CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Financial statements

As at 31 December 2021 and 2020
with independent auditors' report

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REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders' Meeting of
Cege Capital, S.A.P.I. de C.V.,
Sociedad Financiera de Objeto Múltiple
Unregulated Entity

Opinion

We have audited the accompanying financial statements of Cege Capital, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the unconsolidated financial position of Cege Capital, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada ("the Company") as of December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Mexican Financial Reporting Standards.

Basis of the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including the International Independence Standards)* (IESBA Code of Ethics*)* together with the ethics requirements that are applicable to our audit of the financial statements in Mexico by the *Code of Professional Ethics of the Mexican Institute of Public Accountants* (IMCP Code of Ethics) and we have fulfilled our other ethics responsibilities in accordance with those requirements and the IESBA Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The auditor's responsibilities for the audit of the 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 audit report that includes our opinion. Reasonable assurance is a high degree 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 financial statements.

As part of an audit in accordance with the ISAs, we apply professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

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

- We 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 Company's internal control.

- We assessed 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We assessed 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.

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

We also provide those charged with governance of the Company with a statement that we have complied with applicable ethics requirements regarding independence and communicated with them about all relationships and other matters that may reasonably be expected to affect our independence and, where appropriate, related safeguards.

The audit partner responsible for the audit is the undersigned.

Mancera, S.C.
Member of
Ernst & Young Global Limited

C.P.C. Gabriel Alejandro Baroccio Pompa

Mexico City, on
19 May 2022

CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Statements of financial position

As at 31 December 2021 and 2020

(Figures in pesos)

(Notes 1 and 2)

	2021	2020		2021	2020
Active			**Liabilities**		
Cash and cash equivalents			**Short term**		
cash flow (Note 3)	**$ 123,333,291**	$ 99,672,044	Loans (Note 10)	**$ 679,992,390**	$ 804,483,787
			Profit taxes	**20,245,878**	8,119,443
Loan portfolio (Note 4)			Sundry creditors (Note 12)	**64,670,820**	87,112,144
In force	**1,132,635,210**	1,167,965,452	Deferred income	**319,765**	1,010,500
Expired	**39,245,710**	41,149,019	Direct benefits to the		
	1,171,880,920	1,209,114,471	short-term employees		
			(Note 13)	**3,971,846**	-
Precautionary estimate			Lease liabilities		
for credit risks			(Note 11)	**46,370,831**	15,995,662
(Note 4e)	**(67,650,368)**	(59,553,685)	**Short-term total**	**815,571,530**	916,721,536
Net lending	**1,104,230,552**	1,149,560,786	**Long term**		
			Loans (Note 10)	**600,000,000**	624,761,905
Other receivables (Note 6)	**471,551,553**	499,920,548	Direct benefits to the		
			employees by termination		
Prepayments (Note 7)	**71,413,868**	36,742,948	and retirement (Note 14)	**8,130,231**	-
Deferred income tax			Lease liabilities		
(Note 17c)	**26,466,372**	30,905,734	(Note 11)	**9,000,000**	7,988,571
Net furniture and equipment					
(Note 8)	**7,668,936**	8,236,346	**Total liabilities**	**1,432,701,761**	1,549,472,012
Right-of-use assets (Note 11)	**53,607,597**	23,676,534			
Net intangible assets			**Stockholders' equity**		
(Note 9)	**3,931,666**	12,418,893	Share capital (Note 16)	**153,532,670**	153,532,670
Other assets	**-**	1,598,214	Financial instruments with		
			capital characteristics		
			(Note 16b)	**77,000,000**	77,000,000
				230,532,670	230,532,670
			Legal reserve	**6,862,056**	6,862,056
			Exercise results		
			previous	**75,865,309**	45,887,867
			Net result	**116,242,039**	29,977,442
			Total stockholders' equity	**429,502,074**	313,260,035
Total assets	**$ 1,862,203,835**	$ 1,862,732,047	**Total liabilities plus capital**	**$ 1,862,203,835**	$ 1,862,732,047

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

CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Statements of comprehensive income

(Figures in pesos)

(Notes 1 and 2)

	For the years ended 31 December	
	2021	2020
Interest income	**$ 1,462,184,674**	$ 1,364,157,726
Interest expense	**(147,447,958)**	(156,448,085)
Financial margin	**1,314,736,716**	1,207,709,641
Allowance for loan losses (Note 4e)	**(335,527,981)**	(413,556,901)
	979,208,735	794,152,740
Other operating income, net (Note 18)	**119,641,780**	163,020,526
Administrative and promotional expenses (Note 19)	**(942,983,300)**	(915,374,425)
Operating income before income taxes	**155,867,215**	41,798,841
Income tax, net (Note 17b)	**(39,625,176)**	(11,821,399)
Net and comprehensive income	**$ 116,242,039**	$ 29,977,442

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

CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Statements of changes in stockholders' equity

For the years ended 31 December 2021 and 2020

(Figures in pesos)

(Note 1, 2 and 14)

	Share capitalfixed	Unpaid subscribed share capital	Variable share capital	Financial instruments with equity characteristics	Reservalegal	Results of previous years	Net result	Total stockholders' equity
Balances as at 31 December 2019	$ 38,532,670	$ (6,000)	$ 115,006,000	$ 77,000,000	$ 6,862,056	$ 124,580,557	$ (78,692,690)	$ 283,282,593
Movements inherent in the decisions of the shareholders:	-	-	-	-	-	(78,692,690)	78,692,690	-
Utility application obtained	-	-	-	-	-	-	-	-
Movements inherent in the recognition of comprehensive income:	-	-	-	-	-	-	-	-
Result for the year	-	-	-	-	-	-	29,977,442	29,977,442
Balances as at 31 December 2020	38,532,670	(6,000)	115,006,000	77,000,000	6,862,056	45,887,867	29,977,442	313,260,035
Movements inherent in the decisions of the shareholders:	**-**	**-**	**-**	**-**	**-**			
Utility application obtained	-	-	-	-	-	**29,977,442**	**(29,977,442)**	**-**
Movements inherent in the recognition of comprehensive income:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**116,242,039**	**116,242,039**
Balances as at 31 December 2021	**$ 38,532,670**	**$ (6,000)**	**$115,006,000**	**$ 77,000,000**	**$ 6,862,056**	**$ 75,865,309**	**$ 116,242,039**	**$ 429,502,074**

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

CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Cash flow statements

For the years ended 31 December 2021 and 2020

(Figures in pesos)

(Notes 1 and 2)

	For the years ending 31 December 2021	2020
Operational activities		
Income before income tax	$ 155,867,215	$ 41,798,842
Items in profit or loss with no impact on cash flow:		
Allowance for loan losses	335,527,981	413,556,901
Depreciation and amortisation	54,608,515	41,593,749
Leasehold interest	5,651,545	1,289,611
Employee profit-sharing	3,857,728	-
Net cost for the period of labour obligations	531,776	-
	556,044,760	498,239,103
Changes in assets and liabilities of the operation:		
Credit portfolio	(290,197,747)	(508,889,554)
Other accounts receivable	28,368,995	(211,831,372)
Advance payments	(34,670,920)	(5,455,700)
Other assets	1,598,214	3,380,028
Loans	(179,413,302)	288,790,491
Profit tax	(23,059,379)	(6,366,442)
Sundry creditors	(23,132,059)	58,339,479
Direct employeebenefits	7,712,574	-
Net cash flows provided by operating activities	43,251,136	116,206,031
Investment activities		
Acquisition of furniture and equipment, net	(928,749)	(8,960,723)
Acquisition of intangible assets	(9,726,640)	(7,048,476)
Net cash flows (used) from investing activities	(10,655,389)	(16,009,199)
Financing activities		
Borrowing from related parties	30,160,000	-
Lease payments	(39,094,500)	(21,828,873)
	(8,934,500)	(21,828,873)
Increase in cash and cash equivalents	23,661,247	78,367,959
Cash and cash equivalents at the beginning of the period	99,672,044	21,304,085
Cash and cash equivalents at the end of the period	$ 123,333,291	$ 99,672,044

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

CEGE CAPITAL, S.A.P.I. DE C.V. ,
MULTIPLE PURPOSE FINANCIAL COMPANY,
NON-REGULATED ENTITY

Notes to the financial statements

As at 31 December 2021 and 2020

(Figures in pesos)

1. Object of the Company and framework of operations

a) Corporate information

CEGE Capital, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (hereinafter, the Company), was incorporated on 7 March 2013 and started operations on 1 June 2013. Its corporate purpose is to enter into regular transactions and credit agreements, mainly with individuals, for which it may obtain loans and lines of credit with financial institutions in the country and abroad. The Company's operations are focused on the microfinance market, through the granting of short-term loans to vulnerable groups of women to be used for productive projects.

The Company is authorised to operate as a SOFOM in the form and terms established by the General Law on Credit Organisations and Auxiliary Activities, and is therefore subject to supervision by the National Commission for the Protection and Defence of Financial Services Users (Condusef) in terms of contracts, commissions, customer service units and maintenance of its registration as a SOFOM.

In addition, the Company is subject to the supervision and oversight of the National Banking and Securities Commission (hereinafter CNBV), with regard only to the obligation to comply with the general provisions on the prevention, detection and reporting of transactions possibly linked to the crimes of transactions with resources of illicit origin and terrorism and their financing, issued by the Ministry of Finance and Public Credit.

As of September 2021, the Company has its own staff, operational and administrative services are contracted to related parties.

The Company's operating period and fiscal year is from 1 January to 31 December.

b) Approval of financial statements

The issuance of the financial statements and related notes was authorised by the Chief Executive Officer, Architect Allan Cherem, on 17 April 2021, for approval, at a later date, by the Board of Directors and the Shareholders' Meeting. These bodies have the power to amend the accompanying financial statements.

c) Relevant events

On 23 April 2021, Congress issued a decree amending various provisions on labour subcontracting and establishing the prohibition of subcontracting of personnel, allowing only the subcontracting of specialised services or the execution of specialised works that do not form part of the corporate purpose or the predominant economic activity of the beneficiary, provided that the contractor is registered in the public register referred to in Article 15 of this Federal Labour Law with mandatory effects as of 1 September 2021.

Following the entry into force of this Decree, on 28 August 2021, the Company, by means of employer substitution, recognised the employment relationship with its current employees and contracted the specialised services of its related party Servicios Corporativos Contigo, S.C.

i) Early settlement of trust 3094 with ticker symbol CTIGOCB 17 for issuance, administration and payment dated 22 November 2017.

On 17 February 2020, the Reversion Agreement was entered into by and between the Trustee of the Trust and the Company based on the early settlement of all amounts due in respect of Principal, Interest and Fees on 21 February 2020 and the consequent reversion of all Receivables and Receivables that formed part of the Trust Estate under the Reversion Agreement.

