Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple,
Grupo Financiero Scotiabank Inverlat
and subsidiaries

Consolidated financial statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

(Translation from Spanish Language Original)

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Independent auditors' report

(Translation from Spanish Language Original)

To the Board of Directors and Shareholders of
Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple,
Grupo Financiero Scotiabank Inverlat:

(Millions of Mexican pesos)

Opinion

We have audited the consolidated financial statements of Scotiabank Inverlat, S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat and subsidiaries (the "Bank"), which comprise the consolidated statements of financial positions as at December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Scotiabank Inverlat, S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat and subsidiaries, have been prepared, in all material respects, in accordance with the Accounting Criteria for Credit Institutions in Mexico (*Criterios de Contabilidad para las Instituciones de Crédito en México*) (the "Accounting Criteria"), issued by the National Banking and Securities Commission (the "Commission").

Basis for Opinion

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

Key Audit Matters

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

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Allowance for expected credit loss (ECL) $14,733 in the consolidated statement of financial position	
See notes 3(p) and 10(g) to the consolidated financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The allowance for ECL for mortgage and commercial loan portfolios involves significant judgments in assessing the credit quality of debtors, considering the various factors established in the methodologies prescribed by the Commission for the credit portfolio rating process, as well as to assess the reliability of the documentation and updating of the information that serves as input for the determination of the allowance for ECL for all credit portfolios. Therefore, we have determined the allowance for ECL as a key audit matter.	The audit procedures applied to the determination by Management of the allowance for ECL in the profit or loss for the year included the assessment, through selective testing, of both the inputs used and the calculation mechanics for the different loan portfolios based on the current methodologies for each type of portfolio established by the Commission. Additionally, with the participation of our specialists at December 31, 2024, we performed the recalculation of the allowance for ECL and an assessment of the relevant inputs used for the calculation.

(Continued)

Derivative financial instruments for trading purposes over-the-counter $48,666 (asset) and $48,913 (liability) and hedging transactions $15,552 (asset) and $15,814 (liability)	
See notes 3(j) and 9 to the consolidated financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The measurement and classification of the fair value at the date of the statement of financial position of certain over-the-counter derivative financial instruments and hedging transactions is carried out using valuation techniques that involve significant management judgment, particularly when inputs from different sources or unobservable market data and complex valuation models are required. Additionally, the requirements that must be met for the accounting of financial instruments as hedges, as well as the documentation and monitoring to prove the effectiveness thereof, involve a certain degree of specialization by management. Therefore, we have considered the determination of the fair value of certain over-the-counter derivative financial instruments and meeting the criteria and effectiveness of hedging transactions as a key matter in our audit.	As part of our audit procedures, we obtained evidence of the approval, by the Bank's Risk Committee, of the valuation models for over-the-counter derivative financial instruments and hedging transactions used by management. Moreover, by conducting selective tests, we assessed fairness of such models and the inputs used. Additionally, through selective tests, with the participation of our specialists we evaluated the proper measurement and classification of the fair value of over-the-counter derivative financial instruments in recognised markets and for hedging operations, the proper compliance with the criteria and documentation to be considered as such, as well as their effectiveness.

(Continued)

Current and deferred income tax $3,510 (income), $6,644 (assets) and current and deferred employee profit sharing (PTU) $916 (profit or loss for the year) and $1,558 (assets)	
See notes 3(y) and 20 to the consolidated financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The determination of current and deferred income taxes and PTU is complex mainly due to the interpretation of current tax legislation, and requires significant judgments mainly in the valuation of deferred income tax and PTU assets to assess factors both present and future that may allow estimating the realisation of such assets. As a result of the above, we consider this matter to be a key audit matter.	The audit procedures applied in assessing the fairness of the calculations determined by management for the recognition of current and deferred income taxes and PTU included, among others, selective tests of both the inputs used and the nature of the items that were part of the calculation, considering current tax legislation. With the participation of our specialists, we assess the fairness of the significant tax assumptions, the period of reversal of temporary differences, and the expiration of tax losses, as well as the fairness of the tax strategies proposed by the Bank management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report for the year ended December 31, 2024 to be submitted to the Commission and the Mexican Stock Exchange (*Bolsa Mexicana de Valores*)(the “Annual Report”), but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated 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 consolidated financial statements or with our knowledge obtained during the audit, or if it appears to be materially incorrect.

When we read the Annual Report, if we conclude that there is a material error in that other information, we are required to report that fact to the entity's government officials.

Responsibilities of Management and of Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the accompanying consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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 Bank's internal control.
- Evaluate the appropriateness of 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, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events and conditions may cause the Bank to cease to continue as a going concern.
- We plan and conduct the Bank's audit to obtain sufficient and adequate audit evidence on the financial information of entities or business units within the Bank as a basis for forming an opinion on the Bank's financial statements. We are responsible for the direction, supervision and review of audit work performed for the purpose of the Bank's audit. We are solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied

(Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matter or when, in extremely 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 Cardenas Dosal, S. C.

Paul Scherenberg Gómez

Mexico City, on March 4, 2025.

Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Lorenzo Boturini 202, Col. Tránsito, C.P. 06820, Ciudad de México

Consolidated statements of financial position

December 31, 2024 and 2023

(Millions of Mexican pesos)

These financial statements have been translated from de Spanish language original and for the convenience of foreign/English-speaking readers.

Assets	2024	2023
Cash and cash equivalents (note 6)	$ 52,330	47,661
Margin accounts (Derivative financial instruments) (note 9(d))	1,761	1,383
Investments in financial instruments (note 7):		
Negotiable financial instruments	84,121	78,121
Financial instruments to collect or sell	103,466	102,024
Financial instruments to collect principal and interest (securities)	5,110	4,903
	192,697	185,048
Debtors on repurchase/resale agreements (note 8)	23,676	8,009
Derivative financial instruments (note 9):		
For trading purposes	48,666	31,589
For hedging purposes	15,552	11,153
	64,218	42,742
Valuation adjustments related to financial assets hedged	(473)	(650)
Loan portfolio with stage 1 credit risk (note 10):		
Commercial loans:		
Business and commercial activities	177,968	200,539
Financial institutions	27,074	23,989
Government entities	15,041	21,001
	220,083	245,529
Consumer loans	46,548	36,351
Residential mortgages:		
Medium class and residential	224,069	204,924
Low income housing loans	3	4
Loans acquired from INFONAVIT	4,342	4,900
	228,414	209,828
Total loan portfolio with Stage 1 credit risk	495,045	491,708
Loan portfolio with Stage 2 credit risk (note 10):		
Commercial loans:		
Business and commercial activities	2,376	235
Consumer loans	1,202	923
Residential mortgages:		
Medium class and residential	3,801	3,521
Loans acquired from INFONAVIT	170	132
	3,971	3,653
Total loan portfolio with Stage 2 credit risk	7,549	4,811
Loan portfolio with Stage 3 credit risk (note 10):		
Commercial loans		
Business and commercial activities	6,854	6,359
Financial institutions	96	56
	6,950	6,415
Consumer loans	1,183	937
Residential mortgages:		
Medium class and residential	12,073	9,275
Low income housing loans	8	9
Loans acquired from INFONAVIT	512	425
	12,593	9,709
Total loan portfolio with Stage 3 credit risk	20,726	17,061
Loan portfolio	523,320	513,580
Plus:		
Deferred Items (note 10(d))	3,866	3,093
Less:		
Allowance for expected credit losses (note 10(g))	14,733	13,209
Total loan portfolio, net	512,453	503,464
Other accounts receivable, net (notes 6, 7 and 11)	49,002	26,795
Foreclosed assets, net (note 12)	848	585
Long-lived assets held for sale or distribution to owners	8	14
Advance payments and other assets, net (note 15)	2,660	2,568
Property, furniture and equipment, net (note 13)	5,444	5,289
Assets for rights of use of property, plant and equipment, net (note 14)	2,155	2,391
Permanent investments (note 16)	394	267
Deferred income tax assets, net (note 20)	6,644	6,144
Intangible assets, net (note 17)	4,849	4,610
Total assets	$ 918,666	836,320

Liabilities and stockholders' equity	2024	2023
Deposits funding (note 18):		
Demand deposits	$ 295,084	276,129
Time deposits:		
General public	193,752	208,686
Money market	37,925	44,504
	231,677	253,190
Negotiable instruments issued	30,304	10,941
Global deposit account without movements	1,523	1,297
	558,588	541,557
Banks and other borrowings (note 19):		
Short-term	17,238	30,302
Long-term	27,930	6,502
	45,168	36,804
Securities assigned to be settled (note 7)	33,120	11,501
Creditors on repurchase/resale agreements (note 8)	62,038	68,321
Sold/pledged collaterals (nota 8):		
Repurchase/resale transactions	261	7,006
Securities lending	2,020	1,378
	2,281	8,384
Derivative financial instruments (note 9):		
For trading purposes	48,913	30,812
For hedging purposes	15,814	9,015
	64,727	39,827
Lease liabilities (note 14)	2,383	2,542
Other accounts payable (note 21):		
Creditors on settlement of transactions (notes 6, 7, 8 and 9)	31,088	13,066
Creditors on margin accounts	2,959	1,643
Creditors on cash received as collateral (note 9(h))	3,068	3,217
Taxes payable	640	507
Sundry creditors and other accounts payable	5,497	13,401
	43,252	31,834
Financial instruments that qualify as liabilities:		
Subordinated obligations outstanding (note 22)	8,908	9,060
Income tax liabilities	561	407
Employee benefit liability (note 23)	6,304	6,326
Deferred credits and advance payments	1,290	1,071
Total liabilities	828,620	757,634
Equity (note 24):		
Contributed capital:		
Share capital	10,671	10,671
Additional paid-in capital	2,797	2,797
	13,468	13,468
Earned capital:		
Capital reserves	10,240	9,112
Retained earnings	65,922	56,116
Other comprehensive income (note 24(b)):		
Valuation of financial instruments to collect or sell	(485)	(101)
Valuation of cash flow hedge derivative financial instruments	1,112	702
Remeasurement of employee benefits	(222)	(611)
Equity in OCI of other entities	10	(1)
	76,577	65,217
Total controlling interest	90,045	78,685
Total non-controlling interest	1	1
Total equity	90,046	78,686
Commitments and contingent liabilities (note 28)		
Subsequent event (note 30)		
Total liabilities and stockholders' equity	$ 918,666	836,320

(Continued)

Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Lorenzo Boturini 202, Col. Tránsito, C.P. 06820, Ciudad de México

Consolidated Statements of Financial Position, continued

December 31, 2024 and 2023

(Millions of Mexican pesos)

These financial statements have been translated from de Spanish language original and for the convenience of foreign/English-speaking readers.

Memorandum accounts:		**2024**		**2023**	
Credit commitments (note 26(a))	$		357,426		258,234
Assets in trust or under mandate (note 26(b))					
In trust		454,971		457,217	
Under mandate		29,489	484,460	29,111	486,328
Assets in custody or under management (note 26(c))			862,591		761,415
Collateral received by the entity (note 26(d))			31,986		15,342
Sold/pledged collaterals received by the entity (note 26(e))			2,281		8,383
Uncollected earned interest derived from past due portfolio with Stage 3 credit risk:			2,158		1,601
Other control accounts (note 26(f))			3,234,143		1,957,536

The accompanying clarification notes are an integral part of these consolidated financial statements.

These consolidated statements of financial position were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Articles 99, 101, and 102 of the Credit Institutions Law (Ley de Instituciones de Crédito), which are of general and mandatory nature. Accordingly, they reflect the transactions carried out by the Institution through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of financial position were approved by the Board of Directors under the responsibility of the undersigned officers.

RÚBRICA

Adrián Otero Rosiles
General Director of Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero
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Javier Antonio Serebrisky
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Lorenzo Boturini 202, Col. Tránsito, C.P. 06820, Ciudad de México

Consolidated statements of comprehensive income

For the years ended December 31, 2024 and 2023

(Millions of Mexican pesos)

These financial statements have been translated from de Spanish language original and for the convenience of foreign/English-speaking readers.

		2024	2023
Interest income (notes 25 and 27(b))	$	83,728	79,209
Interest expense (notes 25 and 27(b))		(55,557)	(52,136)
Net interest income		28,171	27,073
Allowance for expected credit losses (note 10(g))		(5,151)	(2,197)
Net interest income adjusted for allowance for ECL		23,020	24,876
Commissions and fee income (note 27(d))		5,597	4,960
Commissions and fee expense		(428)	(483)
Financial intermediation income (note 27(e))		2,484	1,865
Other operating income (expense) net (note 27(f))		923	878
Administrative and promotional expenses (note 25)		(17,343)	(17,320)
		(8,767)	(10,100)
Operating profit		14,253	14,776
Equity in net income of other entities (note 16)		191	562
Profit before income tax		14,444	15,338
Income tax (note 20):			
Current income tax		(4,187)	(3,701)
Deferred income tax		677	(358)
Profit or loss from continued operation		(3,510)	(4,059)
Net profit or loss		10,934	11,279
Other comprehensive income (note 24(b)):			
Valuation of financial instruments to collect or sell		(384)	255
Valuation of cash flow hedge derivative financial instruments		410	(150)
Remeasurement of employee benefits		389	(129)
Equity in OCI of other entities		11	1
		426	(23)
Comprehensive income	$	11,360	11,256
Net income attributable to:			
Controlling interests	$	10,934	11,279
Comprehensive income attributable to:			
Controlling interests	$	11,360	11,256

The accompanying clarification notes are an integral part of these consolidated financial statements.

These consolidated statements of comprehensive income were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Articles 99, 101, and 102 of the Credit Institutions Law (Ley de Instituciones de Crédito), which are of general and mandatory nature. Accordingly, they reflect the revenues and disbursements relating to the transactions carried out by the Institution for the periods noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of comprehensive income were approved by the Board of Directors under the responsibility of the undersigned officers.

RÚBRICA

Adrian Otero Rosiles
General Director of Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero
Scotiabank Inverlat

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Lorenzo Boturini 202, Col. Tránsito, C.P. 06820, Ciudad de México

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2024 and 2023

(Millions of Mexican pesos)

These financial statements have been translated from de Spanish language original and for the convenience of foreign/English-speaking readers.

	Paid-in Capital		**Earned capital**								
	Share capital	**Additional paid in-capital**	**Capital reserves**	**Retained earnings**	**Valuation of financial instruments to collect or sell**	**Valuation of derivative financial instruments for cash flow hedging**	**Remeasurement of defined employee benefits**	**Share in OCI of other entities**	**Total controlling interest**	**Non-controlling interest**	**Total equity**
Balances as of December 31, 2022	$ 10,671	2,797	8,001	53,798	(356)	852	(482)	(2)	75,279	1	75,280
Shareholders activity:											
Dividends declared (note 24(c))	-	-	-	(7,850)	-	-	-	-	(7,850)	-	(7,850)
Total	-	-	-	(7,850)	-	-	-	-	(7,850)	-	(7,850)
Reserve activity:											
Equity reserves (note 24(e))	-	-	1,111	(1,111)	-	-	-	-	-	-	-
Comprehensive income:											
Net profit or loss	-	-	-	11,279	-	-	-	-	11,279	-	11,279
Other comprehensive income:											
Valuation of financial instruments to collect or sell	-	-	-	-	255	-	-	-	255	-	255
Valuation of cash flow hedge derivative financial instruments	-	-	-	-	-	(150)	-	-	(150)	-	(150)
Remeasurement of employee benefits	-	-	-	-	-	-	(129)	-	(129)	-	(129)
Equity in OCI of other entities	-	-	-	-	-	-	-	1	1	-	1
Total	-	-	-	11,279	255	(150)	(129)	1	11,256	-	11,256
Balances as of December 31, 2023	10,671	2,797	9,112	56,116	(101)	702	(611)	(1)	78,685	1	78,686
Reserve activity:											
Equity reserves (note 24(e))	-	-	1,128	(1,128)	-	-	-	-	-	-	-
Comprehensive income:					-						
Net profit or loss	-	-	-	10,934		-	-	-	10,934	-	10,934
Other comprehensive income:											
Valuation of financial instruments to collect or sell	-	-	-	-	(384)	-	-	-	(384)	-	(384)
Valuation of cash flow hedge derivative financial instruments	-	-	-	-	-	410	-	-	410	-	410
Remeasurement of defined employee benefits	-	-	-	-	-	-	389	-	389	-	389
Equity in OCI of other entities	-	-	-	-	-	-	-	11	11	-	11
Total	-	-	-	10,934	(384)	410	389	11	11,360	-	11,360
Balances as of December 31, 2024	$ 10,671	2,797	10,240	65,922	(485)	1,112	(222)	10	90,045	1	90,046

The accompanying clarification notes are an integral part of these consolidated financial statements.

These consolidated statements of changes in equity were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Articles 99, 101, and 102 of the Credit Institutions Law (Ley de Instituciones de Crédito), which are of a general and mandatory nature. Accordingly, they reflect the equity activities relating to the transactions carried out by the Institution for the periods noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of changes in equity were approved by the Board of Directors under the responsibility of the undersigned officers.

RÚBRICA
Adrian Otero Rosiles
General Director of Scotiabank Inverlat, S. A.,
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Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Lorenzo Boturini 202, Col. Tránsito, C.P. 06820, Ciudad de México

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Millions of Mexican pesos)

These financial statements have been translated from de Spanish language original and for the convenience of foreign/English-speaking readers.

	2024	2023
Cash flows from operating activities:		
Profit before income tax	$ 14,444	15,338
Adjustments for items associated with investment activities:		
Depreciation of property, furniture and equipment	1,135	1,088
Amortisation of intangible assets	827	798
Impairment losses or reversals of impairment losses on long-lived assets	(24)	18
Equity in income of other entities	(191)	(562)
Other adjustments for items associated with investment activities	(1)	168
Adjustments for items associated with financing activities:		
Interest associated with financial instruments that qualify as liabilities	3,340	2,071
Total	19,530	18,919
Changes in operating items:		
Change in bank and other borrowings	8,364	(12,714)
Change in margin accounts (derivative financial instruments)	(378)	825
Change in investments in financial instruments (securities), net	13,364	(51,100)
Change in debtors on repurchase/resale agreements, net	(15,667)	(4,785)
Change in derivative financial instruments (assets)	(20,810)	(6,764)
Change in loan portfolio, net	(8,989)	(22,206)
Change in other accounts receivable, net	(22,221)	(11,418)
Change in foreclosed assets, net	(263)	(293)
Change in other operating assets, net	4,079	863
Change in deposits funding	17,031	56,234
Change in creditors on repurchase/resale agreements	(6,283)	12,560
Change in collateral sold or pledged	(6,103)	4,419
Change in derivative financial instruments (liabilities)	24,900	6,119
Change in obligations for securitisation transactions	(656)	3
Change in other operating liabilities	392	267
Change in assets/liabilities for employee benefits	576	488
Change in other accounts payable	11,418	6,158
Change in other allowances	136	47
Payment of income tax	(3,681)	(6,527)
Net cash flows provided by operating activities	14,739	(8,905)
Investment activities:		
Payments for acquisition of property, furniture and equipment	(685)	(1,018)
Proceeds from property, furniture and equipment disposals	1	17
Proceeds from cash dividends	254	167
Payments for acquisition of intangible assets	(1,066)	(820)
Net cash flows from investment activities	(1,496)	(1,654)
Financing activities:		
Payment of lease liabilities	(739)	(740)
Cash dividend payments	(5,000)	(2,850)
Payments associated with financial instruments that qualify as liabilities	(2,835)	(2,071)
Net cash flows provided by financing activities	(8,574)	(5,661)
Net increase (decrease) in cash and cash equivalents	4,669	(16,220)
Cash and cash equivalents at the beginning of the period	47,661	63,881
Cash and cash equivalents at the end of the period	$ 52,330	47,661

The accompanying clarification notes are an integral part of these consolidated financial statements.

These consolidated statements of cash flows were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Articles 99, 101, and 102 of the Credit Institutions Law (Ley de Instituciones de Crédito), which are of general and mandatory nature. Accordingly, they reflect cash inflows and outflows relating to the transactions carried out by the Institution for the periods noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of cash flows were approved by the Board of Directors under the responsibility of the undersigned officers.

RÚBRICA

Adrian Otero Rosiles
General Director of Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero
Scotiabank Inverlat

RÚBRICA

Javier Antonio Serebrisky
Assistant General Director of Finance

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Fernando Rodriguez Antuña
Assistant General Director of Internal
Audit for Mexico

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Julian Felipe Vasquez Wilches
Director of Corporate
General Accounting and Regulatory Reporting

https://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-financieros.aspx
https://www.cnbv.gob.mx/paginas/default.aspx

Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Notes to Consolidated Financial Statements

(Millions of Mexican pesos)

(1) Activity and significant transactions

a) Reporting entity

Scotiabank Inverlat, S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (the "Bank" and/or "Institution") is a company duly organized under the Mexican laws. The Bank's registered office is at Lorenzo Boturini No. 202, Piso 2, Col. Tránsito, 06820, Mexico City, The Bank is a subsidiary of Grupo Financiero Scotiabank Inverlat, S. A., de C. V. (the "Group") which owns 99.99% of its share capital. The Group is in turn a subsidiary of The Bank of Nova Scotia ("BNS"), which owns 97.4% of its share capital. The Bank, based on the Credit Institutions Law (Ley de Instituciones de Crédito), is authorized to carry out multiple banking transactions, including, among others, receiving deposits, accepting loans, granting credits, operating with securities, and entering into trust contracts. The Bank's consolidated financial statements include the transaction of its subsidiaries where it exercises control. Inmobiliaria Scotia Inverlat, S. A. de C. V. ("Real State"), Scotia Servicios de Apoyo, S. A. de C. V. ("Scotia Servicios"), which supports the management of the credit card acquiring business, Scotia Inverlat Derivados, S. A. de C. V. ("Scotia Derivados"), which acts as a trading partner of futures and option contracts listed on Mercado Mexicano de Derivados, S. A. de C. V. ("MexDer"), which in turn holds two trusts called Fideicomiso Socio Liquidador Posición Propia Número 101667 and Fideicomiso Socio Liquidador Posición de Terceros Número 10177 ("MexDer Trusts"), whose purpose is to enter into transactions with futures contracts, options, and swaps on its own behalf and on behalf of third parties, respectively. The Bank carries out its activities throughout the Mexican Republic, with its headquarters located in Mexico City.

b) Significant transactions

a. Private issuance of non-preferred, non-convertible, subordinated perpetual obligations.

   On November 14, 2024, with the prior authorization of the Bank of Mexico (Central Bank) and the National Banking and Securities Commission (the Banking Commission), the Bank issued subordinated debt through a private issue ("SCOTIAOS 24"), in the amount of $8,908, (the "subordinated obligations"), which are subordinated capital obligations, perpetual, and consequently will not have a fixed maturity date, are non-preferred and not convertible into shares of the Bank. The Issuer shall be entitled to the early amortization of the subordinated obligations after the fifth year from the date of issuance of the subordinated obligations. In addition, the subordinated obligations are not guaranteed and therefore do not have a specific guarantee.

b. Amortization of the outstanding balance of non-preferred, non-convertible, subordinated perpetual obligations.

   On November 1, 2024, the Board of Directors authorized the early amortization of 3 subordinated obligations "SCOTIAOS 14", issued on December 17, 2014, "SCOTIAOS 18", issued on June 27, 2018, and "SCOTIAOS 18-2", issued on September 6, 2018) in the amount of $8,908, acquired by a related party.

   On November 14, 2024, the early amortization and total liquidation of the subordinated obligations, preferred capital and non-convertible in shares of Scotiabank Issuance SCOTIAOS 14, in the amount of $2,093; SCOTIAOS 18 for $3,360 and SCOTIAOS 18-2 for $3,455, were carried out.

(Continued)

c. Sale of the indirect participation of the Banco en Promoción y Operación, S. A. de C. V. (“Prosa”).

On December 15, 2023, Controladora Prosa, S. A. de C. V. (“Controladora Prosa”) and Visa International Service Association (“VISA”) entered into an agreement to purchase and sell shares representative of the capital stock of Prosa, whereby VISA agreed to the acquisition of a majority stake in Prosa.

Prosa is a subsidiary of Controladora Prosa, in which the Bank has a 19.73% share capital. It is estimated that during the first half of 2025 this transaction will be concluded once the respective regulatory approvals are obtained and therefore the financial effects of the sale on the results of the fiscal year are recognized.

(2) Authorization and basis of presentation

Authorization

On March 4, 2025, Adrián Otero Rosiles (General Director of Scotiabank Inverlat, S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat), Javier Antonio Serebrisky (Assistant General Director of Finance), Fernando Rodriguez Antuña (Assistant General Director of Internal Audit for Mexico) and Julián Felipe Vásquez Wilches (Corporate General Accounting and Regulatory Reporting Director) authorized the issuance of the accompaying consolidated financial statements and the notes thereto.

In accordance with the General Corporation Law (Spanish acronym “LGSM”), the Bank's bylaws, and the General Provisions applicable to Credit Institutions (the “Provisions”) issued by the Banking Commission, the shareholders and the Banking Commission are authorized to amend the consolidated financial statements after their issuance. The accompanying 2024 consolidated financial statements will be submitted to the Shareholders for approval.

Basis of Presentation

a) Declaration of Compliance

The consolidated financial statements are prepared in accordance with banking laws and in accordance with the accounting criteria for credit institutions in Mexico (the “Accounting Criteria”) established in Annex 33 of the Provisions, and the applicable operating rules established by the Banking Commission, which is responsible for the inspection and supervision of credit institutions and carries out the review of their financial information.

(Continued)

The Accounting Criteria state that the accounting of credit institutions must adhere to the basic structure of the Financial Reporting Standards (Spanish acronym "NIF") as defined by Consejo Mexicano de Normas de Información Financiera, A.C. (Spanish acronym "CINIF") in NIF A-1 "Conceptual framework of financial information standards", as well as that provided for in accounting criterion A-4 "Supplementary application to accounting criteria". Furthermore, they establish that institutions must observe the accounting guidelines of the NIF, except when it is necessary, at the discretion of the Banking Commission, to apply specific accounting standards or criteria for the recognition, valuation, presentation, and disclosure applicable to specific items in the consolidated financial statements and those applicable to preparation thereof.

Accounting Criteria establish that in the absence of a specific accounting criteria of the Banking Commission for credit institutions or, in a broader context, of the NIF, the supplementary bases provided for in NIF A-1 section 90 "Supplementary Provisions" will be applied, and a supplementary standard that belongs to any other regulatory scheme may only be used if the International Financial Reporting Standards ("IFRS") referred to in NIF A-8 do not establish an accounting criterion, provided that all requirements established in said NIF and the same accounting criterion are met, and the supplementary provisions must be applied in the following order: the United States Generally Accepted Accounting Principles ("US GAAP") and any accounting standard that is part of a formal and recognized set of standards, provided that the requirements of criterion A-4, "Supplementary application to accounting criteria" of the Banking Commission are met.

b) Use of Judgments and Estimates

In the preparation of these consolidated financial statements, Management has made judgments, estimates and assumptions about the future, which affect the application of the Bank's accounting policies, the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of income and expenses during the financial year. Actual results could differ from those estimates and assumptions.

Judgments

The information on judgments made in the application of accounting policies that have the most important effect on the amounts recognized in the consolidated financial statements is described in the following notes:

- Note 7 – Investments in financial instruments: business model definition: Financial Instrument for Solely Payments of Principal and Interest (SPPI), Financial Instrument Held to Collect or Sell (HTCS), or trading financial instrument (TFI).
- Note 9 – Derivative financial instruments and hedging ratios: determination on whether the financial instruments are held for trading or designated for hedging purposes.
- Note 10 – Loan portfolio: definition of the business model, either to collect principal and interest (SPPI), or held to collect or sell (HTCS).
- Note 14 – Leases: determination of whether an arrangement contains a lease.
- Note 16 – Investments in associates and other permanent investments: determination if the Bank has significant influence (investments in associates) and determination of whether the Bank has de facto control over an investee.

(Continued)

Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 3(j) – Valuation of derivative financial instruments and hedging relationships: key assumptions for determining fair value, especially for complex derivatives or those without an active market.
- Note 4 – Fair value hierarchy: Fair values of securities with no observable market.
- Note 7 – Investments in financial instruments.
- Note 10 and 11 – Determination of the allowance for ECL and recoverability of accounts receivable: assumptions and inputs used in its determination.
- Note 20 – Recognition of deferred tax assets: availability of taxable future profits, and the realization of deferred taxes; and
- Note 23 – Measurement of defined benefit obligations: key actuarial assumptions.

Measurement basis

The consolidated financial statements have been prepared on the basis of historical cost, except for the following items of the financial statements, which are measured on an alternative basis, on each reporting date:

Line item	**Measurement Basis**
Derivative financial instruments	Fair Value
Non-derivative financial instruments at fair value with changes through the statement of comprehensive income	Fair Value
Debt and equity securities at fair value with changes through Other Comprehensive Income (OCI)	Fair Value

Determination of fair value

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

The Bank has an established control framework in relation to the measurement of fair values. This includes the authorization granted by the Board of Directors regarding the contracting of any price vendor, in addition to the authorization by the Bank's Risk Committee as to the internal valuation models and its amendments, the estimation methods of the variables used in these valuation models when they are not directly provided directly by the price vendor contracted by the Bank, and as to those securities and other financial instruments to which internal valuation models applied.

(Continued)

Moreover, the established control framework includes a valuation team that has overall responsibility for monitoring all significant fair value measurements, including Level 3 fair values, and reports directly to Finance Management. The Bank's management regularly reviews significant non-observable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, management evaluates evidence obtained from third parties to support the conclusion that those valuations meet IFRS requirements, including the level of the fair value hierarchy within which those valuations should be classified. Significant valuation matters are reported to the Bank's Audit Committee and the Bank's Board of Directors.

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

When measuring the fair value of an asset or liability, the Bank uses observable market data whenever possible. Fair values are classified at different levels within a fair value hierarchy based on inputs (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.

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).

Level 3: data or inputs to measure the asset or liability that is not based on observable market data (unobservable inputs), which corresponds to the lowest level.

Financial instruments measured by using a Bank's internal valuation model are under no circumstances considered Level 1.

If the inputs used to measure the fair value of an asset or a liability are classified at levels other than 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 lowest observability variable that is significant for the total measurement.

As established in the Provisions, the Bank measures fair value of the following financial instruments through direct vector valuation, which consists in applying the updated price for valuation provided by a price vendor to the Bank's position in securities or contracts:

I. Securities registered in the national registry of securities or authorized, registered or regulated in markets recognized by the Banking Commission.
II. Derivative financial instruments listed on national derivative exchanges or respective to markets recognized by the Central Bank.
III. Underlying assets and other financial instruments that form part of the structured transactions or derivative packages, when they are securities or financial instruments provided in sections I and II referred to above.

(Continued)

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

During the years ended December 31, 2024 and 2023, there was no significant decrease in volume (or activity level) relative to normal market activity. The foregoing considering the type of financial instruments held by the Bank, their low complexity and the decrease in volatility in the financial markets in both years.

As of December 31, 2024 and 2023, there is no reduction in the availability of prices and inputs provided by the price vendor, so there is no apparent and significant impairment of the observable conditions in the inputs used for the valuation of the securities and the other financial instruments that require the recognition of an impairment in their value. As part of the Bank's controls, the evolution of financial markets, liquidity and conditions of availability of prices and inputs for the valuation of instruments are monitored in order to anticipate any impairment on the value thereof.

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

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

Note 4 – Fair Value Hierarchy: Fair values of securities with no observable market.
Note 7 – Investment in financial instruments; and
Note 9 – Derivative financial instruments and hedging relationships.

c) Functional and reporting currency

The aforementioned consolidated financial statements are presented in Mexican peso reporting currency, which is to the same as the local currency and their functional currency.

For disclosure purposes in the notes to the consolidated financial statements, any reference is made to pesos or "$", means millions of Mexican pesos, and when references to dollars or USD, it is millions of United States dollars.

d) Presentation of comprehensive income

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

e) Recognition of financial assets and liabilities on their date of agreement

The consolidated financial statements recognize assets and liabilities arising from foreign exchange trading, securities investments, securities and derivative financial instruments on the date on which the transaction is conducted, regardless of their settlement date.

(Continued)

(Millions of Mexican pesos)

(3) Significant accounting policies

The significant accounting policies shown below have been applied uniformly in the preparation of the accompanying consolidated financial statements.

(a) Recognition of the effects of inflation

The accompanying consolidated financial statements were prepared in accordance with the Accounting Criteria, which, due to the fact that the Bank operates in a non-inflationary economic environment as established in NIF B-10 "Effects of Inflation", include recognition of the effects of inflation until December 31, 2007 based on the value of the Investment Unit (Spanish acronym "UDI"), which is an account unit 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 below:

		Inflation	
31 December	**UDI**	**For the year**	**Accumulated**
2024	8.3409	4.50%	17.34%
2023	7.9816	4.38%	20.83%
2022	7.6468	7.58%	19.50%

(b) Consolidation basis

The consolidated financial statements include those pertaining to the Bank and those of its subsidiaries in which it exercises control. Significant balances and transactions carried out between the group companies have been eliminated in the preparation of the consolidated financial statements. Consolidation was performed based on the audited financial statements of the entities at December 31, 2024 and 2023, which were prepared in accordance with the Accounting Criteria established by the Banking Commission.

The subsidiaries consolidated with the Bank at December 31, 2024 and 2023 are detailed below:

Subsidiary	Interest	Location	Activity
Inmobiliaria	99.99%	Mexico City	Fixed asset management
Scotia Servicios	99.99%	Mexico City	Supports the management of credit card acquiring business
Scotia Derivados	99.99%	Mexico City	Trader of futures and options contract at MexDer

(Continued)

(c) Foreign currency transactions

Foreign currency transactions are recognized at the exchange rate in effect on the dates of their execution or settlement. 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 credit institutions, and the equivalence of the dollar with the local currency is converted at the closing exchange rate of determined by the Central Bank.

At the closing date of the consolidated financial statements, monetary assets and liabilities in foreign currency are converted at the closing exchange rate published by the Central Bank and foreign exchange gains or losses arising from the conversion of foreign currency are recognized in the results of the financial year in the period in which they originate under the heading “Financial intermediation income”, as applicable.

(d) Compensation of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when, and only when the Bank has the legally enforceable and current right to set off, the amounts and it intends either to settle them on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(e) Cash and Cash Equivalents

Cash is recognized at nominal value. Cash includes legal currency and foreign currency in cash, deposits with the Central Bank and deposits with financial institutions in the country and abroad, whether in checking accounts, bank, telegraphic or post money orders and remittances in transit.

Cash equivalents are initially recognized at fair value. These include short-term securities, of high liquidity, easily convertible to cash that are subject to immaterial risks in their value (where the latter are those whose maturity is expected within a maximum of 48 hours of acquisition), among others, interbank loans with maturities equal to or less than three business days (Call Money transactions), currency purchases that are not considered derivative financial instruments as set forth by the Central Bank in applicable regulation, and other cash equivalents such as correspondent banks, immediate collection documents, and investments available on demand.

The foreign currencies acquired that are agreed to settle at a date subsequent to the date of sale and purchase transaction is entered into are recognized as restricted cash and cash equivalents (currencies to be received); while sold currencies are recorded as an outflow of cash and cash equivalents (currencies to be delivered). The rights arising from foreign exchange sales are recorded under the heading “Other accounts receivable, net” and the obligations arising from foreign exchange purchases are recorded under the heading “Creditors for settlement of transactions”.

The amount of overdrafts in checking accounts, the cleared balance, of currencies to be received and currencies to be delivered, or of some item that integrates cash and cash equivalents, when they show negative balances, is presented under the heading “Other accounts payable”.

(Continued)

Interbank loan transactions agreed to for a period of less than or equal to 3 business days, as well as deposits at the Central Bank on which the Bank cannot have, are recognized as restricted cash equivalents.

Interest earned and valuation gains or losses are included in income for the year as they accrue as part of interest income or expenses. Income from valuation and sale of currencies is recognized in Financial Intermediation Income.

(f) Margin Accounts

Margin accounts are associated with transactions with derivative financial instruments executed on recognized markets or exchanges, and correspond to the initial margin, contributions and subsequent withdrawals made during the term of the respective contracts. Highly liquid financial assets are deposited intended to ensure compliance with the obligations respective to said instruments, in order to mitigate the risk of default. The amount of the deposits corresponds to the initial margin and subsequent contributions or withdrawals made by the Bank and the clearing house during the term of the derivative financial instruments contract.

Cash margin accounts are recognized at face value and are presented under "Margin Accounts". Returns and commissions affecting margin accounts, other than fluctuations in derivative prices, are recognized in income for the period as they accrue under the headings of "Interest income" and "Fees and fees paid", respectively.

Partial or total settlements deposited or withdrawn by the clearing house due to fluctuations in the prices of derivatives are recognized under the heading "Margin Accounts", affecting as a counterparty a specific account that may be of a debtor or creditor nature, as appropriate and representing an advance received, or, a financing granted by the clearing house and that will reflect the effects of the valuation of the derivatives prior to their settlement.

(g) Investments in Financial Instruments

i. Recognition and initial measurement

Investments in financial instruments include equity instruments, obligations, bonds, certificates, and other negotiable instruments and documents that are issued in series or in mass, listed and not listed, which the Bank maintains as its own position. The transaction costs directly attributable to its acquisition or issuance are initially measured and recognized at fair value plus, in the case of financial assets or liabilities not measured at fair value with changes in it, carried through comprehensive income, when subsequently measured at amortized cost.

ii. Classification and Subsequent Measurement

In initial recognition, investments in financial instruments are classified into the following categories, according to the business model and the characteristics of their contractual cash flows, as shown in the following page.

(Continued)

— *Financial instruments for solely payments of principal and interest (SPPI),* which have the purpose of holding them, recovering the contractual cash flows that the instrument entails. The terms of the contract provide for cash flows on pre-established dates, which correspond solely for payments of principal and interest (return), usually on the amount of the outstanding principal. The SPPI must have characteristics of a given funding and be managed based on its contractual performance.

— *Financial instruments held to collect or sell (HTCS),* measured at fair value with changes in other comprehensive income (FVTOCI), which aim to both collect the contractual cash flows of principal and interest, and obtain a profit on its sale when it is convenient. The Bank irrevocably recognizes changes in the fair value of HTCS through the OCI; and

— *Trading financial instruments (TFIs)*, measured at fair value through profit or loss (FVTPL) represent investment in debt or equity financial instruments, and which are intended to obtain a profit between the purchase price and the sale price.

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

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

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

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

Financial instruments are not reclassified after their initial recognition, except if the Bank changes its business model, in which case all affected financial instruments are reclassified to the new category at the time the change in the business model 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 foregoing provisions, the Bank must inform the Banking Commission of this fact in writing within 10 business days following its determination thereof, explaining in detail the change in the business model that justifies them. Such change must be authorized by the Bank’s Risk Committee.

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

(Continued)

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

— the contractual terms of the financial instrument give rise, on specific dates, to cash flows that are represented solely for payments of principal and interest on the amount of the outstanding principal (Solely payments of principal and interests, or SPPI).

An investment in a debt instrument is measured at fair value with changes in OCI if both of the following conditions are met and is not classified as measured at fair value with changes in profit or loss:

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

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

All financial instruments not classified as measured at amortized cost or at fair value with changes in OCI as described above are measured at fair value with changes in profit or loss. This includes all derivative financial instruments (see subsection (j) of this note).

Financial Instruments: Business Model Assessment –

The Bank determines its business model for the management of its investments in financial instruments and for proper classification. The business model is based on how financial instruments are managed to generate cash flows for the business and not on a particular intention to hold the instrument. Judgment is required to determine the business model, since it is not based on a single factor or activity, so all the evidence available at the time of the evaluation is considered. Relevant evidence to be evaluated includes, but is not limited to the following:

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

— how portfolio performance is evaluated and reported to Bank Management;

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

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

— the frequency, volume and opportunity of sales in previous periods, the reasons for those sales, and expectations for future sales activity.

(Continued)

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 Bank's continued recognition of the instruments.

Financial instruments that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value with changes in income.

Financial Instruments: Assessment of whether contractual cash flows are solely for principal and interest payments (SPPI).

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

When evaluating whether contractual cash flows are solely for payments of principal and interest (SPPI), the Bank considers the contractual terms of the instrument. This includes assessing whether a financial instrument contains a contractual condition that could change the timing or amount of the contractual cash flows so that it would not meet this condition.

In making this assessment, the Bank 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 value of money over time, such as adjusting the coupon rate, including variable rate features;

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

— prepayment and extension characteristics; and

— terms limiting the Bank's right to cash flows from specific instruments (e.g., "no recourse" characteristics).

A prepayment feature is consistent with the criterion of solely paying principal and interest if the amount of the prepayment substantially represents the unpaid amounts of principal and interest on the principal amount, which may include additional reasonable compensation for the early termination of the contract. Additionally, in the case of a financial instrument acquired at a significant discount or premium from its nominal contractual amount, A feature that allows or requires prepayment of an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated in a manner consistent with this criterion if the fair value of the prepayment feature is negligible on initial recognition.

(Continued)

Financial Instruments: Post-measurement and P&L –

Trading financial instruments (TFIs)	Subsequently, and on each reporting date, the securities are valued at fair value provided by an independent price vendor; the effects of valuation and results from sale and purchase are recognized in the results of the fiscal year, under the heading “Financial Intermediation income”. When the securities are sold, the sale and purchase result is determined from the differential between the purchase price and the sale price, and the valuation result that has been previously recognized in the results of the fiscal year must be reclassified to the sale and purchase result within said heading. Accrued interest on debt securities is determined according to the effective interest method and is recognized in income for the period under “Interest income”. Dividends on equity instruments in favor are recognized in income for the period, at the time the right to receive payment thereof is generated under the heading “Interest income”.
Financial instruments for solely payments of principal and interest (SPPI)	These instruments are then measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign currency translation gains and losses and impairment are recognized in income. Any gain or loss on derecognition is recognized in income for the fiscal year.
Financial instruments held to collect or sell (HTCS)	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 period. Other net gains and losses are recognized in other comprehensive income (FVTOCI), which is adjusted by the effect of deferred taxes. At the time of decline, accumulated gains and losses on other comprehensive income are reclassified into income. The valuation of instruments in this category designated as a hedged item for hedged derivatives at fair value is recognized under the heading “Financial Intermediation income”.

iii. Derecognition

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

(Continued)

The Bank engages in transactions in which it transfers the instruments recognized in its consolidated statement of financial position but retains all or substantially all of the risks and benefits of the transferred financial instruments. In these cases, the financial instruments transferred are not derecognized (see subsections (h) Transactions in the report and (i) Loan of securities of this note).

iv. Impairment

The Bank evaluates from its initial recognition the expected credit losses (ECLs) of HTCSs and SPPIs, which are determined by considering the expected level of recoverability related to the different HTCSs and recognizes the effect of the loss, based on the amortized cost of HTCSs and SPPIs. Given that the fair value of the HTCS already recognizes impairment due to expected credit losses, the Bank does not proceed to create an allowance that reduces the fair value of the HTCS; therefore, the effect is recognized in net profit or loss, affecting the value of the HTCSs before recognizing the effect on OCI by valuation at fair value. For SPPIs (Interest and Income Bearing Financial Instruments), the ECL determined by affecting the fair value of the SPPI is recognized. The foregoing does not affect TFIs, because in these, the question of collectability does not arise as there is no intention to collect and because the fair value of the same generally captures the effects of expected credit losses thereof.

ECLs are the average weighted by the probability of credit losses and are measured as the present value of cash inadequacies. In estimating ECLs, the Bank considers reasonable and sustainable information that is relevant and available without undue costs or efforts. This includes quantitative, qualitative and analytical information, based on the Bank's historical experience and an informed credit assessment and including forward-looking information.

The Bank monitors that the ECLs for the impairment of the securities issued by a counterparty are consistent with the impairment determined for loans granted to the same counterparty.

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

Value Date Transactions-

Purchased securities agreed to be settled at a later date up to a maximum period of four business days following the execution of the sale and purchase transaction are recognized as restricted securities, while sold securities are recognized as undeliverable securities, reducing investments in securities. The counterparty shall be a settlement, creditor or debtor account, as applicable. When the amount of securities to be delivered exceeds the balance of securities in their own position of the same nature (government, bank, shareholder and other debt securities), it is presented in the liability under the heading "Settled Securities Assigned".

(Continued)

(h) Repurchase/resale Transactions

Repurchase/resale transactions that do not comply with the terms of NIF C-14 “Transfer and derecognition of financial assets” are treated as collateralized financing transactions, which reflects the economic substance of those transactions. This treatment is adopted regardless of whether it is a “cash oriented” or a “securities-oriented” repurchase/resale agreement. In “cash oriented” transactions, the intention of the seller is to obtain cash financing and the intention of the buyer is to invest its cash excess and, in “securities-oriented” transactions, the buyer’s purpose is to have access to certain specific securities and the seller’s purpose is to increase the return of its securities investments.

Acting as seller on resale agreements

On the date of the repurchase/resale agreements, the Bank recognizes the entry of cash or cash equivalents, or a debit settlement account, as well as a payable account valued at the price agreed at origination shown under “Creditors on repurchase/resale agreements”, which represents the obligation to repay the cash to a seller at a future date. Throughout the term of the repurchase/resale agreements, the payable accounts are valued at amortized cost and the corresponding accrued interest is recorded in profit or loss for the year, in accordance with the effective interest method in “Interest expense”. Financial assets transferred to the seller (“collateral granted”) are reclassified in the consolidated statement of financial position, and presented as restricted securities, which continue to be valued in accordance with the accounting policy of the corresponding asset classification.

Acting as buyer on repurchase agreements-

When the Bank acts as a buyer, on the date of contracting the repurchase agreement transaction, it recognizes the outflow of cash and cash equivalents, or a credit settlement account, recording an account receivable initially measured at the agreed price, which represents the right to recover the cash delivered. The account receivable is valued later during life of the repurchase agreement at amortized cost through the recognition of the effective interest method in profit or loss for the year, in “Interest income”. The financial assets received as collateral are recorded in memorandum accounts and are measured at fair value.

If the Bank sells the collateral or provides it as a guarantee, the proceeds from the transaction are recognized, as well as an account payable for the obligation to repay the collateral to the seller (measured initially at the price agreed), which is valued at fair value in case of a sale, or, if its given in collateral in another repurchase transaction, at amortized cost. Any spread between the price received and the value of the account payable is recognized in profit or loss for the year. Additionally, the control of such sold or pledged collateral is performed in memorandum accounts, by following the valuation criteria of accounting criterion B-9 “Custody and administration of assets”.

Furthermore, if the buyer then becomes a seller for another repurchase transaction using the same collateral received as guarantee for the initial transaction, the repurchase interest agreed in the second transaction must be recognized in profit or loss for the year as it is accrued, in accordance with the effective interest method, adjusting the account payable valued at amortized cost as mentioned above.

(Continued)

The memorandum accounts recorded for collateral received which were in turn sold or pledged by the buyer, are cancelled when the second transaction in which the collateral was granted reaches maturity or there is a default on the part of the counterparty.

Allowance for expected credit losses (ECL) -

The allowance for ECL is determined in accordance with NIF C-16 “Impairment of financial instruments”, which implies that an initial assessment of risk is made for each position, followed by the calculation of the allowance for ECL associated with each stage.

The Bank has developed the procedure to determine expected credit losses for financial instruments, in order to determine impairment of debtors on repurchase/resale agreements for subsequent accounting recognition.

(i) Securities Lending

Securities lending are transactions 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 given date or as requested, in exchange for an interest as consideration. In these transactions, a collateral or guarantee is requested by the lender from the borrower.

Acting as lender-

At the contract date of the securities lending transaction, when the Bank acts as lender, it records the security subject matter of the lending transferred to the borrower as restricted, for which purpose the standards for valuation, presentation and disclosure, based on the respective accounting treatment, are followed. Furthermore, the collateral received to guarantee of the securities loaned is recorded in memorandum accounts.

The amount of the interest earned is recognized in profit or loss for the year through the effective interest method during the term of the transaction, under “Interest income”.

Acting as borrower-

At the contract date of the securities loan transaction, the Bank records the security subject matter of the loan received in memorandum accounts, following the valuation the guidelines for the securities recognized, in the accounting criterion B-9 “Assets in custody or under administration”.

The security subject matter of the transaction received is presented in memorandum accounts under the heading “Collateral received by the Bank”. The collateral received from other transactions are presented under the caption “Collateral sold/pledged”.

On the date on which the Bank sells the security subject matter of the transaction, it shall recognize the inflow of resources from the sale, as well as a payable for the obligation to return said security to the lender (initially measured at the agreed price) which shall be measured at fair value.

The amount of accrued interest is recognized in profit or loss for the year using the effective interest method during the term of the transaction, under the caption “Interest expense” and in the consolidated statement of financial position under “Creditors and other accounts payable”.

(Continued)

(j) Derivative financial instruments and hedging transactions (DFI)

The Bank classifies derivative financial instruments based on their intentionality into the following two categories:

— For Trading Purposes - Consists of the position assumed by the Bank with the intention of obtaining profits based on changes in its fair value.

— For Hedging Purposes - Consists of the position assumed by the Bank in order to offset or transform the profile of one or more of the risks generated by a hedged item.

The recognition in the consolidated financial statements of assets and/or liabilities arising from transactions with DFI is carried out on the date on which the transaction is complete, regardless of the date of liquidation or delivery of the asset.

The Bank recognizes all financial assets or liabilities resulting from the rights and obligations established in the DFI contracts, initially at 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 income within the “Financial intermediation income”.

Subsequently, all DFIs are valued at fair value, without deducting transaction costs that may be incurred in the sale or other type of disposal, recognizing said valuation effect on the results of the period under the heading “Financial intermediation income”.

Derivatives are presented in the consolidated statement of financial position under a specific item of the asset or liability, depending on whether their fair value corresponds to a debit balance or a credit balance, respectively. Such debtor or creditor balances are offset provided they comply with the rules of clearing financial assets and liabilities.

For the determination of fair value, the data and inputs provided by a price vendor authorized by the Banking Commission are considered, provided that they are not DFIs that are listed on national exchanges or that are not exchanged in markets recognized by the Central Bank.

Transactions for trading purposes-

— *Advance Contracts (“forwards”):*

  The forward contract is operated privately (over-the-counter futures/options). The balance of said DFIs represents the difference between the fair value of the contract and the stipulated forward price thereof. If the difference is positive, it is goodwill and it is presented in the asset; if it is negative, it is disability and it is presented in the liability.

