

At the end of the second quarter of 2022, Banca Afirme had an asset level of 131,261 million pesos, showing a decrease of -27.3% compared to the same period of the previous year.

The credit notes issued have a balance as of June 30, 2022 of 792.1 million pesos.

Capitalization

The Banca Afirme Capitalization Index stood at 15.26% at the end of the second quarter of 2022 with a core capital index of 11.69%.

Issuance of Subordinated Bonds

By means of the act of issue dated February 15, 2022, the subordinated obligations were issued through a public offer for up to 2,012,500 subordinated obligations with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate of 28 days + 2.8%, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in February 2032. Said issuance was for an amount of \$201 million pesos, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

Capital increases

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

CERTIFICATION

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

INTERNAL CONTROL

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

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

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

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

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

II.- The shareholding of the holding company by subsidiary.
SHAREHOLDING OF BANCA AFIRME

| ENTITY | % OF PARTICIPATION |
|----------------------|--------------------|
| INVESTMENT FUNDS | 99.99% |
| AFIRME | 3.80% |
| CÍRCULO DE CRÉDITO | 18.00% |
| CECOBAN | 2.82% |
| ARRENDADORA (LESSOR) | 99.98% |

III.- The credit portfolio with credit risk in stages by type of credit to the second quarter of 2022, is integrated as shown below:
PHASED PORTFOLIO AS OF JUNE 30, 2022

AMOUNTS IN MILLIONS OF PESOS

| TYPE OF CREDIT | STAGE 1 | | STAGE 2 | | STAGE 3 | | TOTAL PORTFOLIO |
|--------------------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|------------------|
| | NATIONAL CURRENCY | FOREIGN CURRENCY * | NATIONAL CURRENCY | FOREIGN CURRENCY * | NATIONAL CURRENCY | FOREIGN CURRENCY * | |
| COMMERCIAL CREDITS | 32,396.64 | 699.58 | 189.27 | 13.53 | 1,336.14 | 0.00 | 34,635.16 |
| CORPORATE OR BUSINESS ACTIVITY | 30,162.67 | 699.58 | 189.27 | 13.53 | 1,336.14 | 0.00 | 32,401.19 |
| FINANCIAL INTERMEDIARIES | 529.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 529.98 |
| GOVERNMENT ENTITIES | 1,703.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,703.98 |
| CONSUMER CREDITS | 8,474.70 | 0 | 197.08 | 0 | 257.95 | 0.00 | 8,929.74 |
| HOUSING CREDITS | 9,490.87 | 0 | 481.79 | 0 | 679.13 | 0.00 | 10,651.79 |
| TOTAL | 50,362.21 | 699.58 | 868.15 | 13.53 | 2,273.22 | 0.00 | 54,216.69 |

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

IV.- Below are the average interest rates of traditional collection and interbank and other agency loans, by currency type for the second quarter of 2022 and 2021.

| AVERAGE INTEREST RATES | | | | |
|------------------------|-------------------|-----------|------------------|-----------|
| CONCEPTS | NATIONAL CURRENCY | | FOREIGN CURRENCY | |
| | II Q 2021 | II Q 2022 | II Q 2021 | II Q 2022 |

BANKING

| | | | | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| TRADITIONAL DEPOSITS | <u>3.86%</u> | <u>4.63%</u> | <u>0.08%</u> | <u>3.14%</u> |
| DEPOSITS PAYABLE ON DEMAND | 2.53% | 6.33% | 0.08% | 0.00% |
| TERM DEPOSITS | 5.63% | 5.31% | 0.00% | 0.00% |

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

INTERBANK LOANS AND LOANS FROM OTHER BODIES

| | | | | |
|----------------------|-------|-------|-------|-------|
| BANKING | 3.43% | 4.45% | 0.54% | 0.00% |
| ARRENDADORA (LESSOR) | 8.70% | 7.70% | 7.37% | 0.00% |

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

As of June 30, 2022, the Bank has unused credit lines with multiple banking institutions, development banking and development funds, amounting to \$3,108. The amount of credit lines authorized as of June 30, 2022 amounts to \$9,321.

V.- The movements in the credit portfolio with stage 3 credit risk to the second quarter of 2022, as well as the transfers to and from the credit portfolio with stage 1 and stage 2 credit risk, are integrated as follows:

| STAGE 3 PORTFOLIO MOVEMENTS IN THE SECOND QUARTER OF 2022 | | | | | |
|--|--------------------|------------------|-------------------|-------------------|-----------------|
| AMOUNTS IN MILLIONS OF PESOS | | | | | |
| CONCEPT | COMMERCIAL CREDITS | | CONSUMER CREDITS | HOUSING CREDITS | TOTAL |
| | NATIONAL CURRENCY | FOREIGN CURRENCY | NATIONAL CURRENCY | NATIONAL CURRENCY | |
| INITIAL BALANCE | 788.08 | 0.00 | 228.94 | 620.81 | 1,637.82 |
| <u>INCOME</u> | | | | | |
| PORTFOLIO TRANSFERS STAGE 1 | 600.50 | 0.00 | 47.81 | 52.04 | 700.35 |
| PORTFOLIO TRANSFERS STAGE 2 | 73.03 | 0.00 | 180.06 | 121.58 | 374.67 |
| <u>OUTFLOW</u> | | | | | |
| RESTRUCTURES AND RENOVATIONS | 18.56 | 0.00 | 4.42 | 44.43 | 67.42 |
| LIQUIDATED CREDITS | 21.63 | 0.00 | 9.80 | 31.48 | 62.91 |
| PENALTIES | 0.07 | 0.00 | 148.02 | 0.07 | 148.15 |
| TRANSFERS TO PORTFOLIO STAGE 1 | 53.23 | 0.00 | 29.41 | 37.78 | 120.42 |
| TRANSFERS TO PORTFOLIO STAGE 2 | 31.25 | 0.00 | 7.36 | 1.55 | 40.16 |
| PORTFOLIO SALE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FINAL BALANCE | 1,336.87 | 0.00 | 257.79 | 679.13 | 2,273.79 |

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

VI.- The amounts of the different categories of investments in financial instruments, as well as positions for crypto operations, by generic type of issuer are presented below for the second quarter of 2021 and 2022:

| CATEGORIES OF INVESTMENTS IN FINANCIAL INSTRUMENTS AND RELATED | | | | |
|--|------------------|-----------------|------------------|---------------|
| AMOUNTS IN MILLIONS OF PESOS | II Q | | VAR \$ | VAR% |
| | 2021 | 2022 | | |
| ACTIVE | | | | |
| INVESTMENTS IN FINANCIAL INSTRUMENTS | 110,431.5 | 47,475.5 | -62,956.0 | -57.0% |
| NEGOTIABLE FINANCIAL INSTRUMENTS | 110,214.4 | 47,261.0 | -62,953.4 | -57.1% |
| WITHOUT RESTRICTIONS | 5,919.9 | 12,666.5 | 6,746.6 | 114.0% |
| GOVERNMENT DEBT | -173.9 | 0.0 | 173.9 | -100.0% |
| BANKING DEBT | 4,524.4 | 12,527.9 | 8,003.5 | 176.9% |
| OTHER DEBT INSTRUMENTS | 1,440.2 | 0.0 | -1,440.2 | -100.0% |
| CAPITAL FINANCIAL INSTRUMENTS | 129.1 | 138.6 | 9.5 | 7.4% |
| RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS | 101,911.3 | 33,546.0 | -68,365.3 | -67.1% |
| GOVERNMENT DEBT | 85,363.7 | 28,666.9 | -56,696.8 | -66.4% |
| BANKING DEBT | 15,746.7 | 4,879.1 | -10,867.6 | -69.0% |
| OTHER DEBT INSTRUMENTS | 800.9 | 0.0 | -800.9 | -100.0% |
| RESTRICTED OR GIVEN UNDER GUARANTEE OTHERS | 2,383.2 | 1,048.5 | -1,334.8 | -56.0% |
| GOVERNMENT DEBT | 2,383.2 | 1,048.5 | -1,334.8 | -56.0% |
| BANKING DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| OTHER DEBT INSTRUMENTS | 0.0 | 0.0 | 0.0 | 0.0% |
| FINANCIAL INSTRUMENTS TO BE CASHED IN OR SOLD | 217.1 | 214.5 | -2.6 | -1.2% |
| WITHOUT RESTRICTIONS | 217.1 | 214.5 | -2.6 | -1.2% |
| GOVERNMENT DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| BANKING DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| OTHER DEBT INSTRUMENTS | 217.1 | 214.5 | -2.6 | -1.2% |
| RESTRICTED OR GIVEN IN GUARANTEE IN REPURCHASE OPERATIONS | 0.0 | 0.0 | 0.0 | 0.0% |
| GOVERNMENT DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| BANKING DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| OTHER DEBT INSTRUMENTS | 0.0 | 0.0 | 0.0 | 0.0% |
| DEBTORS BY REPURCHASE | 7,647.1 | 12,588.4 | 4,941.3 | 64.6% |
| GOVERNMENT DEBT | 7,647.1 | 12,588.4 | 4,941.3 | 64.6% |
| BANKING DEBT | 0.0 | 0.0 | 0.0 | 0.0% |
| OTHER DEBT INSTRUMENTS | 0.0 | 0.0 | 0.0 | 0.0% |
| LIABILITIES | | | | |
| REPURCHASE OPERATIONS | 100,091.5 | 33,181.1 | -66,910.4 | -66.8% |
| CREDITORS FOR REPURCHASE | 100,091.5 | 33,181.1 | -66,910.4 | -66.8% |
| GOVERNMENT DEBT | 83,542.9 | 28,298.8 | -55,244.2 | -66.1% |
| BANKING DEBT | 15,748.3 | 4,882.3 | -10,866.0 | -69.0% |
| OTHER DEBT INSTRUMENTS | 800.2 | 0.0 | -800.2 | -100.0% |

As of June 30, 2022, the average term of the reporting operations carried out by the Bank in its reporting and reporting capacity is 19 and 5 days respectively. As of June 30, 2021, these deadlines were 44 and 4 days. Likewise, interest and returns on reporting operations during the second quarter of 2022 were \$1,039.87, and \$1,832.98, in favor and in charge respectively. And during the second quarter of 2021, the amounts in favor and charge were \$511.89 and \$1,532.54 respectively.

VII.- The nominal amounts of derivative financial instrument contracts by instrument type and underlying as of June 30, 2022 and 2021 are presented below:

| DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS AS OF JUNE 30, 2021 AMOUNTS IN MILLIONS OF PESOS | | | | | | | |
|--|--------------------|------------------------------|----------------|----------------|---------------------|---------------------|--------------|
| SWAPS | DAYS TO BEAT | AMOUNT and/or NOTIONAL | ACTIVE RATE | LIABLE RATE | FLOWS RECEIVABLE | FLOWS TO DELIVER | NET FLOWS |
| FOR NEGOTIATION PURPOSES | | | receive | pay | proj | | |
| 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 |
| FOR COVERAGE PURPOSES | | | | | | | |
| 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 |

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF JUNE 30, 2022
 AMOUNTS IN MILLIONS OF PESOS

| SWAPS | DAYS TO BEAT | AMOUNT and/or NOTIONAL | ACTIVE RATE | LIABLE RATE | FLOWS RECEIVABLE | FLOWS TO DELIVER | NET FLOWS |
|----------------------------------|--------------|------------------------|-------------|-------------|------------------|------------------|-----------|
| FOR NEGOTIATION PURPOSES | | | receive | pay | proj | | |
| RATE.- Swaps with rate coverage1 | 57 | 5,000 | 6.58% | 7.14% | 76.73 | 83.30 | -6.57 |
| RATE.- Swaps with rate coverage1 | 76 | 5,000 | 7.22% | 7.70% | 28.07 | 29.94 | -1.87 |
| RATE.- Swaps with rate coverage1 | 82 | 5,000 | 6.90% | 7.48% | 80.51 | 87.27 | -6.76 |
| RATE.- Swaps with rate coverage1 | 501 | 300 | 6.73% | 6.29% | 6.28 | 5.87 | 0.41 |
| RATE.- Swaps with rate coverage1 | 501 | 300 | 6.73% | 7.30% | 6.28 | 6.81 | -0.53 |
| TOTAL | | | | | | | |
| FOR COVERAGE PURPOSES | | | | | | | |
| FEES.- NO FLOW EXCHANGE | 123 | 17 | 6.90% | 7.56% | 0.30 | 0.33 | -0.03 |
| FEES.- NO FLOW EXCHANGE | 3592 | 1279 | 6.90% | 5.65% | 22.31 | 18.27 | 4.04 |
| FEES.- NO FLOW EXCHANGE | 2,282 | 89 | 6.90% | 9.40% | 1.55 | 2.12 | -0.57 |
| FEES.- NO FLOW EXCHANGE | 1,035 | 143 | 6.90% | 7.95% | 2.51 | 2.89 | -0.38 |
| FEES.- NO FLOW EXCHANGE | 304 | 101 | 6.90% | 7.30% | 1.76 | 1.86 | -0.10 |
| FEES.- NO FLOW EXCHANGE | 854 | 128 | 6.90% | 7.81% | 2.24 | 2.53 | -0.30 |
| FEES.- NO FLOW EXCHANGE | 1,188 | 38 | 6.90% | 8.11% | 0.68 | 0.80 | -0.12 |
| FEES.- NO FLOW EXCHANGE | 2,070 | 179 | 6.90% | 8.16% | 3.12 | 3.70 | -0.57 |
| FEES.- NO FLOW EXCHANGE | 1,370 | 167 | 6.90% | 8.86% | 2.92 | 3.74 | -0.83 |
| FEES.- NO FLOW EXCHANGE | 1,857 | 49 | 6.90% | 8.24% | 0.87 | 1.04 | -0.17 |
| FEES.- NO FLOW EXCHANGE | 1,918 | 33 | 6.90% | 8.18% | 0.59 | 0.70 | -0.11 |
| FEES.- NO FLOW EXCHANGE | 2,162 | 24 | 6.90% | 9.02% | 0.43 | 0.56 | -0.13 |
| FEES.- NO FLOW EXCHANGE | 3,812 | 90 | 6.57% | 9.36% | 1.56 | 2.22 | -0.66 |
| FEES.- NO FLOW EXCHANGE | 1,400 | 189 | 6.90% | 7.98% | 3.30 | 3.82 | -0.52 |
| FEES.- NO FLOW EXCHANGE | 1,370 | 19 | 6.90% | 8.93% | 0.34 | 0.45 | -0.10 |
| FEES.- NO FLOW EXCHANGE | 946 | 164 | 8.38% | 8.38% | 0.00 | 0.00 | 0.00 |
| FEES.- NO FLOW EXCHANGE | | 82 | 8.52% | 9.74% | 0.00 | 0.00 | 0.00 |
| OPTIONS * | | | | | | | |
| | 850 | 48 | 10.00% | | 0.00 | 0.00 | 0.00 |

