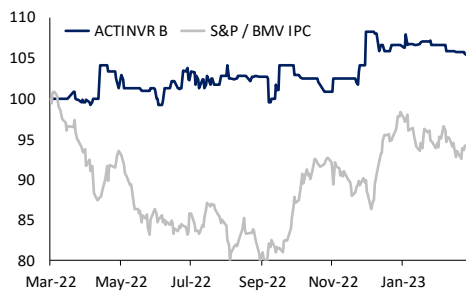


# CORPORACIÓN ACTINVER: Initiation of Coverage

## Digital transformation that will drive growth

ACTINVR B	BUY
Target Price (MXN\$)	\$ 19.00
Current Price (MXN\$)	\$ 12.65
Min / Max (L12M)	\$11.59 - 13.00
Expected Dividend (MXN\$)	\$ 0.35
Expected Return	53.0%
Market Cap (MXN\$ Mn)	6,755
Outstanding Shares (Mn)	534.0
Float	34.2%
6-month ADTV (MXN\$ Mn)	\$ 4.3



### INVESTMENT THESIS

*We are initiating coverage on CORPORACIÓN ACTINVER S.A.B. DE C.V. ("ACTINVER") with a BUY recommendation and MXN\$19.00/share target price.*

**New business model.** ACTINVER is implementing a strategic transformation process based mainly on the segmentation of its customers with a differentiated value offer, which includes digital, flexible, and personalized service models according to the preferences and needs of each segment, which we believe will accelerate its growth and profitability. We estimate that net profits will increase at an average annual rate of 15% during the 2023-2028 period, while ROE will reach 15.0%.

**Solid fundamentals.** In our opinion, ACTINVER's fundamentals are solid as they include its position as one of Mexico's largest financial groups specialized in investments, focused on providing financial advice to both individuals and companies, through 5 main business lines: Wealth Management, Asset Management, Global Markets, Corporate & Investment Banking and Digital Channels with an attractive product offer, extensive distribution network, alliances with global and local players, diversified funding sources, acquisitive potential, experienced management and excellent corporate governance.

**Low valuation.** ACTINVER's shares currently trade at a P/VL of 0.9x and a projected 2023 P/E of 5.9x. These multiples are below those of comparable international companies in the wealth and asset management industry, which we believe represents a clear investment opportunity.

**Target price.** We set our MXN\$19.0/share target price through a Gordon Shapiro model that includes the following variables: i) 5.7% growth rate in perpetuity in nominal terms; and ii) long-term ROE of 19.0%.

March 30<sup>th</sup>, 2023

**Martin Lara**  
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## ACTINVER's MAIN ADVANTAGES

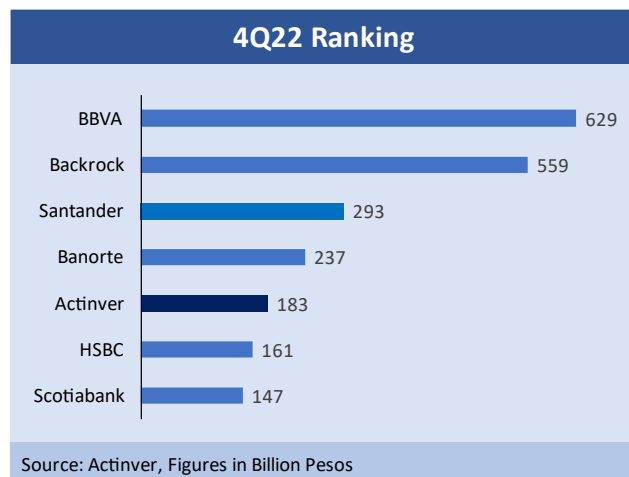
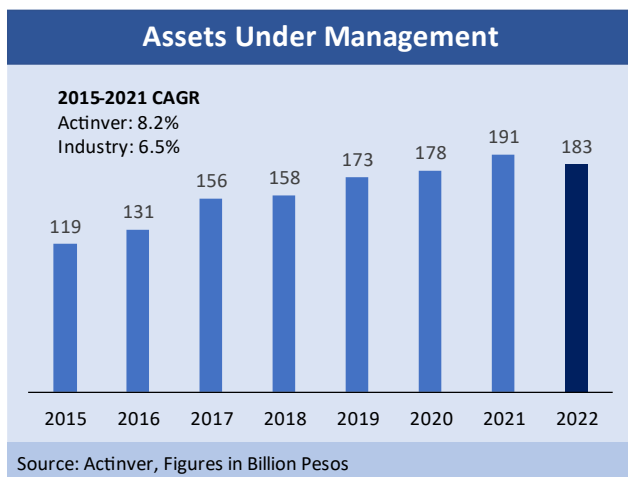
- **New business model which will trigger growth.** ACTINVER is implementing a successful and profound strategic transformation process focusing on growth with profitability, offering a better investment experience. The company's main objective for 2025 is to reach 1 million profitable customers, from the current 334,000, and generate scalable growth in each of its business lines. This transformation includes:
  1. Value offer and flexible and personalized service model, adapted to each segment, with greater automation for Wealth Banking and greater customization for Private Banking and Wealth Management. It includes an advised model, a non-advised model (Bursanet), a hybrid model and a 100% digital model (DINN), all supported by technological tools to improve the customer experience and increase efficiency. This is one of ACTINVER's main competitive advantages, which we believe will continue helping the company to gain market share, thus serving all customer segments profitably. Most competitors are migrating to fully digitized models that limit human contact;
  2. Bursanet is a digital platform for domestic and international investments for unadvised clients. It provides access to more than 2,500 investment instruments in a fully digital experience, with no minimum amount. With competitive commissions and banking services at no additional cost. Access to specialized tools, investment ideas, educational content that facilitates the experience and operation on the platform.
  3. DINN is a 100% digital model that seeks to simplify investments and guide and accompany a younger segment, with a low level of investment education for first-time clients. It has 3 products: physical and digital debit card with cashback, remunerated account that pays 50% of CETES, without minimum deposit and no commissions and 4 investment strategies according to the client's profile. The opportunity for DINN is enormous considering that in Mexico there are around US\$300 billion in interest-free bank accounts. It currently has 200 thousand active users with N2 accounts; however, it plans to upgrade to N4 accounts over the next few months so it will be able to offer payroll services. It also plans to provide additional digital financial advisory services, savings goals, promissory notes and payroll portability.
  4. Digital and face-to-face service channels through its extensive distribution network in Mexico, according to customer preferences.
  5. New and improved digital tools for both clients and advisors that support the previous models:
    1. E-Actinver is transactional digital banking, easy to navigate, consult, and operate for all customers.
    2. LUCY, ACTINVER's virtual assistant, serves customers when and where they want, to consult account information and execute transactions.
    3. Tools for listening to customer's voice in real time through surveys, to improve customer experience and decision making.

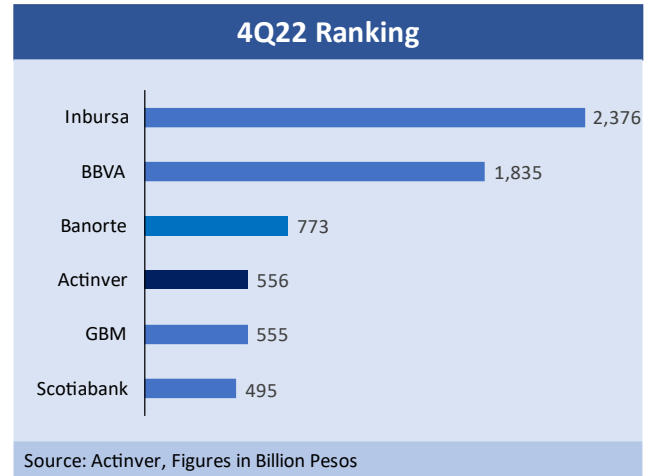
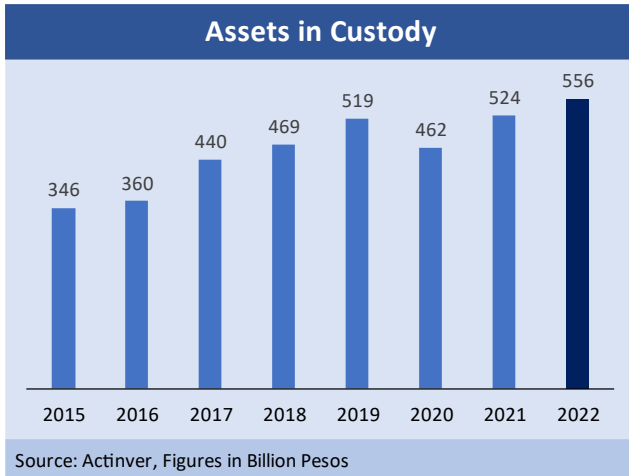
4. CRM that supports digital marketing, sales and customer service, contributing to sales growth, productivity and improved customer experience.
5. Other internal tools that increasingly raise the standards of advice offered to clients and improve investment decision-making.
6. Customer acquisition through digital campaigns.
7. Automation, operational efficiency and improvement in service. The company is investing heavily in the automation of its processes in order to improve the customer experience, reduce costs and increase profitability.

