Unifin Financiera SAB de CV presents information with respect to the adoption of International Financial Reporting Standards (IFRS)

Mexico City, Mexico – April 11, 2019 – Unifin Financiera, S.A.B. de C.V. (BMV: UNIFINA) ("Unifin" or the "Company"), presents its unaudited financial statements for the year ended December 31, 2018 prepared under International Financial Reporting Standards (IFRS) and this report that contains the principal accounting impacts of our transition to IFRS.

Background

On March 22, 2019, the Company informed that in accordance with the resolutions adopted by the Annual General Ordinary and Extraordinary Shareholders' Meeting held on March 21, 2019, it was approved, among other matters, to amend the Company's bylaws by virtue of the modification of the Company's regime from a non-regulated multiple purpose financial company in the form of a publicly traded company (S*ociedad Anónima Bursátil de Capital Variable, Sociedad Financiera de Objeto Múltiple, Entidad No Regulada*) to a publicly traded corporation (*Sociedad Anónima Bursátil de Capital Variable*).

Consequently, with the previous approval of its Board of Directors and the favorable opinion of its Audit and Practices Committee, the Company adopted International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board for the preparation and audit of its financial statements, in terms of the applicable legal provisions. This change in regime and accounting standards will allow the Company to achieve greater transparency and comparability in its financial information, considering the nature of its business.

Transition to IFRS

The audited financial statements of the Company for the year ended December 31, 2018 are our last financial statements prepared under the accounting criteria established by the Mexican National Banking and Securities Commission ("*Sofom* GAAP") which are in accordance with Mexican Financial Reporting Standards (*normas de información financiera, or* "MFRS") established by the Mexican Board for Financial Information Standards (*Consejo Mexicano de Normas de Información Financiera, A.C.* or "CINIF"), except where based on the judgment of the Mexican National Banking and Securities Commission it is necessary to apply a different accounting criteria. Therefore, the financial statements of the Company for the year ending on December 31, 2019 will be our first financial statements prepared under IFRS. Unifin has applied IFRS 1 "*First-time Adoption of International Financial Reporting Standards"* in the preparation of its financial information.

The unaudited reconciliations and descriptions of the effects and / or impacts of such transition from *Sofom* GAAP to IFRS in our financial statements, are explained in Schedule "A" hereto "Main accounting impacts in the transition to IFRS". In the opinion of the Company's management, this document describes the material adjustments that are necessary for a comparable presentation of our financial information

Main accounting impacts of the transition to IFRS

Long-term leasing accounts receivable

The leases granted by the Company, in its capacity as lessor, are recorded under IFRS 16, and will be treated as capitalized lease agreements, regardless of its operating lease nature.

Under the capitalized lease treatment, the amount receivable from the lessees is recognized as an account receivable equivalent to the net present value of the amount of the net investment of the Company in the leases, excluding the applicable Value Added Tax.

The income from capitalized leases is recognized as interest that is distributed over the accounting periods in order to reflect a constant and periodic rate of return on the Company's net investment with respect to leases.

Impairment of financial instruments

In accordance with IFRS 9, an allowance for expected credit losses must be recognized for financial assets measured at amortized cost, such as credit portfolios, factoring operations and accounts receivable for capitalized leases.

The amount of expected credit losses is updated on each reporting date to reflect changes in credit risk since its initial recognition. The effects are recognized in the income statement.

Property, machinery and equipment (fixed assets)

Only the Company's own fixed assets are presented in the balance sheet. The fixed assets leased under operating lease agreements and its corresponding depreciation, are no longer included in the Balance Sheet and the Income Statement and alternatively, an account receivable for long-term leases was recorded in its place.

Interest income

Interest income relative to lease agreements is recognized in the income statement based on the effective interest method.

Other lease benefits

Other lease benefits will be recognized when the client continues to use an asset upon the expiration of a lease agreement. .

Deferred income tax - Determination

The adjustments under IFRS had an effect on the determination of deferred income tax in accordance with the requirements established by IAS 12, "income taxes", mainly due to changes in accounting bases.