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, 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% |
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| 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% |

DERIVATIVE FINANCIAL INSTRUMENT CONTRACTS
AS OF JUNE 30, 2022

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 | 98.51% |
| Swap with rate coverage | Fair value | 80.86% |
| Swap with rate coverage | Fair value | 100.15% |
| Swap with rate coverage | Fair value | 90.81% |
| Swap with rate coverage | Fair value | 99.87% |
| Swap with rate coverage | Fair value | 99.89% |
| Swap with rate coverage | Fair value | 100.03% |
| Swap with rate coverage | Fair value | 100.36% |
| Swap with rate coverage | Fair value | 99.99% |
| Swap with rate coverage | Fair value | 99.90% |
| Swap with rate coverage | Fair value | 100.03% |
| Swap with rate coverage | Fair value | 99.82% |
| Swap with rate coverage | Fair value | 103.47% |
| Swap with rate coverage | Fair value | 103.21% |
| Swap with rate coverage | Fair value | 99.97% |

VIII.- Results by valuation and by purchase and sale, by type of operation corresponding during the second quarter of 2022 and 2021:

| RESULT FROM INTERMEDIATION | | | | |
|--|--------------|--------------|--------------|----------------|
| AMOUNTS IN MILLIONS OF PESOS | | | | |
| | II Q | | VAR \$ | VAR% |
| | 2021 | 2022 | | |
| PROFIT FROM MEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE | 11.8 | 39.9 | 28.1 | 237.9% |
| NEGOTIABLE FINANCIAL INSTRUMENTS | -1.1 | 13.7 | 14.7 | -1367.2% |
| DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES | 12.9 | 26.2 | 13.4 | 103.7% |
| PROFIT ON THE SALE AND PURCHASE OF FINANCIAL INSTRUMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS | -25.2 | 197.0 | 222.2 | -880.7% |
| NEGOTIABLE FINANCIAL INSTRUMENTS | -28.2 | -69.5 | -41.3 | 146.4% |
| DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES | 3.0 | 266.5 | 263.5 | 8902.8% |
| RESULTS FOR SALES AND PURCHASE OF CURRENCY | 29.9 | 36.3 | 6.4 | 21.5% |
| TOTAL | 16.5 | 273.2 | 256.7 | 1556.9% |

IX.- Amount and origin of the main items that make up the item of other income and corresponding expenses during the second quarter of 2022 and 2021.

| Other Income (Expenses) of the Net Operation | II Q | | AMOUNT VAR | % VAR |
|---|-------------|-------------|------------------|------------------|
| | 21 | 22 | IIT 21 VS IIT 22 | IIT 21 VS IIT 22 |
| Recoveries | 18.1 | 15.6 | (2.5) | -14% |
| Debugging accounts payable | (1.0) | (1.3) | (0.3) | 34% |
| Result from operating lease | 1.3 | (1.3) | (2.6) | -200% |
| Collection of written-off credits | 33.7 | 40.1 | 6.4 | 19% |
| Release of reserves | 0.0 | 12.5 | 12.5 | 0% |
| Release of reserves from other debts | 0.1 | 0.4 | 0.3 | 408% |
| Sale of furniture and real estate | (0.3) | 2.1 | 2.4 | -720% |
| Bond from the use of Debit and Credit Cards | 3.6 | (0.3) | (3.9) | -108% |
| Other + funds | 12.8 | 22.6 | 9.8 | 77% |
| Loss on portfolio sale | (0.8) | (1.0) | (0.2) | 22% |
| Customer bonuses | (14.3) | (15.9) | (1.6) | 11% |
| Miscellaneous bankruptcies | (5.0) | (7.0) | (2.0) | 41% |
| Reserve for other overdue debts | (5.3) | (40.6) | (35.3) | 669% |
| Reserve foreclosed assets | (0.1) | (2.4) | (2.3) | 2,315% |
| Others | (0.4) | (1.4) | (0.9) | 232% |
| Totals | 42.3 | 22.1 | (20.2) | -47.8% |

X.- Deferred income tax assets are presented below according to their origin for the second quarter of 2022 and 2021:

| DEFERRED TAX AMOUNT ACCORDING TO ITS ORIGIN AS OF JUNE 30, 2021 | | | |
|---|------------|--------|--------------|
| AMOUNTS IN MILLIONS OF PESOS | | | |
| | TOTAL BASE | ISR | TOTAL |
| FAVOR MATCHES | | | |
| TEMPORARY PROVISIONS | 270.4 | 81.1 | 81.1 |
| PREVENTIVE ESTIMATION FOR CREDIT RISKS | 2463.1 | 738.9 | 738.9 |
| OTHER TEMPORARY DIFFERENCES | 251.8 | 75.5 | 75.5 |
| | | | 895.6 |
| MATCHES CHARGED | | | |
| EARLY DEDUCTIONS | -164.7 | -349.4 | -349.4 |
| OTHER TEMPORARY DIFFERENCES | 98.6 | 29.6 | 29.6 |
| | | | -319.8 |
| TOTAL DEFERRED TAXES IN FAVOR | | | 575.8 |

| DEFERRED TAX AMOUNT ACCORDING TO ITS ORIGIN AS OF JUNE 30, 2022 | | | |
|---|------------|--------|---------------|
| AMOUNTS IN MILLIONS OF PESOS | | | |
| | TOTAL BASE | ISR | TOTAL |
| FAVOR MATCHES | | | |
| TEMPORARY PROVISIONS | 658.3 | 197.5 | 197.5 |
| PREVENTIVE ESTIMATION FOR CREDIT RISKS | 2442.7 | 732.8 | 732.8 |
| OTHER TEMPORARY DIFFERENCES | 405.1 | 122.9 | 122.9 |
| | | | 1053.2 |
| MATCHES CHARGED | | | |
| EARLY DEDUCTIONS | -1622.6 | -486.8 | -486.8 |
| OTHER TEMPORARY DIFFERENCES | 21.0 | 6.3 | 6.3 |
| | | | -480.5 |
| TOTAL DEFERRED TAXES IN FAVOR | | | 572.77 |

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 Q | |
| AMOUNTS IN MILLIONS OF PESOS | 2021 | 2022 |
| ASSETS SUBJECT TO RISK | | |
| OF CREDIT | 42,384.8 | 46,710.0 |
| MARKET | 7,000.1 | 4,298.1 |
| OPERATIONAL | 8,382.1 | 8,722.0 |
| CAPITAL STRUCTURE | | |
| BASIC CAPITAL | 6,964.7 | 6,981.5 |
| COMPLEMENTARY CAPITAL | 2,151.3 | 2,134.0 |
| NET CAPITAL | 9,116.0 | 9,115.5 |
| CREDIT CAPITALIZATION INDEX | 21.51% | 19.52% |
| TOTAL CAPITALIZATION INDEX | 15.78% | 15.26% |
| AVERAGE MARKET VALUE AT RISK (VAR) | 15.42 | 15.56 |
| PERCENTAGE OF NET CAPITAL | 0.17% | 0.17% |

XIV.- Information by segments.

| Banca Afirme | | | | |
|---|------------------------------|---|---------------|------------------|
| Balance Sheet by Segments | | | | |
| amounts in millions of pesos | | | | |
| June 21 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
| Assets | 54,857.7 | 125,289.7 | 497.5 | 180,644.9 |
| Liquid Assets | 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 repurchase | 0.0 | 7,647.1 | 0.0 | 7,647.1 |
| Operations with Securities and Derivatives | 0.0 | 248.9 | 0.0 | 248.9 |
| Credit card | 46,430.6 | 0.0 | 0.0 | 46,430.6 |
| Other assets | 6,456.8 | 780.5 | 497.5 | 7,734.7 |
| Liabilities | 48,144.7 | 125,289.7 | 0.0 | 173,434.4 |
| 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 |
| Creditors for repurchase | 0.0 | 100,091.5 | 0.0 | 100,091.5 |
| Collaterals Vend. 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 bonds | 0.0 | 2,737.5 | 0.0 | 2,737.5 |
| Other liabilities | 1,325.7 | 1,627.5 | 0.0 | 2,953.1 |
| Capital | 6,713.0 | 0.0 | 497.5 | 7,210.4 |
| Stockholders' Equity | 6,713.0 | 0.0 | 497.5 | 7,210.4 |
| Total Liabilities and Capital | 54,857.7 | 125,289.7 | 497.5 | 180,644.9 |

| Banca Afirme | | | | |
|--|------------------------------|---|---------------|------------------|
| Statement of Financial Position by Segments | | | | |
| amounts in millions of pesos | | | | |
| June 22 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
| Assets | 62,208.9 | 68,564.7 | 487.5 | 131,261.1 |
| Cash and cash equivalents | 1,897.8 | 8,235.0 | 0.0 | 10,132.8 |
| Investments in financial instruments | 0.0 | 47,475.5 | 0.0 | 47,475.5 |
| Debtors by repurchase Operations with Securities and Derivatives | 0.0 | 12,588.4 | 0.0 | 12,588.4 |
| Credit card | 50,958.5 | 0.0 | 0.0 | 50,958.5 |
| Other assets | 9,352.6 | 0.0 | 487.5 | 9,840.2 |
| Liabilities | 55,301.7 | 68,564.7 | 0.0 | 123,866.4 |
| View catchment | 37,852.3 | 2,000.0 | 0.0 | 39,852.3 |
| Collection Term | 8,388.1 | 29,239.6 | 0.0 | 37,627.7 |
| Creditors for repurchase Collaterals Vend. Or Given in Guarantee | 0.0 | 33,181.1 | 0.0 | 33,181.1 |
| Interbank Loans | 0.0 | 0.0 | 0.0 | 0.0 |
| Operations with Securities and Derivatives | 5,611.8 | 0.0 | 0.0 | 5,611.8 |
| Subordinated bonds | 0.0 | 19.6 | 0.0 | 19.6 |
| Other liabilities | 0.0 | 2,944.1 | 0.0 | 2,944.1 |
| | 3,449.5 | 1,180.3 | 0.0 | 4,629.8 |
| Capital | 6,907.2 | 0.0 | 487.5 | 7,394.7 |
| Stockholders' Equity | 6,907.2 | 0.0 | 487.5 | 7,394.7 |
| Total Liabilities and Capital | 62,208.9 | 68,564.7 | 487.5 | 131,261.1 |

| Banca Afirme | | | | |
|---|------------------------------|---|---------------|--------------|
| Income Statement by Segments | | | | |
| amounts in millions of pesos | | | | |
| June 21 | Credit Operations | Treasury and Investment Banking Operations | Others | Total |
| 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 |
| Net profit | 86.0 | 4.1 | 16.2 | 106.4 |

| Banca Afirme | | | | |
|--|------------------------------|---|-----------------------|---------------|
| Statement of Comprehensive Income by Segments | | | | |
| amounts in millions of pesos | | | | |
| June 22 | Credit Operations | Treasury Investment Banking Operations | and Others | Total |
| Interest Income | 1,703.18 | 2,460.70 | 0.00 | 4,163.88 |
| Income from Warehousing Services | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Expense | -888.24 | -2,079.85 | 0.00 | -2,968.10 |
| Result by Monetary Position | 0.00 | 0.00 | 0.00 | 0.00 |
| Preventive Estimation for Credit Risks. | -391.19 | 0.00 | 0.00 | -391.19 |
| Commissions and Fees Charged | 236.20 | 0.00 | 520.45 | 756.65 |
| Commissions and Fees Paid | -93.46 | 0.00 | -261.54 | -355.00 |
| Result by intermediation | 36.34 | 236.89 | 0.00 | 273.23 |
| Other income (expenses) from the operation | 22.10 | 0.00 | 0.00 | 22.10 |
| Administration and Promotion Expenses | -552.48 | -548.40 | -247.28 | -1,348.16 |
| Operating Result | 72.44 | 69.34 | 11.64 | 153.43 |
| Other Expenses and Products | 0.00 | 0.00 | 0.00 | 0.00 |
| ISR | -15.09 | -14.44 | -2.42 | -31.95 |
| Result before participation of subsidiaries | 57.36 | 54.90 | 9.21 | 121.48 |
| Participation in the results of subsidiaries | | | 15.8 | 15.8 |
| Net profit | 57.36 | 54.90 | 25.02 | 137.28 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

