

GRUPO FINANCIERO HSBC, S.A. DE C.V.

Third Quarter ended 30 September 2025 Report



Highlights

Nine months ended 30 September 2025

Total operating income excluding loan impairment charges

MXN47,759m ↑ 3.7% or MXN1,726m
(2024: MXN46,033m)

Profit before tax

MXN9,969m ↓ 9.1% or MXN1,004m
(2024: MXN10,973m)

Return on equity

11.4% ↓ 80bps
(2024: 12.2%)

Net income before discontinued operations

MXN7,820m ↓ 0.8% or MXN62m
(2024: MXN7,882m)

Profit before tax (under IFRS)¹

MXN10,195m ↓ 15.30% or MXN1,841m
(2024: MXN12,063m)

At 30 September 2025

Net Loans and advances to customers

MXN465.1bn ↓ 4.4% or MXN21.5bn
(At 30 Sep 2024: MXN486.4bn)

Total Deposits

MXN529.7bn ↓ 6.0% or MXN34bn
(At 30 Sep 2024: MXN563.6bn)

Capital adequacy ratio

18.5%
(At 30 Sep 2024: 18.5%)

Common equity tier 1 ratio

12.9% ↑ 100 bps
(At Sep 2024: 11.9%)

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Award and recognition

Top Women's Company 2025 Certification

HSBC Mexico received the "Top Women's Company 2025" certification, which reflects the institution's commitment to implement best practices to attract female talent and reinforces its commitment to promote gender equality as part of its diversity and inclusion policy. Additionally, the bank placed 6th in the Super Companies for Women 2025 Ranking, in the category of companies with more than 3,000 employees. This ranking is conducted annually by Expansión magazine in collaboration with Top Companies, a leading firm in diagnosing and strengthening workplace culture, which evaluates various parameters of both organizational culture and climate.

Responsible Companies 2025

Expansión magazine recognized HSBC Mexico for being included in its "Responsible Companies 2025" ranking. This year, the bank ranked 30th out of 157 companies, making it the highest-rated financial institution in the environmental, social, and governance categories. This exercise, conducted annually by Expansión magazine, systematically and methodologically evaluates the application of ESG criteria in the strategies of companies across various sectors in Mexico.

Menopause-Friendly Company Award

During the First Sin Reglas Summit: Menopause, Breaking Barriers, Creating Opportunities, organized by the Sin Reglas Foundation, HSBC Mexico was recognized for its commitment to diversity, inclusion, and the overall well-being of its colleagues. This recognition reinforces the bank's belief that supporting people throughout every stage of their lives is key to their development.

¹ The main differences between Mexican GAAP and IFRS results for the nine months to 2025 relate to differences in loan impairment charges, post-employment benefit, effective interest rate, deferred profit sharing, other insurance adjustment and additional tier 1 (AT1).

Economic review and outlook

Economic activity

The economic activity index (IGAE by its acronym in Spanish) dropped by 0.9% in month-on-month terms, suggesting a soft start to Q3 2025. Services, industrial production, and agriculture activities fell by 0.4%, 1.2% and 3.0% month-on-month, respectively.

On an annual basis, overall activity declined by 1.2% in seasonally adjusted terms. Industrial production and agricultural activities fell by 2.8% and 12.2% year-on-year, respectively. In contrast, services grew by 0.4% year-on-year.

Financial performance – key metrics

Profit before tax for the nine months to 2025 was MXN9,969m, a decrease of MXN1,004m or 9.1% compared with MXN10,973m for the same period in 2024.

Net interest income for the nine months to 2025 was MXN37,323m, an increase of MXN1,886m or 5.3% compared with MXN35,437m for the same period in 2024. The increase is mainly explained by the reduction of funding costs.

Loan impairment charges for the nine months to 2025 were MXN10,915m, an increase of MXN791m or 7.8% compared with MXN10,124m for the same period in 2024. This increase is primarily attributed to prior year releases and specific client provisions this year, partially offset by a decrease in certain retail loan portfolios.

Net fee income for the nine months to 2025 was MXN9,005m, an increase of MXN753m or 9.1% compared with MXN8,252m for the same period in 2024 is mainly driven by increase in commercial activity, credit card and investment funds.

Trading income for the nine months to 2025 was MXN3,173m, a decrease of MXN685m or -17.8% compared with MXN3,858m for the same period in 2024, mainly due to a higher valuation reserves during 2025 and a decrease in derivatives revenues after a reduction on the market spreads versus last year.

Other operating income (expense) for the nine months to 2025 was an expense of MXN921m, reflecting a reduction of MXN92 million or 9.1% compared to MXN1,013 million for the same period in 2024. This decrease was primarily driven by the loss on portfolio sale from the previous year.

Administrative and personnel expenses for the nine months to 2025 were MXN27,103m, an increase of MXN1,958m or 7.8%, compared with MXN25,145m for the same period in 2024. This rise is attributed to enhanced investment in IT and staff costs, aligning with our business strategy, alongside contingency reserves.

The cost efficiency ratio was 56.7% for the nine months to 2025 compared with 54.6% for the same period in 2024.

The effective tax rate was 21.6% for the nine months to 2025, compared with 28.2% reported for the same period in 2024. The variation is mainly driven by reassessments in deferred tax assets and decrease of accrued reserves.

At 30 September 2025, **net loans and advances** were MXN465bn, showing an overall decrease of MXN21.5bn, or 4.4% compared with MXN486.4bn. The decrease is driven by -4%

Monetary policy

Mexico's central bank (Banxico) cut the policy rate by 25bp twice in Q3 2025 (August and September). With these moves, the monetary policy rate fell to 7.5% in Q3 2025 from 8.5% in Q2 2025.

Inflation results

Inflation eased to 3.76% year-on-year in Sep 2025 from 4.32% in June 2025. This was driven by price declines in non-core components. Core inflation rose to 4.28% year-on-year in Sep 2025 from 4.24% in June 2025.

reduction in (CIB) portfolio compared to 30 September 2024, with (IWPB) portfolio reducing by -5%. At 30 September 2025, **credit cost ratios² and loan loss reserves ratios³** were 3.0% (2.7% as of 30 September 2024) and 3.9% (3.4% as of 30 September 2024) respectively.

Return on equity was 11.4% for the nine months to 2025 compared with 12.2% for the same period in 2024.

