

### 1. Purpose

Establish the accounting criteria for the capitalization of interest costs, as established in International Accounting Standard 23 Borrowing Costs (IAS 23).

### 2. Scope

This policy applies to associates in the Administration & Finance area of each Grupo Bimbo subsidiary and to those responsible for the Accounting Analysis & Record of the capitalization of loan costs, for the acquisition or construction of qualifying assets.

### 3. Definitions

**Qualifying assets:** These are real estate or manufacturing equipment that require a construction period of more than 6 months, before being in conditions to start their use or to be available for sale.

**Borrowing costs:** They are the interest and other costs originated (mainly exchange fluctuation in case the loans are in foreign currency) for the funds taken as loans to acquire qualifying assets.

**Capitalization rate:** It is the weighted average of interest rates when interest is capitalized on various loans.

### 4. Responsibilities

**Local Controllers:** Obtain the supporting documentation (e.g. loan contracts, bank or loan vouchers) and any other information necessary to verify the possibility of capitalization of interest. Request the authorization of the capitalization of the loans to the Global Controllershship Department, through the Regulations Management. Comply with the guidelines of this policy to perform the interest capitalization calculations and ensure the review and tax treatment of these items.

**Global Comptrollership Department:** Keep this policy updated through its Regulatory Management. Evaluate and, where appropriate, authorize the capitalization of interest on loans.

**Global Treasury Department:** Contract or authorize the local contracting of the corresponding loans. Inform the local Controllers that the resources obtained will be used for the construction and / or acquisition of qualifying assets.

### 5. General guidelines

#### Recognition and measurement

Interest on loans obtained for the procurement or construction of fixed assets (manufacturing equipment and real estate) will be recognized as a component of said assets, provided that they meet the following characteristics:

- The portion or all of the loans that will be used for the acquisition or construction of the qualifying asset can be identified.
- The capitalization rate is calculated and used to calculate the interest to be capitalized, in case of contracting several loans at different rates.
- The interest paid, net of the interest obtained, is capitalized if the loan funds are invested while the disbursements of the procurement of the qualifying asset are made.
- The funds come from loans exclusively from third parties, that is, interest on loans between Grupo Bimbo subsidiaries may not be capitalized.
- For loans in a currency other than the functional currency, provided that these do not exceed the amount of interest in the local currency, and using the conditions of the interest rate in local currency.

The interest capitalization start date will be when a qualifying asset meets the following conditions:

- Disbursements are incurred for the procurement or construction of the qualifying asset.
- Interest costs are incurred.
- The necessary activities are carried out to prepare the asset for its use.

Interest will cease to be capitalized when:

- The construction of the asset is suspended.
- The qualifying asset is in a condition to start its use, or available for sale.
- Physically the asset is built, but there are missing documents or administrative procedures for its capitalization.

### **Presentation**

Capitalized interest must be presented as part of fixed assets (manufacturing equipment or real estate).

### **Revelation**

The notes to the financial statements should disclose:

- The amount of capitalized interest in the reporting period.
- The capitalization rate used to determine the amount of costs, in the case of multiple loans.

### **6. Responsibility / Ownership**

The Global Controller Department is the assigned owner of this Policy and is primarily responsible for its content, updating and monitoring of its compliance, as well as its submission for approval to the Global Internal Control and Risk Management Department, Steering Committee and CEO.

### **7. Updates**

The changes implemented in between versions are described below:

Revision / history of the revision				
Version	Revision Date:	Updated by:	Approved by:	Main Changes
1				