Next, the loan portfolio with credit risk is presented in stages by economic sector for the second quarter of 2022:

| CREDIT PORTFOLIO WITH CREDIT RISK STAGE 1 GROUPED BY ECONOMIC SECTOR | |
|--|-----------------|
| AMOUNTS IN MILLIONS OF PESOS | II Q 2022 |
| AGRICULTURE | 251.7 |
| COMMERCE | 10,105.3 |
| CONSTRUCTION | 3,093.3 |
| ELECTRICITY AND WATER | 4,562.5 |
| MANUFACTURING | 1,905.7 |
| MINING AND OIL | 1,443.4 |
| SERVICES | 6,171.5 |
| FINANCIAL AND REAL ESTATE SERVICES | 2,797.7 |
| TRANSPORT AND COMMUNICATIONS | 1,061.3 |
| MUNICIPAL, STATE AND FEDERAL GOVERNMENT | 1,704.0 |
| CONSUMPTION | 8,474.7 |
| HOUSING | 9,490.9 |
| TOTAL | 51,061.8 |

| CREDIT PORTFOLIO WITH CREDIT RISK STAGE 2 GROUPED BY ECONOMIC SECTOR | |
|--|--------------|
| AMOUNTS IN MILLIONS OF PESOS | II Q 2022 |
| AGRICULTURE | 11.8 |
| COMMERCE | 63.7 |
| CONSTRUCTION | 41.9 |
| MINING AND OIL | 0.8 |
| ELECTRICITY AND WATER | 19.6 |
| MANUFACTURING | 0.0 |
| SERVICES | 58.3 |
| FINANCIAL AND REAL ESTATE SERVICES | 1.5 |
| TRANSPORT AND COMMUNICATIONS | 5.2 |
| GOVERNMENT ENTITIES | 0.0 |
| CONSUMPTION | 197.1 |
| HOUSING | 481.8 |
| TOTAL | 881.7 |

| CREDIT PORTFOLIO WITH CREDIT RISK STAGE 3 GROUPED BY ECONOMIC SECTOR | |
|--|----------------|
| AMOUNTS IN MILLIONS OF PESOS | II Q 2022 |
| AGRICULTURE | 12.8 |
| COMMERCE | 361.0 |
| CONSTRUCTION | 65.9 |
| MINING AND OIL | 480.2 |
| ELECTRICITY AND WATER | 0.0 |
| MANUFACTURING | 85.1 |
| SERVICES | 221.9 |
| FINANCIAL AND REAL ESTATE SERVICES | 23.3 |
| TRANSPORT AND COMMUNICATIONS | 85.8 |
| GOVERNMENT ENTITIES | 0.0 |
| CONSUMPTION | 258.0 |
| HOUSING | 679.1 |
| TOTAL | 2,273.2 |

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

Phased credit portfolio by Geographical Area

**CREDIT PORTFOLIO WITH CREDIT RISK STAGE 1 GROUPED BY CREDIT TYPE AND GEOGRAPHICAL AREA
AS OF JUNE 30, 2022**

(AMOUNTS IN MILLIONS OF PESOS)

| | <u>MEXICO CITY (**)</u> | <u>MONTERREY (*)</u> | <u>NORTH (***)</u> | <u>CENTER (****)</u> | <u>TOTAL</u> |
|--------------------------------|---------------------------|------------------------|----------------------|------------------------|------------------|
| CONSUMER CREDITS | 790.23 | 5,138.74 | 1,433.79 | 1,111.93 | 8,474.70 |
| BUSINESS OR COMMERCIAL ACT | 2,863.17 | 22,073.13 | 3,531.69 | 2,394.26 | 30,862.25 |
| MIDDLE AND RESIDENTIAL HOUSING | 1,557.13 | 3,150.68 | 1,886.68 | 2,886.32 | 9,480.81 |
| OF SOCIAL INTEREST | 0.00 | 10.06 | 0.00 | 0.00 | 10.06 |
| FINANCIAL ENTITIES | 0.00 | 500.10 | 0.00 | 29.88 | 529.98 |
| GOVERNMENT ENTITIES | 0.00 | 1,258.06 | 6.95 | 438.97 | 1,703.98 |
| TOTAL | 5,210.54 | 32,130.77 | 6,859.11 | 6,861.36 | 51,061.79 |

**CREDIT PORTFOLIO WITH CREDIT RISK STAGE 2 GROUPED BY CREDIT TYPE AND GEOGRAPHICAL AREA
AS OF JUNE 30, 2022**

(AMOUNTS IN MILLIONS OF PESOS)

| | <u>MEXICO CITY (**)</u> | <u>MONTERREY (*)</u> | <u>NORTH (***)</u> | <u>CENTER (****)</u> | <u>TOTAL</u> |
|----------------------------|---------------------------|------------------------|----------------------|------------------------|---------------|
| CONSUMER CREDITS | 36.75 | 91.77 | 36.53 | 32.04 | 197.08 |
| BUSINESS OR COMMERCIAL ACT | 63.82 | 68.22 | 39.15 | 31.62 | 202.81 |
| MID AND RESIDENTIAL | 235.65 | -47.61 | 106.20 | 184.55 | 478.80 |
| OF SOCIAL INTEREST | 0.00 | 2.99 | 0.00 | 0.00 | 2.99 |
| FINANCIAL ENTITIES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| GOVERNMENT ENTITIES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 336.22 | 115.37 | 181.88 | 248.21 | 881.68 |

**CREDIT PORTFOLIO WITH CREDIT RISK STAGE 3 GROUPED BY CREDIT TYPE AND GEOGRAPHICAL AREA
AS OF JUNE 30, 2022**

(AMOUNTS IN MILLIONS OF PESOS)

| | <u>MEXICO CITY (**)</u> | <u>MONTERREY (*)</u> | <u>NORTH (***)</u> | <u>CENTER (****)</u> | <u>TOTAL</u> |
|--------------------------------|---------------------------|------------------------|----------------------|------------------------|-----------------|
| CORPORATE OR BUSINESS ACTIVITY | 18.26 | 138.19 | 61.77 | 39.73 | 257.95 |
| CONSUMER CREDITS | 329.37 | 635.44 | 97.41 | 273.92 | 1,336.14 |
| MID AND RESIDENTIAL | 66.21 | 319.28 | 67.66 | 225.19 | 678.34 |
| OF SOCIAL INTEREST | 0.00 | 0.79 | 0.00 | 0.00 | 0.79 |
| TOTAL | 413.85 | 1,093.69 | 226.85 | 538.83 | 2,273.22 |

Deposit funding by Geographic Zone

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> |
|------------------------------|---------------------------|------------------------|----------------------|------------------------|------------------|
| IMMEDIATE AVAILABLE DEPOSITS | 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 |
| CREDITS SECURITIES ISSUED | 0.00 | 232.30 | 0.00 | 0.00 | 232.30 |
| TOTAL | 10,248.55 | 25,888.54 | 7,584.09 | 17,171.43 | 60,892.61 |

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

(AMOUNTS IN MILLIONS OF PESOS)

| | <u>MEXICO CITY (**)</u> | <u>MONTERREY (*)</u> | <u>NORTH (***)</u> | <u>CENTER (****)</u> | <u>TOTAL</u> |
|------------------------------|---------------------------|------------------------|----------------------|------------------------|------------------|
| IMMEDIATE AVAILABLE DEPOSITS | 10,019.41 | 9,688.86 | 5,250.23 | 14,970.99 | 39,929.49 |
| TERM DEPOSITS | 3,658.01 | 23,695.94 | 3,558.81 | 5,845.71 | 36,758.47 |
| CREDITS SECURITIES ISSUED | 0.00 | 792.08 | 0.00 | 0.00 | 792.08 |
| TOTAL | 13,677.42 | 34,176.89 | 8,809.04 | 20,816.70 | 77,480.04 |

(*) MONTERREY AND ITS METROPOLITAN AREA

(**) MEXICO CITY AND ITS METROPOLITAN AREA

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

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

XV.- Information on related parties:

The key operations performed with related parties were the following:

| CREDITS AND TRANSACTIONS WITH OTHER RELATED COMPANIES | | |
|--|-------------|-------------|
| | II Q | |
| AMOUNTS IN MILLIONS OF PESOS | 2021 | 2022 |
| NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP | | |
| CASH AND CASH EQUIVALENTS | 201.5 | 203.84 |
| CREDIT CARD | 1,174.0 | 993.4 |
| OPENING OF IRREVOCABLE CREDITS | 10.0 | 431.4 |
| OTHER ACCOUNTS RECEIVABLE | 58.4 | 36.3 |
| DEBTORS BY REPURCHASE | 51,754.8 | 79,508.5 |
| ADVANCE PAYMENTS | 40.6 | 14.0 |
| TERM CAPTURE AND REPORTS | 1,696.8 | 2,644.5 |
| EYE CATCHING | 583.6 | 478.6 |
| CREDITORS FOR REPURCHASE | 873.6 | 1,920.0 |
| VARIOUS CREDITORS | 27.3 | 28.0 |
| DERIVATIVES FOR TRADING PURPOSES | - | - |
| SUBORDINATED BONDS | 602.5 | 599.2 |
| MEMBERS OF THE BANK AND GROUP BOARD OF DIRECTORS | | |
| CREDIT CARD | 7.5 | 7.9 |
| TERM CAPTURE AND REPORTS | 56.2 | 57.5 |
| EYE CATCHING | 14.7 | 15.2 |
| SUBORDINATED BONDS | 9.0 | 9.0 |
| SPOUSES AND PEOPLE RELATED TO THE PREVIOUS PEOPLE | | |
| CREDIT CARD | 11.6 | 13.7 |
| TERM CAPTURE AND REPORTS | 28.9 | 23.9 |
| EYE CATCHING | 11.4 | 25.6 |

| INTEREST, COMMISSIONS AND OTHER EXPENSES OF RELATED COMPANIES | | |
|---|--------------|---------------|
| AMOUNTS IN MILLIONS OF PESOS | II Q | |
| | 2021 | 2022 |
| INTEREST CHARGED | 15.1 | 21.9 |
| SERVICE REVENUES | 22.9 | 27.6 |
| FEES CHARGED | 55.5 | 9.8 |
| AWARDS COLLECTED | 511.0 | 1037.9 |
| INCOME COLLECTED | 0.4 | 0.4 |
| TOTAL REVENUES | 604.9 | 1097.7 |
| SALARIES AND BENEFITS | 25.8 | 0.0 |
| OTHER FEES | 182.0 | 44.6 |
| COMMISSIONS PAID | 10.0 | 0.0 |
| RENT PAID | 35.8 | 49.5 |
| INTEREST PAID | 17.6 | 42.3 |
| OTHER ADMINISTRATIVE AND OPERATIVE EXPENSES | 46.0 | 108.1 |
| AWARDS PAID | 8.3 | 36.1 |
| INCOME FROM VALUATION OF DERIVATIVES | 0.0 | 0.0 |
| RESULT FOR PURCHASE-SALE OF SECURITIES | 25.1 | 40.5 |
| TOTAL EXPENSES | 350.6 | 321.1 |

Financial indicators

| RELEVANT INDICATORS | IQ21 | IIQ21 | IIQ22 |
|---|--------|--------|------------|
| NPL ratio (past due portfolio/total portfolio) | 3.73% | 3.09% | 4.19% |
| Overdue portfolio coverage (preventive estimate/past due portfolio) | 1.26 | 1.39 | 1.10 |
| Operating efficiency (administration and promotion expenses/average total assets) | 2.76% | 3.75% | 3.91% |
| ROE (return on equity) | 6.26% | 14.39% | 7.41% |
| ROA (return on assets) | 0.24% | 0.65% | 0.40% |
| Liquidity Ratio (liquid assets/liquid liabilities) | 0.90 | 0.93 | 0.92 |
| MIN (financial margin adjusted for credit risks/productive assets) | 2.23% | 3.39% | 2.54% |
| Banca Afirme | | | |
| Credit Capitalization Index | 22.06% | 20.23% | 19.52% (1) |
| Total Capitalization Ratio | 15.64% | 15.39% | 15.26% (1) |
| Basic Capital Index | 11.91% | 11.81% | 11.69% (1) |

(1) Previous data before replicas with Banxico

Banca Afirme Portfolio Rating

ANNEX 35
BANCA AFIRME, SA
CREDIT PORTFOLIO RATING
AS OF JUNE 30, 2022
 Amounts in millions of pesos

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

GRADES:

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

Below are for each type of portfolio, the Default Exposure, the Probability of Default and the Severity of the Loss as of June 30, 2022:

| Portfolio Type | Exposure to Default | Weighted Probability of Default | Loss Severity Weighted |
|---|---------------------|---------------------------------|------------------------|
| Commercial portfolio | 34,771.8 | 9.86% | 37.12% |
| Housing portfolio | 10,651.8 | 11.11% | 14.43% |
| Non-Revolving Consumer Portfolio | 7,962.0 | 8.65% | 71.68% |
| Revolving Consumer Portfolio: Credit Card | 1,908.9 | 10.28% | 72.68% |

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

QAFIRME15

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

QBAFIRME18

At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an issuance of subordinated non-preferred capital bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through OFI/official letters 033-24335. The issue of the bonds was carried out through a public offer for up to 12,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in December 2028. Such an issue was in the amount of \$1,200, the ratio keeping the authorized amount of subordinated obligations to the issued amount 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 bonds and not susceptible to being converted into shares, obtaining authorization from the Central Bank for their issuance through official letters 153 / 12258/2020. The bond issue was executed through a public offering of up to 5,000,000 subordinated bonds with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate + 2.8%, this issuance is not guaranteed, the payment period of interest is every 28 days and its maturity will be in March 2030. Said issuance was for an amount of \$ 500, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

QBAFIRME20-2

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

QBAFIRME22

At the Extraordinary General Meeting of Shareholders held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred subordinated capital obligations that are not eligible for conversion into shares, obtaining authorization from the Central Bank for their issuance through oficios 153/12258/220. By means of the act of issue dated February 15, 2022, the subordinated obligations were issued through a public offer for up to 2,012,500 subordinated obligations with a nominal value of \$ 100.00 pesos each, which accrue interest at a TIIE rate of 28 days + 2.8%, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in February 2032. Said issuance was for an amount of \$ 201, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

As of June 30, 2022, subordinated obligations are registered in the Consolidated Statement of Financial Position under the heading of "Outstanding subordinated obligations", which have the option of prepayment from the fifth year and have, among others, the following characteristics:

- I.- They are bearer titles.

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

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

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

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

As of June 30, 2022, subordinated debentures do not have a discount or premium rate.