Financial liabilities

Financial liabilities related to the underwriting or issuance of financial debt instruments are initially recognized at the fair value of the obligation they represent and will subsequently be revaluated under the accrued amortized cost method through the effective interest rate, where the transaction costs (deferred credits) related to the issue are amortized through the effective interest rate and are presented in the Balance Sheet, being discounted from the financial liabilities fair value.

Foreclosed assets - Valuation

The recorded value of foreclosed assets or assets received as payment in kind, is the fair value deducted from the strictly necessary costs and expenses incurred during the foreclosure process, without considering estimated potential losses due to the passage of time established in *Sofom* GAAP accounting criteria.

Adoption of IFRS 16 as lessee/tenant

Contracts that grant the Company control over an identified asset, are recognized as a lease liability and an asset for right of use. The lease liability is initially reported at the present value of the minimum lease payments as established in IFRS 16.

The lease payments are distributed among financial expenses and the reduction of lease obligations to reach a constant base on the remaining balance of the liability.

Financial expenses are directly charged to income, unless they can be directly attributable to qualifying assets, in which case, they are capitalized in accordance to the Company's accounting policy for borrowing costs. Variable lease payments are recognized in the income statement through the periods in which they are incurred. Indexed lease increases will be considered to make a recalculation of the lease liability.

The right-of-use asset is initially calculated at cost and is subsequently measured at cost minus accrued depreciation and impairment losses.

Consolidated Balance Sheet

Ps. Million	31-Dec-18 Accounting Criteria	Adjustment	IFRS	01-Jan-18 Accounting Criteria	Adjustment	IFRS	
ASSETS							
Cash & cash equivalents, Investments in securities	3,907	(335)	3,571	2,435	(335)	2,100	(E)
Derivatives with hedging purposes	5,103		5,103	4,598		4,598	
Accounts Receivables	8,624	36,782	45,406	5,482	29,131	34,613	(B)
Allowance for loan losses	(200)	(707)	(907)	(39)	(653)	(692)	(A) (I)
Accounts Receivables - Net	8,424	36,075	44,499	5,443	28,478	33,921	
Property, machinery & equipment - Net	40,680	(39,451)	1,229	32,729	(31,734)	995	(C)
Deferred charges	2,276	(1,848)	428	2,067	(1,724)	343	(D)
Deferred income taxes	2,329	1,058	3,387	1,719	1,244	2,963	(E)
Other assets	5,071	(2,109)	2,961	5,624	(3,622)	2,002	(F)
Total Assets	**67,790**	(6,611)	**61,179**	**54,615**	(7,693)	**46,922**	
LIABILITIES AND STOCKHOLDERS' EQUITY							
Total debt securities	38,346	(2,990)	35,356	35,029	(3,253)	31,776	(D)
Total bank borrowings & loans short and long term	12,473	(155)	12,318	8,139	(77)	8,062	(D)
Other accounts payable	3,980	(956)	3,024	3,863	(1,996)	1,867	(G)
Total liabilities	**54,799**	(4,100)	**50,699**	**47,031**	(5,326)	**41,705**	
Capital stock	2,894	(24)	2,870	2,894	(0)	2,894	(E)
Subordinated obligations	4,531		4,531	0	0	0	
Capital reserves	277	(315)	(38)	188	(338)	(150)	(E)
Valuation of hedging derivatives	670		670	881	0	881	
Retained earnings	2,695	(2,030)	666	1,850	(1,775)	75	(E)
Net income for the year	1,924	(144)	1,780	1,771	(254)	1,516	(E)
Total stockholders' equity	**12,992**	(2,512)	**10,480**	**7,584**	(2,368)	**5,217**	
Total liabilities & stockholders' equity	**67,790**	(6,612)	**61,179**	**54,615**	(7,693)	**46,922**	

(A) NIIF (IFRS): Additional allowances created under the Expected losses methodology.

(B) SOFOM Accounting Criteria: The total portfolio only included factoring, auto loans and other credits. IFRS: Under the new criteria, the net present value of the total account receivable is recorded. (including leasing, factoring, auto and other loans)

(C) SOFOM Accounting Criteria: Net value of total assets (owned and leased). IFRS only accounts for assets owned by the Company.

