



regional

Annual Report 2022

Regional at a glance 3

Message from the Chairman of the Board of Directors	4
Message from the CEO of Regional	6
Message from the CEO of Banco Regional	8

Regional 10

Purpose and Vision	12
Corporate structure	13
Banregio	16
Hey	18
Presence	20

Sustainability 21

Materiality	23
Sustainability Strategy	25
Contribution to the Sustainable Development Goals	27
Sustainable Indexes	33
Our Progress and Acknowledgements	34

Trustworthy 36

Governance	38
Ethics and Transparency	48
Risk management and operational resilience	57
Information Security and cybersecurity	61
Privacy and transparency	65
Financial Results	67

Well-being 77

Success of our customers	79
--------------------------	----

Satisfaction Index	79
Branch model and channels	82
More accessible banking	86
Employee Well-being	91
Workforce	92
Talent attraction and retention	96
Talent development	106
Human Rights	110
Equity	111
Wellness of the community	114
Financial health	115
Corporate Social Responsibility	126
Environmental Care	127

Better Future 138

Innovation	140
Intelligence, Analytics and CRM	142
Responsible Banking	143
PRB	144
Products	146
ESG Assessment	148
Climate Action	150
Relationship with our stakeholders	151

About this Report 152

Audit Committee Report 153

Corporate Practices Committee Report 157

Audited Financial Statements 158

External Verification 161

GRI Index 162

SASB Index 170



Structure

- Regional's operation started in 1994 as Banco Regional de Monterrey, with the purpose of serving the financial needs of entrepreneurs and business persons in northern Mexico.
- It is a holding company of two main business units: Banregio Grupo Financiero and Hey Controladora.
- Regional SAB de CV (R series "A"), has the following shareholding structure: **60%** is family owned and **40%** is **free float**.



Strategy

- The Business Model is focused on Small and Medium Companies
- Use of technology to improve customer experience and maximize operational efficiency
- Sustained growth in financial assets
- Focus on expanding a solid and continuous customer base
- Personalization in financial solutions in our portfolio



Presence

Regional has a physical presence in 22 states of the Mexican Republic, concentrated mainly in the northern states. Digitally, it extends its reach to the rest of the country.



Purpose (mission)

The success of our Customers



Vision

To be a bank in tune with the community

Institutional Values



Relevant



Prudent



Humane



Leadership



Openness

Stakeholders



Employees



Customers



Shareholders and investors



Suppliers



Community

Organization Scale

6,402

Employees

177

Physical customer service locations

\$4,982 million MXN

Net income

\$137,811 million MXN

Loan portfolio

\$126,480 million MXN

Core deposits

Brands

banregio

Unique position for accelerated growth of high value.

Segments

Businesses → Large, Medium and Small

People → Personal and Private Banking

Personalized customer experience in the branch

hey,

Only fully digital multi-segment and multi-product platform.

Segments

Businesses → Small Businesses and Freelancers

People → Mass market

Payments, Capital
Banking as a service

Dear board members, shareholders, clients and employees:

The end of the year gives us an opportunity to reflect on the challenges and opportunities that appeared during the year. We will remember 2022 for inflation levels not seen in decades, the residual effects of the pandemic and the war between Russia and Ukraine which aggravated existing problems.

Central banks executed restrictive monetary policies in an effort to contain the price hike. The Bank of Mexico did not lag behind and raised its reference rate from 5.50% to 10.50% during the year.

In an ever-changing environment, Regional stands out for its excellent adaptability, which is possible thanks to always listening to the concerns of its investors, staying close to the needs of its customers, seeking the wellness of its employees and monitoring the impact on its environment.

I am proud to share with you the results of the above mentioned path taken by Regional that allows it to continue to grow and achieve a solid performance. **During 2022, the excellent quality of the portfolio, the constant growth of deposits and a recovery in the return on equity stand out.**

Regional maintains its growth strategy in economic sectors and territories with greater development. During the year to be reported, the credit portfolio shows a growth of **16.8% closing at \$137 billion pesos**, and showing excellent quality with an **NPL ratio of 1.3%**.

Next year we will continue to grow the portfolio in the states where we have the largest presence, states that will benefit from the relocation of companies or the effect of nearshoring .

This growth is accompanied by a greater confidence on the part of our customers shown by an **increase of 18.5% in core deposits, closing the year at \$126 billion pesos**. Thanks to extensive and diversified funding structure, **the capitalization index closed at 15.2%**, above the regulatory requirement and internal levels.

The institution has the capital to materialize its strategy and increase its equity value in a sustained manner. At the end of 2022, **net income grew 40.1% reaching a total of \$4,982 million pesos**. With this result, **the return on equity of the last twelve months increased 586 basis points, closing at 21.2%**, well above the banking system.

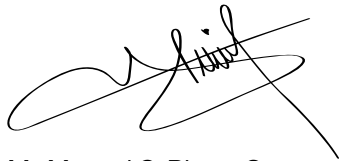
Our vision for the Company is to always be in tune with the community, this means developing sustainable relationships with our stakeholders, working on continuous improvement, adding alliances and new challenges, which will allow us to become agents of change for a better future.

We want sustainability to be part of our culture; therefore, annually we train our employees on the strategy and actions that impact our society and the environment.

In 2022, a **sustainability training program designed especially for the Board of Directors and Senior Management was created, which included the topics: risks and business opportunities and climate change**. 100% of the board members participated in the session and 18 top-level Directors were present.

Next year we expect new challenges but also new opportunities. I am confident that what we have built over the past years will enable Regional to have the tools needed to continue building its success story.

I thank each one of you who have been part of the great history of Regional for these 28 years. I would especially like to thank the dedication of our talented employees, the loyalty of our clients, the commitment of our board members and the confidence of our investors.



Mr. Manuel G. Rivero Santos

Chairman of the Board of Directors of Regional



Dear stakeholders,

I am very proud to share that 2022 was a year of extraordinary results for Regional, both in its financial indicators and other key operational indicators.

Faced with a challenging global environment caused by the geopolitical conflict of the Russia-Ukraine war, the significant inflation growth and its effect on the central bank interest rate, Regional maintained a solid financial position.

The mission of the Company is to be an ally in the success of our clients by supporting the **growth of companies and people's wealth**, while achieving greater inclusion and innovation in financial services.

Our commitment to this mission has been a differentiator that has allowed us to reach a **net income of \$4,982 million pesos, a result that represents an increase of 40.2% compared to 2021. The return on equity of the last twelve months was 21.2%**, well above the country's financial system.

Our credit portfolio closed at \$137 billion pesos, this includes an outstanding growth rate in the North and Bajío regions during the second half of 2022. This is the result of the nearshoring effect which caused an acceleration in the demand for loans in the mentioned areas. The Northern zone increased by 11% compared to the previous year, while the Bajío area grew by 18%.

This outcome reaffirms our purpose as a strategic ally for small and medium-sized businesses in Mexico.

Regional differentiates its business model through close and humane customer experiences, these allow us to develop long-term relationships. Thanks to this trust from our customers, the **demand deposits reached a total of \$72 billion pesos, showing an increase of 16.5% compared to 2021.**

Clearly, Regional is uniquely positioned for accelerated high value growth where our financial solutions have a greater reach.

This would not be possible without our most valuable asset, the more than 6 thousand people who form part of this great company.

In 2022, we received two awards related to our work environment, among them I would like to highlight the EDGE Certification, related to gender equality, and the recognition as one of the Best Places to Work, granted by the Great Place to Work institute.

Likewise, we continue to work under our sustainable strategy that allows us to contribute to the Sustainable Development Goals, established in the 2030 agenda of the United Nations.

In the year to be reported, we published Banregio's first progress with the Principles of Responsible Banking, within which we selected Climate Change and the Inclusive Economy as the main areas of impact. In line with this commitment, we defined short and medium-term goals and actions that will allow us to positively affect our communities and the environment.

The year we just closed taught us one main lesson: that we have the tools to position Regional as an innovative and sustainable company, able to take advantage of the opportunities presented.

I deeply appreciate the trust of our clients, the support of our investors and in particular, the passion of the entire team at Regional, with which they carry out their activities every day. Undoubtedly, it is thanks to these elements that the Company can fulfill its mission of being a relevant ally in the financial well-being of people and companies in the country.



Lic. Manuel Rivero Zambrano
CEO of Regional



Dear board members, shareholders, clients and employees;

2022 has been an extraordinary year for Banregio, the solid financial results and the growth of our operation are proof of the strength of our bank and the commitment of our team.

Despite a complex national environment, with the significant increase in inflation and consequently an increase in the central bank's rate of reference that closed at 10.5%, Banregio not only met its set goals but exceeded expectations.

Among the results that make us proud is the **17.0% growth of the total credit portfolio, which closed at \$137 billion pesos**. It is important to mention that despite the growth, **we maintained an excellent NPL index of 1.3%** thanks to our vision of prudence in the placement of credit.

Another result worth mentioning is **demand deposits reaching a total of \$72 billion pesos, a figure that represented a growth of 16.5%** compared to the end of the previous period.

These results are directly reflected in an increase of 40.4% in net income, which closes at \$4,969 million pesos and a capitalization rate of 15.4%. These numbers show the excellent quality of Banco Regional and its ability to continue growing.

We ended the year with a national presence of 177 branches operating in 22 states. In addition, we have diversified by adding new models of service points with exchange centers, Banregio points and robust digital banking.

We know that the main differentiator of our bank is the ability to put the customer at the center of our operation; therefore, we focus on providing an outstanding customer

experience. **Thanks to this approach we maintained one of the highest NPS in the national banking system with a rating of 75.1**, an increase of 5 points compared to the previous year.

These results are made possible thanks to the unity, commitment and dedication of the **5,132** employees that are part of our Banregio family. I deeply appreciate the passion they put into their activities and the vocation for service they demonstrate when serving our customers.

In 2022, we continued to work on the career development and specialization of our employees. **More than 234 thousand hours of training were given.** This training offer included bank certifications and emotional intelligence workshops.

During the year, employees evaluated the workplace environment under the Great Place to Work Institute methodology, and their responses placed the bank as one of the best employers in the country.

Likewise, we know that a sustainability approach is fundamental to the operation of the business, since it is linked to the success of our community. It is a long-term vision that involves constantly generating social, environmental and economic value for our stakeholders.

For this reason, we continue to work with our financial education programs for the community accompanying more than 200 entrepreneurs with our Mentoring program and educating more than 2,000 people in personal finance with Clara Banregio.

We also work on reducing our environmental impacts through our Environmental Management System that allows us to measure, evaluate and set reduction goals in energy consumption and the generation of carbon emissions.

Committed to improving the quality of life of the communities where we have a presence, during the year we organized two reforestation, one in Nuevo Leon and another one in Jalisco. Thanks to Banregio volunteers, more than **1,000** trees were planted, which will help create clean air and retain water in the soil.

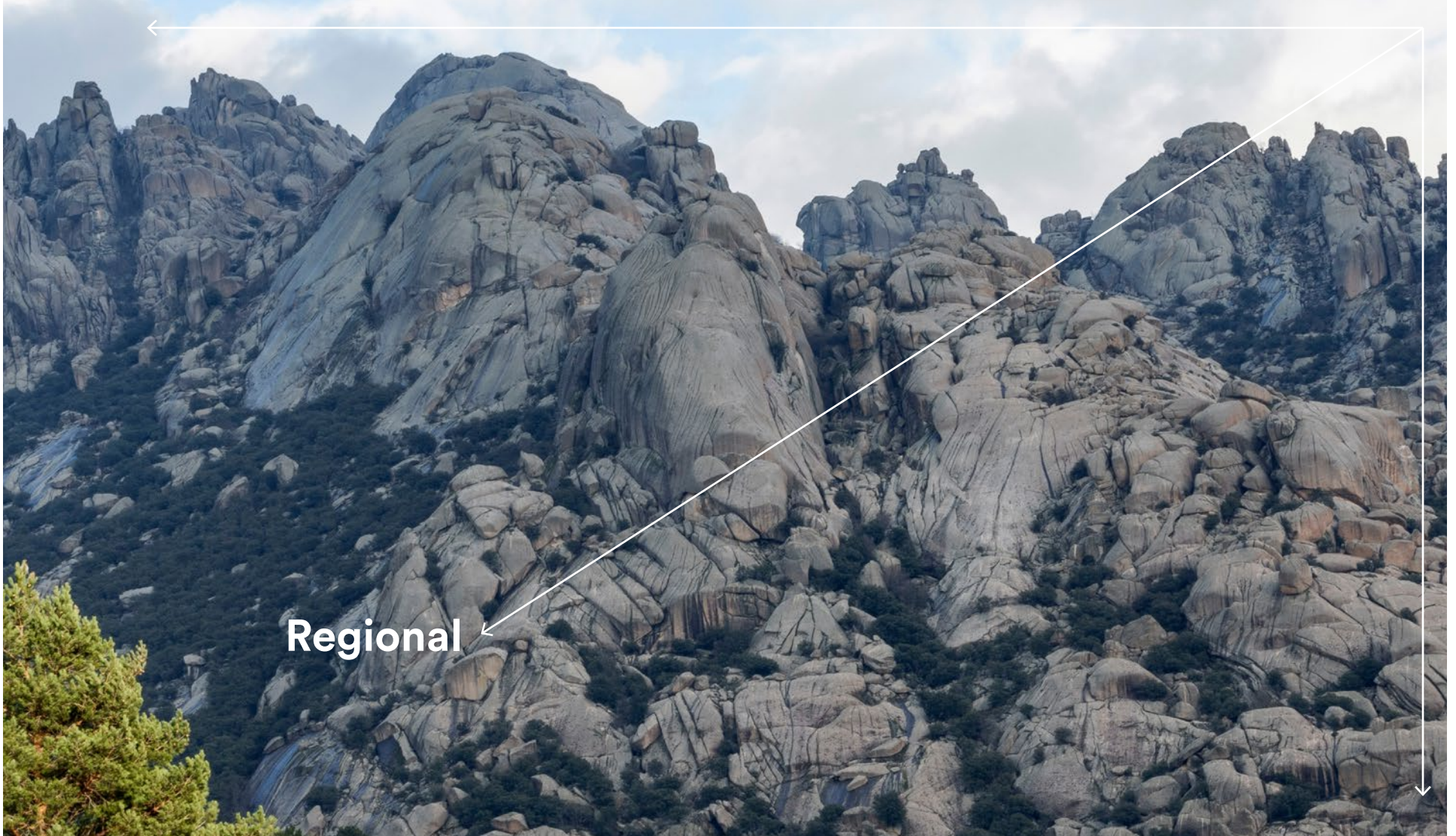
In line with this strategy, we developed an ESG questionnaire to better understand how our clients manage their environmental and social issues. Since its implementation, in just six months, we have obtained the response from **43% of businesses** of the selected portfolio. This effort will allow us to know our client's ESG maturity and support them towards a sustainable path.

Next year will present new challenges but also new opportunities. I have full confidence that Banregio, thanks to its focus on the customer and its ability to innovate, will continue to be a key ally for small and medium enterprises that drive the sustainable growth of the country's economy.



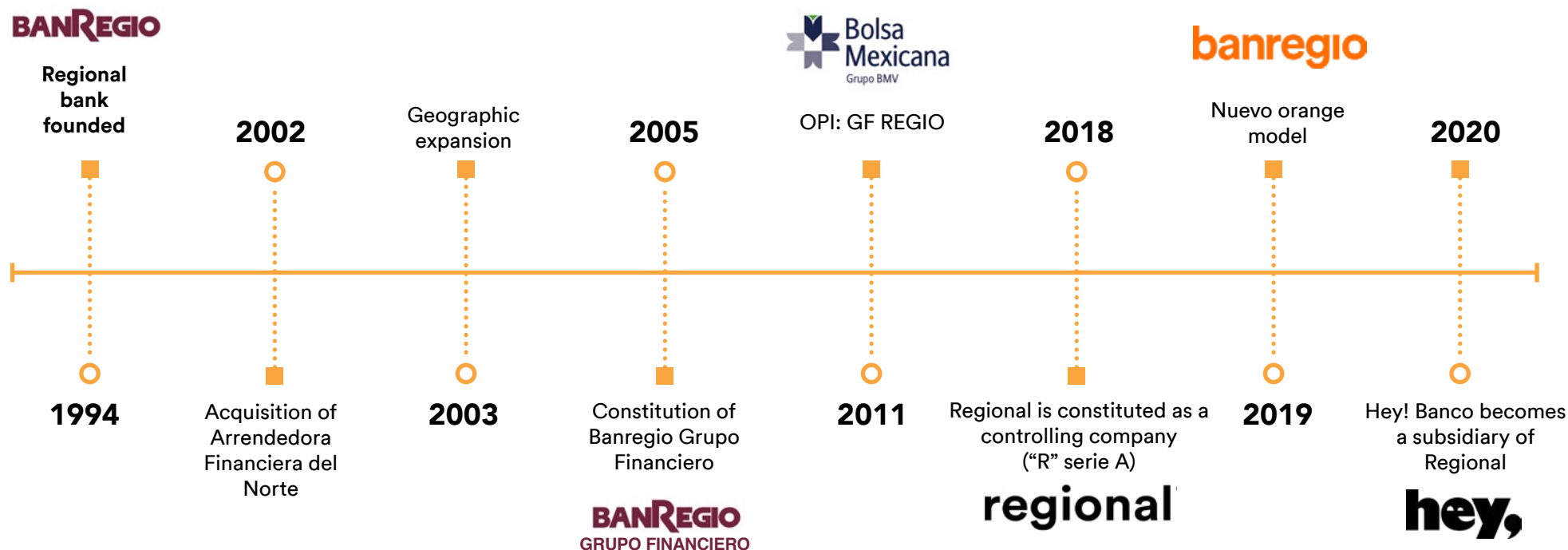
Lic. Héctor Cantú Reyes
CEO of Banco Regional





Regional was founded in 1994 as Banco Regional de Monterrey, with the purpose of serving the financial needs of entrepreneurs and business persons in northern Mexico.

Banco Regional grew organically and became Banregio Grupo Financiero, and in 2018 the group was transformed into **Regional S.A.B. de C.V.**, a holding company comprising: Banregio Grupo Financiero, SA de CV (BanregioGF) and Hey Controladora SA de CV



Purpose and Vision

Since its foundation, Regional has worked to become a strategic ally for the economic development of communities, especially small and medium-sized enterprises.

These guidelines along with prudent risk management and a commitment towards sustainability, help form an institutional culture.

The purpose, mission and values were established by senior management and approved by the Board of Directors, the company's highest governing body.

Differentiator

The differentiating factor in Regional's operation is a strong trajectory of constant growth, accompanied by a prudent culture that allows us to maintain the quality of the assets.



Purpose (mission)
The success of our Customers



Vision
To be a bank in tune with the community

Institutional Values



Relevant Prudent Humane Leader Openness

What set us apart



Great growth potential with specialized service in all segments through our two main channels



Competitive and diversified funding structure



Intensive digital initiatives to improve our digital channels and achieve a highly efficient operation



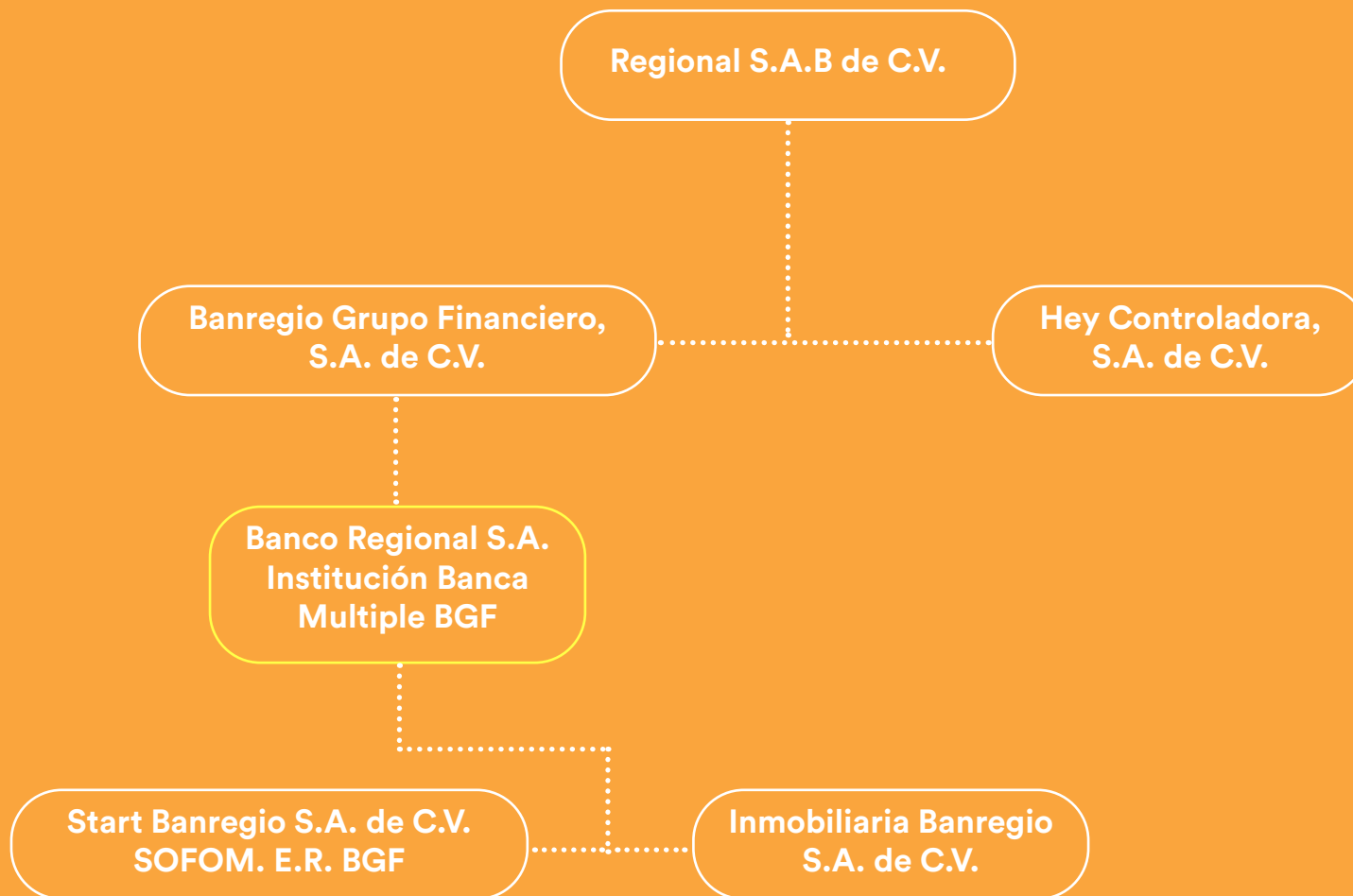
Constant and attractive dividends without compromising our growth



Highly experienced management team and corporate government

In the year to be reported, the corporate structure of the previous period is maintained.

Corporate Structure





Our Future

1. We create sustainable growth through modern capabilities and infrastructure

How:

- Strengthening our geographic footprint and taking advantage of the reach of our digital channels to extend the customer base.
- Diversifying between sectors with strong economic potential to boost portfolio growth.
- Promoting financial well-being and reducing the complexity of banking services.
- Offering holistic products with a flexible and intuitive design beyond traditional banking.
- Having an optimal position to accelerate our revenue generation as a result of our solid fundamentals, material growth potential and new business opportunities.

2. Focus on technology-enabled solutions to maximize efficiency and product development

How:

- Innovation as a pillar of our long-term value generation.
- Modernization of our core infrastructure and service models.
- Proprietary technology, solid development team and recurring investment that will reflect into sustainable customer attraction, an unmatched user experience and lower cost service.
- Continuously-improving funding structure, with data analytics that reinforce profitability

Main Brands

As part of Regional business strategy, there are two main brands focused on different markets: Banregio and Hey.

Each business unit has an attraction strategy for a specific customer profile, but they share the Company's vision and institutional culture.

Banregio is in a unique position for an accelerated growth of high value...

- Ample liquidity and capital structure to grow rapidly and efficiently
- We have highly-efficient and scalable business models
- Adequate strengths and tools to gain market share and become a relevant actor in the Mexican financial system
- Two platforms that service all segments with high growth



Bussinesses	Individuals	Characteristics
→ Big → Medium → Small	→ Private bank → Mass affluent	<ul style="list-style-type: none">• Well-positioned brand in all serviced segments• Unique customer experience in the branch, with executives• Opportunity to attract new clients and continue to make cross-sales with our base clients
→ Small → Freelancers	→ Massive market	<ul style="list-style-type: none">• Payments• Marketplace• <i>Banking as a service</i>• The only multi-segment and multi-product totally digital bank in Mexico• Scalable and efficient platform• Capacity of expansion to multiple countries

Banregio

Strategy and business model

Banregio's strategy is to serve the niche of small and medium enterprises, as well as people with high purchasing power; customers that allow growth with greater margin and a competitive core deposit cost.

The business model is focused on long-term relations, which strengthens customer loyalty that results in stable credit quality and higher profitability.

Services & Products

The financial services of the bank are mainly focused on: Medium-sized companies, small companies and personal banking.

Key Products & Services:

- Loans for growth projects and working capital
- Financial and operative leasing, as well as factoring
- Treasury and cash management
- Insurances and services (POS, electronic banking)
- Credit cards
- Savings and investment products
- Mortgage credits
- Auto financing
- Insurance



Segmentation criteria

	Wholesale	Retail banking	
		SMEs	Preferred Banking
Target Segment		<ul style="list-style-type: none"> • Loans Up to \$12.5 million MXN • Sales Up to \$150 million MXN • Deposits Up to \$5 million MXN 	<ul style="list-style-type: none"> • Preferred, private and personal clients • Deposits > MXN \$15,000 • Time Deposits > MXN \$100,000
Products	<ul style="list-style-type: none"> • Credit Greater than \$12.5 million MXN • Sales Greater than \$150 million MXN • Deposits Greater than \$5 million MXN 	<ul style="list-style-type: none"> • Auto, Mortgage, Credit Cards • All savings and time deposits 	<ul style="list-style-type: none"> • Auto, Mortgage, Credit Cards • All savings, capital markets, investments and time deposits
Channels	<ul style="list-style-type: none"> • Wholesale Business executives through our branches 	<ul style="list-style-type: none"> • SMEs executives through our branches • Digital: App / Web 	<ul style="list-style-type: none"> • Individuals executives through our branches • Digital: App / Web

Hey

Hey is an all-digital multi-segment, multi-product platform that delivers innovative solutions for people and businesses, with the **vision of empowering and building financial well-being**.

Strategy and business model

Its strategy focuses on creating a scalable customer base where traditional banking has not been able to serve.

Through **Hey**, Regional wants to position itself in the market with an integrated experience and a robust, secure and interactive platform that allows users to access financial products in a simple and personalized way.

Services & products

Hey's operation comprises the following::

Hey Banco

Offers a full range of convenient financial banking and credit solutions for individuals and businesses, through a highly digital environment. Its added value is the immediacy when offering and acquiring products, in addition to highly competitive rates.

Hey Pagos

Offers payment solutions for businesses, point of sale terminals, aggregators and collection lines.

Hey Banco Media

Strategy for the creation of content focused on promoting financial well-being.

Hey Tech

Offers technology solutions such as Software as a Service and Business Process Outsourcing to other companies that seek to offer financial services.

Hey X

Platform and marketplace for trading fractional shares, funds, capital and alternative investments.



Segmentation criteria **hey,**

Target Segment

- Hey You / Clients
(App Hey opening account)
- Hey Biz / (Remote Service)
- Acquiring Businesses

Products

- **Hey You:** Credit Card, Auto credit, consumer credit, Savings and Time deposits
- **Hey Biz:** Payments, checking accounts, simple and revolving credits
- POS

Channels

- **Digital:** App / Web / Chat
- Hey executives for BaaS clients and acquirers



Presence

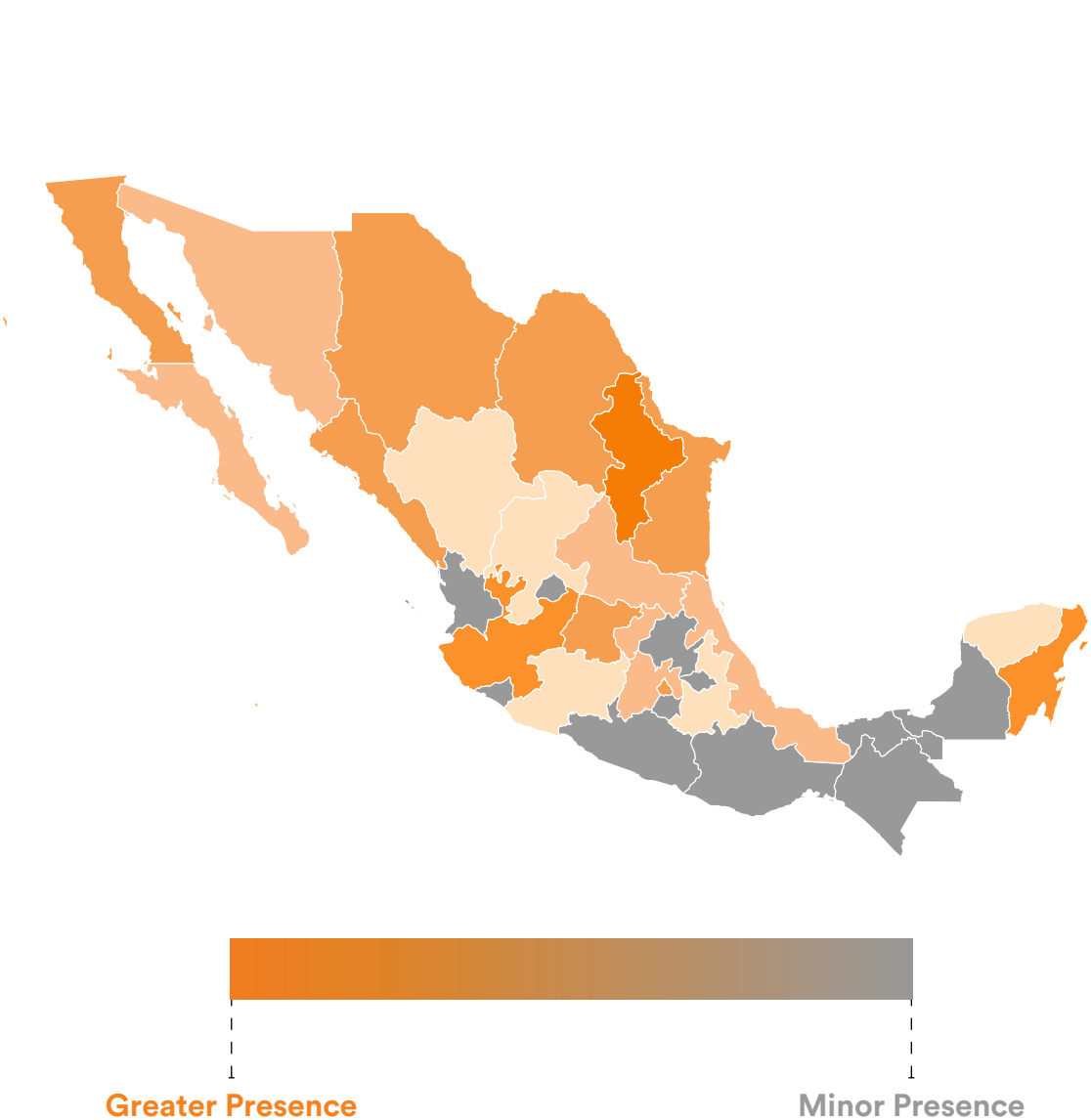
Regional has a national presence through its two main brands.