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

The Accounting Criteria indicate that in the absence of an express accounting criterion in them and in a broader context of the Mexican Financial Information Standards ("NIF") issued by the Mexican Council of Financial Information Standards, A. C. C. ("IFRS"), it will be observed, the process of supplementation, established in NIF A-8 "Supplementation", and only in case the International Financial Reporting Standards ("IFRS") referred to in NIF A-8 "Supplementation", do not provide a solution to accounting recognition, an additional standard may be chosen that belongs to any other regulatory scheme, provided that it meets all the requirements indicated in the aforementioned NIF, the supplementation should be applied in the following order: the principles of the International Financial Reporting Standards ("IFRS"), which refers to the NIF A-8 "Supplementation", do not provide a solution to accounting recognition, an additional standard may be chosen that belongs to any other regulatory scheme, provided that it meets all the requirements indicated in the aforementioned NIF, the supplementation should be applied in the following order: generally accepted accounting standards in the United States of America ("US GAAP") and then any accounting standard that is part of a formal and recognized set of standards, provided that 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., Multiple Banking Institution, Afirme Financial Group (the "Bank") was incorporated under Mexican laws domiciled at Av. Juarez No. 800 Sur, Zona Centro, Monterrey, N. L. The Bank is a 99.99% subsidiary of Afirme Grupo Financiero, S. A. de C. V. ("Grupo Afirme") and based on the Credit Institutions Law ("LIC"), is authorized to carry out multiple banking operations, which include, among others, the acceptance and granting of credits, the collection of deposits, the making investments in securities, the repurchase operations and derivative financial instruments and the execution of trust contracts, among others. Its activities are regulated by the Banco de México ("Central Bank") and by the National Banking and Securities Commission (the "Banking Commission").

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

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

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

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

XIX.- Summary of the main accounting policies-

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

a) Accounting criteria -

By publication in the Official Gazette dated December 04, 2020, the CNBV announced the mandatory from the 1st. of January 2022, for the adoption of the following IFRS issued by the IFRIC: B-17 "Determination of fair value", C-3 "Accounts receivable", C-9 "Provisions, contingencies and commitments", C-16 "Impairment of financial instruments receivable", C-19 "Financial instruments payable", C-20 "Financial instruments to collect principal and interest", D-1 "Income from contracts with customers", D-2 "Costs for contracts with customers" and D-5 "Leases". In accordance with the transitional articles mentioned in the Provisions, and as a practical solution, credit institutions in the application of the accounting criteria contained in Annex 33 that are modified, may recognize on the date of initial application, that is, January 1, 2022, the cumulative effect of the accounting changes. Likewise, the quarterly and annual basic (consolidated) financial statements that are required of the institutions, in accordance with the Provisions corresponding to the period ended December 31, 2022, should not be presented comparative with each quarter of the 2021 financial year and for the year ended December 31, 2021.

Below is a summary of the adopted IFRS:

"NIF B-17 "Determination of fair value"-. IFRS B-17 must be applied in the determination of fair value. This IFRS establishes the rules of valuation and disclosure in the determination of fair value, in its initial and subsequent recognition, if the fair value is required or permitted by other particular IFRS. If applicable, changes in valuation or disclosure should be recognized prospectively. This NIF must be applied, except for what is established in the particular criteria defined in the Single Circular of Banks

Some specific clarifications for credit institutions are:

Institutions may not classify as Level 1 the updated prices for valuation that they determine through the use of internal valuation models.

In addition, they must disclose:

- The type of virtual asset and/or financial instrument to which an internal valuation model is applicable.
- When the volume or level of activity has decreased significantly, they must explain the adjustments that, if applicable, have been applied to the updated price for valuation.

Management recognized the initial effect of the entry into force of this standard, which it considers immaterial for the purposes of the financial statements as a whole.

The initial impact of the entry into force of this standard mainly represents disclosure effects in the financial statements.

TIN C-2 "*Investment in financial instruments*"- The Accounting Criterion issued by the Securities Investments Commission (B-2) is repealed and it is established that IFRS C-2 must be applied, regarding the application of the rules regarding the registration, valuation and presentation in the financial statements of their investments in financial instruments as follows:

- The classification of financial instruments eliminates the concept of intention to acquire and use an investment in a financial instrument to determine its classification and adopts instead the business model of managing investments in financial instruments to obtain cash flows. This change eliminates the categories of instruments held to maturity and available for sale. Having to determine the business model they will use to manage their investments, classifying them into one of the following three categories: Negotiable financial instruments (IFN), Financial instruments to collect or sell (IFCV), or Financial instruments to collect principal and interest (IFCPI).
- Establishes the valuation of investments in financial instruments according also to the business model, indicating that each model will have its different item in the statement of comprehensive income.
- It adopts the principle that all financial instruments are measured at their initial recognition at fair value.
- The valuation results that are recognized before the investment is redeemed or sold will have the character of unrealized and consequently, they will not be subject to capitalization or distribution of dividends among their shareholders, until they are made in cash.

- Credit institutions, for the identification and recognition of impairment adjustments, must adhere to the provisions of NIF C-2 "Investment in financial instruments", issued by the IFRIC.

In the application of NIF C-2, the Commission establishes the following considerations:

- The exception to irrevocably designate, on initial recognition, a financial instrument to be cashed in or sold, to be subsequently valued at its fair value with effects on net income referred to in paragraph 32.6 of IFRS C-2, will not be applicable to institutions.
- The expected credit losses due to the impairment of investments in financial instruments as indicated in paragraph 45 of IFRS C-2 must be determined in accordance with the provisions of IFRS C-16. In this regard, although the CNBV does not establish specific methodologies for its determination, it would be expected that the expected credit losses due to the impairment of securities issued by a counterparty, be consistent with the impairment determined for loans granted to the same counterparty.

Reclassification

- Entities that carry out reclassifications of their investments in financial instruments under paragraph 44 of NIF C-2 must inform the CNBV of this fact in writing within 10 working days following its determination, explaining in detail the change in the business model that justifies them. Such a change must be authorized by the entity's Risk Committee.

Institutions should consider the Updated Price for Valuation provided by the Price Provider they have contracted, for the following:

- a) Securities registered in the Registry or authorized, registered or regulated in markets recognized by the Commission by means of general provisions.
- b) Derivative Financial Instruments listed on national derivatives exchanges or belonging to markets recognized by the Banco de México.
- c) Underlying assets and other financial instruments forming part of Structured Transactions or Derivative Packages, in the case of Securities or financial instruments provided for in a) and b).

Management recognized the initial effect of the entry into force of this standard, which it considers immaterial for the purposes of the financial statements as a whole.

The initial impact of the entry into force of this standard mainly represents presentation and disclosure effects in the financial statements.

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".

TIN C-16 "Impairment of financial instruments receivable"-. Credit institutions, when observing the criteria indicated in NIF C-16 "Impairment of financial instruments receivable", should not consider the assets derived from the operations referred to in criterion B-6 - Credit Portfolio, issued by the Banking Commission, since the rules for the valuation, presentation and disclosure of such assets are contemplated in the aforementioned criterion, for the rest of the assets the expected impairment losses must be recognized considering the following:

- It establishes that impairment losses of an IFC must be recognized when, as the credit risk has increased, it is concluded that a part of the future cash flows of the IFC will not be recovered.
- It proposes that the expected loss be recognized based on the entity's historical experience of credit losses, current conditions and reasonable and sustainable forecasts of the different quantifiable future events that could affect the amount of future cash flows of the IFC.
- In the case of interest-bearing IFC, it is necessary to determine how much and when it is estimated to recover from the IFC amount, since the recoverable amount must be at its present value.
- It establishes that, if the IFCPI was not deregistered due to the renegotiation, it is appropriate to continue valuing the financial instrument using the original effective interest rate, which should only be modified by the effect of the costs of the renegotiation.

The Commission establishes certain clarifications for the application of NIF C-16 as follows:

- For those accounts receivable other than those related to credit portfolio, institutions must create, where appropriate, an estimate that reflects their degree of irrecoverability, applying the provisions of paragraph 42 of NIF C-16.
- Overdrafts in the checking accounts of the entity's clients, who do not have a credit line for such purposes, will be classified as overdue debits and the entities must simultaneously constitute an estimate for the total amount of said overdraft, at the time such event occurs.
- With regard to transactions with uncollected immediate collection documents referred to in criterion B-1 "Cash and cash equivalents", within 15 calendar days from the date on which they have been transferred to the item that gave rise to them, they will be classified as overdue debits and their estimate for the total amount of the same must be constituted simultaneously.
- The receivables acquired by the entity that are in the cases provided for in paragraph 23 of criterion B-6 – Credit portfolio, must be considered as financial instruments receivable with high credit risk (stage 3), and may not be transferred to another stage for any subsequent effect.
- For the purposes of determining the amount of the expected credit loss referred to in paragraph 45.1.1 of IFRS C-16, the effective interest rate used to determine the present value of the cash flows to be recovered must be adjusted when choosing to modify said rate periodically in order to recognize variations in the estimated cash flows to be received.
- The constitution of reserves for the total of the debt and specific deadlines is established at the time of applying the practical solutions referred to in paragraph 42.6 of NIF C-16
- Additionally, no estimate of expected credit losses due to balances in favor of taxes, and creditable value added tax will be constituted

The Administration recognized within the Statement of Financial Position as of January 31, 2022, the initial effect due to the entry into force of this regulation, which represents an increase in the irrecoverability estimate (credit) within the Accounts Receivable item for \$ 21 and a debit to the Accumulated Income item for the same amount, as well as a credit for \$ 8, corresponding to the deferred tax generated by said recognition.

TIN C-19 "Financial instruments payable" - The main characteristics issued for this TIN, 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 consolidated statement of income.
- Introduces the amortized cost concepts to value financial liabilities and the effective interest method, based on the effective interest rate.

The Commission establishes certain clarifications for the application of NIF C-19 as follows:

Traditional catchment

The characteristics of the issue of the issued credit securities must be disclosed in notes to the financial statements: amount; number of outstanding securities; nominal value; discount or award; rights and form of redemption; guarantees; maturity; interest rate; effective interest rate; amortized amount of the discount or award in results; amount of issuance expenses and other related expenses and proportion that keeps the authorized amount against the issued amount.

Specific aspects are established to be revealed by the capture of resources whose destination is the assistance of communities, sectors or populations derived from natural disasters.

Subtracting Bank and other agencies

The total amount of interbank loans must be disclosed, as well as that of other organizations, indicating for both the type of currency, as well as the maturity periods, guarantees and weighted average rates to which, if applicable, they are subject, identifying the interbank promissory note and the interbank loans agreed to a term less than or equal to 3 business days.

For credit lines received by the entity in which not all the authorized amount is exercised, the unused part of the same must not be presented in the statement of financial position. However, institutions must disclose the unused amount through notes to the financial statements, in accordance with the provisions of criterion A-3, regarding the disclosure of financial information. The letters of credit that the entity contracts are included in the lines referred to in this paragraph.

Restricted enforcement resources received from the Federal Government

The resources that development banking institutions receive from the Federal Government for a specific purpose, and that according to their economic substance are not considered as accounting capital in terms of the provisions of the IFRS, will be recognized on the date they are received in the statement of financial position in the item of restricted application resources received from the Federal Government against the restricted asset that corresponds according to the nature of said resources.

Initial recognition of a financial instrument payable

The provisions of paragraph 41.1.1 numeral 4 of NIF C-19 will not be applicable, with respect to using the market rate as the effective interest rate in the valuation of the financial instrument payable when both rates were substantially different.

Financial instruments payable measured at fair value

The exception to irrevocably designate a financial instrument payable on initial recognition to be subsequently measured at fair value with effect on net income referred to in paragraph 42.2 of IFRS C-19 will not be applicable to institutions.

Management recognized the initial effect of the entry into force of this standard, which it considers immaterial for the purposes of the financial statements as a whole.

The initial impact of the entry into force of this standard mainly represents presentation and disclosure effects in the financial statements.

TIN C-20 "Financial instruments for collecting principal and interest"- The main characteristics issued for this TIN, are shown below:

- The way of classifying financial instruments in the asset is modified, since the concept of acquisition intention and holding of these is discarded to determine their classification, instead the concept of management 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.

For the purposes of NIF C-20, the assets originated by the operations referred to in criterion B-6, issued by the CNBV, should not be included, since the recognition, valuation, presentation and disclosure rules for the initial and subsequent recognition of such assets are contemplated in that criterion. The Commission establishes certain clarifications for the application of NIF C-20 as follows:

Initial recognition of a financial instrument to charge principal and interest

The provisions of paragraph 41.1.1 numeral 4 of NIF C-20 will not be applicable with respect to using the market rate as the effective interest rate in the valuation of the financial instrument to charge principal and interest when both rates were substantially different.

Collection rights

For the purposes of the recognition of the effective interest, the effective interest rate of the receivables may be adjusted periodically in order to recognize the variations in the estimated cash flows receivable.

Fair Value Option

The exception to irrevocably designate on initial recognition a financial instrument to charge principal and interest, to be subsequently measured at fair value with effect on net income referred to in paragraph 41.3.4 of IFRS C-20, will not be applicable to institutions.

Loans to officials and employees

The interest originated from loans to officials and employees will be presented in the statement of comprehensive income in the item of other income (expenses) of the operation.

Loans to pensioners

Loans to retirees will be considered as part of the credit portfolio, having to adhere to the guidelines established in criterion B-6, except when, as to active employees, the collection of such loans is carried out directly, in which case they will be recorded in accordance with the guidelines applicable to loans to civil servants and employees of the company.

Management recognized the initial effect of the entry into force of this standard, which it considers immaterial for the purposes of the financial statements as a whole

The initial impact of the entry into force of this standard mainly represents presentation and disclosure effects in the financial statements.

NIF C-10 "Derivative financial instruments and hedging relationships"- Its objective is to establish the valuation, presentation and disclosure rules for the initial and subsequent recognition of derivative financial instruments (IFDs) and hedging relationships in the Company's financial statements.

