

| 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 | 6,990 | Deposit funding: | |
| Margin call accounts | 47 | Demand deposits | 34,043 |
| | | Time deposits | 29,040 |
| | | General public | 26,874 |
| | | Money market | 2,166 |
| Investment securities | | Marketable debt securities | 766 |
| Trading | 120,665 | Global deposit account without movements | 73 |
| Held-to-maturity | <u>208</u> | | 63,922 |
| Debtors on repurchase/resell agreements | 10,519 | Bank and other borrowings: | |
| Derivatives financial instruments | | Short-term | 1,794 |
| Trading purposes | 10 | Long-term | <u>3,960</u> |
| Hedging purposes | <u>268</u> | | 5,754 |
| Current loan portfolio | | Creditors on repurchase resell agreements | 99,396 |
| Commercial loans: | 31,062 | | |
| Business or commercial activity | 29,174 | Derivatives financial instruments | |
| Financial entities | 481 | Trading purposes | 10 |
| Government entities | <u>1,407</u> | Hedging purposes | <u>74</u> |
| Consumer loans | 7,926 | | 84 |
| Residential mortgage loans: | 8,663 | Other accounts payable: | |
| Medium-income housing and residential | 8,653 | Employee statutory profit sharing payable | 42 |
| Low-income housing | <u>10</u> | Sundry creditors and other accounts payable | <u>13,483</u> |
| Total current loan portfolio | <u>47,651</u> | | 13,525 |
| Past-due loan portfolio | | Subordinated debt issued | 2,741 |
| Commercial loans: | | Deferred credits | 54 |
| Business or commercial activity | 894 | Total liabilities | <u>185,476</u> |
| Consumer loans | 223 | | |
| Residential mortgage loans: | | Stockholders' equity: | |
| Medium-income housing and residential | 673 | Paid-in capital: | |
| Total past-due loan portfolio | <u>1,790</u> | Capital stock | 3,026 |
| Total loan portfolio | 49,441 | Premium on share subscription | 263 |
| Less: | | Additional paid-in capital | 629 |
| Allowance for loan losses | <u>2,220</u> | Earned capital: | |
| Loan portfolio, net | 47,221 | Statutory reserves | 2,981 |
| Valuation adjustments of hedging financial assets | (46) | Result from valuation of cash flow | |
| Other accounts receivable, net | 1,471 | hedgce instruments | 127 |
| Foreclosed assets, net | 203 | Remeasurement of defined employees' benefits | (22) |
| Premises, furniture and equipment, net | 4,084 | Net income | <u>453</u> |
| Investments in subsidiaries | 110 | Total controlling interest | 7,457 |
| Deferred income tax, net | 490 | Non-controlling interest | - |
| Other assets: | | Total stockholders' equity | 7,457 |
| Other assets, deferred income charges and intangibles, net | 693 | Total liabilities and stockholders' equity | <u>192,933</u> |
| Total assets | <u>192,933</u> | | |
| | | Memorandum accounts: | |
| | | Guarantees granted | 1,195 |
| | | Loan commitments | 9,136 |
| | | Assets in trust or under mandate | |
| | | Trust | 42,035 |
| | | Mandate | 33 |
| | | Assets in custody or under management | 42,068 |
| | | Collaterals received by the entity | 293,315 |
| | | Collaterals received and sold or pledged by the entity | 55,316 |
| | | Investments on behalf of customers, net | 45,195 |
| | | Interest accrued but not collected of past-due loan portfolio | 20,673 |
| | | Other memorandum accounts | 100 |
| | | | <u>156,557</u> |
| | | | <u>623,555</u> |

The consolidated balance sheet 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 balance sheet was approved by the Board of Directors under the responsibility of the following signing officers.
The historical capital stock amounts \$2,752.

JESÚS ANTONIO RAMÍREZ GARZA
Chief Executive Officer

GUSTAVO MANUEL VERGARA ALONSO
Chief Financial Officer
Finance Controller

JESÚS RICARDO GÁMEZ DEL CASTILLO
Chief Financial Officer

DAVID GERARDO MARTÍNEZ 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 Income
 Period from January 1, to September 30, 2021
 Millions of Mexican pesos

| | | |
|---|----------------|-------------------|
| Interest income | | 10,596 |
| Interest expense | | <u>(6,694)</u> |
| Financial margin | | 3,902 |
| Allowance for loan losses | | <u>(985)</u> |
| Financial margin for allowance for loan losses | | 2,917 |
| Commissions and fees income | 1,870 | |
| Commissions and fees expense | (728) | |
| Financial intermediation income | 19 | |
| Other operating income, net | 189 | |
| Administrative and promotion expenses | <u>(3,690)</u> | <u>(2,340)</u> |
| Net operating income | | 577 |
| Equity method in the results of operations of associates | | <u>17</u> |
| Income before income tax | | 594 |
| Current IT | (59) | |
| Deferred IT | <u>(82)</u> | <u>(141)</u> |
| Income before non-controlling interest | | 453 |
| Non-controlling interest | | <u>-</u> |
| Net income | | <u><u>453</u></u> |

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

JESÚS ANTONIO RAMÍREZ GARZA
 Chief Executive Officer

GUSTAVO MANUEL VERGARA ALONSO
 Chief Financial Officer
 Finance Controller

JESÚS RICARDO GÁMEZ DEL CASTILLO
 Chief Financial Officer

DAVID GERARDO MARTÍNEZ 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 Stockholders' Equity
Period from January 1, to September 30, 2021
(Millions of Mexican pesos)

| | Paid-in capital | | | Statutory reserves | Retained earnings | Earned capital Result from valuation of cash flow hedge instruments | Remeasurement of defined employees' benefits | Net income | Total controlling interest | Non-controlling interest |
|--|-----------------|----------------------------------|-------------------------------------|--------------------|-------------------|--|---|---------------|-------------------------------|-----------------------------|
| | Capital Stock | Additional paid-in capital | Premium on share subscription | | | | | | | |
| Balances as of December 31st, 2020 | 2,498 | 528 | 263 | 2,660 | - | 3 | (22) | 321 | 6,251 | - |
| Changes resulting from stockholders' resolutions: | | | | | | | | | | |
| Additional paid-in capital | | 629 | | | | | | | 629 | |
| Capital increase | 528 | (528) | - | | | | | | - | |
| Appropriation of prior year's result | | | | | 321 | | | (321) | - | |
| Constitution of statutory reserves | | | | 321 | (321) | | | | - | |
| Changes related to the recognition of comprehensive income: | | | | | | | | | | |
| Net income | | | | | | | | 453 | 453 | - |
| Result from valuation of cash flow hedge instruments | | | | | | 124 | | | 124 | |
| Remeasurements of defined employees' benefits | | | | | | | - | | - | |
| Balances as of September 30st, 2021 | <u>3,026</u> | <u>629</u> | <u>263</u> | <u>2,981</u> | <u>-</u> | <u>127</u> | <u>(22)</u> | <u>453</u> | <u>7,457</u> | <u>-</u> |

The consolidated statement 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.

JESUS ANTONIO RAMIREZ GARZA
 Chief Executive Officer

GUSTAVO MANUEL VERGARA ALONSO
 Chief Financial Officer
 Finance Controller

JESUS RICARDO GAMEZ DEL CASTILLO
 Chief Financial Officer

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 Cash flows
Period from January 1, to September 30, 2021
Millions of Mexican pesos

| | | |
|--|----------|---------------------|
| Net income | | 453 |
| Adjustments for items not requiring cash flow | | |
| Result for valuation at fair value | (54) | |
| Depreciation and amortization | 359 | |
| Provisions | 598 | |
| Current and deferred income taxes | 141 | |
| Equity in earnings of unconsolidated affiliates | (17) | |
| Profit in the sale of furniture and equipment and assets under operating lease | - | 1,027 |
| | | <u>1,480</u> |
| Operating activities | | |
| Change in margin call accounts | 499 | |
| Change in investment securities | (23,712) | |
| Change in debtors on repurchase/resell agreements | (5,086) | |
| Change in loan portfolio | (129) | |
| Change in foreclosed assets | 7 | |
| Change in other operating assets | 6,475 | |
| Change in deposit funding | 6,101 | |
| Change in bank loans and other borrowings | (693) | |
| Change in creditors on repurchase/resell agreements | 6,821 | |
| Change in derivatives | (391) | |
| Change in subordinated debt issued | 7 | |
| Change in other operating liabilities | 8,141 | |
| Change in valuation adjustments for financial hedging assets | 288 | (1,672) |
| Net cash flows of operating activities | | <u>(192)</u> |
| Investment activities | | |
| Proceeds from the disposal of premises, furniture and equipment | 205 | |
| Payments for acquisition of premises, furniture and equipment | (944) | |
| Net cash flows of investment activities | | <u>(739)</u> |
| Finance activities | | |
| Net cash flows of additional paid-in capital | 629 | |
| Net cash flows of finance activities | | <u>629</u> |
| Net increase in cash and cash equivalents | | <u>(302)</u> |
| Cash and cash equivalents at the beginning of the period | | <u>7,292</u> |
| Cash and cash equivalents at period end | | <u><u>6,990</u></u> |