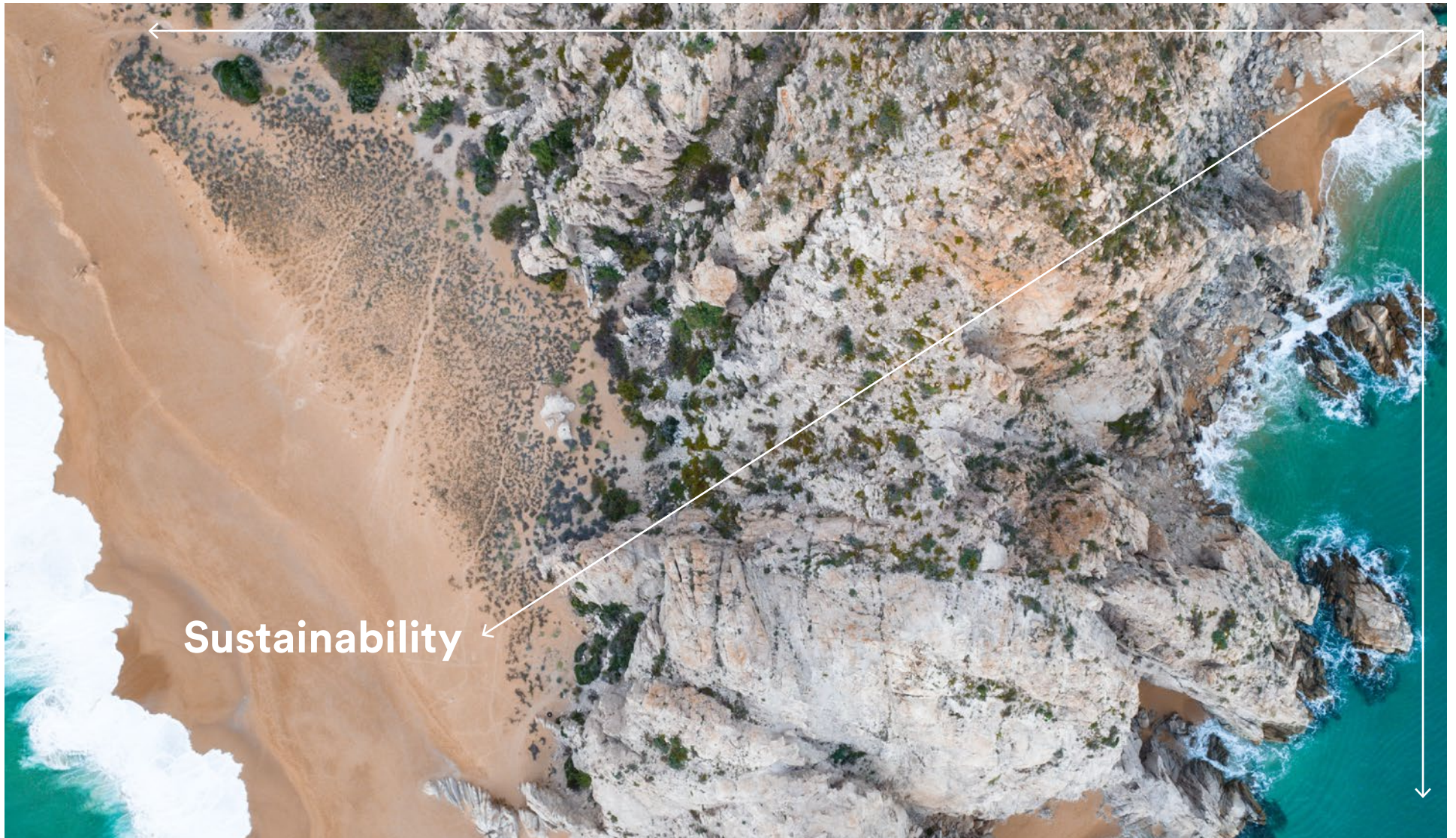
Banregio has a geographical presence in 22 states of the Mexican Republic, with a network of 177 business units through branches, exchange centers and points of specialized service.

And thanks to the digital nature of its operation, Hey has a presence throughout the national territory. In addition, it has some physical points of contact known as Hey Points that are mainly located in Mexico City and Nuevo León.

The states with the greatest presence are: Nuevo León with 59 branches and Jalisco with 17 branches. Corporate offices are located in San Pedro Garza Garcia, NL.

In 2022, 6 branches were opened and 50 smart ATMs were installed that allow customers to make deposits. In total, we have more than 9 thousand ATMs available thanks to the multi network in alliance with other banks (More information: *Success of our customers*).



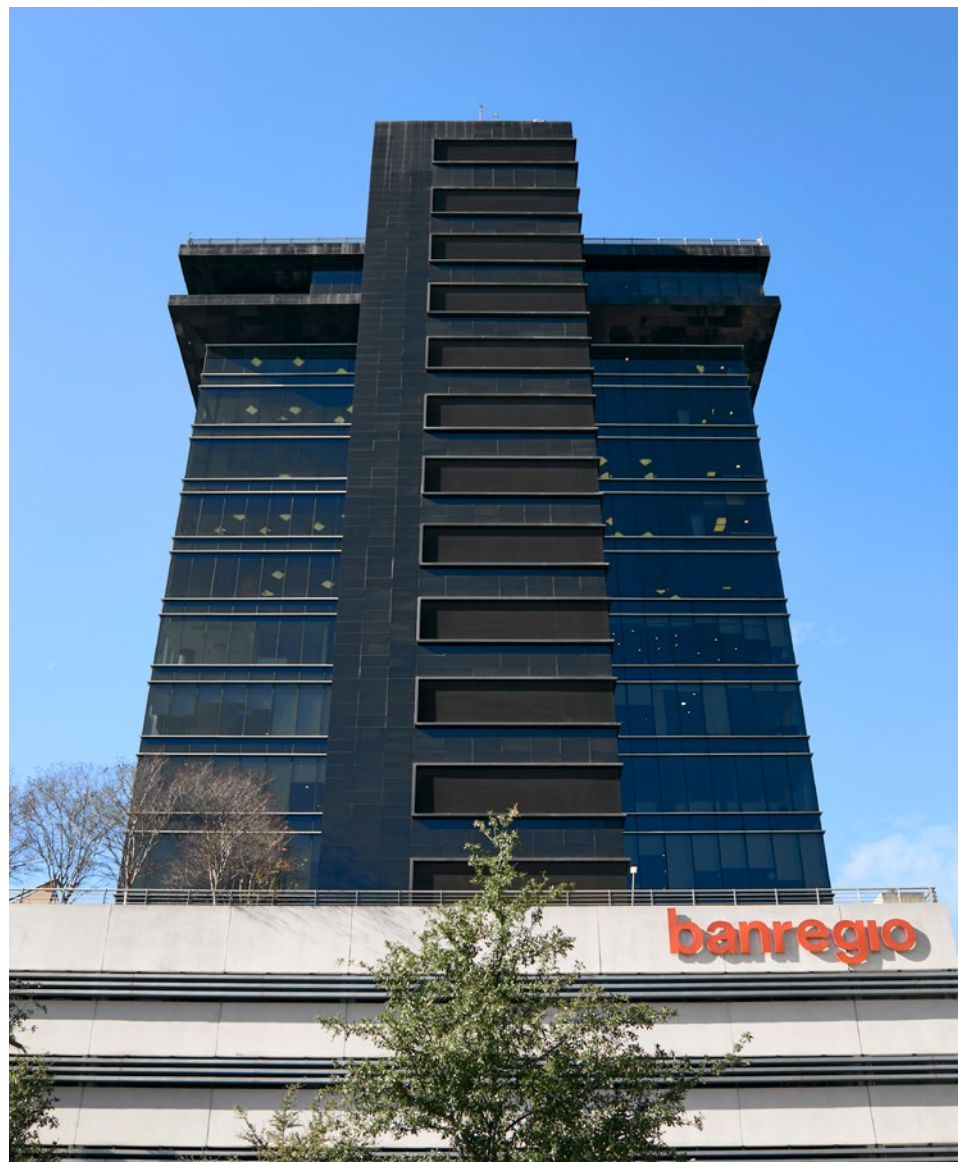


Sustainability

At Regional, sustainability is fundamental to the operation of the business strategy. We recognize that our success depends on the well-being of our environment and community.

The Sustainability strategy, which responds to the company's mission, purpose and values, is managed by the Sustainability Department. ESG progress is presented to Senior Management and the Corporate Practices Committee.

This Committee is the body responsible for monitoring and communicating the most relevant indicators to the Board of Directors.



Materiality

A materiality study is carried out to evaluate our sustainable strategy, integrating the material issues that responded to significant changes in the global environment and within the Company.

The determination of material issues is based on the identification of a list of potentially relevant issues, which is used to prioritize, considering the perspective of the stakeholders identified by the corporate strategy.

The prioritization stage is carried out through interviews and focus groups with the various stakeholders: employees, investors, customers and community, as well as with the intersection of international best practices assessments.



List of material topics

Urgent Matters

Transparency
ASG evaluation of Credit and risk

Emerging Matters

Responsible communication
Corporate Governance
Regulatory requirements
Risk and opportunities related to the climate
Diversity and equality of work opportunities
Environmental performance

Necessary Matters

Experience of the client
Financial inclusion
Products, services and operational innovation
Risk management
Ethics, integrity and corruption
Cybersecurity
Privacy and security of the information
Digital transformation
Economic performance
Work environment, compensations and commitment of the personnel
Health and security of personnel

General Matters

Financial education
Operational resilience
Competitiveness and development of the business
Talent creation and development
Contribution to social development

The necessary issues correspond to the material issues. The urgent issues are those that could evolve to material issues in a short term due to significant changes in the company's strategy and/or in our context of activity.

In addition we integrated the analysis of material issues specifically for our investors, these are correlated with the metrics of the sector standards **SASB (Sustainability Accounting Standards Board)**.

To learn more about the study, you can access our [Materiality Analysis available here](#).

In 2023, the materiality will be updated to respond to changes in the national context and new challenges in the financial system.

Sustainability Strategy

For Regional, being sustainable means being a future-proof bank: we prepare ourselves for any challenge or opportunity that tomorrow may present as we actively build the future we want, hand in hand with our community.

In line with the results of the materiality study, the business strategy and the 2030 agenda of the sustainable development goals, a **Sustainability Strategy** was defined by senior management and approved by the Corporate Practices Committee.

This framework responds to the emerging priorities of our stakeholders, the international standards that we have joined in recent years, among which are the following: Global Compact, Principles of Responsible Banking promoted by UNEP-FI and the Task Force on Climate-related Financial Disclosures (TCFD).



The strategy is organized into three main missions:

Being Trustworthy

- Maintain a strong corporate governance based on best governance policies and practices
- Acting under an ethical and transparent culture, promoting the values of the institution
- Generate consistent results that add value to our shareholders
- Manage risks prudently, to maintain our operational resilience
- Ensure a long-term relationship with our customers, while taking care of their privacy and information security

Creating well-being

- Work to ensure our customers' success by offering a approachable and up-close user experience.
- Building an excellent place to work, ensuring equal opportunities and committed with diversity.
- Being an ally of our community through quality financial education for people and companies
- Promoting the care of the environment and more sustainable practices

Building a better future

- Innovate to improve our products/services and adapt them to the future
- Promote sustainable practices that allow us to identify risks and opportunities related to our social and environmental impact
- Promote the international agenda to combat climate change through our business operation and strategic alliances with other institutions

Strategy → Material issues

Trustworthy

- Corporate Governance
- Transparent and Ethical Culture
- Risk management and operational resilience
- Data privacy and Cybersecurity
- Strong financial performance



Well-being

- Success of our Customers
- Workforce well-being
- Gender Diversity and Equal opportunities
- Financial Health
- Environmental care



Building a better future

- Climate action - risks and opportunities
- Responsible banking
- Innovation
- Digital transformation
- Active relationship with stakeholders





Contribution to the Sustainable Development Goals

Three years ago, we signed the UN's Global Pact and aligned our goals with the Sustainable Development Goals to focus the efforts of the Company towards 2030 agenda.

As signatories of the Principles of Responsible Banking, we strengthen this commitment with the SDGs when defining specific indicators that allow us to monitor and manage economic, social and environmental impacts of our business.

Our contribution is mainly concentrated in 12 of the objectives. In the following table we explain the correlation of our actions with each one of them.

SDG	Material issue/Contribution	Results 2022
1. No Poverty 	Financial Inclusion <ul style="list-style-type: none">• We boost SMEs through specialized products• We offer credit to women entrepreneurs, to serve historically underserved segments• With our Mentoring program we accompany Micro and SMEs	<ul style="list-style-type: none">• 222 companies participated in our Mentoring program• 887 customers in our SME Woman portfolio• 868 Customers with <i>Impulso</i> loans
3. Good Health and Well-being 	Employee's Health and Safety <ul style="list-style-type: none">• There is a comprehensive health and safety system for employees that includes medical offices, breastfeeding rooms, subsidies for medical expenses (major and minor), as well as health care activities and annual disease prevention campaigns	<ul style="list-style-type: none">• 86% sites with internal civil protection programs• +\$6 million MXN investment in health• Recognition Best Practice in Disability Issues, awarded by "Movimiento Congruencia"

SDG

4. Quality education



5. Gender equality



Material issue/Contribution

Financial Education

- We create content with quality education that allows people to improve their financial literacy and health

Training and Talent Development

- Our employees are trained annually in: Sustainability and Human Rights

Contribution to Social Development

- We work with civil associations to support the education of children in Mexico through fundraising campaigns using our ATMs

Financial Inclusion

- We designed a financial education platform with a gender focus: Clara Banregio. It is free and open to Banregio customers and non-customers

Labor Diversity and Equality

- We have a Diversity and Inclusion Plan, the first objective of which is to achieve gender equality
- We have the certification EDGE Assess
- We report on an annual basis: salary ratio and the composition of the workforce

Results 2022

- +3 thousand people trained in personal finance
- 32 business education workshops
- 6 online courses in personal finance
- 5,991 employees trained in sustainability
- 5,220 employees trained in Human Rights
- 234 thousand hours of training
- 6 corporate responsibility campaigns with civil associations
- \$1.1 million MXN of economic donations collected through ATMs
- 695 women educated with Clara Banregio
- 2,122 registered users in Clara
- 44.5% women in our workforce
- 40% of women in leadership roles

SDG

8. Decent work and economic growth



9. Innovation



Material issue/Contribution

Work environment

- We offer full-working conditions, with a balanced personal and professional life, as well as opportunities for growth
- We have the recognition of Great Place to Work

Financial Inclusion

- We have a Diversity and Inclusion Plan, its objective is to achieve the effective financial inclusion of segments traditionally under-served by institutions
- We want the women in our community to have access to our products and services, as well as quality financial education

Product Innovation

- We have an eco-credit line focused on financing equipment replacement and/or to adapt production processes to low-carbon
- We train Micro and SMEs on sustainability issues, climate change and resource efficiency, through our mentoring program

Customer Experience

- We serve Micro and SME entrepreneurs through financial products and services and offer specialized mentoring
- We have products with a responsible approach

Risks and opportunities of climate change

- We map our impacts and prioritize Climate issues
- We adhered to the TCFD
- We implement climate-related responsible banking goals
- We evaluate the risk of our credits including Environmental, Social and Governance indicators

Results 2022

- 2,514 employees with flexible schedule scheme
- 43 employees with disabilities
- GPTW Certification
- \$664 million MXN with SME Woman loan
- 38% Female customers
- \$20 million MXN granted in eco-credit
- 86 Micro and SMEs trained in sustainability
- 22.8% growth in SME portfolio
- \$109,404 million MXN SME portfolio
- 868 *IMPULSO* lonas
- 42.9% of our customers with more than 60 million MXN evaluated / Target: to reach 100% by the end of 2025

SDG

10. Reduced Inequalities



11. Sustainable cities



Material issue/Contribution

Digital transformation

- We build digital tools where our services and products are available remotely
- Electronic banking, our apps and digital onboarding allow users to make use of financial services no matter whether they have access to a physical branch
- As a 100% digital banking, Hey offers its service remotely/self-service

Workforce environment and Diversity

- We have a Diversity and Inclusion Plan that includes diversity and equitable compensation policies, as well as flexible work and maternity schemes
- Annually, we measure the salary ratio, which allows us to detect gender gaps in compensation
- We set up inclusive vacancies that allow people living with disabilities to access a fulfilling job where they can develop their skills

Environmental Performance

- Our Environmental Management System allows us to measure the carbon footprint and ensure the correct disposal of the waste generated
- We also have remote work models that help reduce emissions caused by the mobilization of our collaborators
- We are working on the analysis of our portfolio to measure its environmental impact

Results 2022

- +580 thousand Hey customers
- 1.5 Million openings through digital onboarding
- \$954 million MXN of investment in innovation and technology
- 81 Employee Net Promoter Score (ENPS)
- 43 employees with disabilities
- 85 Resolved Complaints of Relevant Human Capital Cases
- Great Place to Work
- 6,987 Ton CO2e per year
- 3 eco-efficiency projects

SDG

13. Climate action



Material issue/Contribution

Climate Risks and Opportunities

- Annually, we measure and report our environmental impact through the Carbon Footprint Report
- Targets are set for the reduction of emissions in the Company

Environmental Performance

- We integrate an Environmental Policy into our Code of Ethics, so that the entire organization adopts the sustainable practices promoted by the institution

Climate Risks and Opportunities/ESG Assessment

- We integrated environmental risk analysis for the loan applicants.
- We signed the Responsible Banking Principles and support TCFD's recommendations

Environmental Performance

- Annually, we carry out an environmental volunteer campaign, in alliance with different Civil Associations that work for the care of ecosystems

Results 2022

- Goal: 3% carbon footprint reduction
- 229 companies evaluated on ESG risks
- 1,400 trees planted
- 49.4 tons of recycled waste

15. Life on land*



SDG

16. Peace, justice and strong institutions



17. Partnerships for the goals*



Material issue/Contribution

Ethics, Transparency, Regulatory Compliance and Corporate Governance

- Our Board of Directors surpasses the number of independent directors required by law. We have a strong Code of Conduct that reflects our values and addresses Anti-Corruption, Human Rights and Conflict of Interest. The Code is updated annually and employees receive training on the Code
- We have ongoing training in the topics of: Prevention of Money Laundering and Human Rights
- We have an anonymous reporting platform and a system of consequences for incidents related to ethics and transparency.

Responsible communication

- We adhere to various initiatives that guide us towards international best practices where we measure our progress with the industry and the creation of value in the country
- We are part of: UN Global Compact, UNEP FI, Sustainability Committee of Asociación de Bancos de México, Women's Empowerment Principles, Financial Alliance for Women, Movimiento Congruencia, Centro Mexicano para la Filantropía, Great Place to Work and TCFD

Results 2022

- 57% independent board members
- 817 complaints in the transparency mailbox
- 0 sanctions for corruption
- 0 reports for discrimination
- +7 Agreements with international organizations

Sustainable Indexes

Regional has been included in global sustainability indexes which evaluate the maturity of companies regarding corporate social responsibility and impact on the environment thanks to its Sustainability Strategy and continuous improvement.



In 2022 we maintained our position in:

→ **Bloomberg Gender-Equality Index (GEI)**

Index that monitors the performance in gender equality of publicly traded companies. (Since 2020).



→ **Total Mexico ESG Index**

Launched by the Mexican Stock Exchange in alliance with the S&P Dow Jones. (Since 2020).



In addition, we continue to work to adopt sustainable best practices evaluated by indexes of the highest international level.

Each year we respond to the Corporate Sustainability Assessment (CSA) questionnaire, designed by S&P Global to select those issuers that may be part of the Dow Jones Sustainability Index.

In 2022, we responded for the second time to the CDP Disclosure Insight Action assessment, which represents the most relevant international environmental reporting standard.

Our advances and recognitions

Our vision for the area of sustainability is continuous improvement, adding best practices, alliances, and new challenges, which allow us to grow the scope of our initiatives and become agents of change for a better future.

We work to make sustainability part of our organizational culture. Annually, an online training is launched on the strategy and actions in relation to sustainability; **in the year to be reported we trained 93.5% of the workforce in sustainability issues.**

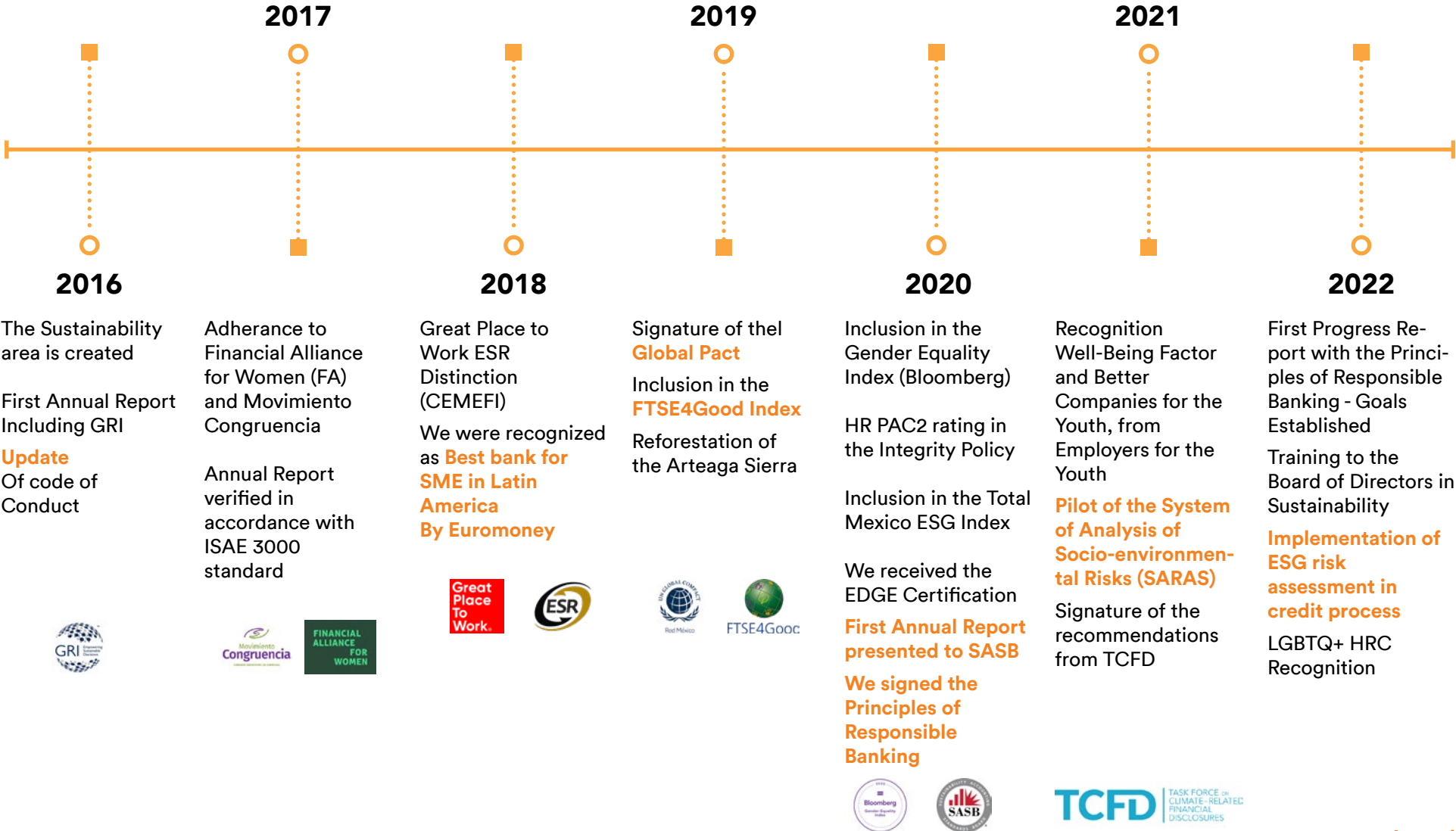
In addition, it is important to mention that for the first time we carried out a sustainability training for the Board of Directors and Senior Management. We had the participation of 14 Board members and 17 top-level Directors.

The training was divided into two sessions of 3 hours on average and was carried out in collaboration with EY. The course covered topics such as:

- Sustainability as a strategy
- Risks and opportunities
- Material issues
- Climate change



Timeline





Trustworthy

Since its foundation, Regional has been committed to building long-term relationships based on trust with its customers, employees and shareholders.

Therefore, the Company has a responsible Corporate Governance, an ethical and transparent culture as well as prudent risk management, these pillars allow us to deliver solid results that add value to the community.

With these elements well-grounded in its structure, Regional has positioned itself throughout its history as a reference of a transparent, humane, and reliable financial institution.



Governance

Regional has a Corporate Governance which is responsible for business continuity, comprising a set of inherent relationships between the management, the Boards of Directors of the different entities, the Support Committees, Shareholders, Regulators, Public Investors and others.

The guide for this government is the [Governance Code](#) where the operative guidelines for the Meeting of Shareholders, Board of Directors and its supporting committees are established.



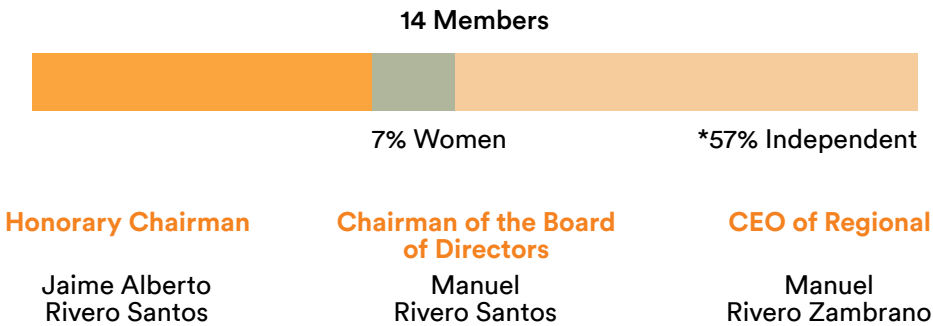
Structure

The Shareholders Meeting is the highest decision-making authority, it is convened annually and its responsibilities include: appointment, dismissal or substitution of the members of the Board of Directors, approving the accounts of the Financial Group, among others.

The Board is in charge of safeguarding and protecting the interests of the shareholders, customers, employees and suppliers, while supervising that the decision-making process ensures a responsible Corporate Government.

According to the guidelines of the company, the Board of Directors must have a minimum of 5 and a maximum of 15 members, and at least 25% of them must be independent members, in accordance with the applicable legislation.

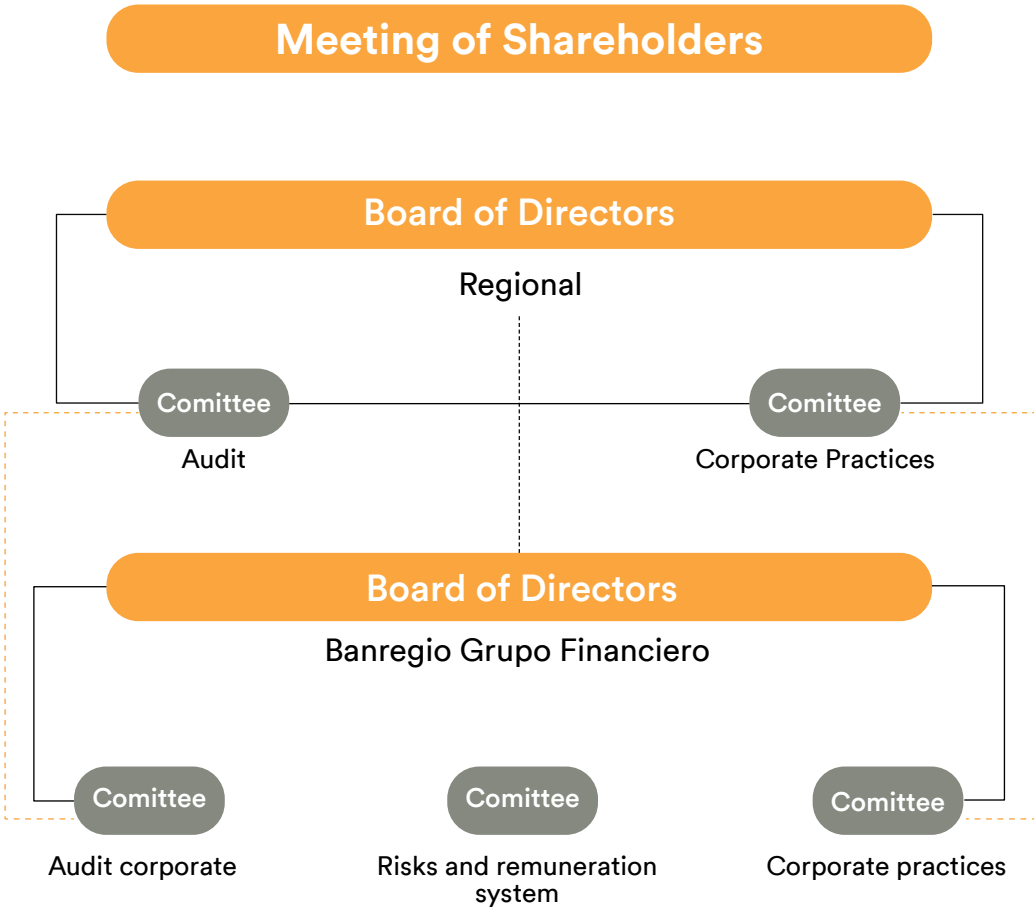
Board of Directors of Regional



As established by the applicable legislation, the **CEO is appointed by this Board and it is an independent position from the Presidency of the Board of Directors.**

The members of the Board of Directors may or may not be shareholders of the Company and must comply with the provisions of the **Securities Market Law**. The appointment process for members is led by the Corporate Practices Committee.

The selection of the members of the government body should favor the interests and the strategic vision of Regional. **This process must be transparent, objective and inclusive.** Board members are elected on an individual basis, rather than in block form, and are re-elected on an annual basis.



Mr. Jaime Alberto Rivero Santos

Type: Patrimonial

Member since: 1994

Work Experience

1. Chairman of the Board of Banregio Grupo Financiero, S.A. de C.V.
2. Member of the Board of Banco Regional, S.A.
3. General Director of Mosaicos Rivero S.A. de C.V.

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Manuel Gerardo Rivero Zambrano

Type: Patrimonial

Member since: 2006

Work Experience

1. CEO of Regional, S.A.B. de C.V.
2. Board Member and CEO of Banregio Grupo Financiero, S.A.B. de C.V.
3. Board Member of Banregio Grupo Financiero, S.A.B. de C.V.
4. Board Member and CEO of Banco Regional, S.A.

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Héctor Cantú Reyes

Type: Related

Member since: 2015

Work Experience

1. Board Member of Banregio Grupo Financiero, S.A. de C.V.
2. Board Member and CEO of Banco Regional, S.A.
3. GAD of Banking at Banco Regional de Monterrey
4. Executive Director of Business Banking at Banca Serfin
5. Polibanca Inova

Specialty Area

Financial, regulatory, administrative, strategy and human resources

Mr. Manuel G. Rivero Santos

Type: Patrimonial

Member since: 1994

Work Experience

1. Board Member of Banregio Grupo Financiero, S.A. de C.V.
2. General Director of Banregio Grupo Financiero, S.A. de C.V.
3. Board Member and General Director of Banregio Grupo Financiero, S.A.B. de C.V.
4. Chairman of the Board of Banco Regional, S.A.
5. CEO of Banco Regional de Monterrey, S.A.
6. President of the Board of Euromotriz S.A. de C.V.

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Sergio Eugenio González Barragán

Type: Patrimonial

Member since: 2015

Work Experience

1. Director and partner of Eddy Corporativo
2. Partner of Inversora y Operadora del Noreste.

Specialty Area

Financial, regulatory, administrative, strategy

Mrs. Alejandra Rivero Roel

Type: Patrimonial

Member since: 2020

Work Experience

1. Director of Sustainability and Social Responsibility Banregio
2. Manager of Investor Relations and Strategic Planning in Banregio
3. Evaluation of real estate investment projects in Terraregia
4. Coordination and design of architectural projects at LANDA Architects

Specialty Area

Financial, administrative, sustainability, strategy and human resources

Mr. Alfonso González Migoya

Type: Independent

Member since: 2005

Work Experience

1. Chairman of the Board of Directors of Coca-Cola FEMSA.
2. Member of the Board of Directors of JAVIER.
3. Chairman of the Audit Committee of Regional, S.A.B. de C.V. and Banregio Grupo Financiero, S.A. de C.V..
4. Member of the Board of Directors of Banregio Grupo Financiero, S.A. de C.V., Banco Regional, S.A. and START Banregio, S.A. de C.V.

