

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirmé Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

COMPREHENSIVE RISK MANAGEMENT

The function of identifying, measuring, monitoring, controlling and reporting the different types of risk to which Banca Afirmé is exposed, is in charge of the Comprehensive Risk Management Unit (UAIR), which reports to the Risk Policies Committee, an entity instituted by the Banca Afirmé Board of Directors in order to monitor the comprehensive risk management process.

The Risk Policies Committee establishes risk policies and strategies, monitors them and monitors their compliance.

The key UAIR objectives are the following:

- Standardize risk measurement and control.
- Protect the capital of the institution against unexpected losses due to market movements, credit defaults, liquidity of resources and operational, legal and technological risks.
- Develop valuation models for the different types of risks.
- Carry out diagnoses based on Comprehensive Risk Management, availability and quality of risk information.

Banca Afirmé has methodologies for risk management in its different phases, such as credit, legal, liquidity, market and operational. Risk evaluation and management has been divided into the following areas:

- I. Quantifiable risks are those for which it is possible to form statistical bases that allow measuring potential losses, and within these are the following:
 1. Discretionary risks are those resulting from taking a risk position, such as:
 - a) Market risk
 - b) Credit risk
 - c) Liquidity risk
 2. Non-discretionary risks are those resulting from the operation of the business, but which are not the result of taking a risk position.
 - a) Operational risk including:
 - Technological risk
 - Legal risk
- II. Non-quantifiable risks, which are those derived from unforeseen events for which a statistical base cannot be established to measure potential losses.

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirmé Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

In order to identify, measure, monitor, limit, control and disclose the different types of risks that it faces in its daily activities, Banca Afirmé in its daily processes in terms of Risk Management adheres to the "General provisions applicable to credit institutions" published in the Official Gazette of the Federation on December 2, 2005. Banca Afirmé considers the modifications to said Provisions that are modified through Resolutions published in the aforementioned Official Gazette.

The updating and improvement of the policies and procedures for risk management has been a continuous process, in accordance with the established objectives and with the participation of all the areas involved, continuously maintaining the dissemination of the Risk Manual and its continuous updating, to through the Banca Afirmé Intranet Network.

Market risk

Market Risk is defined as the volatility of income due to changes in the market, which affect the valuation of positions for active, passive or contingent liability operations, such as: interest rates, exchange rates, price indices, among others.

To measure market risk, Banca Afirmé applies the non-parametric historical simulation methodology to calculate the Value at Risk (VaR), considering a confidence level of 97.5%, a time horizon of 1 day and a history of 260 days.

The meaning of the VaR, under this method, is the potential overnight loss that could be generated in the valuation of the portfolios on a certain date, under the assumption that the 259 immediate historical scenarios are repeated in the future, these scenarios are arranged from greater loss to greater profit and the VaR is determined based on the confidence level of 97.5%.

This methodology is applied to all the portfolios that Banca Afirmé has identified as Business Units and that are exposed to variations in risk factors that directly affect their valuation (domestic interest rates, surcharges, foreign interest rates, rates exchange, among others).

By the third quarter of 2023, in the *Money Market* portfolio, there is a position of 153,469 million pesos.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

In order to display the behavior of the VaR during Q3 2023, the values at the end of the third quarter of 2023 are presented, as well as the comparison with the previous quarter, for each business unit of the portfolios shown.

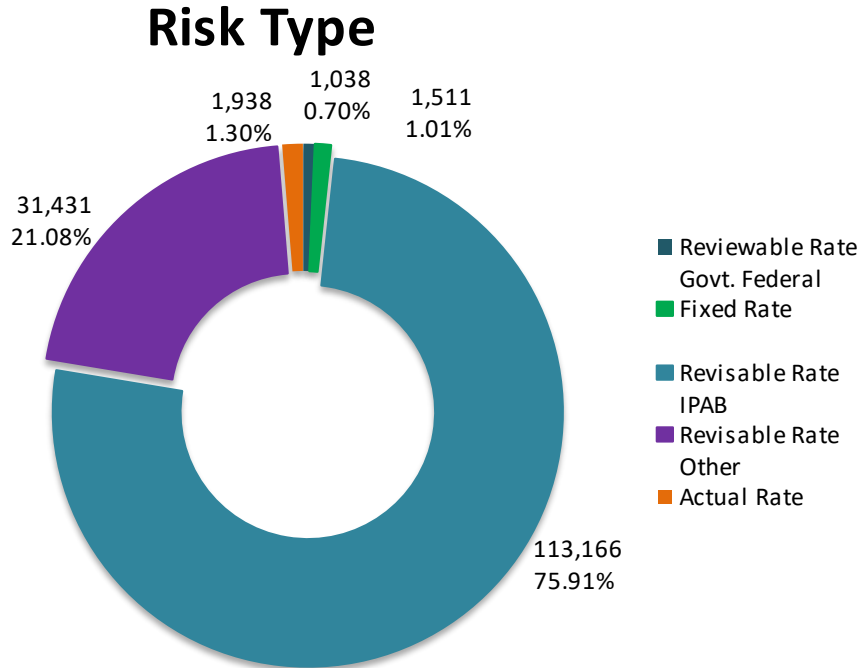
Trading Business Unit	It will depend on the context, but "Var" could be an abbreviation for "Variable".	
	June 30, 2023	September 29, 2023
Money table	(16.27)	(17.05)
Treasury	(4.60)	(3.04)
Global	(16.77)	(16.78)

Business Unit Held-to-maturity	It will depend on the context, but "Var" could be an abbreviation for "Variable".
	September 29, 2023
Treasury	(2.08)
Global	(2.08)

The following graph shows the composition of the Total portfolio for Banca Afirme at the end of Q3 2023 according to the Type of Risk:

Risk Type	Amount *
Federal Government Review Rate	1,038
Actual Rate	1,938
Revisable Rate IPAB	113,166
Revisable Rate Other	31,431
Exchange rate	-
Fixed rate	1,511
Total	149,084

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)



Note: *Within the portfolio composition at the close of 3Q 2023, 1,038 MDP from the issuance XR_BREMSR_251023 are considered, which is a Reportable Monetary Regulation Bond from the Bank of Mexico, with the purpose of regulating liquidity in the money market.

