Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat

Financial statements

December 31, 2022

(With Independent Auditors' Report Thereon)
(Free Translation from Spanish Language Original)

KPMG Cárdenas Dosal, S.C.
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Independent Auditors' Report

(*Translation from Spanish language original)*

The Board of Directors and Stockholders
Scotia Inverlat Casa de Bolsa, S.A. de C.V.,
Grupo Financiero Scotiabank Inverlat:

(Millions of Mexican pesos)

Opinion

We have audited the financial statements of Scotia Inverlat Casa de Bolsa, S.A de C.V, Grupo Financiero Scotiabank Inverlat (the Brokerage Firm), which comprise the statement of financial position as of December 31, 2022, the statement of comprehensive income, changes in stockholders' equity and cash flows for the year ended on that date, and notes that comprise a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, have been prepared, in all material respects, in accordance with the Accounting Criteria for Brokerage Firms in Mexico (the Accounting Criteria), issued by the National Banking and Securities Commission (the Commission).

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Brokerage Firm in accordance with the ethical requirements that are applicable to our audit of the financial statements in Mexico and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis paragraph

We call attention to notes 2 (b) and 4 of the financial statements, which describe that during 2022 the accounting changes described in note 4 to the attached financial statements were made, which was done in accordance with the Resolution that modifies the provisions of of a general nature applicable to Brokerage Firms, published in the Official Gazette of the Federation on December 23, 2021, which establishes that Brokerage Firms recognize the cumulative effect of said accounting changes in retained earnings, without reformulating the financial statements of fiscal years prior to January 1, 2022, and that the basic financial statements as of and for the year ended December 31, 2021, are not presented. Our opinion has not been modified in relation to this matter.

(Continued)

Aguascalientes, Ags.
Cancún, Q. Roo.
Ciudad de México.
Ciudad Juárez, Chih.
Culiacán, Sin.
Chihuahua, Chih.
Guadalajara, Jal.
Hermosillo, Son.
León, Gto.
Mexicali, B.C.
Monterrey, N.L.
Puebla, Pue.
Querétaro, Qro.
Reynosa, Tamps.
Saltillo, Coah.
San Luis Potosí, S.L.P.
Tijuana, B.C.

We call attention to note 1 to the financial statements, which describes that on June 30, 2022, through an Extraordinary General Stockholders' Meeting, it was approved to carry out the spin-off of Brokerage Firm, as a split-off company that survives, in order to segregate a part of its assets, for a total amount of $900.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment in financial instruments $4,962.	
See notes 3(e) and 7 to the financial statements	
Key audit matter	**How the key audit matter was addressed in our audit**
The investment in financial instruments represent 23% of the Brokerage Firm's total assets as of December 31, 2022. As required by the Commission, investments in financial instruments are valued at fair value based on prices provided by price vendors authorized by the Commission. The valuation of investments in financial instruments has a significant impact on the result of the year. Considering that investments in financial instruments represent the most significant caption in relation to the Brokerage Firm's financial statements as a whole, and therefore the largest number of audit hours are spent reviewing them, we evaluated the existence, completeness and valuation of investment financial instruments as a key audit matter.	Our audit procedures included, among others, the following: - Confirm the total position of the Brokerage Firm's securities with the securities custodian S.D. Indeval, Institución para el Depósito de Valores, S. A. de C. V. - Recalculate the valuation of the investment portfolio, using the prices provided by the authorized price vendor, as well as its corresponding valuation effect in the statement of income.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Update of the Prospectus of options for purchase or sell for the year ended on December 31, 2022, to be filed with the Commission National Banking and Securities and the Mexican Stock Exchange (the Prospectus Update) but does not include the financial statements and our auditors' report. The Prospectus Update is expected to be available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion about it.

(Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or appears to be materially misstated.

When we read the Prospectus Update, if we conclude that there is a material misstatement of that other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation of the accompanying financial statements in accordance with the Accounting Criteria issued by the Commission, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Brokerage Firm's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Brokerage Firm or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Brokerage Firm’s financial reporting process.

Auditors' responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. ‘Reasonable assurance’ is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Brokerage Firm’s internal control.

(Continued)

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Brokerage Firm's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Brokerage Firm to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the corresponding actions taken to eliminate threats, or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal, S.C.

C.P.C. Paul Scherenberg Gomez

Mexico City, March 30, 2023.

Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat
Lorenzo Boturini No. 202 1st Floor, Col. Tránsito, CP 06820, Mexico City

Statement of Financial Position

December 31, 2022

(Millions of Mexican pesos)

Memorandum accounts

		2022
Transacions on behalf of third parties		
Customers current accounts:		
Customers banks	$	111
Settlement of customers transactions		863
		974
Custody operations:		
Customer financial instruments received in custody (note 18)		495,246
Management transactions:		
Securities on repurchase/resell agreements on behalf of customers (note 18)		24,652
Securities lending transactions on behalf of customers (note 18)		56
Collaterals received in guarantee on behalf of customers (note 18)		12,332
Collateral delivered in guarantee on behalf of customers (note 18)		29,877
Managed Trusts		220
		67,137
Total on behalf of third parties	$	563,357

		2022
Transactions for the brokerage firm's own account		
Collaterals received by the entity (note 18):		
Government debt	$	12,263
Other debt securities		52
Equity financial instruments		795
		13,110
Collateral received and sold or pledged in guarantee by the entity (note 18):		
Government debt		12,263
Other debt securities		52
Equity financial instruments		110
		12,425
Other accounts		2,932
Total for the Brokerage Firm	$	28,467

(Continued)

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Statement of Financial Position, continued

December 31, 2022

(Millions of Mexican pesos)

Asset	**2022**	**Liabilities and stockholders' equity**	**2022**
Cash and cash equivalents (note 6)	$ 305	Traded securities to be settled (note 7f)	$ 2,563
Margin accounts (derivatives) (note 10c)	29	Creditors on repurchase/resell agreements (note 8b)	17
Investments in financial instruments (note 7):		Collaterals sold or pledged (note 8b):	
Negotiable financial instruments	4,691	Repurchase/resell agreements (credit balance)	12,319
Financial instruments held to collect or sell	271	Securities lending (note 9a)	56
Total investments in financial instruments	4,962		12,375
Debtors on repurchase/resell agreements (note 8a)	12,319	Derivatives financial instruments (note 10a):	
Derivative financial instruments (note 10a):		For trading purposes	626
For trading purposes	50	Lease liability (note 12)	50
Accounts receivable, net (note 6 and 7b)	3,215	Other accounts payable:	
		Creditors on settlement of transactions (note 6 and 7b)	2,948
Prepayments and other assets, net	97	Creditors for margin accounts	23
		Contributions payable	86
Premises, furniture and equipment, net (note 11)	176	Sundry creditors and other accounts payable	188
Assets for rights of use of property, furniture and equipment, net (note 12)	35		3,245
Permanent investments (note 13)	3	Income tax payable (note 17)	151
Deferred income tax asset, net (note 17)	68	Employee benefit liability (note 14)	218
Intangible assets, net	207	Total liabilities	19,245
		Stockholders' equity (note 16):	
		Paid-in capital:	
		Capital stock	346
		Earned capital:	
		Statutory reserves	111
		Accumulated results	1,775
		Other comprehensive income:	
		Remeasurement of defined employee benefits	(11)
			1,875
		Total stockholders' equity	2,221
		Commitments and contingent liabilities (note 19)	
Total assets	$ 21,466	Total liabilities and stockholders' equity	$ 21,466

The accompanying explanatory notes are an integral part of this financial statement.

The amount of historical capital stock as of December 31, 2022 amounts to $181.

"This balance sheet was prepared in accordance with the Accounting Criteria for Brokerage Firms, issued by the National Banking and Securities Commission based on Articles 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory. Accordingly, they reflect the transactions carried out by the Brokerage Firm through the date noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This balance sheet was approved by the Board of Directors under the responsibility of the following officers."

SIGNATURE	SIGNATURE	SIGNATURE	SIGNATURE
Juan Antonio Carrancedo Miranda General Director	Carlos Marcelo Brina Deputy General Director of Finance	Jorge Córdova Estrada Deputy General Director of Group Audit	Berenice Martínez Mendoza Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-financieros.aspx
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Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat
Lorenzo Boturini No. 202 1st Floor, Col. Tránsito, CP 06820, Mexico City

Statement of comprehensive income

Year ended December 31, 2022

(Millions of Mexican pesos)

		2022
Commission and fee income (note 20b)	$	1,376
Commission and fee expense (note 20b)		(82)
Financial advisory income (note 20b)		237
Income from services		1,531
Gain on purchase and sale of securities (note 20c)		1,034
Loss on purchase and sale of securities (note 20c)		(930)
Interest income (note 20a)		1,188
Interest expense (note 20a)		(940)
Valuation on securities at fair value (note 20c)		(34)
Intermediation financial margin		318
Other operating income (expenses) (note 20d)		346
Administrative and promotional expenses		(1,235)
		(889)
Income before income taxes		960
Income taxes (note 17):		
Current income taxes		(288)
Deferred income taxes, net		42
		(246)
Income before discontinued operations		714
Net income		714
Other comprehensive income		
Remeasurement of defined employee benefits		4
Integral income	$	718
Net income attributable to:		
Controlling interest		714
Noncontrolling interest		-
	$	714
Comprehensive income attributable to:		
Controlling interest		718
Noncontrolling interest		-
	$	718

The accompanying explanatory notes are an integral part of this financial statement.

"This statement of comprehensive income was prepared in accordance with the accounting criteria for brokerage firms issued by the National Banking and Securities Commission based on Articles 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been. Accordingly, they reflect all the revenues and disbursements relating to the transactions carried out by the Brokerage Firm for the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of income was approved by the Board of Directors under the responsability of the following officers."

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Juan Antonio Carrancedo Miranda General Director	Carlos Marcelo Brina Deputy General Director of Finance
SIGNATURE	SIGNATURE
Jorge Córdova Estrada Deputy General Director of Group Audit	Berenice Martínez Mendoza Finance Director

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Statement of changes in stockholders' equity

Year ended December 31, 2022

(Millions of Mexican pesos)

		Paid-in capital	Earned capital				
		Capital stock	**Statutory reserves**	**Results accumulated**	**Remeasurements of defined employees' benefits**	**Total stake of the controller**	**Total stockholders equity**
Balances as of December 31, 2021	$	554	111	2,353	(15)	3,003	3,003
Owner movements:							
Dividend decree (note 16c)		-	-	(600)	-	(600)	(600)
and spin-off effects (note 16c)		(208)	-	(692)	-	(900)	(900)
Total		(208)	-	(1,292)	-	(1,500)	(1,500)
Integral Income:							
Net income		-	-	714	-	714	714
Other comprehensive income:							
Remeasurement of defined employee benefits		-	-	-	4	4	4
Total		-	-	714	4	718	718
Balances as of December 31, 2022	$	346	111	1,775	(11)	2,221	2,221

The accompanying explanatory notes are an integral part of this financial statement.

"This statement of changes in stockholders' equity was prepared in accordance with the Accounting Criteria for Brokerage Firms issued by the National Banking and Securities Commission based on Articles 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been. Accordingly, they reflect all the stockholders' equity account entries relating to the transactions carried out by the Brokerage Firm for the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of changes in stockholders' equity was approved by the Board of Directors under the responsability of the following officers."

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Juan Antonio Carrancedo Miranda General Director	Carlos Marcelo Brina Deputy General Director of Finance	Jorge Córdova Estrada Deputy General Director of Group Audit	Berenice Martínez Mendoza Finance Director

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Statement of cash flows

Year ended December 31, 2022

(Millions of Mexican pesos)

		2022
Operating activities		
Income before income taxes	$	960
Adjustments for items associated with investing activities:		
Depreciation of premises, furniture and equipment		33
Amortizations of intangible assets		21
Adjustments for items associated with financing activities:		
Interest associated with interbank loans and other organizations		4
Other interests		4
Addition		1,022
Operating activities:		
Change in margin accounts (derivative financial instruments)		(3)
Change in investments in financial instruments (securities), net		2,684
Change in debtors on repurchase/resell agreements, net		11,595
Change in derivative financial instruments (asset)		(47)
Change in other accounts receivable, net		(2,793)
Change in other operating assets, net		(2)
Change in creditors under repurchase/resell agreements		(1,082)
Change in collateral sold or pledged		(11,642)
Change in derivative financial instruments (liability)		(612)
Change in assets/liabilities for employee benefits		127
Change in other accounts payable		2,477
Income tax payments		(154)
Net cash flows from operating activities		1,570
Investing activities:		
Payments for acquisition of premises, furniture and equipment		(25)
Payments for acquisition of intangible assets		(41)
Net cash flows from investing activities		(66)
Financial activities:		
Payments of bank loans and other organizations		(4)
Lease liability payments		(9)
Cash dividend payments		(600)
Interest payments for lease liabilities		(4)
Other payments for financing activities		(900)
Net cash flows from investing activities		(1,517)
Net decrease in cash and cash equivalents		(13)
Cash and cash equivalents at the beginning of the period		318
Cash and cash equivalents at the end of the period	$	305

The accompanying explanatory notes are an integral part of this financial statement.

"This statement of cash flows was prepared in accordance with the Accounting Criteria for Brokerage Firms issued by the National Banking and Securities Commission based on Articles 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature. Accordingly, they reflect all the cash in flows and cash out flows relating to the transactions carried out by the Brokerage Firm for the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of cash flows was approved by the Board of Directors under the responsability of the following officers."

SIGNATURE

Juan Antonio
Carrancedo Miranda
General Director

SIGNATURE

Carlos Marcelo Brina
Deputy General Director of Finance

SIGNATURE

Jorge Córdova Estrada
Deputy General Director of Group
Audit

SIGNATURE

Berenice Martínez Mendoza
Finance Director

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Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat

Notes to financial statements

For the year ended December 31, 2022

(Millions of Mexican pesos)

This financial statement has been translated from the Spanish language original solely for the convenience of foreign/English-speaking readers.

(1) Outstanding activity and operation-

a) Activity

Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat (the Brokerage Firm) is an entity incorporated under the Mexican legislation and is located at Lorenzo Boturini No. 202 1st Floor, Col. Tránsito, CP 06820, Mexico City. The Brokerage Firm is a subsidiary of Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (the "Group") which owns 99.99% of its capital stock. The Group, in turn, a subsidiary of The Bank of Nova Scotia ("BNS"), which owns 97.4% of its capital stock. The Brokerage Firm acts as an intermediary in securities and financial transactions authorized under terms of the Securities Market Law (SML) and general provisions issued by the National Banking and Securities Commission ("the Banking Commission").

b) Outstanding operation

Through official letters 312-3/0389/2020 and 312-3/2511276/2022 dated December 14, 2020 and April 6, 2022, respectively, the Banking Commission informed the Brokerage Firm of the authorization of the spin-off in its capacity as splinter entity that does not extinguish, in order to segregate a part of its assets, for a total amount of $900 mainly in cash or investments in Federal Treasury Certificates or other government securities and a part of its stockholders' equity, for a total amount of $900 mainly in a portion of the current capital stock of the Brokerage Firm, in the amount of $208 and in a portion of the retained earnings attributable to previous years, in the amount of $692, which were contributed to integrate the capital stock of the Spin-off Company, which was incorporated as a result of the spin-off, Esquina Ibsen, SA de CV (the "Spin-off Company"), which later merged with Scotiabank Inverlat, SA, Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (the Bank). The spin-off took effect on June 30, 2022.