Specialty Area

Financial, regulatory, legal, administrative, strategy

Mr. Oswaldo José Ponce Hernández

Type: Independent

Member since: 2017

Work Experience

1. WCP Capital Socio-Director
2. DGA Banca Empresarial en HSBC México
3. DGA Banca de Consumo y Patrimonial en HSBC México

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Juan Carlos Calderón Guzmán

Type: Independent

Member since: 2018

Work Experience

1. Deputy Director of Treasury Sales – Banamex Compensation Strategy – Citi-group
2. Financial Assets and Financial Risk Admon. CEMEX
3. Professor of university and postgraduate courses EGADE, ITESM and UDEM

Specialty Area

Financial, regulatory, legal, administrative, strategy and human resources

Mr. Jorge Humberto Santos Reyna

Type: Independent

Member since: 2002

Work Experience

1. Chairman of the Board of Start Banregio, S.A. de C.V.
2. Chairman of the Board of Directors of ARCA Continental.
3. General Director of Grupo San Barr.
4. Managing Director of Grupo Index.
5. Chairman of the Board of Directors of Human Capital of Arca Continental

Specialty Area

Financial, administrative, strategy and human resources

Mr. Isauro Alfaro Alvarez

Type: Independent

Member since: 2009

Work Experience

1. Founding Partner Alfaro Asesores Financieros S.C.
2. Chairman of the Board of Credit Suisse First Boston
3. Director Solomon Smith Barney Inc.
4. Director of Operadora de bolsa Serfin

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Daniel Adrián Abut

Type: Independent

Member since: 2018

Work Experience

1. DATABANC LLC – Founder and Director Executive
2. CITI GLOBAL MARKETS INC – CEO Senior Analyst
3. GOLDMAN, SACHS & CO – CEO
4. J.P. MORGAN SECURITIES, INC – Vice President – Senior Analyst

Specialty Area

Financial, regulatory, administrative, strategy

Mr. Carlos Arreola Enríquez

Type: Independent

Member since: 2018

Work Experience

1. PWC Dean Partner
2. Member of the Board of Directors of PWC
3. Director of PWC Northeast Region

Specialty Area

Financial, regulatory, legal, administrative, strategy

Mr. Luis Miguel Torre Amione

Type: Independent

Member since: 2020

Work Experience

1. Partner at Kratos Capital and university professor at ITESM, Monterrey campus
2. Director of Commercial Banking at Banamex
3. Global Director of Commercial and Business at Banamex
4. Executive Director of Family Credit
5. Director of Soriban Joint Venture
6. Director of Business Banking at Banamex

Specialty Area

Financial, administrative, strategy

Type of Members

Patrimonial Board Members

They own the property or trust rights over a percentage of the share capital of Regional and/or its companies, for which they act as active members of the governing bodies.

Related board members

They are directly or indirectly connected with Regional, either by working in the administration, providing a service, business, or any other relationship that affects their independence.

Independent board members

They must not be connected to the shareholders or important directors of Regional; they have an objective and impartial vision, they are free from conflicts of interest, they are not subject to personal, patrimonial or economic interests.

More information on the criteria of independence in the [Corporate Governance Manual pages 11 and 12](#)

Regional Support Committees

Committee	Characteristics	Duties
Audit	Consisting of 3 independent directors <ul style="list-style-type: none"> • Mr. Alfonso González Migoya • Mr. Jorge Humberto Santos Reyna • Mr. Carlos Arreola Enríquez 	<ul style="list-style-type: none"> • Internal and External Audit • Internal Control • Risk Management • Financial information • Conflict of Interest • Regulatory compliance • Ethical and Compliance Culture <p>Holds meetings on a quarterly basis (4 per year) and when extraordinary sessions are required</p>
Corporate Practices	Minimum of 3 independent members <ul style="list-style-type: none"> • Mr. Alfonso González Migoya • Mr. Oswaldo José Ponce Hernández • Mr. Daniel Adrián Abut • Mr. Jorge Humberto Santos Reyna 	<ul style="list-style-type: none"> • Strategic planning • Selection, evaluation and compensation of the CEO and relevant directors • Unusual transactions • Corporate Ethics • Sustainability and Social Responsibility • Budget Management • Corporate Policies • Delegation of Authority • Operations with related parties <p>Holds meetings on a quarterly basis (4 per year) and when extraordinary sessions are required</p>

Support Committees at Banco Regional*

Committee

Risks and Remunerations

Holds a monthly session and consists of 2 members of the Board, as well as the General Director of the Financial Group, General Director of the Bank, the Head of the Integral Risk Management Unit, the Internal Auditor as well as guests from Control and Business Areas.

Consisting of

Independent board members

- Mr. Juan Carlos Calderón Guzmán
- Mr. Oswaldo José Ponce Hernández
- Mr. Antonio Gomez

Duties

- Report to the Board of Directors on risk exposures and mitigation actions.
- Propose and revise the objectives, guidelines and policies for comprehensive risk management.
- Approve methodologies, procedures as well as global and specific limits for exposure to different types of risk.
- Monitor the remuneration system of the Financial Group (risk perspective).
- Approve the technical evaluation of aspects of integral risk management.
- Review and issue an opinion regarding the implementation program of the ESG evaluation scheme in clients and prospects.

Holds meetings on a quarterly basis (4 per year) and when extraordinary sessions are required.

Indicators of Effectiveness

The members of the Board of Directors must be committed, reliable, technically qualified, have a good reputation, a satisfactory credit history, and extensive knowledge and experience in financial, regulatory, legal, administrative, sustainability, strategy and human resources matters.

The minimum percentage of attendance at Board meetings required for each Board Member is 75%. **In 2022, the board members met 90% of average attendance at the sessions convened.**

It must be noted that, although there is no other mandates limit for independent members, eight of the participants who make up this fraction have less than 4 mandates. The average term on the board is 11 years.

In accordance with the duties taken from the bylaws, as the main supervisory and management body of the Company, the Board of Directors is responsible for:

- Establishing the strategy for all business units.
- Generate the Annual Report for the Shareholders' Meeting that includes the non-financial Sustainability indicators.
- Supervise the actions of the General Management and the operations between the subsidiaries of the financial group.

Following these same Articles of Association, the following topics must be presented to the Board: actions in the field of corporate practices, audit, risks, information security, credits with related persons, accounting policies, contracting of external audit services, as well as the main risks to which the company is exposed and emerging issues that they consider of interest and research.

In the year to be reported, **there were no concerns of critical issues that were brought to the Board of Directors**, outside of the decisions relevant to the regular operation of the business.

Regarding environmental and social issues, **the Board is responsible for authorizing the Annual Report** where non-financial indicators are presented in accordance with GRI and SASB.

Likewise, the **Corporate Practices Committee has among its responsibilities to review the sustainable strategy** and its main indicators.

The CEO of Regional participates in follow-up meetings with the managers of the business units to analyze their results. During these meetings, the Group's main credit and operating risks are monitored, as well as the economic environment in which it operates.

Remuneration Policy

The remuneration for members of the Board of Directors are determined at the Shareholders' Meeting. Meanwhile, remuneration of Senior Management is determined by the Compensation Committee and is approved by the Corporate Practices Committee.

The independent board members will be the only members of the Board of Directors who are entitled to an economic remuneration, which will be determined by the General Meeting of Shareholders and reviewed annually.

The annual compensation of the board members must be consistent with the following principles:

1. Consistent with the scope of the positions and responsibilities
2. Consistent with professional experience and knowledge
3. Consistent with the average compensation of the market of companies in the regulated sector
4. Equity and proportionality

The Corporate Practices Committee submits to the Board of Directors for approval of the integral remuneration, as well as the policies for the appointment of the CEO.

It is important to mention that the Company has compensation structures aligned to long-term performance. A performance bonus is set for the CEO's variable compensation. The longest

period of performance that applies to assessing goal-based compensation is 1 year.

The guidelines of the [Remuneration System](#) which includes compensation to relevant Directors and other positions in the organization, according to their relationship with risk management, are publicly available on the Banregio website.



Best practices

To ensure the best corporate governance practices, we adhere to international and national standards that regulate issues such as: Conflict of interest prevention, training and performance evaluation.

In Regional there are policies to avoid any conflict of interest which were reviewed and discussed by the Corporate Practices Committee and approved by the Board of Directors.

Each of the Board members must present a document stating to know all of Regional's Internal Policies and provide a statement which confirms or eliminates a possible conflict of interest.

To report any risk of Conflict of Interest, the cases identified are presented to the Audit Committee, which are subsequently reviewed and resolved by the Board of Directors.

Additionally, on a quarterly basis, loans and other transactions with related parties that must be approved by the Board of Directors are presented to the Corporate Practices Committee.

Likewise, our Governance Code states that performance evaluations must be done on a biannual basis. The last performance evaluation of the Board of Directors was carried out at the end of 2021.

The evaluation of the highest governing body was carried out by an independent third party and as part of the process, a self-evaluation exercise for the 14 members of the Board was included. At the end of 2021 we have a response rate of 60% .

The evaluation reviews:

- Skills, knowledge, quality of the participations and self-development of each of the board members
- Operational and leadership elements of each of the governing bodies
- Fulfillment of the duties of the President of each of the governing bodies
- Performance of each of the Corporate Secretariats.

The results of this assessment were used in 2022 to establish the topics for further agenda and training. As a result, a sustainability training program was created specially designed for the Board of Directors and Senior Management.

The session registered a 100% attendance of the Board in the 3 hours of training, while there were 18 First-Level Directors in another 4-hour session. The following topics were included: sustainability as a business strategy, risks and opportunities, selection of material issues and climate change.

The guidelines of Corporate Government ensure that the company's results are monitored and that the material issues are brought to the Board in a timely manner. Additionally, the strategy defined by this governing body is transmitted to the rest of the organization.

Ethics and transparency

Among the pillars of Regional's organizational culture, is the strong attachment to its institutional values and policies that promote ethics and transparency throughout the operation.

Regional is governed by a Comprehensive System of Ethics, which integrates: the Code of Conduct, the Transparency Mailbox and the Consequence System.

It is important to mention that all our relationships and interactions with the various stakeholders, such as suppliers, customers and employees, must respect human rights, as established in our integrity policies.

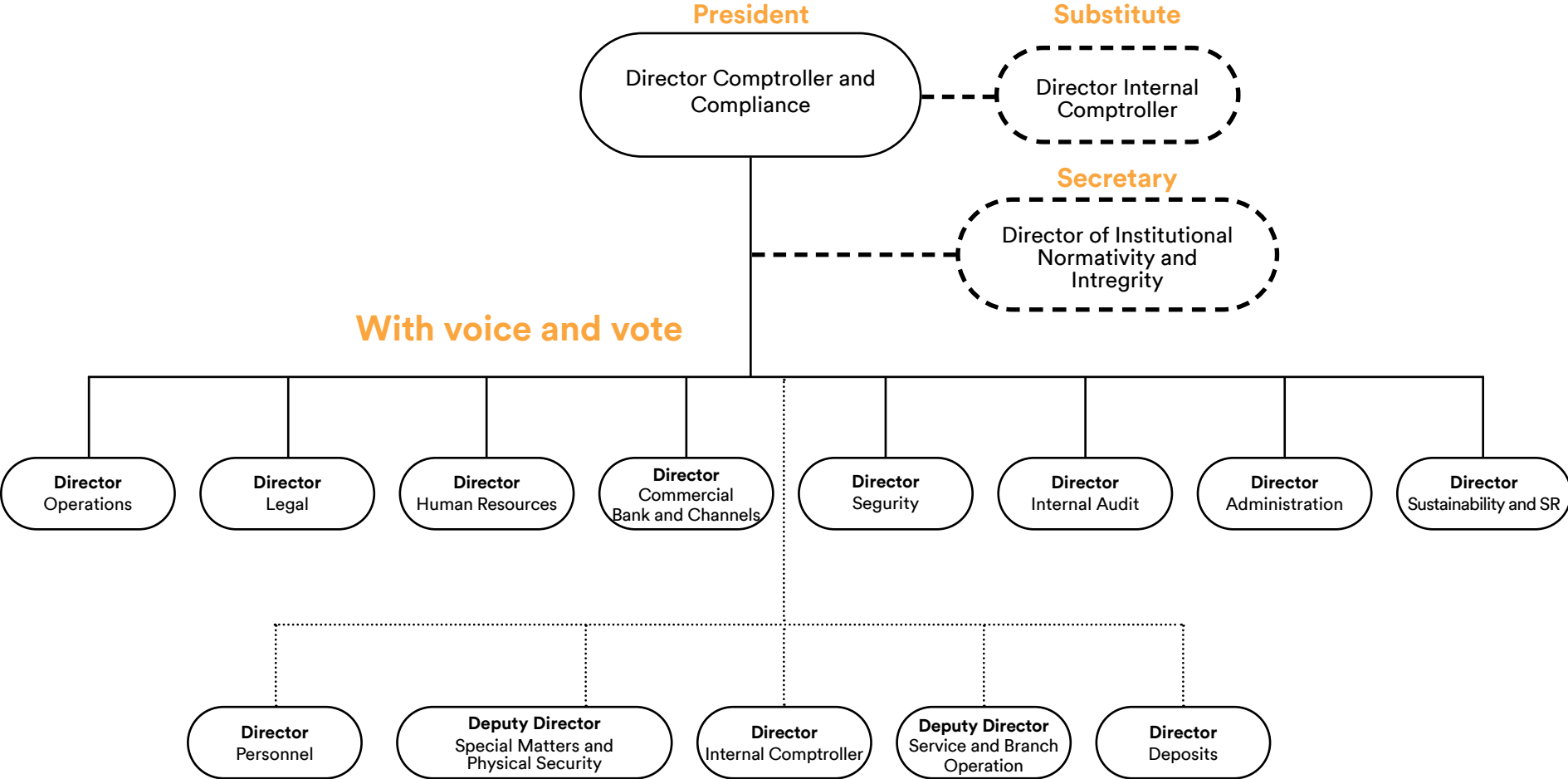
Among the main internal policies that sustain this culture are:

1. Institutional Code of Conduct
2. Supplier Conduct
3. Conflict of Interest Prevention Manual
4. Global Code of Conduct for the Foreign Exchange Market
5. Information Security Manual
6. Manual for the Prevention of Money Laundering

The Company has an **Institutional Conduct Committee, an organization** whose objective is to provide security to employees in the treatment of conflicts of integrity and conduct, strengthen the organizational culture based on the values of the Institution and decide on cases identified as situations that do not follow internal policies.

The Committee, which meets bimonthly and extraordinarily when required, is made up of the areas of: Comptroller and Compliance, Regulations and Institutional Integrity, Security, Audit, Human Resources, Operations, Commercial, Legal, Administration and Sustainability.





Code of Conduct

The **Code of Conduct** is the regulatory ethical framework applied to all those who are part of Regional. It serves as a guide to ensure an integral, prudent and transparent conduct, in line with our institutional values and professional best practices, such as the Code of Best Corporate Practices, as well as the guidelines established by the Association of Banks of Mexico (ABM).

In compliance with our Corporate Governance Manual, the Code of Conduct is prepared by the General Management and proposed for approval by the Board of Directors through the Corporate Audit Committee.

This policy also includes criteria to combat corruption and prevent conflicts of interest. Thus complying with the national legal framework, the General Law of Administrative Responsibilities, as well as with the Law of Anti-Bribery Practices Abroad, the recommendations of the International Chamber of Commerce (ICC) and the Business Coordinating Council, among others.

The Code is revised and updated every year to include emerging issues for the organization and strengthen the relevant ones. During 2022, the training program on **anti-corruption case studies** was integrated and the information security and transparency mailbox sections were updated.

It is important to mention that this code includes the Diversity and Inclusion policy with guidelines of zero tolerance to any type of harassment and violence. Similarly, an environmental policy was integrated into the Social Responsibility section as well as a compensation policy that clearly defines the commitment to equal pay.

The periodic reviews carried out by senior management and the Conduct Committee are additional to those established under the annual internal audit plan where compliance with this policy is validated throughout our operation.

The Code is communicated to the entire organization through email, on the corporate social network as a permanent campaign and in all induction sessions complying with the commitment of responsible communication and the reinforcement of our culture. Additionally, for customers and other external groups, it is available on the website of [Banregio](#), as well as the website of [Regional](#).



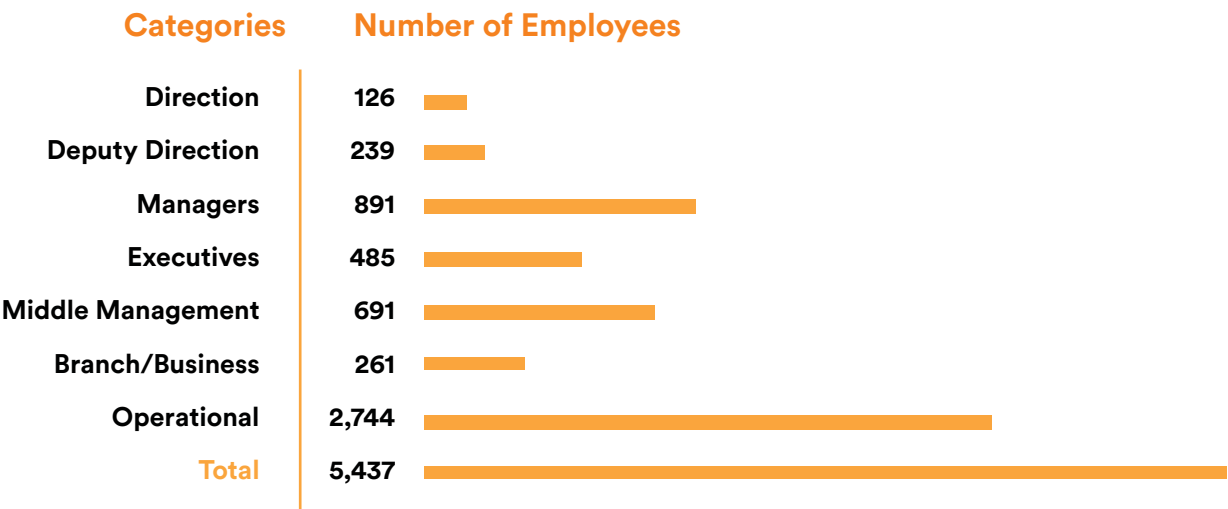
Ethics training

On an annual basis, there is an online training that covers all the topics of the Code of Conduct. In 2022, **84.9% of the workforce and 20% of the Board of Directors were trained, adding 5,437 hours of training** in topics such as: competition practices, anti-corruption, conflict of interest and social responsibility, among others.

Code of Conduct Training



Code of Conduct Training 2022



Likewise, we want our value chain to carry out the values of Banregio so the company has a [Code of Conduct for suppliers](#). This document is a guide that sets the standards and expectations for our suppliers, with the intention of building more transparent and fair relationships.

In 2022, a campaign was carried out to disseminate this code to the list of current suppliers with which the Institution has a relationship. **79.5% of our current suppliers were informed regarding this policy and 1155 of them digitally signed to certify their knowledge and commitment.**



An online training of this Supplier [Code of Conduct](#) was conducted for the second time. With this training, **90% of suppliers were trained** in a webinar format, with the presence of leaders of the Institution as speakers.

In addition to this, complying with the established regulations for financial institutions, our employees receive an annual training on Prevention of Money Laundering. In the year, **5,381 employees** took this course.

The annual training on respect for Human Rights was carried out. The course called Human Dignity, has a duration of 1 hour and includes the topics: get to know human rights, diversity and inclusion, non-discrimination, respect for your community, among others. 81.5% of the employees in Banregio were trained.

For another consecutive year, the training was accompanied by an internal communication campaign with a duration of three months, reinforcing the concepts seen in the course and ended with the **Human Library** event.

Transparency Mailbox

To detect possible breaches of any of our policies we have the transparency mailbox, an independent, anonymous and secure communication channel, open not only to our employees, but also to customers and suppliers.

Reporting Channels

Do you want to report a situation that affects your integrity or that is **against our values**?

Responsible

Deputy Direction of Normativity and Institutional Integrity

Web Page **Banregio te Escucha**

E-mail

buzondetransparencia@banregio.com

Scope

Community, users, customers, suppliers, employees

Hotline

81 81 24 24 09

Transparency Mailbox



The complaints received are reported twice a year to the **Institutional Conduct Committee** and every three months to the **Audit Committee**, where the amount and impact of each one is presented, as well as the annual comparison.

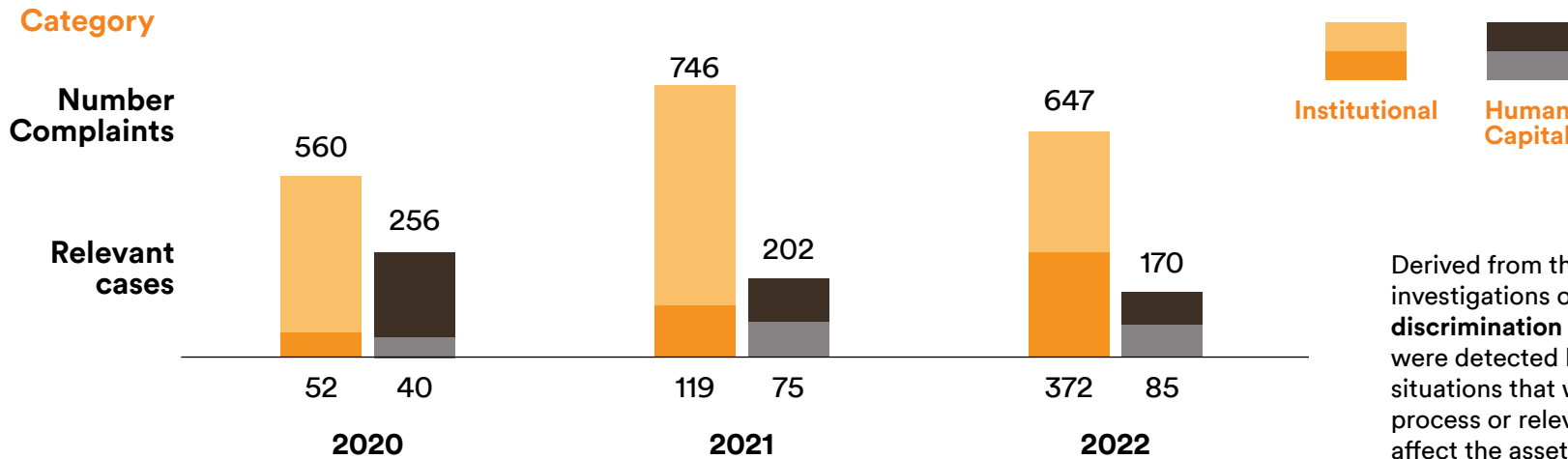
Each report is classified according to its priority and referred issue and it is supervised by the legal area with the corresponding departments.

In 2022, we received a total of 817 reports through the Transparency Mailbox, 718 of them were solved and only 457 were important ethical cases. The increase in reports made represents the growing confidence that our stakeholders show in this means of complaint.

Complaints fall into two main categories:
Institutional: includes everything related to economic risks and internal control.
Human Capital: everything related to Human Resources is reported.



Transparency Mailbox



Derived from the consequent investigations of the complaints, no **discrimination or corruption cases** were detected by this means and/or situations that will result in a judicial process or relevant incidents that will affect the assets of the institution.

* Customer complaints regarding services or products are reported as Other and are not considered in the analysis, they are sent to the Identity Management and Customer Service

System of Consequences

All faults related to non-compliance with our institutional policies are categorized and evaluated under the Consequences System. This system documents the corresponding sanctions for those actions detected that are not aligned with our culture, good practices and internal policies or processes.

In 2022, a total of **3,220** internal sanctions were registered, where 82% are administrative acts and written warnings for minor offenses and **only 2% are cases that resulted in the termination of the contract.**

Likewise, we identified 81 employees with a history of investment-related investigations, consumer-initiated complaints, private civil litigation, or other regulatory matters. Situation that will be rigorously monitored by the company.

It is important to mention that the growth in the number of sanctions is a reflection of our commitment to transparency and compliance with our regulatory obligations. For both our internal policies and national legislation, the Directorate of Comptroller and Compliance strictly monitors any risk situation for the company.

Despite extensive controls, as in any financial group, situations were detected that resulted in monetary sanctions. In a strongly exposed and regulated sector, in the year we received 12 sanctions for non-compliance with national laws, which represented a total amount of **\$3'319,960** Mexican pesos.

The absence of sanctions for anti-competitive practices, unfair competition or cases of corruption should be noted. And the decrease in cases by 63% compared to the previous period.



Alliances and Recognitions

Thanks to the best practices implemented in relation to ethics, transparency and internal control, in 2022 we were recognized with:

→ **HR PAC2+ Rating** (3rd year in a row) by HR Ratings. The bank complies with international standards, regulatory manuals and a strong Compliance Culture.

→ **74th place in the Corporate Integrity Ranking 500 (IC500)** awarded by *Expansión* and *Mexicanos contra la Corrupción*. Increase of 16 points compared to the previous year.

→ **Participation in the GTA 2030 Progress Report**, convened by the Global Compact Mexico and the Business Coordinating Council. The objective of this meeting was to present the progress achieved by the working groups of the 2030 Agenda, which were created through an agreement by the aforementioned bodies and the Government of Mexico to implement actions in favor of the Sustainable Development Goals (SDG).

These recognitions represent for Regional a solid commitment to continue promoting a culture of ethics and integrity, thus strengthening its values towards its employees, customers, suppliers and community.



Risk management and operational resilience

Regional promotes the sustainable generation of value with a business strategy in accordance with the levels of appetite for and tolerance to risk determined by the Board of Directors.

Banregio defines a position regarding the risk profile focused on the creation of a solid and diversified balance, through strategic business objectives and through the principles of: profitability, capital allocation, asset quality, liquidity provision, adequate operating capacity and attraction of talent.

Historically, the bank has worked with the following qualities: prudence, discipline and diversification as differentiators for the healthy growth of the balance sheet.

The Company operates with a **Comprehensive Risk Management System**, that comprises the set of objectives, policies, procedures and bodies responsible for identifying, monitoring and reporting on the risks to which the institution is exposed.



Comprehensive Risk Management

The Unit for Comprehensive Risk Management is responsible for operating this Comprehensive Risk Management System ensuring that the regulatory framework incorporates qualitative and quantitative criteria in which preventive and prospective approaches that encourage the identification and management of risks under normal conditions and crisis environments predominate.

The main activities of this unit are:

- **Regulatory Alignment.** Prepare the information, methodologies and procedures that are examined by supervisors, independent experts and Internal Audit to assess the management and control of risks
- **Process Efficiency.** Ensure the combination of talent and tools necessary for the analysis and calculation of risks, thus facilitating diagnosis in multiple dimensions and timely decision making
- **Contribution to the Business.** Implement internal models to determine the stability and use of deposits that in turn allow a more efficient use of capital and liquidity
- **Environmental, Social and Government Risks (ESG).** Supervise Environmental, Social and Governance standards with which it evaluates the risks and business opportunities that accompany these factors

The main **risks identified and managed during 2022** were:

1. Slow economic recovery resulting from the contingency of SARS CoV-2 (COVID-19)
2. Uncertainty over armed conflict between Russia and Ukraine
3. Significant increase in prices that resulted in restrictive monetary policies to increase interest rates

Likewise, three main **emerging risks** were identified:

4. **Extreme Climate Change**
5. Infectious disease mutations
6. Geopolitical tensions

During the year, these are the most important activities of the Unit for Comprehensive Risk Management:

1. The implementation of the new general provisions on **liquidity requirements** for Multiple Banking Institutions
2. The **liquidity risk measurement**, working on the development and use of internal models to determine deposit balances for operational purposes
3. The calculation of the **capitalization requirements**, considering the authorization by the regulator of the internal stability model of demand deposits
4. **Adoption for risk management processes of International Financial Reporting Standard 9 (IFRS 9)**

The correct application of this System and the due diligence carried out by the Risk Management Unit team, allows the institution to respond efficiently, facing the present and future challenges, without suffering \serious losses in its assets. Additionally in 2022, **96% of the workforce successfully completed the Internal Control** course which includes classification and definition of risk and processes to establish controls.

Risk Intelligence

The Risk Intelligence Directorate is dedicated to the analysis of the asset quality of credit portfolios.

This department is responsible for the timely and comprehensive disclosure of current and potential risks, along with the assessment of regulatory compliance in terms of credit risk.

The **Risk Committee** monitors the management of these departments each month and sends the evaluation to the Board of Directors.



Measures for credit risk management

- Focus on better-quality clients, based on individual qualitative and quantitative rating
- Alignment of the pricing policy based on risk and term
- Monitoring and feedback management processes between the control areas and business areas
- Prevention and contention processes in early default
- Actions that deal with prospecting, security positions and follow-up and review measures for the clients of our portfolios
- Risk and Operation Manuals that clearly define policies, procedures and roles
- Solid and expert Monitoring and Collection areas
- Creation of advanced models to automate the credit decision and infer income by increasing approval rates with better crop performance
- Creation of advanced models in monitoring patterns in transactional use to optimize allocation and use of lines

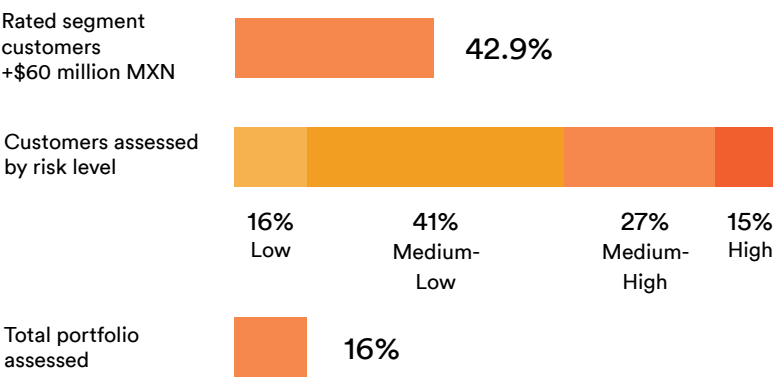
The bank's philosophy is to grant credit in a way that will support the development of companies and strengthen the demand of consumer durables through financing.

In order to grant a loan, the Risk Committee takes into account not only the risk but the payment capacity of the borrower, as well as the social, economic and environmental viability of the project being financed.

In 2022, the social and environmental credit assessment began, in accordance with the ESG Risk Policy. The scope of this evaluation is, in a first stage, new business clients with potential risk equal to or greater than 60 million pesos.

Risk Management System ESG

Six months after its application (August-December 2022), we have the following ESG evaluation results:



In addition to the evaluation, we accompany SME in the transition to more sustainable businesses by offering them training on topics such as: resource efficiency, climate change and renewable energy. During the year, 86 business owners of small and medium-sized enterprises were in the before mentioned topics.

It should be noted that within our origination and credit management policy, we avoid the following sectors: Casinos or Betting Centers, Exchange Centers, Political and Religious Organizations, Communication Means, Local Savings Associations, Pawnshops, Firearms, Hunting and Fishing, Bars and Taverns.

At Regional we will continue to work with meticulous risk management, with the goal of achieving the sustainable development of the company and the generation of value for the communities where we have a presence.



Information Security

Information security and cybersecurity are indispensable issues for risk management within the international financial system.

In response to these material issues, Regional has established a set of preventive and reactive measures of the structure and technological systems, including **the figure of the Chief Security Officer.**

The Chief Security Officer, who reports to the Directorate of Comptroller and Compliance, is responsible for:

- Manage and establish the security function based on **strategies and policies** in order to promote the due protection of people, goods and information
- Increase the maturity levels of the main security processes and activities
- Determine and direct the equipment for the **detection and response of security incidents** or contingencies to reduce the impacts caused by materialized security risks
- Propose and coordinate the **training and awareness programs** related to security
- Ensure and **evaluate security compliance** established by the different regulatory entities
- Control and authorize the budget assigned to the security area with the aim of **making investments focused on risk and efficiency**

- Establish and manage the framework for the management of roles and privileges, according to the appropriate segregation of functions, in order to provide the necessary access to employees for the performance of their functions

The institution also has a **Security Committee that reports to the Board of Directors** and meets monthly.

This committee is made up of: Director of Comptroller and Compliance, Director of Security (Chief Security Officer), Finance (Chief Financial Officer), Director of Transformation (IT), Operations, among others.

In this Committee, decisions are made regarding projects and initiatives. It also addresses budgets and different issues related to Information Security, Cybersecurity and Business Continuity. Additionally, the most relevant topics are presented in the Audit and Risk Committees.

