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Guadalajara, Jalisco, México
C. P. 44680

SWELL FINANZAS EN MOVIMIENTO, S.A.P.I. DE C.V., SOFOM E.N.R.
CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021 AND 2020
AND INDEPENDENT AUDITOR'S REPORT

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Consolidated and non-consolidated financial statements as of December 31, 2021 and 2020
and independent auditor's report

Index

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INDEPENDENT AUDITOR'S REPORT

To the Stockholders meeting of
Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.

Opinion

We have audited the accompanying consolidated financial statements of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. (the Entity) and subsidiary company, and the non-consolidated financial statements of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R., which comprises the consolidated and non-consolidated statements of financial position as of December 31, 2021 and 2020, and the consolidated and non-consolidated statements of income, of changes in stockholders equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. and subsidiary company and Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the accounting criteria stablished by the National Banking and Securities Commission (Spanish initials "CNBV" or Commission), as well as applicable Dispositions to Multi-Purpose Financial Institutions regulated in Mexico ("Dispositions").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and non-consolidated financial statements section of our report. We are independent of the Entity in accordance with the Mexican Institute of Public Accountants' Code of Ethics for Professional Accountants (MIPA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the MIPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

- Without effect in our opinion, we draw attention to Note 2-a to the consolidated and non-consolidated financial statements, where it is indicated that the operations of the Entity and its reporting requirements are voluntarily based on the accounting criteria established by the CNBV, contained in Annex 17 of the "General Provisions Applicable to Regulated Multi-Purpose Financial Institutions" and may not be useful for general purposes.

- As stated in Note 2-a, the non-consolidated financial statements of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. have been prepared to comply with the legal dispositions to which the Entity is subject as an independent legal entity, the assessment of the financial position and operating results of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. should be based on the consolidated financial statements which are also presented.

- We draw attention to Note 1 of the financial statements that indicated that the Entity has been affected by the economic effects provoked by the "COVID-19" pandemic, among others, so its operations have had a decrease and therefore during the year ended 31 December 2020, has incurred in a net loss of $ (29.1) million of pesos approximately. At the date of issuance of these financial statements, the effects of the pandemic have diminished significantly. The above does not affect our opinion.

Other issues

- As stated in the forth paragraph of Note 2-a, these financial statements have been translated into English solely for the convenience of readers of this language. In all cases, where there are any disagreements between the English and Spanish versions, the Spanish version shall be considered authoritative and controlling.

Responsibilities of Management and Those Charged with Governance for the consolidated and non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated and non-consolidated financial statements in accordance with the accounting criteria stablished by the National Banking and Securities Commission in the applicable Dispositions to Multi-Purpose Financial Institutions regulated in Mexico and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and non-consolidated financial statements, Management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and non-consolidated financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and non-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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain 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.

CASTILLO MIRANDA Y COMPAÑÍA, S. C.

C.P.C. Juan Martín Gudiño Casillas

June 17, 2022

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. and subsidiary company
Consolidated statement of financial position
December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Assets			
Availabilities		$ 17,134	$ 36,808
Restricted availabilities		1,340	3,849
	4	18,474	40,657
Security investments:			
Trade securities		-	-
Available for sale securities		-	-
Held at maturity securities		-	-
Derivatives:			
For trading purposes		-	-
For hedging purposes	5	469	-
Valuation adjustments for coverage of financial assets		469	-
Current credit portfolio:	6		
Trade receivables:			
Business activity or commercial		167,705	135,947
Financial entities		-	-
Gubernamental entities		-	-
		167,705	135,947
Consumer credits		-	-
Housing credits		-	-
Total current credit portfolio		167,705	135,947
Expired credit portfolio:	6		
Commercial credits:			
Business activity or commercial		11,199	2,956
Financial entities		-	-
Gubernamental entities		-	-
		11,199	2,956
Consumer credits		-	-
Housing credits		-	-
Total expired credit portfolio		11,199	2,956
Total credit portfolio		178,904	138,903
Preventive estimate for credit risks	7	(11,857)	(2,956)
Credit portfolio, net		167,047	135,947
Purchased receivables			
Irrecoverability estimate or difficult to collect		-	-
Receivables, net		-	-
Total credit portfolio, net		167,047	135,947
Earnings receivable on securitization transactions		-	-
Other accounts receivable	8	26,833	56,837
Foreclosed assets, net	9	28,391	30,731
Property, plant and equipment, net	10	72,688	84,418
Equity investments		-	-
Income tax and employee statutory profit sharing deferred, net	18	7,664	-
Other assets:			-
Deferred charges, prepayments and intangibles		356	1,960
Other short and long term assets		-	-
Total assets		$ 321,922	$ 350,550

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. and subsidiary company
Consolidated statement of financial position
December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Liabilities			
Financial labilities		$ -	$ -
Interbank loans and other lending:	13		
Immediately enforceable			
Short term		59,279	41,790
Long term		132,111	87,902
		191,390	129,692
Creditors by securities		-	-
Securities lending		-	-
Collaterals due or collateralized:			
Securities borrowings (credit balance)		-	-
Stock borrowings		-	-
Derivatives		-	-
Other collaterals due		-	-
		-	-
Derivatives:			
For trading purposes		-	-
For hedging purposes	5	-	2,746
		-	2,746
Valuation adjustments for coverage of financial liabilities			
Obligations in securitization transactions		-	-
Other accounts payable:			
Income taxes payable		9	9
Employee statutory profit sharing payable		1,348	24
Contributions for future capital increases to be formalized at shareholders' meeting		-	-
Collateral creditors received in cash		24,297	28,444
Sundry creditors and other accounts payable	12	18,089	25,842
		43,743	54,319
Outstanding subordinated liabilities	16	8,750	83,504
Income tax and employee statutory profit sharing deferred, net		-	-
Deferred credits and anticipated payments		656	1,379
Contingencies and commitments	14	-	-
Total liabilities		244,539	271,640
Stockholders' equity	15		
Contributed capital:			
Capital stock		100,410	108,000
Future capital increases contributions formalized by the shareholders' meeting		-	-
Share premium		-	-
		100,410	108,000
Earned capital			
Capital reserves		-	-
Accumulated results		(28,996)	151
Valuation result for securities available for sale		-	-
Valuation result on cash flow hedging instruments		281	(1,647)
Cumulative effect by conversion		-	-
Result from holdings of non-monetary assets		-	-
Net income (loss)		5,688	(29,147)
Non-controlling interest		-	1,553
Total stockholders' equity		77,383	78,910
Total liabilities and stockholders' equity		$ 321,922	$ 350,550

Some figures of 2020 were reclassified for presentation purposes
The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. and subsidiary company
Consolidated statement of income
for the years ended December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Interest income	17	$ 42,600	$ 36,602
Interest expense	17	(27,893)	(31,417)
Result by monetary position, net (financial margin)		-	-
Financial margin	17	14,707	5,185
Preventive estimate for credit risks		(8,901)	(2,402)
Financial margin adjusted for credit risks		5,806	2,783
Commissions and paid fees		(3,132)	(899)
Brokering result	17	4,313	(5,407)
Operating leases result	17	24,033	12,664
Other (expenses) income of the operation		351	(792)
Administrative and promotional expenses		(34,452)	(34,672)
		(8,887)	(29,106)
Operation loss		(3,081)	(26,323)
Participation in the results of subsidiaries, non-consolidated associates and joint ventures		-	-
Loss income before income taxes		(3,081)	(26,323)
Current ISR	18	964	(824)
Deferred ISR, net	18	6,252	(2,502)
Income (loss) before discontinued operations		4,135	(29,649)
Discontinued operations		-	-
Net income (loss)		4,135	(29,649)
Non-controlling participation		(1,553)	(502)
Net income (loss) with participation of subsidiaries		$ 5,688	$ (29,147)

The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Consolidated and non-consolidated statement of changes in stockholders' equity
for the years ended December 31, 2020 and 2021
(Figures expressed in thousand of pesos)

	Capital Stock	Accumulated results	Valuation result on cash flow hedging instruments	Net income (loss)	Non-controlling interest	Total stockholders' equity
Balance as of December 31, 2019	$ 108,000	$ (9,054)	$ -	$ 9,205	$ 2,055	$ 110,206
Movements inherents to the shareholders decisions:						
Application of 2019 net income	-	9,205	-	(9,205)	-	-
Total movements inherents to the shareholders decisions:	-	9,205	-	(9,205)	-	-
Movements inherents to the recognition of comprehensive income:						
Net loss	-	-	-	(29,147)	(502)	(29,649)
Valuation result on cash flow hedging instruments	-	-	(1,647)	-	-	(1,647)
Balance as of December 31, 2020	108,000	151	(1,647)	(29,147)	1,553	78,910
Movements inherents to the shareholders decisions:						
Application of 2020 net loss	-	(29,147)	-	29,147	-	-
Capital repayment	(7,590)	-	-	-	-	(7,590)
Total movements inherents to the shareholders decisions:	(7,590)	(29,147)	-	29,147	-	(7,590)
Movements inherents to the recognition of comprehensive income:						
Net income	-	-	-	5,688	(1,553)	4,135
Valuation result on cash flow hedging instruments	-	-	1,928	-	-	1,928
Balance as of December 31, 2021	$ 100,410	$ (28,996)	$ 281	$ 5,688	$ -	$ 77,383

