Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Consolidated Financial Statements

December 31, 2018 and 2017

(With Independent Auditor's Report Thereon)

(Translation from Spanish Language Original)

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho 176 P1,
Reforma Social, Miguel Hidalgo,
C.P. 11650, Ciudad de México.
Teléfono: +01 (55) 5246 8300
kpmg.com.mx

Independent Auditors' Report

(Translation from Spanish Language Original)

To the Board of Directors and Stockholders

Corporación Actinver, S. A. B. de C. V.

(Millions of mexican pesos)

Opinion

We have audited the consolidated financial statements of Corporación Actinver, S. A. B. de C. V. and subsidiaries (the Company), which comprise the consolidated balance sheets as at December 31, 2018 and 2017, the consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Corporación Actinver, S. A. B. de C. V. and subsidiaries have been prepared, in all material respects, in accordance with the accounting criteria for financial group holding companies in Mexico, established by the National Banking and Securities Commission (the Banking Commission).

Basis for Opinion

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

Key audit matters

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

(Continued)

Derivative financial instruments amounting to $1,520 y $1,607, assets and liabilities, respectively	
See notes 3 (h) and 9 to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
The determination of the fair value of derivative financial instruments traded in over-the-counter markets at the date of the consolidated balance sheet is carried out using valuation techniques that involve a high degree of judgment by Management, mainly when it requires the use of inputs from various sources or not observable in the market and complex valuation models.	As part of our audit procedures, we obtained evidence of approval by the Company's Risk Committee, of valuation models for derivative financial instruments used by Management. In addition, through sample testing, we assessed the reasonableness of such models, and the inputs used and the appropriate determination of the fair value of derivative products, with the involvement of our specialists.

Allowance for loan losses amounting to $506	
See notes 3(l) and 10(c) to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
The allowance for loan losses involves a high degree of judgment to assess the payment capacity of debtors, considering the various factors established in the methodologies prescribed by the Commission for the loan portfolio rating process, as well as for assessing the reliability of the documentation and updates to the information, which serves as input in determining the allowance for loan losses.	The audit procedures applied to management´s determination of the allowance for loan losses and its effects on the year's profit and loss, included the assessment, through sample testing, from both of input used and the calculation process for the various loan portfolios, based on the methodologies in effect for each type of portfolio established by the Commission.

Other information

Management is responsible for the other information. The other information comprises information included in the annual report for the year ended December 31, 2018 to be filed with the National Banking and Securities Commission and the Mexican Stock Exchange (the Annual Report), but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is estimated to be available to us after the date of this auditors' report.

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

(Continued)

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

When we read the Annual Report, if we conclude that there is a material misstatement on this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting criteria for financial group holding companies in Mexico, established by the Banking Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(Continued)

- 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 then, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG Cárdenas Dosal S. C.

RÚBRICA

Víctor Manuel Espinosa Ortiz

Mexico City, February 19, 2019.

Corporación Actinver, S. A. B. de C. V. and Subsidiaries

Consolidated Balance Sheets

December 31, 2018 and 2017

(Millions of mexican pesos)

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

Assets	**2018**	**2017**
Cash and cash equivalents (note 6)	$ 4,226	2,111
Margin accounts	201	167
Investment securities (note 7):		
Trading	41,745	22,435
Available-for-sale	8,326	9,679
Held-to-maturity	6,489	2,832
	56,560	34,946
Debtors on repurchase/resell agreements	1	-
Derivatives (note 9):		
Trading	1,520	1,296
Current loan portfolio (note 10):		
Commercial loans:		
Commercial activity	18,157	14,318
Financial entities	480	1,123
Consumer loans	2,899	2,867
Total current loan portfolio	21,536	18,308
Past due loan portfolio (note 10):		
Commercial loans:		
Commercial activity	117	119
Financial entities	3	3
Consumer loans	21	20
Total past due loan portfolio	141	142
Loan portfolio	21,677	18,450
Less:		
Allowance for loan losses (note 10c)	506	412
Loan portfolio, net	21,171	18,038
Other accounts receivable, net (note 11)	7,699	5,138
Foreclosed assets	6	7
Furniture and equipment, net (note 12)	494	569
Permanent investments (note 13)	439	460
Deferred taxes and deferred employee statutory profit sharing, net (note 19)	589	400
Other assets (note 14):		
Deferred charges, prepaid expenses and intangibles	1,567	1,578
Other short and long term assets	97	80
	1,664	1,658
Total assets	$ 94,570	64,790

Liabilities and Stockholders' Equity	**2018**	**2017**
Deposit funding (note 15):		
Demand deposits	$ 9,514	4,710
Time deposits:		
General public	5,455	5,023
Money market	8,601	7,359
Global deposit funding account without movement	6	7
Debt securities issued	7,523	6,451
	31,099	23,550
Due to banks and other institutions (note 16):		
Short-term	1,170	1,448
Long-term	90	130
	1,260	1,578
Unsettled assigned securities (note 7)	6,222	3,140
Creditors on repurchase/resell agreements (note 8)	44,651	23,557
Collateral sold or pledged as guarantee	24	2,413
Derivatives (note 9):		
Trading	1,607	1,273
Other accounts payable:		
Income tax payable (note 19)	132	168
Employee statutory profit sharing payable	69	38
Creditors on settlement of transactions	1,271	1,811
Sundry creditors and other accounts payable (note 17)	2,228	1,666
	3,700	3,683
Deferred credits and prepayments	119	124
Total liabilities	88,682	59,318
Stockholders' equity (note 20):		
Paid-in capital:		
Capital stock	970	981
Additional paid-in capital	1,066	1,151
	2,036	2,132
Earned capital:		
Statutory reserves	221	228
Retained earnings	2,680	2,261
Remeasurements of employee defined benefits	(71)	(66)
Unrealized gain (loss) from valuation of available-for-sale securities	(6)	(1)
Foreign currency translation	93	98
Net income	645	537
	3,562	3,057
Non-controlling interest	290	283
Total stockholders' equity	5,888	5,472
Commitments and contingent liabilities (note 27)		
Total liabilities and stockholders' equity	$ 94,570	64,790

(Continued)

Coporación Actinver, S. A. B. de C. V. and Subsidiaries

Consolidated Balance Sheets, continued

December 31, 2018 and 2017

(Millions of mexican pesos)

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

Memorandum Accounts (note 25)

Transactions on behalf of third parties	**2018**	**2017**
Customer current accounts:		
Customers' bank accounts	$ 5,319	4,655
Settlement of customers´ transactions	4,094	2,538
	9,413	7,193
Custody transactions:		
Customer´ securities in custody	471,081	437,187
Transactions on behalf of customers:		
Customers´ securities repurchase/resell agreements	49,060	38,767
Customers´ securities lending transactions	260	270
Collaterals received as guarantee on behalf of costumers	42,662	23,243
Collaterals delivered or pledged on behalf of costumers	6,533	16,020
Managed trusts or mandates	450,870	170,324
Derivatives purchase operation	2	121
	549,387	248,745
Total for third parties	$ 1,029,881	693,125

Transactions for own account	**2018**	**2017**
Assets in custody or under management	$ 220,522	217,322
Credit commitments	6,274	1,257
Collaterals received by the entity (note 8):		
Government debt	3,703	12,395
Banking debt	300	658
Other debt securities	2,586	1,302
	6,589	14,355
Collaterals received and sold or delivered as guarantee by the entity (note 8):		
Government debt	3,383	13,712
Banking debt	300	658
Other debt securities	2,582	1,302
	6,265	15,672
Accrued uncollected interest arising from the past due loan portfolio	3	4
Other memorandum accounts	8,617	7,396
Total for own account	$ 248,270	256,006

See accompanying notes to the consolidated financial statements.

The historical capital stock at December 31, 2018 and 2017 amounts $925 and $936, respectively.

"These consolidated balance sheets with those of the financial entities and other companies which are part of Corporación Actinver and subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission, based on the provisions of Article 30 of the Law for Regulating Financial Groups, which are of a general and mantadory nature and were consistently applied, reflecting the operations conducted by the holding company and financial entities and other companies that are part of Corporación Actinver subject to consolidation through the dates mentioned above, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated balance sheets were approved by the Board of Directors under the responsibility of the following officers".

SIGNATURE	SIGNATURE	SIGNATURE	SIGNATURE
Héctor Madero Rivero	Alfredo Walker Cos	Francisco Javier Herrería Valdés	José Pedro Valenzuela Rionda
Chief Executive Officer	Executive Director of Administration and Finance	Director of Internal Audit	Deputy Director of Administration and Finance

To consult additional information with regards to these financial statements, please follow this link:
https://www.actinver.com/webcenter/portal/Actinver/Institucional/Inversionistas?_afrLoop=22463998070748137#!%40%40%3F_afrLoop%3D22463998070748137%26_adf.ctrl-state%3D44g18m1yc_22
https://portafolioinfo.cnbv.gob.mx/Paginas/Inicio.aspx

Corporación Actinver, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Income

Years ended December 31, 2018 and 2017

(Millions of mexican pesos, except earnings per share)

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

		2018	2017
Interest income (note 23a)	$	6,086	5,438
Interest expense (note 23a)		(4,944)	(4,535)
Financial margin		1,142	903
Allowance for loan losses (note 10c)		(105)	(161)
Financial margin adjusted for allowance for loan losses		1,037	742
Commission and fee income (note 23b)		2,795	2,474
Commission and fee expense (note 23b)		(351)	(358)
Financial intermediation income (loss), net (note 23c)		658	760
Other operating income, net (note 23d)		566	464
Administrative and promotional expenses		(3,776)	(3,360)
Net operating income		929	722
Equity method in the results of associated companies, net (note 13)		(2)	5
Income before income taxes		927	727
Current income taxes (note 19)		(445)	(384)
Deferred income taxes, net (note 19)		165	199
Net income		647	542
Non-controlling interest		(2)	(5)
Net income attributable to controlling interest	$	645	537
Earnings per share (Mexican pesos) (note 24)	$	1.14	0.93
Diluted net income per share (Mexican pesos) (note 24)	$	1.14	0.94

See accompanying notes to the consolidated financial statements.

"These consolidated statements of income with those of the financial entities and other companies which are part of Corporación Actinver and subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies, issued by the National Banking and Securities Commission, based on the provisions of Article 30 of the Law for Regulating Financial Groups, which are of a general and mandatory nature and were consistently applied, reflecting all income and expenses arising from operations performed by the holding company and financial entities and other companies which are part of Corporación Actinver subjet to consolidation during the above periods, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of income were approved by the Board of Directors under the responsibility of the following officers."

SIGNATURE
Héctor Madero Rivero
Chief Executive Officer

SIGNATURE
Alfredo Walker Cos
Executive Director of
Administration and Finance

SIGNATURE
Francisco Javier Herrería Valdés
Director of Internal Audit

SIGNATURE
José Pedro Valenzuela Rionda
Deputy Director of
Administration and Finance

To consult addidional information with regards to this financial statement, please follow this link:
https://www.actinver.com/webcenter/portal/Actinver/Institucional/Inversionistas?_afrLoop=22463998070748137#!%40%40%3F_afrLoop%3D22463998070748137%26_adf.ctrl-
https://portafolioinfo.cnbv.gob.mx/Paginas/Inicio.aspx

Corporación Actinver, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

Years ended December 31, 2018 and 2017

(Millions of mexican pesos)

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

	Paid-in capital			Earned capital							
	Capital stock	**Additional paid-in capital**	**Premium on optionally convertible debentures**	**Statutory reserves**	**Retained earnings**	**Remeasure-ments of employee defined benefits**	**Unrealized gain (loss) from valuation of available-for-sale securities**	**Foreign currency translation**	**Net income**	**Non-controlling interest**	**Total stockholders' equity**
Balances as of December 31, 2016	$ 992	1,235	34	223	1,994	(21)	(14)	172	359	278	5,252
Changes resulting from stockholders' resolutions:											
Appropriation of 2016 net income	-	-	-	18	341	-	-	-	(359)	-	-
Dividends declared (note 20e)	-	-	-	-	(57)	-	-	-	-	-	(57)
Treasury shares acquired and canceled	(11)	(84)	(34)	(13)	-	-	-	-	-	-	(142)
Total changes resulting from stockholders' resolutions:	(11)	(84)	(34)	5	284	-	-	-	(359)	-	(199)
Changes related to the recognition of comprehensive income (note 20b):											
Valuation effects of subsidiaries' available-for-sale securities (net of deferred taxes)	-	-	-	-	-	-	13	-	-	-	13
Cumulative currency translation effect	-	-	-	-	-	-	-	(74)	-	-	(74)
Remeasurements of employee defined benefits	-	-	-	-	-	(45)	-	-	-	-	(45)
Effect of change in consumer loan portfolio methodology (net deferred taxes)	-	-	-	-	(17)	-	-	-	-	-	(17)
Net income	-	-	-	-	-	-	-	-	537	5	542
Total changes related to the recognition of comprehensive income	-	-	-	-	(17)	(45)	13	(74)	537	5	419
Balances as of December 31, 2017	981	1,151	-	228	2,261	(66)	(1)	98	537	283	5,472
Changes resulting from stockholders' resolutions:											
Appropriation of 2017 net income	-	-	-	27	510	-	-	-	(537)	-	-
Dividends declared (note 20e)	-	-	-	-	(68)	-	-	-	-	5	(63)
Treasury shares acquired and canceled	(11)	(85)	-	(34)	-	-	-	-	-	-	(130)
Total changes resulting from stockholders' resolutions:	(11)	(85)	-	(7)	442	-	-	-	(537)	5	(193)
Changes related to the recognition of comprehensive income (note 20b):											
Valuation effects of subsidiaries' available-for-sale securities (net of deferred taxes)	-	-	-	-	-	-	(5)	-	-	-	(5)
Cumulative currency translation effect	-	-	-	-	-	-	-	(5)	-	-	(5)
Remeasurements of employee defined benefits	-	-	-	-	-	(5)	-	-	-	-	(5)
Effect of change in consumer loan portfolio rating methodology (net deferred taxes)	-	-	-	-	(23)	-	-	-	-	-	(23)
Net income	-	-	-	-	-	-	-	-	645	2	647
Total changes related to the recognition of comprehensive income	-	-	-	-	(23)	(5)	(5)	(5)	645	2	609
Balances as of December 31, 2018	$ 970	1,066	-	221	2,680	(71)	(6)	93	645	290	5,888

See accompanying notes to the consolidated financial statements.

"These consolidated statements of changes in stockholders' equity with those of the financial entities and other companies which are part of Corporacion Actinver and subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission, based on the provisions of Article 30 of the Law for Regulating Financial Groups, which are of a general and mandatory nature and were consistently applied, affecting all of the movements in capital accounts derived operations carried out by the holding company and financial entities and other companies which are part of Corporación Actinver subject to consolidation through the dates mentioned above, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the following officers".

SIGNATURE
Héctor Madero Rivero
Chief Executive Officer

SIGNATURE
Alfredo Walker Cos
Executive Director of Administration and Finance

SIGNATURE
Francisco Javier Herrería Valdés
Director of Internal Audit

SIGNATURE
José Pedro Valenzuela Rionda
Deputy Director of Administration and Finance

To consult additional información regarding this financial statement, follow this link:
https://www.actinver.com/webcenter/portal/Actinver/Institucional/Inversionistas?_afrLoop=22463998070748137#!%40%40%3F_afrLoop%3D22463998070748137%26_adf.ctrl-state%3D44g18m1yc_22
https://portafolioinfo.cnbv.gob.mx/Paginas/Inicio.aspx

Corporación Actinver, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

Years ended December 31, 2018 and 2017

(Millions of mexican pesos)

ese financial statements have been translated from the Spanish language original for the convenience of foreign/English-speaking reade

		2018	2017
Net income	$	647	542
Adjustments for items not requiring cash flows:			
Gain (loss) from mark-to-market valuation		241	146
Depreciation and amortization		240	228
Provisions		109	528
Allowance for loan losses		82	117
Equity method in the results of associated companies		2	(5)
Foreign currency translation		(5)	(74)
Current and deferred income taxes and employee statutory profit sharing		269	127
		1,585	1,609
Operating activities:			
Change in margin accounts		(34)	(37)
Change in investment securities		(18,662)	(2,448)
Change in debtors on repurchase/resell agreements		(1)	-
Change in derivatives (assets)		(343)	(106)
Change in loan portfolio, net		(3,227)	(3,044)
Change in accounts receivable and others		(2,572)	(3,796)
Change in other operating assets		(64)	(10)
Change in deposit funding and debt securities issued		7,549	4,061
Change in bank and other loans		(318)	15
Change in creditors on repurchase/resell agreements		21,094	982
Change in collateral sold or pledged as guarantee		(2,389)	2,350
Change in derivatives (liability)		334	64
Change in other operating liabilities		(93)	1,671
Income taxes paid		(459)	(213)
Net cashflows from operating activities		2,400	1,098
Investing activities:			
(Acquisition) disposal of furniture and equipment, net		(106)	10
Dividends received from subsidiaries		97	114
Capital contribution and for future capital increases in subsidiaries		(78)	(201)
Net cash flows from investing activities		(87)	(77)
Financing activities:			
Dividends paid		(68)	(57)
Repurchase of treasury shares, net		(130)	(115)
Net cash flows from financing activities		(198)	(172)
Net increase in cash and cash equivalents		2,115	849
Cash and cash equivalents at the beginning of year		2,111	1,262
Cash and cash equivalents at end of year	$	4,226	2,111

See accompanying notes to the consolidated financial statements.

"These consolidated statements of cash flows with those of the financial entities and other companies which are part of Corporacion Actinver and subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies, issued by the National Banking and Securities Commission, based on the provisions of Article 30 of the Law for Regulating Financial Groups, which are of a general and mandatory nature and were consistently applied, reflecting all the cash inflows and outflows arising from transactions by the holding company and financial entities and other companies which are part of Corporación Actinver subject to consolidation during the above periods, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated stataments of cash flows were approved by the Board of Directors under the responsibility of the undersigned

SIGNATURE
Héctor Madero Rivero
Chief Executive Officer

SIGNATURE
Alfredo Walker Cos
Executive Director of Administration and Finance

SIGNATURE
Francisco Javier Herrería Valdéz
Director of Internal Audit

SIGNATURE
José Pedro Valenzuela Rionda
Deputy Director of
Administration and Finance

To consult additional information regarding this financial statement, please follow this link:
https://www.actinver.com/webcenter/portal/Actinver/Nuestra_Compania/inversionistas/page165/Corporacion-Actinver?_adf.ctrl-state=vawuinrd1_4&_afrLoop=1268005
http://www.cnbv.gob.mx/Paginas/PortafolioDeInformacion.aspx

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

(1) Description of business-

Corporación Actinver, S. A. B. de C. V. domiciled at Guillermo Gonzalez Camarena 1200 pisos 2 y 6, Centro Ciudad Santa Fe, C.P. 01210, Ciudad de Mexico, is a company incorporated under the laws of Mexico and is authorized to promote, organize, exploit and participate in the capital and equity of any type of business or civil corporations, both domestic and foreign, and to participate in their management and liquidation; also, its business includes obtaining or granting loans as well as acquiring, selling and, in general, dealing with all kinds of stocks, ownership interests and any securities permitted by law.

The consolidated financial statements at December 31, 2018 and 2017 and for the years then ended include those of Corporación Actinver, S. A. B. de C. V. and its subsidiaries (together with its subsidiaries, Corporación Actinver). The description of the main activities of its subsidiaries and the percentage of shareholding are described as follows:

Entities of Corporación Actinver-

The principal subsidiaries of Corporación Actinver are as follows:

Subsidiary	Shareholding	Main activity
Grupo Financiero Actinver, S. A. de C. V. (the Financial Group)	99.99%	The financial group has been authorized by the Ministry of Finance and Public Credit (SHCP for its acronym in Spanish) to acquire interests or participation in other commercial or civil corporations and, has the following subsidiaries: (i) **Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver (the Bank)**, which has been authorized by the SHCP and Banco de México (Central Bank) to engage in commercial banking activities that comprise, among others, the following: taking deposits, granting and receiving loans and borrowings, engaging in securities transactions and providing trust services, and **Fideicomiso Socio Liquidador Integral Actinver 335 (which trustor is the Bank**) and acts as an integral clearing member, for its own account and on behalf of third parties, on the Mexican Derivatives Exchange; (ii) **Actinver Casa de Bolsa, S. A. de C. V., Grupo Financiero Actinver (the Brokerage Firm)**, which acts as financial intermediary in transactions with securities and derivative financial instruments authorized in terms of the Securities Market Law (SML) and the general provisions issued by the National Banking and Securities Commission (the Banking Commission);

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Subsidiary	Shareholding	Main activity
		(iii) **Operadora Actinver, S. A. de C. V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero Actinver (the Investment Fund Manager)**, which provides administrative, distribution, valuation, promotion and acquisition services associated with investment portfolios of investment funds. The Financial Group, along with the Bank, the Brokerage Firm and the Investment Fund Manager are regulated by the Banking Commission.
Desarrollos Actinver, S. A. de C. V. (Desarrollos Actinver)	99.99%	Its corporate purpose is currency trading as well as property acquisition, purchase/sale, financing, brokerage, exploitation, disposal, fractioning and leasing.
Actinver Consultoría, S. A. de C. V. (Actinver Consultoría)	99.99%	Its primary activity is promoting any types of insurance. It holds 99.99% of **Actinver Insurance Services, Agente de Seguros y Fianzas, S. A. de C. V.,** whose main activity is intermediation on insurance and bonding transactions in the corresponding branches and sub-branches.
Servicios Alterna, S. A. de C. V. (Servicios Alterna)	99.99%	Its purpose is to provide advisory and management services as well as to provide and contract professional services to the Financial Group's affiliates.
Arrendadora Actinver, S. A. de C. V. (Arrendadora Actinver)	99.99%	Its primary activity is the purchase of any types of property to be used for financial and operating lease agreements, financing through structured loans as well as the acquisition of any types of company shares or ownership interests, and holds 99.99% of **Servicios Directivos Actinver, S. A. de C. V.**, which purpose is providing advisory and management services as well as in providing and contracting professional services to the Financial Group's affiliates.
Servicios Financieros Actinver, S. de R. L. de C. V.	99.99%	This entity is primarily engaged in providing and receiving any type of financial, economic, accounting, legal and commercial advisory, supervision and consultancy services as well as any types of technical and professional services relating to its business.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Subsidiary	Shareholding	Main activity
Actinver Tracs, S. de R. L. de C. V. (Actinver Tracs)	99.99%	Its corporate purpose is to provide and receive any type of financial, accounting, economic, legal and commercial advisory, supervision and consultancy services. Actinver Tracs is the trustor of the irrevocable trusts for the issuance of fiduciary stock certificates number F/0770, F/0771, F/1260 and F/1827, which are public and issue indexed stock certificates, on the stock-exchange.
Actinver Inversiones Alternativas, S. A. de C. V. (Actinver Inversiones Alternativas)	99.99%	Its main activity is to invest in any type of businesses, companies and partnerships, with special emphasis on property, rights, securities and other financial instruments. This entity owns 99.99% of **Actinver Private Equity Servicios, S. C.,** whose main activity is to provide independent professional services for its own account or on behalf of third parties in terms of advisory, preparation, review, management, operation, coordination and supervision of all types of projects.
Actinver Holdings, Inc. (Actinver Holdings)	100%	**Actinver Holdings** is a company incorporated in the State of Delaware, United States of America; its management and operations are located in Texas and sales activity is conducted primarily in that State. Actinver Holdings is a holding company of the subsidiaries listed below: **Actinver Securities, Inc., Actinver Wealth Management, Inc., Actinver Insurance Services, Inc., LCM Capital Holdings, LLC, Actinver Private Equity GP, LLC** and **Actinver Private Equity Manager, LLC,** all incorporated in the United States of America and **Actinver Capital Management Chile SpA** incorporeated in Chile, its main activities are investment banking operations, to provide investment advisory to clients, risk management services and insurance, as well as consulting and insurance consulting in American, Mexican and Latin American markets, as well as the management and operation of a private equity fund in Canada.
Servicios Actinver, S. A. de C. V. (Servicios Actinver)	99.99%	**Servicios Actinver** is a Mexican company incorporated on April 16, 2002 in accordance with Mexican law, and its main activities are to provide advisory and administrative services, and to provide and contract professional services to the subsidiaries of Corporación Actinver.

(Continued)

(2) Authorization, basis of presentation-

Authorization-

On February 19, 2019, Héctor Madero Rivero (Chief Executive Officer), Alfredo Walker Cos (Executive Director of Administration and Finance), Francisco Javier Herrería Valdés (Director of Internal Audit) and José Pedro Valenzuela Rionda (Deputy Director of Administration and Finance), authorized the issuance of the accompanying consolidated financial statements and related notes.

In accordance with the General Corporations Law, Corporación Actinver's bylaws and the General Provisions issued by the Banking Commission, the Stockholders and the Banking Commission are empowered to modify the consolidated financial statements after issuance. The accompanying 2018 consolidated financial statements will be submitted for approval at the next Stockholders' meeting.

Basis of preparation-

(a) Statement of compliance

The consolidated financial statements of Corporación Actinver, have been prepared in conformity with the "Resolution, which amend the general provisions for issuers and other securities market participants" issued by the Banking Commission, which establishes that issuers which, through their subsidiaries, predominantly engaged in financial activities subject to the supervision of the Mexican authorities are obliged to prepare and audit their financial statements on the same basis as the mentioned subsidiaries, so that the financial information of both is comparable. This is determined when such activities represent more than 70% of the total consolidated assets, liabilities and revenues at the end of the prior year. Consequently, since the Financial Group represents 92.36% of consolidated assets and 95.39% of consolidated revenues as of and for the year ended December 31, 2018, the accompanying consolidated financial statements, are prepared in accordance with the accounting criteria for financial group holding companies in Mexico established by the Banking Commission.

The accounting criteria indicate that the Banking Commission shall issue specific rules for specialized transactions and in the absence of an express accounting criterion for holding companies of financial groups and, secondly, for credit institutions, or in a broader context of Mexican Financial Reporting Standards (FRS), issued by the Mexican Board of Financial Reporting, (Consejo Mexicano de Normas de Información Financiera, A. C. or CINIF), the supplementary basis under FRS A-8 should be applied, and only if the International Financial Reporting Standards (IFRS for its acronym in English) as referred to in the FRS A-8, do not provide solutions to the accounting recognition, a suppletory norm could be applied, only if it complies with all requirements mentioned in the aforementioned FRS, and in the following order: the accounting principles generally accepted in the United States of America (US GAAP) and any accounting criterion that forms part of a formal and recognized set of standards, provided it complies with the requirements of criterion A-4 of the Banking Commission.