JESUS ANTONIO RAMIREZ GARZA
 Chief Executive Officer

GUSTAVO MANUEL VERGARA ALONSO
 Chief Financial Officer
 Finance Controller

JESUS RICARDO GAMEZ DEL CASTILLO
 Chief Financial Officer

DAVID GERARDO MARTINEZ MATA
 Director of Internal Audit

Administration Report

Banca Afirme

September 2021

Hoy creamos

Hoy creamos

EMPIEZA A IMAGINARLO

AFIRME
El Banco de Hoy

Document index

| | |
|--|----|
| OPERATING RESULTS. | 2 |
| FINANCIAL MARGIN ANALYSIS | 2 |
| YIELDS GENERATED BY THE CREDIT PORTFOLIO | 2 |
| INCOME FROM INVESTMENTS IN SECURITIES REPURCHASES OPERATIONS AND AVAILABILITIES | 3 |
| PRIZES AND INTERESTS DERIVED FROM THE COLLECTION | 3 |
| FINANCIAL MARGIN RESULT | 4 |
| NON-FINANCIAL INCOME | 5 |
| COMMISSIONS AND FEES DERIVED FROM THE PROVISION OF SERVICES INTERMEDIATION | 5 |
| OTHER INCOME (EXPENSES) FROM THE OPERATION | 6 |
| ADMINISTRATION EXPENSES | 7 |
| INCURRED AND DEFERRED TAXES | 8 |
| FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES | 8 |
| EVOLUTION OF THE BALANCE SHEET | 9 |
| TREASURY POLICIES | 10 |
| INTERNAL CONTROL | 10 |
| RISKS AND REMUNERATION COMMITTEE | 11 |
| OTHER RELEVANT EVENTS | 15 |
| CERTIFICATION | 16 |

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

OPERATING RESULTS.

Comparative analysis of the period ended September 30, 2021 compared to the period ended September 30, 2020.

At the end of the third quarter of 2021, the Profit of Banca Afirme totaled 242.1 million pesos, 372.9% higher than the same period of the previous year, this result is mainly due to the decrease in loan-loss reserves and the increase in net commissions.

FINANCIAL MARGIN ANALYSIS

YIELDS GENERATED BY THE CREDIT PORTFOLIO

At the end of the third quarter of 2021, the interest generated by the loan portfolio amounted to 1,404.4 million pesos, a decrease of 5.7% compared to the same period of the previous year. The current portfolio shows an increase of 3.2%, mainly the business portfolio which shows an annual growth of 1,091.5 million pesos (3.9%), the housing portfolio shows an increase of 857.4 million pesos (11.0%), the government portfolio decreases 472.6 million pesos. (-25.1%) and, on the other hand, the Consumer Portfolio shows a marginal decrease of 44.5 million pesos (-0.6%) derived mainly from the impact of the COVID19 health contingency, the behavior in the TIIE reference interest rates that goes from 4.72% to 4.75% from September 2020 to September 2021, this marginal decrease in the reference rate impacts the interest charged given that the average rate for this quarter is lower than that of the previous quarter.

| Credit Portfolio Interests | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|------------------------------------|----------------|----------------|----------------|---------------|--------------|
| Business Credits | 759.4 | 675.1 | 727.2 | (32.2) | -4.2% |
| Consumer Credits | 481.6 | 465.8 | 475.0 | (6.5) | -1.4% |
| Housing Credits | 210.1 | 191.0 | 163.8 | (46.3) | -22.0% |
| Credits for Gubernamental Entities | 29.5 | 31.3 | 28.4 | (1.1) | -3.7% |
| Credits for Financial Entities | 8.6 | 8.9 | 9.5 | 0.9 | 11.0% |
| Total | 1,489.2 | 1,372.2 | 1,404.0 | (85.2) | -5.7% |

During the aforementioned period, commissions for credit operations show an annual increase of 29.5%, impacted by some clients who paid early.

| Commissions received for Credit Operations | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|---|-------------------|------------------|-------------------|------------------|---------------|
| Business Credits | 12.5 | 22.4 | 16.3 | 3.8 | 30.2% |
| Consumer Credits | 24.4 | 30.2 | 32.6 | 8.2 | 33.7% |
| Housing Credits | 4.8 | 5.6 | 5.1 | 0.3 | 6.6% |
| Credits for Gubernamental Entities | 0.0 | 0.9 | 0.0 | (0.0) | -22.6% |
| Total | 41.8 | 59.1 | 54.1 | 12.3 | 29.5% |

INCOME FROM INVESTMENTS IN SECURITIES, REPURCHASE OPERATIONS AND AVAILABILITIES.

In accordance with Banca Afirme's strategy since 2020, the positions in securities were grown in search of higher returns and to increase an anti-cyclical business. The above was maintained during 2020 and so far in 2021.

We were able to significantly increase interest income, mainly thanks to extraordinary charges on inflation and the increase in benchmark rates in the last quarter.

As a relevant strategy in the Institution, the available liquidity has been increased in order to be able to respond to possible events related to the current crisis and its recovery, this strategy generates higher income from liquid assets.

| Premium, interests and premium derivatives from securities and investments | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|---|-------------------|------------------|-------------------|------------------|---------------|
| Not restricted titles to negotiate | 1,505.0 | 1,279.4 | 1,685.3 | 180.3 | 12.0% |
| Restricted Liquid Assets | 43.7 | 35.7 | 55.5 | 11.9 | 27.2% |
| Restricted and Repurchase Titles | | | | | |
| Interests Charged and Premiums in favor for repurchase operations | 620.0 | 511.9 | 526.5 | (93.5) | -15.1% |
| Income from covered operations | 22.7 | 10.9 | 18.5 | (4.2) | -18.5% |
| Total | 2,191.4 | 1,837.9 | 2,285.9 | 94.5 | 4.3% |

PRIZES AND INTERESTS DERIVED FROM THE COLLECTION

At the end of the third quarter of 2021, interest expenses show a marginal decrease of 0.9%, mainly explained by interest paid for repurchase agreements, these decreased, despite increasing their amount, due to lower interest rates. It is expected that in the near future interest will grow due to the current increase in rates.

The increase in interest on term deposits was 12.2%, occurred because we increased the strategy of term deposits despite the fact that most of them are linked to short-term rates. The stock market liability demonstrates a decrease of 25.9% as a consequence of the natural maturity of some securities.

| Expenses from Interests | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|--|----------------|----------------|----------------|---------------|--------------|
| Immediate enforceability deposits | 165.8 | 153.0 | 160.9 | (4.9) | -2.9% |
| Fixed term deposits | 244.8 | 222.5 | 274.8 | 30.0 | 12.2% |
| Interbank and other businesses loans | 78.4 | 83.6 | 81.1 | 2.8 | 3.5% |
| Interests for subordinated liabilities | 54.4 | 51.6 | 53.7 | (0.6) | -1.2% |
| Bursatile debt | 44.3 | 28.5 | 32.8 | (11.5) | -25.9% |
| Interests and premiums from repurchase | 1,734.3 | 1,532.5 | 1,703.8 | (30.6) | -1.8% |
| Expenses from covered operations | 39.1 | 36.7 | 32.7 | (6.4) | -16.3% |
| Interests from global accounts of funds raised | 0.0 | 1.6 | 1.0 | 1.0 | 0.0% |
| Others | 25.2 | 24.4 | 24.3 | (0.9) | -3.4% |
| Total | 2,386.2 | 2,134.5 | 2,365.1 | (21.1) | -0.9% |

FINANCIAL MARGIN RESULT

In the comparison of the financial margin, we achieved that the interest income will increase and the interests paid will decrease, this thanks to being able to fix our fund-raising costs, despite the crisis, and to charge fixed or inflation-referenced interest. Thus improving the financial margin and profitability of the Institution.

| Financial Margin | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|----------------------------|----------------|----------------|----------------|-------------|-------------|
| Total of Interests Charged | 3,722.3 | 3,269.2 | 3,743.9 | 21.6 | 0.6% |
| Total of Interests Paid | 2,386.2 | 2,134.5 | 2,365.1 | -21.1 | -0.9% |
| Financial Margin | 1,336.1 | 1,134.8 | 1,378.8 | 42.7 | 3.2% |

NON-FINANCIAL INCOME

COMMISSIONS AND FEES DERIVED FROM THE PROVISION OF SERVICES

During the third quarter of 2021 there is an increase of 18.6% in the commissions charged, this variation is mainly due to the commissions charged in electronic banking, which shows an increase of 65.2% as a result of the increase in these services, highlighting the operations in ATMs and POS terminals. The item of other commissions shows an increase of 65.8% as a result of income related to remittances and correspondents which had a significant increase, the item of fiduciary activities decreased 86.8% due to extraordinary operations during the same period of the previous year, Tandas Bienestar decreased 100% derived from the term of said program.