The costs arising from the early liquidation of Trust 3094 with ticker symbol CTIGOCB 17 are as follows:

		Amount
Main	$	300,000,000
Interests		2,408,000
Commissions		3,000,000
Total	$	305,408,000

ii) Constitution of the irrevocable trust for the issuance, administration and payment of Trust No. 4011 dated 17 February 2020.

The Company as trustor and second trustee, Banco Invex, S. A., Institución de Banca Múltiple, Invex Grupo Financiero, in its capacity as Trustee and CIBanco, S. A., Institución de Banca Múltiple, in its capacity as Common Representative, issued Certificados Bursátiles Fiduciarios with ticker symbol CTIGO CB 20 through the Irrevocable Issuance, Administration and Payment Trust Agreement number 4011 dated 17 February 2020.

Characteristics of the issue:

Type of value	Trust Certificates
Type of offer	National Primary Public Offering
Slate Key	CTIGOCB20
Issue Number under the Programme	Second
Emitter	Banco Invex, S. A., Institución de Banca Múltiple, Invex Grupo Financial, (exclusively in its capacity as trustee of the Issuing Trust)
Trustor	Cege Capital, SAPI de C. V. SOFOM ENR
Trustees in the first place	The Holders of the Trust Bond Certificates
Trustees in second place	Cege Capital, SAPI de C. V. SOFOM ENR
Administrator	Cege Capital, SAPI de C. V. SOFOM ENR
Master Administrator	Administradora de Activos Financieros, S. A. (ACFIN)
Total authorised amount of the Revolving Programme	Up to $1,500'000,000.00 (one billion five hundred million)
Duration of the programme	5 years from the date of the CNBV's authorisation letter
Amount of the second issue	$600'000,000.00 (six hundred million)
Nominal value of the Certificates Stock exchanges	100.00 for each stock certificate
Designation	Pesos, National Currency
Purposes of the trust	Implementing a mechanism for the securitisation of royalties (i) the assignment and contribution of collection rights, by means of (i) the assignment and contribution of Eligible Collections from Cege to the trustee through the (ii) issuance of the relevant Assignment Agreements, and (iii) issuance of the corresponding Certificados Bursátiles Fiduciarios, payable solely from Existing resources in Trust Assets.
Maturity date of the issue	12 May 2023

(iii) COVID 19

In March 2020, the World Health Organisation declared the spread of coronavirus disease 2019 ("COVID-19") a global pandemic. The pandemic has had a negative impact on the global economy and has caused significant volatility in the financial markets. The Company continues to actively monitor the pandemic and has taken and intends to continue to take steps to identify and mitigate adverse impacts and risks to its business, financial condition, liquidity, operations, employees, customers and business partners. In response to the pandemic, the Company implemented remote working arrangements for almost all of its employees and restricted business travel.

To date, with the Company's ability to meet the vast majority of its customers' needs through its technology-based platforms and services, these arrangements have not materially affected the Company's ability to maintain its business operations, including the operation of its financial reporting system, internal control and disclosure controls and procedures. Based on the information available as of the date of this report, the Company does not expect the pandemic to have a material adverse impact on its financial statements in the near term; although, given the day-to-day evolution of the pandemic, the global responses to curb its spread and the related economic impacts, the Company is currently unable to estimate the long-term effects of the pandemic on its financial statements.

2. Accounting policies and practices

a) Compliance with Mexican Financial Reporting Standards (MFRS)

The financial statements as at 31 December 2021 and 2020 have been prepared in accordance with Mexican Financial Reporting Standards (FRS).

b) Basis of preparation

The financial statements as at 31 December 2021 and 2020 have been prepared on a historical cost basis.

As of 1 January 2008, the Mexican economy is in a non-inflationary environment, in accordance with FRS B-10 "Effects of inflation". Therefore, at 31 December 2021 and 2020, a non-inflationary environment is maintained, as cumulative inflation over the last three years is below 26% (annual average of 8%).

Inflation in 2021 and 2020, as determined through the National Consumer Price Index (NCPI) published by the National Institute of Geography and Statistics (INEGI), is shown below:

	Cumulative to 2020 (% of 2018, 2019 and 2020)	**Cumulative to 2021 (% of 2019, 2020 and 2021)**	**From the period (% of 2021)**
Inflation rates	11.19%	**11.74%**	**7.36%**

In accordance with Mexican Financial Reporting Standards, this corresponds to a non-inflationary economic environment, which requires the continuation of the preparation of financial statements on a historical cost basis.

Classification of short-term (current) and long-term (non-current) liabilities

The Company presents liabilities in the statement of financial position based on short-term and long-term classification.

A liability is classified as short-term when:

- is expected to be settled in the entity's normal operating cycle;
- the entity holds it primarily for the purpose of trading;
- shall be settled within twelve months after the end of the reporting period; or
- the entity does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

All other liabilities are classified as long-term (non-current).

c) Interest income recognition

Interest income is recognised using the effective interest method, which is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the discount rate that equates the estimated cash flows receivable over the expected life of the financial instrument to the net carrying amount of the financial asset.

When the portfolio is considered past due, revenue is no longer recognised and is recorded together with penalties when collected.

d) Use of estimates

The preparation of the Company's financial statements in conformity with FRS requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and related disclosures, and the disclosure of contingent liabilities. The Company and its subsidiaries based their estimates on the information available when the financial statements were prepared. Uncertainties in such judgements and estimates may mean that significant adjustments to the carrying amounts of the assets or liabilities affected may be required in future periods.

The key assumptions used in making estimates that involve uncertainty and that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities during the next financial year are discussed below.

i) Deferred income tax assets.

ii) Allowance for loan losses.

e) Leases

- *Determining the lease term in contracts with renewal and termination options*

The Company determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend the lease, if there is reasonable certainty that the Company will exercise that option, or the periods covered by an option to terminate the lease, if there is reasonable certainty that the Company will not exercise that option.

The Company has a number of leases that include renewal and termination options. The Company applies its judgement in assessing whether there is reasonable certainty that it will exercise the option to renew or terminate a lease. That is, it considers all relevant facts and circumstances that create an economic incentive to exercise the renewal or termination option. After the lease commencement date, the Company re-evaluates the lease term if a significant event or change in circumstances occurs that is within the Company's control and that affects its ability to exercise or not exercise the option to renew or terminate.

- *Leases - Estimating the incremental financing rate*

The Company uses the interest rate implicit in the leases or when it is not readily determinable. The Company estimates the incremental financing rate using observable inputs (such as market interest rates) when available or uses its incremental financing rate to value lease liabilities. The incremental financing rate is the interest rate that the Company would have to pay to obtain, with a similar term and collateral, the funds necessary to purchase an asset of similar value to the right-of-use asset in a similar economic environment at the inception of the lease. Therefore, the incremental financing rate reflects what the Company "would have to pay", which requires an estimate when observable rates are not available or when rates must be adjusted to reflect the terms and conditions of the lease.

(f) Cash and cash equivalents

Cash and cash equivalents are represented by bank deposits and investments in highly liquid instruments with maturities of no more than 3 days and by cash flows receivable from correspondent banks. Cash is recognised initially and subsequently at fair value.

Overdrafts on bank accounts are shown under short-term liabilities.

(g) Financial instruments - initial and subsequent recognition

Financial instruments are any right or obligation arising from a contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of the counterparty.

h) Financial assets

Initial recognition and valuation

The classification of financial assets on initial recognition depends on the contractual cash flow characteristics of the financial asset and the Company's business model for managing those assets. Except for other receivables that do not contain a significant financing component, the Company initially measures a financial asset at fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component are measured at the transaction price.

For a financial asset to be classified and measured at amortised cost, the asset must give rise to cash flows that are solely payments of principal and interest (IFCPI) in respect of the principal amount outstanding. Such an assessment is known as the financial instrument test for principal and interest and is performed at the instrument level.

The Company's business model for managing its financial assets refers to how it manages its financial assets to generate cash flows for the business in carrying out its activities and not on a particular intent to hold an instrument. The business model determines whether cash flows will be derived from obtaining contractual cash flows, from the sale of financial assets, or both.

Subsequent recognition

For the purpose of subsequent recognition, financial assets are classified into the following categories:

a) Financial assets at amortised cost (debt instruments).

As at 31 December 2021 and 2020, the Company has no financial assets at fair value through profit or loss with and without recycling of retained earnings or Financial assets at fair value through profit or loss.

Financial assets at amortised cost

- Credit portfolio

The Company measures its loan portfolio at amortised cost if the following criteria are met:

- The receivable is held in accordance with a business model whose purpose is to hold the receivable for the purpose of collecting the contractual cash flows and,
- Under the contractual terms, cash flows are received on specific dates corresponding exclusively to payments of principal and interest on that principal.

Loan portfolios are subsequently measured at amortised cost, and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company grants group loans with terms of 16 and 20 weeks. The drawdown of funds is recorded in the loan portfolio for the financing granted, which is increased by accrued interest and reduced by collections received in accordance with the established weekly payment schedule.

Overdue portfolio

Debts over 90 days past due are recorded as non-performing loans for the total amount of the outstanding balance, including principal and accrued interest. The recognition of accrued interest is suspended when the portfolio is considered past due and is recognised in profit or loss when collected.

Write-offs are made when there is a practical impossibility of collection. The recovery of previously written-off receivables is recognised as income.

Derecognition of financial assets

A financial asset is principally derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive the cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full without material delay to the third party under a "pass-through" arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has not transferred and does not retain substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive the cash flows from an asset or has assumed an obligation to transfer them under a transfer agreement, it assesses whether and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement with the asset.

Impairment of financial assets

a) Allowance for loan losses

Due to the terms of the loans granted by the Company, the measurement of expected losses on the basis of "next twelve months" for stage 1 and the measurement of "Full time" for stages 2 and 3 required by FRS C-16 Impairment of financial instruments receivable are not applicable. The Company measures the expected loss of the credit portfolio for the duration of the portfolio, without identifying stages for computation purposes.

In accordance with the nature of the Company's loans and the defined life cycle, the segmentation of loans by weekly tranches is considered, as the payment schedule of the loans granted by the Company is structured in this way.

The amount of the allowance for loan losses for each loan is the result of applying the following expression:

Ri = PIi x SPi x EIi

Where:

PIi: Probability of non-compliance
SPi: Severity of loss
EIi: Exposure to non-compliance

a) **Exposure at default:** Corresponds to the balance of the loan exposed to default, which, in accordance with the nature of the Company's loans, is considered to be the portfolio balance minus the advances received.

b) **Loss severity:** For the construction of this parameter, the effect of recoveries for each of the periods is considered with respect to the amounts of written-off portfolio. For these purposes, recoveries and write-offs are measured on an annual basis. The Company's loans are not collateralised by collateral that would adjust loss severity. Loss given default is defined as follows: 1-(recoveries/impairments).

c) **Probability of default:** A probability of default percentage is determined by considering the behaviour of 90-day non-performing loans and their subsequent write-off.