		Before the split Casa de Bolsa splitting entity	Spin-off	After the split Splitting Brokerage Firm
Assets:				
Cash and cash equivalents	$	1,309	-	1,309
Margin accounts (derivative financial instruments		28	-	28
Investments in financial instruments)				
Negotiable financial instruments		11,617	(900)	10,717
Financial instruments held to collect or sell		348	-	348
Securities lending		15,710	-	15,710
Derivative financial instruments				
Trading purposes		25	-	25
To the next sheet	$	29,037	(900)	28,137

Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat

Notes to financial statements

(Millions of Mexican pesos)

		Before the split Casa de Bolsa splitting entity	Spin-off	After the split Splitting Brokerage Firm
From the previous page	$	29,037	(900)	28,137
Accounts receivable (net)		9,229	-	9,229
Advance payments and other assets (net)		144	-	144
Property, furniture and equipment (net)		175	-	175
Assets for rights of use of property, furniture and equipment (net)		38	-	38
permanent investments		3	-	3
Deferred income tax asset (net)		57	-	57
Intangible assets (net)		189	-	189
Total assets	**$**	**38,872**	**(900)**	**37,972**
Liabilities:				
Traded securities to be settled	$	(8,194)	-	(8,194)
Creditors under repurchase/resell agreements		(9)	-	(9)
Collateral sold or pledged				
Reports		(15,710)	-	(15,710)
Securities Lending		(64)	-	(64)
Derivative financial instruments				
For trading purposes		(847)	-	(847)
Lease liability		(56)	-	(56)
Other accounts payable				
Creditors for liquidation of operations		(9,248)	-	(9,248)
Creditors for margin accounts		(12)	-	(12)
Contributions payable		(69)	-	(69)
Sundry creditors and other accounts payable		(961)	-	(961)
Income tax liability		(107)	-	(107)
Employee benefits liability		(202)	-	(202)
Deferred credits and early collections		(23)	-	(23)
Total Liabilities, to the next page	$	(35,502)	-	(35,502)

Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat

Notes to financial statements

(Millions of Mexican pesos)

		Before the split Casa de Bolsa splitting entity	Spin-off	After the split Splitting Brokerage Firm
Total liabilities, from the previous sheet	$	(35,502)	-	(35,502)
Stockholders' equity:				
Paid-in capital				
Capital stock		(554)	208	(346)
Earned capital				
Statutory reserves		(111)	-	(111)
Accumulated results				
Results of past exercises		(2,353)	692	(1,661)
Net income		(368)	-	(368)
Other comprehensive income				
Valuation of financial instruments held to collect or sell		1	-	1
Remeasurement of defined employee benefits		15	-	15
Total stockholders' equity		(3,370)	900	(2,470)
Total liabilities and stockholders' equity	**$**	**(38,872)**	**900**	**(37,972)**

(2) Authorization and basis of presentation-

Authorization

On March 30, 2023, Juan Antonio Carrancedo Miranda (General Director), Carlos Marcelo Brina (Deputy General Director of Finance), Jorge Córdova Estrada (Deputy General Director of Group Audit) and Berenice Martínez Mendoza (Finance Director); authorized the issuance of the accompanying financial statements and related notes.

The stockholders and the Banking Commission are empowered to modify the financial statements after issuance. The attached 2022 financial statements will be submitted to the next shareholders' meeting for approval.

Basis of presentation and disclosure

a) Statement of Compliance

The accompanying financial statements have been prepared, based on the SML and in conformity with the current accounting criteria established by the Banking Commission for Brokerage Firms in Mexico at the date of the statement of financial position . The Banking Commission is responsible for the inspection and supervision of Brokerage Firms, as well as reviewing their financial information.

(Continued)

The accounting criteria provide that in the absence of an specific accounting criterion of the Banking Commission for Brokerage Firms in Mexico first and then for credit institutions, and in a wider context the Mexican Financial Reporting Standards (MFRS) issued by the Mexican Board of Financial Reporting Standards, (Consejo Mexicano de Normas de Información Financiera, A. C. or CIFRS); the suppletory process as established by MFRS A-8 shall be applicable, and only when the International Financial Reporting Standars (IFRS) referred to by MFRS A-8 do not resolve the accounting treatment, the suppletory application of an accounting standard pertaining to other regulatory framework may be opted for, providing all the requirements set out by the MFRS are met by that standard, with the requirements of criterion A-4 of the Banking Commissions. The suppletory application shall be in the following order: U.S. Generally Accepted Accounting Principles (US GAAP), and later any other formal and recognized accounting standard, provided they do not contravene the accounting criteria of the Banking Commissions.

b) Comparative financial information

On December 23, 2021, the resolution that modifies the Provisions was published in the Official Gazette of the Federation, which establishes that the Brokerage Firms recognize the effect of the accounting changes that arise from said resolution in retained earnings, without reformulating the financial statements for years prior to January 1, 2022, and that the basic financial statements as of and for the year ended December 31, 2021, are not presented.

c) Use of judgment and estimates

The preparation of the financial statements requires the Administration to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

Judgments

Information about judgments made in applying of accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in the following notes.

- Note 12 – Leases: determination of whether an agreement contains a lease.
- Note 7 – Investments in financial instruments: definition of the business model: Financial Instrument to Collect or Sell (FICS), or Negotiable Financial Instrument (NFI).
- Note 10 – Derivatives: Derivative Financial Instruments (DFI).

Assumptions and uncertainties in the estimates

Information on assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the notes to the following sheet of the financial statements.

(Continued)

- Investments in financial instruments: Market values of securities with no observable market (see note 7);
- Valuation of derivative financial instruments: key assumptions to determine the market value, especially those complex derivatives or those without an active market (see note 10);
- Impairment of property, furniture and equipment: Tests for impairment of the value of fixed assets, including the key assumptions for determining the recoverable amount of said assets (see note 11);
- Measurement of defined benefit obligations: key actuarial assumptions (see note 14);
- Recognition of deferred tax assets: availability of future taxable profits and the materialization of deferred taxes (see note 17).

Determination of fair value

Some of the Brokerage Firm's accounting policies and disclosures require the measurement of the fair values of both financial and non-financial assets and liabilities.

The Brokerage Firm's has a control framework established in relation to the measurement of fair values, this includes the authorization by the Board of Directors to hire a price provider.

In addition, the established control framework includes a valuation team that has overall responsibility for supervising all significant fair value measurements.

When measuring the fair value of an asset or liability, the Brokerage Firm uses observable market data whenever possible. Fair values are classified into different levels within a fair value hierarchy that is based on the input data (observability of inputs) used in valuation techniques, as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities, which corresponds to the highest level, corresponding to prices obtained exclusively with Level 1 input data.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. from prices) that correspond to prices obtained with level 2 input data.

(Continued)

Level 3: data or inputs to measure the asset or liability that are not based on observable market data (unobservable input data), which corresponds to the lowest level, for those previously obtained with level 3 input data.

Financial instruments that are valued through the use of an internal valuation model of the Brokerage Firm are not considered under any circumstances as Level 1.

If the inputs used to measure the fair value of an asset or liability are classified at different levels of the fair value hierarchy, then the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the variable with the lowest observability that is significant for the total measurement.

In accordance with the provisions of the Provisions, the Brokerage Firm determines the fair value of the following financial instruments through direct vector valuation, which consists of applying the updated price for valuation provided to the position in securities or contracts of the Brokerage Firm by a price provider:

I. Securities registered in the national securities registry or authorized, registered or regulated in markets recognized by the Commission.
II. Derivative financial instruments that are listed on national derivatives exchanges or that belong to markets recognized by the Bank of Mexico (the Central Bank).
III. Underlying assets and other financial instruments that are part of the structured operations or derivative packages, in the case of securities or financial instruments provided for in sections I and II referred to above.

The price provider contracted by the Brokerage Firm that provides the prices and inputs for determining the valuation of financial instruments is Valuación Operativa y Referencias de Mercado, S.A. de C.V. (VALMER).

As of December 31, 2022, there is no reduction in the availability of prices and inputs provided by the price provider, therefore there is no evident deterioration that results significant from the observable conditions in the inputs used for the valuation of the securities and other financial instruments that require recognition of impairment in value. As part of the Brokerage Firm's controls, the evolution of the financial markets, liquidity and conditions of availability of prices and inputs for the valuation of the instruments are monitored in order to anticipate any deterioration in their value.

The Brokerage Firm recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

(Continued)

The following notes include additional information about the assumptions made in measuring fair values:

- Note 7 – Investment in financial instruments; and
- Note 10 – Derivative financial instruments

d) Functional and reporting currency

The aforementioned financial statements are presented in Mexican pesos, which is the same as the recording currency and to the functional currency.

For purposes of disclosure in the notes to financial statements, “pesos” or “$”, refers to millions of Mexican pesos, and when reference is made to “dollars” or “USD”, it means dollars of the United States of America.

e) Presentation of comprehensive income

In compliance with accounting criteria D-2 "Statement of comprehensive income" established by the Banking Commission, the Brokerage Firm presents the comprehensive income in a single statement that presents in a single document all the items that make up the net result, increased or decreased by the Other Comprehensive Income (OCI) of the period, as well as the participation in the OCI of other entities, and is called "Statement of comprehensive income".

f) Recognition of financial assets and liabilities on the date of execution

The accompanying financial statements recognize the assets and liabilities arising from investment securities repurchase and resell agreements from transactions carried out for the Brokerage Firm’s own account as well as those carried out on behalf of its customers at the trade date, rather than settlement date.

(3) Summary of significant accounting policies

The accounting policies shown below have been uniformly applied in the preparation of the financial statements presented by the Brokerage Firm, except for what is indicated in note 4, which includes the changes recognized during the period.

(a) Recognition of the effects of inflation

The accompanying financial statements were prepared in accordance with the Accounting Criteria, which due to the fact that the Brokerage Firm operates in a non-inflationary economic environment as established by MFRS B-10 "Effects of inflation", include the recognition of the effects of inflation until December 31, 2007 based on the value of the Investment Unit (UDI), which is a unit of account whose value is determined by the Central Bank based on inflation. The annual inflation percentage, accumulated in the last three years, and the UDI values used to determine inflation, are shown on the following page.

(Millions of Mexican pesos, except the value of the UDI)

		Inflation	
December 31,	**UDI**	Annual	Accumulated
2022	7.6468	7.58%	19.50%
2021	7.1082	7.61%	14.16%
2020	6.6056	3.23%	11.31%

(b) Operations in foreign currency

Transactions in foreign currency are recognized at the exchange rate in force on the dates of their execution, for purposes of presenting the financial statements. In the case of currencies other than the dollar, they are converted from the respective currency to dollars, as established by the Provisions applicable to the Brokerage Firms, and the equivalence of the dollar with the national currency is converted at the closing exchange rate of the trading day determined by the Central Bank.

At the closing date of the financial statements, monetary assets and liabilities in foreign currency are converted at the closing exchange rate of the operating day published by the Central Bank and exchange gains or losses originating from currency conversion foreign are recognized in the results of the year in the period in which they originate.

(c) Cash and cash equivalents

Cash is recognized at its face value. Cash, legal tender and foreign currency in cash, deposits in financial institutions in the country and abroad, whether in checking accounts, bank drafts, telegraphic or postal and remittances in transit, are considered cash.

Cash equivalents are initially recognized at fair value. These include short-term, highly liquid securities, easily convertible into cash that are subject to insignificant value risks (where the latter are those whose maturity is expected within a maximum of 48 hours from their acquisition)., among others, the purchase of foreign currency that are not considered derivative financial instruments as established by the Central Bank in the applicable regulation, and other cash equivalents such as correspondents, immediate collection documents, coined precious metals and investments available on demand.

The valuation of cash equivalents represented by coined precious metals is carried out at fair value, considering as such the price applicable on the valuation date, except those that by their nature do not have fair value, which are recognized at cost. of acquisition.

The acquired currencies that are agreed to be settled on a date after the purchase and sale transaction is concluded, are recognized as restricted cash and cash equivalents, while foreign currency sold is recorded as an outflow of cash and cash equivalents. The rights originated by foreign currency sales are recorded under the caption “Other accounts receivable, net” and the obligations derived from foreign currency purchases are recorded under the caption “Creditors on settlement of transactions”.

The amount of overdrafts in checking accounts, the compensated balance, of currencies to receive and currencies to deliver, or of some concept that integrates cash and cash equivalents, when they show negative balances, is presented in the caption "Other accounts payable”.

(Continued)

Interest earned and valuation gains or losses are included in income for the year as they accrue as part of interest income or expense. The results from the valuation and sale of precious metals coined and currencies are recognized in the result of intermediation.

(d) Margin Accounts

The margin accounts are associated with transactions with derivative financial instruments entered into in recognized markets or stock exchanges, in which highly liquid financial assets are deposited to ensure compliance with the obligations corresponding to said instruments, in order to mitigate the risk of non-compliance. The amount of the deposits corresponds to the initial margin and the subsequent contributions or withdrawals made by the Brokerage Firm and the clearingFirm during the term of the derivative financial instrument contract.

Bank yields and commissions affecting the margin accounts, other than fluctuations in derivatives prices, are recognized in result of operations for the year as accrued under “Interest income” and “Commissions and fee expenses”, respectively.

The partial or total amounts deposited or withdrawn in the clearingFirm owing to price fluctuations of derivatives are recognized in “Margin accounts”, affecting as a counterpart a specific account that can be of a debtor or creditor nature, as appropriate and that represents an advance received, or a financing granted by the clearing Firm and that will reflect the effects of the valuation of the derivatives prior to their settlement.

(e) Investments in financial instruments

i. Recognition and initial measurement

Investments in financial instruments comprise equity instruments, obligations, bonds, certificates and other credit instruments and documents that are issued in series or in mass, listed and unlisted, that the entity maintains as its own position. They are initially measured and recognized at their fair value plus, in the case of financial assets or liabilities not measured at fair value with changes in it, carried through comprehensive income, the transaction costs directly attributable to their acquisition or issue, when in thereafter are measured at their amortized cost.

ii. Classification and subsequent measurement

At initial recognition, investments in financial instruments are classified into the following categories, according to the business model and the characteristics of their contractual flows, such as:

— *Financial instruments held to collect or sell (FICS), measured at fair value with changes in other comprehensive income (FVCOCI),* whose objective is both to collect the contractual flows of principal and interest, and to obtain a profit on their sale when it is convenient. The Brokerage Firm irrevocably recognizes the changes in the fair value of the FICS through the OCI; and

— *Negotiable financial instruments (NFI),* measured at fair value through profit or loss (FVPL) that represent the investment in debt or equity financial instruments, and whose objective is to obtain a profit between the purchase price and the sale price.

The classification of investments in financial instruments is based both on the business model and on the characteristics of their contractual flows. Based on the business model, a financial instrument or a class of financial instruments (a portfolio) can be managed under:

— A model that seeks to recover contractual flows (represented by the amount of principal and interest).

— A business model that seeks both the recovery of contractual flows as in the previous model, as well as obtaining a profit through the sale of financial instruments, which leads to displacing a combined management model for these financial instruments.

— A model that seeks to obtain maximum performance through the purchase and sale of financial instruments.

Financial instruments are not reclassified after their initial recognition, except if the Brokerage Firm changes its business model, in which case all affected financial instruments are reclassified to the new category at the time the change in business model occurs. has occurred.

The reclassification of investments in financial instruments between categories is applied prospectively from the date of change in the business model, without modifying any previously recognized profit or loss, such as interest or impairment losses.

When any reclassification is made in accordance with the aforementioned, the Brokerage Firm must inform the Banking Commission of this fact in writing within 10 business days following its determination, detailing the change in the business model that justifies them. Said change must be authorized by the Risk Committee of the Brokerage Firm.

During the year ended December 31, 2022, the Brokerage Firm did not carry out transfers between categories.

A financial instrument is measured at amortized cost if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

— the financial instrument is kept within a business model whose objective is to maintain the financial instruments to obtain the recovery of the contractual cash flows; and

— the contractual terms of the financial instrument give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (Only Payment of Principal and Interest, or SPPI for its acronym).

(Continued)

An investment in a debt instrument is measured at fair value through other comprehensive income (OCI) if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

— the financial asset is held within a business model whose objective is achieved both by obtaining the contractual cash flows and by selling the financial assets; and

— the contractual terms of the financial asset give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (SPPI).

All financial instruments not classified as measured at amortized cost or at fair value through other comprehensive income (OCI) as described above, are measured at fair value through profit or loss. This includes all derivative financial instruments (see subparagraph (h) of this note).

Financial instruments: Evaluation of the business model-

The Brokerage Firm performs an evaluation of the objective of the business model in which a financial instrument is maintained at the portfolio level, since this is what best reflects the way in which the business is managed and the information is delivered to the Administration. The information considered includes the following:

— the policies and objectives set for the portfolio and the operation of those policies in practice. These include whether Management's strategy is focused on collecting contractual interest income, maintaining a specific interest rate profile or coordinating the duration of financial instruments with that of the liabilities that said instruments are financing or expected cash outflows, or realize cash flows through the sale of the instruments;

— how the performance of the portfolio is evaluated and how it is reported to the Administration of the Brokerage Firm;

— the risks that affect the performance of the business model (and the financial instruments held in the business model) and, in particular, the way in which those risks are managed;

— how the managers of the business are compensated (for example, if the compensation is based on the fair value of the instruments managed or on the contractual cash flows obtained); and

— the frequency, volume, and timing of sales in prior periods, the reasons for those sales, and expectations about future sales activity.

Transfers of financial instruments to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the continuous recognition of the instruments by the Brokerage Firm.

(Continued)

Financial instruments that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial Instruments: Assessing whether contractual cash flows are principal and interest payments only (SPPI).

For purposes of this assessment, the amount of “principal”' is defined as the fair value of the financial instrument at initial recognition. “Interest” is defined as consideration for the time value of money and credit risk associated with the principal amount outstanding, over a specified period of time, and for other basic borrowing risks and costs (for example, the liquidity risk and administrative costs), as well as a profit margin.