Like all financial institutions, ACTINVER has to face greater competition for the entry of new digital players, which significantly reduces the barrier to entry into savings products in particular. Currently, the company charges a commission between 1.0% and 1.5% in its fixed income funds where it concentrates 70% of assets under management. Undoubtedly, the trend is that these commissions will decrease in the future. ACTINVER's challenge is to grow its market to have more clients and assets under management, and lower its costs through the implementation of digital tools and efficiency, to maintain its margins despite facing lower commissions. We are confident that it will succeed.

At the same time, ACTINVER has a great opportunity to sell more products to its current customers, taking advantage of digitalization to serve new customer segments. In its current plans, the company plans to increase its loan portfolio by 15% per year, and grow in insurance. It has recently provided free life insurance to all its clients with a balance exceeding MXN\$100k, ensuring the protection of its clients' assets.

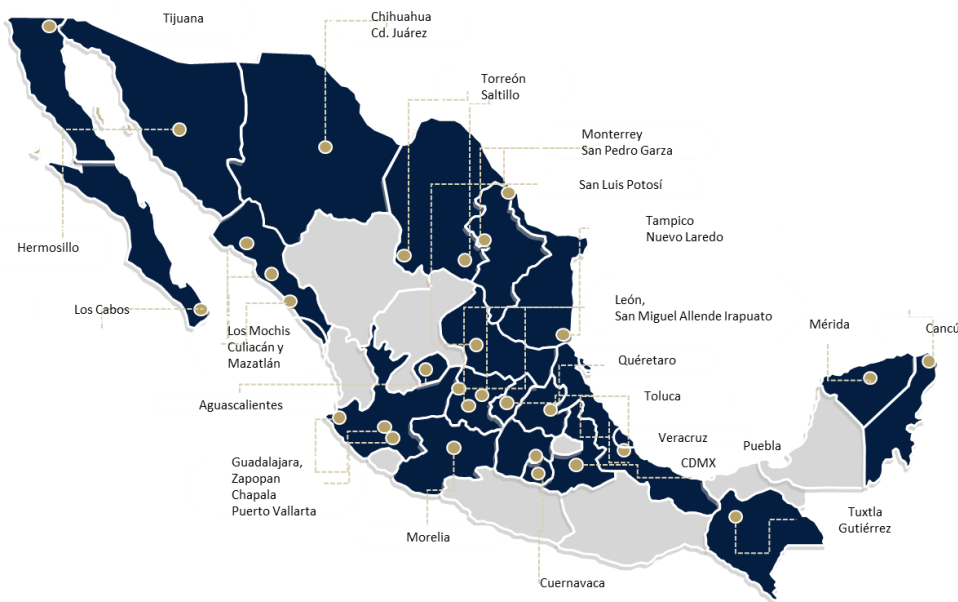
**One of the largest financial groups in Mexico specialized in investment through 5 main business lines: Wealth Management, Asset Management, Global Markets, Corporate & Investment Banking and Digital Channels.** ACTINVER is the country's fifth largest asset management company with MXN\$183 billion in assets under management at the end of 2022. In addition, it owns one of the largest brokerage firms with assets in custody of more than MXN\$556 billion. ACTINVER also commands a preponderant place in investment banking (debt issuances), and equity trading.



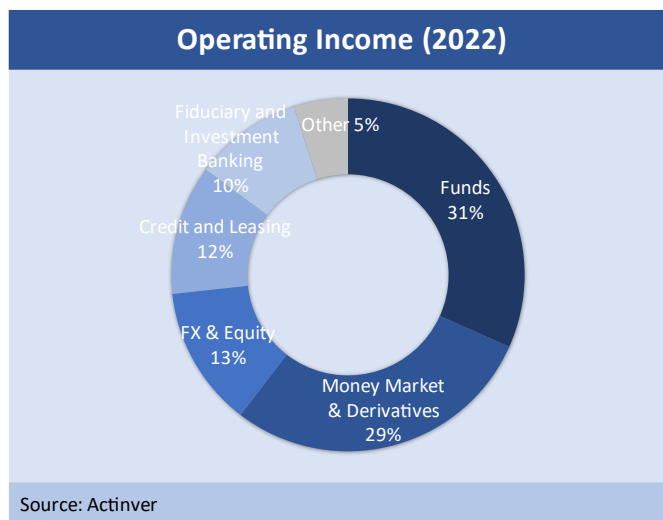
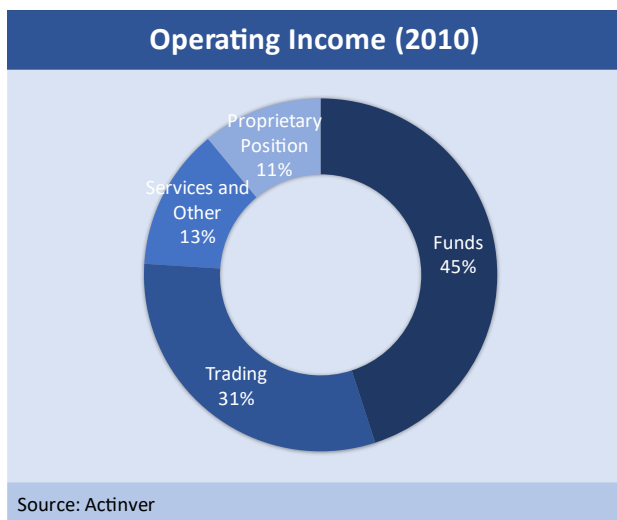


**Wide range of financial products.** Currently, ACTINVER, through Bursanet, its digital broker, offers more than 100 own and third-party funds, which is one of its main competitive advantages over other Mexican and international financial groups. This includes domestic and international equity funds, fixed income funds, ETFs, hedge funds, commodities, thematic, and sectorial funds. The company has always been at the forefront of financial product innovation.

**Extensive distribution network.** ACTINVER serves more than 334 thousand customers through an extensive distribution network that includes 48 financial centers, more than 600 financial advisors and corporate bankers, more than 2,000 employees and various digital tools.



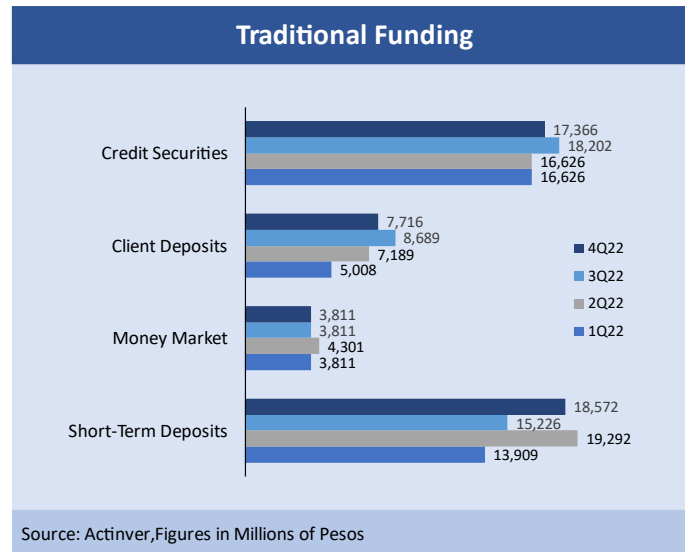
**Diversified revenues.** ACTINVER has diversified its revenues in a significant way in recent years. Currently, the company offers a wide range of products including investments, credit, investment banking, fiduciary and social security, leasing, wealth protection solutions and digital platforms.



**Alliances with global players.** Acon Investments, one of the world’s largest private equity funds, acquired bonds in September last year that can be converted into an amount equivalent to up to 15% of ACTINVER's equity. In addition, ACTINVER acquired part of the asset portfolio of Credit Suisse's Private Banking clients, has alliances with Franklin Templeton, Axa Investment Managers, Legg Masson Global Asset Management and Global X in asset management, as well as a Joint Venture with Mapfre.

**Alliance with Liverpool.** ACTINVER entered into an agreement of intent with Liverpool to offer banking, savings and investment products and solutions to current and potential customers of the department store company. We believe this alliance will significantly strengthen ACTINVER's competitive position within the financial sector. Liverpool has 300 points of sale and is one of the country’s largest credit card issuers. This alliance is expected to begin operations by the end of 2023.