(Continued)

(b) Use of estimates and judgments

The preparation of consolidated financial statements requires Management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

Assumptions and uncertainties in estimations

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

— Nota 3e y 7– Book value of investment securities;
— Nota 3f y 8– Repurchase/resell agreements;
— Nota 3h y 9– Derivatives;
— Nota 3l y 10c – Allowance for loan losses;
— Nota 3v y 18– Employees´ benefits;
— Nota 3r y 19 – Deferred taxes.

(c) Functional and reporting currency

The aforementioned consolidated financial statements are presented in Mexican pesos, which is the same as the local and the functional currency of the majority of its subsidiaries. The financial statements of foreign subsidiaries were translated from their local and functional currency to the reporting currency, Mexican peso, prior to the consolidation.

The financial statements of foreign subsidiaries have been converted, previous to consolidation, to the accounting criteria stated by the Banking Commission, for their presentation in conformity with these criteria.

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

(d) Trade-date recognition of financial assets and liabilities

The consolidated financial statements of Corporación Actinver recognize the assets and liabilities proceeding from currency purchase/sale, investment securities, securities lending, derivative financial instruments and repurchase/resell agreements transactions at the trade-date, independently from the settlement date.

(Continued)

(Millions of mexican pesos)

(3) Summary of significant accounting policies-

The accounting policies set out below have been applied in a uniform manner in the preparation of the consolidated financial statements, and have been applied consistently by Corporación Actinver:

(a) Basis of Consolidation-

The accompanying consolidated financial statements include assets, liabilities and net income of Corporación Actinver and all of its subsidiaries, given that it has control of them. The significant balances and transactions between entities which are part of Corporación Actinver have been eliminated in the preparation of the consolidated financial statements. The consolidation was carried out based on the financial statements of the subsidiaries at December 31, 2018 and 2017, which were prepared, as appropriate, in accordance with accounting criteria established by the Banking Commission for entities regulated by this regulator and according to the FRS or IFRS for non-regulated entities, as applicable. In cases where the subsidiaries and affiliates do not register their operations in accordance with the accounting criteria established by the Banking Commission, the most significant equivalences were made in order to standardize the information.

(b) Recognition of the effects of inflation-

The accompanying consolidated financial statements include the recognition of the effects of inflation on the financial information until December 31, 2007, date on which the economy changed from an inflationary to a non-inflationary environment (cumulative inflation in the last three years less than 26%), using for this purpose the Investment Unit Value (UDI for its acronym in Spanish). The UDI is a unit of measurement whose value is determined by the Central Bank based on inflation.

Annual and cumulative inflation percentages of the last three periods and the UDI used to deternine inflation, are as follow:

		Inflation	
December 31,	**UDI**	**Annual**	**Cumulative**
2018	6.226631	4.92%	12.60%
2017	5.934551	6.68%	9.97%
2016	5.562883	3.38%	10.39%

(Continued)

(c) Cash and cash equivalents-

Cash and cash equivalents consist of cash in hand, coined precious metals, deposits with banks in local or foreign currencies, 24, 48 and 72-hours foreign currency purchase and sale transactions, bank loans with original maturities of up to three days ("Call Money" transactions), and deposits with the Central Bank, which include monetary regulatory deposits that the Bank is required to maintain in accordance to the provisions issued by the Central Bank for this purpose; these deposits have no maturity date and bear interests at the average cost of banking deposits rate and are recognized as restricted cash.

Cash and cash equivalents are recognized at nominal value, except for coined precious metals, which are recognized at fair value at year end; as well as foreign currency cash and cash equivalents and foreign currency purchase/sell commitments which are translated at the exchange rate published by the Central Bank.

The foreign currency acquired in 24, 48 and 72-hours purchase/sell operations are recognized as restricted cash and cash equivalents (foreign currencies receivable), while the foreign currencies sold are recorded as an outflow of cash and cash equivalents (foreign currencies deliverable). The receivables or payables balances associated with the aforementioned foreign currency transactions, are recorded in "Other accounts receivable, net" and "Other accounts payable, creditors on settlement of transactions", respectively.

Interests earned are included in the consolidated income statement as accrued in the caption "Interest Income", while results from valuation and purchase/sale of coined precious metals and currencies, are presented in the caption "Financial intermediation income (loss), net".

In case of overdrafts on bank accounts or negative balances on checking accounts or any other item within this caption, including the offset balance between foreign currencies receivable and deliverable, without considering restricted cash, these items are presented in the caption "Sundry creditors and other accounts payable".

(d) Margin accounts-

Margin accounts correspond to the initial margin and subsequent contributions or withdrawals, usually in cash, securities or other highly liquid financial assets, intended to ensure compliance with the obligations resulting from derivatives transactions within recognized markets or stock exchanges.

(Continued)

(e) Investment securities-

Investment securities consist of listed stocks, government securities, bank notes that the entity holds on its own account and classified into the next categories, depending on management's intention and capability of Corporación Actinver at the time of acquisition.

Trading securities-

These are the securities purchased with the purpose to be disposed of in order to obtain gains from the differences in prices resulting from short-term purchase-sale transactions. Debt and equity securities are initially and subsequently measured at fair value, which is provided by an independent price vendor. Valuation effects are recognized in consolidated results of operations within "Financial intermediation income"; when securities are sold, the difference between the purchase and sell prices represents the gain (loss) from purchase-sell, while the gain (loss) from valuation previously recognized in the consolidated profit and loss of the year must be canceled.

Interest earned on debt securities are recognized in the consolidated income statement under the caption "Interest income", while dividends from net equity instruments are recognized when the right to receive payment thereof is generated, in the same caption. Acquisition costs are recognized in profit or loss of the year at the acquisition date.

Available-for-sale securities-

Securities not classified as trading, but for which there is no intention or capacity to hold until maturity are classified as available-for-sale securities. These securities are recorded in the same way as trading securities; the fair value adjustments, net of deferred income taxes is reported in stockholders' equity under the caption "Unrealized gain (loss) from valuation of available-for-sale securities". Unrealized gains are cancelled when the respective securities are sold, reporting the difference between net realizable value and acquisition cost within the income statement. Earned interest are recognized under the effective interest method in the "Interest income" caption, as well as dividends from net equity instruments.

Held to maturity securities-

Held-to-maturity securities are those debt securities with fixed or determinable payments and fixed maturity that Corporación Actinver has the capability and intent to hold until maturity. Held-to-maturity securities are initially recorded at fair value and subsequently at amortized cost. Interests are recognized in consolidated income statement as they accrue and when securities are sold, the gain (loss) from purchase/sale is recognized as the difference between the net realizable value and the book value of the securities in the consolidated statement of income within "Financial intermediation income (loss)".

(Continued)

Securities shall not be classified as held-to-maturity, if during the current period or the two prior periods the entity sold held-to-maturity securities, or reclassified securities from the held-to-maturity category to the available-for-sale category, unless the amount sold or reclassified during the last 12 months represents less than 15% of the total amount of held-to-maturity securities at the transaction date.

The intent and capacity to hold securities to maturity shall be considered maintained when sales and reclassifications corresponding to any of the following circumstances have been carried out:

(a) They are carried out within 90 calendar days prior to maturity or, when applicable, to the date of the securities repurchase option by the issuer.

(b) They happen after the entity has accrued or, when applicable, recovered more than 85% of the original value in nominal terms.

(c) They are attributable to an isolated event on which the entity has no control, which is not recurring and could not realistically have been forecasted by the entity, whenever referring to one of the following:

i. The significant impairment in the issuer´s credit rating.

ii. A change in the tax laws affecting the tax treatment of the securities returns, and thus, its value.

iii. A business combination or restructuring which involves the sale of a business segment including the held-to-maturity financial instrument.

iv. The modification in the rules to which the entity might be subject and which affect the relation of assets and stockholders´ equity.

Acquisitions costs of available-for-sale and held-to-maturity securities are initially recognized as part of the investment.

Impairment of a security value-

When there is objective evidence that an available-for-sale or held-to-maturity security is impaired the carrying value of the security is changed and the amount of the loss is recognized in the consolidated statement of income under "Financial intermediation income (loss)". If, in a subsequent period, the fair value of the security subject to impairment increases or the amount of the impairment loss decreases; the previously recognized impairment loss is reversed through the consolidated income statement. The impairment loss recognized in the consolidated income statement of a net equity instrument classified as available-for-sale is not reversible.

(Continued)

Value-date transactions-

For transactions in which no immediate settlement or same-day value is agreed on the date of agreement, the right and/or obligation should be recorded in clearing accounts under the captions "Other accounts receivable, net" and "Creditors on settlement of transactions", respectively, while no settlement thereof is made.

In this caption, the inflow or outflow of unsettled assigned securities is recorded; in the case where the amount of trading securities is insufficient to cover the amount of deliverable securities, the credit balance is shown under the item "Unsettled assigned securities".

Transfers between categories-

The sales of held-to-maturity securities must be reported to the Banking Commission. Likewise, securities may be reclassified from the categories "trading securities" and "available-for-sale securities" to the category "held-to-maturity securities" or from "trading securities" to "available-for-sale securities", as long as the Banking Commission grants its express authorization. In addition, securities can be reclassified from the category "held-to-maturity securities" to "available-for-sale securities", only if there is no intention or the capacity to keep them to maturity. During the years ended as of December 31, 2018 and 2017, Corporación Actinver did not perform reclassifications between categories, or sales of held-to-maturity securities.

(f) Securities under repurchase/resell agreements-

On the trade date of the repo agreement, where Corporación Actinver acts as seller, the receipt of cash is recognized or a debit clearing account and an account payable; while acting as the purchaser, it recognizes the payment of cash or a credit clearing account and an account receivable. Both the account receivable and account payable are initially measured at the agreed price, which represents the obligation to deliver or the right to recover the cash provided, respectively.

Over the life of the repo, the account receivable and payable are valued at amortized cost, recognizing interest in the consolidated income statement for the year as it accrues, according to the effective interest method. The interest is presented under the financial statement caption of "Interest income" or "Interest expense", as appropriate. The accounts receivable and payable and related earned interest are presented in the captions "Debtors on repurchase/resell agreements" and "Creditors on repurchase/resell agreements", respectively.

(Continued)

Corporación Actinver acting as purchaser recognizes the collateral received in memorandum accounts following the valuation guidelines in Criterion B-9 "Assets in custody and under management", while acting as seller, the financial asset is reclassified in the consolidated balance sheet, and presented as restricted. If Corporación Actinver, acting as purchaser sells the collateral or grants it in guarantee, it recognizes the proceeds from the transaction, as well as an account payable for the obligation to return the collateral to the counterparty, which is recorded, in the case of sale at fair value or, if the collateral is granted in guarantee in another repo transaction, at amortized cost. This account payable is offset by the receivable that is recognized when Corporación Actinver acts as buyer and the debit or credit balance is recorded in the caption "Debtors on repurchase/resell agreements" or "Collateral sold or pledged", as appropriate.

(g) Securities lending-

In operations where Corporación Actinver transfers securities to a borrower and receives other financial assets as collateral, it recognizes the fair value of the securities lent as restricted, while financial assets received as collateral (including cash managed in trusts), are recognized in memorandum accounts. When Corporación Actinver receives securities in a securities lending transaction, it records the value of the securities in memorandum accounts while the financial assets provided as collateral are recognized as restricted (including cash managed in trusts). In both cases the financial assets received or delivered as collateral are recorded following the rules of valuation, presentation and disclosure in accordance with the applicable accounting standard, while the amounts recorded in memorandum accounts are valued according to custody transactions rules. The premium earned is recognized in the consolidated income statement, using the effective interest method over the life of the operation, against an account receivable or payable as appropriate.

(h) Derivatives transactions-

Corporación Actinver operates with derivatives financial instruments for trading and hedging purposes which are recognized at fair value. The valuation effect of derivatives for trading purposes is presented in the consolidated balance sheet as an asset or liability depending on its net fair value and in the consolidated income statement in the “Derivatives” and “Financial intermediation income (loss)” captions, respectively.

Futures – Both for the buyer and the seller of the future, the fair value corresponds to that determined based on recognized market or stock exchange quotations.

Forward contracts – The fair value of the forward contract corresponds to the fair value of its rights and obligations.

Swaps – The fair value of a swap corresponds to the net value of the contracts rights and obligations (present value of receivable cash flows minus present value of deliverable cash flows), which are initially recorded at fair value. Subsequently, the fair value valuation of the contract will be determined in accordance with its contract terms.

(Continued)

Options- In general, the fair value of an option corresponds to the premium collected or paid in the transaction. It is subsequently valued in accordance with the fair value of the contract.

The resulting gain or loss from valuing a fair value hedging derivative is recognized in the consolidated balance sheet within the caption "Derivatives" and in the consolidated statement of income under "Interest income" being that they relate to interest rate hedges of the loan portfolio. The gain (loss) from valuation of the item attributable to the risk being hedged is recognized in the consolidated balance sheet under "Valuation adjustments from financial asset hedges" and in the year's consolidated profit or loss under "Interest income". The ineffective portion of the hedge is recognized in the "Financial intermediation income (loss), net" caption.

(i) Offsetting of clearing accounts-

Amounts receivable or payable arising from investment securities, securities under repurchase/resell agreements, securities lending and/or derivative financial instruments transactions which have expired but have not been settled at the consolidated balance sheet date are recorded in clearing accounts included within "Other accounts receivable, net" and "Other accounts payable, Creditors on settlement of transactions", as well as amounts receivable or payable resulting from the purchase or sale of foreign currencies which are not for immediate settlement or with a same-day value date.

The debit and credit balances of clearing accounts arising from currency purchase/sale, investment securities, repurchase/resell agreements, securities lending and derivatives transactions are offset as long as there is a contractual right to offset the amounts recorded and, at the same time, there is an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously. Similarly, assets and liabilities from operations with the same nature, or which arise from the same contract, can be offset provided that they have the same maturity and are settled simultaneously.

(j) Credit loan portfolio-

Represents the amount of total or partial disposal of the lines of credit to borrowers, plus accrued interest receivable. The undrawn credit lines are recorded in memorandum accounts, within the "Loan commitments" caption.

Capital leasing portfolio-

Corporación Actinver records the total amount of lease contracts granted as an account receivable, when they are considered as capital leases in accounting terms. The difference between the lease contract value (principal plus residual) and the acquisition value paid for the goods granted in lease, is recorded as unearned interests in the unearned financial interest account. This account is presented decreasing the capital leasing portfolio in the consolidated balance sheet.

(Continued)

Interests are recognized on the accrual basis, at interest rates previously agreed.

Past-due loans and interest-

Outstanding loan and interest balances are classified as past-due according to the following criteria:

1. When the debtor files for bankruptcy protection, according to the Bankruptcy Act (LCM for its Spanish acronym), except for those loans which:

    i. Continue to receive payments in terms of the provisions of fraction VIII of article 43 of the LCM

    ii. Are granted under the provisions of article 75 in relation with fractions II and III of article 224 of the LCM.

2. Repayments have not been entirely paid according to the original contract terms, under the following criteria:

    a) Loans with both principal and interest payable upon maturity – when they have not been collected within 30 days or more after their due date.

    b) Loans with principal payable upon maturity and periodic interest payments – when interests are 90-day-or-more past-due or principal is 30-day-or-more past-due.

    c) Loans with principal and interest partial periodic repayments – when the amortization of principal and interests has not been collected and is 90-day-or-more past-due.

    d) Revolving loans, are considered past-due when the uncollected monthly amortization is 60-day-or-more past-due.

    e) Overdrafts on customers ‘checking accounts and notes receivable not collected within 2 to 5 days, as applicable to transactions with domestic or foreign entities, respectively.

When a loan is transferred to the past-due portfolio, interest income recognition is suspended, but it is monitored through recording in memorandum accounts. When these interests are collected, they are recorded directly in the consolidated statement of income within the “Interest income” caption.

(Continued)

The transfers from past-due to current loan portfolio are made when borrowers repay all of their past-due payments (principal, interest, etc.) or in the case of past-due renewed or restructured loans, when they comply with sustained payment (payment of three consecutive installments). When these loans are reclassified to current loan portfolio, interest recorded in memorandum accounts, are recognized in the consolidated income statement.

(k) Commissions, fees and expenses from loan granting-

Commissions collected on the granting of loan are recorded as a deferred credit, which is amortized against the net income as "Interest income" using the straight-line basis during the life of the credit.

The costs and expenses recorded in relation to credit granting derived mainly from the debtor's credit evaluation, assessment and recognition of guarantees, credit negotiations, preparation and process of loan documentation, transaction closing, including the proportion of employees´ compensation directly related to develop these activities, are recognized on a straight-line basis during the life of the loan in the income statements under the caption "Interest income".

The weighted average terms are 2.22 years for consumer loans and 3.13 years for commercial loans.

(l) Allowance for loan losses-

The allowance for loan losses considers loans included in the loan portfolio and irrevocable loan commitments. The allowance for loan losses is determined as follows:

Commercial loans-

Corporación Actinver determines its allowance for commercial loan losses in accordance with the methodology prescribed by the Banking Commission in the "General Provisions applicable to credit institutions" (the Provisions).

Prior to rating its commercial loans, Corporación Actinver classifies each of the loans into one of the groups shown on the next page, depending on whom the loan recipients are.

(Continued)

i. States and municipalities.
ii. Projects with own source of payment.
iii. Trustees acting under trusts not included in the preceding category as well as credit schemes commonly known as "structured".
iv. Financial entities.
v. Legal entities not included in the preceding categories and individuals carrying out business activities. In turn, this group is divided in:
    a. With annual net revenue or sales under the equivalent in pesos of 14 million UDIs.
    b. With annual net revenue or sales equal to or greater than the equivalent in pesos of 14 million UDIs.

On a quarterly basis, Corporación Actinver rates, constitutes and records in its accounting the allowances for each of the types of loans in its commercial loan portfolio using to such effect the balance due on the last day of the months of March, June, September and December, following the methodology and reporting requirements set forth by the Provisions and considering the likelihood of default, the severity of the loss and the exposure to default.

Non-revolving consumer loans-

Corporacion Actinver qualifies and recognizes an accrual for such portfolio, loan by loan, with the figures corresponding to the last period of payment known, and basing its determination on the provisions of article 92 of the Provisions, which consider the likelihood of default, the severity of the loss and the exposure to default of the i-th loan. The calculation of this allowance takes into account the following: (a)receivable amount, (b)payment made, (c)delay, (d)debt seniority within the Institution, (e)borrower´s seniority with Institutions, (f)amount due to the Institution, (g)amount due as reported to the credit information bureaus, (h)balance reported to the credit information bureaus, (i)indebtedness, (j)borrower´s monthly income, (k) original loan balance, and (l)loan balance.

Revolving consumer loans-

The allowances for revolving consumer loans are calculated on an individual loan basis on the amount corresponding to the last payment period known, considering factors such as the following: a) balance due, b) payment made, c) credit limit, d) minimum payment required, e) default, f) amount payable to Corporación Actinver, g) amount due as reported to credit information bureaus; and h) borrower's seniority with Corporación Actinver.

The total amount of the reserve to be created for each loan is the result of multiplying the probability of default by the severity of loss and exposure to default.

(Continued)

(Millions of mexican pesos)

Allowance creation and classification by degree of risk-

The total amount of the allowance to be created by Corporación Actinver concerning the loan portfolio is equal to the sum of the allowances of each loan.

The allowances created by Corporación Actinver for the loan portfolio, calculated on the basis of the methodologies set forth by the Provisions, are classified depending on the degree of risk as A-1, A-2, B-1, B-2, B-3, C-1, C-2, D and E according to the following:

	Percentage range of allowance		
		Consumer	
Degree of risk	**Commercial**	**Not revolving**	**Revolving**
A-1	0 to 0.9	0 to 2.0	0 to 3.0
A-2	0.901 to 1.5	2.01 to 3.0	3.01 to 5.0
B-1	1.501 to 2.0	3.01 to 4.0	5.01 to 6.5
B-2	2.001 to 2.50	4.01 to 5.0	6.51 to 8.0
B-3	2.501 to 5.0	5.01 to 6.0	8.01 to 10.0
C-1	5.001 to 10.0	6.01 to 8.0	10.01 to 15.0
C-2	10.001 to 15.5	8.01 to 15.0	15.01 to 35.0
D	15.501 to 45.0	15.01 to 35.0	35.01 to 75.0
E	Greater than 45.0	Greater than 35.01	Greater than 75.01

When the balance of the allowance for loan losses by type of loan in question has exceeded the required amount, the difference is canceled in the financial statement caption "Allowance for loan losses" in the consolidated income statement, if the cancelable amount for the type of credit in question exceeds the balance of this item, the amount in excess is recognized in the financial statement caption "Other operating income, net".

Corporación Actinver assesses whether a past-due loan is recoverable or not; loans considered irrecoverable are written off against the allowance when their collection is determined to be impractical. Recoveries on loans previously written off are recognized in the year's consolidated results of operations.

Additional reserves – are established for those loans, which in management's opinion, may give rise to concern in the future given the particular situation of the customer, the industry or the economy. Also, they include allowances for items such as earned but uncollected ordinary and other interest as well as other reserves required by the Banking Commission.

Impaired loans – Impaired loans are commercial loans which are not likely to be recovered in full. Both the current and past-due loans may be identified as impaired. For Corporación Actinver, impaired loans are commercial loans classified as having risk levels D and E.

(Continued)

Capital lease portfolio -

Corporación Actinver considers evidence of impairment of receivables and investment instruments at both the specific and collective levels. All receivables and investment instruments individually significant are assessed for specific impairment.

In assessing collective impairment, Corporación Actinver uses historical trends of probability of default, timing of recoveries and the amount of loss incurred, adjusted for management judgments related to the probability that current credit and economic conditions could impact actual losses in being higher or lower than those suggested by historical trends.

(m) Other accounts receivable, net-

Loans to officers and employees, collection rights, and other receivables from identified debtors, whose agreed-upon maturity exceeds 90 calendar days, are assessed by Management to determine their estimated recovery value and, where applicable, create the corresponding loan loss reserve. Amounts receivable from other accounts receivable, that are not recovered within 90 days subsequent to their initial recording (60 days if balances are unidentified) are totally reserved, independently from their possibility of recovery, except for those related to balances of taxes and value added tax.

Regarding settlement accounts, in cases where the amount receivable is not cashed within the 90 calendar days from the date in which they are recorded, it is recorded as past-due and an estimate for uncollectible or doubtful accounts is established for the total amount thereof.

Operating lease portfolio-

It represents the amount of outstanding accrued rent receivable. The signing of the contracts is made based on the analysis of the financial position of the borrower, the economic viability of investment projects and other general characteristics established in Corporación Actinver´s internal policies and manuals.

The leasing portfolio is considered past-due by the total outstanding balance thereof, when:

a) It is known that the borrower has declared bankruptcy, under the Bankruptcy Act Law,
b) Its amortizations have not been fully settled in the original terms and are 90 days overdue.

The recognition of rents is deferred in the income statement when the leasing portfolio is considered past-due.

The leasing portfolio is no longer considered past-due, once there is evidence of sustained payment, i.e., when Arrendadora Actinver receives all of the unpaid balances or when they meet the sustained contract payment.

Purchase options are recognized as income in the consolidated income statement at the end of the lease contract term.

(Millions of mexican pesos)

Fees for opening leases contracts are applied to the consolidated income statement as they accrue, taking into account the term of the lease arrangements.

(n) Foreclosed assets -

Foreclosed assets are recorded at the lower of: (A) cost), (b) fair value less costs and expenses that are directly incurred in obtaining the assets, and (c) the value of the asset or amortizations accrued or overdue that gave rise to the foreclosure, net of estimates.

Where the value of the asset or the accrued or overdue amortizations that gave rise to the foreclosure, net of estimates, is higher than the value of the foreclosed asset, the difference is recorded as a charge to the year's income statement under "Other operating income, net".

Where a call option or purchase/sale agreement is entered under a conditional sale, if the conditions provided by criterion C-1 "Recognition and de-recognition of financial assets" are not met, the asset shall be recognized as restricted, in accordance with the type of asset in question, at the same carrying amount than at the date of execution of said agreement, even though it has been agreed at a higher selling price.

Collections received on account of the asset are recorded in liabilities as advance collection.

On the date on which the conditions provided by criterion C-1 are met to consider the transaction as a transfer of property, the income or loss, as applicable, shall be recorded in the income statement of the year as "Other operating income, net".

Corporación Actinver creates additional accruals on a quarterly basis to recognize the potential value losses of foreclosed assets due to the passing of time, based on the Provisions, which are determined as mentioned below:

	Elapsed months since the date of foreclosure or lien of payment	Percentage of the allowance	
		Real state	Goods receivables and security investments
More than:	6	-	10
	12	10	20
	18	10	45
	24	15	60
	30	25	100
	36	30	100
	42	35	100
	48	40	100
	54	50	100
	60	100	100

(Continued)

In any cases, the reserve percentage is applied to the foreclosure value obtained in accordance with the applicable accounting criteria. In case of valuations subsequent to the foreclosure, which result in a decrease in the value of the foreclosed asset, the allowances percentages are applied to such adjusted value.

(o) Furniture and equipment, net-

Furniture, equipment and leasehold improvements are initially recorded at acquisition cost. The depreciable amount of furniture and equipment is determined after deducting the residual value from the acquisition cost.

The depreciation is calculated using the straight-line method over the estimated useful life of the corresponding assets (note 12).

(p) Permanent investments-

Investments in affiliated and associated companies are valued using the equity method, recognizing the changes in the net income (loss) of the year. Under this caption other permanent investments in which there is no significant influence are also recognized, and recorded at their acquisition cost.

The dividends from other permanent investments are recognized in the consolidated income of the year, unless they correspond to earnings from periods prior to the date of purchase, in such case they are recognized by decreasing the investment amount.

(q) Other assets, deferred charges, advanced payments and intangibles, net-

This caption includes taxes provisional payments, reference costs, guarantee deposits, licenses, prepaid expenses, and their cumulated amortization; in addition, it includes the contributions to the reserve fund established by the securities industry self-regulatory in nature, whose purpose is to support and contribute to the strengthening of the stock market. The unamortized intangible assets are valued to determine their impairment.