— *Options:*

  In purchased options, your debit balance represents the fair value of future flows to be received, recognizing the valuation effects are recognized in profit or loss for the year.

(Continued)

In options sold, its credit balance represents the fair value of future flows to be delivered, recognizing the valuation effects are recognized in profit or loss for the year.

— *Futures:*

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

— *Swaps:*

It is a DFI by which the bilateral obligation to exchange cash flows on pre-established future dates is established, on a nominal or reference value during a given period.

Its balance represents the difference between the fair value of the active party and the passive party.

Hedging transactions-

The Bank uses derivative financial instruments with the objective of properly managing the interest rate and exchange rate risks inherent in credit transactions, deposits, investments in securities and repurchase/resale transactions, all of which are inherent to commercial banking. The most used instruments are interest rate and currency swaps, by which floating rate to fixed rate and fixed rate to floating rate instruments are transformed, or, where appropriate, assets denominated in foreign currency to domestic currency or vice versa. Derivatives may be used to cover cash flows or economic value of different assets and liabilities of the Bank, with control policies defined for the designation and continuous monitoring of the effectiveness of such hedges.

At the beginning of the designated hedging relationships, the Bank documents the risk management objective and strategy for carrying out the hedging. The Bank also documents the economic relationship between the hedged item and the hedging instrument, were formally designated to exposures hosted in the consolidated statement of financial position, including whether changes in the cash flows of the hedging item and the hedging instrument are expected to offset each other.

Hedging derivatives, which meet all conditions, are measured at fair value and the effect is recognized depending on the type of hedging, as shown below:

— Fair value hedges. Covers exposure to changes in the fair value of a recognized asset or liability or unrecognized firm commitment, or a component of any of the above items, or an aggregate exposure. The covered primary position and the hedging derivative instrument are valued at fair value, recording the net effect on the results of the period under the heading “Financial intermediation income”.

  In the event that the hedged item is a HTCS, the effect of the hedged risk gain or loss of the hedged item is recognized in the results of the fiscal year. The DFI valuation result that is part of a hedging relationship is presented under the same heading as the consolidated comprehensive income statement where the result is presented for the valuation of the hedged item attributable to the hedged risk.

(Continued)

— Cash flow hedges. They cover exposure to cash flow variability attributable to a particular risk associated with a recognized asset or liability, a portfolio or component thereof, or one or more highly probable forecasted transactions or portions thereof, or an aggregate exposure. The hedging derivative instrument is measured at fair value and the valuation respective to the effective part of the hedge is recorded in the account “Valuation of financial instruments derived from cash flow hedge” in the OCI. The ineffective part is recorded in profit or loss for the period under the heading “Financial Intermediation Income”.

A hedging relationship must be prospectively discontinued when it ceases to meet the criteria for recognizing a hedging relationship, including when the hedging instrument is sold, expired, terminated or exercised, as well as after any rebalancing in the hedging relationship has been considered or carried out and the hedging relationship turns out to be ineffective or fails to meet the Bank’s risk management objective.

Embedded derivatives**-**

The Bank maintains embedded derivatives that are not used to hedging purposes, but as a trading strategy; these derivatives are related to structures and/or notes issued under the following characteristics:

Structured Notes (Bank Notes): Deposit instruments are issued in which, by means of embedded options, a guaranteed yield can be offered and/or the customer's rate of return is improved (see note 9 subsection (e) Embedded derivatives and note 18 Deposits funding subsection (b) Credit securities issued, by the principal of bank bonds).

The fair value of the derivative component is recorded under the headings of “Derived financial instruments” and “Intermediation income”. Accrued interest is recognized under “Interest Expenses”.

Collateral granted and received in DFI transactions performed in over-the-counter markets

The account receivable from cash collateral provided in derivative transactions performed in over-the-counter markets is presented under “Other accounts receivable, net”, whereas the account payable generated for the reception of collateral provided in cash is presented under “Creditors on cash received as collateral”.

Collateral delivered in non-realisable assets, such as securities, is recorded as restricted securities for guarantees, and collateral received in securities for derivative transactions is recorded in memorandum accounts.

Valuation adjustment for counterparty credit risk and own credit risk

The *Credit Value Adjustment* (CVA) is an adjustment to the valuation of *Over the Counter* (OTC) derivative financial instruments for the risk associated with the credit exposure assumed with each counterparty.

Currently, the Bank has implemented a two-sided CVA calculation methodology at the counterparty level that incorporates credit risk mitigations such as compensation contracts and collateral.

(Continued)

The determination of exposure is based on market inputs consistent with those used in the instrument valuation processes and loss parameters (loss severity and probability of default) are periodically reviewed and subjected to validations and stress testing (if applicable, for counterparties that have *Credit Default Swaps* (CDS) to market, these are used to obtain the probability of loss).

Counterparty Risk Models respective to the methodologies implemented to obtain credit exposures for the derivatives portfolio.

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

All fair values of financial instruments are calculated on a daily basis.

(k) Clearing of settlement accounts

Amounts receivable or payable for investment securities, repurchase/resale agreements, securities lending, and/or transactions with derivative financial instruments which have expired but have not been settled are recorded in clearing accounts under the "Other accounts receivable, net" and "Creditors on settlement of transactions", respectively, as well as the amounts receivable or payable for the purchase or sale of foreign currencies, which are not for immediate settlement or those with a same day value date. The balances of the debit and credit clearing accounts are offset.

Financial assets and financial liabilities are offset so that the debit or credit balance is presented in the consolidated statement of financial position, as appropriate, provided that the Bank has a contractual right to offset amounts recognized and intends to settle the net amount, that they are of the same nature as the transaction, are executed with the same counterparty, and are settled on the same maturity date or to realise the asset and cancel the liability simultaneously.

(l) Loan portfolio

The loan portfolio is composed of financings granted to customers by the Bank through credit contracts, factoring and assignment of financial credit rights, which are recognized when they are originated and, in the case of acquisitions, on the date of agreement of the acquisition.

The loan portfolio includes:

Loan portfolio is valued at amortized cost. The business model of this Loan portfolio consists of keeping it to collect contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond solely for payments of principal and interest on the amount of the outstanding principal. It is initially recognized at fair value respective to the transaction price, i.e. the net amount financed resulting from adding or subtracting from the original credit amount, insurance financed, transaction costs, fees, interest and other items charged in advance. For later recognition, the Loan portfolio is valued at amortized cost. The amortized cost corresponds to the present value of the contractual cash flows receivable from the Loan portfolio, plus the transaction costs to be amortized, using the effective interest method and subtracting the allowance for ECL.

(Continued)

Transaction costs referenced include, among others, fees and commissions paid to agents, advisers and intermediaries, appraisals, research expenses, as well as the debtor's credit assessment, evaluation and recognition of guarantees, negotiations for credit terms, preparation and process of credit documentation and transaction closure or cancellation, including the proportion of compensation to employees directly related to the time spent in the development of those activities. On the other hand, transaction costs do not include foreclosures or discounts, which are part of the fair value of the Loan portfolio at the time of the transaction.

Both the commissions charged and the transaction costs arising from a credit facility are recognized as a deferred credit or charge, respectively, being presented net and affecting the Loan portfolio, which are amortized in income as they accrue, except in the case of those related to credit card or revolving credit facilities, which are recognized directly in income at the time of granting.

Loan portfolio Classification

The loan portfolio is presented in the categories of commercial, mortgage and consumer, as described below:

Commercial loans:

a) those granted to legal entities or individuals with business activity and intended for their commercial or financial business;
b) loans granted to financial entities other than interbank loans with a term of less than 3 business days;
c) loans for factoring and assignment of credit rights;
d) loans granted to trustees acting under trusts and credit schemes commonly known as "structured loans" in which there is an equity impact that allows the risk associated with the scheme to be individually assessed;
e) the credits granted to the Federal Government, federative entities, municipalities and their decentralized bodies and the credits to productive companies of the state, and
f) those with express guarantee from the Federation registered with the SHCP and the Central Bank, as well as those expressly guaranteed by the federative entities, municipalities and their decentralized bodies, recorded in the Sole Public Registry referred to in the Financial Discipline Law of the federative entities and the municipalities.

Residential mortgages. Direct loans granted to individuals and intended for the acquisition or construction of the housing for non-commercial speculation purposes, which have a mortgage guarantee on the borrower's housing, are classified as residential mortgages. Likewise, residential mortgages are considered to be those intended for the construction, remodeling or improvement of the housing that are supported by the savings of the borrower's housing subaccount, or have a guarantee granted by any development banking institution or by a public trust established by the Federal Government for economic promotion (remodeling or improvement). Additionally, the loans granted for such purposes to the former employees of the entities and those liquidity loans guaranteed by the borrower's housing are included.

(Continued)

The residential mortgages portfolio includes loans originated by the National Workers' Housing Fund Institute (“INFONAVIT”), acquired by the Bank. This loan portfolio includes the so-called extension portfolio, which is made up of loans that, in terms of the INFONAVIT Law, have some extension in force in the payment of amortization for capital and ordinary interest. The foregoing, provided that the entity is contractually obliged to respect said extension in the same terms of the reference bodies. At the end of the extension, the portfolio receives the respective treatment according to whether it is the “Ordinary Regimen of Amortization” (ORA) or the “Special Amortization Regimen” (SAR).

ORA is a repayment method that is applicable to borrowers who have an employment relationship, by which it is agreed that workers pay their loans through salary discounts made by their employer, entity or agency.

SAR is a payment method that is applicable to borrowers who no longer have an employment relationship, to which the “Rules for granting loans credit to the rightful workers of the Institute of the National Housing Fund for Workers” issued by the Board of Directors of INFONAVIT are applicable, which indicate the methodology for making payments for such loans.

The obligations and rights that INFONAVIT has over the acquired loans are as follows:

- The Bank was selected through the auction process to acquire the co-participation rights in the origination of the “Second Loan” product credit that will be granted to the beneficiaries of INFONAVIT.

- INFONAVIT retains the administration, collection and recovery respective to the credits assigned to the Bank and is obliged to carry out the collection arrangements necessary for the recovery of the enforceable credits.

Consumer loans. This is direct loans granted to individuals, credit card transactions, personal loans, payroll, loans for the acquisition of consumer durable goods (known as ABCD), that includes, among others, automotive credit and financial leasing transactions that are entered into with individuals; including those loans granted for such purposes to the former employees of the entities, as well as liquidity ones that do not have a property guarantee.

Credit facilities

In the case of credit facilities and letters of credit that the Bank has granted, in which not all the authorized amount is exercised, the unused portion thereof is recognized in memorandum accounts.

At the time of contracting, transactions with letters of credit are recorded in memorandum accounts, in line item “Credit Commitments”, which, when exercised by the client or its counterparty, are transferred to the loan portfolio.

Loans granted as collateral are recognized as restricted loans.

Factoring and Assignment of Credit Rights

(Continued)

Factoring is a transaction by which the Bank, as a "seller", undertakes to advance to a customer, as a "debtor", the amount of a loan, against a third party and of future maturity, in exchange for the sale in favor of the Bank of said credit, decreased by an interest in favor of the factor.

Credit rights assignments are financing transactions through which the ownership of credit rights is transferred to the Bank, and they are different from loan portfolio acquisitions.

For any of the aforementioned transactions, the Bank initially recognizes as a loan portfolio the nominal value of the portfolio received against the cash outflow, the agreed capacity recognized in "Other Accounts Payable" for the amount of the nominal value of the transferred credit rights that the Bank does not finance, and the Financial Intermediation Income to be accrued.

The Financial Intermediation Income to be accrued from these transactions corresponds to the difference between the value of the portfolio received deducted from the volume and the amount financed. Its accrual in comprehensive income is determined and recognized according to the effective interest rate of the transactions.

Payments in kind

Payments in kind are recognized in accordance with the provisions of the accounting policy for Foreclosed assets in note 3s.

Loan portfolio Business Models

The determination of the business model for the loan portfolio is based on the history of how the Bank manages it. The Bank considers the following:

a) The way the performance of the loan portfolio is determined and reported.
b) The risks that affect the performance of the business model and loan portfolio and how those risks are managed.
c) The guidelines on which the remuneration of the credit management is based, whether based on maximizing the value of the Loan portfolio or on collecting its contractual cash flows.

The Bank also considers the frequency, value and opportunity of loan portfolio sales in previous periods, the reasons for such sales, as well as expectations about future sales activity within the context and conditions in which they were presented, and the influence they have on how the entity's objective is achieved in managing the Loan portfolio and, specifically, on how cash flows are performed.

Quarterly, the Bank evaluates the characteristics of its business model to classify the Loan portfolio based on its objective, in accordance with its established policies.

Renegotiations

Renegotiations are restructurings and renewals of loan portfolio transactions, which are described in the following page.

(Continued)

Restructuring. It is a renegotiation from which any modification to the original loan conditions is derived, among which are:

- Change in the interest rate established for the remaining term of the loan;
- Currency exchange or account unit (e.g., Minimum Wage Times (VSM), Unit of Measure and Update (UMA) or Investment Units (UDI));
- granting a waiting period for the fulfillment of payment obligations under the original terms of the credit, except for those that are part of the “OTIS” Natural Threat Emergency Care support program;
- extension of the loan term;
- modification to the agreed payment schedule, or
- extension of guarantees that cover the relevant loan.

Renewal. It is a renegotiation in which the balance of a loan is partially or totally settled by the debtor, its joint obligors or another person who, due to its equity links, constitutes common risks with the debtor, through the increase to the original amount of the loan, or with the product from another loan contracted with the same entity or with a third party that, due to its equity links with the latter, constitutes common risks.

Notwithstanding the foregoing, the Bank does not consider a loan renewed for the provisions made during the term of a pre-established credit facility, provided that the borrower has settled all payments that are due under the original conditions of the loan.

For restructurings, as well as for renewals with which the original loan is partially settled, the Bank recognizes a profit or loss for the difference between the cash flows of the new loan discounted at the original effective interest rate and the book value of the original credit at the date of the renegotiation, without considering its allowance for ECL.

For the purposes of the foregoing, the book value is considered to be the amount actually the borrower, adjusted for accrued interest, other financed items, the collections of principal and interest, as well as for the removals and forgiveness, bonuses and discounts that have been granted, and, where appropriate, the Financial Intermediation Income or expenses to be accrued.

For the determination of the effective interest rate of the new loan, as a result of the restructuring or partial renewal, the result is taken from the basis of adding to the amount financed, the transaction costs incurred are added and, where appropriate, the commissions charged in due to their origination and the result is taken from the basis for applying the original effective interest rate. Transaction costs and fees charged are recognized as a deferred charge or credit, respectively, and amortized over the remaining life of the loan.

In the case of total renewals, the Bank considers that there is a new loan, so it deregisters the original loan.

(Continued)

Credit risk level of the Loan portfolio

The loan portfolio is periodically evaluated for the purpose of determining credit risk, which represents the potential loss due to the non-payment of a borrower or counterparty in the transactions carried out by the Bank, including the real or personal guarantees granted to them, as well as any other mitigation mechanism used by the entities. The credit risk level of the loan portfolio is classified by stages which are, in ascending order at its risk level, Stage 1, Stage 2 and Stage 3.

Stage 1

Refers to a loan portfolio whose credit risk has not increased significantly since its initial recognition until the date of the consolidated financial statements, that is, it is not in the cases to be considered in Stages 2 and 3 mentioned below.

Additionally, in compliance with the Provisions for the determination of the allowance for ECL, the Bank considers the following criteria to define when the credits are in Stage 1:

- On non-revolving consumer loans (for the acquisition of durable consumer goods (ABCD), Car, Payroll, Personal, and Others), when they are up to one-month past due.
- For credit card and other revolving loans, when there is up to one default in the preceding consecutive periods.
- For the mortgage and residential mortgages portfolio, when they are late up to one month or late up to three months for the portfolio that has an extension; in the case of the ORA loan portfolio when it is three to six months late, provided that each of the payments made during said period represents at least 5% of the agreed amortization.
- In the case of a commercial loan portfolio, when it is less than or equal to 30 calendar days or one calendar month past due.

Stage 2

Includes loans that have shown a significant increase in risk since their initial recognition and to date of the consolidated financial statements according to the calculation models of the allowance for ECL (see note 3p).

Additionally, in compliance with the Provisions for the determination of the allowance for ECL, the Bank considers the following criteria to define when the credits are in Stage 2:

- For non-revolving consumer loans, when it is more than one month and up to three months past due.
- For credit cards and other revolving loans, when more than one and up to three defaults are present in consecutive periods immediately preceding.
- Housing and mortgage loan portfolio, if they are more than one month and up to three months past due, including those classified as SARs.
- Commercial loan portfolio, when it is more than 30 calendar days or one calendar month past due and less than 90 calendar days three calendar months.

(Continued)

The credits that, while in Stage 2, have fully settled the outstanding balances due, or that, having been restructured or renewed, have complied with the sustained payment, are reclassified to Stage 1.

Stage 3

Corresponds to the loan portfolio with credit impairment arising from the occurrence of one or more events, which have a significant impact on the future cash flows of said credit. Specifically, credit at this stage is considered as follows:

1. Those for which the Bank is aware that the borrower has been declared in bankruptcy.

   Without prejudice to the provisions previously, the credit that continues to receive payment in terms of the provisions of section VIII of Article 43 of the Commercial Bankruptcy Act (LCM), as well as the loans granted under Article 75 in relation to sections II and III of Article 224 of the aforementioned Law, is transferred to the Loan portfolio with Stage 3 credit risk when they incur the assumptions provided for in section 2 below.

2. In the case of non-revolving consumer credit and housing credit, which have been partially paid, when the maturities of their debts are as follows:

   a. Loans with a single payment of principal and interest when due, when they are 30 calendar days or more past due in principal and interest.
   b. Loans with a single payment of principal when due and with periodic interest payments, if they are 90 calendar days or more past due in interest or 30 calendar days or more past due in principal.

3. Credit other than those mentioned in the previous section, whose amortizations have not been settled in full in the terms originally agreed, when the maturities of their debts are as follows:

   a. Loans with a single payment of principal and interest when due, when they are 30 calendar days or more past due in principal and interest.
   b. Loans with a single payment of principal when due and with periodic interest payments, if they are 90 calendar days or more past due in interest or 30 calendar days or more past due in principal.
   c. Partial periodic payments of principal and interest, when they are 90 calendar days or more past due in principal or interest.

4. Immediate collection documents referred to in the accounting policy of “Cash and cash equivalents”, at the time they have not been collected.

5. Loans acquired from INFONAVIT, in accordance with the SAR or ORA payment method, and loans intended for the remodeling or improvement of the housing, when their amortizations or payments, respectively, have not been settled in full in the terms originally agreed and are 90 calendar days or more past due.

(Continued)

(Millions of Mexican pesos)

The transfer to the Loan portfolio with Stage 3 credit risk of the loans that the entity has acquired from INFONAVIT in accordance with the ORA payment modality, will have the term established in number 5 of the previous paragraph plus an additional term of 90 days, that is, they may not exceed 180 calendar days past due for the transfer to the Loan portfolio with Stage 3 credit risk counted from the date on which any of the following events occurs:

a) in the case of new origination loan, from the date on which the initial recognition of the loan is made in the accounting records of INFONAVIT or FOVISSSTE;
b) the applicant entering into a new employment relationship for which he or she has a new employer, or
c) the Bank has received partial payment of the respective amortization. The exception contained in this subsection shall be applicable if each of the payments made represent at least 5% of the agreed amortization.

The exceptions listed above are not considered exclusionary to each other. These changes are effective as of December 31, 2024.

As of December 31, 2023, the transfer to the Loan portfolio with Stage 3 credit risk of the credit referred to in numeral 5 of the previous paragraph is subject to the exceptional period of 180 or more days of default from the date on which:

a) the loan resources are disposed of for the purpose for which they were granted;
b) the borrower initiates a new employment relationship for which he or she has a new employer, or
c) the Bank has received partial payment of the respective amortization. The exception contained in this subsection shall be applicable provided that these are loans under the ORA scheme, and each of the payments made during said period represents at least 5% of the agreed amortization.

The exceptions listed above are not considered exclusionary to each other.

For consumer loans in which the payment conditions established in the contract establish payments with a frequency of less than one calendar month, the Bank considers the following equivalences:

	Equivalence	
Contractual Payment Periodicity	**30 days**	**90 days**
Bi-weekly	2 biweeklies	More than 6 biweeklies
Every fourteen days	2 fourteen-day periods	More than 6 fourteen-day periods
Every ten days	3 ten-day periods	More than 9 ten-day periods
Weekly	4 weeks	More than 13 weeks

Additionally, in compliance with the Provisions for the determination of the allowance for ECL, the Bank considers the following criteria to define when the loans are in Stage 3:

- For non-revolving consumer loans when more than three months past due.
- On credit cards and other revolving loans, when they present more than three defaults in consecutive periods immediately preceding.
- Housing and mortgage loan portfolio. When they are more than three months late, in the case of ORA loans, if they are three to six months late, if any of the payments made during said period does not represent at least 5% of the agreed amortization, and for ORA loans when they are more than 6 months late.

(Continued)

- Commercial Loan portfolio, if it is more than or equal to 90 calendar days or 3 calendar months past due.

In the case of loan portfolio acquisitions, for the determination of the calendar days of maturity, defaults that have occurred since their origination are considered.

The credit that is in Stage 3 has fully settled the outstanding receivable balances is reclassified to Stage 1, except for the restructured and/or renewed credit.

Effect of renegotiations on credit risk level.

Loans with Stage 2 or Stage 3 credit risk that are restructured or renewed are not reclassified to a stage with lower credit risk due to their restructuring or renewal, as long as there is no evidence of sustained payment.

Loans with a single payment of principal at maturity, regardless of whether interest is paid periodically or at maturity, that is restructured during its term or renewed at any time, is transferred to the next immediate category with greater credit risk, and remains at that stage until there is evidence of sustained payment.

The drawn lines of loans, which have been restructured or renewed at any time, are transferred to the next immediate category with greater credit risk, except when there are elements that justify the borrower's ability to pay and the following has been fulfilled:

a) all enforceable interest has been settled, and
b) all payments to which you are obligated under the contract as of the date of restructuring or renewal have been covered.

In the case of credit provisions made under a line of loans, when they are restructured or renewed independently of said line, they are evaluated in accordance with the rules for restructuring and renewals applicable above, taking into account the characteristics and conditions of the restructured or renewed provision or provisions.

If, after the evaluation described in the previous paragraph, it is concluded that one or more provisions granted under a line of loans must be transferred to the next immediate category with greater credit risk due to the effect of said restructuring or renewal and such provisions, individually or as a whole, represent at least 25% of the total drawn balance of the line of loans at the date of the restructuring or renewal, the total drawn balance, as well as its subsequent provisions, are moved to the next immediate category with increased credit risk.

Loans with credit risk in Stage 1 and Stage 2, other than credit referring to i) credit with a single payment of principal at maturity, regardless of whether interest is paid periodically, ii) credit facilities provided, and iii) credit provisions made under loan facilitys, which have been restructured or renewed from which at least 80% of the original term of the credit has not elapsed, remain in the same category only if they comply with the following:

a) the borrower has covered all interest accrued at the date of the renewal or restructuring, and
b) the borrower has covered the principal of the original amount of the loan, which at the date of renewal or restructuring should have been covered.

(Continued)

On the same type of credit mentioned in the previous paragraph, with credit risk in Stage 1 and Stage 2, but which has been restructured or renewed during the final 20% of the original term of the credit, is transferred to the next immediate category, with greater credit risk, except if it complies with the following:

a) all interest accrued at the date of the renewal or restructuring has been settled;
b) the principal of the original amount of the loan, which at the date of renewal or restructuring should have been covered; and
c) 60% of the original loan amount has been covered.

If all the conditions described in the two previous paragraphs are not met, as applicable, the loan is transferred to the next immediate category with the greatest credit risk from the moment it is restructured or renewed and until there is evidence of sustained payment.

The requirement of subsections a) of the two preceding paragraphs is considered fulfilled, when having covered the interest accrued as of the last cut-off date, the period elapsed between said date and the restructuring or renewal does not exceed the lesser of between half of the current payment period and 90 days.

Loans with credit risk in Stage 1 or Stage 2 that are restructured or renewed on more than one occasion are transferred to a portfolio with credit risk in Stage 3, except when the Bank has elements that justify the debtor's ability to pay. In the case of a commercial portfolio, such elements are duly documented and integrated into the credit file.

When several loans granted by the Bank to the same borrower are consolidated through a restructuring or renewal, each of the consolidated loan is analyzed as if they were restructured or renewed separately, and if it is concluded that one or more of said loans would have been transferred to a portfolio with credit risk in Stage 2 or Stage 3 by the restructuring or renewal itself, the total balance of the consolidated credit is transferred to the category that would correspond to the consolidated credit with the highest credit risk.

Loans classified at the Stage 2 credit risk level due to the effect of a restructuring are periodically evaluated to determine if there is an increase in their risk that results in them being transferred to Credit Risk Stage 3, as described in the first paragraph of subsection “Stage 3” of this note.

Credits are not transferred to a category with higher credit risk, due to the effect of their restructuring, if at the date of or the transaction they have payment compliance for the total amount payable of principal and interest, and they only modify one or more of the original loan conditions mentioned below, they will not be reclassified to the “Stage 3” item.

- Guarantees: only when they involve the extension or replacement of guarantees with better quality ones.

- Interest rate: when the borrower is improved the agreed interest rate.

- Currency or account unit: provided the rate respective to the new currency or account unit is applied.

- Payment date: only if the change does not imply exceeding or modifying the frequency of payments. In no case does the change in the payment date allow the omission of payment in any period.

(Continued)

- Extension of the loan facility: only in the case of consumer loans granted through revolving loan facilities.

Sustained credit payment.

Sustained payment is considered to exist when the borrower covers the total amount due of principal and interest without delay, in accordance with the following:

a) When it comes to amortizations less than or equal to 60 days, a minimum of three consecutive amortizations of the loan payment scheme is covered.
b) For loans with periods between 61 and 90 calendar days, the payment of two amortizations is made.
c) In the case of loans with amortizations that cover periods greater than 90 calendar days, the payment of an amortization is made.

When the amortization periods agreed upon in the restructuring or renewal are not homogeneous, the number of periods representing the longest term is considered, as described above.

For restructurings in which the frequency of the payment is modified to shorter periods, to determine whether there is a sustained payment, the number of amortizations that would correspond to the original credit scheme is considered.

In the case of loans acquired from INFONAVIT, the Bank is obliged to respect the terms that the reference bodies contracted with the borrowers, it is considered that there is a sustained payment of the loan, when the borrower has covered without delay the total amount payable of principal and interest, at least one amortization in the loans under the ordinary amortization scheme (ORA) and three amortizations for the loans under the special amortization scheme (SAR).

In the case of consolidated loans, if two or more loans originate the transfer to a portfolio with Stage 2 or Stage 3 risk, to determine the amortizations required for the existence of a sustained payment, the original loan payment scheme is considered whose amortizations equal the longest term.

In the case of loans with a single payment of principal at maturity, regardless of whether the interest payment is periodic or at maturity, it is considered that there is a sustained payment of the loan when any of the following occurs:

a) The borrower has covered at least 20% of the original loan amount at the time of the restructuring or renewal, or
b) The amount of interest accrued under the restructuring or renewal payment scheme has been covered for a period of 90 days and at least that period has elapsed.

Loans that is restructured or renewed on more than one occasion, which has been agreed with a single payment of principal at maturity, regardless of whether the payment of interest is periodic or at maturity, will be credited the sustained payment of the loan when:

a) The borrower covers at least 20% of the principal outstanding on the date of the new restructuring or renewal;

(Continued)

b) The amount of interest accrued under the new restructuring or renewal payment scheme has been covered for a period of 90 days and at least that period has elapsed, and
c) The entity has items that justify the debtor's ability to pay. In the case of commercial loans, such elements is duly documented and integrated into the credit file.

The prepayment of restructured or renewed loan amortizations, other than those with a single payment of principal at maturity, regardless of whether interest is paid periodically or at maturity, is not considered a sustained payment. Such is the case of amortizations of restructured or renewed loans that are paid without having elapsed the calendar days equivalent to the periods required in accordance with the first paragraph of this subsection.

Loans that, due to the effect of a restructuring or renewal, are transferred to a category with greater credit risk, in all cases, remain a minimum of three months in said stage until a sustained payment is credited. The sustained payment must be credited at each stage of credit risk and consequently transferred to the next immediate stage with less credit risk. The foregoing is except for loans with payment of principal at maturity, regardless of whether the payment of interest is periodic or at maturity, in which the above described applies for these cases.

In any case, in order for the Bank to demonstrate that there is sustained payment, in addition to ensuring that the borrower complies with the sustained payment guidelines indicated in the previous paragraphs, it must have available to the Banking Commission the evidence that justifies that the borrower has the capacity to pay at the time the restructuring or renewal is carried out to respond to the new credit conditions. The minimum evidence it will need to obtain is as follows:

a) probability of intrinsic non-compliance of the borrower,
b) the guarantees granted to the restructured or renewed credit,
c) the priority of payment over other creditors, and
d) the liquidity of the borrower before the new financial structure of the financing.

<u>Revenue, Cost and Expense Recognition</u>

Effective interest determined by applying the effective interest rate is recognized as it accrues. Effective interest includes the accrual of portfolio interest and the amortization of fees for credit origination, both presented under the heading "Interest income", as well as the amortization of transaction costs for credit origination presented under the heading "Interest expenses".

To determine the effective interest rate, the Bank:

1. Determines the amount of estimated future cash flows to be received. It consists of adding the principal and interest that will be received according to the loan payment schedule, during the contractual term, or in a shorter term if there is a probability of payment before the due date or other circumstance that justifies the use of a shorter term, for which the Bank documents the respective evidence.

(Continued)

2. Determine effective interest. It is the result of subtracting from the estimated future cash flows to be received, the net amount financed determined as described in numeral 1 of the second paragraph of this note.
3. Determine the effective interest rate. Represents the relationship between the effective interest and the net amount financed.

When, according to the terms of the contract, the interest rate is modified periodically, the effective interest rate calculated at the beginning of the period is that which is used for the life of the loan, that is, it is not determined again for each period.

There is a presumption that future cash flows and the expected life of loan can be reliably estimated, and this happens in most circumstances; however, in those cases where it is not possible to reliably estimate future cash flows or the estimated life of the loan or loans, the Bank uses the contractual cash flows documenting the circumstances and facts that led to that conclusion, prior authorization from the Credit Committee.

Transaction fees and costs are amortized against income for the period respective to the term of the associated credit facility. If the credit facility is canceled, the outstanding balance is fully recognized in income.

Commissions recognized after credit origination that are generated as part of the maintenance of said credit, as well as those charged for unplaced loan, are recognized against the results of the fiscal year as they accrue.

The fees charged for credit card annuity are initially recognized as deferred income and are amortized over a period of 12 months against the results of the fiscal year, under the heading of “Commissions and fee income”.

(m) Credit Card Loyalty Program

The Bank applies a credit card loyalty program based on NIF D-1 Revenue from contracts with customers, which incorporates the revenue recognition derived from loyalty programs with customers. Under NIF D-1, a customer may purchase additional goods or services free of charge or at a discount, including rewards or points to the customer, that option gives rise to an obligation to comply provided that the option provides a significant right to the customer that it would not receive without the option to which the customers are entitled. The Bank records a liability for the obligation to offer a reward when the customer redeems their points. Loyalty point liabilities are subject to periodic reassessment to reflect the expected cost of redemption. When the customer has the option to redeem points for statement credit, the cost of the loyalty program is net of card fees and revenue is recognized at that time. When points can only be redeemed for goods or services, revenue from exchange fees allocated to loyalty rewards is recognized when rewards are redeemed.

(Continued)

(n) Special accounting criteria arising from floods and damage caused by Hurricane OTIS

Through official letters P-307/2023 dated October 27, 2023, P-318/2023 dated November 10, 2023, and P-080/2024 dated April 4, 2024, the Banking Commission issued on a temporary basis, special accounting criteria (CCE) for credit institutions with respect to the consumer loan portfolio, housing and commercial, for customers who have been affected in the areas indicated by the competent authority in the Emergency Declaration, or, to those indicated in the Declaration of Natural Disaster, and whose credits were classified as a loan portfolio with Stage 1 or Stage 2 credit risk as of October 24, 2023. The deadline to carry out the renewal or restructuring procedures ended on October 31, 2024.

The support program consisted of granting borrowers a partial or total deferral of principal and/or interest payments for up to 6 months and will be applicable to the following types of loans and clients.

a. Residential mortgagess with mortgage guaranty.
b. Revolving and non-revolving credits, aimed at individuals (automotive, personal, payroll, credit card, and microloans).
c. Commercial loans for legal entities and individuals with business activity (SMEs).
d. Trusts as debtor of banking institutions.
e. Individual or group microloans.

The following credit was not considered restructurings and/or renewals and remained in the same credit risk category:

1. Loans with “single payment of principal upon maturity and periodic interest payments, as well as loans with single payment of principal and interest upon maturity”
2. Loans with “periodic payments of principal and interest”; and
3. Loans that, from their inception, are stipulated as revolving in nature;

The loans that were restructured or renewed under the Credit Information Companies (SICs) are as follows:

a) The loans recorded as loan portfolio with Stage 1 credit risk as of October 24, 2023, and that do not have any overdue days, did not present any observation key in the SICs.

b) The loans recorded as loan portfolio with Stage 2 credit risk as of October 24, 2023, and that do not have any overdue days, presented the RA observation key in the SICs.

c) The loans recorded as loan portfolio with Stage 3 credit risk after October 24, 2023, presented the RA observation key in the SICs.

In the event that it includes dations in payment, remissions, rebates, or discounts on the credit balance to support the borrowers, the Bank may defer the establishment of allowances for ECL when the amount of dations in payment, remissions, rebates, or discounts exceeds such provisions. An estimate for the difference will be established within a period not exceeding 12 months

(Continued)

(o) Deferred Items

It is composed of the net amount between transaction costs and credit granting fees, as well as the effects of renegotiations.

(p) Allowance for ECL

The determination of the allowance for ECL for each category of the loan portfolio is carried out based on the general methodologies established in the Provisions, which are based on the Expected Loss approach, determined by multiplying the Probability of Default ("PD") by the product of the Loss Given Default ("LGD") and the Exposure at Default ("EAD").

In the event of any committed but undrawn credit facilities, the Bank recognizes the corresponding allowance for the undrawn balance in accordance with the Provisions, which also applies to letters of credit issued by the Bank.

The PD is the probability expressed as a percentage that either or both of the following circumstances occur in relation to a specific debtor, as determined in accordance with the standard methodology contained in the Provisions:

a) The debtor is in default for 90 calendar days or more with respect to any credit obligation to the Institution, or said credit obligation meets the criteria to be classified as Stage 3 credit risk, as described above (see note 3l).
b) It is considered likely that the debtor will not pay the entirety of its credit obligations to the Bank.

The LGD in the event of Default corresponds to the severity of loss in case of default expressed as a percentage of the EAD, once the value of the collateral and the costs associated with the realisation processes (judicial, administrative collection, and notarization, among others) have been taken into account. It is determined in accordance with the standard methodology contained in the Provisions.

The EAD is the expected gross carrying amount of a credit exposure if the debtor incurs in a default. The EAD cannot be less than the amount set for the transaction at the time of calculating the reserve or capital requirement. It is determined in accordance with the standard methodology contained in the Provisions.

If applicable, the Bank determines or recognizes additional estimates, which are established to cover risks that are not foreseen in the different methodologies for rating the loan portfolio, and on which, prior to their establishment, the Bank informs the Commission as follows:

a) origin of estimates;
b) methodology for its determination;
c) amount of allowances needed, and
d) estimated time required.

Regarding loans with Stage 3 credit risk, in which the restructuring agreement includes the capitalisation of accrued but uncollected interest previously recorded in contingent accounts, the Bank recognizes an allowance for 100% of said interest, which is cancelled when there is evidence of sustained payment.

(Continued)

Commercial Loan portfolio

Calculation of the allowance for ECL of the commercial loan portfolio is carried out in accordance with the general methodology established by the Commission, which initially considers the level of credit risk in which the loans are classified, as well as their previous classification into five different groups, according to the recipients to whom they have been granted:

I. States and municipalities.

II. Projects with self-funding.

III. Trustees acting under trusts not included in the preceding paragraph, as well as credit schemes commonly known as “structured”.

IV. Financial entities.

V. Legal entities not included in the previous sections and individuals engaged in commercial activities, which in turn is divided into the following subgroups:

   a) With annual net income or net sales less than the equivalent in local currency to 14 million UDIs.

   b) With annual net income or net sales equal to or greater than the equivalent in local currency of 14 million UDIs.

Calculation of the PD of commercial loans is carried out under the Provisions, according to each of the groups described above, which consists of evaluating quantitative and qualitative factors of the borrower and assigning them a credit score, which is totalled and used to calculate the PD.

For the calculation of the LGD, if the loans are not covered by security interests, personal guarantees or credit derivatives, it is determined according to the months in delinquency, depending on the group to which they belong, and considering whether they are subordinated or syndicated loans in which the Bank is subordinate to other creditors. Furthermore, the determination of the LGD is considered through a differentiated calculation for the loans of borrowers that have been declared in bankruptcy. In the event that the loans are backed by security interests, personal guarantees, and credit insurance, these are considered in the determination of the LGD in order to adjust the allowances for ECL. For the loan portfolio that benefits from a step and measure hedge scheme, the calculation of the LGD takes into account said hedge.

In the case of non-committed credit lines that are unconditionally cancellable or that allow automatic cancellation at any time and without prior notice by the Bank, the EAD corresponds to the outstanding balance of the credit. For credit facilities other than those mentioned above, the determination of the EAD is carried out under the Provisions.

(Continued)

Mortgage and Housing Portfolio

The allowance for ECL of the residential mortgage loan portfolio is determined in accordance with the general methodology established by the Commission, which initially considers the level of credit risk in which the loans are classified.

The calculation is performed using the figures corresponding to the last day of each month, constituting the credit impairment assessment on a credit-by-credit basis.

Furthermore, factors such as: i) amount due, ii) payment made, iii) property value, iv) credit balance, v) delinquency, vi) information from credit reporting agencies, vii) ORA, viii) SAR, and ix) extension; are mainly considered.

In the event that the loans are covered by credit insurance, these are considered in the LGD determination in order to adjust the allowance for ECL.

The total amount of the allowance to be established for each credit is the result of multiplying the PD by the LGD and the EAD or the different rules in the Provisions.

Consumer Portfolio

The allowance for ECL of the consumer loan portfolio is determined in accordance with the general methodology established by the Commission, which initially considers the level of credit risk in which the loans are classified.

The allowance for credit cards and other revolving credits are calculated considering a credit-by-credit basis, using the figures corresponding to the last payment period known and mainly considering factors such as: i) outstanding balance, ii) payment made, iii) credit limit, iv) minimum required payment, v) default, vi) amount to be paid to the Bank, vii) amount reported to credit bureaus; as well as viii) the length of time the borrower has been with the Bank and ix) other variables from credit bureaus. The total amount of the allowance to be established for each loan is the result of multiplying the PD by the LGD and the EAD or the different rules established in the Provisions.

The EAD, in the event of credit cards and other revolving credits, is determined in accordance with the Provisions.

Additionally, the calculation of the allowances corresponding to the non-revolving consumer loan portfolio mainly considers the following: (i) amount due, (ii) payment made, (iii) delinquency, (iv) client's seniority with the Bank, (v) client's seniority with other institutions, (vi) amount to be paid to the Bank, (vii) amount reported to credit bureaus, (viii) balance reported to credit bureaus, (ix) indebtedness, (xi) original loan amount, (xii) loan balance, and (xiii) other variables from credit bureaus.

(Continued)

(Millions of Mexican pesos)

Degree of risk of the allowance for ECL

The allowance for ECL constituted by the Bank are classified according to their degree of risk, in accordance with the table shown below.

	Percentage ranges for allowance for ECL							
	Consumer							
Risk level	**Non-revolving**		**Credit card and other revolving credit**		**Mortgage and Housing**		**Commercial**	
	From:	**TO:**	**From:**	**TO:**	**From:**	**TO:**	**From:**	**TO:**
A-1	-	2.0%	-	3.0%	-	0.50%	-	0.90%
A-2	2.01%	3.0%	3.01%	5.0%	0.501%	0.75%	0.91	1.5%
B-1	3.01%	4.0%	5.01%	6.5%	0.751	1.0%	1.51	2.0%
B-2	4.01%	5.0%	6.51%	8.0%	1.001	1.5%	2.01	2.5%
B-3	5.01%	6.0%	8.01%	10.0%	1.501	2.0%	2.51	5.0%
C-1	6.01%	8.0%	10.01%	15.0%	2.001	5.0%	5.01	10.0%
C-2	8.01%	15.0%	15.01%	35.0%	5.001	10.0%	10.01	15.5%
D	15.01%	35.0%	35.01%	75.0%	10.001	40.0%	15.51	45.0%
E	35.01%	100%	75.01%	100%	40.001	100%	45.01	100%

Loan portfolio write-offs, eliminations and recoveries

The Bank has write-off policies for consumer and mortgage loans, in accordance with established periods of 6 and 60 months, respectively, which determine the practical impossibility of recovery. Write-offs are made by cancelling the unpaid balance determined by the Management against the allowance for ECL. When the unpaid balance exceeds the associated estimate, before recording the write-off, the Bank recognizes an allowance for the amount of the difference.

In any case, the Bank has evidence of formal collection efforts that have been made regarding these credits, as well as evidence of the elements that substantiate the practical impossibility of credit recovery in accordance with its internal policies established in the credit manual.

The Bank may choose to eliminate from its assets those Stage 3 credit exposures that are provisioned at 100% even when they do not meet the conditions to be written off. For such purposes, the Bank shall write off the outstanding balance of the loan against the allowance for ECL.

Any recovery derived from loans previously written-off or eliminated shall be recognized in the consolidated profit or loss for the year under “Allowance for ECL”, unless the recoveries come from payments in kind, which are treated in accordance with the policies established for Foreclosed Assets in note 3s.

The costs and expenses incurred in the recovery of loan portfolio should be recognized as an expense within the category of “Other operating income (expense)”.

(Continued)

Dations in payment, remissions, rebates, and discounts granted on loan portfolio

Dations in payment on the amount forgiven of the partial or total payment of the loan made by the Bank to the debtors will be carried out by cancelling the outstanding balance of the credit against the allowance for ECL associated with the credit, and if this is less than the amount forgiven, the Bank will previously establish allowances for up to the amount of the difference.

The cancellation of the allowance for ECL on dations in payment, remissions, rebates, and discounts on the loan portfolio applies to amounts forgiven resulting from increases in credit risk; otherwise, they should be deducted from the income that generated them.
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(q) Other accounts receivable, net

The accounts receivable recognized in this category do not bear interest, either explicit or implicit; therefore, they include:

a) short-term accounts receivable; and
b) other short-term accounts receivable

Accounts receivable arising from the transactions referred to shall not be included:

- Criteria B-3 “Repurchase/resale transactions”, B-4 “Securities Lending” and B-6 “Loan portfolio” issued by the Banking Commission;
- those respective to the collection rights defined in criterion “B-6”; and
- accounts receivable under other accounts receivable from operating lease transactions.

Other accounts receivable comprise clearing accounts receivable for foreign exchange sale transactions, investments in securities, repurchase/resale transactions, securities lending, derivatives, and issue of securities, and of the margin accounts borrowers, collateral borrowers granted in cash for securities, credit, and derivative transactions made in OTC markets. Furthermore, it includes sundry debtors for prizes, commissions, and rights to receive on non-credit transactions, items associated with credit transactions, credit balances of recoverable taxes, loans, and other employee receivables, unamortised operating lease payments, and other debtors.

Accounts receivable must be initially measured at transaction price (the consideration to which the Bank expects to be entitled in exchange for transferring control of the goods or services to a client) at the time when the related transaction is deemed to have occurred, which happens when control of the agreed goods or services is transferred to the client in exchange for consideration, in accordance with the terms of the contract entered into.

Accounts receivable should include taxes and levies shiftable to the client and any other commissions to the client on behalf of third parties. The Bank must recognise a liability for the amount collected on behalf of third parties included in accounts receivable.

Accounts receivable denominated in foreign currency should be initially recognized in the functional currency, using the historical exchange rate; i.e. the rate at which the Bank could have settled the accounts receivable at the transaction date.

Accounts receivable must be measured upon their subsequent recognition at transaction price pending of collection.

Allowance for expected credit losses

Allowance for ECL must be recognized from the outset in accounts receivable, affecting profit or loss for the period under “Other operating income (expense)”.

In subsequent recognition, changes required in the allowance for expected credit losses due to modifications in the expected credit loss arising in each period should be recognized in profit or loss for the year under “Other operating income (expense)”.

The allowance for expected credit losses should be determined through the Bank's professional judgment, considering the assessment of expected losses due to the impairment of accounts receivable, using factors such as historical experience of credit losses, current conditions, and reasonable and sustainable forecasts of different quantifiable future events that could affect the future cash flow to be recovered from accounts receivable.

The allowance for doubtful accounts is recognized at the time the revenue is earned, based on expected credit losses.

From initial recognition, the time value of money should be considered, so if the effect of the present value of the accounts receivable is significant in relation to its term, it should be adjusted based on such present value.

Therefore, the Bank's management has developed the procedure for calculating expected credit losses to establish such an allowance based on the following equation:

$$PE = \sum_{i=1}^{n} EI_{ij} * TP_j$$

(Continued)

Where:

PE:	Expected loss;
EI_{ij}:	Exposure to non-compliance of transaction *i* in the arrears group *j*;
TP_j:	Rate of loss of the arrears group *j*;
j:	j-th arrears group;
n:	The number of transactions.

The loss rate is calculated with the help of the analysis of the proportion of the balance that has been paid in each bucket of arrears, in this way, the concentration of the balance per bucket of arrears is analyzed and with this, define the impairment threshold and the allocation of 100% of loss.

The Bank may determine the expected loss individually for debtors that have particular characteristics, in case it is impractical, these are classified by grouping them by homogeneous or common characteristics.

In this regard, the Bank has developed a methodology in which it was determined impractical to carry out an individual assessment of accounts receivable, so they were derived from statistical models developed with historical accounts receivable data where they were rated and grouped by common and homogeneous characteristics in terms of risk where, based on key elements for the measurement of the expected credit loss, the following variables were determined: Loss Rate (“TP”) and Exposure to Default (“EI”).

To estimate the parameters and apply them collectively, the assets comprising the accounts receivable were grouped according to the number of days past due at the time of estimating the impairment, assigning them a delinquency group for which, in the particular case of the Bank, said period is 120 days, in accordance with the collection process.

When the Bank considers the probability of collection of an account receivable to be nil, it must write off the net carrying amount of the account receivable, applying the account receivable to the allowance for expected credit losses. If the allowance was insufficient, it should be adjusted immediately affecting the profit or loss for the period in “Other operating income (expense)”.

Accounts receivable, if any, are presented net of the allowance for ECL within the consolidated statement of financial position under “Other accounts receivable (net)”.

Other considerations for the allowance for ECL for other accounts receivable:

- Overdrafts on checking accounts of clients without overdraft credit facilities are classified, at the time of recognition, as overdue liabilities and an allowance is simultaneously established for the total amount.

- The Bank does not constitute an allowance for ECL for:

  - Recoverable for taxes,
  - Creditable value added tax; and
  - Client collections on behalf of third parties.

This paragraph does not cover accounts receivable with operational risk, the elimination of which is recognized in "Other operating income (expense)".

(r) Leases

<u>Acting as lessor</u>

Lease Classification

The Bank classifies each of its leases as an operating or financial lease. Financial leases are considered all loans granted by the entity for financial lease transactions, which are those in which the Bank transfers to the lessee substantially all the risks and benefits inherent to the ownership of the underlying asset, otherwise they are considered as operating.

<u>Acting as Lessee</u>

At the beginning of a contract, the Bank 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 Bank evaluates whether a contract conveys the right to control the use of an asset implicitly or explicitly identified in a contract.

At the beginning or modification of a contract containing a lease component, the Bank allocates the consideration in the contract to each lease component or service based on its relative independent prices.

The Bank recognizes a right-of-use asset and a lease liability on the lease start date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made on or before the commencement date, plus the initial direct costs incurred and an estimate of the costs to dismantle or to restore the underlying asset or the site where it is located, less the 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 Bank at the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a call 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 reviewed for impairment losses, if applicable, and adjusted for certain new valuations of the lease liability as changes in the amount of the inflation adjustment income.

(Continued)

The lease liability is initially measured at the present value of the outstanding lease payments at the inception date, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, the incremental financing rate of the Bank or the risk-free rate determined with reference to the lease term. Generally, the Bank uses its incremental interest rate as a discount rate.

The Bank determines its incremental financing rate by obtaining interest rates from various external funding sources and makes certain adjustments to reflect the terms of the lease (such as lease term and currency in which payments are denominated) and the type of leased asset.

Lease payments included in the valuation of the lease liability include 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 on the start date;
- amounts expected to be paid under a residual value guarantee; and
- the strike price under a call option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is valued at amortized cost using the effective interest method. It is reassessed under the following conditions:

- there is a change in future lease payments arising from a change in an index or rate;
- there is a change in the Bank's allowance of the amount expected to be paid under a residual value guarantee; if the Bank changes its assessment of whether it will exercise a call, extension or termination option; or
- there is a modified lease fixed substance payment.

When the lease liability is remeasured in this manner, an 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 Bank presents right-of-use assets that do not meet the definition of investment property in line item "Property, Furniture and Equipment Right-of-Use Assets, Net", and lease liabilities in line item "Lease Liabilities", both in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Bank has decided not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Bank recognizes lease payments associated with these leases as an expense in the period in which such lease expenses accrue over the term of the lease.

(Continued)

(s) Foreclosed Assets

Foreclosed assets or received through dation in payment that are not intended for the Bank's use are recognized on the date on which the court order approving the auction by which the foreclosure is decreed becomes enforceable, or in the case of assets received through dation in payment, on the date on which the dation deed is signed, or the transfer of ownership of the asset is formalized.

The recognition of foreclosed assets is carried out as follows:

a) the lesser of the gross book value of the asset giving rise to the foreclosure, i.e., without deducting the allowance for ECL that has been recognized up to that date, and the net realizable value of the assets received, when the entity intends to sell such assets to recover the amount receivable; or

b) the lesser of the gross book value of the asset giving rise to the foreclosure or the fair value of the asset received, when the entity intends to use the asset foreclosed for its activities.