Modification of probability of non-compliance determination

During the 2019 financial year the company made a modification to the determination of probability of default, the current model is based on the number of groups that are written off while the previous model was based on the 90 days past due balance and its subsequent write-off, with this modification the company seeks to make the allowance for loan losses more reflective of the amount of expected losses.

(ii) Financial liabilities

Initial recognition and valuation

Financial liabilities are classified at initial recognition, as appropriate, as financial liabilities at fair value through profit or loss, loans and other payables.

All financial liabilities are initially recognised at fair value, and for loans and other payables, they are presented including directly attributable transaction costs.

Subsequent recognition

The valuation of financial liabilities depends on their classification as follows:

Loans

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated taking into account any discount or premium on acquisition and the fees and costs that are an integral part of the effective interest rate.

As a result of the transfer of the receivables collection rights to the Trust (see Note 10), a liability was recorded for the Certificates, which are recorded at the value of the contractual obligation they represent. This liability is presented net of issuance costs, which will be amortised over the life of the issue based on the outstanding balance.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same creditor on substantially different terms, or when the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective net carrying amounts is recognised in profit or loss.

(iii) Clearing of financial instruments

Offsetting a financial asset and a financial liability for presentation in the statement of financial position is appropriate only when:

(i) the Company has a legal right and obligation to collect or pay an offsetting amount, so that the entity has, in effect, an offsetting financial asset or an offsetting financial liability; and
(ii) the amount resulting from offsetting financial assets and financial liabilities reflects the Company 's expected cash flows on settlement of two or more financial instruments.

(iv) Transfer of financial assets

The Company considers that it transfers a financial asset only if the Company:

(i) transfers the contractual rights to receive the future cash flows of the financial asset; or
(ii) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay those cash flows to the recipient based on an arrangement that meets all of the following conditions:

-the transferor has an obligation to pay the transferee what it collects from the related financial asset;
- the transfer contract provides that the financial asset may not be sold or encumbered by the transferor; and
- the transferor has an obligation to immediately remit to the recipient any cash flows that it collects on its own account. Therefore , the transferor cannot reinvest those cash flows, except for a short liquidation period between the date of collection and the date of delivery to the recipient, by delivering to the recipient any return on that investment.

When the Company transfers a financial asset, it assesses the extent to which it retains the risks and rewards of the financial asset in order to identify the accounting treatment. Consequently:

(i) if it transfers substantially all the risks and rewards of ownership of the financial asset, it shall derecognise the financial asset and recognise separately any rights or obligations created or retained by the transfer (non-recourse transfer);
(ii) if it retains substantially all the risks and rewards of ownership of the financial asset, it should not derecognise the financial asset and should recognise a liability because it has in substance obtained a secured claim on the financial asset (transfer with recourse);
(iii) if it is not clear and convincing whether it has transferred all the risks and rewards of ownership of the financial asset, the transferor should determine whether it retains control over the financial asset by assessing its degree of continuing involvement, in which case:

- if it does not retain control, it shall derecognise the financial asset and simultaneously recognise any rights or obligations created or retained in the transfer; or
- If it retains control, it shall continue to recognise the financial asset for as long as it has continuing involvement with the financial asset.

As a result of the securitisation process, the Company did not derecognise the receivables assigned as security for the collection rights to the trust, as it continues to retain the risks and rewards and control over the receivables.

i) Other accounts receivable

Other accounts receivable represent amounts arising from transactions other than those for which the entity was incorporated, such as the sale of portfolios, recoverable taxes, when entitled to them in accordance with the corresponding law, which are expected to be collected within a period not exceeding one year after the balance sheet date (or the entity's operating cycle in the event that this cycle exceeds this period), and are presented under short-term assets.

Other receivables are measured at the amount at which the Company is entitled to collect, which is generally their nominal value on initial recognition and at the outstanding nominal value on subsequent recognition.

(j) Advance payments

Prepayments are recognised at the amount paid at the time the prepayment is made, provided that the associated future economic benefit is expected to flow to the Company. Once the good or service is received, the Company recognises the amount relating to prepayments as an asset or expense for the period, depending on whether or not it is certain that the good or service will generate a future economic benefit.

The Company periodically assesses the ability of prepayments to lose their ability to generate future economic benefits as well as their recoverability, the amount that is deemed not recoverable is recognised as an impairment loss in profit or loss for the period.

(k) Furniture and equipment

Furniture and equipment are initially recognised at acquisition cost and are shown net of accumulated depreciation, which is determined by the straight-line method over the value of the asset, considering the estimated useful life of the assets. Maintenance and repair expenses are recognised in profit or loss as incurred.

l) Leases

At the inception of a contract, the Company must assess whether the contract is, or contains, a lease. That is, the contract transfers the right to use an identified asset for a specified period of time in exchange for consideration. If not, it is a service contract.

The Company applies a single approach to the recognition and valuation of all leases, except for short-term leases and leases where the underlying asset is of low value (based on materiality). The Company recognises lease liabilities to realise lease payments and right-of-use assets that represent its right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at acquisition cost, less accumulated depreciation or amortisation and impairment losses, and are adjusted to reflect any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial valuation of lease liabilities recognised, lease payments made before or at the commencement of the lease less any lease incentives received and initial direct costs incurred by the lessee. Right-of-use assets are depreciated or amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as shown below:

Computer equipment	3 years
Commercial premises	2 years
Automobiles	3 years

The Company's lease contracts do not contain an obligation to remove the underlying asset, nor to restore the site on which the underlying asset is located or the underlying asset itself to a specific condition.

If ownership of the leased asset is transferred to the Company at the end of the lease term, or if the cost reflects that a purchase option will be exercised, depreciation or amortisation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment testing. See the accounting policies in Note 2 on the use of estimates, specifically on the impairment of non-financial assets.

(ii) Lease liabilities

At the lease commencement date, the Company recognises lease liabilities measured at the present value of future lease payments to be made during the lease term. Lease payments include fixed payments (including fixed payments in substance), less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid as residual value guarantees. Lease payments also include the exercise price of a purchase option if the Company is reasonably certain to exercise it and lease termination penalty payments if the lease term reflects that the Company will exercise an option to terminate the lease.

Payments that are not dependent on an index or rate are recognised as an expense in the period in which the event or condition giving rise to the payment occurs.

To calculate the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, as the interest rate implicit in the lease cannot be readily determined. After the lease commencement date, the amount of lease liabilities is increased to reflect the accrual of accrued interest and reduced in proportion to the lease payments made. In addition, the carrying amount of lease liabilities is remeasured when there is a modification, a change in the lease term, a change in lease payments (e.g. changes to future payments resulting from changes in an index or rate used to calculate such payments), or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are presented separately from other liabilities in the statement of financial position.

iii) short-term leases and leases where the underlying asset is of low value

The Company elected not to apply the lessee valuation requirements to its short-term leases of Premises (i.e. those leases that have a term of 12 months or less from the lease commencement date and do not contain a purchase option). The Company also applies the exemption to the recognition of leases of low value assets to leases of computer equipment that is considered to be of low value. Lease payments for short-term leases and leases of low-value assets are recognised as an expense as they are accrued on a straight-line basis over the lease term.

m) Intangible assets

Project development costs are capitalised when they can be reliably quantified, are expected to produce future economic benefits, and control over those benefits is maintained.

Capitalised development costs are initially recognised at acquisition cost. Intangible assets are amortised using the straight-line method over their estimated useful lives.

n) Provisions, contingencies and commitments

Provisions are recognised when the Company has (i) a present obligation (legal or constructive) as a result of a past event, (ii) it is probable (more likely than not) that an outflow of resources will be required to settle the obligation, and (iii) the obligation can be reasonably estimated and quantified in monetary terms.

These provisions have been recorded under the best estimate made by the Administration.

Provisions for contingent liabilities are recognised only when it is probable that an outflow of resources will be required to settle the liability. Similarly, commitments are only recognised when they give rise to a loss.

o) Net defined benefit liability to employees

The policy is to provide retirement pensions through defined pension plans covering all employees. Pensions are determined based on employees' compensation in their last year of employment, years of service with the Company and age at retirement.

Seniority bonuses paid to staff are determined on the basis of the provisions of the Federal Labour Law (LFT). In addition, the LFT establishes the obligation to make certain payments to personnel who cease to provide their services in certain circumstances.

Pension costs, seniority premiums and termination benefits with pre-existing conditions are recognised annually based on calculations made by independent actuaries using the projected unit credit method using financial assumptions in nominal terms.

Remeasurements of the net defined benefit liability, which include actuarial gains and losses on obligations and gains and losses on the return on plan assets, are recognised immediately in the statement of financial position with a corresponding effect on other comprehensive income in equity in the period in which they occur and are subsequently recycled to profit or loss for the period, based on the average remaining service lives of the employees expected to receive benefits under the current plan.

Remeasurements of the net defined benefit liability, which include actuarial gains and losses on obligations and gains and losses on the return of plan assets, are recognised immediately in profit or loss for the period.

Past service costs are recognised when any of the following events occur first:

-When there is a modification to the plan or a reduction in personnel
-The date on which restructuring costs are recognised

(p) financial instruments with characteristics of liabilities and/or equity

Financial instruments issued by the Company with the characteristics of liabilities, equity or both are recognised upon issue as liabilities or equity, considering their components. The initial costs incurred on the issue of such instruments are presented net of the cash flows received on issue in the liability or equity financial instrument. Distributions of returns to owners of components of financial instruments classified as equity are charged directly to an equity account.

Financial instruments issued by the Company that meet the primary characteristic of being exposed to equity risks and rewards of the entity are classified as equity financial instruments. In contrast, financial instruments that involve a virtually unavoidable obligation of the entity to transfer cash to another entity as a result of past transactions or events are classified as debt instruments representing financial liabilities.

Financial instruments classified as equity are those that do not create a payment obligation for the Company and their repayment to the holder is subordinated to the repayment of any other financial instrument issued by the entity that contains a payment obligation.