Among the activities of the Security Committee are:

- Approve initiatives to increase the level of security
- Monitor and control the security plan
- Monitor significant changes in security risks
- Approve, revise, modify or reject security policies proposed by the Direction
- Evaluate and coordinate the implementation of specific information security controls

Policies and practices

To identify and address potential data security risks, Regional has an Internal Control System which is supported by the provisions of the Single Official Letter of Banks, Section Six of the General Directorate, Article 164 and Section Seven of the functions of the Internal Comptroller's Office, Articles 166 and 167.

Likewise, based on the Basic Principles of Basel and the COSO Model, with documented policies and procedures of the risk analysis methodology in the Institutional Internal Control Manual.

The types of risk that are evaluated are the following:

- Internal fraud
- External fraud
- Employment Practices and Workplace Safety
- Clients, products & business practices
- Natural disasters and other events
- Business Incidents and System Failures
- Execution, Delivery and Management of Processes (this includes the fines for non-compliance with the regulations)

Specifically for the analysis of risk scenarios associated with data and information security, the Information Security Principles are: Confidentiality, Integrity, Availability and Non-Repudiation.

The four Information Security Principles apply to technological, operational and business processes for data at rest or in transit. The risk scenarios determined can be placed within the different risk typologies mentioned above.

This Internal Control System supports its management in policies and process manuals to ensure the implementation of best practices, some of them are:

- Information Security Manual
- Manual of the response to information security incidents
- Business continuity plan

Under the Business Continuity Plan, tests are carried out every year according to what was approved by the Board.



These include DRP (comprehensive and partial per service) and BCP tests, on-site testing intended for the operation of areas operating critical processes. Tests are performed once a year per area or system that serves a critical process, some areas are even tested 3 times a year.

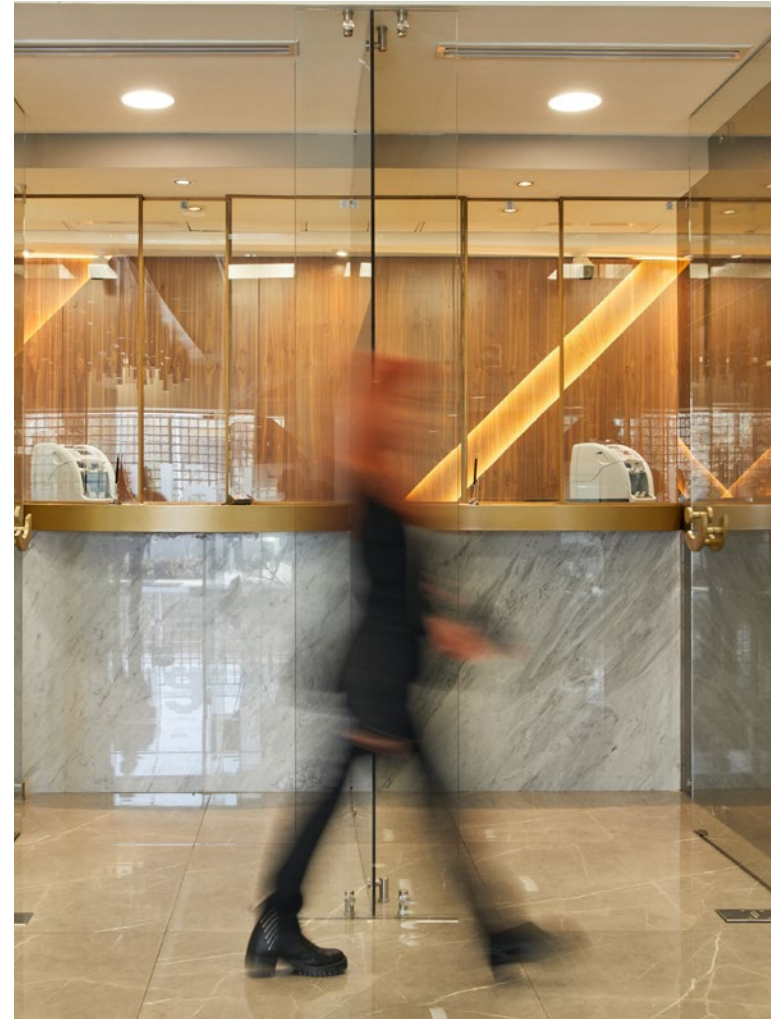
Likewise, the Incident Management Plan, found in the internal regulations in the IT Incident Management Manual and the Information Security Incident Response Plan manual, performs effectiveness tests 2 times a year.

External reviews and audits are also included, whose scope is to review processes such as access control and monitoring, cybersecurity, as well as annual vulnerability tests and penetration tests (Pentest).

Additionally, there is a Security Operations Center (SOC) which operates 24 hours a day, 7 days a week, where security events of the technological infrastructure are analyzed.

In order for these controls and good practices to be known and applied throughout the Company, training programs are carried out annually for all employees.

In 2022, 86.4% of the workforce successfully completed the Information Security course which includes: classification and handling of information, security policy, processes and risk identification, among others.



Information Security Incidents

Thanks to this robust system, in 2022 no incidents, affected customers, penalties, or breaches regarding our information security and cybersecurity processes were reported.

Likewise, there were no incidents of infrastructure in Information Technology which would involve the paying of fines or loss of income.

However, due to the very nature of the operation, there were some claims that were detected involving fraud against our clients related to cards.

These frauds can be of two types:

- **Card Not Present (CNP) Fraud:** characterized by the unauthorized use of a credit card number, printed security code, and/or holder address details for a transaction in a non-face-to-face environment with a merchant
- **Card Present (CP) Fraud:** is characterized by the unauthorized use of a physical credit card for a transaction in a face-to-face meeting with a merchant

Incidents in 2022

Incident Type	*NUMBER	Total loss (\$)
CNP	46,276	\$52.64 million pesos
CP	691	\$13.79 million pesos



Privacy and transparency

The care of our customers' information and transparency in the advertising of our products are key to ensuring the trust of our customers and being able to build a long-term relationship with them.

We strictly adhere to the correct publication of the fee catalog, as well as the relevant information regarding the calculation of primary indicators, such as: the Total Annual Cost of the credit products and the Total Annual Profit of the investment products, such as Promissory Notes and CEDES (Certificates of Deposit). In accordance with the data registered before the Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros and Banco de México.

Likewise, we protect the legal certainty of our customers by providing them the necessary elements for the best decision-making.

Thanks to these better practices, in 2022 no sanctions were presented for non-compliance with the information and labeling of products and services, nor with issues related to advertising, promotion and/or sponsorship.

On the other hand, in relation to the privacy of our clients as an institution, Banregio fully complies with the Rights of Access, Rectification, Cancellation and Opposition (ARCO) to the information handled by individuals.

Due to the nature of the financial operation, we seek to provide 100% of our clients with relevant solutions according to their profile. This involves making use of their data to analyze their needs and design an appropriate offer.

However, we understand that some customers do not want their data to be used for a second purpose, for these cases there are the following mechanisms:

Public Registry of Users: website where the clients register their data and the National Commission for the Protection and Defense of Users of Financial Services ensures that banks download that database and no additional advertising is offered. This database is monitored in Banregio by the Normativity area.

Arco Rights: in compliance with the regulations, when opening an account the privacy notice is shared with the customer and he has the right to request that no advertising be sent to him under the right of opposition. Here the customer's data is entered into a system that detects those customers to whom advertising will not be sent are detected, when there is a cross-selling campaign.

ARCO Rights

ARCO Rights are the human rights contained in article 16, second paragraph of the Constitution, which states that everyone has the right to safeguard their personal information as well as; access, rectify, cancel and oppose its use.

By Contract: in the signing of any contract the client must be asked if he/she wants to receive advertising, that information remains in the internal system and the extraction team is the one who investigates how many of the Banregio clients indicated that they did not want to receive advertising.

In the year to be reported, no relevant sanction or claim was incurred for leakage or misuse of our clients' information, nor losses due to legal proceedings derived from the same issues.

All the content of our actions in the management and care of our clients' information can be found in the Privacy Policy (Privacy Notice) available on our website.



Financial Results

At the end of the year, Regional continued to exceed its financial goals, thanks to the implementation of the strategy which includes: diversification in sectors with great economic potential, a prudent risk culture, personalized customer service, geographical strengthening and the reach of digital channels.

In 2022, the growth in core deposits, portfolio and non-financial income stands out. This translates into a trend of growth in both net profits and return on equity.

The main financial indicators are shown below:

At the end of 2022, the financial margin adjusted by provision increased **36.9%** reaching \$10,361 million MXN. This increase is mainly due to the reference rate-hike cycle and a better mix in our funding structure. The net interest margin of the total portfolio of the last twelve months closed at **6.0%**.

Financial Margin 36.9%

Thanks to the strategy established in previous years, which includes a comprehensive offer of services to our customers, non-financial income has maintained its growth trend. During 2022, the increase in the acquiring business of 58% compared to the previous year should be noted.

Total revenue at the end of the year was \$11,930 million MXN, compared to the previous year, showing an increase of 24.3%. Operating expenses showed a growth of 10.6%, as a result of customer attraction strategies and expansion in the card and terminal point of sale businesses. Expenditure on salaries and remunerations accumulated a balance of \$3,139 million MXN, while operating expenses decreased to \$2,231 million MXN, these two items add up to an operating expense of \$5,370 million MXN.

Due to a prudent culture of spending and investing towards digital transformation the efficiency rate decreased 270 basis points, closing the year at 43.4%, well below the internal limit of 50%.

Efficiency rate 43.4%

The accumulated net income during the year expanded 40.1% reaching \$4,982 million MXN at the end of 2022. This result is an indicator of the success of Regional's strategy throughout its history.

Net income \$4,982, 40.1%

Thanks to these excellent results of the year, the Return on Equity (ROE) for the last twelve months was 21.2% showing an increase of 586 basis points. Return on Assets (ROA) increased to 2.6%. These two profitability indicators are well above those of the country's financial system.

ROE 21.2%, 586 p.b.

Another constant in Regional's strategy has been to increase the deposits. This is reflected in a growth of 18.5% in core deposits, which closes the year at \$126,480 million MXN. This rise is due to the increase of 16.6% in demand deposits and 21.1% in time deposits.

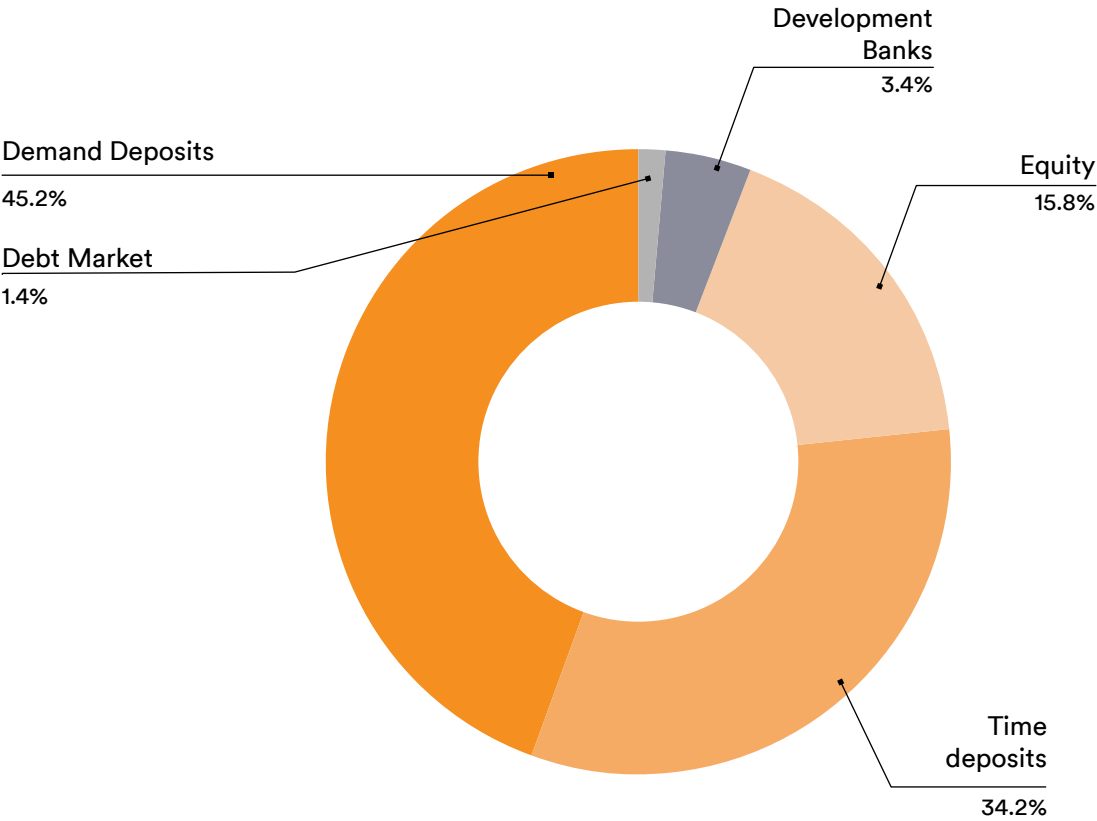
**Core deposits
\$126,480, 18.5%**

Funding Structure 2022 (%)

The funding structure at the end of the year is as follows: 45.2% demand deposits, 34.2% time deposits, 15.8% equity, 3.4% development banks and 1.4% debt market.

The total of core deposits consists of: 46% by individuals, 49% by businesses and the remaining 5% by Hey.

The total cost of funding at the end of 2022 is 5.54%.



Financial statements

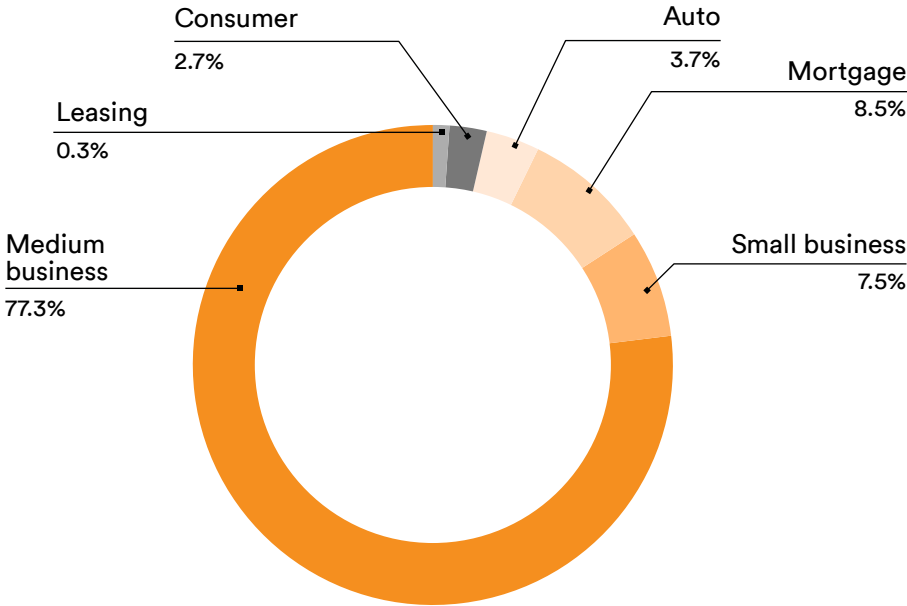
Balance Sheet	2021	2022	Var.
Million MXN			
Cash and equivalents	12,144	12,060	(0.7%)
Securities investments	23,883	45,818	91.8%
Loan Portfolio	117,952	137,811	16.8%
Total loans stage 1	115,817	133,854	15.6%
Total loans stage 2	-	2,112	-
Total loans stage 3	2,135	1,845	(13.6%)
Provisions	(2,827)	(3,158)	11.7%
Leasing	6,196	378	(93.9%)
Other assets	10,188	18,923	165.8%
Total Assets	167,536	219,993	31.3%
Demand deposits	61,785	72,024	16.6%
Time deposits	44,972	54,456	21.1%
Core Deposits	106,757	126,480	18.5%
Commercial notes (CEBURES)	2,164	2,300	6.3%
Development Banks loans	6,215	5,367	(13.6%)
Repurchase agreements	22,191	38,239	72.3%
Other liabilities	5,801	22,369	285.6%
Total Liabilities	143,128	194,755	36.1%
Total Equity	24,408	25,238	3.4%

Financial statements

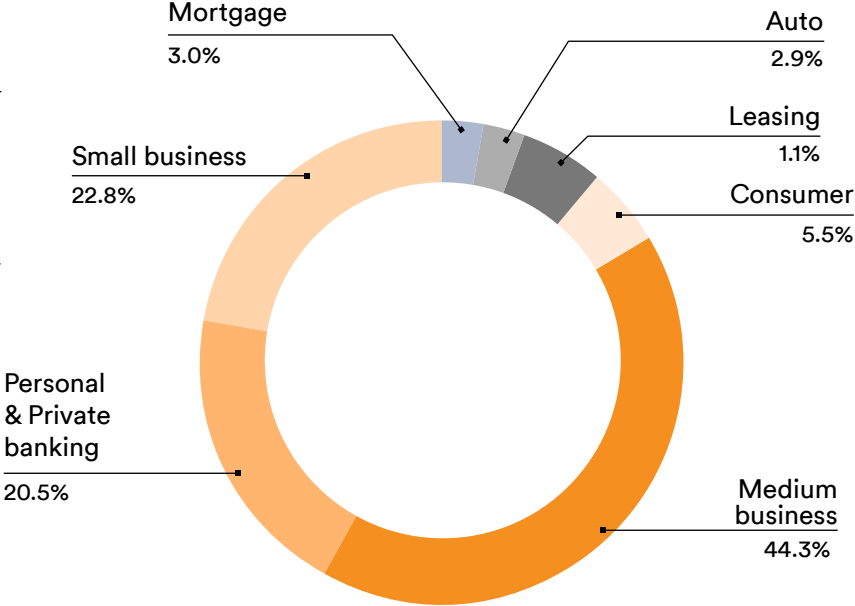
Income Statement	2021	2022	Var.
Interest income	13,562	21,016	55.0%
Interest expenses	(5,994)	(10,655)	77.8%
Financial Margin	7,568	10,361	36.9%
Net provisions	(853)	(444)	(47.9%)
Adjusted Financial Margin	6,715	9,917	47.7%
Net commissions	1,094	1,506	37.7%
Insurance + FX fees	1,019	1,170	14.8%
Net leasing	978	176	(82.0%)
Non-Financial Income	3,091	2,852	(7.7%)
Other income	(207)	(839)	+100%
Total income	9,599	11,930	24.3%
Compensation and benefits	(2,499)	(3,139)	25.6%
Operating expenses	(2,356)	(2,231)	(5.3%)
Non-Interest expenses	(4,855)	(5,370)	10.6%
Operating Income	4,744	6,560	38.3%
Income tax	(1,206)	(1,571)	30.3%
Net Income	3,556	4,982	40.1%

Performance by business segment

Current loan portfolio by business segment (%)



Total Income by Business Segment (%)



Credit portfolio

The total credit portfolio closed the year at \$137,811 million MXN, this increase of 16.8% is due to a growth in portfolio of 13% and the remaining by the reclassification of operating lease to loan portfolio. This reclassification derives from a change in accounting criteria that Regional adopted during 2022.

Credit portfolio 16.8%



In particular, the pace of growth in the North and Bajío regions during the second half of 2022 stands out. This is mainly due to near-shoring (the relocation of companies) which caused an acceleration in the demand for loans in these areas.

The Northern zone, which includes the states of Durango, Sinaloa and Baja California Sur, increased 11% compared to the previous year while the Bajío area grew 18%.



At the beginning of 2022, we adopted the new methodology for the calculation of NPL which includes a three-stage segmentation. Performing loans or Stage 1 Credit Risk, had a 15.6% growth reaching \$133,854 million MXN. Stage 2 closed at \$2,112 million MXN and Stage 3 or non performing loans had a 13.6%, closing the year at \$1,845 million MXN.

By the end of the year, the NPL index stood at 1.3%, 51 basis points compared to the previous year. Additionally, Regional has reserves that cover 1.7 times the total credit portfolio with stage 3 credit risk.

NPL Index 1.3%



SME

Small and medium-sized business segment is our core business, contributing 67.0% of the total revenue of the year to be reported and represents 84.9% of our current loan portfolio. During 2022, this segment had a growth of 22.8%.

SME 22.8% ↑

During the year to be reported, the portfolio segments were modified to SME as follows: Wholesale businesses (Medium-sized business) for companies with a financial need greater than \$12.5 million MXN and Retail (Small-sized business) for companies that apply for loans below \$12.5 million MXN.

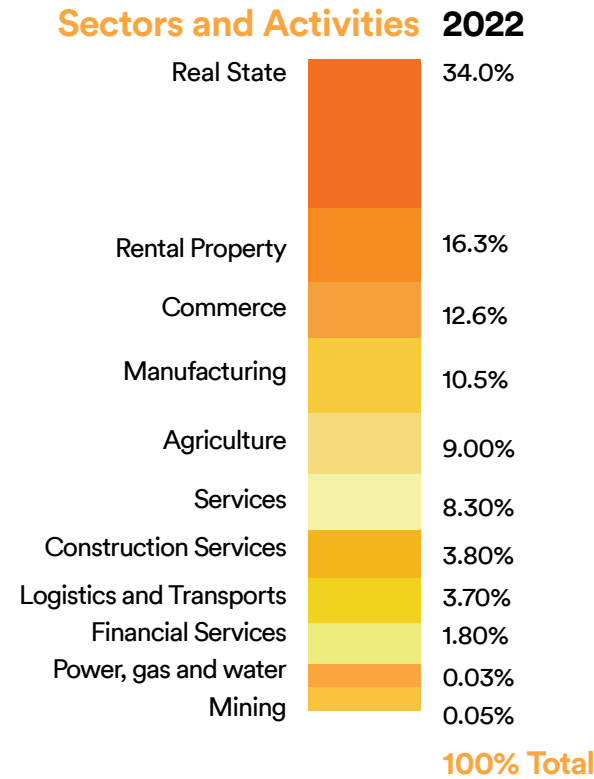
The increase in the SME portfolio is mainly due to a 29.4% growth of the Wholesale business segment, which increased with an excellent portfolio quality of 1.1%. This segment accounted for 44.3% of revenues during the year and made up 77.3% of productive assets.

Retail or small-sized business segment accounted for 7.5% of the current loan portfolio and contributed 22.8% of revenues for the year. With the objective of promoting commercial credit to businesses in high-potential places, we carried out events called “Credit Fairs”, managing to place more than \$500 million MXN new during the year.

We continue to implement the strategy of being the main bank of our clients and this includes, in addition to providing customized attention, the offer of non-financial services such as treasury management, derivatives and currency exchange and leasing.

We aim for the portfolio expansion to be diversified in high-potential economic sectors, without compromising asset quality. It should be noted that we maintain a low exposure in certain sectors such as Mining with 0.05% and Power, gas and water with 0.03%.

SME Commercial Portfolio by Sectors and Activities (%)



Personal Banking

Personal banking includes consumer credit, mortgage and automotive credit products, as well as solutions to preserve and increase wealth through savings and investment products.

At the end of 2022, the consumer portfolio ended with a balance of **\$3,442 million MXN** which represents an **increase of 23.6%** compared to the previous year. Even with the growth of this segment, an excellent quality was maintained with an NPL index of 2.0%.

Consumer Banking 23.6%



The mortgage portfolio represents 8.5% of productive assets at the end of 2022, reaching a total of **\$10,902 million MXN**. The mortgage loan can be used for the acquisition of a house, land or to refinance existing loans.

The Lease segment had a decrease that derives from the change in accounting criteria that Regional adopted during 2022. At the end of the year to be reported, the balance of the Lease segment reached \$359 million MXN, while the Auto segment closed at \$4,774 million MXN, with an NPL index of 1.1%

The Personal and Private Banking segment accounted for 20.5% of revenue during the year. During 2022 the figure of Experience Leader was implemented in Nuevo León and Mexico City in order to further enhance our relationship with preferred clients. This leader becomes the main contact for clients, by any means (remote or face-to-face), so the attention is centralized and personalized.

hey,

Hey, is the only 100% digital multiproduct, self-service platform in Mexico. It allows users to access a wide variety of products that promote financial well-being in a simple and personalized way.

During the year to report, **Hey, You (personal banking) increased by 47% and its active customers reached 582,443** Through its recruitment products, it managed to increase **50% of its balance, reaching \$10,240 million MXN**. The growth of 101% per year and 19% in transactions made quarterly stand out.

On the other hand, loans closed at \$6,990 million MXN, showing a 3x annual growth. Within this segment stands out the 33,600 credit cards placed during the year.

Deposits \$10,240 million MXN / 50%



Customers 582,443 / 47%



Fiscal transparency

Regional operates only in Mexico, where it complies with its tax obligations in accordance with the Law.

The taxes paid during 2022 accumulated a balance of \$1,571 million MXN, with an effective rate of 24% of the taxes generated.

The fiscal policy in Regional establishes:

- Duly comply with the obligations of the Applicable Law
- Ensure that the interpretation and internal application of the policy does not generate future tax risks or contingencies for the Company and / or subsidiaries
- Regional and its subsidiaries file their tax returns individually and currently there are no outstanding tax credits or debts

It is important to mention that, in compliance with the General Electoral Law in Mexico, the Company does not make any type of contribution or donation to political parties or their candidates, this also includes lobbying associations.



Stock performance

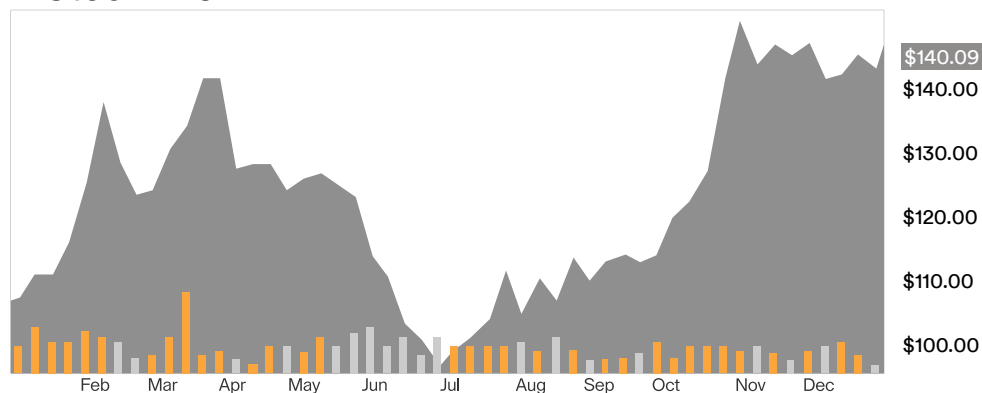
Regional, SAB de CV (R series "A") maintained the structure of 60% owned by founding shareholders and 40% of shares free-floated. **The price at the end of the year closed at \$140.09 pesos and market capitalization of \$45,939 million MXN.** Additionally, the issuer generated a total volume of 155 million shares traded, which represents \$18,800,901,177 pesos, during the same period.

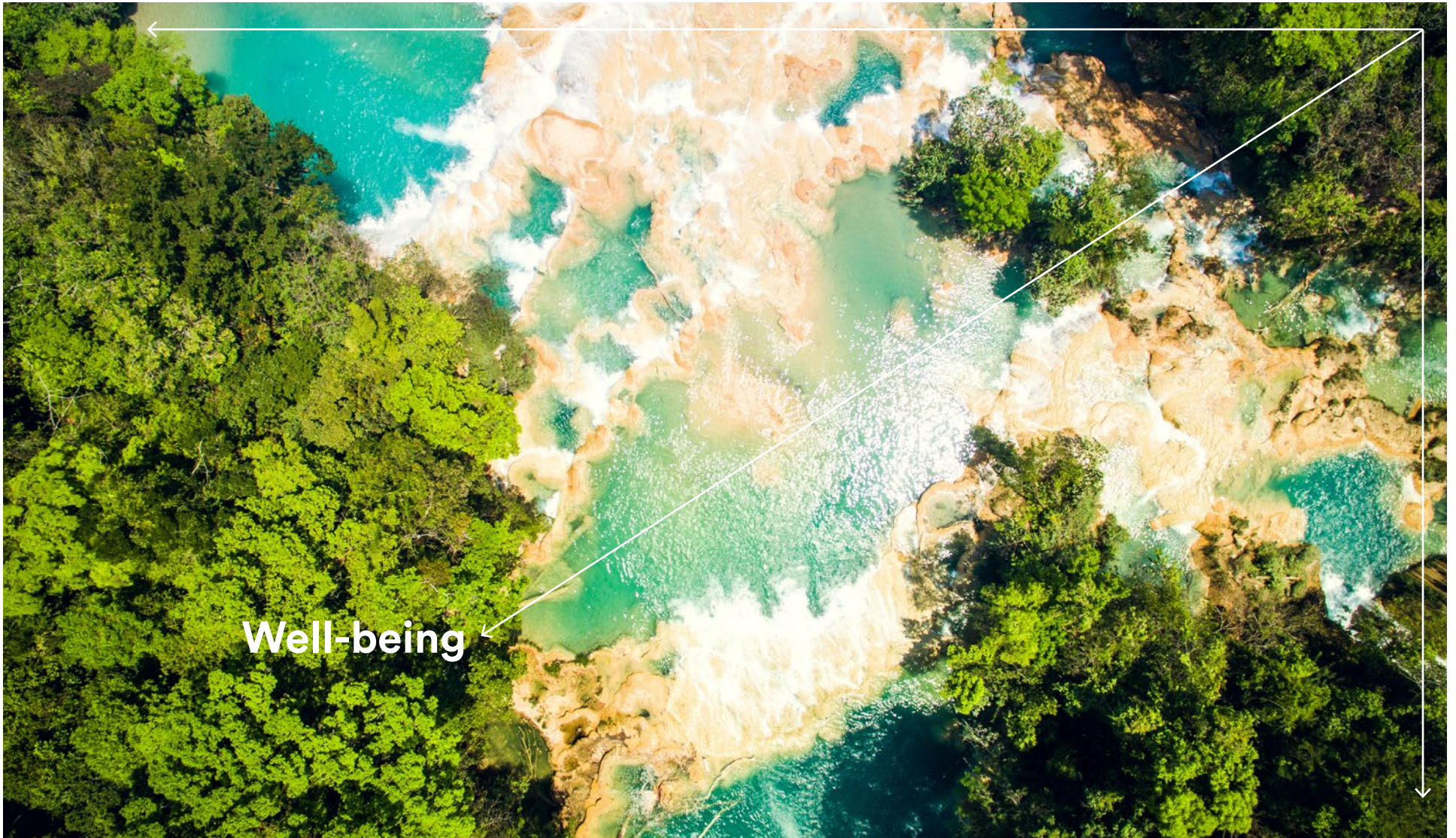
At the Ordinary General Shareholders Meeting held on March 31st, 2022, the agreed dividends were \$12.15 pesos per share, which represents a total dividend of \$3,984 million MXN.

Regional has a dividend policy according to the results of the operation, financial situation, need for capital, fiscal considerations, growth expectations, the recommendations of the authorities and those factors that the members of the Board of Directors or the shareholders deem appropriate. It is considered that this policy will continue unchanged in the future.

The Investor Relations area, together with Senior Management, has an active participation in different forums where the Company's strategy and its quarterly results are presented. We are constantly updating our investor relations page www.regional.mx to keep the channel of communication with our stakeholders open.

R Stock - 2022





Well-being

Well-being

We create well-being through balanced and prosperous relationships with customers, employees and the community.

Our mission of being an ally in the success of our clients is a guide to the actions and operation in the company, to encourage humane service and financial inclusion.

We know that in order to achieve this mission we must start with the well-being of our employees, so we seek diversity, gender equality and inclusion in the workforce, as well as training and professional development for all our talent.

Likewise, with the vision of being in tune with the community, we take care of the financial health of people and respect the environment so that we can continue operating in a sustainable way for future generations.



Well-being of our customers

An important differentiator of the Banregio Experience is the personalized, humane and high-quality service.

In addition to the constant evolution of our offer to meet the ever-changing needs of the market, this unique experience has allowed us to create **loyalty and long-term connections**.

Satisfaction and Loyalty Index

Active listening is fundamental in our service, we know that achieving the success of customers depends largely on understanding them better. This is why we measure and monitor the satisfaction and loyalty index of our customers.