The average global VaR during the second quarter of 2023 was 15.60, which corresponds to 0.15% of the net capital. The following is the average Value at Risk for the corresponding quarter for the different business units.

Trading Business Unit	Average VaR
	July 2023 – September 2023
Money table	(14.80)
Treasury	(3.86)
Global	(15.60)

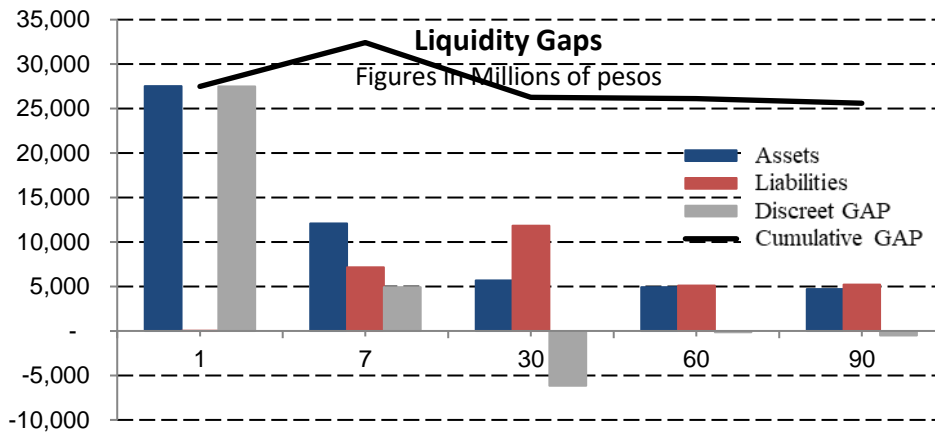
Business Unit Held-to-maturity	Average VaR
	July 2023 – September 2023
Money table	-
Treasury	(2.04)
Global	(2.04)

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Liquidity risk

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

The accumulated band at 60 days from Banca Afirme was \$26,114 million pesos at the close of the 3rd quarter 2023, a level that respected the established limit. The bands for term up to 90 days would be the following:



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

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

As of September 29, 2023, the Liquidity Coverage Ratio is 171%. In order to show the performance of the CCL, the values at the end of 3Q 2022 compared to the previous quarter are shown below.

CCL Evolution	June 2023	September 2023
Computable Liquid Assets (Weighted)	40,103	36,285
Net Exits at 30 days	21,503	21,217
CCL	187%	171%

* Information before replicas from Banxico.

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

Computable Liquid Assets Evolution (Unweighted)	June 2023	September 2023
Liquid Assets Level 1	39,327	35,171
Liquid Assets Level 2	912	1,311
Total Liquid Assets	40,103	36,482

* Information before replicas from Banxico.

As of September 29, 2023, the Net Stable Funding Ratio is 160.42%.

Net Stable Funding Ratio	June 2023	September 2023
Amount of Stable Financing Required	57,960	58,814
Amount of Stable Financing Available	92,029	94,348
CFEN	159%	160%

* Information before replicas from Banxico.

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

In order to show the behavior of the liquidity-adjusted VaR, the values at the end of Q3 2023 are presented below, compared to the previous quarter.

Trading Business Unit	Liquidity-adjusted VaR	
	June 30, 2023	September 29, 2023
Money table	(51.44)	(53.92)
Treasury	(14.55)	(9.62)
Global	(53.03)	(53.05)

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

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

Trading Business Unit	VaR adjusted for average liquidity
	July 2023 – September 2023
Money table	(46.79)
Treasury	(12.21)
Global	(49.33)

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

Traditional Catchment September 29, 2023	
Immediate demand deposits	42,555
Fixed term deposits	44,567
Credit Securities Issued	-
Capture without movements	112
Total	87,244

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

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

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

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

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

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

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.

Credit risk

Credit Risk is defined as a potential loss in credit due to non-payment of a borrower or counterparty.

Therefore, since Credit Risk is the risk that clients do not comply with their payment obligations, its correct administration is essential to maintain a quality credit portfolio.

The objectives of Credit Risk Management at Affirme Banking are:

- Calculate credit risk exposure over time, considering and evaluating the concentration of exposures by risk ratings, geographic regions, economic activities, currencies and type of product.
- Create diversification strategies for the credit portfolio, defining limits for it.
- Implementation of a global credit risk management supervising all operations and aspects related to credit risk.

The methodology used by the Bank to determine the expected and unexpected losses of the loan portfolio is based on the *Enhanced Credit Risk +* model (a variant of the original *Credit Risk +* from Credit Suisse). This model generates calculations taking into account the diversification of the portfolio by sectors, as well as the risk considering the correlation of the sectors in which it has participation, that is, the risk taking into account the client's participation within different sectors.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

For the probability of default of the loan portfolio, the criteria are applied in accordance with the general rating methodology established in the provisions issued by the National Banking and Securities Commission. For this calculation, only the Banca Afirme portfolio is considered (without subsidiaries/affiliates).

The result of our Exhibition, Expected Loss with *Recover* (Recovery Factor) and Credit VaR with *Recover* at the end of 3Q 2023 is as follows:

VaR as of September 30, 2023

Portfolio	Exposition	Expected Loss (Without Recover)	Recover	Expected Loss (With Recover)	VaR @ 99% (With Recover)
Commercial	36,740	2,554	64%	914	2,104
Mortgage	12,625	1,261	94%	78	101
Personal Loans	4,619	717	22%	556	621
Credit card	1,360	244	26%	181	194
Self-term	4,935	248	42%	143	168
Total	60,280	5,024		1,872	3,189

* VaR @ 99% [Credit Risk + Methodology]

As can be observed, the VaR was set at \$3,189 million, which meant a consumption of 106.3% of the authorized limit of \$3,000 million. It should be noted that any excess is notified to the Council through the Institution's collegiate bodies where it is determined whether the excess is acceptable or not.

