

A S S E T S		L I A B I L I T I E S   A N D   S T O C K H O L D E R S '   E Q U I T Y	
Cash and cash equivalents	7,632	Deposit funding:	
Margin call accounts	50	Demand deposits	34,240
		Time deposits	26,339
		General public	24,199
		Money market	2,140
Investment securities		Marketable debt securities	232
Trading	110,214	Global deposit account without movements	82
Held-to-maturity	<u>217</u>		<u>60,893</u>
	110,431		
Debtors on repurchase/resell agreements	7,647	Bank and other borrowings:	
Derivatives financial instruments		Short-term	2,554
Trading purposes	17	Long-term	<u>4,111</u>
Hedging purposes	<u>232</u>		6,665
	249		
Current loan portfolio		Creditors on repurchase resell agreements	100,091
Commercial loans:	31,354		
Business or commercial activity	28,441	Derivatives financial instruments	
Financial entities	520	Trading purposes	8
Government entities	<u>2,393</u>	Hedging purposes	<u>87</u>
Consumer loans	7,803		95
Residential mortgage loans:	8,238		
Medium-income housing and residential	8,228	Other accounts payable:	
Low-income housing	<u>10</u>	Employee statutory profit sharing payable	26
	47,395	Sundry creditors and other accounts payable	<u>2,866</u>
Past-due loan portfolio			2,892
Commercial loans:		Subordinated debt issued	2,738
Business or commercial activity	939		
Consumer loans	272	Deferred credits	62
Residential mortgage loans:			
Medium-income housing and residential	674	Total liabilities	<u>173,436</u>
Total past-due loan portfolio	<u>1,885</u>		
	49,280	Stockholders' equity:	
Total loan portfolio		Paid-in capital:	
Less:		Capital stock	3,026
Allowance for loan losses	<u>2,334</u>	Premium on share subscription	263
	46,946	Additional paid-in capital	629
Loan portfolio, net		Earned capital:	
Valuation adjustments of hedging financial assets	5	Statutory reserves	2,981
Other accounts receivable, net	2,262	Result from valuation of cash flow	
Foreclosed assets, net	193	hedgce instruments	122
Premises, furniture and equipment, net	3,884	Remeasurement of defined employees' benefits	(22)
Investments in subsidiaries	99	Net income	<u>210</u>
Deferred income tax, net	576		<u>3,291</u>
Other assets:		Total controlling interest	7,209
Other assets, deferred income charges and intangibles, net	671	Non-controlling interest	-
		Total stockholders' equity	7,209
Total assets	<u>180,645</u>	Total liabilities and stockholders' equity	<u>180,645</u>
		Memorandum accounts:	
		Guarantees granted	1,158
		Loan commitments	8,524
		Assets in trust or under mandate	
		Trust	41,606
		Mandate	<u>42</u>
		Assets in custody or under management	283,645
		Collaterals received by the entity	51,427
		Collaterals received and sold or pledged by the entity	43,997
		Investments on behalf of customers, net	20,160
		Interest accrued but not collected of past-due loan portfolio	104
		Other memorandum accounts	<u>130,657</u>
			<u>581,320</u>

The consolidated balance sheet was prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission based on articles 99, 101 and 102 of the Law for Credit Institutions, general and compulsory enforcement consistently applied, reflecting the operations conducted by the Bank through the date mentioned above which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative rules.  
This consolidated balance sheet was approved by the Board of Directors under the responsibility of the following signing officers:  
The historical capital stock amounts \$2,752.

\_\_\_\_\_  
JESÚS ANTONIO RAMÍREZ GARZA  
Chief Executive Officer

\_\_\_\_\_  
GUSTAVO MANUEL VERGARA ALONSO  
Chief Financial Officer  
Finance Controller

\_\_\_\_\_  
JESÚS RICARDO GÁMEZ DEL CASTILLO  
Chief Financial Officer

\_\_\_\_\_  
DAVID GERARDO MARTÍNEZ MATA  
Director of Internal Audit

Banca Afirme, S. A.  
 Institución de Banca Múltiple, Afirme Grupo Financiero  
 Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.  
 Consolidated Statement Income  
 Period from January 1, to June 30, 2021  
 Millions of Mexican pesos

Interest income		6,852
Interest expense		<u>(4,329)</u>
Financial margin		2,523
Allowance for loan losses		<u>(741)</u>
Financial margin for allowance for loan losses		1,782
Commissions and fees income	1,184	
Commissions and fees expense	(448)	
Financial intermediation income	10	
Other operating income, net	122	
Administrative and promotion expenses	<u>(2,377)</u>	<u>(1,509)</u>
Net operating income		273
Equity method in the results of operations of associates		<u>6</u>
Income before income tax		279
Current IT	(73)	
Deferred IT	<u>4</u>	<u>(69)</u>
Income before non-controlling interest		210
Non-controlling interest		<u>-</u>
Net income		<u><u>210</u></u>

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

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

\_\_\_\_\_  
 JESÚS ANTONIO RAMÍREZ GARZA  
 Chief Executive Officer

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 GUSTAVO MANUEL VERGARA ALONSO  
 Chief Financial Officer  
 Finance Controller

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 JESÚS RICARDO GÁMEZ DEL CASTILLO  
 Chief Financial Officer

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 DAVID GERARDO MARTÍNEZ MATA  
 Director of Internal Audit

**Banca Afirme, S. A.**  
**Institución de Banca Múltiple, Afirme Grupo Financiero**  
**Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.**  
**Consolidated Statement of Changes Stockholders' Equity**  
**Period from January 1, to June 30, 2021**  
**(Millions of Mexican pesos)**

	Paid-in capital			Statutory reserves	Retained earnings	Earned capital Result from valuation of cash flow hedge instruments	Remeasurement of defined employees' benefits	Net income	Total controlling interest	Non-controlling interest
	Capital Stock	Additional paid-in capital	Premium on share subscription							
Balances as of December 31st, 2020	2,498	528	263	2,660	-	2	(22)	321	6,250	-
<b>Changes resulting from stockholders' resolutions:</b>										
Additional paid-in capital		629							629	
Capital increase	528	(528)	-						-	
Appropriation of prior year's result					321			(321)	-	
Constitution of statutory reserves				321	(321)				-	
<b>Changes related to the recognition of comprehensive income:</b>										
Net income								210	210	-
Result from valuation of cash flow hedge instruments						120			120	
Remeasurements of defined employees' benefits							-		-	
Balances as of June 30st, 2021	<u>3,026</u>	<u>629</u>	<u>263</u>	<u>2,981</u>	<u>-</u>	<u>122</u>	<u>(22)</u>	<u>210</u>	<u>7,209</u>	<u>-</u>

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

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

\_\_\_\_\_  
**JESUS ANTONIO RAMIREZ GARZA**  
 Chief Executive Officer

\_\_\_\_\_  
**GUSTAVO MANUEL VERGARA ALONSO**  
 Chief Financial Officer  
 Finance Controller

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**JESUS RICARDO GAMEZ DEL CASTILLO**  
 Chief Financial Officer

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**DAVID GERARDO MARTINEZ MATA**  
 Director of Internal Audit

**Banca Afirme, S. A.**  
**Institución de Banca Múltiple, Afirme Grupo Financiero**  
**Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.**  
**Consolidated Statement of Cash flows**  
**Period from January 1, to June 30, 2021**  
**Millions of Mexican pesos**

Net income		210
<b>Adjustments for items not requiring cash flow</b>		
Result for valuation at fair value	(55)	
Depreciation and amortization	236	
Provisions	480	
Current and deferred income taxes	69	
Equity in earnings of unconsolidated affiliates	(6)	
Profit in the sale of furniture and equipment and assets under operating lease	-	724
		934
<b>Operating activities</b>		
Change in margin call accounts	496	
Change in investment securities	(13,278)	
Change in debtors on repurchase/resell agreements	(2,214)	
Change in loan portfolio	144	
Change in foreclosed assets	18	
Change in other operating assets	5,704	
Change in deposit funding	3,072	
Change in bank loans and other borrowings	218	
Change in creditors on repurchase/resell agreements	7,517	
Change in derivatives	(344)	
Change in subordinated debt issued	3	
Change in other operating liabilities	(2,381)	
Change in valuation adjustments for financial hedging assets	237	(808)
Net cash flows of operating activities		126
<b>Investment activities</b>		
Proceeds from the disposal of premises, furniture and equipment	189	
Payments for acquisition of premises, furniture and equipment	(604)	
Net cash flows of investment activities		(415)
<b>Finance activities</b>		
Net cash flows of additional paid-in capital	629	
Net cash flows of finance activities		629
Net increase in cash and cash equivalents		340
Cash and cash equivalents at the beginning of the period		7,292
Cash and cash equivalents at period end		7,632

\_\_\_\_\_  
**JESUS ANTONIO RAMIREZ GARZA**  
 Chief Executive Officer

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 Chief Financial Officer  
 Finance Controller

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**JESUS RICARDO GAMEZ DEL CASTILLO**  
 Chief Financial Officer

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**DAVID GERARDO MARTINEZ MATA**  
 Director of Internal Audit

# Administration Report

## Banca Afirme

June 2021

*Hoy creamos*

*Hoy creamos*

EMPIEZA A IMAGINARLO

**AFIRME**  
El Banco de Hoy

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

### OPERATING RESULTS.

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

At the end of the second quarter of 2021, the Profit of Banca Afirme totaled 106.4 million pesos, 81.1% higher than the same period of the previous year, this result is mainly due to the decrease in preventive reserves and the increase in net commissions.

### FINANCIAL MARGIN ANALYSIS

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

At the end of the second quarter of 2021, the interest generated by the loan portfolio amounted to 1.372.2 million pesos, a decrease of 5.3% compared to the same period of the previous year. The current portfolio shows an increase of 4.8%, mainly the business portfolio which shows an annual growth of 1.013.5 million pesos (3.7%), the housing portfolio shows an increase of 685.7 million pesos (9.1%), the government portfolio grows 557.8 million pesos (30.4%) and, on the other hand, the Consumer Portfolio decreased 201.9 million pesos (-2.5%) derived mainly from the impact of the COVID19 health contingency, the behavior in the TIIE reference interest rates that went from 5.65% to 4.32% from June 2020 to June 2021, this decrease in the reference rate impacts the interest charged.

Credit Portfolio Interests	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Business Credits	718.9	658.3	675.1	(43.8)	-6.1%
Consumer Credits	474.8	465.0	465.8	(9.0)	-1.9%
Housing Credits	203.9	205.3	191.0	(12.9)	-6.3%
Credits for Gubernamental Entities	36.1	31.7	31.3	(4.8)	-13.3%
Credits for Financial Entities	14.8	8.9	8.9	(5.9)	-39.7%
<b>Total</b>	<b>1,448.6</b>	<b>1,369.2</b>	<b>1,372.2</b>	<b>(76.4)</b>	<b>-5.3%</b>

During the aforementioned period, commissions for credit operations show an annual increase of 48.6%, impacted by some clients who paid early.

<b>Commissions received for Credit Operations</b>	<b>II Q 2020</b>	<b>I Q 2021</b>	<b>II Q 2021</b>	<b>Variation</b>	<b>% Var.</b>
Business Credits	12.6	16.8	22.4	9.8	77.9%
Customer Credits	22.8	25.2	30.2	7.4	32.6%
Housing Credits	4.3	4.4	5.6	1.3	30.1%
Credits for Gubernamental Entities	0.1	0.9	0.9	0.8	961.7%
<b>Total</b>	<b>39.8</b>	<b>47.2</b>	<b>59.1</b>	<b>19.3</b>	<b>48.6%</b>

**INCOME FROM INVESTMENTS IN SECURITIES, REPORT OPERATIONS AND AVAILABILITIES.**

Based on the strategy that Banca Afirme has since 2020, we have continued to grow in positions in search of higher returns. The above was maintained during 2020 and the second quarter of 2021. Despite the large reduction in interest rates in the market, we managed to maintain interest income very similar to the same quarter last year.

Unrestricted trading securities had an increase due to the increase in volume, despite the fact that the result was reduced by the fall in interest rates. The behavior of hedging was extraordinary since, due to the clear downward trend, hedging operations changed significantly, the nature of these operations is to cover our risk in the event of a rise in rates, so the income from these operations gets lower by reducing the volume of these hedges.

<b>Premium, interests and premium derivatives from securities and investments</b>	<b>II Q 2020</b>	<b>I Q 2021</b>	<b>II Q 2021</b>	<b>Variation</b>	<b>% Var.</b>
Not restricted titles to negotiate	1,315.8	1,544.8	1,279.4	(36.4)	-2.8%
Restricted Liquid Assets	48.0	40.8	35.7	(12.2)	-25.5%
<b>Restricted and Repurchase Titles</b>					
Interests CHarged and premiums in favor for repurchase operations	828.1	563.3	511.9	(316.2)	-38.2%
Income from covered operations	13.5	17.3	10.9	(2.5)	-18.8%
<b>Total</b>	<b>2,205.3</b>	<b>2,166.3</b>	<b>1,837.9</b>	<b>(367.4)</b>	<b>-16.7%</b>



## **PRIZES AND INTERESTS DERIVED FROM THE COLLECTION**

At the end of the second quarter 2021, interest expenses show a decrease of 18.1%, mainly explained by interest paid for repurchase agreements, these, as well as in assets, decreased, despite increasing their amount, due to the significant decrease in the interest rates.

The decrease in interest on deposits of immediate enforceability and time deposits, which decreased by 22.8% and 23.4% respectively, occurred because the vast majority are linked to short-term rates, which have had a very significant decrease in recent months. The stock market liability demonstrates a decrease of 41.0% as a consequence of the natural maturity of some securities. As in the previous quarter, with respect to expenses from hedging operations, these increased due to the modification of our strategy in view of the extraordinary year that led us to seek to fix our funding cost.

Interest on subordinated obligations was reduced due to the decrease in the reference rate, since these instruments have the TIIE rate as a reference, which in the last year was considerably reduced.