(r) Income tax (IT) and Employees' Statutory Profit Sharing (ESPS)-

Current IT and ESPS are calculated according to legal and tax regulations in force.

Deferred IT or ESPS are recorded according to the asset and liability method which compares accounting and tax values. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and, in the case of deferred IT, for operating tax losses carry forwards and other recoverable tax credits. Deferred tax and ESPS assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(Continued)

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in consolidated results of operations in the period the change is enacted.

Deferred and current IT and ESPS are classified and presented in the consolidated income statement, except those arising from a transaction that is recognized in the consolidated comprehensive income or directly in the stockholders' equity.

(s) Deposit funding-

This caption includes demand and time deposits made by the general public including money market funding and bank bonds. Interest is recognized in the consolidated income statement as they accrue. For those instruments placed at a price other than the par value, the difference between the instrument par value and the cash amount received for it, is recognized as a deferred charge or credit and is amortized using the straight-line method in the consolidated income during the term of the instrument that generated it.

The deposit certificates whose return is related to the exchange rate peso-dollar performance (see note 15) correspond to a bank deposit and a series of operations with financial derivatives whose underlying is the dollar. The portion of the transaction that corresponds to the deposit certificate is presented in "Time deposits, Money market" and interests are based on the provisions of the certificate itself. The portion of the financial derivatives is recognized and presented as a separate derivative (see item h of this note).

The principal and interests of deposit fundings with no maturity date, or which have a maturity and are renewed automatically, as well as transfers or past-due, unclaimed investments which in the prior three periods have not had any deposits or withdrawals and, after express written notice to the address of the customer featured in their file with ninety days of anticipation, shall be recorded in a global account that Corporación Actinver will hold for this purpose. With regards to the aforementioned, movements related to commissions collections carried out by Corporación Actinver are not considered.

Corporación Actinver shall not collect commissions when the resources of the deposit banking instruments are recorded in the global account.

The deposits and investments and their interests without movement within three years from their deposit in the global account, and whose amount does not exceed per account, the equivalent of three hundred measurement and actualization units (UMAS for its Spanish acronym), will be prescribe in favor of the public welfare. Corporación Actinver will be obliged to deliver the corresponding resources to the public welfare within a maximum of fifteen days from December 31 of the year in which the fact occurs.

The Stock Certificates are initially recognized at fair value which is calculated based on the present value of future cash flows of principal and interest, discounted at the market interest rate at the initial date plus any costs directly attributable to the transaction. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(t) Accruals-

Based on Management's estimates, Corporación Actinver recognizes accruals for present obligations where the transfer of assets or the rendering of service is virtually inevitable, and arises as a consequence of past events, principally administrative services, salaries and other amounts payable to employees, which, when applicable, are recorded at their present value.

(u) Due to banks and other institutions-

This caption includes short and long-term direct interbank borrowings; interest is recognized in the consolidated statement of income as they accrue. In the case of interbank borrowings received with terms less or equal to 3 days, these are presented as part of the category "Due on demand". In addition, it includes borrowings related to the discounted portfolio which comes from resources provided by banks specialized in the financing of economic, productive and development activities.

(v) Employee benefits-

Short-term direct benefits

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

Long-term direct benefits

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

Termination benefits

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

Post-Employment Benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized in consolidated income as the related services are provided by employees. Prepaid contributions are recognized as an asset to the extent that a prepayment gives rise to a refund or a reduction in future payments.

Defined benefit plans

Corporación Actinver's net obligation in relation to defined benefit plans, seniority premiums and and legal compensation benefits, is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current and prior periods.

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

The labor cost of the current service, which represents the cost for the period of benefits granted to the employee for completed another year of employment based on the benefit plans, is recognized in administrative expenses. Corporación Actinver determines the net interest expense (income) on the net liability (asset) for defined benefits of the period, by multiplying the discount rate used to measure the defined benefit obligation by the net liability (asset) defined at the beginning of the reporting annual period, considering changes in the net liability (asset) from the defined benefits during the period as result of the estimates of contributions and benefit payments.

The amendments to the plans that affect the cost of past services are recognized in earnings immediately in the year where the amendment occurs, without the possibility for deferral in subsequent years. Furthermore, the effects of any obligation settlement or reduction in the period, which significantly reduce the cost of future services and/or significantly reduce the population subject to benefits, respectively, are recognized in the consolidated income statement of the year.

(Continued)

Remeasurements (before actuarial gains and losses), resulting from differences between the projected and actual actuarial assumptions at the end of the period, are recognized when incurred as part of Other Comprehensive Income in the caption "Remeasurements of employee defined benefits" within stockholder's equity.

(w) Cumulative currency translation effect-

It represents the difference resulting from the translation of foreign operations from their functional currency to the reporting currency.

(x) Revenue recognition-

Interest on loans granted is recorded in the consolidated statement of income as they accrue. When a loan is transferred to the past-due portfolio, the recognition of accrued interests is suspended until collected.

Interest on loans granted, including bank loans contracted with maturity up to 3 days is recognized in the consolidated statement of income as earned.

Fees and interest collected in advance are recorded as deferred income under "Deferred credits and prepayments", and recognized in the results of operations as earned.

Fees charged for the initial granting of loans are recorded as a deferred credit, which is amortized against income of the year in the caption "Interest income", based on the straight-line method during the life of the loan. All other fees are recognized at the time they are generated in the caption of "Commission and fee income", in the consolidated statement of income. Costs and expenses associated with the granting of loans are recognized as deferred charge and amortized over the same period as revenue is recognized for commissions collected from the granting of such loans.

Revenues from financial advisory (bonds or stocks underwriting), are recorded in the consolidated statement of income of the year as they accrue in the caption "Other operating income, net".

Interests earned from repurchase/resell transactions are recognized as earned.

(Continued)

Fees earned in connection with fiduciary operations are recognized in the consolidated statement of income as earned, within the "Commission and fee income" caption and the recognition of this accrued income is suspended when the corresponding debt presents 90 or more calendar days past-due and these revenues are control through memorandum accounts. In the case where these accrued revenues are collected, they are directly recognized in the consolidated statement of income in the period of collection.

Commissions from financial intermediation (placement of securities or notes), from transactions with investment funds and revenues derived from custody or asset management are recognized in the consolidated statement of income as accrued in the "Commission and fee income" caption. Interest income from capital leasing is recorded according to contractual rates in the consolidated income statement as they accrue. Income from operating leasing is recognized in the consolidated income statement using the straight-line method during the life of the lease.

(y) Foreign currency transactions and foreign transactions-

Foreign currency transactions

The accounting records are maintained in both pesos and foreign currencies, which for presentation of the consolidated financial statement purposes, in the case of currencies other than the dollar are translated from the respective currency into dollars and then the dollars are translated into Pesos, as is established by the Banking Commission. For the translation to Pesos the exchange rate established by the Central Bank is used. Foreign exchange gains and losses are recognized in the consolidated statement of income of the year.

Foreign transactions

Corporación Actinver (the reporting entity) and its Subsidiaries (the foreign transactions) initially record their transactions in Mexican pesos and American dollars, respectively.

The functional currencies of the reporting entity and the foreign transactions are the Mexican peso and the American Dollar, respectively. The functional currency of the reporting entity is the Mexican peso since its sales, costs, and expenses are significantly made in that currency. The functional currency of foreign transactions is the American dollar since their transactions and the financing obtained are carried out and contracted in that currency.

(Continued)

Foreign operations operate in a non-inflationary environment; therefore, the amounts of foreign entities were translated to Mexican pesos as follows:

a) The assets and liabilities balances at the exchange rate at the end of 2018 and 2017. Stockholders' equity balances at their historical exchange rates.

b) Income and expenses, at the average exchange rate of month.

c) Translation effects are recognized in 2018 and 2017, as a comprehensive income item labeled "Foreign currency translation" and reported in the consolidated statements of changes in stockholders' equity.

(z) Memorandum accounts-

Custody transactions-

The amount of assets in custody is presented under the caption "Customer securities in custody," according to the characteristics of assets and operation.

Securities owned by customers and taken into custody, guarantee and administration are stated at fair value, thus representing the estimated amount that Corporación Actinver would be required to respond to its customers for any future contingency.

Trusts activities-

The assets of the trusts Corporación Actinver manages are recorded in memorandum accounts, considering the responsibility involved in the realization or fulfillment of the purpose of such trusts, whose mandate has been accepted. In some cases, that liability is limited to the accounting of the trust assets, while in other cases, it includes the recording of assets, costs and revenues generated during the operation thereof.

The losses for liabilities incurred as trustee, are recognized in the consolidated income statement in the period in which they are known, regardless of the timing of any legal announcement to this effect.

Management transactions-

The amount of financing provided and/or received in repurchases/resell agreements, which Corporación Actinver carries out on behalf of its customers is presented in the "Customers' securities repurchase/resell agreements" caption.

The securities lending transactions undertaken by Corporación Actinver on behalf of its customers are reported in the "Customers' securities lending transactions".

(Continued)

In the case of collaterals that Corporación Actinver receives or delivers on behalf of its customers, as part of repurchase/resell agreements services provided as well as securities lending, derivatives and other collaterals received or delivered, they are presented in the captions "Collaterals received as guarantee on behalf of clients" and/or "Collaterals delivered or pledged on behalf of clients" as appropriate.

The determination of the estimated valuation amount of assets under management and transactions on behalf of clients is made based on the transaction performed in accordance with the accounting criteria for financial group holding companies.

Corporación Actinver records transactions on behalf of clients at the trade-date regardless of their settlement date.

(ab) Earnings per share-

Corporación Actinver presents basic earnings per share and diluted earnings per share. Basic earnings per share is calculated by dividing the controlling interest in net income by the weighted average number of ordinary shares outstanding during the period adjusted by the weighted average of the shares repurchased during the year.

In determining the diluted earnings per share, the net basic earnings per share of the period is increased by the comprehensive financing cost of the debt related to the convertible bonds mentioned in note 15, net of IT, recorded in the period's profit or loss, and the resulting amount is divided by the weighted average of the outstanding common shares, and adjusted by any effects of potential dilution equity securities.

(ac) Contributions to the Institute for the Protection of Bank Savings (IPAB for its acronym in Spanish)-

Among other provisions, the Bank Savings Protection Law establishes the creation of the IPAB, which intends to act as a system to protect the bank savings of depositors and to regulate the financial support granted to the commercial banking institutions to achieve this objective. The IPAB guarantees the savers´ bank deposits up to a maximum of 400,000 UDIS ($2 at December 31, 2018 and 2017).The Bank recognizes in the consolidated statement of income the mandatory contributions to the IPAB.

(Continued)

(ad) Contingencies-

Significant liabilities or losses related to contingencies are recorded when it is probable that their effect will realize and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the consolidated financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

(ae) Impairment of the recoverable value of long-lived assets-

Corporación Actinver evaluates periodically the carrying value of long-lived assets to determine whether there are indicators that their carrying value exceeds their recoverable value. The recoverable value corresponds to the potential net revenues reasonably expected to be obtained from the utilization or realization of such assets. If the carrying amount of an asset is deemed excessive, Corporación Actinver records the necessary allowance to reduce it to its recoverable value. When there is the intent to sell the assets, they are presented in the consolidated financial statements at the lower of the carrying amount or realizable value.

(af) Segment information-

In accordance with the accounting criteria issued by the Banking Commission for the purpose of segment information disclosure in the consolidated financial statements, Corporación Actinver has identified the following operating segments: a) Management of investment funds, b) Treasury and investment banking, c) Brokerage, d) Credit and corporate activities, e) Leasing, and f) Other service activities.

(4) Accounting changes-

The Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, A.C.)("CINIF") issued FRS and improvements to the FRS, of which FRS C-3 "Accounts receivable", and FRS C-9 "Provisions, contingencies and commitments", FRS B-2 "Cash Flow Statement", FRS B-10 " Effects of inflation", FRS C-6 "Property, plant and equipment" and FRS C-8 "Intangible assets" are applicable to Corporación Actinver. The adoption of such accounting pronouncements did not result in any significant changes.

(Continued)

(5) Foreign currency exposure-

The Central Bank regulations establishes rules and limits for the banks and brokerage firms to maintain long or asset (short or liability) positions in foreign currencies equal to a maximum of 15% of the Bank's basic capital, computed as of the third immediately preceding month and 15% of the Brokerage Firm's global capital. At December 31, 2018, the maximum allowed position totals USD 21 and USD 14, respectively (USD 17 and USD 11 at December 31, 2017, respectively).

The foreign currency position as of December 31, 2018 and 2017 is analyzed as shown below:

	Millions of dollars		Domestic currency	
	2018	**2017**	**2018**	**2017**
Assets	451	273	$ 8,868	5,355
Liabilities	(419)	(249)	(8,234)	(4,889)
Long position, net	32	24	$ 634	466

The exchange rates of the peso to the dollar as of December 31, 2018 and 2017, determined by the Central Bank, and used to value foreign currency assets and liabilities were $19.6512 and $19.6629, pesos per dollar, respectively. At February 19, 2019, date of issuance of the consolidated financial statements, the exchange rate was $19.1778 pesos per dollar.

(6) Cash and cash equivalents-

Cash and cash equivalents as of December 31, 2018 and 2017 are as shown on the next page.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

		2018	2017
Petty cash	$	145	233
Banks:			
Local		210	150
Foreign		204	366
Central Bank deposits		2,303	1,171
Banking loans with maturity up to three days		1,352	185
Other cash equivalents		12	6
Total cash and cash equivalents	$	4,226	2,111

Foreign currency purchases/sales:

Foreign currency purchases/sales as of December 31, 2018 and 2017, are as follows:

		2018	2017
24, 48 and 72-hour foreign currency purchases/sales:			
Foreign currency purchases (restricted cash and cash equivalents)	$	1,974	1,194
Foreign currency sales		(2,419)	(1,537)
Total overdraft in sundry creditors and other accounts payable (note 17)	$	(445)	(343)

Petty cash and banks:

Both domestic and foreign currency petty cash and banks balances as of December 31, 2018 and 2017 are as follows:

Currency	Original currency (millions) 2018	2017	Exchange rate 2018	2017		Translated amount 2018	2017
Canadian Dollar	1	1	14.3906	15.6871	$	14	16
American Dollar	23	25	19.6512	19.6629		452	489
Euro	1	5	22.4692	23.6063		12	118
Swiss Franc	-	-	19.9440	20.1722		3	1
Sterling Pound	-	-	25.0474	26.6049		5	6
Mexican Peso	73	119	1.0000	1.0000		73	119
					$	559	749

(Continued)

(Millions of mexican pesos)

Central bank:

As of December 31, 2018 and 2017, Central Bank deposits in domestic currency consist of monetary regulation deposits for $77, in both years, which have no maturity date and bear interests at the average bank deposit rate and to the deposits of the payment system in dollar (SPID for its acronym in Spanish) for $2,226 and $1,094, respectively.

Other cash equivalents:

As of December 31, 2018 and 2017, the other cash equivalents account includes coined precious metals.

Interbank loans with maturity up to three days:

As of December 31, 2018, two 2-day interbank loans were contracted for $330 and $40, with as the counterparty Nacional Financiera, Banca de Desarrollo and bearing interests at 8.1%. In addition, a 3-day interbank loan in dollars was contracted for $982, with as the counterparty Bank of New York Mellon, and bearing interests at 2%.

As of December 31, 2017, a 3-day maturity auction was made in the amount of $185, whose counterparty is the Central Bank, bearing 7.25% interest.

24, 48 and 72-hour foreign currency purchases/sales:

At December 31, 2018 and 2017, values in domestic currency of foreign currency purchases/sales to be settled in 24, 48 and 72-hours are as follows:

	2018		2017	
Currency	**Purchases**	**Sales**	**Purchases**	**Sales**
Dollar	$ 1,956	(2,367)	707	(936)
Euro	18	(31)	473	(569)
Canadian Dollar	-	(14)	-	(13)
Sterling Pound	-	(5)	-	(4)
Swiss Franc	-	(2)	14	(15)
	$ 1,974	(2,419)	1,194	(1,537)
	====	====	====	====

(7) Investment securities-

As of December 31, 2018 and 2017, Investment securities are analyzed on the next page.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

	2018			2017		
	Fair value	**Investment securities**	**Unsettled assigned securities**	**Fair value**	**Investment securities**	**Unsettled assigned securities**
Trading securities:						
Unrestricted debt instruments:						
Government debt:						
In position without deliverable securities	$ 2,552	2,552	-	298	298	-
In position	203	-	-	198	-	-
To deliver	(6,382)	-	-	(3,280)	-	-
	$ (6,179)	-	(6,179)	(3,082)	-	(3,082)
Banking debt:						
In position	$ 5	-	-	32	-	-
To deliver	-	-	-	(32)	-	-
	$ 5	5	-	-	-	-
Other debt instruments:						
In position without deliverable securities	$ 425	425	-	-	-	-
In position	-	-	-	16	-	-
To deliver	(4)	-	-	(74)	-	-
	$ (4)	-	(4)	(58)	-	(58)
Net equity instruments:						
In position without deliverable securities	$ 281	281	-	-	-	-
In position	97	-	-	366	-	-
To deliver	(136)	-	-	(84)	-	-
	$ (39)	-	(39)	282	282	-
Restricted or pledged trading securities:						
Government debt*	$ 27,992	-	-	6,222	-	-
Banking debt*	2,819	-	-	5,037	-	-
Other debt instruments*	5,356	-	-	9,152	-	-
	$ 36,167	36,167	-	20,411	20,411	-
Subtotal to the next page	$	39,430	(6,222)		20,991	(3,140)

* See note in the following page

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

	2018			2017		
	Fair value	Investment securities	Unsettled assigned securities	Fair value	Investment securities	Unsettled assigned securities
Subtotal from the previous page		$ 39,430	(6,222)		20,991	(3,140)
Restricted or pledged trading securities (other):						
Government debt**	$ 2,165	-	-	1,360	-	-
Banking debt*	-	-	-	37	-	-
Other debt instruments**	7	-	-	26	-	-
Net equity instruments**	143	-	-	21	-	-
	$ 2,315	2,315	-	1,444	1,444	-
Total trading securities		$ 41,475			22,435	
Available-for-sale securities:						
Unrestricted:						
Government debt	$ 5,208	-	-	5,838	-	-
Banking debt	1	-	-	40	-	-
Other debt instruments	806	-	-	484	-	-
	$ 6,015	6,015	-	6,362	6,362	-
Restricted or pledged:						
Government debt	$ 1,317	-	-	1,911	-	-
Banking debt*	-	-	-	74	-	-
Other debt instruments*	994	-	-	1,325	-	-
Net equity instruments	-	-	-	7	-	-
	$ 2,311	2,311	-	3,317	3,317	-
Total available-for-sale securities		8,326	-		9,679	-
Subtotal to the next page		$ 50,071	(6,222)		32,114	(3,140)

*/** See note in following page

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

	2018			2017		
	Fair value	Investment securities	Unsettled assigned securities	Fair value	Investment securities	Unsettled values securities
Subtotal from the previous page		$ 50,071	(6,222)		32,114	(3,140)
Held to maturity securities:						
Restricted or pledged:						
Other debt instruments*	$ 6,489	6,489	-	2,832	2,832	-
		$ 56,560	(6,222)		34,946	(3,140)
		=====	====		=====	=====

* Restricted or pledged trading and available-for-sale securities correspond to securities pledged as collateral in repurchase/resell agreements transactions where Corporación Actinver acts as seller (note 8), and shall only be written off the consolidated balance sheet in cases of non-compliance with the conditions set forth in the agreement and where Corporación Actinver is unable to claim the collateral.

** Corresponds to securities purchase transactions to be settled in 24, 48 and 72 hours.

For the years ended December 31, 2018 and 2017 Corporación Actinver did not make any securities transfers between categories.

The Brokerage Firm's weighted average rates (unaudited) for the years ended December 31, 2018 and 2017 are 9.21% and 7.86%, respectively and the average maturities (unaudited) are 2.55 and 3 years, respectively.

The Bank's weighted average rates (unaudited) for the years ended December 31, 2018 and 2017 are 9.16% and 8.01%, respectively and bearing interest of $838 and $659, respectively, (see note 24). The average maturities (unaudited) are 3.48 and 3.88 years, respectively.

At December 31, 2018 and 2017, the Bank complied with the limitation and did not maintain in its portfolio securities other than Mexican government securities from the same issuer in excess of 5% of its net capital of $2,815 and $2,265, respectively.

For the years ended at December 31, 2018 and 2017, Corporación Actinver did not record impairment losses for available-for-sale securities.

At December 31, 2018 and 2017, investments in debt securities other than government securities from the same issuer in excess of 5% of the Brokerage Firm's global capital, are comprised as shown on the next page.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

At December 31, 2018

Code	Name	Weighted rate	Weighted term (days)	Amount	Amount vs capital
PEMEX	Petróleos Mexicanos	8.84	415	$ 6,521	383%
CFE	Comisión Federal de Electricidad	9.04	882	1,186	70%
BINTER	Banco Interacciones S.A.	8.92	29	500	29%
FUNO	Fibra Uno Administradora S.A. de C.V.	9.36	1,491	486	29%
SCOTIAB	Scotiabank Inverlat, S.A.	8.84	955	492	29%
AERMXCB	Aerovías de México S.A. de C.V.	9.74	1,163	508	30%
MULTIVA	Banco Multiva, S.A.	9.12	276	643	38%
CABEI	Banco Centroamericano de Integración Económica	8.70	538	358	21%
FSHOP	Fibra Shop	9.69	1,228	397	23%
ARREACT	Arrendadora Actinver S.A. de C.V.	9.52	17	145	9%
FINBE	Financiera Bepensa, S.A. de C.V.	9.67	661	192	11%
DINEXCB	Dinero Express	10.99	1,746	128	8%
COMPART	Banco Compartamos S.A.	9.00	696	399	23%
AUTLNCB	Compañía Minera Autlan S.A.B. de C.V.	10.99	1,172	89	5%
AEROMEX	Grupo Aeroméxico S.A.B. de C.V.	8.94	118	180	11%
BACOMER	BBVA Bancomer, S.A.	8.97	823	93	5%
FNCOT	Instituto del Fondo Nacional para el Consumo de los Trabajadores	8.76	461	396	23%
LAB	Genomma Lab Internacional, S.A.B de C.V.	10.19	809	264	16%
VIVA	Viva Aerobus	9.47	80	264	16%
FEFA	Fondo Especial para Financiamientos Agropecuarios	8.81	999	242	14%
ELEKTRA	Grupo Elektra, S.A. de C.V.	10.49	603	213	12%
VWBANK	VolksWagen Bank, S.A.	9.02	1,404	201	12%
CFECB	Comisión Federal de Electricidad	8.66	557	183	11%
ARGLCCB	Analistas de Recursos Globales S.A.P.I. de C.V.	10.55	1,032	106	6%
		====	====	===	===

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

At December 31, 2017

Code	Name	Weighted rate	Weighted term	Amount	Amount vs capital
PEMEX	Petróleos Mexicanos	7.87	775	$ 5,723	372%
CFE	Comisión Federal de Electricidad	7.76	173	2,394	155%
BINTER	Banco Interacciones S.A.	8.45	583	2,090	136%
FUNO	Fibra Uno Administradora S.A. de C.V.	8.45	1,748	1,033	67%
SCOTIAB	Scotiabank Inverlat, S.A.	7.95	1,311	797	52%
AERMXCB	Aerovías de México S.A. de C.V.	8.96	1,413	691	45%
MULTIVA	Banco Multiva S.A.	8.82	638	646	42%
CABEI	Banco Centroamericano de Integración Económica	7.61	871	440	29%
BINBUR	Banco Inbursa S.A.	7.73	312	414	27%
FSHOP	Fibra Shop	8.84	1,567	347	23%
CFECB	Comisión Federal de Electricidad	7.66	922	303	20%
ARREACT	Arrendadora Actinver S.A. de C.V.	8.23	21	281	18%
FINBE	Financiera Bepensa, S.A. de C.V	8.82	1,007	249	16%
BMONEX	Banco Monex	8.44	194	194	13%
DINEXCB	Dinero Express	10.40	2,111	189	12%
COMPART	Banco Compartamos S.A.	8.16	892	189	12%
UNFINCB	Unifin Financiera, S.A.B. de C.V SOFOM	9.74	1,720	184	12%
AUTLNCB	Compañía Minera Autlan S.A.B. de C.V.	10.46	1,537	134	9%
AEROMEX	Grupo Aeroméxico S.A.B. de C.V.	8.54	150	134	9%
BACOMER	Bancomer IBM	8.01	1,188	110	7%
IFCOTCB	Instituto del Fondo Nacional para el Consumo de los Trabajadores	7.94	1,292	101	7%
BINVEX	Banco Invex, S.A.	7.83	256	98	6%
		====	====	===	===

(Continued)

(Millions of mexican pesos)

Risk management policies as well as the information concerning the nature and degree of risks arising from investment securities including, among others, the credit and market risks to which Corporación Actinver is exposed and the manner in which such risks are managed are discussed in note 26.

(8) Securities under repurchase/resell agreements-

At December 31, 2018 and 2017, debit and credit balances from securities under repurchase/resell agreements are as follows:

		Debtors under repurchase/resell agreements		Creditors under repurchase/resell agreements	
		2018	**2017**	**2018**	**2017**
Government debt	$	3,379	13,706	(29,116)	(6,432)
Banking debt		300	657	(2,777)	(5,065)
Bonds		2,700	1,300	(12,758)	(12,060)
		6,379	15,663	(44,651)	(23,557)
				=====	=====
Collaterals received and sold or pledged		(6,379)	(15,663)		
Debtors on repurchase/resell agreements	$	-	-		
		====	=====		

On the next page are analyzed collaterals pledged in repurchase/resell agreements as seller, recorded as restricted securities as well as collaterals received in transactions as buyer and the average maturities of securities received or pledged in these transactions, as of December 31, 2018 and 2017.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

	2018					
	Restricted securities			Buyer	Average term (days)	
	Trading	Available for sale	Held to maturity	Memorandum accounts	Sale	Purchase
Government debt	$ 27,994	1,317	-	3,703	4	2
Banking debt	2,823	-	-	300	4	2
Other debt instruments	5,356	1,006	6,489	2,586	10	2
	$ 36,173	2,323	6,489	6,589		

	2017					
	Restricted securities			Buyer	Average term (days)	
	Trading	Available for sale	Held to Maturity	Memorandum accounts	Sale	Purchase
Government deb	$ 6,159	1,911	-	12,395	5	4
Banking debt	5,074	74	-	658	3	4
Other debt instruments	9,178	1,305	2,832	1,302	5	4
	$ 20,411	3,290	2,832	14,355		

For the years ended December 31, 2018 and 2017, interest income and expense arising from repurchase/resell agreements, recognized on the consolidated statement of income within the caption "Interest income" amounted to $3,002 and $1,144, respectively and the caption "Interest expense" for $3,091 and $3,104, respectively (see note 23a).

