**Banca Afirme, S. A.**
**Institución de Banca Múltiple. Afirme Grupo Financiero**
**Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.**
**Consolidated Statement of Financial Position, March 31, 2023**
**( Millions of Mexican Pesos )**

## A S S E T S

| | | | |
|---|---|---|---|
| CASH AND CASH EQUIVALENTS | | | 11,083 |
| MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS) | | | 31 |
| INVESTMENTS IN FINANCIAL INSTRUMENTS | | | |
| NEGOTIABLE FINANCIAL INSTRUMENTS | | 56,275 | |
| FINANCIAL INSTRUMENTS TO COLLECT PRINCIPAL AND INTEREST | | 199 | 56,474 |
| DEBTORS ON REPURCHASE/RESELL AGREEMENTS | | | 95,017 |
| DERIVATIVES FINANCIAL INSTRUMENTS | | | |
| TRADING PURPOSES | | 18 | |
| HEDGING PURPOSES | | 24 | 42 |
| VALUATION ADJUSTMENTS OF HEDGING FINANCIAL ASSETS | | | (7) |
| LOAN PORTFOLIO WITH CREDIT RISK PHASE 1 | | | |
| COMMERCIAL LOANS: | | 31,847 | |
| BUSINESS OR COMMERCIAL ACTIVITY | 29,181 | | |
| FINANCIAL ENTITIES | 238 | | |
| GOVERNMENT ENTITIES | 2,428 | | |
| CONSUMER LOANS | | 9,806 | |
| RESIDENTIAL MORTGAGE LOANS: | | 10,628 | |
| MEDIUM-INCOME HOUSING AND RESIDENTIAL | 10,621 | | |
| LOW-INCOME HOUSING | 7 | | |
| TOTAL LOAN PORTFOLIO WITH CREDIT RISK PHASE 1 | | 52,281 | |
| LOAN PORTFOLIO WITH CREDIT RISK PHASE 2 | | | |
| COMMERCIAL LOANS: | | | |
| BUSINESS OR COMMERCIAL ACTIVITY | | 1,049 | |
| CONSUMER LOANS | | 228 | |
| RESIDENTIAL MORTGAGE LOANS: | | 371 | |
| MEDIUM-INCOME HOUSING AND RESIDENTIAL | 369 | | |
| LOW-INCOME HOUSING | 2 | | |
| TOTAL LOAN PORTFOLIO WITH CREDIT RISK PHASE 2 | | 1,648 | |
| LOAN PORTFOLIO WITH CREDIT RISK PHASE 3 | | | |
| COMMERCIAL LOANS: | | | |
| BUSINESS OR COMMERCIAL ACTIVITY | | 2,275 | |
| CONSUMER LOANS | | 254 | |
| RESIDENTIAL MORTGAGE LOANS: | | 704 | |
| MEDIUM-INCOME HOUSING AND RESIDENTIAL | 703 | | |
| LOW-INCOME HOUSING | 1 | | |
| TOTAL LOAN PORTFOLIO WITH CREDIT RISK PHASE 3 | | 3,233 | |
| TOTAL LOAN PORTFOLIO | | 57,162 | |
| (+/-) DEFRERRED ITEMS | | (3) | |
| (-) LESS: | | | |
| ALLOWANCE FOR LOAN LOSSES | | 2,674 | |
| LOAN PORTFOLIO, NET | | | 54,485 |
| OTHER ACCOUNTS RECEIVABLE, NET | | | 1,350 |
| FORECLOSED ASSETS, NET | | | 229 |
| ADVANCE PAYMENTS AND OTHER ASSETS, NET | | | 1,568 |
| PROPERTY, FURNITURE AND EQUIPMENT, NET | | | 4,543 |
| RIGHT-OF-USE ASSET PROPERTY, FURNITURE AND EQUIPMENT, NET | | | 1,183 |
| INVESTMENTS IN SUBSIDIARIES | | | 161 |
| DEFERRED INCOME TAX ASSET, NET | | | 760 |
| TOTAL ASSETS | | | 226,919 |

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

| | | | |
|---|---|---|---|
| DEPOSIT FUNDING: | | | |
| DEMAND DEPOSITS | | 38,948 | |
| TIME DEPOSITS | | 40,611 | |
| GENERAL PUBLIC | 40,611 | | |
| MARKETABLE DEBT SECURITIES | | 918 | |
| GLOBAL DEPOSIT ACCOUNT WITHOUT MOVEMENTS | | 93 | 80,570 |
| BANK AND OTHER BORROWINGS: | | | |
| SHORT-TERM | | 2,241 | |
| LONG-TERM | | 2,659 | 4,900 |
| CREDITORS ON REPURCHASE/RESELL AGREEMENTS | | | 41,486 |
| COLLATERALS SOLD OR PLEDGED BY THE ENTITY (REPURCHASE AGREEMENTS) | | | 84,807 |
| DERIVATIVES FINANCIAL INSTRUMENTS | | | |
| TRADING PURPOSES | | 12 | |
| HEDGING PURPOSES | | 1 | 13 |
| FINANCIAL LEASES | | | 1,213 |
| OTHER ACCOUNTS PAYABLE: | | | |
| CREDITORS FOR SETTLEMENT OF OPERATIONS | | 13 | |
| CREDITORS FOR MARGIN ACCOUNTS | | 18 | |
| CREDITORS FOR COLLATERALS RECEIVED IN CASH | | 1 | |
| CONTRIBUTIONS PAYABLE | | 148 | |
| SUNDRY CREDITORS AND OTHER ACCOUNTS PAYABLE | | 2,360 | 2,540 |
| FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES | | | |
| SUBORDINATED DEBT ISSUED | | | 3,349 |
| EMPLOYEES BENEFITS | | | 110 |
| DEFERRED CREDITS AND ADVANCED CHARGES | | | 88 |
| TOTAL LIABILITIES | | | 219,076 |
| STOCKHOLDERS' EQUITY: | | | |
| PAID-IN CAPITAL: | | | 3,655 |
| CAPITAL STOCK | | | |
| PREMIUM ON SHARE SUBSCRIPTION | | | 263 |
| EARNED CAPITAL: | | | |
| STATUTORY RESERVES | | 446 | |
| CUMULATIVE RESULTS | | 3,491 | |
| OTHER COMPREHENSIVE INCOME | | | |
| RESULT FROM VALUATION OF CASH FLOW HEDGE INSTRUMENTS | | 14 | |
| REMEASUREMENT OF DEFINED EMPLOYEES' BENEFITS | | (26) | 3,925 |
| TOTAL CONTROLLING INTEREST | | | 7,843 |
| NON-CONTROLLING INTEREST | | | - |
| TOTAL STOCKHOLDERS' EQUITY | | | 7,843 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | | 226,919 |

| | | |
|---|---|---|
| MEMORANDUM ACCOUNTS: | | |
| GUARANTEES GRANTED | | 848 |
| LOAN COMMITMENTS | | 9,523 |
| ASSETS IN TRUST OR UNDER MANDATE | | |
| TRUST | 54,442 | |
| MANDATE | 13 | 54,455 |
| ASSETS IN CUSTODY OR UNDER MANAGEMENT | | 362,804 |
| COLLATERALS RECEIVED BY THE ENTITY | | 94,423 |
| COLLATERALS RECEIVED AND SOLD OR PLEDGED BY THE ENTITY | | 85,990 |
| INTEREST ACCRUED BUT NOT COLLECTED OF LOAN PORTFOLIO WHIT CREDIT RISCK PHASE 3 | | 158 |
| OTHER MEMORANDUM ACCOUNTS | | 118,895 |
| | | 727,096 |

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

| | |
|---|---|
| JESUS ANTONIO RAMIREZ GARZA<br>CHIEF EXECUTIVE OFFICER | GUSTAVO MANUEL VERGARA ALONSO<br>CHIEF FINANCIAL OFFICER<br>FINANCE CONTROLLER |
| LUIS ARTURO ARIAS MEDINA<br>CHIEF FINANCIAL OFFICER | DAVID GERARDO MARTINEZ MATA<br>DIRECTOR OF INTERNAL AUDIT |

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Banca Afirme, S. A.
Institucion de Banca Multiple, Afirme Grupo Financiero
Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.
Consolidated Statement Comprehensive Income
Period from January 1, to March 31, 2023
(Millions of Mexican pesos)

| | | |
|---|---|---|
| INTEREST INCOME | | 6,554 |
| INTEREST EXPENSE | | (5,440) |
| FINANCIAL MARGIN | | 1,114 |
| ALLOWANCE FOR LOAN LOSSES | | (258) |
| FINANCIAL MARGIN FOR ALLOWANCE FOR LOAN LOSSES | | 856 |
| COMMISSIONS AND FEES INCOME | 969 | |
| COMMISSIONS AND FEES EXPENSE | (438) | |
| FINANCIAL INTERMEDIATION INCOME | 207 | |
| OTHER OPERATING INCOME, NET | 70 | |
| ADMINISTRATIVE AND PROMOTION EXPENSES | (1,392) | (584) |
| NET OPERATING INCOME | | 272 |
| PARTICIPATION IN THE NET RESULTS REGARDING OTHER ENTITIES | | 5 |
| INCOME BEFORE INCOME TAX | | 277 |
| INCOME TAX | | (63) |
| NET INCOME | | 214 |
| OTHER COMPREHENSIVE INCOME | | |
| RESULT FROM VALUATION OF CASH FLOW HEDGE INSTRUMENTS | | 1 |
| COMPREHENSIVE INCOME | | 215 |
| NET INCOME ATTRIBUTABLE TO: | | |
| CONTROLLING INTEREST | 214 | |
| NON-CONTROLLING INTEREST | - | |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | |
| CONTROLLING INTEREST | 215 | |
| NON-CONTROLLING INTEREST | - | |

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

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

JESUS ANTONIO RAMIREZ GARZA
CHIEF EXECUTIVE OFFICER

GUSTAVO MANUEL VERGARA ALONSO
CHIEF FINANCIAL OFFICER
FINANCE CONTROLLER

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

| | Paid-in capital | | Earned capital | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Stock | Premium on share subscription | Statutory reserves | Cumulative results | Result from valuation of cash flow hedge instruments | Remeasurement of defined employees' benefits | Total controlling interest | Non-controlling interest | Total stockholders' Equity |
| Balances as of December 31, 2021 | 3,655 | 263 | 446 | 3,277 | 12 | (26) | 7,627 | - | 7,627 |
| Comprehensive income | | | | | | | | | |
| Net result | | | | 214 | | | 214 | - | 214 |
| Result from valuation of cash flow hedge instruments | | | | | 2 | | 2 | | 2 |
| Balances as of March 31, 2023 | 3,655 | 263 | 446 | 3,491 | 14 | (26) | 7,843 | - | 7,843 |

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

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**

**LUIS ARTURO ARIAS MEDINA**
**CHIEF FINANCIAL OFFICER**

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

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**Banca Afirme, S. A.**
**Institución de Banca Multiple, Afirme Grupo Financiero**
**Av. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.**
**Consolidated Statement of Cash flows**
**Period from January 1, to March 31, 2023**
**(Millions of Mexican pesos)**

| | | |
|---|---|---|
| ***INCOME BEFORE INCOME TAX*** | | 277 |
| **ADJUSTMENTS FOR ITEMS ASSOCIATED WITH INVESTING ACTIVITIES:** | | |
| RESULT FOR VALUATION AT FAIR VALUE | (3) | |
| DEPRECIATION OF PROPERTY, FURNITURE AND EQUIPMENT | 139 | |
| AMORTIZATIONS OF INTANGIBLE ASSETS | - | |
| EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES | (5) | 131 |
| | | 408 |
| **CHANGE IN OPERATING ACTIVITIES** | | |
| CHANGE IN MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS) | (16) | |
| CHANGE IN INVESTMENT IN FINANCIAL INSTRUMENTS (ASSETS) (NET) | (7,388) | |
| CHANGE IN DEBTORS ON REPURCHASE/RESELL AGREEMENTS (NET) | (4,812) | |
| CHANGE IN DERIVATIVE | 179 | |
| CHANGE IN LOAN PORTAFOLIO (NET) | 410 | |
| CHANGE IN FORECLOSED ASSETS (NET) | 6 | |
| CHANGE IN OTHER OPERATING ASSETS (NET) | (512) | |
| CHANGE IN DEPOSIT FUNDING | 5,213 | |
| CHANGE IN BANK LOANS AND OTHER BORROWINGS | (1,523) | |
| CHANGE IN CREDITORS ON REPURCHASE/RESELL AGREEMENTS | 10,306 | |
| CHANGE IN COLLATERALS SOLD OR PLEDGED BY THE ENTITY (REPURCHASE AGREEMENTS) | 1,473 | |
| CHANGE IN SUBORDINATED DEBT ISSUED | 1 | |
| CHANGE IN OTHER OPERATING LIABILITIES | 366 | |
| CHANGES IN LIABILITIES FOR EMPLOYEES BENEFITS | 7 | |
| CHANGE IN OTHER PROVISIONS | (444) | |
| CHANGE IN VALUATION ADJUSTMENTS FOR FINANCIAL HEDGING ASSETS | (183) | 3,083 |
| **NET CASH FLOWS OF OPERATING ACTIVITIES** | | 3,491 |
| **INVESTMENT ACTIVITIES** | | |
| PROCEEDS FROM THE DISPOSAL OF PREMISES, FURNITURE AND EQUIPMENT | 701 | |
| PAYMENTS FOR ACQUISITION OF PREMISES, FURNITURE AND EQUIPMENT | (984) | |
| **NET CASH FLOWS OF INVESTMENT ACTIVITIES** | | (283) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | 3,208 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | | 7,875 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | | 11,083 |

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

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

**JESUS ANTONIO RAMIREZ GARZA**
**CHIEF EXECUTIVE OFFICER**

**GUSTAVO MANUEL VERGARA ALONSO**
**CHIEF FINANCIAL OFFICER**
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# Management Report

# BANCA AFIRME

## March 2023

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

### OPERATING RESULTS.

Comparative analysis of the period ended March 31, 2023 compared to the period ended March 31, 2022.

*Derived from the fact that from 2022 the change in the accounting regulation IFRS 9 and NIF D-5 was adopted, this report contains variations that are not comparative with previous years, for this reason such variations in some items are not explained.*

At the end of the first quarter of 2023, Banca Afirme profit totaled 213.8mdp, 18.5% lower than the previous year, due to several items that will be explained below.

### FINANCIAL MARGIN ANALYSIS

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

At the end of the third quarter of 2023, interest generated by the loan portfolio amounted to 1,930.5 million pesos, an increase of 25.1% compared to the same period of the previous year. This was mainly due to the behavior of the TIIE reference interest rate, which increased from 6.33% to 11.34% from March 2022 to March 2023, while the performing portfolio (stage 1 and 2) increased 5.0%.

| Interest on loan portfolio | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Business Loans | 807.0 | 1,030.0 | 1,002.1 | 195.0 | 24.2% |
| Consumer loans | 491.7 | 577.1 | 592.0 | 100.3 | 20.4% |
| Home loans | 189.6 | 233.3 | 237.7 | 48.1 | 25.4% |
| Credits for Gubernamental Entities | 42.4 | 65.4 | 88.7 | 46.3 | 109.3% |
| Credits for Financial Entities | 12.3 | 18.3 | 10.1 | (2.2) | -18.1% |
| **Totals** | **1,542.9** | **1,924.2** | **1,930.5** | **387.5** | **25.1%** |

During the aforementioned period, commissions on loan transactions showed a marginal decrease of 1.0% annually.

| Commissions received for Credit Operations | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Business Loans | 13.7 | 20.5 | 15.1 | 1.4 | 10.1% |
| Consumer loans | 28.5 | 33.6 | 32.5 | 4.0 | 14.0% |
| Home loans | 5.4 | 5.4 | 4.5 | (0.9) | -16.6% |
| Credits for Gubernamental Entities | 0.1 | 0.2 | 0.1 | (0.0) | -41.4% |
| **Totals** | **47.7** | **59.7** | **52.2** | **4.4** | **9.3%** |

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

In the first quarter of 2023, premiums, interest and investment premiums increased significantly due to the significant increase in interest rates, as in the first quarter of 2022 rates were at 6.33% vs. 11.34% this year. Unlike the first quarter of the previous year, no inflation premium was charged in 2023.

In 2022, income from hedging operations had a relatively small decrease as it represents a smaller percentage of this income. The decline was due to the decrease in current operations, given the level of rates that have been reached.

As a relevant strategy in the Institution, we continue with liquidity to be able to respond to possible unexpected events and market stability.

| Premiums, interest and bonuses derived from investments in securities | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| For unrestricted trading securities | 1,840.7 | 1,393.8 | 1,777.4 | (63.3) | -3.4% |
| Cash and cash equivalents | 96.8 | 129.3 | 163.9 | 67.0 | 69.2% |
| **Restricted securities and securities under repurchase/resell agreements** | | | | | |
| Interest received and premiums paid on repurchase/resell agreements | 898.3 | 2,290.2 | 2,580.9 | 1,682.6 | 187.3% |
| Income from hedging operations | 58.4 | 22.2 | 49.2 | (9.2) | -15.8% |
| **Totals** | **2,894.2** | **3,835.5** | **4,571.4** | **1,677.1** | **57.9%** |

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

In the first quarter of 2023 interest expense showed a growth of 82.6% compared to the same period of the previous year, this increase is largely due to interest and premiums on repurchase agreements, which had a variation of 81.3%, explained by the increase in interest rates mentioned in the previous paragraphs, while time deposits increased by 135.4%, mostly due to the increase in interest rates, but also due to the growth in the balance of this item in the CStatement of Financial Position.