(D) The expenses of each issuance are netted against each financial liability that originated such expenses and are presented as amortized cost.

(E) Various adjustments and reclassification due to IFRS format

(F) SOFOM Accounting Criteria: leasing accounts receivables were registered in Other accounts receivables. (IFRS): Leasing accounts receivables are registered in Accounts Receivables and presented using the net present value of those accounts. Additional adjustment on Fixed Assets, eliminating the allowance for loan losses in that account that was used in according to the past SOFOM Accounting Criteria.

(G) Corresponds to a reclassification done in the deferred credits account vs. other accounts receivables as well as a reclassification done in the advances to suppliers' vs the sundry creditors account.

(H) Income acknowledgement (operating lease vs capital lease) and a change in the allowance for loan losses account. (expected loss)

Consolidated Income Statement

Ps. Million

	31-Dec-18					
	Accounting Criteria		**Adjustment**	**(IFRS)**		
	$	%	$	$	%	
Operating lease income	14,761	77.9%	(14,761)		0.0%	(A)
Interest income	2,588	13.7%	5,798	8,385	96.4%	(A) (D)
Other lease benefits	1,596	8.4%	(1,285)	311	3.6%	(C)
Total revenue	**18,944**	**100.0%**	(10,248)	**8,696**	**100.0%**	
Depreciation of assets under operating lease	8,005	42.3%	(8,005)			(B)
Interest expense	5,515	29.1%	(21)	5,494	63.2%	(E)
Commisions		0.0%	43	43	0.5%	(E)
Other lease expenses	1,619	8.5%	(1,451)	168	1.9%	(C)
Total expenses	**15,139**	**79.9%**	(9,434)	**5,705**	**65.6%**	
Nominal financial margin or Gross Profit (NIIF)	**3,805**	**20.1%**	(815)	**2,991**	**34.4%**	
Allowance for loan losses	**251**	**1.3%**	0	**251**	**2.9%**	
Financial margin adjusted for credit risk	**3,555**	**18.8%**	(815)	**2,740**	**31.5%**	
Admin. Expenses	1,092	5.8%	0	1,092	12.6%	
Commissions and fees paid	43	0.2%	(43)			(E)
Other operating income - Net	(26)	-0.1%	26			(E)
Depreciation of owned assets			34	34	0.4%	(E)
Expenses (income) from the sale of fixed assets			6	6	0.1%	(E)
Total Operating Expenses	**1,109**	**5.9%**		**1,131**	**13.0%**	
Operating income (loss)	**2,446**	**12.9%**	(837)	**1,609**	**18.5%**	
Equity methods/subsidiaries	**36**	**0.2%**	(0)	**36**	**0.4%**	
Exchange Profit (loss) net				231	2.7%	
Otros income (expense)				361	4.1%	
Total Comprehensive financing result				**592**	**6.8%**	(D)
Income (loss) before tax expense	**2,482**	**13.1%**	(281)	**2,201**	**25.3%**	
Current income tax	1,168	6.2%	(288)	880	10.1%	(E)
Deferred income tax	(610)	-3.2%	186	(424)	-4.9%	(E)
Income tax expense	**558**	**2.9%**	(102)	**457**	**5.3%**	
Net income (loss)	**1,924**	**10.2%**	(144)	**1,780**	**20.5%**	

(I) SOFOM Accounting Criteria: The allowances for loan losses only considered the factoring and auto and other loans businesses. (IFRS) The allowances for loan losses considers all the products.