<b>Expenses from interests</b>	<b>II Q 2020</b>	<b>I Q 2021</b>	<b>II Q 2021</b>	<b>Variation</b>	<b>% Var.</b>
Immediate enforceability deposits	199.8	144.3	154.3	(45.5)	-22.8%
Fixed term deposits	290.6	213.7	222.5	(68.1)	-23.4%
Interbank and other businesses loans	89.1	85.0	83.6	(5.6)	-6.2%
Interests for subordinated liabilities	60.5	51.9	51.6	(8.9)	-14.7%
Bursatile debt	48.4	37.2	28.5	(19.8)	-41.0%
Interests and premiums from repurchase	1,864.8	1,587.5	1,532.5	(332.2)	-17.8%
Expenses from covered operations	27.5	49.0	36.7	9.2	33.6%
Interest from global accounts of funds raised	0.5	1.4	0.2	(0.3)	-56.7%
Other	26.1	24.3	24.4	(1.7)	-6.4%
<b>Total</b>	<b>2,607.3</b>	<b>2,194.3</b>	<b>2,134.5</b>	<b>(472.8)</b>	<b>-18.1%</b>

## FINANCIAL MARGIN RESULT

In the comparison of the financial margin, we managed to reduce the income from interest collected to a lesser extent than that paid, thanks to setting our rates for longer terms and because our assets are funded with lower rates. Thus improving the financial margin and profitability of the Institution.

FINANCIAL MARGIN	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Total of interests charged	3,693.7	3,582.6	3,269.2	-424.4	-11.5%
Total of interests paid	2,607.3	2,194.3	2,134.5	-472.8	-18.1%
<b>Financial Margin</b>	<b>1,086.4</b>	<b>1,388.4</b>	<b>1,134.8</b>	<b>48.4</b>	<b>4.5%</b>

## NON-FINANCIAL INCOME

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

During the second quarter of 2021 there is an increase of 49.8% in the commissions charged, this variation is mainly due to the commissions charged in electronic banking that shows an increase of 100.0% as a consequence of the increase in these services, highlighting the operations in ATMs and POS terminals. The item of other commissions shows an increase of 55.1% as a result of income related to remittances and correspondents, which had a significant increase, the item of fiduciary activities decreased 55.6% due to extraordinary operations during the same period of the previous year.

Commissions and Duties Paid	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Credit operations	12.9	11.8	12.7	(0.2)	-1.5%
Funds transfer	4.2	5.0	6.6	2.3	54.8%
Trust Companies Activities	50.6	27.4	22.5	(28.1)	-55.6%
Appraisals	1.6	3.1	2.0	0.3	21.2%
Account Management	12.5	12.2	13.3	0.7	5.8%
Electronic Banking	207.2	340.4	414.5	207.3	100.0%
Guarantee	0.1	0.1	0.2	0.1	78.7%
Right to severance pay	10.4	23.4	19.4	9.0	86.2%
Insurance	55.1	64.1	47.2	(7.8)	-14.2%
Financial Advisory	0.2	0.1	0.0	(0.1)	-73.3%
Other commissions and duties	56.4	67.6	87.5	31.1	55.1%
Social Wealth Batches	7.5	1.7	1.7	(5.8)	-77.1%
<b>Totals</b>	<b>418.8</b>	<b>556.9</b>	<b>627.5</b>	<b>208.7</b>	<b>49.8%</b>

## **RESULT BY INTERMEDIATION**

The result for the sale and purchase of the second quarter of 2021 has been significantly lower than the comparable in 2020, given the higher risk premium that the market has demanded in some instruments. Some instruments with a revision of more than 90 days had an impact due to the expectation of increases that was reborn in the market.

The reduction in the purchase/sale result and the valuation result was largely offset by a higher financial margin.

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

<b>Intermediate Results</b>	<b>II Q 2020</b>	<b>I Q 2021</b>	<b>II Q 2021</b>	<b>Variation</b>	<b>% Var.</b>
<b>Valuation Results to Fair Market Value and Reduction of Titles valued at cost</b>	59.2	43.8	11.8	(47.4)	-80.0%
Titles to negotiate	59.2	43.8	11.8	(47.4)	-80.0%
Derivatif instruments with coverage purposes	0.0	0.0	0.0	0.0	-64.3%
<b>Results from Sales and Purchase of Securities and Foreign Exchange</b>	71.4	-49.7	4.7	(66.7)	-93.4%
Titles to negotiate	28.9	-81.5	-25.2	(54.1)	-187.4%
Results for Sales and Purchase of Currency	42.5	31.8	29.9	(12.6)	-29.6%
<b>Totals</b>	<b>130.5</b>	<b>(6.0)</b>	<b>16.5</b>	<b>(114.0)</b>	<b>-87.4%</b>

## **OTHER INCOME (EXPENSES) FROM THE OPERATION**

For the close of the second quarter of 2021, the item of other income (expenses) of the operation shows an annual increase of 13.8 million pesos, which represents 48.4%, mainly explained by the item Collection of written-off loans that shows a variation of 17.6 million pesos, due to better management and recovery of relevant credits, on the other hand, the recovery of credits increased 1.9 million pesos, that is, 11.4%, the item of Bonus use of Debit and Credit Cards registers 2.9 million pesos, partially offset by other non-recurring income that decreased 3.7 MP 21.7%, sale of furniture and real estate that decreased 2.7 million pesos by 114.2%, losses increased 1.9 million pesos, which represents 62.6%.

Other income (expenses) from net operation	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Rescued Assets	16.2	62.7	18.1	1.9	11.4%
Accounts Payable clearance	(0.4)	(3.3)	(1.0)	(0.5)	117.5%
Results from operative loan	1.7	1.2	1.3	(0.4)	-24.3%
Collection of Loans	16.1	30.7	33.7	17.6	109.7%
Advisory	0.0	0.0	0.0	0.0	0.0%
Reserve clearance	0.8	1.3	(0.0)	(0.9)	-103.1%
Reserve clearance from other loans	0.2	0.5	0.1	(0.2)	-68.4%
Sale of personal and real property	2.3	0.5	(0.3)	(2.7)	-114.2%
Bond from the use of Debit and Credit Cards	0.0	0.0	2.9	2.9	0.0%
Other funds	17.2	10.2	13.5	(3.7)	-21.7%
Losses from portfolio sales	(1.0)	(1.2)	(0.8)	0.2	-19.6%
Clients bonus	(14.8)	(13.0)	(14.3)	0.4	-3.0%
Other losses	(3.1)	(1.4)	(5.0)	(1.9)	62.6%
Reserve for other amounts debited	(8.3)	(6.5)	(5.3)	3.0	-36.7%
Reserve from awarded goods	1.5	(2.0)	(0.1)	(1.6)	-106.5%
Other	(0.1)	(0.1)	(0.4)	(0.3)	520.4%
<b>Total</b>	<b>28.5</b>	<b>79.4</b>	<b>42.3</b>	<b>13.8</b>	<b>48.4%</b>

## ADMINISTRATION EXPENSES

At the end of the second quarter of 2021, Administration expenses presented a variation of 15.8%, on the one hand, promotion expenses increased by 54.6 million pesos, that is, more than one thousand percent, due to the implementation of promotional campaigns for various products, the Other administrative expenses item increased 12.7% as a result of building maintenance, surveillance and adjustments for the prevention of COVID, fees increased 30.1% as a result of the increase in professional services (mainly portfolio recovery services, Legal fees, procedures, etc.), depreciations increased by 15.0 million pesos, 15.4% due mostly to furniture and equipment as a result of a greater investment in this area.

Administrative Expenses	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Salaries and Claims	310.6	310.2	317.1	6.5	2.1%
Professional Fees	139.7	184.0	181.7	42.0	30.1%
Leases	86.0	94.3	86.5	0.5	0.6%
Marketing	5.1	36.2	59.7	54.6	1,073.0%
Other administrative and operative expenses	262.7	322.1	296.0	33.3	12.7%
Multiple Taxes	52.8	63.7	53.6	0.7	1.4%
Depreciation and Amortization	97.8	106.5	112.8	15.0	15.4%
Nondeductible concepts for ISR	1.6	0.7	2.9	1.3	80.8%
IPAB Contribution	59.8	63.1	62.6	2.8	4.7%
Caused PTU	3.9	14.7	8.5	4.6	117.9%
<b>Total</b>	<b>1,020.0</b>	<b>1,195.6</b>	<b>1,181.4</b>	<b>161.4</b>	<b>15.8%</b>

## CAUSED AND DEFERRED TAXES

Tax on Profit	II Q 2020	I Q 2021	II Q 2021	Variation	% Var.
Caused ISR	17.3	(43.9)	(28.9)	(46.11)	-267.3%
Differed ISR	(29.0)	5.4	(2.5)	26.52	-91.4%
<b>Total</b>	<b>(11.8)</b>	<b>(38.5)</b>	<b>(31.4)</b>	<b>(19.6)</b>	<b>166.7%</b>

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

## FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

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

*Level of indebtedness at the end of the second quarter of 2021*

Banca Afirme's total liabilities as of June 30, 2020 and 2021, have been \$ 159,540.4 million pesos and \$ 173,434.4 respectively. The following table shows the total liabilities of Banca Afirme corresponding to these years:

<b>Total Liability</b>	Jun 20	Mar 21	Jun 21	Var	%
Traditional Fund Raised	52,790.8	57,475.6	60,660.3	7,869.5	14.9%
Titles for Issuing Credits	493.0	231.5	232.3	(260.7)	-52.9%
Interbank Credits and Other Creditors	5,321.7	6,320.3	6,664.6	1,342.8	25.2%
Businesses Repurchase	94,454.3	99,361.6	100,091.5	5,637.2	6.0%
Other payable accounts	3,292.7	2,120.3	2,892.5	(400.3)	-12.2%
Differed Credits	1.0	54.5	60.7	59.6	5800.5%
Other liability	3,186.8	2,885.2	2,832.7	(354.1)	-11.1%
<b>Total Liability</b>	<b>159,540.4</b>	<b>168,449.0</b>	<b>173,434.4</b>	<b>13,894.1</b>	<b>8.7%</b>

## EVOLUTION OF THE BALANCE SHEET

The total assets of Banca Afirme show an increase with respect to June 30 of the previous year of 9.2% mainly due to the increase in the balance of securities to be traded, which increased by 20.7% as a result of a greater operation, for its part the portfolio of outstanding credit shows a growth of 4.8% mainly in the Commercial, Government and Housing portfolio explained above.

The deposits increased its balances, mainly the term deposits, which increased by 15.7%, and the demand deposits increased by 14.5%, on the other hand, a balance in credit instruments was maintained for an amount of 232 million pesos.

RELEVANT INDICATORS						
	I Q 20	IIT 20	IIIT 20	IVT 20	IT 21	IIT 21
<b>Debt Index</b> (nonperforming loan portfolio / total portfolio)	3.21%	2.86%	2.68%	3.15%	3.73%	3.83%
<b>covered nonperforming loan portfolio</b> (preventive estimation/ non-performing loan portfolio)	1.04	1.22	1.47	1.36	1.26	1.24
<b>Operative efficiency</b> (marketing and administrative expenses / total average of assets)	3.18%	2.53%	2.49%	2.52%	2.76%	2.65%
<b>ROE</b> (Capital Profitability)	9.04%	3.98%	6.76%	1.84%	6.26%	5.98%
<b>ROA</b> (Assets profitability)	0.39%	0.15%	0.25%	0.07%	0.24%	0.24%
<b>Liquidity Index</b> (Liquid Assets / Liquid Liability)	0.73	0.82	0.88	0.85	0.90	0.92
<b>MIN</b> (Financial Margin adjusted for Loan Risk / Productive Assets)	3.04%	1.89%	2.20%	1.51%	2.23%	2.04%
Credit Capitalization Index	17.49%	17.39%	18.25%	18.32%	22.06%	21.51%
Total Capitalization Index	13.15%	13.13%	13.20%	14.06%	15.64%	15.78%
Basic Capital Index	10.23%	10.20%	10.32%	10.51%	11.91%	12.06%
<b>Assets subject to credit, market and operative risks</b>						
Credit	41,901	42,469	42,702	44,168	40,669	42,385
Market	6,350	6,646	8,795	5,628	8,726	7,000
Operative	7,487	7,124	7,541	7,761	7,971	8,382
<b>Total</b>	<b>55,738</b>	<b>56,238</b>	<b>59,038</b>	<b>57,557</b>	<b>57,366</b>	<b>57,767</b>

## 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:

- Active and passive 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" by its acronym in spanish) 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 Remuneration Committee is composed of:

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

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

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

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

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

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

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

The personnel included were chosen based on the fact that the decisions they make in their daily activities may involve a risk for the Institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Quantitative Information System Remuneration**

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

- b) Number of employees: 86

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

- c)

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

- d)

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

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

## **OTHER RELEVANT EVENTS**

At the end of the second quarter of 2021, Banca Afirme has an asset level of 180.645 million pesos, showing an increase of 9.2% compared to the same period of the previous year.

The credit titles issued have a balance as of June 30, 2021 of \$ 232 million pesos.

### ***Capitalization***

The Capitalization ratio of Banca Afirme stood at 15.78% at the end of the second quarter of 2021 with a basic capital ratio of 12.06%.

### ***Issuance of Subordinated Obligations.***

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

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of subordinated obligations of preferred or non-preferred capital and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters OFI/003-29279. The issuance of the obligations was carried out through a public offering of up to 20,000,000 subordinated 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 March 2030. Said issuance was for an amount of \$ 500, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 25%.

At the end of the second quarter of 2021, the subordinated obligation program has a balance of 2.738 million pesos.

### ***Arrendadora Afirme Consolidated Company in Banca Afirme***

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

### ***Paid-in capital for the increase of future capital***

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

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

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

### ***Capital increases***

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

## **CERTIFICATION**

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

CP Jesús Antonio Ramírez Garza  
Chief Executive Officer

CP Gustavo Manuel Vergara Alonso  
Chief Financial Officer Finance Controller

CPC Jesús Ricardo Gámez del Castillo  
Chief Financial Officer

CP David Gerardo Martínez Mata  
Director of Internal Audit

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

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At the end of the second quarter of 2021, Banca Afirme has an asset level of 180.645, showing an increase of 9.2% compared to the same period of the previous year.

The credit titles issued have a balance as of June 30, 2021 of \$ 232.

### **Capitalization**

The Capitalization ratio of Banca Afirme stood at 15.78% at the end of the second quarter of 2021 with a basic capital ratio of 12.06%.

### **Issuance of Subordinated Obligations.**

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

### **Increase of share capital**

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

### ***Paid-in capital for the increase of future capital***

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

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

In the Ordinary General Assembly, held on August 26, 2020, the shareholders agreed to make an additional paid-in for the increase of future capital of \$ 223.