| Commissions and Duties Paid | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Credit Operations | 11.8 | 12.7 | 11.2 | (0.5) | -4.6% |
| Funds transfer | 4.7 | 6.6 | 7.0 | 2.3 | 48.0% |
| Trust Companies Activities | 120.0 | 22.5 | 15.9 | (104.1) | -86.8% |
| Appraisals | 1.4 | 2.0 | 2.2 | 0.7 | 49.7% |
| Account Management | 13.4 | 13.3 | 12.9 | (0.6) | -4.3% |
| Electronic Banking | 274.9 | 414.5 | 454.1 | 179.2 | 65.2% |
| Guarantee | 0.1 | 0.2 | 0.2 | 0.2 | 292.8% |
| Right to severance pay | 14.6 | 19.4 | 17.9 | 3.3 | 22.9% |
| Insurance | 51.3 | 47.2 | 62.6 | 11.3 | 22.1% |
| Financial Advisory | 0.0 | 0.0 | 0.1 | 0.0 | 12.5% |
| Other commissions and duties | 61.5 | 87.5 | 101.9 | 40.5 | 65.8% |
| Social Wealth Batches | 24.4 | 1.7 | 0.0 | (24.4) | -100.0% |
| Total | 578.1 | 627.5 | 685.9 | 107.8 | 18.6% |

RESULT BY INTERMEDIATION

The result for the sale and purchase of the third quarter of 2021 has behaved in a similar way throughout the year, unlike the valuation that, despite being negative, was significantly reduced, which produces a significantly higher result from trading. The improvement in the valuation item is explained by a more stable market and a lesser impact on the prices of the securities held on the balance sheet due to inflationary effects.

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.

| Intermediate Results | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|--|----------------|--------------|---------------|--------------|---------------|
| Valuation Results to Fair Market Value and Reduction of Titles Valuated at Cost | (115.7) | 11.8 | (1.8) | 113.9 | -98.4% |
| Titles to Negotiate | (115.7) | 11.8 | (1.8) | 113.9 | -98.4% |
| Derivative instruments with coverage purposes | 0.0 | 0.0 | 0.0 | 0.0 | -84.8% |
| Results from Sales and Purchase of Securities and Foreign Exchange | 6.3 | 4.7 | 10.4 | 4.1 | 64.5% |
| Titles to Negotiate | (26.3) | (25.2) | (25.1) | 1.2 | -4.7% |
| Results for Sales and Purchase of Currency | 32.6 | 29.9 | 35.5 | 2.9 | 8.8% |
| Total | (109.4) | 16.5 | 8.6 | 118.0 | 107.9% |

OTHER INCOME (EXPENSES) FROM THE OPERATION

For the closing of the third quarter of 2021, the item of other income (expenses) of the operation shows an annual increase of 49.2 million pesos, which represents 281.8%, mainly explained by the item Release of reserves from other debts, which increases 39.1 million pesos (As a result of the adverse economic scenarios generated by the pandemic related to the Sars-CoV2 virus, since July 2020 the Company began to establish, with the approval of the CNBV, additional global loan-loss reserves aimed at facing a possible deterioration of the portfolio derived from the crisis generated by the aforementioned pandemic. Due to the fact that the Company's portfolio has not been significantly impacted by the crisis derived from the pandemic, and the recovery indicators of the economy show encouraging signs of recovery, the Company carried out the release of the total balance of the item of Additional loan-loss reserves for a total amount of 72.5 million pesos, which generates the main variation in this item ") on the other hand, the item of other + funds increased 10.0 million pesos, mainly due to income related to BIN sponsor services and other non-recurring income.

| Other income (expenses) from net operation | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|---|-------------|-------------|-------------|-------------|---------------|
| Reuced Assets | 16.3 | 18.1 | 15.1 | (1.3) | -7.7% |
| Accounts Payable clearance | (1.4) | (1.0) | (0.5) | 0.9 | -65.6% |
| Results from operative loan | 1.4 | 1.3 | 0.7 | (0.7) | -51.2% |
| Collection of Loans | 25.2 | 33.7 | 23.3 | (1.9) | -7.6% |
| Advisory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Reserve clearance | 0.6 | 0.0 | 0.0 | (0.6) | -100.0% |
| Reserve clearance from other loans | 0.0 | 0.1 | 39.1 | 39.1 | 100.0% |
| Sale of personal and real property | 1.8 | (0.3) | 2.0 | 0.2 | 13.3% |
| Bond from the use of Debit and Credit Cards | 0.0 | 2.9 | 0.3 | 0.3 | 0.0% |
| Other funds | 9.2 | 13.5 | 19.1 | 10.0 | 108.8% |
| Losses from portfolio sales | (1.2) | (0.8) | (0.3) | 0.9 | -76.2% |
| Clients bonus | (14.3) | (14.3) | (15.5) | (1.2) | 8.1% |
| Other losses | (1.8) | (5.0) | (3.8) | (2.0) | 111.5% |
| Reserve for other amounts debited | (8.1) | (5.3) | (4.6) | 3.5 | -43.3% |
| Reserve from awarded goods | (9.7) | (0.1) | (7.9) | 1.7 | -18.0% |
| Others | (0.4) | (0.4) | (0.3) | 0.2 | -38.5% |
| Total | 17.5 | 42.3 | 66.7 | 49.2 | 281.8% |

ADMINISTRATION EXPENSES

At the end of the third quarter of 2021, Administration expenses presented a variation of 20.8%, on the one hand, salaries and benefits increased by 160.46 million pesos, that is, 51.1%, mainly due to the performance of the financial desk, Other administrative expenses increased 35.9% as a result of the increase in electronic banking, surveillance and other minor expenses , fees increased 28.7% as a consequence of the increase in professional services (mainly portfolio recovery services, legal fees, paperwork, etc.), depreciation increased 33.8 million pesos, 41.7% due mostly to computer equipment such as result of the implementation of various projects.

| Administrative Expenses | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|---|----------------|----------------|----------------|--------------|--------------|
| Salaries and Claims | 314.1 | 317.1 | 474.7 | 160.6 | 51.1% |
| Professional Fees | 149.5 | 181.7 | 106.7 | (42.8) | -28.7% |
| Leases | 74.3 | 86.5 | 96.9 | 22.6 | 30.5% |
| Marketing | 33.8 | 59.7 | 28.1 | (5.6) | -16.6% |
| Other administrative and operative expenses | 255.3 | 296.0 | 346.9 | 91.6 | 35.9% |
| Multiple Taxes | 52.6 | 53.6 | 62.5 | 9.9 | 18.8% |
| Depreciation and Amortization | 81.1 | 112.8 | 114.9 | 33.8 | 41.7% |
| Nondeductible concepts for ISR | 1.4 | 2.9 | 3.1 | 1.7 | 124.5% |
| IPAB Contributions | 58.4 | 62.6 | 63.6 | 5.3 | 9.0% |
| Caused PTU | 6.7 | 8.5 | 16.7 | 10.0 | 148.6% |
| Total | 1,027.1 | 1,181.4 | 1,314.2 | 287.2 | 28.0% |

INCURRED AND DEFERRED TAXES

| Tax on Profit | Q III 2020 | Q II 2021 | Q III 2021 | Variation | % Var. |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Caused ISR | (124.2) | (28.9) | 14.1 | 138.31 | -111.3% |
| Differed ISR | 91.0 | (2.5) | (84.9) | (175.92) | -193.2% |
| Total | (33.2) | (31.4) | (70.8) | (37.6) | 113.4% |

At the end of the third quarter of 2021, Banca Afirme submits its tax returns individually, and to date it has no pending tax credits or debts.

FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

The Bank's internal sources of liquidity are made up of the issuance of its own paper, traditional deposits, and external sources from credit lines granted by financial institutions and development banks.

Level of debt at the end of the third quarter of 2021

Banca Afirme's total liabilities as of September 30, 2020 and 2021, is \$ 158,342.0 million pesos and \$ 185,475.4 correspondingly. The following table shows the total liabilities of Banca Afirme corresponding to these years:

| Total Liability | Sep 20 | Jun 21 | Sep 21 | Var | % |
|---------------------------------------|------------------|------------------|------------------|-----------------|--------------|
| Transactional Funds Raised | 54,546.6 | 60,660.3 | 63,156.0 | 8,609.4 | 15.8% |
| Titles for Issuing Credits | 384.1 | 232.3 | 766.1 | 382.0 | 99.5% |
| Interbank Credits and Other Creditors | 4,993.5 | 6,664.6 | 5,753.7 | 760.1 | 15.2% |
| Businesses Repurchase | 89,408.7 | 100,091.5 | 99,395.5 | 9,986.8 | 11.2% |
| Other payable accounts | 5,942.2 | 2,892.5 | 13,524.7 | 7,582.4 | 127.6% |
| Differed Credits | 49.5 | 60.7 | 54.2 | 4.7 | 9.5% |
| Other Liabilities | 3,017.4 | 2,832.7 | 2,825.3 | (192.1) | -6.4% |
| Total Liability | 158,342.0 | 173,434.4 | 185,475.4 | 27,133.4 | 17.1% |

EVOLUTION OF THE BALANCE SHEET

The total assets of Banca Afirme show an increase regarding September 30 of the previous year of 17.2% mainly due to the increase in the balance of securities to be traded, which increased by 28.9% as a result of a greater operation, for its part the portfolio of outstanding credit shows a growth of 3.2% mainly in the Commercial, Government and Housing portfolio explained above.