Regional has a platform to evaluate customer satisfaction called **ESCUCHA**. A tool that allows us to detect our strengths and opportunities while serving and listening to our clients, through feedback from different points of contact.

In 2022, we received a total of **383,650 responses**, which are classified according to the means by which the service is granted, for example: branch visit, call center, digital transactions, among others.



The measurement of **ESCUCHA** allows us to know the **Net Promoter Score (NPS)**, which we choose as the main indicator of the satisfaction of our customers because it is the most used metric in the financial sector.

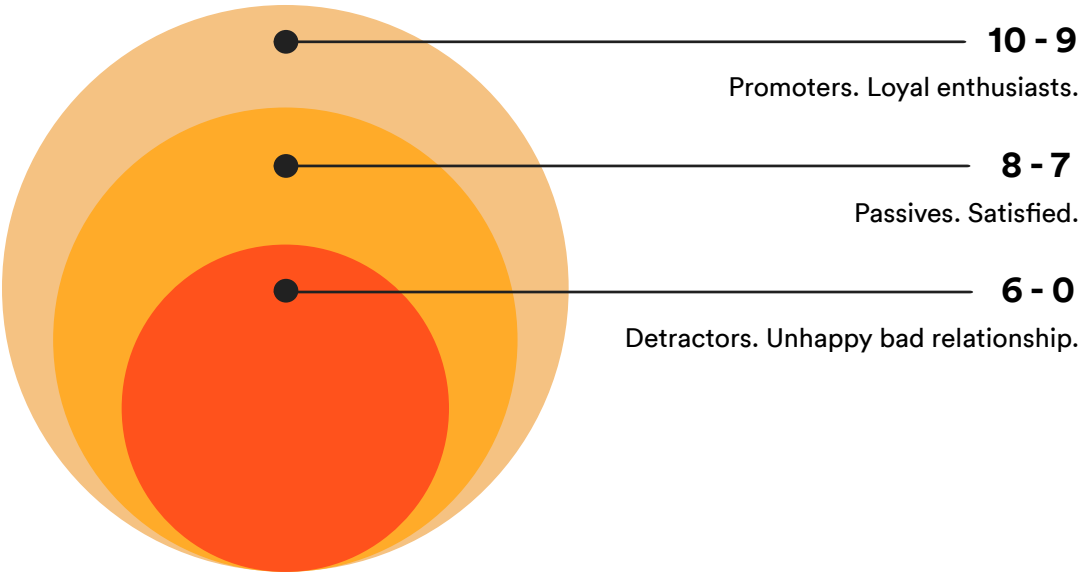
The NPS takes into account user satisfaction and loyalty in the same question.

How is NPS measured?

The client is asked
On a scale of 0 to 10, how likely is it that you would recommend Banregio to a friend or family member?

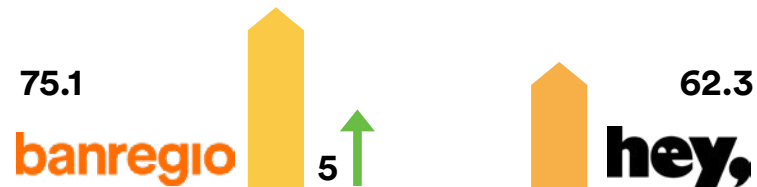


Scale of answers



***NPS = Promoters/Total Responses - Detractors/Total Responses**

At the end of the 2022 **Hey!** reported an NPS of 62.3 and **Banregio** reached an NPS of 75.1, one of the highest results in the financial system.



It is important to mention that, for the personal banking segment, promoters and detractors are identified by gender. In Banregio's assessments, women were found to have a higher NPS than men.

Banregio
***NPS Individuals**
Women → 78 Man → 73



During the year, we continue working to increase our accuracy in measuring our customer experience and make better decisions, among the most relevant steps are:

Hey

- The Escucha program is implemented for Hey You and Hey Biz
- Customer NPS begins to be measured in a relational survey on a quarterly basis

Banregio

- For the first time, customer experience in the Private Banking segment was measured in a relational way
- The course **Escucha Leader** is created to guide branch managers to an adequate closing of the cycle with customers qualified as detractors
- The PX (Product Experience) Program begins to measure the experience with the products

Branch model and customer service channels

We seek a continuous improvement of our customer service spaces by applying a relational model. By putting the customer at the center of the operation, we are committed to offering the best experience in our branches, contact centers and points of sale.

The 360 Model Branch

Increases the role of the branch in the value offer to retain current customers and attract new ones. We ensure efficient customer care with new roles for our employees and the remote use of tools, maintaining excellence in our personalized experience.

Components

- Improving productivity by implementing self-service
- Digitalized Branch Experience.
- Redesign of counter processes by adding smart ATMs
- Timely Accompaniment by Assigned Concierge



155 Banregio Branches



Punto Banregio

Channel aimed at attracting the medium-sized business segment.

Components

- Reduced staff, no tellers
- It focuses its operation on personalized service and exclusive advice for the use of our products and services



3 Banregio Points



Exchange Branch

Channel aimed at currency exchange in tourist areas, with the ability to provide services of a branch.

Components

- Geographic Strategy
- Service specialized in exchanges
- Ability to attend national and international tourism



17 Exchange Branches



Preferred Branch

Channel aimed at attracting and developing the investor client in the open market

Components

- Service a market of customers of high socioeconomic level
- Presence of Personal and Private Banking



2 Sucursales Preferentes



Hey Points

Service and technical support to users and potential customers in strategic locations and times where the user is located



25 Hey Points: 7 in Monterrey, 14 in Mexico City, 4 in Guadalajara



HEY FAN SHOP

100% experiential physical points, with special events, gifts and giveaways for Hey Pro



Coming soon 2023

It is important to note that in the year, **6 new branches were opened**. In addition, our physical presence is complemented by agreements that allow us to offer additional access points.

At the end of 2022, a Multi-network alliance was concluded to expand our ATM reach. With this agreement, Banregio customers can use ATMs of other banks without commission. **Thanks to this agreement, we reached a total of 9,357 available ATMs.**

We also have different attention modules that go beyond physical facilities where we offer the same service that sets us apart but remote.

There are three main figures that ensure an efficient response for customer service:

→ **CASA:** Call Center, Solution and Support, main contact center responsible for customer service through phone, social networks, email and chat

→ **Concierge:** Area responsible for offering personalized service to customers in the preferred segment of commercial banking

→ **Experience leader:** Remote consultant for preferred clients, providing multi-segment care (people and business). Employees with this role provide service by territory.



More Accessible Banking

As a financial institution we are guardians of one of the greatest national challenges: increasing effective Financial Inclusion.

In Mexico, since 2016, the National Financial Inclusion Policy has been established with the objective of strengthening the financial health of the population, through better access to the financial system, the development of financial knowledge and user empowerment.

Financial inclusion provides people with tools to improve money management, overcome economic crises, achieve financial goals, take advantage of opportunities, as well as have greater control over their finances; this is the meaning of **financial health**.

Among the specific objectives of this policy is to promote the inclusion of people in vulnerable situations, such as **women, seniors, children**, indigenous people, among others.

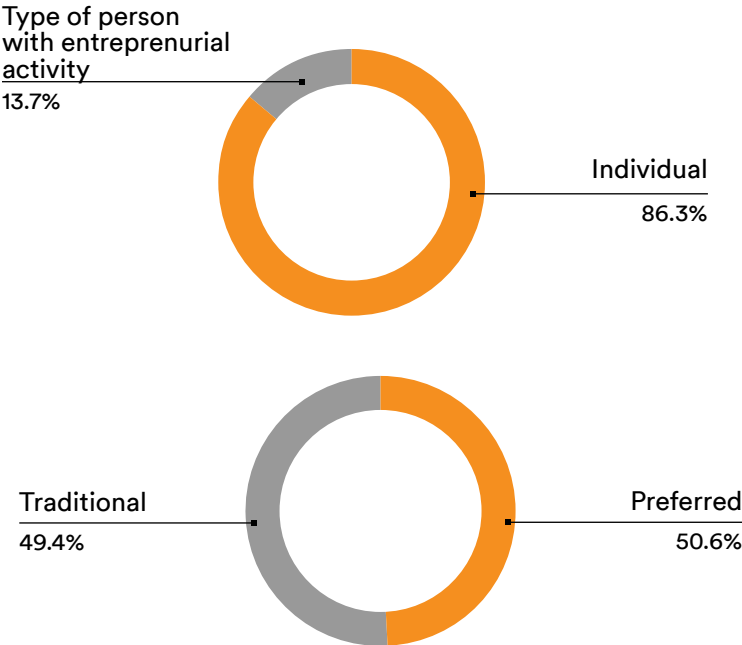
Aligned with this national objective, in Regional we work on key projects that allow us to know and better serve these historically underserved people.

Senior Banking

In September 2021 Banregio signed the Decalogue for the Elderly, launched by ABM and the National Commission for the Protection and Defense of Users of Financial Services, as part of its commitment to financial inclusion.



In the Banregio, about 50 thousand customers are senior adults



Decalogue for the Elderly

- Respect for the rights and dignity of seniors
- Banking personnel must have the skills to serve this population
- Social Responsibility
- Specific Models of Care
- Clarity in the offer and contracting of products or services by telephone
- Financial education campaigns (digital)
- Counseling and support programs in basic services
- Fraud prevention campaign
- Remote counseling through the call center
- New Models of service

We integrate the inclusion of senior adults, not only as part of our corporate responsibility, but as a business strategy. Therefore, in 2022 we decided to implement strategies to identify changes that improve the service we provide for this segment.

Analyzing the problem

We conducted interviews with a sample of clients to understand qualitatively what were the main challenges they faced.

Among the main findings were:

- Distrust to the financial system and digital media
- Deterioration of faculties (difficulty to read footprint, among others)
- Non-inclusive processes and spaces

Change in Technology

A change in technology was implemented in our contact center that allows us to identify and strategically prioritize calls from senior adult customers, taking advantage of the same identification capabilities that had been used to identify preferential customers.

When a customer of this segment communicates from a phone registered to their account, the system will automatically transfer them with a personal advisor, without having to go through the options menu.

In case he/she calls from an unregistered phone, when the account is entered (customer account or card number) into the system, this person will be identified as a senior adult customer and will be transferred automatically with an advisor.

In addition to the technology strategies we are implementing, this project will be complemented next year with training actions for our employees, as well as an awareness campaign about the needs of this client group.



People with disabilities

Likewise, in 2022 we began working on a project to provide personalized care to potential customers living with a hearing impairment.

Among the first actions, the Talent Attraction team hired a sign language interpreter to assist clients through a video call in our contact center.

The objective of this project is to provide direct care to the deaf community and support them in managing their personal finances so that they can make decisions independently and safely.

In addition to hiring this interpreter, we are working on a development that allows us to authenticate the identity of customers through WhatsApp, in this way, we can offer the same services that we provide by phone, now from this means of written contact.

This project is still under construction, however, there is already a designated person who will offer care to customers with hearing impairment.



Children and Teenagers

Children and teenagers are another population that the Financial Inclusion Policy takes into account to start their education in personal finance and money management from an early age.

For this reason, **Hey Banco designed an account for children and teenagers** (minors), which is managed and supervised by the Parent or Guardian, who in turn, acts as holder. This product has the same benefits as the Hey (Debit) Account.

At the end of 2022, 7,597 accounts of minors were registered with a cumulative average balance of \$6 million MXN.



Employee Well being

For Regional, employees are the most important asset, so we always work to improve their experience within the organization and maintain ourselves as a stable source of employment that attracts the best talent.

We work on designing attractive benefit schemes to attract and retain our employees, as well as training programs that allow them to develop their maximum potential.

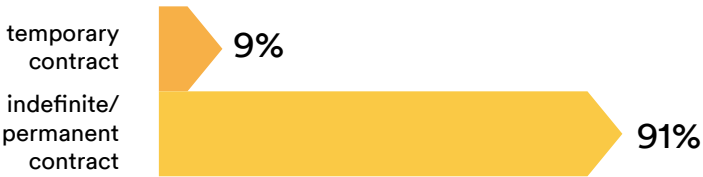


Workforce

As of December 2022, our workforce consists of **6,402 employees**.

As a best practice, most of our employees have an indefinite full-time contract. Only 6 employees work part-time and only 573 work on a temporary contract.

Contract Type



In compliance with the legislative changes in the Federal Labor Law, this last year, only 167 people were hired outside of payroll, this includes fee contracts and interns.

In compliance with labor law, we guarantee the freedom of association of employees. **10.2% of employees are affiliated with the National Union of Financial Institution Workers.** In December 2022, the process of legitimizing the Collective Bargaining Agreement was carried out.

It should be noted that Internal Contracting Policy stipulates that the minimum age for hiring is 18 years, thus rejecting any risk of exposure to child labor.

Following our Diversity and Inclusion Plan, we promote gender equality. In 2022, 44.5% women are part of our total workforce and 40.2% of our leadership positions.

Women



Likewise, the workforce includes 46.9% of young people between 26 and 35 years, while employees with more than 45 years represent 13%, within this percentage 31 employees over 60 years are included. These generational gaps allow us a diverse culture and a rich knowledge sharing.

In 2022, 2,242 new employees were incorporated, 40% of which are women and 5% represent people over 46 years of age. Due to a challenging environment and the high competitiveness

that exists in the labor market, there were a total of 1,192 voluntary and involuntary terminations of employment, 58% of which were voluntary.

The annual turnover closed at *20.1%, presenting an increase of only 0.5% compared to the previous year. It is important to mention that the rotation in women is lower, with an 8.9 compared to an 11.2 reported among men.



Workforce Tables

→ Hirings and resignations by age group and sex

Sex	Age range	Hires	Resignations
Men	18-25 years	436	157
	26-35 years	639	307
	36-45 years	189	112
	46-60 years	65	75
	More than 60	2	13
	Subtotal	1,331	664
Women	18-25 years	362	130
	26-35 years	400	263
	36-45 years	103	99
	46-60 years	46	35
	More than 60	0	1
	Subtotal	911	528
Total		2,242	1,192

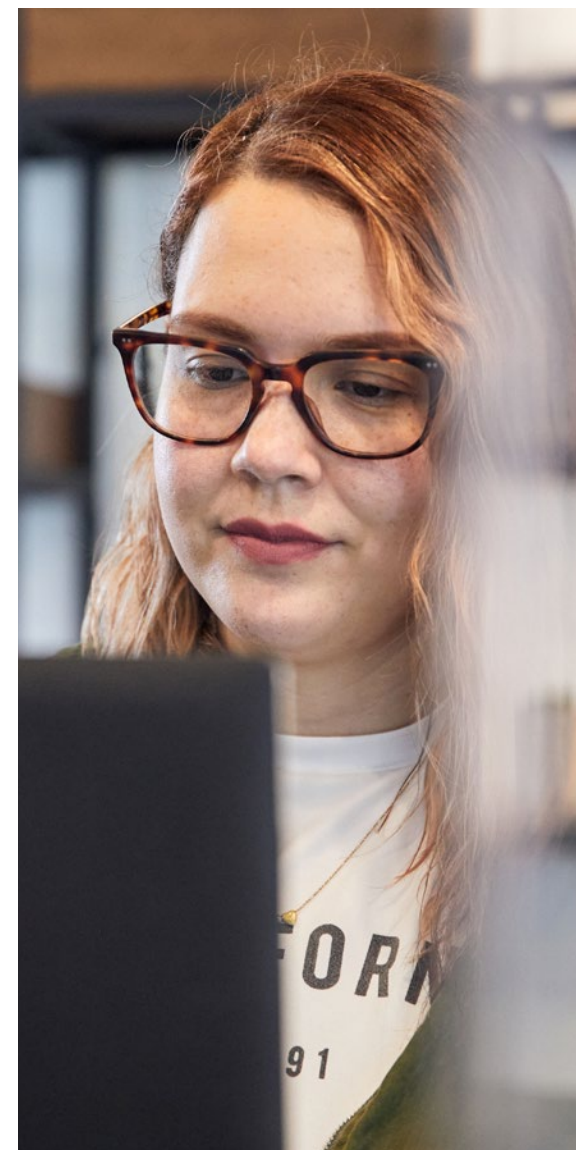
*% Rotation = Total losses / Headcount Average * 100

→ Employees by age group and sex

Age range	2020			2021			2022		
	M	W	Total	M	W	Total	M	W	Total
18-25 years	416	496	912	503	472	975	638	558	1,196
26-35 years	1,120	1,132	2,252	1,260	1,154	2,414	1,644	1,364	3,008
36-45 years	555	519	1,074	624	576	1,200	747	616	1,363
46-60 years	486	249	735	497	266	763	495	309	804
More than 60 years	ND	ND	ND	ND	ND	ND	27	4	31
Total	2,577	2,396	4,973	2,884	2,468	5,352	3,551	2,851	6,402

→ Employees by job category and sex

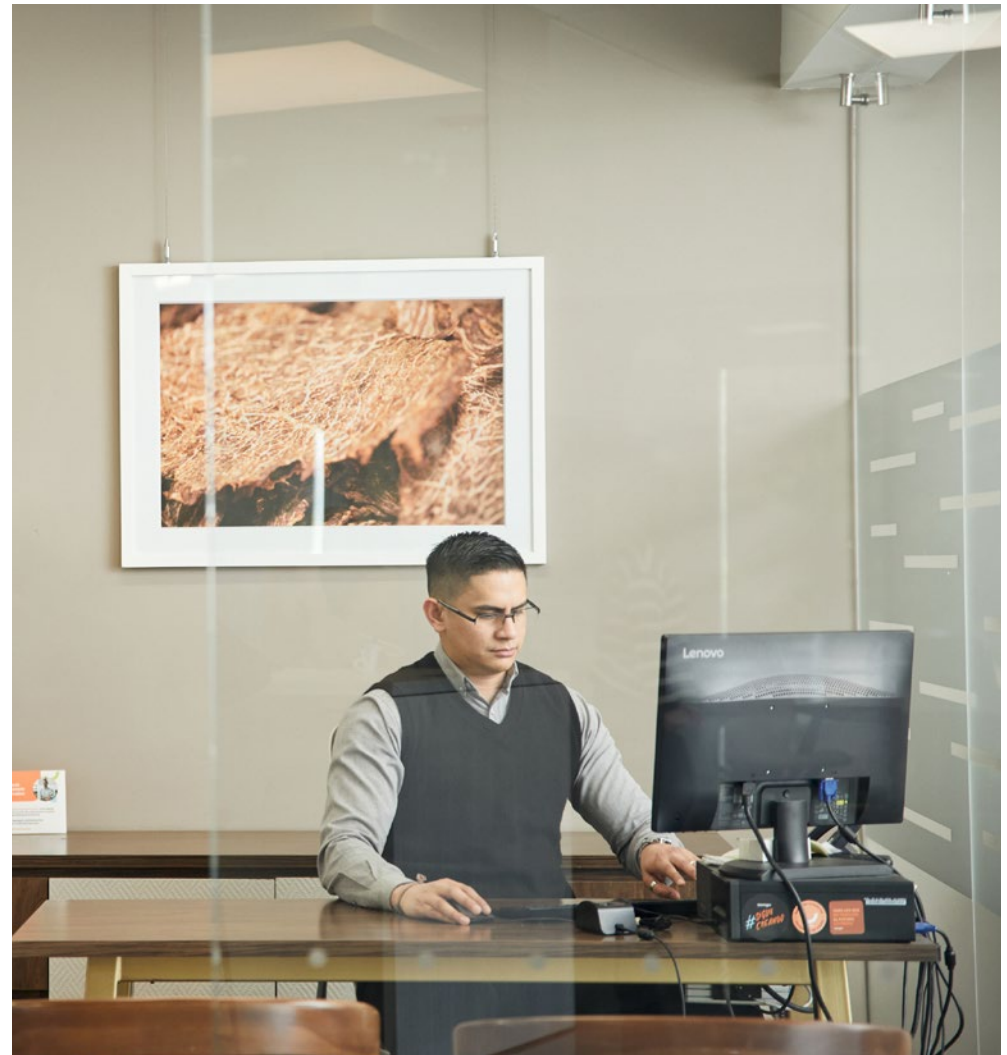
Category	2020			2021		
	M	W	Total	M	W	Total
Direction	82	12	94	93	15	108
Deputy Direction	164	50	214	158	55	213
Staff (administration)	973	765	1,738	1,238	809	2,047
Branch (business)	544	625	1,169	602	637	1,239
Executives	565	747	1,312	498	712	1,210
Operational	249	197	446	240	295	535
Total	2,577	2,396	4,973	2,829	2,523	5,352



→ Employees by job category and sex

	2022		
Categories	M	W	Total
Direction	105	18	123
Deputy Direction	172	76	248
Managements	498	429	927
Executives	443	404	847
Middle Management	401	349	750
Branch / Business	79	152	231
Operational	1,853	1,423	3,276
Total	3,551	2,851	6,402

**In 2022, the professional categories for the report were reframed*



Talent Attraction and Retention

We continuously improve the experience of our employees, with the intention of it being humane, inclusive and close. With the objective of being one of the best places to work, we offer competitive and superior benefits offered by law.

Benefits for employees



Choice of Benefits with
B-Flex Program



50% subsidy major
medical expenses and
minor medical expenses

Life insurance



10 days paternity leave

84 days maternity leave
with effective gross wage
support



Mortgage, personal and
auto loans, with
preferential rates



30-day Christmas bonus



6 days of paid leave from
year 0

12 holiday days as of year 1



Vouchers for groceries 6%

Savings fund 5%



Flexible Schedule
Schemes with Remote
Work Option

All relevant changes that may happen in the offer or in the operation of the business, are communicated within a term of 15 to 30 days through our internal communication channels: email, internal social network (workplace), during the annual event of communication Kickoff Banregio, besides being available on the intranet wikinormativa where all our institutional policies are included.

In addition to the benefits granted to our employees, in 2022 the Employee Experiences Team organized more than 121 face-to-face and virtual activities to improve the quality of life inside and outside the offices. More than 26,000 people participated in these events.

Highlights include:

- Family Day in 5 cities
- The 1K, 5K and 10K Race in NL
- 1st Race in Jalisco 1K and 5K
- Experiences ages +40
- Hiking Club in NL and CDMX

We also have recreational facilities inside our corporate buildings that allow our employees to enjoy and grow in a harmonious environment.

In 2022, we had:

- 5 Palapas
- 5 Sports fields

The Experiences Team is also in charge of the Employee Service Branch, a personalized service for contracting banking products and services for our employees.

In 2022, this service branch carried out more than 5,643 processes including: loans with preferential rates, health insurance contracts, digital signature enrollment, among others.

This department ensures that the attention towards its clients, that sets the bank apart from the rest, is equally unique, humane and personalized for those of us who form the Banregio Family.



Along with our benefits, a fundamental part of attracting and retaining the best talent is our compensation policy that ensures fairness and pay equality in job offers for employees.

The [Compensation Policy](#) is integrated into the Institutional Code of Conduct and mentions that compensation must always be fair, equitable, inclusive and flexible.

Every year, the average salary ratio is calculated as a practice to detect possible unidentified pay gaps.



Average Salary Ratio by job category

Professional category	Average: Total Remuneration / Number Employees	Number of women	Average: Total Remuneration / Number Employee	Number of men	Ratio (%)
Senior Managers	45.3%	18	54.7%	105	83%
Middle Management	46.0%	909	53.9%	1113	85%
Operational	44.4%	1,924	55.6%	2,333	80%

To promote the achievement of commercial goals, the sales team that represents 39.5% of the workforce has a variable compensation scheme, based on compliance with sales goals, as well as compliance with risk variables.

The variable bonuses based on sales represent 28.6% of their remuneration scheme and have a quarterly payment periodicity.

Our compensation schemes respond to internal policies and the current labor market, taking into account the complexity of the responsibility in each job, their degree of responsibility and risk, as well as the performance of each employee.

Cabe mencionar que algunos indicadores relacionados a la estrategia de sustentabilidad influyen también en la compensación variable de ciertos puestos directivos de la organización.



Among the sustainable issues that are currently integrated in the evaluation are: the results of the work climate and the participation of managers in programs that promote gender equality within the organization.

Despite the fact that the bank does not have a retirement plan for its employees, we provide training programs in personal finance, especially focused on savings and retirement.

In addition, the Company has Succession Plans that ensure the retention and growth of key talent as well as a smooth transition into the company's leadership positions.

At the end of 2022, we have evaluated 129 positions with which the proposal of a candidate is studied, to ensure business continuity.



Flexible schedules

One of the most appreciated benefits in the Company is the implementation of remote work and flexible schedules for employees.

Since 2016, Banregio established a flexible schedule offer for employees that included an option of a percentage of hours of remote work in the work week.

We currently have the following hybrid schemes that depend on the functions and profiles of the positions:

- H80: 80% work in the office and 20% from home
- H50: you work 50% in the office and 50% from home
- *H25: 25% work in the office and 75% from home

Persons Enrolled in remote work schemes

Age Range	H80		H25-50*	
	W	M	W	M
18-25 years	117	158	120	155
26-35 years	218	366	238	349
36-45 years	102	162	105	154
46-60 years	44	80	48	78
61 or more	2	7	1	10
Total	483	773	512	746
Total General	1,256		1,258	

In total, 39.2% of our employees work under one of our remote work schemes, 60% of which are men and 40% are women.



**This scheme requires approval from the Director of Area and Human Resources, as it is the most restricted model. For purposes of the report, the H25 and H50 are considered as a single scheme.*

Transition Stage for Moms

Likewise, according to the surveys of internal work climate, employees mention the support schemes during maternity and paternity as one of the most important, since they offer benefits far superior to those of the law.

Our employees who become mothers are given additional support of daily wage for 84 days.

In addition to the 12 weeks of disability granted under the Social Security Act, they are offered a transition scheme that allows them to gradually return to their activities.



Parenthood

Baby Ages Benefit

0 to 6 months	Remote work, with actual onsite work of at least 4 hours per week
7 to 9 months	Remote work, with actual onsite work of at least 20 hours per week
10 to 12 months	Face-to-face work choosing from the options of remote work schemes as allowed by the position profile

Employees who are soon to become fathers are offered 10 days of paternity leave: 5 additional days of what the law provides.

At the end of 2022, **88.4% of the employees who requested parental leave returned to their activities after the corresponding period and all of them stayed with the company for 12 months or more.**

Parental Leave 2022

	Both Sexes	Men	Women
Total Took Leave	234	73	161
Total Return	207	71	136
Return Rate	88,46%	97,26%	84,47%

Work climate

As part of the activities to evaluate and continue improving the work environment annually, the Human Resources Department applies a survey to know the opinion of employees.

In 2022, the survey was applied to compete for the **Great Place to Work** Certification that accredits companies as a place to work where people are trusted, where employees feel proud and enjoy working as a team.

With **5,983 responses corresponding to 93.5% of the workforce**, Regional employees rated the company as an excellent place to work, highlighting the aspects of Pride and Companionship with more than 90% favorability.

The GPTW Certificate is valid for 1 year and its results will allow us to continue improving the company's work culture.

As a result of our commitment towards diversity, in 2022 we were recognized with the Best Companies for Young Professionals. It is awarded by Employers for Youth and its methodology is based on a quantitative study created by the company FirstJob, leader in the Latin American market in issues of business branding, attraction and retention of young talent.

On the other hand, we continue to measure the ENPS (Employee Net Promoter Score) which is quantified with the question: How likely is it that you would recommend your friends and family to work in Banregio? **In 2022 we achieved an ENPS of 81 points.**

Both metrics allow us to design programs and projects of various matters that ensure an optimal work space for the development of our most important asset.



Health and Safety

The Human Resources Directorate, with the support of different areas of the bank, were responsible for implementing a health and safety management system that covers 100% of our workforce.

Under this Health Management System, the following activities are carried out:

- Prioritization and action plans with quantifiable goals
- Periodic meetings to discuss issues related to the health of employees, between the human resources area and senior management, which happen at least every quarter
- Assessment of progress in reducing and preventing health and safety risks and incidents
- Internal inspections or consulting carried out by specialists in Health and Safety issues

The **Health department** has: a General Manager, five doctors present in the different corporate buildings and a support nurse in Back Office, one facility that concentrates most employees.

Likewise, a Health Committee was established that constantly works on the creation of a culture of prevention and care.

During the year, various efforts were made, including:

- Application of the NOM 035 guide, which has as its objective to **establish necessary elements to identify, analyze and prevent psychosocial risk factors**
- Flu vaccination campaigns reaching more than 2,000 collaborators
- Campaign against breast cancer

- Physician office care in the six major corporate buildings

In addition, as part of a comprehensive plan to ensure optimal conditions for female employees who become mothers, the Department of Health is responsible for preparing the 5 Breastfeeding Rooms, complying with all measures requested by the Ministry of Health.

The health area is also supported by the physical security area. **86% of our sites have an internal civil protection program, which identifies the dangers related to the daily activity of the company through risk analysis.**



On the part of the security area, there are theoretical and practical courses for the training of civil protection brigades, focused on safeguarding the integrity of all those who come to our facilities on a daily basis.

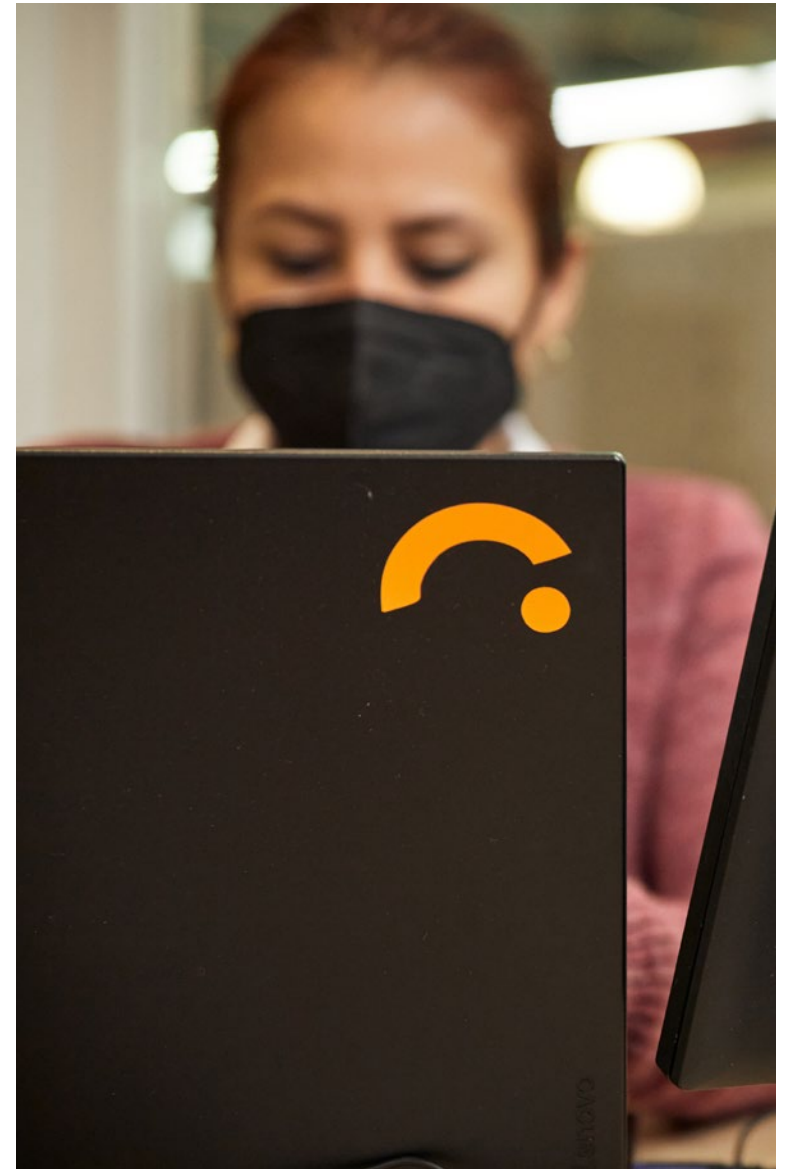
The safety courses are focused on Evacuation, First Aid, Fire Fighting and Search and Rescue; in addition we have a safety e-learning for all employees. **In 2022 82% of the workforce was trained in these topics.**

Likewise, **all employees who have witnessed or suffered a violent event at their workplace, on their way to work or due to their work, are sent the reference of the NOM 035 2018 STPS guide to assess the need for psychological assistance.** With these actions we seek the continuous improvement of working conditions for the prevention of psychosocial risk factors.