When evaluating whether the contractual cash flows are only payments of principal and interest (SPPI), the Brokerage Firm considers the contractual terms of the instrument. This includes evaluating whether a financial instrument contains a contractual condition that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

When making this evaluation, the Brokerage Firm takes into account:

— contingent events that would change the amount or timing of cash flows;

— terms that could generate leverage;

— terms that refer to the time value of money, such as adjusting the coupon rate, including variable rate features;

— terms that generate implicit derivative instruments, or changes in their terms and conditions, by indexing to variables unrelated to the nature of the contract;

— pre-payment and extension features; and

— terms that limit the Brokerage Firm's right to cash flows from specific instruments (for example, “non-recourse” features).

A pre-payment feature is consistent with the principal and interest payment only criterion if the prepayment amount substantially represents the unpaid amounts of principal and interest on the principal amount, which may include reasonable additional compensation for the early termination of the contract. Additionally, in the case of a financial instrument acquired at a significant discount or premium to its contractual face amount, a feature that allows or requires the advance payment of an amount that substantially represents the contractual face amount plus accrued (but not paid) contractual interest) (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the early payment feature is insignificant on initial recognition.

(Continued)

Financial Instruments: Subsequent Measurement and Gains and Losses-

Negotiable financial instruments (NFI)	Subsequently, and on each reporting date, the securities are valued at fair value provided by an independent price provider; the effects of valuation and the results of purchases and sales are recognized in the results of the year, under the caption "Results from the valuation of financial instruments at fair value". When the securities are disposed of, the result from the sale is determined from the differential between the purchase price and the sale price, and the result from the valuation that has been previously recognized in the results of the year must be reclassified to the result from the sale within said item. Accrued interest on debt securities is determined according to the effective interest method and is recognized in the results of the year under the caption “Interest income”. Dividends from equity instruments in favor are recognized in the results of the year, at the moment in which the right to receive payment thereof is generated under the caption "Interest income".
Financial instruments held to collect or sell (FICS)	These instruments are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign currency translation gains and losses, and impairment are recognized in income for the year. Other net gains and losses are recognized in other comprehensive income (FVCOCI), which is adjusted for the effect of deferred taxes. At the time of derecognition, accumulated gains and losses in other comprehensive income are reclassified in results.
Investments in shares through OCI	These assets are subsequently measured at fair value. Dividends are recognized as income in results unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income.

iii. Low in accounts

The Brokerage Firm derecognizes a financial instrument when the contractual rights to the financial instrument's cash flows expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks are transferred and rewards of ownership of the financial instrument, or in which the Brokerage Firm does not transfer or retain substantially all the risks and rewards related to ownership and does not retain control over the financial instruments.

The Brokerage Firm participates in transactions in which it transfers the instruments recognized in its statement of financial position but retains all or substantially all the risks and rewards of the transferred financial instruments. In these cases, the transferred financial instruments are not derecognized. (see subsections (f) and (g) of this note).

(Continued)

iv. Deterioration

The Brokerage Firm evaluates from its initial recognition the expected credit losses (ECL) of the FICS, which are determined considering the level of expected recoverability that corresponds to the different FICSs and recognizes the effect of the loss, based on the amortized cost. of the FICSs. Given that the fair value of the FICS already recognizes impairment due to expected credit losses, the Brokerage Firm does not proceed to create an estimate that reduces the fair value of the FICS; therefore, the effect is recognized in net profit or loss, affecting the value of the FICS before recognizing the effect in OCI for valuation at fair value. The foregoing does not affect NFIs, since the question of collectability does not arise in these as there is no collection intention and because their market value generally captures the effects of expected credit losses.

ECLs are the probability-weighted average of credit losses and are measured as the present value of cash shortfalls. When estimating ECLs, the Brokerage Firm considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Casa de Bolsa's historical experience and an informed credit evaluation and including prospective information.

The Brokerage Firm monitors that the ECLs for the impairment of securities issued by a counterparty is consistent with the impairment determined for credits granted to the same counterparty.

In the event that there are favorable changes in the credit quality of the FICSs that are duly supported based on subsequent observable events, the ECLs already recognized is reversed in the period in which said changes occur, against the net profit or loss for the period, as a previously recognized ECL reversal.

Operations value date-

The acquired securities that are agreed to be settled at a later date up to a maximum period of four business days following the execution of the purchase and sale transaction, are recognized as restricted securities, while the sold securities are recognized as securities to be delivered, reducing the investments in values. The counterparty must be a settlement, creditor or debtor account, as appropriate. When the amount of securities to be delivered exceeds the balance of proprietary securities of the same nature (government, banking, stock and other debt securities), it is presented as a liability under the heading "Traded securities to be settled".

(f) Repurchase/resell agreements-

Repurchase/resell agreements that do not comply with the terms established in MFRS C-14 "Transfer and derecognition of financial assets" are given the treatment of financing with collateral based on the economic substance of said transactions and regardless of whether they are operations “cash-oriented” or “value-oriented” repo contracts. In "cash-oriented" transactions, the reported intention is to obtain cash financing and the intention of the reporter is to invest its excess cash, and in the "value-oriented" transaction, the reporter aims to access certain securities specifically and the intention of the reported is to increase the yields of their investments in securities.

(Continued)

Acting as reported-

On the date of contracting the repurchase/resell agreement, the Brokerage Firm recognizes the inflow of cash or cash equivalents or a debit settlement account, as well as an account payable initially measured at the agreed price that is presented under the heading " Creditors under repurchase/resell agreements”, which represents the obligation to restitute said cash to the repo. Throughout the term of the repurchase agreement, the account payable is valued at its amortized cost by recognizing the repurchase agreement interest in the results of the year as it accrues, in accordance with the effective interest method, under the caption "Expenses for interest”. The financial assets transferred to the reporting company are reclassified in the statement of financial position, presenting them as restricted, and they continue to be valued in accordance with the accounting criteria that correspond to the asset.

Acting as reporter-

On the contracting date of the repurchase agreement, the outflow of cash and cash equivalents is recognized, or else a creditor settlement account, recording an account receivable at the agreed price that is presented under the heading " Debtors on repurchase/resell agreements". which represents the right to recover the delivered cash. Throughout the term of the repurchase agreement, the account receivable is valued at its amortized cost, by recognizing the repurchase agreement interest in the results of the year as it accrues, according to the effective interest method, within the caption of " Interest income". Financial assets received as collateral are recorded in memorandum accounts and valued at fair value.

(g) Securities Lending-

It is that operation in which the transfer of securities is agreed, from the lender to the borrower, with the obligation to return such securities or other substantially similar ones on a specific date or upon request, receiving interest as consideration. In this operation, a collateral or guarantee is requested by the lender from the borrower.

Acting as lender-

On the date of contracting the securities loan, acting as lender, the Brokerage Firm registers the security object of the loan transferred to the borrower as restricted, for which the valuation, presentation and disclosure rules are followed in accordance with accounting criteria. corresponding. Likewise, the collateral received that guarantees the securities lent is recorded in memorandum accounts.

The amount of the accrued premium is recognized in the results of the year through the effective interest method during the term of the operation, under the caption “Interest income”.

Acting as borrower-

Acting as borrower, on the date of contracting the securities loan, the Brokerage Firm records the security object of the loan received in memorandum accounts, following for its valuation the guidelines for securities recognized in accounting criteria B-6 " Custody and administration of assets.

(Continued)

The value object of the operation is presented in memorandum accounts under the heading of collaterals received by the Brokerage Firm. With regard to collaterals received from other transactions, they must be presented under the heading of collaterals received and sold or delivered as collateral.

The amount of the accrued premium is recognized in the results of the year through the effective interest method during the term of the operation, under the caption "Interest expenses".

(h) Derivative financial instruments (DFI)-

The Brokerage Firm classifies derivative financial instruments based on their intention in the following category shown below:

— Trading purposes - Consists of the position assumed by Casa de Bolsa with the intention of obtaining profits based on changes in its fair value.

The recognition in the financial statements of the assets and/or liabilities from operations with DFI, is made on the date the operation is completed, regardless of the date of liquidation or delivery of the asset.

The Brokerage Firm recognizes all financial assets or liabilities resulting from the rights and obligations established in the DFI contracts, initially at their fair value, which, presumably, corresponds to the transaction price, that is, the price of consideration received or delivered. Transaction costs that are directly attributable to the acquisition of DFI are recognized directly in results within the "Intermediation result".

Subsequently, all DFIs are valued at their fair value, without deducting the transaction costs that could be incurred in the sale or other type of disposal, recognizing said valuation effect in the results of the period under the heading " Intermediation financial result".

Derivatives are presented in the statement of financial position in a specific asset or liability item, depending on whether their fair value corresponds to a debit balance or a credit balance, respectively. Said debit or credit balances are offset as long as they comply with the rules for offsetting financial assets and liabilities.

Operations trading purposes-

— *Optional Securities ("Warrants"):*

The optional titles are documents that are issued in series and are placed among the general investing public, they represent a temporary right acquired by the holders in exchange for the payment of a premium for the issuance of Shares or Indices, therefore, said right expires at the expiration of the term of validity, therefore the possession of these implies the recognition that the intrinsic value and the market price of the optional title in the secondary market may vary depending on the market price of the reference assets.

— *Future contracts:*

The futures contract operates with standardized terms (general contracting conditions), has a secondary market and requires the mandatory establishment of collateral in contribution or daily settlement margin accounts.

— *Options:*

In purchased options, its debit balance represents the fair value of the future flows to be received, recognizing the effects of valuation in the results of the year.

In options sold, their credit balance represents the fair value of the future flows to be delivered, recognizing the effects of valuation in the results of the year.

Collaterals granted and received in FDI operations outside of recognized markets or exchanges-

The account receivable generated by the granting of cash collateral in FDI operations not carried out in recognized markets or stock exchanges is presented under the caption "Other accounts receivable, net", while the account payable generated by the receipt of collateral in cash is presented under the caption “Creditors for collateral received in cash”.

Collaterals delivered in non-realizable assets, such as securities, are recorded as securities restricted by guarantees, and collaterals received in securities for derivative transactions are recorded in memorandum accounts.

(i) Settlement of clearing accounts

Amounts receivable or payable from investments in securities, repurchase/resell agreements, securities lending and/or operations with derivative financial instruments that come to maturity and that to date have not been settled are recorded in settlement accounts within of the headings of "Other accounts receivable, net" and " Creditors on settlement of transactions", respectively, as well as the amounts receivable or payable that result from foreign currency purchase and sale operations in which immediate or immediate liquidation is not agreed. those of the same day value date. The balances of the debit and credit settlement accounts are compensated.

The estimate of expected credit losses corresponding to the aforementioned amounts receivable must be determined in accordance with the provisions of MFRS C-16 "Impairment of financial instruments receivable".

Financial assets and liabilities are offset in such a way that the debit or credit balance is presented in the statement of financial position, as appropriate, as long as there is the contractual right to offset the recognized amounts and the intention is to settle the net amount, or to realize the asset and cancel the liability simultaneously.

(Continued)

(j) Accounts receivable

It is made up of liquidating accounts receivable for foreign currency sales operations, securities investments, repurchase agreements, securities lending, derivatives and securities issuance, as well as margin account debtors, debtors for collaterals granted in cash for operations with securities, credit and derivatives made in OTC markets. Likewise, it includes sundry debtors for prizes, commissions and rights receivable on current non-credit operations, items associated with credit operations, balances in favor of creditable taxes, loans and other debts from personnel, amortizations of unliquidated operating leases and other debtors.

Origin of the account receivable	Criteria for recognition of the estimate for irrecoverability or difficult collection
Settlement accounts	They are classified as overdue debts and simultaneously an estimate is made for the total amount.
Immediate collection documents not collected 15 or more calendar days after being registered as "Other accounts receivable".	They are classified as overdue debts and simultaneously an estimate is made for the total amount.
Other miscellaneous accounts receivable agreed from its origin.	The Brokerage Firm determines a degree of irrecoverability based on its experience of past credit losses, current changes in the behavior of its clients and future economic forecasts, for which it classifies its accounts receivable by degree of arrears in payment and assigns different amounts. of ECL to each of the segments of its accounts receivable.
Amortizations of operating leases not settled within 30 calendar days after their expiration	An estimate is made for the total amount.
Other accounts receivable different from the previous ones from unidentified debtors with 60 days or more of having been registered.	An estimate is made for the total amount.

(Continued)

No estimate for irrecoverability or difficult collection is recognized on tax balances in favor or for creditable Value Added Tax (VAT).

The Brokerage Firm considers a decrease in the PI and SP factors when it has evidence that there is an improvement in collection and in the credit risk of the account receivable or of a group of accounts receivable.

When the management of the Brokerage Firm considers the probability of collection of an account receivable null, it derecognizes its net book value, applying the account receivable to the estimate for ECL. If the estimate is insufficient, it is adjusted immediately, affecting the results.

(k) Premises, furniture and equipment-

Premises, furniture and equipment are recorded at acquisition cost; and as of December 31, 2007 were adjusted by using factors based on the UDI. The components acquired in foreign currency are recorded at the historical exchange rate, that is, the exchange rates in force on the date the asset was acquired.

Depreciation of premises, furniture and equipment is calculated under the straight-line method, based on the estimated useful lives determined by the Brokerage Firm’s management of the corresponding assets. Depreciable amount of premises, furniture and equipment is determined by subtracting the residual value and, as applicable, the cumulative impairment losses from the acquisition cost. The Brokerage Firm periodically evaluates premises, furniture and equipment residual values to determine amounts to be depreciated.

The Brokerage Firm evaluates periodically the net book values of premises, furniture and equipment, to determine whether there is an indication that these values exceed their recoverable amount. The recoverable amount is the greater of the net selling price and book value. If the net book value of an asset exceeds-its recoverable amount, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Minor repairs and maintenance expenses are recorded in the statement of income when incurred.

(l) Other permanent investments-

Other permanent investments where there is no control, joint control, or significant influence are classified as other investments, which are initially recognized and valued at acquisition cost. In the event that there are dividends from such investments, they are recognized in results under "Other operating income, net", except if they come from profits from periods prior to the acquisition, in which case they are reduced from the permanent investment.

As of December 31, 2022, no impairment losses were recognized in other permanent investments.

(Continued)

(m) Pre-payments and other assets-

It mainly includes the contributions made to the reserve fund constituted through the stock market union with a self-regulatory character, whose purpose is to support and contribute to the strengthening of the stock market. The balance includes contributions, valuation and accrued interest, the latter are recognized under the caption "Other operating income" in the statement of comprehensive income.

Likewise, it includes intangible assets that correspond to software developed internally, whose costs incurred in the development phase are capitalized and amortized in the results of the year from the moment that said software is ready to work, using the straight-line method, with based on the useful life estimated by the Administration of Brokerage Firm.

In the presence of any indication of impairment of the value of an asset, the possible loss due to impairment is determined, and in the event that the recovery value is less than the net book value, the value of the asset is reduced and the loss is recognized deterioration in the results of the year.

Likewise, this item includes the projected net assets of the defined benefit plan (up to the amount of the ceiling of plan assets, which is recognized in accordance with the provisions of MFRS D-3 "Employee Benefits" and the Deferred ESPS.

(n) Income taxes and employee statutory profit sharing (ESPS)

The income taxes and ESPS payable for the year are determined in conformity with the applicable tax provisions and, labor provisions where appropriate.

Income taxes payable are presented as a liability in the balance sheet, when the tax prepayments exceed the income tax payable, the difference corresponds to an account receivable.

Deferred income taxes and deferred ESPS are accounted for under the asset and liability method. Deferred taxes and ESPS assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and in the case of income taxes, for operating loss carryforwards.

Deferred ESPS and tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred ESPS and taxes assets and liabilities of a change in tax rates is recognized in results of operations in the period enacted.

The asset for income tax and deferred ESPS are evaluated periodically, creating, where appropriate, a valuation reserve for those temporary differences for which there could be an uncertain recovery.

(Continued)

The deferred ESPS asset is recorded under the caption “Pre-payments and other assets”.

Current and deferred income taxes are presented and classified in the results of the period, except those originating from a transaction that is recognized in "Other Comprehensive Income" (OCI). Current and deferred ESPS will be incorporated into the item of "Administrative and promotional expenses" in the statement of comprehensive income.

(o) Leases

Acting as lessor

Classification of leases

The Brokerage Firm classifies each of its leases as an operating or financial lease. All credits granted by the entity for financial lease operations are considered as financial leases, which are those in which the Brokerage Firm transfers to the lessee substantially all the risks and rewards inherent to the ownership of the underlying asset, otherwise they are considered as operatives.

Acting as lessee

At the inception of a contract, the Brokerage Firm evaluates whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Brokerage Firm evaluates whether a contract conveys the right to control the use of an implicitly or explicitly identified asset in a contract.

At the commencement or modification of a contract that contains a lease component, the Brokerage Firm assigns the consideration in the contract to each lease or service component based on their relative independent prices.