Deposits increased its balances, mainly term deposits, which increased by 23.9%, and demand deposits increased by 9.8%, on the other hand, the balance of issued credit instruments increased by 382 million pesos, reaching an amount of 766 million pesos.

| INDICADORES RELEVANTES | | | | | |
|---|-----------------|----------------|---------------|----------------|-----------------|
| | Q III 20 | Q IV 20 | Q I 21 | Q II 21 | Q III 21 |
| Debt Index (nonperforming loan portfolio / total portfolio) | 2.68% | 3.15% | 3.73% | 3.83% | 3.62% |
| Covered Non-performing Loan Portfolio (preventive estimation/ non-performing loan portfolio) | 1.47 | 1.36 | 1.26 | 1.24 | 1.24 |
| Operative efficiency (marketing and administrative expenses / total average of assets) | 2.49% | 2.52% | 2.76% | 2.65% | 2.81% |
| ROE (Capital Profitability) | 6.76% | 1.84% | 6.26% | 5.98% | 13.21% |
| ROA (Assets profitability) | 0.25% | 0.07% | 0.24% | 0.24% | 0.52% |
| Liquidity Index (Liquid Assets / Liquid Liability) | 0.88 | 0.85 | 0.90 | 0.92 | 1.03 |
| MIN (Financial Margin adjusted for Loan Risk / Productive Assets) | 2.20% | 1.51% | 2.23% | 2.04% | 2.52% |
| Credit Capitalization Index | 18.25% | 18.32% | 22.06% | 21.51% | 22.50% |
| Total Capitalization Index | 13.20% | 14.06% | 15.64% | 15.78% | 16.34% |
| Basic Capital Index | 10.32% | 10.51% | 11.91% | 12.06% | 12.64% |
| Assets subject to credit, market and operative risks | | | | | |
| Credit | 42,702 | 44,168 | 40,669 | 42,385 | 42,254 |
| Market | 8,795 | 5,628 | 8,726 | 7,000 | 7,336 |
| Operative | 7,541 | 7,761 | 7,971 | 8,382 | 8,580 |
| Total | 59,038 | 57,557 | 57,366 | 57,767 | 58,170 |

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

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

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

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 Remuneration Committee is composed of:

| |
|--|
| President |
| Independent Director |
| Adviser |
| Independent Director |
| Chief Executive Officer |
| Head of Comprehensive Risk Management |
| Deputy General Director of Risk and Credit Management |
| Deputy General Director Corporate Administration |
| Secretary |
| Legal and Trustee Director |
| Independent Expert |
| Guest with voice, without vote |

The Human Department Committee appropriate, 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.

Resources participates in this to inform and, where request the approval

The Remuneration Manual applies to the Executive positions of the first two levels of the Staff areas, for the Executive positions of the first three levels of the Deputy General Directorate of Business and for the Money Market area.

For fiscal year 2021, the list of these positions is:

| MONEY DESK | DGA BUSINESS | STAFF |
|---|--|---|
| DIRECTOR OF ECONOMIC STUDIES | DIRECTOR ADQ. PARTNERSHIP AND TERRITORY DIRECTOR | CONTROLLER GENERAL |
| DIRECTOR OF FINANCIAL MARKETS | COMMERCIAL PARTNERSHIP DIRECTOR | DGA RISK AND CREDIT MANAGEMENT |
| MONEY AND EXCHANGE MARKET DIRECTOR | SELF-SERVICE AND ACQUISITION DIRECTOR | GOVERNMENT CREDIT ANALYSIS DIRECTOR |
| DIRECTOR OF INTERIOR DISTRIBUTION TABLE | GOVERNMENT BANK DIRECTOR NUEVO LEON | AUDIT DIRECTOR |
| FINANCIAL MARKET PROMOTION DIRECTOR | DIRECTOR DIGITAL BANKING | DIRECTOR SPECIALIZED BANKING |
| DERIVATIVE DEPUTY DIRECTOR | BUSINESS BANKING DIRECTOR | CONTROLLER DIRECTOR |
| DEPUTY DIRECTOR OF PROMOTION | SME BANKING DIRECTOR | MONEY MARKET CONTROLLER DIRECTOR |
| MONEY MARKET MANAGER | CAPTAINING DIRECTOR | DIRECTOR CORP RELATIONS INSTI AND BCA GOB |
| ADMINISTRATIVE DEPUTY MANAGER | SME CENTERS DIRECTOR | IT CORP, OPERATIONS AND PROCESSES DIRECTOR |
| DIRECTOR ASSISTANT | COMMERCIAL DIRECTOR FOR THE TERRITORIAL FORCES | DIRECTOR OF PARAMETRIC CREDITS |
| | DIRECTOR OF MORTGAGE AND SELF-PLACEMENT | DIRECTOR OF DEVELOPMENT CENTRAL SERVICES AND TRADITIONAL CHANNELS |
| | DIRECTOR OF NEW TECHNOLOGIES | DIRECTOR OF INFRASTRUCTURE AND SERVICES |
| | DIVISIONAL DIRECTOR | DIRECTOR OF INFORMATION SECURITY |
| | COMMERCIAL AND DIGITAL EXECUTIVE DIRECTOR | DIRECTOR OF SECURITY AND INTELLIGENCE |
| | EXECUTIVE DIRECTOR OF PRODUCTS | CORPORATE SERVICES DEVELOPMENT DIRECTOR |
| | EXECUTIVE DIRECTOR BUSINESS BUSINESSES | EXECUTIVE DIRECTOR ADMIN. OF RISKS |
| | DEPUTY MANAGING DIRECTOR OF BUSINESS | EXECUTIVE DIRECTOR CREDIT |
| | PAYROLL AND PAYROLL CREDIT DIRECTOR | EXECUTIVE DIRECTOR OPERATIONS AND PROCESSES |
| | CAPTAINING SEGMENT DIRECTOR | LEGAL EXECUTIVE DIRECTOR |
| | CONSUMER SEGMENT DIRECTOR | EXECUTIVE PROJECTS DIRECTOR |
| | BUSINESS SEGMENT DIRECTOR | HUMAN RESOURCE EXECUTIVE DIRECTOR |
| | SME SEGMENT DIRECTOR | TREASURY BALANCE SHEET EXECUTIVE DIRECTOR |
| | CREDIT AND DEBIT CARD DIRECTOR | FIDUCIARY STRUCTURING DIRECTOR |
| | CONSUMER SEGMENT DIRECTOR | FINANCE DIRECTOR |

| | |
|--|---|
| | DEPUTY MANAGING DIRECTOR INVESTMENTS |
| | DEPUTY LEGAL DIRECTOR GENERAL AND FID. |
| | GOVERNMENT AND INFRASTRUCTURE DIRECTOR |
| | LEGAL DIRECTOR OF RECOVERY |
| | LEGAL EXECUTIVE DIRECTOR |
| | LEGAL STRUCTURING BUSINESS DIRECTOR |
| | IT PROCESS AND ARCHITECTURE DIRECTOR |
| | DIRECTOR OF PROCESSES AND SEC CREDITS STRUCT. |
| | REGULATORY CONTROLLER DIRECTOR |
| | TRUSTEE DIRECTOR |

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

The Remuneration System considers as eligible personnel the Executive positions of the first two levels of the Staff areas, the Executive positions of the first three levels of the Deputy General Directorate of Business and the Money Market area.

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 April 2020, where the positions of Segment Directors with their own goals and measurements according to their responsibility were integrated into the System. No changes were reported either in the job profiles, or in the job levels established to join the Remuneration System that make decisions that imply a risk for the institution.

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 purpose 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) The variable remuneration to be paid to the Money Market area is calculated by applying 35% to the result generated in each quarter. As a result, the direct expenses identified in this area are deducted, thus determining the total amount to be paid.

To the amount of the variable remuneration resulting from the previous paragraph, 20% is applied and is paid within thirty calendar days after the close of each quarter, the remaining 80% is paid in the four immediately following quarters, applying the equivalent of 20 % in each of the four quarters, as long as the maximum amount of accumulated deferred variable remuneration does not exceed the established retention limits, so once this limit is reached, the amount of the applicable variable remuneration will be paid within 30 calendar days after the end of each quarter.

In the event that the results of the period are negative for the Money Market area, these results will be offset with deferred variable remuneration until they are exhausted.