Total stage 3 loans at 30 September 2025 were MXN14.5bn representing 3% of gross loans. Following the HSBC approach for stage 3 loans, out of the 3%, 0.5% relates to loans with an indication of unlikelihood to pay despite not being 90 days past due and 2.5% relates to loans with 90 or more days past due. As of September 2024, stage 3 loans were MXN11.1bn and 2.2% as a percentage of gross loans, of which 0.1% were related to loans with an indication of unlikelihood to pay despite not being 90 days past due and 2.1% were related to loans with 90 or more days of past due. At 30 September 2025, **total loan loss allowances** were MXN18.8bn, an increase of MXN2.3bn or 14.1% compared with MXN17.2bn to same period in 2024. The total coverage ratio (allowance for loan losses divided by stage 3 loans) was 129% at 30 September 2025 compared with 154.3% at 30 September 2024.

At 30 September 2025, **total deposits** were MXN529.7bn, a decrease of MXN34bn or 6%, compared with MXN563.6bn at 30 September 2024, mainly driven by lower demand deposits and term deposits.⁴

HSBC Mexico S.A. ('the bank') profit before tax for the nine months to 2025 was MXN8,353m, a decrease of MXN1,146m or 12.1% compared with MXN9,499m for the same period in 2024 is mainly driven by higher loan impairment charges and administrative and personnel expenses as well as lower trading income, partially offset by net interest income and fee income.

HSBC Bank Mexico S.A. ('the bank') net income for the nine months to 2025 was MXN6,736m, a decrease of MXN77m or -1.1% compared with MXN6,813m for the same period in 2024

HSBC Bank Mexico S.A. ('the bank') net interest income for the nine months to 2025 was MXN36,973m, an increase of MXN1,948m or 5.6%, compared with MXN33,025m for the same period in 2024.

The **profit before tax of Grupo Financiero HSBC's insurance subsidiary** for the nine months to 2025 was MXN905m, an increase of MXN68m or 8.1% compared with MXN837m for the same period in 2024, mainly driven by increase in insurance results and positive financial income.

² Credit cost ratio: Loan Impairment charges annualized/Gross Loans

³ Loan loss reserve ratio: Loan Loss Reserves/Gross Loans.

⁴ Figures split by segment are MXN280.2bn IWPB and MXN249.4bn CIB.

HSBC Mexico S.A. ('the bank') is a subsidiary of Grupo Financiero HSBC, S.A. de C.V. (Grupo Financiero HSBC) and is subject to supervision by the Mexican Banking and Securities Commission. The bank is required to file financial information on a quarterly basis (in this case for the period ended 30 September 2025) and this information is publicly available. Given that this information is available in the public domain, Grupo Financiero HSBC has elected to file this release. HSBC Seguros, S.A. de C.V. Grupo Financiero HSBC (HSBC Seguros) is Grupo Financiero HSBC's insurance subsidiary.

Results are prepared in accordance with Mexican GAAP (Generally Accepted Accounting Principles).

Our business segments^{5,6,7}

Effective from 1 January 2025, reporting segments comprise two main businesses along with Corporate Centre:

Corporate and Institutional Banking ('CIB')

is an international wholesale bank with significant competitive advantages, such as the strength of our balance sheet and our network. It has the products and skills required to serve the global banking needs of international corporate clients, particularly in transaction banking where we continue to invest. These strengths enable us to better capture global and intraregional flows as supply chains reconfigure, new trade routes emerge, economies grow, and customers' expectations of financial services evolve.

International Wealth and Premier Banking ('IWPB')

is ideally placed to capture the increasing number of affluent and high net worth, especially those with international banking needs who seek new investment opportunities to help them protect and grow their wealth. Our recognized brand, financial strength and complementary footprints serve to reinforce HSBC's position in the world's fastest-growing wealth markets. We also have an asset management business with distinct specialism in both regions offering customers access to investment opportunities across asset classes. Our unique positioning enables us to drive customer acquisition and increase take-up of wealth products, as well as growing our share of corridor flows.

Corporate and Institutional Banking (CIB)^{8,9}

Offers a full range of commercial financial services and tailored solutions to clients ranging from small enterprises to large corporates operating internationally.

Review of financial performance

Figures in MXN Millions

	Nine Months					
	30-Sep-25			30-Sep-24		
	CIB ^{8*}	MSS ⁹	CIB	CIB ^{8*}	MSS ⁹	CIB
Net interest income	10,260	891	11,151	10,545	665	11,210
Non-interest income	665	830	1,495	995	409	1,404
Total Revenue	10,925	1,721	12,646	11,540	1,074	12,614
Loan impairment charges	(1,711)	-	(1,711)	(366)	-	(366)
Net operating income	9,214	1,721	10,935	11,174	1,074	12,248
Administrative and personnel expenses	(4,544)	(809)	(5,353)	(4,297)	(755)	(5,052)
Share of profits in equity interest	14	-	14	12	-	12
Profit/(loss) before tax	4,684	912	5,596	6,889	319	7,208

*Credit & Lending, Trade and Payment Services

Key metrics

Profit before tax for the first nine months of 2025 was MXN5,596m, a decrease of MXN1,612m or -22% compared with MXN7,208m for the same period in 2024, driven by loan impairment charges given releases from last year compared to a business-as-usual scenario on credit provisions this year, coupled with higher administrative expenses and lower net interest income from Liability products. With Markets Treasury allocation, profit before tax was MXN6,429m.

Total revenue for the first nine months of 2025 was MXN12,646m, an increase of MXN32m which is flat compared with MXN12,614m for the same period in 2024 (+0.3% increase), resulting from higher

commercial activity generating Fee income in Trade as well as revenues in MSS, coupled with spreads increase in Lending and Deposits from repricing initiatives that is offsetting the impact from lower volumes in Assets and Deposits.

Loan impairment charges for the first nine months of 2025 were MXN1,711m, an increase of MXN1,345m or more than 100% compared with MXN366m for same period in 2024, mainly explained by releases from last year compared with this year scenario back to expected levels coupled with some client specific provisions.

⁵ Markets Treasury total profit before tax for the nine months to 2025 was MXN1,672m. Since June 2020, Markets Treasury is allocated out to the global businesses, to align them better with their revenue and expense and for the nine months to 2025 profit before tax allocation by business was MXN839m to IWPB and MXN833m to CIB.

⁶ WPB does not include Insurance results which was MXN905m in profit before taxes for the nine months to 2025.

⁷ Corporate Centre & Other MXN229 loss before tax for the nine months to 2025 is not included.