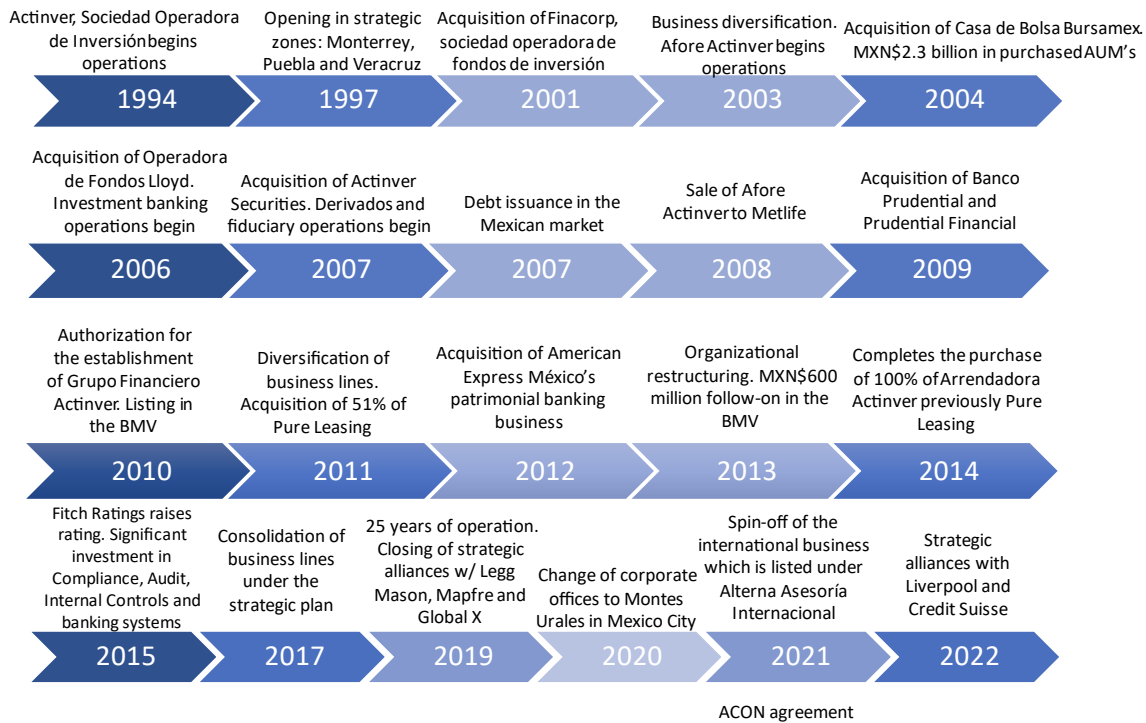
**Diversified funding sources.** ACTINVER has several funding sources including the interbank market, money market, domestic bond market, and customer deposits. Its credit ratings allow it to issue bonds at any time.



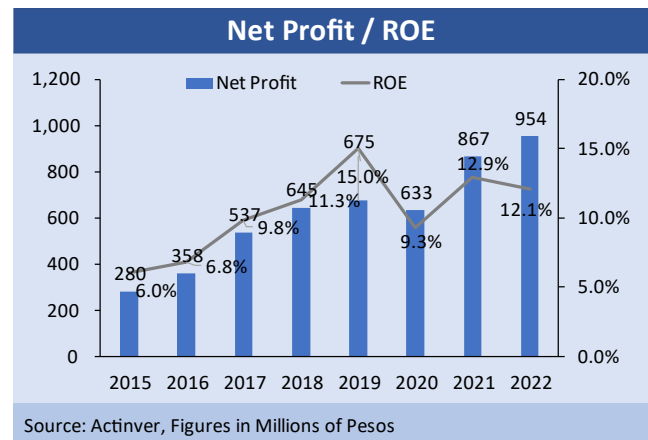
Credit Ratings			
Long Term	Fitch Ratings	Verum	HR Rating
Corporación Actinver	AA-(mex)	AA-/M	HR AA-
Banco Actinver	AA(mex)	AA/M	HR AA
Actinver CB	AA(mex)	AA/M	HR AA
Arrendadora Actinver	AA-(mex)	AA-/M	HR AA-
<b>Short term</b>	F1+(mex)	1+/M	HR1
<b>Outlook</b>	Stable	Stable	Stable

Source: Actinver

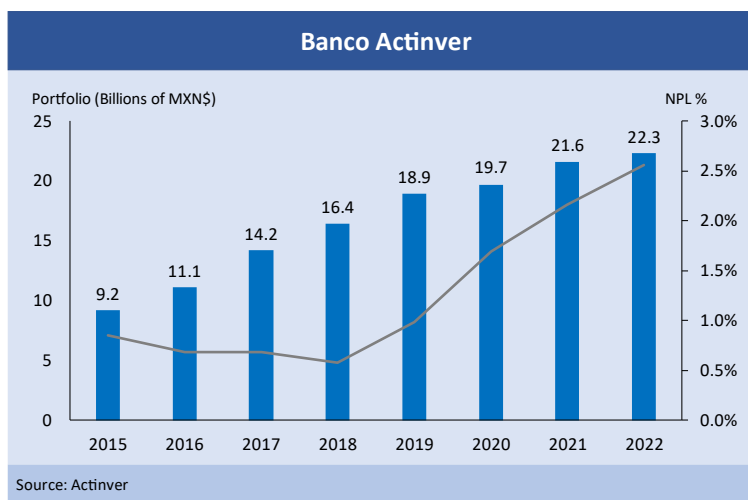
**Acquisitions.** ACTINVER has acquired several companies since its founding, including Operadora Finacorp, Bursamex Casa de Bolsa, Operadora de Fondos Lloyd, Actinver Securities, Prudential Financial Operadora de Fondos de Inversión, Prudential Bank, American Express’ private banking business and 99.99% of Arrendadora Pure Leasing in several transactions.



**Experienced management / Attractive historical growth.** ACTINVER's executive team has more than 30 years of experience in the Mexican financial market. It has grown the assets managed by the operator and the assets in custody of the brokerage house at an average annual rate of 6% and 7%, respectively, during the 2015-2022 period. This has generated an average annual growth of 9% in operating income and 19% in the company's net income.



For its part, Banco Actinver's loan portfolio has shown solid but prudent growth in recent years, maintaining a low NPL ratio and high coverage.



ACTINVER’s main executives are:

- Hector Madero Rivero.** Chairman of the Board and Chief Executive Officer. He holds a bachelor’s degree in Business Administration from ITAM. From 1991 to 1993 he was President of Inverlat International, and from 1993 to 1995 he was President of Bursamex Internacional Casa de Bolsa and Deputy CEO of the international area and the equity trading desk of Bursamex Casa de Bolsa. Since 1996, he has been Chairman of the Board of Directors and CEO of Corporación Actinver. Mr. Héctor Madero is Chairman of the Board of Directors of Grupo Financiero Actinver, Actinver Casa de Bolsa, Operadora Actinver, and Banco Actinver and is a Board director of the investment funds operated by Operadora Actinver.
- Fernando Pérez Pérez.** Deputy CEO of Actinver. He holds a degree in Business Administration from Universidad Iberoamericana A.C. He has more than 35 years of experience in the financial sector working as manager, deputy director, COO at Casa de Bolsa Inverlat and Scotiabank for 18 years. Fernando Pérez has more than 15 years of experience as executive director of sales, regional director and CEO of Actinver Casa de Bolsa.
- Luis Hernández Rangel.** Deputy CEO and Executive Director of Finance and Operations. He graduated in Accounting from ITESM. He obtained an MBA from ITAM as well as a leadership program from Wharton Business School and various certifications in Latin America and the USA. Before joining Actinver, he held management positions in domestic and international financial institutions such as Bank of America Merrill Lynch Mx, where he served as COO and CFO (2011-2014); CFO at Citibanamex (2009-2011); COO at Chubb Insurance (2006-2009); Deputy CFO at Citigroup Asset Management LatAm (2000-2006); and CFO, COO and CIO for JP Morgan (1995-2000). He has more than 25 years of experience in the Mexican financial sector.
- Lorenza Martínez Trigueros.** Banco Actinver CEO. She holds a PhD in Economics with a specialty in International Economics and Industrial Organization from the Massachusetts Institute of Technology (MIT) and a Bachelor's Degree in Economics with honors from ITAM. She has 20 years of experience in

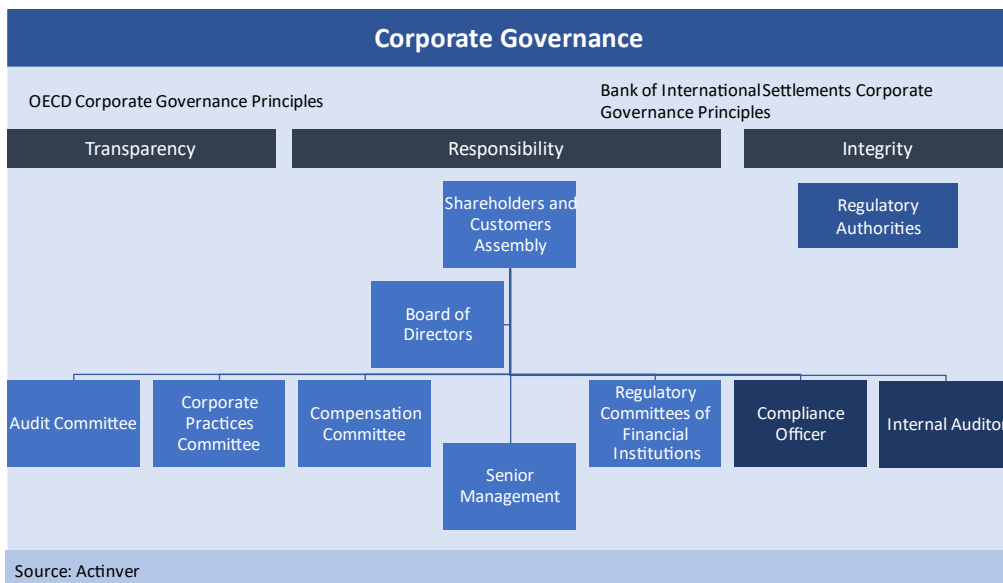


the financial sector, economic regulation and monetary policy, as well as in projects related to digital payment, holding high-level positions in the Mexican public sector in agencies such as Banco de México, Ministry of Economy, and Ministry of Finance and Public Credit, as well as in Accenture, among others.