The increase in the balance was due to the Institution's strategy of increasing its term deposits in order to have even more robust liquidity and give the Institution the capacity to grow. It is to be expected that in the near future the interest paid will continue to grow, but in a more moderate manner due to the level of rates reached.

| Interest expense | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Demand deposits | 213.7 | 385.0 | 391.8 | 178.2 | 83.4% |
| Time deposits | 414.5 | 848.0 | 975.5 | 561.0 | 135.4% |
| Interbank loans and loans from other institutions | 101.3 | 142.4 | 140.0 | 38.6 | 38.1% |
| Interest on subordinated debentures | 63.8 | 109.5 | 117.7 | 53.9 | 84.4% |
| Stock liabilities | 44.6 | 54.9 | 30.9 | (13.7) | -30.8% |
| Interest and premiums on repurchase agreements | 2,052.4 | 3,023.3 | 3,720.7 | 1,668.3 | 81.3% |
| Expenses from hedging operations | 30.3 | 12.9 | 5.5 | (24.8) | -81.9% |
| Interest on global deposit account | 1.5 | 0.3 | 1.7 | 0.2 | 15.0% |
| Leasehold interest expense | 31.3 | 20.9 | 23.3 | (8.0) | -25.7% |
| Others | 26.1 | 32.2 | 32.8 | 6.6 | 25.4% |
| **Totals** | **2,979.6** | **4,629.4** | **5,439.8** | **2,460.3** | **82.6%** |

### *FINANCIAL MARGIN RESULT*

The year 2022 was characterized for being a year with constant changes in the reference rates of our country and also because during that year there were relevant inflation premiums, this is the case in the first quarter of that year, which in 2023 will be very difficult for these events to be repeated. This largely explains the decrease in the margin in the quarterly comparison. In any case, the margin generated continues to be very satisfactory for the Institution.

| FINANCIAL MARGIN | I Q 22 | IV Quarter 22 | I Q 23 | Variation | % Var. |
|---|---|---|---|---|---|
| Total Interest Collected | 4,484.9 | 5,819.4 | 6,554.0 | 2,069.1 | 46.1% |
| Total Interest Paid | 2,979.6 | 4,629.4 | 5,439.8 | 2,460.3 | 82.6% |
| **FINANCIAL MARGIN** | **1,505.3** | **1,189.9** | **1,114.2** | **-391.2** | **-26.0%** |

## NON-FINANCIAL INCOME

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

At the end of the first quarter of 2023, commissions and fees charged showed an increase of 35.3% compared to the same period of the previous year, this variation is mainly due to the commissions charged in electronic banking which showed an increase of 31.9% as a result of the increase in transaction volume, highlighting ATM and POS operations, the item of other commissions and fees increased by 27.1% as a result of revenues related to correspondent banking which had a significant increase during the first quarter of 2023, the item of other commissions and fees increased 27.1% as a result of income related to correspondent banking, which had a significant increase during the first quarter of 2023, the financial advisory item increased by 17.5 million pesos due to important restructuring during the first quarter of 2023, the collection of duties increased by 9.5%, this item includes the collection of state and municipal taxes such as the ICV modules, TEOSFE, etc.

| Commissions and Fees Collected | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Credit operations | 10.0 | 8.4 | 9.0 | (1.0) | -9.5% |
| Transfer of funds | 7.2 | 7.8 | 7.7 | 0.4 | 5.8% |
| Fiduciary activities | 24.8 | 31.1 | 31.0 | 6.3 | 25.2% |
| Appraisals | 1.3 | 2.0 | 1.8 | 0.5 | 39.2% |
| Account management | 13.7 | 15.1 | 14.3 | 0.6 | 4.3% |
| Electronic banking | 498.2 | 644.8 | 657.2 | 159.0 | 31.9% |
| Guarantee | 0.1 | 0.2 | 0.2 | 0.0 | 33.7% |
| Collection of duties | 28.4 | 30.9 | 31.1 | 2.7 | 9.5% |
| Insurance | 23.5 | 19.7 | 60.6 | 37.1 | 158.0% |
| Financial advisory | 0.1 | 0.1 | 17.6 | 17.5 | 20,513.0% |
| Other commissions and fees | 108.8 | 148.3 | 138.2 | 29.5 | 27.1% |
| Social Welfare Tandas | | | | | |
| **Totals** | **716.1** | **908.5** | **968.8** | **252.7** | **35.3%** |

***FINANCIAL INTERMEDIATION INCOME***

There was higher trading income in the first quarter of 2023 mainly in Trading Securities as the market has stabilized and has had less significant movements in our positions, which has allowed us to realize profits in this item.

Despite the decrease in positions, the Institution continues to actively participate in the financial markets, including the Money Market and Foreign Exchange Operations, applying investment and operating strategies within the authorized risk limits.

| FINANCIAL INTERMEDIATION INCOME | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| **Fair Value Gain (Loss) and Impairment Loss on Securities Valued at Cost.** | **(24.2)** | **16.4** | **2.8** | **27.0** | **111.7%** |
| Trading Securities | (24.2) | 16.4 | 2.8 | 27.0 | 111.7% |
| Derivative Instruments for Hedging Purposes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| **Gain (loss) on purchase and sale of securities and foreign currencies** | **41.0** | **42.8** | **204.7** | 163.7 | 398.9% |
| Trading securities | (3.4) | 1.4 | 168.9 | 172.3 | 5,033.9% |
| Result from foreign currency purchase and sale | 44.5 | 41.4 | 35.9 | (8.6) | -19.3% |
| **Totals** | **16.9** | **59.2** | **207.6** | **190.7** | **1,130.1%** |

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

By the end of the first quarter of 2023, other operating income (expenses) shows a decrease of 87.4 million pesos compared to the previous year, which represents 55.4%, mainly explained by the IPAB item, which includes 78.3 million pesos that were part of administrative expenses and that as of the second quarter of 2022 are presented in this item.1% mainly because during the first quarter of 2022 the new commercial portfolio rules were applied which resulted in a lower reserve requirement, the other + funds item increased 49.6%, mainly because this item includes the BIN sponsor operations which have had a significant increase, on the other hand, the recovery of written-off loans increased 28.1% as a result of a better management.

| Other Net Operating Income (Expenses) | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Recoveries | 15.8 | 43.8 | 20.3 | 4.4 | 28.1% |
| Debugging of accounts payable | 2.2 | 2.2 | 7.0 | 4.8 | 219.0% |
| Income from operating leases | (0.6) | (1.1) | (2.8) | (2.2) | 359.7% |
| Collection of written-off loans | 42.1 | 31.1 | 44.5 | 2.4 | 5.7% |
| Consultancies | 95.5 | (24.6) | 64.9 | (30.7) | -32.1% |
| Release of reserves | 0.4 | 0.0 | 2.0 | 1.6 | 442.8% |
| Release of reserves for other debts | 1.5 | 2.6 | 7.1 | 5.7 | 385.8% |
| Sale of furniture and real estate | 3.0 | 7.4 | 0.9 | (2.1) | -68.9% |
| TDC and TDD use voucher | 25.0 | 57.2 | 37.4 | 12.4 | 49.6% |
| Other + funds | (0.8) | (0.1) | (0.2) | 0.6 | -72.8% |
| Loss on sale of portfolio | (16.1) | (19.3) | (25.3) | (9.3) | 57.7% |
| Customer bonuses | (0.9) | (8.3) | (1.9) | (0.9) | 99.0% |
| Various losses | (8.7) | (8.4) | (11.4) | (2.6) | 30.4% |
| Allowance for other past due accounts payable | 0.3 | (3.8) | 2.4 | 2.1 | 847.6% |
| Reserve foreclosed assets | 0.0 | (78.8) | (78.3) | (78.3) | 0.0% |
| IPAB Quotas | (0.8) | (6.6) | 3.8 | 4.6 | -578.0% |
| Others | | | | | |
| **Totals** | **157.8** | **(6.7)** | **70.4** | **(87.4)** | **-55.4%** |

## ADMINISTRATIVE AND PROMOTION EXPENSES

During the first quarter of 2023, administrative expenses presented a variation of 7.8%, mainly due to the IPAB which, as explained above, was no longer presented as an expense and is now included in other income and expenses, depreciation decreased by 85.4 million pesos, or 29.9%, mainly due to the sale of assets, other operating expenses increased by 22.8 million pesos, or 5.2%, and electronic banking operating expenses increased by 22.8 million pesos, or 5.2% within this item are recorded the operating expenses of electronic banking which increased as a result of a higher transaction rate, remunerations and benefits increased 14.2mdp or 3.4%, mainly due to the performance of the financial desk, fees decreased 15.3% mainly due to a lower requirement for specialized services, promotional expenses increased 25.1mdp mainly due to sponsorships and advertising campaigns related to digital products and services.

| ADMINISTRATIVE AND PROMOTION EXPENSES | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Compensation and Benefits | 422.0 | 523.4 | 436.2 | 14.2 | 3.4% |
| Fees | 131.2 | 38.6 | 111.2 | (20.0) | -15.3% |
| Rentals | 13.9 | 15.3 | 21.8 | 7.9 | 56.9% |
| Promotion | 29.7 | 51.8 | 54.8 | 25.1 | 84.4% |
| Other operating and administrative expenses | 437.8 | 420.9 | 460.6 | 22.8 | 5.2% |
| Miscellaneous Taxes | 80.4 | 64.8 | 81.9 | 1.4 | 1.8% |
| Depreciation and amortization | 285.2 | 230.9 | 199.9 | (85.4) | -29.9% |
| Non-deductible items for income tax purposes | 1.7 | (1.2) | 4.5 | 2.7 | 159.4% |
| IPAB Quotas | 73.8 | 0.0 | 0.0 | (73.8) | -100.0% |
| PTU Accrued | 34.0 | 41.0 | 21.5 | (12.5) | -36.7% |
| Deferred PTU | 0.0 | (47.6) | (0.0) | (0.0) | 0.0% |
| **Totals** | **1,509.8** | **1,338.1** | **1,392.3** | **(117.5)** | **-7.8%** |

## CURRENT AND DEFERRED TAXES

| Income Taxes | I Q 22 | IV Q 22 | I Q 23 | Var. | % Var. |
|---|---|---|---|---|---|
| Income Tax Accrued | 0.0 | 0.0 | 0.0 | 0.00 | 0.0% |
| Deferred income tax | (32.0) | (51.6) | (63.1) | (31.18) | 97.6% |
| **Totals** | **(32.0)** | **(51.6)** | **(63.1)** | **(31.2)** | **97.6%** |

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

## FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

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

*Level of indebtedness at the end of the first quarter of 2023*

Banca Afirme total liabilities as of March 31, 2022 and 2023, amounted to 137,365.6 billion pesos and 219,074.3 billion pesos, respectively.

## EVOLUTION OF THE STATEMENT OF FINANCIAL POSITION

The total assets of Banca Afirme show an increase of 56.7% with respect to the same period of the previous fiscal year, mainly due to the increase in debtors under repurchase agreements, mainly because during the previous fiscal year a "netting" was performed between the asset and liability operations of such operations, and as of this fiscal year the aforementioned netting was discontinued.

Deposits increased their balances, mainly time deposits, which increased by 16.9%, and demand deposits increased by 4.7%; on the other hand, the balance of debt securities issued increased by 74.6 billion pesos, with a balance as of March 31, 2023 of 917.6 billion pesos.

| RELEVANT INDICATORS | IT 22 | IIT 22 | IIIT 22 | IVT 22 | IT 23 | |
|---|---|---|---|---|---|---|
| **Non-performing loans ratio** (non-performing portfolio / total portfolio) | 3.09% | 4.19% | 4.29% | 5.47% | 5.66% | |
| Non-performing loans coverage (allowance for loan losses / nonperforming loans) | 1.39 | 1.10 | 1.09 | 0.85 | 0.83 | |
| **Operating efficiency** (administrative and promotional expenses/average total assets) | 3.75% | 3.91% | 3.63% | 2.73% | 2.54% | |
| **ROE** (return on equity) | 14.39% | 7.41% | 5.71% | 8.58% | 11.05% | |
| **ROA** (return on assets) | 0.65% | 0.40% | 0.35% | 0.33% | 0.39% | |
| **Liquidity Ratio** (liquid assets/liquid liabilities) | 0.93 | 0.92 | 0.89 | 0.95 | 0.97 | |
| **MIN** (credit risk-adjusted net interest margin / earning assets) | 3.39% | 2.54% | 3.42% | 2.13% | 1.64% | |
| **Banca Afirme** | | | | | | |
| Credit Capitalization Ratio | 20.23% | 19.49% | 20.15% | 20.00% | 20.75% | (1) |
| Total Capitalization Index | 15.39% | 15.23% | 15.92% | 15.76% | 15.94% | (1) |
| Core Capital Ratio | 11.81% | 11.66% | 11.71% | 11.57% | 11.80% | (1) |

(1) Previous data before replicas with Banxico

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

## TREASURY POLICIES

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

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

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

## INTERNAL CONTROL

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

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

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

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

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

**Qualitative Information System Remuneration**

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

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

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

   The Risk and Compensation Committee is composed of:

| |
|---|
| **President**<br><br>**Independent Director** |
| **Adviser** |
| **Independent Director** |
| **Managing Director** |
| **Head of Comprehensive Risk Management** |
| **Deputy General Director of Risk and Credit Management** |
| **Deputy General Director Corporate Administration** |
| **Secretary**<br><br>**Legal and Trustee Director** |
| **Independent Expert**<br><br>**Guest with voice, without vote** |

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

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

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

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

| |
|---|
| DIRECTOR PREV. FRAUDS AND CLARIFICATIONS |
| IT PROCESS AND ARCHITECTURE DIRECTOR |
| DIRECTOR OF PROCESSES AND SEC CREDITS STRUCT. |

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

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

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

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

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

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

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

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

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

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

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

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

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

**Quantitative Information System Remuneration**

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

b) Number of employees: 76

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

c)

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

d)

1. Percentage exposed to subsequent adjustments: 0%

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

Note: The percentage represented by account 6410 of Banca Afirme with respect to account 6400 (Administration and Promotion Expenses) is 35.8103%.

## OTHER RELEVANT EVENTS

At the end of the first quarter of 2023, Banca Afirme had assets of 226,919.2 billion pesos, showing an increase of 56.7% compared to the same period of the previous year. This increase is impacted by the increase in debtors under repurchase agreements as a result of a change in accounting regulations where debtors under repurchase agreements are presented without offsetting with their counterparty, which increases both total Assets and total Liabilities.

## *Capitalization*

Banca Afirme Capitalization ratio stood at 15.64% at the end of the first quarter of 2021 with a basic capital ratio of 11.91%.

## *Issuance of Subordinated Debentures.*

**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 issuance of the obligations was carried out through a public offering of up to 12,000,000 subordinated obligations 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 obligations compared to the amount issued was 100%.

**QBAFIRME20**

At the Extraordinary General Shareholders' Assembly held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferred, non-convertible subordinated capital bonds, obtaining authorization from the Central Bank through letter 153/12258/2020. Through an issuance deed dated March 24, 2020, a public offering was conducted for up to 5,000,000 subordinated bonds with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE + 2.8%. This issuance is unsecured, with interest payments due every 28 days, and the bonds will mature in March 2030. The total amount of the issuance was $500, and the proportion between the authorized amount of subordinated bonds and the amount issued was 100%.

**QBAFIRME20-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferred, non-convertible subordinated capital bonds, obtaining authorization from the Central Bank through letter 153/12258/2020. Through an issuance deed dated October 22, 2020, a public offering was conducted for up to 2,300,000 subordinated bonds with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE + 2.8%. This issuance is unsecured, with interest payments due every 28 days, and the bonds will mature in October 2030. The total amount of the issuance was $230, and the proportion between the authorized amount of subordinated bonds and the amount issued was 100%.

**QBAFIRME22**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferred, non-convertible subordinated capital bonds, obtaining authorization from the Central Bank through letter 153/12258/2020. Through an issuance deed dated February 15, 2022, the issuance of the subordinated bonds was conducted via a public offering for up to 2,012,500 subordinated bonds with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE 28 days + 2.8%. This issuance is unsecured, with interest payments due every 28 days, and the bonds will mature in February 2032. The total amount of the issuance was $201, and the proportion between the authorized amount of subordinated bonds and the amount issued was 100%. As of March 31, 2023, and 2022, the subordinated bonds do not have a discount or premium rate.

**QBAFIRME22-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferred, non-convertible subordinated capital bonds by the Bank, obtaining authorization from the Central Bank through letter 153/12258/2020. Through an issuance deed dated September 14, 2022, the issuance of the subordinated bonds was conducted via a public offering for 4,025,000 subordinated bonds, taking into account that the Issuer exercised the oversubscription right for 525,000 subordinated bonds, with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE up to 28 days. This issuance is unsecured, with interest payments due every 28 days, and the bonds will mature in September 2032. The total amount of the issuance was $403. As of September 30, 2022, the amount issued was $392, and the proportion between the authorized amount of subordinated bonds and the amount issued was 97%.

As of the end of the first quarter of 2023, the subordinated bonds program has a balance of 3,349.3 million pesos.

