2023 ANNUAL REPORT

Personalizing the Future

BANORTE

DIGITAL TRANSFORMATION
BANKING TAILORED TO YOUR NEEDS
RESPONSIBLE ACTIONS FOR A MORE SUSTAINABLE WORLD

GRUPO FINANCIERO BANORTE

GRUPO FINANCIERO BANORTE

DIGITALIZATION IS OUR HOW AND **CUSTOMER EXPERIENCE** IS OUR WHY.

AT BANORTE, WE DON'T JUST OFFER FINANCIAL PRODUCTS;

WE SEE PEOPLE WITH PLANS, DREAMS AND NEEDS, AND WE WORK TO BRING THEM EXPERIENCES AND **SOLUTIONS TAILORED**

TO THEIR NEEDS.

We want each of you to make Banorte yours in your own way, bringing you **the bank you want, when you want it, where you want it.**

We don’t just evolve through technology; we **create meaningful human connections in the digital world.**

YOUNG TALENT

FINANCIAL LITERACY

BANKING IN MINUTES

OLDER ADULTS

At Banorte, we understand our responsibility, so we are committed and working actively towards a more inclusive, equal and sustainable world for all.

WE PLACE **PEOPLE** AT THE CENTER OF ALL OUR DECISIONS; THEY ARE **THE COMPASS THAT GUIDES US ON THE PATH TO A BETTER FUTURE.**

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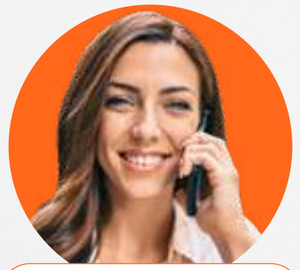

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CHAIRMAN OF THE BOARD OF DIRECTORS OF GRUPO FINANCIERO BANORTE

CHIEF EXECUTIVE OFFICER OF GRUPO FINANCIERO BANORTE

CARLOS HANK GONZALEZ

Chairman Of The Board Of Directors

of Grupo Financiero Banorte

Chairman of the Board of Directors of Grupo Financiero Banorte Message

GRI 2-22

To all our stakeholders:

This year, as Mexicans and as a financial group, we proved once again that behind every challenge lies an opportunity.

Climate in Mexico and the world

2023 was a year full of challenges for the entire world, for Mexico, and also for Banorte. We faced conflicts in Europe and the Middle East, supply chain disruptions, inflation, and the effects of climate change.

AMID THE CHALLENGES, AS A COUNTRY, WE GREW

Mexico saw an annual GDP growth of 3.1%, making us one of the fastest-growing economies last year, according to the United Nations Conference on Trade and Development... but more importantly, the growth was felt by all of us.

Also in 2023, we became the United States' leading trade partner, foreign direct investment in the country grew by 30% in the year (considering comparable figures from January to December of the previous year), the number of jobs grew by 1.5 million, remittances hit record highs and grew 8.4% annually (based on figures available as of October 2023), the peso was strong, the Mexican stock exchange IPC index advanced and macroeconomic indicators remained robust.

It was also during the year that we were finally able to turn the corner on the pandemic that had afflicted our country for three years. Mexico showed the world the strength of its people and its companies.

Clearly one of the most dominant elements in our environment this past year was nearshoring. As Mexico's nearshoring bank, Banorte has already begun readying itself for this unparalleled opportunity, bolstering our human capital and infrastructure.

By our estimates, the nearshoring phenomenon could net Mexico up to USD168 billion additional dollars in non-oil exports over the next five years.

Our approach centers around service to governments, trade, small and mid-sized enterprises and retail customers, providing a wide range of financial services. With our solid presence in Mexico, we are determined to support this economic paradigm shift.

Nearshoring is an exceptional opportunity for our country, especially the north and central regions. Banorte has a strategic foothold in these areas, and we have added 1,700 positions to our workforce in 2022 and 2023 to shore up our presence.

Close of the 1-2-3 strategy

This year we completed work on the 1-2-3 plan, the mission of which was "to be the #1 financial group in offering financial services to a digital world, maintaining our leadership in profitability and sustainability," based on 3 pillars:

01 **Accelerating Banorte's digital transformation**

02 **Forging alliances with our companies that make us a part of our customers' daily life**

03 **Building a fully digital bank from the ground up**

This strategic path of development and improved capacity in a hybrid human-digital and purely digital world would not have been possible without the concept of cells, which are multidisciplinary work groups that collaborate continually and interactively to improve the customer experience.

In recognition of these achievements, Banorte was named Best Digital Consumer Bank, Best Banking App in Mexico, and Best Corporate Governance by World Finance; and our Board of Directors was recognized as the best in Latin America's financial industry by Institutional Investor, because of our efforts to keep it independent and diverse.

The international magazine Time ranked us among the Best Companies in the World of 2023, in which we positioned ourselves as the second best Mexican company, based on our growth potential, employee satisfaction, and sustainability. Meanwhile, the global publication Newsweek recognized us as the fifth most reliable bank in the world..

Banorte proved its solidity and capacity to grow steadily and sustainably.

A year of solid results with an ESG approach

Being Mexico's largest financial group comes with an equally weighty responsibility: making sure the financing we provide has a positive impact on the environment and on society. In 2023, our ESG efforts focused on embedding tangible mechanisms for pursuing the global commitments we have signed.

Environmentally, this year we completed quantification of emissions for the nine most carbon-intensive industries in our portfolio. This was the first step in compliance with the guidelines of the Net Zero Banking Alliance. We also became the first bank in Latin America to have our decarbonization goals certified by the Science Based Targets initiative (SBTi).

On the issues of nature and biodiversity, we announced our commitment to gradually adopt nature-related risks and opportunities into our reporting starting in 2025, under the framework of the Taskforce on Nature-related Financial Disclosures (TFND).

We also reaffirmed our commitment to the UN Principles for Responsible Banking, pledging to incorporate best ESG practices as a financial institution, benefiting not just our customers but our employees and communities as well; and to the ten principles of the United Nations Global Compact.

Among the most difficult events of the year was the arrival of hurricane Otis, one of the strongest storms to strike our country, which lashed Acapulco and caused damages in much of the state of Guerrero. But the Mexican people rose to the challenge, showing the unity and strength we are known for in the hardest of times.

As in the 2017 earthquakes and the pandemic, Banorte was the first financial group to extend its support to customers. As Mexico's strong bank, Banorte assumes a social commitment to supporting the people of Guerrero and helping them get back on their feet.

We supported all of our customers in Guerrero with 6-month deferrals of their credit payments, automatically and at no extra cost. In insurance we offered a 50% advance on property damage coverage and eliminated the deductible for cars.

We activated a fundraising program in which Fundación Banorte matched one-for-one the donations received from our customers, employees and the general public. By the close of December we had managed to raise more than MXN77 million, which, once matched by the Foundation rose to MXN155 million, will be used to rebuild homes in disadvantaged communities of the state.

2024: What's ahead?

Across the globe, 2024 will be a challenging year: with the potential risk of global slowdown, the ravages of war, and the upcoming US election.

In Mexico, we will be going through one of the largest and most complex elections in our history. Voters will be electing a President, 8 governors, the mayor of Mexico City, 128 senators, 500 congressional deputies and around 20,000 other elected offices.

Banorte is unwavering in its determination to rise to these challenges, and we continue to work with governments in all regions of the country.

In 2024, we will launch our 4-5-6 Strategic Plan, continuing the strategic paths we had laid out previously, which has brought us a dramatic transformation of our technology, architecture and culture, and the acceleration we need to compete in a hybrid physical-digital world.

Under this new plan, we continue to focus on offering our customers the best experience in the market, but now, leveraging the power of hyperpersonalization, knowing them better than anyone, we can get the jump on their financial needs with customized products and services. All of this in real time, under an interactive, conversational and contextual model with the ultimate goal of creating relations that create value for our customers and for ourselves in the long term.

Looking inward, as a financial group, we will be concentrating on developing the various sources of value that will bring us closer to the medium-term commitments we introduced to the market in Banorte Day 2023.

Ladies and gentlemen:

Our constant transformation and the steps we have taken to become the best financial group for our customers, investors, employees and communities, would not have been possible without the best banking team in Mexico.

I see a promising future for Banorte. A completely transformed, customer-centric financial group: we are strong Mexicans… **we are Mexico's strong bank.**

CARLOS HANK GONZALEZ
Chairman of the Board of Directors
of Grupo Financiero Banorte

MARCOS RAMIREZ MIGUEL

Chief Executive Officer

of Grupo Financiero Banorte

Chief Executive Officer of Grupo Financiero Banorte Message

GRI 2-22

To our shareholders:

The year 2023 marked the culmination of our 1-2-3 Plan, guided by the vision of becoming the best financial group for our customers, investors, and employees, and the mission of being the number one financial group offering financial services in a digital world, while maintaining our leadership in profitability and sustainability.

We are very proud to share with you the main achievements of this strategic plan, which was based on three major pillars:

01

Accelerating Banorte's transformation in all business-as-usual processes, to consistently provide the best customer experience through the various channels in which we operate and interact with them. Some of our initiatives in this area were the "Bank in Minutes" project, which improved our internal process efficiency and allowed us to offer agile, high-quality service in every connection with the customer. We also launched new digital products and leveraged artificial intelligence tools, among other initiatives. Today, we can proudly say that Banorte is a digital bank with branches.

We also logged some significant improvements in our organizational culture. In September 2023, the Great Place To Work survey was conducted among more than 27 thousand employees nationwide, with a participation rate of 80.3%. This year's score or 84.35% was the highest in our group's history. And five of our top-rated areas involved diversity, equity, and inclusion.

02

Pursuing partnerships and alliances that bring us closer to our customers' daily lives. In 2023, we continued our joint venture with Rappi, and starting in December 2023, Grupo Financiero Banorte will be consolidating the operations of this joint venture line-by -line; we continued our collaboration with Google Cloud to address cybersecurity issues, cloud usage, hyper-personalization, and agile culture; our minority stake in TuHabi, a commercial alliance in mortgage loans that has helped us improve internal processes; and with Clip, another minority investment that gave us a seat (without voice or vote) on the board, to learn from one of the most successful "unicorns" in our region.

03

Building a digital bank from the ground up: We are very excited about the launch of a new kind of banking, through Bineo. After months of preparation, we have the banking license and regulatory authorizations in hand to operate our new 100% digital, branchless bank, leveraging Banorte's shared services to operate far more efficiently than traditional banks, with an efficiency rate of between 20% and 25%. With this, we can serve the domestic market through this new channel, Mexico's first 100% digital bank, with the support of Banorte, an institution that contributes more than 120 years of banking experience and more than 15 years in mobile banking.

The following are the key results of the past year:

Net income closed 2023 at MXN52.42 billion, 15% higher than in 2022. Net interest income grew by 10% year-to-year; the net interest margin was 6.3%, stable compared to 2022, reflecting the expansion in origination volume, optimization of the portfolio mix, and the effects of a higher policy rate on both sides of the balance sheet, mitigating the effect of inflation on the pension business.

Non-interest income came in at MXN6.60 billion and expenses rose 12% over 2022, reaching an efficiency ratio of 36.2%, a cumulative improvement of 116bp.

Our subsidiaries provided support to the Group's performance and income diversification. In 2023, net income for the bank grew by 21%, for the insurance firm by 11%, and for the pension fund business by 53%, benefiting from the combined effect of lower regulatory fees and the gradual increase in fund contributions that began in 2023.

During the year, the stage 1 and 2 portfolio expanded by 12%, in keeping with the institutional strategy of balancing credit activity with asset quality, which resulted in double-digit growth in most portfolios. Annual performance was driven by consumer portfolios (up 15%), corporate (21%), and commercial (10%).

We continued our strategic approach to preserving portfolio quality. The loan delinquency was basically stable at 1.0%, slightly better than the previous year, despite portfolio growth and a change in the origination mix.

Meanwhile, we continued fine-tuning our risk models according to the different origination channels, keeping asset quality as the top priority. The cost of risk was 1.4% in the fourth quarter of 2023, improving by 21bp over the same quarter of 2022. The coverage ratio reached 182.3%, up from 179.5% a year ago.

During the year, traditional deposits grew by 15%, driven by a 26% expansion in interest-bearing demand and time deposits; structurally, the mix remained stable at 72% demand/ 28% time deposits.

Capital strength and liquidity remain key to our Group. At year-end, the bank's capital adequacy rate stood at 20.69%, with a Tier 1 capital of 14.72%, well in excess of current regulatory limits, and in compliance with the new guidelines provided in the FSB's net capital supplement on total loss-absorbing capacity (TLAC), which took effect in December 2022.

The cross-selling indicator is also improving gradually and now stands at 2.4 products per customer.

We closed 2023 with 8.7 million digital clients, a 68% increase over the start of our 1-2-3 Plan, and 6.6 million mobile clients, 74% more than in the first quarter of 2021.

We processed 144 million monetary transactions in our mobile channels, a 236% growth during the same period.

Not only are customers adopting these channels with increasing speed, but the market is also recognizing how we have gone from aspiration to reality in becoming the number one financial group offering financial services in a digital world. We were recently named Best Banking App in Mexico and Best Digital Consumer Bank in Mexico by World Finance, as well as one of the Most Trustworthy Companies in the World and one of the Top 5 Most Trustworthy Banks in the World by Newsweek. Other distinctions include Best Bank for SMEs by Global Finance, Best Retail Bank in Mexico by World Finance, Bank of the Year by The Banker, and Most Honored Company by Institutional Investor.

Another set of activities I'd like to highlight is our sustainability projects, which encompassed all of the Group's business areas and entailed the startup of 41 sustainability-related projects in 2023. These projects develop our capacity to increase sustainable financing to our customer base, create more sustainable financial products to support the transition to a lower-carbon economy, and promote financial inclusion and financial literacy among our customers.

Within Banorte, projects are also under way to adapt buildings so they consume less energy, to manage waste properly, and to support greater equity and inclusion for all employees of our Group.

We know how important it is to provide visibility on our strategy, so that having completed our 1-2-3 plan, we are already at work on a new plan to continue building value for investors, customers, and employees based on our institutional values of Integrity, Trust, and Loyalty.

We begin 2024 poised for the next challenge...

It's time to give traction and pace to everything we have built. To continue doing what we do best, to create extraordinary experiences for each and every one of our customers.

I want to thank our investors and shareholders for the trust they have placed in Banorte; our customers, for allowing us to support them in their plans and projects; and our employees, for their constant commitment to achieving the goals we have set as a financial group

THANK YOU ALL FOR BEING PART OF THE GREAT BANORTE FAMILY.

MARCOS RAMIREZ MIGUEL
Chief Executive Officer
of Grupo Financiero Banorte

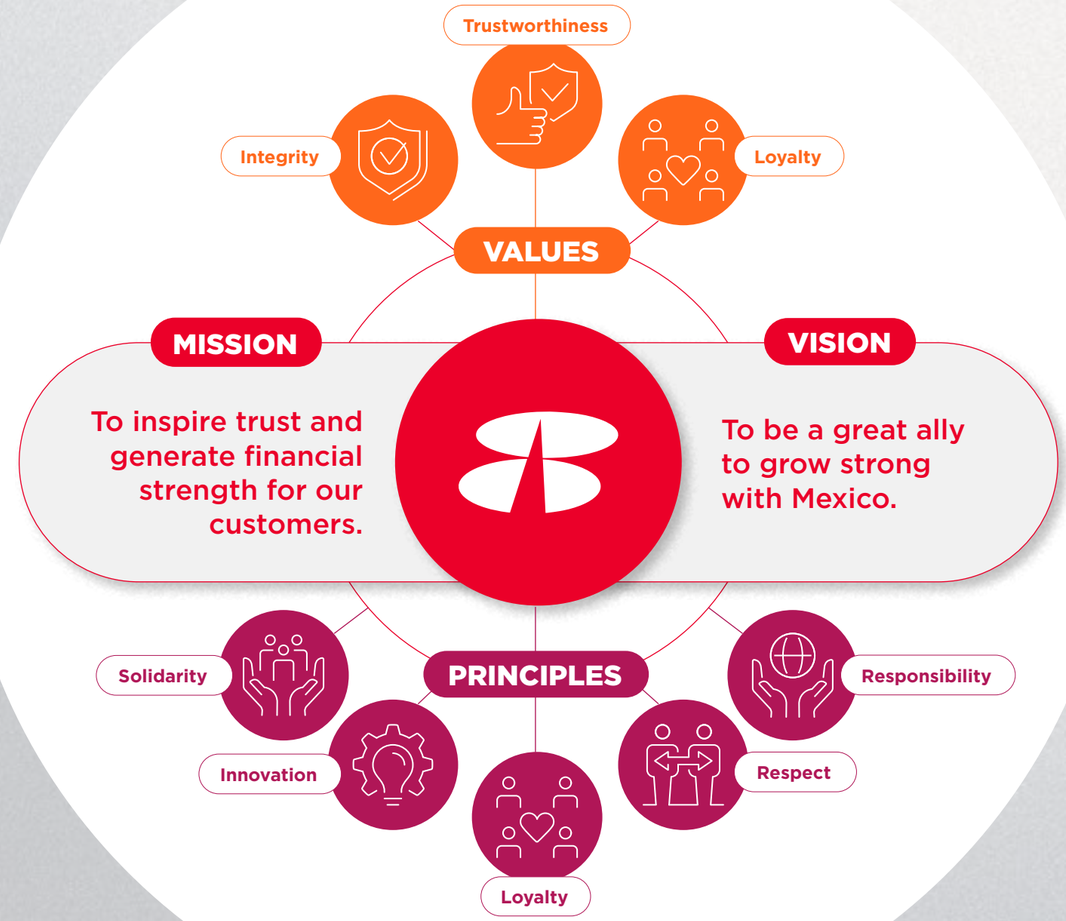
2023 ANNUAL REPORT

Mission, Vision and Values

GRI 2-1, 2-2, 2-6

Our leadership is grounded in a set of values that guide us in fulfilling our mission and support us in continually generating value for our stakeholders.

These values are our founding principles, and they underpin every one of our actions and decisions.

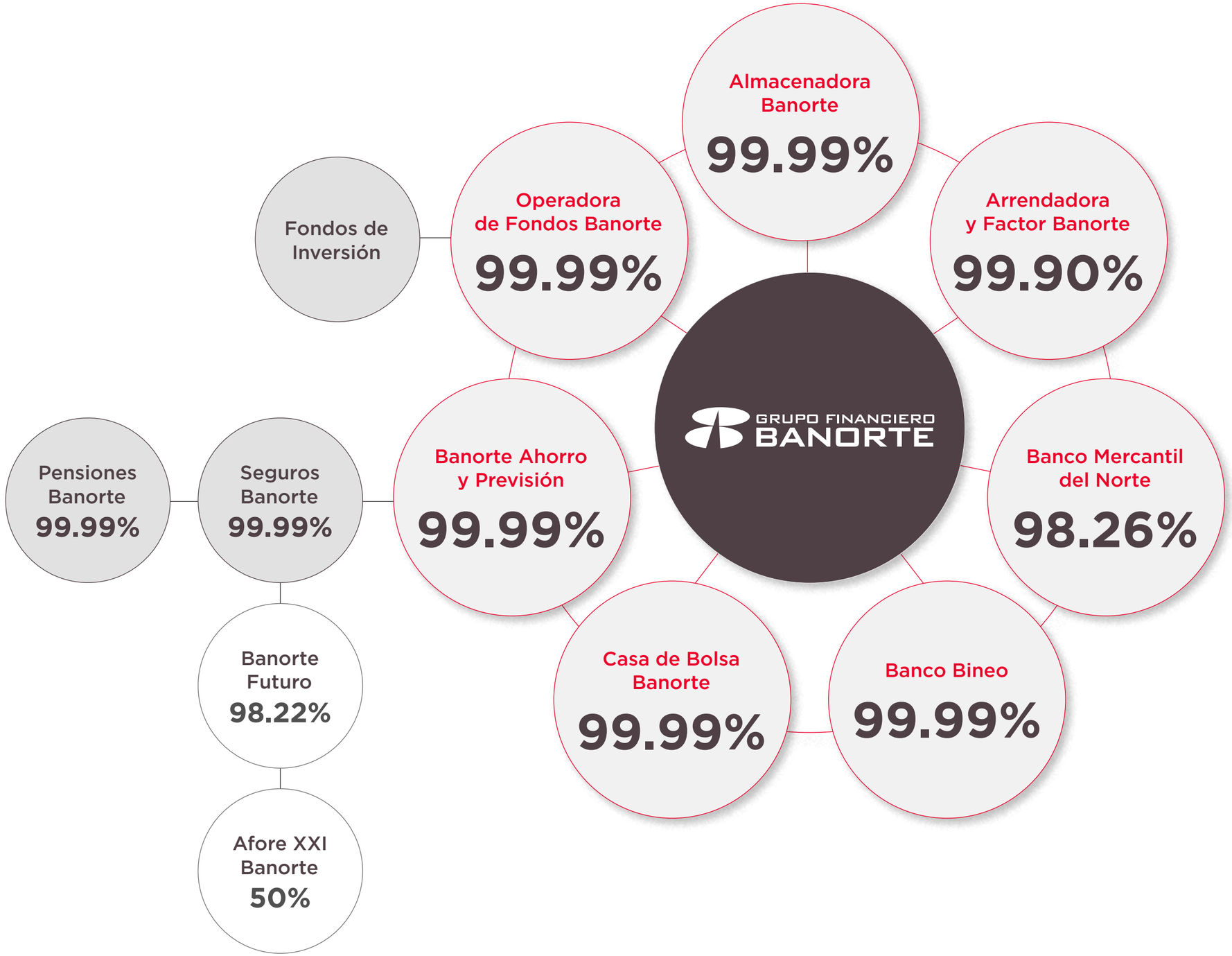


At GFNorte, we conduct ourselves with integrity, trust and loyalty, with full respect and recognition of the intrinsic value of the human being. We stand against any form of prejudice or discrimination on the basis of gender, age, religion, race, social origin, physical disability, ethnic origin, nationality, sexual preference, family responsibilities, or marital status. Any individual seeking to defend or exercise their rights, when they feel they have been violated, must do so with full respect for the institution, its staff and the work we do here.

Corporate Structure

GRI 2-1

We operate under a universal banking model, in which we provide a wide range of products and services through a number of subsidiaries, with a solid position in each of them. This enables us to support our customers' projects and help them create the future we all aspire to.



Main activities and products/services of each company

GRI 2-1, 2-6

Segment	Clients and activities	Products/Services	Coverage
Retail banking	• Individuals • SMEs • Preferred • State and municipal governments	• Checking and deposit accounts • Credit and debit cards • Mortgage, car, payroll and personal loans • SME loans • Payroll loan accounts • Car, home, life and SME insurance in various forms	• Nationwide
SME banking	• Corporations • Individuals with business activity • Tax incorporation regime	• **Checking solutions:** current investment and debit accounts • **Financial solutions:** SME loans and commercial credit cards • **Technological solutions:** online banking, POS terminals and payroll • **Commercial insurance solutions:** auto, home and employee insurance	• Nationwide
Wholesale banking	**Business and corporate banking** • Multinational corporations • Mexican and foreign corporations • Mid-sized companies	• Structured loans • Syndicated loans • Leveraged acquisitions • Investment planning • Cash management of collections, trust services, payroll, checking accounts and credit lines	• Nationwide • International
	Transactional banking • Corporate and business clients • Financial institutions • Federal government	• Online banking • Collections and payments • Acquirer • Payroll • Cash management and reconciliation services • Currency trading • Excess cash and liquidity management • Hedging and insurance	• Nationwide

Main activities and products/services of each company

GRI 2-1, 2-6

Segment	Clients and activities	Products/Services	Coverage
Wholesale banking	**Government banking** • Federal • State • Municipal • Decentralized government agencies • Social security institutions • Unions • Public trust funds	• Checking accounts • Loans • Cash management services • Payroll services • Comprehensive advisory on public finance management to increase public revenues and control and improve spending efficiency • Financial diagnostics to design appropriate debt payment profiles	• Nationwide
	International banking • Corporates • Institutional • SMEs • Foreign financial institutions	• Import-export letters of credit • Documentary collections • Bank guarantees • Standby letters of credit • Letter of credit financing • Import-export foreign trade financing • Foreign trade structured financing guaranteed by export credit agencies and/or multilateral organizations • Discounted import bills of exchange • Import bank guarantees • International wire transfers • Uniteller remittances	• Nationwide • International
Savings and pension planning	**Afore XXI Banorte · Seguros Banorte · Pensiones Banorte** • AFORE • Insured persons • Pensioners	• Retirement account management • Life, car, home and medical expense insurance	• Nationwide

Main activities and products/services of each company

GRI 2-1, 2-6

Segment	Clients and activities	Products/Services	Coverage
Securities market	**Casa de Bolsa Banorte · Operadora de Fondos Banorte** • High-wealth banking • Market strategy • Asset management • Investment banking	• Brokerage services • Financial consultancy • Portfolio structuring and management • Asset management • Investment banking • Sale of mutual fund shares and equity and debt instruments	• Nationwide
Non-bank and auxiliary banking	**Arrendadora y Factor Banorte · Almacenadora Banorte** • Factoring to direct collection customers • Factoring to delegated collection customers • Supplier factoring • International factoring	• Leasing and factoring services • Warehousing services • Inventory management • Marketing logistics	• Nationwide
Banco Bineo	**Digital Banking** • A 100% digital, branchless bank that will offer an exceptional user experience to any customer looking for a universal digital banking solution	• All types of products and services related to the customer's money (savings, transactions, loans)	• Nationwide

Banorte at a glance 2023

Fundación Banorte's **"A Thousand dreams to fulfill"** program celebrates eight years of promoting education for the Banorte family.

JANUARY

GFNorte launches **"Norte Digital"**, a YouTube channel featuring shorts and videos where top technological minds share some of the keys to digital transformation.

We are selected for inclusion in Bloomberg's **Gender Equality index for the seventh year in a row.**

Banorte introduces a **new type of mortgage loan** available to qualified Fovissste contributors.

FEBRUARY

We are included in the S&P's Sustainability Yearbook for the second year in a row, **the only Mexican bank to earn this sustainability distinction.**

Banorte Móvil, our online banking app, introduces new features:
Buckets: organize and separate out your money however you want.
Scheduled savings: Set the amount and period and save up your money automatically.

MARCH

We participate in the 2023 Regional Metropolitan Council, **"Nearshoring, social commitment and outstanding results."**

We are present at the **86th Mexican Banking Convention**, held in Mérida, Yucatán and focusing on issues like inclusion, sustainability and nearshoring.

At our annual **Banorte Day** event, held in New York City, Carlos Hank González, GFNorte's Chairman of the Board, and Marcos Ramírez Miguel, our CEO, presented a core message upon investors: a culture of work cells and customer-centricity have been key to surpassing our goals.

Banorte launches **three new mortgage loan products, designed to meet the needs of each customer**, with benefits for younger homeowners, loyalty rewards, and the elimination of commissions and opening fees.

APRIL

We held our **Northern Regional Board meeting**, attended by Monterrey mayor Luis Donaldo Colosio Riojas, to discuss municipal co-participation projects with board members.

Banorte en un vistazo 2023

GFNorte is **recognized in the eighth Fintech Americas round of financial innovation awards.**

MAY

We organize the **2023 Banorte Hackathon**, "Creating the bank of the Future," where more than 200 students from universities of Monterrey and the surrounding area proposed solutions to three challenges put to them by Banorte.

We received **Socially Responsible Enterprise distinction for the 12th year in a row.**

ESR EMPRESA SOCIALMENTE RESPONSABLE

JUNE

The Banorte family welcomes its youngest members: **Suma Menores** is a new kind of payment method for children, because we want young people to learn more about payment methods. Initially limited to cash withdrawals at ATMs, the cards can now be used:

- To pay in physical stores and online.
- For in-app payments.

Banorte is the **first-place winner of ALOIC's LATAM Award** for best organizations in customer interaction.

JULY

The General Audit Department was evaluated by the Instituto de Auditores Internos and obtained the highest rating of **N5, Optimized**, with which its activity was recertified.

Institutional Investor
2023 LATIN AMERICA EXECUTIVE TEAM
GRUPO FINANCIERO BANORTE
BEST IR TEAM • BEST CEO • BEST CFO • BEST COMPANY BOARD OF DIRECTORS

The renowned US publication Institutional Investor releases its annual Latin America Executive Team ranking, placing **GFNorte at the top of every category for which it was eligible.**

AUGUST

For the first time, the journal also rated and published its listing of **Best Company Board of Directors**, where GFNorte topped the list. We were also recognized a **Mexico's Most Honored Company** for the second year in a row.

CONDUSEF awards Banorte the **"Commitment to Service for the Elderly"** badge in recognition for our actions to benefit senior citizens. Banorte signs its **Protocol for Service to the Elderly**, in which we pledge to continue working on actions and service programs for this important segment of the population.

Banorte en un vistazo 2023

SEPTIEMBRE

Time magazine includes us in its ranking of **best global companies who are changing the world in 2023**, placing us at 242nd in the world and second in Mexico for growth in revenues, customer satisfaction, and ESG performance.

OCTUBRE

We participated in CONDUSEF's 2023 National Financial Literacy Week, which is held live for the first time since the pandemic, at the Los Pinos Cultural Complex in Mexico City.

We've made customers' lives easier: **now they can use the Banorte Móvil banking app to collect remittances.**

NOVIEMBRE

We are the world's fifth most reliable bank, according to Newsweek's listing of "The World's Most Trustworthy Companies."

The Western Regional Board meeting was held in Guadalajara, Jalisco, attended by renowned journalist Jorge Zepeda Patterson, who addressed the issues of Mexico's upcoming 2024 election.

Banorte was once again **included in the Dow jones Sustainability World Index MILA.**

Global Finance **recognized Banorte for the third year in a row as the best SME bank in Mexico.**

DICIEMBRE

The 2023 edition of the Sustainable Leaders Agenda (ALAS) recognized GFNorte as:
An ALAS20 Mexico Company
Leader in Investor Relations
- third place
Leader in Sustainability
– second place

ALAS20

Milestones by subsidiary/company

afore XXI BANORTE

01

First in the industry in managed assets, fee income, and profits (operating, net, and in proportion to managed assets).

02

Signed the Principles for Responsible Investment, ranking among the six highest-ranked signatories in Latin America, and **the only Afore to earn top marks for "Strategy and Governance."**

03

Best Mexican Pension Fund according to World Finance, in recognition of its leadership in managed assets and the development of innovative strategies for Afores.

04

Earned **Morningstar's bronze rating** for fund management.

05

Obtained the broadest certification for **derivatives trading.**

06

First Afore to voluntarily publish its first **TCFD report** on management of climate-related risks and opportunities.

07

On the principle of active engagement, obtained **244 commitments from 37 companies** in its portfolio, accounting for at least 20% of the assets managed by asset class.

08

Joined the first collaborative initiative of Latin American investors from Mexico, Colombia, Peru and Chile, aimed at **encouraging the decarbonization of the regional economy and accelerating climate action.**

09

For the second year in a row, publishes its Report on Environmental, Social and Governance Results, becoming **the only Afore in Mexico to report on sustainability in the investment process.**

10

Our portfolio obtained competitive returns—placed in the first and second quartile for the industry and ranking fourth in 12-month returns and first in 5-year returns.

11

Obtained Socially Responsible Enterprise distinction for the fourth year in a row.

12

Certified as **a Great Place to Work.**

13

The first Afore to certify compliance with Mexican standard **NMX-R-025-SCFI-2015**, labor equality and nondiscrimination, gold level (the highest).

14

Second-best efficiency rating (total expenses/fee income) for a private Afore fund manager.

Milestones by subsidiary/company

BANORTE | SEGUROS

01

Based on figures from AMIS as of the third quarter of 2023, **Seguros Banorte ranked sixth in the industry in terms of premiums written, with a share of 5.1%; and fourth in terms of profits.**

02

As part of a strategy of what is called **"embedded insurance,"** insurance policies were incorporated into account opening, payroll loans, credit cards and SME loans. **New insurance products were also added in on-demand, 100% digital, paperless form, in branch offices.**

03

Pushed technological capacities and development of digital channels, which combined with **implementation of a new technological core**, enables productive capacity to interconnect marketplace ecosystems, social media, e-commerce and in-house platforms.

04

As of December 2023, sales in the **Insurance Banking line continued to improve with double-digit year-over-year growth rates.**

05

We were particularly successful with the placement of a product incorporating a savings component (Banorte Equity for Life) and in **Wholesale Banking where the Salesforce prospecting tool contributed to a year-over-year growth in sales.**

06

The insurance firm strengthened the value proposition of its SME product by bringing un specialized underwriters to assist the bank's SME executives. This resulted in markedly higher production by the sales force compared to the previous year.

07

The NPS linked to sales of insurance at branches grew by **5 points (to 68)** based on year-to-date figures as of the close of December 2023, compared to the same period of the previous year, benefiting from improvements in processes and sales tools for the network team.

BANORTE | PENSIONES

01

Based on figures as of December 2023, Banorte's pensions business held on to its leading position in pension attraction, obtaining **43% of pension deposits awarded by the respective institutes, at a lower deposit cost.**

02

Based on AMIS data for the third quarter of 2023, **Pensiones Banorte continued to lead the Mexican insurance industry with MXN250 billion pesos in assets and MXN237.2 billion in in managed reserves**, more than any other firm in Mexico's insurance industry. It also continues to lead the industry in profit generation by companies active in the annuity business, with a 51% market share.

03

As of December 2023, **96% of the pensioner portfolio had signed up for proof of life with remote voice biometrics** in order to continue receiving pension payments and access digital services. The incorporation of this technology into the Pensiones Banorte Chatbot service channel (WhatsApp) has been recognized as a success story on the worldwide Meta platform (Facebook).

04

The only company placing loans through digital channels and WhatsApp, starting in June 2023.

05

50% of the services available through Chatbot technology are open 24 hours a day, 365 days a year, and **the NPS as of September was reported at 78%** (1 point higher than in the same period of the previous year).

06

Every year, more than 15,000 new customers enroll and all the services (more than 60,000 each month) are available through digital media, with a staff of 157 employees and just five personalized customer service offices.

07

Pensiones Banorte was the financial group's **third highest profit-generating subsidiary as of 4Q23**, second only to Banco Mercantil del Norte and Seguros Banorte.

Risk management

GRI 2-12, 2-13, 201-2

SASB FN-CB-550a.2, FN-IB-550a.2

In 2023, we effectively managed risk, ensuring the stability of GFNorte and continuing to grow sustainably and profitably. This despite a year fraught with uncertainty both locally and globally, accompanied by high interest rates and market volatility.

Risk management at GFNorte is aligned with our core goal of maintaining a conservative, diversified risk profile. We incorporate risk management as a natural and essential part of all our activities, projects and strategies; this institutional vision enables us to anticipate, manage and mitigate the main risks to which we in the Group are exposed.

GFNorte considers risk management a day-to-day responsibility shared by all employees of our institution. We are continually working to identify, prevent and mitigate emerging risks that may significantly affect the financial climate and compromise this Group's performance. Aware of the magnitude of such risks, we incorporate them actively and consciously in our general risk management.

2023 Highlights

In 2023, we prioritized interest rate risk management, as well as formalizing and improving our management of sustainability, climate and nature-related risks, while buttressing a set of rules on management and mitigation of epidemiological and regulatory risks.

Portfolio quality and growth

Our loan portfolio was once again **rated highest quality** among Mexico's leading banks, based on our loan delinquency rate.

Solid double-digit growth in business and retail loan portfolios.