- g) 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: 86

1. Number of covered bonds: 3
Percentage: 0.20827%
2. Number of bonds awarded: 79
Percentage: 5.90024%
3. Number of compensation and settlements: 4
Percentage: 0.16443%
4. Bonds pending to be awarded in cash: 0
Percentage: 0%
5. Fixed + Variable Compensation of personnel subject to SR
Total: 19.87400%

- c)

1. Fixed Remuneration: 12.23723%
Variable Remuneration: 5.90024%
2. Transferred: 0%
Not Transferred: 5.90024%
3. Pecuniary: 5.69198%

- d)

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

Note: The percentage that the account 6410 of Banca Afirme represents with respect to the account 6400 (Administration and Promotion Expenses) is 29.49483% .

OTHER RELEVANT EVENTS

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

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

Capitalization

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

Issuance of Subordinated Bonds

At the Extraordinary General Shareholders' Meeting held on October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The bond issues was performed through a public offering for up to 2,300,000 subordinated bonds with a nominal value of \$ 100 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in October 2030. Said issuance was for an amount of \$ 230, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 100%.

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of subordinated bonds of preferred or non-preferred capital and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters OFI/003-29279. The issuance of the obligations was carried out through a public offering of up to 20,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in 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 25%.

At the end of the third quarter of 2021, the subordinated bonds program has a balance of 2.741 million pesos.

Arrendadora Afirme Consolidated Company in Banca Afirme

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

Paid-in capital for the increase of future capital

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

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

At the Ordinary General Meeting held on August 26, 2020, the shareholders agreed to make an additional paid-in for the increase of future capital of 223 million pesos.

Capital increases

At the Extraordinary General Shareholders' Meeting held on May 14, 2021, it was agreed to increase the share capital, by 528 million pesos, by capitalizing the account of "additional paid-in capital"

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".

CP Jesus Antonio Ramírez Garza
Chief Executive Officer

CP Gustavo M. Vergara Alonso
Chief Financial Officer Finance Controller

CPC Jesus Ricardo Gámez del Castillo
Chief Financial Officer

CP David Gerardo Martínez Mata
Director of Internal Audit

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

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

Capitalization

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

Issuance of Subordinated Bonds

At the Extraordinary General Shareholders' Meeting held on October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The bond issues was performed through a public offering for up to 2,300,000 subordinated bonds with a nominal value of \$ 100 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in October 2030. Said issuance was for an amount of \$ 230, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 100%.

Arrendadora Afirme Consolidated Company in Banca Afirme

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

Capital increases

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

Paid-in capital for the increase of future capital

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

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

CERTIFICATION

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

INTERNAL CONTROL

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

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

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Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF SEPTEMBER 30, 2021

AMOUNTS IN MILLIONS OF PESOS

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF SEPTEMBER 30, 2020

AMOUNTS IN MILLIONS OF PESOS

SWAPS

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

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

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

SWAPS

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF SEPTEMBER 30, 2020
 AMOUNTS IN MILLIONS OF PESOS

| | TOTAL BASE | ISR | PTU | TOTAL |
|--|------------|--------|-----|---------------|
| FAVOR MATCHES | | | | |
| TEMPORARY PROVISIONS | 232.0 | 69.6 | 0.0 | 69.6 |
| PREVENTIVE ESTIMATION FOR CREDIT RISKS | 1988.4 | 596.5 | 0.0 | 596.5 |
| OTHER TEMPORARY DIFFERENCES | 415.0 | 124.5 | 0.0 | 124.5 |
| | | | | <u>790.6</u> |
| MATCHES CHARGED | | | | |
| EARLY DEDUCTIONS | -938.8 | -281.6 | 0.0 | -281.6 |
| OTHER TEMPORARY DIFFERENCES | 175.6 | 52.7 | 0.0 | 52.7 |
| | | | | <u>-229.0</u> |
| TOTAL DEFERRED TAXES IN FAVOR | | | | 561.7 |

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF SEPTEMBER 30, 2021
 AMOUNTS IN MILLIONS OF PESOS

| | TOTAL BASE | ISR | PTU | TOTAL |
|--|------------|--------|-----|---------------|
| FAVOR MATCHES | | | | |
| TEMPORARY PROVISIONS | 310.6 | 93.2 | 0.0 | 93.2 |
| PREVENTIVE ESTIMATION FOR CREDIT RISKS | 2403.6 | 721.1 | 0.0 | 721.1 |
| OTHER TEMPORARY DIFFERENCES | 345.1 | 103.5 | 0.0 | 103.5 |
| | | | | <u>917.8</u> |
| MATCHES CHARGED | | | | |
| EARLY DEDUCTIONS | -1334.1 | -400.2 | 0.0 | -400.2 |
| OTHER TEMPORARY DIFFERENCES | -92.7 | -27.8 | 0.0 | -27.8 |
| | | | | <u>-428.0</u> |
| TOTAL DEFERRED TAXES IN FAVOR | | | | 489.8 |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

XI.- Capitalization index
see point XX

XII.- Basic and Complementary Capital
see point XX

XIII.- Value at Market Risk

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

XIV.- Information by segments.

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

Loan Portfolio by Geographic Zone

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

(AMOUNTS IN MILLIONS OF PESOS)

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

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

(AMOUNTS IN MILLIONS OF PESOS)

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

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

(AMOUNTS IN MILLIONS OF PESOS)

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

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

(AMOUNTS IN MILLIONS OF PESOS)

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

(*) MONTERREY AND ITS METROPOLITAN AREA

(**) MEXICO CITY AND MEXICO STATE

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

Deposit funding by Geographic Zone

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

(AMOUNTS IN MILLIONS OF PESOS)

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

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

(AMOUNTS IN MILLIONS OF PESOS)

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

(*) MONTERREY Y SU AREA METROPOLITANA

(**) CIUDAD DE MÉXICO Y ESTADO DE MÉXICO

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

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

XV.- Information on related parties:

The key operations performed with related parties were the following:

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

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

Financial indicators

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

(1) Previous data before Banxico replies

Banca Afirme Portfolio Rating

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

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

GRADES:

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

Banca Afirme Portfolio Rating

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

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

GRADES:

- 1.- The figures for the qualification and constitution of loan-loss reserves are those corresponding to the last day of the month to which the balance sheet refers as of September 30, 2021.
- 2.- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by internal methodologies authorized by the Commission itself.

The Institution uses the rating methodologies established by the CNBV.

Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping loan-loss reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "On the constitution of reserves and their classification by degree of risk", contained in Chapter V of Title Two of the aforementioned provisions.
- 3.- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.
- 4.- The excess of loan-loss reserves constituted by \$ 535', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

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

QAFIRME15

At the Extraordinary General Shareholders' Meeting held on February 4, 2015, the Shareholders agreed to issue non-preferred capital subordinated bonds, perpetual and susceptible to be converted into shares at the Bank's option, obtaining authorization from the Central Bank for their Issuance through official letters OFI/S33-001-12465 and OFI/S33-001-12722 dated January 21, 2015, and February 3, 2015, correspondingly. The bond issue was executed through a private offer for up to 11,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 4.0%, this issuance is not guaranteed, the payment period of interest is every three months, it has no expiration date. Said issuance was for an amount of \$ 800, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 73%.

QBAFIRME18

At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through OFI/official letters 033-24335. The bond issue was performed through a public offering of up to 12,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in September 2028. Said issuance was for an amount of \$ 1,200, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

QBAFIRME20

At the Extraordinary General Shareholders' Meeting held on September 27, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153 / 12258/2020. The bond issue was executed through a public offering of up to 5,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in September 2030. Said issuance was for an amount of \$ 500, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

QBAFIRME20-2

At the Extraordinary General Shareholders' Meeting held on October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The bond issue was executed through a public offering of up to 2,300,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in October 2030. Said issuance was for an amount of \$ 230, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 100%.

As of September 30, 2021, the subordinated bonds are recorded in the Consolidated Balance Sheet under the heading of "Outstanding Subordinated Bonds", which have the option of prepayment from the fifth year and have, among others, the following characteristics:

I.- They are bearer titles.

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

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

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

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

As of September 31, 2021 and 2020, the subordinated bonds do not have a discount or premium rate.

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

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

XVIII.- Activity and outstanding operations-

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

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

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

- Arrendadora Afirme, S. A. de C.V. Multiple Purpose Regulated Financial Entity, Afirme Financial Group ("The Lessor") (99.976% stake), dedicated to the execution of financial and operational leasing contracts of movable and immovable property, acceptance and granting of credit, making investments and financial instruments.
- Fondos de Inversión Afirme, S. A. de C.V. Sociedad Operadora de Fondos de Inversión ("The Operator") (99.99% participation), which is dedicated to the provision of asset management services, distribution, valuation, promotion and acquisition of shares issued by the Investment Funds, as well as the deposit and custody of investment assets of investment company shares, among others.