Thanks to these measures and the teams responsible, there were no illnesses or deaths of employees in the company. Only 11 occupational accidents were recorded, which were addressed according to the needs of each case.

\$6.1 million MXN were invested in Health and Safety-related campaigns and programs, **an increase of 300% compared to the previous year.**

It is important to mention that thanks to our best practices we received the Wellness 360 Certification, a recognition that reaffirms our commitment to the physical, mental and emotional health of all our employees.



Talent Development

In a constantly evolving environment, with new technologies and changes in the market, the training of our employees has become a key factor for our operation.

We make sure that all our workforce has training options for their personal and professional development, thus promoting equal opportunities for growth within the organization.

Our offer focuses on 4 training pillars:

- **Institutional:** workshops for the immersion into Banregio’s business model and work culture. Examples: Respect for Human Dignity, Human Library, Sustainability, Conscious and Safe Return, Circles of Culture.
- **Regulatory:** courses required by the authorities. Examples: Prevention of Money Laundering, Information Security, Physical Security, Operational Risk Manager Certification, Cybersecurity.
- **Technical Training:** training in processes and products. Examples: Reinforcement of Investment Funds, Meet Cyber D2D, Launch Payroll Hey!.
- **Skills:** training in topics related to personal development. Examples: Grow the Talent, My Emotions and Customer Service, Master’s Degree Program in Management with an emphasis on Finance.

Digital tools have allowed us to expand our reach; therefore, for several years the training team has been committed to online training to bring relevant courses and diplomas to all employees nationwide.

With this in mind, last year we migrated the entire training offer to **Degreed**, an LXP platform that will allow us to promote professional training based on skills, self-evaluation to trigger training, evaluation of the leader for the measurement of progress and the personalization of learning through data science.

In 2022, \$18.7 million MXN was invested in the delivery of 234 thousand hours of training. This figure represents 17% more in total hours compared to last year, as well as an average of 35.8 hours per employee.

Professional category	2020		2021	
	M	W	M	W
Direction	2,167	649	4,143.5	376
Deputy Direction	5,420	2,506	5,651	2,072
Business	14,133	16,609	16,955	22,706
Branch	18,094	22,795	13,376	27,351
Staff	33,158	28,543	52,749	37,301
Executives	5,721	4,649	9,607	7,347
Total	78,693	75,751	102,482	97,153

Hours of training

Professional category	2022
Direction	1,517
Deputy Direction	7,276
Management	35,488
Executive	16,252
Middle Management	24,326
Branch / Business	16,421
Operatives	132,943
Total	234,223



Our continuing education program includes the development of professional skills, knowledge of financial tools and bank certifications, thus ensuring that employees have the necessary tools for the current competitive job market.

With this intention and under the framework of our Clara Ban-regio program, we have the certification of Personal Finance Coach, thus promoting a network of expert employees who can assist their colleagues. At the end of the year, **253** employees have graduated from this program.

The online training platform also offers a basic personal finance course called “**Hablemos de Dinero**” (Let’s Talk About Money) with which we trained **1,355** newcomers in the year.

We also continue to work with the issue of leadership within the organization. In the reporting year, the program **Grow The Talent** was extended to **98 directors and deputy directors** who worked on the development of skills as leaders of the organization.

Likewise, we held an emotion management workshop for our executives, called “**My emotions and the customer experience**”. A training that helps identify what emotions may be affecting professional performance. The workshop lasts 5 weeks in hybrid mode and in the year, **493** commercial banking employees participated.

**Professional categories were reclassified for the report*

Performance assessment and internal promotion

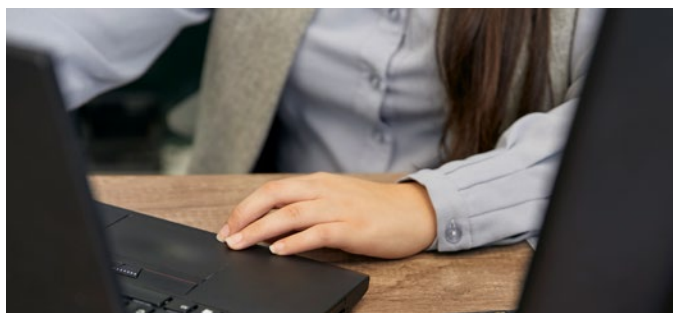
To ensure our employees talent retention and success, their performance is evaluated annually under strategic principles, goals and skills.

The performance evaluation includes 4 types of objectives:

- Team development: applies only to employees in charge of staff
- Personal development: education, training
- Transformation and improvement: innovating solutions
- Performance: objectives linked to the position

In 2022, **85%* of the workforce was evaluated on their performance.** The results will allow to promote key talent within the organization, through a career plan and continuous feedback from direct leaders.

Professional Category	2022	
	M	W
Direction	47	10
Deputy Direction	152	65
Management	454	390
Executives	124	94
Deputy Management (Middle Managers)	368	315
Branch / Business	266	279
Operatives	1,574	1,313
Sub-totals	2,985	2,466
Total	5,451	



It is important to mention that we also measure the NPS in the internal service as part of the performance of the areas in the bank. This metric is known as ESCUCHA.ME, **in the year to report the internal satisfaction index was rated with 91.5.**

The work of identifying the potential of each employee and measuring their performance also allows us to internally promote our employees. In 2022, a **total index of 8.9% was reported. It must be noted that women had a higher internal promotion rate with 18.4%.**

Index	Internal Promotion 2022
Women	18.4%
Men	16.6%
Total	17.4%



Human rights

Our Code of Conduct includes a zero-tolerance policy of any form of discrimination, in accordance with the Federal Act for the Prevention and Elimination of Discrimination.

Regional prohibits and condemns mistreatment, violence and segregation in any form. Likewise, it promotes labor equality, prevention and elimination of all types of workplace violence.

Any discriminatory act based on ethnic/national origin, skin color, gender, sexual orientation, age, disability, religion, socioeconomic status, pregnancy, among others, will be sanctioned according to the Consequences System.

In addition to this policy, we integrate respect for human rights in the training of our employees. In 2022, 81.5% of employees were trained with the annual course: Respect for Human Dignity.

The course explains in detail what human rights are, what are the most vulnerable groups, how these rights are lived inside and outside the organization and invites employees to be agents promoting respect for Human Rights through their actions.

With the purpose of strengthening the course and publicizing these topics as part of the Banregio culture, an event called the **Human Library** was held.

The dynamic of the Human Library is to invite “human books”, in this case employees of the bank, to share their life story related to an issue of rights in a controlled forum. “Readers” are also employees in small groups who come together to listen to library stories and have the opportunity to ask brief questions or make comments to the author.

This exercise, in addition to promoting the issue of Human Rights in the organization, allowed us to approach and meet the work team in a personal way, thus promoting a culture of respect and companionship.

In its second edition, the Banregio Human Library had the participation of 17 books, including the CEO of Banregio, as well as 289 readers of different ages and professional categories, nationwide.

Thanks to our policies, training and positive actions in relation to respect for human rights, in 2022 we did not receive any sanction or complaint in relation to cases of discrimination in the company.



Diversity, Equity and Inclusion

In Regional we build a work space where diversity is celebrated and experiences are invited to be shared. Promoting inclusion is part of our strategy to improve our organizational culture.

For 5 years now, we have followed our Diversity and Inclusion plan to promote a culture of respect, justice and safe spaces of development for minorities in the organization. This strategy includes changes in policies, culture, communication, as well as the reporting and monitoring of key indicators on progress.

Within the framework of this plan we add to our Code of Conduct the key concepts of diversity, equity and inclusion.

People with disabilities

We started an inclusion work for people with disabilities, where the first step was to make a diagnosis to identify inclusive vacancies and make adjustments in our recruitment process.

Currently we have the talent of 43 persons who have some type of disability in the Banregio Family.

Type of disability	M	W	Total
Visual	13	16	29
Hearing	5	4	9
Motor	4	1	5

To continue improving our strategy of attracting talent for people with disabilities, we rely on the association Congruence Movement. In 2022, we were recognized by this association with the **Best Practices Recognition**.

LGBTQ+

We implemented actions so that in our work environment the differences of each employee is respected and valued.

The Employee Experiences Team worked on finding out how people feel in the company in terms of their diversity in general and how we can improve their inclusion.

The previous year, a committee for LGBTQ+ pride and diversity was formed, in addition to the implementation of activities and communication campaigns to raise awareness on sexual orientation and gender identity.

This commitment to diversity earned us the recognition “**Best Places to Work LGBTQ+ 2023**”, from the **Human Rights Campaign Foundation (HRC)**.

This recognition evaluates three pillars in the institution: the adoption of non-discrimination policies, a team responsible for inclusion work, public visibility actions and commitment.

Gender equality

The first objective of our Diversity and Inclusion Plan was to promote gender equality in clients, employees and the community in general.

Throughout five years of work we have achieved important steps such as: adherence to international bodies that promote best practices with a gender perspective, the growth of women in leadership positions and certifications that recognize our actions and their progress.

Milestones

2017

- Adhesion to the Financial Alliance for Women/Clara Banregio Launch
- Implementation of flexible schedules with extension during maternity periods

2018

- Recognition as Women's Market Champion New Program Award by Financial Alliance
- Opening of lactation rooms in corporate offices

2020

- **Signature of Principles for the Empowerment of Women (WEP)**
- Inclusion in the Gender Equality Index (Bloomberg)
- EDGE ASSESS Certification
- Women in Leadership Champion Award (FA)

2021

Participation in the Diversity and Inclusion Committee of the ABM

2022

- **Launch of internal mentoring program for women**

It is important to mention that each action and program developed within our strategy to achieve gender equality is aligned with the UN Women Empowerment Principles (WEP).

In 2022, we reaffirmed our commitment to this initiative in a ceremony where executives from various institutions presented the advances and we reconfirmed our commitment to continue working on the empowerment of women.

Our commitment to these principles has been one of the most relevant analysis frameworks to drive positive actions within the company. Of particular relevance is the 4th: Promote education, training and professional development for women.

Based on this principle, we designed a specific mentoring program for our employees that allows them to learn from key leaders in the organization, as well as to have visibility in their professional career.

The program known as **WoMentoring**, was carried out in collaboration with the association All Women Coö. It lasted 24 weeks and each of the participants had access to 3 mentoring sessions with a director of the Institution.

Results

- 44 mentors
- 54 women participated
- 1,528 hours of mentoring

In the reporting period, an investment of \$416,550 MXN was made in training and development of programs related to gender equality.

Thanks to constant evaluation and timely monitoring of objectives, we have made significant progress in increasing the number of women in leadership positions.

% Women Leaders

Categories	2017	2022
Direction	4%	14.6%
Deputy Direction	20%	30.6%
Management	39%	46.2%

We know that there is still much to be done, so we undergo international assessments that promote these values of equality and inclusion, to know and measure ourselves at the level of global best practices.

In 2022, Regional continued for a third year in a row, as part of the Bloomberg Gender Equality Index (GEI).

In addition, we were recognized for the second time as one of the Best Companies for Young Women Professionals in the study of Employers for Youth Mexico 2022.

Also this year, we re-certified in gender equality at the “EDGE ASSESS” level with the methodology EDGE Certified Foundation.

The evaluation covers all Regional facilities and reviews from statistical data, policies and practices of the perception of employees, with the aim of obtaining a clear image of the current status and progress of the institution regarding gender equality.

The thematic pillars that are evaluated with EDGE are: equal pay, non-discrimination, recruitment and promotion, training and development in leadership, labor flexibility and organizational culture.

The certification is valid for two years, and in this period the action plan with qualitative and quantitative commitments must be implemented, in order to see the progress of the company in the next evaluation.

Each of the actions, programs and benefits mentioned are a representation of our commitment to continue helping and caring for our most important asset, the people who make up this great company.



Wellness of the community

Through our commitment to sustainability we work to create wellness for the community. This means developing knowledge and connection for all our stakeholders, as well as managing our environmental impact.

Due to the nature of our operation, financial health has been our primary focus of social impact, while measuring the carbon footprint has been one of the main actions to improve our environmental impact.



Financial Health

We have an offer of non-financial services with which we share our experience in business with small and medium-sized companies in the country. We also make our knowledge of personal finance available to users to help people improve their financial health.

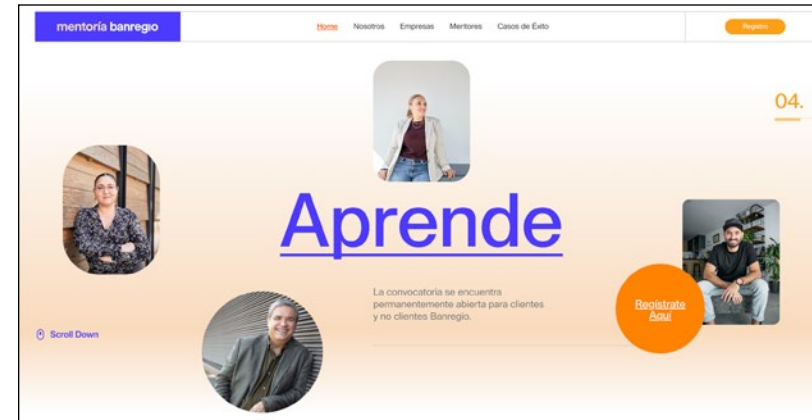
Mentoría Banregio

The SME business segment is one of the main business units for Banregio, so 7 years ago we designed Mentoría Banregio to accompany these entrepreneurs in their decision making progress.

Mentoría Banregio is a non-financial service that supports Micro and SMEs through: personalized mentoring, education and networking.

This program is available to customers and non-customers of the bank who seek to solve a particular problem, establish a new strategy, grow their sales or receive particular advice on a specific issue.

This initiative responds to Sustainable Development Goals 1, 4 and 9: ensuring that all people have equal rights to economic resources, new technologies and financial services, providing quality education and increasing access to these same services for small industries.



Being part of the Mentoring community, business people have free access to the following offer:

- **Mentoría Banregio**
Personalized advice with an expert mentor
- **Knowledge**
Workshops and masterclasses to strengthen knowledge on business topics
- **Connection**
Networking sessions so that entrepreneurs can share and meet with key people for their business

Mentoring is offered 100% digitally, so its reach is nationwide.

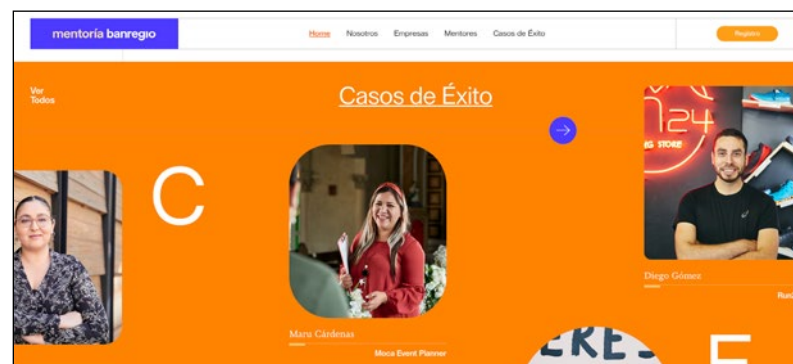
The mentors of the program are expert employees of Banregio and professionals provided by alliances with specialized institutions to service Micro and SMEs.

Our goal is to create an ecosystem of healthy companies that can sustain themselves over time despite the challenges of the current global environment. By 2023, our goal is to accompany 400 small and medium-sized business owners on the road to success.

In 2022, the program's website was redesigned with the purpose of extending and improving the reach of our communication, in order to support more companies.

Also, “Open in Case of Pandemic” was released, which is a compilation of success stories that transforms mentoring participants’ experiences into actionable tips and tools for times of crisis.

With this documentation of our success experiences, in addition to telling the stories and promoting the companies that are part of the community, we want to offer a survival, inspirational and action manual to other Micro and SMEs.



The success stories are public and can be consulted on the same page of the program.

Mentoring participants share:

*"It helped me identify areas of opportunity, and changed the way I think about the business, the challenges involved in being an entrepreneur. **I feel more confident about myself and the decisions I make.**"*

- Daniella Sotomayor

*"My mentor is an exceptional person and professional with a great human quality and business vision, **his knowledge and stories have inspired me to continue generating value for my business, my clients and society in general.**"*

- Ricardo Rojas

*"Mentorships were enlightening to establish questions, continue growing the company and **not stay in my comfort zone.**"*

- Magda Jacobo

*"I am very happy with the mentorship. **It helped me implement ideas on how to grow my business.** With the tools I was provided, the future looks great."*

- Jaime Mercado

***In 7 years of operation, the achievements of Mentoría Banregio are:**

+1,800
companies served

+19
thousand
mentoring hours

+209
training
workshops



*In the year, a review was made in the mentoring database where some participants were discarded; therefore, the historical calculation was adjusted.



Results 2022

222 companies served of which:



30%
women entrepreneurs



70%
Banregio clients



612
mentoring hours



93
NPS

Knowledge



78
hours of training



583
people trained



32
training workshop

Connection



29
States of the country

Clara Banregio

Clara Banregio was born with the purpose of increasing financial well-being through practical education, the exchange of knowledge and the creation of safe spaces related to the relationship with money.

Given the positive response, especially from women, with the first face-to-face workshops and the national challenge of financial inclusion, we decided to create the platform with a gender perspective. Thus Clara's work supports the 5th SDG by promoting financial inclusion and equal rights to economic resources for women.

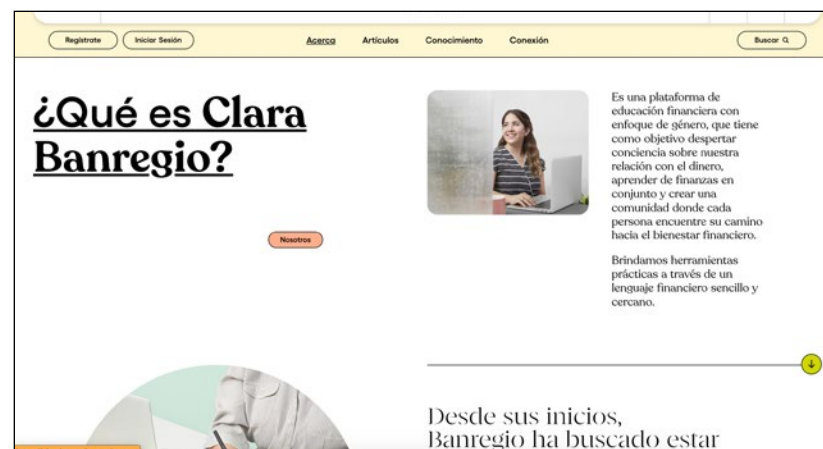
The content shared by Clara is intended to close the cultural gender gap, which places women in a traditional role of economic dependency and therefore of vulnerability.

In addition, it fulfills the 4th Sustainable Development Goal by offering quality content that allows the people of the community to access the knowledge of our experts in the bank.

The platform consists of the following non-financial services:

Clarabanregio.com: a communication space where articles of interest, stories about money and financial advice are published, where participants can create a profile and measure their progress

Cursos Clara: online learning channel that provides modular knowledge focused on key stages in financial decision making



Money date: short courses composed of a daily email with simple, fast and practical exercises that help solve specific financial issues

Consulta Clara: 1-on-1 consulting sessions with a person certified as a personal finance coach

Hablemos de Dinero: safe space designed in the form of virtual sessions, to share experiences about how we relate to money

In 2022, Let's Talk About Money was launched; a safe space for Clara participants to share experiences about their relationship with money.

Let's Talk About Money is held virtually, every month, and it addresses a personal finance topic. It is built with conversations from the women participating in each session.

Its specific objectives are:

- Forming a safe, consistent space where our community can get together
- Peer to peer learning experience
- Supportive community that transcends the meeting spaces

During the year, 13 sessions of Let's Talk About Money were held, with the participation of 54 women and more than 80 shared stories.

Let's Talk About Money attendees have the following reviews:

"I loved being able to share and listen from personal experience."

- Nora G.

"I liked the vibe and the women who were present, that the times were respected, that there were clear rules, I felt in a safe environment"

- Silvia A.

"A space where you listen to stories of money that nobody tells you, it is a building full of learning"

- Mercedes L.

"What I like most is that it works as a safe, breathing space, as group therapy"

-Mariana M.



History

2017

Face-to-face financial workshops begin in NL

2018

Recognition as Women's Market Champion New Program Award by Financial Alliance

2019

Official launch of Clara Banregio and platform www.clarabanregio.com
First money date: course by email

2020

Launch of Clara Online courses
Women in Leadership Champion Award (FA)

2021

Launch of Clara Consulting

2022

"Let's Talk About Money" launch



Since Clara's launch, more than 2,700 people have benefited from one of our financial education services.

It is important to mention that our strategy to achieve equality in the company and Clara's work with the community have been recognized by the Financial Alliance for Women on two occasions (2018-2020) with the following awards: Women's Market Champion New Program Award (FA) and Women in Leadership Champion Award.

For 2023, the goal will be to train at least 500 women in personal finance through our platform.





Results 2022

2,789 registered users



76%
women



31%
Banregio clients



10%*
conversion index



6
courses



862
students in cursosclara.com



695
women trained in
personal finances



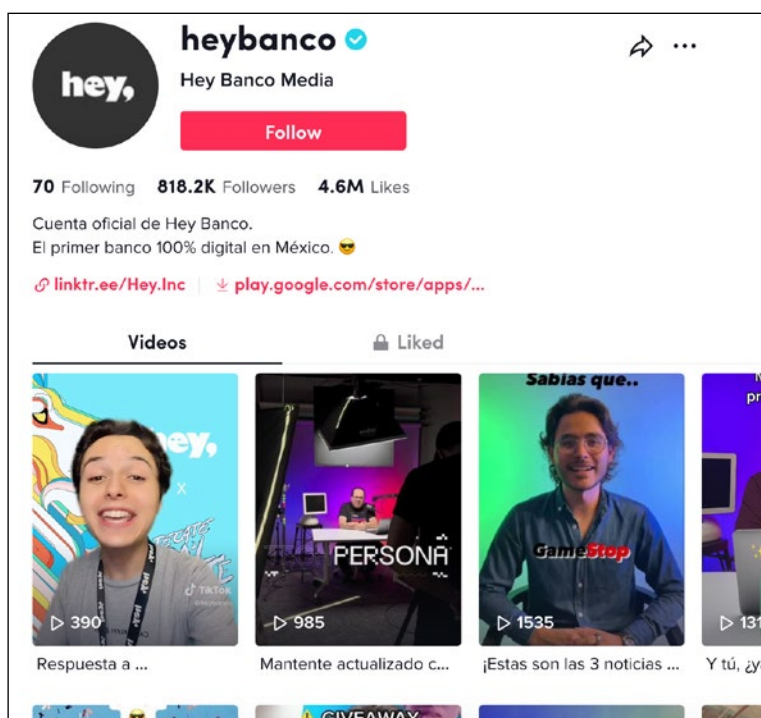
54
women participated in
Let's Talk About Money

Hey Media

Hey has a digital content strategy focused on the financial well-being of people, with the name Hey Media .

The content generated under this strategy aims to strengthen closeness with customers, humanize the brand and offer solutions focused on the real wants and needs of the community.

In 2022, the main education offer of Hey was 4 podcasts addressing various topics on personal finance, markets and a specific space to boost women's financial freedom.



Podcast

Financial Awakening: focused on telling the story of women and their relationship with money, through their life testimonies.

Masters Hey: experts share their knowledge about topics such as: formalizing a business, entrepreneurship and how to have a good credit history

Hey Markets: space where finance issues are shared, debated and discussed

Hey M Daily: daily posts from Monday to Friday, sharing the latest news from the financial world

In addition, the objective of all the communication channels of this business unit is to make the audience an important part of their own content, questions are answered in the networks and tips are shared to help in their financial decision making.

In the year, 2 series of content were made where the audience learned about basic concepts of the world of finance: how to create a budget, the difference between the types of payment of a credit card. These content series are known as: TipHey and Hey Prof.

Results 2022

Reach of +3 million people on social networks



3%
interaction on social media



+1.2 millones
million listeners on our podcast



+120
episodes of our podcast

It is important to mention that thanks to these education and inclusion efforts, no claims or sanctions were reported in relation to Regional's responsibility in the financial health of its clients.



Corporate Social Responsibility

In 2022, philanthropic contributions also remained active with: donation campaigns in the ATM network, investment in vulnerable communities and sponsorships of initiatives aligned with the SDGs we support.

Our priorities in the corporate social responsibility strategy are: education, environment and gender equality, as well as responding to the needs that arise as relevant issues for the community, such as a natural disaster.

We had 6 donation campaigns through our ATMs and we managed to raise a total of \$ 1,121,620 MXN for our allied civil association, such as: Nuevo Amanecer, John Langdon Down Foundation, Firefighters, Cruz Rosa Foundation and TecSalud.

With these actions and services, Regional invests from its Sustainability Department in the creation of sustainable value for the communities where we are present.



Environmental care

We are committed to caring for and preserving the environment, minimizing the impacts generated by the operation of the business.

Environmental care, despite not being a material issue, represents an important pillar of our sustainable strategy. We work in particular in the fight against climate change, energy efficiency, as well as in the reduction and recycling of waste generated.

Environmental Management System

Based on our Environmental Policy, we implement an **Environmental Management System based on ISO 14001:2015**.

ISO 14001 is the broadest structure an organization can adopt to address its environmental aspects and continuously improve its performance and reduce its impacts.

Some of the benefits we hope to achieve with the Management System are as follows:

- Improve the control and monitoring of environmental resources: water, power, emissions and waste
- Environmental risk reduction
- Cost minimization with eco-efficiency projects and power/water savings projects
- Timely management of environmental regulatory compliance

In 2022, we strengthened our internal policies so that our environmental impact issues are regulated from key areas. Updated policies include: Institutional Purchasing Manual and Regulations for the use of spaces.

Additionally, the **Environmental Management System Manual was published and communicated. This document describes the processes, measurement indicators and actions needed to manage the environmental impacts within the operation of the Company.**

The Manual includes the necessary formats for monitoring and reporting of environmental projects. In the year to be reported, we focused on 3 main energy eco-efficiency projects, since this is the main source of emissions in the Company.

Active projects

1. Implementation of solar panels in branches for 2024

Target: to reduce the average electricity consumption in Bank's Branch by 35% (pilot test)

Progress

- Service was contracted with the supplier
- Only 50% of the capacity of the solar cells was working. In 1 year, savings of 19% are estimated
- From January 2023 we will work at 100% capacity

Results: As there were no tangible results, since the operation of 50% was due to technical derivations, a number is not yet established to check the efficiency of the panels. The ROI will be evaluated with 100% capacity in 2023 and if the results are favorable, panels will be implemented in other branches in 2024.

2. Automation of electrical equipment in Corporate offices

Target: In 2023, the goal is to achieve an 8% reduction in energy consumption in TORRE XII through the automation of lighting and air conditioning equipment (*Base year 2020*).

Progress

- The meters were installed in the electrical system of the building, based on the readings, the energy peaks were analyzed by schedule and use of facilities, as well as the areas of opportunity in consumption
- Schedules for lights and comfort temperatures for the air conditioning system are automated
- Employees were informed about the new operation of these systems and an environmental awareness campaign was carried out

Results: 10% reduction in energy consumption in summer months, compared to the previous year. And an annual reduction in building energy consumption of 5.7% compared to 2021. The project was expanded by integrating the Támesis branch.

3. Implementing a Good Environmental Practices Manual by 2023

Target: In 2023, we will implement a standardized guideline for the best use of the bank's environmental resources.

Progress

- The Good Environmental Practices Manual was drafted between Sustainability, the Branch Operation Directorate and Maintenance team

- The first version includes the following topics: energy use in automated schedules, eco-efficiency recommendations, guide for the separation of waste, recommendations for paper use
- It was reviewed and its publication in the *wikinormativa* was approved by Normativity
- It is in the process of being linked with the Consequences Catalog to identify and correct any wrongful environmental practice.

Results: First guide to best environmental practices within the bank's facilities linked to the consequences catalog.

In addition, the progress of the objectives will be audited by a team specialized in Internal Audit, as well as by the Environmental Committee.

It is important to mention that the Management System includes the strategic planning of internal and external communication of our progress, impacts and responsibilities. Said activity will be constantly updated and improved.



Energy

In 2022 power consumption was **14,247,951 kWh**, which represents an increase of 4% compared to the previous year. This increase responds to the expansion of our workforce, as well as the opening of 6 new branches.

As part of the energy efficiency strategy, we continue with the implementation of savings initiatives, replacing traditional air conditioning systems with inverter equipment.

Likewise, we began the installation of energy measurement donuts in three Banregio corporate buildings: Tower XII, Nuevo Sur and Tamesis, which will allow us to know the exact energy consumption and thus be able to implement better savings strategies.

As a result of this improvement in measurement, in 2022 the automation of lights and comfort temperatures for air conditioners was implemented, as well as an awareness campaign to improve the culture of energy saving among employees.

The reduction target for next year will be 3% lower energy consumption than the previous year.

Electricity consumption by region

Region	2017*	2020	2021	2022	% variation 22 vs 21	% change vs base year
Baja California	662.45	626.42	733.49	760.79	3.72%	14.8%
Bajío	623.22	730.02	683.44	735.36	7.60%	18.0%
Center-West	139.20	89.06	86.20	82.17	-4.68%	-41.0%
Center-Eastern	106.57	100.56	90.89	79.42	-12.63%	-25.5%
Gulf-Center	486.50	489.35	485.94	480.09	-1.20%	-1.3%
Gulf-North	8,159.34	7,414.91	7,731.05	8,117.73	5.00%	-0.5%
Jalisco	892.66	1,017.16	1,049.07	1,086.04	3.52%	21.7%
Northwest	726.06	652.89	687.40	690.16	0.40%	-4.9%
North	857.04	907.49	850.93	843.99	-0.81%	-1.5%
East	68.87	134.32	154.56	165.68	7.19%	140.6%
Peninsular	284.70	404.86	478.63	513.27	7.24%	80.3%
Mexico Valley-Center	322.67	306.66	316.74	355.40	12.20%	10.1%
Mexico Valley-North	106.12	110.34	116.43	115.56	-0.74%	8.9%
Mexico Valley-South	295.26	282.00	255.37	222.31	-12.95%	-24.7%
Total	13,730.66	13,266.04	13,720.12	14,247.95	3.85%	3.8%

Considering as an intensive indicator the kWh/employees, it can be observed that in 2022 the energy consumption was 2,225 kWh per employee, while the previous year a total of 2,563 kWh per collaborator was registered. This means that the use of electric energy per collaborator was reduced by 13%.

*2017- Base year

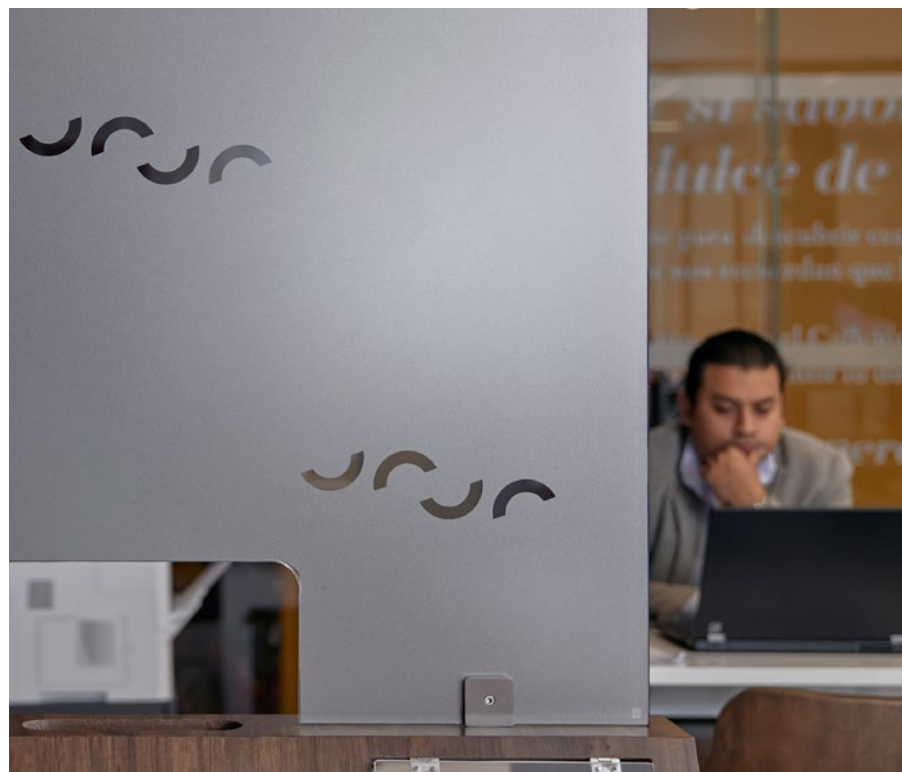
**Units in MWh

As can be seen in the table, 50% of the regions managed to lower their energy consumption compared to the base year. The following three regions had a notable performance: Center-West with a reduction of -41%, Center-East with -25.5% and Mexico Valley-South with -24.7%.