The Brokerage Firm recognizes a right-of-use asset and a lease liability on the start date of the lease. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for any lease payments made on or before the inception date, plus initial direct costs incurred and an estimate of the costs to dismantle or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Brokerage Firm at the end of the lease term or the cost of the right-of-use asset reflects that the Brokerage Firm will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property and equipment. In addition, the right-of-use asset is periodically reduced for impairment losses, if applicable, and adjusted for certain revaluations of the lease liability such as changes in the amount of rent for inflation adjustment.

(Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental financing rate of the Brokerage Firm or the risk-free rate determined with reference to the lease term. Generally, the Brokerage Firm uses your incremental interest rate as the discount rate.

The lease payments included in the valuation of the lease liability comprise the following:

— fixed payments, including fixed in-substance payments;
— Variable lease payments that depend on an index or rate, initially valued using the index or rate at the commencement date;
— amounts expected to be paid under a residual value guarantee; and
— the exercise price under a purchase option that the Brokerage Firm is reasonably certain to exercise, the lease payments in an optional renewal period if the Brokerage Firm is reasonably certain to exercise an extension option, and the penalties for termination of a lease unless the Brokerage Firm is reasonably certain that it will not terminate early.

The lease liability is valued at amortized cost using the effective interest method. It is revalued when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Brokerage Firm's estimate of the amount expected to be paid under a residual value guarantee, if the Brokerage Firm changes its evaluation of whether it will exercise a purchase, extension or termination option or if there is a fixed payment in substance of the modified lease. When the lease liability is revalued in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Brokerage Firm presents right-of-use assets that do not meet the definition of investment property in the caption "Assets for right-of-use of property, furniture and equipment", and lease liabilities in the caption "Leasing liabilities", both in the statement of financial position.

Short-term leases and leases of low-value assets

The Brokerage Firm has decided not to recognize right-of-use assets and lease liabilities for low-value asset leases and short-term leases, including IT equipment. The Brokerage Firm recognizes the lease payments associated with these leases as a straight-line expense during the lease term.

(p) Employees' benefits

Short-term direct benefits

Short-term direct employees' benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Brokerage Firm has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

(Continued)

Long-term direct benefits

The Brokerage Firm's net obligation in relation to direct long-term benefits (except for deferred ESPS - see note Income taxes and employees' statutory profit sharing), and which the Brokerage Firm is expected to pay at least twelve months after the date of the most recent balance sheet presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in the results of the year as accrued.

Termination benefits

A liability is recognized for termination benefits along with a cost or expense when the Brokerage Firm has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when the conditions that require the recognition of restructuring costs are met, whichever occurs first. If benefits are not expected to be wholly settled within twelve months after the date of the most recent balance sheet presented, then they are discounted.

Post-employment benefits

Defined contribution plans

Obligations derived from contributions to defined contribution plans are recognized in results as accrued, as the related services are rendered by the employees. Contributions paid in advance are recognized as an asset to the extent that such prepayment gives rise to a reduction in the future payments or to a cash reimbursement.

Defined benefit plans

The net obligation of the Brokerage Firm corresponding to the defined benefit plan for retirement the pensions for retirement, post-retirement medical expenses, life insurance, the seniority premiums and legal compensation to which employees are entitled in accordance with the Federal Labor Law, as well as obligations related to corresponding to life insurance for retirees, it is calculated in a separate way for each plan, estimating future benefits amount that employees have earned in the current and in previous periods, discounting such amount and deducting the fair value of the plan assets.

Irrevocable trusts have been established for all plans to manage the respective plan funds and assets, except for severance compensation.

The obligations for defined benefit plans are calculated annually by actuaries, using the projected unit credit method. When the calculation results in a possible asset for the Brokerage Firm, the recognized asset is limited to the present value of the economic benefits available in the form of future refunds of the plan or reductions in future contributions thereto. To calculate the present value of economic benefits, any minimum financing requirement should be considered.

(Continued)

The labor cost of the current service, which represents the period cost of employee benefits for having completed one more year of working life based on the benefit plans, is recognized in administrative and promotional expenses. The Brokerage Firm determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then-net defined benefit liability (aaset), taking into account any changes in the net defined liability (asset) during the period as a result estimates of contributions and benefits payments.

Modifications to the plans that affect past service cost are recognized in income immediately in the year the modification occurs, with no possibility of deferral in subsequent years. Furthermore, the effects of events of liquidation or reduction of obligations in the period that significantly reduce future service cost and/or significantly reduce the population eligible for benefits, are recognized in income of the period.

Remeasurements (formerly actuarial gains and losses), resulting from differences between the projected and actual actuarial assumptions at the end of the period, are recognized when incurred as part of OCI within stockholders' equity and is subsequently recycled to the results of the period, based on the average remaining working life of the employees.

(q) Revenue recognition-

Interest and premiums on investments in debt securities and repurchase/resell agreements, are recorded in the statement of income on an accrual basis, using effective interest rate method.

The gain on sale of foreign currencies, trading securities and derivatives, is recorded in in the statement of income when these are sold.

The favorable effects of valuation (gain) of trading securities and derivatives are recorded in the statement of income when the fair value is recognized.

The fees for financial transactions (placement of debt or shares), for transactions with investment companies and the revenue from custody services, are recorded in the statement of income when the service is rendered in "Commissions and fee income".

Revenues from financial advisory services are recorded on income when the services are rendered in "Financial advisory income".

(r) Provisions

Based on Management estimates, the Brokerage Firm recognizes accruals for present obligations where the transfer of assets or the rendering of services and arises as a consequence of past events.

(s) Memorandum accounts

The memorandum accounts record assets or commitments that are not part of the Brokerage Firm's statement of financial position, since the rights to these or said commitments are not acquired, they are not recognized as liabilities of the entities as long as said eventualities are not recognized. materialize, respectively.

– *Guarantees granted:*

The balance represents the total commitments that the Brokerage Firm has on a given date. As the third party with whom the commitment is made settles the obligations that have been guaranteed, the entity must cancel said amounts from its records.

– *Contingent assets and liabilities:*

Formal claims received by the Brokerage Firm and that may entail some liability are recorded.

– *Assets in custody or under administration:*

Cash and securities owned by clients that are held in custody, guarantee and administration are reflected in the respective memorandum accounts and are valued based on the price provided by the price provider. With the exception of cash or virtual assets received for the payment of services on behalf of third parties, it must be presented in the cash and cash equivalents item or in the virtual assets item, as appropriate, and the liability generated, in the item of other accounts payable.

Securities in custody and administration are deposited at SD Indeval, Institution for the Deposit of Securities, S.A. de C.V.

Revenues derived from custody or administration services recognized in the results of the year will be presented under commissions and fees charged.

– *Collaterals received by the entity:*

Its balance represents the total collateral received in repurchase agreements and securities lending, with the Brokerage Firm acting as a reporter or borrower.

– *Collaterals received and sold or delivered as collateral by the entity:*

Its balance represents the total collateral received and sold or delivered as a guarantee, when the Brokerage Firm acts as a reporter or borrower.

– *Other registration accounts:*

As of December 31, 2022, the other registry accounts present a balance of $2,932, which is mainly made up of the notional amounts traded for options $2,284, and warrants $648, from the Brokerage Firm.

(Continued)

(t) Contingencies-

Liabilities or important losses related to contingencies are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. When a reasonable estimation cannot be made, qualitative disclosure is provided in the notes to the financial statements. Contingent revenue, earnings or assets are not recognized until their realization is virtually certain.

(4) Accounting changes-

i. Accounting changes

Through publication in the Official Gazette dated December 23, 2021, the Banking Commission announced the obligation as of December 1. January 2022, for the adoption of the following FRS issued by the CINIF:

- FRS B-17, Determination of fair value
- FRS C-2, Investment in financial instruments
- FRS C-9, Provisions, contingencies and commitments
- FRS C-10, Derivative financial instruments and hedging relationships
- FRS C-16, Impairment of financial instruments receivable
- FRS C-19, Financial instruments payable
- FRS C-20, Financial instruments to collect principal and interest
- FRS D-1, Income from contracts with customers
- FRS D-2, Costs for contracts with customers and
- FRS D-5, Leases

In accordance with the transitory articles mentioned in the Provisions, and as a practical solution for the Brokerage Firms in the application of the accounting criteria contained in annex 5 that are modified, it was established that they may recognize on the date of initial application, that is, on January 1, 2022, the cumulative effect of the accounting changes.

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.

(Continued)

(Millions of Mexican pesos)

The detail of the changes in accounting criteria is shown below:

Series A. Criteria related to the general accounting scheme for Brokerage Firm

A-1 Basic outline of the set of accounting criteria applicable to brokerage firms	A-1 Basic outline of the set of accounting criteria applicable to brokerage firms	Without changes.
A-2 Application of particular rules	A-2 Application of particular rules	The following FRS issued by the CINIF are added as applicable, establishing particularities in some of them: FRS B-5 "Financial information by segments". The impact is not material. FRS B-11 "Disposal of long-lived assets and discontinued operations" The impact is not material. FRS B-12 "Compensation of financial assets and financial liabilities" The impact is not material. FRS B-17 "Determination of fair value". Impact on the valuation of instruments that are not valued by a price provider. The impact is not material. FRS C-2 "Investment in financial instruments". Impact on presentation given the classification of investments in financial instruments according to the business model and their valuation based on said model. FRS C-9 "Provisions, contingencies and commitments". Non-material impact. FRS C-10 "Derivative financial instruments and hedging relationships". The impact is not material. FRS C-12 "Financial instruments with liability and capital characteristics" The impact is not material. FRS C-13 "Related parties". The impact is not material. FRS C-14 "Transfer and derecognition of financial assets". The impact is not material. FRS C-16 "Impairment of financial instruments receivable". It has an impact on the determination of impairment of financial instruments receivable, principal and interest, according to risk stages 1 to 3. FRS C-19 "Financial instruments payable". Its application to deposits, interbank loans and other organizations is considered. FRS C-20 "Financial instruments to collect principal and interest". Impact on the valuation of the instruments that are considered under this business model and that previously applied a different valuation at amortized cost. FRS D-1 Income from contracts with customers. The non-material impact. FRS D-2 Costs for contracts with customers. The non-material impact. FRS D-5 Leases. Impact on leases where the Brokerage Firm is a lessee, since it recognizes the asset for the right to use the leased assets and recognizes the liability. In results, the right-of-use asset is depreciated based on its useful life, while the liability generates interest at the effective interest rate of the lease or the market and is settled as it is paid.
A-3 Application of general rules	A-3 Application of general rules	Without changes
A-4 Supplementary application to the accounting criteria	A-4 Supplementary application to the accounting criteria	Without changes

Series B. Criteria related to the concepts that make up the financial statements

B-1 Availabilities	B-1 Cash and cash equivalents	The name of the item and the accounting criteria are changed. The definition of Investments available for hearing is added, considering a maturity period of 48 hours from their acquisition.
B-2 Investments in securities	B-2 Repealed	It is repealed, but the new accounting criteria A-2 establishes the application of FRS C-2 "Investment in financial instruments", FRS C-20 "Financial instruments to collect principal and interest" and FRS C-16 "Impairment of instruments Financial instruments receivable The classification of financial instruments based on the intention of the administration is eliminated and a new classification of financial instruments is established according to the business model applied by the Brokerage Firm, which can be for negotiation, to collect principal and interest, or to collect and sell.
B-3 Reports	B-3 Reports	The obligation to offset the collateral delivered in cash recorded as a liability against repo debtors is eliminated when the instruments have been delivered as collateral in another repo transaction.

(Continued)

B-4 Securities lending	B-4 Securities lending	The definition of amortized cost is modified.
B-5 Derivatives and hedging transactions	B-5 Repealed	It is repealed, but the new accounting criteria A-2 establishes the application of FRS C-10 "Derivative financial instruments and hedging relationships"
B-6 Custody and administration of assets	B-6 Custody and administration of assets	Virtual assets are added as goods that are subject to custody and administration. The impact is immaterial.
B-7 Trusts	B-7 Trusts	Without changes
	Series C. Criteria applicable to specific concepts	
C-1 Recognition and derecognition of financial assets	C-1 Repealed	It is repealed, but the new accounting criteria A-2 establishes the application of FRS C-14 "Transfer and derecognition of financial assets". The impact is immaterial.
C-3 Related parties	C-3 Repealed	It is repealed, but the new accounting criteria A-2 establishes the application of FRS C-13 "Related parties". The impact is immaterial.
C-4 Information by segments	C-4 Repealed	It is repealed, but the new accounting criteria A-2 establishes the application of FRS B-5 "Financial information by segments", establishing at least the operating segments that were already defined in the previous accounting criteria C-4. The impact is immaterial.
	Series D. Criteria related to the basic financial statements	
D-1 Balance sheet	D-1 Statement of financial position	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-2 Income statement	D-2 Statement of Comprehensive Income	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-3 Statement of changes in stockholders' equity	D-3 Statement of changes in stockholders' equity	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-4 Statement of cash flows	D-4 Statement of cash flows	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.

Financial information standards issued by the CINIF

Improvements to FRS 2022-

In December 2021, the CINIF issued the document called "Improvements to FRS 2022", which contains specific modifications to some existing FRSs. The main improvements that generate accounting changes with retrospective effects are the following:

FRS D-3 "Employee benefits"
FRS B-17 Determination of fair value
FRS C-6 Property, plant and equipment

Management recognized the initial effect of the entry into force of these standards, which did not have an impact for the purposes of the financial statements as a whole.

ii. Initial application of the cumulative effect of accounting changes

Derived from the initial adoption of the Accounting Criteria that entered into force as of January 1, 2022 referred to in the previous point.

(Continued)

Concept		Amount
Assets for rights of use of property, furniture and equipment	$	41
Lease liability		(41)
	$	-

iii. Valuation adjustment for counterparty credit risk and own credit risk

The Credit Valuation Adjustment (CVA) is a valuation adjustment of OTC financial derivative financial instruments for the risk associated with the credit exposure assumed with each counterparty.

Currently, the Brokerage Firm has implemented a bilateral CVA calculation methodology at the counterparty level that incorporates credit risk mitigants such as compensation and collateral agreements.

The determination of the exposure is based on market inputs consistent with those used in the instrument valuation processes and the loss parameters (severity of the loss and probability of default) are periodically reviewed and subjected to validations and stress tests (where appropriate, for counterparties that have CDS associated with the market, these are used to obtain the probability of loss).

- The Counterparty Risk Models corresponding to the methodologies implemented to obtain credit exposures for the derivatives portfolio.

The Debt Valuation Adjustment (DVA) is a valuation adjustment similar to the CVA, but, in this case, it arises from the Casa own credit risk assumed by its counterparties in OTC financial derivatives.

The CVA and DVA recognized as of December 31, 2022 amounted to $0.10

All fair values of financial instruments are calculated daily.

(5) Foreign currency position

Central Bank regulations require that Brokerage Firms holds balanced positions in foreign currencies within certain limits. At December 31, 2022, the limit of the position (short or long) allowed in pesos is $292, equivalent to a maximum of 15% of the basic capital, both as a whole and in each currency. At December 31, 2022, the Brokerage Firm maintains an exchange risk position within the mentioned limit.

The position in foreign currency as of December 31, 2022, expressed in millions of dollars and its valuation in pesos, is analyzed on the following page.

(Continued)

(Millions of Mexican pesos)

Position	long	Short
USD	101	101
Position valued in pesos		
USD	1,964	1,964

The exchange rate in relation to the dollar as of December 31, 2022, was $19.5089 pesos per dollar, at the date of approval of the financial statements it was $18.0957 pesos per dollar.

(6) Cash and cash equivalents

As of December 31, 2022, the item is integrated as follows:

		2022
Banks	$	25
Other cash and cash equivalents		171
Restricted cash and cash equivalents:		
Restricted reserve funds		109
	$	**305**

The restriction on the purchase of foreign currency consists in the fact that such foreign currency has not yet been received by the Brokerage Firm and, therefore, the Brokerage Firm cannot dispose of them as of the date of the statement of financial position. The currency restriction will be on the agreed settlement date of said operations which, as of December 31, 2022, is between December 29, 2022 and January 4, 2023.

As of December 31, 2022, the Brokerage Firm maintained an active (liability) balance for foreign currency purchase and sale operations settled on a date after the agreed date for $522 and $(454), which were recognized in settlement accounts within the “Other accounts receivable, net” and “Creditors on settlement of transactions”, as appropriate.

Deposits in domestic and foreign banks as of December 31, 2022 are as follows:

		MXN	Valuated currencies	Total
Country banks	$	25	25	25

As of December 31, 2022, the currencies to be received and delivered for purchases and sales to be settled, respectively, are as follows:

Balance in source currency

Badge		Currencies to receive	Currencies to deliver
USD	$	23	(27)

(Continued)

(Millions of Mexican pesos)

Balance valued in pesos

Badge		Currencies to receive	Currencies to deliver
USD	$	457	(525)

When the compensated balance of currencies to be delivered is greater than that of currencies to be received, it is presented under the caption “Sundry creditors and other accounts payable”.