Improved our value proposition through cluster-based segmentation and risk indicators, offering **hyper-personalized products and services.**

Continued certifying internal provisioning and capital sufficiency models; incorporated the mortgage portfolio and contributed to higher-quality origination, optimizing reserves and capital.

Strengthened decision-making by **expanding the scope of the risk-adjusted profitability model** to the business and government loan portfolio, with competitive pricing for customers and an attractive return for the Group.

Fostered a **culture of anticipation and cooperation** to identify, contain and stabilize risks throughout the year.

Reinforced the organizational structure for analyzing loan quality starting with online prospecting, in line with **our vision of growing with quality** and based on our risk-adjusted profitability model.

Strengthened credit tracking through formal sampling in an internal and external **loan review.**

Balance sheet, liquidity and market risk management

Deployed capital optimization and tracking strategies to ensure efficient, conservative balance sheet management, as well as **alignment of economic value metrics with the Basel standard.**

Satisfactorily **completed stress testing** with consent of the regulators.

Achieved **circumstantial and structural liquidity indicators** above the industry average.

Managed margin sensitivity under a forward-looking approach to prepare positions for possible rate cuts.

Improved exchange-rate risk with real-time foreign-exchange hedge capacities.

Introduced a profiling model for financial instruments to provide the **widest selection of products** according to each customer's risk appetite.

Increased derivative hedge efficiency (XVA) with quantitative benefits for the Group.

Completed the transition from the **London Interbank Offered Rate** (LIBOR) **to the Secured Overnight Financing Rate** (SOFR) in keeping with regulatory and market standards.

Comprehensive risk and sustainability management

Continued **mainstreaming sustainability and climate aspects and risk** into the rest of our risk management.

Consolidated a **digital GRC platform**, with greater process efficiency and savings and benefits from traceability and timeliness of information for decision-making.

Achieved the lowest losses in our history from operational, legal, technological and cybersecurity risk incidents.

Strengthened the comprehensive risk management framework by formally incorporating rules on nature-related and regulatory risk into the risk manual, the latter in coordination with the Comptroller's office.

Introduced all the regulatory changes required during the year, on time and in full compliance with official requirements.

Received approval of our decarbonization targets from the SBTi, making us the only bank in Latin America to do so.

Published our second report on climate-related risks and opportunities in keeping with the commitments assumed in international climate risk initiatives.

Strengthened our responsible banking approach through consultancy and transition analysis for customers in our various portfolios.

Corporate governance of risk management

Risk management structure

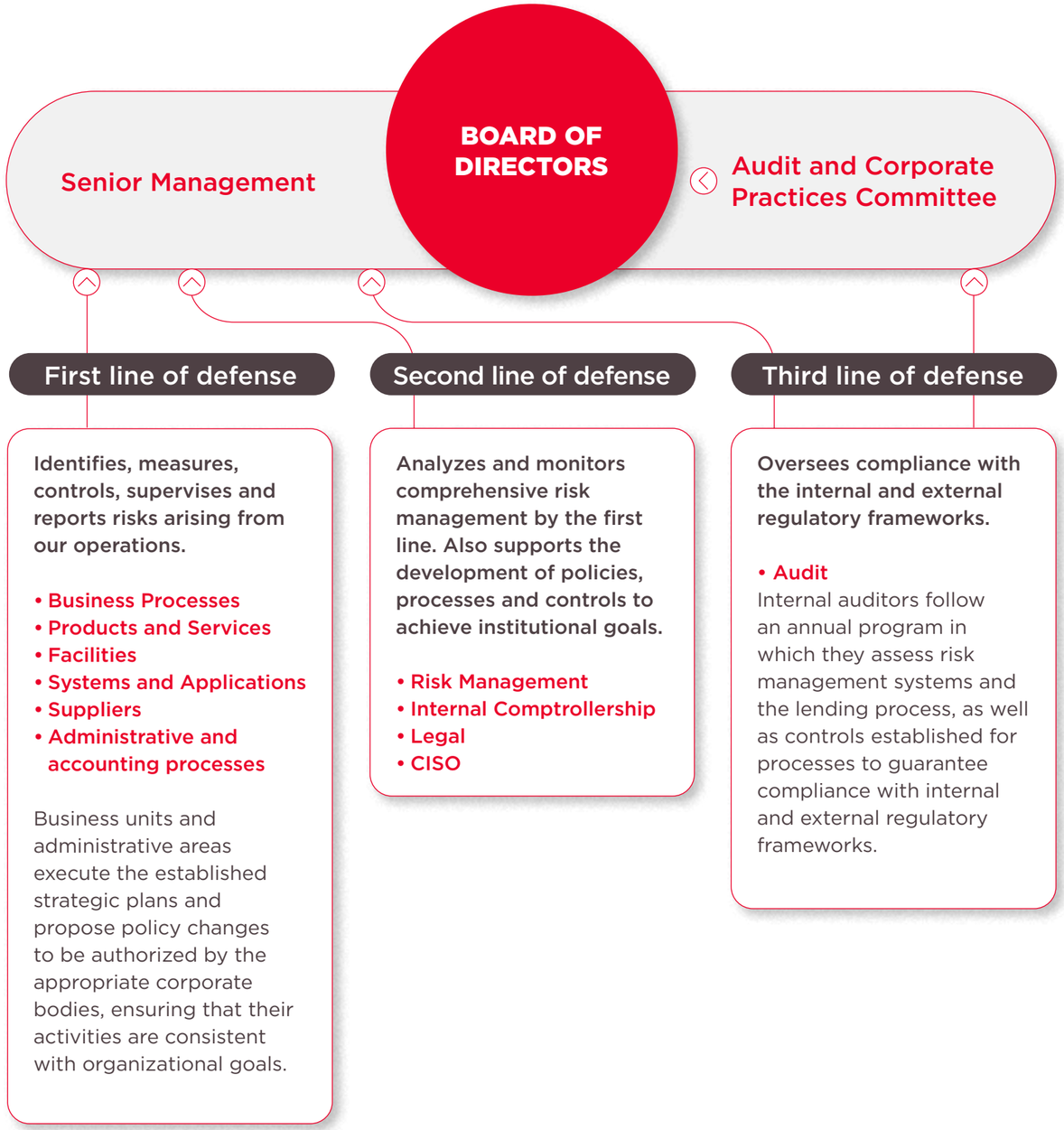
GFNorte has a solid governance framework that rests on a structure of well-defined governance, three lines of defense, and rigorous regulatory and legal compliance.

Under our corporate governance model, the Board of Directors is responsible for managing risks and setting guidelines for the desired risk profile. The Risk Policies Committee authorizes risk management models, policies and limits, and is in charge of the creation, objectives, membership and functioning of the committees that support the chief executive officer. It meets 12 times a year in ordinary sessions, and in one additional extraordinary meeting, and it has six members, four of whom are independent. The CRMU is in charge of the overall management and monitoring of risks.

In 2023, we conducted risk training sessions for board members and senior management. These sessions covered topics such as cybersecurity and emerging digital risks. We believe it is crucial that our leaders have access to up-to-date information and an extensive knowledge of these topics in order to gain an informed perspective on the leading risks and trends, as well as best practices for managing them.

At GFNorte, we have also focused on providing a continuous flow of information to the rest of our organization. We have updated our risk manuals to adapt them to new risk management challenges and priorities. These manuals include new models, risks and policies to guide and regulate the operations of the various business areas in risk management, in keeping with official regulations and requirements.

GFNorte's corporate governance structure is summed up in a solid model of three lines of defense for effective risk management and control.



CONTROL AND COMPLIANCE

01

Internal and third-party audits

Auditing our comprehensive risk management involves an annual review of the policies, procedures and documentation of the methodologies used to manage the risks GFNorte assumes in all areas of its operations.

We also submit to a technical assessment by an independent auditor, who certifies that our institution has a management framework in place that allows for proper comprehensive risk management in keeping with the organization's complexity and type of operations. The audit focuses mainly on the quantitative measures of risk mitigation at GFNorte, such as:

- **Reliability** of the models used, and risk assessment metrics and scenarios.
- **Regular reviews** of the suitability and sufficiency of risk factors affecting the Group.
- **Sensitivity and stress testing.**
- **Procedures and criteria for judging** the consistency of assessments provided by the risk systems.
- **Procedures and criteria for assessing** the predictive capacity and precision of the models used.

02

Drafting and publication of internal policies and procedures

All our internal regulations are found on a centralized website administered by the CRMU, for matters pertaining to risk and lending processes, and the Comptroller's office, for operational, administrative and business matters. Each area is responsible for keeping its procedures up to date, but any change must be reviewed and authorized by the Comptroller's and Internal Audit areas before it is formalized on the website. New regulations might be issued in connection with the launch of new products or services, adjustments to existing product policies, changes in processes or policies in general, technological changes that affect the process, and requests from external authorities.

03

Risk matrixes and controls

We ensure that every new initiative for a new product or service, or modification to the existing ones, aligns with the institution's strategic goals and complies with regulations. We do this through **risk matrixes and a consolidated documentary process of assessment, authorization** and regulatory follow-up handled by the Deputy Managing Director-Comptroller.

04

GRC model

We have a GRC model that provides a set of **strategies, models, tools and capacities focused on meeting institutional goals** for corporate governance, risks, regulatory compliance, and regulation as a comprehensive whole. This model is being deployed through a digital platform that contains applications for managing compliance controls and mitigation processes, to keep risk at reasonable levels and consistent with the established risk appetite.

Key benefits include a common taxonomy and databases, traceability, process and task automation, and real-time monitoring, resulting in significant time and cost savings.

Comprehensive risk management

Comprehensive risk management framework

Our institution is known for its solid risk management culture, which is largely responsible for its resilience, profitability, asset quality and solvency.

It is a culture that permeates every level of the organization.

The decisions we make at GFNorte focus on maximizing the reported risk-return ratio to meet strategic targets for asset quality and solvency, without neglecting our commitment to sustainability. We put this into practice throughout the bank, and we take it into account in all of our operations. As a result, we are continually developing more models and procedures to measure and mitigate all the risks relating to sustainability.

THE PRINCIPLES OF GFNORTE'S RISK CULTURE

We are all risk managers

GFNorte **encourages employees to play an active role** in identifying, escalating and managing risks. We have channels for reporting operational, technological, psycho-social, credit, market and fraud risks, so that the heads of each area can fulfill their role as first line of defense.

Anticipate risk

Identifying and anticipating possible future risks is essential for properly managing comprehensive risk at GFNorte. To this end, **we monitor the economic and business climate and incorporate market trends into our models, tools, processes and policies.** This requires staying in close communication, both with customers and with regulatory authorities, to prevent and stay aware of possible scenarios that might negatively impact our Group. We have a BCP and a DRP which run a gamut of over 300 tests each year, considering stress scenarios for the risks to which the bank may be exposed.

Multidisciplinary participation

The joint participation of GFNorte's multidisciplinary committees and teams enrich the horizons on which we identify opportunities and contain risks. Risks are continually monitored, and mitigation strategies and actions planned and executed with the consensus of all the areas involved. **We operate under a collaborative, cell-based work scheme, with multidisciplinary teams** that perform specific tasks, such as improving or correcting a process or developing a new product. This way of working enables us to react in an agile way to changing environments that may pose a risk to our operations and strategies and therefore imply potential losses.

Forward-looking vision

GFNorte's forward-looking vision requires constant foresight and improvement in the risk management strategy, and calibration of policies and models. Our methodologies and tools, which are kept up to date with new business trends and best practices, enable us to **project the future performance of our assets and generate scenarios and stress** testing for strategic decision-making.

Responsible approach and sustainable management

GFNorte considers sustainability as a priority for achieving its business goals. We are working on incorporating environmental, social and governance aspects into our operations, services and products, in order to respond to market demands and face the global challenges that pose a significant risk to the financial industry. In applying this approach, we incorporate sustainability into decision-making from the highest echelons of the organization and ensure it is executed through solid governance. **Sustainability awareness and responsibility are essential to us, and putting them into practice allows us to be a positive** force of change for all of our stakeholders: customers, employees, shareholders and the community.

Communication and continuous training

Our board members and senior management recognize and implement a solid risk culture based on an **institutional communication model that aligns every member of the Group at the strategic and tactical level.** We have also reinforced training for employees at all levels in the various areas and subsidiaries of the Group on how to identify, prevent and mitigate risks.

Risk/return-based compensation

Risk management criteria also play a part in employee evaluation and compensation. This process, which relies on the formal measurement of risk indicators, maximizes the risk-return ratio while avoiding internal conflicts of interest. In the case of senior management, these criteria are established in our **compensation system** to ensure proper risk-taking. Below the senior management level, we have a system of performance evaluation in which employees work together with their immediate supervisor to establish goals which are then evaluated so they can be compensated based on the results, including fulfillment of various risk-adjusted profitability targets. In this way, correct risk management, within the sphere of each employee's responsibility, is continually taken into account. Performance is evaluated on the basis of specific metrics, as well as professional skills and abilities, according to each job description.

Innovation

We consider innovation essential for remaining current in our market. We know that in order to be capable of identifying, measuring and mitigating both present and future risks, we must not lose sight of **innovation as a fundamental pillar of our sustainable growth.** We know how dynamically and quickly risk management must evolve as new ways of banking emerge; so it is vitally important we remain at the forefront of the latest industry trends and their implications from a risk perspective, not only through technological innovation, but also through new products, services, models and methodologies.

Desired risk profile

GFNorte maintains a conservative risk profile, with an unremitting focus on value creation. To monitor our desired risk profile, we establish general and specific guidelines at the Group level, and we have a process for tracking, formally escalating and recalibrating in the event of any discrepancy from that profile.

We also assign quantitative indicators by type of risk for the Group which can serve as key metrics for identifying the risks to which we are exposed and to measure the status of our financial health.

These indicators are reviewed and ratified at least annually by the Board of Directors, and serve as guides in defining and implementing strategies and goals.

QUALITATIVE GUIDELINES OF THE DESIRED RISK PROFILE

01 Medium-low risk profile

02 Corporate structure based on autonomous and self-sufficient affiliates

03 Global vision of all types of risk

04 Independent risk management function

05 Comprehensive sustainability strategy

06 Quality and growth of productive and non-productive assets

07 Policy of stable, recurring results and dividends

08 Diversified portfolio approach based on the risk-return-opportunity ratio

09 Stable financial results

10 Incentives and compensation aligned with the desired risk profile

11 Technological innovation

12 Minimum local long-term rating of AAA

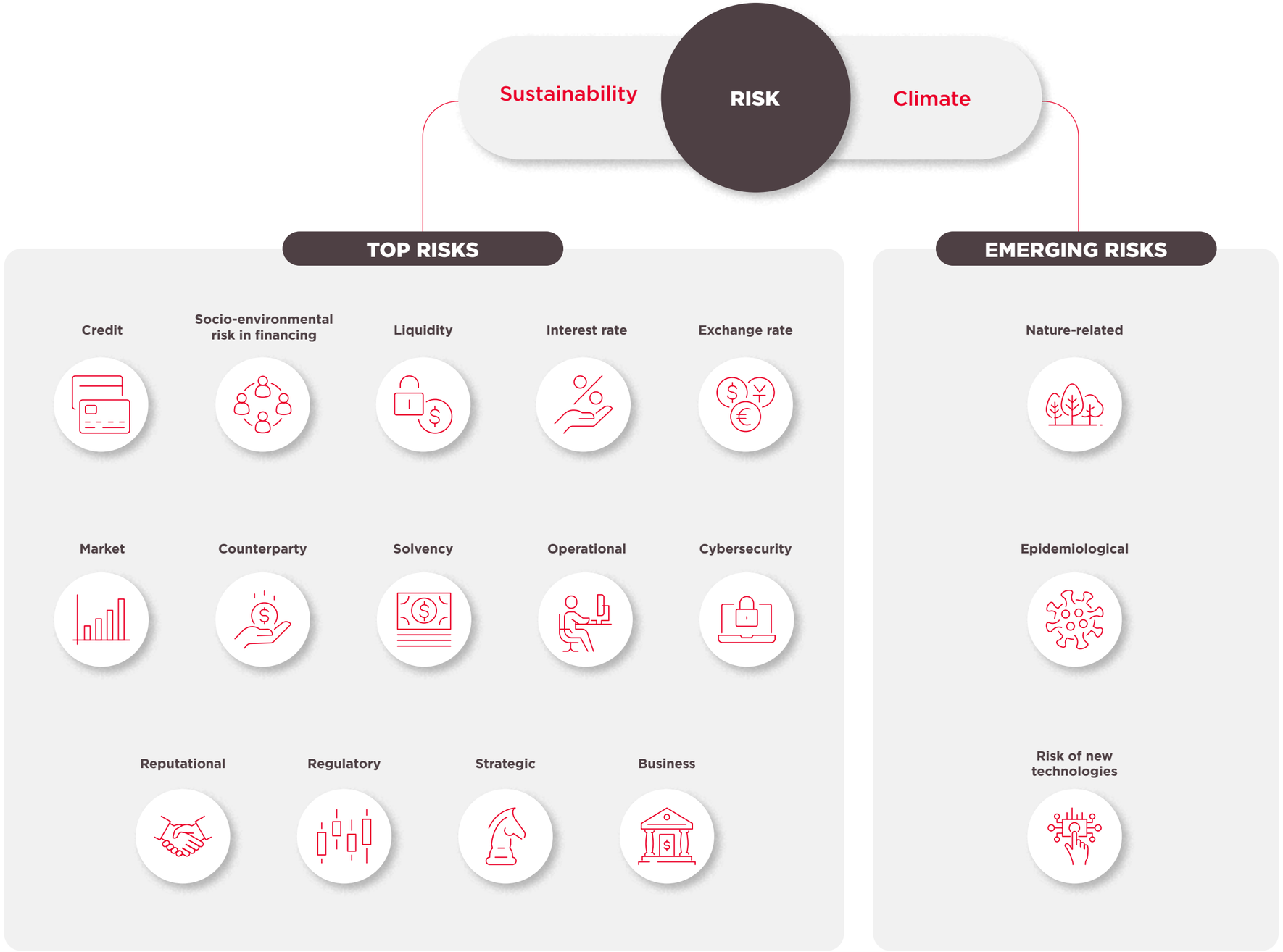
13 Zero tolerance for risks relating to noncompliance with the law or regulations

Risk identification

GFNorte is persistent and disciplined in its tracking of emerging risks, which are increasingly interconnected with sustainability and climate issues, areas where we made significant progress in 2023. On the whole, we have found that these two risks directly or indirectly impact all of the others.

We have prepared a **risk map that contains all of our main risk metrics and their respective limits and tolerance levels, enabling us to monitor them quantitatively** and to promptly activate mitigation and correction mechanisms and plans. We use this risk map to review and exhaustively track the main risks events on a month to month basis, and we also track compliance with risk thresholds by monitoring more than 300 risk indicators each month.

We also focus on identifying and regulating emerging risks, which represent potential threats to GFNorte, its customers and its strategy. Defining and classifying potential risks according to their nature enables us to better manage and mitigate them.



SUSTAINABILITY RISK

In a world increasingly aware of the interconnection between business success and global well-being, we recognize that Sustainability and the proper management of socio-environmental risks are essential to the fulfillment of our long-term goals, which makes these fundamental pillars of GFNorte's institutional strategy.

In a constantly evolving business climate, it is imperative that we bear in mind that Sustainability risk not only affects our reputation and relationship with stakeholders but may also significantly influence the institution's financial health. Effective management of this risk is not just a matter of compliance; it is a key differentiating factor for creating Sustainable value and mitigating possible threats.

This approach reflects our understanding that Sustainability cannot be confined to the mitigation of climate risks, but must comprehensively address social and corporate governance aspects. Our Sustainability strategy aligns with ethical and responsible principles, supporting the creation of Sustainable value for all stakeholders and reinforcing our commitment to building a strong, resilient, and socially responsible business future.

To this end, we reaffirm our conviction in a business vision that aligns with Sustainability and responsibility principles. Because our investors, regulators, and consumers demand greater transparency and accountability, we believe that this proactive approach to Sustainability risk management not only positions us for continued success but also fosters trust and support from all our stakeholders.

GFNorte actively conducts its comprehensive risk management from a perspective of sustainability management that permeates every aspect, in managing both the top risks and the emerging risks.

SUSTAINABILITY SCORE

Sustainability has become a basic criterion for making business and investment decisions, and our Sustainability score serves as a quantitative tool for assessing our performance on the sustainability pillars. It represents an overall measure of our commitment to sustainability, and is a key indicator of our progress toward responsible business management.

The score is important because it enables us to quantify and rate our commitment to Sustainability. By providing an overall sustainability rating, we can not only evaluate our current performance, but set targets and strategies for continuous improvement. It also provides for transparent, effective communication with our investors, stakeholders and society at large on our Sustainability efforts and achievements.

UPDATE PROCESS

01

Methodological review

We analyzed the indicators that count toward the score and made any necessary modifications or improvements needed.

02

Collecting information

We compiled information as of December 2022 from areas in charge of tracking and monitoring each indicator.

03

Evaluating the information

We reviewed and evaluated the information for coherence, completeness, consistency and accuracy.

04

Definition of thresholds

Together with the responsible areas, risk thresholds were defined with a forward-looking vision, ensuring they aligned with standards, commitments and best domestic and international practices.

05

Score improvements

We made adjustments to the methodology, particularly in the strategy and materiality matrix, where the weightings were modified according to the updated priorities for stakeholder groups.

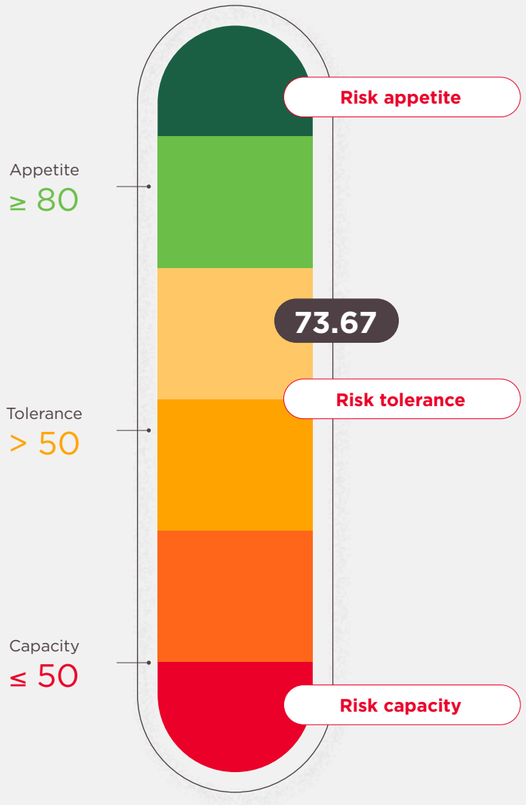
06

Sustainability Index Calculation

We calculate the score for each of the pillars, analyze improvements and areas of opportunity, and finally, arrived at a comprehensive Sustainability Index.

In the 2023 update, the sustainability score was 73.67 (on a scale of 0-100), 1.69 points better than in 2022, so the level of risk tolerance was unchanged. The results of the sustainability score were presented to the Risk Policies Committee and Sustainability Committee.

SUSTAINABILITY INDEX



CLIMATE RISK

Climate risk is one of the gravest threats to the world today. Physical and transition risks threaten the safety and health of populations, the balance of nature, and the stability of economies. Organized science-based global action is needed to mitigate and adapt to the effects of climate change, to achieve a resilient, just, sustainable and prosperous future.

As part of the financial industry, GFNorte knows that it plays a critical role in responding to this crisis. **We have joined in the call to limit global warming to 1.5 degrees Celsius**, and to reach net-zero GHG emissions by 2050, through ambitious initiatives with our employees, customers, and investors.

Climate change holds significant importance within our Group, and is seamlessly integrated into our institutional governance framework; the associated risks and opportunities are actively addressed by all bodies of governance and at every level of the organization.

Climate change holds significant importance within our Group, and is seamlessly integrated into our institutional governance framework; the associated risks and opportunities are actively addressed by all bodies of governance and at every level of the organization. Climate initiatives for the Group are spearheaded by the Board of Directors, the Risk Policies Committee, Audit and Corporate Practices Committee, the Sustainability Committee, the Climate Change Specialist Team, and, beginning in 2023, by various multidisciplinary work groups called “cells” that focus on execution of all key projects like Sustainable Financing, product development, managing physical and transition risks and more than forty sustainability projects.

Climate strategy at GFNorte

In 2023, we updated our climate strategy, taking into account the material priorities of the Group, as well as global best practices in this area. We rely on the MEDIR methodology (Model, Greening, Decarbonize, Integrate, and Report), which defines five guiding pillars by its acronym, which means “measure” in Spanish:

Model

We will analyze physical, transition, and nature-related risks, contrasting various scenarios and conducting stress tests that allow us to take action to mitigate and adapt to the effects of climate change, and **prevent or minimize impacts on nature, in addition to quantifying possible losses.**

Integrate

We intend to make climate change an ongoing priority for our business, considering institutional goals, strengthening governance of our Group, considering compensation and budgets, and enhancing climate information management systems for ourselves and our customers.

Greening

In line with national and global objectives, **we will contribute to greening the banking industry by offering sustainable products and services** that finance activities that have positive impacts on the environment and the population, and by consolidating sustainable markets.

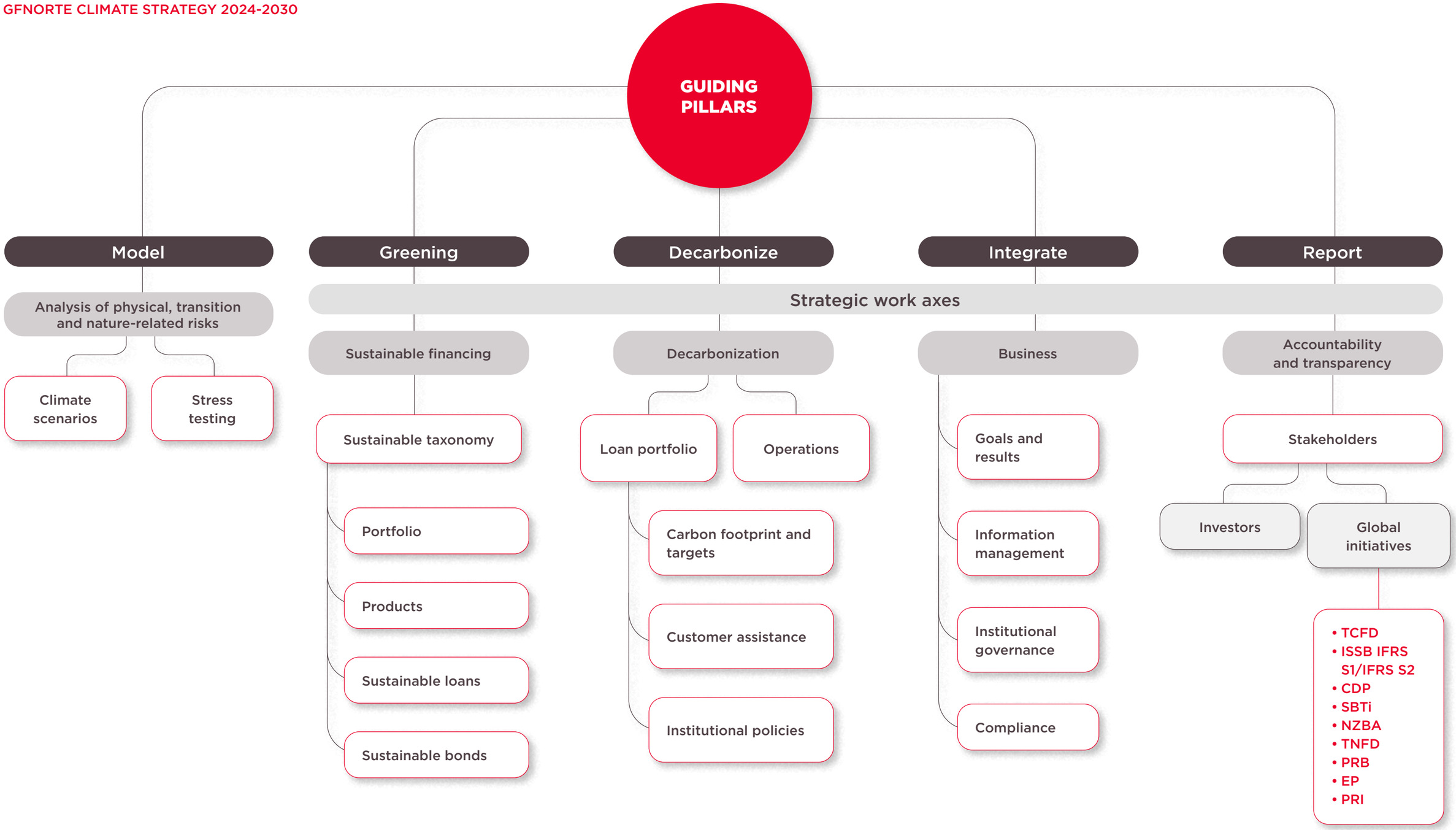
Report

Our firm commitment to stakeholders moves us to offer an increasingly clear accountability of our compliance with the global initiatives we have joined for more than a decade, to our investors, customers, suppliers and the communities to which we belong.

Decarbonize

Considering the urgent transition to a low-emission economy, **we will establish ambitious reduction targets for both our portfolios and operations,** developing institutional policies and processes to support the achievement of our goals and assisting our customers in achieving theirs.

GFNORTE CLIMATE STRATEGY 2024-2030



GFNORTE'S CLIMATE STRATEGY APPROACH IN 2023

In 2023, our priority was to quantify Scope 1 and 2 operational emissions, and to measure Scope 3 financed emissions, in GFNorte's loan portfolio for priority industries, and in our fund manager's investment portfolio. We also prioritized target-setting, analysis physical, transition and nature-related risks, developing climate scenarios and conducting stress testing.

A significant achievement of our climate initiative **was expansion of the evaluation of financed (Scope 3) emissions, as part of our comprehensive strategy** of addressing the environmental impacts associated with our operations. This analysis, conducted according to the rigorous rules of the SBTi initiative, enabled us to quantify our indirect emissions and set specific targets to reduce our carbon footprint.

We are particularly pleased to note that we were the first financial institution in Latin America to achieve the milestone of having our targets approved by the SBTi. This recognition attests to our commitment to sustainable commercial practices and our prominent role in adopting international environmental standards. It also reaffirms our commitment to responsibly managing environmental risks and opportunities and reflect our proactive approach to addressing the challenges of climate change.

The results of our estimates on direct (Scope 1), indirect (Scope 2) and financed (Scope 3) emissions, as well as our reduction targets, can be found in the Environmental Capital section of this report.

ANALYSIS OF PHYSICAL AND TRANSITION RISKS

Through a study of physical risks, transition risks, and analysis of GHG emissions quantifications in GFNorte's portfolios, we identified risks and opportunities in the short (0-4 years), medium (5-14 years), and long term (over 15 years) for the corporate and business portfolio sectors. Additionally, we conducted exercises with climate scenarios and pilot stress tests. **Scenarios are useful for understanding in an organized and coherent manner possible future situations related to climate change, while stress tests** allow for the estimation of potential losses, portfolio sensitivity in certain sectors, and the institution's resilience to adverse scenarios.

PHYSICAL RISKS

We made the following improvements to our quantification of physical risks:

01

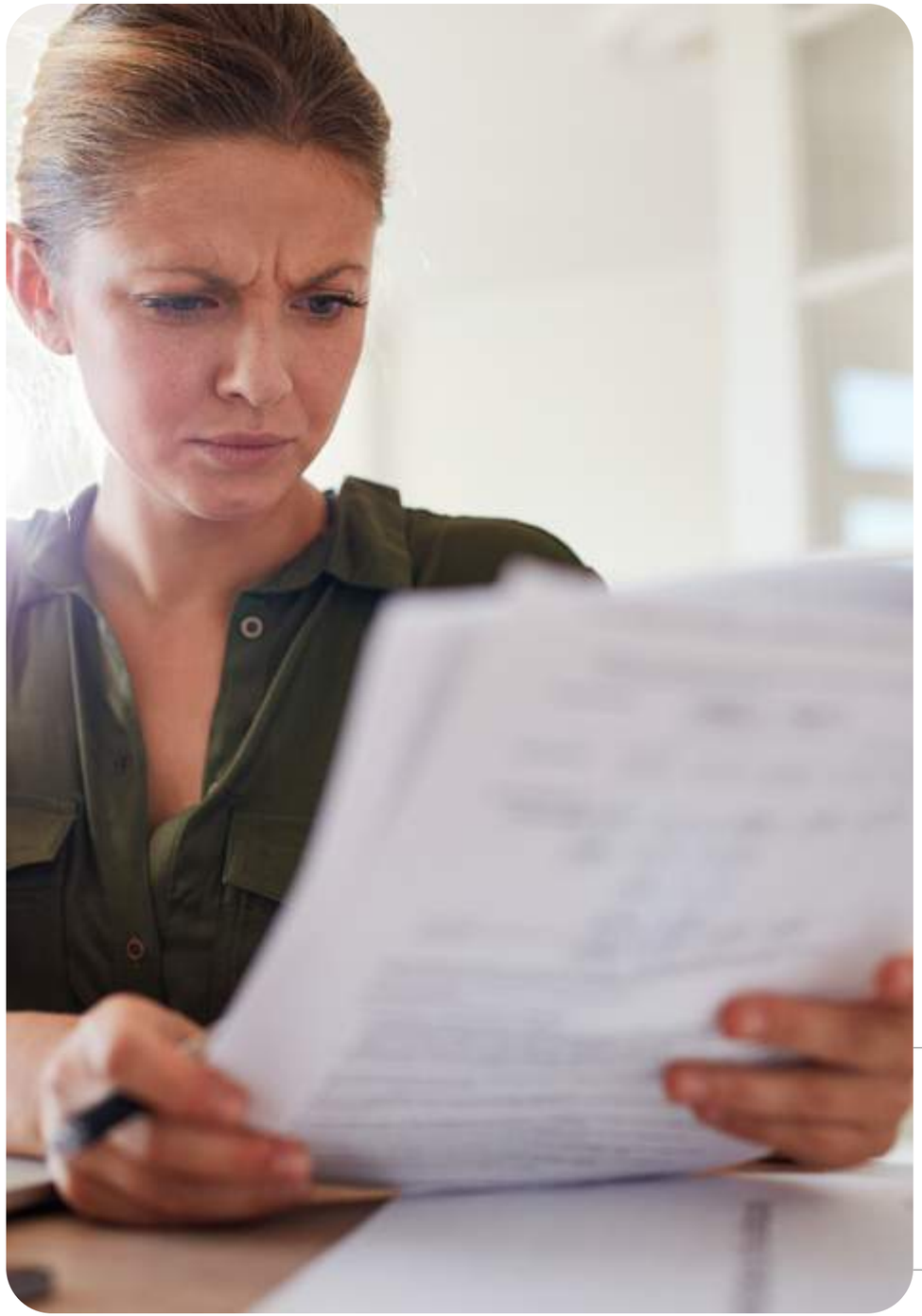
We expanded our analysis to the municipality level, classifying each of these according to their level of risk based on their geographical location with a resolution higher than 3 kilometers per calculated centroid. Hydro-meteorological events such as cyclones, floods, and storm surges were considered to determine the level of exposure of our bank branches, as well as real estate, lodging, and mortgage portfolios. By this exercise we found that the concentration of bank branches and assets in the mentioned portfolios in currently categorized high-risk areas is low.