- **Lourdes Arana.** Executive Director of Actinver Patrimonial and marketing. Industrial Engineer from Escuela Técnica Superior de Ingenieros Industriales de Zaragoza. Master of Engineering from Carnegie Mellon University with the Fulbright scholarship and the ITT international scholarship. She holds an MBA from IESE and the Universidad de Navarra. Her experience includes senior and executive positions focused on new business development, digital transformation, M&A, sales force management and development and implementation of business strategies in various sectors including consulting, financial, insurance, telecommunications and retail. She has more than 25 years of experience directing strategic and transformational projects in companies with global impact such as McKinsey & Co., Satmex, ING México-Sura, Grupo Lala and Telefónica Movistar.
  
- **Simon Blondin.** CEO of Private Banking and Wealth Management. He holds a degree in International Relations from the Graduate Institute of International Studies in Geneva, Switzerland, and an MBA from IPADE. His professional experience in Switzerland and Mexico includes management and executive positions for Mexico and Latin America in Private Banking and Wealth Management in international financial institutions such as UBS (13 years), as well as Credit Suisse (6 years) where he led the Advisory Office for Mexico as COO and CEO. Simon is the founder and current President of the Swiss-Mexican Chamber of Commerce and Industry (Swisscham).
  
- **Ernesto Mariscal.** Executive Director of Actinver Patrimonial. He joined Actinver in November 1997 and since then has held various management positions including Director of Private Banking, Divisional Director, Director of Wealth Management and since November 2020 he is Executive Director of Actinver Patrimonial.
  
- **Joaquín Gallastegui Armella.** Executive Legal Director. He holds a Law Degree from the Universidad Iberoamericana with a specialty in Corporate Law. He was a partner of the law firm Gallastegui, Armella Abogados, S.C. from 1983 to 2004. From 2006 to 2011, he was Legal Director of Grupo Tres Marías. In 2011, he joined ACTINVER as Legal and Fiduciary Director. Since 2021, he is CEO of Grupo Financiero Actinver.
  
- **Julio Ignacio Cárdenas Sarre.** Executive Director of Actinver Global Markets. Degree in business administration and financial strategies from the Universidad Panamericana. His experience extends to senior positions, managers and executives in the financial sector specializing in market operations reaching more than 30 years working in local and international companies including "Head of FX, Derivative Book and Fixed Income" for JP Morgan (7 years); "Head of Trading" for Bank of America (2 years); "Head of Trading, Global Markets and Balance Sheet" for HSBC MX (11 years); CEO and partner of BilliB; and independent member of the board of Afore CitiBanamex and Terrafina (5 years).

- Jorge Miguel Fernández García Travesí.** Actinver’s Executive Director of Systems. He holds a Bachelor's Degree in Economics from ITAM, diplomas in Information Technology from ITAM, and Senior Management program from IPADE. He has more than 40 years of professional experience in the financial sector of which 25 years were at Santander where he held several positions in executive management including Global Wholesale Banking operation, CIO and digital transformation and Innovation. Among his projects was the launching of Santander's digital factory, facilitating the development and deployment of digital products (apps, wallets, mobile banking, etc.) which positioned Santander in the 3rd place in terms of number of digital customers.
- Julio Serrano Castro Espinosa.** He graduated from ITAM. He has a degree in Economics and a Master's Degree in Administration from the same institution. Mr. Serrano has nearly 40 years of experience in the field. In 2006, he founded the Investment Banking area at Actinver and from 2016 to early 2021 he held several positions including Executive Director of Analysis, International Sales, Equity, and Institutional Sales. He currently serves as Executive Director of Corporate Banking and Investment Banking.

**Solid Corporate Governance.** ACTINVER’s Board consists of 16 Directors, of which 56% are independent, including several renowned entrepreneurs. In addition, it has Audit, Corporate Practices, Risks, Investments, Remuneration, Nominations, and Technology and Digital Strategy Committees, most of which are chaired by independent directors.

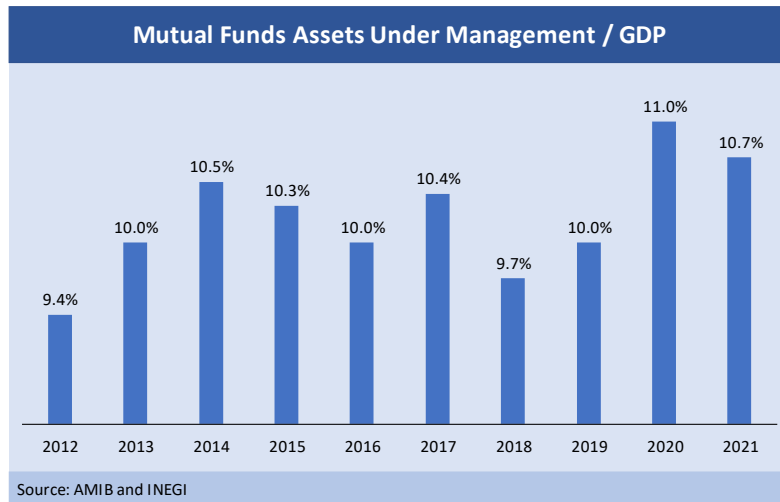


**SIGNIFICANT GROWTH OPPORTUNITIES IN THE MEXICAN FINANCIAL MARKET**

In our opinion, ACTINVER is well positioned to take advantage of significant growth opportunities that currently exist in the Mexican financial market.

**Investment funds**

Mexico’s total assets under management represented 10.7% of the country’s GDP in 2021 and have remained at those levels for the past few years, according to the Mexican Association of Stock Exchange Intermediaries (AMIB) and INEGI. This figure is very low compared to other similar Latin American countries such as Brazil (79.9% in 2020, World Bank), and Chile (28.5% in 2020, World Bank) and significantly below Spain (28.9% in 2020, World Bank) and the United States (125% in 2019, Federal Reserve of St. Louis). For this reason, we expect this industry to grow at an average annual rate of 7% during the 2023-2028 period, slightly above GDP in nominal terms.



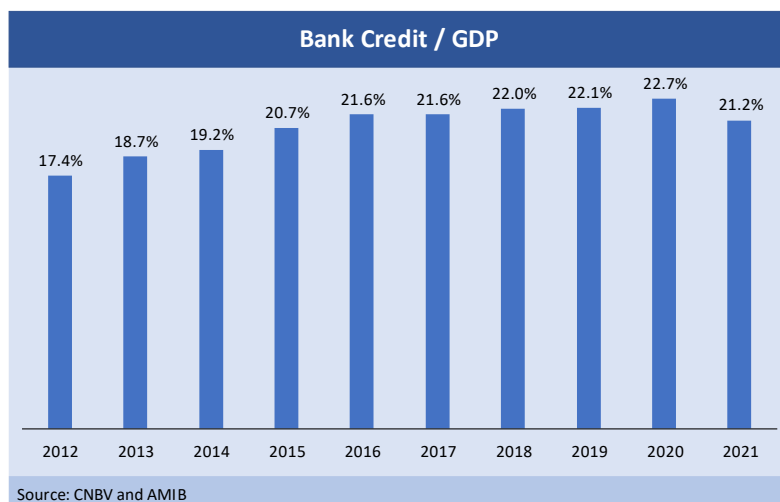
**Equity Market**

The total capitalization of the Mexican stock market represented only 36% of GDP, which was significantly below Brazil (68.2% in 2020), Chile (73.0% in 2020), Colombia (39.3% in 2020) and Peru (43.2% in 2020), according to World Bank figures.



**Bank credit**

Total bank credit represented 21% of GDP in 2021 according to figures from the National Banking and Securities Commission (CNBV) and AMIB. This figure is also lower than that of Brazil (70.0% in 2020), Chile (124.6% in 2020) and Colombia (54.3% in 2020), also according to World Bank statistics. As a result, we project that this industry will grow at an average annual rate of 9% during the aforementioned period.



**ACTINVER’S FAVORABLE PROSPECTS**

We expect operating income to grow at an average annual rate of 10% during the 2023-2028 period.

We estimate that the financial margin will increase 9% per year driven by a 10% rise in the net loan portfolio and higher lending rates, partially offset by a higher cost of funding. We also anticipate that the adjusted financial margin will be up 10% per year as we expect provisions to remain under control during the aforementioned period.

ACTINVER's assets under management have grown at a 9% average annual rate within the 2012-2022 period. We project that growth will accelerate to 14% on average annually stemming from the partnership with Credit Suisse, the significant investments the company is making in digitalization and automation, and a higher penetration of this industry as a percentage of GDP. In addition, we expect ACTINVER to launch new and innovative products such as a "Nearshoring" fund in order to take advantage of market trends. At Alpha Solutions, we expect a 15-18% average annual growth.

Total assets under custody have increased at an 8% average annual rate during the 2012-2022 period. We conservatively anticipate that they will rise at a 12% annual rate due to the expected performance in terms of assets under management. This will boost ACTINVER's net commissions by 12% on average per year.

ACTINVER charges a 2% commission on average in equity funds and between 1.0-1.5% in fixed income funds. However, we believe that such commissions will tend to decrease in the future taking into account

international trends. For example, Fidelity Investments offers commission-free funds and is listing other funds as ETFs.

In the case of equity markets, fees have decreased significantly in recent years. Currently, ACTINVER’s trading desks charges a fee of 10-75 bps per transaction in equities and 5 bps in fixed income. However, some international brokerage firms, such as Fidelity and Robinhood, do not charge any commissions for domestic equity transactions to their clients.