Financial instruments that are redeemable for cash or another financial instrument are classified as equity rather than liabilities only if they meet all of the following characteristics: (a) they grant the holder the right to a pro rata share of the entity's net assets only in the event of liquidation of the entity, (b) all instruments in the same category that are subordinated have the same characteristics for that category, (c) they do not give rise to contractual obligations to deliver cash or another financial instrument and (d) all cash flows to be generated over the life of the instruments will be based substantially on the Company's profits or losses.

q) Comprehensive income

Comprehensive income or loss is the sum of net profit or loss and other comprehensive income or loss (OCI). These represent accrued income, costs and expenses, which are expected to be realised in the medium (long) term, and their value may vary due to changes in the fair value of the assets or liabilities that gave rise to them.

r) Profit tax

Income tax for the period

Current income tax is presented as a short-term liability net of prepayments made during the year. Current income tax is recognised as an expense in profit or loss for the period, except to the extent that it arises from a transaction or event that is recognised outside profit or loss for the period, either in other comprehensive income or directly in equity.

Deferred income tax

Deferred income tax is determined based on the asset and liability method. Under this method, all differences between book and tax values are determined and are subject to the income tax rate in force at the date of the statement of financial position, or the rate enacted and established in the tax provisions at that date and which will be in force at the time the deferred tax assets and liabilities are expected to be recovered or settled, respectively.

Deferred income tax assets are evaluated periodically, creating, where appropriate, an estimate of those amounts for which there is not a high probability of recovery.

s) Presentation of the statement of comprehensive income

The costs and expenses shown in the statement of comprehensive income are presented according to their function, the key feature of which is to separate cost of sales from other costs and expenses as this classification allows for a proper assessment of gross and operating profit margins.

The presentation of operating (loss) income is not required, however, it is presented as it is an important indicator in the evaluation of the Company's performance, as such information is a common practice in the industry to which the Company belongs.

(t) Stockholders' equity

Movements in share capital, legal reserve, retained earnings (losses) are recognised at historical cost.

Contributions for future capital increases of the Company that comply with the requirements of FRS C-11 "Stockholders' equity" (with a formal commitment of the shareholders' meeting, a fixed number of shares to be exchanged for a fixed amount of the contribution, among others) are recognised as part of contributed capital. Contributions for future capital increases that do not meet these requirements are recognised as liabilities in the statement of financial position.

u) Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, as well as cash and short-term deposits arising directly from its operations.

The Company is exposed to (i) market risk (which includes interest rate risk), (ii) credit risk and (iii) liquidity risk.

(i) Market risks

- Interest rate risk, due to variations in market interest rates affecting the value of contracted debt, lease obligations and derivative financial instruments.

- Exchange rate risk, due to variations in the foreign exchange market that affect the value of cash, accounts receivable, related parties, suppliers and other accounts payable, debt, derivative financial instruments.

(ii) Credit risk

Credit risk, due to the failure of a counterparty (customer, supplier, related party or financial institution) to perform.

(iii) Liquidity risk

Liquidity risk, due to adverse situations in the debt or capital markets that make it difficult or impossible to cover the financial needs necessary to properly execute its operation.

The Company monitors its liquidity risk using a liquidity planning tool.

(v) Concentration of risk

Concentrations arise when many counterparties engage in similar business activities, or activities in the same geographic region, or have economic characteristics that would cause their ability to meet contractual obligations to be similarly affected due to changes in conditions Company to changes affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines focused on maintaining a diversified portfolio. Identified concentrations of credit risk are monitored and managed as appropriate. The Company engages in selective hedging activities to manage concentrations of risk at both the industry and relationship levels.

The credit risk in accounts receivable is diversified, due to the customer base and its geographical dispersion. Ongoing assessments of customer credit conditions are performed and no collateral is required to guarantee recovery. In the event that collection cycles deteriorate significantly, results could be adversely affected.

w) New accounting pronouncements

1) Standards, Interpretations and Improvements to FRSs issued but not yet effective

Standards and interpretations issued, but not yet effective, up to the date of issue of the Company's financial statements are detailed below.

The Company intends to adopt them, if applicable, as soon as they become effective.

Financial Reporting Standard (FRS) A-1 "Conceptual Framework for Financial Reporting Standards" (effective for periods beginning on or after 1 January 2023).

FRS A-1 "Conceptual Framework for Financial Reporting Standards" was issued by the CINIF in November 2021 and aims to define and establish the Conceptual Framework (CF) that gives rational support to particular FRSs and to the solution of problems that arise in the accounting recognition of transactions and other events that economically affect an entity.

The new FRS A-1 replaces the eight individual standards that made up the FRS A series of the previous LC, in order to preserve the maximum possible convergence with International Financial Reporting Standards (IFRS), where, unlike Mexican FRS, the LC is not prescriptive.

In addition, the CM was updated to be consistent with particular standards issued in recent years.

In order to make the new FRS A-1 more practical and functional, it was considered that the new FRS A-1 should be made up of ten chapters. Among the main changes, in relation to the previous LC, adjustments were made to the definitions of assets and liabilities, restructuring of the hierarchy and description of the qualitative characteristics of the financial statements, changes in valuation concepts, incorporation of the CINIF Technical Reports as an integral part of the FRS, among others.

The new FRS A-1 is effective for financial years beginning on or after 1 January 2023, with early application permitted.

The adoption of the new FRS A-1 had no effect on the Company's financial statements.

Financial Reporting Standard (FRS) C-15 "Impairment of Long-Lived Assets" (effective for financial years beginning on or after 1 January 2022)

FRS C-15 "Impairment of long-lived assets" was issued by the CINIF in December 2020 and aims to establish the accounting recognition of an impairment loss on long-lived assets, as well as its reversal.

FRS C-15 will replace Bulletin C-15 "Impairment of long-lived assets and their disposal", and among the changes in this new FRS are the following: new examples of indications for assessing impairment, changes to the requirement to use the net selling price for the use of fair value less costs of disposal to perform impairment tests, the option to use estimates of future cash flows and a discount rate in real terms, new rules for the treatment of future cash flows in foreign currencies in determining the recoverable amount, new rules for the treatment of future cash flows in foreign currencies in determining the recoverable amount, new rules on the allocation of goodwill at the level of a cash-generating unit (CGU) and the recognition of its impairment, elimination of the calculation of impairment through the value in perpetuity on intangible assets with indefinite useful lives by modifying their impairment test, new rules on the determination of impairment on corporate assets; and as a consequence of the changes described above, the disclosure standards are modified.

FRS C-15 is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The adoption of FRS C-15 had no effect on the Company's financial statements.

Improvements to FRS 2022

The modifications that give rise to accounting changes in valuation, presentation or disclosure in the financial statements are as follows:

(i) FRS B-7, *Business Acquisitions*

Included general rules for the accounting recognition of business acquisitions between entities under common control, which were previously outside the scope of FRS B-7

It was established that the way to recognise business acquisitions between entities under common control will be "the book value method" or also known as "the book value method".

The carrying amount method is one in which the acquirer recognises the net assets acquired from the acquiree at the acquisition date at the carrying amount and any difference determined against the consideration paid is recognised in equity. In cases where there is no consideration, the effect on the acquirer's equity is equal to the value of the net assets acquired.

Acquisitions of businesses between entities under common control (including restructuring mergers) shall be recognised under the book value method, except when the acquiring entity has non-controlling shareholders whose interests are affected by the acquisition, and/or when the acquiring entity is listed on a stock exchange, in such cases, the purchase method shall be used in accordance with FRS B-7.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(ii) FRS D-3, *Employee Benefits*

The procedure to be followed to determine deferred PTU in cases where it is considered that the payment of PTU in future periods will be at a lower rate than the legal rate in force, as a consequence of the change in the determination of PTU caused by the entry into force of the labour subcontracting reform, was included.

The procedure includes the development of financial and tax projections to make the best possible estimate of the rate at which temporary differences will materialise for determining deferred ESPS. Such an estimate could also be made on the basis of the current year's accrued OCT rate.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(iii) FRS B-1, *Accounting Changes and Error Corrections*

The requirement to disclose pro forma financial information when there is a change in the structure of an economic entity was eliminated. It was also specified that when a change in the structure of an economic entity occurs, the effect of the change on income, as well as on net and comprehensive income or on the net change in equity and, if applicable, on earnings per share for each of the periods presented compared to those of the period in which the change occurs, must be disclosed.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(iv) FRS B-10, *The Effects of Inflation*

It was specified that inflation disclosures, when an entity operates in a non-inflationary economic environment, are conditional on relevant situations, e.g. when inflation is seen to be increasing and could lead to a change in the inflationary environment.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(v) FRS B-17, *Determination of Fair Value*

The exception to not disclose information for a change in an accounting estimate under FRS B-1 "Accounting changes and error corrections" arising from a change in a valuation technique or its application in the determination of fair value, recurring and non-recurring, classified within Level 2 and Level 3 of the fair value hierarchy, was established as immaterial.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(vi) FRS C-6, *Property, plant and equipment*

The requirement to disclose the timing of planned construction in progress, where there are approved plans for construction in progress, has been removed.

The provisions of this Improvement are effective from 1 January 2022, with early application permitted for the financial year 2021. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

2) New Standards, Interpretations and Improvements to FRSs effective from 1 January 2021

Below is a description of the most relevant aspects of the pronouncements that became effective as of 1 January 2021:

Financial Reporting Standard (FRS) C-17 "Investment properties".

FRS C-17 "Investment properties" was issued by the CINIF in December 2019 and aims to establish the accounting recognition of investment properties.

The adoption of this FRS eliminates the supplementary application of IAS 40 "Investment Property" and repeals Circular 55 "Supplementary Application of IAS 40" from the date of adoption of FRS C-17.

The main changes in relation to Circular 55 are: i) the possibility for investment property to be measured, at the entity's option, at acquisition cost or at fair value on subsequent recognition, ii) the definition of investment property is adjusted to consider these assets under a business model whose primary objective is to earn from appreciation in value (capital appreciation) in the medium term through sale; this change leaves out of the scope of FRS C-17 assets held for the primary purpose of generating rents through a lease contract.

FRS C-17 is effective for annual periods beginning on or after 1 January 2021, with early application permitted.

The adoption of FRS C-17 had no effect on the Company's consolidated financial statements.

Financial Reporting Standard (FRS) C-22 "Cryptocurrencies".

FRS C-22 "Cryptocurrencies" was issued by the CINIF in November 2019 and aims to establish the accounting recognition of cryptocurrencies, mining expenses and cryptocurrencies received for safekeeping, as well as to establish the rules for the determination of the fair value of cryptocurrencies in their initial and subsequent recognition.

Cryptocurrencies are defined as digital assets based on encrypted codes that are used as a means of payment or exchange and whose transfer is carried out through electronic means. Based on the fair value hierarchy set out in FRS B-17, the valuation of cryptocurrencies is required to use a fair value with Level 1 inputs and, exceptionally, Level 2 inputs. If such determinations, which require data from an active market, cannot be obtained, the fair value of a cryptocurrency should be deemed to be zero.

Digital assets that have an underlying security on the basis of which such digital assets acquire economic value and that meet the definition of a derivative financial instrument are outside the scope of FRS C-22, as are digital assets that have a counterparty obliged to settle their value or to be liable for such settlement, as such assets are considered to have the characteristic of primary financial instruments.