⁸ CIB*: Credit and Lending, Trade and Payment Services

⁹ MSS*: Market and Securities Services

Administrative and personnel expenses for the first nine months of 2025 were MXN5,353m, an increase of MXN301m or 6% compared with MXN5,052m for the same period in 2024. This rise is attributed to enhanced investment in IT and staff costs, aligning with our business strategy, alongside contingency reserves.

At 30 September 2025, **net loans and advances to customers** were MXN219.6bn, a decrease of MXN8.2bn or 4% compared with MXN227.8bn at 30 September 2024. This reduction is attributed to the impact of the announced US tariffs, which have slowed the origination of new lending deals in the Global Corporates and Multinational sectors. However, on a year-to-date basis, average net loans and advances have grown by 7.6% compared to the same period from January to September 2024.

At 30 September 2025, **total deposits** were MXN233.7bn, a decrease of MXN19bn or 8% compared with MXN252.7bn at 30 September 2024. This reduction is attributed to the optimisation review of the deposit base and the accelerated repatriation of funds to home markets within the Multinational segment, reflecting a market trend among these clients, yet remaining within the HSBC global network. There is an expectation to increase deposits towards the year's end to bridge the gap.

Milestones

Client event. Conscious about market needs, trends and to support our clients, HSBC Mexico arranged the Transaction Banking Academy in the city of León to discuss about the GTS & GPS product capabilities aligned with benefits from them on nearshoring opportunities. In addition, the Business Growth Councils took place in 3 different sessions with the topic "*Challenges and opportunities of the US-Mexico trade corridor and family business succession*" held with a notable speaker expert in Mexico – US foreign relations.

Client event. Mexico Carbon Forum. This is Mexico's most relevant annual event on sustainable finance and carbon markets, held in Tampico, Mexico. HSBC Mexico participated as sponsor and speaker to highlight how we help our clients reduce emissions, analyze new approaches to carbon pricing, the use of offsets through emissions reduction projects, lessons learned in this field and access financing labeled as green, with 600 total attendees.

DCM transactions. During this quarter, HSBC Mexico reinforced its presence in the Debt market with four issuances for almost MXN50bn in local currency including the first ever transaction of a sustainable bond from a Latin American Hospital and that brings this client back to the debt market after 5 years. In addition, USD 9.9bn cash tender offer for an Oil & Gas company where HSBC Mexico acted as joint dealer manager.

International Wealth and Premier Banking (IWPB)

Offers a full range of competitive banking products and services to help manage the finances of our clients, buy their homes, and save and invest for the future.

Review of financial performance

Figures in MXN Millions

	Nine Months	
	30-Sep-25	30-Sep-24
Net interest income	24,262	25,346
Non-interest income	7,095	6,412
Total revenue	31,357	31,758
Loan impairment charges	(9,204)	(9,758)
Net operating income	22,153	22,000
Administrative and personnel expenses	(20,342)	(18,467)
Share of profits in equity interest	214	197
Profit/(loss) before tax	2,025	3,730

Key metrics

Profit before tax for nine months of 2025 was MXN2,025m, a decrease of MXN1,705m or 46% adverse compared with the MXN3,730m for the same period in 2024. This outcome was predominantly driven by incremental administrative and personnel expenses. With Markets Treasury allocation, profit before tax was MXN2,864m.

Total revenue for the nine months of 2025 was MXN31,357m, a decrease of MXN401m or -1.3%, compared with MXN31,758m for the same period in 2024. Lower market interest rates created pressure on net interest income; partially offset by higher fee income, mainly from investments funds, resulting in a shift in the overall revenue mix.

Loan impairment charges for the nine months of 2025 were MXN9,204m, a reduction of MXN554m or 5.7% compared with prior year, mainly due to better performance in the overall portfolio as part of the Shift to Affluent Strategy.

Administrative and personnel expenses for the nine months of 2025 were MXN20,342m, an increase of MXN1,875m or 10% compared with MXN18,467m for the same period in 2024. This rise is attributed to enhanced investment in IT and staff costs, aligning with our business strategy, alongside contingency reserves.

At 30 September 2025, **net loans and advances to customers** were MXN245.4bn, showing an overall decrease of MXN13.2bn or -5% compared with MXN258.6bn at 30 September 2024. This decrease is part of the Shift to Affluent Strategy.

Total deposits at 30 September 2025 amounted to MXN267.9bn, a decrease of MXN7.9bn or -2.9% from MXN275.8bn at 30 September 2024 mainly from the execution of deposit optimization strategies and the Shift to Affluent Strategy.

Milestones

Grupo Financiero HSBC, S.A. de C.V. continues its path to become the main bank of its customers. Relevant milestones achieved include:

Launch of Premier 3.0: As part of the Shift to Affluent Strategic Priority, focusing on four pillars: Wealth, Health, Travel, and International. Key highlights include: (i) 15% growth of Premier NTB acquisition vs 2024 (ii) Activities to ensure launch of Emerging Affluent value proposition in 1Q26 progressing. (iii) Strong performance in demand deposits (3% above plan).

Term deposits on mobile: was released in AUG25 achieving 1,400 contracts.

Simplified mortgage: offer "Hipoteca Full" launched in SEP25 with the objective of engaging low-risk, high quality customers with lower interest rates.

Wealth and Premier Solutions: with a growing performance (6% above plan) in mutual funds AUMs, continues positioning HSBC within the main competitors in the Mexican industry.

About HSBC

Grupo Financiero HSBC, S.A. de C.V., is one of the leading financial groups in Mexico with 768 branches, 5,139 ATMs and 13,242 employees as of 30 September 2025.

For more information, visit www.hsbc.com.mx.

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 58 countries and territories. With assets of USD 3,234bn at 30 September 2025, HSBC is one of the world's largest banking and financial services organisation.