On the date of registration of the asset foreclosed or received by payment, the value of the asset that gave rise to the foreclosure, as well as its respective allowance for ECL that were constituted, are derecognized from the consolidated statement of financial position by the total net asset of the estimate, deducted from partial payments in kind in the case of a loan portfolio, or from collections or recoveries in the case of collection rights.

The difference between the value of the asset that gave rise to the foreclosure, net of estimates, and the value of the asset foreclosed determined as described in the second paragraph of this note, is recognized in the consolidated results of the fiscal year under “Other opperating income (expense)”.

Valuation of foreclosed assets

The foreclosed assets are valued according to the type of asset in question, recording their valuation against the results of the fiscal year as “Other operating income (expense)”.

The Bank recognizes an impairment allowance for the loss in value over time in accordance with the provisions, recognizing it in income as “Other operating income (expense)”.. The determination of the reserves for the holding of movable or immovable property, foreclosed or received in payment over time, is determined, as shown in the following page.

(Continued)

(Millions of Mexican pesos)

	Reservation Percentage	
Months elapsed from foreclosure or payment	**Real property**	**Personal property, collection rights and investments in securities**
Up to 6 months	0%	0%
More than 6 and up to 12	0%	10%
More than 12 and up to 18	10%	20%
More than 18 and up to 24	10%	45%
More than 24 and up to 30	15%	60%
More than 30 and up to 36	25%	100%
More than 36 and up to 42	30%	100%
More than 42 and up to 48	35%	100%
More than 48 and up to 54	40%	100%
More than 54 and up to 60	50%	100%
More than 60	100%	100%

At the time of sale of the foreclosed assets, the differential between the sale price and the book value of the foreclosed asset, net of allowances, is recognized directly in the results of the fiscal year in item "Other opperating income (expense)".

Transfer of foreclosed assets for the Bank's own use

When the Bank chooses to transfer the foreclosed assets for its own use, the transfer is made to the item of the consolidated statement of financial position respective to the asset in question, complying with the fact that the goods are used to carry out their purpose and are carried out in accordance with their investment strategies and purposes that are previously established in their manuals, there is no possibility that such goods will be considered as foreclosed again.

(t) Property, furniture and equipment, net

Property, plant and equipment are recorded at acquisition cost. The balances arising from acquisitions made up to December 31, 2007 were updated by factors derived from the value of the UDI of its acquisition date up to that date, which was when the recognition of inflation in financial information in accordance with NIF was suspended. Components acquired in foreign currency are recorded at the historical exchange rate, that is, at those in force on the date of acquisition of the asset.

Depreciation is calculated using the straight-line method, based on the Bank Management estimated useful life of the respective assets.

The amount to be depreciated from property, furniture and equipment is determined after deducting its residual value from its acquisition cost and, where appropriate, less accumulated impairment losses. The Bank periodically evaluates the residual value, to determine the depreciable amount of said properties, furniture and equipment.

(Continued)

The Bank periodically evaluates the net carrying values of property, furniture and equipment to determine the existence of indications that such values exceed their recoverable amount. The recoverable amount is the greater of the net selling price and the value of use. If net carrying values are determined to exceed their recoverable amount, the Bank recognizes the impairment charged to the results of the fiscal year to reduce them to the latter amount. Minor maintenance and repair expenses are recorded in the results when incurred.

Leasehold enhancements and adaptations are amortized over the lease term. The lease term should consider the periods covered by an option to extend the lease if there is Reasonable certainty that management will exercise that option.

(u) Permanent investments

Permanent investments in which the Bank has significant influence or control are valued using the equity method, through which the participation in the results and stockholders' equity of these entities is recognized using the financial statements on the same date and for the same period as the Bank. It is considered that a company is a subsidiary of the Bank, when it has the power to direct its relevant activities, is exposed or entitled to variable returns from that participation and has the present capacity to affect those returns through its power over it.

Other permanent investments where there is no control, joint control, or significant influence are classified as other investments, which are initially recognized and held at acquisition cost and which are subject to impairment testing.

Permanent investments are increased or decreased, where appropriate, by the participation in the net income of other entities, dividends, impairment effects and their reversals.

(v) Long-Lived Assets Held for Sale or for Distribution to Owners

Long-lived assets are classified as held for sale or distributed to owners if they meet all of the following requirements:

a) The Bank body that approves this activity has committed to a sales plan.
b) Assets are available for immediate sale, in their current conditions, subject exclusively to the usual and customary terms for the sale of those assets and their sale is highly probable.
c) Actions to locate the buyer and other activities to finalize the plan are initiated. If the buyer is not located, at least the potential market has been identified.
d) The sales plan is expected to be fulfilled within less than one year. This requirement is not met in cases where the entity enters sales contracts that are essentially call options and leaseback sales contracts. An extension of the one-year period to complete the sale does not prevent the asset from being classified as being held for sale, if the delay is caused by facts or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to a plan to sell the asset.
e) There is an adequate estimate of the prices to be received in exchange for the assets or group of assets.
f) Significant changes to the sales plan are not likely to be canceled.

(Continued)

Long-lived assets held for sale or to be distributed to owners who meet the above requirements are valued on the date of approval of the sale plan at the lesser of net carrying value or net selling price. If applicable, the impairment loss must be applied to the results of the fiscal year.

(w) Impairment of long-lived assets

The Bank periodically evaluates the net carrying value of long-lived assets to determine the existence of indications that such value exceeds their recovery value. The recovery value represents the amount of the potential net income reasonably expected to be realized as a result of the use or realization of such assets.

If it is determined that the net carrying value exceeds the recovery value, the Bank records the necessary allowances. When it is intended to sell the assets, they are presented in the consolidated financial statements at their net carrying value or realization value, the lesser. The assets and liabilities of a group classified as held for sale are presented separately in the consolidated statement of financial position.

(x) Advance payments and other assets, net

Advance payments represent those disbursements made by the Bank where the benefits and risks inherent in the goods to be acquired or the services to be received have not been transferred. Advance payments are recognized as an asset in the amount paid, provided future economic benefits associated with such payments are likely to flow to the Bank.

Once the goods and/or services relating to advance payments are received, they are recognized as an asset or as an expense in the consolidated statement of comprehensive income, depending on the respective nature.

Advance payments and other assets include disbursements made primarily for licensing and PTU advance expenses.

(y) Income taxes and employees' statutory profit sharing ("PTU")

Income taxes and PTU incurred in the year are determined in accordance with current tax and legal provisions.

Deferred income taxes and deferred PTU are recorded according to the asset-liability method, which compares the book and tax values thereof. Income taxes and deferred PTU (assets and liabilities) are recognized for future tax consequences attributable to temporary differences between the values reflected in the consolidated financial statements of existing assets and liabilities and their relative tax bases, and in the case of income taxes, for unamortized tax losses and other tax credit receivable.

Deferred income tax and PTU assets and liabilities are calculated using the rates established in the respective law, which will be applied to the taxable profit in the years in which it is estimated that temporary differences will be reversed. The effect of changes in tax rates on income taxes and deferred PTU is recognized in the results of the period in which such changes are approved.

Deferred PTU assets are recognized under "Advance payments and other assets, net", while PTU incurred is recognized under "Employee benefit liabilities" in the consolidated statement of financial position.

(Continued)

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

Income taxes incurred and deferred are presented and classified in income for the period, except those arising from a transaction recognized in the OCI. PTU incurred and deferred will be incorporated under the heading of "Administration and promotion expenses" in the consolidated statement of comprehensive income.

(z) Intangible Assets

Primarily included in this heading are intangible assets respective to internally developed software, whose costs incurred in the development phase are capitalized and amortized in the results of the fiscal year from the time that said software is ready to operate, by the straight-line method, based on the useful life estimated by the Bank's Management.

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

(aa) Deposits funding

This item includes deposits that are immediately enforceable, time deposits of the general public and those captured through transactions in the money market, the credit securities issued and the global deposit account without movements in national, foreign or UDIS currency, which are integrated as described below:

a) Immediate demand deposits. They include checking, savings, checking, and other deposits.

   Overdrafts in the checking accounts of the Bank's customers, which do not have a credit facility for such purposes, are classified as past due debts in line item "Other Accounts Receivable, Net" and the Bank simultaneously constitutes said classification an expected credit loss for the total amount of said overdraft, at the time such an event occurs.

b) Time Deposits. They include, among others, certificates of deposit that can be withdrawn on pre-established days, bank acceptances and notes with a liquidable yield when due captured from the general public and through transactions in the money market, the latter referring to time deposits made with other financial intermediaries, as well as with treasuries of companies and government entities.

c) Credit securities. These include, but are not limited to, bank bonds and stock certificates.

d) Global deposit account without movements. Includes the principal and interest of funding instruments that do not have a maturity date, or that have it automatically renewed, as well as past due and unclaimed transfers or investments.

(Continued)

If within three years of the resources being deposited into the global deposit account with zero activity, whose amount does not exceed per account, the equivalent of three hundred units of measure and update (UMAS), will be prescribed in favor of the public charity estate, the Bank shall be obliged to pay the resources respective to public charity within a maximum period of fifteen days counted from December 31 of the year in which the aforementioned assumption is fulfilled.

Non-interest-earning securities (zero coupon) are recorded at the time of issuance based on the amount of cash received.

The Bank must determine the effective interest rate based on the provisions of NIF C-19 “Financial Instruments Payable (FIP)” and evaluate whether the determined rate is within the market, comparing it with an interest rate that considers the value of the money over time and the inherent risks of payment for similar financings, to which it has access. Only in the event that the market interest rate is substantially different from the effective rate, should the market rate be used as the effective interest rate in the valuation of the instrument, recognizing in the net profit or loss the effects that occur in the value of the IFP due to the change in interest rate.

Traditional acquisition interest is recognized in income as it accrues under the heading “Interest Expenses”.

Issuance expenses, as well as the discount or foreclosure in placement, are recognized as part of the liability that gave rise to it, as the case may be, which is amortized in income as it accrues as interest expenses or income, as applicable, taking into account the term of the security that gave rise to it in proportion to the maturity of the securities.

(bb) Subordinated obligations outstanding

The subordinated obligations are recognized as a financial instrument with a liability component (principal) and a stockholders' equity component (interest or returns) in accordance with the definitions established in NIF C-12 "Financial instruments with liability and equity characteristics" and according to the substance of the transaction.

With regard to the interest or returns on the obligations, if the contractual terms are met, these are paid at the total discretion of the Bank and are recognized in stockholders' equity under the item “Accumulated Results”.

Expenses incurred in issuing a financial instrument that qualifies as a liability must be deducted from the amount of the liability and must be considered in determining the effective interest rate.

Until November 14, 2024, the date of amortization of the subordinated obligations, interest was recognized according to the effective interest method, in the results of the fiscal year under the heading “Interest Expenses”, considering that said interest met the characteristics of a liability.

(cc) Interbank loans and loans from other institutions

Direct loans from domestic and foreign banks, loans obtained through credit auctions with the Central Bank and financing by promotion funds are recorded in this item. It also includes loans for a discounted portfolio that comes from the resources provided by banks specialized in financing economic, productive or development activities. Interest is recognized in income as it accrues under “Interest Expenses”.

(Continued)

Loans must be initially recognized at the transaction price, transaction costs must be added or subtracted, as well as other prepaid items, such as commissions and interest, the Bank shall determine the future value of the estimated cash flows to be paid for principal and contractual interest, during the remaining term of the loan or within a shorter term, if there is a probability of prepayment or other circumstance that requires a shorter term to be used.

The Bank shall determine the effective interest rate, for the calculation, the Bank must estimate the expected cash flows considering all the contractual terms of the FIP (such as prepayment, extension, early reimbursement and other similar options), in addition, the Bank needs to assess whether the determined effective interest rate is within the market, comparing it to an interest rate that considers the value of the money over time and the inherent risks of paying for similar financings, to which the entity has access.

If the Bank receives a loan with a contractual interest rate that is substantially out of market, but a fee is paid in advance at the inception of the credit when determining the effective interest rate based on the preceding paragraphs, and such fee must be taken into account.

(dd) Sundry creditors and other accounts payable

Sundry creditors and other accounts payable include allowances, and other accounts payable for the provision of banking services, commissions payable, creditors for the acquisition of assets, dividends payable, VAT payable, and other taxes and duties payable.

The Bank’s liabilities are measured and recognized in the consolidated statement of financial position, for which they must meet the characteristic of being a present obligation, where the transfer of assets or provision of services is virtually unavoidable, arises as a result of a past event, and its amount and maturity are clearly established.

The Bank recognizes an accrual when its amount or maturity is uncertain and the following conditions are met: a) there is a present obligation resulting from a past event for which the entity is liable, b) it is likely that an outflow of economic resources will be required to settle the obligation, and c) the obligation can be reasonably estimated.

If the aforementioned conditions are not met, no accrual is recognized

(ee) Employee Benefits

Short-term direct benefits

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

(Continued)

Long-term direct benefits

The net obligation of the Bank in relation to direct long-term benefits (except for deferred PTU - see subsection (y) of that note, and that the Bank is expected to pay after twelve months from the date of the most recent consolidated statement of financial position presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous fiscal years. This benefit is discounted to determine its present value. Remeasurements are recognized in income in the period in which they are accrued.

Termination Benefits

A liability and a cost or expense for termination benefits is recognized when the Bank has no realistic alternative to facing payments or is unable to withdraw the offer of those benefits, or when it meets the conditions to recognize the costs of a restructuring, whichever occurs first. If they are not expected to be settled within 12 months after the close of the year, then they are deducted.

Post-employment benefits

Defined contribution plans

The Bank's net obligation for the defined benefit plans from pension and seniority premium plans is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current fiscal year and previous fiscal years, discounting said amount and deducting the fair value of the plan's assets from it. The Bank maintains a defined contribution plan for pensions in which the amounts contributed are recognized directly as expenses in the consolidated statement of income, in line item "Administration and Promotion Expenses". Prepaid contributions are recognized as an asset to the extent that prepayment results in a reduction in future payments or a cash refund (note 23).

Defined Benefit Plans

The Bank only maintains a defined benefit plan for retired staff pensions, as well as obligations relating to the plans for post-retirement medical benefits, food vouchers, and retiree life insurance.

For pension plans and other post-retirement benefits, irrevocable trusts have been established in which the assets of the retiree funds are managed, except for indemnities.

Obligations for defined benefit plans are calculated annually by actuaries, using the projected unit credit method. When the calculation results in a potential asset to the Bank, the recognized asset is limited to the present value of the economic benefits available in the form of future plan reimbursements or reductions in future contributions to the plan. To calculate the present value of economic benefits, any minimum financing requirements should be considered.

(Continued)

The labor cost of the current service, which represents the cost of the benefit period to retired personnel for having reached one more year of work life based on the benefit plans, is recognized in the administration and promotion expenses. The Bank determines net interest expense (income) on the net defined benefit liabilities (assets) for the period by multiplying the discount rate used to measure the defined benefit obligation by the net defined liabilities (assets) at the beginning of the annual reporting period, taking into account changes in the net defined benefit liabilities (assets) during the period as a result of contribution estimates and benefit payments.

Modifications to plans that affect the cost of past services are recognized in income immediately in the year in which the modification occurs, without the possibility of deferral in subsequent years. Likewise, the effects of settlement events or reduction of obligations in the period, which significantly reduce the cost of future services and/or which significantly reduce the population subject to benefits, respectively, are recognized in the results of the period.

Remeasurements (before actuarial gains and losses), resulting from differences between projected and actual actuarial hypotheses at the end of the period, are recognized in the period in which they are incurred as part of comprehensive income within stockholders' equity.

(ff) Revenue Recognition

Interest generated by loans granted, including interbank loans agreed to within a period of less than or equal to three business days, is recognized in income as they accrue.

Interest accrued on the portfolio in Stage 3 is recognized in income until it is collected.

Interest and commissions charged in advance are recorded under "Deferred Credit and Advance Collections" and are applied to income as they accrue.

Commissions charged on the initial granting of a loan are recorded as a deferred loan, which is amortized against income for the period as interest income over the life of the loan. The annuity and renewal fees for commercial portfolio products, consumption and housing are also deferred, as applicable, the costs or expenses related to credit origination are recognized as a deferred charge and are deferred during the same period in which the income derived from the fees charged for the initial granting of the credit is recognized; the insurance that is financed, if applicable, is part of the Loan portfolio.

Commissions charged for loan restructurings or renewals are added to the commissions originated by the granting of the credit and are recorded as a deferred credit, which is amortized as interest income under the straight-line method during the new term of the credit. Other commissions are recognized at the time they are generated under the heading "Fees and Fees Charged".

Interest in investments in fixed income securities is recognized as accruing under the effective interest method. Interest charged for reporting transactions is recognized in income in accordance with the effective interest method, over the term of the transaction.

(Continued)

Commissions earned from fiduciary transactions are recognized in income as they accrue.

Commissions arising from custody or asset management services are recognized in income as they accrue.

(gg) Business and Credit Concentration

The Bank’s products are marketed to a large number of customers, with no significant focus on any specific customer.

(hh) Contributions to the Institute for the Protection of Bank Savings (IPAB)

The Banking Savings Protection Law (*Ley de Protección al Ahorro Bancario*), among other provisions, establishes the creation of the IPAB, which aims to provide a system for protecting banking savings in favour of individuals who make any of the guaranteed deposits, and regulates the financial support granted to multiple banking institutions to fulfil this purpose. According to said Law, the IPAB guarantees bank deposits of savers up to 400,000 UDIS per individual or legal entity. The Bank recognizes in profit or loss for the year the mandatory contributions to the IPAB.

The mandatory contributions to the IPAB must be paid on a monthly basis and will be an amount equivalent to one twelfth of four per thousand, on the monthly average of the daily balances of its liability operations for the month in question.

(ii) Order Accounts

Assets or commitments that are not part of the Bank’s consolidated statement of financial position are recorded in the memorandum accounts since the rights of these are not acquired or such commitments are not recognized as liabilities of the entities as long as such eventualities do not materialize, respectively.

– *Credit commitments:*

The balance represents the amount of letters of loan granted by the Bank that are considered irrevocable commercial loanss not drawn down by the borrowers and authorized credit facilities not exercised.

Items posted to this account are subject to qualification.

– *Assets in Trust or Mandate:*

The Bank records in memorandum account for the transactions of Property or Trusts according to the following:

- Those that are limited to the recognition of the trust assets (assets of the contract), that is, the value of the assets received in trust net of the liabilities, with the data related to the administration of each trust being kept in independent records.

- Those that result from transactions for their assets and liabilities and whose recognition and valuation is carried out in accordance with the provisions of the specific accounting criteria applicable to the Bank.

(Continued)

The losses payable by the Bank for the liabilities incurred as a trustee are recognized in income in the period in which they are known, regardless of the moment in which any legal promotion is carried out for this purpose.

The fiduciary unit maintains special accounting for each contract in the fiduciary system, and records in them and in its own accounting the money and other assets, securities or rights entrusted to it, as well as increases or decreases, for the respective products or expenses, invariably the balances of the special accounting of each trust contract coincide with the balances of the memorandum accounts in which the Bank recognizes the trust assets.

In no case shall these assets be subject to other responsibilities than those derived from the trust itself, or those against them correspond to third parties in accordance with the Law.

When, due to the nature of the trusts established in the Bank, there are assets or liabilities under or in favor of the Bank, they are recognized in the consolidated statement of financial position, as applicable.

The mandate records the declared value of the goods subject to the mandate contracts entered into by the Bank.

The recognition of income from the management of trusts is recognized on an accrual basis. The accumulation of said income is suspended, at the time that the debt for these 90 or more calendar days of non-payment, and may be accumulated again when the debt pending of payment is fully settled.

As long as the income accrued by the management of the trusts is suspended from accumulation and is not collected, the control of these is carried out in order accounts. In the event that said accrued income is collected, it is recognized directly in the results of the fiscal year.

– *Assets in custody or under management:*

Cash and customer-owned securities held in custody, collateral and management are reflected in the respective order accounts and valued based on the price provided by the price vendor. With the exception of cash or virtual assets received for the payment of services on behalf of third parties, it must be presented under the heading of “Cash and cash equivalents” or in the heading of virtual assets, as applicable and, the liability generated, under the heading of “Other accounts payable”.

The securities in custody and administration are deposited in S.D. Indeval, Institución para el Deposito de Valores, S. A. de C. V.

Income arising from custody or administration services recognized in the results of the period shall be presented under the heading of “Fees and fees charged”.

(Continued)

– *Collateral received by the entity:*

Its balance represents the total of collateral received in repurchase/resale transactions and Securities Lending, the Bank acting as a repurchase/resale buyer or repurchase/resale seller, following for its valuation the guidelines related to custody transactions established in Accounting Criterion B-9, "Custody and Asset Servicing", issued by the Banking Commission.

– *Collateral Received and Sold or Pledged by the Entity-*

Its balance represents the total of collateral received and sold or pledged, when the Bank acts as a repurchase/resale buyer or repurchase/resale seller, following for its valuation the guidelines related to the custody transactions established in Accounting Criterion B-9, "Custody and Asset Servicing", issued by the Banking Commission.

– *Uncollected accrued interest derived from Loan portfolio with Stage 3 credit risk:*

Uncollected accrued interest derived from the Loan portfolio with Stage 3 credit risk is recorded.

– *Other Registration Accounts:*

They are recorded mainly for guarantees received by the Bank, among others.

(jj) Contingencies

Liabilities or significant losses for contingencies are carried when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. In the absence of these reasonable elements, their disclosure is included on a qualitative basis in the notes to the consolidated financial statements.

Contingent income or assets should be recognized in the consolidated financial statements when the incorporation of economic benefits becomes probable, i.e., until there is absolute certainty of their realization.

When it is determined that contingent assets and liabilities do not have reasonable certainty of the incorporation of economic benefits or the existence of a present obligation, respectively, they should not be recognized in the consolidated financial statements, because their existence is possible but not probable. In this case, the aim is to disclose estimates of potential financial effects in the notes to the financial statements.

As long as the assets and liabilities remain contingent in nature, they should be accounted for in memorandum accounts.

(Continued)

(Millions of Mexican pesos)

(4) Fair Value Hierarchy

Fair value of financial instruments-

As of December 31, 2024, the Bank determined the fair values of its assets and liabilities, as well as the amount respective to each hierarchy level classification of fair value as shown in the table below:

					2024		
Financial instrument type	**Level 1**	**Level 2**	**Level 3**	**Total**	**Valuation technique**	**Observable Inputs**	**Unobservable Inputs**
Assets							
Trading financial instruments:	**$ 22**	**84,099**	**-**	**84,121**			
Government debt	-	82,400		82,400	Valmer price vendor		
Bank debt	-	1,644		1,644	Valmer price vendor		
Other debt securities		55		55	Valmer price vendor		
Equity financial instruments	22	-		22			
Financial instruments held to collect or sell:	**$ 1,453**	**102,013**	**-**	**103,466**			
Government debt	1,453	74,826		76,279	Valmer price vendor		
Bank debt		25,745		25,745	Valmer price vendor		
Other debt securities		1,442		1,442	Valmer price vendor		
Derivatives for trading purposes:	**$ -**	**48,616**	**50**	**48,666**			
Options	-	1,707	50	1,757	- Caps & Floors interest rate options: Black's Cap/Floor - Binary interest rate options: Black's Cap/Floor Internal Model - European Call Spread index option: Call Spread Option Internal Model - European Basket option: Asian Basket AN/Alytic Multi-Factor Internal Model - European Equity Option: Internal Equity Option Model - Binary Equity Option: Internal Equity Option Model - Single-Stock Autocallable Option: Internal EqOpt Autocallable Note Model - Barrier FX Option: Merton, Reiner and Rubinstein - European-style FX Option: Garman and Kohlhagen - Binary FX Option: Black-Scholes - Index Future Option: Market prices - Simple Equity Option: Market prices	- Price vendor Valmer for pricing and market data input - Volatility surface - Quanto correlation - Dividend curve	- Correlation and volatility of unobservable stocks in the market. The leveling methodology for options with target volatility is as follows: - Ratio = Abs(Correlation uncertainty * Correlation risk) + Abs(Vega uncertainty factor * Vega risk) / MTM - If Ratio >10% then the entire package (Internal + External) will be treated as Level 3, otherwise as Level 2.
Advance contracts	-	10,012	-	10,012	- BNS Forex - Flow discount	-Types of change - Future listed prices - Market interest rates - Active prices -Underlying: shares; funds; - Volatility observed in the market	
Swaps	-	36,897	-	36,897	- Currency exchange swap: Internal Cash Flow Swap Model - Interest rate swaps: Internal Cash Flow Swap Model - Standardized Interest Rate Swaps (CME/Assignment): Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed - Volatility surface	

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					2024		
Financial instrument type	**Level 1**	**Level 2**	**Level 3**	**Total**	**Valuation technique**	**Observable Inputs**	**Unobservable Inputs**
Assets							
Derivatives for hedging purposes:	**$ -**	**15,552**	**-**	**15,552**			
Swaps	-	15,552	-	15,552	- Currency exchange swap: Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	
Liabilities							
Derivatives for trading purposes:	**$ -**	**48,863**	**50**	**48,913**			
Options	-	1,661	50	1,711	- Caps & Floors interest rate options: Black's Cap/Floor	- Price vendor - Valmer for pricing and market data input	- Correlation and volatility of unobservable stocks in the market.
					- Binary interest rate options: Black's Cap/Floor Internal Model	- Volatility surface	
					- European Call Spread index option: Call Spread Option Internal Model	- Quanto correlation	The leveling methodology for options with target volatility is as follows:
					- European Basket option: Asian Basket AN/Alytic Multi-Factor Internal Model	- Dividend curve	- Ratio = Abs(Correlation uncertainty * Correlation risk) + Abs(Vega uncertainty factor * Vega risk) / MTM
					- European Equity Option: Internal Equity Option Model		- If Ratio >10% then the entire package (Internal + External) will be treated as Level 3, otherwise as Level 2.
					- Binary Equity Option: Internal Equity Option Model		
					- Single-Stock Autocallable Option: Internal EqOpt Autocallable Note Model		
					- Barrier FX Option: Merton, Reiner and Rubinstein		
					- European-style FX Option: Garman and Kohlhagen		
					- Binary FX Option: Black-Scholes		
					- Index Future Option: Market prices		
					- Simple Equity Option: Market prices		
Advance contracts	-	10,352	-	10,352	- BNS Forex	-Types of change	
					- Flow discount	- Future listed prices	
						- Market interest rates	
						- Active prices	
						- Underlying: shares, funds;	
						-Volatility observed in the market	
Swaps	-	36,850	-	36,850	- Currency exchange swap: Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	
					- Standardized Interest Rate Swaps (CME/Assignment): Internal Cash Flow Swap Model		
Derivatives for hedging purposes:	**$ -**	**15,814**	**-**	**15,814**			
Swaps	-	15,814	-	15,814	- Currency exchange swap: Internal Model - Cash Flow Swap	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	

As of December 31, 2023, the Bank determined the fair values of its assets and liabilities, as well as the amount respective to each fair value hierarchy level classification as shown in the table on the following page.

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			2023				
Financial instrument type	**Level 1**	**Level 2**	**Level 3**	**Total**	**Valuation technique**	**Observable Inputs**	**Unobservable Inputs**
Assets							
Trading financial instruments:	**$ 16**	**78,105**	**-**	**78,121**			
Government debt	-	75,796	-	75,796	Valmer price vendor		
Bank debt	-	2,309	-	2,309	Valmer price vendor		
Equity financial instruments	16	-	-	16	Valmer price vendor		
Financial instruments held to collect or sell:	**$ 6,058**	**95,966**	-	**102,024**			
Government debt	6,058	67,146	-	73,204	Valmer price vendor		
Bank debt	-	26,790	-	26,790	Valmer price vendor		
Other debt securities	-	2,030	-	2,030	Valmer price vendor		
Derivatives for trading purposes:	**$ -**	**31,561**	**28**	**31,589**			
Options	-	1,639	28	1,667	- Caps & Floors interest rate options: Black's Cap/Floor - Binary interest rate options: Black's Cap/Floor Internal Model - European Call Spread index option: Call Spread Option Internal Model - European Basket option: Asian Basket AN/Alytic Multi-Factor Internal Model - European Equity Option: Internal Equity Option Model - Binary Equity Option: Internal Equity Option Model - Single-Stock Autocallable Option: Internal EqOpt Autocallable Note Model - Barrier FX Option: Merton, Reiner and Rubinstein - European-style FX Option: Garman and Kohlhagen - Binary FX Option: Black-Scholes - Index Future Option: Market prices - Simple Equity Option: Market prices	- Price vendor Valmer for pricing and market data input - Volatility surface - Quanto correlation - Dividend curve	- Correlation and volatility of unobservable stocks in the market. The leveling methodology for options with target volatility is as follows: - Ratio = Abs(Correlation uncertainty * Correlation risk) + Abs(Vega uncertainty factor * Vega risk) / MTM - If Ratio >10% then the entire package (Internal + External) will be treated as Level 3, otherwise as Level 2.
Advance contracts	-	3,550	-	3,550	- BNS Forex - Flow discount	-Types of change - Future listed prices - Market interest rates - Active prices -Underlying: shares; funds; - Volatility observed in the market	
Swaps	-	26,372	-	26,372	- Currency exchange swap: Internal Cash Flow Swap Model - Interest rate swaps: Internal Cash Flow Swap Model - Standardized Interest Rate Swaps (CME/Assignment): Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed - Volatility surface	

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					2023		
Financial instrument type	**Level 1**	**Level 2**	**Level 3**	**Total**	**Valuation technique**	**Observable Inputs**	**Unobservable Inputs**
Assets							
Derivatives for hedging purposes:	**$ -**	**11,153**	**-**	**11,153**			
Swaps	-	11,153	-	11,153	- Currency exchange swap: Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	
Liabilities							
Derivatives for trading purposes:	**$ -**	**30,784**	**28**	**30,812**			
Options	-	1,414	28	1,442	- Caps & Floors interest rate options: Black's Cap/Floor	- Price vendor - Valmer for pricing and market data input	- Correlation and volatility of unobservable stocks in the market.
					- Binary interest rate options: Black's Cap/Floor Internal Model	- Volatility surface	
					- European Call Spread index option: Call Spread Option Internal Model	- Quanto correlation	The leveling methodology for options with target volatility is as follows:
					- European Basket option: Asian Basket AN/Alytic Multi-Factor Internal Model	- Dividend curve	- Ratio = Abs(Correlation uncertainty * Correlation risk) + Abs(Vega uncertainty factor * Vega risk) / MTM
					- European Equity Option: Internal Equity Option Model		- If Ratio >10% then the entire package (Internal + External) will be treated as Level 3, otherwise as Level 2.
					- Binary Equity Option: Internal Equity Option Model		
					- Single-Stock Autocallable Option: Internal EqOpt Autocallable Note Model		
					- Barrier FX Option: Merton, Reiner and Rubinstein		
					- European-style FX Option: Garman and Kohlhagen		
					- Binary FX Option: Black-Scholes		
					- Index Future Option: Market prices		
					- Simple Equity Option: Market prices		
Advance contracts	-	2,927	-	2,927	- BNS Forex	-Types of change	
					- Flow discount	- Future listed prices	
						- Market interest rates	
						- Active prices	
						- Underlying: shares, funds;	
						-Volatility observed in the market	
Swaps	-	26,443	-	26,443	- Currency exchange swap: Internal Cash Flow Swap Model	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	
					- Standardized Interest Rate Swaps (CME/Assignment): Internal Cash Flow Swap Model		
Derivatives for hedging purposes:	**$ -**	**9,015**	**-**	**9,015**			
Swaps	-	9,015	-	9,015	- Currency exchange swap: Internal Model - Cash Flow Swap	- Exchange rate and interest rate yield curves listed	
					- Interest rate swaps: Internal Cash Flow Swap Model	- Volatility surface	

Valuation techniques

Fair values of publicly traded derivatives are based on unadjusted quoted market prices of 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 the current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions. Determination of the fair value of derivatives includes consideration of credit risk, estimated financing costs, and ongoing direct costs over the life of the instruments.

(Continued)

(Millions of Mexican pesos)

Derivative financial instruments valued using a valuation technique with market observable data mainly include interest rate swaps and options, cross currency swaps and forward foreign exchange contracts, and forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including exchange rates and interest rate curves. Derivative financial instruments valued using a valuation technique with significant unobservable data, such as volatility, correlation, and forward curves, may include long-term values and refer solely to options contracts.

ii. Transfers between levels

Conditions for recognizing transfer from Level 1 to Level 2 will be considered according to the instrument.

Investments in financial instruments: When there are no facts or positions for the transactions, and the price is used to determine the price by moving the price of similar instruments, the price of the previous period is considered, there is no market information on the instrument, there is no fact for the minimum amount required, some theoretical adjustment is made to the overrate or the instrument changes range, it is considered that there is a transfer to level 2 of hierarchy.

Derivatives: are considered Level 2, with the exception of derivatives with underlying private indices, which may be Level 2 or 3 depending on the result of the quantitative test based on correlation and volatility.

As of December 31, 2024 and 2023, there was a transfer between hierarchy levels in the following instrument.

Instrument	2024	2023
D1_MEXF76_290422	Level 2	Level 1

iii. Level 3 Fair Values

The following table shows a reconciliation between the starting balances and final balances of Level 3 fair values:

		Assets	Liabilities
Balance as of January 1, 2023	**$**	**61**	**-**
Net change in fair value (not realized)		(33)	(28)
Balance as of December 31, 2023		**28**	**(28)**
Net change in fair value (not realized)		22	(22)
Balance as of December 31, 2024	**$**	**50**	**(50)**

Level 3 sensitivity analysis

The table in the following page sets out information on significant non-observable data used in the measurement of financial instruments categorized as Level 3 in the fair value hierarchy.

(Continued)

Derivative Financial Instruments	**Valuation technique**	**Significant unobservable inputs**	**Composition**	**Range of input values for each significant unobservable input (1)**		**Fair value increase/decrease from reasonably possible alternative input assumptions**
				Lowest input value	**Highest input value**	
Equity contracts (net of liabilities for derivative financial instruments)	Option Valuation Model	Correlation of stock volatility	European OTC Equity Options	2%	4%	0.017 MXN

(1) The range of estimates represents the lowest and highest level actual inputs used to value financial instruments within each financial statement category.

The Bank uses its judgment in determining the non-observable inputs used to calculate the fair value of Tier 3 instruments.

The following section discusses significant unobservable inputs for Level 3 instruments:

- Correlation: Correlation becomes an input in stock derivative pricing when the relationship between price movements of two or more of the underlying assets is relevant.
- Volatility: Stock derivative volatility is a measure of asset price fluctuation. Interest rate volatility measures the variability in the performance of a security or interest rate. Historical volatility is often calculated as the annualized standard deviation from the daily price or the variation in performance over a given time period. Implied volatility is such that, when entered into an option valuation model, it returns a value equal to the current fair value of the option.
- Forward curves: Monthly forward curves for commodity contracts are inputs necessary for valuation. A portion of the forward curves cannot be observed.

(5) Foreign currency position

Central Bank regulation establishes rules and limits for banks to maintain balanced foreign currency positions. The position (short or long) permitted by the Central Bank is equivalent to a maximum of 15% of the basic capital both as a whole and in each currency. As of December 31, 2024 and 2023, the Bank maintains an exchange risk position within the aforementioned limit.

The foreign currency position as of December 31, 2024 and 2023, expressed in millions of dollars and its valuation to pesos, is analyzed below:

Dollar Position

	Long	
	2024	**2023**
USD	69	77
CAD	1	3
EUR	6	6
Other currencies	1	1
	77	**87**

(Continued)

(Millions of Mexican pesos)

Position valued in pesos		Long	
		2024	**2023**
USD	$	1,444	1,306
CAD		21	51
EUR		132	102
Other currencies		24	17
	$	**1,621**	**1,476**

The exchange rate in relation to the dollar, at December 31, 2024 and 2023, was $20.8829 and $16.9666 Mexican pesos per dollar, respectively, and at March 4, 2025, the date of approval of the consolidated financial statements was $20.7431 Mexican pesos per dollar.

(6) Cash and Cash Equivalents

As of December 31, such item is composed as follows:

		2024	**2023**
Cash in hand	$	7,323	8,155
Deposits in local banks		17,122	25,867
Deposits in foreign banks		13,572	3,703
Currencies to be delivered		(6,900)	-
Restricted cash equivalents:			
Monetary Regulation Deposits (MRDs) at the Central Bank		8,931	8,930
Currencies to be received		11,031	-
Other cash equivalents [1]		1,006	1,005
Other cash equivalents		245	1
	$	**52,330**	**47,661**

Of the total cash and cash equivalents at December 31, 2024 and 2023, $33,259 and $42,060 are denominated in mexican pesos and $19,071 and $5,601 are denominated in valued foreign currency (mainly USD), respectively.

[1] Corresponds to the compensation fund deposited in Fideicomiso 30430 Asigna, Compensación y Liquidación (Asigna) is made up of cash contributions based on open contracts and minimum initial contributions (MICs) required by Asigna.

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As of December 31, deposits in domestic and foreign banks are as follows:

		2024			2023		
		MXN	Valued currencies	Total	MXN	Valued currencies	Total
MRDs at the Central Bank	$	8,931	-	8,931	8,930	-	8,930
Deposits at country banks		16,664	458	17,122	25,300	567	25,867
Deposits at foreign banks		379	13,193	13,572	56	3,647	3,703
	$	**25,974**	**13,651**	**39,625**	**34,286**	**4,214**	**38,500**

Foreign Exchange Trading

The restriction on the purchase of currencies consists of the fact that such currencies have not yet been received by the Bank and, therefore, the Bank cannot dispose of them at the date of the consolidated statement of financial position. The foreign exchange restriction will be on the agreed settlement date of said transactions which, at December 31, 2024, is between December 26 and January 7 (between December 27 and January 4 for 2023).

As of December 31, 2024 and 2023, the Bank maintained an assets balance for settleable foreign exchange trades at a date after the agreed date of $6,981 and $7,048, respectively, recognized in settlement accounts within “Other Accounts Receivable, Net” and $(10,946) and $(5,308), respectively, recognized in settlement accounts within “Creditors on settlement of transactions” as applicable.

As of December 31, the foreign currencies to be received and delivered are as follows:

		2024		2023	
Source Currency Balance		Foreign currency to be received	Foreign currency to be delivered	Foreign currency to be received	Foreign currency to be delivered
Dollar		526	(328)	311	(414)
Euro		1	-	2	(2)
Canadian Dollar		2	(3)	-	-
Japanese Yen		3	-	-	-
Valued dollar	$	10,987	(6,849)	5,276	(7,021)
Valued euro		22	(4)	37	(37)
Valued Canadian Dollar		22	(47)	-	-
	$	**11,031**	**(6,900)**	**5,313**	**(7,058)**

When the cleared balance of the currencies to be delivered is greater than that of currencies to be received, it is presented in line item “Sundry Creditors and Other Accounts Payable”.

As of December 31, 2024 and 2023, the concentration per counterparty of the cleared foreign exchange balance is presented in the following page.

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		2024		2023	
Counterparty		**Foreign currency to be received**	**Foreign currency to be delivered**	**Foreign currency to be received**	**Foreign currency to be delivered**
Bank of Nova Scotia (BNS)	$	6,575	(996)	2,884	(5,245)
Barclays Bank, PLC.		608	(325)	443	(265)
BBVA Mexico, S.A.		1,524	-	1,018	(1,018)
BNP Paribas Asset Management México S. A. de C. V.		26	(20)	17	(263)
Frutas Tropicales Hnos Gonzalez		1	-	-	-
Inbursa Siefore Básica 60 64 S		7	-	-	-
Inbursa Siefore Básica 65 69 S		19	-	-	-
Inbursa Siefore Básica 70 74 S		20	-	-	-
Inbursa Siefore Básica 75 79 S		16	-	-	-
Inbursa Siefore Básica 80 84 S		12	-	-	-
Inbursa Siefore Básica 85 89 S		8	-	-	-
Inbursa Siefore Básica 90 94 S		5	-	-	-
Inbursa Siefore Básica 95 99 S		2	-	-	-
Inbursa Siefore Básica de Pensiones		2	-	-	-
JP Morgan Chase Bank NA		2,068	(2,068)	146	(66)
Latin 7, S. A de C. V. Variable Income Investment Fund		2	-	-	-
Olam Agro México, S. A. de C. V.		64	-	-	-
Reolino Constructor, S. de R. L. de C. V.		-	(12)	-	-
Scotia Inverlat Casa de Bolsa, S. A de C. V.		72	(88)	134	(116)
Aratura Services, S. de R. L. de C. V.		-	(1)	-	-
Banco Santander, S. A.		-	(3,341)	-	-
Cafe Lee Boss, S. de R. L. de C. V.		-	(5)	-	-
Comercio Zamvdh, S. A de C. V.		-	(2)	-	-
Comercios y Conexiones del Faro, S. A de C. V.		-	(8)	-	-
Control de Riesgos y Continuidad del Negocio, S. A de C. V.		-	(1)	-	-
Cybergold Inteligencia, S. de R. L. de C. V.		-	(7)	-	-
Danword Technical, S. de R. L. de C. V.		-	(5)	-	-
Eficiencia en Planeación y Contracción de Cervantes, S. de R. L. de C. V.		-	(4)	-	-
Multiservicios y Programas de Calidad, S. A. de C. V.		-	(12)	-	-
Químicos del Cauca México, S. de R. L. de C. V.		-	(3)	-	-
Sevana Services, S. de R. L. de C. V.		-	(2)	-	-
América Móvil, S. A. B. de C. V.		-	-	594	-
Grupo Aeroportuario del Pacifico, S. A. B. de C. V.		-	-	42	-
Pegaso Pcs, S. A. de C. V.		-	-	35	-
RYC Alimentos, S. A. de C. V.		-	-	-	(17)
Dual Lilium, S. de R. L. de C. V.		-	-	-	(14)
Var And Her Soliciones, S. de R. L. de C. V.		-	-	-	(14)
Morris Ingeniería y Proyectos en Robótica, S. A. de C. V.		-	-	-	(11)
Mernex, S. A. de C. V.		-	-	-	(6)
Tabog, S. A. de C. V.		-	-	-	(5)
Other Counterparties		-	-	-	(18)
	$	**11,031**	**(6,900)**	**5,313**	**(7,058)**

(Continued)

Monetary Regulation Deposits ("MRDs")

The restriction associated with MRDs in the Central Bank is that, by provision, the Bank is obliged to maintain a specific level of monetary resources before the Central Bank for the purposes of giving liquidity to the financial system. The resources held in these types of instruments are freely available to the Bank and do not have a defined date for disposal, so they are permanently restricted.

As of December 31, 2024 and 2023, the deposits at the Central Bank correspond to MRD for $8,900, in both years which have an indefinite duration, for which the Central Bank will inform in advance the date and procedure of the withdrawal of the balance thereof. Interest income generated by deposits at the Central Bank as of December 31, 2024 and 2023 was $31 and $30, respectively. The current provisions issued by the Central Bank for monetary regulation deposits establish that these may be composed of cash, securities or both. As of December 31, 2024 and 2023, the Bank maintains reportable Monetary Regulation Bonds (BREMS-R) amounting to $3,099 and $3,098, respectively, which are part of the MRD (see note 7(a)).

Bank loans with a maturity of less than three days (call money)

The restriction of bank loans with maturities of less than three days is that since they are resources loaned to other financial institutions, the Bank does not have them immediately available until they are due. As of December 31, 2024 and 2023, there were no bank loans with a maturity of less than three days (call money).

As of December 31, 2024, there are overdrafts in bank accounts for $14, which are presented in line item "Other Accounts Payable". As of December 31, 2023, there are no overdrafts on bank accounts (see note 21).

(7) Investments in Financial Instruments

a) Carrying amount

Below is the analysis of investments in financial instruments by each category and type of instrument at December 31, 2024 and 2023; based on the business models determined by the Bank.

(Continued)

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Trading financial instruments (TFI):

		Domestic	
		2024	**2023**
BONDES (Bonos de Desarrollo del Gobierno Federal [Development Bonds of the Federal Government])	$	41,106	43,626
IPAB (Instituto para la Protección al Ahorro Bancario [Institute for the Protection of Bank Savings]) BONDS		7,540	9,496
CETES (Certificados de Tesorería [Treasury Certificates])		19,176	12,622
UDIBONDS		4,116	932
BD STOCK CERTIFICATE CD		1,627	2,309
BONDS		10,462	8,869
STOCK CERTIFICATE 91		55	-
GOVERNMENT STOCK CERTIFICATE		-	251
Stock		22	16
BD PRLV		17	-
Total TFI	**$**	**84,121**	**78,121**

TFI-rated debt instruments have interest rates ranging from 5.46% to 10.79% and their maturities range from 1 to 30 years by 2024 (4.15% to 11.63% and their maturities range from 1 to 33 years by 2023).

At December 31, 2024 and 2023, TFIs include restricted instruments, in repurchase/resale transactions, for $63,211 and $68,863, Securities Lending for $2,065 and $1,508, and others restricted, mainly value date transactions for $18,769 and $7,734, respectively.

Financial instruments held to collect and sell (HTCS):

		2024		2023	
		Domestic	**Foreign**	**Domestic**	**Foreign**
BD STOCK CERTIFICATE CD	$	5,859	-	6,842	-
BM PRLV		19,886	-	14,909	-
BONDES (Bonos de Desarrollo del Gobierno Federal [Development Bonds of the Federal Government])		16,337	-	1,215	-
BONDS		26,499	-	21,584	-
CETES (Certificados de Tesorería [Treasury Certificates])		16,114	-	32,100	-
GOVERNMENT STOCK CERTIFICATE		1,967	-	1,170	-
UDIBONDS		4,180	-	4,032	-
PRIVATE Stock Certificate		1,346	-	1,431	-
EUROBONDS		96	-	599	-
BM CDs F		-	-	5,040	-
TBILL		-	1,453	-	5,196
UMS		-	9,729	-	7,906
Subtotal		**92,284**	**11,182**	**88,922**	**13,102**
Total HTCS	**$**	**103,466**		**102,024**	

(Continued)

(Millions of Mexican pesos)

Debt instruments classified as HTCS have interest rates ranging from 4.22% to 10.5% and their maturities range from 1 to 21 years by 2024 (3.96% to 11.84% and their maturities range from 1 to 21 years by 2023).

As of December 31, 2024 and 2023, HTCSs include restricted instruments, in repurchase/resale transactions, for $23 and $4,383, and others for $1,804 and $637, respectively.

Financial instruments solely for payments of principal and interest (SPPI):

		Domestic	
		2024	**2023**
BREMS-R	$	3,099	3,098
Special CETES		2,011	1,805
Total SPPI	**$**	**5,110**	**4,903**

Debt instruments classified as SPPI have interest rates ranging from 5.51% to 10% and are due in 1 year (BREMS) by 2024. (5.51% and 11.24% and its maturity is 2 years by 2023).

SPPIs are denominated in pesos.

As of December 31, 2024 and 2023, the Bank maintained assets (liabilities) balances for transactions with settleable securities at a date after the agreed date, which were recognized in settlement accounts in line item "Other Accounts Receivable, Net" (note 11) and "Creditors on settlement of transactions" (note 21) as follows:

		2024	**2023**
Receivables for trade settlement	$	33,911	11,528
Creditors on settlement of transactions		(20,066)	(7,732)

b) Category Reclassifications

As of December 31, 2024 and 2023, the Bank did not make category transfers.

c) Recognized effects on income and OCI

Net pre-tax gains and losses generated by investments in financial instruments for the years ended on December 31, 2024 and 2023 are shown below:

		2024	**2023**
Gain/Loss on Sale (note 27(e)):			
TFI	$	126	43
HTCS		(15)	5
	$	**111**	**48**

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		2024	2023
Valuation income (note 27(e)):			
Recognized in income:			
TFI	**$**	**(5)**	**51**
Recognized in OCI:			
HTCS	**$**	**(767)**	**(161)**

Interest income earned on investments in financial instruments recognized in income for the 2024 and 2023 periods is shown below:

		2024	2023
Interest income (note 27(b)):			
TFI	$	6,970	7,441
HTCS		9,785	7,863
SPPI		549	536
	$	**17,304**	**15,840**

d) Impairment

Impairment effects and impairment reversals recognized by the Bank at December 31, 2024 and 2023 are shown below:

		2024	2023
Impairment:			
HTCS	$	30	26
SPPI		1	1
		31	27
Reversals of impairment loss:			
HTCS		(26)	(12)
Impairment after reversals	**$**	**5**	**15**

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As of December 31, 2024 and 2023, the fair value of securities classified as assigned securities to be settled are shown below:

		Domestic	
		2024	**2023**
Assigned values to be settled:			
CETES (Certificados de Tesorería [Treasury Certificates])	$	16,135	5,235
UDIBONDS		1,314	132
BONDS		10,942	5,731
BONDES (Bonos de Desarrollo del Gobierno Federal [Development Bonds of the Federal Government])		4,711	403
BD PRLV I		18	-
Total	**$**	**33,120**	**11,501**

Issuers greater than 5% of net capital

As of December 31, 2024 and 2023, investments in non-government debt securities of the same issuer and greater than 5% of the Bank's net capital are shown below:

2024

Issuer	Series	Number of securities	Average Annual Rate	Term Days		Amount
BANSAN	24534	14,908,236,351	9.95%	2	$	14,900
BMORGAN	25015	5,000,000,000	10.12%	28		4,986

2023

Issuer	Series	Number of securities	Average Annual Rate	Term Days		Amount
BANSAN	24012	14,818,500,007	11.25%	4	$	14,809
BANSAN	24045	100,958,332	11.50%	30		100
HSBCMX	23004	500,000,000	11.50%	28		5,040

(Continued)

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(8) Repurchase/resale transactions and Securities Lending

a) Debtors and creditors on repurchase/resale transactions

As of December 31, 2024 and 2023, the debtors, collateral sold and pledged, and creditors on repurchase/resale agreements are included as shown below:

		2024			2023		
Instrument		**Debtors on repurchase/resale agreements**	**Collateral sold or pledged**	**Creditors by repurchase**	**Debtors on repurchase/resale agreements**	**Collateral sold or pledged**	**Creditors by repurchase**
Debt Instruments							
Government Debt:							
BONDES (Bonos de Desarrollo del Gobierno Federal [Development Bonds of the Federal Government])	$	11,684	261	40,102	4,013	4,004	41,776
IPAB (Instituto para la Protección al Ahorro Bancario [Institute for the Protection of Bank Savings])							
BONDS		7,705	-	7,541	3,003	3,002	5,943
BONDS		3,546	-	1,511	2	-	3,389
CETES (Certificados de Tesorería [Treasury Certificates])		422	-	7,975	-	-	13,792
UDIBONDS		-	-	3,285	-	-	861
STOCK CERTIFICATE		-	-	-	-	-	251
		23,357	261	60,414	7,018	7,006	66,012
Bank debt:							
STOCK CERTIFICATE CD		-	-	1,624	-	-	2,309
BM STOCK CERTIFICATE 94		319	-	-	991	-	-
		319	-	1,624	991	-	2,309
	$	**23,676**	**261**	**62,038**	**8,009**	**7,006**	**68,321**

The average terms of the repurchase/resale transactions in which the Bank acted as a repurchase/resale buyer and a repurchase/resale seller that are in force at December 31, 2024 range from 2 to 28 days, with weighted annual rates between 8.75 and 10.40% (4 and 28 days, with weighted annual rates between 11.25% and 11.80% for 2023).