The concentration by counterparty of the cleared balance of foreign currencies is presented below:

Counterpart		Currencies to receive	Currencies to deliver
BULL	$	10	(7)
INTL		1	(2)
XPSEC		1	(10)
excuse		11	(8)
	$	**23**	**(27)**

As of December 31, 2022, there are overdrafts in bank accounts for $68, which are presented in "Sundry creditors and other accounts payable".

(7) Investments in financial instruments

a) Value in books

Below is the analysis of investments in financial instruments for each category and type of instrument as of December 31, 2022; based on the business models determined by the Brokerage Firm, including their levels in the fair value hierarchy:

Negotiable financial instruments

		Nationals	Foreign
Negotiable financial instruments (NFI):			
Equity instruments (shares) (1)	$	300	1,233
51-SCOTIAG		105	-
BI CETES		873	-
M BONDS		1,711	-
S UDIBONOS		452	-
PRLV		17	-
Total negotiable financial instruments	**$**	**3,458**	**1,233**

(1) Within the equity instruments, $364 are restricted or given as security for a loan of securities (see note 9 b).

(Continued)

(Millions of Mexican pesos)

		Nationals	Foreign		Valuation techniques
Fair value:					
Level 1	$	300	1,233		Price Provider Valmer
Level 2		3,158	-		Price Provider Valmer
Total NFI	**$**	**3,458**	**1,233**		

Debt instruments classified as NFI have interest rates ranging between 10.40% and 10.5% and their maturities fluctuate between 1 and 4 months.

As of December 31, 2022, IFNs include restricted instruments, mainly in securities lending operations, for $364, guarantees for $2,558, and repos for $17.

Financial instruments held to collect or sell

		Nationals
Financial instruments held to collect or sell (FICS):		
CETES	$	271
Total financial instruments held to collect or sell	$	**271**

		Nationals		Valuation techniques
Fair value:				
Level 2	$	271		Price Provider Valmer
Total FICS	$	**271**		

Debt instruments classified as FICS have interest rates ranging between 10.34% and 10.83% and their maturities fluctuate between 0.5 and 1 year.

As of December 31, 2022, the FICSs include restricted instruments, mainly given as collateral for $115.

The Brokerage Firm does not have debt instruments classified as Financial Instruments to collect principal and interest (FICPI).

(Continued)

(Millions of Mexican pesos)

b) Operation with liquidable securities

As of December 31, 2022, the Brokerage Firm maintained an asset (liability) balance for transactions with securities that can be settled on a date after the agreed date for $2,569 and ($2,480) respectively, which were recognized in settlement accounts under the headings of "Other accounts receivable net" and " Creditors on settlement of transactions", as appropriate.

c) Category Reclassifications

During the year 2022, the Brokerage Firm did not make category transfers.

d) Effects recognized in results and OCI

The net gains and losses generated by investments in financial instruments for the year ended December 31, 2022 are shown below:

Result of purchase / sale		
NFI	$	88
Result of valuation		
Recognized in results		
NFI	$	59

The Brokerage Firm does not have financial instruments that were classified as Level 3.

During the year 2022, the Brokerage Firm did not have financial instruments that experienced a significant decrease in the volume traded due to the existence of disorderly conditions in the markets.

The interest income accrued by investments in financial instruments recognized in the result of the year 2022 is presented below:

Interest income		
NFI	**$**	198
FICS		31
	$	**229**

e) Deterioration

As of December 31, 2022, the recognized impairment was $0.02.

(Millions of Mexican pesos)

f) Traded securities to be settled

As of December 31, 2022, the fair value of the securities classified as traded securities to be settled are analyzed as follows:

Traded securities to be settled		**2022**
Other Unrestricted Debt Securities – Value Date Sales		
BI CETES	$	154
M BONDS		894
S UDIBONO		452
Unrestricted stock securities – Value date sales		
Equity instruments (shares)		1,063
Securities assigned to be liquidated, unrestricted titles	**$**	**2,563**

(8) Repurchase/resell agreements

a) Debtors on repurchase/resell agreements

As of December 31, 2022, debtors on repurchase/resell agreements are made up as follows:

Instrument		**Debtors on repurchase / resell agreements**	**Collaterals received as guarantee**
Debt instruments			
Government debt			
BONDS	$	7,430	7,428
UDIBONOS		1,933	1,931
CETES		1,461	1,461
BONUSES		835	835
IPABONOS		608	608
		12,267	12,263
Other debt securities			
CEBUR		52	52
	$	**12,319**	**12,315**

(Continued)

(Millions of Mexican pesos)

The average terms of the repo operations in which the Brokerage Firm acted as a repo that are in force as of December 31, 2022 are 3 days.

Interest and yields in favor of repurchase agreements entered into by the Brokerage Firm recognized in the "Interest income" caption amounted to $936 for the year ended December 31, 2022.

b) Creditors under repurchase/resell agreements

As of December 31, 2022, creditors under repurchase/resell agreements are made up as follows:

Instrument		
Debt instrument		
PRLV	**$**	**17**

Collaterals sold or pledged as collateral (credit balance repurchase/resell agreements):

Instrument		**Collateral given as guarantee**
Debt instruments		
Government debt		
BONDS	$	7,430
UDIBONOS		1,933
CETES		1,461
BONUSES		835
IPABONOS		608
		12,267
Other debt securities		
CEBUR		52
	$	**12,319**

The average terms of repurchase agreements in which the Brokerage Firm acted as reported that are in force as of December 31, 2022 are 3 days.

The interest and income charged in repurchase agreements entered into by the Brokerage Firm recognized under the caption "Interest expense" amounted to $927 for the year ended December 31, 2022.

(Continued)

(Millions of Mexican pesos)

c) Collaterals in repurchase/resell agreements

The collaterals received for repurchase/resell agreements, as well as the collaterals received and sold or given as collateral as of December 31, 2022, are shown below:

Instrument		Collaterals received	Collateral received and sold or pledged as collateral
BONDES	$	7,428	7,428
UDIBONOS		1,931	1,931
CETES		1,461	1,461
BONUSES		835	835
IPABONOS		608	608
		12,263	12,263
Other debt securities			
CEBUR		52	52
PRLV		17	-
		69	52
	$	12,332	12,315

The average terms of repurchase agreements in which the Brokerage Firm acted as reported that are in force as of December 31, 2022 are 3 days.

The interest charged for collateral sold and given as guarantee in repurchase agreements recognized in results for the year ended December 31, 2022 amounted to $1.

(9) Securities lending-

a) Acting as borrower

As of December 31, 2022, securities lending operations are integrated as shown below:

Instrument		2022
Net equity instruments		
1I QQQ*	$	3
1I SPY*		9
1I XL*		5
1I VOO*		39
	$	**56**

(Millions of Mexican pesos)

The average terms of the securities loan operations in which the Brokerage Firm acted as borrower that are in force as of December 31, 2022 are 28 days.

The prizes in favor of securities lending operations carried out by the Brokerage Firm recognized in the "Interest income" caption amounted to $17 for the year ended December 31, 2022.

b) Acting as a lender

As of December 31, 2022, securities lending operations are made up as follows:

Instrument		**2022**
Net equity instruments		
1I QQQ *	$	3
1I SPY		9
1I XL*		5
1I VOO*		39
1BNAFTRACB		308
	$	**364**

The average terms of the securities lending operations in which the Brokerage Firm acted as lender that are in force as of December 31, 2022 are 15 days.

The premiums charged in securities lending operations carried out by the Brokerage Firm recognized in the "Interest expense" caption amounted to $5 for the year ended December 31, 2022.

c) Collateral in securities lending operations

The breakdown of collateral delivered and received for securities lending transactions, as well as collateral received and sold or given as collateral as of December 31, 2022, is shown below:

		2022	
Net equity instruments		**Collateral delivered as guarantee**	**Collateral received as guarantee**
1B-NAFTRAC-ISHRS	$	308	-
1I-QQQ-*		3	3
1I-SPY-*		9	9
1I-VOO-*		39	39
1I-XLE-*		5	5
	$	**364**	**56**

(Continued)

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d) Compensations

The cleared and uncleared securities lending transactions as of December 31, 2022 are shown below:

i. Operations that met the conditions for compensation:

Instrument		Acting as borrower	Acting as a lender	Offset Net Position
1I–QQQ-*	$	3	3	-
1I – SPY - *		9	9	-
1I–XLE - *		5	5	-
1I – VOO - *		39	39	-
	$	**56**	**56**	**-**

ii. Operations that did not meet the conditions for compensation:

Instrument		Acting as a lender
1B – NAFTRAC - ISHRS	$	308

(10) Derivative financial instruments-

a) Derivatives for trading purposes

The integration of derivative financial instruments (DFI) for trading purposes in force as of December 31, 2022 is presented below:

			Fair value		Net balance	
Instrument	**Operation**		**Asset**	**Liabilities**	**Debtor**	**Creditor**
Futures	Sale	$	20	-	20	-
Options	Buys		30	62	30	62
Warrants	Sale		-	564	-	564
		$	**50**	**626**	**50**	**626**

The following sheet shows the DFIs by hierarchy level as of December 31, 2022.

(Continued)

Instrument		Asset	Liabilities
Fair value			
Level 1		20	564
Level 2		30	62
Total	**$**	50	**626**

Measurement of fair values

i. Valuation Techniques and Significant Unobservable Inputs

The following tables show the valuation techniques used to measure Level 1 and Level 2 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

	Techniques of valuation	Inputs observables	Inputs no observables
Derivatives for trading purposes			
Futures	- Net present value	- Exchange rates - Future prices quoted in the market - Market interest rates	
Options	- Equity Binary Option: Equity Option Internal Model - Single action Autocall Option: Internal Model EqOpt Autocallable Note - Simple Equity Option: Market Price	- Price provider - Valmer for the entry of prices and market data - Volatility surface - Quantum correlation - Dividend curve	
Warrants	- Simple equity warrant: Market price	- Price Provider - Valmer	

Valuation techniques

The fair values of exchange-traded derivatives are based on unadjusted quoted market prices in an active market.

Fair values of over-the-counter (OTC) derivatives are determined using pricing models, which take into account observable valuation data, such as current market and contract prices of the underlying instruments, as well as time value and yield curve or the volatility factors underlying the positions. The determination of the fair value of derivatives includes consideration of credit risk, estimated financing costs and ongoing direct costs during the life of the instruments.

(Continued)

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Derivative products valued using a valuation technique with observable market data mainly include interest rate options. The models incorporate various inputs, including exchange rates and interest rate curves.

ii. Transfers between Level 1 and Level 2

The conditions to recognize the transfer from level 1 to level 2 will be considered in accordance with the instrument:

Investments in financial instruments: When there are no facts or positions for the operations, and the price is determined through the movement of the price of similar instruments, the price of the previous period is considered, there is no market information on the instrument, no present an event for the minimum amount required, some theoretical adjustment to the surcharge is made or the instrument changes rank, it is considered that there is a transfer to level 2 of the hierarchy.

There have been no transfers from Level 2 to Level 1 during 2022 and there were no transfers between these 2 levels in 2022.

Derivative Financial Instruments: During fiscal year 2022, no transfers were made between Level 1 and Level 2 of the fair value hierarchy within the assets and liabilities maintained by the Brokerage Firm.

Notional amounts

Notional amounts represent the number of units specified in the DFI contracts and not the gain or loss associated with the market risk or credit risk of the instruments. Notional amounts represent the amount to which a rate or price is applied.

To determine the amount of cash flow to be exchanged. The notional amounts of derivative financial instruments by type of instrument and underlying as of December 31, 2022 are shown below:

				Fair value		Net balance	
Underlying	**Operation**	**Market**	**Notional amount**	**Asset**	**Liabilities**	**Debtor**	**Creditor**
Futures							
<u>IPC</u>							
IPC	Long Position	Recognized	428	20	-	20	-
			$	**20**	**-**	**20**	**-**
Options							
<u>Indices</u>							
Index	Buys	OTC	1,201	30	-	30	-
Index	Sale	OTC	1,083	-	62	-	62
<u>Warrants</u>							
Actions	Sale	Recognized	648	-	564	-	564
			$	**30**	**626**	**30**	**626**

(Continued)

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As of December 31, 2022, the net valuation effect on financial assets and liabilities related to trading derivatives amounted to $576.

Intermediation financial result		
Valuation on securities	$	24

Gain (loss) on purchase and sale of securities		
Result of purchase / sale	$	22

b) Deterioration

The CVA impairment effects recognized in 2022 was $0.1.

c) Margin accounts

As of December 31, 2022, the margin accounts are made up of guarantees granted in cash for financial operations derived from those carried out in recognized markets for $29.

(11) Premises, furniture and equipment-

Premises, furniture and equipment as of December 31, 2022, are analyzed as shown below:

		2022	**Annual depreciation rates**
Land	$	7	-
Office buildings		19	2.5%
Transport equipment		2	Several
Computer equipment		99	Several
Office furniture and equipment		60	10%
Installation improvements		116	Several
Total		303	
Accumulated depreciation		(127)	
Total	**$**	**176**	

The amount charged to the results of 2022, for depreciation amounted to $23.

According to the studies carried out by the Brokerage Firm, the residual value (except land) of the properties is minimal.

As of December 31, 2022, the Brokerage Firm registered computer equipment for $18, furniture for $7, and Installation improvements for $122.

As of December 31, 2022, the Brokerage Firm had computer equipment write-offs for $1, canceling a depreciation for $1.

(Continued)

As of December 31, 2022, the Brokerage Firm had furniture write-offs for $5, canceling a depreciation for $5.

As of December 31, 2022, the Casa de Bolsa had cancellations of Installation improvements for $40, having no impairment effect.

Real estate selling

During 2022, the Brokerage Firm sold a property, dated November 8, 2022, through the transfer of property title to an individual for a sale price of $250 plus $26 of value added tax. The gross book value of this property at the date of the sale was $185 canceling depreciation for $104, so a profit on the sale of $169 was obtained.

The total profit on the sale of real estate, during 2022, amounted to $169, which was recorded under the heading "Other income (expenses), net" in the statement of comprehensive income.

During fiscal year 2022, the Brokerage Firm did not recognize effects of impairment, nor did it revert to it.

(12) Assets for rights of use of property, furniture and equipment, net-

The Brokerage Firm rents land, commercial premises and office spaces for its branches and offices. Leases are generally executed for periods of 5 years with the option of one or two extensions of 5 years each. Lease payments generally have annual increases based on the NCPI and every 5 years rents are renegotiated for market adjustments and others with pre-established increases.

Some leases provide additional payments to the rent, such as maintenance fees, and have restrictions on subletting agreements.

The leases that have been contracted for several years are for land, commercial premises and office spaces, mostly; these leases were classified as operating leases.

During 2022, the Brokerage Firm has leases and subleases with contract expirations between the years of 2023 to 2034.

The Brokerage Firm leases branches with contract terms of less than 1 year. These leases are short-term, so the Brokerage Firm has decided not to recognize the right-of-use assets and the lease liabilities of these leases.

Information on leases for which the Brokerage Firm is a lessee is presented below.

Assets under leases (right-of-use assets).

Right-of-use assets related to leased properties that do not meet the definition of investment property are integrated according to what is shown on the following page.

(Continued)

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		Buildings
Creation of right-of-use assets due to accounting change	$	41
Additions		4
Depreciation of the year		(10)
Low		-
Balance as of December 31, 2022	**$**	**35**

Amounts recognized in results:

		2022
Interest on lease liabilities	$	4
Expenses related to short-term leases		9
Sublet income		22
Gain on sale and lease transactions on way back		169

Total lease cash outflows during 2022 were $9.

Lease liability

The terms and conditions of the leases as of December 31, 2022 are as follows:

Currency	Interest rate nominal	Maturity Year		Nominal value	Present value
Pesos	Several	up to 1 year	$	18	15
Pesos	Several	1 to 2 years		13	11
Pesos	Several	2 to 5 years		19	14
Pesos	Several	5 to 10 years		12	10
			$	**62**	**50**

(13) Permanent investments-

As of December 31, 2022, the participation of the Brokerage Firm in other permanent investments, as well as the ownership percentage, is analyzed as follows:

		2022	
		Investment	% holding
Impulsora del Fondo México, S.A. de C.V.		2	3.65
Cebur, S.A. de C.V.		1	2.97
	$	**3**	

For the years ended December 31, 2022, the Brokerage Firm did not receive dividends from its associates.

(Continued)

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(14) Employees' benefit liability-

As of December 31, 2022, employee benefits are as follows:

		2022
Short term	$	91
Long Term (labor obligation)		59
Employees' statutory profit sharing		68
Total employees' benefits	**$**	**218**

The Brokerage Firm has in place defined contribution plan for pensions and post-retirement benefits plan. Such plan provides for pre-established contributions by the Brokerage Firm, which may be fully withdrawn by employees' upon retirement if aged at least 55 years or partially on employment termination in accordance with specific rules for vesting rights. Additionally, contributions are made of the employees, who will be entitled to withdraw those contributions upon employment termination.