This standard focuses on establishing the following specific objectives of a coverage relationship:

- Define and classify the permissible models of recognition of coverage relationships;
- Establish both the conditions that a financial instrument, derivative or non-derivative, must meet to be designated as a hedging instrument, and the conditions that covered items to be designated in one or more hedging relationships must meet;
- Define the concept of alignment of an entity's risk management strategy to designate a hedging relationship; and

- Establish the methods that serve to evaluate the effectiveness of a hedging relationship and the possibility of rebalancing it

The Commission establishes certain clarifications for the application of NIF C-10 as follows:

- It adds to the glossary of terms the definitions of Synthetic Operations with derivative financial instruments and Spot price.
- In addition, the institutions must observe the following criteria:
 - ✓ Financial Instruments Credit Derivatives
 - ✓ Structured transactions and packages of derivative financial instruments

In addition, it establishes some clarifications on the recognition and valuation of the derivative financial instruments listed below:

- Packages of derivative financial instruments listed on a market recognized as a single financial instrument
- Derivative financial instruments not listed on recognised markets or exchanges
- *Fair value hedging for interest rate risk of a portion of a portfolio composed of financial assets or financial liabilities (establishes specific conditions for this type of hedges)*

Management recognized the initial effect of the entry into force of this standard, which it considers immaterial for the purposes of the financial statements as a whole.

The initial impact of the entry into force of this standard mainly represents presentation and disclosure effects in the financial statements.

NIF D-1 "Income from contracts with customers" - The key characteristics issued for this FRS 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.
- Establishes requirements and guidance on how to value the variable consideration and other aspects, when performing the valuation of income.

Within Annex 33, the recognition of conformity to those established in this NIF is established for the following:

- Commission income from the granting of guarantees (B-8 Guarantees)
- Income derived from custody or administration services (B-9 Custody and Administration of Property)
- The income from trust management (B-10 Trusts), including the suspension of the accumulation of said income, at the moment when the debt for these presents 90 or more calendar days of non-payment, being able to accumulate again when the outstanding debt is settled in full.
- Operations carried out by development banking institutions as a Financial Agent of the Federal Government (B-10 Trusts)

TIN D-2 "Costs for 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 for contracts with customers.

Management recognized the initial effect of the entry into force of these standards, which it considers immaterial for the purposes of the financial statements as a whole.

Changes in Criterion B-6 "Credit Portfolio":

Among the main changes are:

- The modification in the way of classifying financial instruments in the asset, since the concept of acquisition intention and holding of these is discarded to determine their classification, instead the concept of business model of the administration and preparation of tests of financial instruments whose purpose is only to Collect Principal and Interest (SPPI) is adopted. The need for evidence on the determination of these types of instruments is established.
- The Current and Expired portfolio classification is eliminated, and portfolio measurement is incorporated in three stages
 - o **Portfolio with credit risk stage 1.-** They are all those credits whose credit risk has not increased significantly since their initial recognition until the date of the financial statements and which are not in the assumptions to be considered stage 2 or 3 in terms of Annex 33.

- **Portfolio with credit risk stage 2.-** It includes those credits that have shown a significant increase in credit risk from their initial recognition to the date of the financial statements in accordance with the provisions of the models for calculating the preventive estimate for credit risks established or permitted in the Provisions, as well as the provisions of Annex 33.
 - **Portfolio with credit risk stage 3.-** They are those credits with credit deterioration caused by the occurrence of one or more events that have a negative impact on the future cash flows of said credits in accordance with the provisions of Annex 33.
- The straight-line origination cost assessment is modified and measurement and valuation methods are incorporated:
- **Amortized Cost:** It is the present value of the contractual cash flows receivable from the credit portfolio, plus the transaction costs to be amortized, using the effective interest method and subtracting the preventive estimate for credit risks.
 - **Effective Interest Rate:** It is the rate that discounts exactly the estimated future cash flows that will be charged over the expected life of a credit in determining its amortized cost. Its calculation should take into account contractual cash flows and relative transaction costs.
 - Amortized origination costs with effective rate

On September 23, 2021, through publication in the Official Gazette of the Federation, the Commission allows financial institutions to continue using the contractual interest rate in the recognition of accrued interest on their credit portfolio, as well as the straight-line method for the recognition of commissions charged and transaction costs as indicated in the current criterion B-6 "Credit Portfolio", in force until December 31, 2021; having to disclose, in the quarterly and annual financial statements of that year, such circumstance. To do this, they had to notify the National Banking and Securities Commission in writing, before December 31, 2021, explaining in detail the reasons why they will not be in a position to apply the aforementioned effective interest rate, during the 2022 financial year, in addition to indicating the program to which they will be subjected for its implementation.

Credit institutions in the recognition and disclosure of the effects of the initial application of the effective interest method and the effective interest rate that they carry out in the 2023 financial year, must adhere to the provisions of Financial Reporting Standard B-1 "Accounting changes and corrections of errors", applicable to credit institutions by virtue of the provisions of criterion A-2 "Application of particular rules", contained in Annex 33 of the General Provisions applicable to credit institutions.

The Entity, by means of a letter of formal notice filed on December 27, 2021, notified the National Banking and Securities Commission of the deferral of the application of said methodology.

Preventive reserves for credit risks

The Institutions, for the purpose of calculating and constituting the preventive reserves for credit risks, must qualify from their initial recognition the credits of their Credit Portfolio based on the criterion of significant increase in credit risk. This criterion will apply from the moment of origination and throughout the life of the credit, even if it has been renewed or restructured.

Institutions, may opt for any of the following approaches:

- i. The Standard Approach, which will be applicable to consumer, commercial and mortgage credit portfolios. Institutions that choose this approach for the calculation of their preventive reserves must comply with the requirements and procedures contained within Chapter V Bis, which describes the General Standard Methodologies by type of credit portfolio.

This approach introduces new criteria for the classification and measurement of financial instruments, which are based on the joint consideration of the Business Model (i.e. the way in which the Entity manages its assets to obtain contractual cash flows) and the analysis of the characteristics of the contractual flows of these instruments (i.e. SPPI test ("Solely Payments of Principal and Interests")). It also introduces the concept of "Significant Increase in Risk" for which reserves have to be estimated by the contractual life of the credit. For those who have not presented an increased risk, the expected 12-month loss can be estimated. The usual approach to estimate credit losses in collective loans is by estimating the Expected Loss (EP) that uses the parameters of Probability of Default (PI), Severity of Loss (SP) and Default Exposure (EI). This calculation must also include the possible impact on credit risk due to the forward-looking information.

- ii. The Internal Approach, which is applicable to all modelable portfolios, using the Internal Reserve Methodologies based on NIF C-16 referred to in Chapter Vais 1, which refers to two models (Basic and Advanced). In this case, the

Institutions will comply with the requirements contained in the referred chapter and in Annex 15Bis.”

Internal Approach - Basic model, each credit institution will carry out its own calculation of the Probability of Default (PI) considering its positions subject to credit risk, and in the case of the Severity of the Loss (SP) and Exposure to Default (EI) in accordance with the provisions of the Commission's Standard Methodology. (applicable to Commercial Credit Portfolio only).

Internal Approach - Advanced model, in which the Institutions must estimate the PI, SP and EI, their own. (Applicable to Commercial Credit, Consumer and Home Mortgage Portfolios.

Credits belonging to portfolios that are not included in the relevant Modelable Portfolios will be graded according to the Standard General Methodology.

For the application of the internal approach is established in Annex 15 Bis, two main requirements which are:

- 1) Implementation plan: Which establishes to notify the commission by free writing, 90 days in advance of the implementation, as well as stipulate within the written the knowledge and authorization of the Board, it must be signed by the Director General or in his absence, by the legal representative authorized to commit the resources of the Institution. In addition, specific requirements are established for its monitoring and measurement.
- 2) It requests some basic conditions such as having systems and infrastructures that support the applicability of the methodology, annual follow-up to reviews of the implemented models, among others.

Credit institutions shall identify and classify the Credit Portfolio, as defined in the General Provisions applicable to credit institutions, by credit risk level, in accordance with the following:

- a) Stage 1 to the credits that do not present evidence of an increase in the level of credit risk, when they do not show any of the assumptions to be classified in this stage according to the General Standard Qualification Methodology that corresponds to them, in accordance with this Resolution.

b) Stage 2, when at the time of qualification the credits present evidence of an increase in the level of credit risk to be classified at this stage according to the General Standard Methodology of qualification that corresponds to them, in accordance with this instrument.

c) Stage 3 to the credits that at the time of qualification meet the requirements to be classified in Stage 3 according to the General Standard Qualification Methodology that corresponds to them, in accordance with this Resolution.

Credit institutions, in order to constitute the amount of preventive reserves for credit risks, may choose to:

- I) They will recognize in the accounting capital, within the result of previous years, as of January 31, 2022, the initial accumulated financial effect derived from applying the corresponding credit portfolio rating methodology for the first time, and will disclose in quarterly and annual financial statements the relevant data of this operation requested by the Commission.

- II) Constitute the amount of the preventive reserves for credit risks at 100%, within a period of 12 months, counted from January 31, 2022. The institution will disclose in quarterly and annual financial statements the relevant data of this operation requested by the Commission.

The Administration recognized in the Statement of Financial Position as of January 31, 2022, the initial effect due to the entry into force of this regulation, which represents an increase (credit) in the Preventive Estimate for Credit Risks in the amount of \$ 23 against Results of previous Years within the Accounting Capital (debit) for the same amount, as well as credit for \$9 for the corresponding deferred tax.

TIN D-5 "Leases"- The application of this NIF for the first time generates accounting changes in the financial statements mainly for the lessee and grants different options for its recognition. Among the main changes are mentioned below:

- 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.
- 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.

- It is established that a lease liability in a sale transaction with a return lease must include both fixed payments and estimated variable payments and includes clarifications to the procedure to be followed in the accounting recognition.
- The accounting recognition by the lessor has no changes in relation to the previous Bulletin D-5, and only some disclosure requirements are added, such as the incorporation of clarifications to disclosures for short-term and low-value leases for which an asset was not recognized by right of use.
- it incorporates the possibility of using a risk-free rate to discount future lease payments and thus recognize a lessee's lease liability. Restricts the use of the practical solution to prevent important and identifiable non-lease components from being included in the measurement of right-of-use assets and lease liabilities.

In the application of NIF D-5 the Commission establishes the following considerations:

The provisions of this NIF will not be applicable to the credits granted by the Entity for financial leasing operations, being the subject of criterion B-6, with the exception of the provisions of paragraph 67 of said Criterion B-6.

For the purposes of the provisions of paragraph 42.1.4, item c) and item d) of NIF D-5, it will be understood that the lease term covers most of the economic life of the underlying asset, if said lease covers at least 75% of its useful life. In addition, the present value of the lease payments is substantially the entire fair value of the underlying asset, if such present value constitutes at least 90% of such fair value.

Credit institutions that act as lessees in leases previously recognized as operating leases, must initially recognize the lease liability in accordance with subparagraph a) of paragraph 81.4 of Financial Reporting Standard D-5 "Leases", and the right-of-use asset, in accordance with the provisions of item ii), subparagraph b) of paragraph 81.4 of NIF D-5.

Operating leasesAccounting for the lessor

For the amount of the amortizations that have not been settled within a period of 30 calendar days following the due date of the payment, the lessor must create the corresponding estimate, suspending the accumulation of rents, keeping its control in accounts of order in the heading of other registration accounts.

The lessor must present in the statement of financial position the account receivable in the item of other accounts receivable, and the rental income in the item of other income (expenses) of the operation in the statement of comprehensive income.

The Administration recognized within the Statement of Financial Position as of January 31, 2022, the initial effect due to the entry into force of this regulation, which represents the recognition of an asset for right of use and a liability for leases for \$1,713.

XX.- Next, the Capitalization Index for the second quarter of 2022 is presented, as well as the assets subject to credit and market risk, in order to comply with the General Provisions Applicable to the institution.