The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. and subsidiary company
Consolidated statement of cash flows
for the years ended December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	2021	2020
Net income (loss)	$ 4,135	$ (29,649)
Adjustments for non-cash items		
Loss from recoverability associated with activities investing and financing activities	5,663	-
Preventive estimate for credit risks	8,901	2,402
Cost (gain) in asset disposal	839	(6,400)
Depreciations and amortizations	25,307	33,306
Income tax caused and deferred	(7,216)	3,326
Participation in the results of associate	-	-
Others	(321)	275
	37,308	3,260
Operating activities		
Changes in:		
Margin accounts	-	-
Change in equity investments	-	-
Derivatives (assets)	-	-
Credit portfolio	(40,001)	1,229
Benefits receivable on securitization transactions	-	-
Foreclosed assets	(3,323)	(6,449)
Other operating assets	31,608	1,614
Traditional deposits	-	-
Financial liabilities	-	-
Interbank loans and other lending	61,698	(5,609)
Creditors by securities	-	-
Sold collaterals or given as collateral	(4,147)	2,660
Derivatives (liabilities)	-	-
Other operating liabilities	(83,320)	25,620
Income tax payments	-	-
Others	-	-
Net cash flows in operating activities	(177)	22,325
Investing activities		
Collections from property, plant and equipment disposals	6,843	7,767
Payments for property, plant and equipment purchases	(21,259)	(14,713)
Payments for the acquisition of subsidiaries and associates	-	-
Payments for the acquisition of intangible assets	-	-
Net cash flows in investing activities	(14,416)	(6,946)
Financing activities		
Capital repayment	(7,590)	
Collections for shares suscription	-	-
Collections for shares issuance	-	-
Net cash flows in financing activities	(7,590)	-
Net increase or decrease in cash and cash equivalents	(22,183)	15,379
Cash and cash equivalents at the beginning of the year	40,657	25,278
Cash and cash equivalents at year end	$ 18,474	$ 40,657

The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Non-consolidated statement of financial position
December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Assets			
Availabilities		$ 16,341	$ 36,722
Restricted availabilities		1,340	3,849
	4	17,681	40,571
Security investments:			
Trade securities		-	-
Available for sale securities		-	-
Held at maturity securities		-	-
		-	-
Derivatives:			
For trading purposes		-	-
For hedging purposes	5	469	-
Valuation adjustments for coverage of financial assets		469	-
Current credit portfolio:	6		
Commercial credits:			
Business activity or commercial		195,077	162,412
Financial entities		-	-
Gubernamental entities		-	-
		195,077	162,412
Consumer credits		-	-
Housing credits		-	-
Total current credit portfolio		195,077	162,412
Expired credit portfolio:	6		
Commercial credits:			
Business activity or commercial		11,199	2,956
Financial entities		-	-
Gubernamental entities		-	-
		11,199	2,956
Consumer credits		-	-
Housing credits		-	-
Total expired credit portfolio		11,199	2,956
Total credit portfolio		206,276	165,368
Preventive estimate for credit risks	7	(11,857)	(2,956)
Credit portfolio, net		194,419	162,412
Purchased receivables		-	-
Irrecoverability estimate or difficult to collect		-	-
Receivables, net		-	-
Total credit portfolio, net		194,419	162,412
Earnings receivable on securitization transactions		-	-
Other accounts receivable	8	23,476	52,245
Foreclosed assets, net	9	28,391	30,731
Property, plant and equipment, net	10	40,714	51,944
Equity investments	11	-	2,329
Income tax and employee statutory profit sharing deferred, net	18	7,664	-
Other assets:			
Deferred charges, prepayments and intangibles		-	1,948
Other short and long term assets		353	-
Total assets		$ 313,167	$ 342,180

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Non-consolidated statement of financial position
December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Liabilities			
Financial labilities		$ -	$ -
Interbank loans and other lending:	13		
Immediately enforceable		-	-
Short term		59,097	41,179
Long term		132,111	87,902
		191,208	129,081
Creditors by securities		-	-
Securities lending		-	-
Collaterals due or collateralized:			
Securities borrowings (credit balance)		-	-
Stock borrowings		-	-
Derivatives		-	-
Other collaterals due		-	-
		-	-
Derivatives:			
For trading purposes		-	-
For hedging purposes	5	-	2,746
		-	2,746
Valuation adjustments for coverage of financial liabilities			
Obligations in securitization transactions		-	-
Other accounts payable:			
Income taxes payable		-	-
Employee statutory profit sharing payable		1,324	-
Contributions for future capital increases to be formalized at shareholders' meeting		-	-
Collateral creditors received in cash		15,699	20,944
Sundry creditors and other accounts payable	12	18,803	27,580
		35,826	48,524
Outstanding subordinated liabilities	16	8,750	83,504
Income tax and employee statutory profit sharing deferred, net		-	-
Deferred credits and anticipated payments		-	968
Contingencies and commitments	14	-	-
Total liabilities		235,784	264,823
Stockholders' equity	15		
Contributed capital:			
Capital stock		100,410	108,000
Future capital increases contributions formalized by the shareholders' meeting		-	-
Share premium		-	-
		100,410	108,000
Earned capital			
Capital reserves			
Accumulated results		(28,996)	151
Valuation result for securities available for sale		-	-
Valuation result on cash flow hedging instruments		281	(1,647)
Cumulative effect by conversion		-	-
Result from holdings of non-monetary assets		-	-
Net income (loss)		5,688	(29,147)
Total stockholders' equity		77,383	77,357
Total liabilities and stockholders' equity		$ 313,167	$ 342,180

Some figures of 2020 were reclassified for presentation purposes
The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Non-consolidated statement of income
for the years ended December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	Note	2021	2020
Interest income	17	$ 49,219	$ 40,623
Interest expense	17	(27,724)	(31,237)
Result by monetary position, net (financial margin)		-	-
Financial margin	17	21,495	9,386
Preventive estimate for credit risks		(8,901)	(2,402)
Financial margin adjusted for credit risks		12,594	6,984
Commissions and paid fees		(2,980)	(896)
Brokering result	17	4,313	(5,407)
Operating leases result	17	16,169	6,974
Other income (expenses) of the operation		334	(959)
Administrative and promotional expenses		(28,051)	(31,765)
		(10,215)	(32,053)
Operation income (loss)		2,379	(25,069)
Participation in the results of subsidiaries, non-consolidated associates and joint ventures	11	(3,907)	(752)
Loss before income taxes		(1,528)	(25,821)
Current ISR	18	964	(824)
Deferred ISR, net	18	6,252	(2,502)
Income (loss) before discontinued operations		5,688	(29,147)
Discontinued operations		-	-
Net income (loss)		$ 5,688	$ (29,147)

The accompanying notes are an integral part of these financial statements

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R.
Non-consolidated statement of cash flows
for the years ended December 31, 2021 and 2020
(Figures expressed in thousand of pesos)

	2021	2020
Net income (loss)	$ 5,688	$ (29,147)
Adjustments for non-cash items		
Loss from recoverability associated with activities investing and financing activities	5,663	-
Preventive estimate for credit risks	8,901	2,402
Cost (gain) in asset disposal	696	2,573
Depreciations and amortizations	15,137	24,341
Income tax caused and deferred	(7,216)	3,326
Participation in the results of associate	3,907	752
Others	126	275
	32,902	4,522
Operating activities		
Changes in:		
Margin accounts	-	-
Change in equity investments	-	-
Derivatives (assets)	-	-
Credit portfolio	(42,908)	(17,142)
Benefits receivable on securitization transactions	-	-
Foreclosed assets	(3,323)	(6,449)
Other operating assets	30,364	1,609
Traditional deposits	-	-
Financial liabilities	-	-
Interbank loans and other lending	62,127	(4,621)
Creditors by securities	-	-
Sold collaterals or given as collateral	(5,245)	2,012
Derivatives (liabilities)	-	-
Other operating liabilities	(84,614)	32,284
Income tax payments	-	-
Others	-	-
Net cash flows in operating activities	(10,697)	12,215
Investing activities		
Collections from property, plant and equipment disposals	1,740	14,759
Payments for property, plant and equipment purchases	(6,343)	(11,620)
Payments for the acquisition of subsidiaries and associates	-	-
Payments for the acquisition of intangible assets	-	-
Net cash flows in investing activities	(4,603)	3,139
Financing activities		
Capital repayment	(7,590)	
Collections for shares suscription	-	-
Collections for shares issuance	-	-
Net cash flows in financing activities	(7,590)	-
Net increase or decrease in cash and cash equivalents	(22,890)	15,354
Cash and cash equivalents at the beginning of the year	40,571	25,217
Cash and cash equivalents at year end	$ 17,681	$ 40,571

The accompanying notes are an integral part of these financial statements

1. Activity and regulatory environment

Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. (the Entity) the main purpose of performing credit operations in all of its modalities, financial leasing, pure leasing, financial factoring to general public in accordance to the General Law on Credit Organizations and Auxiliary Activities (Spanish initials "LGOAAC"). Its accounting policies are self-regulated by the General Dispositions applicable to Multi-Purpose Financial Institutions regulated in Mexico ("Dispositions").