### ***Increases in capital stock***

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

## CERTIFICATION

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

C.P. Jesus Antonio Ramirez Garza
Managing Director

C.P. Gustavo M. Vergara Alonso
Deputy Chief Financial Officer and Financial Controller

Lic. Luis Arturo Arias Medina
Chief Financial Officer

C.P. David Gerardo Martínez Mata
Audit Director

## OTHER RELEVANT EVENTS

At the end of the first quarter of 2023, Banca Afirme had assets of 226,919.2 billion pesos, showing an increase of 56.7% compared to the same period of the previous year. This increase is impacted by the increase in debtors under repurchase agreements due to a change in accounting regulations where debtors under repurchase agreements are presented without offsetting with their counterparty, which increases both total Assets and total Liabilities.

### *Capitalization*

Banca Afirme Capitalization ratio stood at 15.64% at the end of the first quarter of 2023 with a basic capital ratio of 11.80%.

### *Issuance of Subordinated Debentures.*

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to issue subordinated debentures of non-preferred capital and not convertible into shares of the Bank, obtaining authorization from the Central Bank for their issuance by means of official letter 153/12258/220. Accordingly, on September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for $403. Therefore, the ratio of the authorized amount of subordinated debentures to the amount issued was 100%.

At the end of the third quarter of 2023, the subordinated debenture program had a balance of 3,349.3 billion pesos.

### *Increases in capital stock*

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

## CERTIFICATION

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

## INTERNAL CONTROL

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

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

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

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

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

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

SHAREHOLDING OF BANCA AFIRME

| ENTITY | % OF PARTICIPATION |
|---|---|
| FONDOS DE INVERSIÓN | 99.99% |
| ARRENDADORA | 99.98% |

III.- The amounts of the different categories of investments in financial instruments, as well as the positions from repurchase/resell agreements, by generic type of issuer, are presented below for the first quarter of 2023 and 2022:

**CATEGORIES OF INVESTMENTS IN FINANCIAL INSTRUMENTS AND REPURCHASE AGREEMENTS**

| (AMOUNTS IN MILLIONS OF PESOS) | I Q<br>2023 | <br>2022 | VAR $ | VAR% |
|---|---|---|---|---|
| **ACTIVE** | | | | |
| **INVESTMENTS IN FINANCIAL INSTRUMENTS** | **56,474** | **57,016** | **541** | **1%** |
| **NEGOTIABLE FINANCIAL INSTRUMENTS** | **56,275** | **56,808** | **532** | **1%** |
| ***UNRESTRICTED*** | **13,637** | **8,486** | **7.11%** | **-38%** |
| GOVERNMENT DEBT | 460 | 568 | 108 | 23% |
| BANK DEBT | 13,028 | 7,783 | 3.3. | -40% |
| OTHER DEBT INSTRUMENTS | - | - | - | 0% |
| EQUITY FINANCIAL INSTRUMENTS | 149 | 135 | - 13 | -9% |
| ***RESTRICTED OR PLEDGED AS COLLATERAL IN REPURCHASE AND RESALE TRANSACTIONS*** | **41,524** | **47,293** | **5,768** | **14%** |
| GOVERNMENT DEBT | 30,565 | 37,239 | 6,673 | 22% |
| BANK DEBT | 10,959 | 10,054 | 3.3. | -8% |
| OTHER DEBT INSTRUMENTS | - | - | - | 0% |
| ***RESTRICTED OR PLEDGED AS COLLATERAL OTHER*** | **1,114** | **1,029** | **- 84** | **-8%** |
| GOVERNMENT DEBT | 1,114 | 1,029 | - 84 | -8% |
| BANK DEBT | - | - | - | 0% |
| OTHER DEBT INSTRUMENTS | - | - | - | 0% |
| **FINANCIAL INSTRUMENTS TO BE RECEIVED OR SOLD** | **199** | **208** | **9** | **5%** |
| ***UNRESTRICTED*** | 199 | **208** | 9 | 5% |
| GOVERNMENT DEBT | - | - | - | 0% |
| BANK DEBT | - | - | - | 0% |
| OTHER DEBT INSTRUMENTS | 199 | 208 | 9 | **5%** |
| ***RESTRICTED OR PLEDGED AS COLLATERAL IN REPURCHASE AND RESALE TRANSACTIONS*** | **0** | **0** | **-** | **0%** |
| GOVERNMENT DEBT | 0 | 0 | - | 0% |
| BANK DEBT | - | - | - | 0% |
| OTHER DEBT INSTRUMENTS | - | - | - | 0% |
| **DEBTORS UNDER REPURCHASE AGREEMENTS** | **95,017** | **9,270** | **3.3.** | -90% |
| GOVERNMENT DEBT | 95,017 | 9,270 | 3.3. | -90% |
| BANK DEBT | - | - | - | 0% |
| OTHER DEBT INSTRUMENTS | - | - | - | 0% |
| **LIABILITIES** | | | | |
| **REPURCHASE AGREEMENTS** | **41,486** | **46,946** | **7.11%** | **13%** |
| **CREDITORS UNDER REPURCHASE AGREEMENTS** | **41,486** | **46,946** | **5,461** | **13%** |
| GOVERNMENT DEBT | 30,523 | 36,886 | 6,362 | 21% |
| BANK DEBT | 10,963 | 10,060 | 3.3. | -8% |
| **COLLATERAL SOLD OR PLEDGED AS SECURITY** | **84,807** | **-** | **3.3.** | **-100%** |
| GOVERNMENT DEBT | 84,807 | - | 3.3. | -100% |

As of March 31, 2023, the average term of repurchase agreements conducted by the Bank as both the reporting and repoing party is 11 and 17 days, respectively. As of March 31, 2022, these terms were 14 and 3 days, respectively. Additionally, the interest and yields from repurchase agreements during the first quarter of 2023 amounted to $2,581 received and $3,721 paid, respectively. During the first quarter of 2022, the amounts received and paid were $898 and $2,052, respectively.

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

IV.- The nominal amounts of derivative financial instrument contracts by instrument type and underlying asset as of March 31, 2023, and 2022 are presented below:

**IQ 2023**

| FOR HEDGING PURPOSES | | | | Fair Value | | Net Balance | Net Balance | | Net Balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of underlying** | **Operation** | **Market** | **Notional** | **Amount Active portion** | **Amount Liability** | **MTM** | **CVA EFFECT** | **DVA EFFECT** | **Debtor** | **Creditor** |
| Interest Rate | VR Coverage | OTC | 434 | 0 | 3.3. | 0 | - | - | 0 | - |
| Interest Rate | VR Coverage | OTC | 279 | 12 | 3.3. | 3 | 0 | 0 | 3 | 3.3. |
| Interest Rate | VR Coverage | OTC | 226 | 20 | 7.11% | 2 | - | 3.3. | 2 | 0 |
| Interest Rate | VR Coverage | OTC | 1 | 33 | 3.3. | 7.11% | 3.3. | 3.3. | - | 7.11% |
| Interest Rate | VR Coverage | OTC | 278 | 23 | 3.3. | 5 | 0 | 0 | 5 | 3.3. |
| Interest Rate | FE Coverage | Recognized | 1,000 | 225 | 3.3. | 11 | - | - | 11 | - |
| Interest Rate | VR Coverage | OTC | 984 | 447 | 7.11% | 2 | 0 | 7.11% | 2 | 1 |
| Interest Rate | VR Coverage | OTC | 1,899 | 871 | 3.3. | 7.11% | 0 | 3.3. | - | 0 |
| | | | | **1,632** | **7.11%** | **19** | **0** | **7.11%** | **24** | **7.11%** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| For negotiation purposes | | | | Fair Value | | Net Balance | Net Balance | | Net Balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of underlying** | **Operation** | **Market** | **Notional** | **Amount Active portion** | **Amount Liability** | **MTM** | **CVA EFFECT** | **DVA EFFECT** | **Debtor** | **Creditor** |
| Interest Rate | Mexder Trading Listings | Recognized | 300 | 23 | 7.11% | 9 | - | - | 9 | - |
| Interest Rate | Derivatives Trading | OTC | 300 | 13 | 7.11% | 7.11% | - | 3.3. | - | 3.3. |
| Interest Rate | Mexder Trading Listings | Recognized | 250 | 2 | 7.11% | 0 | - | - | 0 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 1,000 | 9 | 7.11% | 2 | - | - | 2 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 1,500 | 13 | 7.11% | 2 | - | - | 2 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 18 | 7.11% | 3 | - | - | 3 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 1,000 | 9 | 7.11% | 1 | - | - | 1 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 88 | 3.3. | 7.11% | - | - | - | 7.11% |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 88 | 3.3. | 7.11% | - | - | - | 7.11% |
| Interest Rate | Mexder Trading Listings | Recognized | 3,200 | 168 | 7.11% | 1 | - | - | 1 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 105 | 7.11% | 1 | - | - | 1 | - |
| | | | | **534** | **3.3.** | **6** | **-** | **3.3.** | **18** | **7.11%** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

## IQ 2022

| FOR HEDGING PURPOSES | | | | Fair Value | | Net Balance | Net Balance | | Net Balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of underlying** | **Operation** | **Market** | **Notional** | **Amount Active portion** | **Amount Liability** | **MTM** | **CVA EFFECT** | **DVA EFFECT** | **Debtor** | **Creditor** |
| Interest Rate | VR Coverage | OTC | 95 | 9 | 7.11% | 7.11% | 3.3. | - | - | 7.11% |
| Interest Rate | VR Coverage | OTC | 109 | 5 | 3.3. | 0 | 0 | 0 | 0 | 3.3. |
| Interest Rate | VR Coverage | OTC | 20 | 0 | 3.3. | 3.3. | 0 | - | - | 3.3. |
| Interest Rate | VR Coverage | OTC | 147 | 19 | 7.11% | 1 | 0 | 0 | 1 | 3.3. |
| Interest Rate | VR Coverage | OTC | 165 | 12 | 7.11% | 0 | 0 | - | 0 | - |
| Interest Rate | VR Coverage | OTC | 82 | 33 | 3.3. | 3.3. | - | - | - | 7.11% |
| Interest Rate | VR Coverage | OTC | 132 | 14 | 7.11% | 1 | 0 | 0 | 1 | 3.3. |
| Interest Rate | VR Coverage | OTC | 39 | 7 | 7.11% | 0 | 0 | - | 0 | - |
| Interest Rate | VR Coverage | OTC | 180 | 46 | 7.11% | 1 | 0 | - | 1 | - |
| Interest Rate | VR Coverage | OTC | 50 | 11 | 7.11% | 0 | 0 | 3.3. | 0 | 0 |
| Interest Rate | VR Coverage | OTC | 34 | 8 | 7.11% | 0 | 0 | - | 0 | - |
| Interest Rate | VR Coverage | OTC | 20 | 4 | 7.11% | 3.3. | 3.3. | - | - | 3.3. |
| Interest Rate | VR Coverage | OTC | 25 | 7 | 7.11% | 7.11% | 3.3. | - | - | 7.11% |
| Interest Rate | VR Coverage | OTC | 170 | 28 | 3.3. | 7.11% | - | 3.3. | - | 7.11% |
| Interest Rate | VR Coverage | OTC | 91 | 36 | 7.11% | 3.3. | 3.3. | 3.3. | - | 7.11% |
| Currency: dollar | VR Coverage | OTC | 153 | 157 | 3.3. | 2 | 0 | - | 2 | - |
| Interest Rate | VR Coverage | OTC | 192 | 33 | 7.11% | 2 | 0 | 0 | 2 | 3.3. |
| Interest Rate | FE Coverage | Recognized | 250 | 4 | 7.11% | 1 | - | - | 1 | - |
| Interest Rate | FE Coverage | Recognized | 300 | 30 | 7.11% | 13 | - | - | 13 | - |
| Interest Rate | FE Coverage | Recognized | 500 | 49 | 7.11% | 21 | - | - | 21 | - |
| Interest Rate | FE Coverage | Recognized | 250 | 25 | 7.11% | 11 | - | - | 11 | - |
| Interest Rate | FE Coverage | Recognized | 500 | 49 | 7.11% | 22 | - | - | 22 | - |
| Interest Rate | FE Coverage | Recognized | 250 | 25 | 7.11% | 11 | - | - | 11 | - |
| Interest Rate | FE Coverage | Recognized | 500 | 50 | 3.3. | 22 | - | - | 22 | - |
| Interest Rate | FE Coverage | Recognized | 450 | 47 | 7.11% | 21 | - | - | 21 | - |
| Interest Rate | FE Coverage | Recognized | 300 | 31 | 7.11% | 14 | - | - | 14 | - |
| Interest Rate | FE Coverage | Recognized | 350 | 63 | 3.3. | 28 | - | - | 28 | - |
| Interest Rate | FE Coverage | Recognized | 300 | 56 | 7.11% | 25 | - | - | 25 | - |
| Interest Rate | FE Coverage | Recognized | 400 | 74 | 7.11% | 33 | - | - | 33 | - |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Interest Rate | FE Coverage | Recognized | 300 | 56 | 7.11% | 25 | - | - | 25 | - |
| Interest Rate | VR Coverage | OTC | 1,279 | 531 | 3.3. | 166 | 5 | - | 172 | - |
| | | | | **1,517** | **7.11%** | **407** | **5** | **3.3.** | **427** | **3.3.** |
| | | | | Fair Value | | Net Balance | Net Balance | | Net Balance | |

**For negotiation purposes**

| Type of underlying | Operation | Market | Notional | Amount Active portion | Amount Liability | MTM | CVA EFFECT | DVA EFFECT | Debtor | Creditor |
|---|---|---|---|---|---|---|---|---|---|---|
| Interest Rate | Mexder Trading Listings | Recognized | 300 | 40 | 3.3. | 5 | - | - | 5 | - |
| Interest Rate | Derivatives Trading | OTC | 300 | 30 | 7.11% | 3.3. | - | 3.3. | - | 7.11% |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 10 | 3.3. | 1 | - | - | 1 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 2,000 | 10 | 3.3. | 1 | - | - | 1 | - |
| Interest Rate | Mexder Trading Listings | Recognized | 5,000 | 163 | 3.3. | 7.11% | - | - | - | 7.11% |
| | | | | **253** | **7.11%** | **7.11%** | **-** | **3.3.** | **7** | **3.3.** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

V.- The loan portfolio with credit risk by stage by type of loan as of the first quarter of 2023 and 2022 is as follows:

| STAGE 3 PORTFOLIO MOVEMENTS IN THE FIRST QUARTER OF 2023 AND 2022 | | IQ 2023 | | | IQ 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Weights | Valued foreign currency | Total | Weights | Valued foreign currency | Total |
| **Commercial credits** | | | | | | | |
| **STAGE 1** | | | | | | | |
| **Commercial credits** | $ | 31,042 | 805 | **31,847** | 32,484 | 823 | **33,307** |
| BUSINESS OR COMMERCIAL ACTIVITY | | 28,583 | 598 | **29,181** | 30,115 | 823 | **30,938** |
| FINANCIAL INSTITUTIONS | | 31 | 207 | **238** | 600 | - | **600** |
| GOVERNMENTAL ENTITIES | | 2,428 | - | **2,428** | 1,769 | - | **1,769** |
| **Consumer loans** | | 9,806 | - | **9,806** | 8,077 | - | **8,077** |
| **Home loans** | | 10,628 | - | **10,628** | 8,975 | - | **8,975** |
| | | **51,476** | **805** | **52,281** | **49,536** | **823** | **50,359** |
| **STAGE 3** | | | | | | | |
| **Commercial credits** | $ | 1,038 | 11 | **1,049** | 232 | - | **232** |
| BUSINESS OR COMMERCIAL ACTIVITY | | 1,038 | 11 | **1,049** | 232 | - | **232** |
| FINANCIAL INSTITUTIONS | | - | - | **-** | - | - | **-** |
| GOVERNMENTAL ENTITIES | | - | - | **-** | - | - | **-** |
| **Consumer loans** | | 228 | - | **228** | 213 | - | **213** |
| **Home loans** | | 371 | - | **371** | 535 | - | **535** |
| | | **1,637** | **11** | **1,648** | **980** | **-** | **980** |
| **STAGE 1** | | | | | | | |
| **Commercial credits** | $ | 2,275 | - | **2,275** | 787 | - | **787** |
| BUSINESS OR COMMERCIAL ACTIVITY | | 2,275 | - | **2,275** | 787 | - | **787** |
| FINANCIAL INSTITUTIONS | | - | - | **-** | - | - | **-** |
| GOVERNMENTAL ENTITIES | | - | - | **-** | - | - | **-** |
| **Consumer loans** | | 254 | - | **254** | 229 | - | **229** |
| **Home loans** | | 704 | - | **704** | 621 | - | **621** |
| | | **3,233** | **-** | **3,233** | **1,637** | **-** | **1,637** |
| **Total credits** | | | | | | | |
| **Commercial credits** | $ | 34,355 | 816 | **35,171** | 33,503 | 823 | **34,326** |
| BUSINESS OR COMMERCIAL ACTIVITY | | 31,896 | 609 | **32,505** | 31,134 | 823 | **31,957** |
| FINANCIAL INSTITUTIONS | | 31 | 207 | **238** | 600 | - | **600** |
| GOVERNMENTAL ENTITIES | | 2,428 | - | **2,428** | 1,769 | - | **1,769** |
| **Consumer loans** | | 10,288 | - | **10,288** | 8,519 | - | **8,519** |
| **Home loans** | | 11,703 | - | **11,703** | 10,131 | - | **10,131** |
| | **$** | **56,346** | **816** | **57,162** | **52,153** | **823** | **52,976** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