ANNEX 1-O

Figure in millions of pesos as of June 30, 2022
(Figures before replies 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 | 2,635.33 |
| 3 | Other elements of comprehensive income (and other reserves) | 1,640.65 |
| 4 | Capital subject to phase-out of Tier 1 common equity (only applicable for companies that are not linked to shares) | Not applicable |
| 5 | Ordinary shares issued by subsidiaries held by third parties (allowed amount in common equity level 1) | Not applicable |
| 6 | Tier 1 common capital before regulatory adjustments | 8,194.60 |
| Tier 1 Common Capital: Regulatory Adjustments | | |
| 7 | Prudential valuation adjustments | Not applicable |
| 8 | Commercial Credit (net of its corresponding deferred income taxes charged) | 0.00 |
| 9 | Other intangibles other than rights for mortgage services (net of their corresponding deferred income taxes payable) | 356.47 |
| 10 (conservative) | Deferred income taxes in favor that depend on future earnings, excluding those derived from temporary differences (net of deferred income taxes payable) | |
| 11 | Result from valuation of cash flow hedging instruments | 0.00 |
| 12 | Reserves pending to constitute | 0.00 |
| 13 | Benefits on the remainder in securitization operations | |
| 14 | Gains and losses caused by changes in the own credit rating on liabilities valued at fair value | Not applicable |
| 15 | Defined benefit pension plan | |
| 16 (conservative) | Investments in treasury shares | |
| 17 (conservative) | Reciprocal investments in ordinary capital | |
| 18 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | |
| 19 (conservative) | Significant investments in common shares of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital (amount that exceeds the 10% threshold) | |
| 20 (conservative) | Mortgage servicing fees (amount exceeding the 10% threshold) | |
| 21 | Deferred income taxes in favor from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable) | 193.17 |
| 22 | Amount exceeding the 15% threshold | Not applicable |
| 23 | Of which: Significant investments where the institution owns more than 10% in common shares of financial institutions | Not applicable |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | |
|--|---|----------------|
| 24 | Of which: Rights for mortgage services | Not applicable |
| 25 | Of which: Deferred income taxes in favor derived from temporary differences | Not applicable |
| 26 | National regulatory adjustments | 663.49 |
| TO | Of which: Other elements of comprehensive income (and other reserves) | 642.54 |
| B | Of which: Investments in subordinated debt | |
| C | Of which: Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions) | |
| D | Of which: Investments in multilateral organizations | |
| E | Of which: Investments in related companies | |
| F | Of which: Venture capital investments | |
| G | Of which: Investments in mutual funds | 20.95 |
| H | Of which: Financing for the acquisition of own shares | |
| I | Of which: Operations that contravene the provisions | |
| J | Of which: Deferred charges and advance payments | |
| K | Of which: Positions in First Loss Schemes | |
| L | Of which: Employee Participation in Deferred Profits | |
| M | Of which: Relevant Related Persons | |
| N | Of which: Defined benefit pension plan | |
| OR | Of which: Adjustment for capital recognition | |
| 27 | Regulatory adjustments applied to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions | |
| 28 | Total regulatory adjustments to Tier 1 common capital | 2,013.13 |
| 29 | Common Equity Tier 1 (CET1) | 6,181.47 |
| Additional Tier 1 Capital - Instruments | | |
| 30 | Directly issued instruments that qualify as additional Tier 1 capital, plus your premium | |
| 31 | of which: Classified as equity under the applicable accounting criteria | |
| 32 | of which: Classified as liabilities under the applicable accounting criteria | Not applicable |
| 33 | Directly issued capital instruments subject to phase-out of additional Tier 1 capital | |
| 34 | Additional Tier 1 capital instruments issued and Tier 1 common equity instruments not included in line 5 that were issued by subsidiaries held by third parties (allowed amount in additional level 1) | Not applicable |
| 35 | Of which: Instruments issued by subsidiaries subject to phase-out | Not applicable |
| 36 | Additional Tier 1 capital before regulatory adjustments | 0.00 |
| Additional Tier 1 Capital: Regulatory Adjustments | | |
| 37 (conservative) | Investments in equity instruments of additional Tier 1 capital | Not applicable |
| 38 (conservative) | Investments in reciprocal shares in additional Tier 1 capital instruments | Not applicable |
| 39 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | Not applicable |
| 40 (conservative) | Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital | Not applicable |
| 41 | National regulatory adjustments | |
| 42 | Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions | Not applicable |
| 43 | Total regulatory adjustments to additional Tier 1 capital | 0.00 |
| 44 | Additional Tier 1 Capital (AT1) | 0.00 |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 6,981.47 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| Tier 2 capital: instruments and reserves | | |
|---|---|----------------|
| 46 | Directly issued instruments that qualify as Tier 2 capital, plus your premium | |
| 47 | Directly issued equity instruments subject to phase-out from Tier 2 capital | 2,134.00 |
| 48 | Tier 2 capital instruments and Tier 1 common equity instruments and Tier 1 additional capital that have not been included in lines 5 or 34, which have been issued by subsidiaries held by third parties (amount allowed in complementary capital level 2) | Not applicable |
| 49 | of which: Instruments issued by subsidiaries subject to phase-out | Not applicable |
| 50 | Reserves | |
| 51 | Tier 2 capital before regulatory adjustments | 2,134.00 |
| Tier 2 capital: regulatory adjustments | | |
| 52 (conservative) | Investments in own Tier 2 capital instruments | Not applicable |
| 53 (conservative) | Reciprocal investments in Tier 2 capital instruments | Not applicable |
| 54 (conservative) | Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold) | Not applicable |
| 55 (conservative) | Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital | Not applicable |
| 56 | National regulatory adjustments | |
| 57 | Total regulatory adjustments to Tier 2 capital | 0.00 |
| 58 | Tier 2 capital (T2) | 2,134.00 |
| 59 | Total capital (TC = T1 + T2) | 9,115.47 |
| 60 | Total risk-weighted assets | 59,730.19 |
| Capital ratios and supplements | | |
| 61 | Common Tier 1 Capital (as a percentage of total risk-weighted assets) | 10.35 |
| 62 | Tier 1 Capital (as a percentage of total risk-weighted assets) | 11.69 |
| 63 | Total Capital (as a percentage of total risk-weighted assets) | 15.26 |
| 64 | Institutional specific supplement (at least it must consist of: the common capital requirement of level 1 plus the capital conservation buffer, plus the countercyclical buffer, plus the G-SIB buffer; expressed as a percentage of total risk-weighted assets) | 7.00 |
| 65 | Of which: Capital Conservation Supplement | 2.50 |
| 66 | Of which: Specific Banking Countercyclical Supplement | Not applicable |
| 67 | Of which: Global Systemically Important Banks Supplement (G-SIB) | Not applicable |
| 68 | Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets) | 3.35 |
| National minimums (if different from Basel 3) | | |
| 69 | CET1 national minimum ratio (if it differs from the minimum established by Basel 3) | Not applicable |
| 70 | T1 national minimum ratio (if it differs from the minimum established by Basel 3) | Not applicable |
| 71 | National minimum TC ratio (if it differs from the minimum established by Basel 3) | Not applicable |
| Amounts below deduction thresholds (before risk weighting) | | |
| 72 | Non-significant investments in the capital of other financial institutions | Not applicable |
| 73 | Significant investments in common shares of financial institutions | Not applicable |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

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

TABLE II.1

| Capital concepts | No adjustment for capital recognition | DATA | % WASTR | DATA | Capital recognition adjustment | DATA | With adjustment for capital recognition | DATA | % WASTR | DATA |
|---|---------------------------------------|--------|----------------|--------|--------------------------------|------|---|------|----------------|------|
| Basic Capital 1 | A | 6,181 | B1 = A / F | 10.35% | C1 | 0 | A' = A - C1 | 0 | B1' = A' / F | 0 |
| Basic Capital 2 | B | 800 | B2 = B/F | 1.34% | C2 | 0 | B' = B - C2 | 0 | B2' = B' / F | 0 |
| Basic Capital | C = A + B | 6,981 | B3 = C/F | 11.69% | C3 = C1 + C2 | 0 | C' = A' + B' | 0 | B3' = C' / F | 0 |
| Complementary Capital | D | 2,134 | B4 = D / F | 3.57% | C4 | 0 | D' = D - C4 | 0 | B4' = D' / F | 0 |
| Net Capital | E = C + D | 9,115 | B5 = E / F | 15.26% | C5 = C3 + C4 | 0 | E' = C' + D' | 0 | B5' = E' / F | 0 |
| Weighted Assets Subject to Total Risk (WASTR) | F | 59,730 | Not applicable | | Not applicable | | F' = F | 0 | Not applicable | |
| Capitalization index | G = E / F | 15.26 | Not applicable | | Not applicable | | G' = E' / F' | 0 | Not applicable | |

TABLE II.1 Balance sheet figures

| Balance sheet items reference | Balance sheet items | Amount presented on the balance sheet |
|-------------------------------|---------------------|---------------------------------------|
| | Active | 131,261.13 |
| BG1 | Liquid Assets | 9,602.83 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | |
|------|---|-------------------|
| BG2 | Margin accounts | 11.57 |
| BG3 | Investments in securities | 47,475.50 |
| BG4 | Debtors by repurchase | 12,588.36 |
| BG5 | Securities Lending | 0.00 |
| BG6 | Derivatives | 265.78 |
| BG7 | Valuation adjustments for hedging financial assets | -217.76 |
| BG8 | Total loan portfolio (net) | 51,706.25 |
| BG9 | Benefits to be received in securitization operations | 0.00 |
| BG10 | Other accounts receivable (net) | 1,704.28 |
| BG11 | Foreclosed assets (net) | 233.93 |
| BG12 | Property, furniture, and equipment (net) | 3,940.61 |
| BG13 | Permanent Investment | 137.02 |
| BG14 | Long - term assets available for sale | 0.00 |
| BG15 | Deferred taxes and employee profit sharing (net) | 572.77 |
| BG16 | Other assets | 3,239.98 |
| | Liabilities | 123,866.38 |
| BG17 | Traditional deposits | 77,480.04 |
| BG18 | Interbank and other agencies loans | 5,611.77 |
| BG19 | Creditors for Repurchase | 33,181.07 |
| BG20 | Securities lending | 0.00 |
| BG21 | Colaterales sold or pledged | 0.00 |
| BG22 | Derivatives | 19.57 |
| BG23 | Valuation adjustments for coverage of financial liabilities | 0.00 |
| BG24 | Obligations from securitization operations | 0.00 |
| BG25 | Other accounts payable | 2,766.79 |
| BG26 | Subordinated bonds issued | 2,944.12 |
| BG27 | Deferred taxes and employee profit sharing (net) | 1,781.23 |
| BG28 | Deferred credits and early collections | 81.79 |
| | Stockholders' equity | 7,394.60 |
| BG29 | Contributed capital | 3,918.63 |
| BG30 | Earned capital | 3,475.97 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | Memorandum accounts | 621,897.00 |
|------|--|-------------------|
| BG31 | Guarantees granted | 854.63 |
| BG32 | Contingent assets and liabilities | 0.00 |
| BG33 | Credit commitments | 8,454.68 |
| BG34 | Assets in trust or mandate | 44,466.40 |
| BG35 | Financial agent of the federal government | 0.00 |
| BG36 | Assets in custody or management | 310,057.07 |
| BG37 | Collaterals received by the entity | 79,028.12 |
| BG38 | Collaterals received and sold or delivered as collateral by the entity | 67,038.31 |
| BG39 | Investment banking operations on behalf of third parties (net) | 0.00 |
| BG40 | Uncollected accrued interest from past due loan portfolio | 102.53 |
| BG41 | Other registration accounts | 111,895.26 |

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. |
|---------------|--|--|---|---|
| Active | | | | |
| 1 | Commercial Credit | 8 | 0.00 | BG16 |
| 2 | Other Intangibles | 9 | 356.47 | BG16 |
| 3 | Deferred income tax (in favor) from losses and tax credits | 10 | 0.00 | BG15 |
| 4 | Benefits on the remainder in securitization operations | 13 | 0.00 | BG09 |
| 5 | Investments of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |
| 6 | Investments in shares of the institution itself | 16 | 0.00 | |
| 7 | Reciprocal investments in ordinary capital | 17 | 0.00 | |
| 8 | Direct investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock | 18 | 0.00 | |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | | | |
|--------------------|--|--------|--------|------|
| 9 | Indirect investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock | 18 | 0.00 | |
| 10 | Direct investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital | 19 | 0.00 | |
| 11 | Indirect investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital | 19 | 0.00 | |
| 12 | Deferred income tax (in favor) from temporary differences | 21 | 193.17 | |
| 13 | Reserves recognized as complementary capital | 50 | 0.00 | BG8 |
| 14 | Investments in subordinated debt | 26 - B | 0.00 | |
| 15 | Investments in multilateral organizations | 26 - D | 0.00 | |
| 16 | Investments in related companies | 26 - E | 0.00 | |
| 17 | Venture capital investments | 26 - F | 0.00 | |
| 18 | Investments in mutual funds | 26 - G | 20.95 | 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 |
| Liabilities | | | | |
| 24 | Taxes on deferred income (payable) associated with goodwill | 8 | 0.00 | |
| 25 | Deferred income taxes (payable) associated with other intangibles | 9 | 0.00 | |
| 26 | Liabilities of the pension plan for defined benefits without unrestricted and unlimited access | 15 | 0.00 | |
| 27 | Deferred income taxes (payable) associated with the defined benefit pension plan | 15 | 0.00 | |
| 28 | Deferred income taxes (payable) associated with others other than the above | 21 | 0.00 | |
| 29 | Subordinated obligations amount that complies with Schedule 1-R | 31 | 0.00 | |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | | | |
|--|---|----------------|----------|------|
| 30 | Subordinated obligations subject to transitory status that are computed as basic capital 2 | 33 | 0.00 | |
| 31 | Subordinated obligations amount that complies with Schedule 1-S | 46 | 0.00 | |
| 32 | Subordinated obligations subject to transitory status that are computed as complementary capital | 47 | 0.00 | |
| 33 | Deferred income taxes (payable) associated with deferred charges and prepayments | 26 - J | 0.00 | |
| Stockholders' equity | | | | |
| 34 | Contributed capital that complies with Schedule 1-Q | 1 | 3,918.63 | BG29 |
| 35 | Results of previous years | 2 | 2,635.33 | BG30 |
| 36 | Result from valuation of instruments for cash flow hedging of items recorded at fair value | 3 | 0.00 | BG30 |
| 37 | Other elements of earned capital other than the above | 3 | 1,640.65 | BG30 |
| 38 | Contributed capital that complies with Schedule 1-R | 31 | 0.00 | |
| 39 | Contributed capital that complies with Schedule 1-S | 46 | 0.00 | |
| 40 | Result from valuation of instruments for cash flow hedging of items not recorded at fair value | 3, 11 | 0.00 | |
| 41 | Cumulative effect of conversion | 3, 26 - A | 0.00 | |
| 42 | Result from holding non-monetary assets | 3, 26 - A | 0.00 | |
| Memorandum accounts | | | | |
| 43 | Positions in First Loss Schemes | 26 - K | 0.00 | |
| Regulatory concepts not considered in the balance sheet | | | | |
| 44 | Reserves pending to constitute | 12 | 0.00 | |
| 45 | Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions) | 26 - C | 0.00 | |
| 46 | Operations that contravene the provisions | 26 - I | 0.00 | |
| 47 | Operations with Relevant Related Persons | 26 - M | 0.00 | |
| 48 | Capital recognition adjustment | 26 - O, 41, 56 | 0.00 | |