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Consolidated financial statements**Consolidated Income Statement – GROUP nine months ended 30 September 2025***Figures in MXN Millions*

	Group	
	30-Sep-25	30-Sep-24
Interest income	69,679	69,844
Interest expense	(32,356)	(34,407)
Net interest income	37,323	35,437
Loan impairment charges	(10,915)	(10,124)
Risk-adjusted net interest income	26,408	25,313
Fees income	11,190	10,551
Fees expense	(2,185)	(2,229)
Premiums, Technical provisions, claims and other liabilities (Insurance)	(821)	(501)
Trading income	3,173	3,858
Other operating income (expense)	(921)	(1,013)
Total operating income	36,844	35,909
Administrative and personnel expenses	(27,103)	(25,145)
Net operating income	9,741	10,764
Share of profits in equity interest	228	209
Profit before tax	9,969	10,973
Income tax	(2,149)	(3,091)
Net income before discontinued operations	7,820	7,882
Net income	7,820	7,882

Consolidated Income Statement – BANK nine months ended 30 September 2025

Figures in MXN Millions

	Bank	
	30-Sep-25	30-Sep-24
Interest income	69,416	69,442
Interest expense	(32,443)	(34,417)
Net interest income	36,973	35,025
Loan impairment charges	(10,915)	(10,124)
Risk-adjusted net interest income	26,058	24,901
Fees income	10,364	9,811
Fees expense	(2,553)	(2,669)
Trading income	1,446	2,580
Other operating income (expense)	(455)	(508)
Total operating income	34,860	34,115
Administrative and personnel expenses	(26,732)	(24,821)
Net operating income	8,128	9,294
Share of profits in equity interest	225	205
Profit before tax	8,353	9,498
Income tax	(1,617)	(2,686)
Net income before discontinued operations	6,736	6,813
Net income	6,736	6,813

Consolidated Balance Sheet – 2025 (Comparatives)

Figures in MXN millions

Assets

Cash and cash equivalents	
Margin accounts	
Financial Investments	
Trading financial investments	
Financial investments hold to collect and sale	
Financial investments hold to collect principal and interest (securities) (net)	
Reverse repurchases agreements	
Derivative transactions	
Loan and advances - credit risk stage 1	
Commercial loans	
Consumer loans	
Mortgage loans	
Total loan portfolio with credit risk stage 1	
Loan and advances - credit risk stage 2	
Commercial loans	
Consumer loans	
Mortgage loans	
Total loan portfolio with credit risk stage 2	
Loan and advances - credit risk stage 3	
Commercial loans	
Consumer loans	
Mortgage loans	
Total loan portfolio with credit risk stage 3	
Loan Portfolio measured at fair value	
Gross loans and advances to customers	
Expected credit losses	
Gross loans and advances to customers - Insurance	
Total net loans and advances to customers	
Premium receivables	
Accounts receivables from reinsurers and rebonding companies	
Other accounts receivable (net)	
Foreclosed assets	
Long term assets held for sale	
Property, furniture and equipment (net)	
Property, furniture and equipment (net) – Rights-of-use assets (RoU)	
Prepayments and other assets	
Long-term investments	
Deferred income tax asset (net)	
Intangible assets (net)	
Intangible assets (net) – RoU assets	
Goodwill	
Benefits receivable in securitization transactions	
Total assets	

Group		Bank	
30 Sep 25	30 Sep 24	30 Sep 25	30 Sep 24
69,949	72,413	69,747	72,230
466	184	466	184
264,336	201,371	225,810	175,755
109,677	85,841	77,975	66,102
107,975	77,750	101,151	71,873
46,684	37,780	46,684	37,780
29,237	41,512	29,237	41,512
23,626	26,516	23,626	26,516
228,226	240,588	228,226	240,588
90,915	100,199	90,915	100,199
143,324	146,168	143,324	146,168
462,465	486,955	462,465	486,955
1,193	239	1,193	239
3,075	3,102	3,075	3,102
2,464	2,120	2,464	2,120
6,732	5,461	6,732	5,461
6,991	4,390	6,991	4,390
3,189	3,011	3,189	3,011
4,285	3,739	4,285	3,739
14,465	11,140	14,465	11,140
483,662	503,556	483,662	503,556
(18,692)	(17,187)	(18,692)	(17,187)
114	177	-	-
465,084	486,546	464,970	486,369
2,433	2,279	-	-
82	79	-	-
51,224	48,628	50,723	48,692
340	296	340	296
1,063	10	1,063	10
6,205	6,551	6,205	6,551
2,818	3,146	2,815	3,143
6,310	6,229	6,004	5,928
534	1,488	479	1,439
7,421	6,368	7,280	6,207
7,277	7,303	7,277	7,303
236	274	-	-
955	955	-	-
-	-	-	-
939,595	912,148	896,042	882,135

Consolidated Balance Sheet - 2025 (continued)
Figures in MXN millions

	Group		Bank	
	30 Sep 25	30 Sep 24	30 Sep 25	30 Sep 24
<u>Liabilities</u>				
Deposits	529,664	563,625	530,282	564,109
Demand deposits	345,480	364,385	346,076	364,853
Time deposits	162,449	177,808	162,471	177,824
Bank bond outstanding	19,031	19,280	19,031	19,280
Global deposit account without movements	2,704	2,152	2,704	2,152
Bank deposits and other liabilities	9,458	13,677	9,458	13,677
On demand	-	3,801	-	3,801
Short-term	4,757	5,194	4,757	5,194
Long-term	4,701	4,682	4,701	4,682
Pending securities to pay	-	-	0	-
Technical reserves	38,194	25,057	0	-
Unsettled transactions	-	-	0	-
Repurchase agreements	114,638	47,740	114,638	47,740
Collateral sold	29,067	43,359	29,067	43,359
Reports (credit balance)	26,792	32,083	26,792	32,083
Securities lending	2,275	11,276	2,275	11,276
Derivative financial liabilities	25,197	29,586	25,197	29,586
Trading derivatives	25,195	29,577	25,195	29,577
Hedging derivatives	2	9	2	9
Accounts payable from reinsurers and rebonding companies	11	3	0	-
Lease liabilities	2,883	3,206	2,881	3,202
Other payable accounts	51,531	48,370	50,516	47,640
Settlement accounts	30,635	26,730	30,249	26,616
Income tax and employee profit sharing payable	728	3,010	728	3,010
Contributions for future capital increases	1,225	1,116	1,139	1,040
Sundry creditors and other accounts payable	18,943	17,514	18,400	16,974
Financial instruments qualifying as liabilities (subordinated debt)	36,488	42,100	36,488	42,100
Subordinated debentures outstanding	36,488	42,100	36,488	42,100
Income tax liabilities	1,125	117	1,092	66
Employee benefit liabilities	6,133	5,419	6,050	5,339
Deferred credits and receivable in advance	1,869	1,980	1,869	1,980
Total liabilities	846,258	824,240	807,538	798,799
<u>Equity</u>				
Paid in capital	43,373	43,373	38,318	38,318
Capital stock	6,218	6,218	6,132	6,132
Additional paid in capital	37,155	37,155	32,186	32,186
Other reserves	52,691	47,650	52,747	47,968
Capital reserves	1,244	1,244	15,990	15,305
Retained earnings – prior years	43,627	38,524	30,021	25,850
Net income	7,820	7,882	6,736	6,813
Result from the mark-to-market of available- for-sale securities	772	(390)	918	(238)
Result from cash flow hedging transactions	(65)	(108)	(65)	(108)
Adjustment in the employee pension	(3,437)	(2,620)	(3,414)	(2,604)
Total controlling interests	93,334	87,905	88,504	83,336
Minority interest in capital	3	3	0	-
Total shareholder's equity	93,337	87,908	88,504	83,336
Total liabilities and equity	939,595	912,148	896,042	882,135