## **CERTIFICATION**

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

## **INTERNAL CONTROL**

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

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

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

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

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

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

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

**BANKING SHAREHOLDING AFFIRM**

ENTITY	% OF PARTICIPATION
FONDOS DE INVERSIÓN	99.99%
AFIRME	5.47%
CIRCULO DE CRÉDITO	18.00%
CECOBAN	2.82%
ARRENDADORA AFIRME	99.98%

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

CURRENT AND EXPIRED PORTFOLIO (AMOUNTS IN MILLIONS OF PESOS)						
TYPE OF CREDIT	CURRENT PORTFOLIO			PAST DUE PORTFOLIO		
	II QUARTER 2020	II QUARTER 2021	VAR%	II QUARTER 2020	II QUARTER 2021	VAR%
<b>COMMERCIAL CREDITS</b>	<b>29,646.9</b>	<b>31,353.9</b>	<b>5.8%</b>	<b>627.9</b>	<b>939.1</b>	<b>49.6%</b>
CORPORATE OR BUSINESS ACTIVITY	27,427.3	28,440.8	3.7%	627.9	939.1	49.6%
FINANCIAL INTERMEDIARIES	384.7	520.4	35.3%	0.0	0.0	0.0%
GOVERNMENT ENTITIES	1,834.8	2,392.6	30.4%	0.0	0.0	0.0%
<b>CONSUMER CREDITS</b>	<b>8,005.3</b>	<b>7,803.4</b>	<b>-2.5%</b>	<b>251.1</b>	<b>271.9</b>	<b>8.3%</b>
<b>HOUSING CREDITS</b>	<b>7,551.8</b>	<b>8,237.5</b>	<b>9.1%</b>	<b>451.3</b>	<b>674.3</b>	<b>49.4%</b>
<b>TOTAL</b>	<b>45,204.1</b>	<b>47,394.8</b>	<b>4.8%</b>	<b>1,330.3</b>	<b>1,885.4</b>	<b>41.7%</b>

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

<b>PORTFOLIO CURRENT AND EXPIRED AS OF JUNE 30, 2020</b>					
(AMOUNTS IN MILLIONS OF PESOS)					
TYPE OF CREDIT	CURRENT PORTFOLIO		PAST DUE PORTFOLIO		TOTAL PORTFOLIO
	NATIONAL CURRENCY	FOREIGN CURRENCY *	NATIONAL CURRENCY	FOREIGN CURRENCY *	
<b>COMMERCIAL CREDITS</b>	<b>28,308.57</b>	<b>1,338.34</b>	<b>627.94</b>	<b>0.00</b>	<b>30,274.86</b>
CORPORATE OR BUSINESS ACTIVITY	26,088.99	1,338.34	627.94	0.00	28,055.27
FINANCIAL INTERMEDIARIES	384.75	0.00	0.00	0.00	384.75
GOVERNMENT ENTITIES	1,834.83	0.00	0.00	0.00	1,834.83
<b>CONSUMER CREDITS</b>	<b>8,005.32</b>	<b>0.00</b>	<b>251.06</b>	<b>0.00</b>	<b>8,256.38</b>
<b>HOUSING CREDITS</b>	<b>7,551.84</b>	<b>0.00</b>	<b>451.33</b>	<b>0.00</b>	<b>8,003.16</b>
<b>TOTAL</b>	<b>43,865.73</b>	<b>1,338.34</b>	<b>1,330.33</b>	<b>0.00</b>	<b>46,534.40</b>

<b>PORTFOLIO CURRENT AND EXPIRED AS OF JUNE 30, 2021</b>					
(AMOUNTS IN MILLIONS OF PESOS)					
TYPE OF CREDIT	CURRENT PORTFOLIO		PAST DUE PORTFOLIO		TOTAL PORTFOLIO
	NATIONAL CURRENCY	FOREIGN CURRENCY *	NATIONAL CURRENCY	FOREIGN CURRENCY *	
<b>COMMERCIAL CREDITS</b>	<b>30,440.91</b>	<b>912.98</b>	<b>939.12</b>	<b>0.00</b>	<b>32,293.02</b>
CORPORATE OR BUSINESS ACTIVITY	27,527.86	912.98	939.12	0.00	29,379.97
FINANCIAL INTERMEDIARIES	520.42	0.00	0.00	0.00	520.42
GOVERNMENT ENTITIES	2,392.63	0.00	0.00	0.00	2,392.63
<b>CONSUMER CREDITS</b>	<b>7,803.38</b>	<b>0.00</b>	<b>271.92</b>	<b>0.00</b>	<b>8,075.30</b>
<b>HOUSING CREDITS</b>	<b>8,237.52</b>	<b>0.00</b>	<b>674.34</b>	<b>0.00</b>	<b>8,911.86</b>
<b>TOTAL</b>	<b>46,481.82</b>	<b>912.98</b>	<b>1,885.39</b>	<b>0.00</b>	<b>49,280.18</b>

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

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

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

AVERAGE INTEREST RATES				
CONCEPTS	NATIONAL CURRENCY		FOREIGN CURRENCY	
	II QUARTER 2020	II QUARTER 2021	II QUARTER 2020	II QUARTER 2021
<b>BANCA AFIRME</b>				
<b>TRADITIONAL DEPOSITS</b>	<b>4.09%</b>	<b>3.86%</b>	<b>0.06%</b>	<b>0.08%</b>
IMMEDIATE DEPOSITS	2.71%	2.53%	0.06%	0.08%
TERM DEPOSITS	5.94%	5.63%	0.00%	0.00%
<b>INTERBANK LOANS AND LOANS FROM OTHER BODIES</b>				
BANCA AFIRME	3.70%	3.43%	1.60%	0.54%
ARRENDADORA AFIRME	8.70%	8.70%	0.00%	7.37%

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

MOVEMENTS OF THE EXPIRED PORTFOLIO IN THE SECOND QUARTER OF 2020 AND 2021								
(AMOUNTS IN MILLIONS OF PESOS)								
CONCEPT	COMMERCIAL CREDITS		CONSUMER CREDITS		HOUSING CREDITS		TOTAL	
	II QUARTER 2020	II QUARTER 2021	II QUARTER 2020	II QUARTER 2021	II QUARTER 2020	II QUARTER 2021	II QUARTER 2020	II QUARTER 2021
<b>INITIAL BALANCE</b>	<b>815.5</b>	<b>945.1</b>	<b>252.9</b>	<b>231.0</b>	<b>400.3</b>	<b>633.7</b>	<b>1,468.7</b>	<b>1,809.9</b>
<b>TICKETS</b>								
TRANSFERS OF CURRENT PORTFOLIO	117.1	273.3	222.7	234.0	95.9	126.5	435.7	633.9
<b>DEPARTURES</b>								
RESTRUCTURES AND RENOVATIONS	14.6	84.1	0.0	3.5	22.8	14.2	37.4	101.7
LIQUIDATED CREDITS	24.6	69.7	18.8	21.2	2.4	26.3	45.8	117.2
PENALTIES	185.9	63.4	176.5	138.3	0.0	0.1	362.4	201.8
TRANSFERS TO CURRENT PORTFOLIO	79.5	62.1	29.2	30.1	19.7	45.4	128.4	137.6
PORTFOLIO SALE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FINAL BALANCE</b>	<b>627.9</b>	<b>939.1</b>	<b>251.1</b>	<b>271.9</b>	<b>451.3</b>	<b>674.3</b>	<b>1,330.3</b>	<b>1,885.4</b>

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

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

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

<b>INVESTMENT CATEGORIES IN SECURITIES AND REPORTS</b>				
<b>(AMOUNTS IN MILLIONS OF PESOS)</b>	<b>II QUARTER</b>		<b>VAR \$</b>	<b>VAR%</b>
	<b>2020</b>	<b>2021</b>		
<b>ACTIVE</b>				
<b>INVESTMENTS IN SECURITIES</b>	<b>91,483.7</b>	<b>110,431.5</b>	<b>18,947.7</b>	<b>20.7%</b>
<b>SECURITIES TO NEGOTIATE</b>	<b>91,264.8</b>	<b>110,214.4</b>	<b>18,949.6</b>	<b>20.8%</b>
<b>WITHOUT RESTRICTIONS</b>	<b>-6,020.5</b>	<b>5,919.9</b>	<b>11,940.4</b>	<b>-198.3%</b>
GOVERNMENT DEBT	-10,704.5	-173.9	10,530.6	-98.4%
BANKING DEBT	2,792.7	4,524.4	1,731.7	62.0%
OTHER DEBT SECURITIES	1,763.2	1,440.2	-323.0	-18.3%
EQUITY INSTRUMENTS	128.0	129.1	1.1	0.9%
<b>RESTRICTED OR GIVEN IN GUARANTEE</b>				
<b>IN REPORT OPERATIONS</b>	<b>94,789.2</b>	<b>101,911.3</b>	<b>7,122.0</b>	<b>7.5%</b>
GOVERNMENT DEBT	71,717.2	85,363.7	13,646.5	19.0%
BANKING DEBT	22,464.0	15,746.7	-6,717.3	-29.9%
OTHER DEBT SECURITIES	608.1	800.9	192.8	31.7%
<b>RESTRICTED OR GIVEN UNDER GUARANTEE</b>				
<b>OTHERS</b>	<b>2,496.1</b>	<b>2,383.2</b>	<b>-112.9</b>	<b>-4.5%</b>
GOVERNMENT DEBT	2,496.1	2,383.2	-112.9	-4.5%
BANKING DEBT	0.0	0.0	0.0	0.0%
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%
<b>SECURITIES PRESERVED TO EXPIRATION</b>	<b>218.9</b>	<b>217.1</b>	<b>-1.8</b>	<b>-0.8%</b>
<b>WITHOUT RESTRICTIONS</b>	<b>130.4</b>	<b>217.1</b>	<b>86.6</b>	<b>66.4%</b>
GOVERNMENT DEBT	0.0	0.0	0.0	0.0%
BANKING DEBT	0.0	0.0	0.0	0.0%
OTHER DEBT SECURITIES	130.4	217.1	86.6	66.4%
<b>RESTRICTED OR GIVEN IN GUARANTEE</b>				
<b>IN REPORT OPERATIONS</b>	<b>88.4</b>	<b>0.0</b>	<b>-88.4</b>	<b>-100.0%</b>
GOVERNMENT DEBT	0.0	0.0	0.0	-100.0%
BANKING DEBT	0.0	0.0	0.0	0.0%
OTHER DEBT SECURITIES	88.4	0.0	-88.4	-100.0%
<b>DEBTORS BY REPORT</b>	<b>5,691.1</b>	<b>7,647.1</b>	<b>1,955.9</b>	<b>34.4%</b>
GOVERNMENT DEBT	5,691.1	7,647.1	1,955.9	34.4%
BANKING DEBT	0.0	0.0	0.0	0.0%
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%
<b>PASSIVE</b>				
<b>REPORT OPERATIONS</b>	<b>94,454.3</b>	<b>100,091.5</b>	<b>5,637.2</b>	<b>6.0%</b>
<b>REPORTER CREDITOR</b>	<b>94,454.3</b>	<b>100,091.5</b>	<b>5,637.2</b>	<b>6.0%</b>
GOVERNMENT DEBT	71,294.4	83,542.9	12,248.5	17.2%
BANKING DEBT	22,450.5	15,748.3	-6,702.2	-29.9%
OTHER DEBT SECURITIES	709.3	800.2	90.9	12.8%
<b>TITLES TO DELIVER</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
GOVERNMENT DEBT	0.0	0.0	0.0	0.0%
OTHER DEBT SECURITIES	0.0	0.0	0.0	0.0%

As of June 30, 2021, the average term of repurchase agreements carried out by the Bank in its capacity as reporting and reporting is 44 and 4 days, respectively. As of June 30, 2020, these terms were 15 and 1 days. Likewise, interest and returns on repurchase agreements during the second quarter of 2021 were \$ 511.89 and \$ 1,532.54, in favor and in charge, respectively. And during the second quarter of 2020 the amounts in favor and charge were \$ 828.13 and \$ 3,598.36, respectively.

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

VII.- The nominal amounts of derivative financial instrument contracts by type of instrument and underlying as of June 30, 2020 and 2021 are presented below:

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS AS OF JUNE 30, 2020 (AMOUNTS IN MILLIONS OF PESOS)								
SWAPS	DAYS TO BEAT	AMOUNT and/or NOTIONAL	ACTIVE RATE		PASSIVE RATE	FLOWS TO RECEIVE	FLOWS TO DELIVER	NET FLOWS
			receive	pay		proj		
<b>FOR NEGOTIATION PURPOSES</b>								
RATE.- Swaps with rate coverage1	1,429	500	6.72%		7.77%	7.83	9.06	-1.22
RATE.- Swaps with rate coverage1	1,429	500	6.72%		7.77%	7.83	9.06	-1.22
RATE.- Swaps with rate coverage1	1,430	500	6.70%		7.75%	7.85	9.04	-1.19
RATE.- Swaps with rate coverage1	1,434	500	6.70%		7.78%	7.72	8.96	-1.25
RATE.- Swaps with rate coverage1	1,435	100	6.70%		7.60%	1.56	1.77	-0.21
RATE.- Swaps with rate coverage1	1,435	100	6.70%		7.57%	1.56	1.77	-0.20
RATE.- Swaps with rate coverage1	1,435	100	6.70%		7.57%	1.56	1.77	-0.20
RATE.- Swaps with rate coverage1	1,310	200	6.50%		7.41%	4.04	4.61	-0.57
RATE.- Swaps with rate coverage1	1,255	130	6.49%		7.47%	2.62	3.02	-0.39
RATE.- Swaps with rate coverage1	1,231	300	6.48%		7.30%	6.05	6.81	-0.77
RATE.- Swaps with rate coverage1	1,213	130	6.68%		7.35%	2.03	2.23	-0.20
RATE.- Swaps with rate coverage1	1,185	200	6.68%		7.03%	3.12	3.28	-0.16
RATE.- Swaps with rate coverage1	1,429	-1,000	6.72%		6.46%	15.67	15.08	0.59
RATE.- Swaps with rate coverage1	1,430	-500	6.70%		6.46%	7.85	7.53	0.32
RATE.- Swaps with rate coverage1	1,434	-500	6.70%		6.39%	7.72	7.37	0.35
RATE.- Swaps with rate coverage1	1,435	-300	6.70%		6.45%	4.69	4.52	0.17
RATE.- Swaps with rate coverage1	1,185	-200	6.68%		6.34%	3.12	2.96	0.16
RATE.- Swaps with rate coverage1	1,213	-130	6.68%		6.34%	2.03	1.92	0.10
RATE.- Swaps with rate coverage1	1,255	-130	6.49%		6.29%	2.62	2.54	0.08
RATE.- Swaps with rate coverage1	1,231	-300	6.48%		6.29%	6.05	5.87	0.18
RATE.- Swaps with rate coverage1	1,310	-200	6.50%		6.29%	4.04	3.92	0.13
FEES.- NO FLOW EXCHANGE	3,012	615	18.21%		9.40%	3.50	5.26	-1.76
FEES.- NO FLOW EXCHANGE	1,034	434	10.49%		7.30%	4.29	5.00	-0.71
FEES.- NO FLOW EXCHANGE	853	135	11.43%		7.56%	1.24	1.50	-0.26
FEES.- NO FLOW EXCHANGE	1,765	279	8.29%		7.95%	3.41	4.33	-0.92
FEES.- NO FLOW EXCHANGE	1,676	165	4.80%		8.38%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,036	82	7.09%		9.74%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,584	275	8.43%		7.81%	3.31	4.14	-0.83
FEES.- NO FLOW EXCHANGE	1,918	60	7.51%		8.11%	0.80	1.04	-0.24
FEES.- NO FLOW EXCHANGE	2,800	206	6.52%		8.16%	3.14	4.09	-0.96
FEES.- NO FLOW EXCHANGE	2,587	1	6.25%		8.24%	0.92	1.21	-0.29
FEES.- NO FLOW EXCHANGE	2,648	41	6.66%		8.18%	0.62	0.81	-0.19
FEES.- NO FLOW EXCHANGE	2,100	27	6.90%		8.93%	0.39	0.56	-0.17
FEES.- NO FLOW EXCHANGE	2,892	29	6.52%		9.02%	0.43	0.63	-0.19
FEES.- NO FLOW EXCHANGE	2,100	226	6.53%		8.86%	3.47	4.93	-1.46
FEES.- NO FLOW EXCHANGE	4,542	1	6.73%		9.36%	1.70	2.36	-0.66
FEES.- NO FLOW EXCHANGE	715	1,203	11.54%		5.08%	163.45	173.23	-9.78
FEES.- NO FLOW EXCHANGE	2,130	278	7.01%		7.98%	3.98	5.09	-1.11
FEES.- NO FLOW EXCHANGE	710	250	5.68%		4.58%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,074	300	5.68%		4.73%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,077	500	5.68%		4.70%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,079	250	5.67%		4.71%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,080	500	5.67%		4.69%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,084	250	5.66%		4.69%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,086	500	5.65%		4.63%	0.00	0.00	0.00
FEES.- NO FLOW EXCHANGE	1,088	450	5.61%		4.62%	0	0	0
FEES.- NO FLOW EXCHANGE	1,091	300	5.30%		4.59%	0	0	0
FEES.- NO FLOW EXCHANGE	1,455	350	5.30%		4.75%	0	0	0
OPTIONS *	699	36	10.00%			0	0	0