02

We used climate scenarios involving different temperature increases by 2050 (from +2°C to +4.3°C compared to current averages) to estimate the impact on our direct operations and on the aforementioned portfolios, as well as the impact of cyclones on the value of mortgage and real estate guarantees in scenarios aligned with the Intergovernmental Panel on Climate Change (IPCC). The scenarios show that although impacts are limited in 2030, as the time horizon extends and/or scenarios become more pessimistic, these impacts increase.

03

We also included a climate scenario in the Capital Adequacy Assessment, considering a short-term horizon of 3 years and assuming an impact on macroeconomic variables assuming that industries do not take sufficient action to reduce emissions by 2030 as required under the General Law on Climate Change. Based on the scenario analysis and pilot climate stress test, we concluded that the institution's capital is sufficient to absorb the additional losses that would occur if the previously mentioned climate scenarios materialized.



TRANSITION RISKS

Since there are no historical data to measure transition risks, we rely on economic models, **risk factors, and sensitivities to these factors specific to each sector, which are interrelated with climate scenarios suggested by the NGFS.** One of the key variables in these scenarios is the carbon price, which has already been introduced in some countries around the world to mitigate industrially generated climate change. The result is an increase in costs across the entire production chain.

With this in mind, we made the following improvements to our quantification of transition risks:

- We calculated an indicator that measures whether our customers could withstand the cost of an increase in the carbon price, assuming Scope 1 emissions in proportion to their EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). Using NGFS's updated Net Zero and Delayed Transition scenarios for 2030, 2040, and 2050, we estimated how this indicator would behave. The exercise was applied to the wholesale portfolio, beginning with the most polluting industries in the portfolio and created a traffic light system to classify customers and quantify the impact the carbon price increase would have under different scenarios. The results indicate that the most significant impacts would be felt under a net-zero scenario and the four industries most sensitive to a change in the carbon price would be the aluminum, iron, steel, and agricultural industries. These account for less than 1.2% of Banorte's total portfolio.

The above is included in our third report on climate-related risks and opportunities, prepared according to TCFD recommendations.

Top risks

Credit risk

The risk of possible default by a borrower or counterparty, along with the guarantees extended to them, poses a significant threat to GFNorte's performance and its strategic objectives.

In 2023, our credit risk management proved effective thanks to the inclusion of cluster-based strategies and risk-return optimization. With this, we were able to deliver highly personalized products and services aligned with our defined risk tolerance levels. We bolstered our credit divisions and committees, making quality a priority. Collaborative efforts among various departments were pivotal in continuously monitoring the credit portfolio, enabling us to anticipate, contain, and stabilize risks throughout the year.

Furthermore, we applied a proactive strategy to diversify our credit portfolio. This involved setting limits and maximum exposure for the various portfolio segments, beginning with the work of credit committees which oversaw placements, and extending to multidisciplinary tracking by all responsible departments.

As a result of measures such as these, GFNorte maintains a competitive advantage in the credit market through continuous certification and recertification of its internal rating models for provisioning and capital, which allow it to:

Optimize provisioning according to the real risk assumed, the recent trend in portfolio quality and future economic expectations.

Synthetically generate capital by reducing the necessary amount of capital determined on the basis of credit risk, making this sensitive to real risk in the portfolio, which is lower than the risk implied in regulatory models.

Generate a more competitive pricing to attract the best customers by including real risk in the portfolio return and by mitigating risk through inclusion of guarantees within the transactional structure.

Selectively take risks in the niches and customers that offer higher risk-adjusted returns.

In 2023, we continued to work on the guidelines and specific thresholds of the desired risk profile for the following credit risk indicators: cost of risk, NPL ratio, adjusted NPL ratio, reserves coverage ratio, and concentration by economic sector.

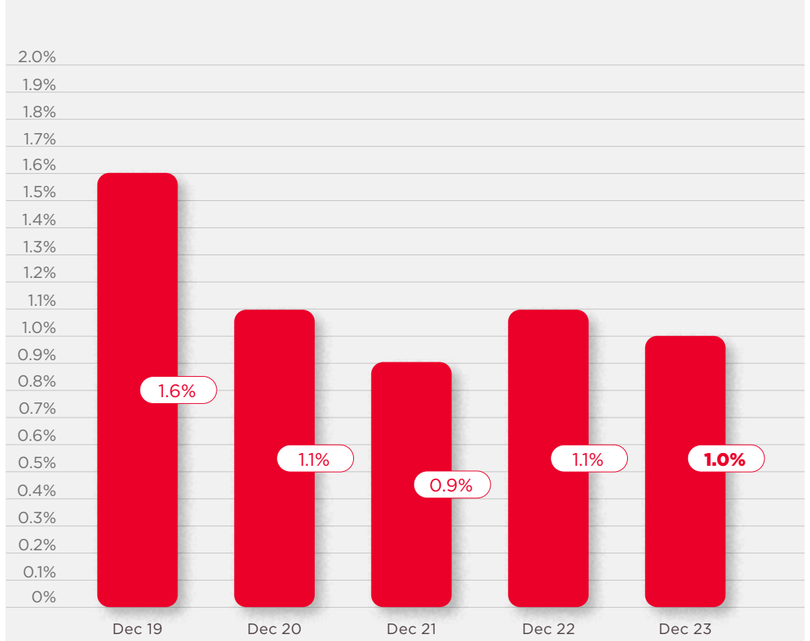
In 2023, the loan portfolio grew by +12.2%, driven by an expansion in the corporate (+20.8%) and consumer (+15.4%) segments. Key credit risk indicators for the year confirm positive performance, reflected in the quality of our loan portfolio. The non-performing loan ratio for December 2023 was just 1.0%, a slight 3-basis-point drop from December 2022, thanks to selective origination and solid management of prevention, mitigation and collections. The adjusted NPL ratio closed the year at 2.7%, up from 2.6% at the end of the preceding year.

In 2023, the reserves coverage ratio closed at 182.3%, rising by 3 percentage points over the previous year, primarily due to an increase in reserves resulting from the incorporation of a new GFNorte subsidiary.

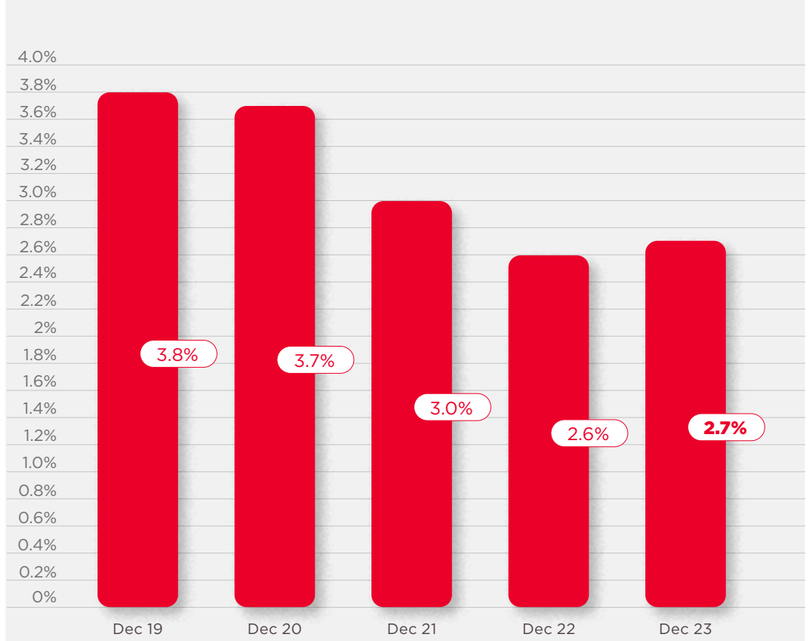
+12.2%
loan portfolio growth

2.7%
adjusted NPL ratio

NON-PERFORMING LOAN RATIO



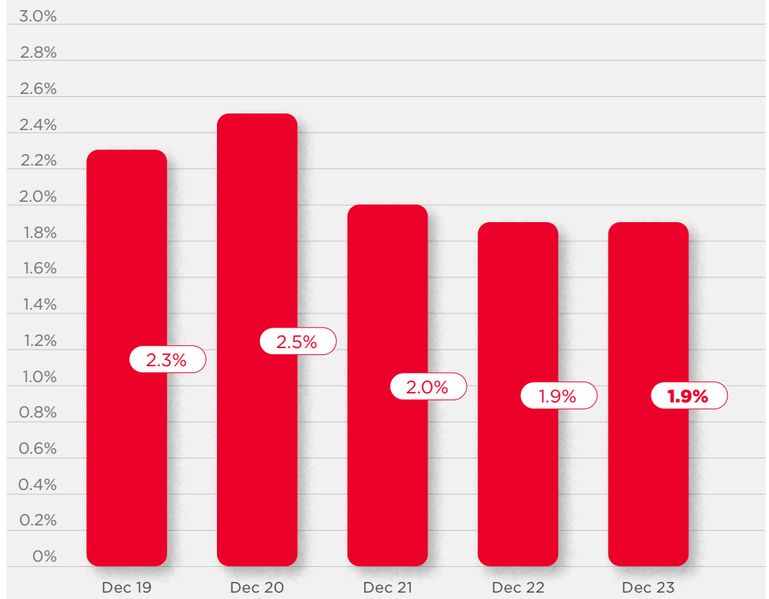
ADJUSTED NPL RATIO



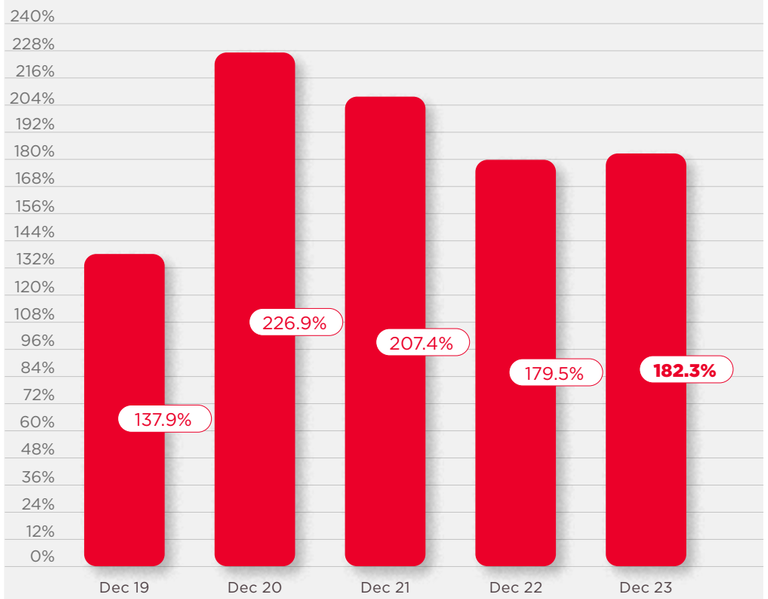
The ratio of reserves to total portfolio was 1.9% at the end of December 2023, down 2 basis points from the year before, chiefly due to a sharp increase in the total portfolio.

The cost of risk grew slightly from 1.35% in 2022 to 1.60% at the close of 2023, attributed to increased requirements in payroll and credit cards.

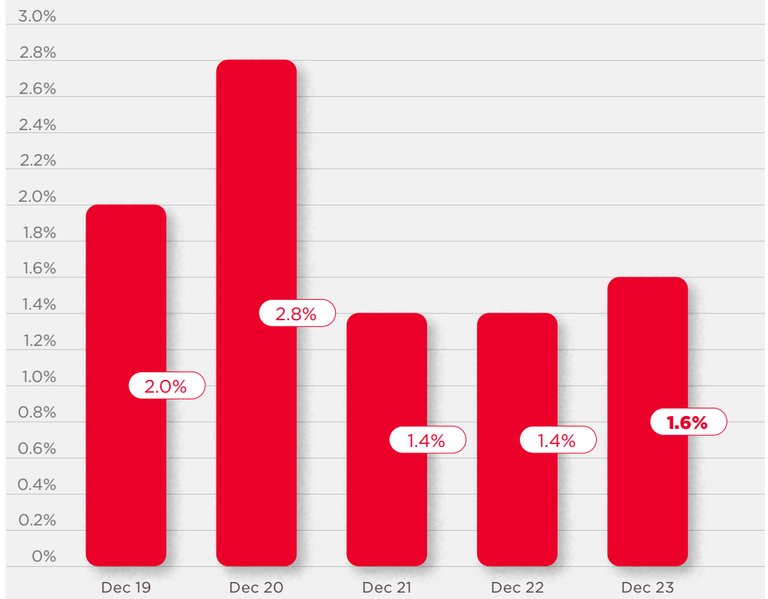
RESERVES/TOTAL PORTFOLIO



COVERAGE RATIO



COST OF RISK



Socio-environmental risk in financing

GRI 2-12, 201-2, FS2, FS3, FS5, FS9, FS10, FS11

SASB FN-IB-410a.2, FN-IB-410a.3, FN-CB-410a.2

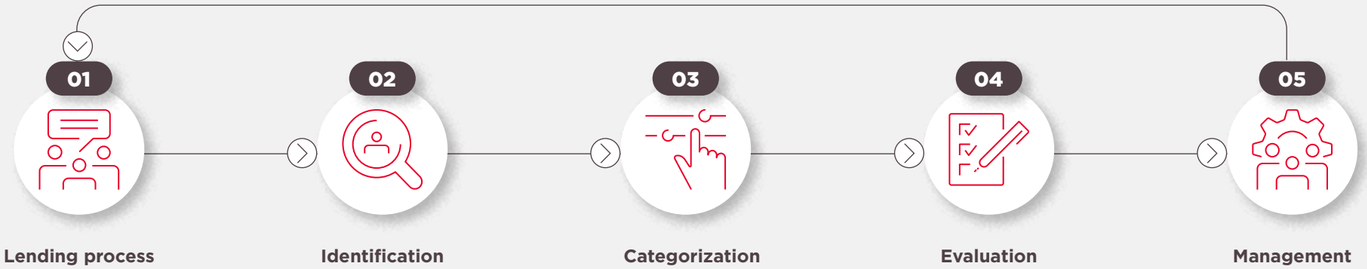
For GFNorte, limiting environmental and social risks is a fundamental part of our business strategy.

For GFNorte, limiting environmental and social risks is a fundamental part of our business strategy. Within the bank's lending process, we have the SEMS, now on its 11th year of operation, which since the year 2012 has helped us identify, categorize, evaluate and monitor the risks entailed in the financing we extend in corporate, business and infrastructure banking, based on the Equator Principles, the performance standards of the IFC, as well as local laws and institutional regulations.

SEMS is the responsibility of the SERA, which operates within the Executive Department of Sustainability and Investor Relations, which is made up of specialists in the field; at the end of 2022, the team bolstered its capacity by bringing on new talent and experience in the fields of science, research, industry and technology. SEMS is also supported by our Sustainability Champions, representatives of credit areas that act as liaisons between the socio-environmental team and territorial areas to identify cases where financing entails significant risk.

During the analysis process, we identify the potential risk of financing and apply our blacklist. We classify risks as category A (high risk), B (medium risk) and C (low risk), depending on the magnitude of the impact and its possibility

SOCIO-ENVIRONMENTAL RISK ANALYSIS PROCESS



for mitigation. We then decide which credits to evaluate depending on the use of the proceeds, size, and sector to which they belong, prioritizing investment projects, working capital and/or bridge loans in sensitive industries.[1] Loans above USD10 million are evaluated under the Equator Principles; loans between USD1 million and up to USD10 million under the IFC performance standards, and loans of less than USD1 million through internal evaluation by the SEMS. Finally, we manage projects by providing consultancy to customers, conducting biannual onsite visits, monitoring reputational issues and participating in credit committees.

As part of our commitment to continuously improving this system, in 2023 we incorporated technological tools to automate process tasks, improve data management and optimize reputational monitoring. Additionally, we began the standardization of SEMS processes, in line with international references, in order to formalize current efforts to detect areas of opportunity, through internal audits in 2024. In doing so, we have reinforced our culture of socio-environmental risk prevention and mitigation incorporated into decision-making, in an effort to address and contribute to issues of global importance such as climate change, biodiversity loss, and respect for human rights.

This past year we increased coverage of the analyzed wholesale banking portfolio by 44% over 2022. We also increased the evaluation of financing under socio-environmental due diligence by 52%, improved management of cases under IFC Industry Guides by 67%, and doubled visits to projects.

44%
increased coverage of the analyzed wholesale banking portfolio

52%
increased the evaluation of financing under socio-environmental due diligence

67%
improved management of cases under IFC Industry Guides

[1] Industrial sectors that have the potential to cause adverse environmental and social impacts in sensitive areas such as protected natural zones, indigenous communities, archaeological sites, among others. Some sectors considered sensitive in GFNorte include oil and gas, energy, agriculture, tourism, construction, forestry, among others.

2023 RESULTS OF THE GFNORTE SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT SYSTEM

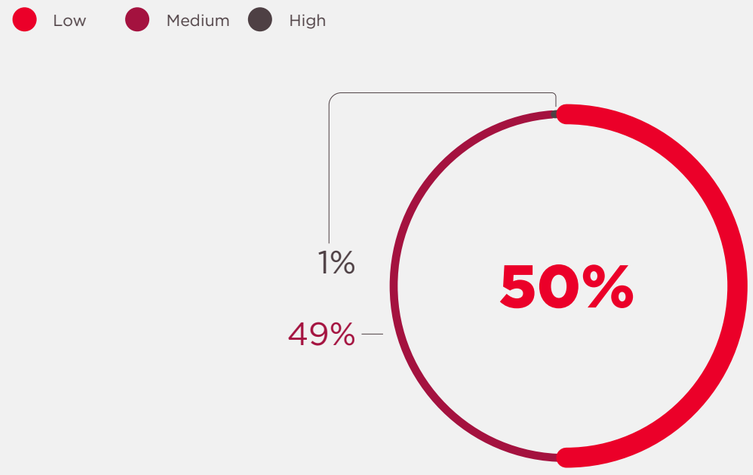
Identification

WHOLESALE BANKING PORTFOLIO ANALYZED

BUSINESS BANKING PORTFOLIO ANALYZED

BUSINESS BANKING PORTFOLIO ANALYZED

Categorization of the 2023 analyzed Loan Portfolio



Half of the loans we granted were classified as low-risk, meaning they present no risk at all or the risk is minimal and mitigable.

Individualized evaluation of projects

Evaluation framework	Category A	Category B	Category C	Total
Equator Principles	9	12	0	21
IFC Performance standards	1	11	0	12
SEMS evaluation	0	2	0	2

From our wholesale portfolio, we assessed under the previously mentioned **evaluation frameworks 35 projects** primarily in the construction, infrastructure, agricultural, oil & gas, manufacturing, mining and tourism industries, **which together represented MXN24 billion in financing.**

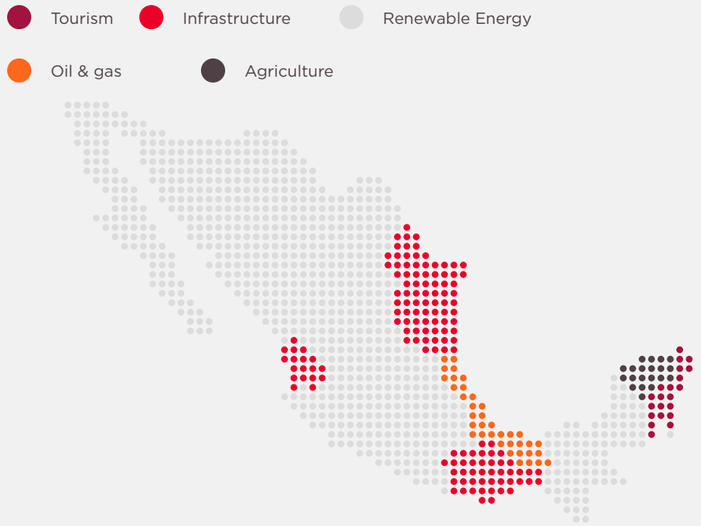
We also analyzed 491 lower-impact loans on the recommendations of the IFC Industry-Specific Environmental, Health and Safety Guidelines. The most representative of the industries where we shared best global practices were construction, agribusiness, manufacturing and infrastructure.

Management

In 2023, we kept up a close one-on-one relationship with our customers, **completing 18 visits to projects in the tourism, renewable energy, infrastructure, oil & gas and agricultural industries in various parts of the country.** We also monitored the reputational **exposure of 96 projects**, only two of which were exposed to controversy at the medium-risk level, one of which was successfully close and the other will remain under supervision in 2024.

PROJECT VISITS 2023

Geographic location by industry



NUMBER OF PROJECTS BY INDUSTRY

Stakeholders interested in more details on the SEMS system can write to **sems@banorte.com**

TRAINING IN SOCIO-ENVIRONMENTAL RISK

GRI FS4

In our credit, business, and risk departments, training is a primary tool for instilling a risk management culture that considers environmental, climate, and social aspects. We are confident that awareness, skill development, and staying updated on the latest trends are essential to risk prevention and mitigation. For this reason, in 2023, our annual online training plan extended to over 1,710 employees.

Topic	Target audience	Number of employees	Hours of training
Training			
Governance and management of environmental and social risks	Wholesale, Commercial and Government Banking, Risks and Credit	1309	0.5
Onboarding Business, Corporate and Credit	Business and Corporate Banking and Credit	251	1
Awareness-raising and communication			
Quarterly communications, relevant cases of socio-environmental risk and miscellaneous	Sustainability Champions, Risk, Business and Corporate Banking and Credit	133	5 min
Socio-environmental risk team training			
Sustainable Assistance	SERA	2	13
Science-based Targets Network LatAm		3	5
Managing socio-environmental risks and SEMS		7	12
Applying environmental legislation		3	40
Regulation and legal protection of cultural and natural heritage		1	24
Climate Change and Nature-related disclosures:		1	16

Liquidity Risk

In order to proactively manage liquidity needs, **we go by a series of indicators aligned with local regulations and best international practices.** In the regulatory sphere, the main tracking metric is the LCR, as a short-term indicator, and the NSFR, as a long-term indicator.

We also track internal indicators such as liquidity gaps and the adjusted LDR.

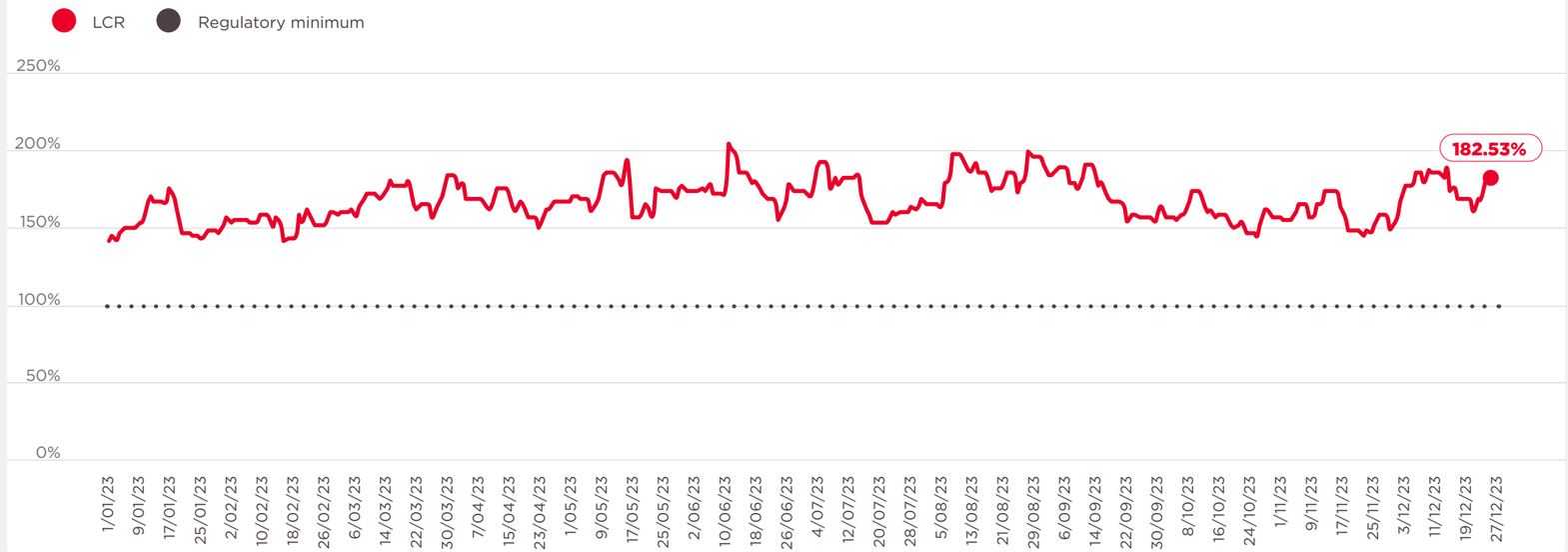
In 2023 we monitored our guidelines and specific thresholds of our desired risk for the following liquidity risk indicators:

01 NSFR

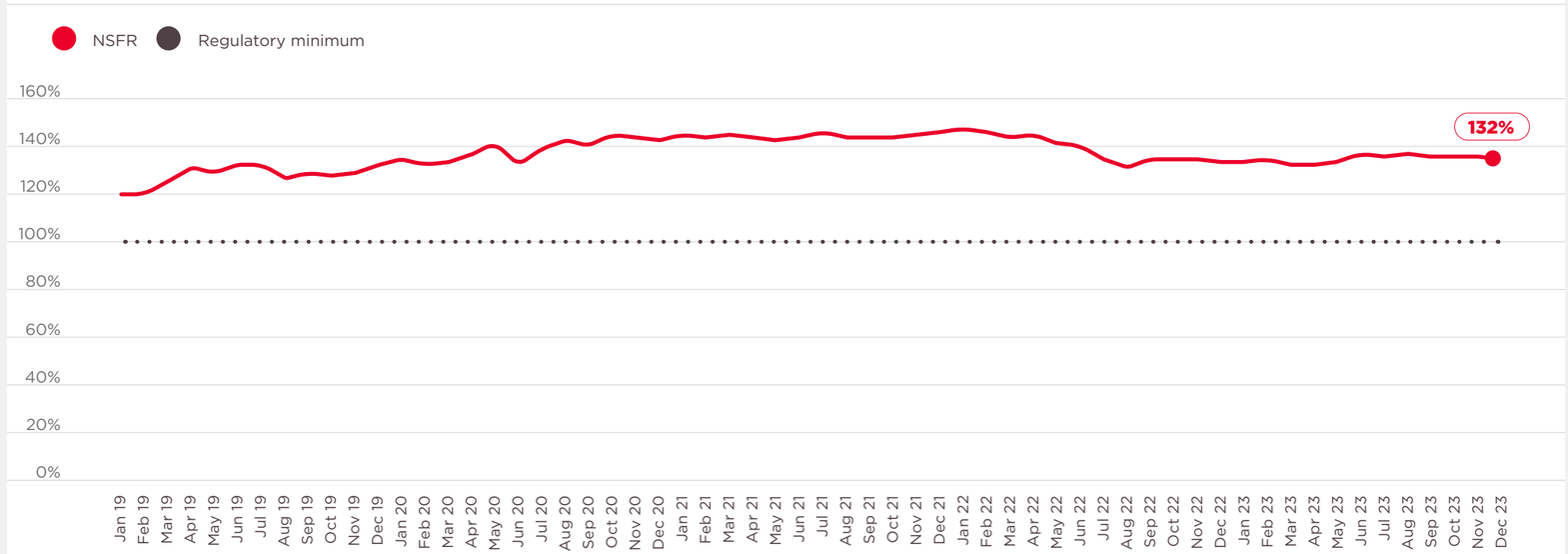
02 Adjusted LDR

03 EVE

LIQUIDITY COVERAGE RATIO



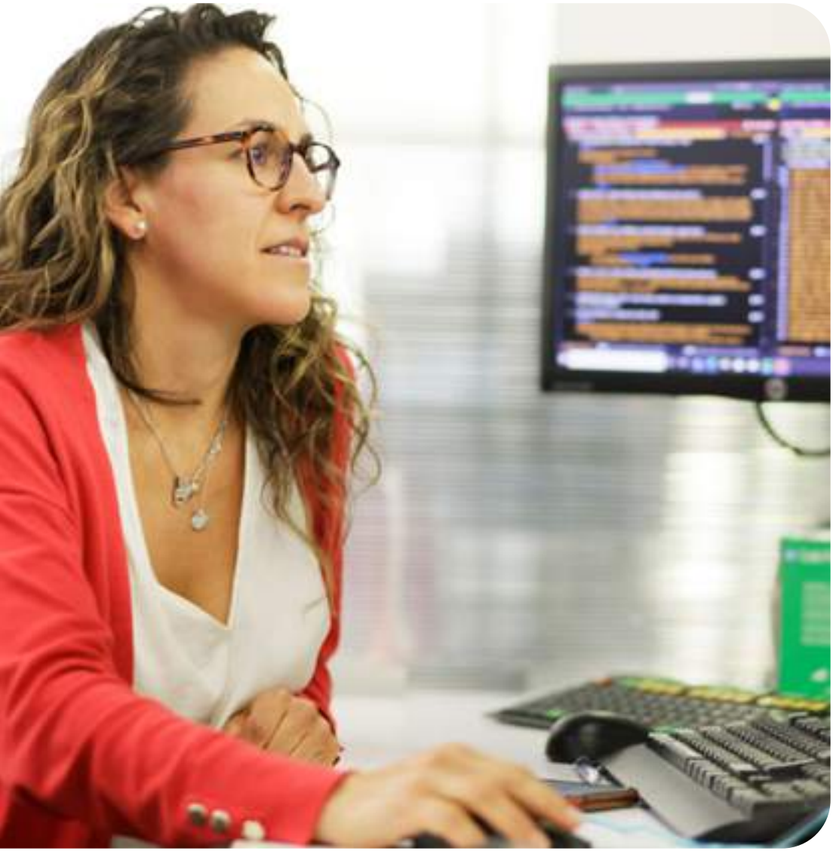
NET STABLE FUNDING RATIO



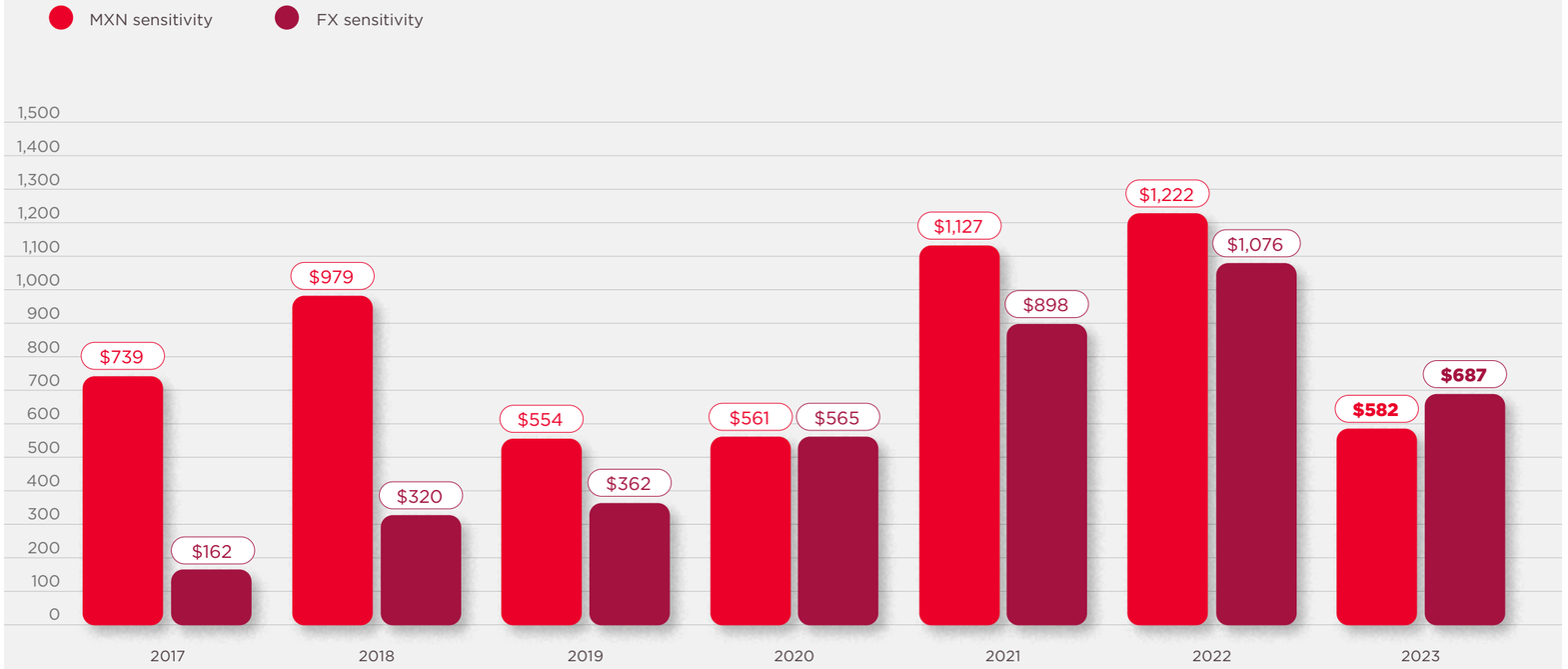
Interest-rate risk

Interest-rate risk in the balance sheet is tracked via a margin sensitivity exercise, for balances in both domestic and foreign currency.

Margin sensitivity is calculated on a monthly and weekly basis with current data, and on a monthly basis for short- and long-term projections based on budget and expected growth in the balance sheet.



BALANCE-SHEET MARGIN SENSITIVITY IN DOMESTIC AND FOREIGN CURRENCY



To manage margin sensitivity, we apply strategies such as taking out hedge instruments to cover the floating-rate loan portfolio and using liquidity to acquire fixed-rate long-term bonds for domestic and foreign currencies.

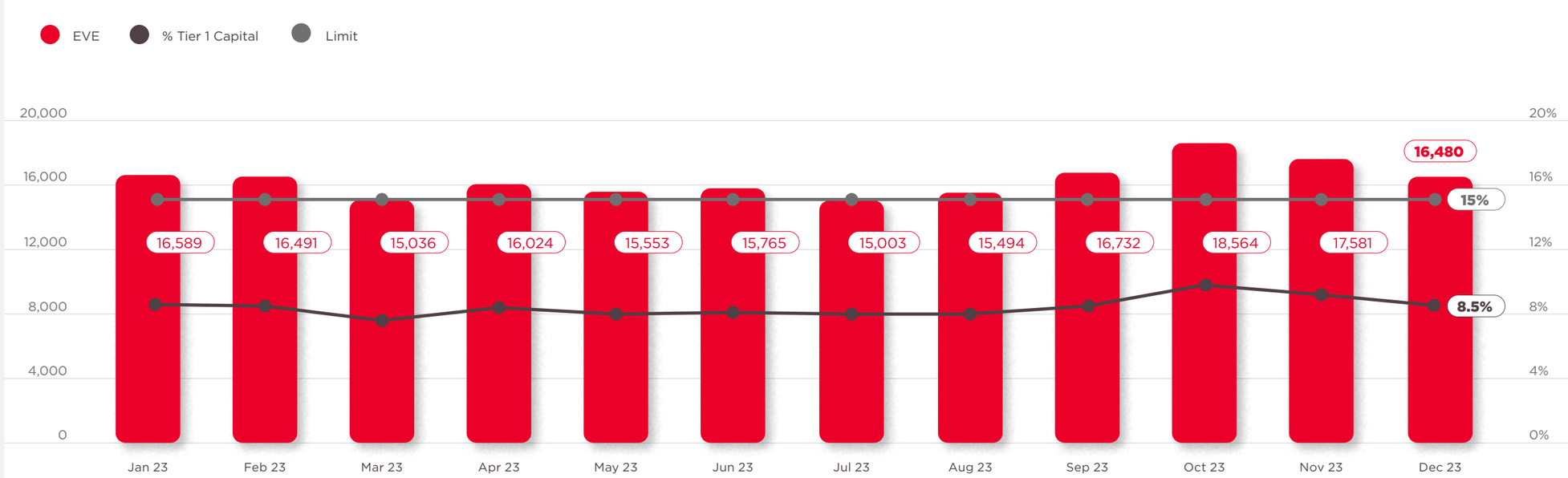
We have recently incorporated the EVE metric to quantify the impact of changes in market rates on the long-term value of the balance sheet, including positions held to maturity that no book impact on equity. With this, we are preparing the institution for the eventual entry into force of new provisions on Interest Rate Risk in the Banking Book (IRRBB), consistent with Basel IV, thus complying with new rules and standards on market risk management.