* FOREIGN CURRENCY U.S. DOLLARS VALUED IN PESOS AT THE EXCHANGE RATE AT THE END OF THE MONTH

The credit portfolio with credit risk by stage by economic sector for the first quarter of 2023 and 2022 is presented below:

| Economic activity | IQ2023 | IQ2022 |
|---|---|---|
| **Commercial credits** | | |
| AGRICULTURE | 273 | 314 |
| TRADE | 9,969 | 10,327 |
| CONSTRUCTION | 3,275 | 3,148 |
| MINING AND PETROLEUM | 4,253 | 6,019 |
| ELECTRICITY AND WATER | 3,327 | 1,734 |
| MANUFACTURING | 1,201 | 1,406 |
| SERVICES | 7,245 | 5,496 |
| FINANCIAL SERVICES | 238 | 600 |
| REAL ESTATE SERVICES AND LEASING | 2,113 | 2,300 |
| TRANSPORTATION AND COMMUNICATIONS | 850 | 1,212 |
| GOVERNMENTAL ENTITIES | 2,428 | 1,769 |
| CONSUMPTION | 10,287 | 8,519 |
| HOUSING | 11,703 | 10,131 |
| | 57,162 | 52,976 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

Phased credit portfolio by Geographical Area

**IQ 2023**

| | | STAGE 1 | STAGE 3 | STAGE 1 |
|---|---|---|---|---|
| Center [1] | $ | 8,691 | 179 | 572 |
| Nuevo León [2] | | 31,880 | 1,133 | 1,794 |
| North [3] | | 6,437 | 160 | 293 |
| Others [4] | | 5,273 | 176 | 574 |
| | | 52,281 | 1,648 | 3,233 |
| | $ | | 57,162 | |

**IQ 2022**

| | | STAGE 1 | STAGE 3 | STAGE 1 |
|---|---|---|---|---|
| Center [1] | $ | 7,100 | 282 | 489 |
| Nuevo León [2] | | 31,124 | 305 | 452 |
| North [3] | | 6,960 | 173 | 225 |
| Others [4] | | 5,175 | 220 | 471 |
| | | 50,359 | 980 | 1,637 |
| | $ | | 52,976 | |

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

Movements in the stage 3 credit risk loan portfolio as of the first quarter of 2023 and 2022, as well as transfers to and from the stage 1 credit risk loan portfolio, are summarized as follows:

**STAGE 3 PORTFOLIO MOVEMENTS IN THE FIRST QUARTER OF 2023 AND 2022**
(AMOUNTS IN MILLIONS OF PESOS)

| | | IQ2023 | IQ2023 |
|---|---|---|---|
| Balance at the beginning of the year (past due portfolio) | $ | 3,148 | 1,739 |
| Restructuring | | 37 | 45 |
| PUNISHMENTS | | (186) | (167) |
| Transfers from the portfolio at risk stage 1 | | 70 | 29 |
| Transfers to the portfolio at risk stage 1 | | (68) | (181) |
| Transfers from portfolio at risk stage 2 | | 334 | 302 |
| Transfers to the portfolio at risk stage 2 | | (21) | (13) |
| Liquidations | | (81) | (117) |
| **Total** | **$** | **3,233** | **1,637** |

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

**AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF MARCH 31, 2023**
(AMOUNTS IN MILLIONS OF PESOS)

| | TOTAL BASE | ISR | TOTAL |
|---|---|---|---|
| **FAVOR MATCHES** | | | |
| TEMPORARY PROVISIONS | 443 | 132 | 132 |
| ALLOWANCE FOR LOAN LOSSES | 2852 | 856 | 856 |
| OTHER TEMPORARY DIFFERENCES | 546 | 164 | 164 |
| | | | 1,152 |
| **DEBIT ITEMS** | | | |
| ANTICIPATED DEDUCTIONS | -1250 | -375 | -375 |
| OTHER DIFFERENCES TEMPORARY | -57 | -17 | -17 |
| | | | -392 |
| **TOTAL DEFERRED TAX ASSETS** | | | **760** |

**AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF MARCH 31, 2022**
(AMOUNTS IN MILLIONS OF PESOS)

| | TOTAL BASE | ISR | TOTAL |
|---|---|---|---|
| **FAVOR MATCHES** | | | |
| TEMPORARY PROVISIONS | 482 | 145 | 145 |
| ALLOWANCE FOR LOAN LOSSES | 2422 | 726 | 726 |
| OTHER TEMPORARY DIFFERENCES | 206 | 63 | 63 |
| | | | 934 |
| **DEBIT ITEMS** | | | |
| ANTICIPATED DEDUCTIONS | -1269 | -381 | -381 |
| OTHER TIMING DIFFERENCES | 0 | 0 | 0 |
| | | | -381 |
| **TOTAL DEFERRED TAX ASSETS** | | | **553** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

VII.- The average interest rates for traditional deposits and interbank loans and loans from other organizations are presented below, categorized by currency, for the first quarter of 2023 and 2022:

**AVERAGE INTEREST RATES**

| CONCEPTS | NATIONAL CURRENCY | | FOREIGN CURRENCY | |
|---|---|---|---|---|
| | I QUARTER 2023 | I QUARTER 2022 | I QUARTER 2023 | I QUARTER 2022 |
| **BANK** | | | | |
| **TRADITIONAL COLLECTION** | **7.90%** | **3.84%** | **0.01%** | **0.00%** |
| DEMAND DEPOSITS | 5.28% | 2.48% | 0.01% | 0.00% |
| TIME DEPOSITS | 9.97% | 5.31% | 0.00% | 0.00% |

The terms of the maturities are from 1 to 365 days.

| | | | | |
|---|---|---|---|---|
| **INTERBANK LOANS AND LOANS FROM OTHER BODIES** | | | | |
| BANK | 10.54% | 6.31% | 6.57% | 1.77% |
| LEASER | 12.23% | 7.10% | 6.03% | 0.00% |

Maturities range from 1 to 10 years.

As of March 31, 2023 and 2022, the Bank has unused lines of credit with commercial banks, development banks and development funds amounting to $4,924 and $1,828, respectively. The amthorized lines of credit at March 31, 2023 and 2022 isare10,224 and $8,770, respectively.

## Capture by Geographic Zone

**GROUP AND GEOGRAPHIC AREA GROUPED BY GROUP AND GEOGRAPHICAL AREA**
**AS OF MARCH 31, 2023**
(FIGURES IN MILLIONS OF PESOS)

| | MEXICO CITY ( ** ) | MONTERREY (*) | NORTH ( *** ) | CENTER ( **** ) | TOTAL |
|---|---|---|---|---|---|
| IMMEDIATELY AVAILABLE DEPOSITS | 7,932 | 11,087 | 5,371 | 14,558 | **38,948** |
| TIME DEPOSITS | 12,542 | 16,136 | 4,428 | 7,505 | **40,611** |
| DEBT SECURITIES ISSUED | 0 | 918 | 0 | 0 | **918** |
| GLOBAL COLLECTION ACCOUNT WITH NO MOVEMENTS | 0 | 93 | 0 | 0 | **93** |
| **TOTAL** | **20,474** | **28,234** | **9,799** | **22,063** | **80,570** |

**GROUP AND GEOGRAPHIC AREA GROUPED BY GROUP AND GEOGRAPHICAL AREA**
**AS OF MARCH 31, 2022**
(FIGURES IN MILLIONS OF PESOS)

| | MEXICO CITY ( ** ) | MONTERREY (*) | NORTH ( *** ) | CENTER ( **** ) | TOTAL |
|---|---|---|---|---|---|
| IMMEDIATELY AVAILABLE DEPOSITS | 6,482 | 9,314 | 4,891 | 16,511 | **37,198** |
| TIME DEPOSITS | 3,540 | 22,577 | 3,084 | 5,527 | **34,728** |
| DEBT SECURITIES ISSUED | 0 | 843 | 0 | 0 | **843** |
| GLOBAL COLLECTION ACCOUNT WITH NO MOVEMENTS | 0 | 74 | 0 | 0 | **74** |
| **TOTAL** | **10,022** | **32,808** | **7,975** | **22,038** | **72,843** |

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

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

VIII.- Valuation and sale results, by corresponding type of operation during the first quarter of 2023 and 2022:

| BROKERAGE INCOME | | IQ2023 | IQ2022 |
|---|---|---|---|
| **Result from valuation at fair value** | | | |
| Result from valuation of securities and derivatives | $ | **(17)** | **(27)** |
| Trading securities | | 9 | 4 |
| DERIVATIVES FOR TRADING PURPOSES | | (26) | (31) |
| Impairment loss or effect of reversal of impairment of securities and derivatives | | **20** | **3** |
| Derivatives | | 20 | 3 |
| Result from foreign currency valuation | | **(450)** | **(31)** |
| | | **(447)** | **(55)** |
| **Result from sale and purchase** | | | |
| Gain (loss) on purchase and sale of securities and foreign currencies | | **169** | **(3)** |
| Trading securities | | 7 | (6) |
| DERIVATIVES FOR TRADING PURPOSES | | - | - |
| Derivatives for hedging purposes | | 162 | 4 |
| Result from foreign currency purchase and sale | | **486** | **76** |
| | | **655** | **72** |
| | **$** | **208** | **17** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

IX.- Amount and origin of the main items that make up the heacomprise other corresponding income and expenses during the first quarter of 2023 and 2022.

| Other operating expenses, net | IQ 2023 | IQ2022 |
|---|---|---|
| **Income:** | | |
| Recoveries | 20 | 16 |
| Debugging of accounts payable | 7 | 2 |
| Collection of written-off loans | 45 | 42 |
| Release of reserves | 65 | 96 |
| Release of reserves for other debts | 2 | - |
| Sale of furniture and real estate | 7 | 1 |
| Subscription and membership bonus | 1 | 3 |
| Others | 37 | 27 |
| Total other income | 184 | 187 |
| **Outflows:** | | |
| Loss on sale of portfolio | - | (1) |
| Income from operating leases | (3) | (1) |
| Customer bonuses | (25) | (16) |
| Allowance for other past due accounts payable | (11) | (9) |
| Reserve foreclosed assets | 2 | - |
| Broken | (2) | (1) |
| IPAB Quotas | (78) | - |
| Others | 3 | (1) |
| Total other expenses | (114) | (29) |
| Total | 70 | 158 |

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)<br>(BEFORE REPLICATIONS WITH BANCO DE MEXICO)<br>(AMOUNTS IN MILLIONS OF PESOS) | I Q<br>2023 | <br>2022 |
|---|---|---|
| **ASSETS SUBJECT TO RISK** | | |
| OF CREDIT | 47,030 | 45,312 |
| OF MARKET | 6,478 | 5,617 |
| OPERATIONAL | 7,731 | 8,619 |
| **CAPITAL STRUCTURE** | | |
| BASIC CAPITAL | 7,225 | 7,077 |
| SUPPLEMENTAL CAPITAL | 2,534 | 2,130 |
| NET EQUITY | 9,759 | 9,207 |
| **CREDIT CAPITALIZATION INDEX** | 20.75% | 20.32% |
| **TOTAL CAPITALIZATION INDEX** | 15.94% | 15.46% |
| **AVERAGE MARKET VALUE AT RISK (VAR)** | 5.27 | 13.65 |
| **PERCENTAGE OF NET CAPITAL** | 0.05% | 0.15% |

XIV.- Segment information.

## BANCA AFIRME
## Statement of Financial Position by Segments
(amounts in millions of pesos)

| Mar-23 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
|---|---|---|---|---|
| **Assets** | **65,537** | **160,675** | **707** | **226,919** |
| CASH AND CASH EQUIVALENTS | 1,941 | 9,142 | 0 | 11,083 |
| INVESTMENTS IN FINANCIAL INSTRUMENTS | 0 | 56,474 | 0 | 56,474 |
| DEBTORS UNDER REPURCHASE AGREEMENTS | 0 | 95,017 | 0 | 95,017 |
| Derivative financial instruments | 0 | 42 | 0 | 42 |
| Loan portfolio, net | 54,485 | 0 | 0 | 54,485 |
| Other Assets | 9,111 | 0 | 707 | 9,818 |
| **Liabilities** | **58,401** | **160,675** | **0** | **219,076** |
| Demand deposits | 36,948 | 2,000 | 0 | 38,948 |
| Time deposits | 13,970 | 27,652 | 0 | 41,622 |
| Creditors under repurchase agreements | 0 | 41,486 | 0 | 41,486 |
| Collateral Vend. O Dice in G. | 0 | 84,807 | 0 | 84,807 |
| Interbank loans and loans from other institutions | 4,900 | 0 | 0 | 4,900 |
| Derivative financial instruments | 0 | 13 | 0 | 13 |
| Subordinated debentures outstanding | 0 | 3,349 | 0 | 3,349 |
| Other Liabilities | 2,583 | 1,368 | 0 | 3,951 |
| **Capital** | **7,136** | **0** | **707** | **7,843** |
| Stockholders' equity | 7,136 | 0 | 707 | 7,843 |
| **Total Liabilities and Equity** | **65,537** | **160,675** | **707** | **226,919** |

## BANCA AFIRME
### Statement of Financial Position by Segments
(amounts in millions of pesos)

| Mar-22 | Credit Operations | Treasury Investment Operations | and Banking | Others | Total |
|---|---|---|---|---|---|
| **Assets** | **65,797** | | **78,224** | **765** | **144,786** |
| CASH AND CASH EQUIVALENTS | 3,015 | | 11,504 | 0 | 14,519 |
| INVESTMENTS IN FINANCIAL INSTRUMENTS | 0 | | 57,016 | 0 | 57,016 |
| DEBTORS UNDER REPURCHASE AGREEMENTS | 0 | | 9,270 | 0 | 9,270 |
| Derivative financial instruments | 0 | | 434 | 0 | 434 |
| Loan portfolio, net | 50,703 | | 0 | 0 | 50,703 |
| Other Assets | 12,079 | | 0 | 765 | 12,844 |
| **Liabilities** | **59,142** | | **78,224** | **0** | **137,366** |
| Demand deposits | 35,198 | | 2,000 | 0 | 37,198 |
| Time deposits | 14,302 | | 21,341 | 0 | 35,643 |
| Creditors under repurchase agreements | 0 | | 46,946 | 0 | 46,946 |
| Interbank loans and loans from other institutions | 6,324 | | 0 | 0 | 6,324 |
| Derivative financial instruments | 0 | | 25 | 0 | 25 |
| Subordinated debentures in cieculation | 0 | | 2,940 | 0 | 2,940 |
| Other Liabilities | 3,318 | | 4,972 | 0 | 8,290 |
| **Capital** | **6,655** | | **0** | **765** | **7,420** |
| Stockholders' equity | 6,655 | | 0 | 765 | 7,420 |
| **Total Liabilities and Equity** | **65,797** | | **78,224** | **765** | **144,786** |

## BANCA AFIRME
### Statement of Comprehensive Income by Segments
(amounts in millions of pesos)

| Mar-23 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
|---|---|---|---|---|
| Interest Income | 1,983 | 4,571 | 0 | 6,554 |
| Interest Expense | -1,465 | -7.76% | 0 | -7.76% |
| Preventive estimate for credit risks | -258 | 0 | 0 | -258 |
| Commissions and Fees Collected | 336 | 0 | 633 | 969 |
| Commissions and Fees Paid | -108 | 0 | -330 | -438 |
| BROKERAGE INCOME | 35 | 172 | 0 | 207 |
| Other operating income, net | 70 | 0 | 0 | 70 |
| Administration and Promotion Expenses | -478 | -624 | -290 | -7.76% |
| Operating Results | 115 | 144 | 13 | 272 |
| Income taxes | -27 | -33 | -3 | -63 |
| Income before equity in income of subsidiaries | **88** | **111** | **10** | **209** |
| Equity in income of subsidiaries | | | 5 | 5 |
| **Net income** | **88** | **111** | **15** | **214** |

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

| Mar-22 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
|---|---|---|---|---|
| Interest Income | 1,591 | 2,894 | 0 | 4,485 |
| Interest Expense | -689 | -2,291 | 0 | -2,980 |
| Allowance for Credit Risks. | -224 | 0 | 0 | -224 |
| Commissions and Fees Collected | 241 | 0 | 475 | 716 |
| Commissions and Fees Paid | -82 | 0 | -229 | -311 |
| BROKERAGE INCOME | 45 | -28 | 0 | 17 |
| OTHER OPERATING INCOME (EXPENSE) | 158 | 0 | 0 | 158 |
| Administration and Promotion Expenses | -821 | -464 | -225 | -1,510 |
| Operating Results | 219 | 111 | 21 | 351 |
| ISR | -62 | -32 | -6 | -100 |
| Income before equity in income of subsidiaries | 157 | 79 | 15 | 251 |
| Equity in income of subsidiaries | | | 11 | 11 |
| **Net income** | **157** | **79** | **26** | **262** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