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

XIX.- Summary of the main accounting policies-

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

a) Accounting criteria -

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NIF D-5 "Leases" - It comes into force for the years that start from the 1st of January 2022. Cancels Bulletin D-5 "Leases". The first time application of this FRS generates accounting changes in the financial statements mainly for the lessee and grants different options for their recognition. Among the main changes are the following:
Eliminates the classification of leases as operating or capitalizable for a lessee, and the lessee must recognize a lease liability at the present value of payments and a right-of-use asset for the same amount, of all leases with a duration greater than 12 months, unless the underlying asset is of low value.

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

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

b) Improvements to FRS 2021

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

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

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

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

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

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

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

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

ANNEX 1-O

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

TABLE I.1 Disclosure format for capital integration without considering transitory application of regulatory adjustments

| Reference | Common Equity Tier 1 (CET1): Instruments and Reserves | Amount |
|--|--|-----------------|
| 1 | Common shares that qualify for Tier 1 common capital plus their corresponding premium | 3,918.63 |
| 2 | Results of past exercises | 0.00 |
| 3 | Other elements of comprehensive income (and other reserves) | 3,411.76 |
| 4 | Capital subject to phase-out of Tier 1 common equity (only applicable for companies that are not linked to shares) | Not Applicable |
| 5 | Ordinary shares issued by subsidiaries held by third parties (allowed amount in common equity level 1) | Not Applicable |
| 6 | Tier 1 common capital before regulatory adjustments | 7,330.38 |
| Tier 1 Common Capital: Regulatory Adjustments | | |
| 7 | Prudential valuation adjustments | Not Applicable |
| 8 | Commercial Credit (net of its corresponding deferred income taxes charged) | 0.00 |
| 9 | Other intangibles other than rights for mortgage services (net of their corresponding deferred income taxes payable) | 313.31 |
| 10 (conservative) | Deferred income taxes in favor that depend on future earnings, excluding those derived from temporary differences (net of deferred income taxes payable) | |
| 11 | Result from valuation of cash flow hedging instruments | 0.00 |
| 12 | Reserves pending to constitute | 0.00 |
| 13 | Benefits on the remainder in securitization operations | |
| 14 | Gains and losses caused by changes in the own credit rating on liabilities valued at fair value | Not Applicable |
| 15 | Defined benefit pension plan | |
| 16 (conservative) | Investments in treasury shares | |
| 17 (conservative) | Reciprocal investments in ordinary capital | |
| 18 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | |
| 19 (conservative) | Significant investments in common shares of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital (amount that exceeds the 10% threshold) | |
| 20 (conservative) | Mortgage servicing fees (amount exceeding the 10% threshold) | |
| 21 | Deferred income taxes in favor from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable) | 0.00 |
| 22 | Amount exceeding the 15% threshold | Not Applicable |
| 23 | Of which: Significant investments where the institution owns more than 10% in common shares of financial institutions | Not Applicable |
| 24 | Of which: Rights for mortgage services | Not Applicable |
| 25 | Of which: Deferred income taxes in favor derived from temporary differences | Not Applicable |
| 26 | National regulatory adjustments | 600.68 |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | |
|--|---|----------------|
| A | Of which: Other elements of comprehensive income (and other reserves) | 581.17 |
| B | Of which: Investments in subordinated debt | |
| C | Of which: Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions) | |
| D | Of which: Investments in multilateral organizations | |
| E | Of which: Investments in related companies | |
| F | Of which: Venture capital investments | |
| G | Of which: Investments in mutual funds | 19.51 |
| H | Of which: Financing for the acquisition of own shares | |
| I | Of which: Operations that contravene the provisions | |
| J | Of which: Deferred charges and advance payments | |
| K | Of which: Positions in First Loss Schemes | |
| L | Of which: Employee Participation in Deferred Profits | |
| M | Of which: Relevant Related Persons | |
| N | Of which: Defined benefit pension plan | |
| OR | Of which: Adjustment for capital recognition | |
| 27 | Regulatory adjustments applied to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions | |
| 28 | Total regulatory adjustments to Tier 1 common capital | 913.99 |
| 29 | Common Equity Tier 1 (CET1) | 6,416.39 |
| Additional Tier 1 Capital - Instruments | | |
| 30 | Directly issued instruments that qualify as additional Tier 1 capital, plus your premium | |
| 31 | of which: Classified as equity under the applicable accounting criteria | |
| 32 | of which: Classified as liabilities under the applicable accounting criteria | Not Applicable |
| 33 | Directly issued capital instruments subject to phase-out of additional Tier 1 capital | |
| 34 | Additional Tier 1 capital instruments issued and Tier 1 common equity instruments not included in line 5 that were issued by subsidiaries held by third parties (allowed amount in additional level 1) | Not Applicable |
| 35 | Of which: Instruments issued by subsidiaries subject to phase-out | Not Applicable |
| 36 | Additional Tier 1 capital before regulatory adjustments | 0.00 |
| Additional Tier 1 Capital: Regulatory Adjustments | | |
| 37 (conservative) | Investments in equity instruments of additional Tier 1 capital | Not Applicable |
| 38 (conservative) | Investments in reciprocal shares in additional Tier 1 capital instruments | Not Applicable |
| 39 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | Not Applicable |
| 40 (conservative) | Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital | Not Applicable |
| 41 | National regulatory adjustments | |
| 42 | Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions | Not Applicable |
| 43 | Total regulatory adjustments to additional Tier 1 capital | 0.00 |
| 44 | Additional Tier 1 Capital (AT1) | 0.00 |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 6,416.39 |
| Tier 2 capital: instruments and reserves | | |
| 46 | Directly issued instruments that qualify as Tier 2 capital, plus your premium | |
| 47 | Directly issued equity instruments subject to phase-out from Tier 2 capital | |
| 48 | Tier 2 capital instruments and Tier 1 common equity instruments and Tier 1 additional capital that have not been included in lines 5 or 34, which have been issued by subsidiaries held by third parties (amount allowed in complementary capital level 2) | Not Applicable |
| 49 | of which: Instruments issued by subsidiaries subject to phase-out | Not Applicable |
| 50 | Reserves | |
| 51 | Tier 2 capital before regulatory adjustments | 0.00 |
| Tier 2 capital: regulatory adjustments | | |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | |
|--|---|------------------|
| 52 (conservative) | Investments in own Tier 2 capital instruments | Not Applicable |
| 53 (conservative) | Reciprocal investments in Tier 2 capital instruments | Not Applicable |
| 54 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | Not Applicable |
| 55 (conservative) | Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital | Not Applicable |
| 56 | National regulatory adjustments | |
| 57 | Total regulatory adjustments to Tier 2 capital | 0.00 |
| 58 | Tier 2 Capital (T2) | 0.00 |
| 59 | Total capital (TC = T1 + T2) | 6,416.39 |
| 60 | Total risk-weighted assets | 58,170.16 |
| Capital ratios and supplements | | |
| 61 | Common Tier 1 Capital (as a percentage of total risk-weighted assets) | 11.03 |
| 62 | Tier 1 Capital (as a percentage of total risk-weighted assets) | 11.03 |
| 63 | Total Capital (as a percentage of total risk-weighted assets) | 11.03 |
| 64 | Institutional specific supplement (at least it must consist of: the common capital requirement of level 1 plus the capital conservation buffer, plus the countercyclical buffer, plus the G-SIB buffer; expressed as a percentage of total risk-weighted assets) | 7.00 |
| 65 | Of which: Capital Conservation Supplement | 2.50 |
| 66 | Of which: Specific Banking Countercyclical Supplement | Not Applicable |
| 67 | Of which: Global Systemically Important Banks Supplement (G-SIB) | Not Applicable |
| 68 | Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets) | 4.03 |
| National minimums (if different from Basel 3) | | |
| 69 | CET1 national minimum ratio (if it differs from the minimum established by Basel 3) | Not Applicable |
| 70 | T1 national minimum ratio (if it differs from the minimum established by Basel 3) | Not Applicable |
| 71 | National minimum TC ratio (if it differs from the minimum established by Basel 3) | Not Applicable |
| Amounts below deduction thresholds (before risk weighting) | | |
| 72 | Non-significant investments in the capital of other financial institutions | Not Applicable |
| 73 | Significant investments in common shares of financial institutions | Not Applicable |
| 74 | Rights for mortgage services (net of deferred income taxes payable) | Not Applicable |
| 75 | Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable) | |
| Limits applicable to the inclusion of reserves in Tier 2 capital | | |
| 76 | Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to the standardized methodology (prior to application of the cap) | |
| 77 | Limit on the inclusion of provisions in Tier 2 capital under the standardized methodology | |
| 78 | Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to internal rating methodology (prior to application of cap) | |
| 79 | Limit on the inclusion of reserves in Tier 2 capital under the internal rating methodology | |
| Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022) | | |
| 80 | Current cap on CET1 instruments subject to phase-out | Not Applicable |
| 81 | Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities) | Not Applicable |
| 82 | Current limit on AT1 instruments subject to phase-out | |
| 83 | Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities) | |
| 84 | Current limit on T2 instruments subject to phase-out | |
| 85 | Amount excluded from T2 due to limit (excess over limit after amortizations and maturities) | |

