid Assets (that are not in default).</i>	-	1,226	514	978	893	-	1,226	514	978	893
25	Interdependent assets.	-	-	-	-	-	-	-	-	-	-



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

26	Other Assets:	13,159	10,504	2,476	524	7,492	13,159	10,626	2,611	528	7,505
27	Physically traded commodities, including gold.	-	-	-	-	-	-	-	-	-	-
28	Initial margin awarded in transactions in derivative financial instruments and contributions to the loss absorption fund of central counterparties	Not applicable	-	-	-	-	Not applicable	-	-	-	-
29	Assets by derivatives for purposes of the Net Stable Financing Coefficient.	Not applicable	-	-	-	-	Not applicable	-	-	-	-
30	Liabilities for derivatives for purposes of the Net Stable Financing Coefficient before deduction for the change in the initial margin	1.0	-	-	-	1.0	1.0	-	-	-	1.0
31	All assets and operations not included in the above categories.	13,158	10,504	2,476	524	7,491	5,308	2,017	131	48	7,504
32	Off-balance sheet operations.	Not applicable	-	-	-	-	Not applicable	-	-	-	-
33	<b>Total Amount of Stable Financing Required.</b>	Not applicable	Not applicable	Not applicable	Not applicable	59,076	Not applicable	Not applicable	Not applicable	Not applicable	59,839
34	<b>Net Stable Financing Coefficient (%).</b>	Not applicable	Not applicable	Not applicable	Not applicable	143.94%	Not applicable	Not applicable	Not applicable	Not applicable	142.10%

		Second Quarter Average of 2023
Individual CFEN average for the quarter		143.94%
Consolidated CFEN average of the quarter		142.10%

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

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

<b>Net Stable Funding Ratio</b>	<b>April 2023</b>	<b>May 2023</b>	<b>June 2023</b>
Amount of Stable Financing Required	60,782.63	60,775.14	57,959.51
Amount of Stable Financing Available	80,949.21	82,122.04	92,029.13

Amounts in millions of pesos

**ENTITIES OF AFIRME GRUPO FINANCIERO THAT COULD RECEIVE FINANCIAL SUPPORT**

According to Annex 11 of the Liquidity Regulations, the entities listed below, members of Afirme Grupo Financiero, could receive financial support up to the amount indicated, as approved in the Board of Directors' meeting on June 25, 2023:

<b>Name of the Entities</b>	<b>Amount of Financing</b>	<b>Type of operation</b>
Arrendadora Afirme, SA de CV, SOFOM	\$2,000	Line of credit derived from a term loan agreement
Factoraje Afirme, SA de CV, SOFOM	\$1,000	Line of credit derived from a term loan agreement
Afirme Warehouse, Inc., Credit Auxiliary Organization	\$3,190	Line of credit derived from a term loan agreement
Afirme Insurance	\$25	CCC for firm deposits and overdrafts.
Afirme Investment Bank, Inc., Multiple Banking Institution	\$6,085	Call money line

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

<b>Name of the Entities</b>	<b>Amount of Financing</b>
Arrendadora Afirme, SA de CV, SOFOM	\$2,000
Factoraje Afirme, SA de CV, SOFOM	\$1,000

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

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

**Main Sources of Financing**

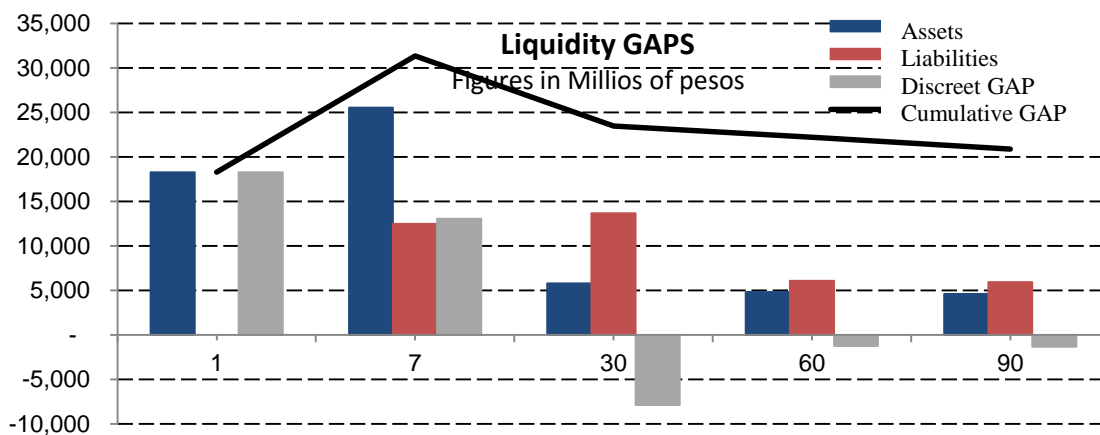
In general, the financing needs of the Institution's loan portfolio are covered by traditional fund-raising, however, other liquidity elements are maintained if required as credit lines and the ability to issue bank paper in the market, not encountering legal, regulatory or operational limitations.