XV.- Related party information:
The key operations performed with related parties were the following:

| *NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP* | **1Q 2023** | **1Q 2022** |
|---|---|---|
| AVAILABILITIES | 408 | 201 |
| CREDIT PORTFOLIO | 1,257 | 1,059 |
| IRREVOCABLE OPENING OF IRREVOCABLE CREDITS | 90 | 426 |
| OTHER ACCOUNTS RECEIVABLE | 98 | 22 |
| DEBTORS UNDER REPURCHASE AGREEMENTS | 95,017 | 69,093 |
| PREPAYMENTS | 12 | 19 |
| TERM DEPOSITS AND REPURCHASE AGREEMENTS | 3,288 | 2,787 |
| UPTAKE AT SIGHT | 669 | 419 |
| CREDITORS UNDER REPURCHASE AGREEMENTS | 1,663 | 2,511 |
| SUNDRY CREDITORS | 10 | 2 |
| SUBORDINATED DEBENTURES | 601 | 598 |
| | | |
| *MEMBERS OF THE BOARD OF DIRECTORS OF THE BANK AND OF THE GROUP* | | |
| CREDIT PORTFOLIO | 8 | 7 |
| TERM DEPOSITS AND REPURCHASE AGREEMENTS | 59 | 38 |
| UPTAKE AT SIGHT | 9 | 12 |
| SUBORDINATED DEBENTURES | 9 | 9 |
| | | |
| *SPOUSES AND PERSONS RELATED TO THE ABOVE PERSONS* | | |
| CREDIT PORTFOLIO | 15 | 11 |
| TERM DEPOSITS AND REPURCHASE AGREEMENTS | 33 | 26 |
| UPTAKE AT SIGHT | 11 | 17 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| *INTEREST, COMMISSIONS AND OTHER RELATED COMPANY EXPENSES* | **1Q 2023** | **1Q 2022** |
|---|---|---|
| INTEREST COLLECTED | 34 | 18 |
| SERVICE REVENUES | 32 | 12 |
| OTHER INCOME | - | - |
| COMMISSIONS CHARGED | 71 | 42 |
| PRIZES COLLECTED | 2,580 | 907 |
| RENTS COLLECTED | 1 | - |
| GAIN (LOSS) ON SALE AND PURCHASE OF SECURITIES | 6 | - |
| **TOTAL INCOME** | **2,718** | **980** |
| | | |
| SALARIES AND BENEFITS | 19 | 34 |
| OTHER FEES | 41 | 32 |
| RENTS PAID | 41 | 55 |
| INTEREST PAID | 96 | 27 |
| OTHER OPERATING AND ADMINISTRATIVE EXPENSES | 117 | 88 |
| PRIZES PAID | 46 | 28 |
| GAIN (LOSS) ON SALE AND PURCHASE OF SECURITIES | - | -1 |
| **TOTAL EXPENSES** | **360** | **264** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

## Financial Indicators

### RELEVANT INDICATORS

| | IQ 23 | IQ 22 |
|---|---|---|
| **NPL ratio (past due portfolio/total portfolio)** | 5.66% | 3.09% |
| **Overdue portfolio coverage (preventive estimate/past due portfolio)** | 0.83 | 1.39 |
| **Operating efficiency (administrative and promotional expenses / average total assets)** | 2.54% | 3.75% |
| **ROE (return on equity)** | 11.05% | 14.39% |
| **ROA (return on assets)** | 0.39% | 0.65% |
| **Liquidity Ratio (liquid assets/liquid liabilities)** | 0.97 | 0.93 |
| **MIN (net interest margin adjusted for credit risks / productive assets)** | 1.64% | 3.39% |

**BANCA AFIRME**

| | | | |
|---|---|---|---|
| Credit Capitalization Ratio | 20.75% | 20.23% | (1) |
| Total Capitalization Index | 15.94% | 15.39% | (1) |
| Core Capital Ratio | 11.80% | 11.81% | (1) |

(1) Previous data before replicas with Banxico

Banca Afirme Portfolio Rating

**ANNEX 35**
BANCA AFIRME, SA
LOAN PORTFOLIO RATING
AS OF MARCH 31, 2023
(Amounts in millions of pesos)

| RISK GRADES | AMOUNT OF CREDIT PORTFOLIO | NECESSARY PREVENTIVE RESERVATIONS | | | | | |
|---|---|---|---|---|---|---|---|
| | | COMMERCIAL | CONSUMPTION | | HOUSING MORTGAGE PORTFOLIO | TOTAL LOAN-LOSS RESERVES |
| | | | NON-REVOLVENT | CREDIT CARD AND OTHER REVOLVING CREDITS | | |
| A-1 | $41,251 | $114 | $44 | $27 | $13 | $198 |
| A-2 | $5,135 | $42 | $13 | $14 | $4 | $73 |
| B-1 | $2,609 | $21 | $31 | $8 | $2 | $62 |
| B-2 | $1,574 | $16 | $26 | $4 | $3 | $49 |
| B-3 | $936 | $16 | $17 | $5 | $2 | $40 |
| C-1 | $1,822 | $117 | $28 | $10 | $4 | $159 |
| C-2 | $1,089 | $7 | $45 | $25 | $42 | $119 |
| D | $2,148 | $483 | $67 | $57 | $107 | $714 |
| E | $1,745 | $778 | $279 | $28 | $117 | $1,202 |
| **QUALIFIED EXCEPTED** | $0 | $0 | $0 | $0 | $0 | $0 |
| **TOTAL** | **$58,309** | **$1,594** | **$550** | **$178** | **$294** | **$2,618** |
| Less: | | | | | | |
| **RESERVES ESTABLISHED** | | | | | | **$2,674** |
| **EXCESS** | | | | | | **-$56** |
| **STATEMENT OF FINANCIAL POSITION RESERVES** | | | | | | **$2,674** |

NOTES:

1.- The figures for the qualification and constitution of preventive reserves are those correspcorrespondof the month to which the Statement of Financial Position refers as of March 31, 2020.

2.- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by inter. It maydologies 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 reseo 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 at the bottom of the Statement of Financial Position.

4.- The excess in preventive reserves of $57' correspond to reserves derived from operating risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

**ANNEX 35**
BANCA AFIRME, SA
LOAN PORTFOLIO RATING
AS OF MARCH 31, 2022
(Amounts in millions of pesos)

| RISK GRADES | AMOUNT OF CREDIT PORTFOLIO | NECESSARY PREVENTIVE RESERVATIONS | | | | |
|---|---|---|---|---|---|---|
| | | COMMERCIAL | CONSUMPTION | | HOUSING MORTGAGE PORTFOLIO | TOTAL LOAN-LOSS RESERVES |
| | | | NON-REVOLVENT | CREDIT CARD AND OTHER REVOLVING CREDITS | | |
| A-1 | $38,659 | $130 | $37 | $23 | $12 | $202 |
| A-2 | $5,082 | $49 | $11 | $11 | $3 | $74 |
| B-1 | $2,076 | $16 | $28 | $7 | $2 | $53 |
| B-2 | $1,234 | $11 | $22 | $4 | $2 | $39 |
| B-3 | $2,099 | $55 | $15 | $4 | $1 | $75 |
| C-1 | $728 | $17 | $20 | $9 | $4 | $50 |
| C-2 | $1,010 | $5 | $34 | $21 | $50 | $110 |
| D | $2,239 | $560 | $56 | $45 | $100 | $761 |
| E | $1,327 | $502 | $252 | $26 | $84 | $864 |
| **QUALIFIED EXCEPTED** | $0 | $0 | $0 | $0 | $0 | $0 |
| **TOTAL** | **$54,454** | **$1,345** | **$475** | **$150** | **$258** | **$2,230** |
| Less: **RESERVES ESTABLISHED** | | | | | | **$2,273** |
| **EXCESS** | | | | | | **-$43** |
| **STATEMENT OF FINANCIAL POSITION RESERVES** | | | | | | **$2,273** |

NOTES:

1.- The figures for the qualification and constitution of preventive reserves are those corresponding to the last day of the month to which thcorrespondas of March 31, 2020.

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

The Institution uses the rating methodologies established by the CNBV.

Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping loan-loss reserves according to the type of portfolioage 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 bala.

4.- The excess in preventive reserves of $42' correspond to reserves derived from operating risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

The Exposure at Default, Probability of Default, and Loss Given Default for each portfolio type as of March 31, 2023, and 2022, respectively, are presented below:

IQ2023

| Portfolio Type | Exposure to Default | Weighted Probability of Default | Loss Severity Weighted |
|---|---|---|---|
| Commercial Portfolio | 34,326.2 | 10.17% | 38.69% |
| Housing Portfolio | 11,702.9 | 10.15% | 14.30% |
| Non-Revolving Consumer Portfolio | 9,184.3 | 8.19% | 71.67% |
| Revolving Consumer Portfolio: Credit Card | 2,112.8 | 11.25% | 73.07% |

IQ2022

| Portfolio Type | Exposure to Default | Weighted Probability of Default | Loss Severity Weighted |
|---|---|---|---|
| Commercial Portfolio | 34,483.7 | 8.68% | 36.88% |
| Housing Portfolio | 10,131.6 | 11.52% | 14.19% |
| Non-Revolving Consumer Portfolio | 7,654.9 | 8.51% | 71.70% |
| Revolving Consumer Portfolio: Credit Card | 1,748.9 | 11.30% | 72.81% |

XVI.-Principal characteristics of the issuance or redemption 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 issuance of the obligations was carried out through a public offering of up to 12,000,000 subordinated obligations 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 obligations compared to the amount issued was 100%.

**QBAFIRME20**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferential and non-convertible subordinated capital obligations, obtaining authorization from the Central Bank through letter 153/12258/2020. By means of an issuance agreement dated March 24, 2020, a public offering was conducted for up to 5,000,000 subordinated obligations with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE + 2.8%. This issuance is not guaranteed, the interest payment period is every 28 days, and it will mature in March 2030. The total amount of the issuance was $500, and the proportion between the authorized amount of subordinated obligations and the amount issued was 100%.

**QBAFIRME20-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferential and non-convertible subordinated capital obligations, obtaining authorization from the Central Bank through letter 153/12258/2020. By means of an issuance agreement dated October 22, 2020, a public offering was conducted for up to 2,300,000 subordinated obligations with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE + 2.8%. This issuance is not guaranteed, the interest payment period is every 28 days, and it will mature in October 2030. The total amount of the issuance was $230, and the proportion between the authorized amount of subordinated obligations and the amount issued was 100%.

**QBAFIRME22**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferential and non-convertible subordinated capital obligations, obtaining authorization from the Central Bank through letter 153/12258/2020. By means of an issuance agreement dated February 15, 2022, the issuance of the subordinated obligations took place through a public offering for up to 2,012,500 subordinated obligations with a nominal value of $100.00 pesos each, bearing interest at a rate of TIIE 28 days + 2.8%. This issuance is not guaranteed, the interest payment period is every 28 days, and it will mature in February 2032. The total amount of the issuance was $201, and the proportion between the authorized amount of subordinated obligations and the amount issued was 100%.

**QBAFIRME22-2**

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to issue subordinated debentures of non-preferred capital and not convertible into shares of the Bank, obtaining authorization from the Central Bank for their issuance by means of official letter 153/12258/220. On September 14, 2022, the subordinated debentures were issued through a public offeringAccordingly, onf 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for $403. The ratio of the authorized amount of subordinated debentures to the amount issued was 100%.

As of March 31, 2023 and 2022, the amount placed under "Outstanding subordinated debentures" amounted to $3,349 and 2,940, respectively, which include accrued interest outstanding of $26 and $17, and include unamortized issuance costs and expenses of $11 and $8, respectively.

As of March 31, 2023, the subordinated obligations are recorded in the consolidated Statement of Financial Position under the category of "Outstanding subordinated obligations." These obligations have the option of prepayment starting from the fifth year and possess the following characteristics, among others:

I.- They are bearer securities.

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

III.- They meeta single bearer security will back the issueto 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 are enforceable against the issuer, upon demand for payment before a notary public.

As of March 31, 2023, the subordinated obligations do not have a discount or premium rate.

XVII. The consolidated financial statements are prepared on the basis of banking legislation and in accordance with the accounting cribased ont institutions in Mexico (the Accounting Criteria) established in Annex 33 of the Provisions, and the applicable operating rules established by the Commission, which is in charge of inspecting and supervising credit institutions and reviewing their financial information.The Commission is in charge of the inspection and supervision of credit institutions and of reviewing their financial information.

The accounting criteria establish that the accounting of credit institutions must conform to the basic structure of the Financial Reporting Standards (FRS) defined by the Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, A.C.). (CINIF) in FRS A-1 "Structure of financial reporting standards", considering in the first instance the FRS contained in the Series FRS A "Conceptual framework", as well as the provisions of accounting criteria A-4 "Supplementary application to accounting criteria". They also establish that institutions must follow the accounting guidelines of the FRS except when it is necessary, in the Commission's judgment, to apply specific accounting standards or criteria on recognition, valuation, presentation and disclosure applicable to specific items of the financial statements and those applicable to their preparation.

XVIII.- Activity and outstanding operations-

BANCA AFIRME, S. A., Multiple Banking Institution, Afirme Financial Group (the “Bank”) was incorporated under Mexican laws domiciled at Av. Juarez No. 800 Sur, Zona Centro, Monterrey, N. L The Bank is a 99.99% subsidiary of Afirme Grupo Financiero, S. A. de C. V. ("Grupo Afirme") and based on the 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., Sociedad Financiera de Objeto Múltiple, Regulated Entity, Affirme Grupo Financiero (the "Leasing Company") (99.976% stake), dedicated to the execution of financial and operatonal leasing contracts of movable and immovable property, acceptance and granting of credit, making investments and financial instruments.

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

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

XIX.- Summary of the main accounting policies-

The accounting policies shown below have been uniformly applied in the preparation of the consolidated financial statementspreparingve been consistently applied by the Bank.

The CINIF has issued the following FRS and Improvements:

**NIF-B-14 Earnings per share -** Effective for fiscal years beginning on or after January 1, 2005. January 2023 allowing its early application. Provides details for the determination of earnings per share (EPS). Management believes that the adoption of this new FRS will not have a material impact.

**Improvements to NIF 2023**
In December 2022, the CINIF (Mexican Council for Financial Reporting Standards) issued the document titled "Improvements to the Mexican Financial Reporting Standards 2023," which includes specific amendments to certain existing standards. The main improvements that result in accounting changes are outlined on the following page.

**NIF B-11 Disposal of Long-Lived Assets and Discontinued Operations/ NIF C-11 Stockholders' Equity-** Effective for years beginning on or after January 1. January 2023, allowing its early application. Any changehould be recognized in accordance with FRS B-1 *Accounting Changes and Error Corrections*. This improvement establishes that any difference between the book value of long-lived assets delivered to settle dividends or capital reimbursements should be recognized in retained earnings.

**NIF B-15 Translation of foreign currencies -** Effective for years beginning on or after January 1. January 2023, allowing its early application. Any changes should be recognized in accordance with FRS B-1 *Accounting Changes and Error Corrections*. It makes modifications to the practical expedient of the FRS that allows the preparation of consolidated financial statements without the effects of translation to functional currency. This improvement specifies which entities and in which cases this option may be exercised, establishing that an entity that has no subsidiaries or parent company or that is a subsidiary, associate or joint venture may prepare its consolidated financial statements without translating them to the functional currency, provided that they are consolidated financial statements exclusively for tax and legal purposes and do not have users that require the preparation of consolidated financial statements considering the effects of translation to the functional currency.

The aforementioned improvements had no effect on the financial information as of January 1, 2023.

XX.- Thedid not affectIndex for the first quarter of 2023 is presented below, as well as the assets subject to credit and market risk, to comands Applicable to the institution.