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

| Concept | Amount of equivalent positions | Capital requirement |
|--|--------------------------------|---------------------|
| Operations in national currency with nominal rate | 3,210 | 257 |
| Operations with debt securities in national currency with a surcharge and a reviewable rate | 995 | 80 |
| Operations in national currency with a real rate or denominated in UDI's | 67 | 5 |
| 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 | 3 | 0 |
| Positions in currencies or with yield indexed at the exchange rate | 20 | 2 |
| Gold Positions | 0 | 0 |
| Positions in shares or with yield indexed to the price of a share or group of shares | 0 | 0 |

| | |
|-------|-----|
| 4,298 | 344 |
|-------|-----|

TABLE IV.2

| Concept | Risk-weighted assets | Capital requirement |
|---|----------------------|---------------------|
| Group III (weighted at 20%) | 515.16 | 41.21 |
| Group III (weighted at 50%) | 240.61 | 19.25 |
| Group III (100% weighted) | 537.32 | 42.99 |
| Group IV (weighted at 20%) | 97.80 | 7.82 |
| Group V (weighted at 20%) | 63.37 | 5.07 |
| Group V (weighted at 50%) | 348.31 | 27.86 |
| Group V (weighted at 150%) | 360.83 | 28.87 |
| Group VI (weighted at 50%) | 1,560.63 | 124.85 |
| Group VI (weighted at 75%) | 782.56 | 62.60 |
| Group VI (100% weighted) | 6,245.72 | 499.66 |
| Group VI (weighted at 115%) | 312.48 | 25.00 |
| Group VI (weighted at 150%) | 382.02 | 30.56 |
| Group VII_A (weighted at 20%) | 1,065.44 | 85.23 |
| Group VII_A (weighted at 50%) | 249.72 | 19.98 |
| Group VII_A (100% weighted) | 31,035.40 | 2,482.83 |
| Group IX (100% weighted) | 2,681.34 | 214.51 |
| Group IX (weighted at 115%) | 188.99 | 15.12 |
| Securitizations with Risk Grade 1 (weighted at 20%) | 42.34 | 3.39 |

TABLE III.3 Weighted assets subject to operational risk

| Risk-weighted assets | Capital requirement |
|---|---|
| 8,722 | 698 |
| Average of the requirement for market and credit risk of the last 36 months | Average positive annual net income for the last 36 months |
| N/A | 4,510 |

Banca Afirme at the end of June 2022 is classified as Category I, in accordance with the provisions applicable to capitalization requirements, issued by the National Banking and Securities Commission to Multiple Banking institutions in terms of Article 50 of the SCI, Chapter I of Title One Bis.

ANNEX 1-O Bis

(Before replies with Banco de México)

DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE

I.- Integration of the main sources of leverage

II.- Comparison between total assets and Adjusted Assets

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

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

I. Integration of the main sources of leverage

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

Table I.1

| Reference | ITEM | AMOUNT |
|-----------|--|------------|
| 1 | Items within the balance sheet (excluding derivative financial instruments and repurchase operations and securities loans -SFT for its acronym in English- but including collaterals received as collateral and recorded on the balance sheet) | 117,630 |
| 2 | (Amounts of assets deducted to determine Basel III Tier 1 capital) | - 1,213 |
| 3 | On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2) | 116,417 |
| | Exposures to derivative financial instruments | |
| 4 | Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin) | 29 |
| 5 | Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments. | 20 |
| 6 | Increase in Collateral contributed in operations with derivative financial instruments when said collateral is removed from the balance sheet in accordance with the operational accounting framework | - |
| 7 | (Deductions to accounts receivable for variation margin in cash contributed in operations with derivative financial instruments) | - |
| 8 | (Exposure for operations in derivatives financial instruments on behalf of clients, in which the clearing partner does not grant its guarantee in case of breach of the debt of the Central Counterpart) | - |
| 9 | Adjusted effective notional amount of subscribed credit derivative financial instruments | - |
| 10 | (Compensations made to the adjusted cash notional of the subscribed credit derivative financial instruments and deductions of the additional factors for the subscribed credit derivative financial instruments) | - |
| 11 | Total exposures to derivative financial instruments (sum of lines 4 to 10) | 49.11 |
| | Total exposures to derivative financial instruments (sum of lines 4 to 10) | |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | |
|----|---|--------------|
| 12 | Gross SFT assets (without offset recognition), after accounting transaction adjustments for sales | 12,588 |
| 13 | (Accounts payable and receivable from SFT cleared) | - |
| 14 | Counterparty Risk Exposure by SFT | 1,198 |
| 15 | Exposures by SFT acting on behalf of third parties | - |
| 16 | Total exposures from securities financing transactions (sum of lines 12 to 15) | 13,786 |
| | Capital and total exposures | |
| 17 | Off-balance sheet exposure (gross notional amount) | 9,309 |
| 18 | (Adjustments for conversion to credit equivalents) | - |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 8,882 |
| | Capital and total exposures | 427 |
| 20 | Tier 1 Capital | 6,981 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 130,680 |
| | Leverage ratio | |
| 22 | Basel III leverage ratio | 5.34% |

TABLE II.1

| Reference | ITEM | AMOUNT |
|-----------|---|----------|
| 1 | Total assets | 130,484 |
| 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 | - 663 |
| 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 | - 246 |
| 5 | Adjustment for repurchase operations and securities loan | 1,198 |
| 6 | Adjustment for items recognized in memorandum accounts | 427 |
| 7 | Other settings | - 356 |
| 8 | Leverage ratio exposure | 130,843 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

TABLE III.1

| Reference | ITEM | AMOUNT |
|-----------|---|-------------|
| 1 | Total assets | 130,484 |
| 2 | Operations in derivative financial instruments | - 265.78 |
| 3 | Repo operations and securities loans | - 12,588.36 |
| 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 | 117,630 |

| CONCEPT/QUARTER | T-1 | T | VARIATION (%) |
|--------------------|---------|---------|---------------|
| Basic Capital 1/ | 7,077 | 6,981 | -1.3% |
| Adjusted Assets 2/ | 144,257 | 130,680 | -9.4% |
| Leverage Ratio 3/ | 4.91% | 5.34% | 8.90% |

Characteristics of the Debt

| Reference | Characteristic | QAFIRME-15 Options | BAFIRME-18 Options | BAFIRME-20 Options | BAFIRME-20-2 Options | BAFIRME-22 Options |
|-----------|---|--|---|---|---|---|
| 1 | Transmitter | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. |
| 2 | ISIN, CUSIP or Bloomberg identifier | N/A | 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 | Credit Institutions Law Credit Institutions, Unique Circular of Banks |
| | <i>Regulatory treatment</i> | | | | | |
| 4 | Capital level with transience | Basic 2 | Complementary | Complementary | Complementary | Complementary |
| 5 | Capital level without transience | Basic 2 | Complementary | Complementary | Complementary | Complementary |
| 6 | Instrument level | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries | Credit institution unconsolidated subsidiaries |
| 7 | Type of instrument | Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares. | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares | Subordinated Obligation of Non-Preferential Capital and Not Susceptible to be Converted into Shares |
| 8* | Amount recognized in regulatory capital | \$ 810.77 million pesos They are recognized within the basic non-fundamental capital. | \$1,923.71 MDP is recognized within the complementary capital. | \$1,923.71 MDP is recognized within the complementary capital. | \$1,923.71 MDP is recognized within the complementary capital. | \$ 2,130.41 are recognized within complementary capital. |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | | | | | |
|-----|--|--|--|--|--|--|
| 9 | Instrument nominal value | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. | \$ 100.00 (One hundred pesos 00/100 MN) each. |
| 9A | Instrument currency | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos | Mexican pesos |
| 10 | Accounting classification | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost | Liability at amortized cost |
| 11 | Date of issue | 04/02/2015 | 11/10/2018 | 27/03/2020 | 22//10/20 | 15/02/2022 |
| 12 | Instrument term | Perpetuity | Maturity | Maturity | Maturity | Maturity |
| 13 | Expiration date | Without caducity | September 28, 2028 | March 15, 2030 | October 10, 1930 | 03/02/2032 |
| 14 | Advance payment clause | Yes | Yes | Yes | Yes | Yes |
| 15 | First advance payment date | From the fifth year. | From the fifth year. | From the fifth year. | From the fifth year. | From the fifth year. |
| 15A | Regulatory or tax events | No | No | No | No | No |
| 15B | Settlement price of the advance payment clause | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment | At a price equal to its nominal value plus accrued interest on the date of early repayment |
| 16 | Subsequent advance payment dates | NA | NA | NA | NA | NA |
| | Returns/ dividends | | | | | |
| 17 | Yield/dividend type | Variable Yield | Variable Yield | Variable Yield | Variable Yield | Variable Yield |
| 18 | Cup of Interest/Dividend | Interest Rate: 91-day TIIE + 4.00% | Interest Rate: 28-day TIIE + 2.80% | Interest Rate: 28-day TIIE + 2.80% | Interest Rate: 28-day TIIE + 2.80% | Interest Rate: 28-day TIIE + 2.80% |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| | | | | | | |
|----|---|---|---|---|---|---|
| 19 | Dividend cancellation clause | NA | NA | NA | NA | NA |
| 20 | Discretion in payment | Mandatory | Mandatory | Mandatory | Mandatory | Mandatory |
| 21 | Interest increase clause | NA | NA | NA | NA | NA |
| 22 | Yield/dividends | Performance | Performance | Performance | Performance | Performance |
| 23 | Instrument convertibility | Convertibles | Non Convertibles | Non Convertibles | Non Convertibles | Non Convertibles |
| 24 | Convertibility conditions | NA | NA | NA | NA | NA |
| 25 | Degree of convertibility | NA | NA | NA | NA | NA |
| 26 | Conversion rate | NA | NA | NA | NA | NA |
| 27 | Type of instrument convertibility | NA | NA | NA | NA | NA |
| 28 | Type of convertibility financial instrument | NA | NA | NA | NA | NA |
| 29 | Instrument emitter | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. | Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero. |
| 30 | Decrease in value clause <i>(Write-Down)</i> | NA | NA | NA | NA | NA |

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

DISCLOSURE OF LIQUIDITY COVERAGE COEFFICIENT

In compliance with Annex 5 of Article 8 stipulated in section III of the General Provisions on liquidity requirements for Multiple Banking institutions, the disclosure format of the Liquidity Coverage Coefficient for the second quarter 2022 is detailed.

| FORMATO DE REVELACIÓN DEL COEFICIENTE DE COBERTURA DE LIQUIDEZ | | | |
|---|---|------------------------------------|---------------------------------|
| FORMATO DE REVELACIÓN DEL COEFICIENTE DE COBERTURA DE LIQUIDEZ (Cifras en Millones de pesos Mexicanos) | | Importe sin ponderar (promedio) | Importe ponderado (promedio) |
| ACTIVOS LÍQUIDOS COMPUTABLES | | | |
| 1 | Total de Activos Líquidos Computables | No aplica | 22,403 |
| SALIDAS DE EFECTIVO | | | |
| 2 | Financiamiento minorista no garantizado | 22,585 | 1,766 |
| 3 | Financiamiento estable | 9,845 | 492 |
| 4 | Financiamiento menos estable | 12,740 | 1,274 |
| 5 | Financiamiento Mayorista no garantizado | 38,097 | 17,446 |
| 6 | Depósitos operacionales | 0 | 0 |
| 7 | Depósitos no operacionales | 38,097 | 17,446 |
| 8 | Deuda no garantizada | 0 | 0 |
| 9 | Financiamiento Mayorista garantizado | No aplica | 561 |
| 10 | Requerimientos adicionales: | 9,006 | 1,455 |
| 11 | Salidas relacionadas a instrumentos financieros derivados y otros requerimientos de garantías | 778 | 747 |
| 12 | Salidas relacionadas a pérdidas del financiamiento de instrumentos de deuda | 0 | 0 |
| 13 | Lineas de crédito y liquidez | 8,228 | 708 |
| 14 | Otras obligaciones de financiamiento contractuales | 12 | 12 |
| 15 | Otras obligaciones de financiamiento contingentes | 0 | 0 |
| 16 | TOTAL DE SALIDAS DE EFECTIVO | No aplica | 21,240 |
| ENTRADAS DE EFECTIVO | | | |
| 17 | Entradas de efectivo por operaciones garantizadas | 61,417 | 17 |
| 18 | Entradas de efectivo por operaciones no garantizadas | 7,024 | 4,761 |
| 19 | Otras entradas de efectivo | 5,502 | 5,502 |
| 20 | TOTAL DE ENTRADAS DE EFECTIVO | 73,943 | 10,279 |
| | | | Importe ajustado |
| 21 | TOTAL DE ACTIVOS LIQUIDOS COMPUTABLES | No aplica | 22,403 |
| 22 | TOTAL NETO DE SALIDAS DE EFECTIVO | No aplica | 10,961 |
| 23 | COEFICIENTE DE COBERTURA DE LIQUIDEZ | No aplica | 206.64% |

- 91 calendar days of the quarter corresponding to April - June 2022 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 |
|---------|-------|--------|
| -17.34% | 7.34% | 13.69% |