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

**DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS**  
**AS OF JUNE 30, 2021**  
 (AMOUNTS IN MILLIONS OF PESOS)

SWAPS	DAYS TO BEAT	AMOUNT and/or NOTIONAL	ACTIVE RATE	PASSIVE RATE	FLWS TO RECEIVE	FLWS TO DELIVER	NET FLOWS
			receive	pay	proj		
<b>FOR NEGOTIATION PURPOSES</b>							
RATE.- Swaps with rate coverage1	75	5,000	4.28%	4.37%	49.97	50.93	-0.95
RATE.- Swaps with rate coverage1	75	5,000	4.28%	4.37%	49.97	50.93	-0.95
RATE.- Swaps with rate coverage1	75	5,000	4.28%	4.37%	49.97	50.93	-0.95
RATE.- Swaps with rate coverage1	76	3,000	4.28%	4.39%	29.98	30.73	-0.75
RATE.- Swaps with rate coverage1	79	5,000	4.29%	4.35%	16.66	16.92	-0.25
RATE.- Swaps with rate coverage1	104	3,000	4.28%	4.35%	19.98	20.30	-0.32
RATE.- Swaps with rate coverage1	105	3,000	4.28%	4.36%	19.98	20.35	-0.37
RATE.- Swaps with rate coverage1	107	2,000	4.28%	4.37%	13.33	13.58	-0.25
RATE.- Swaps with rate coverage1	866	300	4.28%	6.29%	4.00	5.87	-1.87
RATE.- Swaps with rate coverage1	866	300	4.28%	7.30%	4.00	6.81	-2.81
RATE.- Swaps with rate coverage1	82	5,000	4.28%	4.37%	0.00	0.00	0.00
<b>FOR COVERAGE PURPOSES</b>							
FEES.- NO FLOW EXCHANGE	345	250	4.28%	4.58%	2.50	2.67	-0.17
FEES.- NO FLOW EXCHANGE	488	49	4.28%	7.56%	0.54	0.95	-0.41
FEES.- NO FLOW EXCHANGE	669	191	4.28%	7.30%	2.07	3.53	-1.45
FEES.- NO FLOW EXCHANGE	709	300	4.28%	4.73%	3.00	3.31	-0.31
FEES.- NO FLOW EXCHANGE	712	500	4.29%	4.70%	5.00	5.48	-0.48
FEES.- NO FLOW EXCHANGE	715	500	4.28%	4.69%	5.00	5.47	-0.47
FEES.- NO FLOW EXCHANGE	719	250	4.28%	4.69%	2.50	2.73	-0.24
FEES.- NO FLOW EXCHANGE	721	500	4.28%	4.63%	5.00	5.40	-0.40
FEES.- NO FLOW EXCHANGE	723	450	4.28%	4.62%	4.34	6.47	-2.13
FEES.- NO FLOW EXCHANGE	726	300	4.28%	4.59%	4.00	4.28	-0.28
FEES.- NO FLOW EXCHANGE	1,090	350	4.28%	4.75%	4.67	5.17	-0.50
FEES.- NO FLOW EXCHANGE	1,121	300	4.29%	4.67%	3.00	3.27	-0.27
FEES.- NO FLOW EXCHANGE	1,122	400	4.29%	4.67%	4.00	4.36	-0.36
FEES.- NO FLOW EXCHANGE	1,125	300	4.29%	4.70%	2.96	3.25	-0.28
FEES.- NO FLOW EXCHANGE	1,219	171	4.28%	7.81%	1.86	3.38	-1.52
FEES.- NO FLOW EXCHANGE	1,400	181	4.28%	7.95%	1.97	3.65	-1.68
FEES.- NO FLOW EXCHANGE	1,553	45	4.28%	8.11%	0.49	0.93	-0.44
FEES.- NO FLOW EXCHANGE	1,735	196	4.28%	8.86%	2.13	4.40	-2.27
FEES.- NO FLOW EXCHANGE	1,735	22	4.28%	8.93%	0.24	0.51	-0.27
FEES.- NO FLOW EXCHANGE	1,765	223	4.28%	7.98%	2.42	4.50	-2.08
FEES.- NO FLOW EXCHANGE	2,222	54	4.28%	8.24%	0.59	1.14	-0.54
FEES.- NO FLOW EXCHANGE	2,283	36	4.28%	8.18%	0.40	0.76	-0.36
FEES.- NO FLOW EXCHANGE	2,435	190	4.28%	8.16%	2.06	3.93	-1.87
FEES.- NO FLOW EXCHANGE	2,527	26	4.28%	9.02%	0.28	0.60	-0.31
FEES.- NO FLOW EXCHANGE	2,647	157	4.28%	9.40%	2	4	-2
FEES.- NO FLOW EXCHANGE	3,957	1,261	4.28%	5.65%	14	18	-4
FEES.- NO FLOW EXCHANGE	4,177	95	4.29%	9.36%	1	2	-1
FEES.- NO FLOW EXCHANGE	350	301	4.28%	2.94%	158	154	4
FEES.- NO FLOW EXCHANGE	714	250	4.28%	4.71%	2	-3	5
FEES.- NO FLOW EXCHANGE	1,311	165	4.28%	8.38%	0	0	0
FEES.- NO FLOW EXCHANGE	671	82	4.28%	9.74%	0	0	0
OPTIONS *	334.00	12.00	10%		0.0000	0.00	0.0000

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

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

**DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS**
**AS OF JUNE 30, 2020**

(AMOUNTS IN MILLIONS OF PESOS)

**SWAPS**

FOR COVERAGE PURPOSES	TYPE OF COVERAGE	LEVEL OF EFFECTIVENESS
Swap with rate coverage	Fair value	100.13%
Swap with rate coverage	Fair value	99.91%
Swap with rate coverage	Fair value	99.89%
Swap with rate coverage	Fair value	97.75%
Swap with rate coverage	Fair value	118.18%
Swap with rate coverage	Fair value	100.10%
Swap with rate coverage	Fair value	100.01%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	101.86%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	99.98%
Swap with rate coverage	Fair value	99.86%
Swap with rate coverage	Fair value	102.01%
Swap with rate coverage	Fair value	100.03%
Swap with rate coverage	Fair value	102.74%
Swap with rate coverage	Cash flow	99.08%
Swap with rate coverage	Cash flow	99.93%
Swap with rate coverage	Cash flow	99.9%
Swap with rate coverage	Cash flow	99.08%
Swap with rate coverage	Cash flow	100%
Swap with rate coverage	Cash flow	99%
Swap with rate coverage	Cash flow	0.9993
Swap with rate coverage	Cash flow	99%
Swap with rate coverage	Cash flow	100%
Swap with rate coverage	Cash flow	100%
OPTIONS *	Fair value	1

In the period of the second quarter of 2020, the loss in result due to inefficiency is \$ 1.1



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

### DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS AS OF JUNE 30, 2021 (AMOUNTS IN MILLIONS OF PESOS)

#### SWAPS

FOR COVERAGE PURPOSES	TYPE OF COVERAGE	LEVEL OF EFFECTIVENESS
Swap with rate coverage	Fair value	100.02%
Swap with rate coverage	Fair value	99.90%
Swap with rate coverage	Fair value	99.83%
Swap with rate coverage	Fair value	100.05%
Swap with rate coverage	Fair value	95.28%
Swap with rate coverage	Fair value	99.92%
Swap with rate coverage	Fair value	99.89%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	100.57%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	99.97%
Swap with rate coverage	Fair value	99.96%
Swap with rate coverage	Fair value	101.16%
Swap with rate coverage	Fair value	100.00%
Swap with rate coverage	Fair value	101.47%
Swap with rate coverage	Fair value	99.95%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%
Swap with rate coverage	Cash flow	100.01%

In the period of the second quarter of 2021, the loss in result due to ineffectiveness is \$ 0.01

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

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

<b>RESULT FROM INTERMEDIATION</b>				
<small>(AMOUNTS IN MILLIONS OF PESOS)</small>				
	<b>II QUARTER</b>		<b>VAR \$</b>	<b>VAR%</b>
	<b>2020</b>	<b>2021</b>		
<b>RESULT BY VALUATION</b>	<b>59.2</b>	<b>11.8</b>	<b>-47.4</b>	<b>-80.0%</b>
SECURITIES TO NEGOTIATE	54.6	-1.1	-55.7	-102.0%
SECURITIES TO RECEIVE IN REPORT OPERATIONS				
SECURITIES TO DELIVER IN REPORT OPERATIONS				
DERIVATIVE FINANCIAL INSTRUMENTS	4.6	12.9	8.3	182.8%
PRIMARY POSITION ATTRIBUTABLE TO HEDGE RISK				
COLLATERALS SOLD	0.0	0.0	0.0	0.0%
<b>RESULT FROM THE PURCHASE OF SECURITIES AND INSTRUMENTS</b>	<b>29.3</b>	<b>-25.2</b>	<b>-54.5</b>	<b>-186.2%</b>
SECURITIES TO NEGOTIATE	26.3	-28.2	-54.5	-207.2%
DERIVATIVE FINANCIAL INSTRUMENTS	3.0	3.0	0.0	0.3%
<b>RESULT FROM THE PURCHASE OF FOREIGN CURRENCIES</b>	<b>42.5</b>	<b>29.9</b>	<b>-12.6</b>	<b>-29.6%</b>
<b>RESULT FROM SALE OF METALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>130.9</b>	<b>16.5</b>	<b>-114.4</b>	<b>-87.4%</b>

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

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

Other Income (Expenses) of the Net Operation			AMOUNT VAR II		
	II QUARTER 2020	I QUARTER 2021	II QUARTER 2021	QUARTER 20 VS II QUARTER 21	% VAR II QUARTER 20 VS II QUARTER 21
Recoveries	16.2	62.7	18.1	1.9	11.4%
Debugging accounts payable	(0.4)	(3.3)	(1.0)	(0.5)	117.5%
Result from operating lease	1.7	1.2	1.3	(0.4)	-24.3%
Collection of written-off credits	16.1	30.7	33.7	17.6	109.7%
Release of reserves	0.8	1.3	(0.0)	(0.9)	-103.1%
Release of reserves from other debts	0.2	0.5	0.1	(0.2)	-68.4%
Sale of furniture and real estate	2.3	0.5	(0.3)	(2.7)	-114.2%
Debit and Credit Cards use voucher	0.0	0.0	2.9	2.9	0.0%
Other + funds	17.2	10.2	13.5	(3.7)	-21.7%
Loss on portfolio sale	(1.0)	(1.2)	(0.8)	0.2	-19.6%
Customer bonuses	(14.8)	(13.0)	(14.3)	0.4	-3.0%
Miscellaneous bankruptcies	(3.1)	(1.4)	(5.0)	(1.9)	62.6%
Reserve for other overdue debts	(8.3)	(6.5)	(5.3)	3.0	-36.7%
Reserve foreclosed assets	1.5	(2.0)	(0.1)	(1.6)	-106.5%
Others	(0.1)	(0.1)	(0.4)	(0.3)	520.4%
<b>Totals</b>	<b>28.5</b>	<b>79.4</b>	<b>42.3</b>	<b>13.8</b>	<b>48.4%</b>

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

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

**AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF JUNE 30, 2020**  
 (AMOUNTS IN MILLIONS OF PESOS)

	TOTAL BASE	ISR	PTU	TOTAL
<b>FAVOR MATCHES</b>				
TEMPORARY PROVISIONS	223.7	67.1	0.0	67.1
PREVENTIVE ESTIMATION FOR CREDIT RISKS	1794.8	538.5	0.0	538.5
OTHER TEMPORARY DIFFERENCES	407.4	122.2	0.0	122.2
				<u>727.8</u>
<b>MATCHES CHARGED</b>				
EARLY DEDUCTIONS	-906.1	-271.8	0.0	-271.8
OTHER DIFFERENCES TEMPORARY	63.3	19.0	0.0	19.0
				<u>-252.8</u>
<b>TOTAL DEFERRED TAXES IN FAVOR</b>				<b>474.9</b>

**AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF JUNE 30, 2021**  
 (AMOUNTS IN MILLIONS OF PESOS)

	TOTAL BASE	ISR	PTU	TOTAL
<b>FAVOR MATCHES</b>				
TEMPORARY PROVISIONS	270.4	81.1	0.0	81.1
PREVENTIVE ESTIMATION FOR CREDIT RISKS	2463.1	738.9	0.0	738.9
OTHER TEMPORARY DIFFERENCES	251.8	75.5	0.0	75.5
				<u>895.6</u>
<b>MATCHES CHARGED</b>				
EARLY DEDUCTIONS	-164.7	-349.4	0.0	-349.4
OTHER TEMPORARY DIFFERENCES	98.6	29.6	0.0	29.6
				<u>-319.8</u>
<b>TOTAL DEFERRED TAXES IN FAVOR</b>				<b>575.8</b>

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

XI.- Capitalization index  
see point XX

XII.- Basic and Complementary Capital  
see point XX

XIII.- Value at Market Risk

CAPITALIZATION AND MARKET VALUE AT RISK (VAR)		
(BEFORE REPLICATIONS WITH BANCO DE MEXICO)	II QUARTER	
(AMOUNTS IN MILLIONS OF PESOS)	2020	2021
<b>ASSETS SUBJECT TO RISK</b>		
OF CREDIT	42,453.4	42,384.8
MARKET	7,039.1	7,000.1
OPERATIONAL	7,123.8	8,382.1
<b>CAPITAL STRUCTURE</b>		
BASIC CAPITAL	5,735.4	6,964.7
COMPLEMENTARY CAPITAL	1,648.4	2,151.3
NET CAPITAL	7,383.8	9,116.0
<b>CREDIT CAPITALIZATION INDEX</b>	17.39%	21.51%
<b>TOTAL CAPITALIZATION INDEX</b>	13.04%	15.78%
<b>AVERAGE MARKET VALUE AT RISK (VAR)</b>	6.29	15.42
<b>PERCENTAGE OF NET CAPITAL</b>	0.09%	0.17%

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

## XIV.- Information by segments.

<b>Banca Afirme</b>				
<b>Balance Sheet by Segments</b>				
(amounts in millions of pesos)				
Jun-20	Credit Operations	Treasury and Investment Banking Operations	Others	Total
<b>Assets</b>	<b>53,252.0</b>	<b>111,396.5</b>	<b>815.8</b>	<b>165,464.3</b>
	0.0	0.0	0.0	0.0
Availabilities	2,904.2	3,206.5	0.0	6,110.7
Investments in securities	0.0	0.0	0.0	0.0
Restricted trading securities	0.0	91,483.7	0.0	91,483.7
Debtors by report Operations with Securities and Derivatives	0.0	5,897.9	0.0	5,897.9
Derivatives	0.0	0.0	0.0	0.0
Credit card	44,756.1	0.0	0.0	44,756.1
Other assets	5,591.6	10,808.3	815.8	17,215.7
<b>Passive</b>	<b>48,143.8</b>	<b>111,396.5</b>	<b>0.0</b>	<b>159,540.4</b>
View catchment	27,911.6	2,493.0	0.0	30,404.6
Collection Term	13,564.2	2,474.2	0.0	22,879.2
Reporter creditor	0.0	101,295.1	0.0	94,454.3
Sales collaterals or given in Guarantee	0.0	0.0	0.0	0.0
Interbank Loans	5,321.7	0.0	0.0	5,321.7
Operations with Securities and Derivatives	0.0	679.3	0.0	679.3
Subordinated obligations	0.0	2,507.4	0.0	2,507.4
Other liabilities	1,346.3	1,947.5	0.0	3,293.8
<b>Capital</b>	<b>5,108.1</b>	<b>0.0</b>	<b>815.8</b>	<b>5,923.9</b>
Stockholders' Equity	5,108.1	0.0	815.8	5,923.9
<b>Total Liabilities and Capital</b>	<b>53,252.0</b>	<b>111,396.5</b>	<b>815.8</b>	<b>165,464.3</b>

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

<b>Banca Afirme</b>					
<b>Balance Sheet by Segments</b>					
(amounts in millions of pesos)					
<b>June 21</b>	<b>Credit Operations</b>	<b>Treasury Investment Operations</b>	<b>and Banking</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>	<b>54,857.7</b>		<b>125,289.7</b>	<b>497.5</b>	<b>180,644.9</b>
Availabilities	1,970.3		6,181.8	0.0	8,152.1
Investments in securities	0.0		0.0	0.0	0.0
Restricted trading securities	0.0		110,431.5	0.0	110,431.5
Debtors by report Operations with Securities and Derivatives	0.0		7,647.1	0.0	7,647.1
Credit card	46,430.6		248.9	0.0	248.9
Other assets	6,456.8		0.0	0.0	46,430.6
			780.5	497.5	7,734.7
<b>Passive</b>	<b>48,144.7</b>		<b>125,289.7</b>	<b>0.0</b>	<b>173,434.4</b>
View catchment	32,240.1		2,000.0	0.0	34,240.1
Collection Term	7,914.4		18,738.1	0.0	26,652.5
Reporter creditor	0.0		100,091.5	0.0	100,091.5
Sales collaterals or given in Guarantee.	0.0		0.0	0.0	0.0
Interbank Loans	6,664.6		0.0	0.0	6,664.6
Operations with Securities and Derivatives	0.0		95.1	0.0	95.1
Subordinated obligations	0.0		2,737.5	0.0	2,737.5
Other liabilities	1,325.7		1,627.5	0.0	2,953.1
<b>Capital</b>	<b>6,713.0</b>		<b>0.0</b>	<b>497.5</b>	<b>7,210.4</b>
Stockholders' Equity	6,713.0		0.0	497.5	7,210.4
<b>Total Liabilities and Capital</b>	<b>54,857.7</b>		<b>125,289.7</b>	<b>497.5</b>	<b>180,644.9</b>

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

<b>Banca Afirme</b>				
<b>Income Statement by Segments</b>				
(amounts in millions of pesos)				
<b>Jun-20</b>	<b>Credit Operations</b>	<b>Treasury Investment Banking Operations</b>	<b>and Others</b>	<b>Total</b>
Interest Income	1,488.35	2,205.31	0.00	3,693.67
Income from Warehousing Services	0.00	0.00	0.00	0.00
Interest Expense	-506.19	-2,101.11	0.00	-2,607.30
Result by Monetary Position	0.00	0.00	0.00	0.00
Preventive Estimation for Credit Risks.	-470.12	0.00	0.00	-470.12
Commissions and Fees Charged	229.93	0.00	188.88	418.81
Commissions and Fees Paid	-54.74	0.00	-57.24	-111.98
Result by intermediation	42.47	88.04	0.00	130.51
Other income (expenses) from the operation	28.54	0.00	0.00	28.54
Administration and Promotion Expenses	-708.51	-180.97	-130.52	-1,019.99
Operating Result	49.74	11.27	1.12	62.14
Other Expenses and Products ISR	0.00	0.00	0.00	0.00
	-9.41	-2.13	-0.21	-11.76
Result before participation of subsidiaries	40.32	9.14	0.91	50.38
Participation in the results of subsidiaries			8.40	8.40
<b>Net profit</b>	<b>40.32</b>	<b>9.14</b>	<b>9.30</b>	<b>58.8</b>



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

<b>Banca Afirme</b>				
<b>Income Statement by Segments</b>				
(amounts in millions of pesos)				
<b>June 21</b>	<b>Credit Operations</b>	<b>Treasury Investment Banking Operations</b>	<b>and Others</b>	<b>Total</b>
Interest Income	1,431.30	1,837.94	0.00	3,269.24
Income from Warehousing Services	0.00	0.00	0.00	0.00
Interest Expense	-385.07	-1,749.40	0.00	-2,134.47
Result by Monetary Position	0.00	0.00	0.00	0.00
Preventive Estimation for Credit Risks.	-261.54	0.00	0.00	-261.54
Commissions and Fees Charged	239.28	0.00	388.26	627.54
Commissions and Fees Paid	-99.36	0.00	-151.05	-250.40
Result by intermediation	29.92	-13.43	0.00	16.49
Other income (expenses) from the operation	42.33	0.00	0.00	42.33
Administration and Promotion Expenses	-882.86	-69.68	-228.81	-1,181.36
Operating Result	114.00	5.43	8.40	127.83
Other Expenses and Products	0.00	0.00	0.00	0.00
ISR	-27.96	-1.33	-2.06	-31.35
Result before participation of subsidiaries	86.03	4.10	6.34	96.48
Participation in the results of subsidiaries			9.91	9.91
<b>Net profit</b>	<b>86.0</b>	<b>4.1</b>	<b>16.2</b>	<b>106.4</b>

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

The current and past due portfolio by economic sector for the second quarter of 2020 and 2021 is presented below:

CURRENT CREDIT PORTFOLIO GROUPED BY ECONOMIC SECTOR				
II QUARTER				
(AMOUNTS IN MILLIONS OF PESOS)	2020	2021	VAR \$	VAR%
AGRICULTURE	195.3	191.0	-4.3	-2.2%
COMMERCE	10,941.2	9,657.9	-1,283.3	-11.7%
BUILDING	3,481.9	2,811.7	-670.3	-19.3%
ELECTRICITY AND WATER	1,795.2	5,115.8	3,320.6	185.0%
MANUFACTURING	1,817.2	1,589.8	-227.3	-12.5%
MINING AND OIL	1,143.1	1,386.6	243.5	21.3%
SERVICES	8,033.2	4,172.5	-3,860.7	-48.1%
FINANCIAL AND REAL ESTATE SERVICES	2,677.6	2,924.0	246.4	9.2%
TRANSPORT AND COMMUNICATIONS	1,439.0	1,111.9	-327.1	-22.7%
MUNICIPAL, STATE AND FEDERAL GOVERNMENT	1,834.8	2,392.6	557.8	30.4%
CONSUMPTION	4,293.7	7,803.4	3,509.7	81.7%
HOUSING	7,551.8	8,237.5	685.7	9.1%
<b>TOTAL</b>	<b>45,204.1</b>	<b>47,394.8</b>	<b>2,190.7</b>	<b>4.8%</b>

EXPIRED CREDIT PORTFOLIO GROUPED BY ECONOMIC SECTOR				
II QUARTER				
(AMOUNTS IN MILLIONS OF PESOS)	2020	2021	VAR \$	VAR%
AGRICULTURE	6.4	2.3	-4.1	-64.3%
COMMERCE	352.7	455.2	102.5	29.1%
BUILDING	38.4	112.0	73.6	191.5%
MINING AND OIL	0.0	0.0	0.0	0.0%
ELECTRICITY AND WATER	0.0	0.0	0.0	0.0%
MANUFACTURING	87.3	86.2	-1.1	-1.3%
SERVICES	205.9	247.1	41.2	20.0%
FINANCIAL AND REAL ESTATE SERVICES	5.1	3.8	-1.3	-25.3%
TRANSPORT AND COMMUNICATIONS	26.1	32.5	6.4	24.7%
GOVERNMENT ENTITIES	0.0	0.0	0.0	0.0%
CONSUMPTION	157.1	271.9	114.8	73.1%
HOUSING	451.3	674.3	223.0	49.4%
<b>TOTAL</b>	<b>1,330.3</b>	<b>1,885.4</b>	<b>555.1</b>	<b>41.7%</b>

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

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

## Loan Portfolio by Geographic Zone

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

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY ( ** )</u>	<u>MONTERREY ( * )</u>	<u>NORTH ( *** )</u>	<u>CENTER ( **** )</u>	<u>TOTAL</u>
CONSUMER CREDITS	973.29	3,234.22	2,177.48	1,620.32	8,005.32
BUSINESS OR COMMERCIAL ACT	2,191.26	19,148.05	3,689.02	2,399.00	27,427.33
MIDDLE AND RESIDENTIAL	1,376.84	2,584.45	1,366.65	2,210.79	7,538.72
OF SOCIAL INTEREST	0.00	13.11	0.00	0.00	13.11
FINANCIAL ENTITIES	4.11	380.64	0.00	0.00	384.75
GOVERNMENT ENTITIES	0.00	952.60	8.33	873.90	1,834.83
<b>TOTAL</b>	<b>4,545.50</b>	<b>26,313.07</b>	<b>7,241.49</b>	<b>7,104.01</b>	<b>45,204.07</b>

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

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY ( ** )</u>	<u>MONTERREY ( * )</u>	<u>NORTH ( *** )</u>	<u>CENTER ( **** )</u>	<u>TOTAL</u>
CONSUMER CREDITS	859.00	3,899.86	1,776.15	1,268.37	7,803.38
BUSINESS OR COMMERCIAL ACT	2,458.01	20,291.95	3,562.31	2,128.58	28,440.85
MIDDLE AND RESIDENTIAL	1,372.38	2,988.23	1,515.12	2,351.91	8,227.64
OF SOCIAL INTEREST	0.00	9.89	0.00	0.00	9.89
FINANCIAL ENTITIES	0.00	520.42	0.00	0.00	520.42
GOVERNMENT ENTITIES	0.00	1,500.88	5.90	885.85	2,392.63
<b>TOTAL</b>	<b>4,689.38</b>	<b>29,211.23</b>	<b>6,859.48</b>	<b>6,634.71</b>	<b>47,394.80</b>

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

**EXPIRED CREDIT PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE  
AS OF JUNE 30, 2020**

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY ( ** )</u>	<u>MONTERREY ( * )</u>	<u>NORTH ( *** )</u>	<u>CENTER ( **** )</u>	<u>TOTAL</u>
CORPORATE OR BUSINESS ACTIVITY	198.01	112.10	80.13	237.70	627.94
CONSUMER CREDITS	25.19	125.64	58.97	41.27	251.06
MIDDLE AND RESIDENTIAL	92.51	118.62	53.59	186.61	451.33
<b>TOTAL</b>	<b>315.70</b>	<b>356.36</b>	<b>192.69</b>	<b>465.58</b>	<b>1,330.33</b>

**EXPIRED CREDIT PORTFOLIO GROUPED BY TYPE OF CREDIT AND GEOGRAPHICAL ZONE  
AS OF JUNE 30, 2021**

(AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY ( ** )</u>	<u>MONTERREY ( * )</u>	<u>NORTH ( *** )</u>	<u>CENTER ( **** )</u>	<u>TOTAL</u>
CORPORATE OR BUSINESS ACTIVITY	384.57	234.08	90.33	230.15	939.12
CONSUMER CREDITS	30.96	127.01	60.92	53.03	271.92
MIDDLE AND RESIDENTIAL	136.58	239.57	56.75	241.44	674.34
<b>TOTAL</b>	<b>552.10</b>	<b>600.66</b>	<b>208.00</b>	<b>524.62</b>	<b>1,885.39</b>