Traditional Catchment June 30, 2023	
Immediate enforceability deposits	43,294
Fixed term deposits	45,449
Credit Securities Issued	-
Capture without movements	114
<b>Total</b>	<b>88,857</b>

**Liquidity risk**

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

The cumulative band at 60 days from Banca Afirme was \$22,215 million pesos at the close of the second quarter of 2023, 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 liquid assets to overcome a significant stress scenario over a 30-day period.

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

As of June 30, 2023, the Liquidity Coverage Ratio is 187%. In order to display the behavior of the CCL, the closing values for Q2 2023 are presented below, compared with the previous quarter.

CCL evolution	March 2023	June 2023
Computable Liquid Assets (Weighted)	29,617	40,103
Net Exits at 30 days	16,978	21,503
<b>CCL</b>	<b>174%</b>	<b>187%</b>

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

Computable Liquid Assets Evolution (Unweighted)	March 2023	June 2023
Liquid Assets Level 1	29,181	39,327
Liquid Assets Level 2	513	912
<b>Total Liquid Assets</b>	<b>29,617</b>	<b>40,103</b>

As of June 30, 2023, the Net Stable Funding Ratio is 158.78%.

Net Stable Funding Ratio	March 2023	June 2023
Required Stable Financing Amount	62,898	57,960
Stable Financing Amount Available	79,998	92,029
<b>CFEN</b>	<b>127%</b>	<b>159%</b>

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 VaR adjusted for liquidity, the values at the end of Q2 2022 compared to the previous quarter are presented below.

Trading Business Unit	Liquidity-adjusted VaR	
	March 31, 2023	June 30, 2023
Money table	(10.76)	(51.44)
Treasury	(16.25)	(14.55)
<b>Global</b>	<b>(12.62)</b>	<b>(53.03)</b>

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

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

Trading Business Unit	VaR adjusted for average liquidity
	apr 2023 - jun 2023
Money table	(29.79)
Treasury	(14.72)
<b>Global</b>	<b>(32.48)</b>

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 June 30, 2023	
Immediate enforceability deposits	43,294
Fixed term deposits	45,449
Credit Securities Issued	-
Capture without movements	114
<b>Total</b>	<b>88,857</b>

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

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

The Treasury area performs daily monitoring of current and future liquidity requirements, taking the necessary steps to ensure that the necessary resources are available. On the other hand, the Risk Management area performs liquidity risk analysis by analyzing liquidity gaps and repricing, as well as the effects on the structural balance of possible adverse scenarios. Both areas have a constant coordination.

To monitor the various risks to which the Institution is exposed, in particular liquidity risk, it has an organizational structure the following decision-making areas and bodies participate in:

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

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

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

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

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

The monitoring of the different indicators mitigates the liquidity risk since these indicators induce the diversification of the deposits, to extend the term of the same, increase the liquid assets and punish the concentration both in term and in clients and the reduction of the liquid assets.

Stress tests consist of applying scenarios where there are situations that could be adverse for the Institution and thus being able to verify the Institution's capacity to face the realization of said scenarios. In the particular case of liquidity risk, scenarios are made based on variables characteristic of financial crises that affect the liquidity of banks in general. This evidence is presented to the Risk Policy Committee on a monthly basis for analysis. The variables used to build adverse scenarios are overdue portfolio, interest rates and sources of financing, mainly.

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

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

Appendix 11:



### CERTIFICATE

Mr. Mario Alberto Chapa Martinez, as in my official capacity as the Pro-Secretary of the Board of Directors of **Banca Afirme S.A., Institución de Banca Múltiple, Afirme Grupo Financiero**, I hereby provide the formal certification for the purpose of general decisions regarding liquidity requirements for multiple banking institutions. At the board of Directors meeting held on July 25, 2023, the Board of Directors of the aforementioned institution determined that the following entities, which are members of Afirme Grupo Financiero, are eligible to receive support up to the respective amounts indicated in the following table:

Entities Denomination	Financial Amount	Type of Operation
Arrendadora Afirme, SA de CV SOFOM	\$2,000	Line of credit derived from a contract with a term.
Factoraje Afirme SA de CV SOFOM	\$1,000	Line of credit derived from a contract with a term.
Almacenadora Afirme SA de CV Organización Auxiliar de Crédito	\$3,190	Line of credit derived from a contract with a term.
Seguros Afirme	\$25	CCC for time deposits and overdrafts.
Banco de Inversión Afirme SA de CV Institución de Banca Múltiple	\$6,850	Call Money Line

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

Entities Denomination	Financial Amount
Arrendadora Afirme, SA de CV SOFOM	\$2,000
Factoraje Afirme SA de CV SOFOM	\$1,000

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

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

Sincerely,

[Signature]

**Mr. Mario Alberto Chapa Martínez**

Pro-Secretary of the Board of Directors



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

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### Derivatives

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

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

Specific objectives include:

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

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

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

The instruments traded in the Institution are mainly interest rate *swaps* referenced to the TIIE as well as referenced to foreign currencies. When these instruments are used for hedging purposes, a strategy is developed to better replicate the flows, terms and amounts of the asset or liability to be hedged, so that the hedging strategy is a mirror of the hedging object. All hedging operations are authorized by a Committee with powers for this purpose, in addition the strategy is analyzed in a particular way by the decision-making staff

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

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that are members of the Committee. The negotiation of the hedging operations is carried out through the quotation, with the authorized counterparties, of the operations with the particular characteristics of each operation (once approved by the corresponding Committee) that is intended to be hedged and is accepted or not depending on the conditions market. On the other hand, the negotiation of the *trading operations* is the quotation with the counterparts the standard conditions of the operations observing the quotations of the *brokers* in the market.

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 counterparty with which the operations are carried out, which which is documented in the framework contracts signed with the counterparties, although the valuations reported by the counterparties are monitored and in the event that relevant differences arise, there are procedures established in the same contracts to determine the corresponding valuation. These procedures even contemplate making quotes with third parties.

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

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

For all trading positions, the market risk value is measured under the historical VaR methodology. Global limits are established on this VaR, for the *Trading* portfolio and for the derivatives portfolio. For the *trading* and derivatives portfolio, the limits are authorized by the Risk Committee. The hedging derivatives are not part of these portfolios and as they are managed in a particular way, compared to the assets or liabilities that are hedged, they are not subject to the market risk limits mentioned above.

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

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

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

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

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

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

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

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

The valuation of financial instruments is carried out 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 26,500 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.

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

The underlying asset that was exposed during the second quarter of 2023 was the interbank interest rate (TIIE), which has daily movements according to the market's own movements. However, these changes did not generate new relevant obligations or affect the liquidity of the Institution.

Next, the impact that was obtained on Cash Flow at the end of Q2 2023 is presented:

	Amount
Interest paid	8,519
Interest charged	45,790
<b>Net effect</b>	<b>37,271</b>

*Amounts in thousands of pesos*

The table below shows the impact on Results by Derivative Valuation for Q2 2023:

	Balance March 2023	Balance June 2023	Quarter effect
<b>Trading swaps</b>	- 25,910	- 38,187	- 12,277
<b>Hedging swaps</b>	19,738	278	- 19,460
<b>Chap</b>	-	-	-

*Amounts in thousands of pesos*

During this quarter, 6 interest rate *swap* operations expired, and 8 operations of financial derivative instruments were carried out.

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

There have been no breaches in the contracts related to these instruments.

At the end of the quarter, there were the following derivative operations in which guarantee contracts with the counterparties were contemplated:

<b>Summary of Derivative Financial Instruments</b>								
Figures in thousands of pesos as of June 30, 2023								
Derivative type	End	Notional	Asset value		Fair value		Maturity amounts	
			Current quarter	Previous quarter	Current quarter	Previous quarter	2023	Later
TIIE SWAP	Coverage	4,330,560	11.50	11.52	- 30,888	16,176	-	4,330,560
TIIE SWAP	Negotiation	35,500,000	11.50	11.52	- 391	16,535	35,500,000	-
SWAP TIIE *	Negotiation	300,000	11.50	11.52	- 5,897	- 10,539	300,000	-

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

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

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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.

<b>Derivative Rate Sensitivity</b>				
Figures in thousands of pesos as of June 30, 2023				
<b>25 BP<sup>1/</sup></b>	<b>50 PB</b>	<b>100 PB</b>	<b>150 PB</b>	<b>200 PB</b>
18,023	36,045	72,091	108,136	144,181

<sup>1/</sup> 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.