As for trading revenues, we conservatively expect them to be up 5% per year. However, this is the most volatile item.

We believe that expenses will remain high during 2023 and 2024 due to investments in technology. However, we anticipate an improvement in such item in subsequent years due to lower investments and economies of scale, which will bring down the efficiency index to 71% in 2028, from the current level of 77%.

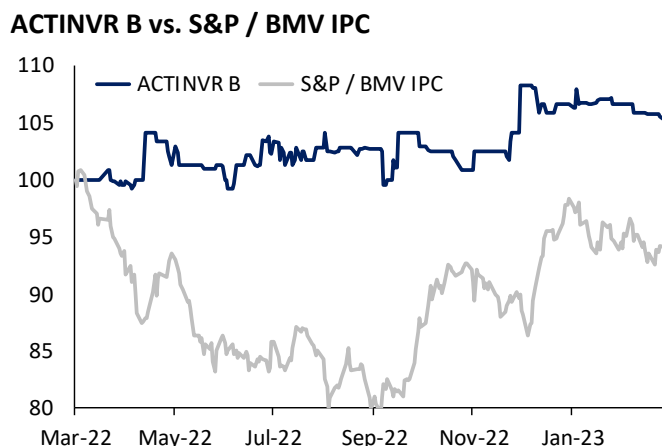
As a result, we are forecasting that net profits will grow at a 15% average annual rate within the 2023-2028 period. ROE will improve to 15.0%, from the current level of 12.8%.

With respect to the financial structure, we believe that customer deposits will continue to increase significantly over the next few years as the company asks for reciprocity when its grants credit. In addition, it has broad access to the debt markets with its current credit ratings. This will allow it to continue to have diversified sources of funding.

**VALUATION**

**Performance vs. S&P / BMV IPC**

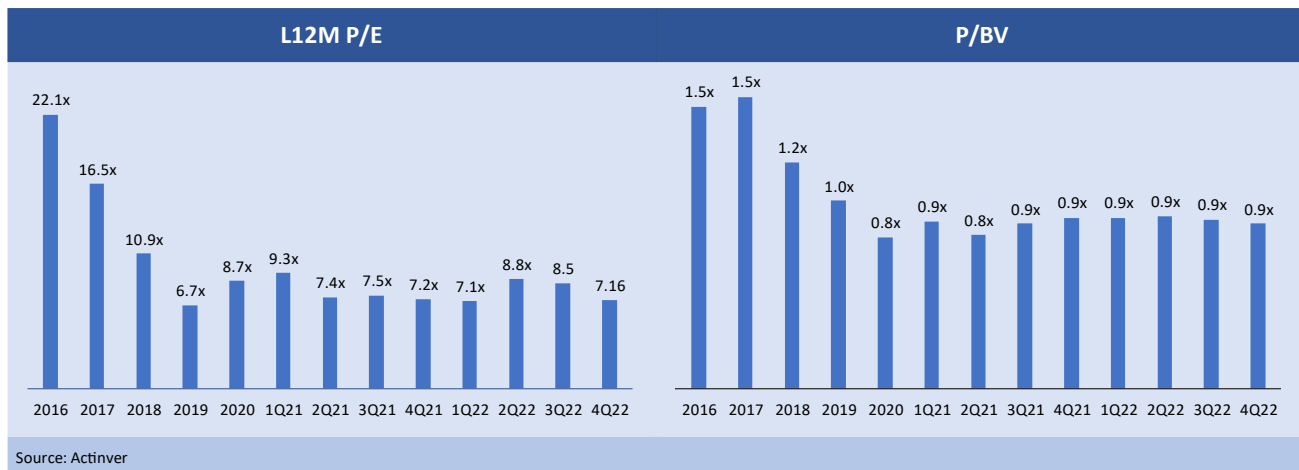
ACTINVER shares have outperformed the S&P/BMV IPC over the past twelve months. We expect them to continue outperforming in the future due to their low valuation and strong company prospects.



Source: Bloomberg

**Historical multiples**

ACTINVER shares are currently trading at historically low multiples, which we believe represents a clear investment opportunity.



**Valuation – Asset Management Companies**

We believe ACTINVER should be valued as a wealth and asset management company since most of its revenues come mainly from the commissions it charges in the asset management business. ACTINVER shares trade at a P/BV of 0.9x and a projected P/E of 5.9x. These multiples compare favorably to the averages of 1.5x and 13.4x of international asset management companies.

**Valuation International Asset Management Companies**

Company	Country	Price	Mkt Cap. (USD Mn)	L12M	P/E		P/BV		Δ% Net Profit		Div. Yield
		(USD) 29-Mar-23			2023E	2024E	Current	ROE	2023E	2024E	
Corporación Actinver	Mexico	\$ 0.70	373	7.1x	5.9x	5.3x	0.9	12.8	20%	11%	2.7
Blackrock	US	\$ 655.26	99,077	19.1x	19.2x	16.9x	2.6	13.7	0%	14%	3.1
State Street	US	\$ 75.38	25,967	9.4x	9.2x	9.2x	1.0	10.9	2%	0%	3.3
T Rowe Price	US	\$ 110.29	24,762	15.9x	16.6x	15.9x	2.6	17.0	-4%	4%	4.4
Franklin Resources Inc.	US	\$ 26.52	13,267	13.2x	11.5x	10.4x	0.9	n.a.	-11%	10%	4.5
Amundi	France	\$ 61.10	12,391	9.5x	9.8x	9.2x	1.1	11.3	-74%	7%	7.3
Schroders	UK	\$ 5.54	8,917	14.8x	12.8x	11.9x	1.6	11.3	16%	8%	4.7
Invesco	US	\$ 15.99	7,269	7.9x	9.8x	8.4x	0.4	6.0	-20%	17%	4.7
IGM Financial	Canada	\$ 29.61	7,037	10.6x	10.7x	9.8x	1.5	13.7	-1%	9%	5.6
DWS Group	Germany	\$ 30.27	6,046	9.7x	9.0x	7.8x	0.7	7.8	8%	15%	7.3
Affiliated Managers	US	\$ 138.12	4,953	4.3x	6.8x	6.4x	1.1	38.1	-37%	7%	0.0
Abrdn Plc	UK	\$ 2.57	5,143	(7.4x)	19.1x	17.1x	0.7	(8.2)	-139%	12%	7.0
Janus henderson Group	UK	\$ 25.77	4,268	12.4x	12.4x	11.5x	0.9	7.5	-8%	8%	6.1
AllianceBernstein	US	\$ 35.56	4,047	14.8x	12.8x	11.5x	2.0	14.8	15%	11%	7.9
Man Group Plc	UK	\$ 3.04	3,671	6.0x	9.2x	8.8x	2.2	36.3	-35%	6%	5.2
Azimut Holding	Italy	\$ 21.02	3,008	7.1x	7.5x	6.9x	1.9	31.1	-5%	7%	6.7
Cohen & Steers	US	\$ 61.27	3,009	17.6x	19.2x	16.5x	7.0	57.7	-8%	16%	3.7
Federated Hermes Inc.	US	\$ 40.08	3,579	14.9x	13.0x	11.8x	3.2	21.0	15%	10%	2.7
Artisan Partners	US	\$ 31.12	2,473	12.0x	11.5x	10.5x	6.0	56.6	4%	10%	7.1
<b>Total /Average</b>			<b>239,256</b>	<b>13.8x</b>	<b>13.4x</b>	<b>12.3x</b>	<b>1.5</b>	<b>20.0</b>	<b>-16%</b>	<b>9%</b>	<b>5.0</b>

Source: Bloomberg; n.a.: not available

**Valuation – Latin American Financial Sector**

We also present our valuation table for Latin American financial groups for informational purposes only. In the following table we can see that ACTINVER's multiples are also below those of most Mexican and Latin American financial groups despite having a less capital-intensive business model. We reiterate that the company should not be valued as a financial group.