The credit operations carried out by the Entity are regulated by the General Law on Credit Organizations and Activities (LGOAAC) and by the Law on Credit Institutions and other applicable dispositions. Likewise, the Entity shall comply with the relative dispositions to the prevention and detections of operations with resources of illicit origin and terrorism financing, under the supervision of the National Banking and Securities Commission (the Commission or "CNBV"). It is also required to comply with the requirements stablished on the Act on the Protection and Defense of Users of Financial Services.

Significant events

On March 11, 2020, the World Health Organization ("WHO") announced a strain of a new coronavirus ("COVID-19") as pandemic, which has led to uncertainty in the global economy. This pandemic has affected the Entity's operations, especially during 2020, at the date of issuance of these financial statements the effects of the pandemic have been significantly diminished.

Due to the above and to counteract the effects of the pandemic, the "COVID-19 Support Plan" was executed and supports based on the special accounting criteria issued by the CNBV were implemented; these plans generally consisted on extending the loan term between three and five months through a grace period of capital and interest. The Entity has adopted several recovery measures, especially in operational, financial and business continuity risks due to liquidity, especially in the portfolio placement that had an impact in 2020. This situation is being reversed by 2021.

2. Basis of preparation of the financial statements

a. Declaration of compliance

The consolidated and non-consolidated financial statements where prepared in accordance to what was stablished in the LGOAAC and the issued dispositions by the Commission. The Multi-Purpose Financial Institutions, with registered stocks in the Bolsa Mexicana de Valores, S.A.B. de C.V., shall prepare the financial statements, based on the "accounting criteria applicable to Regulated Multi-Purpose Financial Institutions" stablished by the Commission in the "General Dispositions applicable to regulated Multi-Purpose Financial Institutions" which in turn, are contained in the "applicable Dispositions to Multi-Purpose Financial Institutions".

In accordance with the above accounting criteria, in the absence of an specific accounting criteria of the CNBV, shall be applied by default, in the following order, the Mexican Financial Reporting Standards (Spanish initials "NIF") issued by the Consejo Mexicano de Normas de Información Financiera, A.C. (Spanish initials "CINIF"), the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), as well the Generally Accepted Accounting Principles (USGAAP) issued by the Financial Accounting Standards Board (FASB) or, if applicable, any financial reporting standard that forms part of a set of formal and recognized standards.

The non-consolidated financial Statements of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. have been prepared with the purpose to comply with certain legal matters on which the Entity is subject as an independent legal entity. The assessment of the financial position and its financial performance of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. shall be based on the consolidated financial statements that are also presented.

These financial statements have been translated into English solely for the convenience of readers of this language. In all cases, where there are any disagreements between the English and Spanish versions, the Spanish version shall be considered authoritative and controlling.

b. Consolidation

The consolidated financial statements include the assets, liabilities and results of the Entity and its subsidiary on which it possess over the 50% of its equity and/or has effective control. All balances and important transactions with intercompanies have been eliminated in the consolidation.

As of December 31, 2021, the subsidiary of Swell Finanzas en Movimiento, S.A.P.I. de C.V., SOFOM E.N.R. (Swell) included in the consolidation, on which the Entity has 100% (60% as of December 31, 2020) of participation is Alt Easing, S.A.P.I. de C.V., mainly dedicated to financing through operative lease granting and is located in Guadalajara, Jalisco, México. Refer to Note 11.

The consolidation was carried out based on the financial statements of the subsidiary as of December 31, 2021 and 2020, which were prepared in accordance with the same accounting policies of the Entity.

c. Effects of inflation

In accordance with the NIFs, the effects of inflation are recognized only when the inflation accumulated in the previous three years, in the Mexican economy, is 26% or higher. As of December 31, 2021 and 2020, the inflation percentage of the three previous years is 11.19% and 15.09%, respectively.

d. Uso of estimates

The preparation of the consolidated and non-consolidated financial statements requires certain estimates to be made and the use of certain assumptions to measure items in the financial statements and to prepare the required disclosures. However, actual results may differ from these estimates, therefore it is considered that the estimates and assumptions used were appropriate in the circumstances.

e. Statement of income

The consolidated and non-consolidated statement of income is being presented as required by the accounting criteria for Multi-Purpose Financial Institutions regulated in Mexico.

f. Statements of changes in stockholders' equity

The statements of changes in stockholders' equity present in a segregated way the reconciliation between the beginning and final balances from the captions that comprises the stockholders' equity, reserves movements, as well as comprehensive income in just one row.

g. Statements of cash flows

The consolidated and non-consolidated statements of cash flow were prepared by using the indirect method which consists in presenting in first place, the net result, and after the changes in working capital, investing activities and finally, financing activities.

3. Significant accounting policies

a. Availabilities

The availabilities are represented mainly by bank deposits and investments in highly liquid instruments, with maturities not exceeding 90 days and are presented at their acquisition cost, and adding accrued uncollected interests as of the date of the statement of financial position, a similar amount to its market value.

b. Security investments

Security investments are classified according to their intention of use in: trade securities (with the purpose of obtaining gains from transactions as a market participant), available for sale securities and held at maturity securities.

Titles held at maturity are those debt titles with determinable payments and known deadlines, acquired with the intention of maintaining them until they are due, which are recorded initially at their acquisition cost plus accrued interests. The accrual of the interests are recorded in the income statements, calculated through the straight-line method, in accordance with the instrument nature.

c. Derivative financial instruments

In order to mitigate the risks arising from the interest rates, derivative financial instruments are selectively used for hedging purposes, such as SWAPS of cash flow coverage, through the interest rate. Such instruments are recognized at fair value, on which the accounting treatment is described as follows:

Changes in the fair value of the option, attributable to changes in the intrinsic value of it, will be included in the comprehensive income account, and after will be reclassified to the results.

d. Risk management

Internal risk management consists in stablishing policies for measurement, monitoring and controlling the risks to be managed, analyzed and assessed, as well as evaluating the obtained results and the connection with the assumed risks in accordance with the mandate and objective to be achieved.

Risk management is considered as a strategic competitive element with the ultimate objective of maximizing the generated value. This managements is defined, in a conceptual and organizational matter, as an integral treatment of the different risks (market risk, liquidity risk, credit risk, operational risk, technological risk and legal risk), borne in the development of the financial operations.

e. Credit portfolio, net

The credit portfolio is represented by the amounts effectively granted to the accredited plus accrued interests not collected minus interests collected in advance.

Credits are granted based on the payment capacity analysis of the accredited, which is made through a study based on the provided information by the accredited and the statistics of its credit history.

The expired credit portfolio is comprised by the total outstanding balance of the credit, when the following deadlines are met in the absence of payment of the interests or of any capital repayments:

1. Credits with one-off principal and interests payments at maturity and present 30 or more calendar days of maturity.

2. Credits with one-off principal payment at maturity and periodic payments of interests and present 90 or more calendar days after respective interests payment has expired, or 30 or more calendar days after principal has expired.

3. Credits with partial principal and interests payments, and present 90 or more calendar days of expiration.

Interests are recognized as income at the time it accrued, nevertheless, interests recognition is suspended at the time where the credits are transferred to expired portfolio and those are recognized in off-balance-sheet items.

Regarding principal and the accrued ordinary interests not collected pertaining to credits considered as expired portfolio, a preventive estimate for credit risks in accordance with the application of the stablished methodology by the Commission, at the time of the credit transfer as expired portfolio.

Accrued default interests are recognized as revenue until the moment they are effectively collected.

Portfolio acquisition, session, control and recovery

The Entity might grant credits to the general public that request it and that meet with the requirements stablished on the Credit Manual; the loans to grant will be in accordance with the client's capacity of payments, and mainly destined to activities related to economy development and regional and national production.

Eligible for credit

Will be eligible for credit:

- People and legal entities. In case of people, they shall be older than 18 years and younger than 64 years and 11 months and in full use of their mental capacities, and show both, the legally capable to bound and contract, demonstrating financial soundness and payment capacity.

- People or Entities with foreign nationalities will not be eligible for credit.

Integration of files

The integration of the files will adhere to the stablished guidelines in the Manual Credit applicable to the integration of credit files, defining on a particular manner on the policies for type of loan, the minimum required documents, considering in a particular manner, that for each credit granted the following documents should be updated and are denominated as basics:

- Copy of customer's ID and of its endorsements, if any.
- Copy of proof of residence.
- Copy of revenue proof.
- Credit application with numer reference of the assembly authorizing such credit (if applies).
- Copy of contracts and credit titles.
- Credit rating card.
- Guarantees.