(Continued)

(Millions of mexican pesos)

(9) Trading derivatives-

At December 31, 2018 and 2017, derivative instruments are analyzed as follows (notional amount in nominal functional currency or contract size):

2018	Underlying	Notional amount	Net fair value in financial statements Asset	Liability
Futuros	MXP	50,000,000	$ -	-
Futuros	BONO	1,050,000,000	-	(23)
Forwards	EURO	517,000	11	(12)
Forwards	USD	183,218,661	37	(29)
Swaps	CCS	1,515,022,281	39	(15)
Swaps	LIBOR	1,057,000,000	305	(305)
Swaps	IRS	104,810,063,593	1,025	(1,124)
Options	USD	-	89	(88)
Options	TIIE	5,134,203	9	(11)
Swaps	TIIE	522,567,981	5	-
Forwards	USD	4,000,000	-	-
			$ 1,520	1,607

(Continued)

(Millions of mexican pesos)

			Net fair value on financial statements	
2017	**Underlying**	**Notional amount**	**Asset**	**Liability**
Futuros	MXP	24,000,000	$ -	(1)
Futuros	BONO	1,080,000,000	17	(1)
Forwards	EURO	283,800	-	-
Forwards	USD	125,820,597	35	(43)
Swaps	CCS	161,951,375	30	(22)
Swaps	LIBOR	1,216,000,000	179	(175)
Swaps	IRS	114,412,879,792	1,014	(949)
Options	IPC	-	2	(1)
Options	USD	-	3	(2)
Options	TIIE	348,646	-	(1)
Warrants	IVV	7,850,000	-	(8)
Warrants	IPC	40,160,000	-	(41)
Swaps	TIIE	1,225,000,000	8	(25)
Forwards	USD	12,000,000	7	(4)
Options	USD	2,000,000	1	-
			$ 1,296	(1,273)
			====	=====

Futures-

At December 31, 2018 and 2017, open positions of futures operated on recognized markets have maturities of 103 and 96 days, respectively.

(Continued)

(Millions of mexican pesos)

Options issued-

In 2018, Corporación Actinver did not issue any options (warrants). As of December 31, 2017, the Brokerage firm had issued European style options (warrants) (exercisable only through the maturity date) on recognized markets over the IPC of the Mexican Stock Exchange and listed issuers, with the following characteristics:

2017	Securities	Strike price (nominal pesos)	Valued premium	Maturity
IPC805R DC379	1,879	10,000	$ 19	08-May-18
IPC806R DC380	1,562	10,000	16	01-Jun-18
IPC802R DC384	575	10,000	6	09-Feb-18
IVV806R DC012	7,850	1,000	8	18-Jun-18
			$ 49	

As of December 31, 2018 and 2017, the gain (loss) from valuation and purchase/sale of derivatives transactions are shown in note 23(c).

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

(10) Loan portfolio-

(a) Loan portfolio-

At December 31, 2018 and 2017, the loan portfolio and commitments are analyzed as follows:

		2018	2017
Current loan portfolio:			
Commercial loans:			
Unsecured transactions	$	3,789	808
Collateral transactions		1,222	1,059
Factoring transactions*		272	206
Structured loans		2,015	2,242
Mortgage-secured loans		7,565	7,732
Capital leases		3,230	2,262
Other		64	9
		18,157	14,318
Loans to nonbank financial entities		480	1,123
Consumer loans:			
Personal		2,215	2,213
Car loans		31	5
Other revolving consumer loans		653	649
		2,899	2,867
Total current loan portfolio		21,536	18,308
Past-due loan portfolio:			
Commercial loans:			
Unsecured transactions		7	7
Capital leases		46	46
Other		64	66
		117	119
Loans to nonbank financial entities		3	3
Consumer loans:			
Personal and others		21	20
Total past-due loan portfolio		141	142
Total loan portfolio, in consolidated balance sheet	$	21,677	18,450

* See note in following page.

(Continued)

(Millions of mexican pesos)

		2018	**2017**
Loan commitments recorded in memorandum accounts (note 25a)	$	6,274	1,257
		====	====

* Of the factoring transactions, in 2018 and 2017, $272 and $206, respectively have been granted under the "Cadenas productivas" program, implemented by the Mexican Government through management of Nacional Financiera, S. N. C., and the respective liability due to this entity is included in the "Due to banks and other institutions" caption (note 16).

Risk concentration:

Below is shown, on an aggregated level, the balance and percentage of concentration of the loan portfolio by economic sector at December 31, 2018 and 2017:

		2018		**2017**	
		Amount	**%**	**Amount**	**%**
Commercial and services	$	9,096	42	6,122	33
Consumer		2,919	14	2,887	16
Capital leasing and structured loans		5,291	25	4,222	24
Construction and housing		2,216	10	1,682	9
Manufacturing and industrial		1,359	6	775	4
Financial services		512	2	2,671	13
Agriculture, forestry and fishing		284	1	91	1
	$	21,677	100	18,450	100
		=====	===	=====	===

At December 31, 2018 and 2017, the balance of loans granted to the three main debtors is $1,158 and $1,308, respectively.

Loan granting fees-

Amounts of interests and fees earned (note 23a) by type of loan for the years ended December 31, 2018 and 2017, respectively are shown on the following page.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

	2018		2017	
	Interest	**Fee**	**Interest**	**Fee**
Business and commercial	$ 1,074	32	785	24
Consumer	541	24	447	15
Capital Leasing	228	-	211	-
Structured loans	226	-	166	-
	$ 2,069	56	1,609	39

Capital lease accounts receivable-

At December 31, 2018 and 2017, capital lease accounts receivable are analyzed as follows:

	2018	**2017**
Capital lease accounts receivable in mexican pesos	$ 2,156	1,776
Capital lease accounts receivable in dollars converted	516	59
Residual value of assets under lease, net	527	290
Past-due loan	45	46
Accrued accounts receivable	38	16
Financial hedging instruments	(6)	(19)
	3,276	2,168
Less:		
Allowance for lease portfolio losses	(185)	(146)
Lease accounts receivable, net	$ 3,091	2,022

(Continued)

(Millions of mexican pesos)

As of December 31, 2018 and 2017, capital lease accounts receivable, were pledged as guarantee for loans received from banking institutions (see note 16).

Corporación Actinver has entered into capitalized leases with terms between one and eight years for which it recognizes the amount of monthly income enforceable on such contracts under the caption "Interest income" in the consolidated statement of income.

Accounts receivable for capital leases at December 31, 2018 and 2017, have maturities until 2024.

As of December 31, 2018 and 2017, the balance of loans from capital leases considering their expiration date are shown below:

	Maturity less than 1 year	Maturity from 2 to 5 years	Maturity greater than 5 years	Total
2018	$ 1,089	1,861	302	3,252
	===	====	===	====
2017	$ 793	1,297	97	2,187
	===	====	===	====

Structured loans-

At December 31, 2018 and 2017, structured loans are analyzed on the next page.

(Continued)

(Millions of mexican pesos)

Segment		2018	2017	Rate
Transports	$	319	545	Fixed and variable
Infrastructure		660	433	Variable
Financial services		469	406	Fixed and variable
Commerce		7	207	Variable
Industry		96	149	Fixed and variable
Health		-	105	Variable
Recreation		124	73	Variable
Technology		25	44	Variable
Hotel industry		17	20	Variable
Retail		-	26	Fixed and variable
Others		298	234	Fixed and variable
		2,015	2,242	
Impairment allowance		(30)	(24)	
Structured loans, net	$	1,985	2,218	
		====	====	

At December 31, 2018, structured loans have an average term of 45 months at variable rates that range from 9% to 15.6%. (At December 31, 2017, the average term was 45 months at variable rates between 9% and 12.6%).

(b) *Annual weighted lending rates-*

For the years ended December 31, 2018 and 2017, the annual weighted lending rates (unaudited) were as follows:

	2018	2017
Commercial loans	11.24%	8.04%
Personal loans	10.24%	10.41%
Capital leasing	11.46%	11.70%
Structured loans	10.57%	10.80%
	=====	=====

For the years ended December 31, 2018 and 2017, Corporación Actinver had no losses or recoveries of previously written down loans.

(Continued)

(Millions of mexican pesos)

(c) Allowance for loan losses-

As explain in note 3(l), Corporación Actinver classifies its loan portfolio and establishes an allowance to cover credit risks associated with the recovery of its loan portfolio.

At December 31, 2018 and 2017, the estimated allowance for the portfolio amounts to $506 and $412, respectively, of which $291 and $241, respectively, correspond to the Bank's estimate while $215 and $171, respectively, correspond to Arrendadora Actinver. At December 31, 2018 and 2017, there were no additional reserves.

The classification by degree of risk and type of credit of the Bank's portfolio allowance for loan losses at December 31, 2018 and 2017, is analyzed below:

Commercial and financial entities loans portfolio

	2018		2017	
	Amount of portfolio	Allowance	Amount of portfolio	Allowance
Commercial loans portfolio				
A-1	$ 10,188	50	8,168	37
A-2	1,262	14	1,604	19
B-1	948	14	749	13
B-2	738	17	291	6
B-3	239	7	118	4
C-1	11	1	1	-
C-2	6	1	1	-
D	3	1	37	14
E	72	72	44	44
	$ 13,467	177	11,013	137
	=====	===	=====	===

As of December 31, 2018 and 2017, the Commercial loans portfolio caption includes structured loans and capital leases portfolio amounting to $5,290 and $4,550, respectively, with allowance for loan losses of $215 and $171, respectively.

(Continued)

(Millions of mexican pesos)

	2018		2017	
	Amount of portfolio	Allowance	Amount of portfolio	Allowance
Consumer loans portfolio				
A	$ 2,088	24	1,990	22
B	480	21	591	25
C	213	19	196	20
D	92	19	58	12
E	47	31	52	25
	$ 2,920	114	2,887	104

An analysis of the movements of the allowance for loan losses is presented below for the years ended December 31, 2018 and 2017:

	2018	2017
Balance at the beginning of the year	$ 412	275
Increase in the period´s income	105	177
Applications	(36)	(42)
Cancelations*	-	(16)
Effect from change in the loan portfolio rating methodology recorded in retained earnings	30	20
Cancelations recognized under the caption "Other operating income, net"*	(5)	(2)
Balance at the end of the year	$ 506	412

* See note 3(l).

The credit policies of Corporación Actinver relating to the procedures in place for the granting, control and recovery of loans as well as those relating to the follow-up of credit risk, risk concentration, trouble loans and the designation of loan portfolio as restricted, are described in note 26.

(Continued)

(Millions of mexican pesos)

(11) Other accounts receivable, net-

At December 31, 2018 and 2017, other accounts receivable are analyzed as follows:

		2018	2017
Debtors on transaction settlement, net	$	6,555	4,080
Sundry debtors		845	933
Operating lease portfolio		19	8
Recoverable taxes		220	57
Employee loans		36	23
Related parties (note 21)		52	70
Allowance for doubtful accounts		(28)	(33)
	$	7,699	5,138
		====	====

(12) Furniture and equipment, net-

At December 31, 2018 and 2017, the balances of proprietary furniture and equipment are integrated as shown below:

		2018	2017	Depreciation and amortization annual rate	Useful life (years)
Leasehold improvements	$	325	311	Various	Various
Office furniture and equipment		183	176	10%	10
Computer equipment		219	178	Various	Various
Equipment acquired under financial leases		32	32	Various	Various
Land and property		10	12	-	-
Transportation equipment		3	3	25%	4
Accumulated depreciation and amortization		(474)	(416)		
	$	298	296		
		===	===		

For the years ended December 31, 2018 and 2017, the depreciation expense charged to income was $33 and $57, respectively, while the amortization expense amounted to $58 and $13, respectively.

(Continued)

(Millions of mexican pesos)

Additionally, there are property, plant and equipment under operating lease agreements used for the activities of Arrendadora Actinver, which are analyzed as follows:

2018		**Cost**	**Accumulated depreciation**	**Net value**	**Annual depreciation rate**
Transportation equipment	$	149	(96)	53	10%, 18%, 20% y 25%
Machinery		309	(238)	71	9%, 10%, 20% y 25%
Furniture and office equipment		6	(4)	2	10% y 20%
Property		36	(9)	27	5.88%
Land		43	-	43	-
Computer equipment		85	(85)	-	20% y 33%
Total	$	628	(432)	196	

2017					
Transportation equipment	$	337	(253)	84	10%, 18%, 20% y 25%
Machinery		367	(249)	118	9%, 10%, 20% y 25%
Furniture and office equipment		23	(11)	12	10% y 20%
Property		29	(8)	21	5.88%
Land		36	-	36	-
Computer equipment		85	(83)	2	20% y 33%
Total	$	877	(604)	273	

For the years ended December 31, 2018 and 2017, the depreciation charged to net income with regard to these assets was $58 and $102, respectively. Depreciation rates applied for these equipments were determined considering their estimated useful life.

(13) Permanent investments-

At December 31, 2018 and 2017, permanent investments are analyzed on the next page.

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

		2018	2017
Debt instruments funds	$	25	25
Equity funds		47	48
Management and investment trusts		20	47
Private equity investment fund		344	338
Cecoban, S. A. de C. V.		3	2
	$	439	460

For the years ended December 31, 2018 and 2017, the share in the equity investments was $(2) and $5, respectively.

(14) Other assets, deferred charges, prepaid expenses and intangibles, net-

At December 31, 2018 and 2017, the caption of other assets, deferred charges, prepaid expenses and intangibles is analyzed as follows:

		2018	2017
Intangibles	$	1,097	1,097
Reference costs on portfolio acquisitions		280	280
Licensing and software, net		275	242
Prepaid expenses		175	167
Guarantee deposits		14	80
Other assets		97	7
Accumulated amortization		(274)	(215)
	$	1,664	1,658

The amortization charged to the consolidated income for the years ended December 31, 2018 and 2017 was $59, in both years. Reference costs paid are increasingly amortized over a 10 year term. For the years ended December 31, 2018 and 2017, the amortization amounts to $32 and $31, respectively.

(Continued)

(Millions of mexican pesos)

(15) Deposits funding-

At December 31, 2018 and 2017, demand deposits amount to $9,517 and $4,710, respectively.

At December 31, 2018 and 2017, the annual average of deposit interest rates in pesos (unaudited) is analyzed as follows:

	2018	2017
Demand deposits	1.45%	1.60%
Time deposits	7.93%	6.87%
Debt securities issued	8.84%	7.98%
	====	====

At December 31, 2018 and 2017, time deposits classified by their maturity days are as follows:

		Days				Greater than	
2018		**1-30**	**31-60**	**61-90**	**91-180**	**180 days**	**Total**
General public	$	3,395	1,181	829	50	-	5,455
Money market		2,343	1,488	1,417	363	2,990	8,601
		====	====	====	====	===	====
2017							
General public	$	3,482	904	567	70	-	5,023
Money market		3,410	680	776	819	1,674	7,359
		====	====	====	====	===	====

At December 31, 2018 and 2017, traditional funding proceeding from the money market includes yield-to-maturity promissory notes, bearing interests at rates from 8.15% to 8.47% and maturities from 1 to 180 days (in 2017, the rates range from 5.25% to 7.46% and maturities from 1 to 179 days). It also includes deposit certificates at rates from 7.87% to 9.16% and maturities from 24 to 364 days (in 2017, at rates ranging from 6.94% to 8.16% and maturities from 28 to 364 days).

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Debt securities issued:

At December 31, 2018 and 2017 debt securities classified by type of issuance are analyzed below:

2018

Issuance Ticker	Securities	Outstanding balance	Rate	Maturity
ACTINVR 16 (a)	Stock certificates	$ 503	TIIE+180 pts	May-03--21
ACTINVR 17 (b)	Stock certificates	452	TIIE+180 pts	Oct-06–21
ACTINVR 17-2 (c)	Stock certificates	352	TIIE+180 pts	Dic-16-21
ACTINVR 18 (d)	Stock certificates	503	TIIE+145 pts	Nov-30-23
BACTIN 16 (e)	Stock certificates	1,205	TIIE+95 pts	Jul-04--19
BACTIN 17 (f)	Stock certificates	1,004	TIIE+95 pts	Nov-12-20
ARREACT 16	Stock certificates	504	TIIE+1.70 pts	Feb-28-19
ARREACT 00218	Stock certificates	201	TIIE+1.20 pts	Jan-10-19
ARREACT 00718	Stock certificates	212	TIIE+1.20 pts	Jan-17-19
ARREACT 01418	Stock certificates	101	TIIE+1.10 pts	Apr-25-19
ARREACT 01918	Stock certificates	101	TIIE+1.10 pts	May-16-19
ARREACT 02518	Stock certificates	250	TIIE+1.20 pts	Jun-11-19
ARREACT 02718	Stock certificates	604	TIIE+1.30 pts	Jun-13-19
ARREACT 03618	Stock certificates	59	TIIE+0.70 pts	Feb-22-19
ARREACT 03718	Stock certificates	46	TIIE+0.60 pts	Jan-03-19
ARREACT 04118	Stock certificates	122	9.02%	Jan-17-19
ARREACT 04218	Stock certificates	122	9.02%	Jan-17-19
ARREACT 04318	Stock certificates	86	TIIE+0.50 pts	Jan-10-19
ARREACT 04418	Stock certificates	624	TIIE+1.24 pts	Oct-11-19
ARREACT 04618	Stock certificates	96	TIIE+1.24 pts	Oct-17-19
ARREACT 04718	Stock certificates	276	8.74%	Jan-10-19
ARREACT 04818	Stock certificates	60	TIIE+0.60 pts	Apr-10-19
ARREACT 04918	Stock certificates	40	TIIE+0.80 pts	Jul-04-19
Total		**$7,523**		

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

2017

Issuance Ticker	Securities	Outstanding Balance	Rate	Maturity
ACTINVR 16 (a)	Stock certificates	$ 501	TIIE + 180 bps	May-03-21
ACTINVR 17 (b)	Stock certificates	452	TIIE + 180 bps	Oct-06-21
ACTINVR 17-2 (c)	Stock certificates	350	TIIE + 180 bps	Dec-16-21
BACTIN 16 (e)	Stock certificates	1,204	TIIE + 95 bps	Jul-04-19
BACTIN 17 (f)	Stock certificates	1,003	TIIE + 95 bps	Nov-12-20
ARREACT 16	Stock certificates	503	TIIE + 170 bps	Feb-28-19
ARREACT 01317	Stock certificates	251	TIIE + 130 bps	Feb-15-18
ARREACT 02717	Stock certificates	100	TIIE + 110 bps	May-17-18
ARREACT 03317	Stock certificates	604	TIIE + 130 bps	Jun-21-18
ARREACT 05417	Stock certificates	35	TIIE + 70 bps	Mar-23-18
ARREACT 05517	Stock certificates	44	TIIE + 70 bps	Feb-1-18
ARREACT 06217	Stock certificates	402	TIIE + 130 bps	Nov-9-18
ARREACT 06417	Stock certificates	151	TIIE + 50 bps	Jan-22-18
ARREACT 06517	Stock certificates	100	TIIE + 130 bps	Nov-9-18
ARREACT 06617	Stock certificates	40	TIIE + 80 bps	Jun-7-18
ARREACT 06717	Stock certificates	300	TIIE + 50 bps	Jan-25-18
ARREACT 06817	Stock certificates	227	7.89%	Jan-11-18
ARREACT 06917	Stock certificates	100	7.93%	Jan-11-18
ARREACT 07017	Stock certificates	34	TIIE + 130 bps	Nov-15-18
ARREACT 07117	Stock certificates	50	TIIE + 60 bps	Mar-22-18
Total		**$ 6,451**		

(a) Are part of the third issuance of the 2013 program of stock-exchange certificates for $500, maturing in September 2021.

(b) On March 1, 2017, 4,500,000 bonds were issued under issuance ticker ACTINVR 17 at a nominal value of $100.00 with a 3-year maturity, bearing a TIIE interest rate plus 1.80 percent points.

(c) On May 11, 2017, 3,500,000 bonds were issued under issuance ticker ACTINVR 17-2 at a nominal value of $100.00 with a 5-year maturity, bearing a TIIE interest rate plus 1.80 percent points.

(d) Are part of an program authorized by the National Banking and Securities Commission under Official Letter number 153/12557/2018 dated December 3, 2018; 5 million of certificates were issued under issuance ticket ACTINVR-18 for $500, bearing a TIIE interest rate plus 1.45 percent points and maturing in November 2023.

(Continued)

(e) On November 16, 2017, the Bank issued stock certificates under issuance ticker "BACTIN 17" maturing on November 12, 2020 (term of 1,092 days divided into 39 periods) for $1,000, accruing interests at TIIE plus 95 basis points and settled every 29-day period.

(f) On July 7, 2016, the Group issued stock certificates under issuance ticker "BACTIN 16" maturing on July 4, 2019 (term of 1,092 days divided into 39 periods) for $1,200, accruing interests at TIIE plus 95 basis points and settled every 29-day period.

On March 1, 2017, the total of stock certificates under issuance ticker ACTINVR 13 was amortized early representing a principal of $300.

On March 3, 2017, the total of convertible bonds ACTINVR 12 was amortized due to maturity representing the total amount of $225 plus the corresponding interest payment at maturity date.

On March 11, 2017, the total of stock certificates under issuance ticker ACTINVR 14 was amortized early representing a principal of $350.

The debt conversion option for a fixed number of shares, by decision of the holder, is a combined financial instrument, including:

a) A premium for the option, as a component of capital.

b) The purchase option, by decision of the holder into a fixed number of shares as an equity instrument, or liquidation of a fixed monetary value, such as a debt instrument.

c) A virtually inescapable interest payment obligation at TIIE minus 30 basis points.

The liability component is determined by calculating the present value of future cash flows, discounted at the appropriate interest rate corresponding to a debt instrument without the equity component. In the case of the determination of the liability component for bonds issued by Corporación Actinver, the appropriate rate of interest was considered to be the one associated with the two issuances of share certificates without the conversion option and therefore without equity component.

The consideration received is subtracted from the present value determined under the preceding paragraph, to obtain the premium amount recorded in stockholders' equity as a premium for optionally convertible bonds.

(Continued)

(Millions of mexican pesos)

(16) Due to banks and other institutions-

At December 31, 2018 and 2017, the caption "Due to banks and other institutions" include the following:

Institution	Credit line amount	Short term	Long term	Total	TIIE variable rate
2018					
Nacional Financiera, SNC	$ 1,500	$ 267	$ -	$ 267	5.70% fixed
Banco Inbursa, S. A.	500	251	-	251	+2.9 pts
Banco Bajío, S. A.	525	200	90	290	+2.5 pts y 3.0 pts
BBVA Bancomer, S. A.	75	75	-	75	+2.9 pts
Banco Mercantil del Norte, S. A.	380	150	-	150	+2.5 pts
Banco Invex, S. A.	100	76	-	76	+2.5 pts
Banco Bancoppel, S. A.	150	151	-	151	+2.5 pts
Totals		**$ 1,170**	**$ 90**	**$ 1,260**	
2017					
Nacional Financiera, SNC	$ 1,500	$ 202	$ -	$ 202	5.70% fixed
Banco Central	-	250	-	250	7.25%
Banco Inbursa, S.A.	500	382	-	382	+ 2.90 bps
Banco Bajio, S. A.	400	215	80	295	+2.5 bps y 3.0 bps
Banco Azteca, S. A. *	11.2	66	-	66	5% fixed
BBVA Bancomer, S. A.	75	76	-	76	+2.5 bps
Banco Interacciones, S. A.	380	81	-	81	+2.5 bps
Banco Invex, S. A.	150	151	-	151	+2.25 bps
Banco Bancoppel, S. A.	100	25	50	75	+2.5 bps
Totals		**$ 1,448**	**$ 130**	**$ 1,578**	

* Credit line is contracted in dollars and presented converted to pesos.

(Continued)

(Millions of mexican pesos)

Interbanks loans are subject to certain affirmative and negative covenants, which if not complied individually or in the aggregate may lead to the bank loans becoming immediately due and payable to the financial creditors.

(17) Sundry creditors and other accounts payable-

At December 31, 2018 and 2017, the balance of sundry creditors and other accounts payable is shown as follows:

		2018	2017
Provisions for sundry obligations	$	1,092	420
Other taxes and duties payable		314	217
Overdraft on currency purchase/sale transactions (note 6)		445	343
Other accounts payable		281	603
Employee benefits (note 18)		96	83
	$	2,228	1,666

(18) Employee benefits-

Post – Employment Benefits

Corporación Actinver has a plan for seniority premium and legal compensation that covers all its full-time staff. The benefits are based on years of service and the last salary received by the participant at the time of separation from Corporación Actinver.

The cost, obligations and other pension plans elements, seniority premiums and post-employment benefits other than restructuring, mentioned in note 3(v) are determined based on estimates prepared by independent actuaries as of December 31, 2018 and 2017. The elements of the net defined benefits cost for the years ended December 31, 2018 and 2017 are as shown on the next page.

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Post-retirement benefits		**2018**	**2017**
Current service cost (CLSA)	$	21	3
Net interest on Net Liability from Defined Benefits (PNBD)		11	3
DBNL remeasurements recognized in OCI		6	2
Defined benefits cost	$	38	8
Beginning balance of PNBD remeasurements	$	83	28
Reclassification of remeasurements		(11)	(2)
Remeasurements generated in the year		18	57
Ending balance of PNBD remeasurements	$	90	83
Beginning balance of PNBD	$	85	48
Defined benefits cost		38	6
Payments charged to PNBD		(35)	(28)
Remeasurements generated in the year recognized in OCI		8	57
Ending balance of PNBD	$	96	83

(Continued)

(Millions of mexican pesos)

At December 31, 2018 and 2017, the PNBD from termination and retirement benefits for $96 and $83, respectively, is included in the caption "Sundry creditors and other accounts payable" (see note 17).