TABLE II.1

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

**TABLE II.1 Balance sheet
figures**

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

| Identifier | Regulatory concepts considered for the calculation of the components of Net Capital | Reference of the disclosure format of the capital integration of section I of this annex | Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the Net Capital components | Reference(s) of the item of the balance sheet and amount related to the regulatory concept considered for the calculation of the Net Capital from the mentioned reference. |
|---------------|--|--|--|--|
| Active | | | | |
| 1 | Commercial Credit | 8 | 0.00 | BG16 |
| 2 | Other Intangibles | 9 | 313.31 | BG16 |
| 3 | Deferred income tax (in favor) from losses and tax credits | 10 | 0.00 | BG15 |
| 4 | Benefits on the remainder in securitization operations | 13 | 0.00 | BG09 |
| 5 | Investments of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | | | |
|-----------|--|--------|--------|------|
| 6 | Investments in shares of the institution itself | 16 | 0.00 | |
| 7 | Reciprocal investments in ordinary capital | 17 | 0.00 | |
| 8 | Direct investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock | 18 | 0.00 | |
| 9 | Indirect investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock | 18 | 0.00 | |
| 10 | Direct investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital | 19 | 0.00 | |
| 11 | Indirect investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital | 19 | 0.00 | |
| 12 | Deferred income tax (in favor) from temporary differences | 21 | 0.00 | |
| 13 | Reserves recognized as complementary capital | 50 | 222.76 | BG8 |
| 14 | Investments in subordinated debt | 26 - B | 0.00 | |
| 15 | Investments in multilateral organizations | 26 - D | 0.00 | |
| 16 | Investments in related companies | 26 - E | 0.00 | |
| 17 | Venture capital investments | 26 - F | 0.00 | |
| 18 | Investments in mutual funds | 26 - G | 19.51 | BG13 |
| 19 | Financing for the acquisition of own shares | 26 - H | 0.00 | |
| 20 | Deferred charges and advance payments | 26 - J | 0.00 | |
| 21 | Deferred employee profit sharing (net) | 26 - L | 0.00 | |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | | | |
|-----------------------------|--|--------|----------|------|
| 22 | Investments in the defined benefit pension plan | 26 - N | 0.00 | |
| 23 | Investments in clearing houses | 26 - P | 0.00 | BG13 |
| Liabilities | | | | |
| 24 | Taxes on deferred income (payable) associated with the Commercial Credit | 8 | 0.00 | |
| 25 | Deferred income taxes (payable) associated with other intangibles | 9 | 0.00 | |
| 26 | Liabilities of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |
| 27 | Deferred income taxes (payable) associated with the defined benefit pension plan | 15 | 0.00 | |
| 28 | Deferred income taxes (payable) associated with others other than the above | 21 | 0.00 | |
| 29 | Subordinated bonds amount that complies with Schedule 1-R | 31 | 0.00 | |
| 30 | Subordinated bonds subject to transitory status that are computed as basic capital 2 | 33 | 0.00 | |
| 31 | Subordinated bonds amount that complies with Schedule 1-S | 46 | 0.00 | |
| 32 | Subordinated bonds subject to transitory status that are computed as complementary capital | 47 | 0.00 | |
| 33 | Deferred income taxes (payable) associated with deferred charges and prepayments | 26 - J | 0.00 | |
| Stockholders' equity | | | | |
| 34 | Contributed capital that complies with Schedule 1-Q | 1 | 3,918.63 | BG29 |
| 35 | Results of previous years | 2 | 0.00 | BG30 |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | | | |
|--|---|----------------|----------|------|
| 36 | Result from valuation of instruments for cash flow hedging of items recorded at fair value | 3 | 0.00 | BG30 |
| 37 | Other elements of earned capital other than the above | 3 | 3,411.76 | BG30 |
| 38 | Contributed capital that complies with Schedule 1-R | 31 | 0.00 | |
| 39 | Contributed capital that complies with Schedule 1-S | 46 | 0.00 | |
| 40 | Result from valuation of instruments for cash flow hedging of items not recorded at fair value | 3, 11 | 0.00 | |
| 41 | Cumulative effect of conversion | 3, 26 - A | 0.00 | |
| 42 | Result from holding non-monetary assets | 3, 26 - A | 0.00 | |
| Memorandum accounts | | | | |
| 43 | Positions in First Loss Schemes | 26 - K | 0.00 | |
| Regulatory concepts not considered in the balance sheet | | | | |
| 44 | Reserves pending to constitute | 12 | 0.00 | |
| 45 | Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions) | 26 - C | 0.00 | |
| 46 | Operations that contravene the provisions | 26 - I | 0.00 | |
| 47 | Operations with Relevant Related Persons | 26 - M | 0.00 | |
| 48 | Capital recognition adjustment | 26 - O, 41, 56 | 0.00 | |

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

| Concept | Amount of equivalent positions | Capital requirement |
|--|--------------------------------|---------------------|
| Operations in national currency with nominal rate | 4,266 | 341 |
| Operations with debt securities in national currency with a surcharge and a reviewable rate | 2,918 | 233 |
| Operations in national currency with a real rate or denominated in UDI's | 82 | 7 |
| Operations in national currency with a rate of return referred to the growth of the General Minimum Wage | 0 | 0 |
| Positions in UDI's or with performance referred to the INPC | 2 | 0 |
| Positions in national currency with a rate of return referred to the growth of the general minimum wage | 0 | 0 |
| Operations in foreign currency with nominal rate | 34 | 3 |
| Positions in currencies or with yield indexed at the exchange rate | 33 | 3 |
| Gold Positions | 0 | 0 |
| Positions in shares or with yield indexed to the price of a share or group of shares | 0 | 0 |
| | 7,336 | 587 |

TABLE IV.2

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

TABLE III.3 Weighted assets subject to operational risk

| Risk-weighted assets | Capital requirement |
|----------------------|---------------------|
| 8,580 | 686 |

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

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

ANNEX 1-O Bis

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

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

I. Integration of the main sources of leverage

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

Table I.1

| Reference | ITEM | AMOUNT |
|--|--|---------|
| 1 | Items within the balance sheet (excluding derivative financial instruments and repurchase operations and securities loans -SFT for its acronym in English- but including collaterals received as collateral and recorded on the balance sheet) | 181,480 |
| 2 | (Amounts of assets deducted to determine Basel III Tier 1 capital) | - |
| 3 | On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2) | 180,566 |
| Exposures to derivative financial instruments | | |
| 4 | Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin) | 153 |
| 5 | Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments. | 40 |
| 6 | Increase in Collateral contributed in operations with derivative financial instruments when said collateral is removed from the balance sheet in accordance with the operational accounting framework | - |
| 7 | (Deductions to accounts receivable for variation margin in cash contributed in operations with derivative financial instruments) | - |
| 8 | (Exposure for operations in derivative financial instruments on behalf of clients, in which the clearing partner does not grant its guarantee in case of breach of the debt of the Central Counterpart) | - |
| 9 | Adjusted effective notional amount of subscribed credit derivative financial instruments | - |
| 10 | (Compensations made to the adjusted cash notional of the subscribed credit derivative financial instruments and deductions of the additional factors for the subscribed credit derivative financial instruments) | - |
| 11 | Total exposures to derivative financial instruments (sum of lines 4 to 10) | 192.71 |
| Total exposures to derivative financial instruments (sum of lines 4 to 10) | | |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

TABLE II.1

| Reference | ITEM | AMOUNT |
|-----------|---|----------|
| 1 | Total assets | 192,278 |
| 2 | Adjustment for investments in the capital of banking, financial, insurance, or commercial entities that are consolidated for accounting purposes, but are outside the scope of regulatory consolidation | - 601 |
| 3 | Adjustment related to trust assets recognized in the balance sheet according to the accounting framework, but excluded from the measurement of the exposure of the leverage ratio | - |
| 4 | Adjustment for derivative financial instruments | 238 |
| 5 | Adjustment for repurchase operations and securities loan | 1,704 |
| 6 | Adjustment for items recognized in memorandum accounts | 598 |
| 7 | Other settings | - 313 |
| 8 | Leverage ratio exposure | 193,427 |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

TABLE III.1

| Reference | ITEM | AMOUNT |
|-----------|---|-------------|
| 1 | Total assets | 192,278 |
| 2 | Operations in derivative financial instruments | - 278.25 |
| 3 | Repo operations and securities loans | - 10,519.00 |
| 4 | Trust assets recognized in the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure | - |
| 5 | Exposures within the Balance Sheet | 181,480 |