The documentation proving formulating to a Credit Information Entity, a previous consultation. Information regarding the credit history of the accredited regarding the compliance of its obligation with the Entity.

Responsibles of the fles

It will be responsability of the files in-charge on maintaining the files complete and updating them.

In the case of accredited, who are part of a common risk (related parties), the files shall be identified with the purpose of analyzing them together through the policies described in this section.

Credit application analysis

For loan granting, it will be determinant the result arising from the analysis application per credit type.

During the credit approval process, the following models will be adhered, which, depending on the loan type, it shall be clearly defined in the policies by loan type.

Credit analysis for commercial loans

Related parties

With the purpose of maintaining transparency in its operations, as well as keeping control over the loans to related parties, and that there are no favorable conditions and/or different to the ones permitted in the Manual, the guidelines in the treatment to those stockholders or officers within this section.

Assessment and monitoring

With the purpose of maintaining acceptable levels on the credit portfolio, the Entity shall stablish within its credit process, the assessment and monitoring, which consists on a post-loan granting monitoring and most help on maintaining a healthy credit portfolio.

The Entity shall continuously monitor the credits of its portfolio, including the guarantees and references, particularly; more attention shall be paid to those credits classified as non-performing loans and/or expired portfolio.

For credit Information security purposes, the portfolio control system has automated back—up processes for the recovery of information in case of contingency.

Once the loan has been granted, it shall be identified that it must be used for the requested purposes, as well as providing a reasonable behavior in the compliance of the contracted obligations and anticipating problems due to non-payment problems.

The loan evaluation and monitoring may be done through:

- Documental evidence, such as financial statements, invoices, inspection reports and/or photographs.

- Inspections at the client’s home or work residence confirming the proper resource application of the loan.

- It is very important maintaining a proper control of the credit portfolio and performing visits on the most important credits in amount and in risk, on those that a physical visit is not feasible, continuous communication with the clients must be stablished.

- Every monitoring action will be documented through a written record (visit or communication report), becoming part of the credit file (could be exempted if there is control within the system).

Excepted from this process are personal credits (consuming) that, due to their destiny, might be impossible its monitoring, such as celebrations, holidays or other similar.

Credit portfolio recovery

General policies

- Administrative collection activity management shall be sole responsibility of the Operations' department.

- The recovery of expired credit portfolio and/or in judicial process shall be performed by External legal.

- The administrative collection may be exercised by both, as long as favorable conditions for this purposes are presented.

- The Entity will distinguish four types of collections for this management and will be determined by default period presented on the credits granted, being the following:

    i. Preventive collection made before payment due date of each credit amortization.

    ii. Administrative collection is the one given through a period from 1 to 90 days and/or when there are less than three expired credits considered as current portfolio.

    iii. Extrajudicial collection is the one given through a period from 91 to 180 days and/or when there are over than two expired credits considered as current or expired portfolio.

    iv. Extrajudicial collection is the one given through a period over 181 days considering it as expired portfolio or those loans with one-off payment, with lateness over 30 days.

- The operations department will determine the procedures to be followed in each of the collection types mentioned in previous item according to what it is stablished in the Manual.

- The Entity will only and exclusively receive for the interests and current principal payment, bank transfers, as well as documents denominated in checks which acceptance will be governed by the Securities and Credit Operations Act.

- The checks acceptance for interests and/or principal payments will always be under good collection.

- The note subscribed by the client shall be delivered when the customer settle his account, in case the customer performed the payment through check, when it has paid by the bank to the Entity.

- The Entity will receive assets as interest payment and total principal loan payment; as long as it is authorized by Management Board and all instances of recovery have been exhausted.

- The valuation that determines the amount of the received assets as payment, shall settle the credit balance, ordinary and default interests, as well as legal and administrative costs and expenses.

- All received assets by Entity as payment may be assured.

- Regarding the remission of default interests shall be the authority of the General Director and Operations Manager, jointly. Such authority must be written and authorized by Board Management and the remission of the default rate may be authorized under the following scheme:

  Remission of interests may be accepted the General Director by her/his criteria, and shall be always approved by Board Management and the supporting documentation shall be integral part of the credit files.

- Exclusively under written approval by Board Management, the loan may be taken away or impaired versus the preventive estimate, only in those cases where it is impossible the recovery of the loan in adherence to the collection dispositions, stablished in this Manual.

Problematic credits

Are the commercial credits for which it is determined that, based on information and current facts, as well as the credits review process, there is considerable probability that won't be completely recovered, both principal and interests, in a accordance with what is stablished in the contract.

Preventive estimate

The Entity in compliance with the dispositions stablished by the CNBV, will generate preventive estimates for those loans with no payment probability.

The preventive estimates will be generates versus the expense and credited to its corresponding complementary asset account. For the application of the preventive estimates, it shall be adhered to that is stablished in the Accounting Manual.

Policies and procedures stablished to determine credit risks concentration

The Entity has stablished the following policies in accordance with the diverse loan types: the credit risks limits will be 30% as maximum of the Entity's net equity.

Regarding the liquidity risks, it shall not be lower than 10% between the difference of current assets and liabilities (30 days).

The Detail of the calculation of the credit, market and liquidity risks are described in detail in the Manual for the Entity's risks administration.

f. Preventive estimate for credit risks

Based on the Information analyzed by each credit type, the assignation of certain credit score is performed, which is considered as a significant element to determine la probability of non-compliance within the expect loss formula and, as consequence, to determine the percentage of the applicable estimate, as well as the assignation of credit score. The preventive estimates for credit risks are determined in all cases based on standard methodology issued by the CNBV. The assessment of such factors may differ from real results.

g. Foreclosed assets

Are recorded considering the outstanding balance as of the moment of the award. In case of loss of the value, the corresponding effect is evaluated, with the purpose of constructing on a quarterly basis the provisions to recognize the potential impairment of the assets through the time. The loss value of the foreclosed assets and provisions, are impaired and recorded as an expense in the results of the year.

The difference between the sales price and the book value, net of estimates of the sale of the foreclosed assets, are recognized in the results of the year as other products or other expenses, as applicable.

h. Property, plant and equipment

Are recorded at acquisition cost. This value includes the costs initially incurred to be acquired, as well as the ones incurred after to increase its remaining useful life. The added components are depreciated during their useful life.

Depreciation is calculated in accordance with the straight-line method over initial monthly balances of the assets based on the useful lives estimated by management.

Maintenance expense incurred of property, plant and equipment are recorded in the results.

Property, plant and equipment are written off at the time they are being sold; the gain or loss of the sale is recorded in the results.

i. Impairment of the recovery value of property, plant and equipment

The values of the property, plant and equipment is evaluated periodically in order to determine the existence of indicators that such values exceeds the recoverable value. The recoverable value represents the amount of potential net revenues reasonably expected to obtain as a consequence of the utilization or realization of such assets.

If it is determined that the updated values are excessive, the required estimates are recorded to reduce them to their recovery value. When there is intention of selling the assets, these are presented in the financial statements at their accounting or realization value, the lowest.

As of December 31, 2021 and 2020, there are no impairment indicators that requires the determination of any estimate towards this concept.

j. Other assets

Are represented by debt placement expenses, insurance, services, commissions and leases, which are amortized in straight-line in accordance with the period covered by the expense.

k. Interbank loans and other lending

Interbank loans and other lending are registered at the contractual value of the obligation, recognizing the interest in the results as accrued. Refer to Note 13.

l. Income taxes

The incurred tax of the year is determined on the basis of the tax provisions in force and is recorded in the results for the year to which it is attributable; likewise, the deferred taxes determined on the basis of the assets and liabilities method are calculated, which consists of comparing the accounting and tax values of the assets and liabilities, from which temporary differences arise, both deductible and taxable. All the resulting temporary differences, including the benefit for tax losses pending to be amortized, are applied the relevant tax rate and are recognized as a deferred asset or liability. The deferred tax assets are recorded only when there is a probability for their recovery. Refer to Note 18.

m. Deferred credits and anticipated payments

In this caption, anticipated collected commissions are recorded, which are amortized in the results in a lineal way during the life of the credit, beyond others.

n. Contingencies

Significant obligations or important losses related to contingencies are recorded when it is probable that their effects are materialized and there are reasonable elements to estimate the amount. If there are no reasonable elements, qualitatively disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until their realization is certain.

4. Availabilities

The availabilities in the consolidated are as follows:

	2021	2020
Cash		$ 11
Banks in the country	$ 3,604	2,186
Security investments	13,530	34,611
Restricted availabilities	1,340	3,849
	$ 18,474	$ 40,657

The availabilities in the non-consolidated are as follows:

	2021	2020
Cash		$ 11
Banks in the country	$ 2,811	2,100
Security investments	13,530	34,611
Restricted availabilities	1,340	3,849
	$ 17,681	$ 40,571

5. Transactions with derivative financial instruments

The Entity uses derivative financial instruments (DFI) for hedging with the purpose of minimizing the Risk of adverse movements in the interest rates of the long-term debt and to assure the certainty of the cash flows to be paid to accomplish with the incurred obligations. The main instruments used are interest rate “Swaps”.