The following shows the composition of Banca Afirme's portfolio as of September 29, 2023, according to the credit quality of the various counterparts:

Exposure by Credit Quality
 (Emissions and derivatives)

Instrument	Sovereign Risk	Development Banking Risk	Non-Sovereign Risk
Fixed rate	1,511	-	-
Reviewable Rate Govt. Federal	1,038	-	-
Reviewable Rate IPAB	113,166	-	-
Real Rate	1,681	257	-
Revisable Rate Other	-	19,515	11,916
Total	117,396	19,772	11,916

Note: Within the portfolio composition at the close of 3Q 2023, 1,038 MDP from the issuance XR_BREMSR_251023 are considered, which is a Reportable Monetary Regulation Bond from the Bank of Mexico, with the purpose of regulating liquidity in the money market.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Non-Sovereign Risk Issuance Rating			
Rating agency			Market Value
Fitch	S&P	Moody's	
AAA (mex)	mxAAA		199
AAA (mex)		AAA.mx	171
F1+ (mex)			178
F1+ (mex)	mxA-1+	ML A-1.mx	215
	mxA-1+		80
		AAA.mx	126
	mxAAA		1,126
Total			2,095

Note: Development Bank issues are not considered within the exposure by rating.

Like the loan portfolio, the VaR and the expected loss are calculated both for financial instruments in the debt market and for derivative operations. For this purpose, default curves and recovery factors published by the rating agencies are used and are the risk factors that are applied to the *CreditRisk +* model referred to above.

Interest rate risk

The Bank's balance sheet is exposed to interest rate movements that affect the relationship of interest charged and interest paid. To measure this effect, the methodology based on the repricing of assets, liabilities and derivatives that are in the Institution's balance sheet under the "*Earnings at Risk*" approach is used, in this methodology the effect of an increase in rates is calculated of interest in the positions, assuming that this effect affects them in the period of time between their repricing date and 1 year. Therefore, all assets and liabilities are grouped into bands in the repricing gap and a movement in interest rates is simulated. It is assumed that there is a parallel movement in interest rates and there is no base or reference curve risk. Liabilities that do not have a specific expiration date are considered differently depending on whether they have a cost or not. If the liabilities have a cost, they are included in band 1 (1 day) of the repricing gap, while if they have no cost, they are in a band greater than 1 year.

In this regard, and applying the aforementioned methodology, at the end of September 2023, there is a sensitivity that a 50 basis point increase in the interest rate (TIIE) would result in a gain of 16.6 million pesos. If symmetry is assumed, a 50 basis point reduction would have the opposite effect.

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

Non-Discretionary Risk Management

The Institution has implemented a procedure for the daily report of operational incidents that are registered in a database. Each incident is evaluated at the operating unit level where its owners are responsible for its processes and risk mitigation mechanisms. Any incident that originates an accounting loss constitutes an operational risk event that is recorded in said database, which is controlled by the Comprehensive Risk Management Unit.

Each incident or event of operational risk is classified according to its origin and particular characteristics, each effect is identified against previously established risk factors. Next, a probability of occurrence and a level of economic impact are assigned that is scaled to the type of impact and its importance based on internal statistics that allows generating a risk indicator.

This procedure is an aid in determining the level of risk tolerance. However, the Risk Policies Committee is the body that proposes to the Board the level of tolerance by type of risk for the entire financial year. This tolerance level is segregated by type of non-discretionary risk, that is, there is a tolerance level for operational risk, one for legal risk and another for technological risk, highlighting that image risk, also known as risk Reputational risk is considered an integral element of operational risk. The tolerance level is periodically monitored against events that have led to an accounting loss and are dealt with in the Risk Policies Committee.

The following table shows a summary of the authorized tolerance level and the amount of risk effectively materialized as of September 30, 2023.

Tolerance Level Table

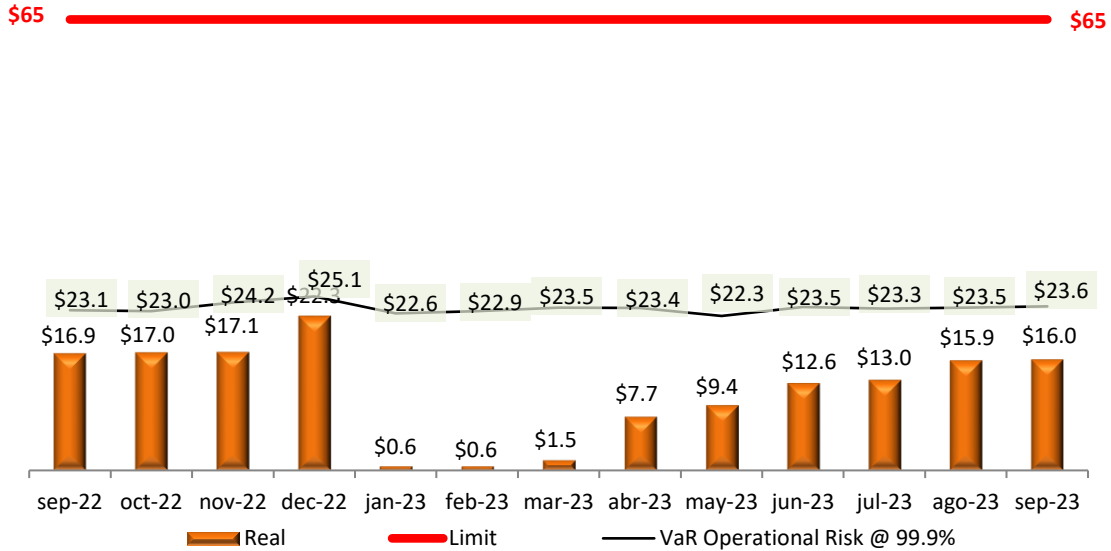
Total Authorized Level	Royal
In millions	In millions
\$65.0	\$16.0

The monthly average amount of the last twelve months amounts to \$ 1.8 million pesos and incorporates the three types of non-discretionary risk mentioned above.