Interest and returns on repurchase/resale transactions entered into by the Bank recognized under “Interest Income” amounted to $1,150 and $467 for the years ended on December 31, 2024 and 2023, respectively (note 27(b)).

Interest and yields payable on repurchase/resale transactions entered into by the Bank recognized in line item “Interest Expenses” amounted to $6,853 and $7,291 for the years ended on December 31, 2024 and 2023, respectively (note 27(b)).

As of December 31, 2024 and 2023, the Bank maintained an assets balance for settleable Repurchase/resale transactions of $36 and $12, respectively, recognized in settlement accounts under “Other Accounts Receivable, Net” and $44 and $11, respectively, recognized in settlement accounts under “Creditors on settlement of transactions”.

(Continued)

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b) Collaterals in reporting transactions

Below is a breakdown of the collateral received for repurchase/resale transactions, as well as the collateral received and sold or pledged at December 31, 2024 and 2023:

		2024		2023	
		Collaterals Received	**Collateral received and sold or pledged**	**Collaterals Received**	**Collateral received and sold or pledged**
Government Debt:					
BONDES (Bonos de Desarrollo del Gobierno Federal [Development Bonds of the Federal Government])	$	11,695	261	4,009	4,004
IPAB (Instituto para la Protección al Ahorro Bancario [Institute for the Protection of Bank Savings]) BONDS		7,723	-	3,002	3,002
BONDS		3,543	-	-	-
CETES (Certificados de Tesorería [Treasury Certificates])		422	-	-	-
		23,383	**261**	**7,011**	**7,006**
Bank debt:					
BM STOCK CERTIFICATE 94		319	-	991	-
		319	-	991	-
	$	**23,702**	**261**	**8,002**	**7,006**

Securities Lending

c) Acting as a borrower

As of December 31, 2024 and 2023, securities lending are as follows:

		2024	2023
Debt Instruments			
Government Debt:			
CETES (Certificados de Tesorería [Treasury Certificates])	$	64	183
BONDS		293	793
UDIBONDS		1,663	402
	$	**2,020**	**1,378**

(Continued)

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The average terms of securities lending transactions in which the Bank acted as a borrower that are in effect at December 31, 2024 are between 2 and 7 days (4 and 15 days for 2023).

For the years ended on December 31, 2024 and 2023, the foreclosures payable on securities lending transactions entered into by the Bank recognized in line item of “Interest Expenses” amounted to $7 and $17, respectively (note 27(b)).

b) Collaterals in securities lending transactions

Below is the breakdown of the collateral delivered and received by Securities Lending transactions, as well as the collateral received and sold or pledged at December 31, 2024 and 2023:

		2024		**2023**	
		Collaterals Received	**Collateral received and sold or pledged**	**Collaterals Received**	**Collateral received and sold or pledged**
Government Debt:					
CETES (Certificados de Tesorería [Treasury Certificates])	$	64	64	183	183
BONDS		293	293	793	793
UDIBONDS		1,663	1,663	402	402
	$	**2,020**	**2,020**	**1,378**	**1,378**

(9) Derivative Financial Instruments

a) Derivatives for trading purposes

As of December 31, 2024 and 2023, transactions with derivative financial instruments for trading purposes are comprised as follows:

		2024				**2023**			
		Fair value of the transaction		**Net balance**		**Fair value of the transaction**		**Net balance**	
Instrument		**Purchases**	**Sales**	**Borrower**	**Lender**	**Purchases**	**Sales**	**Borrower**	**Lender**
Options	$	1,757	1,711	1,757	1,711	1,667	1,442	1,667	1,442
Forwards		268,772	269,112	10,012	10,352	131,032	130,409	3,550	2,927
Swaps		313,977	313,930	36,897	36,850	192,093	192,164	26,372	26,443
	$	**584,506**	**584,753**	**48,666**	**48,913**	**324,792**	**324,015**	**31,589**	**30,812**

Notional amounts:

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

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To determine the amount of cash flow to be exchanged, the notional amounts of derivative financial instruments by type of instrument and underlying at December 31, 2024 and 2023 are shown below:

2024

				Fair Value		Net balance	
Underlying	**Transaction**	**Market**	**Notional amount**	**Assets**	**Liabilities**	**Borrower**	**Lender**
Swaps:							
Rates							
FIXED	Purchase	OTC	$ 14,833	$ 7,477	7,469		
LIBOR	Purchase	OTC	3,769	606	204		
SOFR	Purchase	OTC	206,127	37,815	34,428		
TIIE	Purchase	OTC	540,248	87,351	82,142		
TIEF	Purchase	OTC	93,835	8,933	8,642		
LIBOR	Sale	OTC	6,873	491	894		
SOFR	Sale	OTC	213,931	43,271	47,466		
TIIE	Sale	OTC	573,865	94,525	99,115		
TIEF	Sale	OTC	83,074	10,123	10,371		
FIXED	Purchase	Recognized	76,809	11,331	10,132		
TIIE	Sale	Recognized	53,230	3,890	4,216		
TIEF	Sale	Recognized	72,320	8,179	8,884		
Impairment			-	(15)	(33)		
				$ 313,977	**313,930**	**36,897**	**36,850**
Forwards:							
Currency							
EUR	Purchase	OTC	$ 3,113	$ 3,101	3,043		
USD	Purchase	OTC	129,602	127,528	117,631		
EUR	Sale	OTC	3,102	3,054	3,089		
USD	Sale	OTC	147,245	135,091	145,353		
Impairment			-	(2)	(4)		
				$ 268,772	**269,112**	**10,012**	**10,352**
Options:							
Currency							
USD	Purchase	OTC	$ 621	$ 616	-		
USD	Sale	OTC	621	-	610		
Indexes[(1)]							
Index	Purchase	OTC	3,917	586	-		
Index	Sale	OTC	3,820	-	553		
Rates							
SOFR	Purchase	OTC	781	190	-		
TIIE 28	Purchase	OTC	36,098	367	-		
SOFR	Sale	OTC	781	-	190		
TIIE 28	Sale	OTC	35,134	-	360		
Impairment			-	(2)	(2)		
				$ 1,757	**1,711**	**1,757**	**1,711**

[(1)] Includes Stock Options and Indexes

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2023

Underlying	Transaction	Market		Notional amount		Fair Value Assets	Fair Value Liabilities	Net balance Borrower	Net balance Lender
Swaps:									
Rates									
FIXED	Purchase	OTC	$	27,161	$	20,265	20,261		
LIBOR	Purchase	OTC		7,008		632	232		
SOFR	Purchase	OTC		67,273		14,166	14,334		
TIIE	Purchase	OTC		351,529		61,807	56,260		
LIBOR	Sale	OTC		9,713		495	893		
SOFR	Sale	OTC		70,680		18,248	17,887		
TIIE	Sale	OTC		358,553		60,283	66,160		
FIXED	Purchase	Recognized		45,330		8,579	7,801		
TIIE	Sale	Recognized		50,505		7,636	8,349		
Impairment				-		(18)	(13)		
					$	**192,093**	**192,164**	**26,372**	**26,443**
Forwards:									
Currency									
EUR	Purchase	OTC	$	2,129	$	2,105	2,119		
USD	Purchase	OTC		60,377		58,273	60,775		
EUR	Sale	OTC		2,130		2,121	2,106		
USD	Sale	OTC		67,541		68,534	65,411		
Impairment				-		(1)	(2)		
					$	**131,032**	**130,409**	**3,550**	**2,927**
Options:									
Currency									
USD	Purchase	OTC	$	486	$	365	-		
USD	Sale	OTC		486		-	323		
Indexes									
Index	Purchase	OTC		5,227		517	-		
Index	Sale	OTC		5,209		-	355		
Rates									
SOFR	Purchase	OTC		791		244	-		
TIIE 28	Purchase	OTC		26,486		543	-		
SOFR	Sale	OTC		791		-	244		
TIIE 28	Sale	OTC		25,904		-	522		
Impairment				-		(2)	(2)		
					$	**1,667**	**1,442**	**1,667**	**1,442**

(1) Includes Stock Options and Indexes

As of December 31, 2024 and 2023, the net valuation effect on financial assets and liabilities related to derivatives for trading purposes amounted to $(4,536) and $(846). The foregoing form part of a synthetic strategy, with non-derivative foreign exchange purchase and sale transactions, whose profits from purchase and sale transactions for the 2024 and 2023 amount to $302 and $3,320 and are presented in line item "Financial Intermediation Income" (note 27(e)).

(Continued)

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b) Derivatives for hedging purposes

As of December 31, 2024, they are integrated as shown below:

Instrument	Transaction		Fair Value		Net balance	
			Assets	Liabilities	Assets	Liabilities
Fair Value Hedge:						
Swap	Purchase	$	5,353	4,961	576	184
Swap	Sale		106	106	-	-
			5,459	5,067	576	184
Cash flow hedge:						
Swap	Purchase		20,632	19,689	14,832	13,889
Swap	Sale		13,242	14,839	144	1,741
			33,874	34,528	14,976	15,630
		$	**39,333**	**39,595**	**15,552**	**15,814**

As of December 31, 2023, they are comprised as follows:

Instrument	Transaction		Fair Value		Net balance	
			Assets	Liabilities	Assets	Liabilities
Fair Value Hedge:						
Swap	Purchase	$	6,590	6,112	728	250
Swap	Sale		142	142	-	-
			6,732	6,254	728	250
Cash flow hedge:						
Swap	Purchase		12,789	11,714	9,840	8,765
Swap	Sale		6,068	5,483	585	-
			18,857	17,197	10,425	8,765
		$	**25,589**	**23,451**	**11,153**	**9,015**

As of December 31, 2024 and 2023, the Bank uses hedge swaps to hedge the risk of exchange rates and interest rates, mainly to hedge the Loan portfolio, financial instruments held for collection or sale, promissory notes, repurchase/resale transactions and bonds.

The hedging of a position consists of carrying out transactions with derivative financial instruments referred to as hedging financial instruments, in order to offset the financial risk arising from one or more transactions associated with the position to be hedged.

(Continued)

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The hedging relationship through the use of derivatives is applied to the exposure to the risk it intends to cover, that is, either fair value or cash flow hedging. Derivative instruments used may be *interest rate swaps* or *cross currency swaps*.

Establishment of the hedge ratio and causes of ineffectiveness expected to affect the hedge relationship

When designating a hedging ratio of a hedged position against a hedging instrument, the ratio must not create an imbalance between both parties that would be contrary to the purpose of hedge accounting. The process of measuring ineffectiveness is based on comparing changes in the fair value or cash flows of the hedging instrument with changes experienced in the fair value or cash flows of the hedged position. Among the causes associated with a hedge imbalance are those related to changes in the market, that is, sudden highs or lows in reference rates or, where appropriate, when the hedge is close to its expiration.

As of December 31, 2024 and 2023, there is accumulated ineffectiveness from hedging derivatives transactions of $(23) and $(6), respectively, and they are presented in line item "Financial Intermediation Income".

Quantitative Information

a. Fair Value Hedges

As of December 31, 2024, there are 175 contracts classified as fair value hedges for a notional amount of $34,626:

						Amounts maturity		
Strategy	**Type**	**Currency**	**Hedged Position**	**Volume**	**Notional amount**	**0-3 years**	**3-5 years**	**5-10 years**
Fair Value	Interest rates	Pesos	Assets	137	$ 27,303	20,527	3,801	2,975
Fair Value	Interest rates	Dollars	Assets	38	7,323	6,851	472	-
			Total	**175**	**$ 34,626**	**27,378**	**4,273**	**2,975**

As of December 31, 2023, there are 147 contracts classified as fair value hedges for a notional amount of $37,226:

						Amounts maturity		
Strategy	**Type**	**Currency**	**Hedged Position**	**Volume**	**Notional amount**	**0-3 years**	**3-5 years**	**5-10 years**
Fair Value	Interest rates	Pesos	Assets	101	$ 29,873	12,813	13,824	3,236
Fair Value	Interest rates	Dollars	Assets	46	7,353	5,263	2,090	-
			Total	**147**	**$ 37,226**	**18,076**	**15,914**	**3,236**

As of December 31, 2024 and 2023, the valuation result of derivatives of fair value hedges was $(68) and $(751); while the valuation result of the hedged item attributable to the hedged risk was $130 and $585, respectively (note 27(e)).

(Continued)

(Millions of Mexican pesos)

b. Cash flow hedges

As of December 31, 2024, there are 112 contracts classified as cash flow hedges for a notional amount of $81,562:

Strategy	Type	Currency	Hedged Position	Volume		Notional amount	Maturity Amounts 0-3 years	3-5 years	5-10 years
Cash Flow	Interest rates	Pesos	Liabilities	82	$	56,318	13,797	40,021	2,500
Cash Flow	Interest rates	Dollars	Assets	7		6,683	1,462	5,221	-
Cash Flow	Cross Currency	Dollars	Assets	23		18,561	12,750	5,338	473
			Total	**112**	**$**	**81,562**	**28,009**	**50,580**	**2,973**

As of December 31, 2023, there are 71 contracts classified as cash flow hedges for a notional amount of $48,371:

Strategy	Type	Currency	Hedged Position	Volume		Notional amount	Maturity Amounts 0-3 years	3-5 years	5-10 years
Cash Flow	Interest rates	Pesos	Liabilities	57	$	40,834	10,302	27,282	3,250
Cash Flow	Interest rates	Dollars	Assets	1		339	339	-	-
Cash Flow	Cross Currency	Dollars	Assets	13		7,198	4,425	2,376	397
			Total	**71**	**$**	**48,371**	**15,066**	**29,658**	**3,647**

As of December 31, 2024 and 2023, the results derived from the ineffectiveness of instruments used for cash flow hedges amounted to $(13) and $13, respectively, and are presented in line item “Financial intermediation income”.

The valuation and net deferred tax effect of the valuation of cash flow hedging derivative financial instruments for the effective portion of the hedge at December 31, 2024 and 2023, amounted to $410 and $(150), respectively, and are presented within the OCI (note 24(b)).

As of December 31, 2024 and 2023, the loss of financial instruments for cash flow hedging purposes that were reclassified from stockholders' equity to the consolidated statement of comprehensive income under the heading "Financial intermediation income" was $(232) and $(240), respectively.

c. Canceled cash flow and/or fair value hedges

During 2024 and 2023, it was decided to discontinue fair value hedges with a face amount of $547 and $4,469, respectively, primarily for settlements or advance payments of commercial portfolio credit. The positions corresponded to interest rate hedges of commercial loans in both pesos and dollars.

During 2024 and 2023, there were no discontinuations of cash flow hedges.

(Continued)

(Millions of Mexican pesos)

d. Margin accounts

As of December 31, 2024 and 2023, margin accounts are comprised of guarantees granted in cash for transactions with derivative financial instruments entered into in recognized markets of $1,761 and $1,383, respectively.

e. Embedded derivatives

The Bank uses embedded derivatives to properly manage the interest rate, index and exchange rate risks inherent in structured bond transactions. Instruments used at December 31, 2024 and 2023 net are for index options of $(147) and $329 and exchange rate options of $(47) and $54, respectively; and are presented as part of the derivative financial instruments for trading.

f. Formal documentation of hedges and risk management strategy

At the time of designation of fair value and cash flow hedges, the Bank completes an individual file that includes or references the following documentation.

- The entity's strategy and objective regarding risk management to carry out the hedging transaction.
- The specific risk or risks to be hedged.
- Establishment of the hedge, which identifies the derivatives it contracts for the purpose of hedge and the item that causes the hedged risk.
- Definition of the elements that make up the hedge and reference to the method applied to measure the effectiveness of the hedge.
- Evidence of the effectiveness of the hedge at the beginning of its designation (prospective) and subsequently throughout the life of the hedge ratio (retrospective). These tests are carried out at least quarterly, in accordance with the methodology defined at the time the hedge file is established.

g. Impairment

Impairment effects recognized in the consolidated statement of comprehensive income for the years ended 2024 and 2023 were $23 (CVA) and $20 DVA, respectively.

h. Collaterals received or delivered

As of December 31, 2024 and 2023, the guarantees and/or collateral delivered by derivative financial transactions that are recorded as "Debtors for collateral granted in cash" in "Other accounts receivable, net" (note 11) and corresponds to transactions carried out in unrecognized markets, are integrated as shown below:

	Collateral Type		**2024**	**2023**
Foreign Financial Entities	Cash	$	82	401
Mexican financial institutions	Cash		1,498	852
		$	**1,580**	**1,253**

As of December 31, 2024 and 2023, collateral received from derivative financial transactions carried out in unrecognized markets are recorded as "*Creditors on cash received as collateral"* in line item "Other Accounts Payable (note 21)," are shown on the following page.

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	Collateral Type		**2024**	**2023**
Foreign Financial Entities	Cash	$	2,077	2,883
Mexican financial institutions	Cash		735	213
Other entities	Cash		256	121
		$	**3,068**	**3,217**
Order Accounts:				
Mexican financial institutions	Government Bonds	$	273	650

i. Settlement Accounts

As of December 31, 2024 and 2023, the Bank maintained an assets balance for DFI settleable transactions of $18 and $9, respectively, recognized in settlement accounts within “Other Accounts Receivable, Net” and $(32) and $(15), respectively, recognized in settlement accounts within “Creditors on settlement of transactions”.

(10) Loan portfolio

a) Loan Policies and Procedures

Credit Assessment

For credit risk management, it is essential to collect information, carry out due diligence procedures, analyse the client's financial capacity and prosperity, and establish appropriate structures and interest rates.

The assessment process is a logical flow of investigation, analysis, and conclusions that is part of a Credit Presentation, which is the institutional means to present a credit risk operation proposal and obtain the corresponding authorisation, for which certain aspects for the analysis and assessment of a credit must be met, aspects such as:

- Due diligence management (know your customer, environmental risk, legal risk, reputations and suitability),
- Specific guidelines for a certain type of credit subject/customer,
- Determination of the customer’s credit quality (IG internal model),
- Credit granting limits per borrower/group (legal and internal) and,
- The guarantees admissible in the Bank,
- Integration of economic groups (common risk),
- Consult with the credit reporting company (credit bureau),
- Industry analysis, and
- Have the updated information on the guarantees, in accordance with the annex of the admissible guarantees and their requirements:
  - Appraisal.
  - Insurance Policy.
  - Visual Inspection.

(Continued)

Loan Authorization

Loan authorization and rejection limits refer to the maximum amount of credit to be authorized to a person or economic group by the Bank and must be applied based on the credit quality of the borrower or economic group, and the total exposure proposed or authorized.

An authorization matrix is used, which has the *Advice & Counsel* of BNS (Parent Company), as well as the matters that must be referred to a certain empowered level (included in the Commercial Portfolio Credit Policy Manual in the Special Authorization Levels Annex).

Authorization of all commercial loans must be evidenced by the credit recommendation incorporated into the credit presentation or a similar document containing the authorized terms and conditions and a seal of authorization including the names or initials of the officers designated to authorize the credit.

Any resolution shall be taken on the basis of an individual vote of the officials with assigned powers, by their vote in favor or against, being unanimously resolved, by joint signatures.

Loan Monitoring

All customers and loans must be monitored on an ongoing basis for:

- Ensure all terms and conditions have been met.
- Ensure that the customer's financial situation is periodically reviewed.
- Update the Borrower's IG at least annually, or sooner if it becomes aware of any event that may need it.
- Minimize the possibility of losses, by early identification of adverse business and financial conditions to the borrower, in order to allow the Bank to take effective measures immediately.

All borrowers, loans and guarantees are evaluated after their authorization on an ongoing basis, the monitoring of the assigned portfolio is the responsibility of the Business Unit that has the relationship with the customer.

All loans facilities regardless of maturity must be reviewed by the Business Unit at least annually based on the customer's financial statements.

Business Units shall monitor all accounts and notify the Credit Unit of any deterioration in customer quality, credit or guarantees, negative trends or breach of credit conditions (EWS Early Warning Tracking Process).

The Bank has the follow-up process, through the Portfolio Monitoring Committee, an agency that monitors loans that presents any of the following situations: increase in the level of risk, probability of irrecoverability, or that, despite the existence of an action plan authorized to correct, it is not carried out within the time established for reasons attributable to the borrower.

There is also the Early Warnings process. for Business Banking accreditees with IG 70-80 and authorized risk greater than the equivalent of one million Canadian dollars, is to frequently analyze key information (delinquency reports, credit bureau, financial conditions, Delay in submitting Annual Reviews), to minimize and/or prevent impact on potential default issues, so the identified findings of concern are discussed in Early Warning Committees or Senior Surveillance Committee/EWS.

(Continued)

Loan Recovery

Administrative Recovery: It is performed when there is a default in payment and/or the terms and conditions that were agreed with the Bank.

There are two areas responsible for Administrative Recovery:

- Business Unit, based on non-compliance; takes immediate recovery procedures or actions, where appropriate with supervision of *Special Account Management* ("SAM").
- SAM Special Accounts; from its transfer, it carries out the recovery procedures or actions, in accordance with the Loan authorization.

At the time of non-compliance by the borrower and for as long as it remains in said status, the actions described below must be carried out:

- Restrict new provisions, for the borrower and/or Group companies, to avoid or, where appropriate, reduce stage 3 portfolio problems.
- Carry out preventive actions to avoid, as far as possible, entering the Portfolio in Stage 3 of the upcoming maturities, requesting the payment of the debt.
- Be in constant contact with the borrower, co-accredited, where appropriate, guarantors and/or joint and several obligors.
- If applicable, carry out location and localization procedures for the borrower, co-accredited party, guarantors, guarantors and/or joint obligors, in order to demand payment.
- Review the credit file, and update the information required for decision-making.
- Identify potential secondary sources of payment.
- Obtain opinion from the legal division, regarding the position of the Bank against the debtor.

Judicial Recovery: Recovery actions initiated and carried out by legal means, when the borrower is in a status of non-payment, once the administrative collection procedures have been exhausted, without achieving an adequate solution.

The objectives pursued by the Judicial Recovery are:

- Legally press for a negotiated recovery with the borrower.
- Obtain a recovery by executing the real or personal guarantees that support the debts, or by attaching property owned by the debtor, obligors and/or guarantors.

Recovery must be initiated by court when:

- Past due debts (principal or interest) are presented for a period of more than 90 days and a payment negotiation with the borrower has not been concluded, or sooner if necessary.
- In special credit programs, past due debts (principal or interest) are presented and there is an obligation on our part to sue, in which case the maximum period to file a claim will be based on the program itself.
- There is non-compliance with the conditions of making, not making or any cause for early maturity and this puts at risk the recovery of the debts.

(Continued)

Credit Risk Concentration

The Bank's objective is to take credit risk that allows maintaining a healthy, diversified portfolio with prudent, controlled risk and Reasonable return. The Credit Risk Policy describes:

- Bank credit risk policies, as well as guidelines, processes and procedures that determine internal governance, risk management and control structure,
- Series of essentials for an effective credit risk management program,
- The roles, responsibilities and mandates of those responsible for the integrity of credit risk management (Board of Directors, Chief Executive Officer ("CEO"), Deputy General Directorate of Risks ("DGD Risks"), Risk and Audit Committee), also the reports generated by credit risk management,
- Controls such as Risk Exposure Limits, Portfolio Rating System, Country Risk and Sector Risk.

The Bank will not enter business relationships with customers engaged in illegal activities, nor with those engaged in improper, outside the law, or inappropriate activities that expose the Bank to legal, regulatory, or reputational risk. Together, these will be referred to as "restricted businesses", and are listed within the Credit Policies Manual, Authorization Title and Special Authorization Levels Annex.

Customers whose activity is identified as "restricted business" may be subject to loans only in cases where they are justified with a demonstration of how the Bank has mitigated legal, regulatory or reputational risks; they must have the favorable opinion of the Reputational Risk Committee.

- As part of ordinary credit business, Business Units and Credit Units often have confidential information of an borrower ("company") within their reach. If this confidential information is material and non-public, it is considered "privileged" information ("*inside*"). It is the responsibility of the Business Unit or the area responsible for the product to evaluate whether they have received information from the customer that is relevant and non-public, consulting with the Compliance area, where appropriate, and requesting that they add the name of the customer to the respective list of Surveillance or Restricted. Whoever prepares the Credit Application will indicate the existence of relevant non-public information included therein.

- The credit limits are based on the needs of the projects, the viability of the credit and the financial capacity of the borrower, without exceeding the legal or internal limits defined by the Board of Directors of the Bank, which are published in Institutional Commercial Portfolio Credit Catalogs.

The Bank has implemented policies and procedures to maintain a healthy, diversified and prudently risky and controlled portfolio, including establishing credit risk exposure limits that also comply with applicable regulatory limits. That they are reviewed and authorized annually by the Risk Committee and/or by the Board of Directors; their behavior is monitored and reported monthly to the Risk Committee and, where appropriate, quarterly to the Board of Directors.

Restricted loans

As of December 31, 2024 and 2023, the Bank maintained a mortgage portfolio, classified as restricted loans, granted as collateral for loans received by Sociedad Hipotecaria Federal, S.N.C. ("SHF"), with respect to which there are circumstances for which they cannot be made available or used.

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b) Loan portfolio Business Model

The loan portfolio is valued at amortized cost because the Bank's business model is the recovery through the collection of cash flows in accordance with the terms and conditions established in the contracts.

The Bank concludes that the loan portfolio is not valued at amortized cost when its business model is different in the facts, by assessing the existence of a history of frequent Loan portfolio sales, either of a specific type of portfolio, a product or a portion thereof that meets specific criteria with which the Bank considers its collection through contractual cash flows unfeasible and therefore uses its sale, also, the expectation of future sales is considered, such as management plans regarding the execution of such transactions, and the presence of conditions that would imply that the Bank requires sales to cover risk parameters established in its policies, such as, the level of liquidity required at a date to meet its commitments, in scenarios where the Bank would be more likely to enter into Loan portfolio sales.

c) Loan portfolio Integration and Analysis

The classification of the loan portfolio in the different risk stages as of December 31, 2024 and 2023 valued at amortized cost, analyzed by credit type and currency, is presented below:

	2024				2023			
	Pesos	**Valued Foreign Currency**	**UDIS**	**Total**	**Pesos**	**Valued Foreign Currency**	**UDIS**	**Total**
Stage 1								
Commercial loans:								
Business or Commercial Activity	$ 122,288	55,680	-	177,968	157,737	42,802	-	200,539
Financial Entities	26,390	684	-	27,074	23,989	-	-	23,989
Government Entities	7,433	7,608	-	15,041	16,572	4,429	-	21,001
	156,111	63,972	-	220,083	198,298	47,231	-	245,529
Consumer loans	46,548	-	-	46,548	36,351	-	-	36,351
Residential mortgages:								
Medium classand Residential	224,038	1	30	224,069	204,868	11	45	204,924
Of social welfare	3	-	-	3	4	-	-	4
Loans acquired from INFONAVIT:								
Ordinary Portfolio	3,634	-	-	3,634	4,195	-	-	4,195
Extension Portfolio	197	-	-	197	199	-	-	199
Special Amortization Regimen (SAR)	511	-	-	511	506	-	-	506
	4,342	-	-	4,342	4,900	-	-	4,900
Loan portfolio with Stage 1 Credit Risk	**$ 431,042**	**63,973**	**30**	**495,045**	**444,421**	**47,242**	**45**	**491,708**

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		2024				2023			
		Pesos	Valued Foreign Currency	UDIS	Total	Pesos	Valued Foreign Currency	UDIS	Total
Loan portfolio with Stage 1 Credit Risk, from previous page	**$**	**431,042**	**63,973**	**30**	**495,045**	**444,421**	**47,242**	**45**	**491,708**
Stage 2									
Commercial loans:									
Business or Commercial Activity		1,881	495	-	2,376	235	-	-	235
Consumer loans		1,202	-	-	1,202	923	-	-	923
Residential mortgages									
Medium class and residential		3,799	-	2	3,801	3,516	3	2	3,521
Loans acquired from INFONAVIT:									
Ordinary Portfolio		12	-	-	12	15	-	-	15
Special Amortization Regimen (SAR)		158	-	-	158	117	-	-	117
		170	-	-	170	132	-	-	132
Loan portfolio with Stage 2 Credit Risk	**$**	**7,052**	**495**	**2**	**7,549**	**4,806**	**3**	**2**	**4,811**
Stage 3									
Commercial loans:									
Business or Commercial Activity	$	5,255	1,599	-	6,854	4,969	1,390	-	6,359
Financial Entities		96	-	-	96	56	-	-	56
		5,351	1,599	-	6,950	5,025	1,390	-	6,415
Consumer loans		1,183	-	-	1,183	937	-	-	937
Residential mortgages:									
Medium class and residential		12,032	35	6	12,073	9,246	24	5	9,275
Of social welfare		8	-	-	8	9	-	-	9
Loans acquired from INFONAVIT:									
Ordinary Portfolio		127	-	-	127	82	-	-	82
Special Amortization Regimen (SAR)		385	-	-	385	343	-	-	343
		512	-	-	512	425	-	-	425
Loan portfolio with Stage 3 Credit Risk	**$**	**19,086**	**1,634**	**6**	**20,726**	**15,642**	**1,414**	**5**	**17,061**
Loan portfolio		457,180	66,102	38	523,320	464,869	48,659	52	513,580
Letters of Credit (note 26(a))		12,143	24,264	-	36,407	16,040	20,338	-	36,378
	$	**469,323**	**90,366**	**38**	**559,727**	**480,909**	**68,997**	**52**	**549,958**
Deferred Items	**$**	**3,866**	**-**	**-**	**3,866**	**3,093**	**-**	**-**	**3,093**

As of December 31, 2024 and 2023, there is no portfolio valued at fair value.

As of December 31, 2024 and 2023, the amount of loans to related parties amounted to $1,611 and $1,530, respectively. Note 25 related parties reveals the details of these amounts.

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Credit risk hedge management and recognition process.

The Bank has policies in place for the evaluation of guarantees, which involve the review of each of the related elements and risks depending on their type, considering both the policies for guarantees, as well as those respective to the analysis and evaluation of credit. The Bank applies controls in the evaluation of the guarantors/obligators identifying the details of the corporate structure, as well as any aspect of significant subordination that affects the support granted.

The credit rating of the guarantor or obligor is determined on a continuous and consistent basis throughout the life of the loan.

Likewise, in the case of the mortgage portfolio and considering the provisions of Articles 101, 102 and Annex 25 of the Provisions, the first loss insurance scheme is applied for credit risk mitigation, the amount covered by the scheme at the close of the fourth quarter corresponds to $11; the insurance coverage is incorporated in the calculation of the Loss Severity parameter.

Total collateral value

Type of collateral		Standard Methodology 2024	Standard Methodology 2023
Eligible Real Financial Guarantees	$	7,372	7,643
Eligible Non-Financial Security Interest		23,863	18,222
Personal guarantees		1,714	1,256
First Loss Insurance Mortgage Portfolio		11	20

Undrawn loans facilities

Undrawn credit facilities at December 31, 2024 and 2023 amounted to $321,019 and $221,856, respectively (note 26(a)).

Additional Residential mortgages Information

The Bank was selected through the auction process to acquire the co-participation rights in the origination of the "Second Loan" product credit that will be granted to the beneficiaries of INFONAVIT. On August 15, 2017, the onerous mortgage loan management assignment agreement was executed between the Bank and INFONAVIT.

INFONAVIT retains the administration, collection and recovery respective to the loans assigned to the Bank and is obliged to carry out the collection arrangements necessary for the recovery of the credit required under the following amortization regimes:

- ORA (Ordinary Regime of Amortization) - applies as long as there is an employment relationship. The employer makes deductions from the worker's salary, then pays and transfers these resources to INFONAVIT on a bimonthly basis through the SUA. In addition, it makes the employer contribution of 5% calculated on the salary received by the worker.

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- SAR (Special Amortization Regime) - applies when the worker works on his or her own or does not have an employment relationship; in this case, the payment factor changes, and the borrower must make his or her payments directly at the financial institutions indicated by INFONAVIT.
- EXT (Extension) - is a right that the worker has by law; during its term the payment is not enforceable, but the debt will be increased by the accumulation of interest.

In 2024 and 2023, the Bank did not acquire loans from INFONAVIT.

As of December 31, 2024, credit that is subject to an additional 90-day term, not to exceed 180 days to be considered Stage 3 credit risk.

As of December 31, 2023, loans that are subject to an exceptional term of 180 days or more to be considered Stage 3 credit risk.

Loans		**Amount**	
2024	**2023**	**2024**	**2023**
838	688	$ 512	$ 425

The amount of the loans that were not transferred to Stage 3, as well as the reason for not having made it, is analyzed in the following table:

Reason	**INFONAVIT (Instituto del Fondo Nacional de la Vivienda para los Trabajadores [National Fund for Workers Housing Institute])**	
	2024	**2023**
Bank received partial amortization payment	$ 4,511	5,032

The total amount of the average and residential mortgages supported by the borrowers' housing subaccount and their representativeness over the entire residential mortgages portfolio are presented below:

	2024		**2023**	
Risk level				
Stage 1	$ 20,530	8%	18,500	8%
Stage 2	273	-	168	-
Stage 3	426	-	220	-
	$ 21,229	**8%**	**18,888**	**8%**

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Loan portfolio Concentration

The integration of the loan portfolio by economic activity and its concentration percentage at December 31, 2024 and 2023 is presented below:

	2024		2023	
Economic Activity	**Amount**	**Concentration**	**Amount**	**Concentration**
Commercial loans*				
Agricultural, forestry and fishing	$ 8,073	3.04%	8,537	2.96%
Trade and Tourism	44,751	16.84%	58,002	20.10%
Construction and Housing	15,890	5.98%	14,431	5.00%
Manufacturing	67,510	25.39%	68,680	23.80%
Community, social and personal services	41,382	15.57%	57,923	20.07%
Financial Services, Insurance and real Estate	82,097	30.88%	75,360	26.12%
Transportation, Storage and Communication	6,113	2.30%	5,624	1.95%
	265,816	100%	288,557	100%
Consumer loans:				
Consumer loans	48,933	100%	38,211	100%
Residential mortgages:				
Construction and Housing	244,978	100%	223,190	100%
Total loan portfolio	**$ 559,727**		**549,958**	

* Commercial portfolio balance includes letters of credit.

(Continued)

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The portfolio integration by federative entity as of December 31, 2024 and 2023 is presented below:

		2024	**2023**
Aguascalientes	$	3,332	5,653
Baja California Norte		7,483	10,192
Baja California Sur		197	1,334
Campeche		366	571
Chiapas		1,072	1,964
Chihuahua		7,622	14,289
Coahuila		6,613	12,390
Colima		665	1,571
Mexico City		351,126	203,263
Durango		2,051	3,300
Guanajuato		4,817	10,471
Guerrero		500	1,441
Hidalgo		953	1,948
Jalisco		21,209	39,393
Mexico		14,187	31,770
Michoacán		1,896	2,888
Morelos		877	3,552
Nayarit		641	2,444
Nuevo León		56,725	68,545
Oaxaca		538	903
Puebla		5,305	11,140
Queretaro		6,295	18,762
Quintana Roo		4,589	10,531
San Luis Potosí		2,945	7,122
Sinaloa		13,055	18,864
Sonora		5,925	14,156
Tabasco		1,180	2,296
Tamaulipas		2,482	4,346
Tlaxcala		165	425
Veracruz		8,967	13,809
Yucatán		6,758	11,390
Zacatecas		600	1,018
Foreign		18,591	18,217
	$	**559,727**	**549,958**

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Portfolio subject to support programs

As of December 31, 2024, there were no new support programs.

As a result of the impacts caused by Hurricane Otis in the state of Guerrero, on October 27, 2023, the Banking Commission announced the Special Accounting Criteria (SCC) applicable to credit institutions. These SCCs aim that financial institutions can generate support programs for their borrowers, if they so require. This program is open to all credits that have been granted to individuals and companies with their domicile or sources of payment in the areas affected by the weather events of October 25, 2023.

As of December 31, 2024 and 2023, the balance of loans enrolled in said program is presented below:

		2024	2023
Consumer loans	$	133	163
Residential mortgages:			
Medium class and residential		412	427
Loans acquired from INFONAVIT		46	50
	$	**591**	**640**

Application of the OTIS Program

Derived from the negative impact generated by the hydrometeorological phenomena with severe impact in the state of Guerrero, Mexico, the Bank has determined to support its customers by implementing various support programs that will be applicable to all its customers who are in said state and subscribe to the program from October 24, 2023 until October 31, 2024, in accordance with the following:

a) CrediAuto

Deferral of 6 monthly payments without interest capitalization. Interest and taxes on those deferred monthly payments were prorated in the following monthly payments by increasing the term of the loan by an additional 6 months. If the credit becomes in effect (with balance) in the additional 6 months, damage, life and unemployment insurance will be taken out covering the extension of term.

b) Mortgage

Deferral of 6 monthly payments (the insurance is capitalized), in this period it will not be considered a late payment collection expense; the amount of interest extended will be distributed in 36 monthly payments that the customer will begin to cover in their monthly payment from the 13th installment after the application of the deferral.

c) Personal Loan and Payroll Loan

6-month deferral of the payment of the loan without interest capitalization, the term of the loan will be extended in this same number of months, according to the periodicity of the loan, the interest generated during the support period will be enforceable in the installments that were added to the original term. During the plan there will be no negative impact on credit history, nor will there be a negative credit bureau mark.

d) ScotiaLine

The support consisted of not requiring the minimum revolving credit facility payment from November 2023 to April 2024. During this deferral period, the late payment collection fee will not be charged, there will be no impact on the credit history, nor will a negative mark be generated on it. During this period, the balance continues to generate interest and VAT that will be due and added to the minimum payment required on the statement. The customer may make provisions of its credit facility and the payment respective to these provisions will be due at the end of said period.

e) Credit Cards

It consists of the fact that the minimum payment of the credit card from November 2023 to April 2024 will not be required. During this deferral period, the late payment collection fee will not be charged, there will be no impact on the credit history, nor will a negative mark be generated. Since the benefit consists of deferring the minimum payment collection without any penalty, as long as the payment is not covered so as not to generate interest, the respective ordinary interest will be generated. Interest generated month-to-month will be part of the revolving balance and based on that balance, the minimum payment will be calculated at the end of the support plan.

Loans subject to special accounting criteria were not considered as restructurings in accordance with the provisions of paragraph 35 of Accounting Criterion B-6, Loan portfolio, nor were they reported as stage 3 credit to credit reporting companies.

The following page presents the amounts that would have been recorded and presented in the consolidated statement of financial position and in the consolidated statement of comprehensive income by portfolio type, if the special accounting criterion had not been applied, as well as the details of the concepts and amounts by portfolio type, for which the accounting impact has been made due to the application of the special accounting criterion as of December 31, 2024 and 2023.

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		2024			**2023**		
		Balance with CCE (Criterio Contable Especial [Special Accounting Criterion]) OTIS	**Effects on Portfolio and Estimate**	**Balance without CCE OTIS**	**Balance with CCE (Criterio Contable Especial [Special Accounting Criterion]) OTIS**	**Effects on Portfolio and Estimate**	**Balance without CCE OTIS**
Commercial portfolio	$	220,083	-	220,083	245,529	-	245,529
Consumer loans		46,548	(2)	46,546	36,351	(3)	36,348
Residential mortgages		228,414	46	228,460	209,828	(9)	209,819
Stage 1		495,045	44	495,089	491,708	(12)	491,696
Commercial portfolio		2,376	-	2,376	235	-	235
Consumer loans		1,202	1	1,203	923	1	924
Residential mortgages		3,971	(1)	3,970	3,653	7	3,660
Stage 2		7,549	-	7,549	4,811	8	4,819
Commercial portfolio		6,950	-	6,950	6,415	-	6,415
Consumer loans		1,183	1	1,184	937	2	939
Residential mortgages		12,593	(45)	12,548	9,709	2	9,711
Stage 3		20,726	(44)	20,682	17,061	4	17,065
Loan portfolio		523,320	-	523,320	513,580	-	513,580
(+/-) Deferred Items		3,866	-	3,866	3,093	-	3,093
(-) Allowance for ECL		(14,733)	(9)	(14,742)	(13,209)	(5)	(13,214)
Total Loan portfolio, net		512,453	(9)	512,444	503,464	(5)	503,459
Total assets	**$**	**918,666**	**(9)**	**918,657**	**836,320**	**(5)**	**836,315**
Allowance for Expected Credit Loss (Results)	$	(5,151)	(9)	(5,160)	(2,197)	(5)	(2,202)
Net income	$	10,934	(9)	10,925	11,279	(5)	11,274
Total stockholders’ equity	$	90,046	(9)	90,037	78,686	(5)	78,681
Total liabilities and stockholders' equity	**$**	**918,666**	**(9)**	**918,657**	**836,320**	**(5)**	**836,315**

Non-payments on loans with pay periods less than 30 days

The balance of credit with payment periods less than 30 days that are unpaid, as well as the credit risk stage in which they are classified as of December 31, 2024 and 2023, is presented in the following page.

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	2024			2023		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Biweekly periodicity						
1	$ 6	-	-	7	-	-
2	4	-	-	3	1	-
3	-	3	-	-	2	-
4	-	1	-	-	3	-
5	-	3	-	-	2	-
6	-	-	2	-	2	-
7	-	-	2	-	-	3
8	-	-	1	-	-	3
9	-	-	-	-	-	2
10	-	-	1	-	-	2
11	-	-	2	-	-	2
12	-	-	1	-	-	-
	$ 10	**7**	**9**	**10**	**10**	**12**
Weekly Periodicity						
1 to 4	$ 9	-	-	3	-	-
5 to 8	-	2	-	-	1	-
9 to 12	-	2	-	-	1	-
13 to 16	-	-	1	-	-	2
17 to 20	-	-	2	-	-	1
21 to 26	-	-	1	-	-	2
	$ 9	**4**	**4**	**3**	**2**	**5**

Data on the number of monthly defaults (average) of the portfolio with payment periods less than 30 days is included.

		No. of average defaults (monthly)	
Risk level	**Invoicing Type**	**2024**	**2023**
Stage 1	Weekly	-	-
Stage 1	Bi-weekly	-	-
Stage 2	Weekly	2	2
Stage 2	Bi-weekly	2	2
Stage 3	Weekly	4	4
Stage 3	Bi-weekly	4	4

d) Loan portfolio income, costs and expenses

Interest income and commissions recorded in the net interest income (note 27(b)) for the years ended on December 31, 2024 and 2023, segmented by credit type, are composed as shown in the following page.

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		2024			2023		
		Interest	**Commissions**	**Total**	**Interest**	**Commissions**	**Total**
Commercial loans							
Business or Commercial Activity	$	23,162	142	23,304	25,514	136	25,650
Financial Entities		2,579	52	2,631	2,432	53	2,485
Government Entities		2,394	2	2,396	2,032	-	2,032
		28,135	196	28,331	29,978	189	30,167
Consumer loans		9,320	237	9,557	7,137	203	7,340
Residential mortgages							
Medium class and residential		22,253	72	22,325	19,406	85	19,491
Loans purchased from Infonavit		540	-	540	592	-	592
		22,793	72	22,865	19,998	85	20,083
	$	**60,248**	**505**	**60,753**	**57,113**	**477**	**57,590**

As of December 31, 2024 and 2023, the balance in the consolidated statement of financial position of the commissions for credit origination, as well as the costs and expenses associated with credit origination, and its weighted average term of amortization, are analyzed below:

		2024				2023			
		Commissions	**Costs and Expenses**	**Deferred Items**	**Term**	**Commissions**	**Costs and Expenses**	**Deferred Items**	**Term**
Commercial loans									
Business or Commercial Activity	$	(206)	1	(205)	3.9 years	(239)	1	(238)	3.6 years
Financial Entities		(138)	-	(138)	1.9 years	(105)	-	(105)	1.8 years
Government Entities		(3)	-	(3)	1.7 years	(7)	-	(7)	1.4 years
		(347)	1	(346)		(351)	1	(350)	
Consumer loans		(4)	1,200	1,196	3.3 years	(4)	708	704	3.1 years
Residential mortgages									
Medium class and residential		(291)	3,307	3,016	19.8 years	(319)	3,058	2,739	19.8 years
	$	**(642)**	**4,508**	**3,866**		**(674)**	**3,767**	**3,093**	

The operating costs associated with credit origination include those disbursed in favor of commission agents for the placement of said credit, as well as the payroll of the personnel involved in credit origination, as well as those related to the credit evaluation systems. Costs and expenses as of December 31, 2024 and 2023 amounted to $4,508 and $3,767, respectively.

As of December 31, 2024 and 2023, recoveries of the previously write-off or eliminated Loan portfolio, recognized in the consolidated statement of comprehensive income, in line item of the "Allowance for ECL", amounted to $413 and $250, respectively.

(Continued)

(Millions of Mexican pesos)

e) Breakdown and analysis of the portfolio with Stage 3 credit risk

The Stage 3 credit risk portfolio as of December 31, 2024 and 2023 shows the following age:

		1 to 180 days	181 to 365 days	366 days to 2 years	More than 2 years	Total
December 31, 2024						
Commercial Portfolio:						
Business or Commercial Activity	$	1,492	1,317	663	3,382	6,854
Financial Entities		40	-	-	56	96
		1,532	1,317	663	3,438	6,950
Consumer loans		1,075	107	1	-	1,183
Residential mortgages:						
Medium class and residential		3,583	1,968	3,280	3,242	12,073
Of social welfare		-	-	-	8	8
Loans purchased from Infonavit		146	64	121	181	512
		3,729	2,032	3,401	3,431	12,593
	$	**6,336**	**3,456**	**4,065**	**6,869**	**20,726**
December 31, 2023						
Commercial Portfolio:						
Business or Commercial Activity	$	1,371	488	1,472	3,028	6,359
Financial Entities		-	-	9	47	56
		1,371	488	1,481	3,075	6,415
Consumer loans		867	70	-	-	937
Residential mortgages:						
Medium class and residential		3,057	1,880	2,104	2,234	9,275
Of social welfare		-	-	-	9	9
Loans purchased from Infonavit		102	93	146	84	425
		3,159	1,973	2,250	2,327	9,709
	$	**5,397**	**2,531**	**3,731**	**5,402**	**17,061**

The following page presents an analysis of the movements of the Stage 3 risk portfolio for the years ended December 31, 2024 and 2023.

(Continued)

(Millions of Mexican pesos)

		2024	2023
Balance at the beginning of the year	$	17,061	18,541
Restructurings		203	146
Foreclosures		(311)	(98)
Surrenders		(12)	-
Deductions		(392)	(459)
Write-offs		(2,817)	(2,003)
Eliminations		(680)	(2,770)
Forgiveness		(3)	-
Transfers from the Stage 1 Risk Portfolio		392	424
Transfers to the Stage 1 Risk Portfolio		(2,702)	(2,301)
Transfers from Stage 2 Risk Portfolio		11,600	8,663
Transfers to the Stage 2 Risk Portfolio		(248)	(148)
Settlements		(2,211)	(2,452)
Portfolio Sale		(109)	(539)
Exchange Rate Fluctuation		335	(222)
Uncollected accrued interest		620	279
	$	**20,726**	**17,061**

As of December 31, 2024 and 2023, the Bank has no creditors declared in bankruptcy, classified in Stage 1 or 2.

f) Restructuring and renewals

The restructured and renewed loans as of December 31, 2024 and 2023 are integrated as shown below:

		Commercial				
2024		**Commercial activities**	**Financial Entities**	**Consumer loans**	**Housing**	**Total**
Restructured or renewed loans in previous years						
Loans with Stage 2 and Stage 3 credit risk that were restructured or renewed	$	3,130	47	112	1,272	4,561
Restructured or renewed loans held in Stage 1 credit risk portfolio		4,436	230	299	5,493	10,458
		7,566	277	411	6,765	15,019
Restructured or renewed loans in the year						
Loans with Stage 2 and Stage 3 credit risk that were restructured or renewed		2,225	40	233	470	2,968
Restructured or renewed loans held in Stage 1 credit risk portfolio		6,049	4,377	106	271	10,803
		8,274	4,417	339	741	13,771
Total restructured loans	**$**	**15,840**	**4,694**	**750**	**7,506**	**28,790**

(Continued)

(Millions of Mexican pesos)

2023		Commercial: Commercial activities	Commercial: Financial Entities	Consumer loans	Housing	Total
Restructured or renewed loans in previous years						
Loans with Stage 2 and Stage 3 credit risk that were restructured or renewed	$	4,313	47	174	996	5,530
Restructured or renewed loans held in Stage 1 credit risk portfolio		5,221	46	543	5,825	11,635
		9,534	93	717	6,821	17,165
Restructured or renewed loans in the year						
Loans with Stage 2 and Stage 3 credit risk that were restructured or renewed		320	-	178	643	1,141
Restructured or renewed loans held in Stage 1 credit risk portfolio		12,747	3,369	129	387	16,632
		13,067	3,369	307	1,030	17,773
Total restructured loans	**$**	**22,601**	**3,462**	**1,024**	**7,851**	**34,938**

Additional guarantees received for the renewal and restructuring of credit for the 2024 and 2023 fiscal years amounted to $195 and $522, respectively. These consist of real estate and guarantee trusts. The concessions granted by the Bank consisted mainly of the establishment of a grace period at the beginning of the credit, as well as the extension of the term of the borrowers.

As of December 31, 2024 and 2023, the Bank capitalized interest for $1 in both years derived from the loan restructuring.

g) Allowance for ECL

Methodology for determining allowance for credit risks.