FRS C-22 is effective for annual periods beginning on or after 1 January 2021, with early application permitted.

The adoption of FRS C-22 had no effect on the Company's consolidated financial statements.

Financial Reporting Interpretation (FRSI) 24 "Recognition of the effect of the application of new benchmark interest rates".

INIF 24 "Recognition of the effect of applying new benchmark interest rates" was issued by the CINIF in October 2020 with the purpose of establishing guidance on the effect of adopting new benchmark interest rates on financial instruments receivable or payable, or in a hedging relationship, that replace IBOR interest rates (for example, TIIE, LIBOR, EURIBOR, *Prime Offering Rate*, etc.), and describe whether such changes due to the replacement or change in interest rates result in the derecognition of the financial instrument or discontinuation of the hedging relationship.

The new interpretation also provides for new disclosures on the adoption of the new reference interest rates.

INIF 24 is effective for periods beginning on or after 1 January 2021, with early application permitted. The effects of the change in benchmark interest rates must be recognised prospectively.

The adoption of INIF 24 had no effect on the Company's financial statements.

Amendments to International Financial Reporting Interpretation (INIF) 23 "Recognition of the effect of income waivers related to the COVID-19 pandemic".

INIF 23 "Recognition of the effect of rent waivers related to the COVID-19 pandemic" was issued by the CINIF in 2020, with the purpose of establishing guidance on the recognition by lessees of the effect of rent waivers directly related to the Covid-19 pandemic.

For 2021, the CINIF considered it appropriate to extend the deadline of the practical expedient of INIF 23, as a consequence of the significant and prolonged effects of the pandemic, and therefore issued the Amendments document, to extend the deadline on the recognition of income waivers that comply with all the conditions set out in the original INIF 23, and that correspond to payments with original maturities no later than 30 June 2022.

If the reductions in lease payments extend beyond 30 June 2022, the entire waiver will fall outside the scope of INIF 23 and the Amendments to INIF 23 and should be treated in accordance with FRS D-5 "Leases".

The initial application of the Amendments to INIF 23 by a lessee must be recognised on a partial retrospective basis in accordance with FRS B-1 and is applicable from 1 April 2021.

The adoption of the Amendments to INIF 23 had no effect on the Company's financial statements.

The accounting effects of the adoption of the Amendments to INIF 23 on the consolidated financial statements are described in Note 13.

Standards and Improvements to FRSs issued but not yet effective

Standards and interpretations issued, but not yet effective, up to the date of issue of the Company's financial statements are detailed below.

The Company intends to adopt them, if applicable, as soon as they become effective.

MFRS 5 "Alternatives for the transition to MFRS D-5, Leases" (effective from January 2020).

MFRS 5 "Alternatives for the transition to MFRS D-5, Leases" provides guidance on the accounting records for the transition on initial adoption of MFRS D-5, based on illustrative examples.

The adoption of MFRS 5 had no accounting effect on the Company's financial statements.

Improvements to FRS 2021

The modifications that give rise to accounting changes in valuation, presentation or disclosure in the financial statements are as follows:

(i) FRS B-1, *Accounting Changes and Error Corrections*

A requirement was included to recognise prospectively the initial effect of an accounting change or correction of an error when, in applying the retrospective method, it is impractical to determine such initial effects.

The provisions of this Improvement are effective from 1 January 2021, with early application permitted for the financial year 2020. Accounting changes arising, if any, should be recognised prospectively.

The adoption of this Improvement had no effect on the Company's financial statements.

(ii) FRS C-2, *Investment in Financial Instruments*

The option to recognise in other comprehensive income (OCI) changes in the fair value of certain investments in equity instruments that are not traded in the short term was included. Any exchange differences arising from an investment in an instrument in this new classification will also be recognised in ORI as part of the fair value adjustment.

The provisions of this Improvement became effective as of 1 January 2021, with early application permitted for the financial year 2020.

The adoption of this Improvement had no effect on the Company's financial statements.

(iii) FRS B-3, *Statement of comprehensive income*, FRS C-2, *Investment in financial instruments*, FRS C-19, *Financial instruments payable* and FRS C-20, *Financial instruments receivable for principal and interest*

A requirement was included to present separately, at the level of results of operations in the statement of comprehensive income, gains or losses received or granted on the derecognition of liabilities and the effects of the renegotiation of a financial instrument receivable for principal and interest (IFCPI) or a financial instrument receivable or sold (IFCV), known as "write-downs".

The provisions of this Improvement became effective as of 1 January 2021, with early application permitted for the financial year 2020.

The adoption of this Improvement had no effect on the Company's financial statements.

(iv) FRS D-5, *Leases*

(a) Disclosures about lease recognition exemptions

Clarifications were made to the paragraph within FRS D-5, which contains specific references to short-term lease expense and low-value lease expense, for which a right-of-use asset is not recognised.

(b) Sale and leaseback sales

Clarifications and clarifications were included on the determination of the lease liability arising in a sale and leaseback transaction; accordingly, the illustrative example in FRS D-5 on a sale and leaseback transaction was amended.

The provisions of these Improvements were effective from 1 January 2021, with early application permitted for the 2020 financial year.

The adoption of these Improvements had no effect on the Company's financial statements.

(v) FRS D-4, *Income Taxes*

- Requirements on the recognition of uncertain tax treatments in income taxes were included. These improvements address whether an entity has to consider uncertain tax treatments separately or in the aggregate, the assumptions an entity must make about whether the tax treatment will be reviewed by the tax authorities, how an entity should determine taxable profit, tax bases, tax loss carryforwards, unused tax credits and tax rates, methods for estimating uncertainty and how an entity considers changes in facts and circumstances.

- A requirement to recognise in equity the income tax effects related to a dividend distribution was included, which means that at the time of recognising a dividend distribution liability, an entity must recognise, where appropriate, the related income tax liability.

The provisions of these Improvements were effective from 1 January 2020, with early application permitted for the 2019 financial year.

The adoption of these Improvements had no effect on the Company's financial statements.

The provisions of this Improvement became effective as of 1 January 2020, with early application recommended for the financial year 2019.

The adoption of this Improvement had no effect on the Company's financial statements.

(vi) FRS D-5, *Leases*

(a) Risk-free rate for discounting future lease payments

An option was included to use at the lease commencement date a risk-free rate to value the lease liability at the present value of future lease payments to be made, such election to be made for each contract and to be maintained until the end of the contract.

The risk-free rate was defined as the interest rate that reflects the time value of money under prevailing market conditions in the market in which the Federal Government is financed in specific terms; it does not incorporate other risks.

(b) Separation of components of a lease contract

The use of the practical expedient in FRS D-5 on the separation of non-lease or minor components in the determination of right-of-use assets and lease liabilities was limited.

If it is difficult to separate such components, a lessee may elect, by underlying asset class, not to separate them from the underlying asset class and instead to recognise each lease component and any associated non-lease component as if it were a single lease component. This option continues not to apply to embedded derivatives included in the lease contract that meet the criteria in FRS C-10 to be separated.

The provisions of these Improvements were effective from 1 January 2020, with early application permitted for the 2019 financial year.

The adoption of these Improvements had no effect on the Company's financial statements.

New Standards, Interpretations and Improvements to FRS effective as of 1 January 2020

The Company has not early adopted any other standard, interpretation, improvement or amendment that has already been published but is not yet effective, even if that standard, improvement or interpretation permits early application.

Below is a description of the most relevant aspects of the pronouncements that became effective as of 1 January 2020:

Financial Reporting Standard (FRS) B-11 "Disposal of long-lived assets and discontinued operations".

In November 2018, the CINIF issued FRS B-11 "Disposal of long-lived assets and discontinued operations", which aims to separate the criteria for valuation of long-lived assets from the criteria for presentation and disclosure of the disposal of long-lived assets or groups of assets that are classified as held for sale, as well as discontinued operations; as until 31 December 2019, they were set out in Statement C-15 "Impairment in the value of long-lived assets and their disposal".

FRS B-11 states that long-lived assets and certain assets of a class that an entity would normally consider to be non-current and that are acquired exclusively for the purpose of resale should not be classified as current assets until the criteria for classification as held for sale in accordance with FRS B-11 are met. In addition, for assets presented in the statement of financial position on a liquidity basis, FRS B-11 considers as non-current those assets that are expected to be recovered more than twelve months after the balance sheet date or the operating cycle, if longer than twelve months.

FRS B-11 is effective for annual periods beginning on or after 1 January 2020, with no earlier application permitted. FRS B-11 allows for initial prospective application.

The adoption of FRS B-11 had no effect on the Company's financial statements.

INIF 22 "Recognition of the expected effect on hedging relationships of expected changes in benchmark interest rates" was issued by the CINIF in October 2019 with the purpose of establishing guidance on the accounting effects on hedging relationships while the benchmark interest rates used for the determination of the interest rate of financial instruments (e.g. the free interbank interest rate, known as TIIE, used in Mexico or the *London Interbank Offering Rate* [LIBOR], used abroad) are replaced by other benchmark interest rates.

The accounting effects of the change in reference rates could have wide-ranging effects, for example, modifications to contracts that have been designated under the above-mentioned reference rates, or accounting changes in hedging relationships such that the hedge is no longer effective because of the uncertainty that the change will produce.

INIF 22 concludes that until new benchmark interest rates are established, it should be assumed that the benchmark interest rate of the hedging instrument will continue to exist until the end of the hedging relationship and the requirements for its effectiveness will continue to be met. If an entity concludes that, upon the establishment of new benchmark rates, a hedging relationship no longer meets the effectiveness requirements, the accounting recognition of the hedging relationship should be discontinued in accordance with FRS C-10 'Derivative Financial Instruments and Hedging Relationships'.

The new interpretation also establishes new disclosures on hedging relationships that are in the process of transitioning to the new reference rates.

INIF 22 is effective for periods beginning on or after 1 January 2020. However, in order to avoid a hedging relationship being discontinued in 2019 due to the future uncertainty of benchmark interest rates and reinstated in 2020 when applying INIF 22, the CINIF has recommended its early application for 2019, which will avoid having to retrospectively recognise the reinstatement of the hedging relationship.

The adoption of INIF 22 had no effect on the Company's financial statements.

Uncertain tax treatments in income taxation

IFRIC 23 "Uncertainty about Income Tax Treatments" ("the Interpretation") addresses the accounting for income taxes when tax treatments involve uncertainty.

The Interpretation specifically addresses the following:

- Whether an entity has to assess uncertain tax treatments separately or together.
- The assumptions that an entity must make about whether its tax treatment will be reviewed by the tax authorities.
- How an entity should determine taxable income, tax bases, tax loss carryforwards, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and follows the approach that best predicts the resolution of the uncertainty.