In order to estimate the losses that the materialization of non-discretionary risks would generate on the business, the institution currently has a VaR model established that is based on the probability of occurrence and degree of impact of historically observed risk events. This VaR is treated monthly in the Risk Policies Committee and is based on statistics collected in a database managed by the Risk Management Unit.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Operating ("VaR" for its acronym in Spanish) Chart



The Operational Risk VaR has been estimated at \$23.6 million at a confidence level of 99.9% at the close of 3Q2023. In accordance with the materialized risk events, the actual losses amounted to \$16.0 million pesos and represent 24.6% of the level authorized by the Board.

Non-Quantifiable Risk Management

Non-quantifiable risks are those that originate from fortuitous events over which the institution has no control, such as hurricanes, earthquakes, floods and other incidents classified as acts of God or force majeure.

At the close of Q3 2023, no incidents of this nature were reported, so the business operations of the Institution continued as usual. However, it is important to highlight that the institution has coverage for non-quantifiable risks through insurance policies that are reviewed annually and has established a contingency plan called "Disaster Recovery Plan" that allows to mitigate the effects of a force majeure event.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Main indicators of assets at risk

Based on the Law of Credit Institutions, Banxico requires credit institutions to have a minimum percentage of capitalization over assets at risk. The required capitalization percentage is 10.5 percent.

As of June 30, 2023, the Institution satisfactorily met this requirement. Next, the assets at risk and capitalization index are presented.

	3Q 2023*	2Q 2023	Variation%
Assets at Credit Risk	49,988.3	47,761.1	4.66%
Assets at Market Risk	9,638.7	10,694.9	-9.88%
Assets at Operational Risk	8,411.1	7,999.8	5.14%
Total Assets at Risk	68,038.1	66,455.8	2.38%
Basic Capital	7,927.5	7,666.4	3.41%
Complementary Capital	2,564.8	2,557.0	0.31%
Net Capital	10,492.2	10,223.4	2.63%
Capitalization Index	15.4%	15.4%	0.24%

* Information before replicas from Banxico.

Portfolio Rating:

The Bank carries out its portfolio qualification process applying the Methodology established in Chapter V "Credit Portfolio Qualification" of the Provisions issued by the Commission.

In accordance with the Provisions, the Bank uses, for the purposes of rating the commercial portfolio, information related to the quarters ending in the months of March, June, September and December and records preventive reserves in the accounting at the end of each quarter. corresponding, considering the balance of the debt registered on the last day of the aforementioned months.

For the two months after the close of each quarter, the rating corresponding to the credit in question that has been used at the close of the quarter immediately prior to the balance of the debt recorded on the last day of the aforementioned months may be applied. However, when they have an intermediate rating after the end of said quarter, the latter may be applied to the aforementioned balance.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

To comply with article 138 of the Sole Circular, the consumer, housing and commercial loan portfolio is presented below by degree of risk A-1, A-2, B-1, B-2, B-3, C- 1, C-2, D and E:

Risk level	September 2023		June 2023	
	Portfolio	Reserves	Portfolio	Reserves
A-1	44,455	204	43,681	213
A-2	6,715	92	5,018	74
B-1	2,719	68	2,510	63
B-2	1,375	44	1,216	42
B-3	811	36	780	35
C-1	1,942	165	2,141	182
C-2	1,141	127	1,058	116
D	2,070	676	2,148	699
E	1,353	879	1,390	886
Except	0	0	0	0
Total	62,581	2,291	59,942	2,310

Amounts in millions of pesos

According to article 129 of the Unique Circular, as of December 31, 2013, the classification of preventive reserves of the loan portfolio is as follows:

PERCENTAGE OF PREVENTIVE RESERVES				
RISK GRADES	COMMERCIAL PORTFOLIO	HOUSING PORTFOLIO	CONSUMER PORTFOLIO	
			Non-Revolving Consumption	Revolving Consumption
A-1	0 to 0.9	0 to 0.50	0 to 2.0	0 to 3.0
A-2	0.901 to 1.5	0.501 to 0.75	2.01 to 3.0	3.01 to 5.0
B-1	1,501 to 2.0	0.751 to 1.0	3.01 to 4.0	5.01 to 6.5
B-2	2.001 to 2.50	1,001 to 1,50	4.01 to 5.0	6.51 to 8.0
B-3	2,501 to 5.0	1,501 to 2.0	5.01 to 6.0	8.01 to 10.0
C-1	5.001 to 10.0	2001 to 5.0	6.01 to 8.0	10.01 to 15.0
C-2	10.001 to 15.5	5.001 to 10.0	8.01 to 15.0	15.01 to 35.0
D	15.501 to 45.0	10.001 to 40.0	15.01 to 35.0	35.01 to 75.0
E	Greater than 45.0	40.001 to 100.0	35.01 to 100.0	Greater than 75.01

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

As of January 2022, the NIF C16 standard (IFRS 9) came into force for the calculation of preventive reserves for credit risks according to the Provisions, classifying the credit portfolio into risk stages and calculating the preventive reserves under the expected losses model and full-life reserves according to the following:

- Current portfolio - risk stage 1 and risk stage 2 - Reserve expected loss
 - $Reservas\ Etapa\ 1\ o\ 2_i = PI_i^X \times SP_i^X \times EI_i^X$
- Overdue portfolio - risk stage 3 - takes the maximum value between the expected loss Reserve and full life reserve
 - $Reservas\ Etapa\ 3_i = Max(Reservas\ Vida\ Completa_i, PI_i^X \times SP_i^X \times EI_i^X)$

Commercial portfolio

As of December 2013, the Institution is rating the business portfolio and the portfolio in charge of federal government entities and decentralized federal, state and municipal agencies with the methodology established by the C.N.B.V. which was published in the DOF of June 24, 2013 and applying the modifications of the new methodology for rating the commercial portfolio and calculating the preventive reserves published on March 13, 2020.