Consolidated Balance Sheet – 2025 (continued)

Figures in MXN millions

Memorandum accounts

Third party accounts

Clients current accounts

Custody operations

Proprietary position

Irrevocable lines of credit granted

Goods in trust or mandate

Trusts

Mandate

Goods in custody or under administration

Collateral received by the institution

Collateral received and sold or delivered as guarantee

Suspended interest on stage 3 loans

Other control accounts

Total memorandum account

	Group		Bank	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	90,584	83,518	-	-
Clients current accounts	1,512	298	-	-
Custody operations	89,072	83,220	-	-
Proprietary position	2,773,135	2,918,858	2,551,044	2,705,438
Irrevocable lines of credit granted	420,868	421,119	420,868	421,119
Goods in trust or mandate	199,793	200,401	199,793	200,401
Trusts	198,934	199,552	198,934	199,552
Mandate	859	849	859	849
Goods in custody or under administration	456,932	387,730	456,932	387,730
Collateral received by the institution	33,467	55,962	33,467	55,962
Collateral received and sold or delivered as guarantee	30,254	55,729	30,254	55,729
Suspended interest on stage 3 loans	687	552	687	552
Other control accounts	1,631,134	1,797,365	1,409,043	1,583,945
Total memorandum account	2,863,719	3,002,376	2,551,044	2,705,438

Consolidated Statement of Changes in Shareholders' Equity

Figures in MXN millions

Group	Capital contributed	Capital reserves	Retained earnings – prior years	Valuation of financial investments hold to collect or sale	Valuation of cash flow hedging transactions	Remeasurement of defined benefits to employees	Total controlling interest	Minority interest	Total equity
Total Balances at 01 Jan 2025	43,373	1,244	44,915	(646)	(204)	(2,856)	85,826	3	85,829
Adjustments for accounting changes	-	-	-	-	-	-	-	-	-
Cash dividends*	-	-	(1,288)	-	-	-	(1,288)	-	(1,288)
Capitalization of other equity items	-	-	-	-	-	-	-	-	-
Comprehensive Income:									
Net income	-	-	7,820	-	-	-	7,820	-	7,820
Other comprehensive income:									
Valuation of financial investments hold to collect and sale	-	-	-	1,418	-	-	1,418	-	1,418
Valuation of cash flow hedging transactions	-	-	-	-	139	-	139	-	139
Remeasurement of defined benefits to employees	-	-	-	-	-	(581)	(581)	-	(581)
Total	-	-	7,820	1,418	139	(581)	8,796	-	8,796
Final balances as of 30 September 2025¹⁰	43,373	1,244	51,447	772	(65)	(3,437)	93,334	3	93,337

¹⁰ Include AT1 coupon payments.

Consolidated Statement of Changes in Shareholders' Equity

Figures in MXN million

Bank	Capital contributed	Capital reserves	Retained earnings – prior years	Valuation of financial investments hold to collect or sale	Valuation of cash flow hedging transactions	Remeasurement of defined benefits to employees	Total controlling interest	Minority interest	Total equity
Total Balances at 01 Jan 2025	38,318	15,304	30,714	(471)	(204)	(2,841)	80,821	-	80,821
Adjustments for accounting changes	-	-	(8)	-	-	-	(8)	-	(8)
Movements inherent to the shareholders' decision:									
Dividends declared (including AT1 coupon payments)	-	-	-	-	-	-	0	-	0
Capitalization of other equity items	-	-	-	-	-	-	-	-	-
Reserve movements	-	686	(686)	-	-	-	-	-	-
Comprehensive income:									
Net income	-	-	6,736	-	-	-	6,736	-	6,736
Other comprehensive income:									
Valuation of financial investments hold to collect and sale	-	-	-	1,389	-	-	1,389	-	1,389
Valuation of cash flow hedging transactions	-	-	-	-	139	-	139	-	139
Remeasurement of defined benefits to employees	-	-	-	-	-	(573)	(573)	-	(573)
Participation in comprehensive income of other entities	-	-	-	-	-	-	-	-	-
Total	-	-	6,736	1,389	139	(573)	7,691	-	7,691
Final balances as of 30 September 2025	38,318	15,990	36,757	918	(65)	(3,414)	88,504	-	88,504

Nine months ended 30 September 2025 Report



Consolidated Statement of Cash Flow - Group Figures in MXN millions

30 Sep 2025

Profit/(loss) before taxes	9,969
Adjustments for items associated with investing activities	3,364
Depreciation of property, furniture and equipment	1,301
Amortization of intangible assets	2,291
Participation in the net result of other entities	(228)
Adjustments for items associated with financing activities	4,611
Interest associated with bank deposits and other liabilities	789
Financial instruments qualifying as liabilities (subordinated debt)	3,822
Changes in items related to operating activities	(12,867)
Bank deposits and other liabilities	(1,633)
Margin accounts	(370)
Financial investments	(45,197)
Reverse repurchases agreements	56,787
Derivative transactions (assets)	3,434
Loan portfolio (net)	27,828
Debtors of re-insurance	251
Recoverable amounts for reinsurance and refinancing (net)	(1)
Change in benefits from receiving securitization operations	-
Change in inventories	-
Other accounts receivable (net)	(12,963)
Foreclosed assets (net)	(1)
Change in securities lending (liabilities)	(65)
Deposits	(89,662)
Technical reserves	10,021
Repurchase agreements	81,720
Collaterals sold or given in guarantee	(40,916)
Derivative transactions (liabilities)	(6,104)
Accounts payable for reinsurers	(2)
Change of assets/liabilities for employee benefits	(571)
Other accounts payable	8,585
Other provisions	(1,369)
Income tax payments	(2,639)
Net cash flows from operating activities	5,077
Investing activities:	
Payments for the acquisition of property, furniture and equipment	(332)
Proceeds from the sale of property, furniture and equipment	-
Collections of cash dividends from permanent investments	195
Payments for acquisition of intangible assets	(1,692)
Other receipts from investing activities	-
Other payments from investing activities	-
Net cash flows from investing activities	(1,829)
Financing activities:	
Payments of bank loans and other organizations	(922)
Cash dividend payments	(1,288)
Proceeds from the issuance of financial instruments that qualify as liabilities	-
Collections for the issuance of financial instruments that qualify as liabilities	-
Net cash flows from financing activities	(2,210)
Increase/Decrease in cash and equivalents	1,038
Cash and equivalents at beginning of period	68,911
Cash and equivalents as of 30 September 2025	69,949