The Bank has an institutionally approved credit risk classification system for the commercial portfolio and score models and/or performance tracking metrics for the retail portfolio. There are also processes and systems that allow the portfolio to be classified by risk level and to estimate its reserves in accordance with the regulatory models of the Banking Commission.

The following Rating Agencies are used in the standard method: S&P, MOODY'S, FITCH, HR RATINGS and VERUM, based on Annex 1-B of the Banking Commission "Map of Risk Ratings and Degrees".

The rating of rating agencies is used by the Bank for the calculation of the Probability of Default in:

- States and Municipalities.
- Admissibility of guarantors with a global long-term rating of risk grade 1 and 2.
- Customers domiciled abroad and who do not have payment experience information within the national Credit Reporting Companies, who have a global long-term rating of risk grade 1 and 2.

(Continued)

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The estimates for the commercial portfolio are based on the individual assessment of the credit risk of the debtors and their classification, in accordance with the Provisions (standard methodology). It is exempt from qualifying the guaranteed portfolio or portfolio under the responsibility of the Federal Government, the Central Bank and the Institute for the Protection of Bank Savings, in accordance with the Rules for the Qualification of the Loan portfolio of the Multiple Banking Institutions.

The calculation of reserves of borrowers belonging to the consumer and mortgage portfolios, in addition to the commercial Loan portfolio is made based on the regulatory methodologies published in the CUB, which are based on the calculation of the Expected Loss for each of the credit from Probability of Default (PD) parameters, Severity of Loss (SL) and Exposure to Default (ED) using information and specific characteristics of the credit and/or borrowers evaluated.

As explained in note 3(p), the Bank constitutes allowance for ECL to cover the risks associated with the recovery of the Loan portfolio and other credit commitments, such as the amounts for initial irrevocable credit and letters of credit that are recorded in order accounts.

The allowance for ECL as of December 31, 2024 and 2023, comprised by origin of its determination, is presented below:

		2024	**2023**
Derived from Rating	$	14,665	12,756
Due to transactional risks		58	53
For interest accrued on Stage 3 credit [1]		3	4
Authorized by the Banking Commission		7	396
	$	**14,733**	**13,209**

[1] They include uncollected accrued interest in which in their restructuring it was agreed to capitalize them.

As a result of the application of the rating methodologies, PD and SL, obtained as a weighted average (unaudited), and the ED of each category as of December 31, 2024 and 2023, are the following:

	2024				**2023**			
Category	**PD**	**SL**		**ED**	**PD**	**SL**		**ED**
Commercial loans	3.74%	46.93%	$	274,865	3.33%	44.72%	$	294,741
Consumer loans	6.58%	72.31%		68,154	6.37%	72.26%		55,940
Residential mortgages	7.02%	17.61%		244,978	5.93%	17.78%		223,190

The parameters are weighted on the portfolio of each of the portfolios. Exposure to default shown for credit risk includes credit commitments.

(Continued)

(Millions of Mexican pesos)

As of December 31, 2024 and 2023, commercial loans for self-pay investment projects amount to $2,370 and $2,424 respectively, which are not included in the non-compliance exposure balances, because the rating and estimation methodology for these types of credit does not consider the probability factors of non-compliance and the severity of the loss for its determination.

The integration of the evaluated portfolio and the allowance for credit risks derived from the rating, classified by degree of risk and the additional reserve as of December 31, 2024 and 2023, is presented below:

December 31, 2024

	Commercial*									
	Commercial activities		**Financial Entities**		**Government Entities**		**Consumer loans**		**Housing**	
Degree of Risk	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**
A-1	$ 157,843	704	33,140	107	16,797	89	29,795	652	212,292	352
A-2	43,302	466	1,051	11	-	-	6,757	291	5,583	33
B-1	1,345	23	4,673	90	45	1	2,930	138	2,519	22
B-2	569	14	-	-	-	-	2,581	130	4,019	49
B-3	71	3	-	-	-	-	1,116	81	2,334	40
C-1	239	16	-	-	-	-	1,892	172	1,974	62
C-2	6	1	-	-	-	-	1,135	199	3,695	313
D	2,492	827	53	21	-	-	1,075	515	7,315	1,755
E	4,147	3,489	43	43	-	-	1,652	1,166	5,247	2,790
Additional Reserve	-	-	-	-	-	-	-	48	-	13
	$ 210,014	**5,543**	**38,960**	**272**	**16,842**	**90**	**48,933**	**3,392**	**244,978**	**5,429**

December 31, 2023

	Commercial*									
	Commercial activities		**Financial Entities**		**Government Entities**		**Consumer loans**		**Housing**	
Degree of Risk	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**	**Portfolio**	**Reserves**
A-1	$ 172,272	735	31,057	77	20,394	107	23,576	579	197,119	321
A-2	49,355	518	4,885	55	424	6	5,238	235	2,601	16
B-1	1,206	21	2	-	302	5	2,383	112	1,851	16
B-2	283	6	-	-	-	-	2,010	104	4,667	58
B-3	1,735	60	37	1	-	-	830	63	3,073	53
C-1	89	7	-	-	-	-	1,460	135	1,704	55
C-2	520	77	-	-	-	-	716	134	2,718	237
D	1,936	700	13	3	-	-	736	378	5,844	1,454
E	4,004	3,588	43	40	-	-	1,262	923	3,613	1,877
Additional Reserve	-	1	-	-	-	-	-	43	-	13
	$ 231,400	**5,713**	**36,037**	**176**	**21,120**	**118**	**38,211**	**2,706**	**223,190**	**4,100**

* Commercial portfolio balance includes letters of credit.

As of December 31, 2024 and 2023, there is no rating for the excepted portfolio.

(Continued)

(Millions of Mexican pesos)

Additional reserves

The allowance for ECL as of December 31, 2024 and 2023 amounts to $14,733 and $13,209, which includes $14,665 and $12,756 of an estimate calculated according to the methodologies approved by the Banking Commission, as well as $68 and $453 of additional reserves, ($7 and $396 authorized by the Banking Commission, $58 and $53 for transactional risks, $3 and $4 respective to accrued portfolio interest in Stage 3), respectively.

The establishment of additional allowance for credit risks was recorded as of January 2022 in the amount of $2,346 and there have been changes described below:

		2024	2023
Initial balance of additional reserves	$	453	1,667
Additions		4	21
Releases [(1)(2)(3)]		(389)	(1.235)
Balance	**$**	**68**	**453**

(1) During fiscal year 2024 and 2023, additional Covid contingency reserves were released for $(384) and $(531), respectively.
(2) During the 2024 fiscal year, reserves were released for the Housing Banking Transaction and Financing Fund (FOVI) for $(5).
(3) During fiscal year 2023, all reserves created for the borrower UNIFIN for $(704) were released.

As of December 31, 2024 and 2023, there is a remaining Covid reserves of $2 and $384, respectively.

Movements of the allowance for ECL

The following page presents an analysis of the movements for the years ended as of December 31, 2024 and 2023.

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December 31, 2024

		Commercial					
		Commercial activities	Financial Entities	Government Entities	Consumer loans	Housing	Total
Stage 1							
Balance at the beginning of the year	$	1,261	104	117	1,500	504	3,486
Create (Cancel) Reserves		(239)	75	(44)	392	114	298
Deductions		-	-	-	(71)	(16)	(87)
Assignments		-	-	-	-	(2)	(2)
Foreclosures		-	-	-	-	(27)	(27)
Surrenders		-	-	-	-	(1)	(1)
Creation by settlements		-	-	-	18	5	23
Fluctuation		75	1	7	-	-	83
		1,097	180	80	1,839	577	3,773
Stage 2							
Balance at the beginning of the year		6	-	-	438	319	763
Create (Cancel) Reserves		106	-	-	157	106	369
Deductions		-	-	-	(2)	(2)	(4)
Settlement Creations		-	-	-	1	1	2
Fluctuation		1	-	-	-	-	1
		113	-	-	594	424	1,131
Stage 3							
Balance at the beginning of the year		4,290	43	-	726	3,263	8,322
Create (Cancel) Reserves		495	21	-	2,815	1,888	5,219
Write-offs		(59)	-	-	(2,517)	(241)	(2,817)
Deductions		(19)	-	-	(142)	(231)	(392)
Forgiveness		(3)	-	-	-	-	(3)
Assignments		(88)	-	-	-	(21)	(109)
Foreclosures		(22)	-	-	(2)	(287)	(311)
Surrenders		-	-	-	-	(12)	(12)
Settlement Creation		-	-	-	32	53	85
Eliminations		(680)	-	-	-	-	(680)
Fluctuation		289	-	-	-	5	294
		4,203	64	-	912	4,417	9,596
	$	**5,413**	**244**	**80**	**3,345**	**5,418**	**14,500**

		Contingent Transactions and Guarantors	Due to transactional risks	Interest accrued	Recognized by the Banking Commission	Total
Balance at the beginning of the year	$	185	53	4	396	638
Create (Cancel) Reserves		(48)	5	(1)	(389)	(433)
Fluctuation		28	-	-	-	28
	$	**165**	**58**	**3**	**7**	**233**
						$ 14,733

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December 31, 2023

		Commercial					
		Commercial activities	Financial Entities	Government Entities	Consumer loans	Housing	Total
Stage 1							
Balance at the beginning of the year	$	1,565	97	87	1,933	492	4,174
Create (Cancel) Reserves		(260)	7	33	(377)	31	(566)
Deductions		-	-	-	(61)	(32)	(93)
Foreclosures		-	-	-	-	(1)	(1)
Creation by settlements		-	-	-	5	14	19
Fluctuation		(44)	-	(3)	-	-	(47)
		1,261	104	117	1,500	504	3,486
Stage 2							
Balance at the beginning of the year		7	-	-	288	235	530
Create (Cancel) Reserves		(1)	-	-	154	84	237
Eliminations		-	-	-	(6)	-	(6)
Settlement Creations		-	-	-	2	-	2
		6	-	-	438	319	763
Stage 3							
Balance at the beginning of the year		6,769	37	-	643	2,772	10,221
Create (Cancel) Reserves		375	6	-	1,956	1,189	3,526
Write-offs		(29)	-	-	(1,782)	(192)	(2,003)
Deductions		(33)	-	-	(123)	(303)	(459)
Forgiveness		(1)	-	-	-	-	(1)
Assignments		(153)	-	-	-	-	(153)
Foreclosures		(44)	-	-	-	(54)	(98)
Settlement Creation		1	-	-	32	77	110
Eliminations		(2,426)	-	-	-	-	(2,426)
Sale		-	-	-	-	(223)	(223)
Fluctuation		(169)	-	-	-	(3)	(172)
		4,290	43	-	726	3,263	8,322
	$	**5,557**	**147**	**117**	**2,664**	**4,086**	**12,571**

		Contingent Transactions and Guarantors	Due to transactional risks	Interest accrued	Recognized by the Banking Commission	Total
Balance at the beginning of the year	$	213	28	7	1,632	1,880
Create (Cancel) Reserves		(12)	25	(3)	(892)	(882)
Fluctuation		(16)	-	-	-	(16)
Eliminations		-	-	-	(344)	(344)
	$	**185**	**53**	**4**	**396**	**638**
						$ 13,209

As of December 31, 2024 and 2023, fully reserved commercial loans were removed from the consolidated statement of financial position for $680 and $2,770. No credit to related parties were eliminated in that fiscal year.

(Continued)

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As of December 31, 2024 and 2023, the amount of the allowance for ECL of undrawn credit facilities amounts to $230, of which $10 corresponds to the commercial portfolio and $220 to the consumer portfolio, and $233, of which $11 corresponds to the commercial portfolio and $222 to the consumer portfolio, respectively.

As of December 31, 2024 and 2023, the total amount of penalties amounted to $2,817 and $2,003, respectively. No related party credit was written-off in the year.

h) Acquired Loan portfolio

As of December 31, 2024 and 2023, the bank did not acquire a Loan portfolio.

i) Assigned Loan portfolio

During 2024 and 2023, the Bank entered into contracts for onerous assignments of credit rights, litigation rights and foreclosureees of two commercial portfolio portfolios with an unrelated company. The portfolio at the date of the assignment was classified as a portfolio with stage 3 credit risk. The fair value of the portfolio at the date of the assignment was $46 and $84, respectively. The results of these transactions were recorded in the consolidated statement of comprehensive income under the heading “Other opperating income (expense)”.

During 2024 and 2023, the Bank entered into onerous credit rights, litigation rights and mortgage portfolio foreclosureee assignments contracts with an unrelated company. The portfolio at the date of the assignment was classified as a portfolio with stage 3 credit risk. The fair value of the portfolio at the date of the assignment was $7 and $79, respectively. The results of these transactions were recorded in the consolidated statement of comprehensive income under the heading “Other opperating income (expense)”.

During 2024 and 2023, the Bank entered into contracts for transfers of written-off portfolio. The fair value of the portfolio at the date of the assignment was $21 and $24, respectively. The results of these transactions were recorded in the consolidated statement of comprehensive income under the heading “Allowance for ECL”.

(11) Other accounts receivable, net

As of December 31, it is integrated as shown below:

		2024	2023
Receivables for trade settlement	$	40,946	18,597
Miscellaneous Debtors		1,677	2,911
Loans and other personnel debts		3,230	2,776
Debtors for collateral granted in cash (see note 9h)		1,580	1,253
Debtors by margin accounts		1,242	918
Taxes Recoverable		384	400
		49,059	26,855
Allowance for Expected Credit Losses		(57)	(60)
	$	**49,002**	**26,795**

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Miscellaneous Debtors

On September 11 and November 6, 2023, the Bank made contributions for future capital increases of $160 and $200, respectively, in order to increase the investment it maintains in Inmobiliaria Scotia Inverlat, S. A de C. V. by signing the payment of an increase to the variable part of the Corporate Capital, such contributions were authorized by the Banking Commission through Official Letter 312-3/94472/2023.

Receivables for trade settlement

		2024	2023
Currencies (see note 6)	$	6,981	7,048
Investments in financial instruments (see note 7)		33,911	11,528
Repurchase/resale agreements (see note 8)		36	12
Derivative financial instruments (see note 9)		18	9
	$	**40,946**	**18,597**

The allowances for expected credit losses for the years ended on December 31, 2024 and 2023 are shown below:

		2024	2023
Initial Balance	$	(60)	(70)
Creations		(46)	(61)
Derecognition		6	22
Recoveries		42	37
Applications		1	12
Final Balance	**$**	**(57)**	**(60)**

(12) Foreclosed assets

As of December 31, it is composed as follows:

		2024			2023		
Foreclosed assets		**Foreclosure Value**	**Value Loss Estimate**	**Net**	**Foreclosure Value**	**Value Loss Estimate**	**Net**
real estate	$	980	(132)	848	672	(87)	585

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As of December 31, 2024 and 2023, an analysis of the movements of the allowance for loss of value is presented below:

		2024	2023
Balance at the beginning of the year	$	(87)	(58)
Additional provisions for the passage of time applied to the profit or loss of the fiscal year		(128)	(77)
Application of reserves for the sale of foreclosed parties and others		83	48
	$	**(132)**	**(87)**

On December 4, 2024, the Bank made a bundle sale of goods allocated to an unrelated party, with a carrying amount of $62 at a sales price of $100, which generated a profit in the consolidated statement of comprehensive income under the heading "Other operating income, net" of $38.

During fiscal year 2024 and 2023, there are no foreclosed assets for use by the Bank.

(13) Property, furniture and equipment, net

As of December 31, they are comprised as follows:

		2024	2023
Investment:			
Land	$	482	483
Buildings		1,149	1,149
Leasehold enhancements		5,075	4,968
Transportation equipment		-	2
Furniture and office equipment		1,958	1,812
Computer equipment		2,696	2,539
Investment Total		11,360	10,953
Minus:			
Accumulated Depreciation:			
Buildings		748	727
Leasehold enhancements		2,268	2,212
Transportation equipment		-	2
Furniture and office equipment		1,483	1,347
Computer equipment		1,417	1,376
Total accumulated depreciation		5,916	5,664
	$	**5,444**	**5,289**

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During 2024 and 2023, the movements made in properties, furniture and equipment are integrated as follows:

		Investment	Accumulated Depreciation	Net
Balance as of January 1, 2023	$	10,130	(5,357)	4,773
Additions		1,018	(466)	552
Disposals		(195)	159	(36)
Balance as of December 31, 2023		**10,953**	**(5,664)**	**5,289**
Additions		753	(493)	260
Disposals		(346)	241	(105)
Final balance on December 31, 2024	**$**	**11,360**	**(5,916)**	**5,444**

Annual depreciation rates are listed below:

	Useful Life	Annual depreciation rate
Buildings	20	5%
Office properties	Miscellaneous	Miscellaneous
Transportation Equipment	3 and 4	25% and 33%
Computer Equipment	3 and 5	Miscellaneous
Furniture and Equipment	10	10%
Enhancements and adaptations	Miscellaneous	Miscellaneous

The amount charged to the consolidated statement of comprehensive income for the years ended on December 31, 2024 and 2023, for depreciation amounted to $530 and $497, respectively.

As of December 31, 2024 and 2023, there was no effect due to impairment of enhancements and adaptations.

According to the studies carried out by the Bank Management, the residual value (except the land) at December 31, 2024 and 2023 is minimal.

Sale of real estate

During 2024 and 2023, the Bank made the sale of real estate, the total profit on the sale of real estate amounted to $1 and $13, respectively, which was recorded in line item “Other opperating income (expense)”.

(Continued)

(Millions of Mexican pesos)

(14) Assets for right-of-use of property, furniture and equipment, net and alease liabilities

The Bank leases land, commercial premises and office spaces for its branches, offices and ATMs for the most part. Lease generally runs for 5-year terms with an option of one or two extensions of 5 years each. During 2024 and 2023, there are no variable lease payments, residual value guarantees, leases not initiated, restrictions or conditions imposed by leases and leaseback sales transactions.

Lease payments generally have annual increases based on the CPI and every 5 years rents are renegotiated for market adjustments and others with already pre-established increases.

Some leases provide additional payments to rent, such as maintenance fees primarily in shopping centers. Some leases have restrictions on entering sublease contracts.

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

During 2024 and 2023, the Bank has leases and subleases with contract maturities between the years from 2024 to 2038 and 2024 to 2036, respectively.

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

Below is information on leases for which the Bank is a lessee.

Leased assets (right-of-use assets)

The movement of assets by use rights is integrated as follows:

		Buildings	Computer Equipment	Transportation Equipment	Total
Balance as of January 1, 2023	$	2,552	102	30	2,684
Accumulated Depreciation		(217)	(37)	(10)	(264)
Lease asset remeasurement		(146)	-	-	(146)
Additions		210	42	30	282
Disposals		(154)	-	(11)	(165)
Balance as of December 31, 2023		**2,245**	**107**	**39**	**2,391**
Accumulated Depreciation		(617)	(37)	(20)	(674)
Lease asset remeasurement		232	-	-	232
Additions		345	-	13	358
Disposals		(151)	-	(1)	(152)
Final balance on December 31, 2024	**$**	**2,054**	**70**	**31**	**2,155**

(Continued)

(Millions of Mexican pesos)

As of December 31, 2024 and 2023, there is no indication that right-of-use assets could be impaired.

Lease Liability

The movement of the lease liability is shown below:

		2024	2023
Initial balance as of January 1	$	(2,542)	(2,811)
Interest expenses		(203)	(212)
New contracts		(358)	(320)
Remeasurement of lease liabilities		(181)	(59)
Provisions		162	120
Payments		739	740
Balance as of December 31	**$**	**(2,383)**	**(2,542)**

The following table shows the maturities of the lease liability considering the contractual payments not discounted at December 31, 2024 and 2023.

		2024	2023
Less than one year	$	71	38
One to three years		395	473
Three to five years		775	1,592
More than 5 years		1,568	1,763
Total lease liability without discounting contractual payments	**$**	**2,809**	**3,866**
Less than one year	$	70	37
Long-term		2,313	2,505
Lease Liability	**$**	**2,383**	**2,542**

Additional Information

During the years ended December 31, 2024 and 2023, the amounts recognized in the consolidated statement of comprehensive income are:

		2024	2023
Interest on lease liabilities	$	203	212
Depreciation of the asset by rights of use		605	591
Expenses related to short-term leases		4	3
Sublease income		49	42

(Continued)

(Millions of Mexican pesos)

(15) Prepaid Expenses and Other assets, Net

As of December 31, 2024 and 2023, advance payments and other assets amount to:

		2024	2023
Insurance to be amortized	$	-	1
Prepaid rent		4	5
Other deferred commissions		10	36
Deferred PTU assets (note 20)		1,558	1,524
Other prepayments:			
Prepayment licenses		293	276
PTU advances		635	572
Prepayment adaptations and enhancements		6	4
Others		154	150
	$	**2,660**	**2,568**

(16) Permanent Investments

a) Investment in Associated Companies

As of December 31, 2024 and 2023, investment in associated companies was valued based on the equity method, considering the income and stockholders' equity of the issuer. The associates are shown below:

Associate	Interest	Primary Activity and Location
Controladora Prosa, S. A. de C. V.	19.73%	Transaction to process electronic transactions and offer products to correspondents, acquirers and issuers, Mexico City.
Assigns Compensation and Settlement F/30430 (Assignment)	1.11%	Partner operating futures contracts and options quoted on the Mexican Derivatives Market. Mexico City.
Mercado Mexicano de Derivados, S. A. de C. V. (MexDer)	0.18%	Settlement partner and enter into future contracts, options and swaps, on its own behalf and on behalf of third parties. Mexico City.

Associates		Stockholders' equity		Share in the net income of other entities	
		2024	2023	2024	2023
Controladora Prosa	$	374	249	116	394
Assigns		11	9	2	1
MexDer		1	1	-	-
	$	**386**	**259**	**118**	**395**

(Continued)

(Millions of Mexican pesos)

b) Other Permanent Investments

As of December 31, they are comprised as follows:

			2024	2023
	% of Ownership		**Acquisition Cost**	**Acquisition Cost**
Trans Union de México, S. I. C. (Trans Union de México)	6.77%	$	4	4
Dun & Bradstreet, S. A.	6.77%		1	1
CECOBAN	2.63%		2	2
Seguridad y Protección Bancaria, S. A.	6.30%		1	1
Total		**$**	**8**	**8**

As of December 31, 2024 and 2023, cash dividends received from other permanent investments were $73 and $167, respectively, recorded under "Share of net income of other entities" in the consolidated statement of comprehensive income.

In January 2024, the Bank received cash dividends of $181 from Controladora Prosa, which were declared in 2023.

As of December 31, 2024 and 2023, there is no indication that permanent investments could be impaired.

(17) Intangible Assets, Net

As of December 31, 2024 and 2023, the movements in the software, computer developments within the intangible assets category are integrated below.

		Acquisition Cost	**Accumulated Amortization**	**Net carrying value**
Balance as of January 1, 2023	$	7,565	(2,977)	4,588
Additions		1,013	(798)	215
Disposals		(1,397)	1,204	(193)
Balance as of December 31, 2023		7,181	(2,571)	4,610
Adittions		1,066	(827)	239
Final balance on December 31, 2024	**$**	**8,247**	**(3,398)**	**4,849**

Intangible assets of software and computer development are amortized within 5 and 10 years from the date they are available for use by the Bank.

(Continued)

(Millions of Mexican pesos)

(18) Deposits funding

As of December 31, 2024 and 2023, the deposits funding is discussed below:

		2024			2023		
		Mexican pesos	**Foreign currency**	**Total**	**Mexican pesos**	**Foreign currency**	**Total**
Demand deposits:							
With interest	$	166,633	21,346	187,979	144,007	26,592	170,599
Without interest		94,839	12,266	107,105	96,515	9,015	105,530
		261,472	**33,612**	**295,084**	**240,522**	**35,607**	**276,129**
Time Deposits							
From the general public:							
Certificates of Deposit (CDs)		4,199	-	4,199	3,452	-	3,452
Promissory notes with yield payable at maturity (PRLV)		189,513	40	189,553	205,234	-	205,234
		193,712	40	193,752	208,686	-	208,686
Money Market:							
CDS		34,255	-	34,255	34,470	-	34,470
PRLV (Pagaré con Rendimiento Liquidable al Vencimiento [Promissory Note to be Settled upon Maturity])		3,670	-	3,670	10,034	-	10,034
		37,925	-	37,925	44,504	-	44,504
Debt securities issued:							
Bank bonds		2,608	1,404	4,012	3,765	-	3,765
Stock certificates		25,788	504	26,292	7,176	-	7,176
		28,396	1,908	30,304	10,941	-	10,941
Global deposit account without movements		1,344	179	1,523	1,179	118	1,297
	$	**522,849**	**35,739**	**558,588**	**505,832**	**35,725**	**541,557**

Pursuant to the provision of Article 61 of the Law on Credit Institutions, as of December 31, 2024 and 2023, the three-year inactivity deadlines for certain customer engagement accounts were met, counted from its concentration in the global deposit account made up of 41,707 and 90,929 accounts, with an individual amount or less than 300 UMAs in force in Mexico City, totaling $52 and $28, respectively which were given to public charity, in accordance with the order of said article during 2024 and 2023.

(Continued)

(Millions of Mexican pesos)

The weighted average, unaudited annual rates of the different deposit contracts during the years ended December 31, 2024 and 2023, are analyzed as shown below:

	2024		**2023**	
	Mexican pesos	**Foreign currency**	**Mexican pesos**	**Foreign currency**
Demand deposits				
With interest	8.98%	2.92%	10.28%	2.74%
Time Deposits				
CDS	5.38%	-	5.40%	-
PRLV (Pagaré con Rendimiento Liquidable al Vencimiento [Promissory Note to be Settled upon Maturity])	9.52%	-	10.29%	-
Money Market				
CDS	10.35%	4.30%	11.53%	-
PRLV (Pagaré con Rendimiento Liquidable al Vencimiento [Promissory Note to be Settled upon Maturity])	10.64%	-	11.74%	-
Debt securities issued				
Stock certificates	10.28%	4.30%	11.54%	-

As of December 31, 2024 and 2023, money market time deposits and credit securities issued among the large investing public are detailed below:

(a) Money Market Time Deposits

As of December 31, 2024 and 2023, CDs were issued with a par value of 100 pesos in the amount of $34,255 and $34,470, respectively. As of December 31, 2024 and 2023, no Cedes were issued in dollars.

The following page includes an integration of the grants as of December 31, 2024 and 2023.

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December 31, 2024

CDs-

Payment of interest	Annual Rate	Term in days	Amount	Accrued interest
28 days	TIIE 28 + 0.02%	364	$ 4,000	$ 24
28 days	TIIE 28 + 0.01%	364	500	4
28 days	TIIE 28 + 0.01%	353	2,000	13
28 days	TIIE 28 + 0.01%	337	500	3
28 days	TIIE 28	253	700	4
28 days	TIIE 28 + 0.01%	337	1,000	6
28 days	TIIE 28 + 0.02%	252	1,000	5
28 days	TIIE 28 + 0.02%	336	1,000	5
28 days	TIIE 28 + 0.02%	336	1,000	5
28 days	TIIE Fund	196	500	-
28 days	TIIE Fund	364	500	-
28 days	TIIE Fund + 0.25%	365	900	4
28 days	TIIE 28	336	600	3
28 days	TIIE 28	364	200	1
28 days	TIIE 28	367	500	1
28 days	TIIE 28	112	5,000	10
28 days	TIIE 28 + 0.02%	364	2,000	4
28 days	TIIE 28 + 0.01%	365	1,000	1
28 days	TIIE 28 + 0.01%	365	235	-
28 days	TIIE 28 + 0.01%	351	2,000	12
28 days	TIIE 28 + 0.01%	253	2,500	-
28 days	TIIE 28 + 0.01%	225	2,500	-
28 days	TIIE 28 + 0.01%	197	1,000	6
28 days	TIIE 28 + 0.01%	365	1,000	5
28 days	TIIE 28 + 0.03%	337	2,000	4
			$ 34,135	**120**
Total CDs				**$ 34,255**

(Continued)

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(Millions of Mexican pesos)

December 31, 2023

CDs-

Payment of interest	Annual Rate	Term in days	Amount	Accrued interest
28 days	TIIE 28+.03%	336	$ 900	$ 8
28 days	TIIE 28+.02%	350	2,000	3
28 days	TIIE 28+.04%	336	2,000	17
28 days	TIIE 28+.03%	350	350	1
28 days	TIIE Fond+.25%	336	2,500	19
28 days	TIIE 28+.03%	336	1,000	7
28 days	TIIE Fond+.26%	336	1,000	7
28 days	TIIE 28+.02%	336	1,000	5
28 days	TIIE Fond+.25%	364	3,000	3
28 days	TIIE Fond+.26%	364	3,000	5
28 days	TIIE 28+.03%	364	2,000	17
28 days	TIIE 28	112	2,000	1
28 days	TIIE 28	84	3,000	2
28 days	TIIE 28+.02%	336	1,500	1
28 days	TIIE 28+.02%	336	600	1
28 days	TIIE 28+.02%	336	2,000	2
28 days	TIIE 28+.02%	350	2,000	3
28 days	TIIE Fond+.26%	364	500	3
28 days	TIIE 28+.02%	250	2,000	8
28 days	TIIE 28+.02%	252	500	2
28 days	TIIE 28+.02%	252	1,500	5
			$ 34,350	**120**
Total CDs				**$ 34,470**

Notes with Payable Yield on Maturity-

As of December 31, 2024 and 2023, notes were issued with a payable yield at maturity with a nominal value of approximately one peso each, as shown on the following page.

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December 31, 2024

Issue Date	Number of securities	Term in days	Annual Rate	Amount	Amortization Discount
February 2024	222,755,007	364	11.35	$ 223	$ (3)
April 2024	11,127,385	364	11.35	11	-
April 2024	177,061,082	364	11.41	177	(6)
April 2024	60,621,031	364	11.50	61	(2)
May 2024	58,927,630	270	11.31	59	(1)
July 2024	164,412,625	180	11.26	164	-
July 2024	42,185,434	178	11.18	42	-
July 2024	57,497,847	182	11.25	58	-
July 2024	4,902,333	180	11.28	5	-
July 2024	120,133,335	180	11.28	120	(1)
July 2024	58,886,450	182	11.23	59	-
July 2024	43,308,709	269	11.16	43	(1)
July 2024	88,913,951	364	11.13	89	(4)
August 2024	38,192,542	180	11.21	38	-
August 2024	76,455,972	180	11.21	77	(1)
August 2024	58,829,806	182	10.87	59	(1)
August 2024	2,107,099	180	10.90	2	-
August 2024	84,124,041	180	10.90	84	(1)
August 2024	55,358,894	364	10.79	55	(3)
September 2024	131,441,870	181	10.73	131	(3)
September 2024	80,090,488	180	10.72	80	(2)
October 2024	51,302,506	90	11.52	51	-
October 2024	68,227,428	270	10.60	68	(5)
October 2024	4,378,238	180	10.59	4	-
October 2024	128,483,458	180	10.59	129	(4)
October 2024	53,891,867	271	10.49	54	(3)
October 2024	55,187,020	364	10.36	55	(4)
October 2024	55,232,510	364	10.56	55	(4)
October 2024	61,867,764	364	10.49	62	(5)
November 2024	51,696,667	120	10.41	52	(1)
November 2024	102,626,400	180	10.48	103	(4)
November 2024	112,996,235	182	10.36	113	(5)
November 2024	6,301,501	180	10.27	6	-
November 2024	71,775,787	180	10.27	72	(3)
November 2024	110,304,782	364	10.27	110	(9)
December 2024	106,717,344	182	10.24	107	(4)
December 2024	2,918,456	180	10.01	3	-
December 2024	63,788,953	180	10.01	64	(3)
December 2024	232,481,613	195	10.14	232	(12)
December 2024	53,660,001	270	9.91	54	(4)
December 2024	220,262,597	364	10.09	220	(19)
December 2024	54,924,123	364	9.84	55	(5)
December 2024	535,488,068	364	10.08	536	(49)
				$ 3,842	**(172)**
Total					**$ 3,670**

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December 31, 2023

Issue Date	Number of securities	Term in days	Annual Rate	Amount	Amortization Discount
January 2023	1,112,261,666	349	11.60	$ 1,112	$ (5)
April 2023	2,180,599,995	270	12.06	2,180	(5)
May 2023	554,905,710	271	11.90	555	(5)
May 2023	59,015,410	270	11.75	59	(1)
May 2023	77,997,992	360	11.62	78	(3)
May 2023	230,015,626	270	11.75	230	(3)
May 2023	1,140,404,729	270	11.75	1,140	(8)
June 2023	541,044,208	259	11.75	541	(16)
July 2023	46,653,082	361	11.47	47	(2)
July 2023	1,479,799	180	11.60	1	-
July 2023	618,724,701	180	11.60	618	-
July 2023	213,562,518	180	11.60	214	(1)
July 2023	29,637,768	361	11.36	30	(2)
July 2023	4,753,273	180	11.57	5	-
July 2023	48,672,455	180	11.57	49	-
August 2023	54,316,269	270	11.51	54	(2)
August 2023	55,730,850	361	11.45	56	(3)
August 2023	70,398,241	180	11.56	70	(1)
August 2023	2,133,073	180	11.56	2	-
August 2023	226,144	180	11.75	-	-
August 2023	42,678,399	180	11.75	43	-
August 2023	55,775,985	361	11.55	56	(4)
August 2023	54,331,231	270	11.58	54	(2)
August 2023	122,807,400	180	11.68	123	(2)
September 2023	15,704,101	180	11.68	16	-
September 2023	28,879,909	180	11.68	29	(1)
October 2023	54,312,508	270	11.75	54	(3)
October 2023	55,839,164	364	11.80	56	(5)
October 2023	5,595,091	180	11.73	6	-
October 2023	126,050,291	180	11.73	126	(4)
October 2023	54,406,253	270	11.82	54	(3)
October 2023	173,302,908	180	11.78	173	(6)
October 2023	55,955,424	364	11.85	56	(5)
November 2023	299,219,014	180	11.73	299	(12)
November 2023	528,000	180	11.73	1	-
November 2023	167,431,112	180	11.61	167	(7)
November 2023	3,171,150	180	11.61	3	-
November 2023	266,522,972	270	11.55	267	(19)
November 2023	54,516,365	180	11.61	55	(2)
December 2023	106,473,928	180	11.56	106	(5)
December 2023	7,392,001	180	11.56	7	-
December 2023	611,679,046	141	11.60	612	(23)
December 2023	105,668,348	179	11.56	106	(5)
December 2023	175,042,663	180	11.59	175	(9)
December 2023	21,669,040	180	11.59	22	(1)
December 2023	90,981,604	365	11.45	91	(9)
December 2023	468,935,725	364	11.45	469	(49)
				$ 10,267	**(233)**
Total					**$ 10,034**

(Continued)

(Millions of Mexican pesos)

(b) Debt securities issued

As of December 31, 2024 and 2023, the Bank has outstanding stock certificates with a nominal value of one hundred pesos each, under the program authorized by the Banking Commission up to an amount of $50,000 for both years as shown below:

Stock certificates

December 31, 2024

Issue Date	Number of securities	Term in years	Interest payment in days	Emission Ratio	Interest Rate		Amount	Accrued interest
August 2023	71,254,993	3	927	14.25%	TIIE 28 + 0.04%	$	7,125	52
February 2024	51,893,902	3	1,095	10.38%	TIIEF + 0.32%		5,189	2
February 2024	48,106,098	7	2,548	9.62%	9.74%		4,811	165
September 2024	39,696,111	7	2,548	7.94%	9.89%		3,970	119
September 2024	43,245,200	3	1,095	8.65%	TIIEF + 0.32%		4,324	32
						$	**25,419**	**370**
							Issuance expenses	**(1)**
Subtotal of Stock Certificates							**$**	**25,788**

Foreign currency stock certificates

Issue Date	Number of securities	Term in years	Interest payment in days	Emission Ratio	Interest Rate		Amount	Accrued interest
September 2024	238,461	3	1,092	0.5%	4.30%	$	498	6
Subtotal of Stock Certificates							**$**	**504**

December 31, 2023

Issue Date	Number of securities	Term in years	Interest payment in days	Emission Ratio	Interest Rate	Amount	Accrued interest
August 2023	71,254,993	2.5	28	14.25%	TIIE 28 + 0.04%	$ 7,125	53
						Issuance expenses	(2)
Subtotal of Stock Certificates						**$**	**7,176**

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Structured bank bonds

December 31, 2024

Issue Date	Number of securities	Term in days	Underlying		Amount	Accrued interest
December 2022	753,800	1094	BNPUI5	$	75	11
December 2023	1,576,600	1095	MEXIPC		158	-
December 2023	3,017,450	1095	SPXFP		302	-
February 2022	533,200	1093	MSFDV1		53	-
July 2023	5,283,850	550	USD/MXN		528	-
June 2022	1,820,690	1093	ENHFO5		182	10
June 2022	3,034,360	1094	ENHGE5		304	16
November 2022	6,070,300	1093	BNPUI5		607	86
December 2024	2,152,450	1094	SPXFP		215	-
December 2024	1,418,300	120	USD/MXN		142	-
August 2023	353,600	547	USD/MXN		35	-
				$	**2,601**	**123**
					Issuance expenses	**(116)**
Total bank bonds					**$**	**2,608**

Structured dollar bank bonds

December 31, 2024

Issue Date	Number of securities	Term in days	Underlying		Amount	Accrued interest
July 2024	25,000	1090	QQQ.OQ	$	52	-
November 2024	613,200	1092	QQQ.OQ		1,281	-
December 2024	34,000	724	SMH.P		71	-
				$	1,404	-
					$	**1,404**

(Continued)

(Millions of Mexican pesos)

December 31, 2023

Issue Date	Number of securities	Term in days	Underlying	Amount	Accrued interest
March 2021	120,000	1,080	FXI	$ 10	-
April 2021	4,772,100	1,093	IDBTVER	478	-
June 2021	572,300	1,093	IDBTVER	57	-
November 2021	7,700,450	1,093	BNPIUIL5	769	25
February 2022	533,200	1,093	MSFDVTHY	53	-
February 2022	512,600	729	QQQ	52	-
June 2022	3,034,360	1,094	ENHGE5	304	10
June 2022	1,820,690	1093	ENHFO5	182	6
November 2022	6,352,800	1,093	BNPIUIL5	635	46
December 2022	803,800	1,094	BNPIUIL5	80	6
March 2023	120,200	550	SEM	12	-
July 2023	5,849,350	550	USDMXN	585	-
August 2023	423,600	547	USDMXN	42	-
November 2023	146,267	360	SPX.INDX	15	-
December 2023	3,017,450	1,095	SPXFP	302	-
December 2023	1,736,600	1095	MEXBOL	174	-
				$ 3,750	**93**
				Issuance expenses	**(78)**
Total bank bonds					**$ 3,765**

(c) Valuation adjustment for hedge of financial liabilities

Fair value hedges for interest rate risk of a portion of a portfolio comprised of financial liabilities may result in an adjustment to the carrying value of the hedged item, for gain or loss, which is recognized in income for the period and presented under valuation adjustments for hedging of financial liabilities.

As of December 31, 2024 and 2023, the Bank does not have hedging relationships at fair value of financial liabilities and therefore no adjustment to the hedged item was recognized.

(19) Interbank loans and loans from other institutions

As of December 31, 2024 and 2023, they are integrated as shown in the following page.

(Continued)

(Millions of Mexican pesos)

		2024			**2023**		
		Mexican pesos	**Foreign currency**	**Total**	**Mexican pesos**	**Foreign currency**	**Total**
Short term							
Foreign Banks	$	-	11,347	11,347	-	8,519	8,519
Development Banking Institutions		1,762	18	1,780	18,448	29	18,477
Public Trusts		3,698	413	4,111	2,674	632	3,306
	$	**5,460**	**11,778**	**17,238**	**21,122**	**9,180**	**30,302**
Long-term							
Foreign Banks	$	-	2,108	2,108	-	-	-
Development Banking Institutions		15,881	5,105	20,986	2,000	-	2,000
Public Trusts		3,829	1,007	4,836	4,023	479	4,502
	$	**19,710**	**8,220**	**27,930**	**6,023**	**479**	**6,502**
Short and Long Term Total							
Foreign Banks	$	-	13,455	13,455	-	8,519	8,519
Development Banking Institutions		17,643	5,123	22,766	20,448	29	20,477
Public Trusts		7,527	1,420	8,947	6,697	1,111	7,808
	$	**25,170**	**19,998**	**45,168**	**27,145**	**9,659**	**36,804**

The contractual detail of Interbank loans and loans from other institutions, segregated in their different terms, as well as their characteristics, at December 31, 2024 and 2023, is presented below:

		2024			**2023**		
		Mexican pesos	**Foreign currency**	**Total**	**Mexican pesos**	**Foreign currency**	**Total**
Short term							
Foreign Banks:							
Scotiabank (Bahamas) Ltd (Caribbean Treasury Unit) (SCTL)	$	-	9,454	9,454	-	8,519	8,519
Standard Chartered Bank (Hong Kong) Limited		-	1,051	1,051	-	-	-
Caixa Bank		-	842	842	-	-	-
		-	**11,347**	**11,347**	**-**	**8,519**	**8,519**
Development Banking Institutions:							
National Financial, S.N.C., Development Banking Institution (NAFIN)		737	18	755	18,424	29	18,453
SHF		1,025	-	1,025	24	-	24
		1,762	**18**	**1,780**	**18,448**	**29**	**18,477**
Public trusts:							
Institutional Agriculture Trusts (FIRA)		3,696	413	4,109	2,672	632	3,304
FOVI		2	-	2	2	-	2
		3,698	**413**	**4,111**	**2,674**	**632**	**3,306**
	$	**5,460**	**11,778**	**17,238**	**21,122**	**9,180**	**30,302**

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		2024			2023		
		Mexican pesos	**Foreign currency**	**Total**	**Mexican pesos**	**Foreign currency**	**Total**
Long-term							
Foreign Banks							
Scotiabank (Bahamas) Ltd (Caribbean Treasury Unit (SCTL)	$	-	2,108	2,108	-	-	-
Development Banking Institutions:							
Nacional Financiera, S.N.C. Development Banking Institution (NAFIN)		14,881	5,105	19,986	-	-	-
SHF		1,000	-	1,000	2,000	-	2,000
		15,881	**5,105**	**20,986**	**2,000**	**-**	**2,000**
Public Trusts							
Institutional Agriculture Trusts (FIRA)		3,829	1,007	4,836	4,023	479	4,502
	$	**19,710**	**8,220**	**27,930**	**6,023**	**479**	**6,502**

As of December 31, 2024, the Bank obtained 6 loans with NAFIN in mexican pesos totaling $14,881 with maturities of 1 to 4 years and interest rates of 10.68% to 10.79%; the Bank also obtained 2 loans with NAFIN in dollars totaling $5,105 with maturities of 1 to 2 years and interest rates of 5.47% to 5.63%. As of December 31, 2024, the Bank obtained 2 SHF loans totaling $2,000 with maturities of 1 to 2 years and interest rates of 8.41% to 8.48%.

As of December 31, 2023, the Bank obtained 5 loans with NAFIN for a total amount of $17,500 with maturity at 1 year and interest rates of 11.87% to 11.93%. As of December 31, 2023, the Bank obtained 2 loans of SHF for a total amount of $2,000 with maturity between 1 and 4 years and interest rates between 8.41% and 8.48%.

As of December 31, 2024 and 2023, interbank and other long-term agency loan maturities are shown below:

		2024	**2023**
2025	$	-	1,856
2026		8,702	1,323
2027		6,102	1,930
2028		9,237	1,393
More than 5 years		3,889	-
Total	**$**	**27,930**	**6,502**

Interest expense on Interbank loans and loans from other institutions during the years ended on December 31, 2024 and 2023 was $3,507 and $3,319, respectively (note 27(b)).

The interbank loans that the Bank maintains correspond mainly to working capital lines that financial intermediary, mainly from development banking or multilateral bodies, that they grant to the Bank in mexican pesos or foreign currency at different terms.

(Continued)

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The weighted average, unaudited, interbank and other agency loan rates as of December 31, 2024 and 2023 are shown below:

	2024		**2023**	
	Mexican pesos	**Foreign currency**	**Mexican pesos**	**Foreign currency**
Foreign Banks	-	5.01%	-	5.89%
Development banking	11.62%	5.66%	12.87%	6.63%
Development Funds	10.18%	5.04%	10.90%	5.96%

(20) Income taxes (Income Tax (ISR)) and Employees' statutory profit sharing (PTU)

The current Income Tax Law establishes a 30% rate. The determination of PTU incurred was made in accordance with the limits of the current Federal Labor Law.

As of December 31, 2024 and 2023, the expense (benefit) for income taxes incurred and deferred are included below:

		2024		**2023**	
		Income tax	**PTU**	**Income tax**	**PTU**
In the period results:					
Current	$	4,102	980	3,635	909
Provision of tax contingencies		46	-	-	-
Adjustments to Provision for Previous Fiscal Years, Net		(73)	(4)	(30)	(1)
PTU from previous fiscal years		-	13	-	16
real estate		39	4	24	4
Support Services		1	-	(1)	-
Derivatives Market Entities		72	1	73	1
Current		4,187	994	3,701	929
Deferred		(677)	(78)	358	310
	$	**3,510**	**916**	**4,059**	**1,239**
In period OCI:					
Income from financial instruments held to collect and sell	$	182	40	(124)	(34)
Employee Defined Benefit Remeasurement		(180)	(44)	58	7
Valuation of financial instruments derived from cash flow hedges		(192)	(40)	-	-
Deferred income tax on deferred PTU		13	1	77	30
Allowance for ECL		-	-	(1)	-
	$	**(177)**	**(43)**	**10**	**3**

Deferred income tax and PTU:

Deferred income tax and PTU assets at December 31, 2024 and 2023 are comprised of the items presented in the table on the following page.

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		2024		2023	
		Income tax	**PTU**	**Income tax**	**PTU**
Valuation of financial instruments:					
Trading financial instruments	$	(4)	(1)	(7)	(2)
Derivative Financial Instruments		221	50	26	6
Financial Instruments Held to Collect and Sell		230	52	48	11
Cash flow hedge swaps		(532)	(120)	(340)	(81)
Prepayments		(514)	(116)	(620)	(147)
Lease		58	6	34	6
Provisions and others		230	12	667	120
Remainder to be deducted from property, furniture and equipment		(86)	(23)	(153)	(37)
Commissions Charged in Advance		510	115	451	107
Pension Plan		1,133	256	1,043	247
Employee Defined Benefit Remeasurements		116	26	296	70
Foreclosed assets		376	85	368	87
Credit risk estimates		5,379	1,216	4,793	1,137
Deferred income tax on deferred PTU		(473)	-	(462)	-
	$	**6,644**	**1,558**	**6,144**	**1,524**

The favorable (unfavorable) effect on income and stockholders' equity, for deferred income tax and PTU for the years ended on December 31, 2024 and 2023, is comprised as follows:

		2024		2023	
		Income tax	**PTU**	**Income tax**	**PTU**
Valuation of financial instruments:					
Trading financial instruments	$	4	1	(27)	(7)
Derivative Financial Instruments		195	44	(15)	(5)
Financial Instruments Held to Collect and Sell		182	41	(124)	(34)
Cash flow hedge swaps		(192)	(40)	77	30
Prepayments		106	32	570	168
Lease		23	-	13	4
Provisions and others		(435)	(107)	(841)	(253)
Remainder to be deducted from property, furniture and equipment		68	14	92	23
Commissions Charged in Advance		59	8	(87)	(27)
Pension Plan		89	9	79	(8)
Employee Defined Benefit Remeasurements		(180)	(44)	58	7
Foreclosed assets		8	(2)	16	(6)
Credit Risk Estimates		586	79	(248)	(199)
Deferred income tax on deferred PTU in income		(13)	-	89	-
	$	**500**	**35**	**(348)**	**(307)**

(Continued)

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The foregoing movements are reflected in the consolidated financial statements for the years ended on December 31, 2024 and 2023, which are shown below:

		2024		2023	
		Income tax	PTU	Income tax	PTU
In results:	$	677	78	(358)	(310)
In stockholders' equity:					
Income from valuation of financial instruments held to collect and sell		182	40	(124)	(33)
Employee Defined Benefit Remeasurement		(180)	(44)	58	6
Valuation of cash flow hedging instruments		(192)	(40)	77	30
Deferred income tax on deferred PTU		13	1	(1)	-
	$	**500**	**35**	**(348)**	**(307)**

The analysis of the Bank's effective income tax and PTU rate without subsidiaries for the fiscal years ended on December 31, 2024 and 2023 is presented below for information purposes.

December 31, 2024		**Base**	**Income Tax 30%**	**Effective Rate**	**PTU [1]**
Result of the transaction	$	14,380	(4,314)	(30%)	(1,438)
Tax impact incurred:					
Tax effect of inflation, net		(3,122)	936	7%	312
Valuation of financial instruments		3,713	(1,114)	(8%)	(371)
Depreciation and amortization		11	(3)	-	(1)
Non-deductible expenses		1,459	(438)	(3%)	(125)
Allowance for ECL		5,564	(1,669)	(12%)	(556)
Deductible write-offs		(3,642)	1,093	8%	364
PTU incurred and deferred from the year		912	(274)	(2%)	(91)
Deduction of PTU paid		(986)	296	2%	-
Commissions and Prepayments		548	(164)	(1%)	(55)
Profit (loss) of financial instruments		(3,514)	1,054	7%	351
Other, net		(1,649)	495	3%	165
Tax profit		13,674	(4,102)	(29%)	(1,445)
PTU allocated to workers based on statutory limits					(980)
Tax and deferred PTU:					
Valuation of financial instruments		(3,963)	1,189	8%	272
Provisions and others		4,715	(1,414)	(10%)	(331)
Prepayments		(351)	105	1%	31
Remainder to be deducted from property, furniture and equipment		(103)	31	-	9
Pension Plan		(300)	90	1%	9
Foreclosed assets		(25)	7	-	(2)
Commissions Charged in Advance		(197)	59	-	8
Credit Risk Estimate		(1,953)	586	4%	80
Deferred income tax on deferred PTU in income		76	(23)	-	-
Deferred tax		(2,101)	630	4%	76
Income tax	**$**	**11,573**	**(3,472)**	**(25%)**	**(904)**

[1] Corresponds to the amount of PTU prior to applying the labor limits and is for informational purposes only.