With the new rating methodology, reserves are determined considering the probability of default, the severity of the loss and the exposure to default, in accordance with the provisions of the Sole Banking Circular and analyzing the quantitative and qualitative factors applying the following rating Annexes:

Portfolio to Companies:

Annex 21.- Rating model for the portfolio in charge of legal entities and individuals with business activity with net sales or annual net income less than 14 million Udis, which considers exclusively quantitative factors, analyzing the following risk factors: payment experience according to information from the credit information society, payment experience with the credit institution, credit risk, credit risk, etc.

Annex 22.- Model to qualify the portfolio in charge of legal entities and individuals with business activity with net sales or annual net income greater than 14 million Udis, analyzing the following risk factors as appropriate: a) Quantitative factors: payment experience, according to information from the credit information society, payment experience with the Institution and financial risk, b) Qualitative Factors: country and industry risk, customer dependence, transparency and standards, organizational and shareholder structure.

Portfolio to Financial Institutions:

As of March 2014, the Institution is rating the portfolio in charge of financial entities with the new methodology established by the C.N.B.V. which was published in the DOF of June 24, 2013 and applying the modifications to the qualification methodology published on March 13, 2020:

Annex 20.- Model to qualify the portfolio in charge of financial institutions, analyzing the following risk factors as appropriate: a) Quantitative factors: payment experience, according to information from the credit information society, payment experience with the Institution and financial risk, b) Qualitative factors: business context, organizational structure and management competence.

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

Credits to Federative Entities, Municipalities and their Decentralized Organizations:

As of October 2011, the Institution is grading the portfolio of Federal Entities and Municipalities with the new methodology established by the C.N.B.V. applying the new Annex 18 - Qualification and provisioning method applicable to loans held by Federal Entities and Municipalities, which was published in the DOF of October 5, 2011 and applying the modifications to the qualification methodology published on March 13, 2020. With the new rating methodology, reserves are determined by considering the probability of default, the severity of the loss and the exposure to default, in accordance with the provisions of the Single Circular and analyzing the following risk factors: a) Quantitative: payment experience with credit information companies, payment experience with the Institution itself and financial risk, b) Qualitative: financial strength and transparency.

Housing mortgage portfolio

As of March 2011, the Institution is qualifying the housing mortgage portfolio with the new methodology established by the C.N.B.V. and published in the DOF in October and November 2010, which establishes that the reserves will be determined considering the probability of default, the severity of the loss and the exposure to default for each loan, in accordance with the provisions of the Sole Circular, and analyzing the following factors: number of arrears to the rating date, maximum historical delay, willingness to pay, current loan to value, integration of the credit file and the type of currency; Likewise, in the DOF of January 6, 2017 modifications to the rating methodology were published, which were applied as of June 2017, incorporating into the model variables of the borrower on their credit behavior registered in the Credit Information Societies such as months elapsed since the last delay greater than thirty days and applying the modifications on the new rating methodology and precautionary reserves calculation publishes on March 13th, 2020.

Consumer loans

As of March 2011, the Institution is rating the non-revolving consumer portfolio with the new methodology established by the CNBV and published in the DOF in October and November 2010, which establishes that the reserves will be determined considering the probability of default, the severity of the loss and the exposure to default for each loan, in accordance with the provisions of the Sole Circular, and analyzing the following factors according to the type of credit in question: number of arrears on the rating date, maximum historical delay, willingness to pay, percentage representing the credit balance, original amount of the credit, arrears index, percentage that the remaining term represents of the total term of the credit, number of times the borrower pays the original value of the asset, type of credit, and in group credits among other factors, considering the number of arrears on the rating date, the willingness to pay, the number of people that make up the group to which the borrower belongs and the average number of cycles of the group the borrower belongs to. Likewise, in the DOF of January 6, 2017 modifications to the rating methodology were published, which were applied as of June 2017, incorporating variables of the borrower on their credit behavior registered in the Credit Information Companies into the model. such as months elapsed since the last delay greater than thirty days, amount to be paid to the Institution, amount to be paid reported in the credit information companies, balance reported in the credit information companies, debt levels, monthly income of the borrower, seniority of the Borrower in the Institution, seniority of the Borrower with Institutions.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

In accordance with the modifications made by the Commission to the Provisions published in the DOF on August 12, 2009, the Bank rates the revolving consumer portfolio related to credit card operations considering the following factors: balance to be paid, payment made, credit limit, minimum payment required, default of payment; Likewise, in the DOF of December 16, 2015 modifications to the rating methodology were published, which were applied as of April 2016, incorporating variables of the borrower on their credit behavior registered in the Credit Information Societies into the model. such as the amount to be paid to the Institution, the amount to be paid reported in the credit information companies, months that have elapsed since the last delay of more than one day from the borrower in his credit commitments, as well as the length of time of the borrower at the Institution. The amount of the credit card reserves will be determined considering the probability of default, the severity of the loss and the exposure to default, in accordance with the provisions of the Provisions.

Likewise, the modifications of the new rating methodology and calculation of preventive reserves published on March 13, 2020 were applied.