Economic value of equity

In 2023 we monitored our guidelines and specific thresholds of our desired risk for the following interest-rate risk indicators:

- Margin sensitivity in local currency
- Margin sensitivity in foreign currency

ECONOMIC VALUE OF EQUITY



Foreign-exchange risk

Our institution tracks foreign-exchange risk by **calculating indicators associated with the rules on admission of liabilities and investment in foreign currency,** as well as the rules on foreign-exchange risk position for full-service banks. These rules reflect the limits and requirements established by Banco de México regarding banks' foreign-exchange positions.

We have a system of limits at the bank, trading desk and treasury level.

Foreign-exchange positions for the trading desks and treasury are monitored in real time, which allows us to actively manage foreign-exchange risk for the various currencies handled by the bank, within the limits established by collegiate bodies.

Market risk

The possible volatility of our revenues due to changes in market conditions poses a risk to GFNorte, because it can influence the valuation of positions in lending or borrowing transactions or those that generate contingent liabilities, including:

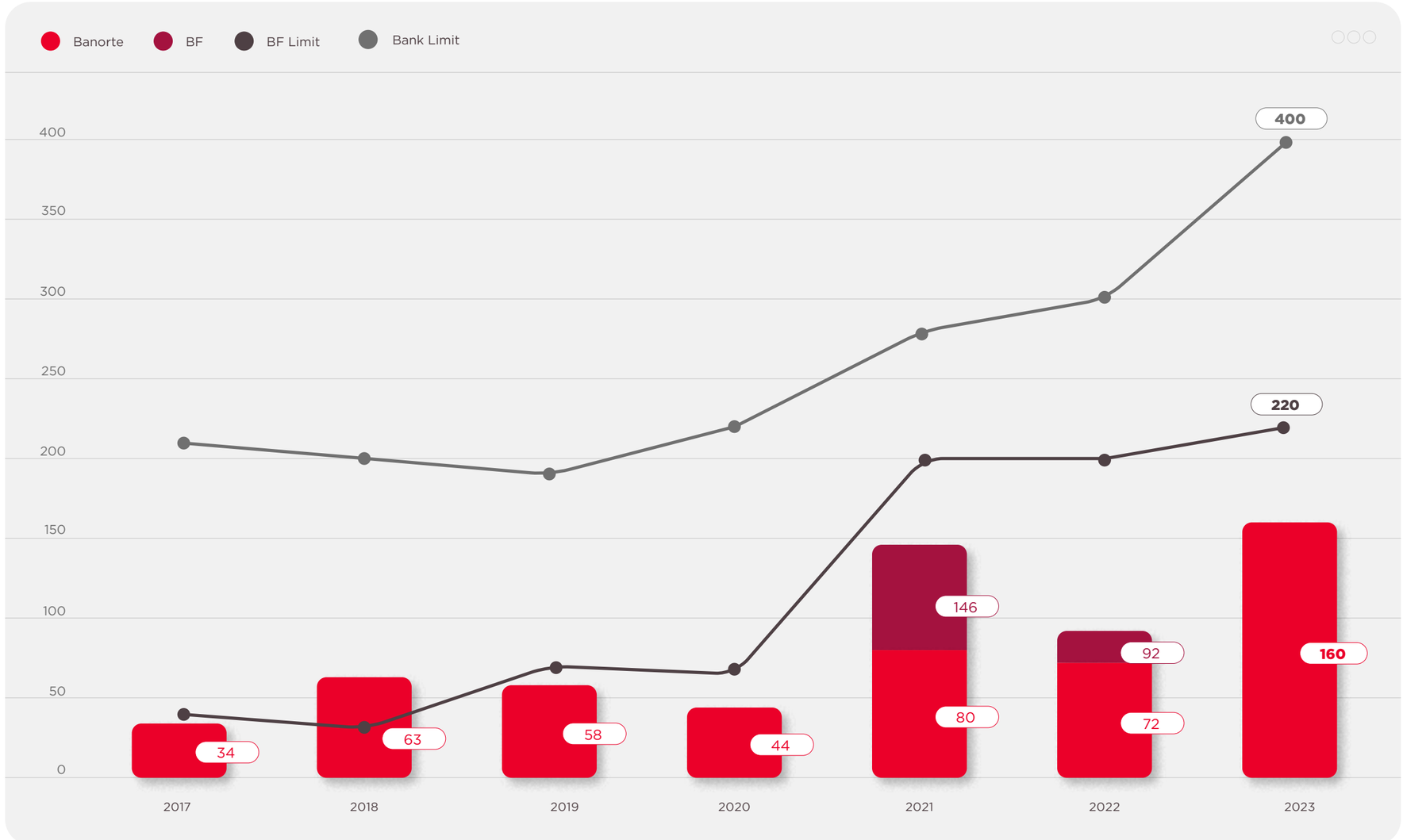
- Interest rates
- Spreads
- Exchange rates
- Price indexes

GFNorte manages market risk according to a series of fundamental pillars. Some of the most important of these are the use of models and methodologies such as potential loss, commonly known as expected shortfall (ES), backtesting, sensitivity analysis and stress testing.

All of these are used to measure the risk of products and portfolios of instruments listed on the financial markets. In addition, Banorte values derivative instruments using OIS curves and collateral-adjusted curves, following international standards, including the adoption of risk-free rates (RFR) for products and curves.

Risk management is also supported by policies and manuals that establish how market risk limits are to be imposed and tracked, how risk metrics are to be disclosed, and how to monitor them against the established limits.

The chart below shows the trend in the expected shortfall indicator for the bank and the brokerage firm.



In 2024 we will continue the process of applying new market risk provisions based on the Basel Committee's *Fundamental Review of the Trading Book* (FRTB) document, in keeping with new rules and standards for market risk management.

In 2023 we monitored our guidelines and specific thresholds of desired risk for the following interest-rate risk indicators: ES and capital/loss assessment under stress scenarios.

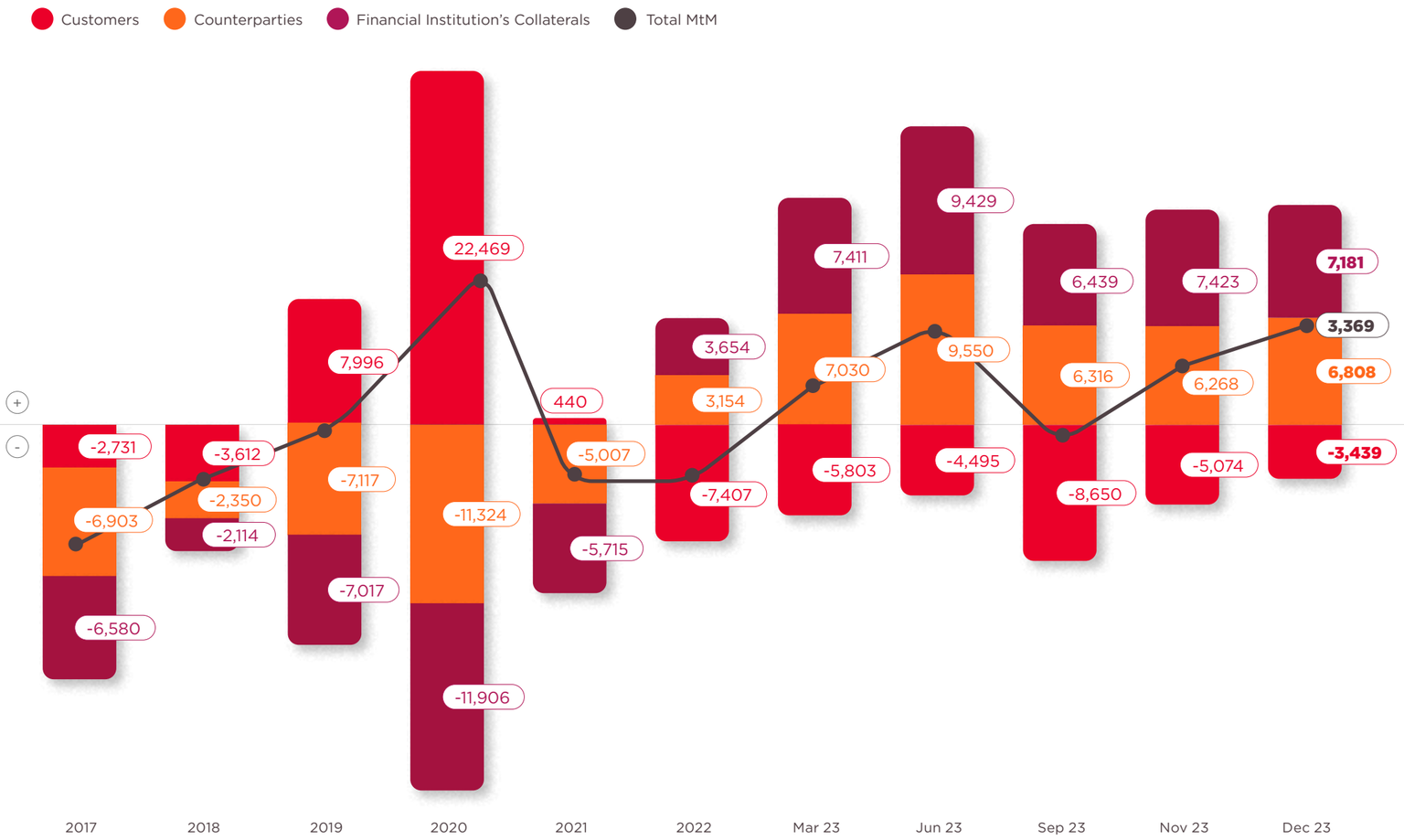
Counterparty/issuer risk

GFNorte's aim in managing counterparty risk is to **identify, measure, monitor, control and disclose the risk associated with potential default in financial market transactions,** including tracking its counterparties and customers in financial transactions.

Counterparty risk is measured by various indicators: market valuation, potential exposure, expected exposure, and others. Information on exposure and other key indicators is reported to the Risk Policies Committee, the CEO and the heads of the trading and treasury desks, on a daily, monthly and quarterly basis, **in order to evaluate the potential risk to the Group in financial markets and to define or modify strategies for preventing or mitigating it.**

The following chart shows the trend in the market valuation of the customer and counterparty portfolio, as well as the balance in collateral:

MARK-TO-MARKET (MTM) VALUATION OF CUSTOMER AND COUNTERPARTY PORTFOLIO AND COLLATERAL BALANCE



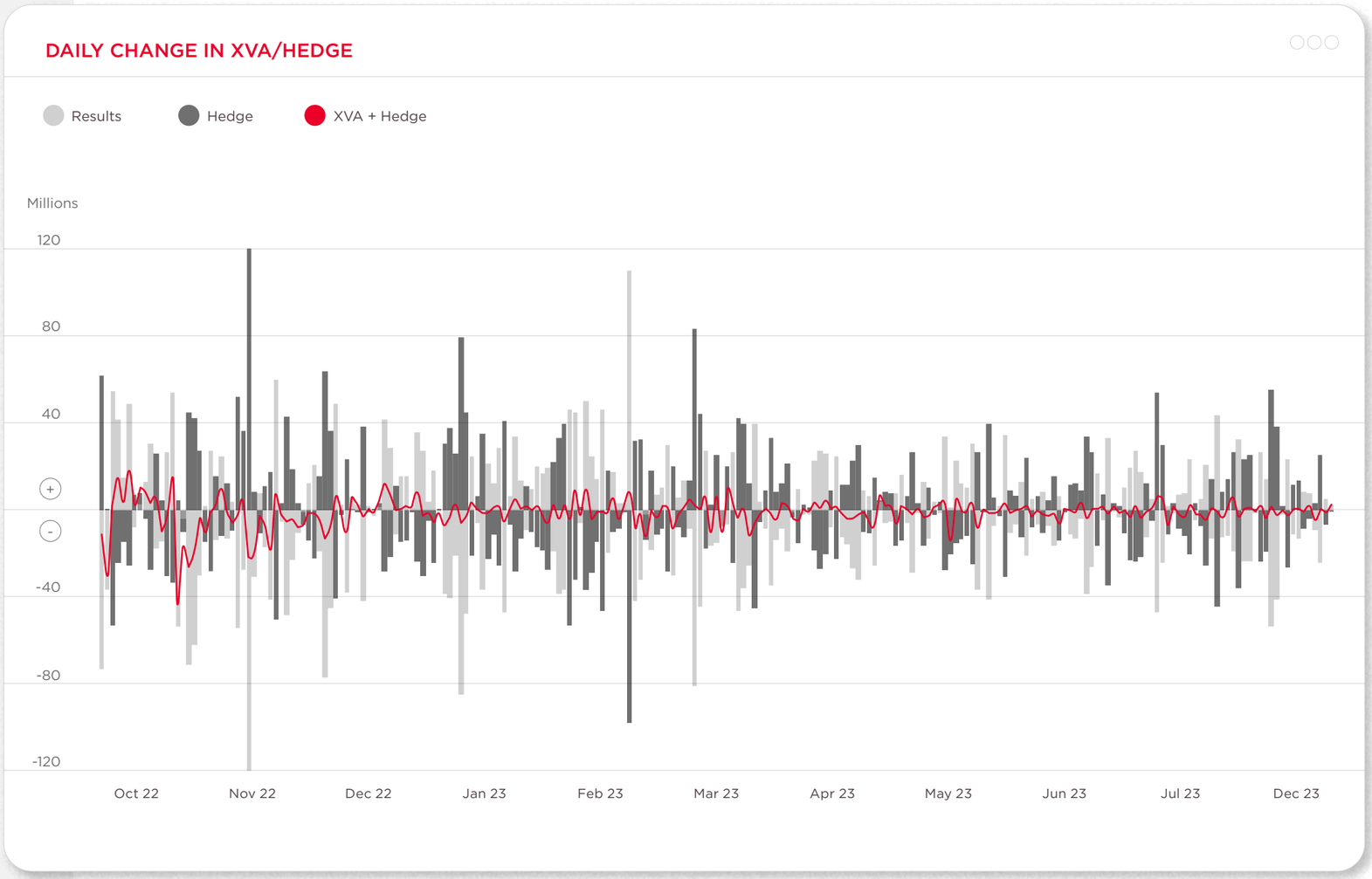
As part of our comprehensive management of counterparty risk, the Derivatives Committee evaluates and approves proposed transactions in derivative products with customers, mainly for hedging purposes.

To complement the risk measurement, we assist treasury in managing the credit valuation adjustment (CVA) and the funding valuation adjustment (FVA), including likelihood of default.

We have steadily improved our active management and efficiency of XVA hedging with additional tools and a view of risk management as priority for the XVA desks. We also monitor and track these hedges in various collegiate bodies, such as the Derivatives Committee and the Policies and Risk Committee.

In 2025, we expect to introduce the SA-CCR model for calculating capital requirements in derivatives due to counterparty risk.

DAILY CHANGE IN XVA/HEDGE



Impairment of financial instruments in issuer risk

Starting in 2022, GFNorte incorporated a methodology for determining the expected credit loss based on the issuer's rating, the characteristics of the instrument, and the industry to which it belongs (FICPI or FIRS). Having established these characteristics, the exposure at the instrument level is estimated as amortized cost, **and a probability of default and loss severity is assigned according to the rating of the issue and the severity of the potential loss.**

The expected credit loss of the FICPIs and FIRSs is calculated by combining the probability of default, the severity of the loss, and the exposure, depending on which of the following stages the instrument falls under:

Stage 1

Financial instruments with low credit risk. Their credit risk has not increased significantly since their initial recognition up until the date of the financial statements.

Stage 2

Financial instruments with a significant increase in credit risk. These have shown a significant increase in credit risk from their initial recognition to the date of the financial statements.

Stage 3

Financial instruments with high credit risk. These are considered credit impaired because one or more events have had a detrimental impact on the future cash flows of financial instruments.

The probability of default is obtained through a transition matrix that considers various scenarios of past events, current conditions, and economic forecasts obtained from various institutions.

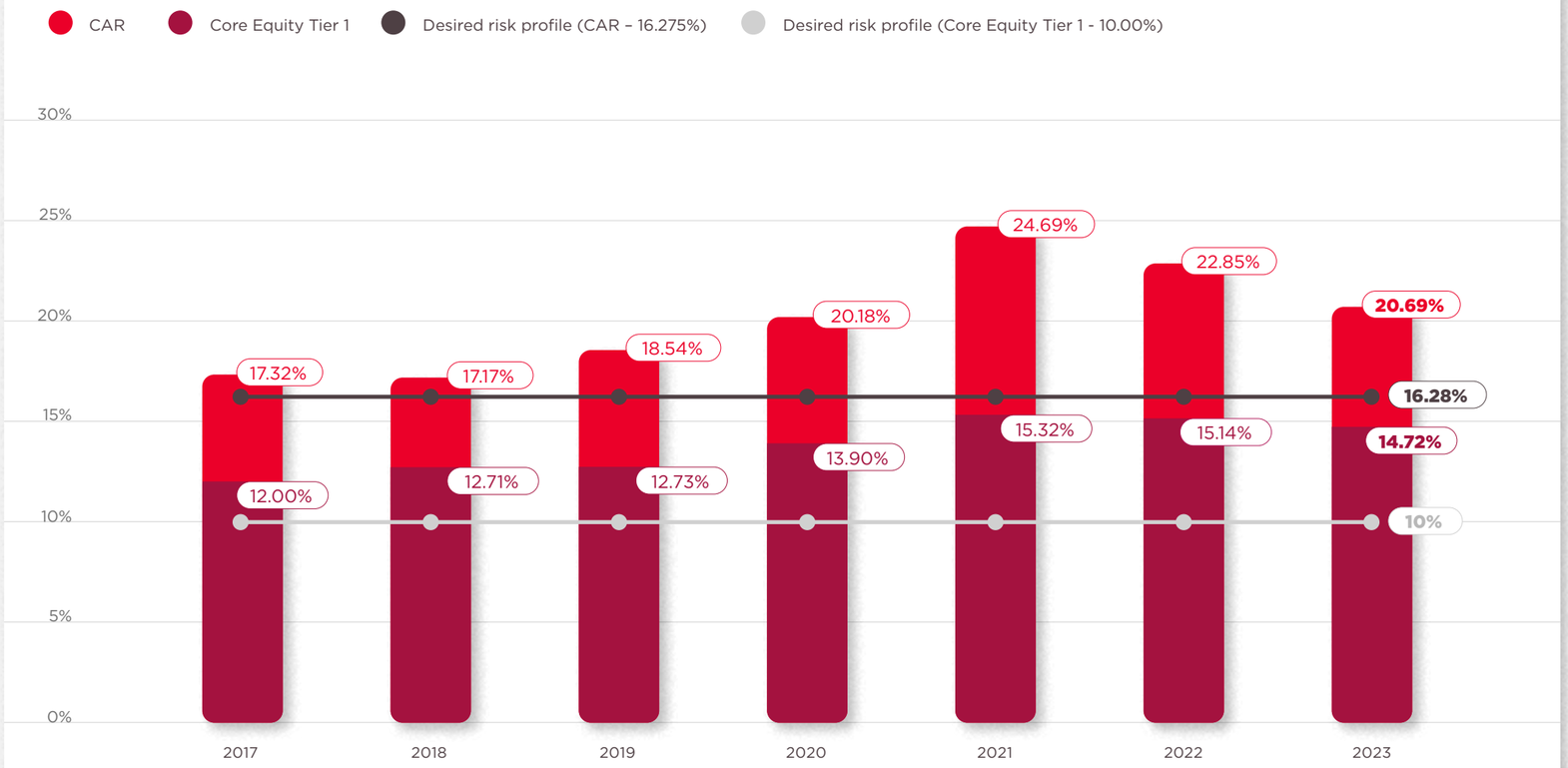
For instruments issued by state-owned enterprises, a percentage impairment is assigned preventively based on amortized cost.

With an eye to sound practice, **a work group on analysis of securities investment was created, primarily to review the issues and issuers held by GFNorte in its portfolios,** in an effort to act preventively before any detrimental credit event occurs that might affect these holdings.

Solvency risk

In managing solvency, **GFNorte not only prepares the capital calculations required under local regulation and international standards,** but also prepares a series of monthly projections to analyze possible discrepancies against the desired risk profile and market expectations for the same indicators. **Budget estimates also include long-term solvency indicators. These short- and long-term projections guide senior managements' actions on the efficient use of capital,** including the dividend plan.

CAPITAL ADEQUACY RATIO, TIER 1 CAPITAL



The gradual entry into force of the new TLAC supplement on net capital is being incorporated into current early alerts, internal limits and projections on the net adequacy ratio, and considering the institution's current capital structure we do not expect any difficulties meeting this standard in the future.

Under the TLAC rule, starting in December 2022 the bank must maintain minimum capital adequacy ratios, **which rise by 162.5 basis points each year for the next three years,** as shown below:

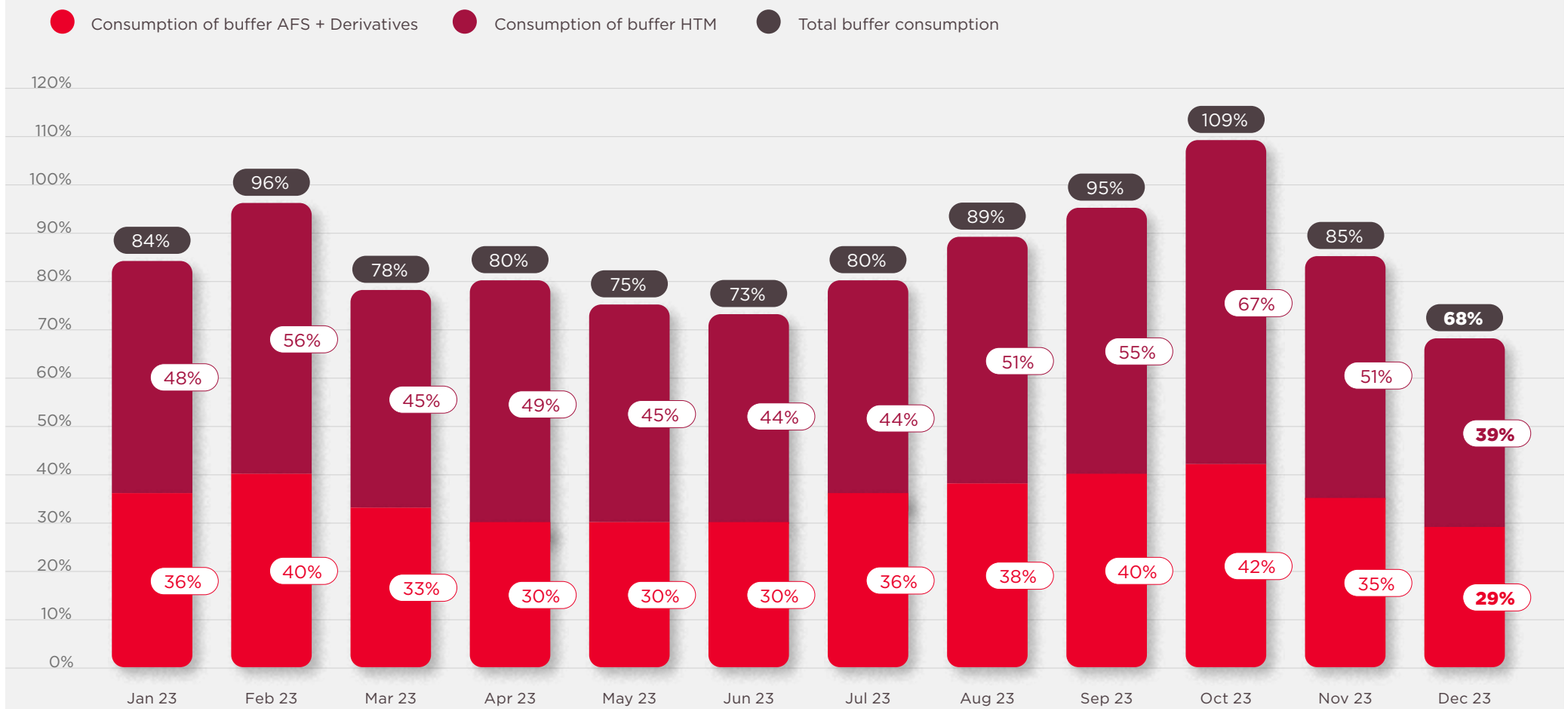
MINIMUM CAPITAL ADEQUACY RATIO, 2021-2026, DATE AND PERCENTAGE

Date	Minimum CAR
Dec 21	11.4%
Dec 22	13.0%
Dec 23	14.7%
Dec 24	16.3%
Dec 25	17.9%

Additionally, we keep track of capital supplements approved by the Risk Committee on absorption of losses from fluctuations in the bond and hedge markets that affect capital. In order to monitor this aspect under adverse conditions, we add the potential impact on instruments formerly called "held to maturity," whose valuation does not affect the institution's income statement or equity, to the capital consumption referred to in that supplement, **in order to guarantee that capital levels are sufficient to absorb extreme losses if those instruments must be liquidated.**

In 2023, we monitored our guidelines and the specific desired risk thresholds for the following solvency risk indicators: Total capital adequacy ratio, Core Equity Tier 1, Tier 1 Capital, and leverage (Basel).

CAPITAL BUFFER VS. CAPITAL CONSUMPTION WITH AND WITHOUT HTM



Regulatory and internal stress testing

Each year, GFNorte conducts a capital adequacy assessment under regulatory and internal scenarios to achieve optimal regulatory compliance and apply best industry practices, while keeping our promise to shareholders and investors to guarantee the institution's solvency and plan for annual dividends. This exercise serves as the **basis for planning and analysis of the bank's dividend capacity** and the minimum capital levels necessary, which inform the desired risk profile and internal limits for these indicators.

Contingency planning

Aware of the pace with which the environment changes and the new risks emerge that could threaten the operation and continuity of the business, GFNorte, has contingency plans in place for events involving liquidity (liquidity funding plan) and solvency (solvency plan). These include:

Defining indicators and levels for early alerts to identify possible liquidity or solvency crises.

Action plans for various levels of solvency or liquidity crises, including the areas responsible and the possible impact of those actions on the institution's indicators.

Internal and external communication plans for maintaining the stability of the institution and the market.

These plans are updated and presented annually to the Board of Directors and the authorities for their authorization and/or comments, so that they remain fully up to date for any new potential threats.

Operational risk

The potential loss from a deviation or failure in processes or personnel, or from internal system failures or external events, is a latent risk in our day-to-day operations because it could compromise our ability to meet institutional goals. **This includes technological, cybersecurity, and legal risks** crucial to operating in the financial industry.

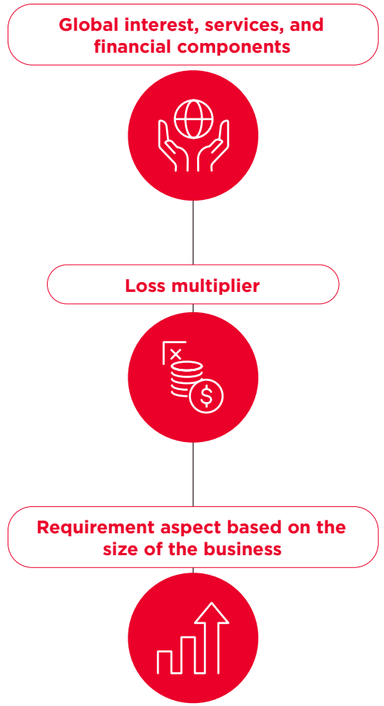
> Over the past few years, we have adapted to new hybrid and remote work forms.

These new ways of working, however, have revealed new risks relating to cybersecurity and the use of technological platforms. In response, we have prioritized the implementation of control measures focused on preventing cyberattacks.

GFNorte manages operational risks through constant staff training and through our GRC platform. In addition to operational risk management, this platform includes applications for internal control and information security applications to manage these risks comprehensively and with a common taxonomy. The GRC tool also supports risk mitigation, optimizing and automating processes to provide information relevant to managing risk effectively and promptly, through dashboards and reports to the management and operating staff, and ensuring the traceability of data and indicators.

All GFNorte employees receive regular training in risk management, including operational risk, particularly the risk managers. Each employee participates in this effort and is obligated to report any risk or conflict of interest to their respective department's process control and management controller for the appropriate control and mitigation.

As of January 2023, pursuant to new regulations from the CNBV, we adopted the new Business Indicator Method for calculating the capital requirement for operational risk based on three aspects:



PAlso in 2023, we monitored our guidelines and specific thresholds of our desired risk for the following operational indicators:

- Accumulated operating losses (12 months)
- Operating losses to net interest margin (NIM)

Cybersecurity risk

GFNorte's digital transformation is supported by the adoption of new information technologies, which in turn pose new operational and cyber risks.

Risks associated with technological transition can translate into availability failures that hinder services, potential regulatory consequences, and information security risks. These risks affect GFNorte's digital transformation strategy, including strategic partnerships in the industry and digital banking.

In 2023, the Integrity Committee and the Cyber Risk Subcommittee met regularly to monitor the central mitigation systems, plans, and programs with a preventive approach, most notably:

- Data Security Management System (DSMS)
- Information Security Master Plan (ASMP)
- Zero-trust security program
- Awareness-building and training for all employees
- Vulnerability Management Program (VPM)
- CTIR Program

This year we also worked on the specific score-based guidelines for IT risk to comply with the institution's desired risk profile.

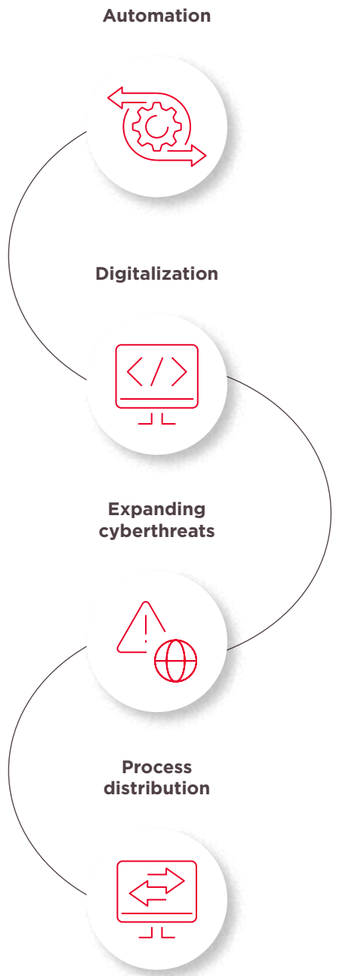
With the timely collaboration of various control areas, we earned various certifications this past year:

NYCE personal data protection **certification.**

ISO/IEC 27001:2013 **certification**

PCI-DSS certification for digital banking and the acquirer business, and first-time certification for the Call Center.

In 2023, as part of our digitalization strategy, **we continued to monitor the internal systems, plans, and programs, improving the comprehensive and systematic management of cyber-risk at GFNorte. A key initiative was the launch of the CTIR program** to address threats based on the main challenges the organization faces:



Under this model we can incorporate advanced threat detection and elimination capacities in specific aspects:

- Cyberfraud
- Servers
- Networks
- Authentication
- Data

Reputational risk

Reputation plays a vital role for GFNorte. A strong corporate image fosters trust among the main stakeholders, thereby reinforcing the security, strength, competitiveness, and value of the Group's business. Reputational risk is defined as the potential loss in the institution's activities caused by a worsening of stakeholders perceptions—both internal and external—regarding its solvency and viability.

By its very nature, reputation is an intangible asset that is not easily quantified or managed. We have implemented predefined communication strategies to mitigate this risk and deal with potential events affecting the institution's reputation. We also have developed prevention strategies for all institutional behaviors that may negatively affect the interests of the different parties involved in the Group's solvency and financial health.

At GFNorte, we practice and foster respect among our employees and towards our customers, investors, and other stakeholders. Our commitment is to maintain high standards of business conduct with zero tolerance for any violation of ethical standards or codes of conduct. We are aware of the growing social and environmental expectations our stakeholders have placed in our institution; thus, **we work daily to exceed them and fulfill our commitment to the community.**

Finally, we also put special effort into monitoring GFNorte's NPS and Banorte's Reputational Risk Index, and comparing them with the bank's desired risk profile.

Regulatory risk

This is defined as the potential loss that might be caused by noncompliance with applicable legal and administrative provisions or by the failure to properly address their negative impact on business activities and operating results. It also encompasses potential losses from violation of policies, methodologies, models, procedures and standards that have regulatory implications for our institution, as well as the risk of changes in public policy in other industries to which GFNorte is exposed by virtue of its activities or assets.

We recognize that effectively managing regulatory risk is key to mitigating and promptly responding to its possible impacts, which might threaten our position as a financial Group and hamper our medium- and long-term performance, affecting our various business areas.

Regulatory risk is managed and mitigated through solid corporate governance, an internal control structure for monitoring it, a system based on three lines of defense, a comprehensive framework of general comptrollership policies, a review of compliance and regulatory indicators through risk and control matrixes, implementation of a methodology for managing internal regulations, a solid CRMU, an effective internal audit review, the due application of sanctions when necessary, a culture of prevention and mitigation of public policy regulatory impacts, a steady flow of up-to-date information, contact with specialists in various industries to identify the impact of such changes, and a portfolio that is diversified by segments and industries, as a mechanism to avoid possible losses.

We are known for our capacity to adapt to regulatory changes around us promptly and appropriately, and for participation in the discussion of proposed regulatory changes together with the authorities. Our vision of anticipation and adaptation permeates the entire Group from the Board of Directors to the operating areas.

Strategic risk

Strategic risk is the risk of potential losses resulting from failures or deficiencies in decision-making, in the implementation of procedures and actions to apply the institution's business model and strategies, and from a lack of awareness of the risks it faces in the course of its business activities. Strategic risk underlies various of the Group's areas and activities and is thus closely related to other types of risks that must be effectively managed by the institution. It is therefore crucial that all key areas of GFNorte pay a part in its management.

GFNorte manages strategic risk through solid corporate governance, establishment and review of a well-defined strategic plan and goals, budget planning and execution, follow-up on the strategic plan and key internal indicators and external commitments, diligent analysis, planning and execution of mergers and acquisitions, joint ventures and strategic alliances, and best practices in project execution.

It is also mitigated through senior management succession plans and talent management, controls for identifying and mitigating risk, strategies to ensure asset quality and profitability, strategic capital and balance sheet management.

GFNorte has earned a reputation for its capacity to adapt to changes in our environment, work schemes and market opportunities, and following the latest technological and business trends, making our customer strategy the central focus. Our vision of anticipation and adaptation permeates the entire Group from the Board of Directors to the operating areas.

Our forward-looking, collaborative and innovative culture allows us to promptly adjust strategies and reduce strategic risks.