(A) SOFOM Accounting Criteria: Considered income for leasing rents accrued in the period. (IFRS) Registers the interest income from leasing contracts, using the effective interest method.
(B) (IFRS): Considering that the net fixed assets account is no longer presented, the depreciation of those assets is removed from the P&L.
(C) Reclassification effect after presenting the net income proceeding the sale of the fixed assets and its corresponding expense to the initial commission.
(D) Adjustment to the presentation of FX fluctuations and interest derived from investments
(E) Diverse adjustments to the presentation of assets, income acknowledgement and reclassifications

Consolidated Income Statement

Ps. Million

	IFRS									
	1Q18		2Q18		3Q18		4Q18		2018	
	$	%	$	%	$	%	$	%	$	%
Leasing Interest	1,439	75.3%	1,521	71.4%	1,729	77.1%	1,900	78.8%	6,589	75.8%
Auto loan interest	74	3.9%	79	3.7%	77	3.4%	79	3.3%	309	3.6%
Factoring interest	82	4.3%	106	5.0%	104	4.6%	122	5.1%	414	4.8%
Other credits interest	162	8.5%	241	11.3%	169	7.5%	207	8.6%	779	9.0%
Commsions	103	5.4%	75	3.5%	58	2.6%	57	2.4%	294	3.4%
Others	50	2.6%	109	5.1%	106	4.7%	46	1.9%	311	3.6%
Total income	**1,910**	**100.0%**	**2,130**	**100.0%**	**2,244**	**100.0%**	**2,412**	**100.0%**	**8,696**	**100.0%**
Interest expense	1,228	64.3%	1,277	59.9%	1,436	64.0%	1,553	64.4%	5,494	63.2%
Commissions	16	0.8%	10	0.5%	9	0.4%	8	0.3%	43	0.5%
Others	60	3.1%	42	2.0%	42	1.9%	25	1.0%	168	1.9%
Total Expenses	**1,303**	**68.2%**	**1,329**	**62.4%**	**1,487**	**66.3%**	**1,586**	**65.7%**	**5,705**	**65.6%**
Gross Profit	**607**	**31.8%**	**801**	**37.6%**	**757**	**33.7%**	**826**	**34.3%**	**2,991**	**34.4%**
Allowance for loan losses	**45**	**2.4%**	**90**	**4.2%**	**56**	**2.5%**	**60**	**2.5%**	**251**	**2.9%**
Adjusted Gross Profit	**562**	**29.4%**	**711**	**33.4%**	**701**	**31.2%**	**766**	**31.8%**	**2,740**	**31.5%**
Admin. Expenses	266	13.9%	280	13.1%	291	13.0%	255	10.6%	1,092	12.6%
Depreciation of owned assets	15	0.8%	19	0.9%	0	0.0%	0	0.0%	34	0.4%
Expenses (income) from the sale of fixed assets	(65)	-3.4%	(27)	-1.3%	(1)	0.0%	99	4.1%	6	0.1%
Total Operating Expenses	**216**	**11.3%**	**271**	**12.7%**	**291**	**13.0%**	**354**	**14.7%**	**1,131**	**13.0%**
Operating income (loss)	**346**	**18.1%**	**440**	**20.7%**	**411**	**18.3%**	**412**	**17.1%**	**1,609**	**18.5%**
Exchange Profit (loss) net	61	3.2%	(34)	-1.6%	97	4.3%	107	4.4%	231	2.7%
Otros income (expense)	118	6.2%	52	2.5%	64	2.9%	127	5.2%	361	4.1%
Total Comprehensive financing result	**179**	**9.4%**	**19**	**0.9%**	**161**	**7.2%**	**233**	**9.7%**	**592**	**6.8%**
Income (loss) before tax expense	**524**	**27.5%**	**459**	**21.5%**	**572**	**25.5%**	**646**	**26.8%**	**2,201**	**25.3%**
Current income tax	121	6.4%	272	12.8%	229	10.2%	258	10.7%	880	10.1%
Deferred income tax	10	0.5%	(199)	-9.3%	(110)	-4.9%	(124)	-5.2%	(424)	-4.9%
Income tax expense	**131**	**6.9%**	**73**	**3.4%**	**119**	**5.3%**	**134**	**5.6%**	**457**	**5.3%**
Equity methods/subsidiaries	**(1)**	**-0.1%**	**11**	**0.5%**	**9**	**0.4%**	**18**	**0.7%**	**36**	**0.4%**
Net income (loss)	**392**	**20.5%**	**397**	**18.7%**	**462**	**20.6%**	**529**	**21.9%**	**1,780**	**20.5%**