Below is the portfolio rating table of the total portfolio of the Bank with figures as of September 30, 2023:

DEGREES OF RISK	Commercial Portfolio		Housing Portfolio		Non-Revolving Consumer Portfolio		Revolving Consumer Portfolio: Credit Card		TOTAL PORTFOLIO	
	Portfolio	Reserves	Portfolio	Reserves	Portfolio	Reserves	Portfolio	Reserves	Portfolio	Reserves
A-1	28,636	113	9,599	14	5,743	46	477	31	44,455	204
A-2	5,141	57	711	4	579	14	284	17	6,715	92
B-1	1,234	20	291	3	1,062	36	132	9	2,719	68
B-2	287	6	392	5	644	29	52	5	1,375	45
B-3	265	9	167	3	332	18	47	5	811	35
C-1	1,329	122	166	5	371	27	76	11	1,942	165
C-2	57	7	569	46	399	44	116	30	1,141	127
D	1,160	422	471	111	322	72	117	71	2,070	676
E	393	259	203	107	712	474	45	39	1,353	879
Except	0	0	0	0	0	0	0	0	0	0
Total qualified portfolio	38,502	1,015	12,569	298	10,164	760	1,346	218	69,581	2,291

Other concepts:

Interest cobrados for anticipantín	-302	0	0	0	0	0	0	0	-302	0
Qualified Contingent Credits Adjustment (Letters of Credit and Guarantees Granted)	-1,173	0	0	0	0	0	0	0	-1,173	0
Total	37,027	1,015	12,569	298	10,164	760	1,346	218	61,106	2,291

Qualified Credit Portfolio without Contingencies	37,329	1,015	12,569	298	10,164	760	1,346	218	61,408	2,291
---	---------------	--------------	---------------	------------	---------------	------------	--------------	------------	---------------	--------------

Additional Reserves										85
Total Reserves Balance										2,376

Amounts in millions of pesos

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

The following table presents the movement of the 3rd quarter of fiscal year 2023 of the estimated preventive reserves of the Bank's portfolio:

Portfolio Segment	Movement of reserves					Balance at the end of the quarter (Balance Reserve)
	Balance at the beginning of the quarter (Balance Reserve)	Creation of reservations	Applications by: Penalties and Remissions	Other Movements Recovery/Special Creations	Variation by exchange rate	
COMMERCIAL PORTFOLIO	1,129	22	-136	0	0	1,015
Housing Portfolio	305	11	-18	0	0	298
Non-Revolving Consumer Portfolio	678	333	-251	0	0	760
Revolving Consumer Portfolio: Credit Card	198	70	-50	0	0	218
Additional Reserves	86	-1	0	0	0	85
Total closing of the quarter	2,396	435	-455	0	0	2,376

Amounts in millions of pesos

The following is the estimation of preventive reserves of the commercial portfolio by economic sector as of June 30, 2023 and September 30, 2023:

Economic Sector	Balance Reserve Jun'2023	Balance Reserve Sep'2023
Mining and Petroleum	303	303
Commerce	266	202
Services	206	181
ELECTRICITY AND WATER	112	117
Construction	98	96
Others	143	116
Total	1,128	1,015

Amounts in millions of pesos

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

The following table presents a comparison as of September 30, 2023, of exposures with credit risk, reported credit reserves, and those derived from gross exposures, without considering the effects of credit risk hedging techniques, broken down by the main types of credit portfolio:

Concept:	Portfolio	Exposure to Default	Reserves	Bookings *	Gross Exposures
Portfolio to Companies with sales of less than 14 million UDIs	22,515	22,515	517	627	21,888
Portfolio to Companies with sales greater than 14 million UDIs	11,671	11,671	488	905	10,766
Portfolio to Government Sector Entities	2,952	2,952	9	16	2,936
Portfolio to Financial Institutions	191	191	2	2	189
Total Commercial Credit Portfolio *	37,329	37,329	1,015	1,550	35,779
Housing Portfolio	12,569	12,569	297	297	12,272
Non-Revolving Consumer Portfolio: Auto	10,164	10,164	760	760	9,404
Revolving Consumer Portfolio: Credit Card	1,346	2,451	219	219	2,232
Total Loan Portfolio	61,408	62,513	2,291	2,826	59,687

* Reserve without considering Risk mitigants
 Amounts in millions of pesos

The following is the geographical distribution of credit exposures broken down into the main federal entities, with figures as of September 30, 2023:

Federal entity	Commercial Portfolio	Housing Portfolio	Non-Revolving Consumer Portfolio	Revolving Consumer Portfolio: Credit Card	Total Loan Portfolio
Nuevo León	26,535	4,049	3,109	667	34,360
Mexico City	2,346	1,527	775	79	4,727
Coahuila	1,744	728	1,046	116	3,634
Jalisco	1,428	869	531	41	2,869
Baja California	998	575	315	24	1,912
Others	4,278	4,821	4,388	419	13,906
Total	37,329	12,569	10,164	1,346	61,408

Amounts in millions of pesos

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

The following table presents the distribution by economic sectors of the exposures of the commercial portfolio, with figures as of September 30, 2023:

Economic Sector	Commercial Portfolio
Commerce	10,568
Services	7,458
ELECTRICITY AND WATER	5,212
Construction	3,868
Governmental entities	2,952
Manufacturing	2,392
Others	4,879
Total	37,329

Amounts in millions of pesos

The following is the distribution of remaining terms for credit exposures, with figures as of September 30, 2023:

Deadline to expire	Commercial Portfolio	Housing Portfolio	Non-Revolutioning Consumer Portfolio	Revolving Consumer Portfolio: Credit Card	Total Loan Portfolio
Credits with terms already overdue	1,315	7	66	0	1,388
1 to 184 days	10,537	1	1,173	0	11,711
185 to 366 days	547	5	313	0	865
From 367 to 731 days	3,567	17	919	0	4,503
732 to 1,096 days	4,171	46	2,316	0	6,533
1,097 to 1,461 days	2,830	68	2,341	0	5,239
1,462 to 1,827 days	1,555	137	2,522	0	4,214
More than 1,827 days	12,807	12,288	514	1,346	26,955
Total	37,329	12,569	10,164	1,346	61,408

Amounts in millions of pesos

The following table presents the age of the portfolio in stage 3 of the total portfolio of the Bank with figures as of September 30, 2023:

Range of days past due	Commercial Portfolio	Housing Portfolio	Non-Revolutioning Consumer Portfolio	Revolving Consumer Portfolio: Credit Card	Total
Default from 1 to 180 days	98	142	415	37	692
Default from 181 to 365 days	909	122	47	0	1,078
Delay greater than 365 days	1,344	437	5	0	1,786
Total Overdue Portfolio	2,351	701	467	37	3,556

Amounts in millions of pesos

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Next, the Bank's commercial portfolio is presented, classified into Stage 1, Stage 2, and Stage 3 with figures as of September 30, 2023, sorted by risk levels, federal entities, and economic sectors:

Current, Overdue, and Troubled Commercial Portfolio by degree of risk:

Risk level	Commercial Portfolio Stages 1 and 2						Commercial Portfolio Stage 3		Total Portfolio	
	Commercial Portfolio Stage 1		Commercial Portfolio Stage 2		Total Commercial Portfolio Stages 1 and 2		Commercial Portfolio Stage 3		Purse	Bookings
	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings		
A-1	27,524	113	0	0	27,524	113	0	0	27,524	113
A-2	5,080	57	0	0	5,080	57	0	0	5,080	57
B-1	1,234	20	0	0	1,234	20	0	0	1,234	20
B-2	287	6	0	0	287	6	0	0	287	6
B-3	259	9	6	0	265	9	0	0	265	9
C-1	321	21	7	1	329	22	1,000	100	1,329	122
C-2	42	5	14	2	56	7	1	0	57	7
D	123	24	55	16	178	40	982	382	1,160	421
AND	3	1	22	10	24	12	369	248	393	259
Excepted	0	0	0	0	0	0	0	0	0	0
Total	34,873	257	105	28	34,978	286	2,351	730	37,329	1,015

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Current, Overdue, and Troubled Commercial Portfolio by State:

Federal entity	Commercial Portfolio Stages 1 and 2						Commercial Portfolio Stage 3		Total Portfolio	
	Commercial Portfolio Stage 1		Commercial Portfolio Stage 2		Total Commercial Portfolio Stages 1 and 2		Commercial Portfolio Stage 3			
	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings	Purse	Bookings
Aguascalientes	116	1	4	0	120	2	60	24	180	25
Baja California	998	5	0	0	998	5	0	0	998	5
Campeche	6	0	0	0	6	0	0	0	6	0
Chihuahua	389	2	0	0	389	2	10	6	399	8
Mexico City	2,225	14	10	2	2,235	16	111	67	2,346	84
Coahuila	1,680	15	17	8	1,696	22	47	32	1,744	54
Colima	301	3	4	1	305	4	6	3	310	7
Durango	32	1	0	0	32	1	1	1	33	2
State of Mexico	362	4	16	5	378	10	29	14	407	23
Guanajuato	285	2	2	0	287	2	3	2	290	4
Warrior	215	1	1	0	216	2	2	2	219	4
Jalisco	1,364	11	6	1	1,370	12	58	35	1,428	47
Michoacan	530	5	1	0	531	6	6	4	537	10
Morelos	25	0	3	0	28	1	5	2	33	3
Nuevo León	24,548	171	38	8	24,586	180	1,949	501	26,535	681
Puebla	153	3	0	0	153	3	9	6	162	9
Queretaro	320	3	0	0	320	3	4	3	324	7
Quintana Roo	54	1	1	0	55	1	7	4	62	6
San Luis Potosi	135	5	1	0	136	5	1	1	137	6
Sinaloa	225	3	0	0	225	3	6	4	231	8
Sonora	77	1	0	0	77	1	3	3	81	3
Tamaulipas	466	4	0	0	466	4	33	15	499	19
Yucatan	368	2	2	0	370	2	1	0	371	2
Total	34,873	257	105	28	34,978	286	2,351	730	37,329	1,015

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Current, Overdue and Troubled Commercial Portfolio by Economic Sector:

Economic sectors	Commercial Portfolio Stages 1 and 2						Commercial Portfolio Stage 3		Total Portfolio	
	Commercial Portfolio Stage 1		Commercial Portfolio Stage 2		Total Commercial Portfolio Stages 1 and 2		Commercial Portfolio Stage 3			
	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings	Portfolio	Bookings
AGRICULTURE	318	5	3	1	321	6	7	4	328	10
COMMERCE	10,369	89	20	5	10,389	94	179	108	10,568	202
CONSTRUCTION	3,738	45	17	8	3,755	53	112	43	3,868	96
ELECTRICITY AND WATER	4,210	15	0	0	4,210	15	1,003	101	5,212	117
FINANCIAL ENTITIES	191	2	0	0	191	2	0	0	191	2
GOVERNMENTAL ENTITIES	2,952	9	0	0	2,952	9	0	0	2,952	9
MANUFACTURING	2,336	15	20	3	2,356	18	36	25	2,392	43
MINING AND OIL	220	1	0	0	220	1	754	302	975	303
SERVICES	7,222	54	45	12	7,267	65	191	116	7,458	181
REAL ESTATE SERVICES AND RENTAL	1,838	14	0	0	1,838	14	1	1	1,839	15
TRANSPORT AND COMMUNICATIONS	1,479	9	0	0	1,479	9	68	29	1,547	38
Total	34,873	257	105	28	34,978	286	2,351	730	37,329	1,015

The following table shows the movement of the 3st. third quarter of fiscal year 2023 of the preventive reserves of the commercial portfolio of Stage 3 of the Bank:

Concept:	Sep'2023
Balance at the beginning of the quarter	\$818
Creation of reservations (current or previous period)	47
Applications by: Penalties and Remissions	-136
Balance at the end of the quarter	\$730
Recoveries recorded in the quarter of written-off loans	-8

Amounts in millions of pesos

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

Risk mitigation techniques

In general terms, Credit Risk is mitigated through the use of guarantees. The guarantee is a security that is offered with respect to an economic loss, it is a reinforcement measure that is added to a credit operation in order to mitigate the loss due to non-compliance with the payment obligation. The guarantee is an element to mitigate the severity of the operation in the event of default. Its purpose is to reduce the final loss in operations.