(\*) MONTERREY AND ITS METROPOLITAN ZONE

(\*\*) MEXICO CITY AND STATE OF MEXICO

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

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

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

## Deposit Funding by Geographic Zone

**DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE**  
**AS OF JUNE 30, 2020**  
 (AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
DEPOSITS FOR IMMEDIATE AVAILABILITY	4,621.13	11,875.42	2,959.24	10,562.50	30,018.28
TERM DEPOSITS	2,858.39	12,111.17	3,048.37	4,754.60	22,772.53
SECURITIES OF CREDITS ISSUED	0.00	493.04	0.00	0.00	493.04
<b>TOTAL</b>	<b>7,479.52</b>	<b>24,479.63</b>	<b>6,007.62</b>	<b>15,317.09</b>	<b>53,283.86</b>

**DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE**  
**AS OF JUNE 30, 2021**  
 (AMOUNTS IN MILLIONS OF PESOS)

	<u>MEXICO CITY (**)</u>	<u>MONTERREY (*)</u>	<u>NORTH (***)</u>	<u>CENTER (****)</u>	<u>TOTAL</u>
DEPOSITS FOR IMMEDIATE AVAILABILITY	7,232.92	10,147.21	4,336.65	12,604.92	34,321.70
TERM DEPOSITS	3,015.63	15,509.03	3,247.44	4,566.51	26,338.61
SECURITIES OF CREDITS ISSUED	0.00	232.30	0.00	0.00	232.30
<b>TOTAL</b>	<b>10,248.55</b>	<b>25,888.54</b>	<b>7,584.09</b>	<b>17,171.43</b>	<b>60,892.61</b>

(\*) MONTERREY AND ITS METROPOLITAN ZONE

(\*\*) MEXICO CITY AND STATE OF MEXICO

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

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

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

XV.- Information on related parties:

The key operations performed with related parties were the following:

<b>CREDITS AND TRANSACTIONS WITH OTHER RELATED COMPANIES</b>		
<b>(AMOUNTS IN MILLIONS OF PESOS)</b>	<b>II QUARTER</b>	
	<b>2020</b>	<b>2021</b>
<b>NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP</b>		
AVAILABILITIES	190.6	201.46
CREDIT CARD	1,159.9	1,174.0
OPENING OF IRREVOCABLE CREDITS	10.0	10.0
TERM DEPOSITS AND REPORTS	1,476.1	1,714.8
DEMAND DEPOSITS	521.0	583.6
DEBTORS BY REPORT	72,410.6	51,754.8
REPORTER CREDITOR	1,217.5	873.6
VARIOUS CREDITORS	-	27.3
VARIOUS DEBTORS	85.1	58.4
 <b>MEMBERS OF THE BANK AND GROUP BOARD OF DIRECTORS</b>		
CREDIT CARD	5.0	7.5
TERM DEPOSITS AND REPORTS	47.6	56.5
DEMAND DEPOSITS	7.1	14.9
 <b>SPOUSES AND PEOPLE RELATED TO THE PREVIOUS PEOPLE</b>		
CREDIT CARD	12.5	11.6
TERM DEPOSITS AND REPORTS	25.6	28.9
DEMAND DEPOSITS	10.4	11.4

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

<b>INTEREST, COMMISSIONS AND OTHER EXPENSES OF RELATED COMPANIES</b>		
<b>(AMOUNTS IN MILLIONS OF PESOS)</b>	<b>II QUARTER</b>	
	<b>2020</b>	<b>2021</b>
INTEREST CHARGED	20.0	15.2
SERVICE REVENUES	57.6	22.9
INCOME COLLECTED	0.5	0.4
FEES CHARGED	60.9	62.3
AWARDS COLLECTED	812.4	511.0
RESULT FROM PURCHASE AND SALE OF INVESTMENTS IN SECURITIES	-	12.5
<b>TOTAL REVENUES</b>	<b>938.9</b>	<b>636.9</b>
SALARIES AND BENEFITS	23.8	25.8
OTHER FEES	144.2	182.0
RENT PAID	32.2	35.8
INTEREST PAID	28.4	17.6
OTHER OPERATING AND ADMINISTRATION EXPENSES	39.9	56.0
AWARDS PAID	17.6	8.3
RESULT FROM VALUATION OF DERIVATIVES	-	9.8
<b>TOTAL EXPENSES</b>	<b>276.4</b>	<b>325.5</b>

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

## Financial indicators

RELEVANT INDICATORS	IIT 20   IVT 20   IIT 21		
	NPL ratio (past due portfolio/total portfolio)	2.86%	3.15%
Overdue portfolio coverage (preventive estimate/past due portfolio)	1.22	1.36	1.24
Operating efficiency (administration and promotion expenses/average total assets)	2.53%	2.52%	2.65%
ROE (return on equity)	3.98%	1.84%	5.98%
ROA (return on assets)	0.15%	0.07%	0.24%
Liquidity Ratio (liquid assets/liquid liabilities)	0.82	0.85	0.92
MIN (financial margin adjusted for credit risks/productive assets)	1.89%	1.51%	2.04%
Banca Afirme			
Credit Capitalization Index	17.39%	18.32%	21.51% (1)
Total Capitalization Ratio	13.04%	14.06%	15.78% (1)
Basic Capital Index	10.13%	10.51%	12.06% (1)
Assets subject to credit, market and operational risk			
of credit	42,455	44,168	42,385 (1)
market	7,027	5,628	7,000 (1)
operating	7,124	7,761	8,382 (1)
<b>Total</b>	<b>56,606</b>	<b>57,557</b>	<b>57,767</b>

(1) Previous data before aftershocks with the Banco de México



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

**Banca Afirme Portfolio Rating**

**ANNEX 35**  
**BANCA AFIRME, SA**  
**CREDIT PORTFOLIO RATING**  
**AS OF JUNE 30, 2020**  
(Amounts in millions of pesos)

DEGREES OF RISK	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS				TOTAL PREVENTIVE RESERVES
		COMMERCIAL	CONSUMPTION		HOUSING MORTGAGE PORTFOLIO	
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS		
A-1	\$28,783	\$110	\$30	\$13	\$11	\$164
A-2	\$8,114	\$79	\$9	\$9	\$4	\$101
B-1	\$3,113	\$31	\$22	\$7	\$3	\$63
B-2	\$1,779	\$18	\$29	\$4	\$4	\$54
B-3	\$1,501	\$37	\$15	\$4	\$2	\$59
C-1	\$1,344	\$30	\$36	\$12	\$11	\$89
C-2	\$1,074	\$18	\$54	\$32	\$24	\$128
D	\$1,536	\$296	\$64	\$47	\$87	\$494
E	\$499	\$36	\$243	\$25	\$27	\$331
<b>EXCEPTED QUALIFIED</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$47,742</b>	<b>\$656</b>	<b>\$504</b>	<b>\$152</b>	<b>\$171</b>	<b>\$1,483</b>
Less:						
<b>RESERVES CONSTITUTED</b>						<b>\$1,623</b>
<b>EXCESS</b>						<b>-\$139</b>
<b>BALANCE RESERVATIONS</b>						<b>\$1,623</b>

**GRADES:**

- The figures for the qualification and constitution of preventive reserves are those corresponding to the last day of the month to which the balance sheet refers as of June 30, 2020.
- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by internal methodologies authorized by the Commission itself.  
The Institution uses the rating methodologies established by the CNBV.  
Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping preventive reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "On the constitution of reserves and their classification by degree of risk", contained in Chapter V of Title Two of the aforementioned provisions.
- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.
- The excess of preventive reserves constituted by \$ 139 correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

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

**Banca Afirme Portfolio Rating**

**ANNEX 35**  
**BANCA AFIRME, SA**  
**CREDIT PORTFOLIO RATING**  
**AS OF JUNE 30, 2021**  
(Amounts in millions of pesos)

DEGREES OF RISK	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS					TOTAL PREVENTIVE RESERVES
		COMMERCIAL	CONSUMPTION		HOUSING MORTGAGE PORTFOLIO		
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS			
A-1	\$29,957	\$103	\$34	\$21	\$10	\$168	
A-2	\$8,314	\$78	\$10	\$11	\$3	\$102	
B-1	\$4,304	\$59	\$25	\$6	\$2	\$92	
B-2	\$1,861	\$23	\$23	\$3	\$4	\$53	
B-3	\$1,727	\$45	\$17	\$4	\$2	\$67	
C-1	\$858	\$16	\$22	\$8	\$8	\$54	
C-2	\$906	\$18	\$38	\$17	\$29	\$102	
D	\$2,052	\$443	\$69	\$39	\$118	\$669	
E	\$613	\$70	\$257	\$25	\$59	\$410	
<b>EXCEPTED QUALIFIED</b>	\$0	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL</b>	<b>\$50,593</b>	<b>\$854</b>	<b>\$495</b>	<b>\$134</b>	<b>\$234</b>	<b>\$1,717</b>	
Less:							
<b>RESERVES CONSTITUTED</b>						<b>\$2,334</b>	
<b>EXCESS</b>						<b>-\$617</b>	
<b>BALANCE RESERVATIONS</b>						<b>\$2,334</b>	

**GRADES:**

- The figures for the qualification and constitution of preventive reserves are those corresponding to the last day of the month to which the balance sheet refers to June 30, 2021.
- 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 preventive reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "On the constitution of reserves and their classification by degree of risk", contained in Chapter V of Title Two of the aforementioned provisions.
- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.
- The excess of preventive reserves constituted by \$ 617', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

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

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

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
Commercial Portfolio	30,279.5	5.20%	37.34%
Housing Portfolio	8,003.2	10.91%	14.27%
Non-Revolver Consumer Portfolio	7,468.2	9.28%	71.77%
Revolving Consumer Portfolio: Credit Card	1,370.6	14.69%	73.36%

The following shows for each type of portfolio, the Exposure at Default, the Probability of Default and the Severity of the Loss as of June 30, 2021:

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
Commercial Portfolio	32,305.1	6.37%	34.90%
Housing Portfolio	8,911.9	12.32%	14.37%
Non-Revolver Consumer Portfolio	7,283.3	9.44%	71.77%
Revolving Consumer Portfolio: Credit Card	1,610.6	11.00%	72.61%

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

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

**QAFIRME15**

At the Extraordinary General Shareholders' Meeting held on February 4, 2015, the Shareholders agreed to carry out an issuance of non-preferred equity subordinated debt securities 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, respectively. The issuance of the obligations was carried out through a private offer for up to 11,000,000 subordinated obligations 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 obligations 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 obligations 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 27, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital obligations and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153 / 12258/2020. The issuance of the obligations was carried out through a public offering of up to 5,000,000 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 March 2030. Said issuance was for an amount of \$ 500, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 100%.

**QBAFIRME20-2**

At the Extraordinary General Shareholders' Meeting held on October 22, 2020, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital obligations and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153/12258/220. The issuance of the obligations was carried out through a public offering of up to 2,300,000 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 October 2030. Said issuance was for an amount of \$ 230, the proportion of the authorized amount of subordinated obligations compared to the amount issued was 100%.

As of June 30, 2021, the subordinated obligations are recorded in the Consolidated Balance Sheet under the heading of "Outstanding subordinated obligations", which have the prepayment option as of the fifth year and have, among others, the following characteristics:

I.- They are bearer titles.

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

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

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

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

As of June 30, 2021 and 2020, the subordinated obligations do not have a discount or premium rate.

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

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

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

### XVIII.- Activity and outstanding operations-

BANCA AFIRME, S. A., Institución de Banca Múltiple, Afirme Grupo Financiero (the "Bank") was incorporated under Mexican law with address at Av. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L. The Bank is a 99.99% subsidiary of Afirme Grupo Financiero, S.A. de C.V. ("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 operation of repos 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.

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

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

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

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

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

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

#### **a) Accounting criteria -**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**NIF D-5 "Leases" - It** comes into force for the fiscal years that start from the 1st. January 2022. Cancels Bulletin D-5 "Leases". The first time application of this FRS generates accounting changes in the financial statements mainly for the lessee and grants different options for their recognition. Among the main changes are the following:

Eliminates the classification of leases as operating or capitalizable for a lessee, and the lessee must recognize a lease liability at the present value of payments and a right-of-use asset for the same amount, of all leases with a duration greater than 12 months , unless the underlying asset is of low value.

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

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

### ***b) Improvements to FRS 2021***

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

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

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

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

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

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

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

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

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

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

**ANNEX 1-O**

Figure in millions of pesos as of June 30, 2021  
(Figures before replicas with Banco de México)

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

Reference	Common Equity Tier 1 (CET1): Instruments and Reserves	Amount
1	Common shares that qualify for Tier 1 common capital plus their corresponding premium	3,918.63
2	Results of past exercises	0.00
3	Other elements of comprehensive income (and other reserves)	3,167.38
4	Capital subject to phase-out of Tier 1 common equity (only applicable for companies that are not linked to shares)	Does not apply
5	Ordinary shares issued by subsidiaries held by third parties (allowed amount in common equity level 1)	Does not apply
6	<b>Tier 1 common capital before regulatory adjustments</b>	7,086.00
<b>Tier 1 Common Capital: Regulatory Adjustments</b>		
7	Prudential valuation adjustments	Does not apply
8	Goodwill (net of its corresponding deferred income taxes charged)	0.00
9	Other intangibles other than rights for mortgage services (net of their corresponding deferred income taxes payable)	307.90
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	Does not apply
15	Defined benefit pension plan	
16 (conservative)	Investments in treasury shares	
17 (conservative)	Reciprocal investments in ordinary capital	
18 (conservative)	Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold)	
19 (conservative)	Significant investments in common shares of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital (amount that exceeds the 10% threshold)	
twenty (conservative)	Mortgage servicing fees (amount exceeding the 10% threshold)	
21	Deferred income taxes in favor from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable)	0.00
22	Amount exceeding the 15% threshold	Does not apply