The Company applies significant judgement to identify uncertainties about tax treatments. As the Company does not operate in a complex multinational tax environment, it assessed whether the Interpretation had an impact on its financial statements.

Upon adoption of the Interpretation, the Company considered whether it has uncertain tax positions, based on its tax compliance the Company determined that it is probable that its tax treatments will be accepted by the tax authorities. The Interpretation did not have a material impact on the Company's financial statements.

3. Cash and cash equivalents

As at 31 December 2021 and 2020, this item consists of the following:

	2021	2020
General box	**$ 2,938**	$ 131,739
Cash in domestic banks	**123,330,353**	99,540,305
	$ 123,333,291	$ 99,672,044

Cash and cash equivalents in the balance sheet comprise cash on hand, cash at bank and highly liquid investments with maturities of no more than three months, which are readily convertible to cash and have a negligible exposure to risk from changes in value so that the amount of cash to be received can be reliably known. Short-term deposits earn interest at market rates.

4. Credit portfolio

a) Integration of the current portfolio by type of credit

As at 31 December 2021 and 2020, the entire portfolio is short-term and consists of the following:

	2021	2020
Current portfolio:		
Main	**$ 1,257,420,120**	$ 1,328,746,870
Accrued interest	**16,133,587**	15,470,044
	1,273,553,707	1,344,216,914
Overdue portfolio:		
Main	**35,700,440**	36,347,334
Overdue interest	**3,545,270**	4,801,685
	39,245,710	41,149,019
Total credit portfolio	**1,312,799,417**	1,385,365,933
Less: Guarantee deposits (Note 4c)	**(140,918,497)**	(176,251,462)
Total credit portfolio, net of collateral deposits	**$ 1,171,880,920**	$ 1,209,114,471

(b) Characteristics of credit operations

The Company grants loans in local currency to women who do not have access to the traditional banking system and wish to obtain financing for working capital, fixed assets and/or business adaptations and who, through a group loan, with joint and several liability, improve their quality of life in a lawful and productive way by carrying out service, commercial, agricultural and livestock activities.

The groups or teams that make up the group loan must be Mexican women who can prove that they have their own business or wish to start a new one, and whose age is between 18 and 79 years and 11 months at the date of application for the loan. They must also have a good credit history and complete documentation at the date of application. The amounts to be granted to each client range from $5,500 to $80,000 depending on credit history and payment behaviour.

The Company establishes interest rates that encourage good customer behaviour and foster sustained growth by reducing them according to the size of the team. The agreed monthly interest rates range from 2% to 8.25%, depending on the borrower's risk, with priority being given to good payment behaviour, the size of the group and the amount. The reference rate used to determine the interest on the portfolio is the prevailing market rate for this type of loan.

At December 31, 2021 and 2020, the amounts of receivables assigned to the Trust in respect of the loan portfolio are $677,280,089 and $788,928,488 (Note 10).

(c) Guarantee deposits

The loans granted require an initial pledge of 10% or 5% in cash or financed of the loan amount requested, which is retained at the time the loan is granted and recognised net of receivables. This deposit is returned to the customer at the end of the loan term, or is applied to past-due amounts for which collection efforts are unsuccessful.

d) Aging of past due portfolio balances

At 31 December 2021 and 2020, the balance of non-performing loans is as follows:

Seniority	**2021**	2020
91 to 99 days	**$ 12,220,488**	$ 11,981,598
100 to 110 days	**17,544,666**	14,268,651
111 to 120 days	**9,480,556**	14,898,770
Total	**$ 39,245,710**	$ 41,149,019

e) Allowance for loan losses

The movements in the allowance for loan losses at 31 December 2021 and 2020 were as follows:

	2021	2020
Opening balance	**$ 59,553,685**	$ 48,323,897
Increases	**335,527,981**	413,556,901
Applications (1)	**(327,431,298)**	(402,327,113)
Closing balance	**$ 67,650,368**	$ 59,553,685

(1) For the years ended December 31, 2021 and 2020, the Company sold write-offs of $242,388,264 and $319,287,950, respectively, through an assignment of rights agreement to the affiliate Talento de Cobranza Integral, S.A. de C.V. for $29,086,592 and $31,928,795, respectively (Note 5). Additionally, during the year ended December 31, 2021 and 2020, remaining write-offs of $85,043,034 and $83,039,163, respectively, were made.

5. Related parties

a) Related party contracts

The main service contracts and related party transactions are described below:

i) On December 31, 2021, a loan agreement was entered into with Servicios Corporativos Contigo, S.C. in the amount of $30,160,000 at a fixed rate of 13.50% per annum for a term of 3 months.

iii) On 20 May 2019, a current account credit facility agreement was entered into with Crédito Real, S.A.B. de C.V., SOFOM, E.R. for an amount of $400,000,000 with a term of 16 months and a variable rate.

On 23 July 2019, an amendment agreement was entered into in which the parties decided to extend the credit facility to $550,000,000 with a term of 16 months and a variable rate.

The contract provides for the obligation to provide monthly and annual financial information of the Company, among other things.

ii) On 23 August 2019, a current account credit facility agreement was entered into with H Financieros S.A. de C.V. SOFOM, E.R. for an amount of $100,000,000 at a fixed rate of 16% per annum for a term of 12 months.

iii) At 31 December 2021 and 2020, the balance receivable from the sale and purchase of receivables with the Talento de Cobranza Integrada affiliate amounts to $56,737,474 and $43,580,474, respectively.

iv) On 1 July 2013, the Company entered into a contract for the provision of administrative services with Servicios Corporativos Contigo, S.C., which was replaced by the contract for the provision of specialised services entered into on 1 September 2021, in accordance with the guidelines established in labour matters.

v) On 1 January 2014, the Company entered into a contract for the provision of administrative services with Servicios Directivos Contigo, S.C., which was replaced by the contract for the provision of specialised services entered into on 1 September 2021, in accordance with the guidelines established in labour matters.

vi) On 30 September 2021, the Company entered into a digital platform services agreement with C&H Resoluciones, S.A. de C.V., which had a transaction amount for the year of $1,203,096. which had a transaction amount for the year of $1,203,096.

vii) On 31 January 2021, the Company entered into an office use services agreement with Inmobiliaria Portofino, S.A. de C.V. Inmobiliaria ISJ 111 S.A. de C.V. and Microfin CEGE, S.A. de C.V., which had a transaction amount in the year of $10,800 each. which had an amount of operations in the year of $10,800 each.

viii) On 15 December 2020, a fixed asset purchase and sale agreement was entered into with C&H Resoluciones, S.A. de C.V., for $6,308,386. for an amount of $6,308,386.

ix) On 15 December 2020, a loan assignment agreement was entered into with C&H Resoluciones, S.A. de C.V. for $95,969118. for an amount of $95,969118.

x) On 15 December 2020, an agreement was entered into with C&H Resoluciones, S.A. de C.V. for the assignment of trademark, process and know-how rights for "Conmigo Vales", in the amount of $31,496,608. for an amount of $31,496,608.

b) Balances and transactions

The main balances and transactions with related parties as at 31 December 2021 and 2020 are presented below:

	Relation		2021		2020
Loans (Note 10):					
Crédito Real, S.A.B. de C.V., SOFOM, E.R.	Shareholder	**$**	**427,029,247**	$	492,872,675
Contigo Corporate Services, S.C.	Affiliate		**30,160,000**		-
H Financieros, S.A. de C.V., SOFOM, E.N.R.	Affiliate		**21,551,944**		67,106,955
Allan Cherem Mizrahi	Shareholder		**-**		56,857,778
GDN Capital	Affiliate		**-**		4,014,222
		$	**478,741,191**	$	620,851,630
Accounts receivable (Note 6):					
Talento de Cobranza Integrada, S.A. de C.V.	Affiliate	**$**	**56,737,474**	$	43,580,474
Contigo Corporate Services, S.C.	Affiliate		**14,383,279**		-
H Financieros, S.A. de C.V., SOFOM, E.N.R.	Affiliate		**189,620**		-
Inmobiliaria Portofino 1202, S.A. de C.V.	Affiliate		**12,528**		-
Inmobiliaria SJ111, S.A. de C.V.	Affiliate		**12,528**		-
C&H Resoluciones, S.A. de C.V.	Affiliate		**-**		45,780,110
		$	**71,335,429**	$	89,360,584

	Relation	2021	2020
Accounts payable:			
C&H Resoluciones, S.A. de C.V.	Affiliate	**$ 25,194,998**	$ -
Servicios Directivos Contigo, S.C.	Affiliate	**5,167,758**	2,607,770
Contigo Corporate Services, S.C.	Affiliate	**-**	19,212,855
		$ 30,362,757	$ 21,820,625
Interest expenses:			
Crédito Real, S.A.B. de C.V., SOFOM, E.R.	Shareholder	**$ 59,917,709**	$ 66,077,836
H Financieros, S.A. de C.V., SOFOM, E.N.R.	Affiliate	**4,210,160**	4,330,736
		$ 64,127,869	$ 70,408,572
Administration costs:			
Contigo Corporate Services, S.C.	Affiliate	**$ 432,801,797**	$ 603,101,893
Servicios Directivos Contigo, S.C.	Affiliate	**16,621,503**	26,065,487
H Financieros, S.A. de C.V., SOFOM, E.N.R.	Affiliate	**11,760,000**	11,760,000
		$ 461,183,300	$ 640,927,380
Other operations:			
Sale of non-performing loans:			
Talento de Cobranza Integrada, S.A. de C.V.	Affiliate	**$ 29,086,592**	$ 31,928,795
Service revenues from use of platforms digital			
C&H Resoluciones, S.A. de C.V.	Affiliate	**$ 1,203,096**	$ -
H Financieros, S.A. de C.V., SOFOM, E.N.R.	Affiliate	**189,620**	-
		$ 1,392,716	$ -
Income from office services			
Microfin CEGE, S.A. de C.V.	Affiliate	**$ 10,800**	$ -
Inmobiliaria Portofino 1202, S.A. de C.V.	Affiliate	**10,800**	-
Inmobiliaria SJ111, S.A. de C.V.	Affiliate	**10,800**	-
		$ 32,400	$ -
Cost recovery:			
C&H Resoluciones, S.A. de C.V.	Affiliate	**$ 596,069**	$ 5,075,269
Sale of portfolio:			
C&H Resoluciones, S.A. de C.V.	Affiliate	**$ -**	$ 127,465,726
Sale of assets:			
C&H Resoluciones, S.A. de C.V.	Affiliate	**$ -**	$ 6,308,386

As at 31 December 2021 and 2020, balances payable to related parties relate to current account balances, payable in cash within the terms of the respective contracts.

