

**FINANCIERA INDEPENDENCIA
1Q25 EARNINGS CONFERENCE CALL
WEDNESDAY APRIL 30th, 2025**

Company Participants

- Eduardo Messmacher, Chief Executive Officer
- José María Cid, Chief Financial Officer

Operator

Good morning, everyone and welcome to Financiera Independencia's 2025 First Quarter Results Conference Call. My name is Ana, and I will be your operator for today's call. At this time, all participants are in a listen only mode. After the speakers' remarks, there will be a question-and-answer session.

FINDEP released its earnings report on Friday, April 25th after the market closed. If you did not receive the report, please contact FINDEP's IR department directly and they will email it to you.

As a reminder, this video conference is being recorded. Joining us today from Financiera Independencia is Mr. Eduardo Messmacher, Chief Executive Officer, and Mr. Jose Maria Cid, Chief Financial Officer. I would now like to turn the call over to Mr. Jose Maria Cid.

Mr. Cid, you may begin.

Jose Maria Cid - Financiera Independencia – Chief Financial Officer

Good morning. Thank you for joining FINDEP's First Quarter Results 2025 conference call.

We published these results last Friday, which are available on our Investor Relations website, FINDEP.MX

I would like to remind you that the information shared during this conference call may include forward-looking statements, and as such, are subject to assumptions, uncertainties, risks, and other factors that could cause actual results to differ materially from those described, including risks that may be beyond the Company's control.

Now, I will turn the call over to Eduardo Messmacher.

Eduardo Messmacher – Financiera Independencia – CEO

Thank you, Jose Maria. Good morning, everyone.

We delivered solid results in the first quarter, demonstrating continued strength across our business and continued focus on our investment in technology and our proactive management of liquidity to fuel our growth.

I will share performance highlights from our 1Q25 operations:

- Reported Net Profit for the quarter reached 174 million pesos, another quarter of strong, consistent results.
- The top line remains strong with Interest Income up 7% from prior year and operating expenses to the average portfolio at 32% in the quarter.
- The average portfolio increased 10% versus the prior year and 2% under constant FX.
- Liquidity is abnormally high with cash at \$2.4 billion pesos driven by two important actions completed to further strengthen liquidity and support growth.
 - On March 7th, the Company announced that Apoyo Financiero, its US based subsidiary, issued US\$84.3 million Class A Notes with a coupon rate of 7.72% due on April 25, 2034, in a Private Placement ABS transaction.
 - On March 21st, the Company announced its decision to carry out a 52.7% redemption in cash of its unsecured debt instruments, called "Step-Up Senior Notes," with an interest rate of 10% and maturing on March 1, 2028. An aggregate principal amount of US\$39 million was redeemed on April 4, 2025.
- Yesterday, at our Annual Ordinary Shareholders' Meeting, the payment of a cash dividend of 1.25 billion pesos was approved, to be paid in a single installment on May 12, 2025, corresponding to accumulated results through fiscal year 2024.
- Our equity-to-asset ratio was at 50% at quarter end, 1 percentage point below the first quarter last year.

Our Mexico portfolio grew approximately 2% YoY, and our US portfolio decreased marginally by 1% YoY in dollars terms.

In 1Q25, loan origination was \$1.1 billion pesos, roughly the same level as last year, but a decrease of 6% under a constant FX. Compared to the prior quarter, total loan originations decreased 8% with originations in Mexico, increasing slightly and those in the US decreasing 15% in dollar terms. The change in each of the portfolio's origination activities in the quarter continues to reflect our responsiveness to prevailing market and macroeconomic conditions.

The consolidated NPL ratio, measured as Stage 3 loan portfolio over the total portfolio, was 5.7% in 1Q25, improving 20 basis points from the prior quarter and flat to the prior year.

Findep's write-offs amounted to 408 million pesos in the quarter, increasing 4% from the prior quarter and 11% from the prior year. Compared to the average portfolio, trailing twelve months' write-offs were 19% improving from 20% in the prior year.

NPLs plus trailing twelve-month write-offs over the total loan portfolio, including trailing twelve-month write-offs, was 20% compared with 22% in the prior year.

Now I would like to share some performance highlights from each of our businesses during the quarter.

- *Independencia* represents 33% of the total portfolio and its portfolio declined 1% YoY, with Net Interest income increasing 5%.
- *Apoyo Economico Familiar* represents 27% of the total portfolio and experienced growth of 6% YoY with Net Interest Income growing 4% versus the prior year.
- *Apoyo Financiero* represents 40% of the total portfolio, increasing 23% YoY in pesos, marginally decreasing in dollars terms. Net Interest Income was flat versus the prior year.

Our focus on building upon the Company's core strengths continues, as we kick off the year with solid quarterly performance, remaining committed to executing our strategy.

I'll now hand over the discussion to Jose Maria who will provide additional details of our results.

Jose Maria Cid – Financiera Independencia – CFO

Thank you, Eduardo.

In 1Q25 Interest Income was \$1.3 billion pesos, an increase of 7% YoY with a 9% increase in the loan portfolio or 1% under constant FX.

Interest expense of \$151 million pesos increased 2% YoY, reflecting the continued and proactive management of debt and maturities.

Net Interest Income of \$1.1 billion pesos increased 8% YoY.

The Provision for Loan Losses or PLL was \$327 million pesos in 1Q25, 10% lower compared to the prior quarter but 13% higher versus the prior year. PLL to average loans was at 16%, declining 170 basis points from the prior quarter and increasing 50 basis points from the prior year.

Non-interest expenses were \$664 million pesos in 1Q25, increasing 4% from the prior quarter and 3% from the prior year, representing 32% as a percentage of the average portfolio, compared with 30% in the prior quarter and 34% in the prior year, continuing to reflect disciplined management of the expense base.

Interest bearing liabilities increased 35% YoY or 19% under constant FX, reflective of the liquidity management actions taken in the quarter. Compared to the prior quarter, interest bearing liabilities have increased 28%, or 29% under constant FX.

The Company maintains a strong financial position with Cash and Cash Equivalents at \$2.4 billion pesos or 19% of Total Assets, and a Solvency Ratio (Equity to Total Assets) of 50%, compared to 54% in the prior quarter and 51% in the prior year.

Net debt, measured as interest bearing liabilities minus cash and cash equivalents of \$2.7 billion pesos at the end of the quarter, was down \$282 million pesos or 9% from the prior year, a 23% decline under a constant FX rate, reflecting prudent portfolio and debt management. On a sequential basis, net debt decreased \$198 million pesos.

Our operating cash flow during 1Q25 was \$623 million pesos.

The Company's Coverage Ratio was 226%, measured as Allowances for Loan Losses over Stage 3 Loans compared with 221% in the prior quarter and 233% in the prior year.

The Company's Return on Equity ratio for the quarter was 11%, decreasing 240 basis points from the prior year, and the Return on Assets ratio was 5.7%, decreasing 110 basis points from the prior year. When considering Tangible Equity for the quarter, it decreased to 13.1% vs 16.5% in the prior year.

Overall, the Company again delivered strong and consistent results for the first quarter of 2025.

Operator, we'd like to open the call for questions at this time.

Jose Maria Cid - Financiera Independencia – CFO

Thank you very much for your time and interest in Financiera Independencia. My contact information is available on our website at FINDEP.MX, if you have any further questions.

Have a great day.

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