The most significant assumptions used in determining net periodic cost of the plans are shown below:

	2018	**2017**
Nominal discount rate used to reflect the present value of obligations	8.90%	7.50%
Nominal rate of increase in future salary levels	5.80%	5.30%
Remaining average service life of workers (retirement benefits)	8 years	9 years

(19) Income Tax (IT) and Employee Statutory Profit Sharing (ESPS)-

IT Law effective as of January 1, 2014 establishes an IT rate of 30% for 2014 and thereafter.

Since 2014, the basis of calculation for the current ESPS is the taxable income for IT purposes with certain adjustments.

For the years ended at December 31, 2018 and 2017, current ESPS amounts to $69 and $38, respectively, and is recorded in the consolidated statement of income under the caption “Administrative and promotion expenses”.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Current and deferred income taxes

The current and deferred IT (expense) income in the consolidated statement of income for the years ended December 31, 2018 and 2017 is analyzed as follows:

	2018				2017			
	IT		ESPS		IT		ESPS	
	Current	Deferred	Current	Deferred	Current	Deferred	Current	Deferred
Bank	$ (192)	25	(68)	6	(111)	53	(38)	18
Brokerage firm	(168)	88	-	-	(178)	54	-	-
Investment Fund Manager	(25)	5	-	-	(4)	4	-	-
Corporación Actinver	-	32	-	-	(22)	14	-	-
Arrendadora Actinver	(26)	9	-	-	(40)	76	-	-
Actinver Holdings	(18)	-	-	-	(21)	-	-	-
Desarrollos Actinver	-	4	-	-	-	1	-	-
Actinver Consultoría	(12)	-	-	-	(4)	(1)	-	-
Servicios Actinver	(2)	-	(1)	-	(1)	-	-	-
Actinver Tracs	(2)	-	-	-	(3)	-	-	-
Financial Group	-	2	-	-	-	(2)	-	-
	$ (445)	165	(69)	6	(384)	199	(38)	18

Deferred taxes

In assessing the recoverability of deferred tax assets, Corporación Actinver´s Management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon several factors which include: the generation of future taxable income, the loan portfolio behavior and its allowance, among others. Corporación Actinver´s Management considers the expected reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

The tax effects of the temporary differences which cause significant portions of assets and liabilities of deferred income taxes and ESPS as of December 31, 2018 and 2017, are analyzed bellow:

		2018		2017	
		IT	**ESPS**	**IT**	**ESPS**
Deferred liabilities:					
Investment securities valuation	$	178	(31)	(117)	(20)
Prepaid expenses		(75)	(49)	(104)	(53)
ESPS deferred		(56)	-	(51)	-
Total deferred liability		47	(80)	(272)	(73)
Deferred assets:					
Furniture and equipment, net		482	96	427	108
Allowance for doubtful accounts receivable		435	271	390	245
Provisions		343	51	259	53
Fees		171	171	123	123
Current ESPS		68	-	38	-
Employees benefits provisions		37	97	31	85
Write-offs		7	7	7	7
Impairment allowance		14	14	14	14
Stock valuation		4	-	39	34
Others		128	48	97	-
Basis of deferred assets, net		1,736	675	1,153	596
Tax rate		30%	10%	30%	10%
Deferred IT		521	68	346	60
Valuation allowance		-	-	(2)	(4)
Deferred asset, net	$	521	68	344	56
		===	==	===	===
		$ 589		400	
		===		===	

Changes in deferred IT and ESPS for the years ended December 31, 2018 and 2017, are analyzed on the next page.

(Continued)

(Millions of mexican pesos)

		2018	2017
At beginning of year	$	400	180
Net income:			
Deferred IT		173	199
Deferred ESPS		6	18
Stockholders' equity:			
Valuation effects of available-for-sale securities and remeasurements of employee defined benefits and allowance for doubtful accounts		10	3
	$	589	400

Other considerations:

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

In accordance with the IT Law, corporations carrying out transactions with related parties, whether domestic or foreign, are subject to certain limitations and requirements as to the determination of prices, since such prices must be equivalent to those that would be used in arm's-length transactions.

(20) Stockholders' equity-

The main characteristics of Stockholders' equity are described below:

(a) Structure of capital stock-

2018 agreements

- On April 24, 2018 at the annual Ordinary General Stockholders' Meeting, it was approved the cancellation of 7,000,000 common, registered, series "B" shares, with no par value, representing the variable portion of the capital stock, which are held for its own account. As a consequence of the cancellation of own shares, the number of outstanding shares was reduced to 563,000,000 and the variable portion of capital stock authorized in the amount of $11, evidencing that the reduction of the variable portion of capital stock does not imply any reimbursement to the stockholders or any release granted to them from unrealized installments.

(Continued)

2017 agreements

- On April 25, 2017, at annual Ordinary General Stockholders' Meeting, a resolution was passed to approve the cancellation of 6,763,562 common, registered, series "B" shares, with no par value, representing the variable portion of the capital stock, which are held on its own. As a consequence of the cancellation of the respective shares, the number of outstanding shares was reduced to 570,000,000 and the variable portion of capital stock authorized in the amount of $11, evidencing that the reduction of the variable portion of capital stock does not imply any reimbursement to the stockholders or any release granted to them from unrealized installments.

- Additionally, a resolution was passed to cancel 22,298,803 treasury shares, which had been issued to ensure the compliance with the issuance of debentures for 2012 as in February 2017, the term for holders of the debentures to notify their intention to convert such debentures in shares representing capital stock expired. Such cancellation did not imply any reimbursement as such shares were not subscribed or paid as of that date.

At December 31, 2018 and 2017, the historical capital stock of Corporación Actinver amounts to $925 and $936, respectively.

(b) Comprehensive income-

The comprehensive income reported in the consolidated statement of changes in stockholders' equity represents the results of Corporación Actinver activities during the years ended as of December 31, 2018 and 2017, and includes the net income, cumulatives subsidiaries foreign currency translation effects and the gain or loss from valuation of investments in available-for-sale securities and the remeasurements of employees' defined benefits, net of deferred IT.

(c) Stockholders' equity restrictions-

The General Corporations Law requires that Corporación Actinver set aside annually 5% of its net income to the statutory reserves up to 20% of its paid-in capital stock.

The current value, based on the tax basis of stockholders' contributions may be reimbursed to the stockholders tax-free, to the extent that the tax basis of such contributions equal or exceed stockholders' equity.

For refunds of capital or distribution of profits amongst shareholders, income tax is assessed on the amount refunded or distributed that exceeds the amount calculated for tax purposes.

The retained earnings of subsidiaries may not be distributed to Corporación Actinver stockholders until dividends have been received. Also, gains from the fair value valuation of investment securities and derivative transactions may not be distributed until realized.

(Continued)

(Millions of mexican pesos, except as noted otherwise)

(d) Treasury share reserve-

At December 31, 2018 and 2017, the treasury share reserve maximum amount totals $600, in both years.

At December 31, 2018 and 2017, the net cumulative share buybacks amount to $512 and $365, respectively, share buybacks for the years ended December 31, 2018 and 2017 were $159 and $142 respectively; the market value of the shares at December 31, 2018 and 2017 was $13 pesos per share and such shares should be resold in the market within one year after the buyback date.

(e) Dividend payments-

On April 24, 2018, the annual Ordinary and extraordinary General Stockholders' Meeting approved the declaration of dividends to the stockholders of Corporación Actinver at $0.12 pesos per share, which were paid in two installments, on May 30, 2018 and September 21, 2018.

On April 25, 2017, at the annual Ordinary General Stockholders' Meeting, the payment of dividend was agreed at $0.10 pesos per share, which were paid in two installments, in May and October 2017, in the amount of $29 and $28, respectively.

(f) Capitalization (unaudited)-

Capitalization index - Bank

The Credit Institutions Law requires that credit institutions maintain a net capital in relation to the market, credit and other risks incurred in their operation, which may not be less than the amount that results from adding up the capital requirements by type of risk.
Appendix 1-O of the Provisions lists the information regarding capitalization that credit institutions must disclose, which is summarized below and presented in detailed in Appendix 1 to the consolidated financial statements.

Section	Description
I.	Detail of net capital.
II.	Ratio of net capital to the balance sheet (for purposes of this disclosure the Bank uses its unconsolidated financial information, as set out in Appendix 1-O of the Provisions).
III.	Total weighted assets subject to risks.
IV.	Characteristics of securities comprising the net equity.
V.	Capital management.

Every month, the Bank reports to the Risk Committee and to the Asset and Liability Committee the capitalization index trend, breaking down such index by basic and net capital. Moreover, an explanation is provided of the significant variances in weighted assets by credit and market risk as well as stockholders' equity movements.

(Continued)

(Millions of mexican pesos)

Additionally, prior to carrying out important commercial banking and treasury operations, the potential impact on the capital requirement is determined in order that the Committees referred to in the preceding paragraph authorize such operations. For such operations, the Bank considers a minimum capitalization index as basis, which is higher than that required by the Banking Commission for early warnings.

Capitalization index – Brokerage Firm

The Banking Commission requires that brokerage firms have a minimum capitalization percentage over risk-based assets, which are computed by applying certain percentages based on the risk assigned in accordance with Central Bank rules.

The information (unaudited) corresponding to the Brokerage Firm's global capital, risk-based assets and capital requirements at December 31, 2018 and 2017 is shown below:

Capital at December 31	**2018**	**2017**
Global capital	$ 1,704	1,540
Requirements for market risk	403	279
Requirements for credit risk	559	569
Requirements for operational risk	127	121
Total capitalization requirements	1,089	969
Excess in the global capital	$ 615	571
Capital consumption ratio	63.93%	62.88%
Global capital / Capitalization requirements	1.56	1.59
Requirements for operational risk	$ 127	121

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Risk assets as of December 31, 2018:		**Equivalent risk assets**	**Capital requirement**
Market risk:			
Transactions in mexican pesos at nominal rates	$	2,131	171
Transactions in mexican pesos at interest rates over nominal rate		445	36
Transactions at real interest rates		1,890	151
Transactions in foreign currency at nominal rates		28	2
Foreign currency positions or with exchange rate indexed yields		94	7
Transactions in UDIs or indexed to National Consumer Price Index (NCPI)		90	7
Share positions or with a share or group of shares price indexed yields		364	29
Total market risk		5,042	403
Credit risk:			
From derivatives		160	13
From debt securities position		5,971	478
From deposits and borrowings		134	11
Permanent investments, properties, furniture, prepaid expenses and deferred charges		726	58
Total credit risk		6,991	560
Operational risk:			
Total operational risk		1,586	127
Total market, credit and operational risks	$	13,619	1,090

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Risk assets as of December 31, 2017:	**Equivalent risk assets**	**Capital requirement**
Market risk:		
Transactions in mexican pesos at nominal rates	$ 2,182	175
Transactions in mexican pesos at interest rates over nominal rate	527	42
Transactions at real interest rates	257	21
Transactions in foreign currency at nominal rates	23	2
Foreign currency positions or with exchange rate indexed yields	62	5
Transactions in UDIs or indexed to NCPI	3	-
Share positions or with a share or group of shares price indexed yields	429	34
Total market risk	3,483	279
Credit risk:		
From derivatives	164	13
From debt securities position	6,143	491
From deposits and borrowings	118	9
Permanent investments, properties, furniture, prepaid expenses and deferred charges	683	121
Total credit risk	7,108	569
Operational risk:		
Total operational risk	1,513	121
Total market, credit and operational risks	$ 12,104	969

(Continued)

(Millions of mexican pesos)

Capital adequacy is monitored by the Market Risk Area through capitalization levels whereby it provides for daily and monthly follow-up of the Brokerage Firm's operating limits, determined on the basis of basic capital, thus preventing potential capital shortfalls and, consequently, taking appropriate measures if necessary. At December 31, 2018 and 2017, the Brokerage Firm's Capitalization Index was 12.51% and 12.72%, respectively.

(21) Related party transactions and balances-

During the normal course of business, Corporación Actinver carries out transactions with related parties. According to policies of Corporación Actinver, the Board of Directors authorizes all credit transactions with related parties, which are granted at market rates with guarantees and terms in accordance with sound banking practices.

The main transactions carried out with related parties during the years ended December 31, 2018 and 2017, are shown as follows:

		2018	2017
Operations:			
Income:			
Fund management			
Investment funds	$	1,766	1,393
Custody of securities			
Investment funds		53	47
		====	====

Balances receivable from related parties as of December 31, 2018 and 2017, were as shown below:

		2018	2017
Administrative services:			
Investment funds (note 11)	$	52	70
		==	==

Related parties transactions do not accrue interests and do not have a defined term.

The balances of structured loans granted to executives at December 31, 2018 and 2017 amounted to $66 and $48 with maturity of 45 months, and bear variable interest rate of TIIE plus 150 basis points.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

(22) Segment information (non audited)-

Financial information by segments of Corporación Actinver is shown as follows:

2018									
Concept		**Management of investment funds**	**Treasury and investment banking**	**Brokerage**	**Credit and corporate activities**	**Leasing**	**Other services activities**		**Total**
Interest income, net	$	-	653	25	333	123	8		1,142
Commission and fee income, net, financial intermediation income (loss) net, and other operating income(loss), net		1,812	375	851	14	15	601		3,668
Net income		1,812	1,028	876	347	138	609		4,810
Allowance for loan losses		-	-	-	(55)	(50)	-		(105)
Administrative and promotional expenses		(1,448)	(821)	(699)	(277)	(45)	(486)		3,776
Net operating income by segments before income taxes and before equity method in the result of associated companies	$	364	207	177	15	43	123		929
Equity method in the results of associated companies and non controlling interest									(4)
Current and deferred income taxes, net									(280)
Net income attributable to controlling interest								$	645

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

				2017				
Concept		**Management of investment funds**	**Treasury and investment banking**	**Brokerage**	**Credit and corporate activities**	**Leasing**	**Other activities from services**	**Total**
Interest income, net	$		493	43	268	79	20	903
Commission and fee income, net, Financial intermediation income (loss) net, other operating income, (loss) net		1,616	583	647	6	(32)	520	3,340
Net income		1,616	1,076	690	274	47	540	4,243
Allowance for loan losses		-	-	-	(46)	(115)	-	(161)
Administrative and promotional expenses		(1,277)	(850)	(545)	(216)	(43)	(429)	(3,360)
Net operating income by segments before income taxes and before equity method in the result of associated companies	$	339	226	145	12	(111)	111	722
Equity method in the results of associated companies and non controlling interest								-
Current and deferred income taxes, net								(185)
Net income attributable to controlling interest								$ 537

Assets and liabilities by business segments at December 31, 2018 and 2017 are shown on the next page.

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

		Credit and corporate activities	Other activities from services	Brokerage	Management of investment funds	Treasury and investment banking	Leasing	Total
2018								
Assets	$	6,870	12,050	17,266	35,885	19,554	2,730	94,355
Liabilities		6,445	11,305	16,194	33,666	18,295	2,562	88,467
		=====	=====	=====	=====	====	====	=====
2017								
Assets	$	4,674	8,197	11,796	24,412	13,853	1,858	64,790
Liabilities		4,279	7,504	10,800	22,351	12,683	1,701	59,318
		=====	====	=====	=====	====	====	=====

(23) Additional information on net income-

(a) Financial margin

Financial margin for the years ended December 31, 2018 and 2017 is analyzed below:

		2018	2017
Interest income:			
Cash and cash equivalents	$	58	24
Investment securities		901	2,616
Interest on repurchase/resell agreements (note 8)		3,002	1,144
Loan portfolio (note 10a)		2,069	1,609
Fees from initial granting of loan (note 10a)		56	39
Others		-	6
		6,086	5,438
Interest expense:			
Demand deposits		57	63
Time deposits		1,051	887
Due to banks and other institutions		131	153
Debt securities issued		614	328
Interest on repurchase/resell agreements (note 8)		3,091	3,104
		4,944	4,535
	$	1,142	903
		====	====

(Continued)

(Millions of mexican pesos)

(b) Commission and fee income and expense-

For the years ended December 31, 2018 and 2017, commission and fee income and expense are analyzed as follows:

		2018	2017
Commission and fee income:			
Securities purchase/sell	$	243	215
Trust activities (note 25b)		157	109
Custody and management of assets		1,925	1,195
Other commission and fee income		470	955
	$	2,795	2,474
Commission and fee expense:			
Mexican Stock Market	$	26	20
Financial intermediaries		182	139
S.D. Indeval		19	28
Other commission and fee expense		124	171
	$	351	358

(c) Financial intermediation income (loss), net-

For the years ended December 31, 2018 and 2017, financial intermediation income (loss) is as shown below:

		2018	2017
Gain (loss) from valuation:			
Investment securities	$	(122)	(120)
Currencies and metals		(2)	1
Trading derivatives		(119)	(27)
		(243)	(146)
Gain (loss) from purchase/sale:			
Investments securities		14	517
Currencies and metals		538	312
Trading derivatives		349	77
		901	906
	$	658	760

(Continued)

(Millions of mexican pesos)

(d) Other operating income (loss), net-

For the years ended December 31, 2018 and 2017, "Other operating income (loss), net" caption consist mainly of:

Income		**2018**	**2017**
Financial advisory revenues	$	413	471
Operating lease revenues		74	132
Currency exchange gain		479	469
Expense recovery		33	4
Others		155	138
		1,154	1,214
Expense			
Operating lease (assets depreciation)		58	103
Currency exchange loss		446	503
Write-offs		5	33
Others		79	111
		588	750
	$	566	464

(e) Financial ratios (unaudited)-

The main ratios as of and for the years ended December 31, 2018 and 2017 are analyzed below:

	2018	**2017**
Operating efficiency (administrative and promotional expenses to average total assets)	6%	6%
ROE (net income to average stockholders' equity)	12%	10%
ROA (net income to average total assets)	1%	1%
Liquidity (liquid assets*/liquid liabilities**)	508%	555%
Financial margin adjusted for allowance for loan losses/average interest earning assets	1%	1%
Capital index to credit risk	17.19%	16.36%
Capital index to market, credit and operational risk	13.46%	13.45%

* / ** See note on the next page.

(Continued)

(Millions of mexican pesos, except as noted otherwise)

* *Liquid assets* – Cash and cash equivalents, trading and available-for-sale securities.

** *Liquid liabilities* – Demand deposits, demand and short-term bank and other loans.

(24) Earnings per share-

At December 31, 2018 and 2017, earnings per share and diluted earnings per share are analyzed as follows:

		2018	2017
Profit attributable	$	645	537
Financial cost from convertible bonds		-	2
Adjusted profit	$	645	539
Average weighted common shares outstanding plus dilution effect		565,167,124	575,497,292

Amounts in pesos

	2018	2017
Earnings per share	$ 1.1421	0.9331
Diluted earnings per share	1.1421	0.9366

(Continued)

(Millions of mexican pesos)

(25) Memorandum accounts-

(a) Loan commitments and guarantees granted-

At December 31, 2018 and 2017, Corporación Actinver had irrevocable loan commitments to grant loans for $6,274 and $1,257, respectively.

(b) Assets in trust or under mandate-

At December 31, 2018 and 2017, the trust activity recorded in memorandum accounts is summarized as follows:

		2018	2017
Trusts of:			
Management	$	423,728	147,271
Guarantee		8,388	2,829
Investment		18,494	19,878
Other		1	1
Mandates		259	345
	$	450,870	170,324
		======	======

For the years ended December 31, 2018 and 2017, income from trust activity of Corporación Actinver amounts to $157 and $109, respectively.

(c) Transactions on behalf of customers-

Resources managed based on instructions from clients to invest in various financial instruments are recorded in memorandum accounts. The balances of these operations at December 31 2018 and 2017, are analyzed on the next page.

(Continued)

(Millions of mexican pesos)

		2018	2017
Shares of investment funds	$	159,548	154,489
Government debt		77,779	65,758
Banking debt		33,315	30,531
Stocks		136,475	128,975
Other debt securities		63,964	57,434
	$	471,081	437,187
		======	======

Collaterals pledged on behalf of clients at their fair value at December 31, 2018 and 2017, are as shown below:

		2018	2017
Government debt	$	3,383	13,712
Banking debt		300	657
Other debt securities		2,558	1,302
Securities lending		292	349
	$	6,533	16,020
		====	=====

Income received for the years ended at December 31, 2018 and 2017, corresponding to the activity of assets in custody amounted to $146 and $132, respectively.

(d) Customers' securities repurchase/resell agreements-

At December 31, 2018 and 2017, customers' securities repurchase/resell agreements, are as follows:

		2018	2017
Government securities	$	31,498	19,914
Banking debt		3,082	5,647
Other debt securities		14,480	13,206
	$	49,060	38,767
		=====	=====

(Continued)

(Millions of mexican pesos)

(e) Assets in custody or under management-

Third-party assets and securities received in custody or for distribution are analyzed as follows:

		2018	2017
Securities in custody	$	157,344	157,226
Assets for distribution		63,177	60,009
Assets under management		1	87
	$	220,522	217,322
		======	======

For custody transactions, the types of assets mainly handled are: stocks and government bonds.

For distribution transactions, the types of assets include third-party assets and securities received for their distribution are mainly share from debt instruments funds and equity funds which, at December 31, 2018 amount to $38,915 and $24,262 (at December 31, 2017 they totaled $30,620 and $29,389), respectively.

At December 31, 2018 and 2017, revenues from the activities of assets in custody and under administration amount to $1,925 and $1,195, respectively.

(26) Risk management (unaudited)-

Corporación Actinver´s rating

Domestic long and short-term counterparty risk ratings granted by Fitch Ratings México to Corporación Actinver are ‘AA-(mex)’ and ‘F1+ (mex)’, respectively with "stable" outlook.

Long and short-term counterparty risk ratings on a domestic scale, granted by HR Ratings to Corporación Actinver are “HR A” and “HR 2”, respectively with "positive" outlook.

On August 29, 2018, Fitch Ratings confirmed the domestic long-term counterparty risk ratings of Corporacion Actinver, S.A.B. de C.V. of ‘AA-(mex)’ and the short-term ratings of ‘F1+(mex)’. Additionally, the domestic, long-term rating of stock certificates ACTINVR 16, ACTINVR 17 and ACTINVR 17-2, was confirmed as ‘AA-(mex)’.

(Continued)

On July 27, 2018, HR Ratings confirmed the HR A long-term rating, and the perspective as “positive”, and the HR2 short-term rating for Corporación Actinver. It also confirmed the HR A long-term rating and the “positive” perspective for three long-term CEBURS issuances.

Rating agency	Short-term	Long-term	Outlook
Fitch	F1+(mex)	AA-(mex)	Stable
HR Ratings	HR2	HR A	Positive

Brokerage Firm´s rating

Domestic long and short-term counterparty risk ratings granted by Fitch Ratings México to Actinver Casa de Bolsa are ‘AA-(mex)’ and ‘F1+ (mex)’, respectively with "stable" outlook.

Long and short-term counterparty risk ratings on a domestic scale, granted by HR Ratings to Actinver Casa de Bolsa are “HR A+” and “HR 1”, respectively with "positive" outlook.

On August 29, 2018, Fitch Ratings confirmed the domestic long-term and short-term counterparty risk ratings of Actinver Casa de Bolsa, S.A. de C.V. of ‘AA-(mex)’ and ‘F1+(mex)’, respectively.

On July 27, 2018, HR Ratings confirmed the “HR A+” long-term rating and “positive” outlook and “HR1” short-term rating for Actinver Casa de Bolsa.

Rating agency	Short-term	Long-term	Outlook
Fitch	F1+(mex)	AA-(mex)	Stable
HR Ratings	HR1	HR A+	Positive

Bank´s rating

Domestic long and short-term counterparty risk ratings granted by Fitch Ratings México to Banco Actinver are ‘AA-(mex)’ and ‘F1+ (mex)’, respectively with "stable" outlook.

(Continued)

(Millions of mexican pesos)

Long and short-term counterparty risk ratings on a domestic scale, granted by HR Ratings to Banco Actinver are “HR A+” and “HR 1”, respectively with "positive" outlook.

On August 29, 2018, Fitch Ratings confirmed the domestic long-term counterparty risk ratings of ‘AA-(mex)’ and the short-term ratings of ‘F1+(mex)’. Additionally, the ratings of the debt issued by Banco Actinver were confirmed.

On July 27, 2018, HR Ratings confirmed Banco Actinver long-term ratings as HR A+ and the “positive” perspective, and its issuances BACTIN 16 and BACTIN 17. In addition, it confirmed the short-term ratings of HR 1 for Banco Actinver.

Rating agency	Short-term	Long-term	Outlook
Fitch	F1+(mex)	AA(mex)	Stable
HR Ratings	HR1	HR A+	Positive

Rating for Arrendadora Activer, S.A. de C.V.

Domestic long and short-term counterparty risk ratings granted by Fitch Ratings México to Arrendadora Actinver are ‘AA-(mex)’ and ‘F1+ (mex)’, respectively with "stable" outlook.

Long and short-term counterparty risk ratings on a domestic scale, granted by HR Ratings to Arrendadora Actinver are “HR A” and “HR 2”, respectively with "positive" outlook.

On September 5, 2017, Fitch Ratings increased the domestic, long-term, counterparty risk ratings of Arrendadora Actinver, S.A. de C.V. (Arrendadora Actinver) to ‘AA-(mex)’ from ‘A+(mex)’ and also the short-term ratings to ‘F1+(mex)’ from ‘F1(mex)’. The rating of the short-term bond program of MXN1,500 million was increased to ‘F1+(mex)’ from ‘F1(mex)’; the rating of the short-term portion for the Dual Program of bonds in the amount of MXN2,000 million was increased to ‘F1+(mex)’ from ‘F1(mex)’; the domestic, long-term rating of bonds ARREACT 16 increased to ‘AA-(mex)’ from ‘A+(mex)’.

(Continued)

On September 22, 2017 HR Ratings ratified the ratings for Arrendadora Activer, S. A. de C. V. and modified the outlook from "Stable" to "Positive".

Rating agency	Short-term	Long-term	Outlook
Fitch	F1(mex)	A+(mex)	Stable
HR Ratings	HR2	HR A	Positive

I. **Qualitative information**

a) Description of qualitative aspects of the comprehensive risk management process-

Corporación Actinver´s subsidiaries have an organizational structure designed to conduct Comprehensive Risk Management, in such structure, the Comprehensive Risk Management Unit (UAIR for its acronym in Spanish) is independent from all other operations control areas.

The Board of Directors is responsible for approving the objectives, guidelines and policies for the Comprehensive Management of Risks, which should be followed by the Risk Committee as well as the global and specific limits of exposure to the different types of risks to which the various subsidiaries of Corporación Actinver are exposed.