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December 31, 2023		Base	Income Tax 30%	Effective Rate	PTU [1]
Result of the transaction	$	15,244	(4,573)	(30%)	(1,533)
Tax impact incurred:					
Tax effect of inflation, net		(3,161)	948	6%	316
Valuation of financial instruments		(1,026)	308	2%	103
Depreciation and amortization		92	(28)	-	(9)
Non-deductible expenses		1,442	(433)	(3%)	(124)
Allowance for ECL		2,447	(734)	(5%)	(245)
Deductible write-offs		(2,663)	799	5%	266
PTU incurred and deferred from the year		1,226	(368)	(2%)	(123)
Deduction of PTU paid		(867)	260	2%	-
Commissions and Prepayments		867	(260)	(2%)	(87)
Profit (loss) of financial instruments		976	(293)	(2%)	(98)
Other, net		(2,459)	739	5%	256
Tax profit		12,118	(3,635)	(24%)	(1,278)
PTU allocated to workers based on statutory limits					(909)
Tax and deferred PTU:					
Valuation of financial instruments		1,171	(351)	(2%)	(85)
Provisions and others		950	(286)	(2%)	(170)
Prepayments		(1,070)	321	2%	168
Remainder to be deducted from property, furniture and equipment		(195)	59	-	20
Pension Plan		(264)	79	1%	(8)
Foreclosed assets		(55)	17	-	(6)
Commissions Charged in Advance		132	(40)	-	(23)
Credit Risk Estimate		827	(248)	(2%)	(199)
Deferred income tax on deferred PTU in income		(303)	91	1%	-
Deferred tax		1,193	(358)	(2%)	(303)
Income tax	**$**	**13,311**	**(3,993)**	**(26%)**	**(1,212)**

[1] Corresponds to the amount of PTU before the employment limits are applied and is presented for informational purposes only.

To evaluate the recovery of deferred assets, Management considers the probability that a part or all of them will not be recovered. The final realization of deferred assets depends on the generation of taxable profit in the periods in which temporary differences are deductible. In carrying out this assessment, Management considers the expected reversal of deferred liabilities, projected taxable profits and planning strategies.

In order to determine the PTU caused by labor reform, compliance with the provisions of the Federal Labor Law (FTL) and the Income Tax Law must be carried out. Therefore, the following should be considered:

a. The Bank must apply 10% to the PTU base tax profit, based on the provisions of the Income Tax Law.

b. The amount determined in the preceding paragraph must be allocated to each employee based on the provisions of the LFT; however, the amount allocated 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 PTU received by the employee in the previous three years.

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c. If the PTU determined in subsection (a) is greater than the sum of the ESP assigned to each and every employee according to subsection (b), the latter must be considered the PTU caused for the period. On the basis of the LFT (Ley Federal del Trabajo [Federal Labor Law], the difference between both amounts is considered not to generate a payment obligation in the current or future periods.

d. If the PTU determined in subsection (a) is less than or equal to that determined in subsection (b), the PTU of subsection a must be the PTU incurred for the period.

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

		2024	**2023**
PTU allocated to workers based on statutory limits	$	980	909
PTU 10%		1,445	1,278
Ratio		0.6782	0.7113
Legal PTU rate		10%	10%
PTU rate incurred		6.78%	7.11%

Other considerations:

In accordance with current tax legislation, authorities have the power to review up to five tax years prior to the last income tax return filed.

In accordance with the Income Tax Law, companies that carry out transactions with related parties, residing in Mexico or abroad, are subject to tax limitations and obligations in determining the agreed prices, as they must be comparable to those that they would use with or between independent parties in comparable transactions.

(21) Other Accounts Payable

As of December 31, 2024 and 2023, accounts payable are comprised as follows:

		2024	**2023**
Creditors on settlement of transactions			
Foreign exchange trading (note 6)	$	10,946	5,308
Investments in financial instruments (note 7)		20,066	7,732
Derivative financial instruments (note 9)		32	15
Repurchases/resale agreements (note 8)		44	11
Margin account creditors		2,959	1,643
Creditors on cash received as collateral (note 9)		3,068	3,217
Contributions Payable		640	507
Miscellaneous Creditors and Other Accounts Payable:			
Currencies to be delivered (note 6)		-	1,745
Cash overdrafts (note 6)		14	-
Liabilities arising from the provision of banking services		2,843	3,478
Commissions payable on current transactions		153	176
Dividends payable (note 24(c))		-	5,000
Provisions for Miscellaneous Obligations		920	1,195
Other Miscellaneous Creditors		1,007	1,309
Income tax creditors salaries		560	498
	$	**43,252**	**31,834**

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(22) Subordinated obligations outstanding

As of December 31, 2024 and 2023, the Bank maintains the following private preferred subordinated capital obligations and not capable of being converted into shares:

Issue Date	Number of securities		Price per title in pesos	Term in years	Interest Period in Days	Interest Rate		Placement Amount
December 31, 2024								
14-Nov-24[1]	89,080,000	$	100	[a]	182	14.02%	$	8,908
December 31, 2023								
18-Dec-14	20,930,000	$	100	10	182	7.40%	$	2,093
28-Jun-18	33,600,000		100	15	182	12.30%		3,360
11-Sep-18	34,550,000		100	[a]	182	11.32%		3,455
								8,908
Accrued interest payable								152
							$	**9,060**

[a] There is no defined timeframe for these obligations.

[1] This issue was recorded in the liability and the interest generated by the notes is payable against the accumulated income, given the characteristic established in the obligations to pay the returns at the discretion of the issuer, which is considered a capital component.

Amortization of Subordinated Obligations

On November 1, 2024, the Board of Directors authorized the early amortization of 3 subordinated obligations (“SCOTIAOS 14”, issued on December 17, 2014, “SCOTIAOS 18”, issued on June 27, 2018, and “SCOTIAOS 18-2”, issued on September 6, 2018) in the amount of $8,908, acquired by a related party. On November 14, 2024, its full settlement took place.

(23) Employee Benefits

As of December 31, 2024 and 2023, they are comprised as follows:

		2024	2023
Short term	$	549	357
PTU		1,031	966
Long-term (job obligation)		4,724	5,003
Total employee benefits	**$**	**6,304**	**6,326**

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The Bank maintains a defined benefit plan for retiree pensions, as well as obligations relating to the plans for post-retirement medical benefits, food vouchers, and retiree life insurance.

The defined contribution plan for pensions was maintained by eligible employees considering all those employees who entered work as of April 1, 2006 and seniority in the plan greater than 6 months, being optional for employees who entered previously. This plan establishes pre-established contributions for the Bank and employees, which may be withdrawn in their entirety by the employee when they have reached age 55.

For the years ended on December 31, 2024 and 2023, the income charge respective to the Bank's contributions for the defined contribution plan amounted to $76 and $112, respectively, and was recorded in item Administration Expenses in the consolidated statement of comprehensive income.

In addition, the Bank maintains a defined benefit plan for pensions and post-retirement benefits, which all employees who reach age 60 with 5 years of service or 55 years of age with 35 years of service are entitled, as established in the collective bargaining agreement and to which they do not contribute.

The cost, obligations and assets of the pension defined benefit plans, seniority premium, post-retirement medical benefits, life insurance and retiree food voucher funds were determined based on calculations prepared by independent actuaries at December 31, 2024 and 2023.

a) Post-employment benefits

Cash flows

Contributions and benefits paid from the funds were as follows:

		2024				**2023**			
		Transfers	**Contributions to funds**	**Benefits paid from funds**	**Total**	**Transfers**	**Contributions to funds**	**Benefits paid from funds**	**Total**
Pension Plan	$	-	-	-	-	(2)	-	-	(2)
Other Post-Retirement benefits		-	-	423	423	2	-	527	529
Total	**$**	**-**	**-**	**423**	**423**	**-**	**-**	**527**	**527**

The components of the defined benefit cost for the years ended on December 31, 2024 and 2023 are shown in the following page.

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		Seniority Premium		Legal Indemnity		Pension Plan		Other Post-Retirement benefits		Total	
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Current Service Cost (CLSA)	$	27	26	33	31	18	19	41	44	119	120
Net interest on the NDBL*		33	34	41	39	223	221	202	163	499	457
Cost of early settlement of obligations		-	6	65	68	-	-	-	-	65	74
Cost per personnel transfer		4	-	1	-	-	-	1	-	6	-
Recycling of Defined Profit Net Liabilities* remeasurements in OCI		9	27	18	18	27	24	31	15	85	84
Net cost of the period	**$**	**73**	**93**	**158**	**156**	**268**	**264**	**275**	**222**	**774**	**735**
Defined Profit Net Liabilities* beginning remeasurement balance in OCI	$	107	123	62	66	426	386	396	221	991	796
Measurements Generated		32	11	20	14	(256)	64	(313)	189	(517)	278
Recycling Remeasurements		(9)	(27)	(18)	(18)	(27)	(24)	(31)	(15)	(85)	(84)
Final balance of Defined Profit Net Liabilities* remeasurements in OCI	**$**	**130**	**107**	**64**	**62**	**143**	**426**	**52**	**395**	**389**	**990**
Increase (decrease) in Net Defined Benefits Liabilities or (Net Defined Benefits Assets)* |measurements in OCI	**$**	**23**	**(16)**	**2**	**(4)**	**(283)**	**40**	**(344)**	**174**	**(602)**	**194**
Defined Benefit Cost	**$**	**96**	**77**	**160**	**152**	**(15)**	**304**	**(69)**	**396**	**172**	**929**
Net Defined Benefits Liabilities initial balance*	$	357	347	440	420	2,264	2,222	1,942	1,548	5,003	4,537
Defined Profit Cost (Income)		96	77	160	152	(15)	304	(69)	396	172	929
Contributions to the Plan		-	-	-	-	-	2	-	(2)	-	-
Payments charged to the NDBL*		(60)	(67)	(123)	(132)	(268)	(264)	-	-	(451)	(463)
Final balance of the Net Defined Benefits Liabilities*	**$**	**393**	**357**	**477**	**440**	**1,981**	**2,264**	**1,873**	**1,942**	**4,724**	**5,003**

(*) Net Defined Benefit Liability (NDBL) or Net Defined Benefit Assets (NDBA).

Below is an analysis of the activity of the plan's assets to cover labor obligations for the years ended December 31, 2024 and 2023:

		2024	**2023**
Fair value of assets at the beginning of the year	$	1,294	1,685
Returns on Plan Assets		120	136
Payments made from the fund during the year		(423)	(527)
Fair value of assets at year-end	**$**	**991**	**1,294**

(Continued)

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The financing situation of the defined benefit obligation as of December 31, 2024 and 2023 is detailed below:

		Seniority Premium		Legal Indemnity		Pension Plan		Other Post-Retirement benefits		Total	
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Amount of Defined Benefit Obligations	$	(393)	(357)	(477)	(440)	(1,981)	(2,264)	(2,864)	(3,236)	(5,715)	(6,297)
Plan assets		-	-	-	-	-	-	991	1,294	991	1,294
Financial status of the obligation	$	**(393)**	**(357)**	**(477)**	**(440)**	**(1,981)**	**(2,264)**	**(1,873)**	**(1,942)**	**(4,724)**	**(5,003)**

The following page shows the main actuarial hypotheses at the date of the statement of financial position.

	2024	**2023**
Nominal discount rate used to calculate the present value of obligations	11.90%	10.40%
Expected rate of return on plan assets	11.90%	10.40%
Trend rate in health care cost variation	6.50%	6.50%
Rate of increase to minimum wage (1)	3.50%	3.50%
Rate of nominal increase in salary levels(2)	4.50%	4.50%
Employees average remaining working life	10.49 years	11.14 years

(1) 2025, 2026: 12%; 2027: 11%; 2028: 10%; 2029: 9%; 2030: 8%; and 2031 onward: 3.5%.
(2) 2023: 8.00%; 2024: 5.50%; from 2025 onward: 4.50%.

The expected rate of return on plan assets is equal to the discount rate in accordance with current standard.

The fund's assets covering obligations for pension and other retirement benefits consist of 100% debt instruments and 45% equity instruments, affected in trusts and managed by a Committee designated by the Bank.

The effect of the increase or decrease in the discount rate used in actuarial projections as of December 31, 2024 and 2023 is shown below:

	2024		**2023**	
	Annual Rates	**Total DBO**	**Annual Rates**	**Total DBO**
No modification	11.90%	5,715	10.40%	6,298
Increase to discount rate (3)	12.90%	5,307	10.90%	6,041
Decrease to discount rate (3)	10.90%	6,188	9.90%	6,577

(3) 2024: 1.0% and 2023: 0.5%.

(Continued)

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(24) Equity

(a) Share stock structure

The corporate capital at December 31, 2024 and 2023, consists of 9,420,300,433 ordinary, registered shares, with a nominal value of one Mexican peso each, divided into two series: 9,420,282,789 of the series “F”, which corresponds to the fixed portion, and 17,644 of the series “B”.

(b) Other comprehensive income (OCI)

OCIs include:

		2024	**2023**
HTCS valuation result	$	(767)	(161)
Cash flow hedge DFI valuation result		1,775	1,133
Employee Defined Benefit Remeasurements		(389)	(988)
Participation in the OCIs of other entities		10	(1)
Income taxes and HTCS PTU		282	60
Income taxes and DFI PTU on cash flow hedges		(663)	(431)
Income taxes and PTU of employee benefits		167	377
Total	**$**	**415**	**(11)**

Below are the movements recorded in the components of the OCI during the 2024 and 2023 fiscal years:

HTCS valuation in OCI:

		Income Tax and PTU	**Income taxes and PTU**	**Net OCI**
Balances as of January 1, 2023	$	(574)	218	(356)
Valuation at fair value		413	(158)	255
Balances as of December 31, 2023		**(161)**	**60**	**(101)**
Valuation at fair value		(606)	222	(384)
Balances as of December 31, 2024	**$**	**(767)**	**282**	**(485)**

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Valuation of cash flow hedging instruments in OCI:

		Income Tax and PTU	Income taxes and PTU	Net OCI
Balances as of January 1, 2023	$	1,390	(538)	852
Effective portion of changes in fair value:				
Exchange Rate		910	(313)	597
Interest Rate		(1,167)	420	(747)
Balances as of December 31, 2023		**1,133**	**(431)**	**702**
Effective portion of changes in fair value:				
Exchange Rate		(268)	120	(148)
Interest Rate		910	(352)	558
Balances as of December 31, 2024	**$**	**1,775**	**(663)**	**1,112**

Employee Benefits:

		Income Tax and PTU	Income taxes and PTU	Net OCI
Balances as of January 1, 2023	$	(795)	313	(482)
Movement		(193)	64	(129)
Balances as of December 31, 2023		**(988)**	**377**	**(611)**
Movement		599	(210)	389
Balances as of December 31, 2024	**$**	**(389)**	**167**	**(222)**

(c) Dividends

During 2024, the Bank did not declare dividends.

On May 31, 2023, the Ordinary General Meeting of Shareholders agreed to declare dividends from retained profits in the amount of $5,000 at the rate of $0.530768634776 per share, which were provisioned and recorded in line item “Sundry Creditors and Accounts Payable” and were paid on January 26, 2024.

On February 8, 2023, the Ordinary General Meeting of Shareholders agreed to declare dividends from retained profits in the amount of $2,850, at the rate of $0.302538121822 per share, which were paid in cash on February 8, 2023.

(Continued)

(d) Comprehensive income

The comprehensive income presented in the consolidated statement of changes in stockholders' equity represents the result of total activity during the year and is comprised of net income, effects (net of income taxes and deferred PTU) on the valuation of HTCS and cash flow hedge DFI, as well as remeasurements for defined benefits to employees and participation in the OCI of other entities.

(e) Restrictions on equity

No individual or legal entity may acquire, directly or indirectly, through one or more transactions of any nature, simultaneous or successive, control of Series “B” shares for more than 5% of the Bank’s paid-in capital. The SHCP (Secretaría de Hacienda y Crédito Público [Ministry of Finance and Public Credit]) may authorize, when in its opinion it is justified, the acquisition of a greater percentage, not exceeding in any case 20% of the share capital.

The LGSM requires the Bank to annually separate 5% of its profits to constitute capital reserves, up to 20% of the paid-in corporate capital. As of December 31, 2024 and 2023, the capital reserve amounts to $10,240 and $9,112, respectively, a figure that has reached the required amount.

In the event of capital reimbursement or distribution of profits to shareholders, income tax is incurred on the amount reimbursed or distributed, which exceeds the amounts determined for tax purposes.

As of December 31, 2024, the Bank’s capital contribution account (unaudited CUCA) and net tax profit account (unaudited CUFIN) as an individual entity amount to $23,015 and $33,411, respectively.

As of December 31, 2023, the Bank’s capital contribution account (unaudited CUCA) and net tax profit account (unaudited CUFIN) as an individual entity amount to $22,085 and $28,559, respectively.

The profits of the subsidiaries shall not be distributed to the shareholders of the Bank until the dividends are collected.

Dividends paid and profits generated as of January 1, 2014 to individuals and residents abroad are subject to a definitive 10% additional tax.

(f) Capitalization (unaudited)

Pursuant to Article 50 of the LIC (Ley de Instituciones de Crédito [Credit Institution Law]), the Bank must maintain a net capital greater than the sum of the capital requirements for credit, market and transactional risks incurred in its transaction. Net capital is determined in accordance with the Provisions.

The Provisions establish at least an 8% capitalization index, and floor levels for the different elements that make up Net Capital, the components that make up it are Fundamental Capital, Basic Capital and Complementary Capital. In addition to the established capital minimums, the Bank must maintain a Capital Conservation Supplement consisting of Fundamental Capital, equivalent to 2.5% on weighted assets subject to total risks. In the case of institutions of local systematic importance, an additional percentage must be included.

(Continued)

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Pursuant to the Provisions, the Bank has been designated by the Banking Commission as a Multiple Banking Institution of Local Systemic Importance, so it must maintain a Capital Conservation Supplement in addition to this status, as shown below:

Degree of Systemic Importance	Capital Conservation Supplement
I	0.60
II	0.90
III	1.20
IV	1.50
V	2.25

The Bank has received a systemic importance of level I by the Banking Commission, so a capital supplement of 0.60% is required.

As of December 31, 2024 and 2023, the Bank's capitalization index was 18.59% and 15.99%, so it is classified in category I in accordance with article 220 of the Provisions, which is calculated by applying certain percentages according to the risk assigned in accordance with the rules established by the Central Bank. The following is the information respective to the Bank's capitalization (Capitalization index reported to the Central Bank and subject to its approval):

Capitalization Index-

The Capitalization Index is equal to the result of the ratio of the net capital of the Bank, between the sum of the weighted assets subject to credit risk, the equivalent weighted positions subject to market risk and the assets subject to transactional risk.

Below is the information respective to the Bank's capitalization index as of December 31, 2024 and 2023 (figures may vary due to rounding).

		2024	2023
Basic Capital			
Ordinary Shares	$	13,468	13,468
Retained earnings		54,989	44,837
Other comprehensive income items (and other reserves)		21,579	20,381
Basic Capital 1 before regulatory adjustments	**$**	**90,036**	**78,686**
National regulatory adjustments:			
Deferred Commissions and Prepayments	$	(7,614)	(8,502)
Clearinghouse Investments		(832)	(574)
Tax losses		(2,040)	(1,533)
Deferred taxes, favorable items from temporary differences		(718)	-
Total regulatory capital adjustments	**$**	**(11,204)**	**(10,609)**

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		2024	**2023**
Basic Capital 1	$	78,832	68,077
Non-Core Base Capital		8,908	3,583
Total base capital	**$**	**87,740**	**71,660**
Eligible Reserves Computed as Supplemental	$	7	396
Equity instruments		-	3,373
Supplemental Capital	**$**	**7**	**3,769**
Net Capital	**$**	**87,747**	**75,429**
Total risk-weighted assets	**$**	**472,125**	**471,664**
Capital reasons and supplements			
Core Capital Index 1		16.70%	14.43%
Basic Capital Index		18.58%	15.19%
Supplemental Capital Index		0.01%	0.80%
Net Capital Index		18.59%	15.99%
Institutional Specific Supplement		2.50%	2.50%
Capital preservation supplement		-	-
Supplement of Local Systemic Importance		0.60%	0.60%
Tier 1 common equity available to cover supplements		9,70%	7.43%
Limits applicable to the inclusion of reserves in the complementary capital:			
Limit on the inclusion of provisions in complementary capital under standardized methodology	**$**	**4,218**	**4,156**

Total risk-weighted assets at 31 December 2024

		Equivalent assets at risk	**Capital requirement**
Positions exposed to market risks by risk factors:			
Transactions in domestic currency at nominal rates	$	41,901	3,352
Transactions with debt securities in mexican pesos with overrate and a reviewable rate		1,193	95
Transactions in mexican pesos with actual denomination rate in UDIs (Unidades de Inversión [Investment Units]) or UMAs (La Unidad de Medida y Actualización [Measure and Update Unit])		1,873	150
Positions in UDIs, UMAs or with performance referred to the CPI		38	3
Foreign currency transactions at nominal rate		14,754	1,180
Positions in currency or with exchange rate indexed performance		2,339	187
Positions in stocks or with performance indexed at the price of a stock or group of shares		403	32
Vega Impact Capital Requirement		6	1
Market Risk Total, to the next page	$	62,507	5,000

(Continued)

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		Equivalent assets at risk	Capital requirement
Market Risk Total, from previous page	$	62,507	5,000
Weighted assets subject to credit risk by risk group:			
Group I-B (2% weighted)		60	5
Group III (weighted at 10%)		799	64
Group III (weighted at 20%)		3,628	290
Group III (weighted at 25%)		9	1
Group III (weighted at 50%)		1,448	116
Group III (weighted at 60%)		28	2
Group III (100% weighted)		856	68
Group IV (20% weighted)		3,668	293
Group V (20% weighted)		169	14
Group V (150% weighted)		785	63
Group VI (weighted at 20%)		5,788	463
Group VI (weighted at 25%)		3,993	319
Group VI (weighted at 30%)		14,820	1,186
Group VI (weighted at 40%)		14,049	1,124
Group VI (weighted at 50%)		37,155	2,972
Group VI (weighted at 70%)		40	3
Group VI (weighted at 75%)		36,672	2,934
Group VI (weighted at 85%)		11,071	886
Group VI (100% weighted)		28,604	2,288
Group VII-A (weighted at 11.5%)		152	12
Group VII-A (weighted at 20%)		22,673	1,814
Group VII-A (weighted at 23%)		861	69
Group VII-A (weighted at 50%)		5,927	474
Group VII-A (100% weighted)		130,483	10,439
Group VII-A (weighted at 120%)		1,210	97
Group VIII (weighted at 115%)		4,811	385
Group VIII (weighted at 150%)		9,038	723
Group IX (100% weighted)		21,037	1,683
Adjustment for credit valuation in derivative transactions		2,122	170
Exposure to Clearing House Default Fund		19	2
By the counterparty in default in free delivery mechanisms		144	12
Risk-weighted assets and capital requirements for transactional risk		47,499	3,800
Total market, credit and transactional risk	**$**	**472,125**	**37,771**

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Total risk-weighted assets at 31 December 2023

		Equivalent assets at risk	Capital requirement
Positions exposed to market risks by risk factors:			
Transactions in domestic currency at nominal rates	$	61,407	4,913
Transactions with debt securities in mexican pesos with overrate and a reviewable rate		989	79
Transactions in mexican pesos with actual denomination rate in UDIs (Unidades de Inversión [Investment Units]) or UMAs (La Unidad de Medida y Actualización [Measure and Update Unit])		2,371	190
Positions in UDIs, UMAs or with performance referred to the CPI		30	2
Foreign currency transactions at nominal rate		7,196	576
Positions in currency or with exchange rate indexed performance		2,164	173
Positions in stocks or with performance indexed at the price of a stock or group of shares		60	5
Vega Impact Capital Requirement		12	1
Weighted assets subject to credit risk by risk group:			
Group I-B (2% weighted)		27	2
Group III (weighted at 10%)		856	68
Group III (weighted at 20%)		5,288	423
Group III (weighted at 50%)		435	35
Group IV (20% weighted)		4,058	325
Group V (20% weighted)		246	20
Group V (150% weighted)		471	38
Group VI (weighted at 20%)		4,395	352
Group VI (weighted at 25%)		2,815	225
Group VI (weighted at 30%)		10,820	866
Group VI (weighted at 40%)		11,209	897
Group VI (weighted at 50%)		36,727	2,938
Group VI (weighted at 70%)		35	3
Group VI (weighted at 75%)		25,978	2,078
Group VI (weighted at 85%)		6,183	495
Group VI (100% weighted)		47,812	3,825
Group VII-A (weighted at 11.5%)		115	9
Group VII-A (weighted at 20%)		18,709	1,497
Group VII-A (weighted at 50%)		9,223	738
Group VII-A (100% weighted)		121,093	9,687
Group VII-A (weighted at 120%)		126	10
Group VII-A (weighted at 150%)		1,638	131
Group VII-B (weighted at 23%)		790	63
Group VIII (weighted at 115%)		7,158	573
Group VIII (weighted at 150%)		3,592	287
Group IX (100% weighted)		28,418	2,273
Risk Grade 1 Securitization		33	3
Adjustment for credit valuation in derivative transactions		3,053	244
Exposure to Clearing House Default Fund		20	2
By the counterparty in default in free delivery mechanisms		66	5
Risk-weighted assets and capital requirements for transactional risk		46,046	3,684
Total market, credit and transactional risk	**$**	**471,664**	**37,735**

(Continued)

(g) Capital management

To assess capital adequacy, the Bank is part of its annual exposure plan to obtain a forward-looking view that allows it to identify the risks to which it is exposed and inform its decision-making by visualizing key metrics and indicators such as: capital, liquidity, profitability, and credit losses.

The exposure plan is structured based on a view of the country's macroeconomic scenario and the plans of the different lines of business.

At the same time, to ensure compliance and ongoing monitoring of Capital sufficiency, a "Capital and Liquidity Preservation Action Plan" has been documented, which is intended to implement early warning indicators, which are the basis for the Liquidity and Capital Management Committee to carry out the evaluations and follow-ups in accordance with the provisions of the respective policies, depending on the impact and magnitude of the stress event.

Capitalization notes are incorporated into the financial reports on a quarterly basis. These notes contain, among others, the following information: composition and integration of capital, composition of assets weighted by total risks and by type of risk, as well as estimates of the Capital Index.

Likewise, the stress tests established by the Banking Commission under various scenarios are carried out annually, with the objective of ensuring that the Bank has sufficient capital to continue to intermediate resources and grant credits in these stress scenarios, considering its business strategies. Additionally, an analysis of internal stress scenarios is carried out, which, based on the Exposure Plan as a base scenario, integrate various adverse macroeconomic conditions in order to reveal the Bank's exposure to the different risks.

During 2024, the Bank carried out its Capital Adequacy Assessment exercise. This exercise was carefully planned and executed to assess capital and liquidity sufficiency under stress conditions in internal and regulatory scenarios. The result of the exercise allowed us to conclude that the Bank's liquidity and capital would allow it to deal with the risks derived from the defined stress scenarios, keeping its capital index and liquidity indicators above the regulatory minimums.

On May 2, 2024, the Governing Board of the Banking Commission ratified Scotiabank Inverlat, S.A. as a Full-Service Banking Institution of Local Systemic Importance, by means of official letter No. 141-5/1991/2024, its degree of systemic importance and the additional capital preservation supplement, the Bank was classified as Grade I, so it must continue with a capital supplement of 60 basis points.

On the basis of the foregoing and continuing with the constitution of the requirement for total loss absorption capacity (TLAC, which corresponds to the maximum between 6.5% of the Total APSR and 3.75% of the Adjusted Assets), the Bank has to add a fourth from December 2022, so the minimum regulatory capital that the Bank must maintain is 16.59% and 14.55% at December 31, 2024 and 2023.

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VI. Weighting factors involved in the calculation of the institutions' countercyclical capital supplement

Institution Countercyclical Capital Supplement
-

VII.1 Disclosure form for the main indicators associated with the Net Capital Supplement

Reference	Concept	**December 2024***
1	Amount of the Net Capital Supplement referred to in the last paragraph of Article 2 Bis 5 of these provisions	$ 25,907
1.a	Not applicable	-
2	Total Risk Weighted Assets (TRWA) according to the amount recorded in row 60 of Table I.1 of this annex	$ 472,125
3	Capital Supplement as a Percentage of TWRA (%)	4.88%
3.a	Not applicable	-
4	Total Exposures Associated with Leverage Ratio pursuant to row 21 of Table I.1 of Annex 1-O Bis of these provisions	$ 921,135
5	Supplement to Net Capital as a percentage of total exposures associated with the Leverage Ratio (%)	2.81%
5.a	Not applicable	-
6.a	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same priority level of payments (i.e. pari assu), in relation to instruments that are legally excluded from being converted into ordinary shares or on whose amount the debt remission or waiver and its accessories in favor of the Bank would operate, in a resolution process?	Not applicable
6.b	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same priority level of payments (i.e. pari assu), in relation to instruments that under the General Provisions Applicable to Credit Institutions, are excluded from being converted into ordinary shares or on whose amount the remission or waiver of the debt and its accessories in favor of the Bank would operate, in a resolution process?	Not applicable
6.c	In the event that the alleged content in row 6b is updated, what is the share (%) of the amount of the equity instruments considered in the net capital supplement, in relation to the amount of the equity instruments issued that comply with the aforementioned payment priority?	-

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Reference	Concept	December 2023*
1	Amount of the Net Capital Supplement referred to in the last paragraph of Article 2 Bis 5 of these provisions	$ 16,280
1.a	Not applicable	-
2	Total Risk Weighted Assets (TRWA) according to the amount recorded in row 60 of Table I.1 of this annex	$ 471,664
3	Capital Supplement as a Percentage of TWRA (%)	3.25%
3.a	Not applicable	-
4	Total Exposures Associated with Leverage Ratio pursuant to row 21 of Table I.1 of Annex 1-O Bis of these provisions	$ 868,289
5	Supplement to Net Capital as a percentage of total exposures associated with the Leverage Ratio (%)	1.88%
5.a	Not applicable	-
6.a	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same priority level of payments (i.e. pari assu), in relation to instruments that are legally excluded from being converted into ordinary shares or on whose amount the debt remission or waiver and its accessories in favor of the Bank would operate, in a resolution process?	Not applicable
6.b	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same priority level of payments (i.e. pari assu), in relation to instruments that under the General Provisions Applicable to Credit Institutions, are excluded from being converted into ordinary shares or on whose amount the remission or waiver of the debt and its accessories in favor of the Bank would operate, in a resolution process?	Not applicable
6.c	In the event that the alleged content in row 6b is updated, what is the share (%) of the amount of the equity instruments considered in the net capital supplement, in relation to the amount of the equity instruments issued that comply with the aforementioned payment priority?	-

* The Bank, as it is considered an institution of Local Systemic Importance, must constitute the supplement to the net capital within four years.

(Continued)

(Millions of Mexican pesos)

VII.2.1 Composition of the Net Capital Supplement

		December 2024
	Net Capital Supplement regulatory capital elements and adjustments	
1	Fundamental Capital	$ 78,832
2	Non-Core Base Capital before adjustments to the Net Capital Supplement	8,908
3	Ineligible Non-Core Core Capital, as a Supplement to Net Capital, issued by the institution held by third parties	-
4	Other adjustments	-
5	Eligible Non-Core Equity instruments for Net Capital Supplement	$ 8,908
6	Supplemental Capital, before Net Capital Supplement adjustments	7
7	Amortized portion of complementary equity instruments, where the remaining maturity > 1 year	-
8	Ineligible supplemental capital, as an addendum to the Net Capital issued by the institution	-
9	Other adjustments	-
10	Eligible Supplemental Equity instruments, in accordance with the rules for the Total Loss Absorption Supplement	$ 7
11	Supplement to Net Capital arising from regulatory capital	87,747
	Elements of Supplement to Net Non-Regulatory Capital	-
12	External Net Capital Supplement instruments issued directly by the Bank and subordinated to excluded liabilities	-
13	External Net Capital Supplement instruments issued directly by the Bank which are not subordinated to excluded liabilities, but which meet all other requirements of the Net Capital Supplement term page	-
14	Of which: Net Capital Supplement eligible amount, after upper limits apply.	Not applicable
15	External Net Capital Supplement instruments issued by financing vehicles, before January 1, 2022	Not applicable
16	Ex-ante commitments eligible to recapitalize a resolving Local Systemically Significant Institution	Not applicable
17	Supplement to Net Capital arising from non-regulatory equity instruments before adjustments	-
	Net Capital Supplement Non-Regulatory Capital Elements – Adjustments	
18	Supplement to Net Capital before deductions	$ 87,747
19	Deductions from exposures that correspond to accounts eligible for Net Capital Supplement (not applicable to a local systemically significant institution with a single point of entry).	Not applicable
20	Deductions from investments in other Net Capital Supplement eligible liabilities	-
21	Other adjustments to the Net Capital Supplement	-

(Continued)

(Millions of Mexican pesos)

		December 2024
22	Supplement to Net Capital after deductions	$ 87,747
	Risk-weighted assets (RWAs) and leverage exposure measure for Net Capital Supplement purposes	
23	Total Risk Weighted Assets (TRWA) according to the amount recorded in row 60 of Table I.1 of this annex adjusted as permitted under the Net Capital Neto4	$ 472,125
24	Total Exposures Associated with Leverage Ratio pursuant to row 21 of Table I.1 of Annex 1-O Bis of these provisions	921,135
	Net Capital Supplement and Supplemental Indicators	
25	Net Capital Supplement (as a percentage of adjusted TRWAs as permitted under the Net Capital Supplement regime)	18.59%
26	Net Capital Supplement (as a percentage of adjusted TRWAs as permitted under the Net Capital Supplement regime)	9.53%
27	Fundamental Capital (as a percentage of TRWA) is available after meeting minimum capital and Net Capital Supplement requirements	16.70%
28	Bank specific supplement requirements (capital preservation supplement plus countercyclical capital supplement requirement plus net capital supplement requirements, expressed as a percentage of TRWA)	6.09%
29	Of which: Capital Conservation Supplement Requirement	0.60%
30	Of which: Bank specific countercyclical capital supplement requirement	-
31	Of which: Net capital supplement requirement	5.49%

		December 2023
	Net Capital Supplement regulatory capital elements and adjustments	
1	Fundamental Capital	$ 68,077
2	Non-Core Base Capital before adjustments to the Net Capital Supplement	3,583
3	Ineligible Non-Core Core Capital, as a Supplement to Net Capital, issued by the institution held by third parties	-
4	Other adjustments	-
5	Eligible Non-Core Core Equity instruments for Net Capital Supplement	$ 3,583
6	Supplemental Capital, before Net Capital Supplement adjustments	3,768
7	Amortized portion of complementary equity instruments, where the remaining maturity > 1 year	-
8	Ineligible supplemental capital, as an addendum to the Net Capital issued by the institution	-
9	Other adjustments	-
10	Eligible Supplemental Equity instruments, in accordance with the rules for the Total Loss Absorption Supplement	$ 3,768
11	Supplement to Net Capital arising from regulatory capital	75,429

(Continued)

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		December 2023
	Elements of Supplement to Net Non-Regulatory Capital	
12	External Net Capital Supplement instruments issued directly by the Bank and subordinated to excluded liabilities	-
13	External Net Capital Supplement instruments issued directly by the Bank which are not subordinated to excluded liabilities but which meet all other requirements of the Net Capital Supplement term page	-
14	Of which: Net Capital Supplement eligible amount, after upper limits apply.	Not applicable
15	External Net Capital Supplement instruments issued by financing vehicles, before January 1, 2022	Not applicable
16	Ex-ante commitments eligible to recapitalize a resolving Local Systemically Significant Institution	Not applicable
17	Supplement to Net Capital arising from non-regulatory equity instruments before adjustments	-
	Net Capital Supplement Non-Regulatory Capital Elements – Adjustments	
18	Supplement to Net Capital before deductions	$ 75,429
19	Deductions from exposures that correspond to accounts eligible for Net Capital Supplement (not applicable to a local systemically significant institution with a single point of entry).	Not applicable
20	Deductions from investments in other Net Capital Supplement eligible liabilities	-
21	Other adjustments to the Net Capital Supplement	-
22	Supplement to Net Capital after deductions	$ 75,429
	Risk-weighted assets (RWAs) and leverage exposure measure for Net Capital Supplement purposes	
23	Total Risk Weighted Assets (TRWA) according to the amount recorded in row 60 of Table I.1 of this annex adjusted as permitted under the Net Capital Neto4	$ 471,664
24	Total Exposures Associated with Leverage Ratio pursuant to row 21 of Table I.1 of Annex 1-O Bis of these provisions	868,289
	Net Capital Supplement and Supplemental Indicators	
25	Net Capital Supplement (as a percentage of adjusted TRWAs as permitted under the Net Capital Supplement regime)	15.99%
26	Net Capital Supplement (as a percentage of adjusted TRWAs as permitted under the Net Capital Supplement regime)	8.69%
27	Fundamental Capital (as a percentage of TRWA) available after meeting minimum capital and Net Capital Supplement requirements	14.43%
28	Bank specific supplement requirements (capital preservation supplement plus countercyclical capital supplement requirement plus net capital supplement requirements, expressed as a percentage of TRWA)	4.05%
29	Of which: Capital Conservation Supplement Requirement	0.60%
30	Of which: Bank specific countercyclical capital supplement requirement	-
31	Of which: Net capital supplement requirement	3.45%

(Continued)

(Millions of Mexican pesos)

(25) Related Parties

In the normal course of its transactions, the Bank carries out transactions with related parties such as credits, investments, funding, provision of services, among others. In accordance with the Bank's policies, certain credit transactions with related parties are authorized by the Board of Directors and are agreed with market rates, guarantees, and conditions according to healthy banking practices.

As of December 31, 2024 and 2023, transactions with related parties that include those that exceed 1% of the Bank's net capital are mentioned below:

Holding		**2024**	**2023**
Revenue			
Management Services	$	17	27
Expenses			
Interest paid	$	104	44
Other Related Parties			
Revenue:			
Premiums and Interest	$	4	108
Rentals and Maintenance		6	6
Commissions		3	3
Co-Distribution and Administration services		746	677
Others		1	1
Expenses:			
Interest paid	$	1,042	1,103
Repurchase/resale Premiums and interest		1,736	1,436
Financial intermediation income		53	34
Rents		4	4

The balances receivable and payable with related parties as of December 31, 2024 and 2023 are comprised as shown below:

		2024	**2023**
Grupo Financiero Scotiabank Inverlat, S. A. de C. V.			
Demand deposits	$	2,318	437
Dividends payable		-	5,000
Other Related Parties			
Receivable:			
Cash and Cash Equivalents	$	16	18
Debtors on repurchase/resale agreements		290	3
Derivatives		22	40
Receivables for trade settlement		87	115
Other accounts receivable		6,563	10

(Continued)

(Millions of Mexican pesos)

		2024	2023
Payable:			
Immediate and time deposits due	$	2,904	1,289
Creditors by repurchase		19,458	17,783
Derivatives		72	95
Payables for settlement		71	133
Other Accounts Payable		4,585	89
Subordinated Obligations		8,908	8,908
Interbank Loans		9,454	8,519

As of December 31, 2024 and 2023, there were no changes to the existing conditions of balances receivable and payable with related parties; items that were considered unrecoverable or difficult to collect were subject to measurement of estimates by ECL.

In accordance with Article 73bis of the Credit Institutions Act, the total sum of transactions with related persons may not exceed 35% of the basic part of the net capital (see note 23 (g)). The loans granted to related parties, including letters of credit by the Bank at December 31, 2024 and 2023, amount to $1,611 and $1,530, respectively. Related person deposits at December 31, 2024 and 2023 amount to $18 and $28, respectively.

As of December 31, 2024 and 2023, the benefits granted to management personnel amounted to $308 and $285, respectively.

(26) Memorandum Accounts

a) Credit Commitments

As of December 31, 2024 and 2023, credit commitments are comprised as follows:

		2024	2023
Lines for unexercised letters of credit	$	36,407	36,378
Undrawn credit facilities from commercial loans		268,413	175,481
Undrawn credit facilities for consumer credit		52,606	46,375
	$	**357,426**	**258,234**

b) Property in trust or mandate

The fiduciary activity at December 31, 2024 and 2023 recorded in memorandum accounts is analyzed below:

		2024	2023
Trusts:			
Warranty, investment or management	$	454,971	457,217
Mandates		29,489	29,111
	$	**484,460**	**486,328**

(Millions of Mexican pesos)

Earned income for the years ended on December 31, 2024 and 2023, respective to the fiduciary activity, amounts to $217 and $212, respectively, which are recorded in line item of "Fees and Commissions Assessed" (note 27(d)).

c) Assets in custody or under management

The assets in custody or in administration as of December 31, 2024 and 2023 are comprised as follows:

		2024	2023
Property in Escrow:			
Financial instruments	$	76,452	74,641
real and Personal Property		185	129
Derivative Financial Instruments		781,396	673,926
Assets under management (Investment banking transactions on behalf of third parties)		4,558	12,719
	$	**862,591**	**761,415**

No fees accrued for the years ended on December 31, 2024 and 2023, respective to assets in custody and assets under management.

For the years ended December 31, 2024 and 2023, for equity instruments received in custody or administration, no dividends were received.

d) Collateral received by the entity

The collateral received by the Bank at December 31, 2024 and 2023, are included below:

		2024 (1)	2023(1)
Government debt	$	26,588	10,493
Others		5,398	4,849
	$	**31,986**	**15,342**

(1) They include collateral received in the repurchase, loans of securities and derivative financial transactions.

e) Collateral received and sold or pledged by the entity

Collateral received and sold or pledged by the Bank at December 31, 2024 and 2023, are analyzed below:

		2024	2023
Government debt	$	2,281	8,383

f) Other control accounts

As of December 31, 2024 and 2023, the other registration accounts present a balance of $3,234,143 and $1,957,536, respectively, which are mainly comprised of securities held by the Bank.

(Continued)

(Millions of Mexican pesos)

(27) Additional information on financial results and indicators

a) Segment information

The Bank classifies its net income into the segments of "Credit Transactions and Services" (credits placed directly and services to private and public sector individuals and companies) and "Treasury Transactions and Investment Banking" (investment transactions carried out by the Bank on its own behalf, such as foreign exchange purchase and sale, investments in securities, repurchase/resale transactions, Securities Lending, and derivatives).

For the years ended on December 31, 2024 and 2023, such segment revenues are analyzed as shown below:

		2024			**2023**	
	Credit Transactions and Services	**Treasury Transactions and Investment Banking**	**Total**	**Credit Transactions and Services**	**Treasury Transactions and Investment Banking**	**Total**
Interest earned, net	$ 18,967	9,204	28,171	19,022	8,051	27,073
Fees and commissions assessed, net, Financial intermediation income and Other opperating income (expense)	6,092	2,484	8,576	5,355	1,865	7,220
Revenue, net	25,059	11,688	36,747	24,377	9,916	34,293
Allowance for ECL	(5,151)	-	(5,151)	(2,197)	-	(2,197)
Administration and promotion expenses	(14,067)	(1,314)	(15,381)	(14,080)	(1,354)	(15,434)
Period Depreciation Expenses	(1,038)	(97)	(1,135)	(993)	(95)	(1,088)
Amortization expenses for the period	(756)	(71)	(827)	(728)	(70)	(798)
Income before income taxes	$ 4,047	10,206	14,253	6,379	8,397	14,776
Investment in subsidiaries and associates	-	-	191	-	-	562
Income taxes incurred and deferred, net	-	-	(3,510)	-	-	(4,059)
Net income		**$**	**10,934**		**$**	**11,279**

b) Net interest income

For the years ended on December 31, 2024 and 2023, the net interest income of the consolidated statement of income is presented in the following page.

(Continued)

Scotiabank Inverlat, S. A.,
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Notes to Consolidated Financial Statements

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Interest income:

		2024			2023		
		Credit Transactions and Services	**Treasury Transactions and Investment Banking**	**Total**	**Credit Transactions and Services**	**Treasury Transactions and Investment Banking**	**Total**
Interest on cash and cash equivalents	$	-	4,316	4,316	-	4,466	4,466
Interest and returns on margin accounts		-	204	204	-	479	479
Interest and returns on investments in financial instruments		-	17,304	17,304	-	15,840	15,840
Interests and yields in favor of repurchase/resale agreements transactions		-	1,150	1,150	-	467	467
Loan portfolio Interest:							
Commercial loans:							
Business or Commercial Activity		23,162	-	23,162	25,514	-	25,514
Financial Entities		2,579	-	2,579	2,432	-	2,432
Government Entities		2,394	-	2,394	2,032	-	2,032
Consumer loans		9,320	-	9,320	7,137	-	7,137
Residential mortgages		22,793	-	22,793	19,998	-	19,998
Credit Grant Fees		505	-	505	477	-	477
Debt Placement Foreclosures		-	1	1	-	1	1
Profit from valuation		-	-	-	366	-	366
	$	**60,753**	**22,975**	**83,728**	**57,956**	**21,253**	**79,209**

Interest Expenses:

		2024			2023		
		Credit Transactions and Services	**Treasury Transactions and Investment Banking**	**Total**	**Credit Transactions and Services**	**Treasury Transactions and Investment Banking**	**Total**
Deposits funding Interests:							
For deposits that are immediately payable	$	16,485	-	16,485	13,108	-	13,108
For time deposits		23,883	-	23,883	24,176	-	24,176
For credit securities issued		-	2,493	2,493	-	1,099	1,099
Associated to the global deposit account with zero activity		-	64	64	-	54	54
Interest on Interbank loans and loans from other institutions		-	3,507	3,507	-	3,319	3,319
Interest on subordinated obligations		-	847	847	-	973	973
Interest and returns in charge of repurchase/resale agreements transactions		-	6,853	6,853	-	7,291	7,291
Foreclosures in charge of securities lending transactions		-	7	7	-	17	17
Costs and expenses associated with granting credit		1,214	-	1,214	1,111	-	1,111
Interest on lease liabilities		204	-	204	212	-	212
Valuation loss		-	-	-	327	-	327
Others		-	-	-	-	449	449
	$	**41,786**	**13,771**	**55,557**	**38,934**	**13,202**	**52,136**

(Continued)

(Millions of Mexican pesos)

c) Statement of Financial Position

For the years ended on December 31, 2024 and 2023, the consolidated statement of financial position is presented below:

		2024			2023		
		Credit Transactions and Services	**Treasury Transactions and Investment Banking**	**Total**	**Credit Transactions and Services**	**Treasury Transactions and Investment Banking**	**Total**
Assets	$	584,457	334,209	918,666	552,127	284,193	836,320
Liabilities		582,073	246,547	828,620	572,796	184,838	757,634

d) Fees and Commissions Collected

For the years ended on December 31, 2024 and 2023, the result of fees and commissions collected is integrated as shown below:

		2024	**2023**
Credit Transactions	$	1,929	1,663
Letters of credit without refinancing		324	251
Acceptances on behalf of third parties		2	3
Trading in Securities		7	2
Account initial		19	22
Account Management		427	339
Fiduciary Activities		217	212
Funds transfer		103	106
Cashier's checks		1	1
Certified Checks		2	3
Online banking services		618	188
Cash Management		452	414
Credit Card		398	401
Correspondents		123	137
Deposit and Funding Services		81	92
By payroll dispersion		67	66
ATMs		49	55
Other fees and commissions charged		778	1,005
	$	**5,597**	**4,960**

e) Financial Intermediation Income

For the years ended on December 31, 2024 and 2023, the Financial Intermediation Income is included as shown in the following page.

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		2024	2023
Income from Fair Value Valuation:			
Income from valuation of financial instruments and derivative financial instruments:			
Trading financial instruments	$	(5)	51
Derivative financial instruments for trading purposes		(4,536)	(846)
Derivative financial instruments for hedging purposes		(68)	(751)
Financial Instruments Held to Collect and Sell in Fair Value Hedges		130	585
Impairment loss or reversal effect of impairment of securities:			
Financial instruments for solely payments of principal and interest		(1)	(1)
Financial Instruments Held to Collect and Sell		(4)	(14)
Foreign currency valuation income		4,876	(1,880)
		392	(2,856)
Gain/Loss on Sale:			
Gain/loss on sale of financial instruments and derivative financial instruments:			
Trading financial instruments		126	43
Financial Instruments Held to Collect and Sell		(15)	5
Derivative financial instruments for trading purposes		302	3,320
Foreign Exchange Trading Result		1,780	1,357
Transaction Costs		(101)	(4)
		2,092	**4,721**
	$	**2,484**	**1,865**

f) Other operating income (expense)

For the years ended at December 31, 2024 and 2023, the “Other opperating income (expense)” line item is included below:

		2024	2023
Contributions to IPAB (Instituto para la Protección al Ahorro Bancario [Institute for the Protection of Bank Savings])	$	(2,373)	(2,203)
Impacts on the estimation of expected credit losses		3	6
Donations		(6)	(17)
Profit on sale of foreclosed goods, net		114	101
Recoveries and taxes		3	17
Credit insurance income		1,893	1,704
Portfolio sale profit		61	84
Portfolio sale loss		(7)	(79)
Profit from the foreclosure of goods		204	-
Distribution of mutual fund shares		571	466
Loans to staff		240	206
Charge-offs and impairments		(342)	(360)
Cancellation of liabilities		39	57
Food vouchers		12	17
Others, primarily support services		511	879
	$	**923**	**878**

(Continued)

(Millions of Mexican pesos)

g) Financial Indicators

Below are the main financial indicators by quarter of the Bank, for the years ended on December 31, 2024 and 2023:

	2024				2023			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Delinquency Index	4.0%	3.9%	3.6%	3.4%	3.3%	4.0%	4.0%	3.8%
Stage 3 Loan portfolio Coverage Index	71.1%	72.4%	76.8%	76.9%	77.4%	79.8%	82.2%	87.8%
Transactional Efficiency (Administration and Promotion Expenses/Average Total Asset)	2.0%	2.0%	2.1%	2.0%	2.2%	2.1%	2.2%	2.3%
ROE (net profit/average stockholders' equity)	13.7%	13.9%	11.5%	13.1%	14.2%	14.8%	13.2%	15.9%
ROA (Net Profit/Average Total Asset)	1.3%	1.3%	1.1%	1.3%	1.4%	1.5%	1.3%	1.6%
Liquidity (Liquid Assets/Liquid Liabilities)	49.3%	46.8%	46.9%	44.4%	47.2%	49.0%	50.6%	44.0%
(1) Net capital / Assets subject to credit risk	24.2%	22.6%	22.4%	22.0%	21.4%	22.6%	21.9%	21.0%
(2) Net capital / Assets subject to credit, market and transactional risk	18.5%	17.7%	17.0%	16.6%	15.9%	17.0%	16.5%	16.1%
Credit Risk Adjusted Net interest income of the Year/Average Productive Assets	2.8%	3.0%	2.9%	3.0%	3.1%	3.3%	3.4%	3.7%

(28) Commitments and Contingent Liabilities

Administrative services

The Bank has entered into service contracts with related companies, in which they undertake to provide the advisory, distribution, custody and asset servicing services necessary for its transaction. These contracts are for an indefinite period of time.