**ANNEX 1-O**

F are presented belowgure in millions of pesos as of March 31, 2023
(figures before aftershocks with Banco de México)

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

| Reference | Common Equity Tier 1 (CET1): Instruments and Reserves | Amount |
|---|---|---|
| 1 | Common shares that qualify for Tier 1 common capital plus their corresponding premium | 3,918.63 |
| 2 | Results of prior years | 3,277.67 |
| 3 | Other elements of comprehensive income (and other reserves) | 1,448.44 |
| 4 | Capital subject to phase-out of Tier 1 common equity (only applicable for companies that are not linked to shares) | Not applicable |
| 5 | Ordinary shares issued by subsidiaries held by third parties (allowed amount in common equity level 1) | Not applicable |
| 6 | **Common Equity Tier 1 before regulatory adjustments** | 8,644.74 |
| | **Common Equity Tier 1: 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 mortgage servicing rights (net of related deferred income taxes payable) | 392.40 |
| 10 (conservative) | Deferred income taxes in favor that depend on future earnings, excluding those derived from temporary differences (net of deferred income taxes payable) | |
| 11 | Result from valuation of cash flow hedging instruments | 0.00 |
| 12 | Reserves pending to constitute | 0.00 |
| 13 | Benefits on the remainder in securitization operations | |
| 14 | Gains and losses caused by changes in the own credit rating on liabilities valued at fair value | Not applicable |
| 15 | Defined benefit pension plan | |
| 16 (conservative) | Investments in treasury shares | |
| 17 (conservative) | Reciprocal investments in ordinary capital | |
| 18 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | |
| 19 | 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) | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | |
|---|---|---|
| (conservative ) | | |
| 20 (conservative ) | Mortgage servicing fees (amount exceeding the 10% threshold) | |
| 21 | Deferred income tax assets arising from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable) | **328.09** |
| 22 | Amount exceeding the 15% threshold | Not applicable |
| 23 | Of which: Significant investments where the institution owns more than 10% in common shares of financial institutions | Not applicable |
| 24 | Of which: Rights for mortgage services | Not applicable |
| 25 | Of which: Deferred income taxes in favor derived from temporary differences | Not applicable |
| 26 | National regulatory adjustments | 699.24 |
| A | of which: Other elements of comprehensive income (and other reserves). | 677.13 |
| B | Of which: Investments in subordinated debt | |
| C | Of which: Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions) | |
| D | Of which: Investments in multilateral organizations | |
| E | Of which: Investments in related companies | |
| F | Of which: Venture capital investments | |
| G | of which: Investments in investment companies | 22.11 |
| H | Of which: Financing for the acquisition of own shares | |
| I | Of which: Operations that contravene the provisions | |
| J | Of which: Deferred charges and advance payments | |
| K | Of which: Positions in First Loss Schemes | |
| L | Of which: Employee Participation in Deferred Profits | |
| M | Of which: Relevant Related Persons | |
| N | Of which: Defined benefit pension plan | |
| OR | Of which: Adjustment for capital recognition | |
| 27 | Regulatory adjustments applied to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions | |
| 28 | **Total regulatory adjustments to common equity tier 1 capital** | 2,219.74 |
| 29 | **Common Equity Tier 1 (CET1)** | 6,425.00 |
| | **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** | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | |
|---|---|---|
| 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)** | 7,225.00 |
| | **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 of Tier 2 capital | 2,533.75 |
| 48 | Tier 2 capital instruments and Tier 1 common equity instruments and Tier 1 additional capital that have not been included in lines 5 or 34, which have been issued by subsidiaries held by third parties (amount allowed in complementary capital level 2) | Not applicable |
| 49 | of which: Instruments issued by subsidiaries subject to phase-out | Not applicable |
| 50 | Reserves | |
| 51 | **Tier 2 capital before regulatory adjustments** | 2,533.75 |
| | **Tier 2 capital: regulatory adjustments** | |
| 52 (conservative ) | Investments in own Tier 2 capital instruments | Not applicable |
| 53 (conservative ) | Reciprocal investments in Tier 2 capital instruments | Not applicable |
| 54 (conservative ) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | Not applicable |
| 55 (conservative ) | Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital | Not applicable |
| 56 | National regulatory adjustments | |
| **57** | **Total regulatory adjustments to Tier 2 capital** | **0.00** |
| **58** | **Tier 2 capital (T2)** | 2,533.75 |
| **59** | **Total capital (TC = T1 + T2)** | 9,758.75 |
| **60** | **Total risk-weighted assets** | 61,239.12 |
| | **Capital ratios and supplements** | |

| | | |
|---|---|---|
| 61 | Common Equity Tier 1<br>(as a percentage of total risk-weighted assets) | 10.49 |
| 62 | Tier 1 Capital<br>(as a percentage of total risk-weighted assets) | 11.80 |
| 63 | Total Capital<br>(as a percentage of total risk-weighted assets) | 15.94 |
| 64 | Institutional specific supplement (at least it must consist of: the common capital requirement of level 1 plus the capital conservation buffer, plus the countercyclical buffer, plus the G-SIB buffer; expressed as a percentage of total risk-weighted assets) | 7.00 |
| 65 | Of which: Capital Conservation Supplement | 2.50 |
| 66 | Of which: Specific Banking Countercyclical Supplement | Not applicable |
| 67 | Of which: Global Systemically Important Banks Supplement (G-SIB) | Not applicable |
| 68 | Common Equity Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets) | 3.49 |
| | **National minimums (if different from Basel 3)** | |
| 69 | CET1 national minimum ratio<br>(if it differs from the minimum established by Basel 3) | Not applicable |
| 70 | T1 national minimum ratio<br>(if it differs from the minimum established by Basel 3) | Not applicable |
| 71 | National minimum TC ratio<br>(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 amortization and maturities) | |

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

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

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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

| | |
|---|---|
| 26 | A. The sum of the cumulative exchange adjustment and the result from holding non-monetary assets considering the amount of each of these items with the opposite sign to that considered for inclusion in reference 3, i.e. if they are positive in this item they will be included as negative and vice versa.<br>B. Investments in subordinated debt instruments, in accordance with the provisions of Section I, paragraph b) of Article 2 Bis 6 of these provisions.<br>C. The amount that results if as a result of the acquisition of securitization positions, the originating institutions record a profit or an increase in the value of their assets with respect to the assets previously recorded in their Statement of Financial Position, in accordance with the provisions of section I, paragraph c) of Article 2 Bis 6 of these provisions.<br>D. Investments in the capital of multilateral development or international development organizations in accordance with the provisions of Section I, paragraph f) of Article 2 Bis 6 of these provisions, which have a credit rating assigned by one of the rating agencies to the issuer, equal to or better than Risk Grade 2 in the long term.<br>E. Investments in shares of companies related to the Institution under the terms of Articles 73, 73 Bis and 73 Bis 1 of the Law, including the corresponding amount of investments in mutual funds and investments in indexes as established in section I, paragraph g) of Article 2 Bis 6 of these provisions.<br>G. Investments in shares, other than fixed capital, of listed investment funds in which the Institution holds more than 15 percent of the stockholders' equity of the investment fund, in accordance with Section I (i) of Article 2 Bis 6, which have not been considered in the above references. |
| | H. Any type of contribution whose resources are destined to the acquisition of shares of the controlling company of the financial group, of the other financial entities that are members of the group to which the Institution belongs or of their financial subsidiaries in accordance with the provisions of section I, paragraph l) of Article 2 Bis 6 of these provisions. I. Operations that contravene the provisions, in accordance with the provisions of Section I, paragraph m) of Article 2 Bis 6 of these provisions. J. Deferred charges and prepayments, net of deferred income taxes payable, as established in Section I paragraph n) of Article 2 Bis 6 of these provisions. K. Positions related to the First Loss Scheme in which risk is retained or credit protection is provided up to a certain limit of a position in accordance with Section I (o) of Article 2 Bis 6. L. Employees' deferred profit sharing payable pursuant to Section I, paragraph p) of Article 2 Bis 6 of these provisions. M. The aggregate amount of the Transactions Subject to Credit Risk by Relevant Related Persons in accordance with section I paragraph s) of Article 2 Bis 6 of these provisions. N. The difference between the investments made by the defined benefit pension fund in accordance with Article 2 Bis 8 minus reference 15. O. Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C1 of the format included in section II of this appendix. P. Investments or contributions, directly or indirectly, in the capital of companies or in the assets of trusts or other similar types of entities whose purpose is to compensate and settle transactions carried out on the stock exchange, except for the participation of such companies or trusts in the latter in accordance with paragraph f) section I of Article 2 Bis 6. |
| 27 | Not applicable There are no regulatory adjustments for additional Tier 1 capital or supplementary capital. All regulatory adjustments are made to Common Equity Tier 1. 28 Sum of lines 7 to 22, plus lines 26 and 27. 29 Section 6 minus Section 28. |
| 30 | The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital and the Capital Instruments, which meet the conditions set forth in Exhibit 1-R of these provisions in accordance with the provisions of Section II of Article 2 Bis 6 of these provisions. 31 Amount of line 30 classified as equity under applicable accounting standards. |
| 32 | Not applicable Directly issued instruments that qualify as additional Tier 1 capital, plus their premium, are recorded for accounting purposes as capital. |
| 33 | Subordinated debentures computable as Non-Core Basic Capital, in accordance with the provisions of the Third Transitory Article of Resolution 50a, which amends the general provisions applicable to credit institutions (Resolution 50a). |
| 34 | Not applicable See note in reference 5. |
| 35 | Not applicable See note in reference 5. |
| 36 | Sum of Sections 30, 33 and 34. |
| 37 | Not applicable The deduction is made in full from Common Equity Tier 1. |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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|---|---|
| 38 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 39 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 40 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 41 | **National adjustments considered:**<br>Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C1 of the format included in section II of this appendix. |
| 42 | Not applicable There are no regulatory adjustments for supplementary capital. All regulatory adjustments are made to Common Equity Tier 1. |
| 43 | Sum of Section 37 to 42. |
| 44 | Section 36, minus Section 43. |
| 45 | Section 29, plus Section 44. |
| 46 | The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital or in the Non-Fundamental Basic Capital and the Capital Instruments, which comply with Exhibit 1-S of these provisions in accordance with the provisions of Article 2 Bis 7 of these provisions. |
| 47 | Subordinated debentures computable as supplementary capital, in accordance with the provisions of the Third Transitory Article of Resolution 50a. |
| 48 | Not applicable See note in reference 5. |
| 49 | Not applicable See note in reference 5. |
| 50 | Provisions for credit risk up to the sum of 1.25% of the assets weighted by credit risk, corresponding to the Transactions in which the Standardized Method is used to calculate the capital requirement for credit risk; and the positive difference of the Total Allowable Reserves minus the Total Expected Losses, up to an amount not to exceed 0.6 percent of the assets weighted by credit risk, corresponding to the Operations in which the method based on internal ratings is used to calculate the capital requirement for credit risk, in accordance with section III of Article 2 Bis 7. |
| 51 | Sum of Section 46 to 48, plus Section 50. |
| 52 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 53 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 54 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 55 | Not applicable The deduction is made in full from Common Equity Tier 1. |
| 56 | **National adjustments considered:**<br>Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C4 of the format included in section II of this appendix. |
| 57 | Sum of Sections 52 to 56. |
| 58 | Section 51, minus Section 57. |
| 59 | Section 45, plus Section 58. |
| 60 | Weighted Assets Subject to Total Risk |
| 61 | Section 29 divided by Section 60 (expressed as a percentage). |
| 62 | Section 45 divided by Section 60 (expressed as a percentage). |
| 63 | Section 59 divided by Section 60 (expressed as a percentage). |
| 64 | Report the sum of the percentages expressed in items 61, 65, 66 and 67. |
| 65 | Report 2.5%. |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | |
|---|---|
| **Limits applicable to the inclusion of reserves in Tier 2 capital** | |
| 76 | Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to the standardized methodology (prior to application of the cap) |
| 77 | Limit on the inclusion of provisions in Tier 2 capital under the standardized methodology |
| 78 | Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to internal rating methodology (prior to application of cap) |
| 79 | Limit on the inclusion of reserves in Tier 2 capital under the internal rating methodology |
| **Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)** | |
| 80 | Current cap on CET1 instruments subject to phase-out |
| 81 | Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities) |
| 82 | Current limit on AT1 instruments subject to phase-out |
| 83 | Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities) |
| 84 | Current limit on T2 instruments subject to phase-out |
| 85 | Amount excluded from T2 due to limit (excess over limit after amortization 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 | A | **6,425** | B1 = A / F | **10.49%** | C1 | 0 | A '= A - C1 | 0 | B1 '= A' / F ' | 0 |
| Basic Capital 2 | B | **800** | B2 = B/F | **1.31%** | C2 | 0 | B '= B - C2 | 0 | B2 '= B' / F ' | 0 |
| Basic Capital | C = A + B | **7,225** | B3 = C/F | **11.80%** | C3 = C1 + C2 | 0 | C '= A' + B ' | 0 | B3 '= C' / F ' | 0 |
| Complementary Capital | D | **2,534** | B4 = D /F | **4.14%** | C4 | 0 | D '= D - C4 | 0 | B4 '= D' / F ' | 0 |
| Net Capital | E = C + D | **9,759** | B5 = E / F | **15.94%** | C5 = C3 + C4 | 0 | E '= C' + D ' | 0 | B5 '= E' / F ' | 0 |
| Weighted Assets Subject to Total Risk (WASTR) | F | **61,239** | Not applicable | | Not applicable | | F '= F | 0 | Not applicable | |
| **Capitalization index** | **G = E / F** | 15.94 | **Not applicable** | | **Not applicable** | | **G '= E' / F '** | 0 | **Not applicable** | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| Statement of financial position line items | Amount presented in the statement of financial position |
|---|---|
| **Active** | **226,919.22** |
| Availabilities | 11,082.69 |
| Margin accounts | 31.13 |
| Investments in securities | 56,473.94 |
| Debtors under repurchase agreements | 95,016.74 |
| Securities Lending | 0.00 |
| Derivatives | 42.25 |
| Valuation adjustments for hedging of financial assets | -7.17 |
| Totalloan portfolio (net) | 54,484.91 |
| Benefits to be received in securitization operations | 0.00 |
| Other accounts receivable (net) | 1,350.68 |
| Foreclosed assets (net) | 228.82 |
| Property, furniture, and equipment (net) | 4,542.84 |
| Permanent investments | 161.36 |
| Long - term assets available for sale | 0.00 |
| Deferred income taxesand employees' profit sharing (net) | 760.29 |
| Otherassets | 2,750.73 |
| **Liabilities** | **219,074.33** |
| Traditional collection | 80,569.23 |
| Interbank loansand loans from other institutions | 4,900.15 |
| Accounts payableunder repurchase/resell agreements | 41,485.74 |
| Securities lending | 0.00 |
| Colaterales sold or pledged | 84,807.36 |
| Derivatives | 13.42 |
| Valuation adjustments for coverage of financial liabilities | 0.00 |
| Obligationsin securitization transactions | 0.00 |
| Otheraccounts payable | 2,538.92 |
| Subordinated debenturesoutstanding | 3,349.28 |
| Deferred income taxesand employees' profit sharing (net) | 1,322.76 |
| Deferred creditsand prepayments | 87.46 |
| **Stockholders' equity** | **7,844.74** |
| Contributed capital | 3,918.63 |
| Earned capital | 3,926.11 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| **Memorandum accounts** | **727,096.44** |
|---|---|
| Guaranteesgranted | 848.24 |
| Contingent assets and liabilities | 0.00 |
| Credit commitments | 9,523.30 |
| Assetsheld in trust or mandate | 54,454.94 |
| Financial agent of the federal government | 0.00 |
| Assetsin custody or under administration | 362,804.57 |
| Collateralreceived by the entity | 94,422.77 |
| Collateralreceived and sold or pledged as a guarantee by the entity | 85,990.03 |
| Investment banking operations on behalf of third parties (net) | 0.00 |
| Uncollected accrued interest from past due loan portfolio | 157.82 |
| Other memorandum accounts | 118,894.77 |

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

| Identifier | Regulatory concepts considered for the calculation of the components of Net Capital | Reference of the disclosure format of the capital integration of section I of this annex | Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the Net Capital components | Reference(s) of the item of the Statement of Financial Position and amount related to the regulatory concept considered for the calculation of the Net Capital from the mentioned reference. |
|---|---|---|---|---|
| | **Assets** | | | |
| **1** | Commercial Credit | 8 | 0.00 | BG16 |
| **2** | Other Intangibles | 9 | 392.40 | BG16 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | | | |
|---|---|---|---|---|
| **3** | Deferred income tax (in favor) from losses and tax credits | 10 | 0.00 | BG15 |
| **4** | Benefits on the remainder in securitization operations | 13 | 0.00 | BG09 |
| **5** | Investments of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |
| **6** | Investments in shares of the institution itself | 16 | 0.00 | |
| **7** | Reciprocal investments in ordinary capital | 17 | 0.00 | |
| **8** | Direct investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock | 18 | 0.00 | |
| **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 | 328.09 | |
| **13** | Reserves recognized as complementary capital | 50 | 0.00 | BG8 |
| **14** | Investments in subordinated debt | 26 - B | 0.00 | |
| **15** | Investments in multilateral organizations | 26 - D | 0.00 | |
| **16** | Investments in related companies | 26 - E | 0.00 | |
| **17** | Venture capital investments | 26 - F | 0.00 | |
| **18** | Investments in mutual funds | 26 - G | 22.11 | BG13 |
| **19** | Financing for the acquisition of own shares | 26 - H | 0.00 | |
| **20** | Deferred charges and advance payments | 26 - J | 0.00 | |
| **21** | Deferred employee profit sharing (net) | 26 - L | 0.00 | |
| **22** | Investments in the defined benefit pension plan | 26 - N | 0.00 | |
| **23** | Investments in clearing houses | 26 - P | 0.00 | BG13 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | **Liabilities** | | | |
|---|---|---|---|---|
| **24** | Taxes on deferred income (payable) associated with goodwill | 8 | 0.00 | |
| **25** | Deferred income taxes (payable) associated with other intangibles | 9 | 0.00 | |
| **26** | Liabilities of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |
| **27** | Deferred income taxes (payable) associated with the defined benefit pension plan | 15 | 0.00 | |
| **28** | Deferred income taxes (payable) associated with others other than the above | 21 | 0.00 | |
| **29** | Subordinated obligations amount that complies with Schedule 1-R | 31 | 0.00 | |
| **30** | Subordinated obligations subject to transitory status that are computed as basic capital 2 | 33 | 0.00 | |
| **31** | Subordinated obligations amount that complies with Schedule 1-S | 46 | 0.00 | |
| **32** | Subordinated obligations subject to transitory status that are computed as complementary capital | 47 | 0.00 | |
| **33** | Deferred income taxes (payable) associated with deferred charges and prepayments | 26 - J | 0.00 | |
| | **Stockholders' equity** | | | |
| **34** | Contributed capital that complies with Schedule 1-Q | 1 | 3,918.63 | BG29 |
| **35** | Results of previous years | 2 | 3,277.67 | BG30 |
| **36** | Result from valuation of instruments for cash flow hedging of items recorded at fair value | 3 | 0.00 | BG30 |
| **37** | Other elements of earned capital other than the above | 3 | 1,448.44 | 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 | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | | | |
|---|---|---|---|---|
| **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 Statement of Financial Position** | | | |
| **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 | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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

| Concept | Amount of equivalent positions | Capital requirement |
|---|---|---|
| Transactions in local currency with nominal rate | 4,904 | 392 |
| Transactions in local currency debt securities with a surcharge and a revisable rate | 1,324 | 106 |
| Transactions in local currency with real rate or denominated in UDIs | 86 | 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 | 3 | 0 |
| Positions in national currency with a rate of return referred to the growth of the general minimum wage | 0 | 0 |
| Foreign currency transactions with nominal rate | 66 | 5 |
| Positions in foreign currencies or with yields indexed to the exchange rate | 91 | 7 |
| Positions in Gold | 5 | 0 |
| Positions in shares or with yield indexed to the price of a share or group of shares | 0 | 0 |

TABLE IV.2

| Concept | Risk-weighted assets | Capital requirement |
|---|---|---|
| Group III (weighted at 20%) | 644.86 | 51.59 |
| Group III (weighted at 50%) | 297.84 | 23.83 |
| Group III (weighted at 100%) | 0.25 | 0.02 |
| Group IV (weighted at 20%) | 179.94 | 14.40 |
| Group V (weighted at 20%) | 172.33 | 13.79 |
| Group V (weighted at 50%) | 554.93 | 44.39 |
| Group V (weighted at 150%) | 73.22 | 5.86 |
| Group VI (weighted at 50%) | 1,350.97 | 108.08 |
| Group VI (weighted at 75%) | 668.91 | 53.51 |
| Group VI (weighted at 100%) | 7,684.62 | 614.77 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | |
|---|---|---|
| Group VI (weighted at 115%) | 395.37 | 31.63 |
| Group VI (weighted at 150%) | 335.91 | 26.87 |
| Group VII_A (weighted at 20%) | 1,185.21 | 94.82 |
| Group VII_A (weighted at 50%) | 49.73 | 3.98 |
| Group VII_A (weighted at 100%) | 29,414.73 | 2,353.18 |
| Group IX (weighted at 100%) | 3,803.75 | 304.30 |
| Group IX (weighted at 115%) | 217.67 | 17.41 |

TABLE III.3 Weighted assets subject to operational risk

| Risk-weighted assets | Capital requirement |
|---|---|
| 7,731 | 618 |

| Average credit and market risk requirement for the last 36 months | Average positive annual net income for the last 36 months |
|---|---|
| N/A | 4,758 |

As of the end of March 2023, Banca Afirme is classified as Category I, in accordance with the provisions applicable to capital requirements issued by the National Banking and Securities Commission to multiple banking institutions under Article 50 of the General Law of Credit Institutions, Chapter I of Article First Bis.