The UAIR is responsible for monitoring and controlling exposure to the following types of risks:

- **Discretionary risks** – resulting from taking a risk position: market, credit and liquidity risks.
- **Non-discretionary risks** – resulting from the business operations, but not from taking a risk position: operating, legal and technological risks.

b) Main elements of methodologies employed in risk management-

Market risk-

Market risk is the potential loss in response to changes in risk factors affecting the valuation or the expected results of operations such as interest rates, exchange rates, price indices, etc.

(Continued)

For the estimation related to the market risk, the Value at Risk (VaR) measure is used. It is an estimate of the potential or probable loss within a specific investment position or portfolio should changes occur in the variables or risk factors over a specific period of time and with a certain confidence level.

The parameters and assumptions used by the Bank to calculate the Market VaR are:

- Model: Historical simulation
- Confidence level: 95%
- Horizon: 1 day
- Historic data: 260 data records per risk factor, with the same weighting.

Additionally, stress testing is performed to assess the potential effects of changes in risk factors, back testing is also performed, to assess the effectiveness of models applied.

Market risk estimates are applied to the portfolios exposed to a potential loss resulting from changes in risk factors that impact their valuation or the expected results of their transactions. These estimates include available-for-sale securities.

Portfolios to which it applies:

i. Money market, currencies, derivatives, capital, and loan portfolios.
ii. Global portfolio.
iii. Past due portfolio.

Any position subject to market risk, including the loan portfolio, is included in the VaR model.

Credit risk-

It is the potential loss arising from non-payment by a borrower or counterparty in transactions carried out by the subsidiaries of Corporación Actinver, including personal guarantees or collaterals granted as well as any other mitigation mechanism used.

Additionally, the Brokerage Firm and the Bank measure the market and credit risk through capitalization requirements in accordance with the provisions of the Sole Circulars applicable to each case and maintain a global capital related to the market and credit risks incurred in their operations, which may not be less than the amount resulting from adding the capital requirements for both types of risk.

Liquidity risk-

Liquidity risk refers to the inability to comply with present and future cash flows needs, affecting the daily operations or the financial conditions of Corporación Actinver's subsidiaries.

Liquidity risk is the potential loss resulting from the impossibility or difficulty for the Institution to renew liabilities or contract others under normal conditions due to the forced or early sale of assets at unusual discount to fulfill its obligations, or when a position may not be timely sold, acquired or covered by establishing an equivalent opposite position or from the change in the structure of the balance sheet of Corporación Actinver´s subsidiaries owing to term differences between assets and liabilities.

In order to quantify the potential loss derived from the early or forced sale of assets at unusual discount, to meet its immediate obligations, as well as for the fact that a position may not be timely sold, purchased or hedged by establishing an equivalent contrary position, Corporación Actinver's subsidiaries assess the impact of a liquidity scenario on the current position at the calculation date and carry out an assessment of the liquidity value of available-for-sale assets, directly or through a repurchase/resell transaction.

Corporación Actinver's subsidiaries at all times seek to match their assets and their liabilities; nevertheless, they carry out an analysis of the balance sheet situation. A liquidity gap analysis is performed to measure the mismatch between assets and liabilities.

Additionally, the Bank has a contingency financing plan to address any adverse liquidity scenario, performs stress tests considering systemic and idiosyncratic factors and maintains a proper level of liquid assets to meet its obligations during a 30-day period.

Operational risk-

It is the potential loss resulting from failures or deficiencies in information systems, internal controls, errors in transaction processing, and includes, among other things, technological risk and legal risk.

(Continued)

The method used by Corporación Actinver's subsidiaries to calculate the capital requirement for Operational Risk is the Basic Indicator method.

Actinver has an operational risk management methodology based on a management model generally accepted. Such methodology comprises the following phases:

a. Setting up the context: the objective of this phase is to establish the context of operational risk management, the framework in which the process will take place.

b. Risk identification and analysis: is intended to identify processes at a detailed level and the risks to which each of them is exposed. At this stage, the analysis helps to establish the levels of tolerance to each identified risk, the priorities and treatment options for each of them.

c. Risks assessment: in this phase the parameters of realization of the risk will be determined in an inherent and residual way to prepare a matrix that allows to prioritize risks according to tolerance levels established.

d. Definition of treatments: This phase focuses on developing and implementing strategies and action plans to reduce realized risks.

e. Communication and consultation: At this stage communication and consultation of the findings will take place for each of the above phases among all stakeholders within the organization.

f. Review and monitoring: This phase is necessary to ensure the effectiveness of all phases of the risk management process and its continuous improvement.

Legal risk-

It is the potential loss due to breach of applicable legal and administrative provisions, issuance of adverse administrative and judicial resolutions and the application of sanctions in relation to the operations that Corporación Actiner´s subsidiaries perform.

Actinver manages legal risk through the establishment of policies and procedures to analyze prior to the conclusion of legal acts, the legal validity and to seek proper legal implementation of these. Likewise, the amount of potential losses arising from adverse judgments or administrative, as well as the possible application of sanctions in relation to the operations carried out is estimated.

(Continued)

(Millions of mexican pesos)

Additionally, comprehensive and timely information is disclosed to executives and employees regarding the legal and administrative provisions applicable to Corporación Actinver's operations.

Technological risk-

It is the potential loss from damage, interruption, alteration or failures derived from the use of hardware, software, systems, applications, networks and any other channel of distribution of the information in the provision of services to the customers of Corporación Actinver's subsidiaries.

Corporation Actinver's subsidiaries have contingency plans in place to ensure the capacity and continuity of the implemented systems to carry out transactions through any technological means.

Actinver has aimed efforts to the mitigation of technological risk through the management of five potential vulnerabilities in the infrastructure of the institution; connectivity, cntimalware work stations, internal ethical hacking servers, e-Actinver applications and access control.

II. Qualitative information-

Capitalization requirements for the Brokerage Firm at the 4th quarter end of 2018-

Capital at December, 31:		**2018**	**2017**
Global capital	$	1,704	1,540
Market risk requirements		403	279
Credit risk requirements		559	569
Operational risk requirements		127	121
Total capitalization requirements	**$**	**1,089**	**969**
Excess in global capital	$	615	571
Capital consumption index		63.93%	62.88%
Global capital / Capitalization requirements		1.56	1.59
Operational risk requirements	$	127	121

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Risk assets as of December 31, 2018:	**Equivalent risk assets**	**Capital requirement**
Market risk:		
Transactions in pesos at nominal rates	$ 2,131	171
Transactions in pesos at surcharged rates over nominal rate	445	36
Transactions at real interest rates	1,890	151
Transactions in foreign currency at nominal rates	28	2
Foreign currency positions or with exchange rate indexed yields	94	7
Transactions in UDIs or indexed to NCPI	90	7
Share positions or with a share or group of shares price indexed yields	364	29
Total market risk	5,042	403
Credit risk:		
From derivatives	160	13
From debt securities position	5,971	478
From deposits and borrowings	134	11
Permanent investments, properties, furniture, prepaid expenses and deferred charges	726	58
Total credit risk	6,991	560
Operational risk:		
Total operational risk	1,586	127
Total market, credit and operational risks	$ 13,619	1,090

(Continued)

(Millions of mexican pesos)

Capital adequacy is monitored by the Market Risk Area through capitalization levels, whereby it daily and monthly follows up on the Brokerage Firm's main operating limits determined on the basis of basic capital, thus preventing potential capital inadequacies and, therefore, taking appropriate action, as required. As of December 31, 2018 and 2017, the Brokerage Firm's capitalization index is 12.51% and 12.72%, respectively.

Market risk:

VaR at December 31, 2018

Description		**Amount**	**% of net capital**
Basic capital	$	1,704	100.00%
Supplementary capital		-	-
Global capital	**$**	**1,704**	**100.00%**
			1.22
VaR at the end of December 2018	$	23	1.33%
Average VaR of the fourth quarter 2018		33	1.95%

VaR of the total position at December 31, 2018 per business unit:

Business Unit		**Amount**	**% of net capital**
Money market	$	9	0.51 %
Capital market		2	0.09 %
Derivatives market		16	0.92 %
Foreign Exchange market	$	0.2	0.01 %

Moreover, the National Banking and Securities Commission sets forth the terms for the investment of the global capital of brokerage firms, for an adequate management of liquidity risk.

Liquidity ratio at December 31, 2018:

Description		**Amount**
Debt securities, allowance, checking accounts, Investment Funds, etc.	$	777
20% global capital		340
Excess	**$**	**437**

(Continued)

(Millions of mexican pesos)

Assessment of variances in financial income and the economic value-

In assessing variances in financial income and the economic value, simulations of potential scenarios are made in order to forecast their potential impact and behavior on the Brokerage Firm's portfolios.

The model consists of comparing the portfolio's market values: the value prevailing on the valuation date vs. the portfolio value estimated based on the risk factors in effect during the scenarios.

Sensitivity to the movement of one basis point in rates and surcharges for the money market portfolio without considering derivatives is -9.

For the Capitals and Currency portfolio the sensitivity is applied to one volatility over the index and the currency, as applicable; the estimated sensitivity is -2 and -0.2 respectively.

For the derivatives portfolio, the movement of one basis point in rates and one volatility in the underlying index and exchange rate is applied; at the end of the fourth quarter 2018, the sensitivity is $1.

Credit risk:

As of December 31, 2018, the expected and unexpected loss in the fixed income desk unit amount to $12 and $14, respectively.

The average expected and unexpected loss during the fourth quarter of 2018 amount to $12 and $14, respectively.

For derivatives instruments the current credit risk exposure at fair value without including any collateral received or other type of credit improvement is $286, including guarantees, the exposure is $207.

For derivatives transactions, government securities are used as collateral.

Liquidity risk:

At December 31, 2018, the liquidity VaR is as follows:

Business unit		**Market VaR**	**Liquidity VaR**
Money market	$	9	28
Capital market		(2)	(5)
Derivatives market		16	50
Foreign Exchange market		(0.2)	(1)
Total diversified	**$**	**23**	**72**

During the fourth quarter 2018, the average liquidity VaR of the diversified portfolio was $87.

(Millions of mexican pesos)

Operational risk:

During 2018, losses recorded due to operational risk amount to $6.

Exposure to the risk from investment securities:

Investment Securities	**Risk position**	**VaR**	**Concentration**
Trading securities	$ 36,172	33	84.79%
Held-to-maturity securities	6,489	0.3	15.21%

Credit risk in investment securities:

Summary as of December 31, 2018 of exposures, credit rating and concentration by level of risk of non-impaired investment securities:

Credit rating	Exposure	% Concentration
mxAAA	37,675	88.31%
AAA (mex)	1,121	2.63%
AA- (mex)	792	1.86%
mxA	725	1.70%
F1+ (mex)	646	1.51%
HR AA+	619	1.45%
HR3	264	0.62%
AA (mex)	264	0.62%
HR2	180	0.42%
HR AA	165	0.39%
F1 (mex)	101	0.24%
F2 (mex)	72	0.17%
AA+ (mex)	25	0.06%
mxAA-	12	0.03%
HR1	0	0.00%
mxA-1+	0	0.00%

(Continued)

Results obtained in the assessment of capital adequacy.

The Brokerage Firm carried out the assessment of capital adequacy under supervisory scenarios 2018-2020 (period) which find their legal basis in article 214 of the Fourth Chapter of General Provisions Applicable to Brokerage Firms (the Provisions).

The main conclusions reached by the Brokerage Firm for the period 2018-2020 were:

During the projections for the period 2018-2020, no capital inadequacy was observed for any of the scenarios, therefore the Brokerage Firm would have adequate regulatory capital to be maintained in the category I of early alerts in the stated scenarios and would comply with the minimum capital established in article 10 of the Provisions. In addition, appropriate strategies exist to respond to the adverse macroeconomic conditions raised.

This exercise is performed annually to determine if:

1.- The net capital would be sufficient to cover the losses that could arise under the supervisory scenarios.

2.- Would be maintained in category I and,

3.- Would comply with the mínimum capital established in article 10 of the Provisions.

At the end of December 2018, the Brokerage Firm does not exceed the authorized limits.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Capitalization requirements for the Bank at the end of the 4th quarter 2018-

		Risk-weighted assets	Capital requirement
Market Risk Capitalization Requirements:			
Nominal rate transactions in mexican pesos	$	430	34
Surcharge rate transactions in mexican pesos		298	24
Real rate transactions		-	-
Transactions in UDIS or indexed to the NCPI		-	-
Nominal rate transactions in foreign currency		15	1
Foreign currency transactions or with return indexed to exchange rate and gold positions		348	28
Transactions with and on shares		1,028	82
Total Market Risk Requirements (A)		**1,306**	**104**
Of counterparties in derivative and repurchase transactions		34	3
Position in debt securities		960	77
Of borrowers in loan transactions		11,410	913
For endorsements and credit lines granted and securitization		149	12
Permanent Investments and other Assets		555	44
Of transactions with related parties		702	56
Additional requirements		30	2
Total Credit Risk Requirements (B)		**13,840**	**1,107**
Credit Risk for position in debt securities:			
Group III (Weighted to 20%)		42	3
Group IV (Weighted to 20%)		-	-
Group VII (Weighted to 20%)		75	6
Group VII (Weighted to 50%)		378	30
Group VII (Weighted to 100%)		281	23
Group VII (Weighted to 150%)		185	15
Total debt securities position	$	**960**	**77**

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

	Risk-weighted assets	Capital requirement
Credit risk for loan transactions:		
Group III (Weighted to 20%)	$ 3	-
Group VI (Weighted to 100%)	1,406	112
Group VII (Weighted to 20%)	152	12
Group VII (Weighted to 50%)	28	2
Group VIII (Weighted to 115%)	4,827	386
Group VIII (Weighted to 115%)	32	3
Group VIII (Weighted to 150%)	3	-
Group IX (Weighted to 100%)	4,960	397
Total loan transactions requirement	**11,411**	**913**
Operating Risk Capitalization Requirements:		
Total Operating Risk Requirements (C)	**$ 1,692**	**135**
(Global Capital Requirements) (A+B+C)	**$ 16,838**	**1,347**
	=====	====
Capitalization Index (ICAP)		**13.45%**
Global Capital / Risk Assets		13.45%
Basic Capital / Risk Assets		13.45%
Global Capital / Capital Requirement (times)		1.68

The Bank's capitalization index as of December 2017 is 13.45%, which classifies the Bank under Category I.

The Bank maintains a net capital with respect to the market, operating and credit risk incurred in its operations that may not be less than the amount resulting from adding the capital requirements for the different risk types.

Capital adequacy is monitored by the Risk Area through capitalization levels, whereby it daily and monthly follows up on the Bank’s main operating limits determined on the basis of its basic capital, thus preventing potential capital inadequacies and, consequently, taking appropriate action, as required.

(Continued)

(Millions of mexican pesos)

Market risk:

Value at Risk at December 31, 2018

		% over net capital
Fundamental capital	$ 2,815	100%
Non fundamental basic capital	-	0%
Basic capital	2,815	100%
Supplementary capital	-	0%
Net equity	2,815	100%
	====	====
Global diversified VaR at December 31, 2018	$ 32	1.13%
	====	=====
Averaged VaR for the fouth quarter of 2018	$ 28	0.99%
	====	=====

VaR of the total position as of December 31, 2018 by business unit:

Business unit		**VaR**	**% over net capital**
Money Market	$	29	1.02%
Foreign Exchange		2	0.06%
Capital		2	0.08%
Derivatives		1	0.03%
		==	=====

As example of the interpretation of the VaR results, the VaR of the Fixed Income desk portfolio is $2 which means that under normal conditions, in 95 days out of 100 days the maximum potential loss would be up to $2.

Assessment of variances in financial income and the economic value-

For the assessment of changes in financial income and economic value, simulations of possible scenarios are performed in order to predict their possible impact and behavior on the Institution´s portfolios; these scenarios incorporate the interest rate risk considering the sensitivity to rises or falls in rates. The model consists of comparing market values of the portfolio at the date of valuation against the estimated value of the portfolio based on the risk factors that were in force in the scenarios, incorporating the impact on the economic value of the risk from the change in interest rates. The statement which shows the Institution´s balance sheet in relation to interest rate risk is analyzed at least once a week.

Extreme scenarios: Mexican crisis of 1995, Asian crisis, attack on the Twin Towers, December 2001 and Russian crisis, these scenarios were established based on a study of historical series of different risk factors.

The stress testing is a scenario of unusually intense severity of extraordinary events, but possible. To define this scenario, we analyzed the changes in risk factors. The scenarios are estimated at least once a month.

Additionally, a sensitivity scenario for money market portfolios was defined: 1 basis point parallel in rates.

Sensitivity at December 31, 2018

Business unit	**Sensivity / volatility + 1 bps / 1 σ**
Money market	$ (2.62)
Foreign exchange market	(1.57)
Capital market	(3.59)
Derivatives market	0.09
Total	$ (7.69)

(Continued)

(Millions of mexican pesos)

Investment securities-

At December 31, 2018, investments in debt securities other than governement securities, of a same issuer over 5% of the Bank´s net global capital, are comprised as follows:

Symbol	**Company name**	**Weighted rate**	**Weighted maturity**	**Amount**	**Amount Vs capital**
PEMEX	Petróleos Mexicanos	11.84	1,894	376	13.34%
CFE	Comisión Federal de Electricidad	8.88	690	169	6.01%
CIRCLEK	Comercializadora Círculo CCK S.A. de C.V.	10.99	1,537	145	5.16%
BEGRAND	Begrand S.A.P.I. de C.V.	10.99	820	145	5.16%
				====	=====

Exposure to risk due to investment securities:

Investment securities	**Risk position**	**VaR**	**Concentration**
Trading securities	$ 281	2	3.27%
Available-for-sale securities	8,326	29	96.73%

Credit risk and risk rating in investment securities

A summary as of December 31, 2018 of exposures, credit quality and concentration by risk level of investments in non-impaired securities, including held-to-maturity securities is shown on the next page.

(Millions of mexican pesos)

Credit rating	Exposure	% Concentration
mxAAA	6,990	83.96%
A (mex)	269	3.23%
AA- (mex)	182	2.19%
AAA (mex)	169	2.03%
HR A+	159	1.91%
HR A-	103	1.24%
mxA+	99	1.19%
mxA	93	1.11%
AA (mex)	87	1.04%
HR AA+	67	0.81%
HR AA	40	0.48%
A- (mex)	29	0.35%
HR3	20	0.24%

Credit risk:

Credit risk in the loan portfolio:

In order to quantify the credit risk in the loan portfolio the Credit Risk Plus methodology is used, this model estimates the value at risk based on the likely changes in the borrower´s ratings and therefore by determining a change in the value of the credit. Its purpose is to determine the expected and unexpected losses in the portfolio using a confidence level of 99%.

The expected loss (EL) is estimated as the product of the probability of default, the loss severity and the outstanding loan balance.

The unexpected loss is estimated on top of the expected loss and is calculated as the VaR - EL.

The method used to determine the credit risk requirements is the standard method described in the General Provisions Applicable to Credit Institutions, such that the amount of exposures presented in this section are used as the basis for the aforementioned method.

At December 31, 2018 the value at risk of the loan portfolio is $611 representing 22% of the Institution´s basic capital. The value at risk is composed of an expected loss of $267 and an unexpected loss of $344.

The balance of the loan portfolio at December 31, 2018 is $16,408, current performing loans $16,313 and past-due portfolio $95. The balance of the net credit portfolio is $16,117.

As of 31 December 2018 the top 9 borrowers individually exceeding 10% of the Institution´s basic capital, amount to $3,581 representing 127% of the basic capital.

(Continued)

(Millions of mexican pesos)

The individual balance of the top 9 borrowers as of December 31, 2018 including the amount of allowance for loan losses classified in accordance with Article 129 of the Provisions are presented in the following table:

Debtor	Amount	%vs capital	Allowance	Rating
1	$ 488	17%	1	A-1
2	453	16%	1	A-1
3	450	16%	0	A-1
4	403	14%	2	A-1
5	403	14%	6	B-1
6	378	13%	1	A-1
7	352	13%	2	A-1
8	352	13%	2	A-1
9	302	11%	1	A-1
Total	**$3,581**	**127%**	**17**	

The amount of allowances for loan losses of the major borrowers that individually exceed 10% of the Institution´s basic capital increased by 2 millions during the period from September 2017 to June 2018.

As of December 31, 2018, the balance of loans granted to the 3 principal creditors does not exceed 100% of basic capital. The amount is $1,391 representing 49% of the basic capital.

The sum of the loans granted to related parties does not exceed 35% of the basic capital.

Loans granted at the end of the third quarter are granted in Mexican pesos.

During the fourth quarter 2018, the Bank does not have any claim reductions or write-offs.

The total amount of gross exposures with credit risk by type of portfolio without considering the effects of credit risk hedging techniques at the end of the fourth quarter of 2018 is shown in the following table:

Loan portfolio	October	November	December	Average 4Q
Consumer	$ 3,077	2,939	2,940	2,964
Commercial	12,681	13,183	13,468	13,111
Total	$ 15,758	16,122	16,408	16,096

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

The geographical distribution of exposures broken down by state and major exposure at the end of the fourth quarter is as follows:

Geographical area		Amount of exposures	Distribution %
Mexico City	$	11,582	70.59%
Nuevo León		1,439	8.77%
Jalisco		608	3.70%
Guanajuato		578	3.52%
Estado de México		456	2.78%
San Luis Potosí		278	1.70%
Querétaro		270	1.65%
Yucatán		208	1.27%
Puebla		205	1.25%
Chihuahua		131	1.80%
Michoacán		115	0.70%
Others		538	3.28%
Total	**$**	**16,408**	**100%**

The break down by remaining term of the 10 main exposures is as follows:

Remaining term	Exposure
0 to 2 years	2,136
2 to 3 years	764
3 to 5 years	957
Total	3,857

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

The distribution of exposures by economic sector broken down by major exposures at the end of the fourth quarter is as shown in the following table:

Total portfolio:

Economic sector	Exposure Amount	Distribution %
Real estate services and rental of personal property and intangible assets	$ 4,138	25.22%
Individuals	2,940	17.92%
Construction	2,216	13.51%
Professional, scientific and technical services	1,374	8.37%
Manufacturing industries	957	5.83%
Corporate	841	5.13%
Retail	810	4.93%
Business support services and handling of waste and remediation services	736	4.49%
Financial and insurance services	512	3.12%
Transport, mail and storage	429	2.62%
Wholesale	425	2.59%
Mining	403	2.45%
Agriculture, farming and animal exploitation, forestry use, fishing and hunting	284	1.73%
Cultural and sporting and other recreational services	140	0.85%
Mass-media information	131	0.80%
Temporary housing and food and beverage preparation services	54	0.33%
Other services except government activities	10	0.06%
Education services	4	0.03%
Health and social assistance services	4	0.02%
Total	**$ 16,408**	**100%**

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Current loan portfolio:

Economic sector	Exposure Amount	Distribution %
Real estate services and rental of personal property and intangible assets	$ 4,138	25.37%
Individuals	2,920	17.90%
Construction	2,216	13.59%
Professional, scientific and technical services	1,370	8.40%
Manufacturing industries	941	5.76%
Corporate	840	5.16%
Retail	779	4.78%
Business support services and handling of waste and remediation services	736	4.51%
Financial and insurance services	509	3.12%
Transport, mail and storage	429	2.63%
Wholesale	411	2.52%
Mining	403	2.47%
Agriculture, farming and animal exploitation, forestry use, fishing and hunting	284	1.74%
Cultural and sporting and other recreational services	140	0.86%
Mass-media information	127	0.78%
Temporary housing and food and beverage preparation services	54	0.33%
Other services except government activities	8	0.05%
Education services	4	0.03%
Health and social assistance services	4	0.02%
Total	**$ 16,313**	**100%**

(Continued)

(Millions of mexican pesos)

Past due loan portfolio:

Economic sector		Exposure Amount	Distribution %
Wholesale	$	15	15.52%
Retail		30	31.46%
Manufacturing industries		15	16.87%
Mass media information		5	4.93%
Other services except for government activities		2	1.67%
Individuals		21	21.87%
Business support services and handling of waste and remediation services		0	0.09%
Financial and insurance services		3	3.58%
Professional, scientific and technical services		4	4.01%
Total	$	95	100%

Allowance for loan losses:

The allowance for loan losses is calculated following the methodology established in the General Provisions Applicable to Credit Institutions. The amount of allowance considers the likelihood of default, the severity of the loss and the exposure to default for each borrower and, based on the percentage of allowance compared to the borrower's outstanding balance a rating is assigned.

(Continued)

(Millions of mexican pesos)

The amount of allowance for loan losses at December 31, 2018 is $241. The breakdown by level of risk of the probability of default and severity of loss are presented below:

Consumer loans:

Risk rating	Probability of default	Loss severity	Default Exposure	Allowance
A1	8.66%	71.06%	$ 1,883	18
A2	6.37%	71.01%	204	5
B1	12.27%	71.02%	42	2
B2	6.24%	71.00%	380	16
B3	10.22%	71.01%	58	3
C1	11.05%	70.99%	98	7
C2	17.42%	7.10%	116	13
D	29.70%	71.00%	92	19
E	80.05%	80.20%	47	31
Total			$ 2,919	114

Commercial loans:

Risk rating	Probability of default	Loss severity	Default exposure	Allowance
A1	1.36%	35%	$ 10,188	47
A2	2.87%	42%	1,262	15
B1	5.77%	38%	948	15
B2	6.48%	36%	738	17
B3	9.20%	38%	239	8
C1	26.57%	36%	11	1
C2	43.01%	29%	6	1
D	88.55%	45%	3	1
E	100.00%	100%	72	72
Total			$ 13,468	177

The probability of default and loss severity were estimated as the weighted average times the exposure to default.

During the fourth quarter of 2018 allowance increased from $268 to $291 representing an increase of 9%.