**Latin American Financial Sector Valuation Table**

Company	Country	Price (USD)	Mkt Cap. (USD Mn)	L12M	P/E		P/BV		ROE	Δ% Net Profit		Div. Yield
		29-Mar-23			2023E	2024E	Current	2023E		2024E		
Corporación Actinver	Mexico	\$ 0.70	373	7.1x	5.9x	5.3x	0.9	12.8	20%	11%	2.7	
Itau	Brazil	\$ 4.60	41,855	7.3x	6.2x	5.5x	1.2	n.a.	17%	13%	n.a.	
Bradesco	Brazil	\$ 2.24	25,187	6.3x	6.6x	4.9x	0.9	13.8	n.a.	34%	n.a.	
NU Holdings	Brazil	\$ 4.54	21,292	(58.4x)	40.9x	19.6x	4.4	n.a.	-243%	108%	n.a.	
Santander Brasil	Brazil	\$ 2.33	18,781	1.4x	8.1x	6.1x	1.2	13.9	-5%	32%	0.9	
Banco do Brasil	Brazil	\$ 7.39	21,157	3.5x	3.2x	3.2x	0.7	20.5	24%	0%	n.a.	
BTG Pactual	Brazil	\$ 3.67	14,078	1.8x	7.6x	6.7x	1.6	19.7	22%	13%	n.a.	
GFNorte	Mexico	\$ 8.20	23,653	10.5x	8.2x	7.8x	1.9	19.3	27%	5%	3.9	
Credicorp	Peru	\$ 135.27	10,757	8.9x	7.7x	7.3x	1.4	16.7	15%	7%	n.a.	
GFInbur	Mexico	\$ 2.11	12,885	10.6x	9.0x	8.8x	1.3	13.3	17%	2%	n.a.	
Banco de Chile	Chile	\$ 0.10	10,017	6.2x	8.2x	8.2x	1.7	30.8	-25%	0%	n.a.	
Banco Santander Chile	Chile	\$ 0.04	8,439	9.1x	10.0x	8.2x	1.7	20.8	-10%	23%	7.3	
Bancolombia	Colombia	\$ 6.07	6,353	4.0x	4.5x	4.7x	0.8	19.0	n.a.	-2%	12.6	
BSMX	Mexico	\$ 1.34	9,079	6.9x	6.3x	6.3x	1.1	15.9	10%	0%	10.8	
Banbajío	Mexico	\$ 3.55	4,224	10.6x	7.4x	8.0x	2.2	21.5	43%	-8%	12.0	
Banco Pan	Colombia	\$ 0.93	1,188	8.3x	6.4x	4.9x	0.8	10.9	n.a.	31%	n.a.	
Regional	Mexico	\$ 7.58	2,484	10.1x	8.4x	7.4x	1.9	19.9	21%	13%	8.9	
<b>Total /Average</b>			<b>231,803</b>	<b>4.9x</b>	<b>6.9x</b>	<b>6.1x</b>	<b>1.2</b>	<b>17.9</b>	<b>14%</b>	<b>13%</b>	<b>7.4</b>	

Source: Bloomberg; n.a.: not available

**Gordon Shapiro model**

We set our MXN\$19.00/share target price through a Gordon Shapiro model that includes the following variables: i) 5.7% nominal growth rate in perpetuity; and, ii) 19.0% long-term ROE. We used a 1.3016 Beta that we calculated from the average Beta of asset management companies (deleveraged and re-leveraged with ACTINVER's financial structure).

**Gordon Shapiro Model**

(Figures in MXN\$ Mn)

<b>Stockholder's Equity 2023E</b>	<b>8,775</b>
Long-Term ROE	19.0%
Cost of Equity	17.2%
Risk-Free Rate	9.4%
Market Risk Premium	6.0%
Beta	1.301
<b>Perpetuity Growth Rate</b>	<b>5.7%</b>
Equity Value	10,144
Outstanding Shares	534
<b>Target Price / Share</b>	<b>\$ 19.00</b>
Current Price / Share	\$ 12.81
Expected Dividend	\$ 0.37
Total Return inc/ Dividend	51.2%
Target P/BV	1.2x
Target P/E (Forward)	8.0x

Source: Miranda Global Research



## Sensitivity Analysis

We conducted a sensitivity analysis based on different levels of P/BV and P/E's, compared against different levels of stockholders' equity and net profits. Our target price implies that ACTINVER shares will trade at a P/BV of 1.2x and an estimated P/E of 8.0x, which seem conservative to us.

### Sensitivity Analysis of the Target Price, P/BV vs. Book Value

	-10%	-5%	Original	+5%	+10%
<b>St. Equity</b>	<b>7,920</b>	<b>8,336</b>	<b>8,775</b>	<b>9,214</b>	<b>9,675</b>
<b>Target P/BV</b>					
0.6x	8.25	8.68	9.14	9.59	10.07
0.8x	11.21	11.80	12.42	13.04	13.70
1.0x	14.18	14.92	15.71	16.50	17.32
<b>1.2x</b>	<b>17.14</b>	<b>18.05</b>	<b>19.00</b>	<b>19.95</b>	<b>20.94</b>
1.4x	20.11	21.17	22.28	23.40	24.57
1.6x	23.08	24.29	25.57	26.85	28.19

### Sensitivity Analysis of the Target Price, P/E vs. Net Profit

	-10%	-5%	Original	+5%	+10%
<b>Projected Net Profit</b>	<b>1,144</b>	<b>1,204</b>	<b>1,267</b>	<b>1,330</b>	<b>1,397</b>
<b>Target P/E</b>					
5.0x	10.72	11.28	11.88	12.47	13.10
6.0x	12.86	13.54	14.25	14.96	15.71
7.0x	15.00	15.79	16.62	17.46	18.33
<b>8.0x</b>	<b>17.14</b>	<b>18.05</b>	<b>19.00</b>	<b>19.95</b>	<b>20.94</b>
9.0x	19.29	20.30	21.37	22.44	23.56
10.0x	21.43	22.56	23.74	24.93	26.18

Source: Miranda Global Research

## DESCRIPTION

ACTINVER is one of Mexico's largest financial groups with 28 years of experience. It serves more than 334 thousand customers through its 48 financial centers located in strategic areas and several digital platforms. It offers asset management, investment funds, stock brokerage, private banking, commercial banking, investment banking, fiduciary services, leasing and insurance to individuals and companies.

ACTINVER has a business model oriented to meet the needs of its clients in an integral way, which has allowed it to position itself strategically as a leader in each segment. One of ACTINVER's main differentiators is the quality of customer service.



**Asset Management**

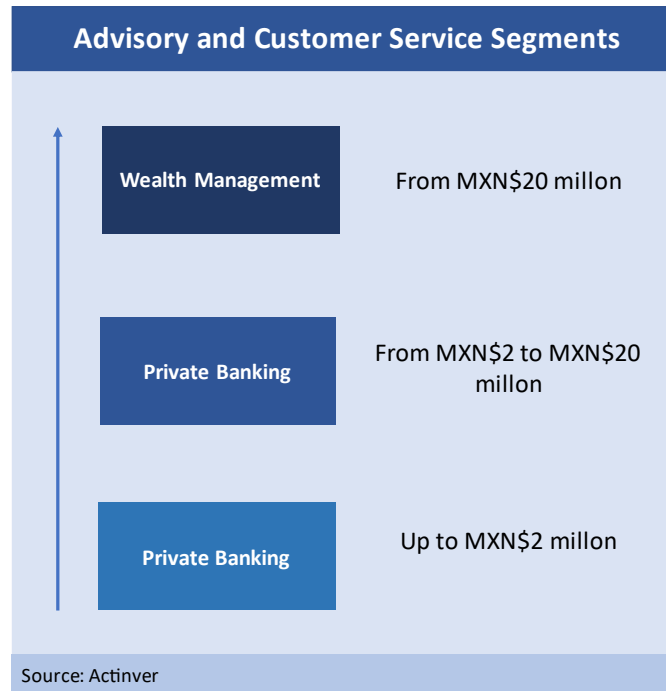
ACTINVER is Mexico’s fifth largest asset manager with MXN\$183 billion in assets under management at the end of 2022. It is at the forefront of new investment products and services. Through its Bursanet digital broker it offers more than 100 own and third-party funds that include peso debt, dollar debt, Mexican equities, global equities, global multi-assets, and nearshoring. It has partnerships with Franklin Templeton, AXA Investment and Global X. In 2021, it was ranked as Mexico’s best asset management company by Rankia.

In "Alpha Investments" it offers managed portfolios mainly for private banking investors. It has 5 investment strategies (100% debt, conservative, patrimonial, growth, and equity solution) according to the investor's profile and investment horizon. The minimum investment is MXN\$5 million. On the other hand, it offers "Special Portfolios" for institutional investors with specific investment needs.

**Brokerage House**

ACTINVER owns one of the country’s largest brokerage firms with MXN\$556 billion in assets in custody at the end of 2022. It offers private banking and wealth management services based on personalized advice, mainly focused on high net-worth individuals and family offices.

Actinver Patrimonial offers personalized financial advisory services with model portfolios and expert consultants for people with medium to high purchasing power. It focuses on digital recruitment and a hybrid advisory model leveraged on digital tools.

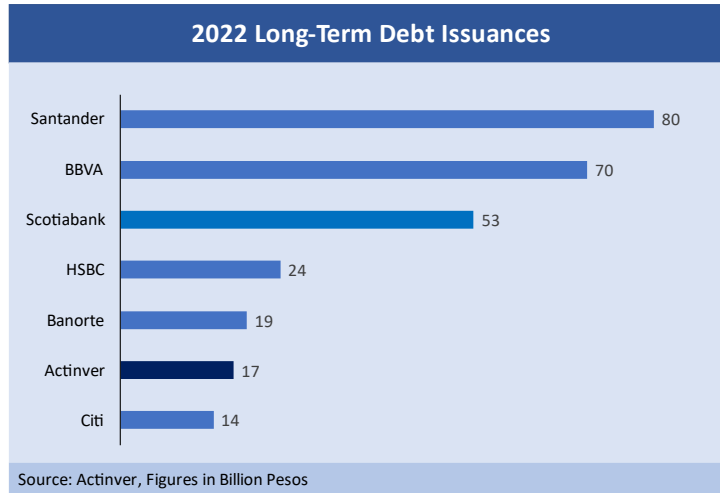


Brokerage House Accounts						
	2022	2021	Change		Mkt Share %	
			Absolute	%		
1 GBM	4,536,475	2,772,018	1,764,457	63.65%	91.82%	
2 Actinver	122,879	95,580	27,299	28.56%	2.49%	
3 Kuspit	73,309	63,387	9,922	15.65%	1.48%	
4 Vector	31,082	28,978	2,104	7.26%	0.63%	
5 Finamex	22,568	5,996	16,572	276.38%	0.46%	
6 Banorte	20,724	22,977	-2,253	-9.81%	0.42%	
7 Citibanamex	17,913	18,755	-842	-4.49%	0.36%	
8 Scotia	16,440	16,625	-185	-1.11%	0.33%	
9 Monex	10,656	10,855	-199	-1.83%	0.22%	
10 CB Ve por Mas	9,489	6,842	2,647	38.69%	0.19%	
Other	78,837	54,400	24,437	44.92%	1.10%	
<b>Total</b>	<b>4,940,372</b>	<b>3,096,413</b>	<b>1,843,959</b>	<b>59.55%</b>	<b>100.00%</b>	