The determination of the fair value as of the end of the years of 2021 and 2020 originated an effect for $ 469 and $ (2,746), respectively, which was recognized in the other comprehensive income, net of income tax and employee statutory profit sharing, as shown below:

2021

DFI	Institution	Maturity Since	Maturity Until	Business model	Currency	2021 Fair value
Swap interest rate	Casa de Bolsa Finamex, S.A.B. de C.V.	Oct 17, 2019	Oct 13, 2023	Hedge	MXN	$ 469

2020

DFI	Institution	Maturity Since	Maturity Until	Business model	Currency	2020 Fair value
Swap interest rate	Casa de Bolsa Finamex, S.A.B. de C.V.	Oct 17, 2019	Oct 13, 2023	Hedge	MXN	$ (2,746)

6. Credit portfolio

a. The classification of current and expired credits are as follows:

	CONSOLIDATED		
	Credit portfolio 2 0 2 1		
	Current	Expired	Total
Commercial credits	$ 96,915	$ 7,291	$ 104,206
Leasing credits	70,790	3,908	74,698
	$ 167,705	$ 11,199	$ 178,904

	CONSOLIDATED		
	Credit portfolio 2 0 2 0		
	Current	Expired	Total
Commercial credits	$ 87,501	$ 203	$ 87,704
Leasing credits	48,446	2,753	51,199
	$ 135,947	$ 2,956	$ 138,903

	NON-CONSOLIDATED		
	Credit portfolio 2 0 2 1		
	Current	Expired	Total
Commercial credits	$ 124,287	$ 7,291	$ 131,578
Leasing credits	70,790	3,908	74,698
	$ 195,077	$ 11,199	$ 206,276

	NON-CONSOLIDATED		
	Credit portfolio 2 0 2 0		
	Current	Expired	Total
Commercial credits	$ 87,501	$ 203	$ 87,704
Leasing credits	74,911	2,753	77,664
	$ 162,412	$ 2,956	$ 165,368

b. Portfolio classification by economic sector

	CONSOLIDATED				
	2 0 2 1			2 0 2 1	
Sector	Current	Expired	Total	Average term (months)	Average rate
Transport	$ 74,687	$ 2,972	$ 77,659	34	27.4%
Industry	26,741	1,449	28,190	40	28.8%
Services	60,572	6,778	67,350	40	27.2%
Farm	5,705		5,705	54	28.1%
	$ 167,705	$ 11,199	$ 178,904		

	CONSOLIDATED				
	2020			2020	
Sector	Current	Expired	Total	Average term (months)	Average rate
Transport	$ 47,853	$ 2,618	$ 50,471	38	29.5%
Industry	11,951		11,951	38	29.6%
Services	72,016	338	72,354	41	26.6%
Farm	4,127		4,127	54	28.1%
	$ 135,947	$ 2,956	$ 138,903		

	NON-CONSOLIDATED				
	2021			2021	
Sector	Current	Expired	Total	Average term (months)	Average rate
Transport	$ 74,687	$ 2,972	$ 77,659	35	27.8%
Industry	26,741	1,449	28,190	42	28.3%
Services	87,944	6,778	94,722	40	25.8%
Farm	5,705		5,705	57	27.6%
	$ 195,077	$ 11,199	$ 206,276		

	NON-CONSOLIDATED				
	2020			2020	
Sector	Current	Expired	Total	Average term (months)	Average rate
Transport	$ 47,853	$ 2,618	$ 50,471	38	29.5%
Industry	11,951		11,951	38	29.6%
Services	98,481	338	98,819	40	25.6%
Farm	4,127		4,127	54	28.1%
	$ 162,412	$ 2,956	$ 165,368		

c. Information on expired portfolio

The expired portfolio in accordance to its aging in the consolidated and the non-consolidated is as follows:

Year	1 to 180 days	181 to 360 days	Over one year	Total
2021	$ -	$ 7,983	$ 3,216	$ 11,199
2020	$ 1,551	$ 476	$ 929	$ 2,956

d. The movements of the expired portfolio in the consolidated and non-consolidated is comprised as follows:

	2021	2020
Balance at the beginning of the year	$ 2,956	$ 554
Transfers from current portfolio	9,616	2,657
Recoverability of the expired portfolio	(1,373)	(255)
	$ 11,199	$ 2,956

Procedures assuring that the balances of credits granted, considered as expired portfolio and with recoverability problem are transferred to expired portfolio and recorded in accounting, have been stablished.

e. The balances included in the current portfolio for credits granted to related parties are comprised as follows:

	CONSOLIDATED	
	2021	2020
Ceiba Soluciones de Occidente, S.A.P.I. de C.V.		$ 3,061
Clínica de Ansiedad, Depresión y Estrés CADE, S. de R.L. de C.V.	$ 9,006	
Grupo Cesco de los Altos, S.A. de C.V.	607	795
Wild México Aventuras, S.A. de C.V.	4,613	
Mav Innovación Financiera, S.A.P.I. de C.V., SOFOM E.N.R	8,772	8,955
Very Berry Sweet, S.A. de C.V.	3,532	2,176
Hugo Gómez Bernal		2,040
	$ 26,530	$ 17,027

	NON-CONSOLIDATED	
	2021	2020
Alt Easing, S.A.P.I. de C.V.	$ 27,372	$ 26,465
Ceiba Soluciones de Occidente, S.A.P.I. de C.V.		3,061
Clínica de Ansiedad, Depresión y Estrés CADE, S. de R.L. de C.V.	9,006	
Grupo Cesco de los Altos, S.A. de C.V.	607	795
Wild México Aventuras, S.A. de C.V.	4,613	
Mav Innovación Financiera, S.A.P.I. de C.V., SOFOM E.N.R	8,772	8,955
Very Berry Sweet, S.A. de C.V.	3,532	2,176
Hugo Gómez Bernal		2,040
	$ 53,902	$ 43,492

7. Preventive estimate for credit risks

For the determination of the preventive estimate for credit risks, the Entity does not applies in an integral matter, the methodology stablished by the CNBV, which consists on rating the credit portfolio based on the function of the credit type that comprises it (consumer, mortgage or commercials). The effect of recording in its entirety based on the methodology stablished by the CNBV is not considered important.

Accrued interests not collected pertaining to credits considered as expired, are provisioned on a 100% basis on the amount of the accrued interests since the first breach until the moment the credit was transferred to expired portfolio. Besides, the capital of the expired loans not collected are recorded in the preventive estimate for credit risks.

The Entity determines the accounts subject to an estimate in function of the actual and historical behavior of their clients, seeking to record those estimates as real as the circumstance of its portfolio.

8. Other accounts receivable, net

The other accounts receivable in the consolidated, are as follows:

	2021	2020
Value added tax	$ 2,132	$ 17,151
Income tax	3,264	3,930
Sundry debtors (1)	21,437	35,756
	$ 26,833	$ 56,837

(1) Include balances with related parties as of December 31, 2021 and 2020 for $ 13,968 and $ 31,764, respectively.

The other accounts receivable in the non-consolidated, are as follows:

	2021	2020
Value added tax	$ 77	$ 13,416
Income tax	2,738	3,403
Sundry debtors (2)	20,661	35,426
	$ 23,476	$ 52,245

(2) Include balances with related parties as of December 31, 2021 and 2020 for $ 13,968 and $ 31,502, respectively.

9. Foreclosed assets

Foreclosed assets pertains to property and vehicles, and were recovered as dation in payment. Balances as of December 31, 2021 and 2020 are as follows:

	2021	2020
Property	$ 28,185	$ 30,525
Vehicles	206	206
	$ 28,391	$ 30,731

The Entity reclassified properties to foreclosed assets for $ 12,000 and in accordance with the valuation policy a valuation loss was applied in the year ended December 31, 2021.

10. Property, plant and equipment

Balances as of December 31 are as follows:

	CONSOLIDATED 2021			
	Investment	Accumulated depreciation	Net	Average annual depreciation rate
Transport equipment	$ 1,819	$ 1,483	$ 336	25%
Computer equipment	509	405	104	30%
Office equipment	584	229	355	10%
Leasehold improvements	192	55	137	10%
Leased transport equipment	121,889	55,719	66,170	25% y 20%
Leased office equipment	6,221	635	5,586	10%
	$ 131,214	$ 58,526	$ 72,688	

	CONSOLIDATED 2020			
	Investment	Accumulated depreciation	Net	Average annual depreciation rate
Transport equipment	$ 1,819	$ 1,135	$ 684	25%
Computer equipment	509	298	211	30%
Office equipment	584	171	413	10%
Leasehold improvements	192	36	156	10%
Leased transport equipment	137,169	60,783	76,386	25%
Leased office equipment	8,237	1,669	6,568	10%
	$ 148,510	$ 64,092	$ 84,418	

In the period that ended December 31, 2021, the application to the income statement for depreciation in the consolidated ascended to $ 25,307 ($ 33,306 in 2020).