(Continued)

(Millions of mexican pesos)

The distribution of exposures by geographic zone broken down by current portfolio and past-due portfolio is shown as follows:

Current porfolio:

Geographic zone		Amount of exposure	Distribution %
Ciudad de México	$	11,557	71%
Nuevo León		1,429	9%
Jalisco		569	3%
Guanajuato		578	4%
Estado de México		452	3%
San Luis Potosí		274	2%
Querétaro		270	2%
Yucatán		208	1%
Puebla		203	1%
Chihuahua		131	1%
Michoacán de Ocampo		115	1%
Others		526	3%
Total	**$**	**16,313**	**100%**

Past-due portfolio:

Geographic zone		Amount of exposure	Distribution %
Ciudad de México	$	25	27%
Estado de México		5	5%
Hidalgo		2	2%
Jalisco		38	40%
Morelos		0	0%
Nayarit		0	0%
Nuevo León		10	11%
Puebla		2	2%
Querétaro		0	0%
San Luis Potosí		3	4%
Sinaloa		10	10%
Veracruz		0	0%
Sonora		0	0%
Total	**$**	**95**	**100%**

(Continued)

To establish the degree of risk associated with the different risk ratings, the Bank uses Appendix 1-B of the CUB (for its acronym in Spanish) and thus determines correspondence for both the Global market and for the Mexican market.

The rating agencies hired to determine the credit risk capital requirement for issuers, counterparties and borrowers' transactions according to the Standard Method are HR Ratings, Fitch Ratings, Moody´s and Standard & Poor's.

Policies and processes for collateral management and valuation as well as strategies and processes for overseeing the continued effectiveness of such hedges.

Banco Actinver has a department of Credit Management which reviews the value of each credit guarantees daily. If the percentage of decrease in the guarantees is greater than or equal to 10% for a period of 5 consecutive business days the margin call process will start.

From the sixth business day the Credit Management begins the process of notification and request of the restitution of the guarantee or an up-front payment in the amount that allows to leave the margin call.

As part of the monitoring process of the value of collaterals, the area of Credit Management through the use of systems validates that there is no cross reference of outstanding balances and guarantees of the same client with different loans.

General policies for collateral management are:

1. Conduct a frequent valuation of collateral, including testing and analysis of scenarios under unusual or extreme market conditions given the fact that valuations must be made in accordance with the regulation issued by the National Banking and Securities Commission.

2. Update regularly and constantly the situation, location and condition of the collaterals received as well as potential settlement problems.

3. Perform an adequate risk diversification in relation to collaterals.

(Continued)

4. Establish a proper management of guarantees, in order to take into consideration the differences in maturity dates and the resulting exposure periods, once the collaterals expire.

5. Monitor and if necessary address any risk from external factors that could affect the ability of the collaterals to address the credit risk.

In addition to the above, the area of Credit Management provides methods and controls to ensure the continuing effectiveness of hedges and mitigators.

Main types of guarantees accepted

The guarantees and the type of collaterals accepted by Banco Actinver depend on the loan product as set up in the guidelines of each product.

The main types of guarantees accepted by the Bank are:

Financial collaterals:

1. Cash or securities and means of payment with less than 7-day maturity for the Institution, where the debtor makes a cash deposit at the Institution itself and grants an irrevocable mandate to disburse the respective resources to pay the loan, or in the case of demand debt securities negotiable and with wide circulation and whose value hedges sufficiently the guaranteed amount and, in case of default, are available with no legal restrictions to the Institution and which the debtor or any other person than the institution cannot dispose of as long as the obligation exists.

2. Deposits, securities and loans by the Central Bank.

3. Securities issued or guaranteed by the Federal Government.

4. Bonds and other documents, by the IPAB (for its acronym in Spanish), as well as the obligations secured by this Institute.

5. Debt instruments issued by sovereign states or their central banks with a credit rating issued by a recognized rating agency, equal or better than the risk rating 3 of Appendix 1-B of the Provisions.

(Continued)

6. Debt instruments issued by institutions, brokerage firms and other entities that have a credit rating issued by a recognized rating agency, equal or better to the risk rating 3 of Appendix 1-B of the Provisions.

7. Short-term debt instruments that have a credit rating issued by a recognized rating agency, equal or better to the risk rating 3 Appendix 1-B of the Provisions.

8. Debt instruments issued by institutions that do not have a credit rating issued by a recognized rating agency, if and only if they meet all of the following:

   a) The instruments are listed on a recognized market in accordance with applicable regulations and are classified as senior debt.

   b) All issuance are rated with the same priority by the issuer and have a credit rating issued by a recognized rating agency whit a risk rating at least 3 of Appendix 1-B of the Provisions.

   c) The institution that holds securities as collateral has no information to indicate that the issuance corresponds to a lower risk rating than 3 of Appendix 1-B of the Provisions.

9. Equity securities included in the Prices and Quotations Index of the Mexican Stock Exchange or other major indexes of other Stock Exchange and subordinated bonds convertible into such securities.

10. Securities and loans secured by instruments relating to the transactions described in paragraphs 1, 2 and 4 of this paragraph II, as well as in sections II and III of Article 46 of the Law, if the guarantee is comprised of liabilities owned by the institution itself regardless of its term, the latter cannot be withdrawn prior to maturity of the operation they are guaranteeing and it is agreed that the resources for such liabilities correspond to the payment of the operation itself in event of default.

11. Investments in mutual funds that are traded daily and whose assets under investment are limited to the instruments referred to in paragraphs 1 to 10 above.

12. Equity securities and convertible subordinated bonds in such securities that are listed on the Mexican Stock Exchange or other recognized stock exchanges.

13. Investments in mutual funds whose assets under investment are included in the instruments mentioned in paragraph 12 above.

(Continued)

(Millions of mexican pesos)

Non-financial guarantees and similar instruments:

1. Commercial or residential properties that meet the following requirements:

a) The value of the collateral does not depend on the economic situation of the borrower, including those granted in leased assets for which there is no purchase option at the end of the contract period.

b) The guarantee is considered in an amount that does not exceed the current fair value at which the property could be sold under a private contract between a seller and a buyer.

2. Personal property or other guarantees considered in Article 32 A of the Regulation of the Public Registry of Commerce, registered in the Unique Register of Secured Transactions referred to by the Commercial Code or deposited in general deposit repository, including those goods granted in leases, for which there is no purchase option at the end of the contract period. The guarantee should be considered in an amount not to exceed the current fair value, at which the asset could be sold through a private contract between a seller and a buyer.

3. Receivable and trust rights, understood as such securities whose settlement shall be performed through the cash flows from the underlying assets, for which the Institution must have the ownership and disposition of cash flows arising from the collection rights under all foreseeable circumstances.

   Included within this concept are the self-liquidating debts from the sale of goods or services linked to commercial operations, as well as the amounts of any nature owed by buyers, suppliers, Federal or local Public Administration, state productive companies and other independent third parties unrelated to the sale of goods or services linked to a commercial transaction. The allowable receivable and trust rights do not include those associated with securitizations, sub-participations or derived from the credit.

   As of December 31, 2018, the total exposure hedged and unhedged by allowable financial and non-financial collaterals is as follows:

Type of guarantee	Total exposure	Hedged exposure	Unhedged exposure
Allowable financial guarantee	$ 2,351	2,035	316
Financial and non-financial guarantee	6,483	6,483	0
Total	$ 8,835	8,518	316

The amount of the allowable financial guarantee is shown through the application of the adjustment to its value using the integral method of hedging recognition, in accordance with appendix 1-F of the General Provisions Applicable to Credit Institutions.

The amount of the financial and non-financial guarantee is considered without any adjustment to its value, as they are considered not to be used as credit risk hedge in the capitalization index estimation. The exposure is the net exposure.

Credit risk management for transactions with financial instruments, including derivative financial instruments.

For credit risk management in financial instruments, including derivatives, the Bank has preset limits for operation with instruments of the same issuer or the same counterparty.

Counterparty and / or issuer exposure is composed of the current exposure at market value using the price vector provided by Valmer, valued in local currency and consolidated through all the types of investments with a particular issuer (Obligations, Debt securities, etc.) to this current exposure is added the potential exposure (since the derivatives may vary significantly over time). The netting of positions is considered when these come from the same counterparty and / or issuer and occur in the same potential date.

To determine the credit risk of companies and counterparties, the financial position, cash generation capacity, ability to pay and their perspective as a company or counterparty, as well as the sector in which they operate is considered. In addition to knowing who their shareholders, Board of Directors and senior executives are, to give an overview of their quality, they provide elements that ultimately give certainty on the degree of risk involved when granting counterparty lines or purchasing a debt instrument.

Due to the risk profile of each company is different and because fundamental business factors change over time and react differently to them, rating criteria are based on quantitative and qualitative aspects.

At December 31, 2018 the Bank maintains a fair value credit exposure in derivative instruments of $6.

At December 31, 2018 the Bank does not have credit derivatives transactions and holds collaterals received for $5.

Consolidated credit risk from financial instruments transactions considering investment securities and derivatives.

The expected and unexpected credit risk loss at maturity and consolidated for transactions with financial instruments, considering investments in securities and derivatives at the end of December 2018 is $5 and $0.4 respectively.

(Continued)

(Millions of mexican pesos)

Liquidity Risk:

Liquidity risks arise from gaps in the flows of debit transactions (collection) and the Bank's assets. The elements involved in liquidity management are assessing and forecasting the cash commitments, controlling maturity gaps and repricing of assets and liabilities, diversifying the sources of funding, establishing liquidity limits which ensure access to liquid assets.

The bank monitors liquidity risk through the GAP liquidity report, in which the terms of the liabilities held by the Bank and the terms in which the resources will be available to respond to them are established. It is controlled by currency.

Through the Liquidity Coverage Ratio (LCR), the Bank measures its short-term liquidity resistance. Compliance with the LCR guarantees having adequate High Quality Liquid Assets (HQLA) and free of charge that may easily and immediately be converted into cash in private markets, sufficient to withstand cash outflows during a significant stress scenario lasting 30 days. At the December close, the Bank's LCR was 119.60%. A detailed summary is presented in the section related to the Disclosure of the Liquidity Coverage Ratio.

Additionally, a liquidity value at risk (liquidity VaR in pesos) which consists of a historical simulation with a sample of 260 days at a horizon of 10 days.

Liquidity Var at December 31, 2018

Business unit		**Market VaR**	**Liquidity VaR horizon 10 days**
Money market	$	29	91
Foreign exchange market		2	5
Capital market		2	7
Derivative market		1	3
Global diversified VaR		32	101
		==	==

Leverage ratio

The Basel III framework introduced a simple, transparent, non-risk based leverage ratio to act as a credible supplementary measure to the risk-based capital requirements. The leverage ratio is intended to:

1. Restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy; and

2. Reinforce the risk-based requirements with a simple, non-risk based "backstop" measure.

The leverage ratio is defined as the capital measure (the numerator: basic capital) divided by the exposure measure (the denominator: adjusted assets), with this ratio expressed as a percentage.

At December 31, 2018, the Bank´s leverage ratio was 6.97%; therefore, it complies with the minimum regulatory requirement.

Capital requirement

The Bank´s net capital as of December 2018 is $2,815 and it is used as the basis to carry out transactions, as well as to take market, credit and operational risks. The capitalization index is 13.46%, which puts the Bank in category I.

Requirements by Type of Risk at December 31, 2018
Figures in millions of mexican pesos

DESCRIPTION		AMOUNT	%
Market risk requirement	$	169	10.13
Credit risk requirement		1,310	78.30
Operational risk requirement		194	11.57
Total capital requirement		1,673	59.43
Capital excess (or shortfall)		1,142	40.57
Total net capital	$	2,815	100

Ratios:

ICAP = NET CAPITAL / TOTAL RISK ASSETS	13.46
BASIC CAPITAL / TOTAL RISK ASSETS	13.46
FUNDAMENTAL CAPITAL / TOTAL RISK ASSETS	13.46

Disclosures required by appendix 1-O of the Provisions are presented within “Appendix 1” of the notes to the financial statements.

Report on the consequences and losses in the business arising from the materialization of identified operational risks.

The operational risk losses for 2018 amounted to $1.3.

Activities related to assets securitization.

At the end of the fourth quarter of 2018, the Bank has not carried out assets securitization transactions. At the end of the same period, there are no securitization positions recorded in memorandum accounts and the Bank does not hold securitization exposure which should be fully deducted from Fundamental Capital.

(Continued)

Banco Actinver maintains investments in fiduciary stock certificates. At December 31, 2018, it maintains a capital requirement for credit risk from the participation in assets securitization schemes of $14.57.

Information on stock positions

Banco Actinver maintains positions in stocks quoted in the Mexican Stock-Exchange and from which gains are expected; the value of the investments as shown in the balance sheet amounts to $281 which corresponds to their fair value.

During the fourth quarter, there were no realized losses accumulated from sales and settlements.

At December 31, 2018, the capital requirement for stock positions is $82, this requirement includes the market and specific risks requirement.

Disclosure of Liquidity coverage ratio (LCR)-

The liquidity coverage ratio (CCL for its acronym in Spanish) has as objective to ensure that commercial banks keep liquid assets freely available and of high credit quality, as defined in the general provisions applicable to meet their obligations and liquidity needs for 30 days.

On the next page the average amount of CCL components corresponding to the fourth quarter of 2018 is shown, the period includes 92 calendar days.

(Continued)

Amounts in millions of mexican pesos		Amount unweighted (average)	Weighted amount (average)
ACTIVOS LÍQUIDOS COMPUTABLES			
1	Total de Activos Líquidos Computables	No aplica	9,139
SALIDAS DE EFECTIVO			
2	Financiamiento minorista no garantizado	5,333	533
3	Financiamiento estable	-	-
4	Financiamiento menos estable	5,333	533
5	Financiamiento mayorista no garantizado	10,242	9,240
6	Depósitos operacionales	-	-
7	Depósitos no operacionales	7,445	6,443
8	Deuda no garantizada	2,797	2,797
9	Financiamiento mayorista garantizado	No aplica	350
10	Requerimientos adicionales:	5,543	346
11	Salidas relacionadas a instrumentos financieros derivados y otros requerimientos de garantías	45	45
12	Salidas relacionadas a pérdidas del financiamiento de instrumentos de deuda	-	-
13	Líneas de crédito y liquidez	5,499	301
14	Otras obligaciones de financiamiento contractuales	7.46	7.46
15	Otras obligaciones de financiamiento contingentes	-	-
16	**TOTAL DE SALIDAS DE EFECTIVO**	No aplica	10,477
ENTRADAS DE EFECTIVO			
17	Entradas de efectivo por operaciones garantizadas	523	9
18	Entradas de efectivo por operaciones no garantizadas	2,849	2,408
19	Otras entradas de efectivo	29	29
20	**TOTAL DE ENTRADAS DE EFECTIVO**	3,401	2,446
Importe ajustado			
21	**TOTAL DE ACTIVOS LÍQUIDOS COMPUTABLES**	No aplica	**9,139**
22	**TOTAL NETO DE SALIDAS DE EFECTIVO**	No aplica	**8,031**
23	**COEFICIENTE DE COBERTURA DE LIQUIDEZ**	No aplica	**116.32%**

Table 1. Liquidity coverage ratio disclosure report Appendix 5 National Banking and Securities Commission.

(Continued)

(Millions of mexican pesos)

Liquid Assets / Net Outputs	4Q2018	3Q2018	%
TOTAL COMPUTABLE LIQUID ASSETS	9,139	8,989	1.67%
NET TOTAL OF CASH OUTFLOWS	8,031	7,521	6.78%
LIQUIDITY COVERAGE RATIO	116.32%	121.42%	-4.20%

Table 1.1 Prior quarter comparison (weighted average amount)

During the fourth quarter of 2018, the Bank had an average Liquidity Coverage Ratio (LCR) of 116.35%, compared with the average of the immediately preceding quarter of 121.42%. We noted a 1.67% increase in liquid assets and of 6.75% in net cash outflows. At the end of December 2018, the Bank's LCR was 119.60%.

The main causes for LCR results include the entity's balance sheet structure, 95.72% of liquid assets comprise Tier 1 assets thus ensuring the ability to meet its contractual obligations in a time frame of thirty days.

Operadora Actinver – quantitative information-

The objective of risk integral management is to assess the levels of the various types of risk to which Operadora Actinver is exposed and one of its main functions is to monitor any deviation to the policies and risk exposure defined by the Board of Directors.

Operadora Actinver has corporate bodies which set risk objectives, policies and strategies, follow up on these and monitor compliance to them. Risk Integral Management efficiency will mainly depend on the instrumentation, circulation and correct application of policies and processes manuals on the subject.

As such, through said policies and processes the risk exposures will be adapted and the identification, monitoring, disclosure and control of the various types of risk to which Operadora Actinver is exposed will be followed up.

Operadora Actinver's Board of Directors constituted a Committee whose object is the management of the risks to which it is exposed and to monitor that the performance of transactions is aligned with the objectives, policies and processes for the risk integral management as well as the risk exposure limits.

The Risk Manager is in charge of monitoring and controlling exposures to:

- Discretionary risks.- Resulting from taking a risk position: Market, Credit, and Liquidity risks.
- Non-Discretionary risks.- Resulting from business operations, but not from taking a risk position: Operational, Legal and Technological risks.

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Operadora Actinver's organizational structure is designed to carry out risk integral management, such structure is established in a way that ensures Independence between the Risk Manager and other operations control areas, as well as a clear segregation of duties at all its levels.

The Risk Manager reports directly to the General Management, given Operadora Actinver's structure, he carries out executive and coordination duties which require that he knows about the Operating entity's integral operations.

The operating entity's CEO, is responsible for monitoring that the necessary independence is maintained between the risk integral management and business units.

Operadora Actinver's funds quantitative information is shown in the following table:

Fund	Rating	VaR Limit	Horizon Days	Average VaR 4Q 2018 (%)	VaR 31/12/2018	Consumption VaR 4Q 2018 (%)	Credit VaR 31/12/2018	Liquidity VaR 31/12/2018
PROTEGE	N/A	2.683%	1	0.008%	0.026%	0.010%	0.002%	0.084%
ACTCOMM	N/A	7.050%	1	1.387%	1.438%	0.204%	0.000%	4.548%
ACTI500	N/A	5.143%	1	1.648%	2.035%	0.396%	0.000%	6.434%
ACTICOB	AAA/3HR	2.020%	1	1.055%	1.075%	0.661%	0.004%	3.399%
ACTICRE	N/A	6.037%	1	0.861%	0.902%	0.149%	0.002%	2.853%
ACTIEUR	AAA/2HR	1.500%	1	1.150%	1.116%	0.744%	0.000%	3.529%
ACTIG+	AA/3HR	0.300%	1	0.023%	0.018%	0.058%	0.289%	0.055%
ACTIGOB	AAA/2HR	0.067%	1	0.019%	0.012%	0.172%	0.029%	0.036%
ACTIMED	AA/4HR	0.134%	1	0.015%	0.017%	0.124%	0.131%	0.053%
ACTINEM	N/A	6.040%	1	1.816%	2.016%	0.334%	0.000%	6.376%
ACTINMO	N/A	4.300%	1	1.320%	1.413%	0.329%	0.000%	4.468%
ACTINTK	N/A	10.300%	1	0.295%	0.434%	0.042%	0.000%	1.373%
ACTIPAT	N/A	5.970%	1	1.147%	1.209%	0.202%	0.000%	3.822%
ACTIPLU	A/6HR	2.728%	1	1.477%	1.479%	0.542%	0.254%	4.678%
ACTIPT1	N/A	8.900%	1	1.439%	1.695%	0.190%	0.000%	5.361%
+VALOR	N/A	9.150%	1	0.000%	0.727%	0.080%	0.153%	2.300%
ACTIPT4	N/A	9.870%	1	0.407%	0.651%	0.066%	0.079%	2.058%
ACTIPT8	AAA/1HR	0.145%	1	0.000%	0.001%	0.004%	0.015%	0.002%
ACTIREN	AAA/4HR	0.100%	1	0.008%	0.007%	0.066%	0.119%	0.021%
ACTIUS	N/A	4.472%	1	2.018%	2.562%	0.573%	0.000%	8.100%
ACTIVAR	N/A	5.367%	1	1.519%	1.755%	0.327%	0.000%	5.551%
IMPULSA	N/A	1.342%	1	0.009%	0.031%	0.023%	0.000%	0.097%
ACTOTAL	N/A	7.380%	1	0.974%	0.983%	0.133%	0.015%	3.110%

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Fund	Rating	VaR Limit	Horizon Days	Average VaR 4Q 2018 (%)	VaR 31/12/2018	Consumption VaR 4Q 2018 (%)	Credit VaR 31/12/2018	Liquidity VaR 31/12/2018
ACTPT13	N/A	4.130%	1	0.343%	0.360%	0.087%	0.011%	1.137%
ACTVIDA	N/A	9.960%	1	0.008%	0.037%	0.004%	0.011%	0.116%
AGOB+	AAA/3HR	0.150%	1	0.000%	0.001%	0.004%	0.015%	0.002%
ALTERNA	AA/4HR	0.492%	1	0.016%	0.023%	0.046%	0.099%	0.072%
APOLO10	AAA/1HR	0.492%	1	0.016%	0.002%	0.003%	0.011%	0.005%
DINAMO	N/A	9.100%	1	1.029%	1.083%	0.119%	0.000%	3.425%
EVEREST	N/A	5.590%	1	0.175%	0.209%	0.037%	0.000%	0.660%
GLOBAL	N/A	3.740%	1	1.514%	1.795%	0.480%	0.000%	5.676%
MAXIMO	AA/4HR	0.335%	1	0.129%	0.126%	0.375%	0.251%	0.398%
MAYA	N/A	7.044%	1	1.304%	1.550%	0.220%	0.000%	4.902%
OPORT1	N/A	3.680%	1	0.037%	0.040%	0.011%	0.014%	0.127%
OPORT2	N/A	5.140%	1	0.000%	0.001%	0.000%	0.015%	0.002%
OPTIMO	N/A	7.030%	1	0.870%	0.921%	0.131%	0.000%	2.912%
ORION	AA/2HR	0.492%	1	0.050%	0.041%	0.084%	0.117%	0.131%
ROBOTIK	N/A	3.910%	1	1.741%	1.995%	0.510%	0.002%	6.309%
QUETZAL	N/A	9.850%	1	0.968%	1.301%	0.132%	0.003%	4.115%
REGIO1	AAA/1HR	0.070%	1	0.006%	0.004%	0.061%	0.012%	0.013%
REGIO2	AA/2HR	0.224%	1	0.003%	0.003%	0.015%	0.053%	0.011%
PRUEM	AAA/1HR	3.354%	1	0.000%	0.000%	0.000%	0.000%	0.000%
PRUREF	N/A	4.472%	1	0.000%	0.000%	0.000%	0.000%	0.000%
PRUDLS	AAA/1HR	2.728%	1	0.000%	0.000%	0.000%	0.000%	0.000%
VTLS-RV	N/A	3.690%	1	0.925%	0.929%	0.252%	0.001%	2.937%

Notes regarding the table above:

1) Average VaR from October 2018 to December 2018, VaR calculated based on historical model, 252 observations at 95% confidence level and 1-day horizon.
2) Credit VaR (unexpected loss)
3) Liquidity VaR calculated based on historical model; 252 observations at 95% confidence levell and a horizon of 10 days.

In addition to risk management, debt securities investment funds are rated by quality, asset diversification and management thereof.

(Continued)

(27) Commitments and contingent liabilities-

(a) Property and certain operating equipments are leased. Leases consider periodic rent adjustments based on different economic factors. Total lease payments for the years ended December 31, 2018 and 2017 amounted to $176 and $161 , respectively.

(b) Corporación Actinver through its subsidiaries has entered into mutual funds distribution agreements with related parties.

(c) ***Lawsuits and litigations-***

In accordance with Bulletin C-9 "Liabilities, provisions, contingent assets and liabilities and commitments", Corporación Actinver classifies its legal obligations in:

Probable: where the likelihood of realization of the future event is high (loss probability in excess of 50%);

Possible: where the likelihood of realization of the future event is more than remote, but less than probable (loss probability greater than 5% but less than 50%);

Remote: where the likelihood of realization of the future event is low (loss probability not greater than 5%).

Corporación Actinver is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on its financial position or future results of operations.

(d) Corporación Actinver is guarantor of certain loans received by its subsidiary Arrendadora Actinver.

(28) Recently issued financial reporting standards -

Changes in the Commission's regulations

On December 27, 2017, the Commission issued in the Official Journal of the Federation a decision which amends the General provisions applicable to credit institutions, with regards to criterion A-2 "Application of specific rules" where the amendment establishes that the NIF described below will take effect on January 1, 2020 and regarding accounting criteria B-6 "Loan portfolio" and D-2 "Statement of Income" of Appendix 33, concerning the fact that the excess of allowance for loan losses, shall be canceled from the balance sheet in the statement of income affecting the caption of allowance for loan losses and that any recovery derived from loans previously written-off or eliminated in accordance with the rules set in accounting criterion B-6, shall be recognized in the statement of income in the caption of allowance for loan losses. This amendment will take effect starting January 1, 2019, in accordance with the amending decision issued on November 15, 2018, which amends the single transitional article of the decision issued on December 27, 2017.

FRS B-17 *"Fair value determination"-* is issued to:

a) Define fair value;
b) Establish in one unique legal framework the determination of fair value; and
c) Standardize the disclosures on the determination of fair value.

FRS C-3 "Accounts receivable"- presents among the main changes, the following:

- Specifies that accounts receivable based on a contract represent a financial instrument, while certain other accounts receivable, proceeding from a legal or tax provision, may have certain characteristics of a financial instrument, such as accrued interests, but are not as such financial instruments.
- Establishes that the reserve for doubtful accounts must be recognized from the moment in which income is accrued, based on expected credit losses, presenting the reserve in a separated expense caption when it is significant in the comprehensive income statement.
- Establishes that from the initial recognition, the time value of money must be considered, such that if the effect of the present value of the account receivable is significant with regards to its term, it must be adjusted to consider such present value.
- Requires a reconciliation between the initial and final balance of the reserve for doubtful accounts for each period presented.

FRS C-9 *"Provisions, contingencies and commitments"-* Among the main aspects covered by tis FRS, the following stand out:

- The scope is narrowed down by relocating the subject of the accounting treatment of financial liabilities in FRS C-19 "Financial instruments payable".
- The definition of a "liability" is modified by eliminating the qualification of "virtually unavoidable" and including the term "probable".
- The wording used is updated.

(Continued)

FRS C-19 ***"Financial instruments payable"-***

The main changes relating to prior rulings are:

a) The possibility to value certain financial liabilities at their fair value in their subsequent measurement, when certain extraordinary conditions are met;
b) Value long-term liabilities at their present value in their initial recognition, considering the time value when their term is over one year or outside of normal credit conditions, recognizing an implicit interest or adjusting the interest to the market;
c) When restructuring a liability without substantially modifying the future cash flows to settle it, the costs and fees incurred in this process will affect the liability amount and will be amortized at a modified effective interest rate, instead of affecting directly the net income or loss. Bulletin C-9 did not specify the restructuring of a liability, instead it referred to early debt redemption;
d) In section 42.6 of this standard was added the information included in IFRS 19, Extinguishment of financial liabilities with equity instruments (IFRS 19), which was not included in the previous standard; and
e) The effect of a financial liability extinguishment must be presented as a financial income (loss) in the comprehensive income statement, while previously, Bulletin C-9 did not indicate what caption should be affected.