Consolidated Statement of Cash Flow - Bank

Figures in MXN millions

	30 Sep 2025
Profit before taxes	8,353
Adjustments for items associated with investing activities	3,338
Depreciation of property, furniture and equipment	1,300
Amortization of intangible assets	2,263
Other adjustments for items associated with investing activities	(225)
Adjustments for items associated with financing activities	4,611
Interest associated with bank deposits and other liabilities	789
Financial instruments qualifying as liabilities (subordinated debt)	3,822
Changes in items related to operating activities:	(12,532)
Bank deposits and other liabilities	(1,633)
Margin accounts	(370)
Financial investments	(35,336)
Reverse repurchases agreements	56,787
Derivative transactions (assets)	3,434
Loans and advances (net)	27,766
Change in benefits from receiving securitization operations	-
Other accounts receivable (net)	(11,342)
Change in securities lending (liabilities)	(1)
Foreclosed assets (net)	(65)
Other operating assets	(1,634)
Deposits	(89,553)
Repurchase agreements	81,720
Collaterals sold or given in guarantee	(40,916)
Derivative transactions (liability)	(6,104)
Adjustments for employee benefits	6,226
Other operational liabilities	11
Change of assets/liabilities for employee benefits	1,963
Other accounts payable	(1,294)
Other provisions	(2,191)
Income tax payments	-
Net cash flows from operating activities	3,770
Investing activities:	
Payments for the acquisition of property, furniture and equipment	(332)
Payments for the acquisition of affiliates	-
Collections of cash dividends from permanent investments	195
Payments for acquisition of intangible assets	(1,692)
Other payments from investing activities	-
Net cash flows from investing activities	(1,829)
Financing activities:	
Lease liability payments	(927)
Cash dividend payments	-
Proceeds from the issuance of financial instruments that qualify as liabilities	-
Payments associated with financial instruments that qualify as a liability	-
Net cash flows from financing activities	(927)
Increase/Decrease in cash and equivalents	1,020
Cash and equivalents at beginning of period	68,727
Cash and equivalents as of 30 September 2025	69,747

Changes in Mexican accounting standards

Introduction

These consolidated financial statements are prepared in accordance with the accounting standards applicable to financial group holding companies in Mexico, effective as of the date of the consolidated statement of financial position, issued by the National Banking and Securities Commission (CNBV for its acronym in Spanish), the entity responsible for inspecting and supervising financial group holding companies and reviewing their financial information. The subsidiaries financial statements have been prepared in accordance with the accounting criteria established by the CNBV, except for the consolidated financial statements of HSBC Insurance Company, which are prepared under the criteria applicable to Finance and Insurance Institutions in Mexico, issued by the National Insurance and Bonding Commission (CNSF, for its acronym in Spanish).

The accounting criteria established by the National Banking and Securities Commission and the National Insurance and Bonding Commission, generally follow the requirements of the Mexican Financial Reporting Standards (NIF, for its acronym in Spanish), issued by the Mexican Financial Reporting and Sustainability Standards Board (CINIF, for its acronym in Spanish), and additionally include rules for the recognition, valuation, presentation and disclosures for banking sector particular transactions, which in some cases could be different from NIF.

The accounting criteria states that the Banking Commission will issue specific rules for specialized operations. In the absence of express accounting criteria, the supplementary process established in chapter 90 Supplementary in NIF A-1, Conceptual framework of NIF will be observed, and in accordance with this, only in the event that International Financial Reporting Standards (IFRS) do not provide a solution to the accounting recognition, a supplementary standard belonging to any other regulatory scheme may be applied in the following order: Accounting Principles Generally Accepted In the United States of America and any accounting standards that is part of a set of formal and recognized standards, provided that they meet all the requirements set forth in the aforementioned NIF.

The recent changes or new developments in accounting standards issued by CNBV or CINIF applicable to the bank as principal subsidiary of Grupo Financiero HSBC, are described below:

I. CINIF issued the document "Improvements to NIF 2025".

It includes the following amendments effective from 2025 (unless otherwise stated):

Accounting changes.

NIF A-1 "Conceptual framework" – Updated disclosure requirements for "Significant Accounting Policies" to enhance relevance and clarity based on their materiality and, focusing on the nature and substance of transactions rather than duplicating or summarizing standards disclosures requirements.

NIF B-14 "Earnings per share" – Now applies only to entities with equity instruments listed or in the process of listing on a stock exchange.

NIF B-15 "Foreign currency translation" – Specifies procedures when a currency becomes non-exchangeable at the conversion date. Includes guidance on determining spot rates and disclosure requirements, aligned with IAS 21.

NIF C-3 "Receivables" – Eliminates the requirement to present variable consideration (e.g. discounts, refunds) separately in income statement, aligned with NIF D-1 "Revenue from contracts with customers". Instead, requires to disclose variable consideration concepts.

NIF C-6 "Property, plant and equipment" – Eliminates the "special depreciation method" and clarifies accepted methods of depreciation.

NIF D-1 "Revenue from contracts with customers" – Scope expended to include contracts similar to insurance contracts, but with a service delivery economic substance (e.g. roadside assistance services). Applies if: i) Price is not established in relation to risk customer assessment, ii) No payments in cash, instead providing only services and iii) Insurance risk is related to the use of assistance services, instead of uncertainty about the cost of those services.

No significant financial impacts were observed in the implementation of all these changes.

Clarifications that not resulting in accounting changes.

NIF A-1 "Conceptual framework" – Updates the definition of financial statements users to align with Sustainability Reporting Standards (NIS by its acronym in Spanish). Also, requiring the disclosure of ESG-related risks.

For accounting policies, clarifies that only the most relevant must be disclosed.

Finally, clarifies that disclosures from "Public Interest Entities" (EIP by its acronym in Spanish) should meet the broader and more diverse information needs of external users, in comparison for entities not classified as such.