6. Other accounts receivable

As at 31 December 2021 and 2020, this item consists of the following:

	2021	2020
Receivables from related parties (Note 5):		
Master Trust Collections	**$ 253,510,801**	$ 241,115,178
Collections in Issuing Trusts	**75,367,103**	67,247,621
Talento de Cobranza Integrada, S.A. de C.V.	**56,737,474**	43,580,474
Contigo Corporate Services, S.C.	**14,383,279**	-
H Financieros, S.A. de C.V., SOFOM, E.N.R.	**189,620**	-
Inmobiliaria Portofino 1202, S.A. de C.V.	**12,580**	-
Inmobiliaria SJ111, S.A. de C.V.	**12,580**	-
C&H Resoluciones, S.A. de C.V.	**-**	45,780,110
	400,213,437	397,723,383
Correspondents to be sent to the Trust	**62,252,711**	84,588,698
Collection costs	**-**	1,678,795
Use of facilities	**5,613,892**	14,919,825
Other accounts receivable	**3,471,513**	1,009,847
	$ 471,551,553	$ 499,920,548

7. Advance payments

As at 31 December 2021 and 2020, this item consists of the following:

	2021	2020
Advances for services	**$ 26,760,360**	$ 14,153,248
Advances to lessors	**11,320,503**	4,483,918
Guarantee deposits	**27,476,049**	12,960,000
Advances for consultancy	**2,338,235**	2,474,588
Other	**3,518,721**	2,671,194
	$ 71,413,868	$ 36,742,948

8. Furniture and equipment, net

As at 31 December 2021 and 2020, furniture and equipment comprise the following:

	2021				2020			
	Investment		**Depreciation**		Investment		Depreciation	
Adequacy of branches	**$**	**37,372,540**	**$**	**34,462,520**	$	34,654,451	$	32,210,645
Transport equipment		**862,556**		**782,403**		862,556		686,059
Computer equipment		**4,963,556**		**4,485,264**		4,505,958		4,213,575
Office equipment		**10,875,944**		**6,675,473**		10,941,780		5,618,120
Subtotal		**54,074,596**	**$**	**46,405,660**		50,964,745	$	42,728,399
Fixed assets, net	**$**	**7,668,936**			$	8,236,346		

Depreciation expense recorded in the income statements for the years ended 31 December 2021 and 2020 amounted to $1,496,159 and $9,888,583, respectively.

9. Intangible assets, net

As at 31 December 2021 and 2020, this item consists of the following:

	2021				2020			
	Investment		**Amortisation**		Investment		Amortisation	
Software licences	**$**	**29,335,303**	**$**	**25,403,637**	$	36,906,983	$	26,334,591
Software acquisition and development (1		**-**				1,846,501		
Licences, net	**$**	**3,931,666**			$	12,418,893		

Amortisation expense recorded in the income statements for the years ended 31 December 2021 and 2020 amounted to $18,213,867 and $11,253,823, respectively.

10. Loans

As at 31 December 2021 and 2020, the loans are summarised on the following page:

	2021		2020	
Crédito Real, S.A.B. de C.V., SOFOM, E.R.	**$**	**427,029,247**	$	492,872,675
Contigo Corporate Services, S.C.		**30,160,000**		-
H Financieros, S.A. de C.V., SOFOM, E.N.R.		**21,551,944**		67,106,955
Allan Cherem Mizrahi		**-**		108,476,662
GDN Capital		**-**		4,014,222
Total loans with related parties (Note 5)	**$**	**478,741,191**	$	672,470,514

		2021		2020
National Development Finance	$	**126,092,588**	$	65,123,855
Convertible Bonds		**32,900,000**		-
International Finance Corporation		**24,761,905**		49,925,190
Santa Fe Credit Union		**15,000,000**		10,007,402
Short-term Bursa interest		**2,496,716**		2,785,500
Banco Monex, S.A. I.B.M		**-**		4,171,326
Total third party loans		**201,251,199**		132,013,273
Total short-term loans	$	**679,992,390**	$	804,483,787
Long-term portion of loans:				
Stock exchange liabilities [2]		**600,000,000**		600,000,000
International Finance Corporation		**-**		24,761,905
Total long-term loans		**600,000,000**		624,761,905
Total loans	$	**1,279,992,390**	$	1,429,245,692

As at 31 December 2021 and 2020, the Company has various credit facilities, under the following conditions:

Entity		Credit line	Expiration	Rate
Crédito Real, S.A.B. de C.V., SOFOM, E.R. (Note 5)	$	**820,000,000**	**31/05/2022**	**TIIE + 8.25%.**
Obligations in Securitisation Transactions		**600,000,000**	**01/02/2023**	**TIIE + 2.8%.**
Convertible Bonds		**385,000,000**	**31/12/2024**	**From 9 to 12%.**
National Development Finance		**200,000,000**	**20/06/2023**	**TIIE + 8.5%.**
International Finance Corporation [1]		**86,666,000**	**07/07/2022**	**13.45%**
Contigo Corporate Services, S.C.		**30,160,000**	**30/04/2022**	**13%**
H Financieros, S.A. de C.V., SOFOM E.N.R. (Note 5)		**65,000,000**	**31/01/2022**	**20.00%**
Santa Fe Credit Union		**15,000,000.00**	**28/02/2022**	**TIIE + 8.8385%.**
Total	**$**	**2,171,666,000**		

[1] The main financial and operational indicators to be met by the Company with the IFC are as follows:

- Have a minimum 25% risk-weighted capital adequacy ratio.
- Not to exceed 5% of the group's economic exposure ratio.
- Not to exceed 5% of the exposure ratio of related parties.
- Not to exceed 10% of the credit exposure.
- Have a minimum of 10% liquid assets to total assets.

(2) On February 17, 2020, the Irrevocable Trust Agreement No. 4011 (the "Trust") with ticker symbol CTIGOCB 20, for the issuance of Certificados Bursátiles Fiduciarios (hereinafter "the Certificates"), was executed between the Company as trustor and second trustee, Banco Invex, S. A., Institución de Banca Múltiple, Invex Grupo Financiero, as trustee and CI Banco, S.A., Institución de Banca Múltiple as common representative of the holders of the Certificates.

The Certificates were issued in an amount of $600,000,000. The Certificates have a maturity of 1,176 days. The Certificates were issued on 21 February 2020 and mature on 12 May 2023.

The CNBV, through official letter No. 153/12155/2020 dated 18 February 2020, authorised the issuance of the Certificates, which are registered in the National Securities Registry under No. 2362-4.15-2017-102-02.

The rating agency HR Ratings, S. A. de C. V. assigned a credit rating of "HR AA+ (E)" with negative observation for the issue of the Certificates. The assigned rating is subject to the ratio of the portfolio pledged as collateral by the Company.

11. Assets in rights of use (Leases)

The Company has entered into various leases for premises, automobiles and computer equipment used in its operations. Leases of premises typically have lease terms of 1 to 2 years, while automobiles and computer equipment typically have lease terms of 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is normally prohibited from assigning and subleasing leased assets.

The Company has also entered into certain leases of premises with lease terms of 12 months or less and leases of low-value computer equipment. The Company applies the exemptions to recognition in respect of "short-term leases" and "leases of low-value assets".

The net carrying amounts of right-of-use assets recognised and movements during the period are detailed below:

	Premises	Automobiles	Computer equipment	Total
As of 1 January 2021	**$ 7,888,051**	**$ 13,269,398**	**$ 2,519,085**	**$ 23,676,534**
Initial recognition and additions for the period (Note 2)	**57,394,755**	**5,236,748**	**2,198,050**	**64,829,553**
Depreciation charge/ Amortisation	**(22,030,712)**	**(10,817,994)**	**(2,049,784)**	**(34,898,490)**
As at 31 December 2021	**$ 43,252,094**	**$ 7,688,152**	**$ 2,667,351**	**$ 53,607,597**

	Premises	Automobiles	Computer equipment	Total
As at 1 January 2020	$ 3,149,714	$ 17,910,529	$ 6,239,258	$ 27,299,501
Initial recognition and additions for the period (Note 2)	11,799,358	5,029,018	-	16,828,376
Depreciation charge/ Amortisation	(7,061,021)	(9,670,149)	(3,720,173)	(20,451,343)
As at 31 December 2020	$ 7,888,051	$ 13,269,398	$ 2,519,085	$ 23,676,534

The net carrying amounts of lease liabilities and movements during the period are detailed below:

	2021	2020
As at 1 January	**$ 23,984,233**	$ 27,695,119
Initial recognition and additions for the period	**64,829,553**	16,828,376
Accrued interest	**5,651,545**	1,289,611
Payments	**(39,094,500)**	(21,828,873)
As at 31 December	**$ 55,370,831**	$ 23,984,233
Short-term	**$ 46,370,831**	$ 15,995,662
Long-term	**$ 9,000,000**	$ 7,988,571

12. Sundry creditors and other accounts payable

As at 31 December 2021 and 2020, the integration of this item is as follows:

	2021	2020
C&H Resoluciones, S.A. de C.V.	**$ 25,194,998**	$ -
Servicios Directivos Contigo, S.C.	**5,167,758**	2,607,770
Contigo Corporate Services, S.C.	**-**	19,212,855
Suppliers	**10,946,659**	8,801,087
Provisions for expenditure (1)	**6,707,716**	33,496,692
Other taxes payable	**16,653,689**	16,378,649
Creditors and others	**-**	6,615,091
	$ 64,670,820	$ 87,112,144

(1) The provisions included relate to contracted services attributable to the year, which are expected to be settled next year.

13. Direct employee benefits

This plan covers seniority premiums consisting of a one-off payment of 12 days for each year worked based on the last salary, limited to twice the statutory minimum wage. It also includes the provision for indemnities arising from obligations assumed in accordance with the terms of the benefit plan. The relative liability and the annual benefit cost are calculated by an independent actuary on the basis defined in the plans, using the projected unit credit method.