For the year ended December 31, 2022, the charge to results corresponding to the contributions of the Brokerage Firm for the defined contribution plan amounted to $6, within the caption "Administrative and promotional expenses".

The Brokerage Firm has also a defined benefit pension plan, post-retirement benefits covering those employees who elected not to change to be defined contribution plan. The benefits are based on years of service and the employees' compensation during the last year.

The cost, obligations and the defined benefit pension plan, post-retirement medical expenses, seniority premiums, life insurance and legal indemnities were determined based on computations prepared by independent actuaries as of December 31, 2022.

The benefits paid from the funds were as follows:

		Benefits paid from funds
		2022
Seniority premium	$	(1)
Pension plan		(1)
Total	**$**	**(2)**

The components of the cost of defined benefits, for the years ended December 31, 2022, are shown on the following page.

(Continued)

(Millions of Mexican pesos)

		Medical expenses	Pension plan	Seniority premium	Life insurance	Termination benefits
		2022	**2022**	**2022**	**2022**	**2022**
Current service cost	$	-	-	1	1	1
Net interest on DBNL		1	-	1	1	2
Cost for early settlement of obligations		-	-	-	-	20
Remeasurements of the DBNL to be recognized in equity		-	1	1	-	(1)
Net cost of the period	$	**1**	**1**	**3**	**2**	**22**
Initial balance of the DBNL	$	(9)	(3)	(16)	(3)	(17)
Defined benefit cost		(1)	-	(3)	(2)	(23)
Payments charged to the DBNL		-	1	-	-	21
Other adjustments:						
Gains and losses recognized in equity		-	(1)	(2)	-	(1)
Final balance of DBNL	$	**(10)**	**(3)**	**(21)**	**(5)**	**(20)**

The financing situation of the defined benefit obligation as of December 31, 2022 is detailed below:

		Medical expenses	Pension plan	Seniority premium	Life insurance	Termination benefits
		2022	**2022**	**2022**	**2022**	**2022**
Present value of the total obligation	$	(12)	(5)	(31)	(15)	(26)
Defined benefits liability		(10)	(3)	(22)	(11)	(20)
Plan assets		-	-	1	6	-
Financial situation of the obligation	$	**(10)**	**(3)**	**(21)**	**(5)**	**(20)**

During the year ended December 31, 2022, the Brokerage Firm did not transfer resources from the defined benefit plan to cover contributions from defined contribution plan.

It is not expected to make contributions to the defined benefits fund during 2022. For 2023, it is expected to make payments from the reserve for $13.

The nominal rates and inputs used in the actuarial projections for the year ended December 31, 2022, are those shown on the following page.

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	2022
Discount rate	10.50%
Salary increase rate(1)	4.50%
Minimum wage incremental rate(2)	3.50%
Long-term inflation rate(3)	3.50%
Average remaining labor life	9.55 years

(1) 2023: 8.00%, 2024: 5.50%, 2025 onwards: 4.50%

(2) 2023: 20.00%, 2024: 15.00% General minimum wage / 8.00% Border minimum wage, 2025 onwards: 3.50%

(3) 2023: 8.00%, 2024: 5.00%, 2025 onwards: 3.50%

The assets of the fund that cover obligations for pension benefits, seniority premium, and retiree life insurance consist of 55% debt instruments and 45% capital instruments, assigned in trust and managed by a Committee that the Brokerage Firm designates.

The effect that the Defined Benefits Liability would have due to the increase or decrease in the significant actuarial assumptions as of December 31, 2022 is presented below:

	(+)	**(-)**
Discount rate (0.50%)	(2)	3
Long-term inflation rate (0.25%)	1	(1)

(15) Related party balances and transactions-

As of December 31, 2022, operations with related parties that exceed 1% of the basic capital of the Brokerage Firm are mentioned below:

Other related parties		**2022**
Income		
Premium and interests	$	943
Commissions		824
Intermediation financial result		40
Rents and maintenance		6
Financial advisory		24
Expenses		
Premium and interests on repos	$	41
Interest paid for bank loans		4
Intermediation financial result		6
Financial advisory		175
Commissions		3
Rents and maintenance		11

(Continued)

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Balances receivable and payable with related parties as of December 31, 2022, are made up as follows:

		Balance 2022
SCOTIABANK INVERLAT S.A.		
Accounts receivable		
Debtors on repurchase/resell agreements	$	12,319
Debtors on settlement of operations		1,262
Foreign currency received		452
Collaterals sold or pledged		153
Other accounts receivable		25
Derivatives		6
SCOTIA FONDOS S.A. DE C.V.		
Accounts receivable		
Other accounts receivable	$	66
FIDEICOMISOS MEXDER PROPIOS		
Accounts receivable		
Margin accounts	$	99
SCOTIABANK INVERLAT S.A.		
Accounts payable		
Other accounts payable	$	1,204
Foreign currency deliverable		525
Derivatives		7

For the year ended December 31, 2022, there were no changes in the existing conditions of the balances receivable and payable with related parties, nor were there items that were considered irrecoverable or difficult to collect and that some reserve for bad debts was necessary. such operations.

For the year ended December 31, 2022, the benefits granted to management personnel amounted to $14.

(16) Stockholders' equity-

The main characteristics of the accounts that make up stockholders' equity are described below.

(a) Structure of capital stock-

As of December 31, 2022, the capital stock is made up of 180,961,722 common registered shares, divided into two series: 180,937,260 series “F” shares, and 24,462 series “B” shares, fully subscribed and paid, of which 91,367,564 shares correspond to the minimum fixed part of the capital stock and 89,594,158 shares to the variable part thereof. The variable portion of the capital at no time may be greater than the paid-in capital without the right of withdrawal.

The historical fixed minimum capital is fully subscribed and paid as of December 31, 2022 and amounts to $91.

Pursuant to article 10 of the sole circular for Brokerage Firms, it is established that the capital stock must amount to at least the equivalent in national currency of 12,500,000 UDI's. As of December 31, 2022, the net capital and capital stock amount to $1,947 and $346.

(b) Comprehensive income-

Comprehensive income, which is presented in the statement of changes in stockholders' equity, represents the result of the activity of the Brokerage Firm during the year and is made up of net income plus the remeasurement of defined benefits to employees, net of deferred tax.

(c) Dividends declared and Spin-off-

Dividends were decreed through the minutes of the Ordinary General Shareholders' Meeting on October 27, 2022. It is proposed to decree and pay a cash dividend up to the amount of $600.

Through official letters 312-3/0389/2020 and 312-3/2511276/2022 dated December 14, 2020 and April 6, 2022, respectively, the Commission informed the Brokerage Firm of the authorization of the spin-off in its capacity as splinter entity that is not extinguished, in order to segregate a part of its assets, for a total amount of $900 mainly in cash or investments in Federal Treasury Certificates or other government securities and a part of its stockholders' equity, for an amount total of $900 mainly in a portion of the current capital stock of the Brokerage Firm, in the amount of $208 and in a portion of the retained earnings attributable to previous years, in the amount of $692, which were contributed to integrate the capital stock of the Splinter Company. The spin-off took effect on June 30, 2022.

(d) Restrictions on stockholders' equity-

The Banking Commission requires that Brokerage Firms maintain a minimum capitalization percentage of risk-based assets, which is calculated according to the level of risk assigned.

The net profit for the year is subject to the separation of 5%, to constitute the statutory reserve, up to 20% of the amount of the paid-in capital stock.

In case of reimbursement of capital or distribution of profits to stockholders, income tax is incurred on the amount distributed or reimbursed that exceeds the amounts determined for tax purposes. As of December 31, 2022, the contribution capital account (Cuenta de Capital de Aportación or CUCA unaudited) and the net tax profit account (Cuenta de Utilidad Fiscal Neta or CUFIN unaudited) amount to $258 and $2,762.

The undistributed profits from the permanent investments in shares may not be distributed to the stockholders of the Brokerage Firm until the dividends are collected, but they may be capitalized by agreement of the Stockholders' Meeting.

Dividends paid and profits generated from the 1st. January 2014 to individuals and residents abroad are subject to an additional tax of 10% definitively.

(Continued)

(Millions of Mexican pesos)

(e) Capitalization (unaudited)-

The Banking Commission requires Brokerage Firms to maintain a minimum capital as a percentage of risk-based assets. The percentage is calculated by applying certain percentages according to the level of risk assigned to the rules established by the Central Bank. The capitalization required by the Banking Commission has bee fulfilled by the Brokerage Firm. Below is the Brokerage Firm's capitalization information.

Capital as of December 31 (1)		**2022**
Net capital	$	1,947
Market risk requirements		178
Credit risk requirements		38
Operational risk requirements		51
Total capitalization requirements	$	267
Total weighted assets	$	3,333
Rate of capital consumption (ICAP)		58.41%

(1) Previous figures replicated by the Central Bank (may have differences with the calculation due to rounding of figures).

Assets at risk as of December 31, 2022		**Equivalent assets at risk**	**Capital requirement**
Market risk:			
Operations with nominal rate in national currency	$	237	19
Positions with shares and on shares		1,988	159
Total market risk		2,225	178
Credit risk:			
RC-2 group (weighted at 20%)		82	7
RC-3 group (weighted at 100%)		389	31
Total credit risk		471	38
Operational risk:			
Total operational risk		637	51
Total market, credit and operational risk	**$**	**3,333**	**267**

(Continued)

The capital sufficiency, under normal operating conditions, of the Brokerage Firm is assessed on a monthly basis through the Capitalization Index, which at the same time is presented to the Risk Committee and to the Board of Directors for following up and monitoring, on a quarterly basis.

On a quarterly basis, the capitalization notes are incorporated in the financial reports. Such notes have, among others, the following information: composition and integration of capital, composition of total risk weighted assets and by type of risk and the Capitalization Index.

At the end of 2022, the capitalization index levels are within the parameters established with the legal limits (>= 10.50%).

The Capitalization Index (ICAP) had a drop of 1,504 bps from 73.45% in December 2021 to 58.41% in December 2022, mainly due to a spin-off in June 2022 for $900 in capital and assets, additionally a decree of dividends for $600 in the month of October 2022.

Based on the aforementioned, it is determined that the Brokerage Firm has the ability to face situations which might impair their situation, also to raise sufficient capital to absorb potential losses in order to continue with the brokerage operation.

General description of the results obtained in the sufficiency evaluation of its net capital regarding credit, market and operation risks requirements.

Starting 2016, stress testing is performed on an annual basis as established by the Banking Commission under various scenarios, with the objective of making sure that the Brokerage Firm has enough capital levels to continue its operation under adverse macroeconomic scenarios.

The Brokerage Firm performed during 2022 its annual exercise of capital sufficiency evaluation, this exercise was carefully planned and executed to evaluate capital sufficiency under stressed conditions in regulated scenarios. The result of the exercise allowed to conclude that the Brokerage Firm's capital will be sufficient to face risks derived from the defined stress scenarios, keeping its capital levels above the minimum required levels. On that basis, a capitalization plan for the Brokerage Firm is not necessary since all minimum levels are met under all scenarios, including sensitivity scenarios that are part of the sufficiency assessment exercise.

(17) Income taxes and employees' statutory profit sharing (ESPS)-

Income Tax (IT) law effective as of January 1, 2014 imposes an IT rate of 30% for 2014 and thereafter. The determination of ESPS caused was made in accordance with the limits established in the Federal Labor Law in force as of fiscal year 2022.

The basis for the ESPS and IT calculation are the same with some differences regarding the reduction of tax loss carry forwards, paid ESPS and expenses that correspond to non-taxable income for employees.

(Continued)

(Millions of Mexican pesos)

The current and deferred IT and ESPS (expense) income are as follows:

		2022	
		IT	**ESPS**
Current	$	(289)	(48)
Reverse of prior years' provision		1	-
Deferred		42	8
	$	**(246)**	**(40)**

The analysis of the effective rate of the years ended December 31, 2022, is analyzed as follows:

December 31, 2022 – IT		**Basis**	**IT at 30%**	**Effective rate**
Income before income taxes	$	960	(288)	(30%)
Current tax allocation:				
Tax effects of inflation, net		(203)	61	6%
Net result of financial instruments, repurchase/resell agreements and derivatives		31	(9)	(1%)
Difference between book and tax depreciation		35	(10)	(1%)
Nondeductible expenses		31	(9)	(1%)
Provisions		67	(20)	(2%)
Net warrants valuation effect		82	(25)	(3%)
ESPS paid in the year		(64)	19	2%
Current and deferred ESPS provision		40	(12)	(1%)
Dividends on investment securities		(14)	4	1%
Current tax	**$**	**965**	**(289)**	**(30%)**
Allocation to deferred tax:				
Valuation of negotiable financial instruments		(52)	16	2%
Deductible ESPS		19	(6)	(1%)
Option valuation, net		1	-	-
Expense accruals and others		(108)	32	3%
Deferred tax		**(140)**	**42**	**4%**
	$	**825**	**247**	**(26%)**

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December 31, 2022 – ESPS		**Basis**	**ESPS at 4.70%**	**Effective rate**
Income before income taxes	$	960	(45)	(5%)
Allocation to current ESPS:				
Tax effects of inflation, net		(203)	9	1%
Net result of financial instruments, repurchase/resell agreements and derivatives		31	(1)	-
Difference between book and tax depreciation		35	(2)	-
Nondeductible expenses		22	(1)	-
Provisions		67	(3)	-
Net warrants valuation effect		82	(4)	-
Current and deferred ESPS provision		40	(2)	-
Dividends on investment securities		(14)	1	-
Current tax	**$**	**1,020**	**(48)**	**(4%)**

Deferred income tax and ESPS:

The tax effects of temporary differences that give rise to deferred income tax assets and liabilities at December 31, 2022, respectively, are detailed as follows:

		2022	
		IT	**ESPS**
Pre-payments	$	(3)	-
Valuation of negotiable financial instruments and operations with securities and derivatives		(19)	(3)
Remeasurements of employee benefits		5	1
Deductible ESPS		14	-
Provisions for expenses and others		71	11
Deferred income tax and ESPS in balance sheet	**$**	**68**	**9**

As of December 31, 2022, the ESPS for deferred assets is recorded under the heading "advance payments and other assets" while the ESPS for deferred liabilities is recorded under the heading "liability for employee benefits".

The effect on results of income taxes and deferred ESPS for the year ended December 31, 2022, is integrated as shown on the following page.

(Continued)

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Notes to financial statements

(Millions of Mexican pesos)

		2022	
		IT	ESPS
Deferred tax in income statement:			
Valuation of negotiable financial instruments operations with values and derivatives	$	16	6
Deductible ESPS		(6)	-
Provisions for expenses and others		32	2
Income taxes and PTU deferred in results		42	8
Remeasurements employee benefits in capital		8	1
Deferred income tax and ESPS in the income statement and equity	**$**	**50**	**9**

To carry out the determination of the ESPS caused, derived from the labor reform, the provisions of the Federal Labor Law (LFT) and the Income Tax Law must be complied with. Therefore, the following should be considered:

a. The Brokerage Firm must apply 10% to the ESPS base tax profit, based on the provisions of the Income Tax Law.
b. The amount determined in the previous paragraph must be assigned to each employee based on the provisions of the LFT, however, the amount assigned to each employee may not exceed the greater of the following amounts: the equivalent of three months of the employee's current salary or the average ESPS received by the employee in the previous three years.
c. If the ESPS determined in subsection (a) is greater than the sum of the ESPS assigned to each and every one of the employees according to subsection (b), the latter must be considered the ESPS accrued for the period. Based on the LFT, it is considered that the difference between the two amounts does not generate a payment obligation in the current or future periods.
d. If the ESPS determined in subsection (a) is less than or equal to that determined in subsection (b), ESPS from subsection a must be the ESPS accrued for the period.

According to technical report 53, to determine the ESPS rate caused, the ESPS caused (LFT) must be divided by the ESPS determined at 10% of the tax profit; the quotient obtained must be multiplied by the legal ESPS rate of 10%, in order to obtain the ESPS caused.

	2022
ESPS assigned to workers based on law limits	48
ESPS 10%	1,020
Quotient	0.047
ESPS Statutory rate	10%
ESPS Rate Caused	4.70

(Continued)

(Millions of Mexican pesos)

Other considerations:

In accordance with Mexican tax law, the tax authorities may examine transactions carried out during the five years prior to the most recent income tax return filed.

According to the Income Tax Law, corporations carrying out transactions with related parties, whether domestic or foreign, are subject to limits and tax obligations, to certain requirements as to the determination of the transaction prices, since these prices must be similar to those that would be used in arm's-length transactions.