NIF C-19 "Financial liabilities" – Clarifies that long-term financial liabilities with suppliers (maturity beyond one year) must be measured at amortised cost.

NIF convergence updates with IFRS:

- NIF B-8 "Consolidated and combined financial statements" – Aligns with IFRS 10 regarding to the disclosure of significant non-controlling interests.
- NIF C-6 "Property, plant and equipment" – Removes the disclosure about the incurred and estimated accumulated investment cost to complete construction in progress.
- NIF C-8 "Intangible Assets" – IAS 38 assumes that the separate acquisition of an intangible Asset meets the probability criterion to obtain future economic benefits. Conversely, NIF C-8 requires an analysis in all cases to confirm that criterion is met raising a difference between Mex GAAP and IFRS.
- NIF C-9 "Provisions, contingencies and commitments" – Aligns with IAS 37, only a contingent asset or reimbursement must be recognised in balance sheet when it is virtually certain it will be recovered.

Also, it includes a description of costs to be considered in onerous contracts measurement in convergence with IAS 37.

- NIF C-10 "Derivatives and hedge relationships" – This standard includes an additional criterion to determine the effectiveness in a hedge relationship, related to the economic and operational capabilities of counterparties to meet their commitments, which is not included in IFRS 9, raising a difference between Mex GAAP and IFRS.
- NIF D-8 "Share-based payment" – Aligns with IFRS 2, including clarifications about how an entity must recognise a withholding tax related to a share-based payment to an employee.

NIF clarifications:

- NIF A-1 "Conceptual framework" – Clarifies about the recycling from Other Comprehensive Income (OCI) to Income Statement upon a partial de-recognition of financial instruments.
- NIF B-1 "Accounting changes and errors" – Clarification that aims to maintain consistency with accounting reclassification definition.
- NIF B-5 "Operating segments" – expands its scope to "Public Interest Entities" (EIP by its acronym in Spanish).
- NIF B-9 "Interim financial reporting" – maintains consistency with principle of "recognition" included in chapter 60 NIF A-1 "Conceptual framework".
- NIF B-17 "Fair value measurement" – Clarifies regarding to the disclosures of assets and liabilities held to the end of reporting period, where their fair value measurement is determined based on a current basis.
- NIF C-2 "Investment in financial instruments" and NIF C-20 "Hold-to-collect financial instruments" – maintains consistency with "trade date" definition in both standards.
- NIF C-6 "Property, plant and equipment" – clarifies the disclosures included in the standard.
- NIF C-15 "Impairment of non-current assets" – Clarifies that the discount rate uses to estimate the future cash flows to determine the recoverable amount, must not be over the long-average growth rate to goods or industries, likewise country or countries and the market in which the asset is used.

Additionally, some transitory paragraphs were removed, given they are not current and in NIF Glossary were also removed the specific reference of paragraphs of the NIF, in which such terms are quoted.

No significant financial impacts were observed in the implementation of all these clarifications.

II. Accounting changes in place in 2026.

- *Improvements to NIF 2025.*

NIF C-19 "Financial liabilities" – Aligns with IFRS 9, providing additional requirements must be met, to de-recognise financial liabilities in settlement date when they are cash-settled through the use of electronic payment systems: i)

entity does not have the ability to withdraw, stop or cancel payment instruction, ii) no practical ability to use the cash intended to settle the payment instruction and iii) settlement risk associated with electronic payment system is insignificant.

country or countries and the market in which the asset is used.

NIF C-19 "Financial liabilities" and NIF C-20 "Hold-to-collect financial instruments" – Additional disclosures are required to divulgate enough information to know and well understood by interested parties, the possible uncertainties about expected future cash flows as investor and/or issuer related to financial instruments with contingent features such as ESG assets. Only applicable to "Public Interest Entities" (EIP by its acronym in Spanish).

- *New NIF A-2 "Uncertainties about going concern".*

Issued on December 6th, 2024, the objective of this standard is to clarify how the entities must analyse events and financial conditions that could originate uncertainties about going concern. Including guidance about measurement, presentation, and disclosures to entities under such situation.

By now, no significant financial impacts are expected in the implementation of accounting changes and new NIF A-2.

- *Improvements in CNBV accounting criteria.*

Issued on September 11th, 2025, the CNBV issued an update in the accounting criteria applicable to financial institutions in Mexico, in which the principal changes are:

- Improvements in the wording to align with terms used in NIF.
- Further guidance to analyse under "NIF C-10, Derivatives and hedge relationship", if a financial transaction should be considered as derivative or financial guarantee based on its economic substance.
- Inclusion of a new line within Other Comprehensive Income (OCI) to recognise fair value changes of equity instruments that were irrevocable designated to be measured through OCI.
- Amendments in accounting criteria "D-4 Cash Flows statement".

Changes will be implemented from January, 1st, 2026. No relevant impacts are expected so far.

Changes in banking regulation related to Special Accounting Criteria used in case of natural disasters, national emergencies or banking liquidation processes.

Issued on July 24th, 2025, the CNBV issued specific requirements to financial institutions to ask for Special Accounting Criteria and minimum information to disclose when they are being applied.

These changes are in force from the issuance following day. No impacts are identified in implementation.

Differences between Mexican GAAP and International Financial Reporting Standards (IFRS) Grupo Financiero HSBC, S.A. DE C.V.

HSBC Holdings plc, the ultimate parent of Grupo Financiero HSBC, S.A. DE C.V., reports its results under International Financial Reporting Standards (IFRS). Set out below is a reconciliation of the results of Grupo Financiero HSBC, S.A. DE C.V. from Mexican GAAP to IFRS for the nine months ended 30 September 2025 and an explanation of the key reconciling items.

30 Sep 2025

Figures in MXN millions

Grupo Financiero HSBC – Profit / (loss) before tax under Mexican GAAP	9,969
Differences arising from:	
Loan impairment charges and other differences in presentation under IFRS	60
IFRS16	230
Effective interest rate	(243)
Valuation of defined benefit pensions and post-retirement healthcare benefits, including post-employment benefits	201
Fair value adjustments on financial instruments	(39)
Deferred profit sharing	(174)
Collection Cost	-
Other insurance adjustments ¹¹	309
Others	(118)
Profit before/(loss) tax under IFRS	10,195

¹¹ Includes technical reserves and effects from IFRS 17

Summary of key differences between results as reported under Mexican GAAP and IFRS

1. Valuation of defined benefit pensions and post-retirement healthcare benefits, including post-employment benefits

Mexican GAAP

The present value of Defined Benefit Obligations "DBO" (including indemnity benefits for other reasons than restructuring), are calculated at the reporting date by the schemes actuaries through the Projected Unit Credit Method using a corporate/governmental bond rate as a base rate to determine the discount rate applicable.