	NON-CONSOLIDATED 2021			
	Investment	Accumulated depreciation	Net	Average annual depreciation rate
Transport equipment	$ 1,476	$ 1,210	$ 266	25%
Computer equipment	491	400	91	30%
Office equipment	584	229	355	10%
Leasehold improvements	192	55	137	10%
Leased transport equipment	77,988	38,525	39,463	25% y 20%
Leased office equipment	766	364	402	10%
	$ 81,497	$ 40,783	$ 40,714	

	NON-CONSOLIDATED 2020 Investment	Accumulated depreciation	Net	Average annual depreciation rate
Transport equipment	$ 1,476	$ 890	$ 586	25%
Computer equipment	491	295	196	30%
Office equipment	584	171	413	10%
Leasehold improvements	192	36	156	10%
Leased transport equipment	95,956	47,190	48,766	25%
Leased office equipment	2,782	955	1,827	10%
	$ 101,481	$ 49,537	$ 51,944	

In the period that ended December 31, 2021, the application to the income statement for depreciation in the non-consolidated ascended to $ 15,137 ($ 24,341 in 2020).

11. Equity investments

The summarized Information in which the Entity participates in its subsidiary is as follows:

2021		Total assets	Total liabilities	Shareholders' equity	Equity investment in subsidiary (1)
Alt Easing, S.A.P.I. de C.V.	100%	$ 36,913	$ 36,938	$ (25)	$ (25)
				Net result	Participation in subsidiary
Results	100%			$ (3,907)	$ (3,907)

(1) The balance of liabilities is included in sundry creditors and other accounts payable. See Note 12.

2020		Total assets	Total liabilities	Shareholders' equity	Equity investment in subsidiary
Alt Easing, S.A.P.I. de C.V.	60%	$ 40,062	$ 36,180	$ 3,882	$ 2,329
				Net result	Participation in subsidiary
Results	60%			$ (1,253)	$ (752)

In "Alt Easing, S.A.P.I. de C.V." during the year ended December 31, 2021 there was a “redemption of shares” to the shareholders who had a 40% holding, in the amount of $ 2,000, the payment was made through a credit portfolio compensation. As a result, as of December 31, 2021, the Company has almost 100% the shareholding in the capital stock.

12. Sundry creditors and other accounts payable

Sundry creditors and other accounts payable in the consolidated are as follows:

	2021	2020
Value Added Tax	$ 13,543	$ 13,395
Suppliers		647
Surcharges and updates	43	6,567
Sundry creditors (1)	3,479	1,766
Others	1,024	3,467
	$ 18,089	$ 25,842

(1) Include balances with related parties as of December 31, 2021 and 2020 for $ 88 and $ 1,278, respectively.

Sundry creditors and other accounts payable in the non-consolidated are as follows:

	2021	2020
Value Added Tax	$ 13,531	$ 13,082
Suppliers		647
Surcharges and updates	43	6,567
Sundry creditors (2)	4,327	3,997
Equity investments	25	
Others	877	3,287
	$ 18,803	$ 27,580

(2) Include balances with related parties as of December 31, 2021 and 2020 for $ 786 and $ 3,303, respectively.

13. Interbank loans and other lending

As of December 31, 2021 and 2020, interbank loans and other lending are as follows:

	CONSOLIDATED	
	2021	2020
Banco del Bajío, S.A., Multiple Banking Institution	$ 6,833	$ 11,132
ABC Capital, S.A., Multiple Banking Institution, with an interest rate of TIIE +7.5		2,889
Finpo, S.A. de C.V., SOFOM ENR with an interest rate of TIIE +10	531	2,426
Toyota Financial Services México, S.A. de C.V. with an interest rate of 12.50%	8,616	14,712
Daimler Financial Services, S.A. de C.V., SOFOM ENR with an interest rate of 13%	14,350	19,888
Oikocredit Ecumenical Development Cooperative Society U.A. with an interest rate of TIIE +7	3,723	5,978
Altum Capital, S.A.P.I. de C.V., SOFOM ENR with an interest rate of TIIE +7.5	36,509	56,423
AS Mintos Marketplace with an interest rate of 9%	36,254	
Commercial loans (others)	83,442	
TIP Auto, S.A. de C.V. diverse contracts	897	13,227
Other lending	235	3,017
	191,390	129,692
Minus, current portion	59,279	41,790
Long-term debt	$ 132,111	$ 87,902

	NON-CONSOLIDATED	
	2021	2020
Banco del Bajío, S.A., Multiple Banking Institution	$ 6,833	$ 11,132
ABC Capital, S.A., Multiple Banking Institution, with an interest rate of TIIE +7.5		2,889
Finpo, S.A. de C.V., SOFOM ENR with an interest rate of TIIE +10	531	2,426
Toyota Financial Services México, S.A. de C.V. with an interest rate of 12.50%	8,616	14,712
Daimler Financial Services, S.A. de C.V., SOFOM ENR with an interest rate of 13%	14,350	19,888
Oikocredit Ecumenical Development Cooperative Society U.A. with an interest rate of TIIE +7	3,723	5,978
Altum Capital, S.A.P.I. de C.V., SOFOM ENR with an interest rate of TIIE +7.5	36,509	56,423
AS Mintos Marketplace with an interest rate of 9%	36,254	
Commercial loans (others)	83,442	
TIP Auto, S.A. de C.V. diverse contracts	897	13,227
Other lending	53	2,406
	191,208	129,081
Minus, current portion	59,097	41,179
Long-term debt	$ 132,111	$ 87,902

1. Obligations to do (1):

    a. Delivering the internal financial statements each semester and the audited financial statements
    b. Make available to the Bank the expedients that where integrated, with the purpose of celebrating credit contracts with their debtors
    c. Notifying the bank any action, lawsuit, litigation or procedure against them
    d. Keep the Entity in good conditions with the purpose of enabling the normal and solving course of the business
    e. Allowing access to the personnel the Bank designs, as well as providing the requested information related to the application of the credits
    f. Executing the investment plan in accordance to the Investment project approved by the Bank

2. Obligations not to do (1):

    a. Investing in legal entities, national or foreign, that are not subsidiaries or affiliated
    b. Conduct substantial changes in the administration
    c. To grant joint and several obligations, endorsements, collaterals, or any type of personal or real guarantees, to ensure third parties obligations
    d. Merging with another Entity, or splitting
    e. Dispose, tax, sublease or in any other way, transferring pledged assets, without express and written authorization from the Financial Institution

(1) Summary of main obligations

14. Contingencies and commitments

a. The tax authorities have the right to review, at least, the previous five years and could determine tax differences to pe paid, plus their corresponding updates, surcharges and fines.

b. According to the Income Tax Law, companies that carry out transactions with related parties, resident in the country or abroad, are subject to limitations and fiscal obligations, as to the determination of agreed prices, since these shall be comparable to those which would be used with or between other independent parties in comparable operations.

   In the event that the tax authorities review the prices used in the various transactions carried out by the Entity with its related parties and reject the amounts determined, they could require, in addition to the collection of the corresponding tax and accessories (updating and surcharges), fines on omitted contributions, which could be up to 100% over the updated amount of contributions.

c. On December 1st, 2012, amendments to the Federal Labor Act entered into force, mainly regarding to definitions in recruitment of service-providing companies and the Company, together with its affiliates, analyzed the possible effects of this amendments and adhered to its applicable rules, that might differ from the authorities' criteria.

d. On April 23, 2021, the labor subcontracting reform was approved, which amends, adds and repeals several labor and tax laws in order to prohibit the subcontracting of personnel for activities related to the Company's main economic activity and to modify the calculation of the Employee Profit Sharing (PTU) to which each employee is entitled. The Company evaluated the impact of these reforms on its financial information and concluded that they do not have a material impact.

15. Stockholder's equity

a. Capital stock

   At the General Shareholders' Meeting held on November 2, 2021, a reduction of the capital stock in its fixed and variable portions was approved in the proportions held by each shareholder and at its nominal value. The amount of the reduction amounts to $ 7,590, which is fully paid as of December 31, 2021.