The guarantees aimed at ensuring the fulfillment of the payment of the credits granted to its borrowers can be real and/or personal:

- **Real Guarantees.-** They are those that are constituted on property (movable or immovable) or rights, concrete and determined. They are rights that assure the creditor the fulfillment of the main obligation through the special bond of a good. As a consequence of this special link, in the event of a breach of the guaranteed obligation, the creditor can realize the economic value of the asset through a regulated procedure and be collected with the amount obtained, the preference in the collection in this way being opposable over the rest of creditors.
- **Personal guarantees.-** These confer on the creditor a right of a personal nature or a power that is directed to the guarantor's own assets. The Personal Guarantee is the one that contributes or is derived from a natural or legal person, by virtue of the personal credit that it inspires or deserves.

Real Guarantees:

- The real guarantee is the one based on tangible assets, which the subject of the Credit grants to respond for the obligation contracted with the Credit.
- The collateral that supports a credit operation should be analyzed with respect to the following:
 - a. Degree of cash convertibility
 - b. Tax aspects that may affect your award
 - c. Considering the nature of the asset given as collateral, an Appraisal must be obtained, which should preferably be prepared by a Valuation Expert authorized by the Institution, or a different Appraisal may be accepted in accordance with the established procedures; Likewise, in the case of guarantees located in places where there are no registered Afirme Grupo Financiero experts, the Appraisal prepared by third parties may be used, which could be validated by the Internal Appraisal Area if deemed necessary.

Main Guarantees accepted by the Institution:

Real Guarantees:

- **Mortgage.-** It is the one that is constituted on goods that are not delivered to the creditor and that entitles the latter, in the event that the guaranteed obligation is breached, to be paid the debt with the value of the goods object of the guarantee taking in consideration of the place and degree of preference in its assessment.
- **Pledge.-** The Pledge Guarantee of movable property must be established in accordance with the provisions of article 334 of the General Law of Titles and Credit Operations. The transmission of

BANCA AFIRME, S. A.
Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiaria
Notes to the Consolidated Financial Statements
(Mexican pesos in millions, except when otherwise indicated)

possession depends on the nature of the object good. The Credit Pledge may be authorized in books, which must be contained in the Credit Agreement and it must be stated that the Credits granted in Pledge are listed in notes or lists duly signed by the representatives of the borrower or the third guarantor.

- **Fiduciary.**- The patrimony of the Administration and Payment and Guarantee Trusts can be cash, real estate, furniture, accounts receivable, credit rights, etc.
- **Guarantee with Irrevocable Mandate.**- Liability in charge of the Institution (except at sight) or of any Credit Institution or Holding Companies, formalized through a trust, which are granted to support a Credit operation or, liability in charge of the Institution (except at sight) with Irrevocable Mandate on money of the Institution.
- **Insurance.**- These are contracts that are entered into with the Insurance Companies, which by paying a premium, are obliged to compensate for damage or to pay a sum of money in the event that the loss foreseen in the contract occurs.
- **Letter of Guarantee.**- It is the commitment that a company based abroad acquires to cover the Institution's capital, interests and expenses related to Credits granted to a subsidiary or subsidiary of the former, located in national territory, in the event that it incurs in the breach of its obligations. The foregoing when permitted by the Legal Provisions, requesting a review of said Letter of Guarantee from the Legal Area.
- **Participations in Federal Revenues.**- These are resources periodically received by the state and municipal governments from the national collection of federal revenues.

Personal Guarantees:

- **Guarantee.**- It is a unilateral declaration of the will of a natural or legal person to guarantee by signing the total or partial payment of a Credit title.
- **Solidarity Debt and / or Solidarity Bond.**- It is a document in which a person jointly and severally undertakes to guarantee the debts that the borrower contracts with the Institution, which is formalized through a contract.
- **Bond.**- It is a contract by which a person agrees with the creditor to pay for the debtor if he does not do so. It is an accessory contract in which a creditor, a principal debtor and a guarantor intervene through a contractual relationship. It is a contract by virtue of which a surety institution undertakes to guarantee compliance with obligations with an economic content, contracted by a natural or legal person before another private or public natural or legal person, in the event that that person does not comply.

Regarding the concentration of guarantees, the Institution's portfolio is guaranteed mainly by trusts, mortgages, guarantees granted by the Development Bank and cash guarantees.

In accordance with the rules of Annexes 24 and 25 of the Sole Banking Circular, Afirme considers real and personal guarantees to estimate the Loss Severity used in the standard qualification model of preventive reserves for credit risks reported in the Balance Sheet of the institution.

The following table presents the distribution of the aforementioned guarantees that apply to the commercial portfolio.

BANCA AFIRME, S. A.
 Institución de Banca Múltiple,
 Afirme Grupo Financiero y Subsidiaria
 Notes to the Consolidated Financial Statements
 (Mexican pesos in millions, except when otherwise indicated)

Guarantee Type	% Guarantee
Financial collateral	
- Liquid	2.99%
- BMV Stocks	2.00%
Non-Financial Real Guarantees	
- Trusts	59.41%
Mortgages	22.64%
- Pledge : Certificates	3.81%
- Other	1.31%
Personal Guarantees	
- Insurers and Others	2.00%
Development Bank	5.84%
Total	100.00%

The following table shows the total exposure amount that is covered by financial collateral, non-financial collateral, and admissible personal collateral:

Commercial Portfolio:

Guarantee Type	Indoor exhibition
Financial Real Guarantees	985
Non-Financial Real Guarantees	17,241
Guarantees granted by the Development Bank	1,155
Personal and Other Guarantees	396

Amounts in millions of pesos