Business risk

This risk is defined as the potential loss or impact on the institution's profitability attributable to the inherent nature of the business and changes in the economic cycle or climate within which it operates. Timely business risk management is crucial in preventing such threats and ensuring GFNorte's resilience, continuity, and leading edge in the market. **We manage this risk through a flexible, innovative approach that enables us to overcome the challenges the Group may face.**

We manage and mitigate business risk through solid corporate governance, a holistic sustainability vision, and a strategy of analytics and data intelligence for optimization of our business. We also place a priority on innovation and new technologies and are continually assessing the environment, while maintaining a diversified mix of businesses and working in agile multi-disciplinary teams that we call collaborative cells.

Furthermore, **we explore inorganic growth opportunities and strategic alliances with key players while bolstering relations with stakeholders** and, of course, applying and managing business controls.

For GFNorte, employees are key to business operation and continuity, so by guaranteeing that everyone keeps their individual commitments, we reinforce our ability to meet our business goals as a Group.

Emerging risks

Emerging risks refers to the new risks that arise from economic, political, social, cultural, natural, and technological shifts.

They are characterized by the growing number of threats they represent and the likelihood that GFNorte is or will become exposed to them. For this reason, they must be promptly identified so that effective and timely measures can be taken to mitigate them.

In the long term, we are certain that what are emerging risks today could become a significantly negative force in our institution's results. Therefore, **we make sure that we accord every emerging risk the importance and serious treatment it merits, adjusting business models and strategies as necessary.** This year, the main emerging risks identified by GFNorte were related to nature, epidemiological factors, and new technologies.

Nature-related risks

> “Without urgent action, ongoing loss to biodiversity poses unprecedented risks for business, both now and in the future.“
>
> David Craig
> Co-chair TNFD

> “Nature’s ability to provide the goods and services on which we depend is being undermined, presenting enormous risks to prosperity.”
>
> Henry M. Paulson
> Former US Treasury Secretary

Environmental deterioration, scarcity of natural resources and loss of biodiversity today, **have reached crisis levels, placing global survival and economic development in peril.** Worse still, the most vulnerable activities are in turn those that are highly nature-dependent, have the greatest impact and are exposed to the most severe risks.

As suppliers of financing, investment and insurance services, GFNorte knows that we must deal with nature-related risks with the same urgency as climate change demands, because these are two closely linked phenomena. In line with global priorities, we are committed to transforming the financial industry so that it generates positive flows for nature, for our operations, and for our customers.

Since 2012, nature-related risks have been incorporated into our traditional risk management through the introduction of the SEMS, based on the Equator Principles. In 2019, we incorporated the dependency and impact approach into our **Natural Capital Policy** In 2023, we institutionalized the classification and definition of this risk in the bank’s risk manual.

OUR PATH TOWARDS MANAGING AND DISCLOSING NATURE-RELATED RISKS

Since 2011, GFNorte has proven its commitment to the environment by aligning itself with and becoming a member of important global initiatives such as the Global Compact and CDP. In 2012, we adopted the Equator Principles to manage the environmental risks of our financing operations. In 2015, we joined efforts toward the SDGs.

In 2016, following the Conference of the Parties on Biodiversity (COP 13) held in Cancun, Mexico, we joined the Mexican Alliance for Biodiversity and Business (AMEBIN), through which we have worked together with international organizations such as the German Society for International Cooperation (GIZ), Reforestamos México, Capitals Coalition, The Economics of Ecosystems and Biodiversity (TEEB), and the World Wildlife Fund (WWF) in the development of projects and the exchange of experiences focused on enhancing the value of nature in business.

GFNORTE'S PATH TOWARD COMMITMENT TO NATURE

2011

2012

2013

2014

2015

2016

2017

2018

2019

Implementation of Natural Capital Protocol

2020

Application of TEEB operating guidelines for capital assessment

Co-chairs of Informal Work Group

2021

Diagnosis for incorporating nature-related risks

Main environmental and social risks in Mexican farming

2022

2023

- **Members of the TNFD Taskforce**
- **2026 Reporting Commitment**

Questionnaire on biodiversity, forests and water security

The TNFD is a global initiative to shift global financial flows away from nature-negative outcomes and toward nature-positive ones. Its recommendations will allow companies and financial institutions to incorporate nature into the decisions they make, identifying, acting and reporting on the dependencies, impacts, risks and opportunities of their activities. You can learn more about it at **https://tnfd.info**

GFNorte first joined the TNFD as part of an informal work group that was laying the groundwork for the initiative. In 2021, we became one of 40 active members who are divided equally among financial institutions and corporations in developed and emerging markets who helped to create the framework through our involvement in the steering committee and various work groups.

The final version of the TNFD was launched on September 18, 2023 in New York, as a market-led, science-backed initiative supported by a diverse group of stakeholders including governments, regulators, multilaterals, financial and commercial consortia, NGOs, groups of experts, and research organizations.

GFNorte's current strategy regarding nature includes implementation of the TNFD recommendations, as well as the background in environmental and social risk management, the response to the CDP questionnaire on biodiversity, forests, and water security, and the application of the Equator Principles, with a focus on biodiversity aspects, as indicated in its fourth version.

At GFNorte, we have strengthened our capacity to assess and manage nature-related risks, aware of how important it is to incorporate these into our risk management strategy. To set a precedent for managing and disclosing nature-related risks, for the first time, we have included a section in our TCFD report focused on nature risk, showing our initial efforts to identify information and define metrics relevant to Mexico. Increased awareness of water scarcity as a critical environmental risk has driven us to more deeply analyze potential impacts on our operations and supply chains. This proactive approach allows us to anticipate and effectively respond to potential challenges while reaffirming our commitment to the sustainable management of natural resources.

In the October 2023 meeting of the Board of Directors we requested approval of our commitment to progressively report on climate-related risks and opportunity in alignment with TNFD standards in 2026, based on 2025 information.

In 2024, we will focus on implementing the governance and strategy recommendations of the TNFD in particular. We will strengthen our response to the CDP and make adjustments to our SEMS to align with the TNFD guidelines and the Equator Principles.

Epidemiological risk

This is defined as the probability that a disease in a given population will escalate to an epidemic or pandemic, adversely impacting the institution, financing, health, and community. **Because of its growing global importance in recent years, and aware of the threats that would come with a future pandemic, GFNorte classifies this risk as an emerging risk.**

Management of epidemiological risk is part of GFNorte's Business Continuity Strategy, and in 2023, to strengthen the Group's comprehensive risk management framework, we incorporated the respective regulations into our risk manual, identifying the risk factors that trigger it, and the mitigation actions and areas involved in managing it.

The health and well-being of our community are priorities for GFNorte, and in managing epidemiological risk we intend to protect the safety of our employees and prevent and mitigate the effects of potential public health crisis on business operations and performance.

Among those primarily responsible for epidemiological risk management are:

- The crisis management team
- The Recovery and Continuity Committee
- The Risk Policies Committee
- The Human Resources and Medical Service Management Executive Department
- The Board of Directors
- Senior management
- The support committees for the Board of Directors.

We manage and mitigate epidemiological risk through strong corporate governance, the BCP, the Comprehensive Health System, timely communication, technological adaptation, flexible work schemes, adjustment of work spaces, strategies for advancing asset deterioration, and monitoring of epidemiological risk indicators.

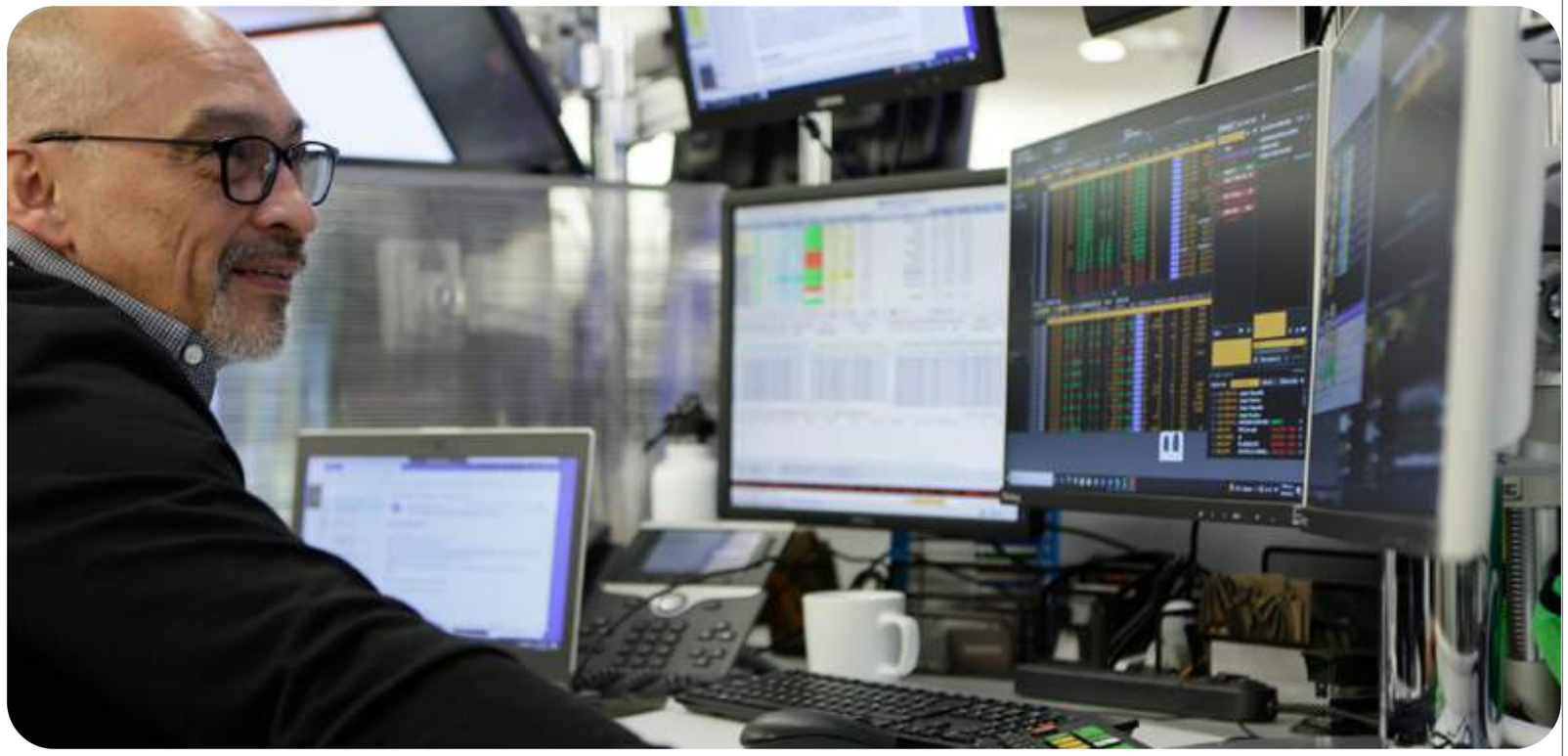
On a more detailed level, the BCP **includes an annual schedule of exercises, drills and effectiveness testing of recovery strategies.** With this, we guarantee a solid framework of stress scenarios for our action protocols. **Bear in mind that the BCP deals not only with epidemiological risk, but with all types of non-financial risk to which the bank is exposed.**

With this framework, along with the support of all our employees and stakeholders, we will be able to prevent and manage present and future threats.

Risk of new technologies

GFNorte has always pursued technological innovation as part of our value proposition to our customers. We also understand how quickly technology can change, and how complex it can be to manage the inherent risks. This is why we consider new technologies to be one of the emerging risks we face, given the importance it will continue to have going forward, and its centrality to our business continuity in the medium and long term. It is also why we create action plans to duly mitigate this risk, especially in our offering of new products, services and channels, and in the handling and security of our customers' information.

We are continually bringing in new technologies and models, like artificial intelligence, machine learning, big data, chatbots, the cloud, and others, which bring both advantages and unprecedented challenges in the area of risk management and potential vulnerability to technical threats, economic fraud, intellectual property crimes and threats to data privacy, all of which can materialize in economic losses for our institution.



Along the same lines, GFNorte **believes it is vitally important to be mindful of how information is collected, stored and used, especially our customers' information,** so that as new technologies emerge for these purposes, we have focused on strengthening our data management infrastructure and protocols. Our employees also undergo constant training to close the potential gaps regarding the skills and know-how required by these new information technologies.

To better manage this risk in particular, **GFNorte strives to remain at the forefront in data security, strengthening and continually updating security models and protocols for employees, customers, and the Group's entire technological infrastructure.** With this, we reiterate our commitment to innovation, prioritizing regulatory compliance and information security to the benefit of our customers.

01

STRATEGY

SDG

1, 2, 4, 5, 7, 8, 9,
10, 12, 13, 15, 16, 17

PERSONALIZING THE FUTURE WITH VALUES

A digital bank with branches

the crowning achievement of our 1,2,3 plan

66/100

in the S&P Global, CSA

3.7/5

in the FTSE Russell Index

Building value with an ESG approach

We completed out 1-2-3 plan by becoming a digital bank, with branches. Looking ahead to the 4-5-6 plan, we intend to leverage **sustainability as an engine of growth**, building value for the short, medium and long term.

Strategy

Macroeconomic climate

GLOBAL GROWTH MAY SLOW, BUT IT SHOULD REMAIN RELATIVELY ROBUST

The process of normalization towards a more restrictive monetary policy continued worldwide in 2023. Across the globe, central banks continued to raise interest rates throughout the first half of the year. In the second half, many countries signaled a pause and/or the completion of this process, with some even beginning to relax their stance, especially in Latin America. This happened in an environment where inflationary pressures were receding, though at a more gradual pace than expected. The most favorable surprise was likely a more resilient economic growth. With this, the fear of a global recession, which was the main focus of investors at the beginning of the year, began to dissipate.

Still, there were persistent and divergence between regions and industries. The United States was much stronger and not only skirted recession but also saw accelerated growth. This fueled a growing conviction about US “exceptionalism,” shoring up hopes of a “soft landing” supported by strong consumption. In contrast, the eurozone economy did slow, although GDP growth exceeded the very modest initial expectations for the region. China did not fare as well, with the optimism that arose from the lifting of COVID-19 containment measures ultimately giving way to disappointment. This country also had to continue dealing with challenges stemming from the highly fragile real estate sector and increasing levels of subnational debt, among other factors. Manufacturing production and global trade weakened, particularly in sectors highly sensitive to interest rates. Meanwhile, services, including entertainment and tourism, were more robust.

In this context, several uncertainties persist into 2024. First, the expectation is that the pace of expansion in the global economy will slow. This, given that:

01

The momentum from stimulus provided to businesses and families during the pandemic, especially in developed countries, has already ended.

02

The impact of high financing costs n aggregate demand has only been delayed, and has yet to fully materialize.

03

Fragmentation and conflicts due to geopolitical and national security factors, especially the war between Russia and Ukraine, the conflict between Israel and Hamas in the Middle East, and problems between the United States and China, have affected potential growth in some countries and regions.

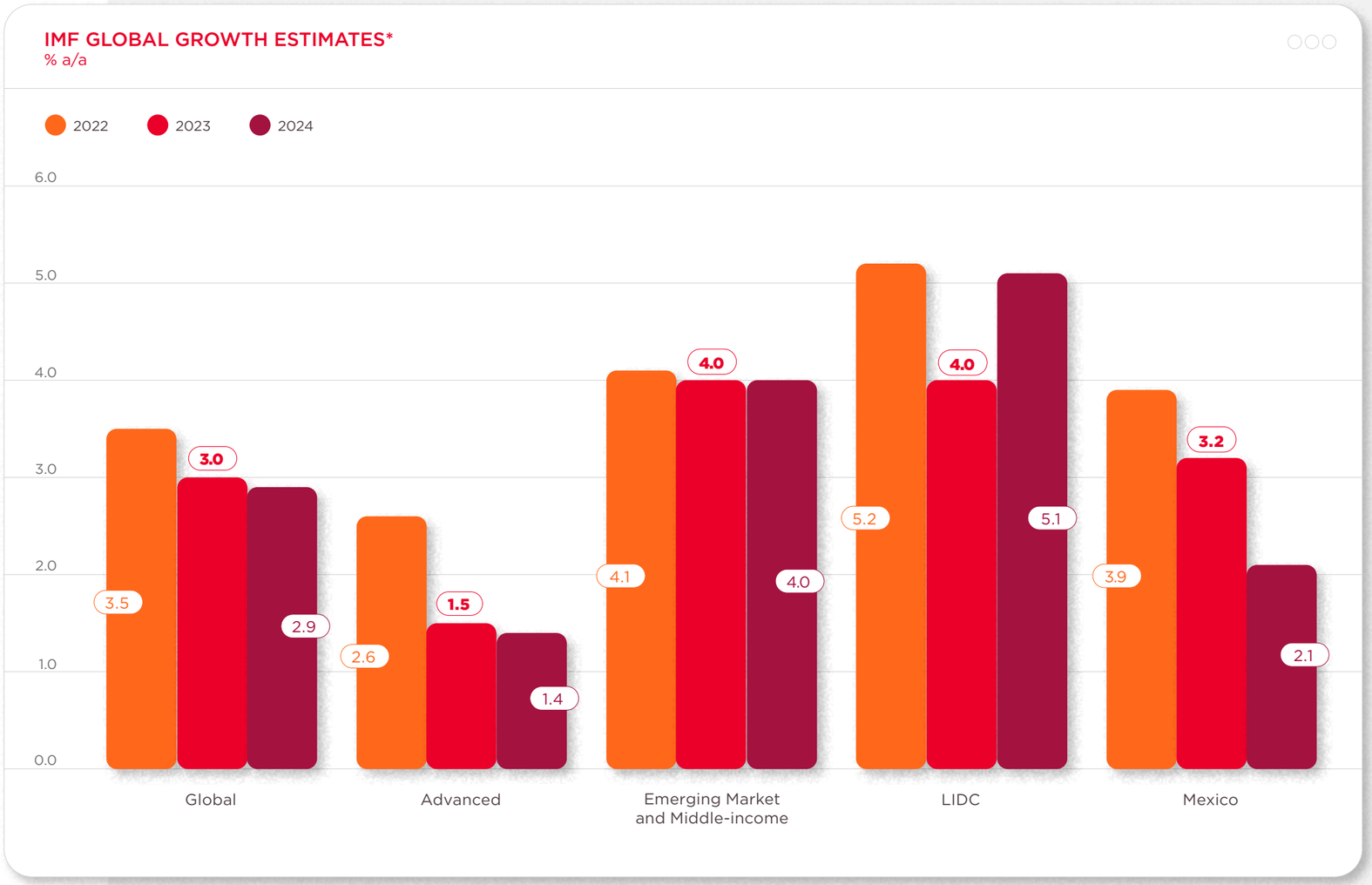
04

Climate change shocks will become more frequent and of greater magnitud.

However, if we judge solely based on expectations for the global economy, the aggregate effect may not be as evident: the IMF estimates that global GDP growth will ease only slightly, from 3.0% in 2023 to 2.9%. Nevertheless, the institution warns that risks are tilted to the downside.

2.9%
IMF's estimation for the global GDP growth

IMF GLOBAL GROWTH ESTIMATES*
% a/a



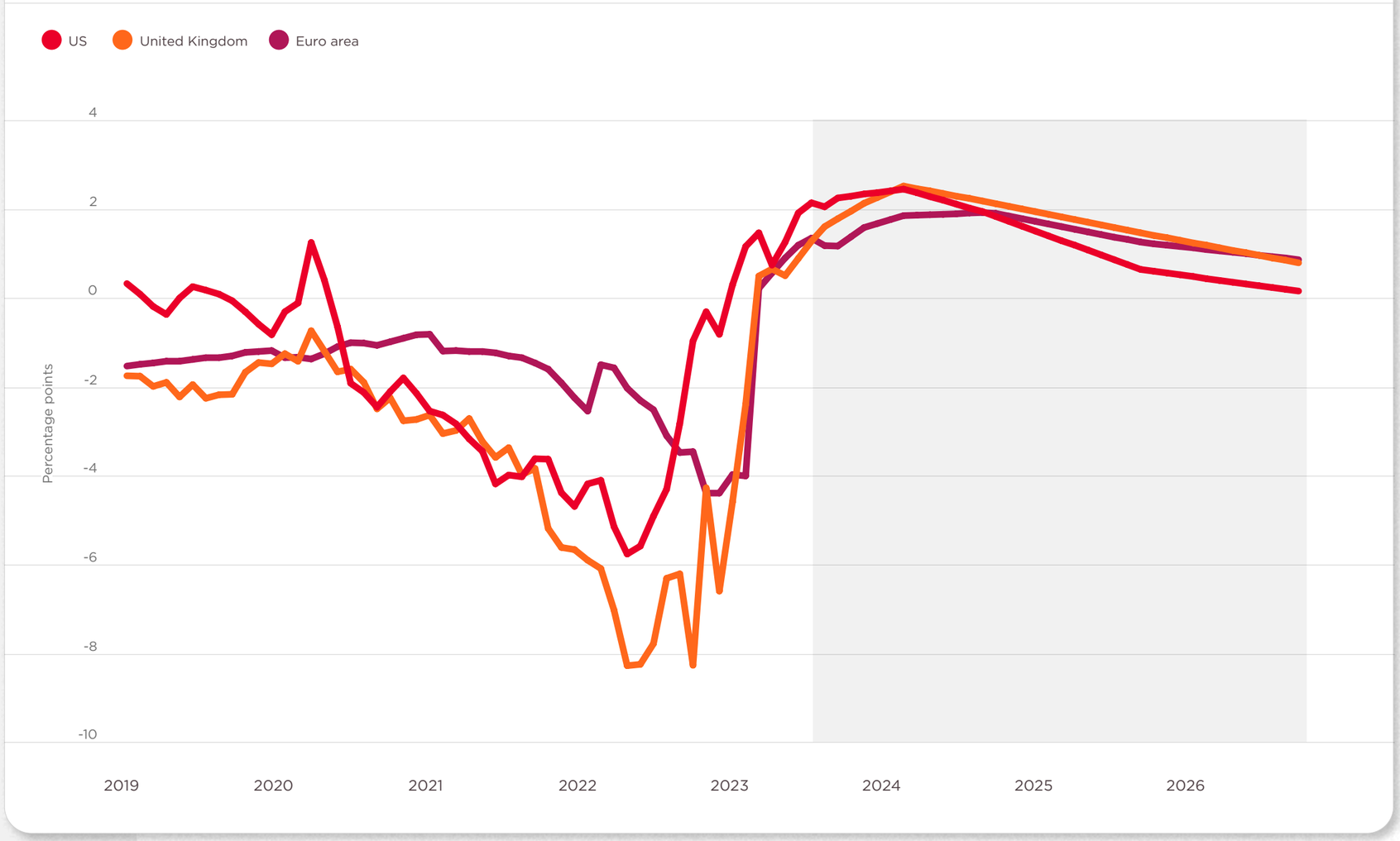
*LIDC = Low-income Developing Countries
Source: Banorte, data from IMF, World Economic Outlook, October 2023

DOUBTS ABOUT THE NEW MONETARY PARADIGM AND ITS POTENTIAL EFFECTS

Put very simply, the main channel through which monetary policy acts upon an economy is through aggregate demand and inflation expectations. If growth does not slow with interest rates at current levels, there is a growing risk that central banks will fall short of their inflation targets. Given what has happened up to now in terms of economic resilience, the doubts center around the possibility that the world is shifting toward a new monetary paradigm.

Specifically, that equilibrium real interest rates (those consistent with an economy at full employment and inflation at the central bank target, also known as "natural" interest rates) are structurally higher. In the short term, this can be understood in at least two ways. First, that most central banks will have to keep monetary conditions tight for longer. Second, that terminal interest rates may ultimately be higher when monetary easing takes place. This would probably begin in 2024, although the uncertainty has to do more with the magnitude and pace of this process in different countries and regions.

EXPECTED DEGREE OF MONETARY TIGHTENING IN DEVELOPED COUNTRIES*

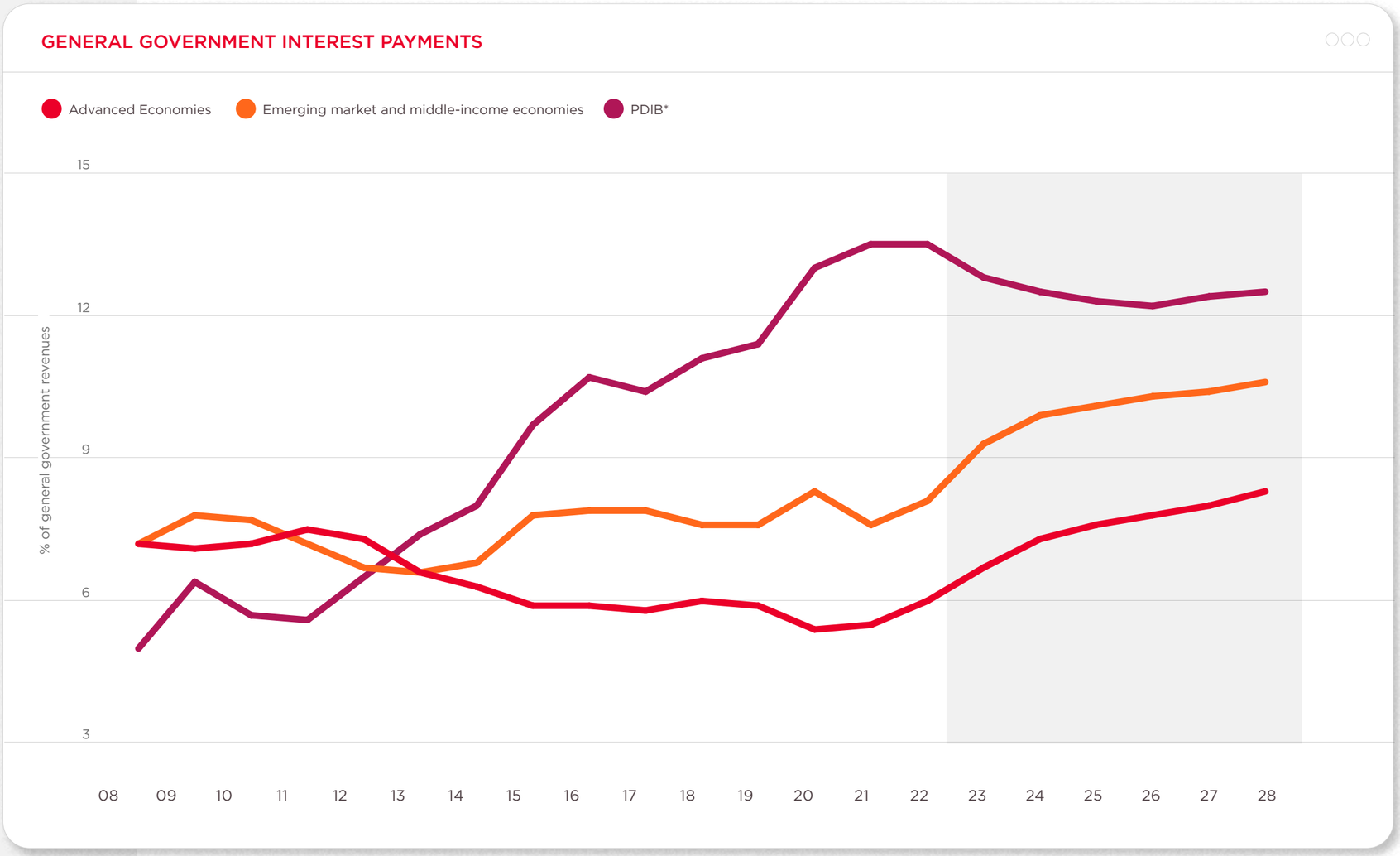


*The figure shows the evolution of the monetary policy stance, defined as the difference between real interest rates and the real natural rate of interest. Thus, positive levels signify that monetary policy is on restrictive ground.
Source: Banorte, data from IMF, *World Economic Outlook,* October 2023

Although it is still too soon to know where this will end up, repercussions have not been long in coming, in various areas. In the economy, incentives and benefits for savers are better than those for borrowers, which could slow consumption. For companies, the decision to undertake investment projects becomes more complicated, and they may opt only for those that promise returns above the already high cost of financing. Collaterally, higher natural rates may alter the optimum capital structure. In financial markets, asset prices and reasonable valuation levels may be squeezed, which may in turn increase risks to banks' financial stability, as happened in March 2023 with the failure of three US regional banks and the forced sale of Credit Suisse to UBS.

Fortunately, prompt, coordinated and decisive action by the authorities staved off a more widespread contagion. For each individual country, concerns focus more on the sustainability of their debt. Swelling government debt, which grew even faster with pandemic-era stimulus programs, and increased financial expenses, have reduced budgetary leeway. This is probably the reason, at least in part, for higher long-term interest rates on various countries' sovereign bonds, incorporating a higher risk premium. Whether this can be sustained over time, however, depends critically on the difference between funding costs (based on the real interest rate) and economic growth.

GENERAL GOVERNMENT INTEREST PAYMENTS



*LIDC = Low-income Developing Countries
Source: Banorte, data from IMF, *World Economic Outlook*, October 2023

MEXICO REMAINS WELL POSITIONED AMID GLOBAL RISKS AND OPPORTUNITIES

In this situation, effective risk management, avoiding significant imbalances, a positive economic growth outlook, and a strong institutional and macroeconomic framework become increasingly important. Despite pending challenges, Mexico finds itself in an advantageous position in this global context. We expect GDP to grow by 2.4% in 2024, more strongly in the first half than in the second. Among other factors, this expansion would be supported by:

2.4%
expected GDP growth in 2024

5.4%
of GDP, budget deficit estimated by Ministry of Finance

9.25%
estimated policy rate at close of 2024

01

An increase in government spending, with a budget deficit estimated by the Ministry of Finance at 5.4% of GDP, up from 3.9% in 2023, accelerating in the first half to complete priority projects at all levels of government

02

A gradual slowdow in external demand, primarily from the United States, as consumer spending moderates throughout the year

03

The delayed global impact tightening. On this last point, we estimate that the Bank of Mexico will raise its reference rate to 9.25% toward the end of December

So the effect of this is likely to become more evident in 2025.

Growth may also be supported by the continuing momentum of nearshoring in this country. We remain convinced that Mexico is poised to reap significant benefits from this trend across various industries, leveraging its geographical proximity to the United States, open trade policies, favorable demographic evolution, competitive logistical network, cost advantages, and lower geopolitical risks, among other factors.

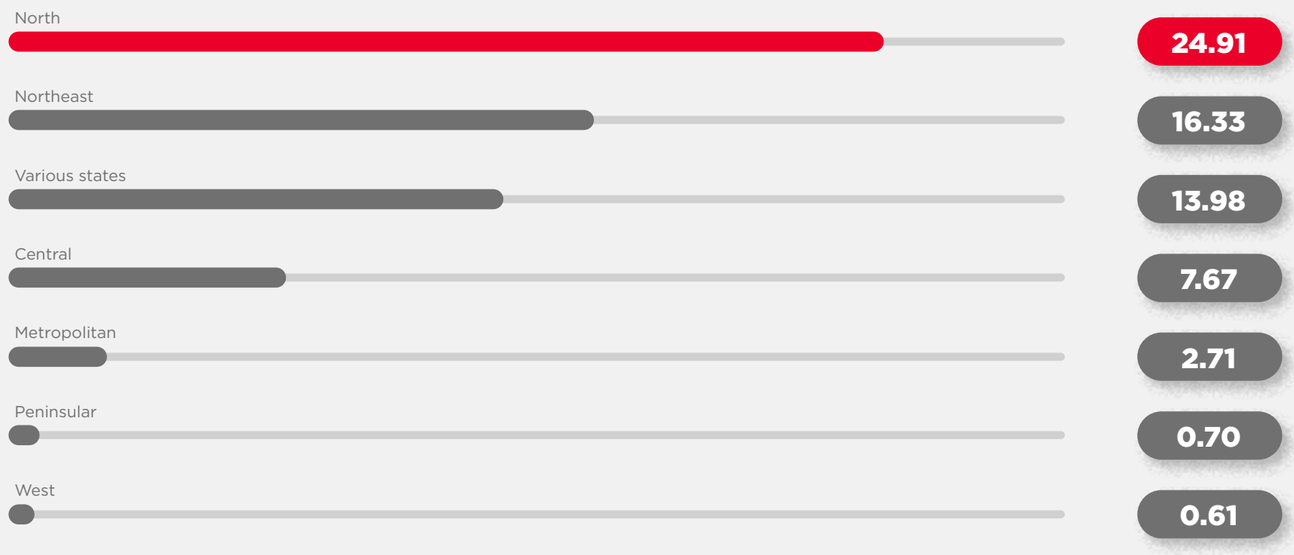
In line with the above and based on our research efforts on the subject (see Zoom Nearshoring, available on our **website** the most noticeable effects so far been seen in the non-residential segment of the construction industry. In a column published in the daily newspaper El Financiero on October 12 of last year, Gabriel Yorio, Mexico's Deputy Secretary of Finance and Public Credit, mentioned that 174 investment totaling USD74bn had been announced. Furthermore, during her appearance before the Combined Committees of the Chamber of Deputies in mid-October 2023, Secretary of Economy Raquel Buenrostro mentioned public investment announcements totaling USD110bn. Of this latter amount, around USD80bn was foreign investment and USD30bn was domestic. In our own tracking of investment announcements, we had identified USD66.9bn in 2023 (up until the end of October). The primary destination was the state of Nuevo León, capturing 30.7% of the total (USD20.6bn, included within the North Region).

174
investment totaling USD74bn had been announced

USD80 bn
corresponding to foreign investment

USD30 bn
corresponding to domestic investment

ANNOUNCED INVESTMENTS IN 2023*
USDbn, January-October



Based on monitoring by Banorte's Adjunct Managing Director for Economic and Financial Development. Regions are defined based on the states that make up the six Regional Boards created by Grupo Financiero Banorte (see the section on **Regional and Local Boards** in this report for more details.
Source: Banorte, based on press reports, Ministry of Economy and Ministry of Finance and Public Credit, among other sources.

We should mention that the effect of all this new investment is likely to be felt only gradually, as it will be deployed over time. For example, preliminary data from the Ministry of Economy shows that in the first three quarters of 2023, foreign direct investment reached USD32.93bn. If we exclude the USD6.87bn from extraordinary transactions last year (particularly the merger between Televisa and Univision and the restructuring of Aeroméxico), the figure is 30.3% higher than the USD25.27bn reported for the same period in 2022. Mexico City received USD10.58bn (32% of the total), followed by Nuevo León (USD2.83bn; 9%) and Sonora (USD2.54bn; 8%). The manufacturing sector accounted for 53% of the total, with transportation equipment, metals, beverages and tobacco, and the chemical industry among the leaders.

USD32.93 bn
corresponding to foreign direct investment

USD6.87 bn
from extraordinary transactions

This means the benefits will materialize progressively over the coming years, so Mexico's government continues its efforts to attract more nearshoring investment.

For example, it published the second of two decrees on October 11, 2023 (the first having been the granting of tax incentives in the Isthmus of Tehuantepec Interoceanic Corridor), which provides additional measures to stimulate nearshoring, available to ten strategic industries that must produce and export anywhere in the country to qualify. The facilities include:

01

Accelerated depreciation of investments in fixed assets, with rates ranging from 56% to 89%.

02

Additional deduction of 25% of the increase in training expenses related to the company's activity over the next three years.

According to undersecretary Yorio, the industries covered by this decree have a production value of MXN4 trillion and employ 2.6 million workers. Additionally, he estimates that it has the potential to attract USD18.5bn in additional investments over those already projected for 2024.