(18) Memorandum accounts-

Transactions on behalf of third parties-

The funds managed by the Brokerage Firm for investing in various financial instruments on behalf of its customers, are recorded in memorandum accounts. At December 31, 2022, the resources from these operations are analyzed as follows:

Customer financial instruments received in custody		**2022**
Mutual funds		
Government and bank securities	$	100,590
Equity shares and others		394,656
	$	**495,246**

Management transactions

Securities on repurchase/resell agreements on behalf of customers-

At December 31, 2022, the securities on repurchase/resell agreements on behalf of customers, are shown below:

	2022		
	Number of securities		**Fair value**
BPAG28	1,913,288	$	192
BPAG91	5,402,446		549
BONOS	18,074,100		1,669
CETES	304,069,902		2,923
UDIBONOS	5,122,764		3,866
CEBURPRIVADOFLT	1,034,994		104
PRLV	16,964,972		17
BPA182	4,605,512		475
BONDES	148,200,530		14,857
		$	**24,652**

(Continued)

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(Millions of Mexican pesos)

Securities lending transactions on behalf of costumers-

At December 31, 2022, the securities lending transactions on behalf of customers, are integrated as shown below:

	2022	
	Number of securities	**Fair value**
Equity Instruments (shares)	10,440	$ 56

Collaterals received in guarantee on behalf of customers

Collaterals represented by government debt, banking and private securities on behalf of its costumer in guarantee by the Brokerage Firm at December 31, 2022, at fair value are analyzed as follows:

	2022	
	Number of securities	**Fair value**
Government:		
BONDES	74,100,265	$ 7,428
UDIBONOS	2,561,382	1,931
CETES	152,034,951	1,461
BONOS	9,037,050	835
IPABONOS	5,960,623	608
		12,263
Banking:		
PRLV	16,964,972	17
Other debt securities:		
CEBUR	517,497	52
		$ 12,332

Collaterals delivered in guarantee on behalf of customers

Collaterals delivered in guarantee on behalf of customers at fair value at December 31, 2022, are included on the following page.

(Continued)

(Millions of Mexican pesos)

		2022
Government securities	$	12,315
Equity shares and holding companies' certificates		60
Margin loans		17,502
	$	**29,877**

For the year ended December 31, 2022, the income corresponding to the activity of assets in administration and custody, amounts to $99.

Collaterals received by the entity, transactions for the Brokerage Firm's own account-

The collaterals represented by government debt securities, other debt securities and equity instruments received by the Brokerage Firm, as of December 31, 2022, are analyzed below:

	2022		
	Number of securities		**Fair value**
Government:			
BONDES	74,100,265	$	7,428
UDIBONOS	2,561,382		1,931
CETES	152,034,951		1,461
BONOS	9,037,050		835
IPABONOS	5,960,623		608
			12,263
Other debt securities:			
CEBUR	517,497		52
Equity instruments: **(1)**			
NAFTRAC	6,371,637		39
QQQ	1,000		2
SPY	3,720		16
XLE	3,000		16
VOO	28,500		722
			795
		$	**13,110**

(Continued)

(Millions of Mexican pesos)

Collaterals received and sold or pledged in guarantee by the entity-

Collaterals represented by government debt, banking and private securities on behalf of its costumer in guarantee by the Brokerage Firm at December 31, 2022, at fair value are analyzed as follows:

	2022	
	Number of securities	**Fair value**
Government:		
BONDES	74,100,265	$ 7,428
UDIBONOS	2,561,382	1,931
CETES	152,034,951	1,461
BONOS	9,037,050	835
IPABONOS	5,960,623	608
		12,263
Other debt securities:		
CEBUR	517,497	52
Equity instruments: **(1)**		
QQQ	500	3
SPY	1,240	9
XLE	3,000	5
VOO	5,700	93
		110
		$ 12,425

(1) Corresponds to securities lending transactions (note 8).

(Millions of Mexican pesos)

(19) Commitments and contingencies-

(a) The Brokerage Firm has entered into service provision contracts with related companies, in which they agree to provide the leasing services necessary for its operation. These contracts expire on December 8, 2039. The total payments for this concept were $11 in 2022 and are included in administration expenses in the statements of comprehensive income.

The Company has decided not to recognize the right-of-use asset and the lease liability since that the underlying asset you are leasing does not qualify for a lease.

(b) The Brokerage Firm is involved in various lawsuits and claims, derived from the normal course of its operations, which are not expected to have a significant effect on its financial situation and future results.

(20) Additional information on results and financial indicators-

(a) Segment information-

The Brokerage Firm has identified operating segments in which its activities are divided, considering each one as an identifiable component of its internal structure. Following is presented the statement of income classified by income segment, for the year ended December 31, 2022.

2022		**On own behalf**	**Mutual funds**	**On behalf of customers**	**Financial advisory**	**Total**
Commission and fee income	$	-	824	552	-	1,376
Commission and fee expense		(14)	(11)	(57)	-	(82)
Financial advisory income		-	-	-	237	237
Income from services		(14)	813	495	237	1,531
Profit on purchase and sale of securities, net		104				104
Interest income, net		248				248
Valuation on securities at fair value		(34)				(34)
Intermediation financial margin		318	-	-	-	318
Other operating income						346
Administrative and promotional expenses						(1,235)
Operation income						960
Current and deferred income tax net						(246)
Net income						**714**

(Continued)

(Millions of Mexican pesos)

(b) Income from services

Commission and fee income-

For the year ended as of December 31, 2022, the commissions and fee income, are comprised as follows:

		2022
Purchase and sale of securities	$	271
Custody or wealth management		99
Distribution and co-distribution		1,006
	$	**1,376**

Commission and fee expense-

For the year ended December 31, 2022, commissions and fee expense are as follows:

		2022
Placement of bonds	$	5
Fees to Indeval		52
Other fees		25
	$	82

Financial advisory income-

		2022
Scotiabank Inverlat	$	46
Scotia Capital		64
Financial advisory income		123
Other advisory income		4
	$	**237**

(Continued)

(Millions of Mexican pesos)

(c) Intermediation financial margin-

Gain (loss) on purchase and sale of securities, net-

For the year ended as of December 31, 2022, the gain (loss) on purchase and sale of securities, net, is comprised as follows:

		2022
Investments in financial instruments	$	(88)
Trading derivatives transactions		(22)
Brokerage result of foreign currencies and precious metals, net		6
	$	(104)

Interest income (expense), net-

For the year ended as of December 31, 2022, the interest income net are comprised as follows:

		2022
Investments in financial instruments	$	236
Repurchase/resell agreements and securities lending transactions		20
Management account fee		(8)
	$	248

Valuation on securities at fair value-

For the year ended December 31, 2022, the valuation result at fair value is comprised as follows:

		2022
Investments in financial instruments	$	34

(Millions of Mexican pesos)

(d) Other operating income (expense)-

For the year ended December 31, 2022, other operating income (expense) is comprised as follows:

		2022
Lease income	$	22
Unclaimed liability cancellation		139
Sale of properties, furniture and equipment		169
Write-offs		(3)
Other income and expenses		19
		346

(e) Financial ratios (unaudited)

Below are the main financial ratios by quarter of the Brokerage Firm, for the year 2022:

	2022			
	Fourth	**Third**	**Second**	**First**
Solvency (Total assets / Total liabilities)	1.12%	1.17%	1.07%	1.18%
Liquidity (Current assets / Current liabilities)	0.9%	1.0%	0.8%	1.0%
Leverage (Total Liabilities / Stockholders' Equity)	8.7%	6.0%	14.4%	5.4%
ROE (annualized quarterly net income/average stockholders' equity)	18.2%	36.2%	30.3%	20.1%
ROA (annualized quarterly net income/earning assets)	2.7%	4.3%	3.8%	5.4%
ICAP (Capitalization Index)	58.41%	53.48%	43.04%	57.97%
Financial margin / Total operating income	20.1%	10.0%	14.0%	15.4%
Income before income taxes / Total operating income	31.9%	50.7%	48.4%	40.4%
Net income / Administrative expenses	146.8%	203.0%	193.7%	167.9%
Administrative expenses / Total operating income	68.1%	49.3%	51.6%	59.6%
Net income / Administrative expense	35.7%	77.5%	67.2%	51.3%
Personnel expenses / Total operating income	41.6%	29.2%	30.8%	38.7%

(21) Comprehensive risk management (unaudited)-

Certain figures and/or percentages calculated and presented in this note can be slightly different compared to the same figures or percentages reported in any other to the financial statements due to the rounding of figures.

The purpose of the comprehensive risk management function is to identify and measure risks, follow up on their impact that these risks may have on the operations, and control their effects on income and shareholder value, by applying the best mitigation strategies available and the incorporation of the risk culture in daily transactions.

(Continued)

According to the General Provisions applicable to Brokerage Firms in terms of risk management issued by the National Banking and Securities Commission, the Board of Directors assumes responsibility and periodically approves the objectives, guidelines and risk management policies of the Brokerage Firm, as well as the structure of limits for the different types of risk.

Pursuant to the policies in force, the Board of Directors entrusts the implementation of the risk policies and the setting of specific limits by risk factor as well as the implementation of the procedures designed to measure, manage and control risks to the Risk Management Committee and the Comprehensive Risk Management Unit (UAIR, for its abbreviation in Spanish).

Furthermore, the Risk Management Committee delegates responsibility to the Asset-Liability Committee for monitoring compliance of policies and procedures concerning market and liquidity risks. Likewise, the UAIR has policies for reporting deviations from the specified limits, which it should report to the Risk Committee and Board of Directors.

The UAIR of the Institution is represented by the Deputy General Directorate of Risks (DGA Risks) and is supported by the management and administration of the different types of risk (ie credit, liquidity, interest rates, market and operational, among others) mainly in the Corporate Risk Department, which in turn is organized into 8 areas aimed at monitoring and mitigating the risks to which the Brokerage Firm is exposed; the foregoing to guarantee adequate risk management such that the desired risk profile defined by the Board of Directors is met, as well as to improve the quality, diversification and composition of the different portfolios, thus optimizing the risk-return relation.

The UAIR is also responsible for reviewing and presenting for approval before the Risk Committee and/or the Board of Directors, the various methodologies used for risk management of the Institution so as the risk framework, management risk policies for the different types of risks, specific global limits of the exposure and corresponding risk tolerance levels. Additionally, it provides the General Direction with timely and trustable information for the business decision making, monitoring and management.

Finally, the risk management is in line with the international best practices, since there is a regulatory framework that complies with local regulations and with standards and corporate rules established by the parent company BNS.

(a) Credit risk-

Credit risk results from potential non-compliance by the issuer of a financial instrument or counterparty of the Brokerage Firm, in any of the terms of the purchase/sale agreement or prospectus of any financial instrument.

Credit risk on financial instruments

The Brokerage Firm has developed and implemented an institutional internal and robust tool for measuring and controlling the credit risk of its various portfolio segments of money market. This methodology allows estimating expected and unexpected losses through measurements of the probability of occurrence of credit events.

(Continued)

(Millions of Mexican pesos)

Particularly, credit risk associated to money market positions derived from the holding of securities and corresponds to the expected loss that represents an estimate of the impact on the portfolio value due to non-compliance or downgrading in instruments or portfolio ratings, and additionally loss severity scenarios are performed. Likewise, the unexpected loss is a measure of dispersion around the expected loss and represents the necessary economic capital in the event of a large adverse event that impacts the portfolio.

As of December 31, 2022, the expected and unexpected loss on the portfolios of financial instruments of the Brokerage Firm is shown below:

	2022	
	December	**Average Q4 2022**
Expected loss	0.01%	0.02%
Unexpected loss	0.47%	0.76%

1/ Includes financial instruments held to collect or sell, negotiable financial instruments and held to maturity.

2/ Excludes direct sales positions, value date sales, shares and investment funds.

As of December 31, 2022, the total exposure of the financial instruments portfolio corresponds to the following:

Exposure of the financial instrument portfolio[1]		**December 2022**	**Average Q4 2022**	**December 2021**
Corporate	$	-	-	-
Banking		17	44	13
Government		1,806	1,970	4,235
Other[2]		577	640	991
	$	**2,400**	**2,654**	**5,239**

1/ Includes direct and repo sales positions. It does not include compensations that are made for the presentation and disclosure of the financial statements.

2/ Includes stocks and investment funds.

As of December 31, 2022, a summary of the exposures, credit quality and concentration by level of risk of investments in securities is presented:

December 2022		**Financial instruments held to collect or sell**	**Negotiable financial instruments**[1]	**Total risk**	**Concentration %**
mxAAA[2]	$	271	1,849	2,120	88%
No rating[3]		-	280	280	12%
Total	$	271	2,129	2,400	100%
Concentration		**11%**	**89%**	**100%**	

1/ Includes direct and repo sales positions. It does not include compensations that are made for the presentation and disclosure of the financial statements.

2/ Local S&P ratings.

3/ Includes stocks and investment funds.

(Continued)

Credit risk in the derivatives operations

The Brokerage Firm quantifies its credit exposures in order to control the use of lines granted to its counterparties for the operation of derivative financial instruments. This control is carried out by calculating the potential future exposure (PFE) at the counterparty level through specialized tools, incorporating risk mitigating elements such as compensation agreements, guarantee contracts and collaterals. There are policies for counterparty risk and monitoring of established limits that contemplate the process to be followed in the event of excesses in them.

As of December 31, 2022, the counterparty credit risk exposure (potential future exposure) in operations with derivative financial instruments is entirely with financial institutions.

		December 2022
Exposure	$	54

(b) Market risk-

Market risk management consists of identifying, measuring, monitoring, and controlling the risks derived from fluctuations in interest rates, exchange rates, stock market prices, indexes, and other risk factors in the money, exchange, and capital markets and derivatives to which the trading positions belonging to the Brokerage Firm's own account are exposed.

The Brokerage Firm's risk positions include fixed and floating rate money market instruments, stocks, foreign exchange positions and derivatives, such as interest rate futures, futures, forward contracts and currency options, rate swaps interest rates, interest rate options and foreign currency swaps. There are established and approved limits for each of the portfolios.

The market risk limit structure contemplates volumetric or notional amounts of value at risk, sensitivity, concentration, stress and term limits, among others.

Market risk management includes ensuring that risk mitigants are up-to-date and accurate. In this sense, the limits established and approved for each of the portfolios are reviewed annually and monitored daily. The models used for market risk management are reviewed at least bi-annually; and the Risk Committee and the Board of Directors are regularly informed about the performance of the limits and indicators regarding Market Risk. The limits approved by the Risk Committee and Board of Directors are aligned with the risk appetite of the Brokerage Firm.

Market risk is managed through specialized systems where estimates are made, such as value at risk, sensitivities and stress tests.

(Millions of Mexican pesos)

The trading activities of the Brokerage Firm are oriented to provide service to clients, therefore, for this purpose, it maintains an inventory of financial instruments of capital and interest rates and currencies, access to liquidity of the market is maintained through purchase and sale offers to other intermediaries. Additionally, Group Treasury positions invested in the money market are maintained so that excess cash generates the maximum yield in the results of the Brokerage Firm. The portfolio of instruments for trading (fixed income, variable income and derivatives) is valued at market on a daily basis, said information is included daily in the corresponding market reports.

Value at Risk (VaR)

It constitutes an estimate of the potential loss, based on a certain level of statistical confidence and in a certain period of time (observed horizon), under normal market conditions. This is calculated every day for all the instruments and portfolios at risk of the Brokerage Firm.

For the calculation of VaR, the historical simulation methodology with 300 days is used. The Brokerage Firm's policy for calculating VaR uses a 99% confidence level as a reference and one day as a period of time (holding period).

The global average VaR of one day in the Brokerage Firm during the fourth quarter of 2022 was $11.19, as a percentage of its net capital ($1,905 at the end of November 2022, last available) at the end of the period is equivalent to 0.59%. The one-day global VaR of the Brokerage Firm as of December 31, 2022 was $9.90.

The average VaR broken down by risk factor during the fourth quarter of 2022 is as follows:

Risk factor	**December 2022 Average VaR 1 day**
Interest rate	$4.01
Equity shares	9.81
VaR	11.19

Interest rates

The distribution of market risk exposure (Position vs. Value at Risk) for the Brokerage Firm's portfolios as of December 31, 2022, are as follows:

		Position		**VaR**	
		Closing	**Average**	**Closing**	**Average**
Money market	$	1,309	1,640		
Market portfolio of interest rates and interest rate derivatives		1,309	1,640	1.90	4.01

(Millions of Mexican pesos, except when otherwise indicated)

Equity shares

The distribution of market risk exposure (Position vs Value at Risk) for the portfolios of the Capital Stock Exchange as of December 31, 2022, are as follows:

		Position		VaR	
		Closing	**Average**	**Closing**	**Average**
Cash capitals	$	433	441		
Equity derivatives		4,452	4,692		
Stock portfolio		4,885	5,133	9.52	9.81

During the month of December 2022, the MexDer IPC futures position for the capital desk was $(407.3) and contracts of $(0.000834), for short and long positions, referenced to the agreed levels. the postures. Likewise, during the 2022 financial year, it did not enter into operations with listed options on MexDer IPC futures.