We also noted a considerable increase in the Eastern and Peninsular areas compared to the base year. This is due to the geographical growth that the bank has had in these regions of Mexico.

It is important to mention that the highest concentration of consumption is in the Northern Gulf area, since our corporate and support offices are located there, and concentrate more employees.

For this area, despite the considerable growth in the workforce, the increase in energy use was only 5% compared to the previous year and compared to the base year there was a 0.5% decrease in consumption.





Electricity supply constitutes close to **85% of Regional power consumption**. The remaining 15% corresponds to the purchase of gasoline for the utility vehicles and the use of diesel in emergency power plants.

→ Fuel consumption

			2017*	2020	2021	2022	% variation vs previous year	% variation vs base year
Direct Consumption	Fuels	Diesel					-48%	-31%
		Gasoline	4,660	5,965	6,288	7,203	15%	56%
Indirect consumption	Electricity	Power Company	49,430	47,758	49,392	51,293	3.85%	3.77%
Total (GJ)			54,090	53,723	55,680	58,495	5.06%	8.14%

*2017- Año base

*Combustibles se incluye la suma diésel y gasolina expresado en GJ

→ Fuel consumption

The energy from ignition sources that Regional has, such as emergency plants and utility vehicles, for which diesel and gasoline are used respectively, represents one of the essential consumptions for the fulfillment of the operations; however, it is important to highlight a 47.7% decrease in the consumption of diesel compared to the previous year. On the other hand, the increase in the consumption of gasoline is due to the growth that Regional has had in recent years.

	2017*	2020	2021	2022	% variation vs previous year	% variation vs base year
Diesel (L)	1,783	2,364	2,203	1,153	-47.7%	-35%
Gasoline (L)	142,344	177,295	187,219	216,010	15.4%	52%



Emissions

In 2022, we implemented for the sixth consecutive year the process of measuring our Carbon Footprint (1). The result of this report allows us to measure the intensity of the use of our resources, the financial efficiency of our organization and the analysis of risks associated with climate change.

In accordance with the Regulation of the General Law on Climate Change regarding the National Emissions Registry, the NMX-SAA-14064 standard and the GHG Protocol, an organizational approach was considered to establish the limits of the analysis and calculate the carbon footprint of scope 1, 2 and 3.



The measurement considers:

Scope 1

Use of fuels, diesel, gasoline and use of refrigerants for air conditioners

Scope 2

Electricity consumption through the utility company

Scope 3

Air travel



→ Carbon Footprint of Regional per year

Type of Emissions	Type of Emissions	Source	Quantity	Unit	*2017 tCO2e	2020 tCO2e	2021 tCO2e	2022 tCO2e	% vs 2021	% vs base year
Scope 1 Direct Emissions	Refrigerants	AC Refills	145	Kgs	-	60	43	26	-39%	-56%
	Fixed Sources	Diesel	1,153	Liters	5	7	6	3	-47%	-35%
	Mobile Sources	Gasoline	216,009	Liters	346	424	447	550	23%	59%
Scope 2 Indirect Emissions	Power Consumption	Power Company	14,247,951	MWh	7,991	6,553	5,804	6,198	7%	-22%
Scope 3 Indirect Emissions	Value Chain	Business Travel	1,595	# flights	-	93	72	210	192%	-3%
Total Emissions (tCO2e)					8,343	7,137	6,373	6,987	10%	-15%



*Base year

(1) The emission factors, used for the calculation of Carbon Footprint, correspond to the latest publications of the Energy Regulatory Commission and the National Commission for the Efficient Use of Energy.

For more information read our 2021 Carbon Footprint Report: <https://www.regional.mx/>

Thanks to the implementation and monitoring of our Environmental Management System, we continue to improve with efficient collection and more accurate analysis for the calculation of carbon emissions.

In the reporting period, it must be noted that we had a reduction in the generated emissions, with respect to the previous year, in the following sources: use of diesel -47% and -39% in refrigerant refills.

Regarding the carbon footprint, the most significant increase is the emissions generated by air travel, as it represents an increase compared to the previous year. However, this category does not represent more than 3% of total emissions; therefore, electricity consumption (although it has a slight increase with respect to the previous year) is still the most important point of interest, since it represents almost 85% of total emissions.

It is important to mention that, taking as a reference the intensive indicator tonCO₂e/No. employees, there was a reduction in emissions. While in 2021 this indicator reached 1.19 tCO₂e per employee, in 2022 the indicator was reduced to 1.09 tCO₂e, presenting a decrease in percentage of 8.3%.

With respect to the base year of our Carbon Footprint Report, a decrease in total emissions of -15% was achieved. Which demonstrates our commitment to the constant reduction of environmental impacts and the efficiency of our operations.

We are aware there is a long way to go, and the challenges we face day by day; however, we are optimistic with the change we are building and the goals we have reached.

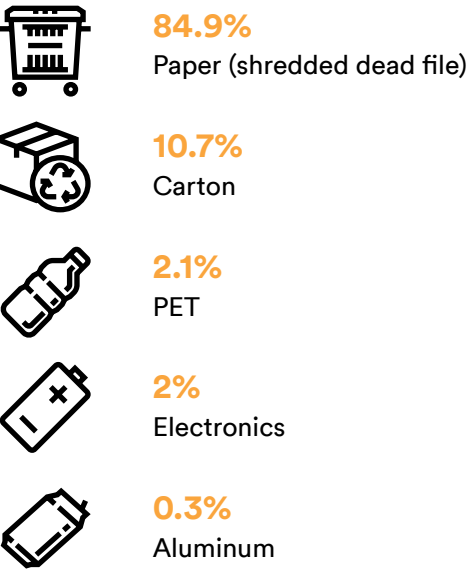
By 2023, the target will be a 3% reduction in our emissions compared to the total reported this year.

Residues

Committed to the reduction of our waste and its adequate final disposal, we continued to work with our Recycling program in our corporate buildings.

In 2022, we managed **to collect a total of 49.4 tons** of urban solid waste. The main waste was the paper recycled through our supplier in charge of the shredding and final disposal of the dead file.

Urban solid waste



Additionally, we implemented awareness campaigns on recycling, waste minimization, zero waste in organic residues and responsible consumption, applicable both in the home office and in the office.

In 2022, **the incorporation of the responsible purchasing section in the Institutional Procurement Manual also stands out.** The policy states that the purchase of non-essential stationery products must be authorized by the Sustainability area.

Ecological Culture

Through our means of Internal Communication, we work in awareness campaigns for employees with different topics: how to lead a more sustainable life, recycling, carbon footprint, organic waste, among others; we intend to strengthen the ecological culture that is lived at Regional.

In 2022, we organized 4 environmental workshops with the participation of 64 employees. The topics of the workshops covered: biodiversity, water care and urban garden.

We also organized activities aimed at directly benefiting the community and the environment, through volunteer activities where our employees and their families actively participate.

For the second time we carried out a reforestation activity, and this year it was at a national level. The intention was to invite our employees to learn about the environmental benefits of trees and the importance of soil care. Two reforestation activities were carried out, one in Nuevo León and the other one in Jalisco.

Thanks to the participation of more than 70 volunteers between employees and their families, we managed to plant 1,400 trees in two protected natural areas.

Global results of the national virtual volunteer work:



1,400 trees

Michoacano Pine (Jalisco) / Mexican bird of paradise and Prairie acacia (Nuevo León)



444

Hours of volunteering



72

Volunteers



2

States of the country

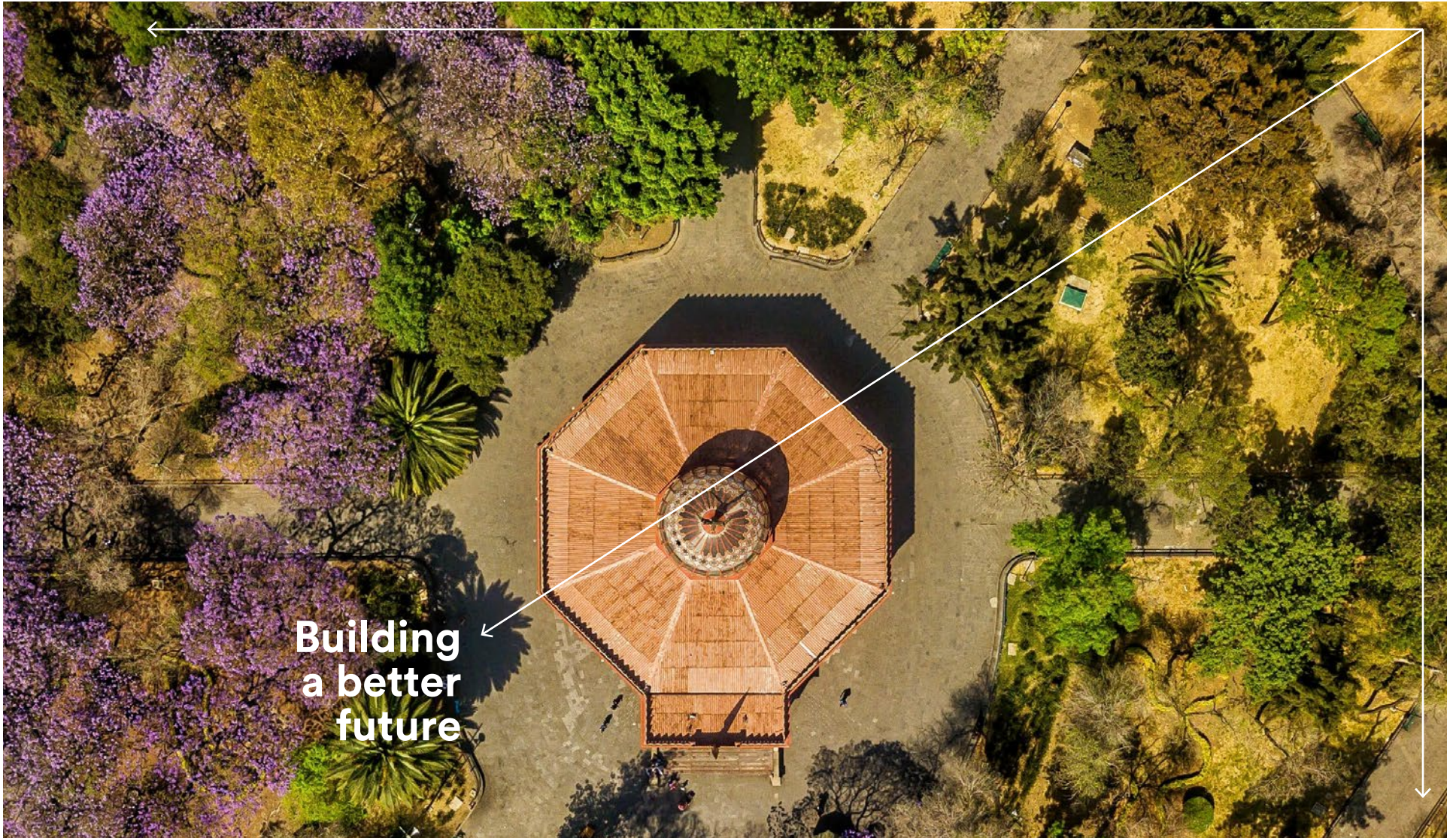


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Beneficiaries

It is important to mention that those employees who stood out for their participation and ecological commitment were recognized with the Environmental Wink.

The Environmental Wink aims to recognize the participation of employees in projects of the Sustainability area and to identify new sustainable ideas and agents of change. **This year we recognized 81 employees for their contribution in our activities.**



Building a better future

Regional, as a Company in tune with the community and with a sustainable commitment, seeks to build a better future for all.

The future is full of opportunities so we prepare to have the vision and tools that allow us to take advantage of them. We are committed to digital transformation, innovation in our processes and technological tools that will allow us to improve the service.

Having responsible banking is one of the first steps in response to the challenges of the future and it involves the identification of the risks related to our social and environmental impact, as well as the possible business opportunities.

This transition to sustainable business models is key to building a future where Regional thrives hand in hand with its environment and community.



Innovation

Innovation has always been linked to Company's origins and, this year more than ever, the flexibility to respond to global challenges and find technological solutions, have been the qualities that have allowed Regional to remain a relevant ally in the success of its clients.

The Transformation Directorate is responsible for developing innovative projects and improvements in technology and systems. The team, made up of technology, process and data specialists, works cross-sectionally with different areas of the Company to ensure regulatory compliance, improvement and operational efficiency.

In 2022, extensive work was done by the transformation team to identify Hey Banco's needs and strengthen their systems, so that they could work independently from Banregio.

The implementation of the infrastructure and technological platforms for the Hey Banco business unit required more than 20,000 hours of work and a team of 450 professionals, to ensure compliance with all regulatory and operational needs.

Also, as a result of this strategy a new company named Regional Informatics and Support was created with the ability to provide the implementation and operation service for all companies of the holding. Also achieving the most efficient use of financial resources and the use of the accumulated experience in the creation of new lines of business.

The most important projects of the Transformation Directorate in 2022 are:

1. Biometric verification (non face-to-face)

Implementation of facial recognition for onboarding of Hey and Banregio accounts, process applied in digital channels and in branch transactions.

With this, **a better experience is achieved, the acceptance of biometric data**, since this is a more secure and inclusive means of authentication.

2. Request for active instructions from trusts

Within electronic banking, the possibility of requesting specific instructions for the management of trusts was developed. In this way, the use of this product is promoted, as well as the provision of a **more efficient and safe service** to our customers, simplifying the process and giving the opportunity for activities to be carried out remotely, minimizing the risk of fraud.

3. The implementation of Chip+PIN

Activation of the PIN as an electronic signature for purchases with credit and debit cards. The configuration of this authentication is done by customers from an ATM.

This update improves the operation in fraud prevention, providing **greater security to our users** and taking care of the integrity of the business.

In 2020, the implementation of these services, programs and initiatives represented an investment in innovation of **\$954 million MXN, **35% more than in the previous year.**

***Investment in innovation includes investment in technology from the Directorate of Transformation and Development, as well as the acquisition of technological equipment.*

Digital Strategy

In the financial system, digital banking is a priority, so Regional is committed to strengthening all our digital media to offer services and products in a more efficient and accessible way.

This vision of digital strategy has promoted the Digital Onboarding process, which became a priority sales line.

In 2022, thanks to the great work of the transformation team to enable facial recognition authentication, remote account openings reached 1.5 million operations.

Likewise, there was an increase in digital transactions, reaching 148 million accumulated transactions through electronic banking and mobile applications. **This represents 68% more compared to the previous year's figure.**

Our aim is for the bank to offer its entire financial service through this self-service scheme, or in an assisted manner with digital advisors in the branches, thus promoting a more inclusive and accessible model of our products and services.

→ Digital Onboarding

	2020	2021	2022
Debit accounts	290,579	581,792	1,131,762
Credit cards	57,040	53,031	135,729
Personal loans	71	236	1,331
Investments	18,559	90,430	81,630
Savings	36,683	197,601	205,465
Insurance	249	4,126	5,450
Investment funds	NA	5,062	4,061
Total	403,181	932,278	1,565,428

* Includes Banregio and Hey, Banco. Only includes 100% of clients captured remotely.

** Includes any product that started being sold through digital onboarding, automated teller machine or electronic banking.

Intelligence, Analytics and CRM

Another major player of innovation in Regional is the Directorate of Intelligence, Data Analytics and CRM. This team is key in the strategic growth of the business, opening new sales channels and monitoring the relationship with our customers.

Among the objectives of this department are: to automate and improve our operation, to use technology for an efficient offer, to expand the scope of our products and services, all this through the use of information.

The team consists of three main branches:

Business intelligence

Design of commercial campaigns focused on target segments and generation of cross-selling campaigns with pre-approved products.

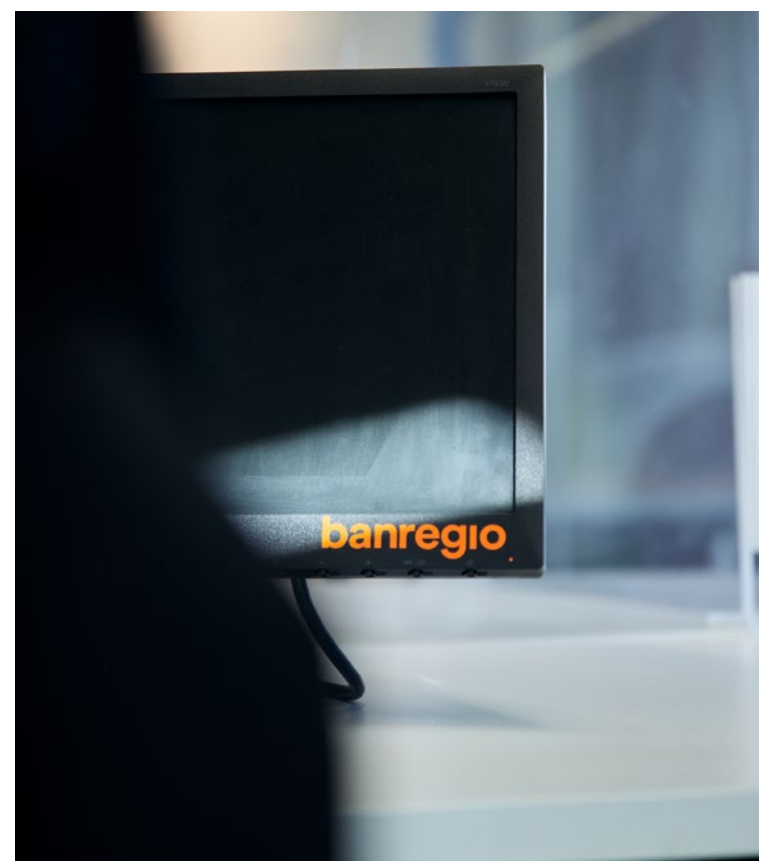
Analytics

Manage and analyze data to design solutions and information analysis models that offer response to business needs or add to transformation projects according to the requests of various areas in the institution.

CRM

development and administration of the ELEVA tool, which consolidates analytic information to achieve commercial goals and better serve customers. It also measures and evaluates customer behavior, as well as the level of satisfaction with our service. This direction has become the basis for transformation, allowing us to face the challenges of the future by expanding our reach, making better use of information, infrastructure and the talent of our employees.

In addition, the data analysis provided by the team allows us to better understand the demographics of our customers and the impact we have on the community, to design more sustainable products or services with this information.



Responsible Banking

In 2020, we adhered to the Principles of Responsible Banking, under this framework we established targets and projects that are an essential part of the Sustainability Strategy.

The Principles of Responsible Banking (PRB) is an international initiative that aims to deepen and boost the action of banking as an engine of development, to create sustainable economies, as well as empower people and companies to build a better future.

The application of these principles by the financial sector is coordinated by the Financial Initiative of the United Nations Environment Program (UNEP-FI).



→ The 6 Principles of Responsible Banking are:

Alignment

Alignment of business strategy to contribute to people's needs and society's goals

Impact and Target setting

Continuous increase in positive impacts, while reducing negative impacts

Clients and Customers

Work responsibly with customers and consumers to foster sustainable practices

Stakeholders

Consultation, participation and partnership in a proactive and responsible manner with relevant stakeholders to achieve the objectives of the society

Governance and Culture

Implementing commitment to these Principles through effective governance and a responsible banking culture

Transparency and accountability

Periodic review of the individual and collective implementation of these Principles

Banregio carried out a self-assessment exercise under these principles that helped to define its contribution to responsible banking. In 2022, the [full Report](#) on the contribution to responsible banking with medium and long-term goals was published.



[Learn more about our targets in our PRB Report](#)

As a first step, an impact analysis was carried out with the **UNEP-FI Portfolio Impact Analysis Tool**. This exercise allows us to know the positive and negative impacts of our offer of products and services.

The analysis includes the products and services related to SME Banking and Consumer Banking, which together represent **90.9%** of the revenues generated during 2021 (base year) and **85.7%** of the credit portfolio .

Likewise, due to our geographical presence, we consider for the analysis the most important challenges in Mexico related to the Sustainable Development Goals in the 2030 agenda.

In accordance with these results and with Mexico's sustainable agenda, we conclude that the issues where we have the greatest impact as an organization is **the creation of healthy and inclusive Economies and Climate**.

For both subjects, a main mission was established accompanied by short and medium-term targets.

Healthy and Inclusive Economies

Mission

Increase access to finance for small and medium-sized businesses, while including a gender perspective.

Target

1. Grow the SME loan portfolio at least 8% per year during the next 2 years. Base year 2021: 5.3% annual growing rate.
2. Increase loans to women's micro and small businesses* to \$1,100 million MXN by the end of 2023 and \$2,100 million MXN by 2024. Base year 2021: \$662 million MXN.
3. Provide additional support to 500 business owners per year through our Mentoring program, increasing participation in the women's business program to 45% by 2023. Base year 2021: 412 participants, 34% women.

Climate

Mission

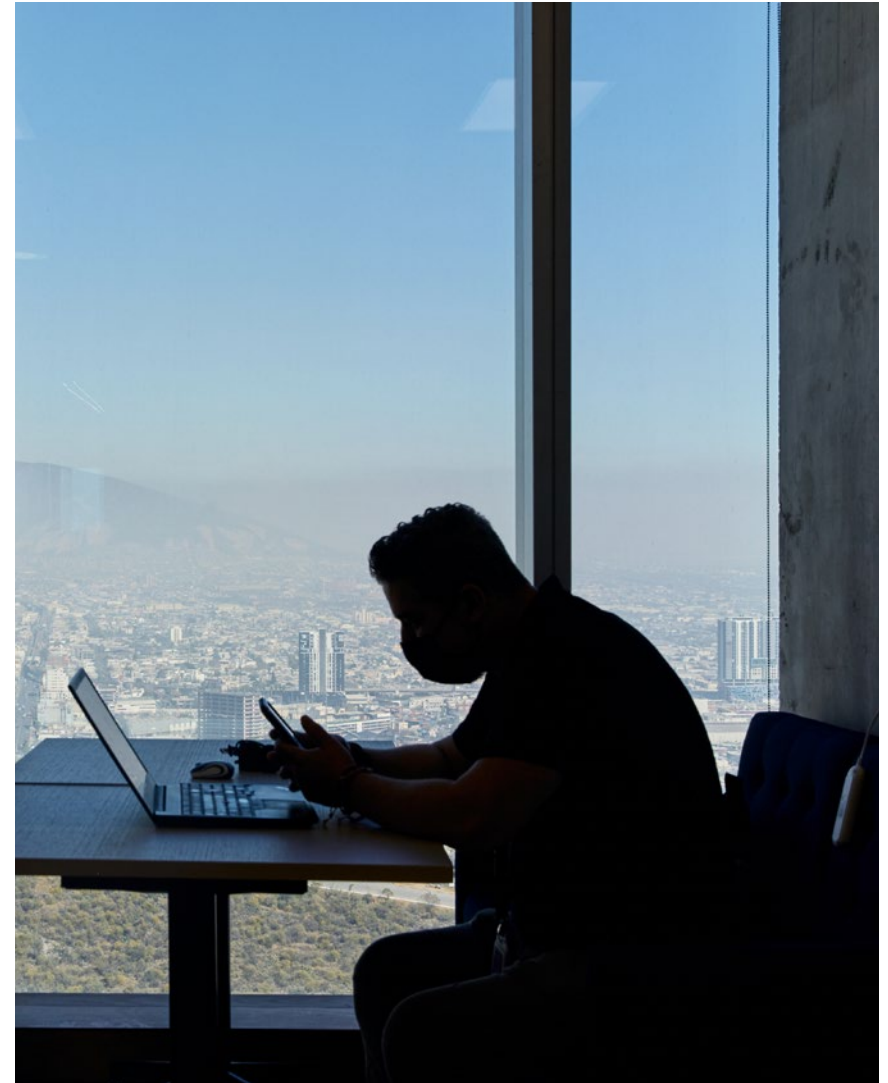
Identify, evaluate and classify the risks and opportunities generated by climate change in our SME portfolio.

Target

1. Classify 30% of our portfolio for loans equal or above 60 million MXN under the ESG evaluation by the end of 2023 and continue until reaching 100% by the end of 2025.
2. Analyze and classify under the TCFD methodology, starting with 50% of the real estate portfolio and 50% of the agricultural sector by 2024.
3. Provide \$1,200 million MXN for loans dedicated to reduce impact on climate change at the end of 2024. Base year 2021 (ECO credit): 20 Million MXN.
4. Offer our clients at least 4 annual training courses in resource efficiency (climate impacts) through our Mentoring Program at the end of 2023 and the end of 2024.

That Sustainability Department will be responsible for the implementation and management of the actions, reporting the progress to the Corporate Practices Committee, the body responsible for supervising and communicating ESG issues to the Board of Directors.

In October 2023, the following progress report will be published in accordance with the objectives and goals set out in these Principles of Responsible Banking.



Responsible Products

As part of its responsible banking, Regional also maintains the commitment to offer specialized solutions that respond to the needs of our customers in historically underserved segments and promote environmental care through financing.

We work in partnership with the Development Bank to create these products that support the entrepreneurship of women and young people, as well as loans that encourage the use and development of ecological solutions.

The **Impulso** loan was created to reactivate the economy after the pandemic crisis. This financing is designed to support companies in their liquidity and contribute to the preservation of jobs.

Results 2022

Women's SME Credit*

Goal

Support **women entrepreneurs** in the purchase of fixed assets or working capital.

Product

Credits up to \$5 million MXN with a 3-month grace period.

Amount

\$664.5 million MXN

Clients

887

Young Entrepreneurs*

Goal

Fund entrepreneurship in **young people** of up to 35 years of age, through funding, training and technical assistance.

Product

Credits from 50 thousand pesos and up to **\$2.5 million MXN**

Amount

\$375.6 MDP

Clients

940

Eco-credit*

Goal

Provides financing to the **Micro and SME**, as well as individuals with business activity to replace equipment and/or adapt processes to trends of **low carbon emission**.

Product

It is a simple loan of up to **15 million MXN**, with a term of up to 8 years and a fixed annual interest rate of up to 13%. The guarantee is 80% and a grace period of up to 6 months can be offered.

Amount

\$20 MDP

Clients

13

*Créditos suspendidos por el momento

IMPULSO

Goal

Financing for Micro and SME for the reactivation of regional economies and the conservation of jobs, in coordination with the governments of federal entities for working capital and acquisition of fixed assets.

Amount

\$1,557 million MXN → +54% vs 21

Clients

868 → +41% vs 21

In 2023, these products will be replaced by a direct offer from Banregio with similar benefits, so that the bank can promote these positive impacts with a greater scope and goals of its own. Learn more in the goals of the Principles of Responsible Banking



ESG Evaluation

In line with our commitment to promote more sustainable practices in our portfolio, we implement an Environmental, Social and Governance risk assessment.

We have an **ESG Risk Policy**, which serves as the regulatory framework to integrate these issues into the credit assessment. The policy defines the scope that, in a first stage, will be **for clients with potential risk equal to or greater than 60 million pesos**.

The evaluation process is triggered by the credit application. Within the credit factory system, when the customer meets the mentioned potential risk, a task is created for the executive to respond to this assessment.

The evaluation tool is integrated by 12 questions related to issues of monitoring and management of social, environmental and governance impacts duly balanced.

The rating obtained in this questionnaire corresponds to 65% of the company's response, while the remaining 35% is a fixed score that corresponds to the sector's risk derived from economic activity.

Once the questionnaire has been answered, the system generates a technical sheet with the ratings and the analysis of the company's conditions. This technical data sheet is part of the clients' file submitted to the Credit Committee.

The evaluation was formally implemented in August 2022 and since its launch, **42.9% of customers** of the segment defined by the Policy have been evaluated. This percentage represents 16% of the total credit portfolio.

The level of risk of the customers evaluated so far is distributed as follows: 16% low, 41% medium low, 27% medium high, 15% high.

In 2023, this operation will be complemented by the annual sustainability training for all employees where the ESG risk issue will be integrated.

It is important to mention that, with the goals of the principles of responsible banking, the commitment was established to evaluate 100% of our customers in the scope of the ESG Risk Policy by 2025.

Process

Credit Application

Check if sector is excluded form the Credit Origination Policy

Segmentation

≥ 60 million MXN according to the ESG Risk Policy



Sending Evaluation



Customer Response



Data Sheet integrated into the file



Visualization in Credit Committee

Evaluation

12 questions

65%

Rating from response



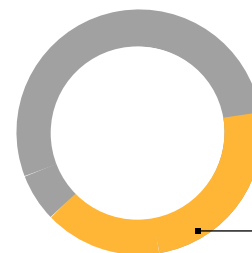
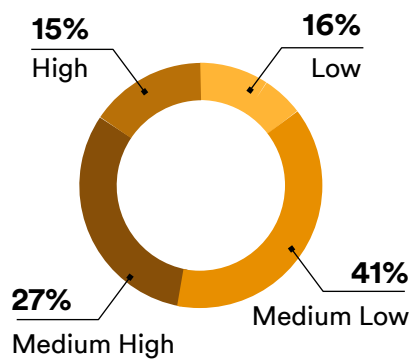
35%

rating by economic sector

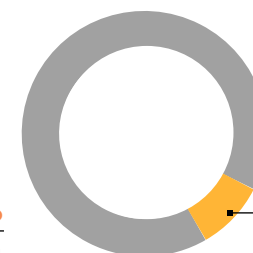


Results

Classifications



42.9%
segment customers rated



16%
Of the total loan portfolio

Climate action

This request invites companies to have a strategy against climate change for the mitigation of greenhouse gases, which includes performance indicators according to the reporting frameworks that indicate SASB methodologies and TCFD recommendations.

Additionally, the previous year we joined the **Task Force on Climate-related Financial Disclosures (TCFD)**, a working group that sets parameters for transparency in disclosures from financial institutions regarding their impact on combating climate change.

This initiative brings together more than 2,800 organizations that demonstrate their commitment to building a more resilient and climate-risk-prepared financial system through shared knowledge and opportunity detection.

By increasing transparency on climate-related risks and opportunities, which are financially important, the recommendations of **TCFD** promote more informed financial decision-making by investors, lenders and others.

Another specific action that has been taken in the strategy to combat climate change is the continuous review, evaluation and reporting of the inventory of Greenhouse Gases (GHG) emitted with the operation of the Company.

In accordance with the General Climate Change Law of Mexico, in relation to the National Emissions Registry (RENE), article 3. VI-h, financial sector companies that issue more than 25,000 tCO₂e of their total operations are required to report their emissions in the Annual Operating Certificate (AOC).

Regional, although it does not reach the emissions required for the report, voluntarily publishes an Annual Carbon Footprint Report describing the calculation of emissions from the bank's internal operation. The next report will be available in April 2023.

In addition, we want to learn from international best practices and deepen our impact assessment; therefore, we answered the **CDP questionnaire** from the Disclosure Insight Action organization, formerly known as the Carbon Disclosure Project. The categories answered were Governance, Risks and Opportunities, Business Strategy, Emissions and Energy. In 2022, our rating was C.

In the coming years, Climate will be a central axis of the sustainability strategy. Considering the goals established in the commitment to responsible banking, in addition to adherence to the TCFD, **the Company will mainly be working on adaptation to climate change.**

Relationship with our stakeholders

We know that working hand in hand with our stakeholders is the most efficient way to build a better future for all. Therefore, we maintain a dynamic and two-way relationship in communication with customers, employees, investors, among others.