Lawsuits and Litigation

In the normal course of transactions, the Bank has been the subject of some lawsuits and claims that are not expected to have a significant negative effect on the financial situation and results of future transactions. In those cases that represent a probable loss or make a disbursement, the reserves that are considered necessary have been constituted.

(29) Risk Management (unaudited)

The Board of Directors of the Bank is responsible for approving the Desired Risk Profile for the Bank, the Framework for Comprehensive Risk Management, the Risk Exposure Limits, the Risk Tolerance Levels and the mechanisms for carrying out correction actions, as well as the Contingency and Contingency Financing Plans.

In addition, the Board of Directors has the responsibility of monitoring the implementation of the Comprehensive Risk Management strategy, as well as that the Bank has sufficient capital to cover the exposure of all the risks to which it is exposed, above the minimum requirements.

(Continued)

The Bank has constituted a risk committee (the Risk Committee), whose purpose is to manage the risks to which the Bank is exposed, and to monitor that the performance of the transactions is in accordance with the Desired Risk Profile, the Framework for Comprehensive Risk Management, as well as the Risk Exposure Limits, which have been previously approved by the Board of Directors.

The Risk Committee performs the following functions:

i. Propose for approval by the Board of Directors:

   a) The objectives, guidelines and policies for Comprehensive Risk Management, as well as any modifications made to them.
   b) The Global Risk Exposure Limits and, where appropriate, the Specific Risk Exposure Limits, considering the Consolidated Risk, broken down by Business Unit or Risk Factor, cause or origin thereof, taking into account, as appropriate, the provisions of Articles 79 to 86 Bis 1 of the Provisions, as well as, where appropriate, the Levels of Risk Tolerance.
   c) Mechanisms for implementation of remediation actions.
   d) Special cases or circumstances in which both the Global Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded.
   e) The Capital Adequacy Assessment including the capital estimate and, where appropriate, the capitalization plan.
   f) The Contingency Plan and its amendments.

ii. Approve:

   a) The Specific Risk Exposure Limits and Risk Tolerance Levels, when it has delegated powers of the Board to do so, as well as the indicators on liquidity risk referred to in section VIII of Article 81 of the Provisions.
   b) The methodologies and procedures to identify, measure, monitor, limit, control, report, and disclose the different types of risk to which the Bank is exposed, as well as its possible modifications.
   c) The models, parameters, scenarios, assumptions, including those related to the stress tests referred to in Annex 12-B of the Provisions, which are used to carry out the Capital Adequacy Assessment and which must be used to carry out the valuation, measurement, and control of the risks proposed by the unit for Comprehensive Risk Management, which must be in accordance with the Bank's technology.
   d) The methodologies for the identification, valuation, measurement, and control of the risks of the new transactions, products and services that the Bank intends to offer to the market.
   e) The correction plans proposed by the CEO in terms of the provisions of Article 69 of the Provisions.

   f) The evaluation of the aspects of Comprehensive Risk Management referred to in Article 77 of the Provisions for submission to the Board of Directors and the Banking Commission.

(Continued)

g) The manuals for Comprehensive Risk Management, in accordance with the objectives, guidelines and policies established by the Board of Directors, referred to in the last paragraph of Article 78 of the Provisions.

h) The report on the technical evaluation of the aspects of Comprehensive Risk Management indicated in Annex 12 of the Provisions, referred to in Article 77 thereof.

i) The level of effectiveness that the mechanisms for validating the identification security elements presented by potential customers must have, as well as the technology referred to in Articles 51 Bis 6 and 51 Bis 8 of the Provisions to carry out the biometric recognitions referred to in such articles.

iii. Designate and remove the head of the unit for Comprehensive Risk Management.

iv. Inform the Board of Directors about the Risk Profile and compliance with the capital estimate contained in the Bank's Capital Adequacy Assessment, as well as the negative effects that could occur on the Bank's transaction. Likewise, it must inform the Board of Directors of the non-observance of the Desired Risk Profile, the Risk Exposure Limits and the established Risk Tolerance Levels, as well as, where appropriate, the capitalization plan referred to in Article 2 Bis 117c of the Provisions.

v. Inform the Board of Directors of the corrective actions implemented, including those on the Capital Projection Plan and, where appropriate, the capitalization plan, in accordance with the provisions of Article 69 of the Provisions.

vi. Ensure at all times that the personnel involved in the risk taking are aware of the Desired Risk Profile, Risk Exposure Limits, Risk Tolerance Levels, as well as the Capital Projection Plan and, where appropriate, the capitalization plan.

vii. Inform the Board, at least once a year, of the result of the effectiveness tests of the Business Continuity Plan.

viii. Approve the methodologies for estimating the quantitative and qualitative impacts of the Transactional Contingencies referred to in section XI of Article 74 of these Provisions.

ix. Approve the methodology for classifying information security vulnerabilities according to their criticality, probability of occurrence and impact.

The Risk Committee, in order to carry out Comprehensive Risk Management, has a specialized unit (UAIR, Spanish initials for Unit of Comprehensive Risk Management) whose purpose is to identify, measure, monitor, and report the quantifiable risks faced by the Bank in its transactions, whether these are recorded within or outside the consolidated financial position statement, including, where appropriate, the risks of its Financial Subsidiaries.

Likewise, the Risk Committee delegates to the Assets and Liabilities Committee (acronym in Spanish: CAPA) the responsibility of monitoring compliance with policies and procedures in market and liquidity risks. Likewise, the UAIR has policies where guidelines are incorporated to report deviations from the established limits, and in this case must inform the Risk Committee and, where appropriate, the Board of Directors itself, about such deviations.

(Continued)

The Institution's UAIR is represented by the Assistant General Director of Risks (DGA Risks) and is supported for the management and administration of the different types of risk (i.e. credit, liquidity, interest rates, market and transactional, technological, among others) mainly in expert teams by type of risk, the foregoing to ensure adequate management such that the desired risk profile defined by the Board of Directors is met as well as to improve quality, diversification and composition of the different portfolios, optimizing the risk-return ratio.

In addition, the Bank has an internal audit area that is independent of the Business and administrative Units, whose managers are appointed by the Board of Directors, which carries out at the close of each fiscal year an audit of Comprehensive Risk Management.

a) Credit Risk

The Provisions define Credit Risk as the potential loss due to the non-payment of an borrower or counterparty in the transactions carried out by the Credit Institutions, including the real or personal guarantees granted to them, as well as any other mitigation mechanism used by said institutions.

Qualitative Information

The Bank's credit risk management is based on various strategies such as centralization of credit processes, portfolio diversification, credit analysis, close monitoring and a credit risk rating model, this credit risk management incorporates financial instruments.

There are two levels of credit resolution instituted: Board of Directors and Joint Powers of the Credit Department. The distinction between levels is based on the amount of the transaction, risk classification of the borrower, type of borrower and destination of the resources.

For the management of credit risk, the information is extracted from the various applications and systems that the Institution has, likewise, through specialized systems where allowances are made such as the expected, unexpected loss and future potential exposure for counterparty credit risk.

In the case of the commercial portfolio, the business areas constantly evaluate the financial situation of each customer, performing at least once a year a thorough review and an analysis of the risk of each borrower. These reviews consider global credit risk, including transactions with financial instruments and derivatives. For identified risks, supplemental reviews are conducted more frequently. In the case of mortgage and consumer portfolios, there are origination models that evaluate the credit quality of the borrowers and there are also established policies and procedures to manage the authorization processes of new credit and to monitor the credit quality of the different Loan portfolios.

Credit risk concentrations- The Bank has implemented policies and procedures to maintain a healthy, diversified and prudently risky and controlled portfolio, among which are the establishment of credit risk exposure limits, by business units, currency, term, sector, etc. The limits are authorized annually by the Risk Committee and/or by the Board of Directors; their behavior is monitored and reported monthly to the Risk Committee and, where appropriate, quarterly to the Board of Directors.

(Continued)

(Millions of Mexican pesos)

Methodology to identify, quantify, manage and control credit risk- The process of establishing exposure limits for each type of portfolio subject to credit risk includes the analysis of the information and identification of the risks inherent to each borrower, documented in policies based on an authorization process and continuous review. All credit exposures including financial instruments and derivatives are monitored by the UAIR; the monitoring process considers informing the Risk Committee and the Board of Directors of the consumption of the limits, the excesses observed thereto and the strategies implemented for the restoration of parameters. Likewise, the Board delegates to the Risk Committee the power to authorize specific limits and updates to the methodologies used for the management of credit and counterparty risk.

Methodology for determining preventive allowances for credit risks- The Bank has an institutionally approved credit risk classification system for the Commercial portfolio and score models and/or performance tracking metrics for the Retail portfolio. There are also processes and systems that allow the portfolio to be classified by risk level and to estimate its reserves in accordance with the regulatory models of the Banking Commission.

Commercial portfolio

The Bank applies standard models determined by the Banking Commission for the entire portfolio. As of December 31, 2024, the portfolio is comprised as follows:

Group	**Annex CUB**	**% of Total Portfolio**
Federal Entities and Municipalities	Annex 18	0.51%
Investment Projects with own source of payment	Annex 19	0.89%
Financial Sector Entities	Annex 20	14.46%
Individuals with Business Activity with income or sales less than 14 MM of UDI's*	Annex 21	21.13%
Individuals with Business Activity with net sales equal to or greater than 14 million of UDI's	Annex 22	63.01%

* *Including Trustees acting under Trusts and "structured" credit schemes with equity impairment that allows the associated risk to be individually assessed.*

The following Rating Agencies are used in the standard method: S&P, MOODY'S, FITCH, HR RATINGS, A.M. Best and DBRS, based on Annex 1-B of the Banking Commission "Map of Risk Ratings and Degrees".

The rating of Rating Agencies is used by the Bank for the calculation of the probability of default as shown on the following page.

(Continued)

- States and Municipalities
- Admissibility of guarantors with a global long-term rating of risk grade 1 and 2.
- Customers domiciled abroad and who do not have payment experience information within the national Credit Reporting Companies, who have a global long-term rating of risk grade 1 and 2.

The estimates for the commercial portfolio are based on the individual assessment of the credit risk of the debtors and their classification, in accordance with the Provisions (standard methodology). It is exempt from qualifying the guaranteed portfolio or portfolio under the responsibility of the Federal Government, the Central Bank and the Institute for the Protection of Bank Savings, in accordance with the rules for the rating of the Loan portfolio of the Multiple Banking Institutions.

Credit risk hedge management and recognition process. The Bank has policies in place for the evaluation of guarantees, which involve the review of each of the related elements and risks depending on their type, considering both the policies for guarantees, as well as those respective to the analysis and evaluation of credit. The Bank applies controls in the evaluation of the guarantors/obligators identifying the detail of the corporate structure, as well as any aspect of significant subordination that affects the support granted.

The credit rating of the guarantor or obligor is determined on a continuous and consistent basis throughout the life of the credit.

Likewise, in the case of the mortgage portfolio and considering the provisions of Articles 101, 102 and Annex 25 of the Single Bank Circular, the first loss insurance scheme for credit risk mitigation is applied, the amount covered by the scheme as of December 31, 2024 corresponds to $11; the insurance coverage is incorporated in the calculation of the Loss Severity parameter.

Mechanisms of control of rating systems, including an analysis of their independence, responsibility, and evaluation. The Bank has various applications for the control of rating systems and the adequate and complete registration of the characteristics and requirements of each guarantee, which is defined in the institutional catalog of guarantees, as well as credit application and authorization processes.

The aforementioned systems classify the portfolios and qualify credit under the standard methodology of the Banking Commission. The calculation of reserves of borrowers belonging to the consumer and mortgage portfolios, in addition to the commercial Loan portfolio is made based on the regulatory methodologies published in the CUB, which are based on the calculation of the Expected Loss for each of the credit from Probability of Default (PD) parameters, Severity of Loss (SL) and Exposure to Default (ED) using information and specific characteristics of the credit and/or borrowers evaluated.

Establishment of additional reserves due to health emergency SARS-CoV2 virus (COVID-19)

At the end of 2024, the Bank maintains $2 as a remainder of additional reserves without specific allocation to a portfolio.

(Continued)

(Millions of Mexican pesos)

Quantitative Information

The measurement and monitoring of credit risk is based on an expected loss and unexpected loss model, which is calculated in an internal, robust and institutional use specialized tool.

- The expected loss represents the amount the Bank expects to lose over the next twelve months for defaults given the characteristics of its portfolios. It is equal to the result of multiplying the default exposure (DE), the probability of default (PD), and the severity of loss (SL) of credit exposures.

- Unexpected loss is a measure of dispersion around the expected loss. It represents the economic capital necessary to keep the Bank solvent in the event of a large adverse event that impacts Loan portfolios.

Additionally, tests are performed under extreme conditions to determine their impact on the expected and unexpected loss of the portfolio.

As of December 31, 2024 and 2023, and on average for the fourth quarter of 2024 and 2023, the expected and unexpected loss on the Bank's total portfolio is as follows:

Metric[1]		December 2024	Average Q4 2024	December 2023	Average Q4 2023
Expected Loss	$	4,093	4,043	3,676	3,655
Unexpected Loss		25,325	25,104	23,986	23,203

[1]Excludes portfolio in stage 3 and/or in default.

Loan portfolio exposure by portfolio[1]- As of December 31, 2024 and 2023, and on average for the fourth quarter of 2024 and 2023, the exposure of the Loan portfolio corresponds to the following:

		2024		2023	
Total Loan portfolio Exposure by Portfolio		**December**	**Q4 Average**	**December**	**Q4 Average**
Mortgage Portfolio	$	244,978	243,891	223,189	220,056
Automotive Portfolio		26,584	25,764	19,148	18,582
Non-Revolving Personal Portfolio[1]		7,586	7,525	6,048	5,716
Revolving Portfolio		14,763	14,681	13,016	13,021
Commercial Portfolio[2]		265,826	271,526	288,566	292,075
Total [3]	**$**	**559,737**	**563,387**	**549,967**	**549,450**

(Continued)

[1] For the purposes of this document, both the balance of Scotia Line corresponding to restructurings ($48) and the balance corresponding to Credit Card restructurings ($212) are presented in the Non-Revolving Personal Credits portfolio. Exposures associated with the HITO portfolios (mortgage portfolio originated by INFONAVIT but funded by the Bank) are incorporated.

(Millions of Mexican pesos)

[1]Incorporates non-revolving personal loans (payroll and open market) and revolving portfolio restructurings.
[2]Includes loans from Commercial Portfolio, States and Municipalities, Federal Government, Investment Projects with own sources of payment, Financial Institutions, Letters of Credit and SMEs.
[3]Mortgage + Auto + Personal + SL + TC + Commercial Portfolio.

Loan portfolio Risk Parameters (PD, SL and ED)

Portfolio *(Figures as of December 31, 2024)*	**Exposure to Default (ED)[1]**	**Probability of Default (PD)[2]**	**Severity of Loss (SL)[2]**
Mortgages	$ 227,874	1.87%	16.57%
Infonavit[3]	4,511	7.24%	21.19%
Non-Revolving Consumer	33,416	3.66%	71.64%
Scotialine (Revolving Consumer loans)	5,441	6.91%	71.64%
Credit Card	28,095	5.99%	73.07%
Commercial Portfolio[4]	264,710	1.34%	43.47%
Investment Projects[5]	1,917	1.74%	44.25%

[1]Determined under regulatory methodology. (Excludes stage 3 or defaulted portfolio, including SMEs and portfolio.)
[2]Risk-weighted parameter by exposure at default. (Excludes portfolio in Stage 3 and/or in default).
[3]Corresponds to the HITO portfolio: mortgage portfolio originated by INFONAVIT but funded by Scotiabank
[4]Excludes investment projects
[5]IP determined implicitly when considering reserve and SP under regulatory methodology

Credit risk management information for the business portfolio

The total amount of gross exposures with credit risk at December 31, 2024 broken down by the main types of Loan portfolio is composed as shown below.

Total Business Portfolio Exposures (Segment)		**Exposure (amount drawn)**
Government	$	16,090
Corporate Banking		165,228
Business Banking		83,720
Consumption (Retail)		747
SME		41
Total	**$**	**265,826**

Note: Includes Letters of Credit.

(Continued)

(Millions of Mexican pesos)

The total amount of gross exposures with credit risk at December 31, 2023 broken down by the main types of Loan portfolio is composed as shown below:

Total Business Portfolio Exposures (Segment)		**Exposure (amount drawn) 2023**
Government	$	18,095
Corporate Banking		187,254
Business Banking		81,942
Consumption (Retail)		1,125
SME		150
Total	$	**288,566**

Note: Includes Letters of Credit

Distribution of exposures by economic sector

The distribution of exposures by economic sector broken down by the greatest types of exposures, including the detail of the current, past due and established credit, the allowance for ECL for credit risks are broken down below:

Distribution of the Commercial Portfolio by Industrial Sector, Special Mention Credits, Past Due Portfolio and Reserves[2]										
(Figures as of December 31, 2024)										
Industrial sector	**Portfolio**			**Special Mention**			**Total exposure**	**Reserves[1]**	**Variation of Bookings vs. Previous Previous (Sep 24)**	**Average days past due Stage 3**
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**				
Financial Services	$10,718	-	-	-	-	-	10,718	29	(52)	-
Consumer loans	2,976	-	-	61	-	929	3,966	536	53	763
Financial and Investment Intermediaries	3,440	-	-	592	-	96	4,128	78	13	642
Food and Beverage	17,860	-	-	937	14	721	19,532	549	(72)	1,545
Oil and Gas	1,762	1,192	-	-	-	-	2,954	13	(11)	-
Other Sectors	215,711	155	21	2,214	1,209	5,177	224,487	4,696	(754)	1,374
Total	**$252,467**	**1,347**	**21**	**3,804**	**1,223**	**6,923**	**265,785**	**5,901**	**(823)**	**1,081**

[1] No additional reserves recognized by the Banking Commission or total SME reserves of $4 are included.
[2] Excludes total SME exposure of $41.

(Continued)

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Distribution of the Commercial Portfolio by Industrial Sector, Committed Credit, Past Due Portfolio and Reserves
(Figures as of December 31, 2023)

Industrial sector	Portfolio			Employed			Total exposure	Reservations[1]	Variation of Bookings vs. Previous Previous (Sep 23)	Average days past due
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3				Stage 3
Financial Services	$ 11,081	-	-	1,383	-	-	12,464	46	(2)	-
Consumer loans	5,463	-	-	-	-	81	5,544	104	(8)	813
Financial and Investment Intermediaries	4,349	-	-	109	-	74	4,532	73	(1,159)	1,106
Food and Beverage	25,073	-	-	214	-	476	25,763	434	(576)	1,711
Oil and Gas	2,075	-	-	272	-	-	2,347	12	(15)	-
Other Sectors	229,616	102	9	2,146	127	5,766	237,766	5,328	(676)	1,152
Total	**$277,657**	**102**	**9**	**4,124**	**127**	**6,397**	**288,416**	**5,997**	**-2,436**	**1,196**

[1]Additional reserves recognized by the Banking Commission are not included.
[2]Excludes SME exposure for $41.

Distribution of exposures by region

The geographical distribution by region, including the details of the current, past due and established credit, the reserves for credit risks are composed as shown below:

Geographic Distribution by Region – Commercial Portfolio
(Figures as of December 31, 2024)

Region[2]	Portfolio		Trouble debt[3]		Total exposure[1]	Reservations[2]
	Stage 1 and 2	Stage 3	Stage 1	Stage 3		
Center	$ 20,095	-	1,343	1,828	23,266	1,721
Metropolitan	153,664	-	2,185	2,489	158,338	2,012
North	66,340	21	551	767	67,679	895
South	12,156	-	948	1,839	14,943	1,263
Total	**$ 252,255**	**21**	**5,027**	**6,923**	**264,226**	**5,891**

[1] Excludes SME exposure for $41, and associated reserves for $4; as well as Consumer (Retail) for $747 with associated reserves for $6. SME Portfolio: Stage 1: $34, Stage 2: $ 1: Stage 3: $ 6 (Special mention and/or restructured portfolio), SME reserves: Stage 1: $0.3, Stage 2: $ 0.2: Stage 3: $ 3.7.
[2] Additional reserves recognized by the Banking Commission are not included.
[3] Special mention refers to the portfolio in follow-up of special accounts.

(Continued)

(Millions of Mexican pesos)

Geographic Distribution by Region – Commercial Portfolio *(Figures as of December 31, 2023)*						
	Portfolio		**Trouble debt[3]**		**Total**	
Region[2]	**Stage 1 and 2**	**Stage 3**	**Stage 1**	**Stage 3**	**exposure[1]**	**Reserves[2]**
Center	$ 14,255	-	465	1,623	16,343	1,458
Metropolitan	185,313	9	2,188	3,010	190,520	2,651
North	64,140	-	1,109	638	65,887	920
South	12,926	-	489	1,126	14,541	968
Total	**$ 276,634**	**9**	**4,251**	**6,397**	**287,291**	**5,997**

[1]Excludes SME exposure for $41, and associated reserves for $4; as well as Consumer (Retail) for $1,125 with associated reserves for $3. SME Portfolio: Stage 1: $34, Stage 2: $1: Stage 3: $6 (trouble and/or restructured portfolio), SME reserves: Stage 1: $0.3, Stage 2: $0.2: Stage 3: $3.7.
[2]Additional reserves recognized by the Banking Commission are not included.
[3]Special mention refers to the portfolio in follow-up of special accounts.

Remaining Maturity Term Loan portfolio:

Portfolio by Degree of Risk by Remaining Term – Commercial Portfolio *(Figures as of December 31, 2024)*			
Term	**Stage 1 and 2**	**Stage 3**	**Total exposure[1]**
Stage 3 Portfolio	$ -	6,944	6,944
Up to 1 year	132,093	-	132,093
1 to 2 years	32,887	-	32,887
2 to 3 years	30,059	-	30,059
3 to 4 years	23,272	-	23,272
4 to 5 years	22,755	-	22,755
Greater than 5 years	17,775	-	17,775
Total	**$ 258,841**	**6,944**	**265,785**

[1]Excludes total SME exposure of $41.

(Continued)

(Millions of Mexican pesos)

Portfolio by Degree of Risk by Remaining Term – Commercial Portfolio
(Figures as of December 31, 2023)

Term	Stage 1 and 2	Stage 3	Total exposure[1]
Stage 3 Portfolio	$ -	6,406	6,406
Up to 1 year	145,414	-	145,414
1 to 2 years	23,006	-	23,006
2 to 3 years	32,120	-	32,120
3 to 4 years	42,076	-	42,076
4 to 5 years	22,129	-	22,129
Greater than 5 years	17,265	-	17,265
Total	**$ 282,010**	**6,406**	**288,416**

[1]*Excludes total SME exposure of $41.*

Portfolio by Degree of Risk for Remaining Term – SME Portfolio
(Figures as of December 31, 2024)

Term	Stage 1 and 2	Stage 3	Total exposure
Stage 3 Portfolio	$ -	6	6
Up to 1 year	7	-	7
1 to 2 years	26	-	26
2 to 3 years	2	-	2
3 to 4 years	-	-	-
4 to 5 years	-	-	-
Greater than 5 years	-	-	-
Total	**$ 35**	**6**	**41**

Portfolio by Degree of Risk for Remaining Term – SME Portfolio
(Figures as of December 31, 2023)

Term	Stage 1 and 2	Stage 3	Total exposure
Stage 3 Portfolio	$ -	9	9
Up to 1 year	47	-	47
1 to 2 years	35	-	35
2 to 3 years	59	-	59
3 to 4 years	-	-	-
4 to 5 years	-	-	-
Greater than 5 years	-	-	-
Total	**$ 141**	**9**	**150**

(Continued)

(Millions of Mexican pesos)

Reserves for credit risks classified under Article 129

Reserves by degree of risk of the Commercial Portfolio without SMEs *(Figures as of December 31, 2024)*	**Reserves[1]**
A1	**$ 900**
A2	478
B1	114
B2	13
B3	3
C1	15
C2	1
D	832
E	3,544
Total	**$ 5,900**

[1]*Additional reserves recognized by the Banking Commission are not included.*

Reserves by degree of risk of the Commercial Portfolio without SMEs *(Figures as of December 31, 2023)*	**Reserves[1]**
A1	$ 924
A2	572
B1	29
B2	5
B3	63
C1	3
C2	77
D	766
E	3,558
Total	**$ 5,997**

[1]*Additional reserves recognized by the Banking Commission are not included.*

(Continued)

(Millions of Mexican pesos)

Reserves by degree of risk of the SME Portfolio *(Figures as of December 31, 2024))*	**Reserves**
A1	**$ 0.17**
A2	0.10
B1	0.01
B2	-
B3	0.04
C1	0.02
C2	0.02
D	0.16
E	3.65
Total	**$ 4.17**

Reconciliation of changes to credit risk reserves for Stage 3 credit

Allowances for Commercial Portfolio Credit Risks (Figures as of December 31, 2024)	**Amount[2]**
Initial Estimates September 2024	**$ 6,729**
Movements in Bookings by:	(803)
Exchange rate fluctuations	125
Creation _ Release by Qualification	(116)
Write-offs, Forgiveness, Gifts and Discommissions, etc.	(132)
Others	(680)
Final Estimates December 2024[1]	**$5,926**

[1] *Stage 3 reserves are $4,267.*
[2] *Additional reserves recognized by the Banking Commission are not included.*

Estimates for Commercial Portfolio Credit Risks *(Figures as of December 31, 2023)*	**Amount[2]**
Initial Estimates September 2023	**$ 8,443**
Movements in Bookings by:	(2,436)
Exchange rate fluctuations	(45)
Creation _ Release by Qualification	198
Write-offs, Forgiveness, Gifts and Discommissions, etc.	(164)
Others	(2,425)
Final Estimates December 2023[1]	**$ 6,007**

[1] *Stage 3 reserves are $4,334*
[2] *Additional reserves recognized by the Banking Commission are not included.*

(Continued)

(Millions of Mexican pesos)

Retail Loan portfolio Financial Information

Geographic distribution of exposures by major federative entities

The geographical distribution of exposures in the main federative entities and main exposures are broken down below:

Financial Information by Geographic Distribution of the Retail Portfolio *(Figures as of December 31, 2024)*		**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**	**Total**
Mexico City	$	206,982	33,488	4,085	244,555
State of Mexico		5,409	26	1,604	7,039
Jalisco		4,880	64	1,060	6,004
Nuevo León		3,845	67	826	4,738
Queretaro		3,441	16	256	3,713
Chihuahua		1,994	29	205	2,228
Coahuila de Zaragoza		2,135	76	509	2,720
Guanajuato		1,505	16	390	1,911
Veracruz de Ignacio de la Llave		1,487	19	464	1,970
Puebla		1,281	20	390	1,691
Others		12,019	349	4,974	17,342
Total	**$**	**244,978**	**34,170**	**14,763**	**293,911**

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Financial Information by Geographic Distribution of the Retail Portfolio *(Figures as of December 31, 2023)*		**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**	**Total**
Mexico City	$	179,141	24,039	2,783	205,963
State of Mexico		6,465	59	1,559	8,083
Jalisco		5,718	119	997	6,834
Nuevo León		4,495	141	810	5,446
Queretaro		4,054	32	260	4,346
Chihuahua		2,328	43	200	2,571
Coahuila de Zaragoza		2,448	88	480	3,016
Guanajuato		1,778	30	392	2,200
Veracruz de Ignacio de la Llave		1,751	39	466	2,256
Puebla		1,496	39	379	1,914
Others		13,515	567	4,690	18,772
Total	$	**223,189**	**25,196**	**13,016**	**261,401**

(Continued)

(Millions of Mexican pesos)

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Distribution of Exposures by Product

The distribution by product of exposures is broken down as follows:

Retail Loan portfolio *(Figures as of December 31, 2024)*	**Pesos**	**Valued Dollars**	**Total**
Housing Portfolio[1]	$ 244,942	36	244,978
Non-Revolving Portfolio[2]	34,170	-	34,170
Revolving Portfolio	14,763	-	14,763

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Retail Loan portfolio *(Figures as of December 31, 2023)*	**Pesos**	**Valued Dollars**	**Total**
Housing Portfolio[1]	$ 223,151	38	223,189
Non-Revolving Portfolio[2]	25,196	-	25,196
Revolving Portfolio	13,016	-	13,016

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Remaining Maturity Term Loan portfolio

Financial Information for Remaining Retail Portfolio Term – Stage 1 *(Average Term)*	**Months**	**Years**
Housing Portfolio[1]	170	14
Non-Revolving Portfolio[2]	33	3
Revolving Portfolio	-	-

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

(Continued)

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Financial Information for Remaining Retail Portfolio Term - Stage 2 *(Average Term)*	**Months**	**Years**
Housing Portfolio[1]	160	13
Non-Revolving Portfolio[2]	30	2
Revolving Portfolio	-	-

[1]*Includes portfolio for credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Financial Information for Remaining Retail Portfolio Term - Stage 3 *(Average Term)*	**Months**	**Years**
Housing Portfolio[1]	164	14
Non-Revolving Portfolio[2]	29	2
Revolving Portfolio	-	-

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Financial Information for Remaining Retail Portfolio Term – Total *(Average Term)*	**Months**	**Years**
Housing Portfolio[1]	170	14
Non-Revolving Portfolio[2]	33	3
Revolving Portfolio	-	-

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Distribution of Loan portfolio exposures by degree of risk by product

Retail loan portfolio financial status report *(Figures as of December 31, 2024)*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Housing Portfolio[1]	$ 228,414	3,971	12,593	244,978
Non-Revolving Portfolio[2]	32,678	738	754	34,170
Revolving Portfolio	13,870	464	429	14,763

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

(Continued)

(Millions of Mexican pesos)

Financial Information Retail Portfolio Status *(Figures as of December 31, 2023)*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Housing Portfolio[1]	$ 209,828	3,653	9,708	223,189
Non-Revolving Portfolio[2]	24,063	527	606	25,196
Revolving Portfolio	12,289	396	331	13,016

[1]*Includes portfolio for FOVI credits.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Reserves for credit risks classified under Article 129

Allowance for ECL by Degree of Retail Portfolio Risk *(Figures as of December 31, 2024)*		**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**	**Total**
A-1	$	352	148	504	1,004
A-2		34	58	233	325
B-1		22	59	79	160
B-2		49	93	38	180
B-3		40	40	41	121
C-1		62	87	85	234
C-2		314	66	131	511
D		1,758	98	417	2,273
E		2,798	847	368	4,013
Total	$	**5,429**	**1,496**	**1,896**	**8,821**

[1]*Excludes reserve for FOVI credits, 5.3.*
[2]*Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.*

Allowance for ECL by Degree of Retail Portfolio Risk *(Figures as of December 31, 2023)*		**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**	**Total**
A-1	$	321	105	474	900
A-2		16	30	205	251
B-1		16	50	62	128
B-2		58	70	34	162
B-3		53	27	37	117
C-1		55	67	68	190
C-2		241	38	95	374
D		1,456	56	322	1,834
E		1,884	676	290	2,850
Total	$	**4,100**	**1,119**	**1,587**	**6,806**

(Continued)

(Millions of Mexican pesos)

[1]Excludes reserve for FOVI credits, $12.
[2]Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.

Variation in reserves for credit risks and credit written-off during the period

Retail Portfolio Reserve Variations	December 2024	December 2023	Variation
Housing Portfolio[1]	$ 5,429	4,100	1,329
Non-Revolving Portfolio[2]	1,496	1,119	377
Revolving Portfolio	1,896	1,587	309

[1]Excludes reserve for FOVI credits.
[2]Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.

Credit in Risk Stage 3 broken down by significant federative entities

Financial Information by Geographic Distribution of the Portfolio in Stage 3 *(Figures as of December 31, 2024)*	**Housing Portfolio[1]**		**Non-Revolving Portfolio [2]**		**Revolving Portfolio**	
	Balance	**Reserve**	**Balance**	**Reserve**	**Balance**	**Reserve**
Mexico City	$ 10,067	3,754	627	491	86	76
Jalisco	300	76	14	7	35	30
State of Mexico	266	66	10	5	60	52
Veracruz	108	27	7	2	17	15
Nuevo León	156	31	13	7	24	21
Puebla	111	36	8	3	13	11
Tamaulipas	74	22	6	2	16	14
Queretaro	135	38	7	2	9	8
Coahuila de Zaragoza	105	32	13	7	13	11
Sinaloa	59	19	10	4	15	13
Others	1,212	329	39	58	141	122
Total	**$ 12,593**	**4,430**	**754**	**588**	**429**	**373**

[1]Excludes reserve for $5.3 FOVI credits.
[2]Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.

(Continued)

(Millions of Mexican pesos)

Financial Information by Geographic Distribution of the Portfolio in Stage 3 *(Figures as of December 31, 2023)*						
	Balance	**Reserve**	**Balance**	**Reserve**	**Balance**	**Reserve**
Mexico City	$ 7,160	2,573	462	366	65	57
Jalisco	314	83	18	10	26	23
State of Mexico	291	83	14	8	41	36
Veracruz	149	41	7	2	16	14
Nuevo León	161	38	16	9	17	15
Puebla	116	35	10	5	12	10
Tamaulipas	73	21	10	5	12	11
Queretaro	141	38	7	3	9	8
Coahuila de Zaragoza	122	34	13	7	12	10
Sinaloa	62	18	10	4	8	7
Others	1,119	314	39	60	113	99
Total	**$ 9,708**	**3,278**	**606**	**479**	**331**	**290**

[1]Excludes reserve for $12 FOVI credits.
[2]Includes Payroll Credits, Auto Loans, Personal Loans and revolving portfolio restructurings.

Reconciliation of changes to preventive credit risk reserves for Stage 3 credit

Portfolio Reserve Variations in Stage 3	**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**
Book by 30 September 2024	$ 4,026	519	364
Releases[3]	(199)	(312)	(317)
Transfer from Current Portfolio to Stage 3	207	150	205
Transfer of Past Due Portfolio to Stage 1.2	(94)	(21)	(17)
Decreases in the balance of reserves (includes Write-offs and Discommissions)	(30)	(9)	(1)
Increases in the balance of reserves	525	261	139
Reserve as of December 31, 2024	$ 4,435	588	373

[1]Includes portfolio for FOVI credits.
[2]Includes Payroll Credits, Auto Loans, Personal Loans, Fairmont Loans, Overdrafts and Scotialoan facility Restructuring.
[3]These are all the credits that no longer appeared for some reason in the quarter as a change of status on the card, they settled the credit, etc.

(Continued)

Portfolio Reserve Variations in Stage 3	**Housing Portfolio[1]**	**Non-Revolving Portfolio[2]**	**Revolving Portfolio**
Reserve as of September 30, 2023	**$ 3,260**	**428**	**260**
Releases[3]	(437)	(204)	(230)
Transfer from Current Portfolio to Stage 3	145	113	167
Transfer of Past Due Portfolio to Stage 1.2	(104)	(23)	(7)
Decreases in the balance of reserves (includes Write-offs and Discommissions)	(32)	(12)	(2)
Increases in the balance of reserves	446	177	102
Reserve as of December 31, 2023	**$ 3,278**	**479**	**290**

[1]Includes portfolio for FOVI credits.
[2]Includes Payroll Credits, Auto Loans, Personal Loans, Fairmont Loans, Overdrafts, and Scotialoan facility Restructuring.
[3]These are all the credits that no longer appeared for some reason in the quarter as a change of status on the card, they settled the credit, etc.

Scotiabank Recoveries of loans written-off and 100% provisioned (Figures in millions of pesos)	**Q4 2024**
Housing Portfolio	$ 24
Non-Revolving Portfolio	22
Revolving Portfolio	15

Scotiabank Recoveries of loans written-off and 100% provisioned (Figures in millions of pesos)	**Q4 2023**
Housing Portfolio	$ 31
Non-Revolving Portfolio	24
Revolving Portfolio	19

Credit Risk Mitigation Techniques

The Bank has policies and processes that allow it to carry out a valuation of the guarantees. In general, it can be considered that there are no restrictions regarding the acceptance of guarantees; however, prior to their acceptance, it is necessary to assess the impacts that will be taken in terms of profitability, and as a mitigating factor in risk measurements and regulatory calculations of reserves and capital requirements.

Most of the concentration of guarantees that the Bank has, to mitigate credit risk, correspond to non-financial real guarantees.

As of December 31, 2024 and 2023, the coverages of the guarantees reported by the Bank by standard methodology are as follows, which apply to the Commercial Portfolio:

The Bank has no credit derivatives traded at December 31, 2024 and 2023.

(Continued)

(Millions of Mexican pesos)

Guarantee Amount[1]		
Hedge	**Methodology Standard (2024)**	**Methodology Standard (2023)**
Acceptable real Financial Guarantee	$ 7,372	7,643
Non-financial real Guarantees Allowable	23,863	18,222
Personal Guarantees	1,714	1,256
Mortgage Portfolio First Loss Insurance	11	20

[1]Correspond to amounts covered by guarantees.

Policies for securing real guarantees and establishing credit reserves

The guarantees that cover the loans, depending on their type and characteristics, can improve the level of credit risk and, consequently, the amount of the reserves required. For these purposes, two types of guarantees are considered: personal and real.

Guarantees used to improve the credit rating, in addition to the specific requirements for their type (personal or actual), generally must cover the following:

- The guarantee is granted and constituted in the manner and terms established in the applicable legal provisions and internal policies of the Bank.

- When a credit is covered by guarantees of the real and personal type: and they are granted simultaneously by the same personal guarantor, only one of them can improve the rating.

In syndicated loans with another (other) Credit Institution(s), the Bank may agree on the following rights, in the respective credit agreement: The first place in the order of collection over the guarantee; or the same degree of priority in the order of collection as the other participants, in cases where the guarantee is assigned proportionally among all Institutions participating in the credit.

Credit Risk of Financial Instruments

The financial situation of each customer, issuer and counterparty is constantly evaluated and at least once a year a thorough review and risk analysis is performed. These reviews consider global credit risk, including transactions with financial instruments, derivatives and changes.

Credit risk in investments in securities- A summary of the exposures, credit quality and concentration by level of risk of investments in securities at December 31, 2024 and 2023 is presented in the following page.

(Millions of Mexican pesos)

Financial instrument rating[1]		Financial instruments solely for payment of principal and interest	Financial Instruments Held to Collect and Sell	Trading financial instruments	Total by risk	% Concentration
mxAAA[2]	$	5,111	92,284	50,978	148,373	92.98%
AA+[3]		-	1,453	-	1,453	0.91%
BBB[3]		-	9,729	-	9,729	6.10%
No rating[4]		-	-	22	22	0.01%
Bank		5,111	103,466	51,000	159,577	-
Other Subsidiaries[5]		-	-	-	-	-
Total December 2024	**$**	**5,111**	**103,466**	**51,000**	**159,577**	**100%**
Concentration	**%**	**3%**	**65%**	**32%**	**100%**	
Total December 2023	**$**	**4,904**	**102,024**	**66,619**	**173,547**	**100%**
Concentration	**%**	**2.8%**	**58.8%**	**38.4%**	**100%**	

[1]*Includes both spot and repurchase/resale sales transactions. Figures may vary from Consolidated Financial Statements, as it does not include offsets or allowance of expected credit losses.*
[2]*Local S&P ratings*
[3]*Global S&P ratings*
[4]*Includes shares and mutual funds.*
[5]*Includes Servicios de Apoyo, Scotia Derivados and Inmobiliaria Scotiabank.*

At the end of December 2024 and on average during the fourth quarter of 2024, the expected loss on the exposure of the portfolio of investments in securities (without considering spot sales and value-date sales) was 0.03% and 0.02%, respectively, while the unexpected loss was 0.38% and 0.33%, respectively.

Credit risk in derivative transactions

In addition to the risk measures mentioned above and for derivative transactions, the Bank quantifies its credit exposures in order to control the use of lines granted to its counterparties for the transaction of derivative 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 contracts, guarantee contracts and collateral. There are counterparty risk and established limit monitoring policies that contemplate the process to be followed in the event of excesses.

(Continued)

(Millions of Mexican pesos)

Below is the potential future exposure by counterparty credit risk and concentration by counterparty type at December 31, 2024 and 2023:

Counterparty Type	Future Potential Exposure	Concentration (%)[1]
December 2024		
Financial institutions	$ 8,432	59%
Corporate	5,848	41%
Total maximum exposure	**$ 14,280**	**100%**
December 2023		
Financial institutions	$ 6,961	52%
Corporate	6,521	48%
Total maximum exposure	**$ 13,482**	**100%**

[1] *Top three exposures by counterparty represent 36% of the total*

Methodology for setting credit limits for counterparties and capital allocation

The Bank, through the establishment of operating policies, defines the allocation of capital based on business criteria and risk appetite, that is, through the Credit Committees, the client eligibility criteria are defined and the establishment of maximum exposure limits considering the potential future exposure of each counterparty as the main risk parameter, estimated in accordance with the methodology approved by the Risk Committee.

It is important to note that prior to any transaction involving credit risk, there is a process of reviewing the borrowers/counterparties to assess their risk profile and define the accepted exposure limit with each one.

Once the limits have been approved, they are monitored by the UAIR and reviewed annually by the Credit department or more frequently in the event that any potential risk is detected or the line of business so requests.

The capital requirement for derivatives transactions is calculated under regulatory methodology, as is the case with the value adjusted by credit valuation or CVA.

In addition, BNS guidelines are in place to identify adverse correlation risk during the loan authorization process for transactions with counterparties.

(Continued)

The following table shows gross fair value, compensation benefit and compensated exposure at December 31, 2024 and 2023.

Counterparty Type		Gross fair value[1]	Compensated Exposure
December 2024			
Financial institutions	$	27,830	4,563
Corporate		775	633
Total		**28,605**	**5,196**
December 2023			
Financial institutions		$ 16,871	5,207
Corporate		1,921	1,252
Total	**$**	**18,792**	**6,459**

[1]*Refers to the positive value of the market valuation and also represents the current potential exposure.*

Likewise, the guarantees in deposits and/or securities held by the Bank at December 31, 2024 and 2023 correspond to $3,084 and $3,778, respectively.

Large Exposures[1]

Scotiabank-Amounts of the Large Exhibitions (groups and clients whose joint exposure represents more than 10% of the Base Capital) *(Figures in millions of pesos as of December 31, 2024)*		
Counterparty	**Total exposure[2]**	**% Regarding Basic Capital (September 2024)[3]**
Group 1	16,770	21%
Group 2	12,075	15%
Group 3	10,049	13%
Group 4	8,871	11%

1 Total exposures are revealed. However, only provisions after September 30, 2024 count toward the Large Exposures standard funding limit, previous provisions will be subject to the previous limit as maximum.
2 Total exposures calculated according to Art. 57, 57 Bis, 57 Bis 1 and 57 Bis 2.
[3]*Basic capital as of the third month prior to the calculation date.*

(Continued)

Four largest obligors

Four largest customers or common risk groups[1] *(Figures in millions of pesos as of December 31, 2024)*		
Total exposure[2]	**Maximum funding limit**[3]	**% of limit usage**
42,171	78,770	54%

[1] The four largest obligors consider counterparties with limits of 15% or 25% and consider total exposures.
[2] Total exposures calculated according to Art. 57, 57 Bis, 57 Bis 1 and 57 Bis 2.
[3] The maximum financing limit of the four largest obligors corresponds to 100% of the Basic Capital of September 2024.

Liquidity Risk and Interest Rates

Under the Provisions, Liquidity Risk is defined as:

i. The inability to meet the present and future cash flow needs affecting the daily transaction or financial conditions of the Bank;
ii. The potential loss due to the impossibility or difficulty of renewing liabilities or contracting others under normal conditions for the Bank, due to the advance or forced sale of assets at unusual discounts to meet its obligations or, due to the fact that a position cannot be disposed of, acquired or hedged in a timely manner by establishing an equivalent opposing position, or
iii. The potential loss from the change in the structure of the Bank's consolidated statement of financial position due to the difference in terms between assets and liabilities.

Qualitative Information

The Bank manages its exposure to liquidity risk to the applicable regulatory provisions and best market practices, considering the positions for structural management of the consolidated financial statement.

Liquidity risk management limits have been established, which are reviewed at least annually and monitored periodically[2] so that risk mitigators are current and accurate. Among the applicable limits are those related to liquid assets and liquidity gaps, which are aligned with the Bank's risk appetite. The liquidity risk limit structure includes notional amounts, as well as terms and concentration; the Assets and Liabilities Committee, Risk Committee and the Board of Directors are periodically informed about the performance of said limits, as well as the indicators regarding liquidity risk.

(Continued)

[2] Depending on the nature of the limits they are monitored on a daily, weekly or monthly basis.

Likewise, the information is extracted from the various applications and systems available to the Bank, and estimates related to liquidity risk are also made through specialized systems. In addition, it is important to point out that for the management of liquidity risk, there are forward-looking metrics, which are incorporated in the annual fiscal year of the Exposure Plan, Capital Adequacy Exercises under own and regulatory scenarios, as well as the Contingency Plan (for solvency and liquidity risks) of the Bank; and with tests under extreme scenarios and backtesting tests. It is noted that the models used for liquidity risk management are reviewed at least annually.

The Bank assumes liquidity risks as an intrinsic part of its brokerage function. Liquidity risk is the result of gaps in cash flows. The objective of the liquidity risk management process is to ensure that the Bank can cover all of its obligations as they become enforceable, for which the Bank applies controls to liquidity gaps, monitors key liquidity indicators, maintains diversified funding sources, establishes limits and maintains a minimum percentage of liquid assets.

Liquidity risk is monitored and controlled through accumulated liquidity gaps. These gaps are constructed through the maturities and payment flows of the different instruments of the consolidated statement of financial position, both assets and liabilities, thus creating a daily gap that corresponds to the difference of payment obligations and collection rights generated on a day-to-day basis. Liquidity gaps include the Bank's contractual maturity flows (cash inflows and outflows). Liquidity gaps are estimated under corporate guidelines that consider normal market conditions and are different from those gaps calculated for the Liquidity Hedge Coefficient estimate, since the latter include stressors for both inflows and outflows.

On the other hand, the interest rate risk of the structural balance page arises from uncertainty in the portfolio's profits and/or value as a result of movements in interest rates, and occurs when there are gaps in the review of assets and liabilities with contractual maturity or subject to rate review within a certain period of time, or when there are different reference rates for assets and liabilities. This risk appears as a result of the Bank's funding, placement and investment activities and materializes in the face of a change in interest rates as a variation in the net interest income.

Indicators such as economic value sensitivity and margin sensitivity are used to measure structural balance page interest rate risk. For the calculation of said indicators, repricing gaps are used, built based on the reference rates of assets and liabilities; for fixed-rate positions they are modeled according to their contractual amortizations and maturities, while those positions referenced to a floating rate are modeled according to their next repricing date. The methodology for calculating the indicators considers assumptions of stability of deposits of immediate demand and prepayment of mortgages. The first consists of a harvest analysis in order to evaluate the permanence of the deposits while the second considers segmentation by credit age in order to assign a prepayment rate.

Both economic value and margin sensitivity contemplate an impact of ± 100 basis points on interest rates and considers the maximum expected loss per scenario. This measurement is made weekly and reported to the members of the Assets and Liabilities Committee, the Risk Committee and the Board of Directors in their respective sessions.

The sensitivity of economic value incorporates the impact of the change in interest rates on the total expected flows in a 30-year window and provides a measure of the long-term impact of these variations, while the time window for estimating margin sensitivity is 12 months.

Quantitative Information

To measure liquidity risk, the liquidity gaps at the end of December 2024 and the 2024 annual average are as follows:

Scotiabank (millions of Mexican pesos)		Position (Closing)[3]	Position (Average)
Accumulated gap 30 days (MXN+UDIs+USD)	$	75,313	67,077
Liquidity Buffer (under LCR metric)	$	142,206	131,804

To measure liquidity risk, the liquidity gaps at the end of December 2023 and the 2023 annual average are as follows:

Scotiabank (millions of Mexican pesos)		Position (Closing)[4]	Position (Average)
Accumulated gap 30 days (MXN+UDIs+USD)	$	79,214	77,069
Liquidity Buffer (under LCR metric)	$	121,786	117,275

Accumulated liquidity gaps imply contractual maturities, including hedging positions. Additionally, liquidity risk exposures are within approved limits.

As can be seen in the table above, it is highlighted that the Bank has maintained a solid liquidity position, with an average CCL (Coeficiente de Cobertura de Interés [Interest Coverage Coefficient]) and CFEN (Coeficiente <<<de Financiamiento Estable Neto [Net Stable Financing Coefficient]) during 2024 of 161% and 115%, remaining above 100%; as well as a wide reserve of liquid assets.

Downgrade of the Bank's credit rating

As a conservative measure and in order to be prepared for a possible increase in liquidity requirements as a result of a possible drop in the Bank's rating (this associated with a drop in the Bank's rating triggering an increase in the collateral required in derivative transactions), the risk management group periodically makes the impact that this scenario would have and the consequences on liquidity and liquid assets measures. The impacts of the 3-level downgrade of the Bank's credit rating at the end of December 2024 and the 2024 average were $5,534 and $4,130, respectively

	2024	
	December	Average
Economic Value (+100bps)	(2,181)	(2,188)
Margin Sensitivity (-100bps)	(295)	(173)

(Continued)

[3] Figures prior to December 2024 closing.
[4] Figures prior to December 2024 closing.

	2023	
	December	**Average**
Economic Value (+100bps)	(1,540)	(1,195)
Margin Sensitivity (-100bps)	(215)	(330)

The financial instruments held for collection or sale, being an integral part of the management of the Bank's consolidated statement of financial position, are monitored under the sensitivity measures described above (economic value and margin sensitivity) and are therefore exempted from the VaR calculation.

The Bank carries out derivative financial instruments, for hedging purposes, whether interest rates or exchange rates. These positions are excluded from the VaR calculation and seek to cover the evolution of the net interest income of its structural portfolios of the bank exposed to adverse interest rate and exchange rate movements, their sensitivity to risk factors is measured within the economic value and the sensitivity of the Bank's margin.