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

23	Of which: Significant investments where the institution owns more than 10% in common shares of financial institutions	Does not apply
24	Of which: Rights for mortgage services	Does not apply
25	Of which: Deferred income taxes in favor derived from temporary differences	Does not apply
26	National regulatory adjustments	745.86
TO	Of which: Other elements of comprehensive income (and other reserves)	726.93
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	
AND	Of which: Investments in related companies	
F	Of which: Venture capital investments	
G	Of which: Investments in mutual funds	18.93
H	Of which: Financing for the acquisition of own shares	
I	Of which: Operations that contravene the provisions	
J	Of which: Deferred charges and advance payments	
K	Of which: Positions in First Loss Schemes	
L	Of which: Employee Participation in Deferred Profits	
M	Of which: Relevant Related Persons	
N	Of which: Defined benefit pension plan	
OR	Of which: Adjustment for capital recognition	
27	Regulatory adjustments applied to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions	
28	<b>Total regulatory adjustments to Tier 1 common capital</b>	1,053.76
29	<b>Common Equity Tier 1 (CET1)</b>	6,032.25
<b>Additional Tier 1 Capital - Instruments</b>		
30	Directly issued instruments that qualify as additional Tier 1 capital, plus your premium	
31	of which: Classified as equity under the applicable accounting criteria	
32	of which: Classified as liabilities under the applicable accounting criteria	Does not apply
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)	Does not apply
35	Of which: Instruments issued by subsidiaries subject to phase-out	Does not apply
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	0.00
<b>Additional Tier 1 Capital: Regulatory Adjustments</b>		
37 (conservative)	Investments in equity instruments of additional Tier 1 capital	Does not apply
38 (conservative)	Investments in reciprocal shares in additional Tier 1 capital instruments	Does not apply
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)	Does not apply
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	Does not apply
41	National regulatory adjustments	
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	Does not apply
43	<b>Total regulatory adjustments to additional Tier 1 capital</b>	0.00
44	<b>Additional Tier 1 Capital (AT1)</b>	0.00

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

45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	6,032.25
<b>Tier 2 capital: instruments and reserves</b>		
46	Directly issued instruments that qualify as Tier 2 capital, plus your premium	
47	Directly issued equity instruments subject to phase-out from Tier 2 capital	
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)	Does not apply
49	of which: Instruments issued by subsidiaries subject to phase-out	Does not apply
50	Bookings	
51	<b>Tier 2 capital before regulatory adjustments</b>	0.00
<b>Tier 2 capital: regulatory adjustments</b>		
52 (conservative)	Investments in own Tier 2 capital instruments	Does not apply
53 (conservative)	Reciprocal investments in Tier 2 capital instruments	Does not apply
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)	Does not apply
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	Does not apply
56	National regulatory adjustments	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>0.00</b>
58	<b>Tier 2 Capital (T2)</b>	0.00
59	<b>Total capital (TC = T1 + T2)</b>	6,032.25
60	<b>Total risk-weighted assets</b>	57,767.02
<b>Capital ratios and supplements</b>		
61	Common Capital Tier 1 (as a percentage of total risk-weighted assets)	10.44
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	10.44
63	Total Capital (as a percentage of total risk-weighted assets)	10.44
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	Does not apply
67	Of which: Global Systemically Important Banks Supplement (G-SIB)	Does not apply
68	Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets)	3.44
<b>National minimums (if different from Basel 3)</b>		
69	CET1 national minimum ratio (if it differs from the minimum established by Basel 3)	Does not apply
70	T1 national minimum ratio (if it differs from the minimum established by Basel 3)	Does not apply
71	National minimum TC ratio (if it differs from the minimum established by Basel 3)	Does not apply
<b>Amounts below deduction thresholds (before risk weighting)</b>		
72	Non-significant investments in the capital of other financial institutions	Does not apply
73	Significant investments in common shares of financial institutions	Does not apply

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

74	Rights for mortgage services (net of deferred income taxes payable)	Does not apply
75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable)	
<b>Limits applicable to the inclusion of reserves in Tier 2 capital</b>		
76	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to the standardized methodology (prior to application of the cap)	
77	Limit on the inclusion of provisions in Tier 2 capital under the standardized methodology	
78	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to internal rating methodology (prior to application of cap)	
79	Limit on the inclusion of reserves in Tier 2 capital under the internal rating methodology	
<b>Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)</b>		
80	Current cap on CET1 instruments subject to phase-out	Does not apply
81	Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities)	Does not apply
82	Current limit on AT1 instruments subject to phase-out	
83	Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities)	
84	Current limit on T2 instruments subject to phase-out	
85	Amount excluded from T2 due to limit (excess over limit after amortizations and maturities)	

**TABLE II.1**

Capital concepts	No adjustment for capital recognition	DATA	% WASTR	DATA	Capital recognition adjustment	DATA	With adjustment for capital recognition	DATA	% WASTR	DATA
1 Basic Capital	TO	6,154	$B1 = A / F$	10.65%	C1	0	$A' = A - C1$	0	$B1' = A' / F'$	0
2 Basic Capital	B	810	$B2 = B / F$	1.40%	C2	0	$B' = B - C2$	0	$B2' = B' / F'$	0
Basic Capital	$C = A + B$	6,965	$B3 = C / F$	12.06%	$C3 = C1 + C2$	0	$C' = A' + B'$	0	$B3' = C' / F'$	0
Complementary capital	D	2,151	$B4 = D / F$	3.72%	C4	0	$D' = D - C4$	0	$B4' = D' / F'$	0
Net capital	$E = C + D$	9,116	$B5 = E / F$	15.78%	$C5 = C3 + C4$	0	$E' = C' + D'$	0	$B5' = E' / F'$	0
Weighted Assets Subject to Total Risk (WASTR)	F	57,767	Does not apply		Does not apply		$F' = F$	0	Does not apply	
Capitalization index	$G = E / F$	15.78	Does not apply		Does not apply		$G' = E' / F'$	0	Does not apply	



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

**TABLE II.1** Balance sheet  
figures

Balance sheet items reference	Balance sheet items	Amount presented on the balance sheet
	<b>Active</b>	<b>180,644.87</b>
BG1	Availabilities	7,631.71
BG2	Margin accounts	50.30
BG3	Investments in securities	110,431.46
BG4	Debtors by report	7,647.07
BG5	Securities Lending	0.00
BG6	Derivatives	248.88
BG7	Valuation adjustments for hedging financial assets	4.77
BG8	Total loan portfolio (net)	46,946.28
BG9	Benefits to be received in securitization operations	0.00
BG10	Other accounts receivable (net)	2,261.96
BG11	Foreclosed assets (net)	192.84
BG12	Infurniture, furniture and equipment (net)	3,883.97
BG13	Investment permanent	98.78
BG14	Long - term assets available for sale	0.00
BG15	Deferred taxes and employee profit sharing (net)	575.75
BG16	Other active	671.10
	<b>Passive</b>	<b>173,434.44</b>
BG17	Traditional deposits	60,892.61
BG18	Subtracting Bank and other agencies	6,664.56
BG19	To creators for repurchase	100,091.46
BG20	Securities lending	0.00
BG21	Collaterals sold or pledged	0.00
BG22	Derivatives	95.14
BG23	Valuation adjustments for coverage of financial liabilities	0.00
BG24	Obligations from securitization operations	0.00
BG25	Other accounts payable	2,892.46
BG26	Subordinated Obligations Outstanding	2,737.54
BG27	Deferred taxes and employee profit sharing (net)	0.00
BG28	Deferred credits and early collections	60.67
	<b>Stockholders' equity</b>	<b>7,210.27</b>
BG29	Contributed capital	3,918.63
BG30	Earned capital	3,291.64
	<b>Memorandum accounts</b>	<b>581,319.83</b>

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

BG31	Guarantees granted	1,158.14
BG32	Contingent assets and liabilities	0.00
BG33	Credit commitments	8,524.19
BG34	Assets in trust or mandate	41,647.22
BG35	Financial agent of the federal government	0.00
BG36	Assets in custody or administration	283,644.90
BG37	Collaterals received by the entity	51,427.20
BG38	Collaterals received and sold or delivered as collateral by the entity	43,997.19
BG39	Investment banking operations on behalf of third parties (net)	20,160.15
BG40	Uncollected accrued interest derived from past due loan portfolio	104.04
BG41	Other registration accounts	130,656.81

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

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

Identifier	Regulatory concepts considered for the calculation of the components of Net Capital	Reference of the disclosure format of the capital integration of section I of this annex	Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the Net Capital components	Reference(s) of the item of the balance sheet and amount related to the regulatory concept considered for the calculation of the Net Capital from the mentioned reference.
<b>Active</b>				
1	Goodwill	8	0.00	BG16
2	Other Intangibles	9	307.90	BG16
3	Deferred income tax (in favor) from losses and tax credits	10	0.00	BG15
4	Benefits on the remainder in securitization operations	13	0.00	BG09
5	Investments of the pension plan for defined benefits without unrestricted and unlimited access	15	0.00	
6	Investments in shares of the institution itself	16	0.00	
7	Reciprocal investments in ordinary capital	17	0.00	
8	Direct investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock	18	0.00	
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	

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

10	Direct investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
11	Indirect investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
12	Deferred income tax (in favor) from temporary differences	21	0.00	
13	Reserves recognized as complementary capital	50	224.25	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	18.93	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
<b>Passive</b>				
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	

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

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	
<b>Stockholders' equity</b>				
34	Contributed capital that complies with Schedule 1-Q	1	3,918.63	BG29
35	Results of previous years	2	0.00	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	3,167.38	BG30
38	Contributed capital that complies with Schedule 1-R	31	0.00	
39	Contributed capital that complies with Schedule 1-S	46	0.00	
40	Result from valuation of instruments for cash flow hedging of items not recorded at fair value	3, 11	0.00	

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

<b>41</b>	Cumulative effect of conversion	3, 26 - A	0.00	
<b>42</b>	Result from holding non-monetary assets	3, 26 - A	0.00	
<b>Memorandum accounts</b>				
<b>43</b>	Positions in First Loss Schemes	26 - K	0.00	
<b>Regulatory concepts not considered in the balance sheet</b>				
<b>44</b>	Reserves pending to constitute	12	0.00	
<b>45</b>	Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions)	26 - C	0.00	
<b>46</b>	Operations that contravene the provisions	26 - I	0.00	
<b>47</b>	Operations with Relevant Related Persons	26 - M	0.00	
<b>48</b>	Capital recognition adjustment	26 - O, 41, 56	0.00	

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

<b>Concept</b>	<b>Amount of equivalent positions</b>	<b>Capital requirement</b>
Operations in national currency with nominal rate	3,256	261
Operations with debt securities in national currency with a surcharge and a reviewable rate	3,583	287
Operations in national currency with a real rate or denominated in UDI's	80	6
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
Operations in foreign currency with nominal rate	32	3
Positions in currencies or with yield indexed at the exchange rate	46	4
Gold Positions	0	0

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

Positions in shares or with yield indexed to the price of a share or group of shares	0	0
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**TABLE IV.2**

Concept	Risk-weighted assets	Capital requirement
Group I (weighted at 0%)	0.00	0.00
Group I (weighted at 10%)	0.00	0.00
Group I (weighted at 20%)	0.00	0.00
Group II (weighted at 0%)	0.00	0.00
Group II (weighted at 10%)	0.00	0.00
Group II (weighted at 20%)	0.00	0.00
Group II (weighted at 50%)	0.00	0.00
Group II (weighted at 100%)	0.00	0.00
Group II (weighted at 120%)	0.00	0.00
Group II (weighted at 150%)	0.00	0.00
Group III (weighted at 2.5%)	0.00	0.00
Group III (weighted at 10%)	0.00	0.00
Group III (weighted at 11.5%)	0.00	0.00
Group III (weighted at 20%)	931.75	74.54
Group III (weighted at 23%)	0.00	0.00
Group III (weighted at 50%)	474.48	37.96
Group III (weighted at 57.5%)	0.00	0.00
Group III (weighted at 100%)	0.06	0.00
Group III (weighted at 115%)	0.00	0.00
Group III (weighted at 120%)	0.00	0.00
Group III (weighted at 138%)	0.00	0.00
Group III (weighted at 150%)	0.08	0.01
Group III (weighted at 172.5%)	0.00	0.00
Group IV (weighted at 0%)	0.00	0.00
Group IV (weighted at 20%)	495.36	39.63
Group V (weighted at 10%)	0.00	0.00
Group V (weighted at 20%)	247.05	19.76
Group V (weighted at 50%)	313.09	25.05
Group V (weighted at 115%)	0.00	0.00

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

Group V (weighted at 150%)	1.41	0.11
Group VI (weighted at 20%)	0.00	0.00
Group VI (weighted at 50%)	2,013.69	161.10
Group VI (weighted at 75%)	959.61	76.77
Group VI (weighted at 100%)	4,458.09	356.65
Group VI (weighted at 120%)	0.00	0.00
Group VI (weighted at 150%)	471.17	37.69
Group VI (weighted at 172.5%)	0.00	0.00
Group VI (weighted at 125%)	290.73	23.26
Group VII_A (weighted at 10%)	0.00	0.00
Group VII_A (weighted at 11.5%)	0.00	0.00
Group VII_A (weighted at 20%)	1,043.87	83.51
Group VII_A (weighted at 23%)	0.00	0.00
Group VII_A (weighted at 50%)	248.52	19.88
Group VII_A (weighted at 57.5%)	0.00	0.00
Group VII_A (weighted at 100%)	30,297.77	2,423.82
Group VII_A (weighted at 115%)	0.00	0.00
Group VII_A (weighted at 120%)	0.00	0.00
Group VII_A (weighted at 138%)	138.05	11.04
Group VII_A (weighted at 150%)	0.00	0.00
Group VII_A (weighted at 172.5%)	0.00	0.00
Group VII_B (weighted at 0%)	0.00	0.00
Group VII_B (weighted at 20%)	0.00	0.00
Group VII_B (weighted at 23%)	0.00	0.00
Group VII_B (weighted at 50%)	0.00	0.00
Group VII_B (weighted at 57.5%)	0.00	0.00
Group VII_B (weighted at 100%)	0.00	0.00
Group VII_B (weighted at 115%)	0.00	0.00
Group VII_B (weighted at 120%)	0.00	0.00
Group VII_B (weighted at 138%)	0.00	0.00
Group VII_B (weighted at 150%)	0.00	0.00
Group VII_B (weighted at 172.5%)	0.00	0.00
Group VII (weighted at 125%)	0.00	0.00
Group IX (weighted at 100%)	0.00	0.00
Group IX (weighted at 115%)	0.00	0.00
Group X (weighted at 1250%)	0.00	0.00



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

Securizations with Risk Grade 1 (weighted at 20%)	0.00	0.00
Securizations with Risk Grade 2 (weighted at 50%)	0.00	0.00
Securizations with Risk Grade 3 (weighted at 100%)	0.00	0.00
Securizations with Risk Grade 4 (weighted at 350%)	0.00	0.00
Securizations with Risk Grade 4, 5, 6 or Not Qualified	0.00	0.00
(weighted at 1250%)	0.00	0.00
Re-securitizations with Risk Grade 1 (weighted at 40%)	0.00	0.00
Re-securitizations with Risk Grade 2 (weighted at 100%)	0.00	0.00
Re-securitizations with Risk Grade 3 (weighted at 225%)	0.00	0.00
Re-securitizations with Risk Grade 4 (weighted at 650%)	0.00	0.00
Re-securitizations with Risk grade 5, 6 or Not Qualified	0.00	0.00
(weighted at 1250%)	0.00	0.00