TABLA IV.1

MAIN CAUSES OF THE MOST IMPORTANT VARIATIONS OF THE ELEMENTS

(NUMERATOR AND DENOMINATOR) OF THE LEVERAGE RATIO

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

Characteristics of the Debt

| Reference | Characteristic | QAFIRME 15 Options | BAFIRME-18 Options | BAFIRME-20 Options | BAFIRME-20-2 Options |
|-----------|---|--|---|---|---|
| 1 | Transmitter | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. |
| 2 | ISIN, CUSIP or Bloomberg identifier | N/A | N/A | N/A | N/A |
| 3 | Legal framework | Credit Institutions Law Credit Institutions, Unique Circular of Banks | Credit Institutions Law Credit Institutions, Unique Circular of Banks | Credit Institutions Law Credit Institutions, Unique Circular of Banks | Credit Institutions Law Credit Institutions, Unique Circular of Banks |
| | <i>Regulatory treatment</i> | | | | |
| 4 | Capital level with transience | Basic 2 | Complementary | Complementary | Complementary |
| 5 | Capital level without transience | Basic 2 | Complementary | Complementary | Complementary |
| 6 | Instrument level | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries |
| 7 | Type of instrument | Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares. | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares |
| 8* | Amount recognized in regulatory capital | \$ 810.46 recognized within the basic non-fundamental capital. | \$ 1,694.55 are recognized within complementary capital. | \$ 1,694.55 are recognized within complementary capital. | \$ 1,927.07 are recognized within complementary capital. |
| 9 | Instrument nominal value | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. |
| 9A | Instrument currency | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos |
| 10 | Accounting classification | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost |
| 11 | Date of issue | 04/02/2015 | 11/10/2018 | 27/03/2020 | 22/10/2020 |
| 12 | Instrument term | Perpetuity | Expiration | Expiration | Expiration |
| 13 | Expiration date | Without caducity | September 28, 2028 | September 15, 2030 | 10/10/2030 |
| 14 | Advance payment clause | Yes | Yes | Yes | Yes |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

| | | | | | |
|-----|--|--|--|--|--|
| 15 | First advance payment date | From the fifth year. | From the fifth year. | From the fifth year. | From the fifth year. |
| 15A | Regulatory or tax events | No | No | No | No |
| 15B | Settlement price of the advance payment clause | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment |
| 16 | Subsequent advance payment dates | NA | NA | NA | NA |
| | Returns/ dividends | | | | |
| 17 | Yield/dividend type | Variable Yield | Variable Yield | Variable Yield | Variable Yield |
| 18 | Cup of Interest/Dividend | Interest Rate: 91-day TIIE + 4.00% | Interest Rate: 28-day TIIE + 2.80% | Interest Rate: 28-day TIIE + 2.80% | Interest Rate: 28-day TIIE + 2.80% |
| 19 | Dividend cancellation clause | NA | NA | NA | NA |
| 20 | Discretion in payment | Mandatory | Mandatory | Mandatory | Mandatory |
| 21 | Interest increase clause | NA | NA | NA | NA |
| 22 | Yield/dividends | Performance | Performance | Performance | Performance |
| 23 | Instrument convertibility | Convertibles | Non Convertibles | Non Convertibles | Non Convertibles |
| 24 | Convertibility conditions | NA | NA | NA | NA |
| 25 | Degree of convertibility | NA | NA | NA | NA |
| 26 | Conversion rate | NA | NA | NA | NA |
| 27 | Type of instrument convertibility | NA | NA | NA | NA |
| 28 | Type of convertibility financial instrument | NA | NA | NA | NA |
| 29 | Instrument emitter | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. |
| 30 | Decrease in value clause (Write-Down) | NA | NA | NA | NA |

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

DISCLOSURE OF LIQUIDITY COVERAGE COEFFICIENT

In compliance with Annex 5 of Article 8 stipulated in section III of the General Provisions on liquidity requirements for Multiple Banking institutions, the disclosure format of the Liquidity Coverage Coefficient for the third quarter 2021 is detailed.

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

| July | August | September |
|-------|--------|-----------|
| 7.18% | -7.34% | 10.41% |

- Banca Afirme does not have a currency mismatch.
- The centralization of liquidity management is concentrated in Banca Afirme.

- Within the flows reported in the form as informative, the flows for the quarter for Inputs and Outputs are detailed:

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

*Amounts in millions of pesos

MAIN SOURCES OF FINANCING

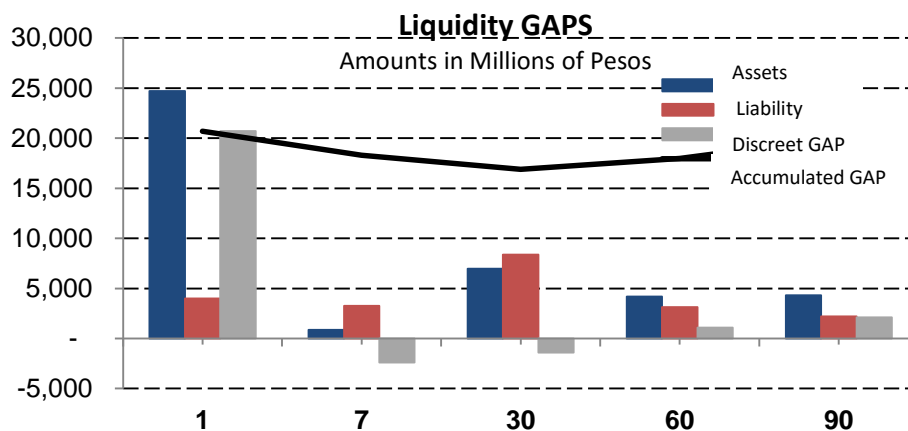
In general, the financing needs of the Institution's loan portfolio are covered by traditional fund-raising, however, other liquidity elements are maintained if required as credit lines and the ability to issue bank paper in the market, not encountering legal, regulatory or operational limitations.

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

Liquidity risk

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

Banca Afirme's accumulated 60-day band was \$ 17,967 million pesos at the end of the 3Q 2021, a level that respected the established limit. The bands for term up to 90 days would be the following:



On a daily basis, the Liquidity Coverage Coefficient (CCL) is monitored, since the Supervisory Authority imposes a minimum to promote the short-term resistance of the liquidity risk profile, guaranteeing that the Institution has sufficient high-quality Cash and Cash Equivalents to overcome a significant stress scenario over a 30-day period.

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

| Trading Business Unit | VaR adjusted for average liquidity |
|-----------------------|------------------------------------|
| | Jul 2021 - Sep 2021 |
| Money Table | (42.91) |
| Treasury | (2.45) |
| Global | (42.39) |

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

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

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

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

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

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

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

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

Derivatives

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

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

Specific objectives include:

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

- Reduction of capital requirements in positions subject to determining fixed margins, with the consequent use of alternative business opportunities.

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

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

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

Currently, Banca Afirme operates in the national over-the-counter (OTC) market for these instruments and the eligible counterparties are only national or foreign Banking Institutions with which there are ISDA contracts (Local or International) and a line of credit has been granted in the Institution. In addition, as of December 2016, the Institution has operations in the Derivatives Exchange associated with Asigna, the clearinghouse that acts as the central counterparty. Currently, trading with clients or brokerage firms is not allowed.

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

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

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

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

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

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

The positions, results, risk measures and monitoring of the limits are included in the daily reports issued by the Integral Risk Management Unit ("UAIR" by its acronym in Spanish), and said report is sent to the operating personnel, as well as to Senior Management.

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

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

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

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

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

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

When it comes to hedging instruments, it is necessary to monitor hedging efficiency. This efficiency is determined at least quarterly, and two types of efficiency are generated, retrospective and prospective. The method depends on whether the hedge is fair value or cash flow. In all cases, for it to be considered efficient, the efficiency indicators must be between 80% and 125%.

If the hedge is of fair value: the retrospective efficiency is calculated by comparing the ratio of the change observed in the valuation of the derivative and the change observed in the valuation of the hedged asset; while the prospective one projects valuation scenarios with the simulation of rates that generate changes in the present value of the future flows of the hedging derivative against the changes in the present value of the future flows of the primary position. With the data series, the correlation coefficient (R-squared) and the sign of the independent variable of a linear regression are determined to determine its compensation capacity.

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

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

Our internal sources of funding are mainly our stable clients, which give us the ability to meet any requirement related to derivative operations, these clients allow us to have a current liquidity greater than 18,000 million that more than cover any liquidity risk, including derivative operations. In addition to the above, we have extensive external capacities with lines exceeding 15,000 million of which currently only 1,500 million are used.

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

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

Amounts in thousands of pesos

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

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

Amounts in thousands of pesos

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

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

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

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

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

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

Notes on the Consolidated Financial Statements

(figures in Millions of pesos)

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

| Derivative Rate Sensitivity | | | | |
|--|--------------|---------------|---------------|---------------|
| Figures in thousands of pesos as of September 30, 2021 | | | | |
| 25 PB^{1/} | 50 PB | 100 PB | 150 PB | 200 PB |
| 31,148 | 62,295 | 124,591 | 186,885 | 249,179 |

^{1/} PB: base points

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