- 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 | Outflow | Income |
|-------|---------|--------|
| April | 1 | 1 |

may

0

0

june

3

3

**Amounts in millions of pesos*
DISCLOSURE OF THE NET STABLE FINANCING COEFFICIENT

| Amounts in millions of pesos | | Individual Figures | | | | | Consolidated Figures | | | | |
|---|---|------------------------------------|----------------|---------------------------|----------------|-----------------|------------------------------------|----------------|---------------------------|----------------|-----------------|
| | | Unweighted amount by residual term | | | | Weighted amount | Unweighted amount by residual term | | | | Weighted amount |
| | | Without caducity | <6 month | From 6 months to < 1 year | > 1 year | | Without caducity | <6 month | From 6 months to < 1 year | >1 year | |
| ELEMENTS OF THE AMOUNT OF STABLE FINANCING AVAILABLE | | | | | | | | | | | |
| 1 | Capital: | 8,238 | - | - | 2,133 | 10,371 | 8,238 | - | - | 2,133 | 10,371 |
| 2 | <i>Fundamental capital and non-fundamental basic capital.</i> | 8,238 | - | - | - | 8,238 | 8,238 | - | - | - | 8,238 |
| 3 | <i>Other capital instruments.</i> | - | - | - | 2,133 | 2,133 | - | - | - | 2,133 | 2,133 |
| 4 | Retail deposits: | - | 22,268 | 352 | 28 | 21,065 | - | 22,268 | 352 | 28 | 21,065 |
| 5 | <i>Stable deposits.</i> | - | 19,220 | 255 | 10 | 18,073 | - | 19,220 | 255 | 10 | 18,073 |
| 6 | <i>Less stable deposits.</i> | - | 3,048 | 96 | 18 | 2,992 | - | 3,048 | 96 | 18 | 2,992 |
| 7 | Wholesale financing: | - | 44,012 | 2,546 | 1,036 | 20,169 | - | 44,012 | 2,546 | 1,036 | 20,169 |
| 8 | <i>Operational deposits.</i> | - | - | - | - | - | - | - | - | - | - |
| 9 | <i>Other wholesale financing.</i> | - | 44,012 | 2,546 | 1,036 | 20,169 | - | 44,012 | 2,546 | 1,036 | 20,169 |
| 10 | Interdependent liabilities | - | - | - | - | - | - | - | - | - | - |
| 11 | Other liabilities: | - | 102,942 | 129 | 91 | 21,618 | - | 102,942 | 129 | 91 | 21,618 |
| 12 | <i>Liabilities for derivatives for purposes of the Financing Coefficient Stable Net</i> | Not applicable | - | - | - | Not applicable | Not applicable | - | - | - | Not applicable |
| 13 | <i>All liabilities and own resources not included in the categories previous.</i> | - | 102,942 | 129 | 91 | 21,618 | - | 102,942 | 129 | 91 | 21,618 |
| 14 | Total Amount of Stable Financing Available | Not applicable | Not applicable | Not applicable | Not applicable | 73,224 | Not applicable | Not applicable | Not applicable | Not applicable | 73,224 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

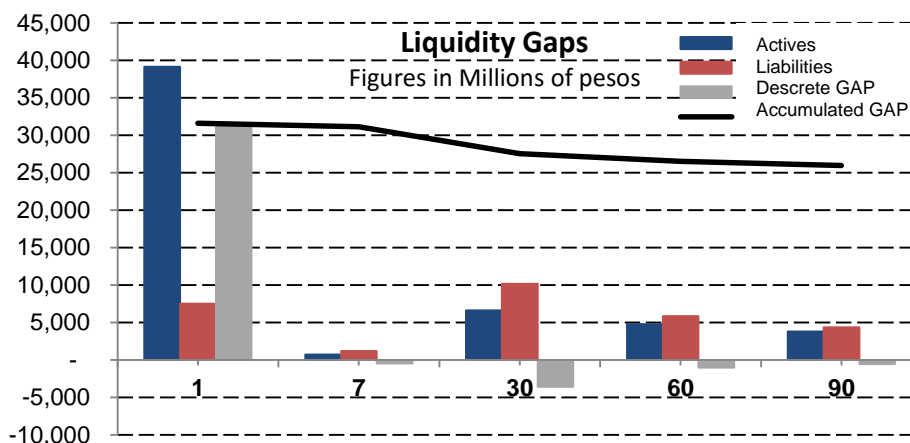
| Amounts in millions of pesos | Individual Figures | | | | | Consolidated Figures | | | | | |
|---|---|----------------|---------------------------|----------------|-----------------|------------------------------------|----------------|---------------------------|----------------|-----------------|--------|
| | Unweighted amount by residual term | | | | Weighted amount | Unweighted amount by residual term | | | | Weighted amount | |
| | Without caducity | <6 month | From 6 months to < 1 year | > 1 year | | Without caducity | <6 month | From 6 months to < 1 year | >1 year | | |
| ELEMENTS OF THE REQUIRED STABLE FINANCING AMOUNT | | | | | | | | | | | |
| 15 | Total liquid assets eligible for purposes of the Coefficient of Net Stable Financing. | Not applicable | Not applicable | Not applicable | Not applicable | 1,096 | Not applicable | Not applicable | Not applicable | Not applicable | 1,096 |
| 16 | Deposits with other financial institutions for purposes operational. | - | - | - | - | - | - | - | - | - | - |
| 17 | Current loans and securities: | 117 | 244,144 | 3,501 | 32,503 | 43,308 | 117 | 244,786 | 3,792 | 33,155 | 44,319 |
| 18 | Guaranteed financing granted to financial institutions with liquid assets level I eligible. | - | 161,046 | - | - | 11,472 | - | 161,046 | - | - | 11,472 |
| 19 | Guaranteed financing granted to financial institutions with different eligible liquid assets level I. | - | 68,018 | - | - | - | - | 68,018 | - | - | - |
| 20 | Guaranteed financing granted to counterparties other than financial institutions, the which: | 0 | 14,947 | 3,335 | 32,503 | 31,711 | 0 | 15,589 | 3,626 | 33,155 | 32,722 |
| 21 | They have a credit risk weighting less than or equal to 35% according to the Basel Standard Method for Credit Risk II. | - | 11,688 | 2,127 | 26,980 | 24,444 | - | 11,948 | 2,143 | 27,025 | 24,611 |
| 22 | Housing loans (in force), of which: | - | - | - | - | - | - | - | - | - | - |
| 23 | They have a credit risk weighting less than or equal to 35% according to the Standard Method established in the Provisions. | - | 290 | 215 | 9,225 | 6,249 | - | 290 | 215 | 9,225 | 6,249 |

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

| Amounts in millions of pesos | | Individual Figures | | | | | Consolidated Figures | | | | |
|------------------------------|---|------------------------------------|----------------|---------------------------|----------------|-----------------|------------------------------------|----------------|---------------------------|----------------|-----------------|
| | | Unweighted amount by residual term | | | | Weighted amount | Unweighted amount by residual term | | | | Weighted amount |
| | | Without caducity | <6 month | From 6 months to < 1 year | > 1 year | | Without caducity | <6 month | From 6 months to < 1 year | >1 year | |
| 24 | <i>Debt and equity securities other than Eligible Liquid Assets (that are not in default).</i> | 117 | 134 | 166 | - | 125.5 | 117 | 134 | 166 | - | 125 |
| 25 | Interdependent assets. | - | - | - | - | - | - | - | - | - | - |
| 26 | Other Assets: | 1,194.2 | 8,977 | 2,251 | 420 | 2,314 | 1,194.2 | 9,434 | 2,251 | 420 | 2,338 |
| 27 | <i>Physically traded commodities, including gold.</i> | - | - | - | - | - | - | - | - | - | - |
| 28 | <i>Initial margin awarded in transactions in derivative financial instruments and contributions to the loss absorption fund of central counterparties</i> | Not applicable | 12 | | | 10 | Not applicable | 12 | | | 10 |
| 29 | <i>Assets by derivatives for purposes of the Net Stable Financing Coefficient.</i> | Not applicable | - | - | - | - | Not applicable | - | - | - | - |
| 30 | <i>Liabilities for derivatives for purposes of the Net Stable Financing Coefficient before deduction for the change in the initial margin</i> | 0.1 | - | - | - | 0 | 0.1 | - | - | - | 0 |
| 31 | <i>All assets and operations not included in the above categories.</i> | 1,194 | 8,965 | 2,251 | 420 | 2,305 | 1,194 | 9,422 | 2,251 | 420 | 2,328 |
| 32 | Off-balance sheet operations. | Not applicable | - | - | - | - | Not applicable | - | - | - | - |
| 33 | Total Amount of Stable Financing Required. | Not applicable | Not applicable | Not applicable | Not applicable | 46,718 | Not applicable | Not applicable | Not applicable | Not applicable | 47,753 |
| 34 | Net Stable Financing Coefficient (%). | Not applicable | Not applicable | Not applicable | Not applicable | 156.7% | Not applicable | Not applicable | Not applicable | Not applicable | 153.3% |

The accumulated band at 60 days of Banca Afirme was \$ 26,511 million pesos at the end of Q2 2022, 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, 2022, the Liquidity Coverage Ratio is 180%. In order to show the behavior of the CCL, the values at the end of Q2 2022 compared to the previous quarter are presented below.

| CCL evolution | March 2022 | June 2022 |
|-------------------------------------|-------------|-------------|
| Computable Liquid Assets (Weighted) | 27,571 | 31,106 |
| Net Exits at 30 days | 13,923 | 17,310 |
| CCL | 198% | 180% |

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

| Computable Liquid Assets Evolution (Unweighted) | March 2022 | June 2022 |
|---|---------------|---------------|
| Liquid Assets Level 1 | 27,571 | 31,063 |
| Liquid Assets Level 2 | - | 50 |
| Total Liquid Assets | 27,571 | 31,114 |

As of June 30, 2022, the Net Stable Financing Coefficient is 146.98%,

| Net Stable Financing Ratio | March 2022 | June 2022 |
|-----------------------------------|-------------|-------------|
| Stable Financing Amount Required | 48,348 | 51,150 |
| Stable Financing Amount Available | 71,114 | 75,182 |
| CFEN | 147% | 147% |

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

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

| Trading Business Unit | Liquidity-adjusted VaR | |
|-----------------------|------------------------|----------------|
| | 31-mar-2022 | 30-jun-2022 |
| Money table | (59.42) | (17.52) |
| Treasury | (16.69) | (13.90) |
| Global | (64.70) | (17.28) |

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 2022 - jun 2022 |
| Money table | (45.11) |
| Treasury | (16.76) |
| Global | (49.22) |

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, 2022 | |
|--|---------------|
| Immediate enforceability deposits | 39,861 |
| Fixed term deposits | 36,784 |
| Credit Securities Issued | - |
| Capture without movements | 77 |
| Total | 76,723 |

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

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

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

Both areas have a constant coordination.

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

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

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

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

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

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

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

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

Derivatives

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

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

Specific objectives include:

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

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

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

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

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

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

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

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

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

The positions, results, risk measures and monitoring of the limits are included in the daily reports issued by the UAIR, and said report is sent to the operating personnel, as well as to Senior Management. Procedures are continuously reviewed internally and annually by a third party within the process of auditing the 31 requirements of the 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 26,500 million that more than cover any liquidity risk, including derivative operations. In addition to the above, we have extensive external capacities with lines exceeding 15,000 million of which currently only 1,500 million are used.

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

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

The underlying assets to which there was exposure during the second quarter of 2022 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.

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

The following is the impact that was obtained in Cash Flow at the end of Q2 2022:

| | Amount |
|-------------------|---------------|
| Interest paid | 332,101 |
| Interest charged | 342,495 |
| Net effect | 10,394 |

Amounts in thousands of pesos

The following table shows the impact on Results by Valuation of Derivatives for Q2 2022:

| | Balance March 2022 | | Balance June 2022 | | Quarter effect |
|----------------------|-----------------------|-------|----------------------|---|----------------|
| Trading swaps | - | 9,949 | 6,854 | | 16,802.4 |
| Hedging swaps | | 410 | 4,684 | | 4,273.4 |
| Chap | | 0 | - | - | 0.1 |

Amounts in thousands of pesos

During this quarter, 3 operations of *swap* of interest rates, 1 operations were carried out and 12 derivative financial instruments were discontinued.

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

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

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

| Summary of Derivative Financial Instruments | | | | | | | | |
|--|-------------|------------|-----------------|------------------|-----------------|------------------|------------------|-----------|
| Figures in thousands of pesos as of June 30, 2022 | | | | | | | | |
| Derivative type | End | Notional | Asset value | | Fair value | | Maturity amounts | |
| | | | Current quarter | Previous quarter | Current quarter | Previous quarter | 2022 | Later |
| TIIE SWAP | Coverage | 2,733,528 | 8.03 | 6.72 | 229,762 | 410,312 | 11,305 | 2,722,223 |
| TIIE SWAP | Negotiation | 15,300,000 | 8.03 | 6.72 | 29,263 | 6,129 | 15,000,000 | 300,000 |
| SWAP TIIE * | Negotiation | 300,000 | 8.03 | 6.72 | - 12,812 | - 9,847 | - | 300,000 |

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

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

| Derivative Rate Sensitivity | | | | |
|---|--------------|---------------|---------------|---------------|
| Figures in thousands of pesos as of June 30, 2022 | | | | |
| 25 BP^{1/} | 50 PB | 100 PB | 150 PB | 200 PB |
| 5,710 | 11,420 | 22,840 | 34,260 | 45,680 |

^{1/ PB: base points}

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

Notes on the Consolidated Financial Statements

(figures in millions of pesos)

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

| Summary of Derivative Financial Instruments | | | | | | | | |
|--|-------------|-----------|-----------------|------------------|-----------------|------------------|------------------|-----------|
| Figures in thousands of pesos as of June 30, 2022 | | | | | | | | |
| Derivative type | End | Notional | Asset value | | Fair value | | Maturity amounts | |
| | | | Current quarter | Previous quarter | Current quarter | Previous quarter | 2022 | Later |
| TIIE SWAP | Coverage | 7,482,060 | 6.72 | 5.72 | 410,312 | 281,468 | 269,966 | 7,212,094 |
| TIIE SWAP | Negotiation | 9,300,000 | 6.72 | 5.72 | 6,129 | 32,518 | 9,000,000 | 300,000 |
| SWAP TIIE * | Negotiation | 300,000 | 6.72 | 5.72 | -9,847 | -5,173 | - | 300,000 |
| TIIE CAP | Coverage | 575 | 6.72 | 5.72 | 0 | 0 | 575 | - |
| CCS USD-MXN | Coverage | 156,150 | 19.89 | 20.51 | 2,297 | -4,154 | 156,150 | - |

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

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

| Derivative Rate Sensitivity | | | | |
|---|-------|--------|--------|--------|
| Figures in thousands of pesos as of June 30, 2022 | | | | |
| 25 BP ^{1/} | 50 PB | 100 PB | 150 PB | 200 PB |
| 4,738 | 9,476 | 18,953 | 28,429 | 37,905 |

1 / PB: base points

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