The main direct consultation exercise we carry out is our Materiality Study. This collection of information is carried out every two years, is managed by an independent consultant in collaboration with the Sustainability Directorate and is public on the Regional website. In 2023, this materiality exercise will be updated.

The main stakeholders, for which we carry out direct consultation exercises, are selected according to our business model and the Sustainability Strategy. We determine which groups are essential for the company's main activity and which are relevant according to our contribution to the Sustainable Development objectives.

The most important stakeholders are: clients, employees, regulators, investors and community (participants of social responsibility programs that are not necessarily customers of the bank).

We establish close communication and dialogue with our stakeholders through multiple mechanisms and channels, with a listening approach. This comprehensive report is the result of this communication with our stakeholders, having involved them in the definition of the contents and their development.

It is important to mention that an annual work climate survey is carried out specifically for employees, where in addition to measuring the base indicators such as leadership and belonging, an open-ended question space was added. This allows employees to share additional comments in the survey which is completely anonymous. More information subchapter Attraction and Retention of Talent.

To serve our customers, in addition to the satisfaction surveys, events are held where we invite them to participate in forums, dynamics and conversations through our social networks.

In addition to our core groups, in our two-way communication we include trade associations to which we are adhered and communities where we have a presence.

We actively participate in different work groups formed within the trade associations, such as Diversity Committees, Financial Education and Sustainability, of the Association of Banks of Mexico and the Mentoría program, of Financial Alliance for Women, among others.

With the intention of further expanding our communication channels with investors, analysts and qualifiers, the areas of Investor Relations, Sustainability, as well as Senior Management actively participate in different forums on strategy issues and changes in the international financial environment, ensuring that Regional applies economic, social and environmental best practices, as well as corporate governance.

The future looks promising for Regional, there is great opportunity for growth in the market, so we will continue working to take advantage of them, ensuring a sustainable business and the generation of value for customers, shareholders, employees and communities.

About this Report

For the seventh consecutive year, Regional presents a comprehensive report which reflects financial and non-financial performance of the Company and its subsidiaries. This document covers the actions and results from **January 1st to December 31, 2022**.

This report has been prepared in accordance with **the 2021 GRI Standards**, an international reference reporting methodology developed by the Global Reporting Initiative (GRI). Additionally, the contents of the supplement for the financial services sector linked to the issues determined as material were considered (1).

For the third year, we include contents of the reporting framework **Sustainability Accounting Standards Board (SASB)**, in order to disclose information that responds to the results of financial materiality.

Similarly, in the chapters of this report we indicate the contribution of Regional to the **Sustainable Development Goals**, of the 2030 agenda to which our initiatives and sustainability strategy respond. As signatories to the **United Nations Global Pact**, this comprehensive report represents our Communication on Progress (CoP) of the 10 principles of action that this initiative promotes.

The contents presented in this comprehensive report were verified by the external consultant Redes Sociales en Línea Timberlan, with experience in the verification of Sustainability Reports and use of the GRI methodology.

In accordance with the Model described in the Sustainability chapter, for the preparation of this document we use the communication channels and the identification of our stakeholders, reflected in the 2020 materiality study. In the reporting year there were no significant changes in the scope and coverage of each aspect with respect to previous reports.

To have an in-depth knowledge of the methodology of the study, as well as of the identified material topics, including their internal and external limits, read our [2020 Materiality Analysis](#) available on our website www.regional.mx.

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Sustentability

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Report of the Audit Committee

Shareholders' Meeting Regional, S.A.B. de C.V.

In accordance with paragraph II of article 43 of the Securities Market Law, the following report is issued regarding the activities carried out by the Audit and Corporate Practices Committees of Regional, S.A.B. de C.V. and its subsidiaries, hereinafter Regional and subsidiaries, for the year 2022.

The content of this report includes the activities in Regional, S. A. B. de C. V. (Hereinafter Regional) and the relevant entities listed below: Banregio Grupo Financiero, S. A. de C. V., Banco Regional, S. A. and Start Banregio, S. A. de C. V., SOFOM E. R.

1. Internal Control System

During the 2022 financial year, the assessment of the status of the System of Internal Control of Regional and subsidiaries was carried out, with the support of the comptroller's office, internal audit, internal audit and external audit, verifying its proper functioning in a general way. As a result of the evaluation that was carried out, no deficiencies were identified that significantly affected any of the components of the internal control system.

As part of the above-mentioned evaluation, the following reports were reviewed:

- Quarterly reports on Internal Audit Management and on its compliance Program
- Annual Work 2022
- Quarterly reports on internal comptroller management.
- Quarterly reports from the External Auditor
- Semi-annual Internal Audit Reports
- Annual reports on Internal Control prepared by the General Directors
- Annual reports on Internal Control prepared by the Internal Auditor
- Annual reports on Internal Control prepared by the External Auditor

Reports were periodically received on internal controls and tools that the administration uses to keep the Institution's systems secure and free of unauthorized access by third parties that may damage the integrity of the information or commit fraud.

The Code of Conduct applicable to all Regional companies was revised, as well as the measures taken to disseminate it among the staff. The complaints received in the Transparency Mailbox were periodically reviewed. Said Mailbox is established to learn about

the non-compliance with the rules of conduct contained in said Code of Ethics, as well as the responses that were offered to the complainants.

2. Internal Audit

The annual Internal Audit Review Plan and reports were approved, including the observations and recommendations on internal controls, accounting and compliance with the laws and regulations that apply to the Entity were reviewed in the different sessions of the Audit Committee. The corresponding supervision of the remedies of the observations was also carried out, resulting in greater effectiveness and efficiency in the control of the operations.

The Audit Committee was duly informed of the observations issued by the National Banking and Securities Commission and the Bank of Mexico, and it followed up on its remediation with the support of the Internal Audit Department.

3. External audit

For the opinion of the Financial Statements, corresponding to the 2022 financial year, it was proposed and duly authorized by the Board of Directors, the appointment of the firm KPMG Cárdenas Dosal, S. C., as external auditor of Regional and sub-

sidiaries, for the audit of the financial statements for 2022. The proposal of its scope of work, as well as the support they will provide the administration and this Audit Committee, in compliance with the applicable regulations, has been fundamental in proposing its appointment.

Before starting the audit of the financial statements as of December 31st, 2022 and during the course of the same, the compliance of the external audit personnel with the independence standard, as well as with the personal and professional requirements for the agreed works was supervised.

The work plan for 2022 was approved before its analysis and during its execution, this Committee was informed of its progress. Information was also received on changes to the initial work plan. The observations that were found in the course of its work were reported to the Audit Committee as well as the corrective measures that it took, the management. In this regard, the internal auditor carried out the respective follow-ups.

The external auditor attended, as a guest, with voice but without vote, all the sessions of this Committee, where it was informed that the management provided them with all the information, in time and form, that they requested to carry out the audit of the financial statements, without any limitation.

The financial statements of Regional and Subsidiaries as of December 31, 2022 were reviewed, as well as the opinion issued by the firm of independent external auditors on said financial statements, which consists of an opinion without exceptions, stating that the financial information prepared by the management of Regional and Subsidiaries complies in all material respects with the accounting regulatory framework applicable to holding companies of financial groups, issued by the National Banking and Securities Commission. The letter of statements issued to the firm of external auditors by management, was also revised.

During fiscal year 2022, additional services were hired with the firm of external auditors and it was previously verified that they would not represent a threat to their independence.

In conjunction with Management, the Audit Committee evaluated the performance of the External Auditor during fiscal year 2022 and the proposal for services and the proposed amount of fees to perform the audit of the financial statements as of December 31, 2023 and recommended to the Board hire KPMG Cárdenas Dosal, S. C. to carry out this work.

4. Accounting changes

During fiscal year 2022, the new accounting criteria, issued by

the CNBV, were adopted, as well as the adjustment in the preparation of regulatory reports. The Audit Committee reviewed its implementation quarterly.

5. Compliance with tax and legal obligations

It was verified with the support of the Institution's legal and tax advisors that during the year, the applicable obligations had been complied with. In this regard, nothing important came to our attention that implied a risk of non-compliance.

6. Financial information

The interim financial information produced by the institution in each of the sessions of this Committee was reviewed, verifying its suitability and consistency with the information produced annually, considering the changes in the accounting rules issued by the authorized bodies for that purpose.

During the year, shareholders, directors, board members, collaborators, customers or other third parties did not receive complaints about irregular events that were relevant regarding accounting, internal controls, administration, or internal and external auditing. In accordance with the best corporate governance practices, there is an anonymous reporting system called "Transparency Mailbox", which is supervised by this Audit Committee.

Likewise, we report that this Committee supervised the agreements of the meetings of the shareholders and of the board of directors, verifying that they were fulfilled.

Based on the work done as described in the previous paragraphs; this Committee recommends the Board of Directors to approve the financial statements of Regional and its subsidiaries, prepared by the Management Department and the Internal Comptroller. These statements were revised by the Internal Audit Department, through its specialized area of financial statements auditing and they were audited by the External Auditors who verified that the financial, administrative and accounting information was prepared based on the applicable regulations.

Sincerely,



Mr. Alfonso González Migoya
Chairman of the Audit Committee
Regional, S.A.B. de C.V.

Report of the Corporate Practices Committee

To: Board of Directors
General Ordinary Meeting of the Shareholders

In accordance with paragraph II of article 43 of the Securities Market Law, the following report is issued regarding the activities carried out by the Audit and Corporate Practices Committees of Regional, S.A.B. de C.V. and its subsidiaries, hereinafter Regional, for the year 2022.


a) Observations regarding the performance and compliance of the relevant directors. It is reported that, in the Corporate Practices Committee of Regional S.A.B. de C.V., corresponding to the Fourth Quarter 2022 held in January 2023, observations were made regarding the performance and compliance of the relevant directors of Banco Regional, S.A. Institución de Banca Múltiple, Banregio Grupo Financiero, one of the main subsidiaries of Regional, S.A.B. de C.V. The foregoing, in accordance with the applicable legal provisions and the policies and procedures established in Regional S.A.B. de C.V., and other companies controlled by it.

b) Loans and operations with related parties granted by Banco Regional, S.A. and Start Banregio, S.A. de C.V., both subsidiaries of Regional, S.A.B. de C.V. as of December 2022, amounted to \$ 3,985.7 million pesos and \$ 207.1 million pesos, respectively. These amounts are duly within the limits indicated by the regulation (less than 35% of the basic capital). The inter-company transactions were carried out at market prices, which was veri-

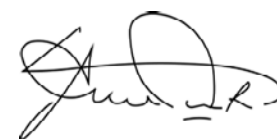
fied by the external auditor, who did not report relevant findings as of the date of issuance of this report.

c) Emoluments or comprehensive remuneration packages of relevant managers. Similarly, during the January 2023 session, the Corporate Practices Committee was informed about the remuneration of the Chief Executive Officer and relevant executives of Banco Regional, S.A. Institución de Banca Múltiple, Banregio Grupo Financiero. This remuneration is in accordance with a compensation package approved by the Board of Directors, which is composed of a fixed and a variable compensation. The variable compensation is granted based on the achievement of institutional goals and objectives that include an assessment of the risks of the different businesses.

d) In 2022, the Board of Directors did not grant exemptions to Board Members or Directors so they could exploit business opportunities.



Mr. Alfonso González Migoya
President



Mr. Enrique Navarro Ramírez
Secretary

Audited Financial Statements



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Informe de los Auditores Independientes

Al Consejo de Administración y a los Accionistas

Regional S. A. B. de C. V.

(Millones de pesos)

Opinión

Hemos auditado los estados financieros consolidados de Regional S. A. B. de C. V. y subsidiarias (la Compañía), que comprenden el estado de situación financiera consolidado al 31 de diciembre de 2022, los estados consolidados de resultado integral, de cambios en el capital contable y de flujos de efectivo por el año terminado en esa fecha, y notas que incluyen un resumen de las políticas contables significativas y otra información explicativa.

En nuestra opinión, los estados financieros consolidados adjuntos de la Compañía, han sido preparados, en todos los aspectos materiales, de conformidad con los Criterios de Contabilidad para las Sociedades Controladoras de Grupos Financieros en México (los Criterios Contables), emitidos por la Comisión Nacional Bancaria y de Valores (la Comisión).

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con las Normas Internacionales de Auditoría (NIA). Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades de los auditores en la auditoría de los estados financieros consolidados de nuestro informe. Somos independientes de la Compañía de conformidad con los requerimientos de ética que son aplicables a nuestra auditoría de los estados financieros consolidados en México y hemos cumplido las demás responsabilidades de ética de conformidad con esos requerimientos. Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Párrafo de énfasis

Llamamos la atención sobre la nota 4 de los estados financieros consolidados, que describe que durante 2022 se efectuaron los cambios contables descritos en dicha nota, lo cual se hizo atendiendo la Resolución que modifica las Disposiciones de carácter general aplicables a las sociedades controladoras de grupos financieros y subcontroladoras, publicada en el Diario Oficial de la Federación el 21 de diciembre de 2021, que establece que las instituciones podrán reconocer el efecto acumulado de dichos cambios contables en resultados acumulados, sin reformular los estados financieros de ejercicios anteriores al 1 de enero de 2022, y que los estados financieros básicos consolidados al y por el año terminado el 31 de diciembre de 2021, no se presenten. Nuestra opinión no ha sido modificada en relación con esta cuestión.

(Continúa)

Cuestiones clave de la auditoría

Las cuestiones clave de la auditoría son aquellas cuestiones que, según nuestro juicio profesional, han sido de la mayor relevancia en nuestra auditoría de los estados financieros consolidados del periodo actual. Estas cuestiones han sido tratadas en el contexto de nuestra auditoría de los estados financieros consolidados en su conjunto y en la formación de nuestra opinión sobre éstos, y no expresamos una opinión por separado sobre esas cuestiones.

Estimación preventiva para riesgos crediticios por \$3,158	
Ver notas 3(l) y 11 a los estados financieros consolidados	
La cuestión clave de auditoría	De qué manera se trató la cuestión clave en nuestra auditoría
La estimación preventiva para riesgos crediticios de cartera comercial involucra la evaluación de la calidad crediticia de los deudores, considerando los diversos factores establecidos en las metodologías prescritas por la Comisión para el proceso de calificación de la cartera de crédito, así como para evaluar la confiabilidad en la documentación y actualización de la información que sirve de insumo para la determinación de la estimación preventiva para riesgos crediticios para el portafolio de crédito comercial.	Los procedimientos de auditoría aplicados sobre la determinación por parte de la Administración, de la estimación preventiva para riesgos crediticios de cartera comercial y su efecto en los resultados del ejercicio, incluyeron la evaluación, a través de pruebas selectivas, tanto de los insumos utilizados como de la mecánica de cálculo para el portafolio de crédito comercial con base en las metodologías vigentes que establece la Comisión.
Por lo tanto, hemos determinado la estimación preventiva para riesgos crediticios de cartera comercial como una cuestión clave de auditoría	Adicionalmente, con la participación de nuestros especialistas, al 31 de diciembre de 2022, realizamos una evaluación del modelo utilizado y de los insumos relevantes usados para el cálculo.

(Continúa)

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Monterrey, N.L.
Puebla, Pue.

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Tijuana, Baja California.
San Luis Potosí, S.L.P.
Toluca, B.C.





3

Otra información

La Administración es responsable de la otra información. La otra información comprende la información incluida en el Reporte Anual correspondiente al ejercicio anual terminado el 31 de diciembre de 2022, que deberá presentarse ante la Comisión y ante la Bolsa Mexicana de Valores (el Reporte Anual), pero no incluye los estados financieros consolidados y nuestro informe de los auditores sobre los mismos. El Reporte Anual se estima que estará disponible para nosotros después de la fecha de este informe de los auditores.

Nuestra opinión sobre los estados financieros consolidados no cubre la otra información y no expresaremos ningún tipo de conclusión de aseguramiento sobre la misma.

En relación con nuestra auditoría de los estados financieros consolidados, nuestra responsabilidad es leer la otra información cuando esté disponible y, al hacerlo, considerar si la otra información es materialmente inconsistente con los estados financieros consolidados o con nuestro conocimiento obtenido durante la auditoría, o si parece ser materialmente incorrecta.

Cuando leamos el Reporte Anual, si concluimos que existe un error material en esa otra información, estamos requeridos a reportar ese hecho a los responsables del gobierno de la entidad.

Responsabilidades de la Administración y de los responsables del gobierno de la entidad en relación con los estados financieros consolidados

La Administración es responsable de la preparación de los estados financieros consolidados adjuntos de conformidad con los Criterios Contables emitidos por la Comisión, y del control interno que la Administración considere necesario para permitir la preparación de estados financieros consolidados libres de desviación material, debida a fraude o error.

En la preparación de los estados financieros consolidados, la Administración es responsable de la evaluación de la capacidad de la Compañía para continuar como negocio en marcha, revelando, según corresponda, las cuestiones relacionadas con negocio en marcha y utilizando la base contable de negocio en marcha, excepto si la Administración tiene intención de liquidar a la Compañía o de cesar sus operaciones, o bien no exista otra alternativa realista.

Los responsables del gobierno de la entidad son responsables de la supervisión del proceso de información financiera de la Compañía.

Responsabilidades de los auditores en la auditoría de los estados financieros consolidados

Nuestros objetivos son obtener una seguridad razonable de si los estados financieros consolidados en su conjunto están libres de desviación material, debida a fraude o error, y emitir un informe de auditoría que contenga nuestra opinión. Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con las NIA siempre detecte una desviación material cuando existe. Las desviaciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en los estados financieros consolidados.

(Continúa)



4

Como parte de una auditoría de conformidad con las NIA, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y evaluamos los riesgos de desviación material en los estados financieros consolidados, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una desviación material debida a fraude es más elevado que en el caso de una desviación material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la Compañía.
- Evaluamos lo adecuado de las políticas contables aplicadas, la razonabilidad de las estimaciones contables y la correspondiente información revelada por la Administración.
- Concluimos sobre lo adecuado de la utilización, por la Administración, de la base contable de negocio en marcha y, basados en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Compañía para continuar como negocio en marcha. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en los estados financieros consolidados o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, hechos o condiciones futuros pueden ser causa de que la Compañía deje de ser un negocio en marcha.
- Obtenemos suficiente y apropiada evidencia de auditoría con respecto a la información financiera de las entidades o líneas de negocio dentro del Grupo para expresar una opinión sobre los estados financieros consolidados. Somos responsables de la administración, supervisión y desarrollo de la auditoría de Grupo. Somos exclusivamente responsables de nuestra opinión de auditoría.

Nos comunicamos con los responsables del gobierno de la entidad en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planeados y los hallazgos significativos de la auditoría, incluyendo cualquier deficiencia significativa del control interno que identificamos en el transcurso de nuestra auditoría.

También proporcionamos a los responsables del gobierno de la entidad una declaración de que hemos cumplido los requerimientos de ética aplicables en relación con la independencia y de que les hemos comunicado todas las relaciones y demás cuestiones de las que se puede esperar razonablemente que pueden afectar a nuestra independencia y, en donde sea aplicable, las acciones tomadas para eliminar amenazas o las salvaguardas aplicadas.

(Continúa)



Entre las cuestiones que han sido objeto de comunicación con los responsables del gobierno de la entidad, determinamos las que han sido de la mayor relevancia en la auditoría de los estados financieros consolidados del periodo actual y que son, en consecuencia, las cuestiones clave de la auditoría. Describimos esas cuestiones en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohiban revelar públicamente la cuestión o, en circunstancias extremadamente poco frecuentes, determinemos que una cuestión no se debería comunicar en nuestro informe porque cabe razonablemente esperar que las consecuencias adversas de hacerlo superarían los beneficios de interés público de la misma.

Otras cuestiones

Los estados financieros consolidados de la Compañía al 31 de diciembre de 2021 y por el año terminado en esa fecha, fueron auditados por otros auditores, quienes con fecha 24 de febrero de 2022 emitieron una opinión sin salvedades sobre los mismos.

KPMG Cárdenas Dosal, S. C.

C.P.C. Fernando Batiza Velasco

Ciudad de México, a 08 de abril de 2023.



External Verification



Verification Letter of Regional Annual Report 2022

To the Board of Directors of Regional, S.A.B. of C.V. and Subsidiaries:

We inform you that Redes Sociales en Línea Timberlan was hired to carry out a limited, independent and objective verification of a sample of disclosures aligned with the GRI Standards, detailed in this letter and contained in the Regional Annual Report 2022.

Responsibilities, criteria and scope:

The scope of the limited verification included the results of the subsidiaries that make up Regional S.A.B de C.V. (Banregio Grupo Financiero, S.A. de C.V. and Hey Controladora S.A. de C.V.) corresponding to the period from January 1st to December 31st, 2022.

The Regional Direction is responsible for the preparation and publication of the information contained in the "Annual Report 2022", which implies, but is not limited to the selection process of material topics, GRI Disclosures report and the quality of the evidence provided during the verification process.

Our mission is to issue impartial opinions about the quality of the information published in the Annual Report 2022 of the GRI disclosures selected in the sample to verify. Our work is based on the activities of the International Standard on Assurance Work (ISAE) 3000. On the other hand, a review was carried out on the methodological compliance of the Annual Report 2022 in accordance with the GRI Standards and the Financial Services sector supplement.

Among the activities carried out during the verification process are listed:

- Validation of information presented in previous reports,
- Review of methodological compliance in accordance with the GRI Standards
- Verification of qualitative and quantitative data through visual, documentary and public evidence,
- Quantitative data analysis

Therefore, we can conclude that we did not find any aspect that makes us think that the data presented in the "Regional Annual Report 2022" of the reviewed sample contains significant errors and that the implementation of the GRI Standards methodology does not comply with the principles for the preparation of reports.

An internal report of recommendations, exclusive for Regional, is delivered separately, containing the areas of opportunity detected for a future report.

Declaration of independence and competence of Redes Sociales en Línea Timberlan

Employees of Redes Sociales en Línea Timberlan have the necessary level of competence to verify compliance with standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. In no case can our declaration of verification be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on April 21st, 2022 and is valid as long as no subsequent and substantial modifications are made to the 2022. Regional Annual Report of Regional, S.A.B. of C.V. and Subsidiaries.

Redes Sociales en Línea Timberlan SA de C.V. | Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX.

GRI Disclosures verified sample	
2-2	Entities included in the organization's sustainability reporting
2-7	Employees
2-9	Governance structure and composition
2-17	Collective knowledge of the highest governance body
2-23	Policy commitments
2-26	Mechanisms for seeking advice and raising concerns
2-28	Membership associations
2-29	Approach to stakeholder engagement
3-2	List of material topics
Environmental	
302-1	Energy consumption within the organization
302-2	Energy consumption outside of the organization
305-2	Energy indirect (Scope 2) GHG emissions
Social	
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
403-3	Occupational health services
403-5	Worker training on occupational health and safety
403-6	Promotion of worker health
404-1	Average hours of training per year per employee
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving regular performance and career development reviews
417-2	Incidents of non-compliance concerning product and service information and labeling
417-3	Incidents of non-compliance concerning marketing communications
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
FS1	Policies with specific environmental and social components applied to business lines
FS7	Monetary value of products and services designed to offer a specific social benefit for each line of business broken down by purpose
FS8	Monetary value of products and services designed to offer a specific environmental benefit to each line of business broken down by object
FS16	Initiatives to improve financial culture by type of beneficiary
Governance	
201-2	Financial implications and other risks and opportunities due to climate change
205-2	Communication and training about anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
405-1	Diversity of governance bodies and employees
406-1	Incidents of discrimination and corrective actions taken

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April 21st, 2023

GRI 2: General Content 2021

GRI 1 used
Applicable GRI Sector Standard(s)

GRI 1: Foundation 2021

Not applicable

Section	Cont. GRI	Description	Requirement(s) Omitted	Reason	Explanation	Page / Link
1. The organization and its inform presentation practices	2-1	Organizational details				11, 12, 14, 20
	2-2	Entities included in the organization's sustainability reporting				13
	2-3	Reporting period, frequency and contact point				152
	2-4	Restatements of information				152
	2-5	External assurance				152
2. Activities and workers	2-6	Activities, value chain and other business relationships				15, 16, 17, 18, 19
	2-7	Employees				92
	2-8	Workers who are not employees				92
3. Gobernance	2-9	Governance structure and composition				38
	2-10	Nomination and selection of the highest governance body				38
	2-11	Chair of the highest governance body				38, 40
	2-12	Role of the highest governance body in overseeing the management of impacts				45
	2-13	Delegation of responsibility for managing impacts				22, 45
	2-14	Role of the highest governance body in sustainability reporting				4, 5, 6, 7, 8, 9, 22
	2-15	Conflicts of interest				47
	2-16	Communication of critical concerns				45
	2-17	Collective knowledge of the highest governance body				34, 47

Section	Cont. GRI	Description	Requirement(s) Omitted	Reason	Explanation	Page / Link
4. Estrategy, policies and practices	2-18	Evaluation of the performance of the highest governance body				47
	2-19	Remuneration policies				46
	2-20	Process to determine remuneration				46
	2-21	Annual total compensation ratio	Omission	Confidentiality constraints	The information for compensation of the highest paying position is considered confidential for matters of security	NA
	2-22	Statement on sustainable development strategy				25 - 33
	2-23	Policy commitments				34, 35, 48
	2-24	Embedding policy commitments (código de conducta, derechos humanos)				48
	2-25	Processes to remediate negative impacts (Conducef, Profeco)				53, 55
	2-26	Mechanisms for seeking advice and raising concerns (Buzon de transparencia)				53
	2-27	Compliance with laws and regulations (sanciones)				55
5. Participation of the groupss of interest	2-28	Membership associations (alianzas / cap sustentabilidad)				34, 35
	2-29	Approach to stakeholder engagement				23, 24, 151
	2-30	Collective bargaining agreements				92

GRI 3: Material Topics 2021

Section	Cont. GRI	Description	Requirement(s) Omitted	Reason	Explanation	Page / Link
	3-1	Process to determine material topics				23, 24, Estudio de Materialidad
	3-2	List of material topics				23, 24, Estudio de Materialidad
Economic performance						
GRI 3: Material Topics 2021	3-3	Management of material topics				67
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed				67
	201-2	Financial implications and other risks and opportunities due to climate change				57, 143, 144, 145, 150
	201-3	Defined benefit plan obligations and other retirement plans				96, 100
	201-4	Financial assistance received from government (Hacer la declaración de que no aplica)	Omission	Not applicable	Banregio does not receive any financial assistance from the government	NA
Specific sector standard: product portfolio	FS 6	Breakdown of the portfolio for each line of business, by specific region, size (large, SME, microenterprise) and sector				67, 143, 144, 145
	FS 7	Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose				146, 147
	FS 8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose				146, 147
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics				57, 67, 140, 141
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported (inversión en innovación)				140
	203-2	Significant indirect economic impacts				57
Sectorial GRI Supplement Financial Sector	FS1	Policies with specific social and environmental components applied to business lines				148

Section	Cont. GRI	Description	Requirement(s)	Reason	Explanation	Page / Link
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption				50, 52, 54
	205-2	Communication and training about anti-corruption policies and procedures				51
	205-3	Confirmed incidents of corruption and actions taken				53, 55
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics				55, 79
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				53, 55
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics				91
GRI 401: Employment 2016	401-1	New employee hires and employee turnover				92
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees				96
	401-3	Parental leave				104

Section	Cont. GRI	Description	Requirement(s)	Reason	Explanation	Page / Link
Labor/management relations						
GRI 3: Material Topics 2021	3-3	Management of material topics				96
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes				96
Occupational health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				104
	403-1	Occupational health and safety management system				101
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation				104
	403-3	Occupational health services				104
	403-4	Worker participation, consultation, and communication on occupational health and safety				104
	403-5	Worker training on occupational health and safety				104
	403-6	Promotion of worker health				104
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				104
	403-8	Workers covered by an occupational health and safety management system				104
	403-9	Work-related injuries				104
	403-10	Work-related ill health				104

Section	Cont. GRI	Description	Requirement(s)	Reason	Explanation	Page / Link
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics				106, 107
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee				106, 107
	404-2	Programs for upgrading employee skills and transition assistance programs				106, 107
	404-3	Percentage of employees receiving regular performance and career development reviews				107
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics				91, 111
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees				38, 92
	405-2	Ratio of basic salary and remuneration of women to men				96
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics				86, 111
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken				53, 110
Customer health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				57, 61
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories				115, 117, 119, 120, 123
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				115, 117, 119, 120, 123

Section	Cont. GRI	Description	Requirement(s)	Reason	Explanation	Page / Link
Marketing and labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics				65
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling				65
	417-2	Incidents of non-compliance concerning product and service information and labeling				65
	417-3	Incidents of non-compliance concerning marketing communications				65
Specific sector standard: product portfolio	FS16	Initiatives to enhance financial literacy by type of beneficiary				115, 117, 119, 120, 123
Customer privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics				65
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				65
Public policy						
GRI 3: Material Topics 2021	3-3	Management of material topics				75
GRI 415: Public Policy 2016	415-1	Political contributions				75
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics				75
GRI 207: Tax 2019	207-1	Approach to tax				75
	207-2	Tax governance, control, and risk management				75
	207-3	Stakeholder engagement and management of concerns related to tax				75
	207-4	Country-by-country reporting				75

Section	Cont. GRI	Description	Requirement(s)	Reason	Explanation	Page / Link
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics				127
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions				133
	305-2	Energy indirect (Scope 2) GHG emissions				133
	305-3	Other indirect (Scope 3) GHG emissions				133
	305-4	GHG emissions intensity				133
	305-5	Reduction of GHG emissions				
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics				127, 129
GRI 302: Energy 2016	302-1	Energy consumption within the organization				129, 130
	302-2	Reduction of energy consumption				129

Standard report SASB

Material Topic	Topic	Accounting Metric	Category	Unit Of Measure	Code	Standard	Page
Data Security	Client privacy	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	Reporting Currency	FN-CF-220a.2	Consumer finance	79
	Data Security	(1) Number of data breaches (2) percentage involving personally identifiable information (3) number of account holders affected	Quantitative	Número y Porcentaje	FN-CB-230a.1 FN-CF-230a.1	Commercial banks; Consumer finance	61
		Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Quantitative	Reporting Currency	FN-CF-230a.2	Consumer finance	61
		Description of approach to identifying and addressing data security risks	Discussion and Analysis	NA	FN-CB-230a.2 FN-CF-230a.3	Commercial banks; Consumer finance	61
Work environment, compensation and employee commitment	Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	Asset Management & Custody Activities	38, 92
	Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	Percentage (%)	FN-CF-270a.1	Consumer finance	96

Material Topic	Topic	Accounting Metric	Category	Unit Of Measure	Code	Standard	Page
Business Development	NA	Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	Asset Management & Custody Activities	Financial State-ments
	Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	Número y Moneda de referencia en el reporte	FN-CB-000.A	Commercial banks	Financial State-ments
		(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	Número y Moneda de referencia en el reporte	FN-CB-000.B	Commercial banks	Financial State-ments
		Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Quantitative	Número	FN-CF-000.A	Consumer finance	Financial State-ments
		Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	Número	FN-CF-000.B	Consumer finance	Financial State-ments
Ethics, integrity and anti-corruption	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Moneda de referencia en el reporte	FN-AC-510a.1 FN-CB-510a.1	Asset Management & Custody Activities	61, 79
		Description of whistleblower policies and procedures	Discussion and Analysis	NA	FN-AC-510a.2 FN-CB-510a.2	Asset Management & Custody Activities	48

Material Topic	Topic	Accounting Metric	Category	Unit Of Measure	Code	Standard	Page
	Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-AC-270a.1	Asset Management & Custody Activities	48
		Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Reporting currency	FN-AC-270a.2	Asset Management & Custody Activities	65
		Description of approach to informing customers about products and services	Análisis y Discusión	NA	FN-AC-270a.3	Asset Management & Custody Activities	65
		Description of approach of environmental, social, and governance (ESG) factors in credit analysis	Análisis y Discusión	NA	FN-CB-410a.2	Commercial banks	57, 148
		Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	Reporting currency	FN-CF-270a.5	Consumer finance	79
		Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1	Commercial banks	No, estamos considerados dentro del Global Systemically Important Bank (G-SIB)
Product innovation, services and operations	Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	Number, Reporting Currency	FN-CB-240a.1	Commercial banks	143, 144, 145
		Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	Commercial banks	115, 119

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