As at 31 December 2021, the net periodic cost and defined benefit obligation, related to seniority premium and statutory severance benefits, is as follows:

a) Net cost for the period

	2021		
	Retreat	**Termination**	**Total**
Integration of the net cost for the period 2021:			
Current service labour cost	**$ 145,496**	**$ 231,941**	**$ 377,437**
Net interest on the net defined benefit liability	**37,469**	**144,459**	**181,928**
Recycling of remediation	**35,186**	**(62,775)**	**(27,589)**
Net cost for the period 2021	**$ 218,151**	**$ 313,625**	**$ 531,776**

b) The reconciliation between the opening and closing balances of the net defined benefit liability is as follows:

	2021		
	Retreat	**Termination**	**Total**
Net defined benefit liability (NBL):			
Net defined benefit liability as at 31 December December 2020	$ -	$ -	$ -
Labour cost of current service	**145,496**	**231,941**	**377,437**
Net interest on net liabilities (assets) due to defined benefits	**37,469**	**144,459**	**181,928**
Recycling of remediation	**35,186**	**(62,775)**	**(27,589)**
Effect due to the entry into force of the Reform of Subcontracting	**1,570,850**	**6,027,605**	**7,598,455**
Net defined benefit liability as at 31 December December 2021	**$ 1,789,001**	**$ 6,341,230**	**$ 8,130,231**

c) The significant assumptions used in the actuarial study, in absolute terms, were as follows:

	2021
Financial assumptions	
Discount rate	
Expected rate of return on plan assets	**6%**
Expected rate of wage increase	**5%**

14. Short-term direct employee benefits

a) Direct short-term benefits:

As at 31 December 2021, the Company has recognised cumulative accruals relating to short-term direct benefits, which are:

		2021
PTU payable	**$**	**3,857,728**
Holiday bonus		**114,118**
	$	**3,971,846**

PTU payable is presented in operating expenses in the income statement.

15. Commitments and contingencies

a) Office rental contract

Rent expense for leases of less than one year and considered low cost, which were paid during 2021 and 2020 amount to $10,535,657 and $25,553,144, respectively.

(b) National Commission for the Protection and Defence of Financial Services Users (CONDUSEF)

The Law for the Protection and Defence of Users of Financial Services establishes the obligation for financial institutions to record a contingent liability arising from a claim before CONDUSEF by users of financial services and that once the conciliation hearings are concluded, the parties do not reach an agreement. At the date of issuance of the financial statements, the Company has no outstanding customer claims through this channel.

(c) Tax audits

In accordance with current legislation, the authorities have the power to review up to five tax years prior to the last income tax return filed, which could eventually generate tax differences arising from the different criteria of interpretation of the tax provisions between the Company and the authorities.

In addition, companies that carry out transactions with related parties resident in the country or abroad are subject to limitations and tax obligations regarding the determination of the agreed prices, as these must be comparable to those they would use with or between independent parties in comparable transactions.

In the event that the tax authorities review the prices and reject the amounts determined, they may demand, in addition to the collection of the tax and the corresponding accessories (updates and surcharges), fines on the omitted contributions.

16. Stockholders' equity

a) Share capital

The share capital at 31 December 2021 and 2020 consists of the following:

Number of shares	Description		Amount
	Paid-up capital		
1,500,000	Class I Series "B" fixed portion	**$**	**38,000,000**
145,000,000	Class II Series "B" variable portion		**115,538,670**
146,500,000	Paid-up share capital as at 31 December 2021 and 2020		**153,538,670**
	Unpaid capital		
6,810,526	Class II Series "Y" variable portion		**(6,000)**
6,810,526	Unpaid share capital as at 31 December 2021 and 2020		**(6,000)**
153,310,526	Share capital at 31 December 2021 and 2020	**$**	**153,532,670**

In accordance with the Company's Articles of Association, "Y" shares may not be represented or voted at Shareholders' Meetings.

b) Financial instruments with equity characteristics

On 22 December 2019, the Company entered into a Subordinated Funds Transfer Acknowledgement Agreement related to the Funds Transfer Agreement entered into on 23 August 2019 (hereinafter the Agreement) in which the Company acknowledges having received from H Financieros, S.A. de C.V., SOFOM E.N.R. (hereinafter H Financieros), an amount of funds in the amount of $77,000,000 and in respect of which H Financieros expressly waives any collection rights.

The Agreement supersedes the obligations previously assumed by the Company in respect of the payment dates, interest rates and documents previously signed under the Funds Transfer Agreement entered into on 23 August 2019.

The Convention also provides that:

- H Financieros will subordinate the transferred funds to all current and future creditors of the Company, whether unsubordinated, subordinated, secured or unsecured, and will be considered in accordance with the provisions of article 222 Bis, paragraph I of the Ley de Concursos Mercantiles.

- While any payment obligations of the Company remain outstanding under the International Finance Corporation (hereinafter, IFC) Credit Agreement and with its other financial creditors (See Note 10), H Financieros may not take the following actions, except with the prior written consent of IFC:

  (a) Challenge any right or remedy of IFC under the IFC Credit Agreement; or

  b) Declare and enforce any obligation of the Company under this agreement.

- H Financial is entitled to receive annually a return on the balance of the Funds (Fund Transfer) not previously returned by The Company (the "Fund Balance") equal to the One Year LIBOR Rate plus 10% (the "Investment Returns"), The Investment Returns will accrue annually and will be transferred at the consideration/discretion/decision of the Company, provided that the following conditions exist as to the financial performance/return of the Company.

- Investment Income may be transferred by the Company for its consideration only in an amount equal to the net cash flow of the Company achieved during the preceding financial year, less (i) the amount of capital expenditures incurred by the Company during that financial year, and (ii) any other amounts specifically determined by the Board of Directors of the Company and (without duplication), such other amounts required to be paid pursuant to the financial covenants, obligations and financial indebtedness of the Company (the "Adjusted Annual Cash Flow").

- The Company shall determine the Investment Return within one month following the earlier of the issuance or release of the Company's annual financial statements, beginning on the date of this agreement and ending on the date on which the Fund Balance is reduced to zero.

Due to the characteristics of the instrument, it was considered as an equity instrument in accordance with FRS C-12 Financial Instruments with Characteristics of Debt and Equity.

(c) Legal reserve

In accordance with the General Law of Commercial Companies, the Company must set aside at least 5% of net profit each year to increase the legal reserve until it reaches 20% of share capital. At 31 December 2020 the balance of the legal reserve is $6,862,056.

(d) Fiscal capital accounts

The LISR establishes that capital contributions and net share premiums made by shareholders must be controlled and restated in the Restated Capital Contribution Account (CUCA). In the event that a capital reduction exceeds the balance of the CUCA, the difference will be considered a distributed profit and the tax will be payable by the Company.

The LISR establishes that dividends from profits that have paid corporate income tax will not be subject to the payment of such tax, for which purpose the tax profits must be controlled through the Net Tax Profit Account (CUFIN).

As at 31 December 2021 and 2020, the following tax balances exist:

	2021	2020
CUCA	**$ 194,674,233**	$ 181,345,350
CUFIN	**232,431,550**	154,612,436

17. Profit tax

a) Income Tax (Impuesto Sobre la Renta - ISR)

For the tax years 2021 and 2020, according to the Income Tax Law (LISR) the income tax rate is 30%. The ISR for the period is calculated by applying the rate to the tax result.

The LISR establishes criteria and limits for the application of certain deductions, such as the possible non-deductibility of payments made to related parties if certain requirements are not met.

b) Tax recorded in profit or loss

As at 31 December 2021 and 2020, income tax recognised in profit or loss is as follows:

	2021	2020
ISR incurred	**$ 35,185,814**	$ 14,485,885
Deferred income tax	**4,439,362**	(2,664,486)
Profit tax	**$ 39,625,176**	$ 11,821,399

For the years ended December 31, 2021 and 2020, the Company earned taxable income of $117,286,047 and $48,286,284, respectively.

c) Deferred income tax

As at 31 December 2021 and 2020, the deferred tax analysis of the main differences arising from the comparison of the book and tax values of assets and liabilities is as follows:

	2021	2020
Deferred tax assets:		
Allowance for loan losses		
and doubtful accounts receivable pending deduction	**$ 20,366,563**	$ 17,842,783
Provisions, fixed assets and intangible assets	**21,746,219**	14,485,364
Deferred income	**95,929**	303,150
	42,208,711	32,631,297
Deferred tax liabilities:		
Advance payments	**(15,742,339)**	(1,725,563)
Deferred tax assets, net	**$ 26,466,372**	$ 30,905,734

(d) Effective rate reconciliation

The reconciliation between the tax rate recognised by the Company and the statutory income tax rate is as follows:

	2021	2020
Operating income before income taxes	**$ 155,867,215**	$ 41,798,842
Permanent differences:		
Annual inflation adjustment	**(23,948,887)**	(5,436,484)
Non-deductible expenses	**15,645,134**	2,496,171
Other items	**(15,479,542)**	546,134
Profit before tax plus permanent items	**132,083,920**	39,404,663
Statutory rate	**30%**	30%
Profit tax	**$ 39,625,176**	$ 11,821,399
Effective rate	**25%**	28%

e) Tax provisions applicable to SOFOMs

The Income Tax Law establishes that SOFOMES are considered to be part of the financial system if they have accounts and documents receivable derived from activities that correspond to the habitual and professional performance of credit, leasing and financial factoring operations, which represent at least seventy per cent of their total assets, or income derived from such activities and from the sale or administration of the loans granted by them. As at 31 December 2021 and 2020, the Company has own assets of its business representing more than 59% and 62% respectively of total assets.

18. Other operating income, net

As at 31 December 2021 and 2020, the integration of this item is as follows:

		2021		2020
Other income:				
Insurance commissions to borrowers	**$**	**71,461,700**	$	79,071,485
Revenue from debt collection		**2,413,743**		1,768,719
Related party income (Note 5)		**31,107,777**		72,118,017
Other income		**14,658,560**		10,062,305
Total other income and expenses, net	**$**	**119,641,780**	$	163,020,526

19. Administration and promotion costs

At 31 December 2021 and 2020 the integration of this item is as follows:

		2021		2020
Administrative services	**$**	**580,363,983**	$	739,935,164
Wages and salaries		**179,478,638**		610,333
Rentals of premises and offices		**10,535,657**		34,343,200
Travel expenses		**11,444,063**		7,296,986
Bank and correspondent fees		**26,148,659**		20,215,159
Depreciation and amortisation		**54,608,615**		41,593,749
Expenditure on branches		**3,828,291**		2,451,583
Telecommunications		**15,159,062**		17,532,165
Leasehold improvements		**4,337,183**		6,778,270
Stationery and office supplies		**4,952,506**		5,640,433
Administrative and legal advice		**7,931,015**		7,006,766
Leasing of computer equipment and cars		**2,748,925**		1,767,553
Fees		**4,884,562**		9,709,089
Electricity		**3,998,312**		3,571,778
Fees and subscriptions		**3,901,975**		4,982,352
Messaging		**2,262,408**		2,563,025
Propaganda and advertising		**3,375,796**		3,078,493
Non-deductible expenses		**15,645,134**		2,496,171
Insurance		**3,380,785**		2,883,923
Miscellaneous taxes		**140,003**		318,038
Employee Profit Sharing		**3,857,728**		-
Other administrative and operating expenses		**-**		600,195
	$	**942,983,300**	$	915,374,425

20. Subsequent Events

At the date of issue of the accompanying financial statements, the Company is not aware of any subsequent events that should be disclosed in the financial statements.