## ANNEX 1-O Bis
(Before replies with Banco de México)

DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE

I.- Integration of the main sources of leverage
II.- Comparison between total assets and Adjusted Assets
III. - Reconciliation between total assets and on-Statement of Financial Position 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 | On-Statement of Financial Position items (excluding derivative financial instruments and securities lending and repurchase agreements -SFTs- but including collateral received as guarantee and recorded on the Statement of Financial Position) | 149,769 |
| 2 | (Amounts of assets deducted to determine Basel III Tier 1 capital) | 3.3. |
| 3 | On-Statement of Financial Position exposures (Net) (excluding derivative financial instruments and SFTs, sum of lines 1 and 2) | 149,739 |
| | Exposure to derivative financial instruments | |
| 4 | Annual replacement cost associated with all derivative financial instrument transactions (net of allowable cash variation margin) | 58 |
| 5 | Amounts of additional factors for potential future exposure associated with all transactions with derivative financial instruments. | - |
| 6 | Increase in Collateral contributed in operations with derivative financial instruments when said collateral is removed from the Statement of Financial Position in accordance with the operational accounting framework | - |
| 7 | (Deductions to accounts receivable for variation margin in cash contributed in operations with derivative financial instruments) | - |
| 8 | (Exposure for operations in derivatives financial instruments on behalf of clients, in which the clearing partner does not grant its guarantee in case of breach of the debt of the Central Counterpart) | - |
| 9 | Adjusted effective notional amount of subscribed credit derivative financial instruments | - |
| 10 | (Compensations made to the adjusted cash notional of the subscribed credit derivative financial instruments and deductions of the additional factors for the subscribed credit derivative financial instruments) | - |
| 11 | Total exposures to derivative financial instruments (sum of lines 4 to 10) | 58 |
| | Total exposures to derivative financial instruments (sum of lines 4 to 10) | |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| | | |
|---|---|---|
| 12 | Gross SFT assets (without recognition of offsetting), after adjustments for sales accounting transactions | - |
| 13 | (Accounts payable and receivable from SFT cleared) | - |
| 14 | Counterparty Risk Exposure per SFT | 485.70 |
| 15 | Exposures by SFT acting on behalf of third parties | - |
| 16 | Total exposures from securities financing transactions (sum of lines 12 to 15) | 486 |
| | Capital and total exposures | |
| 17 | Off-Statement of Financial Position exposure (gross notional amount) | - |
| 18 | (Adjustments for translation to credit equivalents) | - |
| 19 | Off-Statement of Financial Position items (sum of items 17 and 18) | - |
| | Capital and total exposures | |
| 20 | Tier 1 capital | 2,105 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 150,283 |
| | Leverage ratio | |
| 22 | Basel III Leverage Ratio | **1.40%** |

TABLE II.1

| Reference | ITEM | AMOUNT |
|---|---|---|
| 1 | Total assets | 151,004 |
| 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 | - |
| 3 | Adjustment related to trust assets recognized in the Statement of Financial Position according to the accounting framework, but excluded from the measurement of the exposure of the leverage ratio | - |
| 4 | Adjustment for derivative financial instruments | 0 |
| 5 | Adjustment for securities lending and repurchase transactions | - 692 |
| 6 | Adjustment for memorandum items recognized in memorandum accounts | - |
| 7 | Other adjustments | - |
| 8 | Leverage ratio exposure | 150,312 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

TABLE III.1

| Reference | ITEM | AMOUNT |
|---|---|---|
| 1 | Total assets | 151,004 |
| 2 | Transactions in derivative financial instruments | -58.23 |
| 3 | Securities lending and repurchase agreements and securities lending transactions | -1,177.73 |
| 4 | Trust assets recognized in the Statement of Financial Position in accordance with the accounting framework, but excluded from the leverage ratio exposure measure | 0 |
| 5 | Exhibits in the Statement of Financial Position | 149,769 |

TABLE IV.1

MAIN CAUSES OF THE MOST IMPORTANT ELEMENT VARIATIONS

(NUMERATOR AND DENOMINATOR) OF THE LEVERAGE REASON

| CONCEPT/QUARTER | T-1 | T | VARIATION (%) |
|---|---|---|---|
| Basic Capital 1/ | 2,063 | 2,105 | 2.1% |
| Adjusted Assets 2/ | 152,402 | 150,283 | -1.4% |
| Leverage Ratio 3/ | 1.35% | 1.40% | 3.50% |

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

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

## Characteristics of the obligations

| Reference | Characteristic | QAFIRME-15 Options | BAFIRME-18 Options | BAFIRME-20 Options | BAFIRME-20-2 Options | BAFIRME-22 Options | BAFIRME-22-2 Options |
|---|---|---|---|---|---|---|---|
| 1 | Transmitter | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. |
| 2 | ISIN, CUSIP or Bloomberg identifier | N/A | N/A | N/A | N/A | N/A | N/A |
| 3 | Legal framework<br>Regulatory treatment | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular | Law of Credit Institutions<br>Credit Institutions, Circular Única de Bancos, Single Banking Circular |
| 4 | Capital level with transience | Basic 2 | Complementary | Complementary | Complementary | Complementary | Complementary |
| 5 | Capital level without transience | Basic 2 | Complementary | Complementary | Complementary | Complementary | Complementary |
| 6 | Instrument level | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries |
| 7 | Type of instrument | Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares. | Subordinated Non-Preferred Capital Debentures Not Convertible into Shares | Subordinated Non-Preferred Capital Debentures Not Convertible into Shares | Subordinated Non-Preferred Capital Debentures Not Convertible into Shares | Subordinated Non-Preferred Capital Debentures Not Convertible into Shares | Subordinated Non-Preferred Capital Debentures Not Convertible into Shares |
| 8 | Amount recognized in regulatory capital | 800.00 MDP Recognized as part of non-core capital. | 2,534.12 MDP Recognized within supplementary capital. | 2,534.12 MDP Recognized within supplementary capital. | 2,534.12 MDP Recognized within supplementary capital. | 2,534.12 MDP Recognized within supplementary capital. | 2,534.12 MDP Recognized within supplementary capital. |
| 9 | Instrument nominal value | $ 100.00 (One hundred pesos 00/100 MN) each. | $ 100.00 (One hundred pesos 00/100 MN) each. | $ 100.00 (One hundred pesos 00/100 MN) each. | $ 100.00 (One hundred pesos 00/100 MN) each. | $ 100.00 (One hundred pesos 00/100 MN) each. | $ 100.00 (One hundred pesos 00/100 MN) each. |
| 9A | Instrument currency | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos |
| 10 | Accounting classification | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost |
| 11 | Date of issue | 04/02/2015 | 11/10/2018 | 27/03/2020 | 22//10/2020 | 15/02/2022 | 14/09/2022 |
| 12 | Instrument term | Perpetuity | Maturity | Maturity | Maturity | Maturity | Maturity |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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

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

## LIQUIDITY COVERAGE RATIO DISCLOSURE

In compliance with Annex 5 of Article 8 stipulated in Section III of the General Provisions on Liquidity Requirements for Multiple Banking Institutions, the format for disclosing the liquidity coverage ratio for the first quarter of 2023 is detailed below:

| LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM | | | |
|---|---|---|---|
| LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM (Figures in millions of Mexican Pesos) | | Unweighted amount (average) | Weighted amount (average) |
| **COMPUTABLE LIQUID ASSETS** | | | |
| 1 | Total Computable Liquid Assets | Not applicable | 21,626 |
| **CASH OUTFLOWS** | | | |
| 2 | Unsecured Retail Financing | 25,635 | 2,009 |
| 3 | Stable funding | 11,096 | 555 |
| 4 | Less stable financing | 14,539 | 1,454 |
| 5 | Unsecured wholesale funding | 37,580 | 17,212 |
| 6 | Operational deposits | 0 | 0 |
| 7 | Non-operational deposits | 37,211 | 16,843 |
| 8 | Unsecured debt | 368 | 368 |
| 9 | Guaranteed Wholesale Financing | Not applicable | 633 |
| 10 | Additional requirements: | 11,157 | 1,829 |
| 11 | Outputs related to derivative financial instruments and other collateral requirements | 1,358 | 1,257 |
| 12 | Outputs related to losses from the financing of debt instruments | 0 | 0 |
| 13 | Lines of credit and liquidity | 9,799 | 572 |
| 14 | Other contractual financing obligations | 3 | 3 |
| 15 | Other contingent financing obligations | 0 | 0 |
| 16 | TOTAL CASH OUTPUTS | Not applicable | 21,686 |
| **CASH INPUTS** | | | |
| 17 | Cash inflows for guaranteed operations | 98,664 | 132 |
| 18 | Cash inflows for unsecured operations | 7,361 | 4,961 |
| 19 | Other cash inflows | 6,235 | 6,235 |
| 20 | TOTAL CASH INPUTS | 112,261 | 11,328 |
| | | | Adjusted amount |
| **21** | **TOTAL COMPUTABLE LIQUID ASSETS** | **Not applicable** | **21,626** |
| **22** | **TOTAL NET OF CASH OUTPUTS** | **Not applicable** | **10,358** |
| 23 | LIQUIDITY COVERAGE COEFFICIENT | Not applicable | 210.26% |

| | Average First Quarter 2023 |
|---|---|
| Average daily individual CCL for the quarter | 210.27% |
| Quarterly consolidated daily CCL average | 210.26% |

- 90 calendar days of the quarter corresponding to January - March 2023 are considered.
- During the period under review, the main change was due to cash inflows from other cash inflows and a decrease in non-operating deposits.
- The evolution of the composition of Eligible and Computable Liquid Assets was as follows:

| January | February | March |
|---|---|---|
| 12.99% | -11.83% | 19.95% |

- Banca Afirme has no foreign currency mismatch.
- The centralization of liquidity management is concentrated in Banca Afirme.

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

| Month | Exits | Tickets |
|---|---|---|
| January | 12.4 | 12.7 |
| February | 39.4 | 39.3 |
| March | 0.6 | 0.6 |

**figures in millions of pesos*

## DISCLOSURE OF NET STABLE FUNDING RATIO

In compliance with Annex 10 of Article 8 stipulated in Section III of the General Provisions on Liquidity Requirements for Multiple Banking Institutions, the disclosure format of the net stable funding ratio for the first quarter 2023 is detailed.

| | | Individual Figures | | | | | Consolidated Figures | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Unweighted amount by residual term | | | | Weighted amount | Unweighted amount by residual term | | | | Weighted amount |
| | (Amounts in millions of pesos) | Without caducity | < 6 month | From 6 months to < 1 year | >1 year | | Without caducity | < 6 month | From 6 months to < 1 year | >1 year | |
| | **ELEMENTS OF THE AMOUNT OF STABLE FINANCING AVAILABLE** | | | | | | | | | | |
| 1 | Capital: | 8,604 | - | - | 2,536 | 11,140 | 8,604 | - | - | 2,536 | 11,140 |
| 2 | *Fundamental capital and non-fundamental basic capital.* | 8,604 | - | - | - | 8,604 | 8,604 | - | - | - | 8,604 |
| 3 | *Other capital instruments.* | - | - | - | 2,536 | 2,536 | - | - | - | 2,536 | 2,536 |
| 4 | Retail deposits: | - | 24,150 | 403 | 19 | 22,887 | - | 24,150 | 403 | 19 | 22,887 |
| 5 | *Stable deposits.* | - | 20,621 | 301 | 5 | 19,439 | - | 20,621 | 301 | 5 | 19,439 |
| 6 | *Less stable deposits.* | - | 3,529 | 102 | 14 | 3,448 | - | 3,529 | 102 | 14 | 3,448 |
| 7 | Wholesale financing: | - | 44,051 | 2,859 | 50 | 19,549 | - | 44,051 | 2,859 | 50 | 19,549 |
| 8 | *Operational deposits.* | - | - | - | - | - | - | - | - | - | - |
| 9 | *Other wholesale financing.* | - | 44,051 | 2,859 | 50 | 19,549 | - | 44,051 | 2,859 | 50 | 19,549 |
| 10 | Interdependent liabilities | - | - | - | - | - | - | - | - | - | - |
| 11 | Other liabilities: | 3,867 | 139,347 | 158 | 4,832 | 28,022 | 3,867 | 139,347 | 158 | 4,832 | 28,022 |
| 12 | *Liabilities for derivatives for purposes of the Financing Coefficient Stable Net* | Not applicable | - | - | - | Not applicable | Not applicable | - | - | - | Not applicable |
| 13 | *All liabilities and own resources not included in the categories previous.* | 3,867 | 139,347 | 158 | 4,832 | 28,022 | 3,867 | 139,347 | 158 | 4,832 | 28,022 |
| **14** | **Total Amount of Stable Financing Available** | Not applicable | Not applicable | Not applicable | Not applicable | 81,599 | Not applicable | Not applicable | Not applicable | Not applicable | 81,599 |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

| ELEMENTS OF THE REQUIRED STABLE FINANCING AMOUNT | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | Total liquid assets eligible for purposes of the Coefficient of Net Stable Financing. | Not applicable | Not applicable | Not applicable | Not applicable | 600 | Not applicable | Not applicable | Not applicable | Not applicable | 600 |
| 16 | Deposits with other financial institutions for purposes operational. | - | - | - | - | - | - | - | - | - | - |
| 17 | Current loans and securities: | - | 338,564 | 10,211 | 28,944 | 54,513 | - | 338,950 | 10,579 | 29,163 | 55,124 |
| 18 | *Guaranteed financing granted to financial institutions with liquid assets level I eligible.* | - | 319,800 | 26 | 251 | 15,988 | - | 319,800 | 26 | 251 | 15,988 |
| 19 | *Guaranteed financing granted to financial institutions with different eligible liquid assets level I.* | - | - | - | - | - | - | - | - | - | - |
| 20 | *Guaranteed financing granted to counterparties other than financial institutions, the which:* | - | 16,217 | 9,722 | 28,041 | 37,481 | - | 16,656 | 10,090 | 28,258 | 38,066 |
| 21 | *They have a credit risk weighting less than or equal to 35% according to the Basel Standard Method for Credit Risk II.* | - | 11,258 | 5,938 | 24,381 | 29,222 | - | 11,491 | 6,025 | 24,444 | 29,436 |
| 22 | *Housing loans (in force), of which:* | - | - | - | 75 | 50 | - | - | - | 76 | 76 |
| 23 | *They have a credit risk weighting less than or equal to 35% according to the Standard Method established in the Provisions.* | - | 324 | 724 | 9,684 | 8,755 | - | 324 | 724 | 9,684 | 8,755 |
| 24 | *Debt and equity securities other than Eligible Liquid Assets (that are not in default).* | - | 2,547 | 464 | 577 | 993 | - | 2,494 | 464 | 577 | 993 |
| 25 | Interdependent assets. | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 26 | Other Assets: | 13,627 | 12,067 | 2,123 | 422 | 8,203 | 13,628 | 11,335 | 2,168 | 444 | 8,146 |
| 27 | *Physically traded commodities, including gold.* | - | - | - | - | - | - | - | - | - | - |
| 28 | *Initial margin awarded in transactions in derivative financial instruments and contributions to the loss absorption fund of central counterparties* | Not applicable | - | - | - | - | Not applicable | - | - | - | - |
| 29 | *Assets by derivatives for purposes of the Net Stable Financing Coefficient.* | Not applicable | - | - | - | - | Not applicable | - | - | - | - |
| 30 | *Liabilities for derivatives for purposes of the Net Stable Financing Coefficient before deduction for the change in the initial margin* | 0.5 | - | - | - | 0.4 | 0.4 | - | - | - | 0.4 |
| 31 | *All assets and operations not included in the above categories.* | 13,627 | 12,067 | 2,123 | 422 | 8,203 | 5,834 | 2,115 | 113 | 83 | 8,145 |
| 32 | Off-balance sheet operations. | Not applicable | - | - | - | - | Not applicable | - | - | - | - |
| **33** | **Total Amount of Stable Financing Required.** | Not applicable | Not applicable | Not applicable | Not applicable | 63,316 | Not applicable | Not applicable | Not applicable | Not applicable | 63,870 |
| 34 | **Net Stable Financing Coefficient (%).** | **Not applicable** | **Not applicable** | **Not applicable** | **Not applicable** | **128.88%** | **Not applicable** | **Not applicable** | **Not applicable** | **Not applicable** | **127.76%** |

| | **Average First Quarter 2023** |
|---|---|
| Average individual CFEN for the quarter | 128.88% |
| Average consolidated CFEN for the quarter | 127.76% |

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

| **Net Stable Funding Ratio** | **January 2023** | **February 2023** | **March 2023** |
|---|---|---|---|
| Amount of Stable Financing Required | 65,126.10 | 63,586.63 | 62,897.68 |
| Amount of Stable Financing Available | 84,295.58 | 80,504.47 | 79,997.88 |

**figures in millions of pesos*

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

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

In accordance with Annex 11 of the Liquidity Provisions, the entities listed below, members of Afirme Grupo Financiero may receive financial support up to the amount indicated in accordance with the approval of the Board of Directors' meeting held on April 25th, 2023:

| Name of the Entities | Amount of Financing | Type of operation |
|---|---|---|
| Arrendadora Afirme, SA de CV, SOFOM | $2,000 | Line of credit derived from a term loan agreement |
| Factoraje Afirme, SA de CV, SOFOM | $1,000 | Line of credit derived from a term loan agreement |
| Almacenadora Afirme, S.A. de C.V., Auxiliary Credit Organization | $3,190 | Line of credit derived from a term loan agreement |
| Afirme Insurance | $25 | CCC for firm deposits and overdrafts |
| Banco de Inversión Afirme, SA de CV, Multiple Banking Institution | $6,085 | Call money line |

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

| Name of the Entities | Amount of Financing |
|---|---|
| Arrendadora Afirme, SA de CV, SOFOM | $2,000 |
| Factoraje Afirme, SA de CV, SOFOM | $1,000 |

In addition, to address liquidity problems, the Institution has a Contingency Plan for Banca Afirme that was approved by the Board of Directors on April 25th, 2023, which contains corrective actions to address liquidity stress situations.