Finally, business perception is that this phenomenon will boost activity in the medium term. According to Banco de Mexico's July 2023 Monthly Regional Economic Activity Survey, 26.1% of companies with more than 100 employees said they had benefited in the previous twelve months. When asked only about the effects of nearshoring, 9.3% perceived favorable impacts. In the manufacturing sector, 11.6% believed that their production had increased.

Asked about their expectations, 42.6% reported no perceptible nearshoring-based improvement in these over the past year, but they do anticipate a positive impact in the next five years. Additionally, the central bank conducted a study to identify its initial effects.

Using a nearshoring propensity index, they identified that the industries most inclined toward this phenomenon are:

01 Manufacturing of electronic components

02 Office furniture and shelving

03 Agricultural machinery and equipment

04 Iron and metallic products

The cities most prone to nearshoring are concentrated in the northern region:

- Saltillo
- Monterrey
- Ciudad Juárez
- Tijuana

Finally, the manufacturing sectors categorized as "more inclined" have had a positive impact on productivity and employment, but not on wages.

THE YEAR WILL ALSO BE INTENSE ON THE ELECTION FRONT

As if that were not enough, this year will see presidential elections in the United States (on November 5) and Mexico (on June 2). In the US, candidates for the presidency and vice presidency will be decided in the national conventions by Republicans (July 15-18) and Democrats (August 19-22). Voters will also fill 435 seats in the House of Representatives; 33 regular Senatorial elections and at least two more special senatorial elections; 11 state governorships and two territorial governorships; and other positions in the three branches of government. In Mexico, all of the legislators in the Chamber of Deputies (500 seats) and the Senate (128) are up for election. More than 19,000 posts are up for dispute at all levels of government. Among the states, nine governors will be elected (Chiapas, Mexico City, Guanajuato, Jalisco, Morelos, Puebla, Tabasco, Veracruz and Yucatán). For the first time the newly elected president will take office on October 1, 2024. Other countries will also be electing presidents, including India, Panama, Russia, South Africa, Ukraine, Uruguay and Venezuela, as well as members of the European Parliament.

These events on the political front become increasingly important in light of perceptions that globalization has suffered setbacks in recent years, an amid calls for a new social pact to address poverty and rising inequalities. They also bring to the fore certain challenges that will require increased coordination among governments, like climate change.

BANORTE WILL RISE TO THESE CHALLENGES AND LEVERAGE THE OPPORTUNITIES OF THIS ENVIRONMENT

GFNorte has an unshakable commitment to Mexico's development. We will continue to work diligently and passionately for the progress and well-being of the people, and acting as effective partners for our shareholders, customers, employees, other stakeholders and the community at large. We are firmly convinced that the inherent strengths of our country and its people will continue to bear significant fruits going forward. Although there are undoubtedly stumbling blocks for the world in the road ahead, we know that there are opportunities. Among them, what can be gained from boosting our investment in the customer experience, particularly through the solutions made possible by the digital revolution.

We are confident that we can achieve our goals by working together, successfully meeting the needs of our customers in a constantly changing environment.

On this front, we intend to persevere in our pursuit of continuous innovation to offer more agile, secure, competitive and sustainable financial solutions, committed to the environment and the development of the society to which we belong and contribute.

4-5-6 Strategic Plan

The close of 2023 also marked the conclusion of our 1-2-3 Plan, the mission of which was "to become the number 1 bank in a digital world," leveraged on three pillars:

01 Accelerating GFNorte's transformation

02 Seeking out partners to make us a part of customers' daily life

03 Building a digital bank from the ground up

For the past three years (2021-2023), we developed institutional skills and invested in Banorte's digital transformation, one example of which was our "Bank in Minutes" initiative to make every one of our interactions more efficient, launch new digital products, and make use of artificial intelligence tools, among others. All of these was part of our drive to offer the best customer experience at all times, through various channels for banking and contact. Today we are proud to say that Banorte is truly a digital bank, with branches.

Our efforts to become the number 1 bank in a digital world also led to partnerships with various digital players to take advantage of market opportunities. For example, with Rappi we launched the Rappicard; and with Google Cloud, TuHabi and Clip. Another major step in this direction, and our third pillar, was building a digital bank called Bineo from the ground up, which was launched early in 2024.

> This process of transformation and capacity development has kept us competitive in both the physical and digital banking worlds.

It also bolsters our position as a financial group so that we can continue generating the best value possible for customers, anticipating their needs and expectations.

What's next? We'll continue doing what we know best, but in a physical-digital environment and a focus on hyperpersonalization for our customers. This will be our 4-5-6 plan, which we will be executing from 2024 through 2026.

Hyperpersonalization challenges us not only to know our customers but to hyper-know them, hyper-conquer them, and hyper-care for them, leveraging on what we have built:

- Analytical capabilities
- Artificial intelligence capabilities
- Human capabilities
- combined with technological architecture

Although we began this journey with various campaigns since 2023, the challenge now is to implement it with all customers and escalate it to all subsidiaries of the financial group.

The banner of this strategic plan will be giving the customer what they need: real-time offers and counter-offers through contextual communication (at just the right time and place), even before they know they need it. This will help us maximize customer value, strengthening their long-term relationship with the financial group.

In 2024, and in support of the commitments outlined in our Banorte Day in March 2023, we will work on various initiatives and capitalize on sources of value creation from our core business processes to maximize customer value. For the first year of our Plan 4-5-6, our two main goals are:

01

Having the best value offering:
increasing the crossed sale of products by all group subsidiaries, with a special focus on selling insurance and pension products to banking customers.

02

Steady improvement in customer service levels:
continuous growth in NPS.

Achieving this will require cross-departmental efforts and initiatives throughout the organization, but with a special focus on:

- **Sustainable profitability** and a stable risk profile.
- **Accelerate profitability** for our digital bank, **Bineo.**
- **Improve the image** of our physical presence and increase physical banking efficiency.
- **Strength** our SME bank.
- **Improve** our preferred banking model.
- **Introduce** shared services.
- **ESG strategy** incorporated into every process and the entire organization.

By completing these goals in 2024 we can lay the groundwork for the 4-5-6 plan, which aims to bring us back to our roots as a financial institution, but now equipped with technological infrastructure, innovation, talent, and the cell culture, which allow us to adapt, react in an agile manner and anticipate customers' needs to make the ordinary, extraordinary.

Sustainability as a strategic pillar

For GFNorte, sustainability is a commitment that has been vital for some time now.

This has been reflected in various initiatives, as well as in our participation in various assessments in which we measure ourselves against international benchmarks for our industry, so that we can define our continuous improvement plan. The results obtained tell us how well we have addressed each of the ESG factors and our level of transparency.

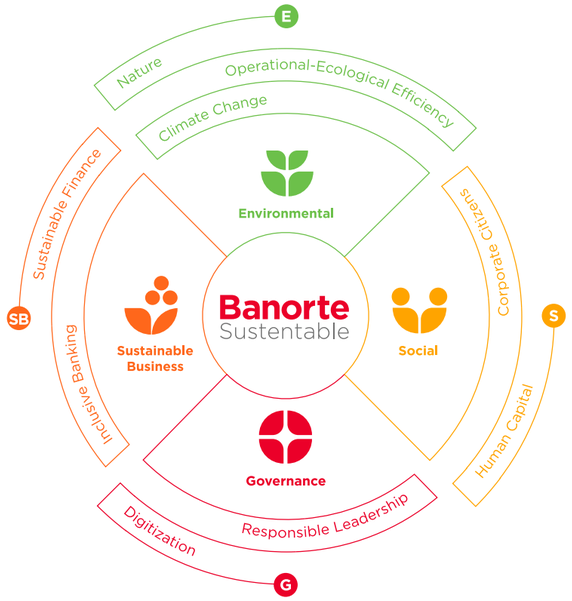
We know that the decisions we make every day must be focused on the same objective, which is why we have aligned our ESG strategy with our business strategy

ESG STRATEGY

To incorporate sustainability into decision-making from the highest level and ensure its execution through strong governance, to become Mexico's main ally in transitioning to a low-carbon economy through innovative and personalized products and services.

We want to empower our workforce and the communities in which we operate through a diverse, equitable, and inclusive culture, promoting financial inclusion through digital products and services targeted at various demographic segments.

OUR SUSTAINABILITY MODEL



ESG Priorities:

ENVIRONMENTAL

01

Mitigate the environmental impact of our operations through efficient resource use and a culture of environmental care within and outside the institution.

02

Continue measuring he carbon footprint of the credit portfolio and other assets following NZBA guidelines, and expand the scope to other segments of our credit portfolio.

03

Pursue a strategy of decarbonization.

04

Work in a timely and agile manner with clients as they transition to a low-carbon economy, by offering products that meet their needs.

SOCIAL

01

Introduce various programs to improve the quality of life for our employees through our Diversity and Inclusion Subcommittee, prioritizing the experience of a diverse culture.

02

Strengthen our internal capabilities to expand the reach of the education and financial health program for our clients

03

Execute strategies aimed at strengthening our contribution to financial inclusion.

GOVERNANCE

01

We have a series of principles and standards that allow for the proper functioning of our governing bodies, complemented by a strong risk management and efficient decision-making. In 2023, we strengthened a set of work groups called cells, which execute various projects aligned with the ESG strategy and report on their progress to the Sustainability Committee.

SUSTAINABLE BUSINESS

01

Over the past 10 years, we have made it a priority to incorporate social and environmental factors into the risk assessment of our portfolios.

02

Create sustainable products like the “Autoestrene Verde” and promote their growth, while developing other products that keep us current with market trend.

03

Identify sustainable financing opportunities with our corporate and business banking customers, supporting them in their gradual transition toward a lower-carbon economy.

Value creation model

GFNorte strives to create value in the short, medium and long term.

Through our value creation model, we can create and distribute value for stakeholders under a comprehensive strategic approach. This means considering the connectivity and interdependence of our business model with the resources or capital used, the external climate, and our stakeholders.

Our business model is based on our mission, vision and values, and is leveraged on our ESG and responsible banking priorities, as an engine for growth and management of risks and opportunities.

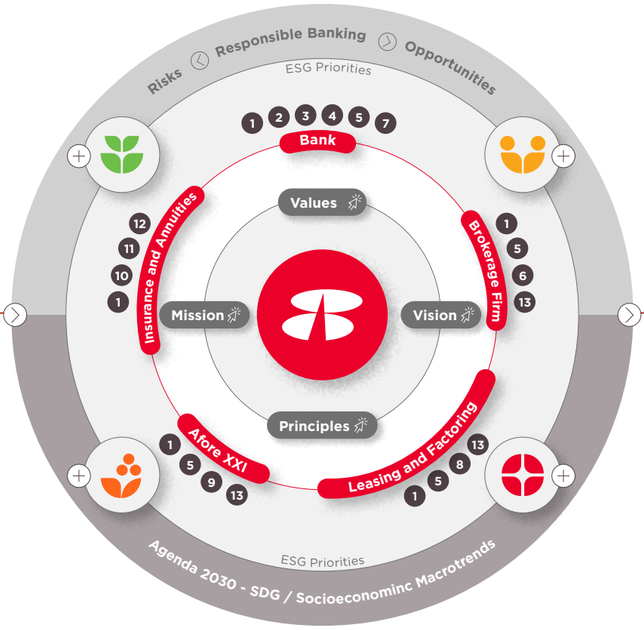
We generate value through the products, services and solutions—outputs—offered by our business units, transforming the inputs associated with our seven capitals, the results of which (outcomes) have an impact not just on our business but on our stakeholders and the financial ecosystem.

Value Creation Model

Link | More information

Input	KPI
Financial • Interest, premiums, commissions and fees • Market-related revenues • Other operating income • Available funding	• Total revenues **MXN134.08 bn** • Total portfolio **MXN1.05 trn** • ROE **21.4%**
Technology and infrastructure • Service network • Branch equipment; correspondent terminals • Data centers and other corporate infrastructure • Supplier relations	• Building a new **100% digital bank** • Infrastructure modernization with **Bare Metal Solution** • Information security certifications: **ISO27001, PCI DSS y NYCE**
Manufacturing and intellectual • Deposit products • Credit products • Customer investments • Insurance policies and coverage • Other financial products and services • Customer relation models • Customer satisfaction monitoring • Payment system • Other software • Management and self-regulation systems • Brands	• Service channels: Physical: **1,164** branches, **19,782** correspondents and **10,372** ATMs Digital: **Internet, mobile banking and point-of-sale terminals** • **Human/digital experiences:** scheduling branch visits, in-branch account openings, credit cards, mortgage loans and Call Center • System for monitoring customer satisfaction: **NPS**
Human • Staff/teams and time dedicated • Training and skill building • Well-being metrics • Employee engagement • Relations with external allies in operations	• Workforce: **32,392 employees** • Investment in training: **MXN207.93 mn** • DEI Programs. **Awareness-raising sessions, Mujer-ON workshops, Mamá Banorte, Inclusive Management Workshop, DEI topics in leadership programs, inclusive recruitment, inclusive ambassadors**
Social • Fundación Banorte • Volunteering • Inclusion products • Industry participation	• Main financial inclusion products: **Banorte-ACNUR partnership, Mujer Banorte, Apoyos Banorte, Banorte Fácil, Enlace Digital, Suma Menores and Universal debit card** • Financial literacy workshops: **Financial habits seminar, "Unlock your savings" campaign, synergies with CONDUSEF, National Financial Literacy Week** • **66** projects financed and **92** donations made through Fundación Banorte • Funds mobilized by Fundación Banorte: **MXN151 mn**
Environmental • Energy consumption • Consumption of water and fungible resources • Products with an environmental purpose	• Energy consumption intensity: **16.5 GJ/employee, 10.2 GJ/MXNmn net earnings** • **Sustainable products:** Sustainability-linked syndicated loans, "Autoestrene Verde," Banorte Total Rewards, hydrometeorological insurance, parametric insurance • **Measurement of Scope 3** categories 1-15

Business Model



Outcomes	Impacts	SDG	S
• Taxes paid **MXN17.83 bn** • Stage 3 portfolio **MXN10.89 bn** • **MXN37.70bn** in dividend payments	• Facilitates the availability of internal resources and access to different types of capital • Builds trust among shareholders, other investors, and other capital providers • Ensures operational continuity and the impact of other types of capital	8 9	1 2 4 9
• **52%** of total transactions were digital • **148,000** new digital accounts • **0** incidents regarding customer information	• Effective operation of customer service channels • Facilitates employee performance, complementing the software incorporated into intellectual capital	9	2 3 5
• **787 million** transactions in physical channels **5.5 billion** digital transactions • **19-point gain** in NPS on scheduled visits vs. physical queuing • NPS score: **80.4**	• Use of products and services improves resource availability through savings and lending • Ability to address personal and/or company needs, contributing to economic and social development • Operational efficiency and process scalability • Technological potential through software solutions, including the employee • Expanded coverage through remote channels, complementing infrastructure capital • Recognized brand associated with strength	1 2 4 8 9 10 16	1 2 3 4 5 8 9
• **8,424** new hires • **36 hours** of training per year/ employee • **25%** women in middle and senior management	• Talent for developing financial group activities, including customer relations • Development of capabilities and professional growth of employees • Employee well-being • Commitment, reflected in productivity	4 5 8 16	8 3 5
• Participants in financial inclusion products: **4,934,785** (number of accounts) • Participants in financial literacy initiatives: **4,191** • **92,029** direct beneficiaries and **67,473** indirect beneficiaries of Fundación Banorte • **1,046** housing actions	• Strengthens role of good neighbor and trust within the society of which we are a part • Addresses country-specific needs, with differing impacts depending on the topic • Financial inclusion and business development, with products for groups that lack access	5 10 17	7 8 9
• Emission intensity: **1.93 tCO_2e/ employee, 1.19 tCO_2e/MXN mn net earnings** • Value of the sustainable portfolio: **MXN25.39 bn** • Loan portfolio: **44%** of the portfolio analyzed	• Efficient resource use, reduction of GHG emissions and waste generation • Environmental awareness among employees and other stakeholders • Promotion of environmentally friendly practices among customers, encouraging them to invest as necessary	7 12 13 15	1 2 5 7 8 9

Business

Bank
It supplies savings and credit products for customers to meet their professional and/or personal needs. It provides complementary services according to the needs of the different customer segments.

Brokerage Firm
Product portfolio for the placement of capital by customers, with differentiated returns. These services include mutual fund management, fund trading, management of investments in fixed-income and/or equity markets, and foreign exchange transactions. Also, it helps companies to issue debt or equity. It offers innovative trading solutions, such as BeTrading.

Leasing and Factoring
It makes fixed assets available in leasing schemes with long-term financing (e.g., transportation equipment, vehicles, technological equipment, etc.). We make payment to suppliers and/or accounts payable financing easier through factoring schemes.

Afore XXI
It manages the funds customers deposit for work and voluntary savings purposes. Customers can have financial returns from the investments made by the institution.

Insurance and Annuities
It protects people's assets, whether physical or health goods and supports families in the event of accidents or claims. Also, it can be a guarantee for companies in case of incidents related to the operation and/or other events (e.g., weather damage).

Outputs

1. Portfolio under custody
2. Total portfolio
3. Credits
4. Combined index
5. Nonperforming loan portfolio index
6. Coverage index
7. Accident rate index
8. Income
9. Net interest income
10. Net premium income
11. Market positioning
12. ROE
13. SIEFORE

SDG

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17

STAKEHOLDERS

1. Investors
2. Customers
3. Employees
4. Guild authorities of the sector
5. Suppliers
6. Media
7. OSC
8. Community
9. Government entities

ESG Ratings

Various rating agencies and data suppliers around the world are continuously evaluating our ESG performance, issuing ratings and opinions. **We understand that by identifying areas of opportunity and applying best practices we can improve our results,** but above all we can attract and retain investors concerned about such issues.

These evaluations serve as a point of reference based on best industry practice, and support the design of our continuous improvement plan.

EVALUATION OF ESG PERFORMANCE BY RATING AGENCIES

Rating agency	2023	Sustainability indexes
S&P Global - CSA	66 / 100	• Dow Jones Sustainability Index MILA • S&P/BMV Total Mexico ESG
MSCI	AA	• +150 sustainability, ESG, responsible investment or thematic indexes
FTSE Russell	3.7 / 5	• FTSE4Good Emerging Index • FTSE4Good Emerging Latin American Index • FTSE4Good BIVA
Moody´s – VE[1]	46 / 100	• Vigeo-Eiris Best EM Performers Ranking

EVALUATION OF ESG PERFORMANCE BY DATA PROVIDERS

Data provider	2023
CDP[2]	B
Bloomberg[3]	60.1
Refinitiv	A-

The values given in the tables above were issued in 2023 based on information at the close of 2022.

[1] Vigeo-Eiris evaluates ESG performance every two years
[2] CDP evaluates only matters pertaining to climate change, forests and water
[3] Bloomberg evaluates only transparency of ESG data

02

RESPONSIBLE BANKING AT A GLANCE

SDG

1, 3, 4, 5, 7, 8, 9, 10, 12, 13

GRI

FS5, FS7, FS8, FS10, FS11

SASB

FN-AC-410a1, FN-AC-410a2, FN-AC-410a3, FN-IB-410a1, FN-IB-410a3

PERSONALIZING THE FUTURE WITH SOCIETY

MXN$25.40 bn
in clean and renewable energy projects

MXN$40.30 bn
in thematic bonds at Afore XXI Banorte

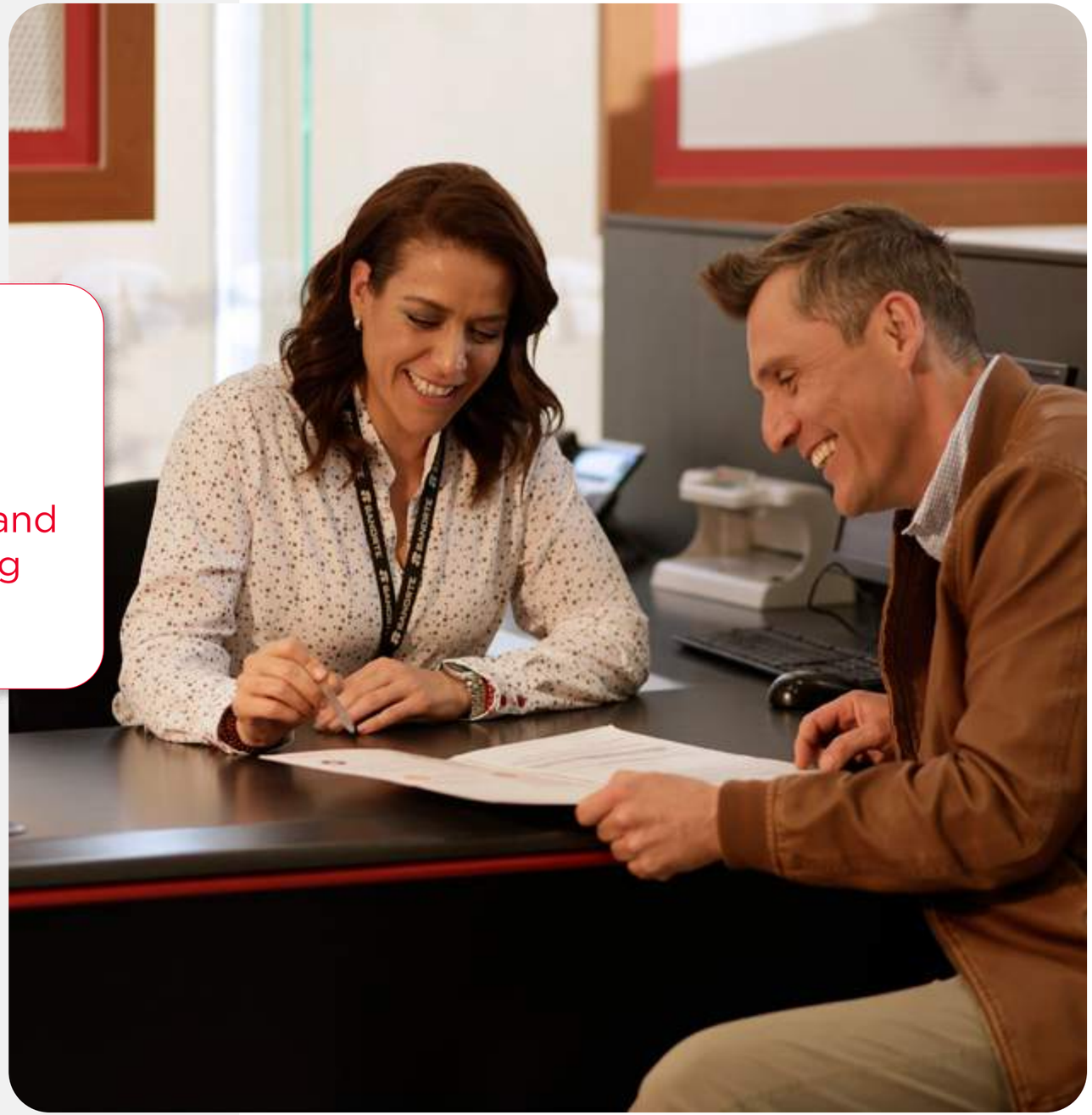
MXN$94.57 bn
in thematic bonds of 10 issuers

A bank that believes in my project

Under our responsible banking approach, **we finance projects that have a positive impact** on our planet and communities.

Our approach to responsible banking

GFNorte is firmly committed to its role as a responsible bank. We offer a diverse array of products and services that not only meet our customers' needs but satisfy ESG criteria by which we prevent and mitigate environmental and social risk and contribute positively to achieving global sustainable development goals.



Main areas of potential impact based on UNEP FI

In line with our responsible banking approach, in 2023, we conducted the fourth impact analysis exercise using version 3 of the Portfolio Impact Analysis Tool for Banks, a tool developed by UNEP FI. Through this exercise, we met the requirements of Principle 2 on PRB Impact Analysis and Target Setting.

The tool applies a holistic impact methodology to identify, understand, and manage the most significant positive and negative impact areas of the bank on a wide spectrum of environmental, social, and economic issues. It considers the context of the regions in which the bank operates and lays the foundation for developing strategies, establishing action plans, and setting objectives.

To apply the Portfolio Impact Analysis Tool for Banks to GFNorte's operations, we studied the composition of the corporate and business banking portfolios at the end of the year, which represent 41.76% of Banorte's total portfolio.

	Corporate Banking	Business Banking
Representative industries	• Real Estate • Manufacturing • Financial services	• Retail • Hotels and restaurants • Real Estate
Areas of positive impact	• Availability, accessibility, affordability, and quality of resources and services • Climate • Circularity • Biodiversity and ecosystems • Solid institutions, peace and stability	• Availability, accessibility, affordability, and quality of resources and services • Livelihood • Safety and health • Healthy economies • Circularity
Areas of negative impact	• Circularity • Biodiversity and Ecosystems • Availability, accessibility, affordability, and quality of resources and services • Climate • Integrity and security of person	• Safety and health • Livelihood • Circularity • Biodiversity and ecosystems • Climate

41.76%

of Banorte's total portfolio is the composition of the corporate and business banking portfolios

PRIORITY IMPACT AREAS AT THE COUNTRY LEVEL, BY SUSTAINABLE DEVELOPMENT PILLAR

Social

- Integrity and security of person (conflicts, natural disasters child labor)
- Availability, accessibility, affordability, and quality of resources and services (water, food, housing, mobility)
- Equality and justice (age and/or gender discrimination)

Socioeconomic

- Strong institutions, peace and stability (rule of law)
- Infrastructures
- Socioeconomic convergence

Environmental

- Climate stability
- Biodiversity and healthy ecosystems (water and life)
- Circularity (use of resources, waste)

Using the Portfolio Impact Analysis Tool for Banks, we were able to identify the priority impact areas for the bank based on the percentage of financing from each of the sectors they encompass and in relation to the priority areas determined for Mexico. We focus on positive impacts related to the availability, accessibility, affordability, and quality of resources and services, livelihood, security and health, healthy economies, among others; and negative impacts in terms of security and health, circularity, climate, biodiversity, and ecosystems.

In 2024, GFNorte will continue this effort by setting goals for mitigating negative impacts and enhancing positive impacts, involving our business areas through projects defined in the work groups that the Department of Sustainability has created for this purpose.

For more information, see our **Responsible Banking Principles Report**

PICS

PICS is our comprehensive sustainability culture program, and its purpose is to consolidate and reposition “Sustainable Banorte” as the sustainability culture we want to instill within the Group to ensure implementation and monitoring of our sustainability strategy.

This program is divided into three phases:

01 **Training and raising awareness among employees about sustainability**

02 **Involving everyone as part of the sustainability strategy**

03 **Encouraging employees to be proactive in increasing positive impacts with stakeholders**

As part of the first phase of the PICS, we internally designed and released our first sustainability e-learning course, to inform employees about the environmental, social, and governance (ESG) topics that are part of the Group’s strategy and instill the “Sustainable Banorte” culture.

El curso contó con 5 módulos los cuales abordaron temas tales como, el compromiso de Banorte con la sustentabilidad, la gobernanza ASG interna, la importancia de la rendición de cuentas y un llamado a la acción.

The course consisted of five modules, covering topics such as Banorte’s commitment to sustainability, internal ESG governance, the importance of accountability, and a call to action. This training was made available to 27,605 employees from both staff and business areas, **achieving a response rate of 98% within the four weeks the course was available and a 97% passing rate.**

Main Products and Services with ESG Criteria by Subsidiary

GRI FS7, FS8

We design products and services with positive social and environmental impacts.

MXN$25.40 bn
allocated to projects involving energy generation from renewable and clean sources

Corporate and Commercial Banking

SUSTAINABLE PORTFOLIO

At GFNorte, we want to contribute to sustainable development and the achievement of global goals. We are confident that there are significant opportunities in financing activities with positive impacts. Therefore, we work to ensure that our loan portfolio includes more and more projects that promote the country's economic prosperity and people's well-being, while preserving nature.

At year-end 2023, the sustainable portfolio in Corporate and Commercial Banking was estimated at almost MXN25.40 bn. This portfolio was allocated to projects involving energy generation from renewable and clean sources, sustainable construction, wastewater treatment, sustainable agriculture, as well as the reuse, recycling, and final disposal of solid waste such as metals and plastics.

Despite the uncertainty in the national energy context, we recognize the importance of wind and solar energy as a means to achieve a low-carbon economy. We remain firmly committed to our customers in the renewable energy sectors, who contributed an estimated MXN6.10 bn to our climate portfolio by the end of December 2023.

SUSTAINABILITY-LINKED SYNDICATED LOANS

At Banorte, we provide financing that brings long-term environmental and social benefits through projects that promote environmental conservation, the adoption of clean technologies, responsible use of natural resources, and social cohesion.

In 2023, Banorte strengthened its portfolio by placing sustainability-linked syndicated loans in the wholesale banking segment. To structure these loans, customers set short and/or medium-term goals related to material ESG metrics. Furthermore, the achievement of these goals is validated by an independent third party and is subject to special financial conditions established by the banks involved in these transactions, as stipulated in the contracts.

We ended the year with four syndicated loans, our share of which amounted to MXN3.07 bn. Thus, we reaffirm our commitment in synergy with our peers to contribute to the sustainable development of the Mexican financial markets.

MXN$3.07 bn
corresponding to four syndicated loans

CONSUMER BANKING

Autoestrene Verde
Transportation is a key area where cities can mitigate their greenhouse gas emissions (GHG), and for countries to fulfill their international commitments. In Mexico, transportation represents the second-largest source of GHG emissions, with private car transportation being the primary contributor, accounting for 80% of these emissions.

Electrifying transportation is one crucial way to decarbonize the economy and support the right to a healthy environment. In fact, electric mobility is emerging as one of the main action lines that various countries have adopted as part of their strategies against climate change.

In line with national electric mobility goals, GFNorte launched its *Autoestrene Verde* product in April 2022, designed to finance the acquisition of hybrid and electric vehicles. It quickly became a market leader, adding a value of MXN571.6 mn to the bank's portfolio through the placement of 868 loans by the end of 2023.

868
Autoestrene Verde loans

Banorte Total Rewards
In 2023, 477 customers and employees had the opportunity to redeem 10,617,636 points in the "Products with a Cause" section of our rewards program, in partnership with Mexican companies and nonprofits that offer sustainable products benefiting our communities and the environment.

Amextra
Ascalapha
Bamboo Life
Conexión Ancestral
Greenhug Industries
Hilo de Nube
Laura Torres
Maka México
Reforestamos México
Sonríe México
Totally Bamboo

Insurance

WEATHER INSURANCE

Our insurance subsidiary, Seguros Banorte, offers catastrophic coverage insurance for hydro-meteorological events, by which customers can protect themselves from the physical risks of climate change, such as hurricanes, floods, storm surges, high waves, and hail, among others. This coverage has the capacity to address the impacts of events as devastating as the one that occurred in October 2023 in the state of Guerrero, when it was struck by category 5 hurricane Otis. These insurance options are available for home, commercial, and industrial properties.

By the end of December 2023, a total of 223,087 risks were covered throughout the country, including areas with a higher exposure to hurricanes such as the Yucatan Peninsula, the Gulf of Mexico, and the Pacific Ocean. The insurable values declared in the policies amounted to MXN947.29 bn, with a retention value of MXN85.79 bn and a net premium of MXN828 mn.

IMPACT OF HURRICANE OTIS

According to the Mexican Association of Insurance Institutions (AMIS), claims paid out for damage from hurricane Otis rank among the three highest for any event in history, and among the three highest for any hurricane. Events like the pandemic and damages from natural phenomena generally have the greatest impact.

For Seguros Banorte, the claims recorded by the end of the year for property and auto insurance associated with Otis totaled MXN398 mn. However, thanks to reinsurance programs, the net reinsurance impact for the company was just MXN94 mn (about USD5.4 mn).

In the property insurance segment, 875 claims were recorded, primarily concentrated in the mortgage portfolio. In the auto insurance segment, there were 573 claims, 109 of which were total losses.

Payments are 18.2% complete to date, and we expect to conclude the adjustment and payment processes in the coming months. Nevertheless, the financial impact of this event on Seguros Banorte was fully recognized by the end of 2023.

PARAMETRIC INSURANCE

Seguros Banorte also offers what is called parametric insurance, where payment of claims for hurricane damage is triggered by the trajectory and speed of the wind, which in turn determines the maximum limit of liability (MLL). The rating of these parameters is based on the official records from the National Hurricane Center of the National Oceanic and Atmospheric Administration (NHC-NOAA).

In the event of a claim that falls within any of the predefined parameters, our commitment is to make the payment within seven days at the latest, regardless of whether there are any damages in the insured area. This ensures that both impacts on infrastructure and the natural capital of the designated area can be addressed as quickly as possible. In 2023, we completed four years of providing this type of coverage, serving both private enterprises and the government sector, and we issued a policy with a net premium of MXN1.4 mn.

	Industry report*		Banorte report				
Type of business	Number of claims reported	Estimated amounts (MXN mn)	Number of claims reported	Estimated amounts (MXN mn)	Payment status (MXN mn)	Payment status (%)	Average cost (MXN)
Housing	14,830	$9,183	508	$251	$62	24.60%	493,609
Hotels	98	$8,222	0	$0	$0	0.00%	-
Maritime	209	$909	2	$24	$0	0.00%	11,973,970
Government	3,704	$15,738	301	$9	$0	5.00%	30,375
Others			64	$72	$9	13.00%	1,121,560
Damages	**18,841**	**$34,052**	**875**	**$356**	**$72**	**20.10%**	**406,428**
Cars	**13,097**	**$818**	**573**	**$43**	**$1**	**2.00%**	**74,695**
Total damages and cars	**31,938**	**$34,870**	**1,448**	**$398**	**$72**	**18.20%**	**275,155**

* Industry source: AMIS, December 15, 2023
Information from Seguros Banorte as of close of December 2023

Responsible investment

GRI FS5, FS10

SASB FN-AC-410a1, FN-AC-410a2, FN-AC-410a3, FN-IB-410a3, FN-IB-410a.1

We recognize the importance of ESG factors as risks or opportunities inherent in the portfolios we administer. We therefore consider them essential to our investment decisions, as part of our fiduciary duty to customers, which is how we can help build a resilient, fair and sustainable economic environment for society in the long term.

In 2017 we became the first Mexican financial group to sign the United Nations Principles for Responsible Investment. Then, in late 2020, given the nature of their operations, we decided to join the initiative separately through two business lines: Afore XXI Banorte, as asset owner, and Operadora de Fondos Banorte, as an asset manager.

Afore XXI Banorte

Our vision as investors is to be the leading pension fund manager in the Mexican market by providing competitive, reliable, and timely services, while also improving the returns for workers through a responsible investment strategy that earns us the recognition and loyalty of our customers.

Afore XXI Banorte's investment strategy is focused on long-term sustainable development. It aims to build portfolios that are resilient to climate change and to finance projects, companies, and funds that follow best ESG practices. Recognizing that the financial system can contribute to healthy economic development that aligns with social balance and environmental care, this strategy addresses systematic sustainability issues such as climate change, human rights, just transition, and biodiversity, among others.

Our journey toward responsible investment has always been guided by a firm determination to strengthen our investment process day by day through the integration of ESG factors, active engagement in our investments, and solid initiatives aligned with global issues.

1997
An amendment to the Mexican Social Security Act allows for the creation of private pension fund managers called Afores, together with the passage of the Retirement Savings System Law. Afore XXI is founded with capital contributed by the IMSS and in partnership with IXE.