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

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

<b>Risk-weighted assets</b>	<b>Capital requirement</b>
8,382	671

<b>Average of the requirement for market and credit risk of the last 36 months</b>	<b>Average positive annual net income for the last 36 months</b>
3,613	5,588

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

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

**ANNEX 1-O Bis**
**DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE**  
 (Before replicas with the Banco de México)

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

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

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

Table I.1

Reference	ITEM	AMOUNT
1	Items within the balance sheet (excluding derivative financial instruments and repurchase agreements and securities loans -SFT for its acronym in English- but including collateral received as collateral and recorded on the balance sheet)	172,468
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	- 1,054
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2)	171,414
	Exposures to derivative financial instruments	
4	Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin)	151
5	Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments.	39
6	Increase in Collateral contributed in operations with derivative financial instruments when said collateral is removed from the balance sheet in accordance with the operational accounting framework	-
7	(Deductions to accounts receivable for variation margin in cash contributed in operations with derivative financial instruments)	-
8	(Exposure for operations in derivative financial instruments on behalf of clients, in which the clearing partner does not grant its guarantee in case of breach of the obligations of the Central Counterparty)	-
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)	189.69
	Total exposures to derivative financial instruments (sum of lines 4 to 10)	
12	Gross SFT assets (without offset recognition), after accounting transaction adjustments for sales	7,647

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

13	(Accounts payable and receivable from SFT cleared)	-
14	Counterparty Risk Exposure by SFT	1,969
15	Exposures by SFT acting on behalf of third parties	-
16	Total exposures from securities financing operations (sum of lines 12 to 15)	9,616
Capital and total exposures		
17	Off-balance sheet exposure (gross notional amount)	9,682
18	(Adjustments for conversion to credit equivalents)	-
		9,103
19	Off-balance sheet items (sum of lines 17 and 18)	579
Capital and total exposures		
20	Tier 1 Capital	6,965
21	Total exposures (sum of lines 3, 11, 16, and 19)	181,799
Leverage ratio		
22	Basel III leverage ratio	<b>3.83%</b>

TABLE II.1

Reference	ITEM	AMOUNT
1	Total assets	180,364
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	-
		746
3	Adjustment related to trust assets recognized in the balance sheet according to the accounting framework, but excluded from the measurement of the exposure of the leverage ratio	-
4	Adjustment for derivative financial instruments	39
5	Adjustment for repurchase agreements and securities lending	1,969
6	Adjustment for items recognized in memorandum accounts	579
7	Other settings	-
		308
8	Leverage ratio exposure	181,897

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

TABLE III.1

Reference	ITEM	AMOUNT
1	Total assets	180,364
2	Operations in derivative financial instruments	- 248.88
3	Repo operations and securities loans	- 7,647.07
4	Trust assets recognized in the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	-
5	Exposures within the Balance Sheet	172,468

 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/	6,832	6,965	1.9%
Adjusted Assets 2/	175,993	181,799	3.3%
Leverage Ratio 3/	0.038821754	0.03831	-0.013182156

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

## Characteristics of the obligations

Reference	Characteristic	QAFIRME 15 Options	BAFIRME-18 Options	BAFIRME-20 Options	BAFIRME-20-2 Options
1	Transmitter	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.
2	ISIN, CUSIP or Bloomberg identifier	N/A	N/A	N/A	N/A
3	Legal framework	Credit Institutions Law  Credit Institutions, Unique Circular of Banks	Credit Institutions Law  Credit Institutions, Unique Circular of Banks	Credit Institutions Law  Credit Institutions, Unique Circular of Banks	Credit Institutions Law  Credit Institutions, Unique Circular of Banks
	<i>Regulatory treatment</i>				
4	Capital level with transience	Basic 2	Complementary	Complementary	Complementary
5	Capital level without transience	Basic 2	Complementary	Complementary	Complementary
6	Instrument level	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries
7	Type of instrument	Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares.	Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares	Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares	Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares
8*	Amount recognized in regulatory capital	\$ 810.46 They are recognized within the basic non-fundamental capital.	\$ 1,694.55 are recognized within complementary capital.	\$ 1,694.55 are recognized within complementary capital.	\$ 1,927.07 are recognized within complementary capital.
9	Instrument nominal value	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.	\$ 100.00 (One hundred pesos 00/100 MN) each.
9A	Instrument currency	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos
10	Accounting classification	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost
11	Date of issue	04/02/2015	11/10/2018	27/03/2020	22/11/2020
12	Instrument term	Perpetuity	Expiration	Expiration	Expiration
13	Expiration date	Without caducity	September 28, 2028	March 15, 2030	October 10, 1930
14	Advance payment clause	Yes	Yes	Yes	Yes

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

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

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

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

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



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

**DISCLOSURE OF LIQUIDITY COVERAGE COEFFICIENT**

In compliance with Annex 5 of Article 8 stipulated in section III of the General Provisions on liquidity requirements for Commercial Banking institutions, the disclosure format of the liquidity coverage ratio for the second quarter 2021 is detailed.

<b>LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM</b>			
<b>LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM</b> (Figures in Millions of Mexican pesos)		<b>Unweighted amount (average)</b>	<b>Weighted amount (average)</b>
<b>COMPUTABLE LIQUID ASSETS</b>			
<b>1</b>	<b>Total Computable Liquid Assets</b>	<b>Does not apply</b>	<b>15,290</b>
<b>CASH OUTFLOWS</b>			
2	Unsecured Retail Financing	23,563	1,750
3	Stable funding	12,117	606
4	Less stable financing	11,446	1,145
5	Unsecured wholesale funding	26,828	11,245
6	Operational deposits	0	0
7	Non-operational deposits	26,828	11,245
8	Unsecured debt	0	0
9	Guaranteed Wholesale Financing	Does not apply	205
10	Additional requirements:	8,656	801
11	Outputs related to derivative financial instruments and other collateral requirements	980	411
12	Outputs related to losses from the financing of debt instruments	0	0
13	Lines of credit and liquidity	7,677	391
14	Other contractual financing obligations	59	34
15	Other contingent financing obligations	0	0
<b>16</b>	<b>TOTAL CASH OUTPUTS</b>	<b>Does not apply</b>	<b>14,036</b>
<b>CASH INPUTS</b>			
17	Cash inflows for guaranteed operations	50,181	25
18	Cash inflows for unsecured operations	6,586	4,247
19	Other cash inflows	3,421	3,421
<b>20</b>	<b>TOTAL CASH INPUTS</b>	<b>60,188</b>	<b>7,693</b>
			Adjusted amount
<b>21</b>	<b>TOTAL COMPUTABLE LIQUID ASSETS</b>	<b>Does not apply</b>	<b>15,290</b>
<b>22</b>	<b>TOTAL NET OF CASH OUTPUTS</b>	<b>Does not apply</b>	<b>6,344</b>
<b>23</b>	<b>LIQUIDITY COVERAGE COEFFICIENT</b>	<b>Does not apply</b>	<b>246.82%</b>

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

- 91 calendar days of the quarter corresponding to April - June 2021 are considered.
- During the period in question, the main change was due to cash inflows from unsecured operations and the decrease in other non-contractual obligations.
- The evolution of the composition of the Eligible and Computable Liquid Assets was as follows:

April	may	June
-2.79%	6.28%	-5.76%

- Banca Afirme does not have a currency mismatch.
- The centralization of liquidity management is concentrated in Banca Afirme.
- Within the flows reported in the form as informative, the flows for the quarter for Inputs and Outputs are detailed:

Month	Departures	Tickets
April	3	3
may	5	5
June	8	8

\*Amounts in millions of pesos

### MAIN SOURCES OF FINANCING

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

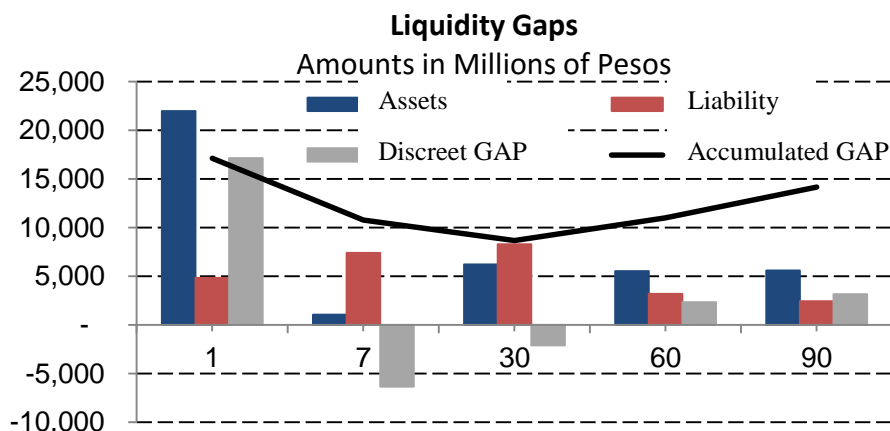
Traditional Catchment June 30, 2021	
Deposits of immediate demand	34,264
Time deposits	26,366
Credit Securities Issued	-
Capture without movements	82
<b>Total</b>	<b>60,711</b>

### Liquidity risk

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

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

The accumulated 60-day band for Banca Afirme was \$ 11,011 at the end of 2Q 2021, a level that respected the established limit. The bands for term up to 90 days would be the following:



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

As of June 30, 2021, the Liquidity Coverage Ratio is 177 % . In order to show the behavior of the CCL, the values at the end of 2Q 2021 compared to the previous quarter are presented below.

CCL evolution	March 2021	June 2021
Computable Liquid Assets (Weighted)	18,660	18,620
Net Exits at 30 days	10,482	10,512
<b>CCL</b>	<b>178%</b>	<b>177%</b>

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

Computable Liquid Assets Evolution (Unweighted)	March 2021	June 2021
Liquid Assets Level 1	16,939	17,395
Liquid Assets Level 2	2,024	1,440
<b>Total Liquid Assets</b>	<b>18,964</b>	<b>18,836</b>

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

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

In order to show the behavior of the liquidity-adjusted VaR, the values at the end of 2Q 2021 are presented below compared to the previous quarter.

Trading Business Unit	Liquidity-adjusted VaR	
	Mar 31, 2021	Jun 30, 2021
Money table	(47.53)	(30.86)
Treasury	(1.70)	(1.73)
<b>Global</b>	<b>(47.32)</b>	<b>(30.86)</b>

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

Trading Business Unit	VaR adjusted for average liquidity
	Apr 2021 - Jun 2021
Money table	(50.89)
Treasury	(2.43)
<b>Global</b>	<b>(48.77)</b>

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

Traditional Catchment June 30, 2021	
Deposits of immediate demand	34,264
Time deposits	26,366
Credit Securities Issued	-
Capture without movements	82
<b>Total</b>	<b>60,711</b>

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

Liquidity risk management is carried out 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.

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

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

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

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

The bank's liquidity strategy is based mainly on two main objectives, the first is to maintain an amount of 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 lines of credit.

The monitoring of the different indicators mitigates the liquidity risk since these indicators induce the diversification of the deposits, to extend the term of the same, increase the 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. Said tests are presented to the Risk Policies Committee on a monthly basis for analysis. The variables used to build adverse scenarios are overdue portfolio, interest rates and sources of financing, mainly.

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

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

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### Derivatives

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

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

Specific objectives include:

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

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

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

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

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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 the *trading* operations is the quotation with the counterparts the standard conditions of the operations observing the quotations of the *brokers* in the market. A Cap is kept in position for hedging purposes, however, the Institution does not operate this type of instrument continuously.

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

In the case of derivatives that are operated through the over-the-counter market, Banca Afirme agrees with each counterpart who would be the calculation agent, usually it is agreed that the calculation agent is the 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 guaranteed contracts in order to reduce exposure to credit risk and in particular; In OTC markets, the counterparties with which they are traded are analyzed and a line of credit is granted.

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

For all trading positions, the market risk value is measured under the historical VaR methodology. Global limits are established on this VaR, for the *Trading* portfolio and for the derivatives portfolio. For the *trading* and derivatives portfolio, the limits are authorized by the Risk Committee.

The hedging derivatives are not part of these portfolios and as they are managed in a particular way, compared to the assets or liabilities that are hedged, they are not subject to the market risk limits mentioned above.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our internal sources of funding are mainly our stable clients, which give us the ability to meet any requirement related to derivative operations, these clients allow us to have a current liquidity greater than 14,000 million that more than cover any liquidity risk, including derivative operations. In addition to the above, we have extensive external capacities with lines exceeding 15,000 million of which currently only 1,500 million are used.

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



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

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

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

The impact on Cash Flow at the end of 2Q 2021 is presented below:

	Amount
Interest paid	33,590
Interest charged	7,532
<b>Net effect</b>	<b>- 26,058</b>

*Amounts in thousands of pesos*

The following table shows the impact on Derivatives Valuation Results for 2Q 2021:

	Balance 1Q 2021	Balance 2Q 2021	Quarter effect
<b>Trading swaps</b>	77,222	19,856	-57,366
<b>Hedging swaps</b>	368	-382	-750
<b>Chap</b>	2	2	-

*Amounts in thousands of pesos*

During this quarter, 4 *interest rate swap* transactions matured and 5 derivative transactions were carried out.

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

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

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

<b>Summary of Derivative Financial Instruments</b>								
Figures in thousands of pesos as of June 30, 2021								
Derivative type	End	Notional	Asset value		Fair value		Maturity amounts	
			Current quarter	Previous quarter	Current quarter	Previous quarter	2021	Later
TIIE SWAP	Coverage	7,760,389	4.53	4.29	163,255	20,410	-	7,760,389
TIIE SWAP	Negotiation	36,300,000	4.53	4.29	6,737	- 15,416	26,000,000	300,000
SWAP TIIE *	Negotiation	300,000	4.53	4.29	389	11,353	-	300,000
TIIE CAP	Coverage	11,786	4.53	4.29	0	0	-	11,786
CCS USD-MXN	Coverage	309,574	19.94	20.44	- 1,177	- 12,179	-	309,574

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

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

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

<b>Derivative Rate Sensitivity</b>				
Figures in thousands of pesos as of June 30, 2021				
<b>25 PB <sup>1/</sup></b>	<b>50 PB</b>	<b>100 PB</b>	<b>150 PB</b>	<b>200 PB</b>
15,287	30,574	61,148	91,721	122,293

<sup>1/</sup> PB: base points

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