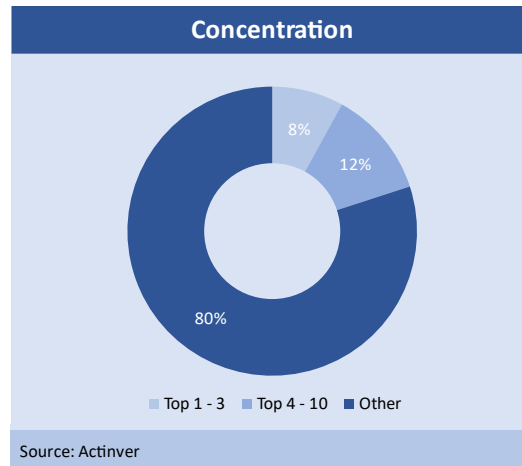
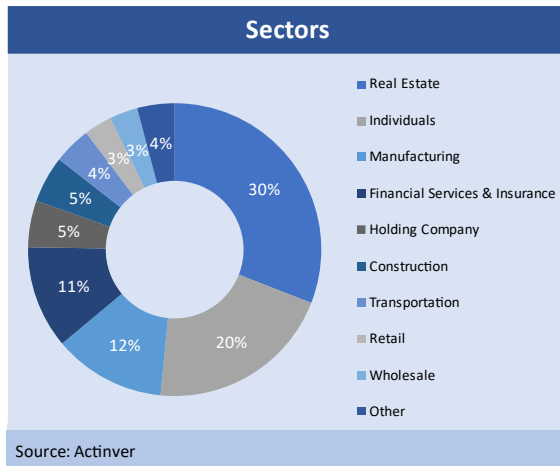
Source: CNBV

**Investment Banking and Corporate Banking**

ACTINVER positioned itself as Mexico’s 6th largest long-term debt underwriter at the end of 2022. In addition, it has an active participation in public and private equity, as well as in structured instruments. The company has the ability to pulverize offers and distribute public offers among its broad customer base.



ACTINVER offers credit solutions to medium, large and corporate companies with long-term growth potential. It focuses on 10 strategic sectors. In addition, it provides specialized leasing solutions in four segments: transportation, technology, industrial equipment and healthcare equipment. Currently, 60-65% of the loan portfolio is revolving and the rest is long-term. The goal is to reach a 50/50 mix.



**Other products**

ACTINVER offers additional products that enable it to diversify its revenues such as fiduciary (it is the country’s 4th largest participant in terms of assets under management), social security (specialized mutual funds and savings advisory, pension and retirement plans, seniority premiums and stock plans, among others), advisory and insurance agent (insurance brokerage through proxies), private equity, and Desarrollos Actinver (leasing services provided to Corporación Actinver’s companies).

In 2019, it entered into a strategic alliance with MAPFRE, which paid an initial amount upon signing the agreement. ACTINVER receives 50% of net results from the insurance business through the Actinver network and from insurance distribution commissions, as well as for the fulfillment of business objectives.

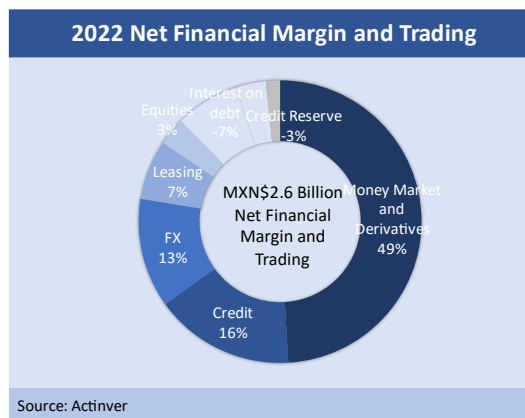
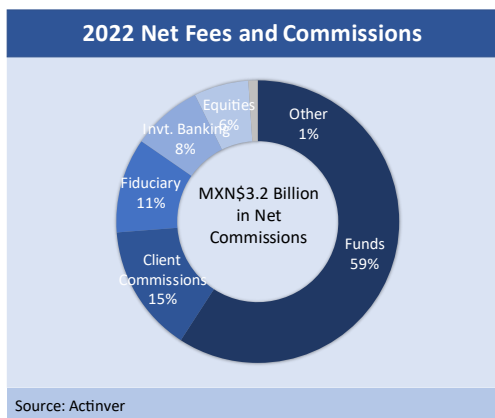
**4Q22 Results**

Total loan and lease portfolio rose 5% YoY to MXN\$29.1 billion, despite the conservative approach, supported by the commercial credit segment. Banco Actinver's NPL ratio rose slightly to 2.56% (returning to levels of 2.11% in January 2023), from 2.20% a year earlier. Meanwhile, the bank's capitalization ratio stood at 15.1%, from 14.1% in 2021.

Total assets under custody reached MXN\$556 billion, up 7%. ACTINVER remained the country's fifth largest asset manager with MXN\$183 billion in assets under management. The company now serves 334,000 customers, up 36% YoY, of which 65% are digital clients.

Total operating income grew 37% to MXN\$1.8 billion. This performance was mainly due to a 53% increase in the unadjusted financial margin, supported by higher interest rates and leasing revenues. Reserves decreased 11% which boosted the adjusted financial margin by 65%.

Fees and commissions charged advanced 1% supported by higher asset management, fiduciary, insurance and investment banking fees, which offset lower activity in equity markets. Funds distribution fees accounted for 58% of total fees. Trading revenues rose 250% due to a favorable performance in treasury supported by the increase in rates as well as greater activity in the FX market.



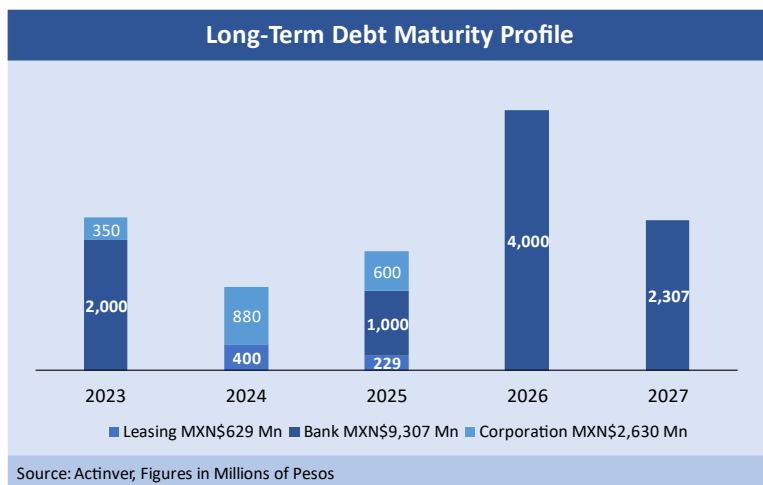
Administration and promotion expenses advanced 20% due to higher employee compensation and investments in strategic and technological transformation projects, bringing the efficiency index to 77%.

Quarterly net profits advanced 78% to MXN\$402 million. Cumulatively it rose 10% to MXN\$954 million. ROE was 12.8% in the current quarter, compared to 12.4% in the same period last year.

**Financial structure**

ACTINVER continued to diversify its funding sources and managed to increase traditional deposits by 46%. This was mainly due to a 192% rise in time deposits, 2% in credit securities and 97% in general public deposits, which was partially offset by a 25% decrease in money market.

ACTINVER faces maturities of MXN\$2.35 billion in 2023, of which MXN\$2.0 billion are at Banco Actinver level and MXN\$350 million at Corporación Actinver. We believe the company will successfully refinance its short-term debt taking advantage of its prevailing credit ratings.



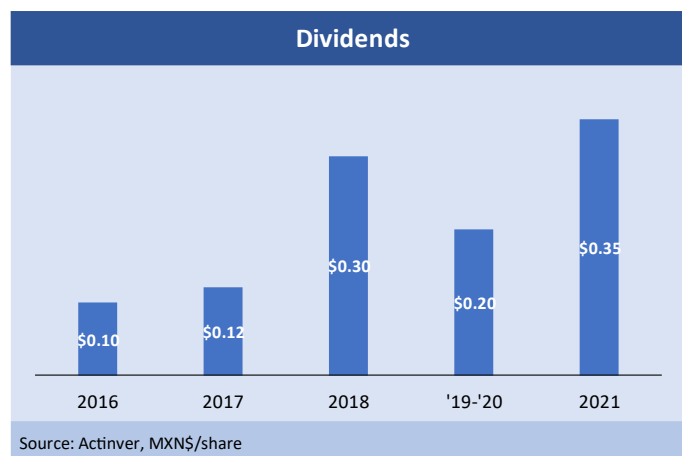
**Ownership structure**

ACTINVER raised MXN\$843 million in its May 2010 IPO at a price of MXN\$10.75/share. In December 2013, it conducted a MXN\$690 subsequent offer at a price of MXN\$13.95/share. It currently has 534,000,000 shares outstanding of which 5,443,625 are in treasury.