2011
IMSS announces the merger of Afore XXI with Afore Banorte Generali, creating Afore XXI Banorte.

2012
Afore XXI begins operations, managing more than 7 million accounts.

2013
XXI Banorte acquires the customer portfolio of Afore Bancomer, becoming Mexico's leading Afore.

2014
Recognized by World Finance for the first time as Best Pension Fund in Mexico.

2016
Creates the first retirement savings fund for kids in Mexico, called PrimerAfore.

2017
XXI Banorte celebrates 20 years keeping its promises, and joins the Principles for Responsible Investment (UN PRI).

2018
World Finance names us Mexico's Best Pension Fund for the fourth time, and we launch our Afore Móvil app.

2019
XXI Banorte adopts ESG analysis for its investment portfolio, including derivatives. XXI Banorte earns its first PRI A+ rating from UN PRI.

2021
The Afore becomes the largest pension fund in Latin America. We also earn the ALA 20 award, and Fitch Ratings confirms our rating as a generational retirement fund.

2022
We are recognized for the eighth time as Mexico's best pension fund; the Afore establishes its Protocol for Attention to the Elderly; thanks to our substantive change in organizational culture we were named a Great Place to Work.

2023
We are the first Afore to achieve gold certification for compliance with Mexican standard NMX-R-025-SCFI-2015, Labor Equality, validated by the organizations.

ESG INVESTMENT APPROACH

The following are the responsible investment strategies that make up the portfolio:

Thematic investment

Clean technology, sustainable agriculture, health, and climate change mitigation.

Ethical investment

Negative screening to rule out investment in certain activities/products related to weapons, nuclear energy, and non-compliance with the Universal Declaration of Human Rights (UDHR) and International Labor Organization (ILO) agreements.

Impact Investment

Investments made explicitly to create a measurable positive social and environmental impact with a financial return

Socially responsible investment

Social and environmental factors in evaluating ESG Score companies by established criteria.

Impact investment

Investments made explicitly to create a measurable positive social and environmental impact with a financial return.

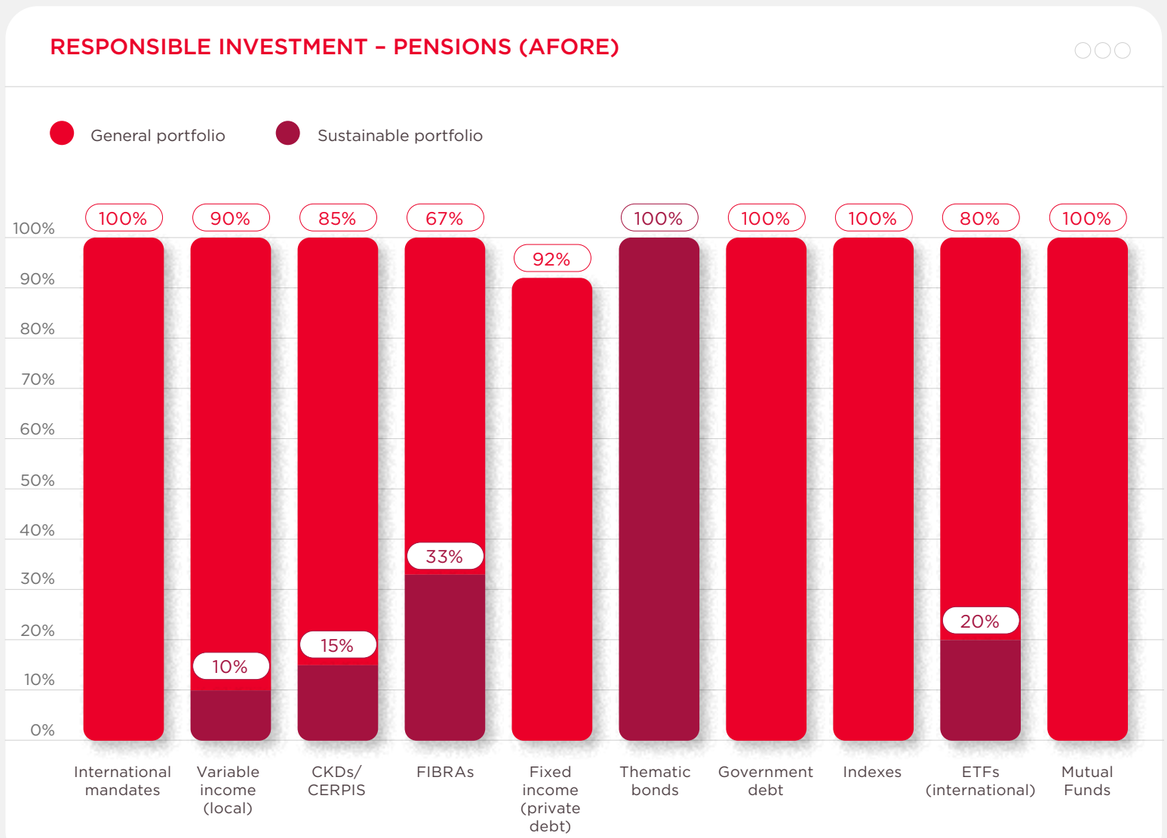
Green investment

Climate change, carbon emission power generation, energy efficiency, recycling, and energy management waste.

ESG ANALYSIS

With this methodology and information supplied by an internationally renowned rating agency, we reached coverage of 99% of the assets mentioned above by the close of 2023, an increase of 3% over the previous year in relative terms.

RESPONSIBLE INVESTMENT – PENSIONS (AFORE)



HUMAN RIGHTS

Every investment in the portfolio is analyzed to ensure it has no active connection with practices or cases that violate the principles of the United Nations Global Compact regarding human rights, labor rights, the environment, and corruption. Companies/managers should implement their own due diligence processes that reasonably enable them to identify such violations to ensure a best-effort compliance with this stipulation.

Likewise, we encourage the companies in which we invest to adopt best practices towards the elimination of human rights violations in all countries or environments where they operate.

ACTIVE ENGAGEMENT STRATEGY

Active engagement is the process through which we exercise our influence as investors to encourage funded companies to manage social, environmental, and corporate governance risks, increase transparency in non-financial information, and develop sustainability strategies, among other things. Our main goal is to promote and integrate best practices into the operational processes of portfolio companies through the following stages:

Our role is to better understand how a company's management is handling risks and seizing opportunities to help protect and ensure the long-term resilience, profitability, and market position of its business model.

Afore XXI Banorte's Engagement Priorities:

01 **Quality and effectiveness of the board of directors**

02 **Diversity and inclusion**

03 **Climate change and natural capital**

04 **The company's impact on people**

MAIN STAGES OF ENGAGEMENT

Dialogue

We hold talks with issuers to assess their preparedness for possible challenges.

Commitment

We work closely with companies to provide them guidance and support for taking concrete action.

Voting

As shareholders, we make sure measures are considered and effectively implemented.

Monitoring

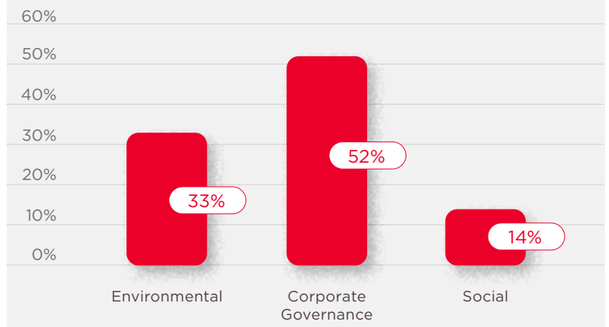
We closely track compliance with agreed-upon measures and commitments to guarantee their effectiveness.

We are aware that in engaging with our clients we must adapt to the local context, preferably to cultural approaches to doing business, and that collaborative engagement with other investors adds value.

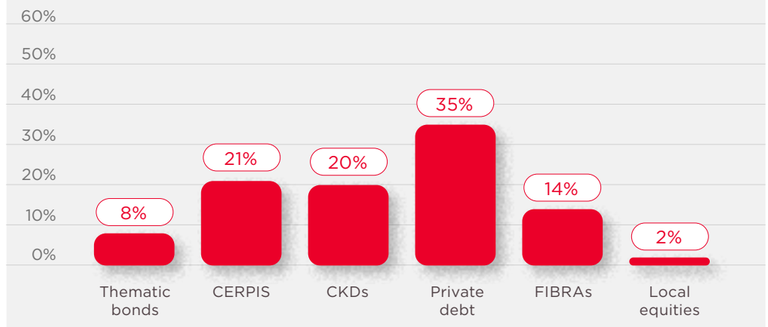
In 2023, we joined the first collaborative initiative of investors in Latin America aimed at promoting decarbonization of the economy in the region and accelerating climate action.

As a result of our active engagement efforts, by the end of December 2023, we successfully formalized 263 commitments related to ESG risks across 39 issuers that make up the portfolio, as shown below:

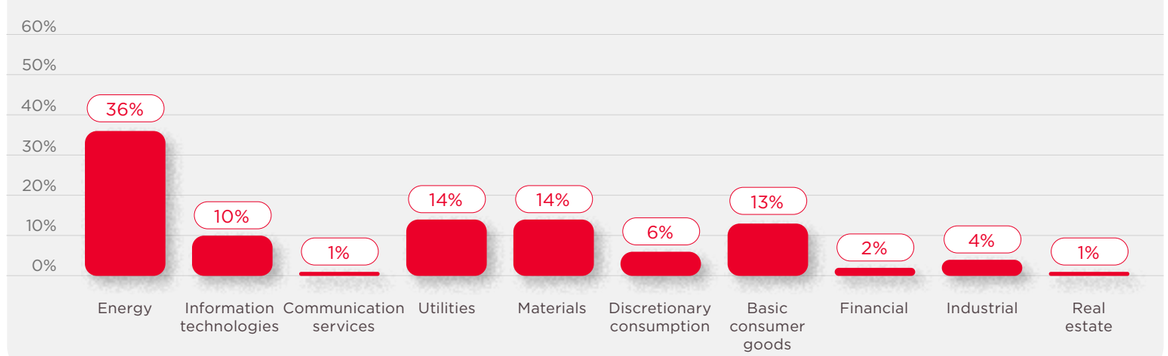
BREAKDOWN OF COMMITMENTS BY PILLAR



BREAKDOWN OF COMMITMENTS BY ASSET TYPE

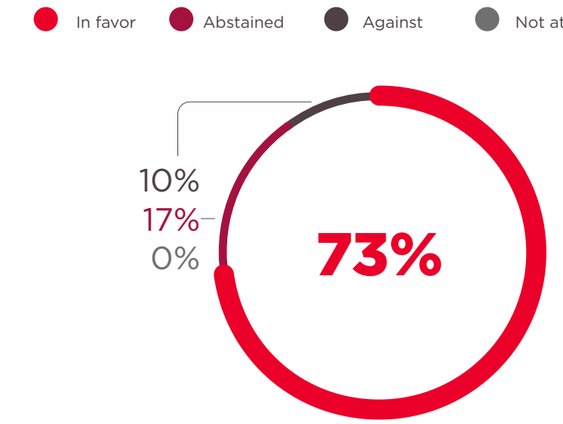


BREAKDOWN OF COMMITMENTS BY INDUSTRY GROUP



Afore XXI Banorte took part in a total of 208 meetings in 2023, including general shareholders' meetings and technical committees, exercising our voting rights as follows:

VOTING STATISTICS



ESG RISK TRACKING AND MONITORING

Afore XXI Banorte has a process for identifying ESG risks according to a series of indicators for evaluating and monitoring controversies, incidents, or disasters arising from ESG factors associated with the assets comprising the investment portfolio and the controversy reports from our ESG rating agency. Additionally, public information is compiled from a variety of sources.

We also identify significant risks to the Afore portfolio, as well as opportunities that may thrive in a low-carbon world. Our climate strategy consists of three important stages:

01 Measure

02 Act

03 Monitor

We execute our strategy according to an action plan that includes the adoption of an independent climate change management policy and the definition of a climate strategy, public support for the Paris Agreement through our stance on climate change, public support for the TCFD, among other measures detailed in our **Policy on Climate Change Management in the Portfolio.**

ENCOURAGING RESPONSIBLE INVESTMENT

At AMAFORE, we head the Responsible Investment Subcommittee, whose general objective is to act as a common front in interpreting and adopting ESG factors and climate change issues.

In 2023, this subcommittee worked towards a standardization of the ESG information requirement at the industry level; today, equity and bond issuers and FIBRAs must fill out a standardized questionnaire to declare compliance with responsible investment criteria in the companies we invest in.

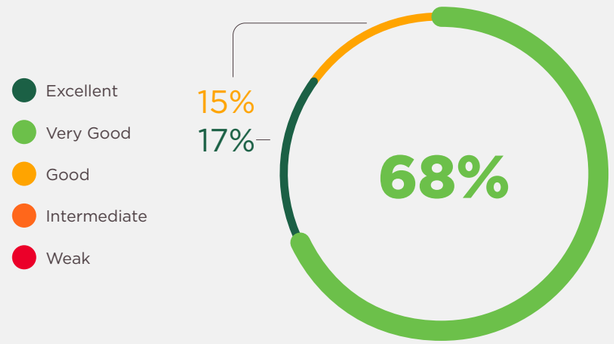
THEMATIC INVESTMENT

GRI FS11

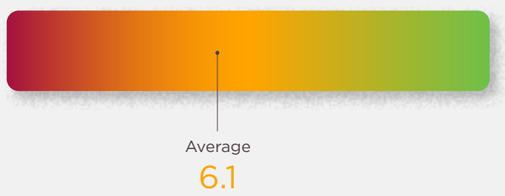
SASB FN-AC-410a.1

In 2023 we strengthened our methodology for comprehensively assessing the degree of sustainability of eligible projects or categories of thematic bonds and ESG performance, as well as issuers' sustainability practices to ensure positive impacts and help mitigate the negative impacts.

ALIGNMENT OF THEMATIC BOND PORTFOLIO WITH A RESILIENT FUTURE



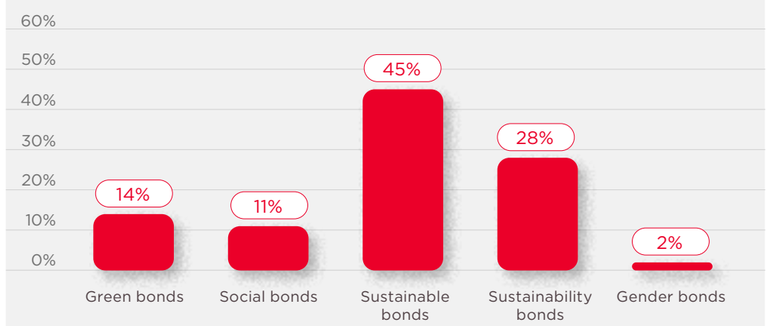
GLOBAL SCORE OF THE GREEN/ SUSTAINABLE PORTFOLIO



$40.30 bn
in Afore XXI Banorte's thematic bonds

As of December 2023, Afore XXI Banorte's investments in sustainable financial instruments totaled MXN40.30 bn in thematic bonds, MXN11.51 bn in ETFs and MXN27.51 bn in alternative instruments and FIBRAs.

TYPES OF BONDS BY WEIGHTING



GREEN, SOCIAL, GENDER AND SUSTAINABLE BONDS

The proceeds of these issues are used entirely to fund projects that help improve environmental conditions and support social development in Mexico. Some examples of the categories of funded projects are:

Basic infrastructure—benefiting underprivileged people and those in extreme poverty

Utility infrastructure

Natural disaster recovery

Sustainable transport

Green buildings

Renewable energy and energy efficiency projects

Sustainable water and wastewater management

Pollution prevention and control

Adaptation to climate change

Socioeconomic progress and empowerment

Access to essential financial services

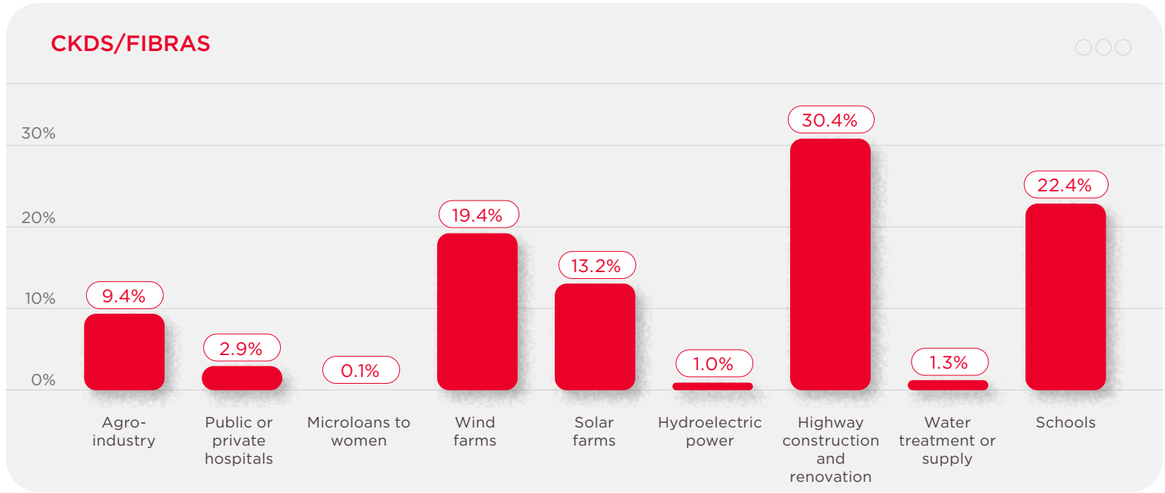
MSME and job creation support

SUSTAINABILITY-LINKED BONDS

We were the first in the market to underwrite an issue of sustainability-linked bonds, which are instruments that encourage issuers to meet ESG targets in return for better terms. These bonds are directly linked to a key performance indicator, and the issuer pursues relevant and material indicators aligned with its business strategy. These indicators are measurable by means of a consistent and verifiable baseline methodology.

STRUCTURED INSTRUMENTS

19%[1] of our investment in structured instruments (CKDs/CERPIS) and FIBRAs is in sustainable investment project finance. This includes investment in renewable energy farms, agro-industrial production, healthcare centers, education and women's empowerment programs, among others.



[1] Based on market value as of December 31, 2023.

ENVIRONMENTAL

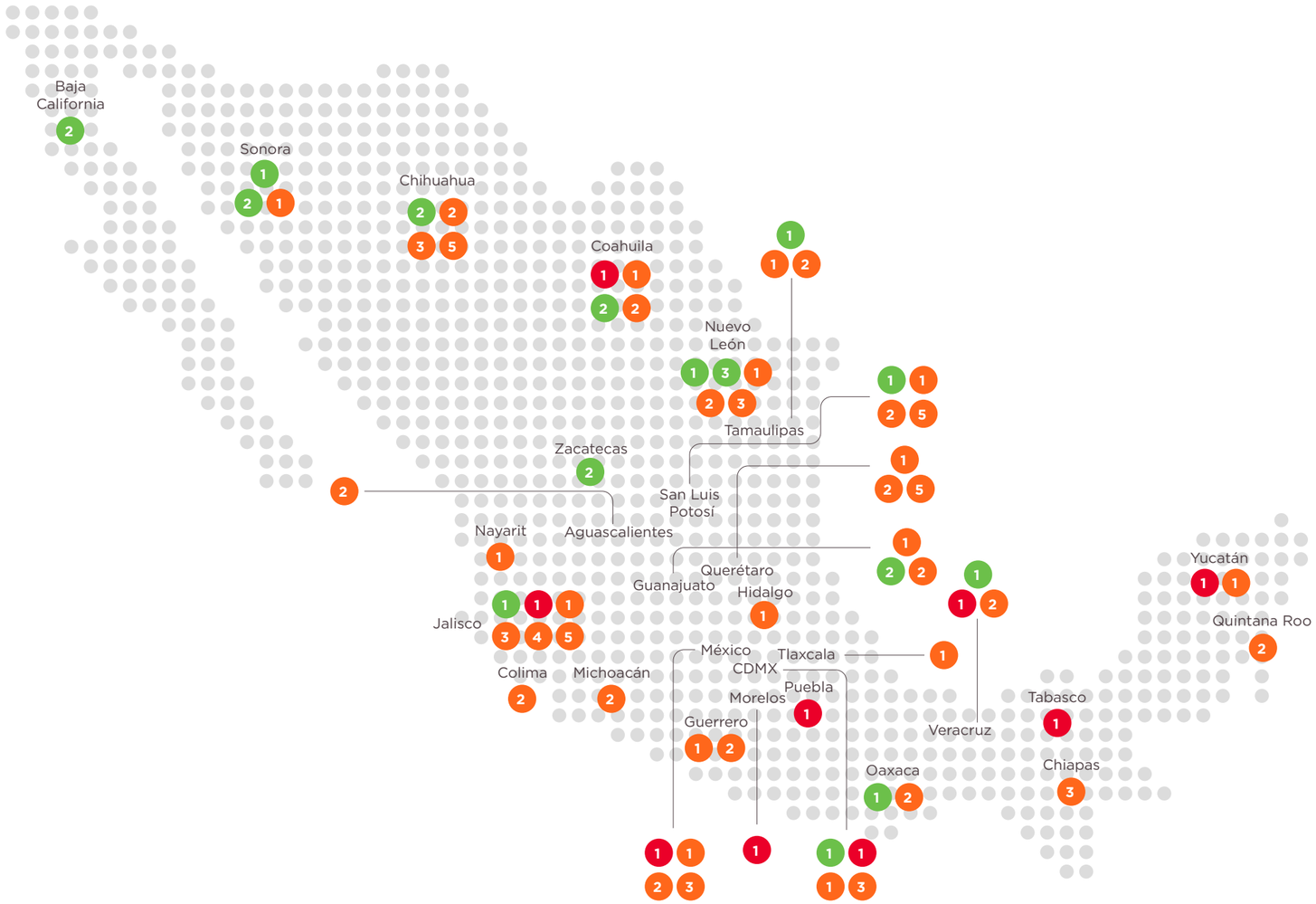
1. Wind farm
2. Solar farm
3. Hydroelectric power

SOCIAL

1. School
2. Highway construction and renovation
3. Public or private hospital
4. Micro-loans to women
5. Water treatment or supply

ECONOMIC

1. Agroindustry



OUR CONTRIBUTION TO THE SDG

Through our impact investments, we have supported projects that contribute to 8 of the 17 SDGs.

SUSTAINABLE FINANCE RESULTS

Climate change

Through investment in renewable electrical energy production, we generated **~1,800 MW, equivalent to 5% of the installed energy** capacity nationwide.

Natural resources

The companies in which we invested have saved 377 billion liters of water, benefiting a little over 600,000 families in Mexico.

377
billion liters of water saved

545,000
employment opportunities for women

Social pillar

SOCIOECONOMIC IMPACT

- We helped build 2,450 km of highways and paved roads, equivalent to 14% of the national road network
- We invested in farmers that generated **22,262 metric tons of food harvested for human consumption**, capable of feeding an average of 5,550 families for a year
- Through the companies in which we invest, we helped create 1.6 million direct and indirect jobs in Mexico, an equivalent of nearly 3% of the country's economically active population.

2,450 km
of highways and paved roads

1.6 million
direct and indirect jobs created

DIVERSITY AND INCLUSION

- We exhaustively promote gender equity and equal opportunities both within Afore XXI Banorte and among the companies we finance. The latter have managed to create employment opportunities for approximately 545,000 women across the country.
- We created an Institutional Gender Equity Program, from which **initiatives are derived to achieve pay equity,** shared responsibility in the home, and mentorship programs aimed at fostering the professional growth of women employees.
- In keeping with its fiduciary duty and the internal responsible investment policies and guidelines, Afore XXI Banorte contributes directly to promoting the development of projects, businesses, and investments that foster gender equality and empower women. Through these investments, we support women based on a perspective of inclusive financing, equitable and quality education, healthy life, and the development of the female workforce.

50,356
women have gained access to quality primary, technical, professional, and higher education

MXN$140 mn
invested in projects that provide work for women entrepreneurs

54%
of the CKD and FIBRA issuers in our portfolio have women within their highest governance body

EDUCATION AND TRAINING

- We have invested more than **MXN8.16 bn[1] in facilities that make education more accessible,** through centers and tools for women to improve their professional development skills.
- Through our CKD and FIBRAs managers, over 50,356[2] women have gained access to quality primary, technical, professional, and higher education provided by educational institutions nationwide.
- We support access to inclusive, equitable, and quality education. In 2023, **1,945 women received educational scholarships** so that they could complete or continue their studies at various grades.
- **Financial education, entrepreneurship, and leadership training course**s have been given to more than 1,493 women, promoting gender equality and empowering women.

WOMEN ENTREPRENEURS

- Through our thematic investments, we invested MXN140 mn in projects that provide work for women entrepreneurs, promoting empowerment at home.

FINANCING FOR WOMEN

- We have **invested over MXN1.21 bn in financial institutions that grant loans to working women** from agricultural communities who otherwise lack access to funding.
- Through our CKD managers and thematic bonds, **loans have been granted to more than 737,384 women in rural and urban communities,** helping them to build their economy by creating their own businesses.
- We have thematic investments whose main objective is to allocate financing to projects with a gender approach. **Through social bonds, we contribute by providing loans in productive or investment projects for MSMEs, family businesses, associations, and organizations of women** producers made up exclusively of or led by women working in the agricultural, forestry, fishing, and rural sectors.

HEALTHCARE

- We have invested over MXN792 mn in Mexican institutions providing women with high-quality healthcare.

PARTICIPATION OF WOMEN IN GOVERNMENT BODIES AND SENIOR MANAGEMENT

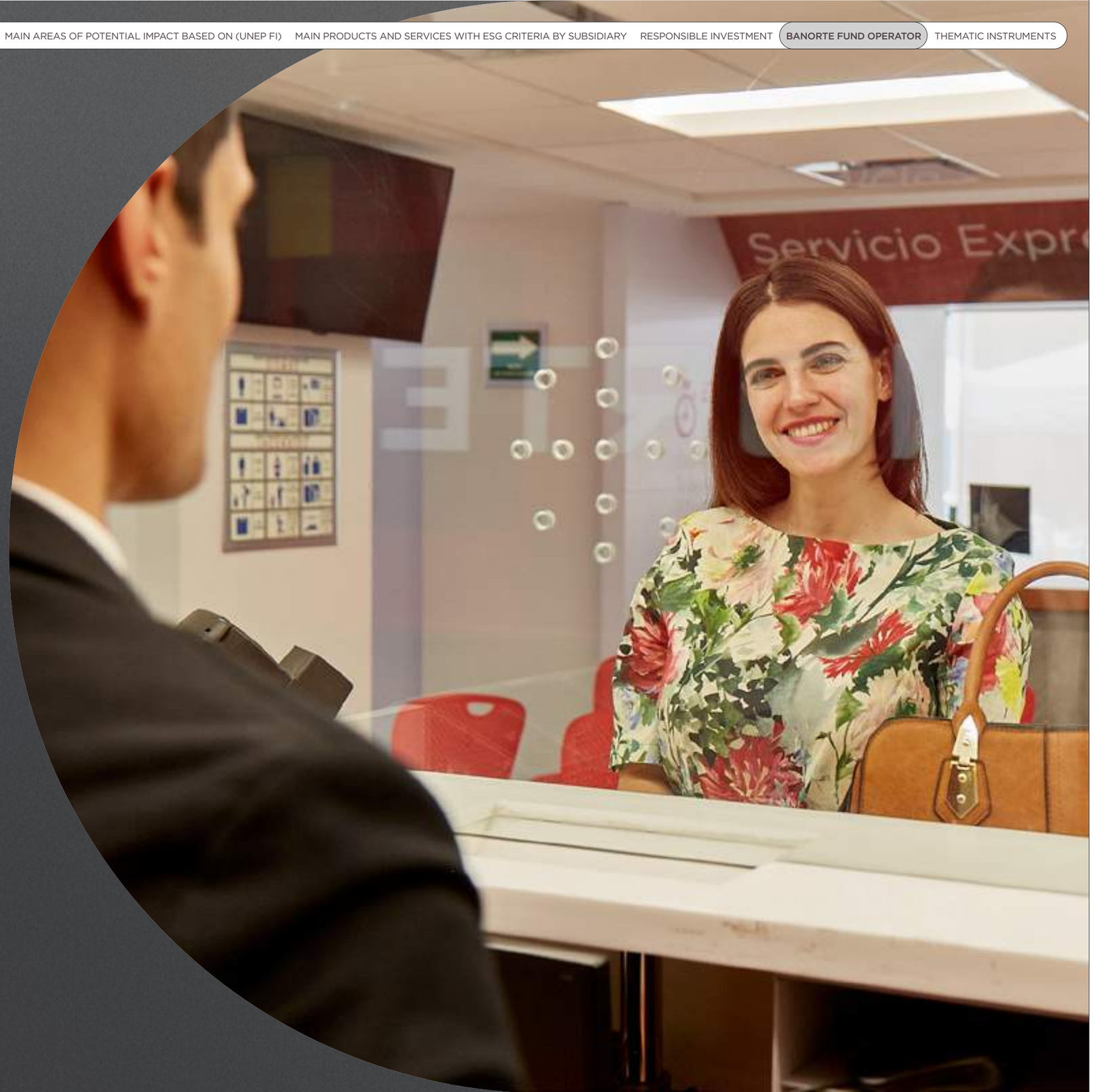
- We joined **the 30% Club** initiative to support ongoing efforts to build female leadership. This program is associated with the SDGs, which establish that women's equality and empowerment are essential in every inclusive and sustainable development dimension. Afore XXI Banorte abides by values and principles of inclusion to manage initiatives that promote gender equity. The goal is to bring women's representation to at least 30% in all senior management positions in the Afore and the companies in our portfolio.
- We encouraged the inclusion of women in governance bodies of around 39 publicly traded Mexican companies and CKD managers resulting in women holding 72% and 46%, respectively, of seats on the boards or technical committees of these institutions in Mexico.
- 31% of the CKD managers we invest with have at least 30% women in their senior management, and publicly traded companies 33%.
- 54% of the CKD and FIBRA issuers in our portfolio have women within their highest governance body.

[1] Amount corresponding to CKDs projects (in the Afore XXI Banorte portfolio) relating to educational projects, plus the market value of thematic labelled bonds and FIBRAs.
[2] Latest information available.

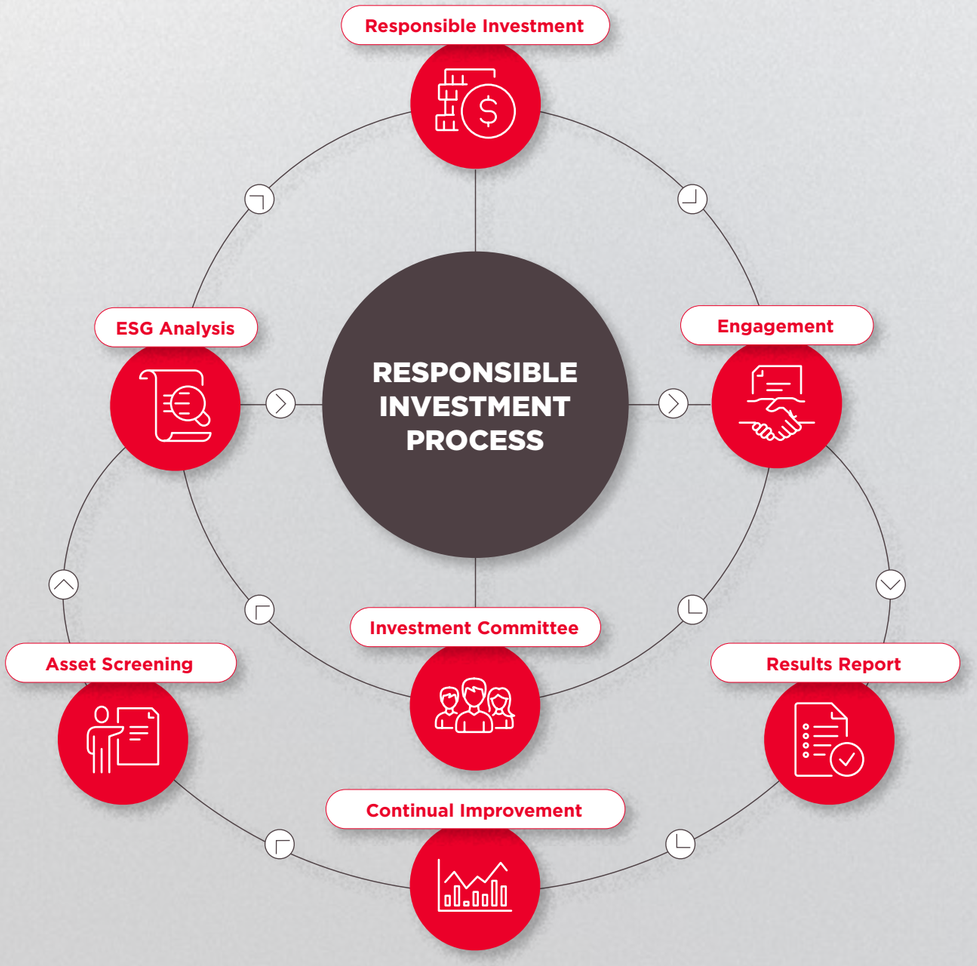
Operadora de Fondos Banorte

We have a **Responsible Investment Policy** for our fund manager , which provides a frame of reference and guidelines on incorporating ESG factors into the administration of managed portfolios. Its content is based on the agreements and initiatives to which Mexico and the subsidiary are committed, as well as federal laws and GFNorte's internal regulations, complemented by ESG analysis procedures and engagement measures.

Compliance with this policy and its procedures is overseen by the Executive Department of Sustainability and Responsible Investment and the Deputy Managing Director of Asset Management. The results of its implementation are submitted at least twice a year to the Asset Management Committee and Risk Committee of Operadora de Fondos Banorte.



In 2024, we will be updating the policy along with the procedures and methodologies that will apply to each asset class, beginning with equities and fixed income. With this we can more precisely address the specificities of our portfolio.



ESG Analysis

We assess the performance and transparency of ESG factors for local issuers using an in-house methodology that encompasses 18 industries.

More than 200 metrics, defined and weighted according to our industry materiality matrix.

The analysis draws on GRI and SASB Standards and the CDP questionnaire and PCAF methodologies for indicators on climate change aspects.

The methodology includes an impact assessment exercise, to understand and manage sustainability results and measure the portfolio's contributions to the UN SDG and Paris Agreement.

Furthermore, every quarter we assess the reputational risk of each issuer, understood as their exposure to controversies, through the services of a global data supplier. If a relevant issue is identified, we approach the issuer to understand the possible financial impacts, incident response and mitigation measures.

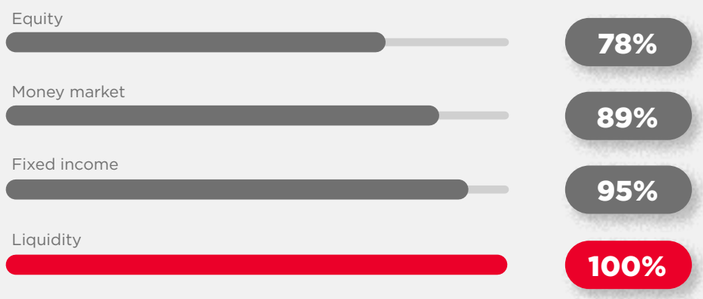
The ESG performance and transparency ratings, combined with the reputational risk ratings, are used to obtain a combined ESG rating for each issuer. These ratings are in turn used to assess the ESG performance of the NTESEL, NTEIPC+, and NTERT equity funds, which are presented in the Asset Management Committee and the Risk Committee.