**Principal Sources of Financing**

In general, the financing needs of the Institution's loan portfolio are covered by traditional fundraising; however, other liquidity elements are maintained in case they are required, such as lines of credit and the capacity to issue bank paper in the market, with no legal, regulatory, or operational limitations.

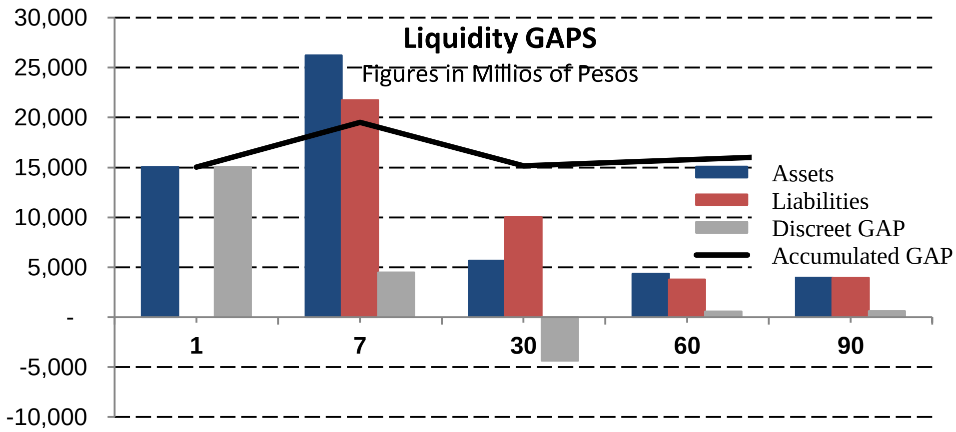
| Traditional Capture<br>March 31, 2023 | |
|---|---|
| Demand deposits | 38,960 |
| Time deposits | 40,652 |
| Debt Securities Issued | - |
| Capture without movement | 93 |
| **Total** | **79,705** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

**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 liquidity risk, the Liquidity Coverage Ratio (LCR) and liquidity bands are determined, considering the nature of the assets and liabilities of the Statement of Financial Position over a period of time.

Banca Afirme accumulated 60-day band was $ 15,766 million pesos at the end of 1Q 2023, a level that respected the established limit. The bands per term up to 90 days would be as follows:




On a daily basis, the Liquidity Coverage Ratio (LCR) is monitored to comply with the requirements imposed by the Supervisory Authority. The LCR sets a minimum threshold to promote short-term resilience of the liquidity risk profile, ensuring that the institution holds sufficient high-quality liquid assets to withstand a significant stress scenario over a 31-day period.

As of March 31, 2023, the Liquidity Coverage Ratio stands at 174%. In order to illustrate the behavior of the LCR, the following values are presented, comparing the closing values of 1Q 2023 to the previous quarter.

| **CCL Evolution** | **December 2022** | **March 2023** |
|---|---|---|
| Computable Liquid Assets (Weighted) | 27,454 | 29,617 |
| Net 31-day outflows | 17,055 | 16,978 |
| **CCL** | **161%** | **174%** |

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

Below is the evolution of Computable Liquid Assets compared to the immediately preceding quarter:

| Evolution of Computable Liquid Assets (Unweighted) | December 2022 | March 2023 |
|---|---|---|
| Liquid Assets Level 1 | 27,454 | 29,181 |
| Liquid Assets Level 2 | - | 513 |
| **Total Liquid Assets** | **27,454** | **29,617** |

As of March 31, 2023, the Net Stable Funding Ratio is 127.19%.

| Net Stable Funding Ratio | December 2022 | March 2023 |
|---|---|---|
| Amount of Stable Financing Required | 57,035 | 62,898 |
| Amount of Stable Financing Available | 79,979 | 79,998 |
| **CFEN** | **140%** | **127%** |

The liquidity-adjusted market VaR is interpreted as the loss incurred by the bank for the time it would take to liquidate the securities position in the market, for which the liquidity-adjusted VaR is estimated as the product of the daily market VaR times the square root of 10.

In order to show the behavior of the VaR adjusted for liquidity, the values at the end of Q1 2022 compared to the previous quarter are presented below.

| Trading Business Unit | VaR adjusted for liquidity | |
|---|---|---|
| | 31-Dec-2022 | Mar 31, 2023 |
| Money Desk | (10.67) | (10.76) |
| Treasury | (17.55) | (16.25) |
| **Global** | **(17.02)** | **(12.62)** |

Below is the average Value at Risk adjusted for liquidity of the monthly closings of the corresponding quarter of the different business units.

| Trading Business Unit | VaR adjusted for average liquidity |
|---|---|
| | jan 2023 - mar 2023 |
| Money Desk | (13.43) |
| Treasury | (15.02) |
| **Global** | **(16.65)** |

In general, the financing needs of the Institution's loan portfolio are covered by traditional fundraising; however, other liquidity elements are maintained in case they are required, such as lines of credit and the capacity to issue bank paper in the market, with no legal, regulatory or operational limitations.

| Traditional Capture<br>March 31, 2023 | |
|---|---|
| Demand deposits | 38,960 |
| Time deposits | 40,652 |
| Debt Securities Issued | - |
| Capture without movement | 93 |
| **Total** | **79,705** |

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (Amounts in Millions of Mexican pesos)

ANNEX 35

CERTIFICATE

Mr. Mario Alberto Chapa Martinez, as in my official capacity as the Pro-Secretary of the Board of Directors of Banca Afirme S.A., Institución de Banca Múltiple, Afirme Grupo Financiero, I hereby provide the formal certification for the purpose of general decisions regarding liquidity requirements for multiple banking institutions. Accordingly, at the board of Directors meeting held on January 24, 2023, the Board of Directors of the aforementioned institution determined that the following entities, which are members of Afirme Grupo Financiero, are eligible to receive support up to the respective amounts indicated in the following table:

| Entities Denomination | Financial Amount | Type of Operation |
|---|---|---|
| Arrendadora Afirme, SA de CV SOFOM | $2,000 | Line of credit derived from a contract with a term. |
| Factoraje Afirme SA de CV SOFOM | $1,000 | Line of credit derived from a contract with a term. |
| Almacenadora Afirme SA de CV Organización Auxiliar de Crédito | $3,190 | Line of credit derived from a contract with a term. |
| Seguros Afirme | $25 | CCC for time deposits and overdrafts. |
| Banco de Inversión Afirme SA de CV Institución de Banca Múltiple | $6,085 | Call Money Line |

Figures in Millios of Pesos

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

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

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

Sincerely,

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

Banca Afirme, S.A., Institución de Banca Múltiple, Afirme Grupo Financiero

**Derivatives**

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

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

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

Specific objectives include:

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

- Reduce the duration gaps for the portfolio of assets and liabilities with rigorous market valuation.
- Reduction of capital requirements in positions subject to determining fixed margins, with the consequent use of alternative business opportunities.

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

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

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

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

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

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

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

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

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

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

The positions, results, risk measures and monitoring of the limits are included in the daily reports issued by the UAIR, and said report is sent to the operating personnel, as well as to Senior Management.
Procedures are continuously reviewed internally and annually by a third party within the process of auditing the 31 requirements of the Bank of Mexico.

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

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

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

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

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

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

Based on our internal funding sources, which primarily consist of our stable clients, we have the capacity to meet any derivative-related requirements. These clients provide us with a current liquidity of over 26.5 billion, which more than adequately covers any liquidity risk, including derivative operations. In addition, we have ample external capabilities with credit lines exceeding 15 billion, of which only 1.5 billion is currently utilized. Hence, we can conclude that Banca Afirme has very adequate liquidity to address liquidity requirements, including those related to derivative operations.

During the quarter, no significant changes were observed in exposure to the major risks mentioned earlier.

The underlying instrument to which we were exposed during the first quarter of 2023 was the Interbank Interest Rate (TIIE), which experiences daily fluctuations in line with market movements. However, these changes did not result in significant new obligations or affect the institution's liquidity.

The impact on cash flow as of the close of 1Q 2023 is presented below:

| | **Amount** |
|---|---|
| Interest Paid | 4,268 |
| Interest Collected | 50,055 |
| **Net effect** | **45,787** |

*Amounts in thousands of pesos*

The following table shows the impact on Derivatives Valuation Results for 1Q 2023:

| | **Balance December 2022** | **Balance March 2023** | **Quarterly effect** |
|---|---|---|---|
| **Swaps Trading** | 4,108 | 3.3. | 7.11% |
| **Swaps Hedging** | 3.3. | 19,738 | 33,171 |
| **Cap** | 1 | - | 7.11% |

*Amounts in thousands of pesos*

During this quarter, 2 interest rate *swaps* matured, 6 transactions were carried out and 5 derivative financial instruments were discontinued.

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

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

**Summary of Derivative Financial Instruments**
Figures in thousands of pesos as of March 31, 2023

| Type of derivative | End | Notional | Asset value | | Fair value | | Maturity amounts | |
|---|---|---|---|---|---|---|---|---|
| | | | Current quarter | Previous quarter | Current quarter | Previous quarter | 2023 | Later |
| SWAP TIIE | Coverage | 4,372,063 | 11.52 | 10.77 | 16,176 | 213,909 | 8,775 | 4,363,287 |
| SWAP TIIE | Negotiation | 15,250,000 | 11.52 | 10.77 | 16,535 | 44,147 | 15,250,000 | - |
| SWAP TIIE* SWAP | Negotiation | 300,000 | 11.52 | 10.77 | -10,539 | -12,267 | 300,000 | - |

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

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

**Rate Sensitivity Derivatives**
Figures in thousands of pesos as of March 31, 2023

| 25 BP[1/] | 50 PB | 100 PB | 150 PB | 200 PB |
|---|---|---|---|---|
| 7,877 | 15,753 | 31,507 | 47,260 | 63,013 |

*1/ PB: basis 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.

**Annex - Breakdown of appropriations**
**Current Accumulated**
**March 31, 2023**
**Figures in millions of pesos**

| Type of Credit / Institution | Foreign Institution (Yes/No) | Date of signature/contract | Expiration date | Interest rate and/or surcharge | Designation [axis]. | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | National currency [member]. | | | | | | Foreign currency [member]. | | | | | |
| | | | | | Time interval [axis]. | | | | | | Time interval [axis]. | | | | | |
| | | | | | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. |
| **Breakdown of appropriations [line items].** | | | | | | | | | | | | | | | | |
| **Bankers [synopsis].** | | | | | | | | | | | | | | | | |
| BAJIO | | | | | | | | | | | | | | | | |
| BANCA AFIRME | | | | | | | | | | | | | | | | |
| BANCA AFIRME | | | | | | | | | | | | | | | | |
| TOTAL | | | | | - | - | - | - | - | - | - | - | - | - | - | - |
| **With guarantee (banking)** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Commercial Bank** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Other banking** | | | | | | | | | | | | | | | | |
| NAFIN | No | | Indefinite | TIIE + 1 | | 458 | - | - | - | - | | 1 | - | - | - | - |
| BANCOMEXT | No | | Indefinite | TIIE + 1 | | - | - | 40 | 6 | 1,053 | | - | - | - | - | - |
| FIRA | No | | Indefinite | TIIE + 0.50 | | 1,782 | 100 | 95 | 230 | 1,122 | | - | - | - | 13 | - |
| TOTAL | | | | | - | 2,240 | 100 | 135 | 236 | 2,175 | - | 1 | - | - | 13 | - |
| **Total banking** | | | | | - | 2,240 | 100 | 135 | 236 | 2,175 | - | 1 | - | - | 13 | |
| | Foreign Institution (Yes/No) | Date of signature/contract | Expiration date | Interest rate and/or surcharge | Designation [axis]. | | | | | | | | | | | |
| | | | | | National currency [member]. | | | | | | Foreign currency [member]. | | | | | |
| | | | | | Time interval [axis]. | | | | | | Time interval [axis]. | | | | | |
| | | | | | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. |
| **Stock exchanges and private placements [synopsis].** | | | | | | | | | | | | | | | | |
| **Listed securities (unsecured)** | | | | | | | | | | | | | | | | |
| STOCK CERTIFICATES | | | Various | Several | 918 | | | | | | | | | | | |
| SUBORDINATED DEBENTURES | | | sep-32 | tiie 2.80% | 15 | | | | | 3,334 | | | | | | |
| TOTAL | | | | | 933 | - | | | | 3,334 | | | | | | |
| **Listed securities (with guarantee)** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Private placements (unsecured)** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Private placements (with guarantee)** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Total stock market listings and private placements** | | | | | 933 | - | - | - | - | 3,334 | - | - | - | - | - | - |
| | Foreign Institution (Yes/No) | Date of signature/contract | Expiration date | Interest rate and/or surcharge | Designation [axis]. | | | | | | | | | | | |
| | | | | | National currency [member]. | | | | | | Foreign currency [member]. | | | | | |
| | | | | | Time interval [axis]. | | | | | | Time interval [axis]. | | | | | |
| | | | | | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. |
| **Other current and non-current liabilities with cost [synopsis].** | | | | | | | | | | | | | | | | |
| **Other current and non-current liabilities with cost** | | | | | | | | | | | | | | | | |
| VISUAL PICKUP | | | Various | Several | 36,726 | | | | | | 2,234 | | | | | |
| TERM CAPTURE | | | Various | Several | 38,275 | 1,056 | 77 | 1 | | | 1,243 | | | | | |
| TOTAL | | | | | 75,001 | 1,056 | | 1 | | | 3,478 | | | | | |
| **Total other current and non-current liabilities with cost** | | | | | 75,001 | 1,056 | 77 | 1 | | | 3,478 | | | | | |
| | Foreign Institution (Yes/No) | Date of signature/contract | Expiration date | Interest rate and/or surcharge | Designation [axis]. | | | | | | | | | | | |
| | | | | | National currency [member]. | | | | | | Foreign currency [member]. | | | | | |
| | | | | | Time interval [axis]. | | | | | | Time interval [axis]. | | | | | |
| | | | | | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. |
| **Suppliers [synopsis].** | | | | | | | | | | | | | | | | |
| **Suppliers** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Total suppliers** | | | | | | | | | | | | | | | | |
| | Foreign Institution (Yes/No) | Date of signature/contract | Expiration date | Interest rate and/or surcharge | Designation [axis]. | | | | | | | | | | | |
| | | | | | National currency [member]. | | | | | | Foreign currency [member]. | | | | | |
| | | | | | Time interval [axis]. | | | | | | Time interval [axis]. | | | | | |
| | | | | | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. | Current year [member]. | Up to 1 year [member]. | Up to 2 years [member]. | Up to 3 years [member]. | Up to 4 years [member]. | Up to 5 years or more [member]. |
| **Other current and non-current liabilities without cost [synopsis].** | | | | | | | | | | | | | | | | |
| **Other current and non-current liabilities at no cost** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |
| **Total other current and non-current non-cost liabilities** | | | | | | | | | | | | | | | | |
| **Total credits** | | | | | **75,934** | **3,296** | **177** | **136** | **236** | **5,509** | **3,478** | **1** | **-** | **-** | **13** | **-** |