Acon Investments, one of the world’s largest private equity funds, acquired bonds in September last year that can be converted into an amount equivalent to up to 15% of ACTINVER's equity. It can exercise them within five years from January 2023. In addition, Acon Investments has appointed two Board of Directors.

**Dividends**

ACTINVER has paid dividends since 2016. It only suspended them in 2020 as a result of the prevailing pandemic. We anticipate that the company will continue to distribute dividends with a similar yield in the future.



**MAIN RISKS**

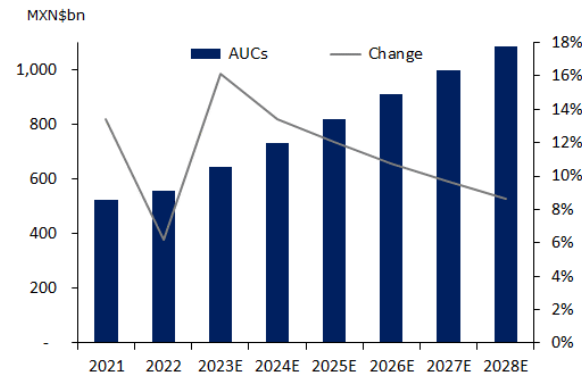
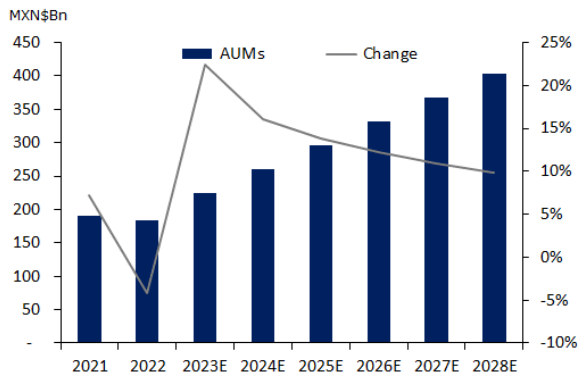
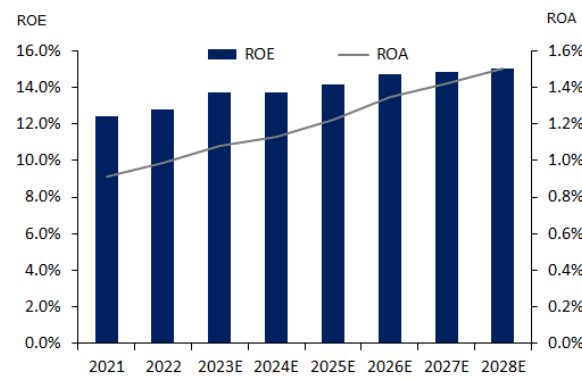
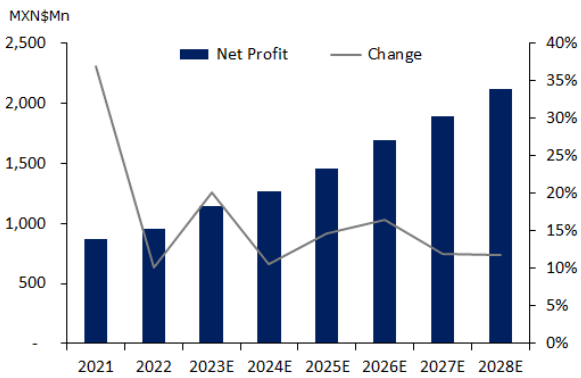
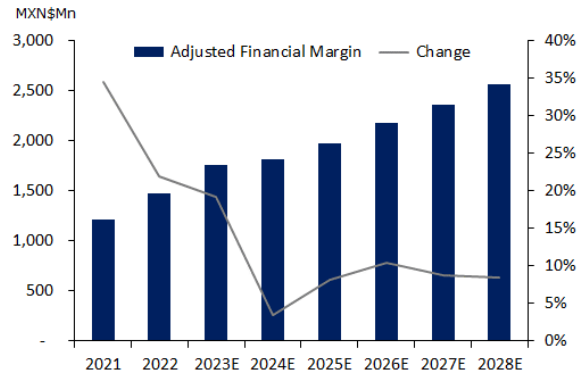
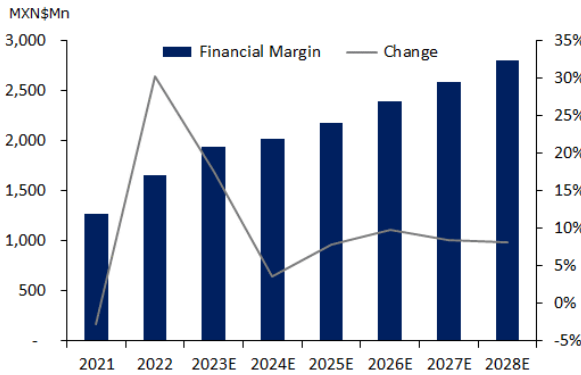
**Macroeconomic volatility.** A macroeconomic downturn could affect ACTINVER's operating performance and/or that of its major customers. Financial market volatility could also negatively impact the company's bottom line.

**Competition from several financial groups.** ACTINVER faces stiff competition from larger financial groups, both Mexican and foreign. However, the company has been able to face it successfully through its focus on service, personalized service, wide distribution and digitalization.

**Downward commissions.** Asset management commissions will likely fall in the future due to competition from alternative products such as ETFs. In equity markets, fees may also tend to decline.

**Changes in the management team.** We believe that a change in key officers, primarily the CEO, the Deputy CEO's or any of the CEO's of the different subsidiaries, could have a negative impact on ACTINVER's share price due to their extensive knowledge of the financial sector, as well as their strong track record of creating shareholder value.

**Medium liquidity of the shares.** ACTINVER shares have medium liquid with a MNX\$4.3 million average daily traded amount. We expect their liquidity to gradually improve in the future due to increased investor interest.





**FINANCIAL PROJECTIONS**

(Figures in Millions of Pesos)

<b>INCOME STATEMENT</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Interest Income	7,958	10,629	10,697	10,851	11,189	11,850	12,555
Interest Expense	6,305 -	8,685 -	8,682 -	8,678 -	8,802 -	9,261 -	9,754
Financial Margin	1,653	1,944	2,014	2,173	2,388	2,589	2,801
Provisions	- 177 -	186 -	196 -	205 -	216 -	226 -	238
Adjusted Financial Margin	1,475	1,758	1,819	1,968	2,172	2,363	2,563
Commissions and Fees Charged	3,563	4,038	4,589	5,161	5,736	6,309	6,873
Commissions and Fees Paid	- 353 -	371 -	390 -	409 -	430 -	451 -	474
Trading Results	1,227	1,089	1,143	1,200	1,260	1,323	1,389
Other Operating Income (Expenses)	108	240	252	264	276	288	300
Administration and Promotion Expenses	- 4,651 -	5,092 -	5,576 -	6,078 -	6,564 -	7,089 -	7,586
Operating Result	1,369	1,661	1,837	2,106	2,451	2,743	3,066
Participation in Associate Results	- 7 -	7 -	8 -	8 -	9 -	9 -	9
Pre-Tax profit	1,362	1,654	1,829	2,098	2,442	2,734	3,057
Taxes	- 398 -	496 -	549 -	629 -	733 -	820 -	917
Net Profit Before Minorities	963	1,158	1,280	1,468	1,709	1,914	2,140
Minority Participation	- 9 -	12 -	13 -	15 -	18 -	20 -	22
Net Profit	954	1,145	1,267	1,453	1,691	1,893	2,117
Total Income	12,857	15,996	16,681	17,476	18,462	19,771	21,117
Operating Income	6,020	6,753	7,413	8,184	9,015	9,832	10,652
<b>BALANCE SHEET</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
TOTAL ASSETS	102,755	109,289	115,616	122,288	129,339	136,804	144,723
Total Loan Portfolio (Net)	28,060	30,866	33,953	37,348	41,083	45,191	49,710
TOTAL LIABILITIES	94,839	100,514	105,900	111,455	117,162	123,406	129,935
Traditional Deposits	47,465	50,788	53,327	55,993	58,793	61,733	64,819
Stockholders' Equity	7,916	8,775	9,716	10,833	12,177	13,398	14,788
<b>OTHER INDICATORS / FINANCIAL RATIOS</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Assets Under Management (MXN\$ Bn)	183	224	260	296	332	368	404
Total Assets Under Custody (MXN\$ Bn)	556	646	733	821	909	997	1,083
Operating Margin	22.7%	24.6%	24.8%	25.7%	27.2%	27.9%	28.8%
Net Margin	15.8%	17.0%	17.1%	17.8%	18.8%	19.3%	19.9%
Efficiency Ratio	77.2%	75.4%	75.2%	74.3%	72.8%	72.1%	71.2%
ROE	12.8%	13.7%	13.7%	14.1%	14.7%	14.8%	15.0%
ROA	1.0%	1.1%	1.1%	1.2%	1.3%	1.4%	1.5%

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