   As December 31, 2021, the capital stock of the Company is represented by 100,409,638 (108,000,000 at December 31, 2020) common stock, nominatives with nominal value of one peso per share, totally subscribed and paid.

b. Legal reserve

   The net income of the Entity is subject to the application of 5% to the legal reserve until it represents 20% of the Capital stock. The legal reserve is not subject of cash distribution, but may be capitalized. As of December 31, 2021 and 2020, the Entity has not constituted the legal reserve.

c. Distribution of dividends and capital refunds

   If applicable, accumulated results will be subject to taxes, in case of cash distribution, except if they come from the Net Tax Profit Account (Spanish initials "CUFIN"). Furthermore, capital refunds that proportionally exceeds the Contributed Capital Account (Spanish initials "CUCA") are considered as income distribution subject to the treatment previously mentioned, and if applicable, to tax payment. In accordance with the Tax Law, the dividends to be paid to shareholders and that emanate from CUFIN generated in 2014 or in the following years, will be subject to a 10% tax retention.

d. Valuation result on cash flow hedging instruments

As of December 31, 2021 and 2020, the valuation result on cash flow hedging instruments included in the consolidated and non-consolidated statement of changes in stockholders' equity is comprised as follows:

	2021		2020	
Derivative Financial Instruments	$	469	$	(2,746)
Tax caused		(141)		824
Employee statutory profit sharing caused (PTU)		(47)		275
	$	281	$	(1,647)

16. Subordinated liabilities

The subordinated liabilities in circulation as of December 31, are as follows:

				2021			
Bond issue	Due date	Average rate	Currency	Authorized amount MXP		Total	
SWELL-05	01-jul-21	14.50%	MXP	$	2,000	$	2,000
SWELL-06	01-jul-21	13.50%	MXP		2,500		2,500
SWELL-07	01-abr-22	9.50%	MXP		250		250
SWELL-08	01-abr-22	13.00%	MXP		1,900		1,900
SWELL-10	30-ene-24	15.25%	MXP		1,200		1,200
SWELL-12	31-jul-23	12.00%	MXP		900		900
				$	8,750	$	8,750

				2020			
Bond issue	Due date	Average rate	Currency	Authorized amount MXP		Total	
SWELL-03	08-feb-21	14.58%	MXP	$	7,100	$	7,100
SWELL-04	30-mar-21	10.00%	MXP		1,500		1,500
SWELL-05	01-jul-21	14.50%	MXP		18,914		18,914
SWELL-06	01-jul-21	13.50%	MXP		15,000		15,000
SWELL-07	01-abr-22	9.50%	MXP		540		540
SWELL-08	01-abr-22	13.00%	MXP		18,300		18,300
SWELL-09	01-abr-22	15.25%	MXP		4,750		4,750
SWELL-10	30-ene-24	15.25%	MXP		10,700		10,700
SWELL-12	31-jul-23	12.00%	MXP		6,700		6,700
				$	83,504	$	83,504

The subordinated obligations in the consolidated and the non-consolidated includes balances as of December 31, 2021 and 2020 with related parties for $ 3,650 and $ 8,100, respectively.

17. Financial and operational margin

In the periods that ended December 31, the financial margin is comprised as follows:

	CONSOLIDATED	
	2021	2020
Interest income		
Commercial credits	$ 36,956	$ 35,186
Availabilities	249	327
Bank investments	442	
Granted credits commissions	2,833	1,089
Foreign exchange income	2,120	
	42,600	36,602
Interest expense		
Bank loans	(15,171)	(19,224)
Amortization of debt issuance expenses	(11,106)	(10,313)
Granted credits commissions	(29)	(1,880)
Foreign exchange loss	(1,587)	
	(27,893)	(31,417)
Total financial margin	$ 14,707	$ 5,185

	NON-CONSOLIDATED	
	2021	2020
Interest income		
Commercial credits	$ 43,575	$ 39,207
Availabilities	249	327
Bank investments	442	
Granted credits commissions	2,833	1,089
Foreign exchange income	2,120	
	49,219	40,623
Interest expense		
Bank loans	(15,002)	(19,044)
Amortization of debt issuance expenses	(11,106)	(10,313)
Granted credits commissions	(29)	(1,880)
Foreign exchange loss	(1,587)	
	(27,724)	(31,237)
Total financial margin	$ 21,495	$ 9,386

The brokering result for the period that ended December 31 in the consolidated and non-consolidated is comprised as follows:

	2021	2020
Brokering result	$ 4,313	$ (5,407)

The operating leases result for the periods that ended December 31 is comprised as follows:

	CONSOLIDATED	
	2021	2020
Revenue from operating leases	$ 48,573	$ 45,265
Goods depreciation from operating leases	(24,540)	(32,601)
	$ 24,033	$ 12,664

	NON-CONSOLIDATED	
	2021	2020
Revenue from operating leases	$ 30,569	$ 30,774
Goods depreciation from operating leases	(14,400)	(23,800)
	$ 16,169	$ 6,974

18. Income taxes

The Entity is subject to the Income Tax (ISR). The ISR is calculated considering the effects of inflation for tax purposes.

The analysis of the taxes credited (debited) to the result of the year, is as follows:

	2021	2020
ISR causado	$ 964	(824)
ISR diferido	6,252	$ (2,502)
	$ 7,216	$ (3,326)

The ISR law stablishes that the tax loss of a year may be amortized against the taxable income of the following ten years. In the period that ended on December 31, 2020, the Entity generated a tax loss of $ 20,387 and a portion was applied to taxable income generated in the year ended December 31, 2021.

Next, a summary of the temporary items that comprises the deferred tax, net:

	2021		2020	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Preventive estimate for credit risks	$ (11,857)	$ (3,557)	$ (2,956)	$ (887)
Property, plant and equipment	1,709	513	(4,381)	(1,314)
Advances from customers	(3,500)	(1,050)	(511)	(153)
Tax losses	(8,456)	(2,537)	(20,387)	(6,116)
Others	1,264	379	2,141	642
		(6,252)		(7,828)
Valuation reserve		-		7,828
Asset at the end of the year		(6,252)		-
Asset at the beginning of the year		-		(2,502)
Credited (charged) to results		$ 6,252		$ (2,502)

The analysis of the employees profit sharing (PTU) recognized in the results in the consolidated and non-consolidated as follows:

	2 0 2 1	2 0 2 0
PTU incurred (1)	$ (1,002)	$ (275)
PTU deferred	1,412	
	$ 410	$ (275)

(1) The PTU incurred is recorded under the administrative and promotional expenses.

Next we show a summary of the main temporary items that are part of the asset for deferred PTU as of December 31:

	2 0 2 1		2 0 2 0	
	Temporary difference	PTU deferred	Temporary difference	PTU deferred
Preventive estimate for credit risks	$ (11,857)	$ (1,186)	$ (2,956)	$ (296)
Property, plant and equipment	1,709	171	(4,381)	(438)
Advances from customers	(3,500)	(350)	(511)	(51)
Others	(469)	(47)	1,507	151
		(1,412)		(634)
Estimate		-		634
Assets as December, 31		(1,412)		-
Deferred PTU accredited to results		$ 1,412		$ -

19. Balances and transactions with related parties

Balances with related parties in the consolidated (*) are integrated as follows:

	Debit balance		Credit balance	
	December 31,			
	2 0 2 1	2 0 2 0	2 0 2 1	2 0 2 0
Ceiba Soluciones de Occidente, S.A.P.I. de C.V. (1)	$ 13,668	$ 26,935		$ 1,190
Clínica de Ansiedad, Depresión y Estrés Cade, S. de R.L. de C.V. (1) (2)	9,006	5,591	$ 550	$ 550
Grupo Cesco de los Altos, S.A. de C.V. (1)	607	795		
Blackfisk, S.A.P.I. de C.V. (1)	557	2,000	169	121
I-Bizne, S.A.P.I. de C.V.	449		336	336
Francisco Javier Chávez García			2,400	
Hugo Gómez Bernal (1)	300	2,340		
Jesús Roberto Martínez Orozco			50	50
Jorge Pablo Leroy Gómez Bernal			88	88
Wild México Aventuras, S.A. de C.V. (1)	4,613			
Very Berry Sweet, S.A. de C.V.	3,532	2,176		
Mav Innovación Financiera S.A.P.I. SOFOM E.N.R. (1)	8,772	8,955		
José Antonio Rodríguez Osio (2)			3,600	3,600
Sandra Guadalupe Rodríguez Osio (2)			400	200
Jorge Eduardo Rodríguez Osio (2)			300	
Maria Estela Velasco López (2)			350	350
Maria Estela López López (2)			350	
Andrés Robles Fernández (2)			300	250
Alejandro Verduzco Ortega (2)			5,300	
Gasolinera Triunfo, S.A. de C.V. (2)			1,000	1,000
	$ 41,504	$ 48,792	$ 15,193	$ 7,735

Balances with related parties in the non-consolidated (*) are integrated as follows:

	Debit balance		Credit balance	
	December 31,			
	2021	2020	2021	2020
Ceiba Soluciones de Occidente, S.A.P.I. de C.V. (1)	$ 13,668	$ 26,935		$ 1,190
Clínica de Ansiedad, Depresión y Estrés Cade, S. de R.L. de C.V. (1) (2)	9,006	5,591	$ 550	950
Grupo Cesco de los Altos, S.A. de C.V. (1)	607	795		
Blackfisk, S.A.P.I. de C.V. (1)	557	2,000		
I-Bizne, S.A.P.I. de C.V.	449		336	336
Hugo Gómez Bernal (1)		2,040		
Francisco Javier Chávez García			2,400	2,000
Alt Easing, S.A.P.I. de C.V. (1)	27,372	26,502	936	2,263
Wild México Aventuras, S.A. de C.V. (1)	4,613			
Very Berry Sweet, S.A. de C.V.	3,532	2,176		
Mav Innovación Financiera S.A.P.I. SOFOM E.N.R. (1)	8,772	8,955		
José Antonio Rodríguez Osio (2)			3,600	3,600
Sandra Guadalupe Rodríguez Osio (2)			400	200
Jorge Eduardo Rodríguez Osio (2)			300	
Maria Estela Velasco López (2)			350	350
Maria Estela López López (2)			350	
Andrés Robles Fernández (2)			300	250
Alejandro Verduzco Ortega (2)			5,300	
Gasolinera Triunfo, S.A. de C.V. (2)			1,000	1,000
	$ 68,576	$ 74,994	$ 15,822	$ 12,139

(1) Receivable balances pertain to loans with interests, beyond others
(2) Liabilities for “outstanding subordinated” and/or liabilities from commercial contracts
(*) Balances are integrated in different accounts of the statement of financial position.