On the other hand, it is necessary to show that the hedging positions effectively meet their objective. This effectiveness sample assumes that the coverage must meet a deviation range between 80% and 125% or, if applicable, that an economic relationship between the item and the instrument covered exist.

Market Risk

The provisions define Market Risk, as the potential loss due to changes in Risk Factors that affect the valuation or the expected results of active, passive or contingent liability transactions, such as interest rates, exchange rates and price indices, among others.

<u>Qualitative Information</u>

Market risk management consists of identifying, measuring, monitoring and controlling risks arising from fluctuations in interest rates, exchange rates, stock market prices, indices and other risk factors in the money, exchange, capital and derivative product markets to which the trading positions belonging to the Bank's own account are exposed.

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

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

(Continued)

(Millions of Mexican pesos)

Market Risk Management includes monitoring that risk mitigations are up to date and accurate, in this regard, the limits established and approved for each of the portfolios are reviewed annually and monitored daily. The models used for the management of market risk are reviewed at least bi-annually; and the Risk Committee and the Board of Directors are periodically informed about the performance of the limits, and indicators on the subject of Market Risk. The limits approved by the Risk Committee and Board of Directors are aligned with the Bank's Risk Appetite.

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

The Bank's trading activities are aimed at serving clients, so, for that purpose, an inventory of shares, interest rate and currency financial instruments is maintained, access to market liquidity is maintained through offers to buy and sell to other intermediaries. The portfolios of instruments for trading (fixed, variable and derivative income) are valued at the market on a daily basis, such information is included daily in the respective market reports.

Quantitative Information

Value at Risk (VaR)

It is an estimate of the potential loss, based on a certain level of statistical confidence and over a certain period of time (observed horizon), under normal market conditions. This is calculated on a daily basis for all instruments and portfolios at risk of the Bank within the trading portfolio.

The historical simulation methodology with 300 days is used for its calculation. The institution's policy uses a 99% confidence level as a reference and a day as a holding period.

The global VaR at the close of a day during the fourth quarter of 2024 was $17.34; as a percentage of its net capital ($85,921 as of November 2024) at the close of the period equals 0.020%. The average and closing VaR for a day broken down by the Bank's risk factor during the fourth quarter of 2024 is as follows:

	December 2024	**December 2023**
Risk Factor	**Average VaR 1 day**	**Average VaR 1 day**
IR (Interest Rate)	16.40	14.99
EQ (Equity)	3.71	9.15
FX (Foreign Exchange)	0.00	0.00
Global VaR	15.90	17.00

The distribution of market risk exposure (Position against Value at Risk) for the trading portfolios at the end of December 2024 are as shown on the following page.

(Continued)

Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Notes to Consolidated Financial Statements

(Millions of Mexican pesos)

		Position		VaR	
		Closing	Average	Closing	Average
Money Market	$	49,100	52,068	-	-
Derivatives Market					
SC Swaps (MXN/USD)		2,069,440	1,831,166	-	-
CC Swaps		47,769	37,635	-	-
Caps & floors (MXN/USD)		22	17	-	-
Interest rate market portfolio and interest rate derivatives	**$**	2,166,331	1,920,886	17.18	16.40
Cash Capitals	$	22	20		
Capital derivatives		5,920	6,227	-	-
Stock portfolio	$	5,942	6,247	-	-
Spot FX	$	3,870	5,000		
FX derivatives		314,715	353,869		
FX FWD		297,758	337,649		
FX Options		16,957	16,220		
Currency Portfolio, Currency Derivatives	**$**	**318,585**	**358,869**	**3.37**	**3.71**

The distribution of market risk exposure (Position against Value at Risk) for the trading portfolios at the end of December 2023 are as follows:

		Position		VaR	
	-	Closing	Average	Closing	Average
Money Market	$	62,516	61,390		
Derivatives Market:					
SC Swaps (MXN/USD)		1,071,460	1,024,266		
CC Swaps		48,333	60,589		
Caps & floors (MXN/USD)		82,908	83,276		
Interest rate market portfolio and interest rate derivatives	$	**1,265,217**	**1,229,521**	**15.23**	**16.41**
Cash Capitals	$	425	363		
Capital derivatives		16,093	15,317		
Stock portfolio	$	**16,518**	**15,680**	**2.21**	**3.21**

		Position		VaR	
		Closing	Average	Closing	Average
Spot FX	$	4,937	4,103		
FX derivatives		157,929	129,534		
FX FWD		145,320	118,379		
FX Options		12,609	11,155		
Currency Portfolio, Currency Derivatives	$	**162,867**	**133,637**	**6.83**	**9.15**

(Continued)

Figures expressed in added value
Only include trading positions
Capital derivatives include local and foreign underlyings
The money market section (bonds) is expressed in net figures (long and short).
Forwards and exchange table position has one position (expressed in millions of US dollars).

In addition, stress testing is performed daily in order to determine risk exposure considering large abnormal fluctuations in market prices (changes in volatility and correlations between risk factors). The Risk Committee has approved the stress limits.

Stress testing during the last quarter of 2024 shows a maximum loss of $541.25 compared to the group limit of 130 Canadian dollars ($1,879 expressed in Mexican pesos) is within tolerable parameters. The hypothetical scenarios used for this test are based on 3 relevant systemic scenarios: the 2008 crisis for emerging markets, Mexico 1994 by the so-called “December Error” and Mexico 1997 by the effect of the “Ruble crisis” and the Asian financial crisis.

On the other hand, backtesting is performed monthly to compare the theoretical profits and losses with the observed risk value and, consequently, calibrate the models used. The level of efficiency of the model is based on the approach established by the BIS.

For valuation and risk models, references are used on updated prices, interest rate curves and other risk factors from the price vendor called Valuación Operativa y Referencias de Mercado, S. A. de C. V.

Sensitivity

<u>*Qualitative sensitivities information*</u>

Market risk sensitivities are calculated daily for each portfolio to which the Bank is exposed. During 2024, no changes were made to the assumptions, methods or parameters used for this analysis.

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

Interest Rate Portfolio

The sensitivity measures that occur for fixed income instruments (bonds) are based on estimating what would be the performance of the portfolio’s value 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, producing 2 types of measurements: (i) the expected change in the value of the portfolio in the event of a change of 1 basis point (0.01%) in the yield curve and (ii) the expected change in the value of the portfolio in the event of a change of 100 basis points (1%) in the yield curve. For the purposes of this disclosure, only changes in 1 basis point are reported.

(Continued)

For floating-rate bonds, two types of sensitivities are calculated: that relative to the risk-free rate and the sensitivity to the overrate or “spread”. In zero coupon bonds, the calculation of the sensitivity of instruments without coupon, as duration, its maturity term, expressed in years, is used.

Interest rate derivatives

Futures of F-TIIE: This type of derivative instruments is modeled for the purposes of calculating sensitivities such as the future of a zero coupon rate and therefore its duration is considered to estimate its sensitivity.

Interest Rate Swaps: In order to determine the sensitivity to changes in the yield curve of TIIE Swaps, a change of 1 basis point is made at each of the relevant points of the yield curve, in addition to a change of 1 and 100 basis points 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 basis point are reported.

Stock portfolio and CPI derivatives

Stock

For the purposes of the shareholding position, the sensitivity is obtained by calculating the Delta per issue within the portfolio. Delta is defined as the change in portfolio value in the event of a 1% change in the underlying value.

Capital derivatives

Its sensitivity is calculated using the Delta, this portfolio has limits expressed in notional terms.

Delta risk is defined as the change in the value of the option in the event of 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 (one original and one with a +1% "shock"), keeping all other parameters constant.

For nonlinear products such as warrants and options are considered Delta sensitivity measures and measures known as “Greek”, including Gamma, Rho, Theta and Vega: The sensitivities calculation is based on the futures option valuation model, known as Black 1976.

Dividend Risk. Stock or index option valuation assumes a compound dividend rate that remains known. Dividends, however, are an estimate and therefore an unknown variable, representing a risk factor for the valuation of the profit and loss of options transactions.

Dividend risk does not have a Greek letter associated with its sensitivity, and in the case of options on indexes and shares in the Bank, the measurement is made by means of increasing the dividend rate by 1% (i.e. from 1% to 1.01%).

Currency Portfolio and Currency Derivatives

Currencies

Sensitivity is calculated as Delta from currency as the change in portfolio value at a 1% change in underlying value.

(Continued)

(Millions of Mexican pesos)

Currency derivatives

Forwards and currency futures: For this portfolio, the sensitivity to movements in the interest rate is calculated for each currency, as the result in the present value when faced with parallel and non-parallel changes of 1 basis point along the respective yield curves, keeping all other factors constant.

Currency Options: For exchange rate options, the ones known for their Greek letters, Delta, Gamma, Vega, Theta, and Rho, apply to the calculation of sensitivities.

Cross Currency Interest Rate Swap (CCIRS): For the purposes of determining the sensitivity to changes in the yield curve, a change of one basis point is made along the respective yield curves, valuing the portfolio with the different curves and calculating what the change in the value of the portfolio is with each of those changes. Analysis is also performed with a 100 base point motion in parallel. Additionally, a change is made non-parallel to the performance curves of a base point due to time gaps, keeping everything else constant. Only the sensitivity of a base point is presented for the purposes of this report.

Quantitative sensitivities information.

Interest rates

The following table presents the sensitivity of a base point (bp) at the end of December 2024 and 2023:

Sensitivity 1 bp		**December 2024**	**December 2023**
Money Market	$	0.103	0.423
Derivatives Market		0.539	(0.042)
SC Swaps (MXN/USD)		0.543	(0.056)
CC Swaps		0.001	0.013
Caps & floors (MXN/USD)		(0.005)	(0.000)
Interest rate market portfolio and interest rate derivatives		0.642	0.381

At the end of December 2024, the Bank presents a sensitivity in the interest rate portfolio of $0.38

Of shares and derivatives of the CPI

The sensitivities for the IPC Index portfolio of shares and derivatives at the end of December 2024 and 2023 are not material.

The Bank's capital portfolio consists of shares and capital derivatives. At the end of December 2024, the Bank presented a closed Delta sensitivity for all underlyings, due to market movements.

The table on the following page presents the sensitivity measures for non-linear instruments as of the end of December 2024. It is important to note that the informative report includes Structured Bonds and that the position is fully hedged (BtB) with other counterparties.

(Millions of Mexican pesos)

Underlying	Delta EQ	Vega EQ	Gamma EQ
AAPL.OQ	-	-	-
AMZN.OQ	-	-	-
BNPUI5.INDX	-	-	-
EEM.P	-	-	-
ENHFO5.INDX	-	-	-
ENHGE5.INDX	-	-	-
FXI.P	-	-	-
GOOG.OQ	-	-	-
ICLN.OQ	-	-	-
IDBTV1.INDX	-	-	-
META.OQ	-	-	-
MEXIPC.INDX	-	-	-
MSFDV1.INDX	-	-	-
QQQ.OQ	-	-	-
SHELL.AS	-	-	-
SOXX.OQ	-	-	-
SPX.INDX	-	-	-
SPXFP.INDX	-	-	-
SPXSR5.INDX	-	-	-
VLO.N	-	-	-
Total	**-**	**-**	**-**

Sensitivity to warrants and "Greek" capital options

Greek	Delta	Range	Vega	Dividend risk	Rho
Total	-	-	-	-	-

From FX portfolio and FX derivatives

Below are the sensitivities of the Exchange table (spot/forward) and the portfolio of currency options at the end of December 2024 and 2023:

Sensitivity 1 bp		2024	2023
FX derivatives	$	38.68	91.53
FWD & Spot FX		184.30	87.93
FX Options		-	-
Swap		(145.62)	3.59
Currency Portfolio, Currency Derivatives		38.68	19.00

(Continued)

(Millions of Mexican pesos)

At the end of December 2024 and 2023, the liquidating trusts of own and third-party accounts maintain a position in contracts in MEXDER; the market risk of these positions for the own account is monitored by the limit called “Pledging of Assets” approved by the Board of Scotia Inverlat Deriva Deriva Derivados.

The use of this limit of the own account as of December 31, 2024 and 2023, respectively, is as shown below:

	2024		**2023**	
	Exposure	**Limit**	**Exposure**	**Limit**
Stock Exchange	40	-	36	-
Bank	1,704	-	1,235	-
Total	**1,744**	**-**	**1,271**	**-**
US Exchanges (USD)	-	-	-	-

This limit monitors the market risk inherent to these transactions, since their use is measured through the minimum initial contributions (MICs) requested by the Clearing House (Assignment).

For the third-party position, each client operating within the trust for third-party accounts has an transactional limit that is monitored daily, as of December 31, 2024 and 2023, the exposure in contracts and the total MICs of the third-party account are summarized as follows:

	2024	**2023**
	Exposure	**Exposure**
:MIC’s	7,872	8,161
Short Futures (number of contracts)	175,395	148,392
Long Futures (number of contracts)	495,608	528,655
Short Options (number of contracts)	-	-
Long Options (number of contracts)	-	-
Short Swaps (number of contracts)	6,052,384	4,198,921
Long Swaps (number of contracts)	4,103,711	3,101,503

(Continued)

Transactional Risk

Within the Provisions, transactional risk is defined as the potential loss due to failures or deficiencies in internal controls, errors in the processing and storage of transactions or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft, and includes, among others, technological risk and legal risk, which are also defined as described below:

Technology risk. It is defined as the potential loss due to damage, interruption, alteration or failures arising from the use or dependence on hardware, software, systems, applications, networks and any other channel of distribution of information in the provision of banking services with the Bank's customers.

Legal risk. It is defined as the potential loss due to non-compliance with applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the transactions carried out by the Bank.

The Bank has implemented policies and procedures that allow it to have an adequate transactional risk management process, which are detailed below.

Transactional Risk Management Policies

They are intended to establish the principles and management framework, to identify, measure, monitor, limit, control, disclose, and manage the transactional risks inherent in their daily activities, as well as promote a culture of risk management in the entire Bank.

Transactional Risk Assessment

The Bank has a structured transactional risk assessment methodology, that allows them to identify, assess and mitigate, the risks inherent in their processes and business activity, which applies to its entire structure. The assessment is based on the identification of the inherent transactional risk, the evaluation of the effectiveness of the controls for such risks, used to determine a residual risk level based on which mitigation actions are established on the identified risks.

Manual for the collection and classification of transactional risk data

Defines the requirements for reporting 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 the loss data, and the specific requirements thereof.

Transactional Risk Tolerance Levels

It is an transactional loss management tool, which allows each area of the Bank to know the loss tolerance levels applicable to each assumed loss event, as well as to encourage enhancements in the transactional risk management process and that the necessary actions are taken to minimize the risk of future losses.

(Continued)

(Millions of Mexican pesos)

Key Risk Indicators (KRIs)

This process allows the Bank to establish indicators based on variables extracted from the processes, whose behavior is related to the level of risk assumed. Tracking each metric identifies trends that allow you to manage the metric values over time; allowable thresholds are set for each of the selected metrics.

Calculation of the capital requirement for transactional risk

Since 2023, the bank calculates its capital requirement for transactional risk through the Business Indicator Method, which presents the one mentioned below.

MINIMUM CAPITAL REQUIREMENT FOR TRANSACTIONAL RISK

Reference	Description	a
1	Business Indicator Component (BIC)	3,200
2	Internal Loss Multiplier (ILM)	1.18
3	Transactional Risk Capital Requirement	3,800
4	Assets subject to Transactional Risk	47,499

BUSINESS INDICATOR AND SUBCOMPONENTS

Reference	IN and its subcomponents	a	b	c
		Period 1	Period 2	Period 3
1	Interest, Lease and Dividends Component (CIAD)			$ 16,362
1st	Interest income	$ 84,422	77,925	55,490
1b	Interest Expenses	55,829	50,788	29,823
1c	Productive Assets			722,770
1d	Dividend Income	73	167	58
2	Services Component (SC)			8,404
2nd	Commissions and Fees Charged	5,435	4,756	4,931
2b	Fees and Fees Paid	382	449	583
2c	Other Transaction Income	3,408	3,490	3,191
2d	Other Operating Expenses	639	360	625
3	Financial Component (FC)			1,905
3rd	Result from Purchase and Sale	2,237	1,966	1,510
4	Business Indicator (IN)			26,670
5	Business Indicator Component (BIC)			3,200

(Continued)

(Millions of Mexican pesos)

HISTORICAL LOSSES

Ref	Description	a	b	c	d	e	f	g	h	i	j
		j=9	j=8	j=7	j=6	j=5	j=4	j=3	j=2	j=1	Average 9 years
	A. Losses										
1	Total amount of net recoveries losses (considering exclusions)	563	304	415	444	367	345	503	167	240	372
2	Total number of losses	0.05	0.06	0.11	0.14	0.54	0.12	0.02	0.06	0.06	-
3	Total Amount of Losses Excluded	-	-	-	-	-	-	-	-	-	-
4	Total Number of Exclusions	-	-	-	-	-	-	-	-	-	-
5	Total Amount of Net Losses from Recoveries and Exclusions	563	304	415	444	367	345	503	167	240	372
	B. Details of the calculation of capital by Transactional Risk										
Are losses used to calculate the MPI?		Yes									

Average Value of Exposure

During the period of January - December 2024, the Bank recognized transactional risk losses of $380.0, as well as the transactional risks at the end of December 2024, which, if materialized, would cause a negative impact totaling $55.6 and correspond to Legal Risk, where the contingencies have provisions.

Technological Risk

Technological Risk is defined as the potential loss due to damage, interruption, alteration or failures arising from the use of hardware, software, application systems, networks and any other channel of information transmission in the provision of services to Bank customers.

To manage the Technological Risk, there is the Cybersecurity and Technological Risk Management Framework that defines the functions, responsibilities and obligations of the interested parties, as well as the supervision of the agencies and the tools, practices and deliverables required to manage and monitor the risks associated with Information and Cybersecurity Technologies.

Regular audits conducted by an independent and experienced Department of Internal Audit of Information Technology include full reviews of the design, implementation and exploitation of internal control systems in all areas of business and support, new products and systems, and the reliability and integrity of data processing transactions.

(Continued)

Annex 5. Liquidity Coverage Ratio (LCR) Disclosure Form
Reported Period: October 24 - December 24
Table 1.1 Liquidity Coverage Ratio Disclosure Form[5]

	(Figures in millions of pesos)	Individual Calculation Q4 2024		Consolidated Calculation Q4 2024	
		Unweighted Amount (Average)	Weighted Amount (Average)	Unweighted Amount (Average)	Weighted Amount (Average)
COMPUTABLE LIQUID ASSETS					
1	Total Computable Liquid Assets	Not applicable	135,578	Not applicable	135,578
CASH OUTFLOWS					
2	Unsecured Retail Funding	$ 169,179	13,694	169,179	13,694
3	Stable Funding	99,365	6,713	99,365	6,713
4	Less Stable Funding	69,814	6,981	69,814	6,981
5	Unsecured Wholesale Funding	$ 256,091	93,657	256,091	93,657
6	Transactional Deposits	153,768	37,628	153,768	37,628
7	Non-transactional Deposits	98,574	52,280	98,574	52,280
8	Unsecured Debt	3,749	3,749	3,749	3,749
9	Secured Wholesale Funding	Not applicable	-	Not applicable	-
10	Additional Requirements:	$ 292,311	20,974	292,311	20,974
11	Outflows related to derivative financial instruments and other collateral requirements	9,490	7,048	9,490	7,048
12	Debt instrument financing loss-related outflows	-	-	-	-
13	Credit facilities and Liquidity	282,821	13,926	282,821	13,926
14	Other Contractual Financing Obligations	63	63	63	63
15	Other contingent financing obligations	2,857	2,857	2,857	2,857
16	TOTAL CASH OUTFLOWS	Not applicable	131,246	Not applicable	131,246
CASH INFLOWS					
17	Cash Inflows from Secured Transactions	$ 11,866	458	11,866	458
18	Cash Inflows from Unsecured Transactions	45,350	31,707	45,350	31,707
19	Other Cash Inflows	19,081	19,081	19,081	19,081
20	TOTAL CASH INFLOWS	$ 76,297	51,246	76,297	51,246
					Adjusted Amount
21	TOTAL COMPUTABLE LIQUID ASSETS	Not applicable	135,578	Not applicable	135,578
22	NET TOTAL CASH OUTFLOWS	Not applicable	80,000	Not applicable	80,000
23	**LIQUIDITY COVERAGE RATIO[1]**	**Not applicable**	**168.73**	**Not applicable**	**168.73**

(Continued)

[5] Annex 5 of the general provisions on liquidity requirements for full-service banking institutions.

a) The calendar days contemplated by the quarter being reported are 92 calendar days
b) The main causes of the Liquidity Coverage Ratio (LCR) results and the evolution of its main components.

During December 2024, the main changes that affected the LCR are the following (considering a 30-day time window):[6]

Main Cash Outflows:

Outflows weighted by immediately payable deposits of $73,333 and traditional time deposits of $28,661, outflows derived from the Look Back Approach estimate (considering the facilities issued by Banco de México) and the estimate related to the impact on liquidity due to the possible downgrade of the institution in 3 levels of $1,904 and $5,534 respectively, outflows for unused credit facilities totaling $15,662.

Main Cash Inflows:

Portfolio cash inflows of $19,394 and call money transactions of $13,141 and maturity of securities rated below 2B for $19,886.

Liquid Assets:

Total Liquid Assets of $142,601 to a greater extent concentrated in Tier 1; $105,850 in Tier 1 debt securities, $26,019 in Money Regulation Deposit, single account at BANXICO and active TIIE auctions, it should be noted that this position does not include BREMS because they are reported as Tier 1 debt securities; additionally, cash available for $7,323 and $3,409 in Tier 2 securities.

c) Changes to major components within the quarter being reported;

Q3 2024 Average: 167% – Q4 2024 Average: 169% The liquidity coverage ratio increased 200 basis points (bps) from the previous quarter, mainly due to:

- In cash inflows, portfolios declined $5,672 and bank deposits grew by MXN $4,472.
- Liquid assets increased by $7,225.
- Finally, traditional bank funding declined by $9,581, and professional, interbank and external funding grew by $18,239.

(Continued)

6 Weighted outflows and inflows for the next 30 days considering the factors defined in the General Provisions on Liquidity Requirements for Full-Service Banking Institutions.

(Millions of Mexican pesos)

d) The evolution of the composition of Eligible and Computable Liquid Assets[7];

Evolution of Liquid Assets Q4-2024	October	November	December
Cash	5%	6%	5%
Central Bank Reserves	21%	20%	18%
Level 1	71%	72%	74%
Tier 2A	3%	2%	3%
Tier 2B	-	-	-
Total Weighted Liquid Assets	**100%**	**100%**	**100%**

Evolution of Liquid Assets Q4-2023	October	November	December
Cash	6%	7%	7%
Central Bank Reserves	38%	23%	28%
Level 1	54%	67%	63%
Tier 2A	2%	3%	2%
Tier 2B	-	-	-
Total Weighted Liquid Assets	**100%**	**100%**	**100%**

e) The concentration of their funding sources;

Concentration of Funding Sources	October	November	December
Deposits funding:			
Demand deposits	46%	47%	49%
Time Deposits			
From the general public	36%	34%	32%
Money Market	6%	6%	6%
Debt securities issued	5%	5%	5%
Global deposit account without movements	-	-	-
Interbank loans and loans from other institutions			
Immediately Payable	-	-	-
Short-term	2%	3%	3%
Long-term	5%	5%	5%
Total	**100%**	**100%**	**100%**

f) Exposures in derivative financial instruments and potential margin calls;

The Bank trades derivative products on behalf of its customers and takes positions on its own, carries out transactions with derivative financial instruments, for hedging and/or negotiation purposes in accordance with the established policies.

(Continue)

7 Liquid assets that can be computed under the guidelines established by Bank of México.

The general objectives of the derivative products operated by Scotiabank Inverlat are as follows:

- Offer derivative financial instruments in the market, with a specific risk-return profile, in order to meet the needs of clients according to their risk profile.
- Offer solutions to customers that allow them to meet their objectives of reducing, eliminating or modifying the risks assumed, respecting the risk profile of each customer.
- Conduct negotiation or arbitration with derivative products for the purpose of generating higher revenue.
- Cover specific products or general risks, as well as optimize funding management.

Traded derivatives may be classified as trading, hedging or arbitration.

The Bank has policies and manuals containing the guidelines and procedures related to the transaction and administration of derivatives. Applicable procedures for monitoring and mitigating the risks associated with derivatives calculate the potential future exposure, monitor the associated collateral, possible margin calls and as a conservative measure, and in order to be prepared for a possible increase in liquidity requirements as a result of a possible drop in Bank rating, periodically calculate the potential impact on collateral increases.

Future Potential Exposure (December 2024)
(figures in millions of Mexican pesos)

With compensation contract	5,062
With no compensation contract	9,218
Possible margin calls (December 2024):	
Collateral in transit	47
Downgrade (December 2024):	
Low 3-level rating	5,534

Future Potential Exposure (December 2023)
(Figures in millions of pesos)

With compensation contract	3,438
With no compensation contract	10,044
Possible margin calls (December 2023)	
Collateral in Transit	21
Downgrade (December 2023)	
Low 3-level rating	3,129

(Continued)

The exposure in derivative financial instruments of the Bank at the end of December 2024 is as follows:

Scotiabank-Exposure in Derivatives [1] (figures in millions of Mexican pesos)	**Closing Position**
Risk Factor:	
Interest rates	$ 2,117,231
Exchange Rate	314,715
Capitals	5,920
Total	**$ 2,437,866**

[1] Corresponds to notional amounts of Derivatives

g) The currency mismatch;

The general policy is to fund assets in the same currency in which they are granted.

h) A description of the degree of centralization of liquidity management and the interaction between group units;

Within the group, there is a unit in charge of liquidity management, Group Treasury, in whose responsibility it is to cover the surpluses and shortages of the institution's liquidity, for which it receives information on a daily basis about the contractual cash flows that will take place in a current market day, as well as the expected short- and medium-term liquidity expectations for the main products.

The different business generation areas of the bank must inform their short, medium, and long-term strategy in advance at least 24-48 hours in the different committees (pipeline) or directly to the Group Treasury, in order for it to schedule its funding structure to meet these commitments.

i) The cash outflows and inflows that, where appropriate, are not captured in this framework, but that the Institution considers relevant to its liquidity profile.

It is relevant to mention that for the calculation of the liquidity coverage ratio, the cash outflows and inflows are recorded at the contractual level; however, the institution calculates the liquidity gaps on a daily basis considering not only the cash outflows and inflows at the contractual level but also considers estimated flows, in addition, extends flow scheduling beyond 30 days, so the institution has the possibility to anticipate and take actions to address commitments after this period.

j) The impact on the Ratio of the incorporation of the Entities Subject to Consolidation, as well as the outflows derived from financial support to entities and companies that are part of the same financial group, consortium or business group that, in accordance with the Policies and Criteria, the Board of Directors of the Institution has authorized to grant.

(Continued)

The impact on the Liquidity Coverage Ratio derived from the Consolidation for the Bank is less than 1% during the entire fourth quarter of 2024, additionally, the outflows caused by the financial support granted to the entities that are part of the same financial group were 7.1% at the end of December 2024 and on average during the fourth quarter of 2024 was 6.1%.

In addition, the Institutions shall at a minimum disclose the information respective to the immediately preceding quarter to which it is disclosed, in accordance with the following:

I. Quantitative Information

(a) Concentration limits with respect to the different groups of collaterals received and the primary funding sources;

Within the policies approved by the institution in terms of liquidity, it is established that the institution will have a low dependence on the wholesale market, as well as maintaining diversified funding sources and a low concentration of resources in specific depositors. This diversification is not only carried out by funding sources, but also by terms and variety of products.

In addition, the minimum credit quality of the collateral received is also established. These collaterals may not be less than a level A credit rating.

Additionally, the institution establishes deposit concentration limits in order to ensure the diversification of its funding sources between its relevant currencies.

Deposit Concentration[8]

Concept	**Limit**
Deposit Concentration (MXN)	9,500
Deposit Concentration (USD)	150

On the other hand, the institution monitors the potential future exposure (PFE) at the counterparty level for the transaction of derivative financial instruments and on the other hand has credit limits to monitor the exposure to counterparty credit risk.

Exposure to liquidity risk and financing needs are monitored taking into account possible legal, regulatory and transactional limitations; for this the Bank assumes a prudent policy of liquidity management risks; additionally, internal limits of liquidity and liquid assets gaps have been established. Liquidity gaps are shown in the following subsection.

Liquidity risk exposures are hedged from a funding standpoint with local, authorized counterparties; which is also in line with established limits.

The LCR calculation currently incorporates positions of the legal entity bank and its subsidiaries.

(b) Exposure to liquidity risk and financing needs at the Institution level, taking into account legal, regulatory and transactional limitations on liquidity transferability.

(Continued)

[8] Subject to exceptions for some names.

Scotiabank Inverlat, S. A.,
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(Millions of Mexican pesos)

In addition to the controls that have been described throughout this note, Scotiabank also has metrics designed to measure exposure in different scenarios where liquidity may be compromised; within these scenarios are considered in those situations in which, due to legal limitations, regulations and transactions limit the normal flow of the institution's funding sources and represent a liquidity risk, these metrics are the Cash Gap, the survival horizon and liquid assets in stress. They have the following exposures at the end of December 2024.

Description	**Average Q4 2024**	**December 2024**
Cash Gap 30d - Group – Stressed (MXN MM)	$ 30,159	27,316
Cash Gap 90d - Group – Stressed (MXN MM)	55,979	46,047
Survival Horizon – Bank (days)	40	41
Survival Horizon - Bank - Stressed (days)	38	38
Survival Horizon – Group (days)	40	41
Survival Horizon - Group – Stressed (Days)	38	38

Description	**Average Q4 2023**	**December 2023**
Cash Gap 30d - Group – Stressed (MXN MM)	$ 39,657	36,881
Cash Gap 90d - Group – Stressed (MXN MM)	119,542	134,722
Survival Horizon – Bank (days)	40	42
Survival Horizon - Bank - Stressed (days)	39	40
Survival Horizon – Group (days)	41	42
Survival Horizon - Group – Stressed (Days)	40	40

(c) The transactions of the consolidated statement of financial position broken down by maturity terms and the resulting liquidity gaps, including the transactions recorded in memorandum accounts.

In order to have control over the gap generated by the nature of the balance between assets and liabilities, Scotiabank establishes limits for its liquidity gaps in different terms. Likewise, the bank monitors daily gaps during the next 360 days, in order to have a broader picture of the obligations that the Bank has more than 30 days away; the gaps incorporate active and passive positions of the consolidated financial statement, as well as positions outside of it.

Results at the end of December 2024 and the average for the fourth quarter of 2024 are:

Scotiabank	**Position (Close)[9]**	**Position (Average)**
Accumulated gap 30 days (MXN+UDIs+USD)	$ 75,313	63,746
Liquidity Buffer (under LCR metric)	142,206	134,379

Results at the end of December 2023 and the fourth quarter 2023 average are shown in the following page.

(Continued)

[9] Figures prior to December 2024 closing.

(Millions of Mexican pesos)

Scotiabank	Position (Close)[10]	Position (Average)
Accumulated gap 30 days (MXN+UDIs+USD)	$ 79,214	73,018
Liquidity Buffer (under LCR metric)	121,921	117,275

[10] Figures prior to December 2023 closing.

In addition, the bank monitors daily gaps over the next 360 days, in order to have a broader picture of the obligations that the institution has more than 30 days away.

II. Qualitative Information

(a) The manner in which liquidity risk is managed in the Institution, considering for this purpose the tolerance for said risk; the structure and responsibilities for the management of liquidity risk; internal liquidity reports; the liquidity risk strategy and the policies and practices through the lines of business and with the Board of Directors;

One of Scotiabank's main objectives is the generation of value for its shareholders while maintaining the stability and solvency of the organization.

The principles of the Liquidity Risk Management process are:

- Ensure governance and oversight of Liquidity Risk, including clear role and responsibility guidelines to ensure that monitoring, valuation, accounting, risk measurement, and risk management processes are conducted and reported independently.
- Identify, measure and manage the risk/return ratio, within the risk appetite and tolerance limits established by the Board of Directors, ensuring that these activities are carried out prudently.

Within the Bank there is a unit in charge of liquidity management — the Group Treasury area — whose responsibility is to cover the surpluses and shortages of liquidity of the institution, for which it receives information on a daily basis about the contractual cash flows that will take place in a current market day, as well as the expected short- and medium-term liquidity expectations for the main products. On the other hand, the Liquidity Risk Management area is responsible for ensuring that the main liquidity indicators are within the approved limits and aligned with the institution's risk appetite, for this purpose the Liquidity Risk Management area produces periodic information relating to liquid assets and liquidity gaps; in case there are any deviations, they must notify the Treasury Group and area involved in order to correct any deviation that could impact the structural liquidity of the institution.

Subsequent sections list the internal liquidity reports, as well as the policies put in place that have the purpose of Comprehensive Liquidity Risk Management.

(b) The funding strategy, including diversification policies, and whether the funding strategy is centralized or decentralized;

(c) The funding strategy is determined by the institution's Group Treasury, but it is consensual and authorized by the Assets and Liabilities Committee. Where various areas of the bank are involved, including business areas.

(d) The liquidity risk mitigation techniques used by the Bank;

(Continued)

[10] Figures prior to December 2024 closing

The institution monitors liquidity risk through various metrics and reports aligned with the risk appetite, which include:

- Calculation of LCR (Liquidity Coverage Ratio)
- Calculation of NSFR (Net Stable Funding Ratio)
- Calculation of Liquid Assets
- Calculation of LDR (Loan to Deposit Ratio)
- Professional funding concentration monitoring
- Liquidity Gap Monitoring
- Deposit Concentration Monitoring
- Bank Deposit Monitoring
- Investment Portfolio Monitoring
- Monitoring of credits assigned as funding collateral
- Liquidity Stress Testing
- Liquidity Contingency Funding Plan
- Periodic reports to the Institution's Assets and Liabilities Committee
- Periodic reports to the Risk Committee
- Reports to the Board of Directors
- Policies and Manuals related to Liquidity Risk Management
- Contingency Plan for Solvency and Liquidity Risks

In order to mitigate liquidity risk, the Bank has established prudent guidelines, policies and procedures, paying particular attention to:

- Measurement, monitoring and forecasting of commitments involving cash flows for the main currencies managed by the Bank (MXN+UDIs and USD).
- Ensuring a uniform distribution of cash flows, minimizing liquidity gaps between assets and liabilities, considering the potential impact of renewals, prepayments, deposit withdrawals, credit granting and default on credit payments.
- Maintaining diversified funding sources.
- Establishing interbank loan and correspondent programs to help maintain market access.
- Implementing and keeping available programs for the issuance of liabilities, and portfolio discount with specialized funds.
- Maintaining the transactional capacity in the settlement systems established by the Central Bank, considering for this the collateral requirements and limits established for this purpose.
- Maintaining liquid asset reserves to meet transactional needs and unforeseen liquidity needs events.

The Liquidity Contingency Funding Plan incorporates the corrective actions that the Bank would have to implement in the event of a contingency.

(e) An explanation of how stress tests are used; and in accordance with the current standard stipulated in Annex 12-B of the Single Banking Regulation, which requires the performance of liquidity exercises in stress scenarios, the Bank periodically tests this in order to ensure its ability to face adverse scenarios and be able to honor its short-term obligations based on a survival horizon of 30 days.

These stress scenarios include, but are not limited to, the following assumptions:

- Increase in expected loss of Loan portfolios

- Increase in withdrawal of deposits
- Drawdown of loan facilitys
- Increase in the Bank's obligations due to degradation of the institution's rating
- Exit of the main depositors of the Bank
- Loss of Fair value of Institution’s Liquid Assets

The institution’s liquidity stress tests cover different scenarios (i.e. idiosyncratic, systemic and combined) with 3 severity levels each. The results of the stress tests are presented periodically to the collegiate bodies of the institution.

Stress scenarios indicate a view on liquidity gaps, liquid assets and the Bank’s survival horizon, this information is critical to decision-making in order to maintain a strong position around liquid assets, as well as their short-term obligations in adverse scenarios. It is relevant to note that the Bank has the Liquidity Contingency Funding Plan, which incorporates the corrective actions that the institution would have to implement in the event of a contingency.

(f) A description of contingent funding plans.

Periodically, the Bank reviews all aspects of liquidity for the management of potential risks. The Liquidity Contingency Funding Plan is an integral component of said review and provides a framework to determine the actions to be carried out in the event of a crisis and to be able to reestablish the financial situation of the Group.

The overall objectives of the Contingency Funding Plan are to:

- Identify potential threats that may seriously affect the liquidity of the Group and subsidiaries.
- Adhere to the early warning systems described in the Capital and Liquidity Preservation Action Plan.
- Establish action plans to address liquidity risks that the Group may face during the crisis period.
- Raise actions that ensure that the Group’s global liquidity risk is within the tolerance limits approved by the Board of Directors.
- Ensure the availability of necessary personnel, information and sources in the crisis event to enable good decision-making.
- Ensure that the information is provided to the Liquidity and Capital Management Committee in a timely manner.

In the event that additional liquidity is required to the ordinary, the Central Bank may grant financing through one of the following transactions or a combination of these: (i) simple secured credit transactions with monetary regulation deposits or deposits in dollars that the Financial Group maintains in the Central Bank, or (ii) repurchase/resale transactions on eligible securities. This funding is subject to the procedure indicated in the Single Regulation 10/2015 of Banxico.

Considering the Liquidity Coverage Ratio levels recorded during the fourth quarter of 2024, which were over 100%, and in accordance with the provisions of the General Provisions on Liquidity Requirements for Full-Service Banking Institutions, Scotiabank, during the 3 months of Q4 2024, is located in Scenario I (i.e. Scenario I, when the Liquidity Coverage Ratio for each day of the immediately preceding calendar month is at least 100 percent).

(Continued)

Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

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(Millions of Mexican pesos)

Annex 10. Net Stable Funding Ratio (NSFR) Disclosure Form
Table I.2 Net Stable Ratio Disclosure Form

	(Figures in millions of pesos)	Individual Figures					Consolidated Figures				
		Unweighted Amount by Residual Term				Weighted Amount	Unweighted Amount by Residual Term				Weighted Amount
		No expiration	< 6 months	6 months to < 1 year	> 1 year		No expiration	< 6 months	6 months to < 1 year	> 1 year	
ELEMENTS OF THE AMOUNT OF STABLE FUNDING AVAILABLE											
1	Capital:	95,990.65	-	-	-	95,990.65	95,990.65	-	-	-	95,990.65
2	Core capital and supplementary capital.	95,990.65	-	-	-	95,990.65	95,990.65	-	-	-	95,990.65
3	Other equity instruments.	-	-	-	-	-	-	-	-	-	-
4	Retail Deposits:	-	210,855.24	1,108.38	31.48	195,382.47	-	210,855.24	1,108.38	31.48	195,382.47
5	Stable deposits.	-	91,171.60	503.06	19.72	87,110.65	-	91,171.60	503.06	19.72	87,110.65
6	Less stable deposits.	-	119,683.64	605.31	11.76	108,271.82	-	119,683.64	605.31	11.76	108,271.82
7	Wholesale funding:	-	361,147.00	29,153.85	56,050.88	193,200.64	-	361,147.00	29,153.85	56,050.88	193,200.64
8	Transactional deposits.	-	44,335.43	-	-	22,167.71	-	44,335.43	0.00	0.00	22,167.71
9	Other wholesale funding.	-	316,811.58	29,153.85	56,050.88	171,032.93	-	316,811.58	29,153.85	56,050.88	171,032.93
10	Interdependent liabilities	-	-	-	-	0.00	-	-	-	-	-
11	Other liabilities:	-	50,053.77	701.25	3,368.03	3,718.66	-	50,053.77	701.25	3,368.03	3,718.66
12	Derivative liabilities for Net Stable Funding Ratio purposes	-	-	-	-	-	-	-	-	-	-
13	All liabilities and own resources not included in the above categories.	-	50,053.77	701.25	3,368.03	3,718.66	-	50,053.77	701.25	3,368.03	3,718.66
14	Total Available Stable Funding Amount	95,990.65	622,056.01	30,963.48	59,450.39	488,292.42	95,990.65	622,056.01	30,963.48	59,450.39	488,292.42
ELEMENTS OF THE AMOUNT OF STABLE FUNDING REQUIRED											
15	Total liquid assets eligible for Net Stable Funding Ratio purposes.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	8,356.14	Not Applicable	Not Applicable	Not Applicable	Not Applicable	8,356.14
16	Deposits at other financial institutions for transactional purposes.	-	-	-	-	-	-	-	-	-	-
17	Current loans and securities:	-	126,945.88	38,924.99	299,930.21	356,461.82	-	126,945.88	38,924.99	299,930.21	356,461.82

[1] Annex 10 of the general provisions on liquidity requirements for full-service banking institutions. Previous figures.

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Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Notes to Consolidated Financial Statements

(Millions of Mexican pesos)

(Figures in millions of pesos)		Individual Figures					Consolidated Figures				
		Unweighted Amount by Residual Term				Weighted Amount	Unweighted Amount by Residual Term				Weighted Amount
		No expiration	< 6 months	6 months to < 1 year	> 1 year		No expiration	< 6 months	6 months to < 1 year	> 1 year	
ELEMENTS OF THE AMOUNT OF STABLE FUNDING REQUIRED											
18	Secured funding granted to financial institutions with Tier I eligible liquid assets.	-	12,933.11	-	-	1,293.31	-	12,933.11	-	-	1,293.31
19	Secured funding granted to financial institutions with eligible liquid assets other than Tier I.	-	14,250.07	9,526.60	3,579.89	10,480.70	-	14,250.07	9,526.60	3,579.89	10,480.70
20	Secured funding granted to counterparties other than financial institutions, which:	-	76,898.53	26,272.39	134,609.96	159,553.19	-	76,898.53	26,272.39	134,609.96	159,553.19
21	Have a credit risk weighting less than or equal to 35% according to the Basel II Standard Method for Credit Risk.	-	-	-	-	-	-	-	-	-	-
22	Residential mortgages (current), of which:	-	4,169.97	4,410.68	252,899.16	173,098.09	-	4,169.97	4,410.68	252,899.16	173,098.09
23	They have a credit risk weighting less than or equal to 35% according to the Standard Method established in the Provisions.	-	1,194.19	1,284.68	93,620.37	62,092.67	-	1,194.19	1,284.68	93,620.37	62,092.67
24	Debt securities and shares other than Eligible Liquid Assets (that are not in default).	-	19,888.39	-	2,461.57	12,036.53	-	19,888.39	0.00	2,461.57	12,036.53
25	Interdependent assets.	-	-	-	-	-	-	-	-	-	-
26	Other Assets:	-	78,035.70	1,081.77	8,824.58	40,479.03	-	78,035.70	1,081.77	8,824.58	40,479.03
27	Physically marketed basic commodities, including gold.	-	Not Applicable	Not Applicable	Not Applicable	-	-	Not Applicable	Not Applicable	Not Applicable	-

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Scotiabank Inverlat, S. A.,
Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
and subsidiaries

Notes to Consolidated Financial Statements

(Millions of Mexican pesos)

(Figures in millions of pesos)		Individual Figures					Consolidated Figures				
		Unweighted Amount by Residual Term				Weighted Amount	Unweighted Amount by Residual Term				Weighted Amount
		No expiration	< 6 months	6 months to < 1 year	> 1 year		No expiration	< 6 months	6 months to < 1 year	> 1 year	
ELEMENTS OF THE AMOUNT OF STABLE FUNDING REQUIRED											
28	Initial margin granted on transactions with derivative financial instruments and contributions to the central counterparty loss absorption fund	Not Applicable	2,541.96	-	-	2,160.66	Not Applicable	2,541.96	-	-	2,160.66
29	Derivative assets for the purposes of the Net Stable Funding Ratio.	Not Applicable	-	-	-	916.20	Not Applicable	-	-	-	916.20
30	Derivative liabilities for purposes of the Net Stable Funding Ratio before deduction for variation of the initial margin	Not Applicable	-	-	-	842.14	Not Applicable	-	-	-	842.14
31	All assets and transactions not included in the above categories.	-	75,493.74	1,081.77	8,824.58	36,560.03	-	75,493.74	1,081.77	8,824.58	36,560.03
32	Off-balance page transactions.	Not Applicable	293,099.94	-	-	14,655.00	Not Applicable	293,099.94	-	-	14,655.00
33	Total Stable Funding Amount Required.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	419,951.99	Not Applicable	Not Applicable	Not Applicable	Not Applicable	419,951.99
34	**Net Stable Funding Ratio (%).**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**116.27**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**116.27**

(Continued)

(Millions of Mexican pesos)

(a) The main causes of the results of the Net Stable Funding Ratio and the evolution of its main components.

During December 2024, the main items that determined the NSFR level are the following:

- **Stable Funding Available:**

  Funding Available weighted by immediately payable deposits of $192,711 and Traditional Time Deposits of $129,265, Capital (core and supplementary) of $94,410, Interbank Funding and Professional Funding of $29,319 and $36,134 respectively; and finally, Pledged Funding of $3,076.

- **Required Stable Funding:**

  Funding Required weighted by portfolios of $352,249 and by money market transactions of $23,236, credit commitments and estimated support to financial entities of the group for $18,387, capital deductions for $11,548, and finally, requirement for derivative transactions for $1,781.

(b) Changes to major components within the quarter being reported.

Third Quarter 2024 Average: 115.48% – Q4 2024 average: 116.27% The net financing ratio increased 79 bps compared to the third quarter of 2024, mainly due to:

a. Available Stable funding had the following changes: Traditional funding decreased by MXN 9,578. Professional funding increased by MXN 13,723.
b. The Required Stable funding had the following changes: Weighted Loan portfolios increased $37,942.

(c) The evolution of the composition of the Available Stable Funding Amount and the Required Stable Funding Amount.

Computer Amount (MXN MM)	October	November	December
Available Stable Funding	486,957	487,791	490,130
Required Stable Funding	417,594	421,193	421,069
Net Stable Funding Ratio	**116.61%**	**115.81%**	**116.40%**

d) The impact on the Net Stable Funding Ratio of the incorporation of the entities subject to consolidation.

The entities subject to consolidation in accordance with accounting rules, and with approval of the Board of Directors, are the following:

- Inmobiliaria Scotia Inverlat, S. A. de C. V.
- Scotia Servicios de Apoyo, S. A. de C. V.
- Scotia Inverlat Derivados, S. A. de C. V.

Due to the fact that its activities are limited to either customer positions, or a reduced volume, the impact on the NSFR is less than 1%.

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(30) Subsequent Events

On January 15, 2025, Trans Union de México, a consumer-focused credit reporting company (individuals) and TransUnion Reverse Exchange, S. de R. L. de C. V. (“TransUnion”), entered into a stock purchase agreement for shares representing the corporate capital of Trans Union de México, whereby TransUnion agreed to acquire a majority stake in Trans Union de México.

The Bank has a stake in the corporate capital of Trans Union de México of 6.77%. It is estimated that during the second half of 2025 this transaction will be concluded once the respective regulatory approvals are obtained and therefore the financial effects of the sale on the results of the fiscal year are recognized.

(31) Recently issued regulatory pronouncements

Enhancements to NIFs 2025 and 2024

In December 2024 and 2023, the Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera y Sostenibilidad, CINIF) issued the documents called “Enhancements to NIFs 2025” and “Enhancements to NIFs 2024”, respectively, which contain specific modifications to some existing Mexican Financial Reporting Standards (NIFs). The main enhancements that generate accounting changes are as follows:

NIF A-1 Conceptual Framework of Financial Reporting Standards - Enters into force for the fiscal years beginning on or after January 1, 2025, allowing its early application from 2024 if the disclosures of the particular NIFs applicable to the type of entity that corresponds are adopted in advance. It includes the definition of public interest entities and requires disclosure whether the entity is considered a public interest entity or a non-public interest entity. It divides the requirements for disclosure of NIFs into: i) disclosures applicable to all entities in general (public interest entities and non-public interest entities), and ii) additional disclosures required only for public interest entities. In addition, this Improvement makes clarifications to the disclosure requirements of important accounting policies to emphasize that they include specific information of the entity and how it has applied the requirements of the NIFs to its own circumstances. Any changes it generates must be recognized in accordance with NIF B-1 Accounting Changes and Corrections of Errors.

NIF B-2 Statement of Cash Flows- Enters into force for the fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This enhancement adds disclosure requirements on vendor financing contracts.

NIF B-3 Statement of Comprehensive Income and NIF C-3 Accounts Receivable- Enter into force for the fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This improvement modifies the requirements of these NIF regarding the presentation of discounts, rebates and returns under a separate item within the comprehensive income statement, to eliminate any inconsistency with the provisions of NIF D-1 Revenue from Contracts with Clients.

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NIF B-14 Earnings per Share- Enters into force for the fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. It amends the scope of the NIF so that it is applicable solely for entities that have equity instruments listed or to be listed, on a stock exchange. The Bank adopted this enhancement in advance to the NIF and had no effect on its disclosures.

NIF B-15 Foreign Currency Conversion- Enters into force for the fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. Establishes the regulations applicable to currency interchangeability.

NIF C-6 Plant and Equipment Properties- It enters into force for the fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This enhancement eliminates the special depreciation method as another alternative depreciation method and includes in the NIF the description of each of the depreciation methods.

NIF C-19 Financial instruments payable- Enters into force for the fiscal years beginning on or after January 1, 2026, allowing for their early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This enhancement adds certain requirements for derecognizing a financial liability when its payment is made in cash using an electronic payment system.

NIF C-19 Financial Instruments Payable and NIF C-20 Financial instruments for solely payments of principal and interest- It enters into force for the fiscal years beginning on or after January 1, 2026, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This improvement adds requirements applicable to Public Interest Entities (PIE) regarding the disclosure of information that allows users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instrument.

NIF D-1 Income from Contracts with Clients- It enters into force for the fiscal years starting on or after January 1, 2025, allowing its early application in 2024. Any changes it generates must be recognized in accordance with NIF B-1. This improvement modifies the scope of the NIF to include within it, the recognition of contracts that are similar in economic substance to an insurance contract, provided that the conditions specified in the NIF are met, and eliminates in those cases, the option of applying IFRS 17 Insurance Contracts in a supplementary manner.

The Bank's Management estimates that the adoption of these enhancements to the NIF will not generate significant effects on the financial statements.