FRS C-20 ***"Financial instruments to collect principal and interests"-*** Among the main aspects covered, the following are included:

- The classification of financial instruments in assets. The concept of intent to acquire and hold these to determine their classification is eliminated. Instead, the concept of management´s business model is adopted, either to obtain, generate a contractual return and sell to meet certain strategic objectives or to create gains from purchase/sale, in order to classify them in accordance with the corresponding model.
- The effect of valuation of financial instruments investment is also focused on the business model.
- It is not allowed to reclassify financial instruments between the categories of financial instruments to collect principal and interest, financial instruments to collect and sell and negotiable financial instruments, unless the entity's business model changes.

FRS C-16 ***"Impairment of financial instruments receivable"-*** The main changes included in this FRS consist in determining when and how the expected impairment losses of financial instruments receivable (FIR) must be recognized, among which it:

- Establishes that impairment losses of FIR must be recognized when following the increase in credit risk, it is determined that a part of future cash flows of the FIR will not be recovered.
- Proposes that the expected loss be recognized on the basis of the entity's historical experience of credit losses, the current conditions and reasonable and sustainable forecasts of the different quantifiable future events that could impact the amount of future cash flows of the FIR.
- In the case of the FIR which accrue interests, it establishes that it must be determined how much and when the amount of FIR is expected to be recovered, and the recoverable amount must be at its present value.

FRS D-1 ***"Revenue from contracts with customers"-*** Among the main changes, the following stand out:

- Establishes the transfer of control as the basis for the appropriateness of revenue recognition.
- Requires the identification of obligations to be met in a contract.
- Indicates that the allocation of the transaction amount between the obligations to be fulfilled, must be carried out on the basis of independent sales prices.
- Introduces the concept of "conditional account receivable".
- Requires the recognition of collection rights.
- Establishes requirements and orientation on how to value the variable compensation and other aspects, when estimating revenue.

FRS D-2 ***"Costs from contracts with customers"-*** The main change is the segregation of the standard relating to the recognition of revenues from contracts with customers, from the one corresponding to the recognition of costs from contracts with customers. In addition, it widens the scope of Bulletin D-7, which referred exclusively to costs related to construction and manufacturing contracts of certain capital goods, to include costs related to all types of contracts with customers.

FRS D-5 ***"Leases"-*** Among the main changes, the following stand out:

- In the case of lessees, leases are no longer classified as operating or finance and the lessee is required to recognize a lease liability at the present value of lease rentals and a right-of-use asset for the same amount for all leases with a term of more than 12 months, unless the asset is of low value.
- A lessee recognizes depreciation or amortization of the right-of-use asset and interest on the lease liability.
- In the statement of cash flows, it modifies the presentation of the related cash flows, since cash outflows are deducted from operating activities with an increase in cash outflows from financing activities.
- In a sale-and-leaseback transaction, the recognition of any gain or loss is modified when the seller-lessee transfers an asset to another entity and leases that asset back from the buyer-lessor.
- Lessor's accounting recognition does not change from the previous Bulletin D-5; only certain disclosure requirements are added.

Corporación Actinver estimates that the aforementioned regulatory rulings will not have significant effects on the financial information.

2019 FRS Improvements
In December 2018, the CINIF issued a document called "2019 FRS Improvements" containing precise amendments to some of the existing FRS. The improvements to FRS do not lead to accounting changes in the annual financial statements.

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Appendix 1-O (Unaudited)

Section I.1

Reference	Tier 1 capital (CET1): instruments and reserves		Amount 2018	2017
1	Common stock that qualifies as tier 1 capital plus the corresponding premium	$	2,255	2,055
2	Retained earnings		574	364
3	Other comprehensive income items (and other reserves)		350	214
6	Tier 1 capital before regulatory adjustments		3,179	2,633
	Tier 1: regulatory adjustments			
9	Other intangibles other than mortgage servicing rights (net of the corresponding deferred income tax liabilities)		(120)	(108)
10	(conservative) Deferred income tax to be recovered that depends on future profits excluding those that derive from temporary differences (net of deferred income tax payable)		(67)	(10)

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Appendix 1 Continued

Reference			**Amount 2018**	**2017**
19	(conservative) Investments in the capital of banks, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, and where the Institution does not own more than 10% of the issued share capital (amount in excess of the 10% threshold)	$	(2)	(41)
26	Local regulatory adjustments		-	(209)
J	of which: Deferred charges and prepaid expenses		(174)	(209)
28	Total regulatory adjustments to tier 1 capital		(363)	(358)
29	Tier 1 capital (CET1)	$	2,815	2,265
Additional tier 1 capital: instruments:				
44	Additional tier 1 capital (AT1)		-	-
45	Tier 1 capital (T1 = CET1 + AT1)		2,815	2,265
Tier 2 capital: instruments y reserves				
50	Reserves		-	-
51	Tier 2 capital: before regulatory adjustment		-	-
Tier 2 capital: regulatory adjustments				
57	Total regulatory adjustments to tier 2 capital		-	-
58	Tier 2 capital (T2)		-	-
59	Total capital (TC = T1 + T2)		2,815	2,265
60	Risk weighed total assets	$	2,815	2,265

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Appendix 1.1 Continued

Reference		Amount 2018	2017
Capital ratios and supplements			
61	Level 1 Common stock (as percentage of the risk weighted total assets)	13.46%	13.45%
62	Level 1 Stockholders equity (as percentage of the risk weighted total assets)	13.46%	13.45%
63	Total Stockholders equity (as percentage of the risk weighted total assets)	13.46%	13.45%
68	Level 1 Common stock available to support supplements (as percentage of the risk weighted total assets)	13.46%	13.45%
Amounts below the deduction threshold (before risk weighting)			
75	Deferred income tax assets derived from temporary differences (net of deferred income tax liabilities)	$ 277	212
		===	====

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Section II.1

Reference to the balance sheet caption	Balance sheet caption		Amount reported in the balance sheet 2018	2017
	Assets	$	33,642	27,991
BG1	Cash and cash equivalents		4,151	1,907
BG3	Investment securities		11,159	9,892
BG4	Debtors on repurchase/resell agreements		325	369
BG6	Derivatives		5	36
BG8	Total current loan portfolio (net)		16,096	13,987
BG10	Other accounts receivable (net)		1,195	1,108
BG11	Foreclose assets (net)		6	7
BG12	Property, furniture and equipment (net)		93	107
BG13	Permanent investments		3	3
BG15	Deferred taxes and deferred ESPS (net)		277	212
BG16	Other assets		332	363

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Reference to the balance sheet caption	Balance sheet caption		Amount reported in the balance sheet 2018	2017
	Liabilities	$	30,463	25,358
BG17	Deposit funding		26,247	19,632
BG18	Due to banks and other institutions		267	452
BG19	Creditors on repurchase/resell agreements		2,323	3,289
BG22	Derivatives		5	30
BG25	Other accounts payable		1,502	1,831
BG28	Deferred credits and advances from customers		119	124
			=====	=====
Section II.1				
	Stockholders' equity		3,179	2,633
BG29	Paid-in capital		2,255	2,055
BG30	Earned capital		924	578
	Memorandum accounts		507,750	215,346
BG33	Credit commitments		6,274	1,257
BG34	Assets in trust or under mandate		433,051	149,032
BG36	Assets in custody or under management		65,017	61,622
BG37	Collaterals received by the entity		348	370
BG38	Collaterals received and sold or pledged by the entity	$	24	-

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Reference to the balance sheet caption	Balance sheet caption		Amount reported in the balance sheet 2018	2017
BG40	Accrued uncollected interests arising from the past due loan portfolio	$	3	4
BG41	Other memorandum accounts		3,033	3,061
			====	====

Section II.2

Identifier	Concept[1]	Exhibit I reference[2]		Amount[3] 2018	2017	Reference to the balance sheet captions[4]
	Assets					
2	Other Intangibles	9	$	(120)	(108)	BG16
3	Deferred income tax (receivable) from tax losses and credits	10		(67)	-	BG15
8	Direct investments in the capital of financial entities where the Institution owns no more than 10% of the issued share capital	19		(2)	(41)	BG13
20	Deferred charges and prepaid expenses	26 - J		(174)	(209)	BG16
	Stockholders' equity					
34	Contributed capital that complies with Exhibit 1-Q	1		2,255	2,055	BG29
35	Retained earnings	2		574	364	BG30
37	Other elements of earned capital that are different from the aforementioned	3		350	214	BG30
				====	====	

(Continued)

[1] Regulatory concepts considered in calculating the components of Net Capital.
[2] Reference of the disclosure report of "capital composition" of section I hereof.
[3] Amount in accordance with notes to the table "Regulatory concepts considered in calculating the components of Net Capital".
[4] Reference(s) of the balance sheet caption and amount related to the regulatory concepts considered in calculating Net Capital taken from the aforementioned reference.

Section II.3

Identifier	Description
1	Goodwill.
2	Intangibles, excluding goodwill.
3	Deferred income tax assets arising from tax loss carryforwards and credits.
4	Benefits on the remainder from securitization transactions.
5	Investments of the defined benefit pension plan without unrestricted and unlimited access.
6	Any own share that the Institution acquires in accordance with the provisions of the Law, which have not been subtracted, considering the amounts acquired through investments in securities indices and the amount corresponding to investment in investment funds other than those provided for by reference 18.
7	Investments in shares of companies other than the financial entities referred to by paragraph f), section I of Article 2 Bis 6 of the Provisions which, in turn, are direct or indirect shareholders of the Institution, of the financial group's holding company, of all the other financial entities comprising the group to which the Institution belongs or of the financial affiliates thereof, considering the investments corresponding to investment funds other than those provided for by reference 18.
8	Direct investments in the capital of financial entities referred to by Articles 89 of the Law and 31 of the Law to Regulate Financial Groups, where the Institution holds up to 10% of the capital of such entities.
9	Direct investments in the capital of financial entities referred to by Articles 89 of the Law and 31 of the Law to Regulate Financial Groups, where the Institution holds more than 10% of the capital of such entities.

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Section II.3 (continued)

Identifier	**Description**
10	Indirect investments in the capital of financial entities referred to by Articles 89 of the Law and 31 of the Law for Regulating Financial Groups, where the Institution holds up to 10% of the capital of such entities.
11	Indirect investments in the capital of financial entities referred to by Articles 89 of the Law and 31 of the Law for Regulating Financial Groups, where the Institution holds more than 10% of the capital of such entities.
12	Deferred income tax assets arising from temporary differences.
13	Loan loss reserve estimates for up to 1.25% of credit risk-weighted assets, corresponding to Operations using the Standard Method for calculating the capital requirement for credit risks; and the positive difference of Total Admissible Reserves less the Total Expected Losses up to an amount that does not exceed 0.6 percent of credit risk-weighted assets, corresponding to Operations using the method based on internal ratings for the calculating capital requirement for credit risks.
14	Investments in subordinated debt instruments in accordance with the provisions of paragraph b) section I, of Article 2 Bis 6 of the Provisions.
15	Investments in the capital of international multilateral development or promotion agencies in accordance with the provisions of paragraph f) section I, of Article 2 Bis 6 of the Provisions with credit rating assigned by any of the Reporting Bodies equal to or greater than long-term level of risk 2.
16	Investments in shares of companies related to the Institution in terms of Articles 73, 73 Bis and 73 Bis 1 of the Law, including the amount corresponding to investments in investment companies and investments in indices pursuant to the provisions of paragraph g) section I, of Article 2 Bis 6 of the Provisions.

(Continued)

(Millions of mexican pesos)

Section II.3 (continued)

Identifier	**Description**
17	Investments of development banking institutions in risk capital, as established in paragraph h) section I, of Article 2 Bis 6 of the Provisions.
18	Investments in shares, other than fixed capital, of listed investment companies where the Institution holds over 15 percent of the stockholders' equity of such investment company, pursuant to the provisions of paragraph i) section I, of Article 2 Bis 6, which have not been considered in previous references.
19	Any type of contribution which funds are used for acquiring shares of the financial group's holding company, of all the other financial entities comprising the group to which the Institution belongs or of the financial affiliates thereof, pursuant to the provisions of paragraph l) section I, of Article 2 Bis 6 of the Provisions.
20	Deferred charges and prepaid expenses.
21	Deferred employee statutory profit sharing pursuant to the provisions of paragraph p) section I, of Article 2 Bis 6 of the Provisions.
22	Investments of the defined benefit pension plan that must be deducted in accordance with Article 2 Bis 8 of the Provisions.
23	Direct or indirect investments or contributions in the capital of companies or in the estate of trusts or other types of similar figures which purpose is to offset and settle foreign exchange transactions, except equity of such companies or trusts in the latter pursuant to the provisions of paragraph f) section I, of Article 2 Bis 6 of the Provisions.
24	Deferred income tax liabilities arising from goodwill related temporary differences.
25	Deferred income tax liabilities arising from temporary differences related to other intangibles (other than goodwill).
26	Liabilities of the defined benefit pension plan related to investments of the aforementioned defined benefit pension plan.

(Continued)

(Millions of mexican pesos)

Section III.3 (continued)

Identifier	**Description**
27	Deferred income tax liabilities arising from temporary differences related to the defined benefit pension plan.
28	Deferred income tax liabilities arising from temporary differences other than those of references 24, 25, 27 and 33.
29	Amount of subordinated debentures complying with Exhibit 1-R of the Provisions.
30	Amount of subordinated debentures subject to transience that count as core capital 2.
31	Amount of subordinated debentures complying with Exhibit 1-S of the Provisions.
32	Amount of subordinated debentures subject to transience that count as supplementary capital.
33	Deferred income tax liabilities arising from temporary differences related to deferred charges and prepaid expenses.
34	Amount of contributed capital that satisfies the requirements of Exhibit 1-Q of the Provisions.
35	Retained earnings (deficit).
36	Gain (loss) from marking to market cash flow hedge instruments of hedged items.
37	Net result and unrealized gain or loss from valuation of available-for-sale securities.
38	Amount of paid in capital stock that satisfies the requirements of exhibit I-R of the Provisions.
39	Amount of contributed capital that satisfies the requirements of exhibit 1-S of the Provisions.
40	Gain (loss) from valuation of cash flow hedge instruments of hedged items valued at amortized cost.
41	Cumulative translation effect.

(Continued)

(Millions of mexican pesos)

Section II.3 (continued)

Identifier	**Description**
42	Gain (loss) from holding non-monetary assets.
43	Positions related to the First Losses Scheme, which maintain the risk or provide credit protection up to a certain limit of a position in accordance with paragraph o) section I, of Article 2 Bis 6 of the Provisions.
44	Reserves pending to be created in accordance with paragraph k) section I, of Article 2 Bis 6 of the Provisions.
45	The resulting amount if as a result of the acquisition of securitization positions, the originating Institutions post a profit or an increase in the value of their assets with respect to the assets previously recorded in their balance sheet, in accordance with paragraph c) section I, of Article 2 Bis 6 of the Provisions.
46	Transactions that contravene the provisions, in accordance with paragraph m) section I, of Article 2 Bis 6 of the Provisions.
47	The aggregate amount of Transactions Subject to Credit Risk by Relevant Significant Persons in accordance with paragraph r) section I, of Article 2 Bis 6 of the Provisions.
48	Adjustment from recognition of Net Capital in accordance with Article 2 Bis of the Provisions. The amount shown corresponds to the amount recorded in C5, in the form included in Section II hereof.

Section III.1 Total assets subject to risk

Description		**Amount of equivalent positions**	**Capital requirement**
Local currency transactions – nominal rate	$	430	34
Debt securities transactions in domestic currency with surcharge and renewable rate		298	24

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Description	Amount of equivalent positions	Capital requirement
Local currency transactions in real or UDI's rate	$ -	-
Positions in UDIs or with yields related to NCPI	-	-
Foreign currency transactions at nominal rate	15	1
Foreign currency positions or with exchange rate indexed yields and gold holdings	348	28
Stock positions or positions with a stock or group of stock indexed yield	1,028	82
	===	==

Section III.2

Description		Risk weighted assets	Capital requirement
Group III (weighted to 20%)	$	105	8
Group IV (weighted to 20%)		108	9
Group VI (weighted to 100%)		1,347	110
Group VII_A (weighted to 20%)		278	22
Group VII_A (weighted to 50%)		164	13
Group VII_A (weighted to 100%)		6,989	559
Group VII_A (weighted to 150%)		-	-
Group VIII (weighted to 115%)		1	0
Group VIII (weighted to 150%)		-	-

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Description		Risk weighted assets	Capital requirement
Group IX (weighted to 100%)	$	6,780	542
Group IX (weighted to 115%)		366	29
Group X (weighted to 1250%)		30	2
Securitizations with degree of risk 2 (weighted to 50%)		171	14
Securitizations with degree of risk 3 (weighted to 100%)		-	-
Securitizations with degree of risk 4,5 y 6 (1250% risk-weighted)	$	11	1
		=====	====

Additionally, there is an adjustment requirement for credit valuation in derivatives transactions of 0.014.

Section III.3

Method used	Risk weighted assets	Capital requirement
Basic indicator	$ 2,420	$ 194
	====	==

Average market risk requirement over the last 36 months	Average positive annual net income over the last 36 months
$ 1,044	$ 1,843
===	====

(Continued)

Section V

Capital management

Corporación Actinver carried out an assessment exercise of capital adequacy under supervisory scenarios 2017-2019 (exercise), which is legally founded in article 2 bis 117 a. of the General Provisions Applicable to Credit Institutions.

The assessment considers at least the following:

1. The identification, measurement, monitoring, control and mitigation of risks to which the Institutions is exposed.

2. The way in which financial reports disclose and reflect the risks referred to in point 1 above.

3. The identification, measurement, monitoring, control and mitigation of potential risks in stress scenarios that may compromise capital adequacy and liquidity, considering the balance sheet structure and the composition of the assets thereof in the stress scenarios being considered.

4. The ability to obtain resources and continue operating in a stress scenario, which compromises the institution's capital adequacy without the need of a breach with the minimum figures established by these provisions.

The conclusions obtained and issued by the National Banking and Securities Commission for this year were:

Corporación Actinver has the sufficient regulatory capital to continue brokering resources and granting short and medium-term loans, holding them under category I of early warnings, as defined in article 220 of the General Provisions Applicable to Credit Institutions, complying with the minimum capital set forth in article 2 of the same provisions, as well as the provisions of the last paragraph of the Credit Institutions Law, and Corporación Actinver proposes adequate response strategies to face adverse macroeconomic conditions.

(Continued)

Methodology

Based on the manual for preparing the assessment exercise of capital adequacy under supervisory scenarios 2017-2019 and the internal scenarios proposed by the Bank, the credit management area recorded the allowance for loan losses using the loan portfolio projections prepared by the Loan Origination area.

The financing of the Bank considers asset growth from 2017 to 2019. The loan and securities portfolio headings were projected considering growth in accordance with the group's growth expectations within the estimated capital framework for these years.

Accordingly, growth was estimated for liability line items used in funding the aforementioned assets. For traditional fund gathering we believe these products continue to perform well although not as well compared with the first half of 2017. As for market collection products we maintain collection in long-term bonds and the term deposits for less than one year is the adjusting valve for liabilities showing moderate growth throughout the period.

The National Banking and securities Commission is currently assessing the period corresponding to 2018-2020.

<u>Section VI</u>

Weighting factors involved in calculating the Countercyclical Capital Supplement

At the end of the fourth quarter 2018 the Banco Actinver does not have a Countercyclical Capital Supplement being that the weighting factors that apply to the jurisdictions where it maintains operations subject to credit risk are 0%.

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Exhibit 1-O Bis (Unaudited)

VI. Composition of the major sources of leverage

Table I.1

REFERENCE	ITEM	2018	2017	Variation
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivative financial instruments, repurchase agreements and securities financing transactions (SFT), but including collaterals provided as Security and recorded on the balance sheet).	$ 34,104	$ 28,022	$ 6,082
2	(Amounts of assets deducted in determining tier 1 capital under Basel III)	$ (363)	$ (368)	$ 5
3	On-balance sheet exposures (net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2)	$ 33,741	$ 27,654	$ 6,088
	Financial derivative instruments exposures			
4	Current replacement cost associated with *all* transactions with derivative financial instruments (net of admissible cash variation margin)	$ 5	$ 36	$ (31)
5	Amounts of additional factors for potential future exposure associated with all transactions with derivative financial instruments	$ 2	$ 6	$ (4)
6	Increase from collateral contributed in transactions with derivative financial instruments where such collateral is deregistered from the balance sheet in accordance with the operational accounting framework	$ -	$ -	$ -

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

Exposures for securities financing transactions				
7	(Deductions from accounts receivable from cash variation margin contributed in transactions with derivative financial instruments)	$ -	$ -	$ -
8	(Exposure from transactions with derivative financial instruments on behalf of customers, where the clearing partner does not provide Security in the event of breach of obligations by the Central Counterparty)	$ -	$ -	$ -
9	Adjusted effective notional amount of subscribed credit derivative financial instruments	$ -	$ -	$ -
10	(Offsetting of the adjusted effective notional amount of subscribed credit derivative financial instruments and deductions of additional factors for subscribed credit derivative financial instruments)	$ -	$ -	$ -
11	Total exposures to derivative financial instruments (sum of lines 4 to 10)	$ 7	$ 42	$ (35)

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

Exposures for securities financing transactions				
12	Gross SFT assets (with no recognition of netting), after adjustments for sales accounting transactions	$ 348	$ 38	$ 310
13	(Netted SFT accounts payable and receivable)	$ -	$ -	$ -
14	Counterparty Risk Exposure for SFT	$ -	$ 2	$ (2)
15	SFT exposures acting on behalf of third parties	$ -	$ -	$ -
16	Total exposures for securities financing transactions (sum of lines 12 to 15)	$ 348	$ 40	$ 308
Other off-balance sheet exposures				
17	Off-balance sheet exposure (gross notional amount)	$ 6,274	$ 1,257	$ 5,017
18	(Adjustments for conversion to credit equivalent amounts)	$ -	$ -	$ -
19	Off-balance sheet items (sum of lines 17 and 18)	$ 6,274	$ 1,257	$ 5,017

(Millions of mexican pesos)

Capital and total exposures				
20	Tier 1 capital	$ 2,815	$ 2,265	$ 551
21	Total exposures (sum of lines 3, 11, 16 and 19)	$ 40,370	$ 28,993	$ 11,378
Leverage ratio				
22	Basel III leverage ratio	6.97%	7.81%	(0.84)%

VII. Comparison between total assets and adjusted assets

Table II.1

REFERENCE	DESCRIPTION	2018	2017	VARIATION
1	Total assets	$ 34,640	$ 29,318	$ 5,322
2	Adjustment for investments in the capital of banks, financial entities, insurance companies or business entities that consolidate for accounting purposes but that are outside the scope of regulatory consolidation	$ (2)	$ (41)	$ 40

(Continued)

Corporación Actinver, S. A. B. de C. V.
and Subsidiaries

Notes to consolidated financial statements

(Millions of mexican pesos)

REFERENCE	DESCRIPTION	2018	2017	VARIATION
3	Adjustment relating to trust assets recognized in the balance sheet under the accounting framework, but excluded from the extent of leverage ratio exposure	$ -	$ -	$ -
4	Adjustment for derivative financial instruments	$ (176)	$ (1,209)	$ 1,034
5	Adjustment for repurchase/resell transactions and securities lending [1]	$ (6)	$ (5)	$ (1)
6	Adjustment for items recognized in memorandum accounts	$ 6,274	$ 1,257	$ 5,017
7	Other adjustments	$ (361)	$ (327)	$ (34)
8	Leverage ratio exposure	$ 40,370	$ 28,992	$ 11,378

(Continued)

**Corporación Actinver, S. A. B. de C. V.
and Subsidiaries**

Notes to consolidated financial statements

(Millions of mexican pesos)

II. Reconciliation of total assets and on-balance sheet exposure

Table III.1

REFERENCE	DESCRIPTION	2018	2017	VARIATION
1	Total assets	$ 34,640	$ 29,318	$ 5,322
2	Transactions in derivative financial instruments	$ (188)	$ (1,258)	$ 1,070
3	Transactions in repurchase/resell agreements and securities lending	$ (348)	$ (38)	$ 310
4	Trust assets recognized in the balance sheet under the accounting framework, but excluded from the extent of leverage ratio exposure	$ -	$ -	$ -
5	On-balance sheet exposures	$ 34,104	$ 28,022	$ 6,082

II. Leading causes of the most significant Leverage Ratio element variations (numerator and denominator)

Table IV.1

DESCRIPTION/QUARTER	2018	2017	VARIATION
Basic Capital 1/	$ 2,815	$ 2,265	$ 551
Adjusted Assets 2/	$ 40,370	$ 28,992	$11,378
Leverage Ratio 3/	6.97%	7.81%	(0.84%)

1/ Reported in row 20, 2/ Reported in row 21 and 3/ Reported in row 22 of Table I.1.

(Continued)

Basic Capital

The increase of $551 in the basic capital in comparison to the prior year is mainly due to contributions for future capital increases of $200 carried out during the period, to the Bank's action in the corresponding period where an increase of $345 of gained earnings was generated, a decrease in operations carried out by the Clearing Partner Trust which impacts positively for $40, a decrease in the balance of intangible assets which increases the net capital by $23 and an increase in the deferred ESPS asset balance which is deduced from capital for $(57), respectively.

Adjusted Assets

The increase in adjusted assets of $11,388 in comparison to the prior year is mainly due to the following:

- The increase of 18% in the balance of "Total assets", in comparison to the prior year, is due to the increases in the captions of "Cash and cash equivalents", "Investment securities", "Debtors en repurchase/resell transactions" and the "Current loan portfolio".

- The decrease in the balance of permanent investments due to the termination of transactions with customers of the Clearing partner trust, a Bank subsidiary, such that the original investment was recovered.

- The decrease of 85% in the amount of "Adjustment for derivative financial instruments", mainly due to the maturity of options contracts during the period.

- The increase of 399% in the balance of "Credit commitments" recognized in memorandum accounts, in comparison to the prior year.