For the years that ended December 31, the main transactions carried out with related parties in the consolidated where as follows:

	2021	2020
Ceiba Soluciones de Occidente, S.A.P.I. de C.V.		
Income:		
Interests	$ 521	$ 1,239
Asset sales	1,031	
Expenses:		
Fees	1,699	9,503
Clínica de Ansiedad, Depresión y Estrés Cade, S. de R.L. de C.V.		
Income:		
Vehicles leasing	179	193
Administrative services	13	11
Expenses:		
Training		150
Sales comissions	34	5
I-Bizne, S.A.P.I. de C.V.		
Income:		
Vehicles leasing	72	28
Administrative services	39	28

	2 0 2 1	2 0 2 0
Grupo Cesco de los Altos, S.A. de C.V.		
Income:		
Interests	133	171
Wild México Aventuras, S.A. de C.V.		
Income:		
Interests	11	34
Vehicles leasing	169	34
Services	6	10
Very Berry Sweet, S.A. de C.V.		
Income:		
Interests	845	813
Services		30
Blackfisk, S.A.P.I. de C.V.		
Expenses:		
Sales comissions	41	
Training	18	
Francisco Javier Chávez García		
Income:		
Vehicle sales	74	
Expenses:		
Interests	281	
Fees	55	
Jesús Roberto Martínez Orozco		
Expenses:		
Fees	57	

For the years that ended December 31, the main transactions carried out with related parties in the non-consolidated, in addition to the above, where as follows:

	2 0 2 1	2 0 2 0
Alt Easing, S.A. de C.V. (subsidiary company)		
Income:		
Interests	$ 6,619	$ 4,021
Vehicles sales		8,832
Expenses:		
Pure leasing		633
Diverse		14
Services	405	

20. Internal risk management

The Entity is exposed through its operations to the following risks:

Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Entity is mainly exposed to credit risk from credits granted. It is Entity policy to assess the credit risk of new customers before entering contracts.

The Credit Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Entity's standard payment and delivery terms and conditions are offered. The Entity's review includes external ratings, when available, and in some cases bank references.

The Credit Committee determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval of the Risk Management Committee.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

The Credit Committee monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Concentration risk

Services are rendered to a large number of customers, without significant concentration with an specific costumer.

Market risk

Market risk arises from the Entity's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risks).

Interest rate risk

The Entity is exposed to interest rate risk from long-term debt generating interests as a variable rate is being handled, however, there are financial instruments that reduce the risk.

In case of variable rates, the Entity analyses the exposure to interest rate risks exposure on a quarterly basis and performs a sensitivity analysis by applying simulation techniques to the liabilities that represent the positions that generate the largest interest payments. Several scenarios are being considered such as refinancing, renewal of existing positions, alternative financing sources and the use of hedges, if any. See Note 5.

Foreign exchange risk

Foreign exchange risk arises when the Entity enters into transactions denominated in a currency other than their functional currency.

The Entity is exposed to foreign exchange risk for operations with AS Mintos Marketplace.

Liquidity risk

Liquidity risk arises from the working capital management of the Entity, as well as interest expense and principal repayments on its debt instruments. It is the risk that the Entity will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

The Board receives monthly rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. These projections indicates that the Entity expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

21. New accounting pronouncements

a. On During 2021 the CINIF issued several improvements and guidance to the NIF that will become effective in subsequent accounting periods and that the Company has decided not to adopt early. The most important ones that generate accounting changes are as follows and are effective as of January 1, 2022.

   Improvements 2022:

   - D-3 "Employee benefits"

     In cases in which the entity considers that the payment of PTU will be at a rate lower than the current legal rate because this payment is subject to the limits established in the applicable legislation, the entity must make the best possible estimate of the rate at which the temporary differences will materialize at the date of the financial statements for purposes of deferred PTU.

   - NIF B-1 "Accounting changes and error corrections", NIF B-10 "Effects of inflation", NIF B-17 "Determination of fair value"and NIF C-6 "Property, plant and equipment"

     Certain disclosures in the aforementioned NIF are eliminated in order to maximize convergence with IFRS.

b. Changes in accounting criteria of the CNBV (the Commission) - IFRS 9 "Financial Instruments"

   On December 27, 2017, a Resolution was published in the Official Gazette of the Federation (DOF) that modifies the General Provisions applicable to Credit Institutions, with the entry into force of this resolution for January 1, 2019.

   Subsequently, on November 15, 2018, a Resolution amending the Resolution mentioned in the previous paragraph was published with the purpose of extending the term of its application to January 1, 2020, so that credit institutions would be in a position to adjust their accounting information systems. On November 4, 2019, the Commission announced, through DOF, the decision to extend the entry into force of this Resolution to January 1, 2021.

   In this same sense, on March 13, 2020, the Commission published in the Official Gazette of the Federation (DOF) a resolution that modifies the General Provisions applicable to Credit Institutions by which they update the accounting criteria applicable to credit institutions to make them consistent with National and International Financial Reporting Standards, which will allow institutions to have transparent and comparable financial information with other countries. The effective date of this resolution was January 1, 2021.

   Finally, due to the situation of the COVID-19 pandemic in which credit institutions have seen their operational and human resources capacity reduced, the Commission decided to issue on December 4, 2020 a Resolution through which it postpones the entry into force of the amendments to the Accounting Criteria mentioned above as well as for those NIFs mentioned in the Resolutions of December 27, 2017, to January 1, 2022.

The most relevant changes in accounting matters for the 2022 fiscal year are mentioned below:

- The reclassification of certain financial instruments that as of December 31, 2021 are recorded in Cash and Due from Banks and should be transferred to the Financial Instruments line item.

- The concept of performing and past-due portfolio is changed to portfolio in stages 1, 2 or 3, which will allow the Institution to better control the credit risk to which it is subject and to consistently establish those risks and the allowances for loan losses.

- The estimate of expected losses will be made by the Institution considering 3 stages depending on the level of credit deterioration of the assets, being stage 1 that which will incorporate the financial instruments whose credit risk has not increased significantly since their initial recognition and the estimate must be constituted for a period of 12 months; Stage 2 will include instruments in which there has been a significant increase in the credit risk since their initial recognition and finally, Stage 3 will include instruments in which there is objective evidence of impairment and that, in stages 2 and 3, it is established that the Institution must establish the allowance for loan losses for the remaining term to maturity.

- The presentation of the four basic financial statements is restructured in an integral manner, in accordance with the presentation indicated in criteria D-1 to D-4 of Annex 33 of the General Provisions applicable to credit institutions (Single Bank Circular "CUB").

c. Leases

NIF D-5 "Leases" will be effective from January 1, 2022 and will generate significant accounting changes described below.

NIF D-5 provides a single lease accounting model, requiring the recognition of assets and liabilities for all leases, as well as options to exclude leases that have a term of 12 months or less, or where the underlying asset is of low value.

NIF D-5 establishes certain practical expedients, including those related to the initial adoption of the standard. The following practical expedients were applied in recognizing such standard to leases previously classified as operating leases under IFRS-16:

i. Applying a single discount rate to a set of leases with reasonably similar characteristics;

ii. Not to recognize the assets for rights of use and lease liabilities for those leases whose term ends within 12 months of the date of initial application.

The above points have no relevant effects on the Entity's financial statements, except for the issue of the allowance for loan losses and their effects are being quantified.

22. Responsability of the financial information

The issuance of the financial statements presented, was authorized on June 16, 2022, by Ernesto Mario Vela Berrondo, Managing Director of the Entity and Alberto Eduardo Goyeneche Sillas, Finance Director of the Entity, consequently, do not reflect the events occurring after that date.

The General Corporate Law gives the stockholders the faculty to modify the financial statements after their issuance.