The net costs recognised in the income statement is mainly comprised of the current service cost, plus the unwinding of the discount rate on plan liabilities (the discount rate used could be either corporate or government rate as long as it is applicable on consistent way), less the expected return on plan assets. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred), as well as the effects of changes in actuarial assumptions.

According to Mexican Accounting standard, actuarial gains and losses could be: 1) recognized separately in Other Comprehensive Income in the bank's consolidated financial statements and recycling through P&L over the average working life of the employees or 2) fully recognized in income statement, as election of the entity.

IFRS

The main differences between Mexican GAAP and IFRS comprise:

- Actuarial gains/losses are recognized in OCI under IFRS not subject to recycling or recognised totally in income statement.
- The measurement of the present value of DBO is based on a Mexican governmental rate bond, instead of a corporate rate bond.
- Indemnity benefits are not included in DBO, given they are not considered as part of benefits granted from past services.

2. Effective interest rate (EIR) adjustments

Mexican GAAP

From 2023, HSBC completed the adoption of the EIR method, where the commissions charged to the borrowers and incremental costs incurred to third parties at loan inception are recorded into a deferred credit account (liability) and as an asset, respectively. Both are part of loan net value to determine the effective interest rate and recognised using the EIR method in the net interest income during the expected life of the financial instruments in accordance with CNBV accounting standards.

Nevertheless, there are still some differences in EIR calculation for Mex GAAP in comparison with IFRS, such as: the exception of the use of EIR in credit cards and the possibility to not adjust the original EIR for those loans which the interest rate is resettable during their expected life.

Important to highlight that HSBC only applies the EIR for those loans originated at or after the implementation date (01Jan23) using a portfolio approach in accordance with the CNBV accounting standards and transitory provisions applicable to the implementation.

IFRS

After initial recognition, an entity shall measure the loan at its amortised cost using the effective interest rate "EIR" method without exceptions.

The amortised cost of the financial instrument includes any premium, discount, or fees paid and or received as result of the recognition of the financial asset.

3. Loan impairment charges and other differences in presentation under IFRS

Mexican GAAP

Loan impairment charges are calculated following the rules issued by the CNBV which since 2022 adopted an approach of Expected Credit Losses (ECL), nevertheless it will maintain some differences with IFRS methodology. Such rules establish different methodologies for ECL provisions for each type of loan.

IFRS

The impairment requirements under IFRS 9 are based on ECL concept that requires the recognition of provisions on a timely basis and forward-looking manner. ECL is determined via a two-step approach: 1) where the financial instruments are first assessed at inception regarding to for their relative credit deterioration, and 2) on ongoing basis followed by the measurement of the ECL (which depends on the credit deterioration categories).

Financial instruments with status of "performing" are considered in "Stage 1". Financial instruments which are considered to have experienced a significant increase in credit risk since their inception are in "Stage 2". Financial instruments for which there is objective evidence of impairment (in default or credit deterioration) are in "Stage 3". Financial instruments that are credit-impaired upon initial recognition are Purchased or Originated Credit Impaired (POCI), remaining this category until derecognition.

4. Fair value adjustments on financial instruments

Mexican GAAP

Since 2022, the NIF B-17 "Fair Value Measurement" requires that for those derivatives and financial instruments that should be measured at fair value, their value should be adjusted to reflect factors that would not be captured by the internal methodology of valuation, such as Debit and Credit Value Adjustments (CVA/DVA) and the use of a price into the Bid/Offer differential, as long as those financial instruments are included in the scope of article 175 Bis 3 of CNBV regulation.

IFRS

Fair Value Adjustments ("FVAs") include additional factors than those specified in Mexican GAAP.

5. Deferred-profit sharing (PTU diferida)

Mexican GAAP

Accounting standards requires that a Deferred-Employee Profit Sharing (Deferral PTU) shall be calculated applying a similar model to deferred income tax (assets and liabilities method). It is derived from temporary differences between the accounting profit and income to be used to calculate the profit sharing. Given the

Nine months ended 30 September 2025 Report

changes issued on 23 April 2021 by the Mexican government to introduce a threshold in the calculation of the "Employee Profit Sharing" (PTU by its acronym in Spanish) (the more favourable to the employee between a cap of three months of employee's wages or the average of PTU paid during the three last periods), the new procedure to calculate deferral PTU is as follows:

Step 1.- Calculate the temporary differences between accounting and taxable for PTU at the reporting end period.

Step 2.- Determine the PTU rate expected to be incurred during the following years, based on financial and tax projections or the PTU incurred in the current period.

Step 3.- PTU rate x temporary differences amount.

An asset or liability for the Deferral PTU would be recognized according to method of comparing assets and liabilities sets out in Income Tax standards applicable in Mexico (*NIF D-4 "Income Taxes"*).

IFRS

Deferral PTU is not allowed to be recognised under IFRS.

6. Insurance liabilities and Insurance premiums recognized on an annualised basis

Mexican GAAP

Insurance liabilities are determined based on Solvency II methodology established by local regulator (CNSF) which considers best estimate liability and a risk margin concept. The

best estimate is based on up-to-date credible information and realistic assumptions and aims to represent a total liability valuation aligned to its expected pricing transfer to the customer. The risk margin is calculated as the cost of providing an amount of capital equal to 10% of the Solvency Capital Requirement necessary to support the insurance obligations over their lifetime.

Insurance premiums are recognized under annualization criteria which is based to determine the total premium for the coverage period (one year), consequently total premium is recognized since the moment where insurance contracts are written.

IFRS

For insurance liabilities starting in 2023, INMX applied IFRS17 accounting standard, that aims to align insurance accounting with the principles applied by other industries, while recognizing the specific complexities of the contracts, their long-term nature, and the linkages to underlying assets (especially for participating contracts).

Establish globally consistent standard, setting a framework for measuring insurance contracts consistent with observable market parameters, and based on best estimate assumptions. The profits recognized in line with service provision (i.e., over the life of the contract) and included enhanced and more granular disclosures.

During September, some policies of UL product were reviewed and after review, the treatment of liabilities for these specific policies were moved from IFRS17 to IFRS9, without impact in equity, only a reclassification was made between Insurance Liabilities & Financial Liabilities.