It is important to note that listed equity options (ie shares and indices) are used primarily to hedge the market risk of warrant positions issued to clients. However, the Front-Office strategy for the 2022 financial year focused on foreign underlyings with greater liquidity, with the aim of diversifying internal portfolios by making them more competitive and in turn offering clients better returns, to name a few new underlyings. , between indices and shares, there are AAL, AAPL, AMD, AMD, AMZN, BABA, BNPUI5, DIS, ENHFO5, ENHGE5, EZU, FXI, FXI, GLD, ICLN, IDBTV1, MCHI, MSFDV1, MSFDVG, NVDA, QQQ, REGN, SOXX, SPXSR5. The position of warrants and baskets of shares of the Casa de Bolsa at the end of the fourth quarter of 2022 was $4,045.

Since the VaR measure is used to estimate potential losses under normal market conditions, tests are carried out daily under extreme "stress testing" conditions in order to determine risk exposure considering large abnormal fluctuations in market prices. The Risk Committee has approved stress limits. The maximum loss in extreme conditions "stress testing" during the fourth quarter of 2022 was $39,585, the limit is 130 million Canadian dollars (CAD) at the group level. The hypothetical scenarios used for this test are based on 3 relevant systemic scenarios: the 2008 crisis for emerging markets, Mexico 1994 due to the so-called "December Error" and Mexico 1997 due to the effect of the "Ruble crisis" and the Asian financial crisis.

The Back-Testing test for the period October-December 2022 shows green efficiency levels under the approach established by the Bank for International Settlements (BIS).

The limit structure mainly considers volumetric or notional amounts, VaR, concentration, sensitivity and stress limits, among others.

(Continued)

For the valuation and risk models, the references on updated prices, interest rate curves and other risk factors from the price provider known as Valuación Operativa y Referencias de Mercado, S.A. de C.V. are used; the criteria adopted are determined based on technical and statistical aspects and on valuation models authorized by the Banking Commission.

Sensitivities

Qualitative information on sensitivities

The Brokerage Firm has a specialized trading risk analysis area that maintains a methodical and continuous supervision of the valuation, risk measurement and sensitivity analysis processes. This area maintains permanent contact with the responsible operators in the different markets.

On a daily basis, the risk area calculates market risk sensitivities for each portfolio to which the Brokerage Firm is exposed. No changes were made to the assumptions, methods or parameters used for this analysis during the quarter.

Below is a description of the methods, parameters and assumptions used for the portfolio of stock, currencies, interest rates and derivative products.

Interest rate portfolio

The sensitivity measurements that are produced for fixed income instruments (bonds) are based on estimating what the behavior of the portfolio value would be in the event of a change in market interest rates.

The sensitivities of the portfolio of fixed income instruments are based on the durations and convexities, depending on the type of instrument that corresponds. In all cases, 2 types of measurements are produced: (i) the expected change in the portfolio value given a change of one basis point (0.01%) in the yield curve and (ii) the expected change in the portfolio value before a change of one hundred basis points (1%) in the yield curve. For purposes of this disclosure, only changes in one basis point are reported.

The estimated values based on the duration and convexity methodology are a good approximation to the values obtained using the complete valuation methodology or known as "full-valuation".

In the case of floating rate bonds, two types of sensitivities are calculated: the one relative to the risk-free rate and the sensitivity to the surcharge or “spread”.

In zero coupon bonds, the computation of the sensitivity of non-coupon instruments, as duration, the term to maturity is used, expressed in years.

Interest rate derivatives

TIIE and CETE futures: This type of derivative instrument is modeled for sensitivity calculation purposes as the future of a zero coupon rate, and therefore its duration is considered to estimate its sensitivity.

(Continued)

M-Bond Futures: Sensitivity considers the duration and convexity over the deliverable bonds of these contracts.

Interest rate swaps: For purposes of determining the sensitivity to changes in the yield curve of the TIIE Swaps, a change of 1 basis point (bp) is made in each of the relevant points of the yield curve, in addition to of a change of 1 and 100 bp in parallel, valuing the portfolio with the different curves and calculating the change in the value of the portfolio with each of those changes. For the purposes of this disclosure, only changes in 1 bp are reported.

Stock portfolio and IPC derivatives

Stock equity

For purposes of the stock position, the sensitivity is obtained by calculating the Delta per issuance within the portfolio; Delta is defined as the change in the value of the portfolio before a change of 1% in the value of the underlying.

Equity derivatives

The sensitivity of IPC futures listed on the MexDer is calculated using the Delta. This portfolio has limits expressed in notional terms. In the unlisted or OTC market, "over the counter", the Brokerage Firm participates with warrants on the IPC and with options on the IPC.

Delta is defined as the change in the value of a derivative with respect to changes in the underlying. Delta risk is defined as the change in the value of the option before a change of a predetermined magnitude in the value of the underlying (for example 1%). Its calculation is made by valuing the option with levels other than the underlying (one original and one with a "shock" of +1%), keeping all other parameters constant. In the case of futures, the sensitivity calculation is the Delta, which is defined as the change in the value of a derivative with respect to changes in the underlying.

In the case of non-linear products such as warrants and options, sensitivity measures are considered to be the delta and other measures known as “Greek”. The calculation of sensitivities is based on the pricing model of options on futures, known as Black 1976.

Dividend risk "Dividend Risk". Valuation of stock or index options assumes a known continuous compounded dividend rate. Dividends, however, are an estimate and therefore an unknown variable, representing a risk factor for the valuation and the consequent gains and losses analysis of options operations.

Dividend risk does not have a “Greek” letter associated with its sensitivity, and in the case of options on indices and stock in the Brokerage Firm, the measurement is made by increasing 1% (i.e., from 1% to 1.01%) the dividend rate.

(Continued)

(Millions of Mexican pesos)

Quantitative information on sensitivities

Interest rate

The following table shows the sensitivity of 1 bp as of December 31, 2022:

Sensitivity 1 bp	December 2022
Money market	0.101
Market portfolio of interest rates and interest rate derivatives	0.101

As of December 31, 2022, the Brokerage Firm presented an interest rate sensitivity of 0.101 million Canadian dollars. As of December 31, 2022, the Brokerage Firm had no operations with interest rate derivatives.

Sensitivities of the shares and derivatives portfolio

The following table shows the sensitivity (Delta) as of December 31, 2022:

Delta		December 2022
Naftrac	$	416.643
IPC Futures		(407.311)
Warrants		0.000
Total	$	9.332

Regarding the positions on IPC, a dynamic hedge strategy is followed with the Naftrac ETF that replicates the IPC in a large percentage and IPC futures.

The capital portfolio of the Brokerage Firm is made up of shares and derivatives on capital. As of December 31, 2022, the Brokerage Firm presented an open Delta sensitivity of $10,703 for all the underlyings, due to market movements.

The figures for the fourth quarter of 2022 are presented below:

Delta		December 2022	December 2021
Options	$	264.731	7,902.193
Warrants		(264.660)	(7,680.801)
Shares		1.300	
IPC Portfolio		9.332	
Total	$	10.703	221.392

(Continued)

(Millions of Mexican pesos)

The following table presents the sensitivity measures for non-linear instruments for the closing of December 2022. It is important to highlight that the informative report includes Bonds and Warrants.

Underlying	Delta EQ	Vega EQ	Gamma EQ
AAL.OQ	0.00	0.00	0.00
AAPL.OQ	0.00	0.00	0.00
AMD.OQ	0.00	0.00	0.00
AMZN.OQ	0.00	0.00	0.00
BABA.N	0.00	0.00	0.00
BNPUI5.INDX	0.06	0.00	0.01
DIS.N	0.00	0.00	0.00
ENHFO5.INDX	0.00	0.00	0.00
ENHGE5.INDX	0.00	0.00	0.00
EZU.P	0.00	0.00	0.00
FXI.P	0.00	0.00	0.00
GLD.P	0.00	0.00	0.00
ICLN.OQ	0.00	0.00	0.00
IDBTV1.INDX	0.00	0.00	0.00
MCHI.OQ	0.00	0.00	0.00
MSFDV1.INDX	0.00	0.00	0.00
MSFDVG.INDX	0.01	0.00	0.00
NVDA.OQ	0.00	0.00	0.00
QQQ.OQ	0.00	0.00	0.00
REGN.OQ	0.00	0.00	0.00
SOXX.OQ	0.00	0.00	0.00
SPXSR5.INDX	0,000	0.00	0.00
Total	0.07	0.00	0.01

Sensitivities for warrants and IPC options, "Greeks"

Greek	Delta	Gamma	Vega	Dividend risk	Rho
Total	0.07	0.00	0.02	0.00	0.00

(c) Liquidity and interest rate risk

The Brokerage Firm manages its exposure to liquidity and interest rate risk in accordance with the applicable regulatory provisions and best market practices, considering the positions for the structural management of the balance.

(Continued)

For the management of liquidity and interest rate risk, limits have been established, which are reviewed at least annually and monitored periodically at the financial group level; so that risk mitigants are up-to-date and accurate. Among the applicable limits are those related to liquid assets, liquidity gaps, margin sensitivity and economic value sensitivity, which are aligned with the risk appetite of the Brokerage Firm. The liquidity and interest rate risk limit structure contemplates notional amounts, as well as term and concentration; The Assets and Liabilities Committee, the Risk Committee and the Board of Directors are periodically informed about the performance of said limits, as well as the indicators regarding liquidity risk and interest rates.

For the administration of liquidity risk and interest rates, the information is extracted from the various applications and systems that the Brokerage Firm has, likewise through specialized systems estimates related to liquidity risk and interest rates are made.

In addition, it is important to point out that for the management of liquidity and interest rate risk there are tests under extreme scenarios. It should be noted that the models used to manage liquidity risk and interest rates are reviewed at least bi-annually.

The Brokerage Firm assumes liquidity risks as an intrinsic part of its brokerage function. Liquidity risk is the result of mismatches in cash flows. The objective of the liquidity risk management process is to guarantee that the Brokerage Firm can cover all of its obligations as they become due, for which it estimates the contractual flows to be delivered and demanded in order to have a calculation of payment gaps liquidity, monitors key liquidity indicators, maintains diversified sources of funding, establishes limits and maintains a minimum percentage of liquid assets.

Liquidity risk is monitored and controlled through accumulated liquidity gaps. These gaps are built through the maturities and payment flows of the different balance sheet instruments, both assets and liabilities, thus creating a daily gap that corresponds to the difference in payment obligations and collection rights generated on a daily basis. Cash flows include the contractual maturity flows of the Brokerage Firm (cash inflows and outflows).

To measure liquidity risk, the liquidity gaps as of December 31, 2022 and the annual average are as follows:

	December 2022	**Average position**
Liquid Assets (Under regulatory metric)	3,353	1,348

For the Brokerage Firm, the gap as of December 31, 2022 was zero, considering that the valued position of financial instruments held to collect or sell from the Brokerage Firm was zero, therefore, as of December 31, 2022 the Brokerage Firm did not It has financial instruments held to collect or sell.

The structure of liquidity risk limits contemplates volumetric or notional amounts, liquid assets, concentration of deposits and liquidity gaps.

(Millions of Mexican pesos)

The interest rate risk of the structural balance arises as a result of the funding, placement and investment activities of the Brokerage Firm and derives from the uncertainty in the profits and/or value of the portfolio as a result of movements in interest rates. that occurs when there are lags (gaps) in the review of assets and liabilities with contractual maturity or subject to rate review within a given period of time, or when there are different reference rates for assets and liabilities.

To measure the interest rate risk of the structural balance, indicators such as economic value sensitivity and margin sensitivity are used. To calculate these indicators, re-pricing gaps are used, built based on the reference rates of assets and liabilities; in the case of fixed rate positions, they are modeled according to their amortization and contractual maturities, while those positions referenced to a floating rate are modeled based on their next re-pricing date.

Both the economic value sensitivity and the margin sensitivity contemplate an impact of ±100 basis points (bp) on interest rates and consider the maximum expected loss per currency.

The sensitivity of the economic value incorporates the impact of the change in interest rates on the total expected flows and provides a measure of the long-term impact of these variations, while the time window to estimate the sensitivity of the margin is 12 months.

The sensitivity of the Brokerage Firm in the estimated economic value and the estimated variation in the financial income of the Financial Group at the end of December and on average for 2022, is shown below:

Economic Value (+100bps)		**December 2022**	**Average**
Group [1]	$	(1,067)	(856)
Bank		(1,066)	(854)
Brokerage Firm input		(1)	(1)
Margin Sensitivity (-100bps)			
Group [1]	$	(282)	(406)
Bank		(277)	(398)
Brokerage Firm input		(4)	(9)

(1) Includes Bank, Brokerage Firm and Scotia Fondos.

Treatment for financial instruments held to collect or sell

As of December 31, 2022, the Brokerage Firm has $271 in financial instruments held to collect or sell, said position being part of balance sheet management, are included in the economic value and margin sensitivity metrics.

(d) Operational risk-

Operational risk is a non-discretionary risk that is defined as the potential loss due to failures or deficiencies in internal controls, due to errors in the processing and storage of operations or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft, external events, and includes, among others, technological risk and legal risk.

The Brokerage Firm has implemented policies and procedures that allow it to have an adequate operational risk management process, which are mentioned below.

The Brokerage Firm determines its capital requirement using the basic indicator method.

Policies for operational risk management

Their purpose is to establish the principles and the management framework, to identify, measure, monitor, limit, control, disclose and manage the operational risks inherent to their daily activities, in addition to promoting a culture of risk management in the Brokerage Firm.

Operational Risk Assessment

The Brokerage Firm has a structured methodology for evaluating operational risk, which allows it to identify, evaluate, and mitigate the risks inherent to its processes and its business activity, which is applied to its entire structure, the evaluation is based on the identification of the inherent operational risk, the evaluation of the effectiveness of the controls of said risks, with which a level of residual risk is determined based on which mitigation actions are established on the identified risks.

Manual for Operational Risk Data Gathering and classification

It defines the requirements to report the information that supports the measurement processes, as well as the scope of the information collection process, the functions and responsibilities of the business units to collect and report loss data, and its specific requirements.

At the end of fiscal year 2022, the Brokerage Firm recorded losses for operational risk of $1.0, which were $19.1 less than those recorded in 2021 $(20.1). Likewise, as of December 31, 2022, the operational risks that, if materialized, would cause an impact on the results of the Brokerage Firm amount to $0.6, which corresponds to legal risk, the exposure has provisions.

Operational risk tolerance levels

It is an operational loss management tool that allows each area of the Brokerage Firm to know the loss tolerance levels applicable to each assumed loss event, as well as encourage improvements in the operational risk management process and adopt them. the necessary actions to minimize the risk of future losses.

(Continued)

Key risk indicators

This process allows the Brokerage Firm to establish indicators based on variables extracted from the processes, whose behavior is related to the level of risk assumed. By monitoring each indicator, trends are identified that allow the indicator values to be managed over time. Maximum thresholds are established for each of the selected indicators.

Legal Risk

Legal risk is defined as the potential loss due to non-compliance with the applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions.

In order to have policies and procedures that seek an adequate implementation of the agreements and contracts in which the Brokerage Firm participates, the policies established in the manual of the legal area are followed, which allows to give security to the operations of the Brokerage Firm, safeguarding your interests, preventing and reducing risks and legal contingencies.

Technological risk

Technological risk is defined as the potential loss due to damage, interruption, alteration or failure derived from the use of hardware, software, systems, applications, networks and any other information transmission channel in the provision of services to the Brokerage Firm.

Technological risk management is documented in the Cybersecurity and Technological Risk Management Policy and in the Cybersecurity and Information Technology Risk Management Framework, which describe the guidelines and general principles for managing and monitoring the risks associated with Information Technologies and Cybersecurity and include the functions, responsibilities and obligations of the interested parties, as well as the supervision of the various bodies in each line of defense and the tools, practices and deliverables required for the risk management activities of effective way.

Additionally, the usual audits carried out on the different IT management domains by a specialized, independent and experienced internal audit team in information technology include reviews of the design, implementation and operation of internal control systems in all business areas and support, new products and systems and the reliability and integrity of data processing operations.

Generic description of valuation techniques

Derivative financial instruments are evaluated in accordance with the provisions of Financial Information Standard FRS C-10 Derivative financial instruments and hedging relationships.

The evaluation methodology for positions for trading purposes is carried out in (a) organized markets where the valuation is made at the market price in question, the prices are provided by the price provider contracted by the Brokerage Firm and (b) OTC markets in which the present value of estimated future flows is obtained.

(Continued)

In all cases, the Brokerage Firm performs the valuations of its positions and registers the value obtained.

(22) Recently issued financial reporting standards-

a) Regulatory pronouncements issued by the CINIF

In December 2022, the CINIF issued the document called "Improvements to FRS 2023", which contains specific modifications to some existing FRSs. The main improvements will not generate accounting changes.