To learn more about the internal methodology, **click here**

In 2020 we adapted this methodology to analyze sovereign issuers, evaluating the ESG performance of the countries that make up MILA: Mexico, Peru, Chile, and Colombia. In 2023, we included the United States in the assessment.

In 2023, the ESG analysis was applied to 83% of the internally managed AUM, which is above the 50% threshold defined in our Responsible Investment Policy, based on one of the minimum requirements set by the Principles for Responsible Investment.

% ANALYZED BY ASSET TYPE



ESG RATING

Fondo	Calificación ASG
NTESEL	61.12
NTEIPC+	61.80
Benchmark (S&P/BMV IPC)	58.06

NOTE: Ratings were obtained using a weighted average of each issuer's ESG ratings and their exposure in the funds. Therefore, ratings may vary over time. For issuers not assessed through the in-house methodology, ESG ratings from an external data provider with a comparable methodology were used. The NTERT fund is not comparable with the S&P/BMV IPC.

Active ownership

Based on the results of our analyses, and considering global ESG trends, GFNorte has adopted a strategy of active ownership that involves individual engagement, collective engagement, and voting.

Individual engagement is the process through which we initiate dialogues with issuers and establish bilateral commitments to improve ESG performance and increase transparency in ESG factors so that we can advance sustainability agenda together.

In 2023, we had 43 interactions with local issuers, providing feedback based on internally generated ESG ratings, highlighting best practices, and issuing recommendations.

Additionally, we conducted five engagement sessions with the aim of expanding the scope of ESG and reputational risk analyses, understanding the issuer's ESG journey, and securing the necessary commitments.

We seek to leverage collective engagement opportunities that align with the focus of our strategy and add value to our individual approaches. As investor signatories of the CDP initiative, we participated in the following collective engagement campaigns:

Non-Disclosure Campaign (NDC)

For the fourth consecutive year, Banorte served as the leader responsible for engaging 17 non-disclosing Mexican companies and encouraging them to report their actions against climate change, deforestation, and water stress through various CDP questionnaires. This was achieved by sending engagement letters signed by both Banorte and CDP to these companies, along with **over 300 global signatories who participated in the campaign.**

SBTi Campaign

Comprising 318 financial institutions representing USD37 bn in assets, the objective of this campaign is to **encourage over 1,060 of the world's most carbon-intensive companies to set greenhouse gas emissions** reduction targets in line with the Paris Agreement's 1.5°C goal. Out of the companies included in the scope of the campaign, 130 are from Latin America, and among these, 26 are Mexican companies in which the Operadora de Fondos invests.

Exercising our vote is a method of engagement that falls within our responsibilities as shareholders of the companies in which we invest. In 2023, we did not participate in any shareholder meetings because our investment team considers attendance and voting only for cases deemed relevant or which require the active exercise of our rights.

Responsible Investment Strategies

We have implemented various responsible investment strategies: ESG integration, positive and negative screening, and thematic investments, which complement the active ownership strategy.

The ESG approach of the NTESEL fund involves internal ESG ratings and those of an external data supplier as inputs to the quantitative models for asset screening in order to optimize portfolios.

With an ESG rating of 61.12 points (on a 100-point scale), the NTESEL fund scored 1% higher than last year and remains 5.3% above the benchmark index. At the end of the year, the fund had a total market value of MXN1.07 bn in AUM.

We screen for inclusion by consolidating the NTEESG fund in collaboration with Franklin Templeton, which consists of issuers with the best global ESG performance based on the rating provided by a highly reputable ESG data provider. This fund is part of the multi-asset strategies of the products we offer.

With an ESG rating of 7.40 points (on a 10-point scale) according to the methodology of the external manager and ESG ratings generated by their respective data provider, the NTEESG fund scored 0.5% lower than last year and remains 7.25% above the benchmark. At year-end, the fund had a total market value of almost MXN1.24 bn in AUM.

Negative screening is done using our exclusion list, which names economic activities and countries that are restricted from the universe of investment, in keeping with the IFC Exclusion List.

MXN$1.07 bn
accumulated AUM in the NTSEL fund

MXN$1.24 bn
accumulated AUM in the NTEESG fund

We invest in thematic instruments whose proceeds support sustainable development, reflected in the MXN4.07 bn in AUM invested in labeled ETFs, bonds and funds at the close of 2023.

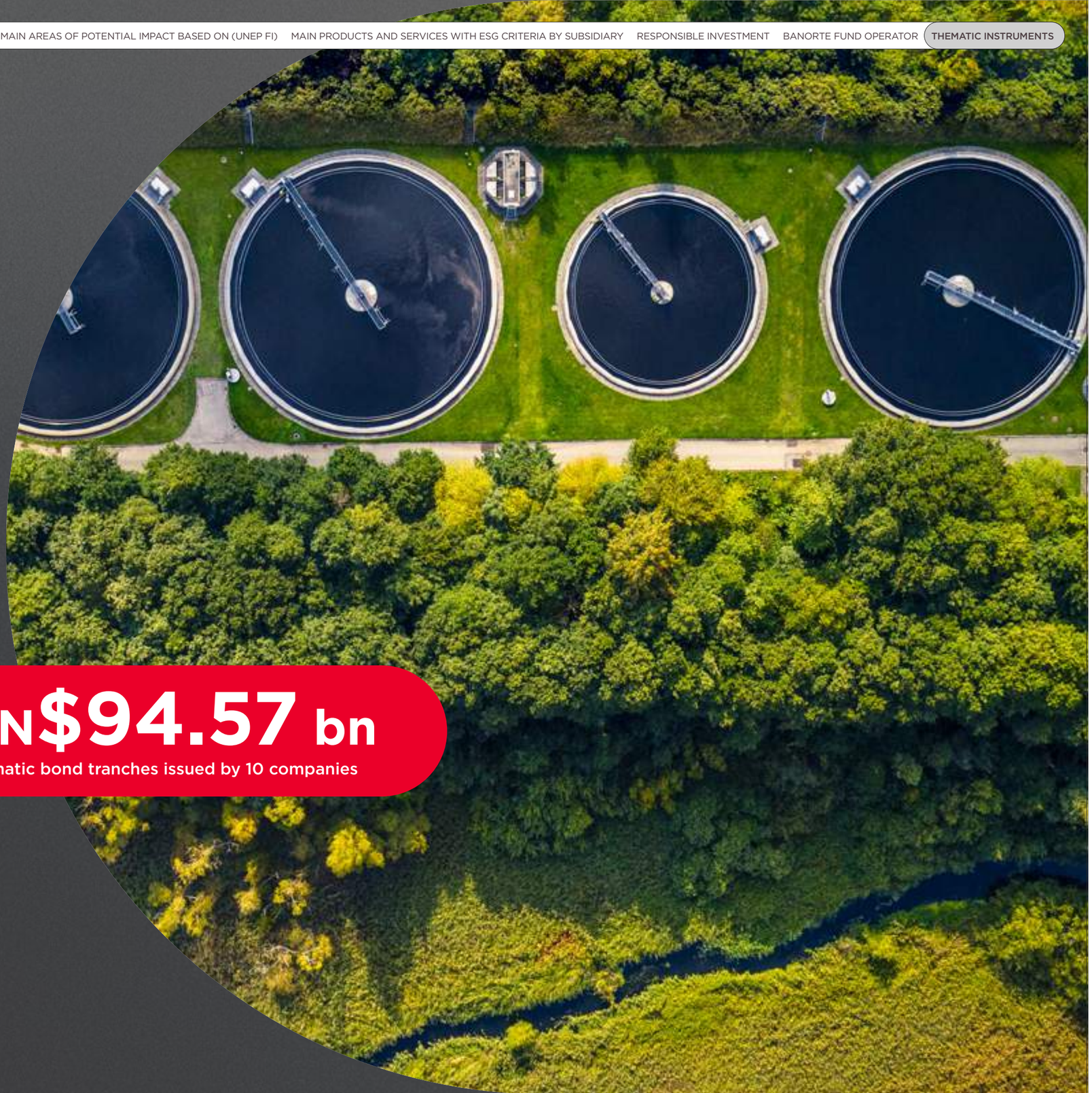
Instrument	Amount invested (MXNmn)
Green bonds	$532
Social bonds	$1,357
Gender bonds	$301
Sustainable bonds	$1,105
Sustainability-linked bonds	$699
Thematic ETFs	$78

Thematic instruments

Placement of labeled bonds

Through our Investment Banking area, we participated actively as lead underwriter in 27 thematic bond tranches issued by 10 companies for a total of MXN94.57 bn and an average bid-to-cover ratio of 1.6 times. Social bonds account for 40% of these labeled bonds, sustainable bonds 36%, sustainability-linked bonds 17%, and green bonds 7%. All of these issues received a positive framework rating through an SPO.

Prior to the start of placement and/or in parallel with the roadshow and sales process, we assist companies in developing sustainability capabilities in line with market expectations. This includes the ESG structuring of placements, the development of frameworks and securing of SPOs, guidance on sustainability and ESG disclosure strategies, as well as the distribution of sustainability reports to institutional investors and credit rating agencies.



MXN$94.57 bn
in 27 thematic bond tranches issued by 10 companies

LABELED BOND ISSUES IN WHICH BANORTE ACTED AS LEAD UNDERWRITER IN 2023

Bond Type — Green | Social | Sustainability-linked bond | Sustainable

Issuer	Ticker	BT	Sector	Amount placed (MXNmn)	Format	Rate/ spread	Issue date	Term (yrs)	Bid-to-cover	S&P	Moody's	Fitch	HR	Verum	SPO
Bancomext	BACMEXT 23X		Development bank	4,000	TIIEF+	0.27%	Feb-23	3.0	1.6		AAA	AAA			ISS
	BACMEXT 23-2X		Development bank	6,000	Fixed	9.43%	Feb-23	7.0	1.8		AAA	AAA			ISS
	BACMEXT 23-3X		Development bank	4,836	TIIEF+	0.25%	Oct-23	3.0	1.0		AAA	AAA			ISS
	BACMEXT 23-4X		Development bank	5,948	Fixed	10.41%	Oct-23	10.0	1.5		AAA	AAA			ISS
CABEI	CABEI 1-23S (Re)		Foreign development bank	3,000	TIIE+	0.25%	Sep-23	3.4	1.4	AAA	AAA				Sus
	CABEI 2-23S (Re)		Foreign development bank	2,000	Fixed	10.37%	Sep-23	9.7	1.0	AAA	AAA				Sus
Cemex	CEMEX 23L		Cement	1,000	TIIE+	0.45%	Aug-23	3.0	4.1	AA		AA			Sus
	CEMEX 23-2L		Cement	5,000	Fixed	11.48%	Aug-23	7.0	2.1	AA		AA			Sus
CFE	CFE 23X		Energy	3,378	TIIE+	0.35%	Jul-23	1.5	3.0	AAA	AAA	AAA			Sus
	CFE 22-2S		Energy	3,153	Fixed	10.40%	Jul-23	7.4	1.6	AAA	AAA	AAA			Sus
	CFE 22UV		Energy	3,467	UDIs	5.79%	Jul-23	9.8	2.5	AAA	AAA	AAA			Sus
	CFE 23-2X		Energy	2,844	TIIE+	0.56%	Dec-23	3.0	1.6	AAA	AAA	AAA			Sus
	CFE 23-3X		Energy	2,512	Fixed	10.88%	Dec-23	6.3	1.3	AAA	AAA	AAA			Sus
	CFE 23UX		Energy	4,644	UDIs	6.10%	Dec-23	12.0	2.4	AAA	AAA	AAA			Sus
Compartamos	COMART 23S		Commercial banking	3,000	TIIE+	0.63%	Aug-23	3.5	1.9	AA		AA			Sus
Fibra Educa	EDUCA 23L		Fibras	1,734	TIIE+	1.15%	Aug-23	3.0	0.9		AA+		AAA		Mdys
	EDUCA 23-2L		Fibras	707	Fixed	11.32%	Aug-23	7.0	0.9		AA+		AAA		Mdys
	EDUCA 23UL		Fibras	1,298	UDIs	6.60%	Aug-23	10.0	0.9		AA+		AAA		Mdys
Fibra UNO	FUNO 23L		Fibras	4,970	Fixed	11.30%	Mar-23	10.0	1.0			AAA	AAA		Sus
	FUNO 23-2L		Fibras	1,730	TIIE+	0.95%	Mar-23	4.0	1.1			AAA	AAA		Sus
FinUtil (ConCrédito)	FUTILCB 23S		Financial	600	TIIE+	2.15%	Oct-23	3.5	1.5	AAA			AAA		Sus
FIRA	FEFA 23V		Development bank	2,985	TIIEF+	0.30%	Mar-23	3.0	1.1	AAA			AAA		Sus
Nafin	NAFR 23S		Development bank	4,533	TIIEF+	0.26%	May-23	3.0	1.6	AAA		AAA	AAA		Sus
	NAFF 23S		Development bank	5,467	Fixed	9.08%	May-23	7.0	1.9	AAA		AAA	AAA		Sus
	NAFR 23-2S		Development bank	6,000	TIIEF+	0.23%	Aug-23	2.3	2.0	AAA		AAA	AAA		Sus
	NAFF 23-2S		Development bank	3,000	TIIEF+	0.26%	Aug-23	3.5	1.6	AAA		AAA	AAA		Sus
	NAFF 23-3S (Re)		Development bank	6,760	TIIEF+	0.27%	Dec-23	3.2	0.8	AAA		AAA	AAA		Sus
				94,566											

Sustainable Financing Framework

In late 2023, we updated our Sustainable Financing Framework in line with the Sustainable Bond Guidelines (SBG), the Green Bond Principles (GBP), and Social Bond Principles (SBP) issued by the International Capital Market Association (ICMA). This framework has received a favorable SPO from Sustainalytics.

One of the main changes was the alignment of eligible green categories with the Mexican Sustainable Taxonomy launched by the Ministry of Finance and Public Credit earlier this year. This ensures that the framework meets the most ambitious, science-aligned criteria. Additionally, work cells have been created to formalize the resource management process for future labeled issues.

See our Sustainable Financing Framework at the following **link** for more information.

03

CORPORATE GOVERNANCE

ODS

16

GRI

2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 2-20, 405-1

SASB

FN-IB-330a.1, FN-AC-330a.1

PERSONALIZING THE FUTURE WITH TRANSPARENCY

Best governance practices

Our solid system of **corporate governance, grounded in best international practices,** is a basic part of what makes us Mexico's Strong Bank.

64%
of board members are independent

14%
of board members are women

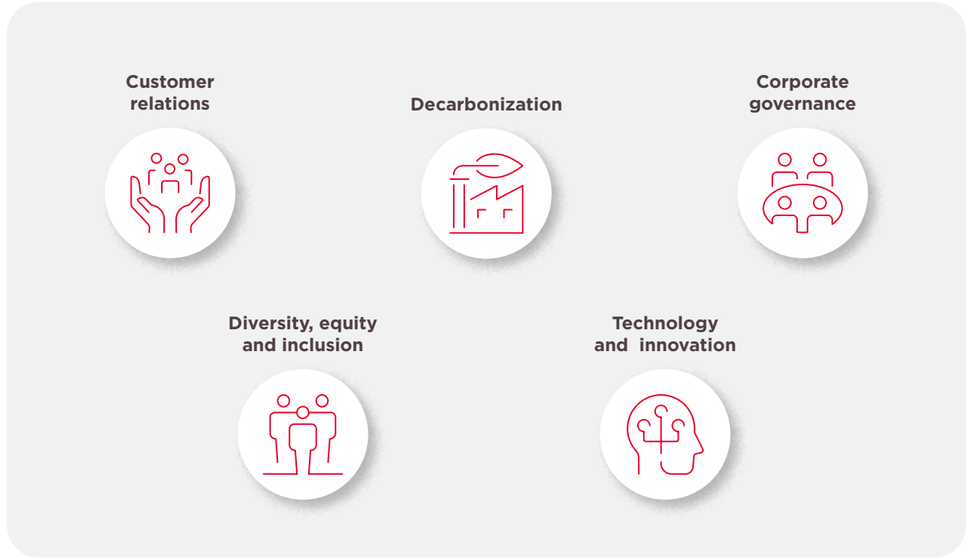
98%
attendance at board meetings

Corporate Governance

Our solid system of corporate governance, grounded in best international practices, is a crucial component of what makes us Mexico's Strong Bank.

Grupo Financiero Banorte is known as Mexico's Strong Bank, not just because of its reputation and excellence in financial services, but also for its best corporate governance and sustainability practices, which has earned us the recognition of Mexican and international organizations.

We at Banorte are aware of the fundamental role we must play in transitioning toward a fair economy, efficient in its use of resources and low carbon. **The chairman of our Board of Directors has expressed the Group's solid commitment to sustainability, addressing environmental, social and governance aspects.** We have placed an emphasis on combating climate change, and other environmental and social problems we face and we participate actively in various forums. The Group's sustainability strategy focuses on five consistent directives:



Board of Directors

GRI 2-19, 2-20

The Board of Directors is the highest governing body of Grupo Financiero Banorte, charged with taking the actions necessary to guarantee sound corporate governance and safeguard the interests of shareholders, employees, suppliers and communities.

At GFNorte, the Board of Directors, working together with the CEO, takes charge of administration of the Group and its financial entities. Among its core faculties are to establish general strategies for the group and specific strategies on the management, direction and execution of the business of the parent company and its subsidiaries.

In order to guarantee that our shareholders' interests are protected, the Board of Directors is made up primarily of independent members, so that decisions can be made autonomously and possible conflicts of interest avoided. Accordingly, GFNorte's corporate bylaws establish that the board should consist of at least 50% independent members, which is above the regulatory minimum of 25%. At present, 64% of the board's members qualify as independent.

50%
of the board members should be independent

64%
of the board's members qualify as independent

The Board of Directors meets on a quarterly basis, or more often when necessary, in extraordinary cases, when called by the Chairman of the Board, 25% of the regular members or the chairman of the Audit and Corporate Practices Committee.

The general ordinary shareholders' meeting of April 21, 2023 approved compensation for regular board members and their alternates, for every meeting they attend, in the amount of two 50-peso gold coins, commonly known as *centenarios*, at the listed value on the date of each session.

Structure of the Board of Directors

GRI 2-9, 2-11

Average seniority of board members: **8 years**

The Board of Directors has the following members:

Carlos Hank González

Mexican, 52 years old

Chairman of the Board

- Absences: **0**
- Years on the board: **9**
- No. other board memberships: **3**
- No. of positions as CEO of other publicly traded companies: **0**

Juan Antonio González Moreno

Mexican, 66 years old

Regular member

- Absences: **0**
- Years on the board: **19**
- No. other board memberships: **1**
- No. of positions as CEO of other publicly traded companies: **1**

David Juan Villarreal Montemayor

Mexican, 75 years old

Regular member

- Absences: **0**
- Years on the board: **30**
- No. other board memberships: **0**
- No. of positions as CEO of other publicly traded companies **0**

José Marcos Ramírez Miguel

Mexican, 60 years old

Regular member

- Absences: **0**
- Years on the board: **12**
- No. other board memberships: **1**
- No. of positions as CEO of other publicly traded companies: **1**

Carlos De La Isla Corry

Mexican, 60 years old

Regular member

- Absences: **0**
- Years on the board: **7**
- No. other board memberships: **0**
- No. of positions as CEO of other publicly traded companies: **0**

Everardo Elizondo Almaguer

Mexican, 80 years old

Independent member

- Absences: **0**
- Years on the board: **13**
- No. other board memberships: **3**
- No. of positions as CEO of other publicly traded companies: **0**

Alicia Alejandra Lebrija Hirshfeld

Mexican, 56 years old

Independent member

- Absences: **0**
- Years on the board: **2**
- No. other board memberships: **1**
- No. of positions as CEO of other publicly traded companies: **0**

Clemente Ismael Reyes Retana Valdés

Mexican, 62 years old

Independent member

- Absences: **0**
- Years on the board: **2**
- No. other board memberships: **2**
- No. of positions as CEO of other publicly traded companies: **0**

Mariana Baños Reynaud

Mexican, 49 years old

Independent member

- Absences: **0**
- Time on the board: **8 months**
- No. of other board memberships: **0**
- No. of positions as CEO of other publicly traded companies: **0**

Federico Carlos Fernandez Senderos

Mexican, 55 years old

Independent member

- Absences: **1***
- Time on the board: **8 months**
- No. other board memberships: **3**
- # Dirección General Emisora: **0**

David Peñaloza Alanís

Mexican, 50 years old

Independent member

- Absences: **0**
- Years on the board: **4**
- No. other board memberships: **1**
- No. of positions as CEO of other publicly traded companies: **1**

José Antonio Chedraui Eguía

Mexican, 57 years old

Independent member

- Absences: **1****
- Years on the board: **8**
- No. other board memberships: **2**
- No. of positions as CEO of other publicly traded companies: **1**

Alfonso De Angoitia Noriega

Mexican, 61 years old

Independent member

- Absences: **1**
- Years on the board: **8**
- No. other board memberships: **2**
- No. of positions as CEO of other publicly traded companies: **1**

Thomas Stanley Heather Rodríguez

Mexican, 69 years old

Independent member

- Absences: **0**
- Years on the board: **7**
- No. other board memberships: **2**
- No. of positions as CEO of other publicly traded companies: **0**

For more information about our Board of Directors, clic here

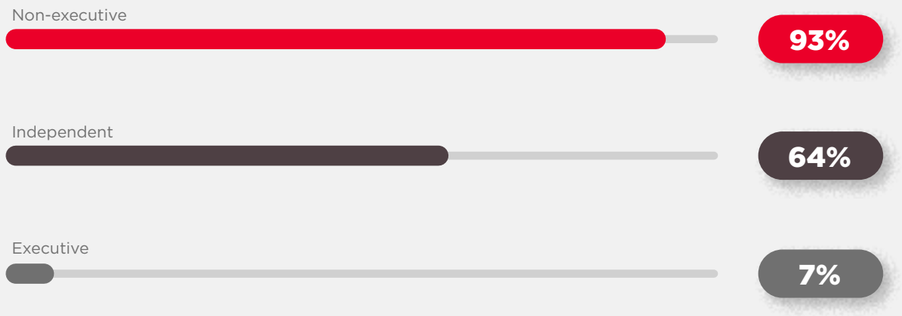
The number of other board memberships excludes GFNorte´s participation.

The number of years of board participation are counted from their designation as regular members.

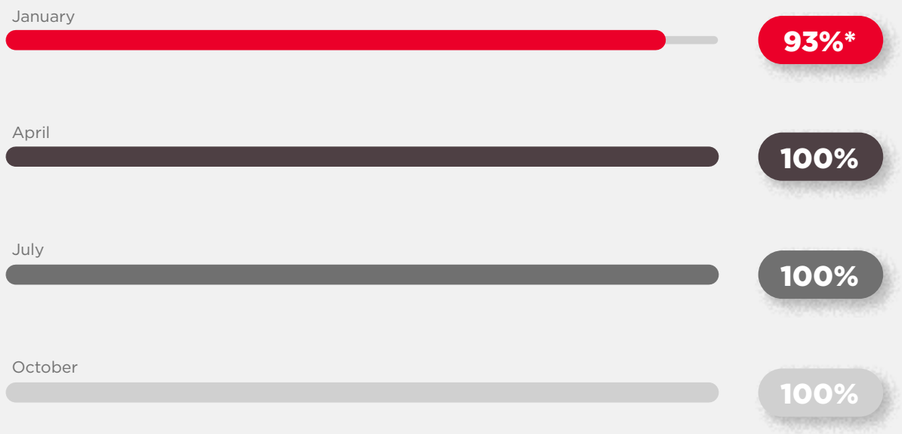
Data as of December 31, 2023

* Federico Carlos Fernández Senderos attended one of two meetings and was replaced by this alternate, Manuel Ruiz Camero.
** José Antonio Chedraui Eguía attended three of four meetings and was replaced by his alternate, Humberto Tafolla Núñez.

PERCENTAGE OF EXECUTIVES NON-EXECUTIVES AND INDEPENDENT MEMBERS



QUORUM AT BOARD MEETINGS IN 2023



* Alfonso de Angoitia Noriega was absent from one board meeting.

Matrix of Board of Directors skills and expertise

GRI 2-10, 2-15, 2-17, 2-18

Board members must meet minimum regulatory requirements and also not be prohibited from holding the position under any of the limitations mentioned in the Law to Regulate Financial Groups and the Securities Market Act.

Furthermore, in all cases board members must possess recognized technical expertise, honorability and a satisfactory credit record, and must have extensive knowledge and experience in finance, law or administration.

To ensure a proper balance between knowledge, skills, qualifications, diversity, and experience, the Nominating Committee has established a matrix of skills and competencies. This matrix demonstrates how the members of the Board's abilities align with the strategic objectives of the Group and its various lines of business.

Additionally, in order to ensure that **GFNorte's Board of Directors is composed of members whose skills complement the overall strategy of the Financial Group** and its subsidiaries, the international firm Morrow Sodali, specialists in corporate governance issues, was hired to design a matrix of skills that board members should possess. This is done so that the Nominating Committee can evaluate candidates and determine their suitability to be members of the Board of Directors.

This provides the Nominating Committee with a skills profile to validate and justify the suitability of each of the Board members as well as any new additions, following the example of international companies, and thus to guarantee an appropriate balance between knowledge, skills, qualifications, diversity and experience among board members, sufficient to consistently manage the group's strategic goals and its various business lines.

To prepare the skills matrix, the following activities were carried out:

01

Establishment and updating of a benchmark

02

Comparison of the skills matrix with GFNorte's objectives

03

Identification of potential gaps and existing alignment

04

Confirmation by the directors of their skills matrix and determination of their level of expertise (expert, highly experienced, or some experience)

In setting a benchmark for the skills matrix, **we were careful to include skills related to the field of information technology with an emphasis on digital banking, fintech, and cybersecurity,** to help support our transformation toward a digital world. Additionally, emphasis was placed on environmental, social and governance (ESG) matters, especially environmental protection and social programs. Legal expertise was also emphasized, to increase transparency and ensure regulatory compliance, and efforts were made to identify mainstream skills that are relevant to all entities within the Group's lines of business. **The skills matrix is updated regularly as required by the Group's strategy or business plan.**

The specific skills required for members of the Board of Directors in the field of financial services include knowledge of:

- Capital markets
- Corporate banking
- Retail and commercial banking
- Private banking,
- Digital banking.

Other more general skills were also considered as useful in overseeing the financial group's businesses, such as risk management, accounting and auditing, internal control, other financial sectors, strategy, information technology, cybersecurity, human resources and compensation, institutional relations, legal and compliance, regulatory experience, public policies and governance, social, environmental, and governance aspects, business management, corporate governance, experience in the domestic market, and experience in the international market.

The following is the current skills matrix that reflects these competencies:

MATRIX OF BOARD OF DIRECTORS SKILLS AND EXPERTISE

■ Expert
● Highly experienced
▲ Some experience
✓ Other experience

	Regular members													
	Carlos Hank González	Juan Antonio González Moreno	David Juan Villareal Montemayor	José Marcos Ramírez Miguel	Carlos de la Isla Corry	Everardo Elizondo Almaguer	Alicia Alejandra Lebrija Hirschfeld	Clemente Ismael Reyes Retana Valdés	Mariana Baños Reynaud	Federico Carlos Fernández Senderos	David Peñaloza Alanís	José Antonio Chedraui Eguía	Alfonso de Angoitia Noriega	Thomas Stanley Heather Rodríguez
Banking experience														
Capital Markets	■	▲	▲	■	●	■	▲	■			▲	▲	●	■
Corporate	■	▲	▲	■	●		▲	■			▲	▲	●	■
Retail	■	▲	▲	■	●		●	●	▲	▲	▲		▲	▲
Government	■	▲	▲	■	●		▲	▲			▲		▲	▲
Private	■	▲	▲	■	●		▲	■			▲		▲	▲
Digital and Fintech	▲	▲	▲	▲	▲		▲	▲	▲		▲	▲	▲	▲
Other relevant skills														
Risk management	▲	●	▲	●	■	▲	●	■	■	●	▲	●	■	■
Audit and internal control	▲	▲	▲	▲	▲	▲		■	■	●	■	●	■	▲
Finance	▲			▲	▲			■	■	■	▲		■	▲
Strategy	■	■	●	■	●	■	●	●	■	■	■	■	■	■
IT & cybersecurity	▲	▲	▲	▲	▲		▲	●	▲	●		●	●	▲
HR & compensation	●	▲	▲	●	▲	●	●	●	■	■	▲	■	■	▲
Inst. relations	■	●	▲	●	▲		■	●	■	■	●	■	■	■
Legal and compliance	▲	▲		▲	●			▲	■	▲	▲	▲	■	■
Public & Regulatory	■	▲		▲	▲	■		▲	■	▲	▲		▲	
ESG/Sustainability	■	▲	▲	●	▲		■	▲	■	●	▲	▲	●	●
Other experience														
Business mgmt	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Bd. of Dir.	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Domestic experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International experience	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Profile														
Gender	M	M	M	M	M	M	F	M	F	M	M	M	M	M
Independent						✓	✓	✓	✓	✓	✓	✓	✓	✓

Restriction on other board memberships

GRI 2-15

In selecting candidates to serve on GFNorte's board, the Nominating Committee makes an effort to ensure active participation of all members in the board meetings. For that reason, it permits board members to sit on the boards of directors of other companies, provided their commitment and dedication to GFNorte is not affected. Under this rule, when a board member also sits on various boards in a group of related companies, they are considered to be a member of just one board.

Board diversity and inclusion

GRI 2-10, 2-15, 405-1

SASB FN-IB-330a.1, FN-AC-330a.1

For a number of years now, GFNorte has had a policy in place to promote equality between men and women at all levels of the organization. **One of the duties of the Nominating Committee is to promote dignity, equity, inclusion and diversity in the composition of the Board of Directors,** seeking a combination of genders, experiences and skills necessary to lead the group's administration and strategy, and to have various perspectives to enrich decision-making.

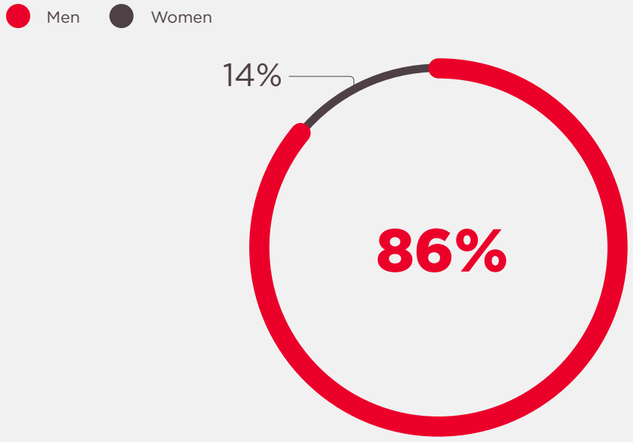
In keeping with this commitment, in the General Ordinary Shareholders' meeting of April 21, 2023, **another woman was appointed to the Board, bringing the presence of women in this body to 14%.**

14%
presence of women in the Board of Directors

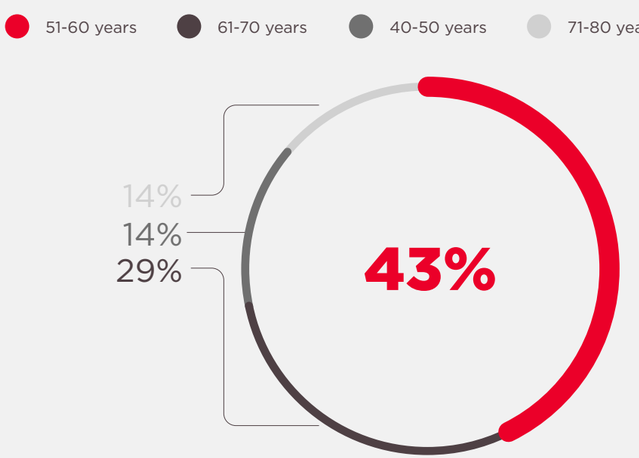
The selection and compensation of board members, as well as the conditions for discharging their duties, are established solely on the basis of their merit and capacities toward the position. No discrimination is permitted based on culture, race or gender, and recruitment policies have been bolstered to prevent such obstacles. This enables the Committee to select the best candidate according to their skills and contributions.

Before board members are appointed and begin work, GFNorte checks that each of them meets the requirements established in the corporate bylaws, the Securities Market Act and the Law to Regulate Financial Groups.

BOARD OF DIRECTORS BY GENDER AS APPOINTED BY THE GENERAL ORDINARY SHAREHOLDERS' MEETING OF APRIL 21, 2023



BOARD OF DIRECTORS BY AGE RANGE AS APPOINTED BY THE GENERAL ORDINARY SHAREHOLDERS' MEETING OF APRIL 21, 2023



Board member training

GRI 2-17

We began a program of board member training in 2021, and it has been carried out every year since then. In 2023, **board members were offered various courses on management of emerging risks, particularly in cybersecurity.** In 2024, we plan to include training on climate risks as well. The purpose of the program is to strengthen board members' knowledge of the risks relating to these areas, trends in new technologies and the threats they entail.

The following topics, among others, were covered in the course:

- **Cybersecurity:** a business risk, not a technical problem.
- **Frequency** of threats
- **Vulnerabilities:** Identify, Protect, Detect, Respond, Recover.
- **Risk impact:** Which asset is affected, and what might happen to it?
- **Case studies.**
- **Governance** for effective oversight of cybersecurity risks

The interest shown by board members in these courses is a token of our Board of Directors' commitment to training in pressing current issues like cybersecurity.

Also during the year, directors received training on money-laundering prevention and, in the case of new board members, an onboarding course to familiarize them with the responsibilities and duties of their positions.

Board member self-evaluations

GRI 2-18

In December 2023, with the assistance of Morrow Sodali, a leading global consultancy firm in the area of corporate governance, we conducted a second self-evaluation process to determine the efficiency of GFNorte's Board of Directors.

The evaluation involved a review of the results of the Board's role, profile and composition , along with its performance in various areas, including strategic and control responsibilities, board qualifications and composition, the dynamics between the board and the support committees, the support these provide the Board, and their effectiveness.

The evaluation process, based on a confidential questionnaire, was as follows.

METHODOLOGY AND STRUCTURE OF EVALUATION

Having completed the 2023 evaluation, we are able to confirm those areas in which, generally speaking, the Board of Directors and its support committees are effective in leading the Group. The exercise also yielded a number of recommendations on various matters (functioning and dynamics of the board, support for the board, effectiveness of support committees) to improve the performance of our Board of Directors.

A summary of the evaluation is available al GFNorte´s website.

Internal Control System

Our Internal Control System establishes internal mechanisms and controls to ensure that the actions of GFNorte and its financial entities comply with applicable regulations, and that we have the methodologies to review compliance with these regulations. It also provides for the use of methodologies for verifying that these controls are applied and followed. The Audit and Corporate Practice Committee keeps the board informed of the status of this system at GFNorte and its financial subsidiaries as well as other corporations it controls, including any irregularities detected.

GFNorte pays special attention to:

- Internal control over its operations
- From the creation and recording to the processing and disclosure of accounting and financial information
- We also focus on building solid relations with investors, customers and suppliers
- Compliance with applicable regulations

The Code of Conduct **establishes the guidelines that must be followed by board members, officers and employees in the course of their activities and businesses;** it also mandates stewardship of natural resources in the communities where we are present, and if these resources are in any way depleted, it provides for means of replacing them and/or mitigating the environmental damage. This code is reviewed each year by the Audit and Corporate Practices Committee, and then submitted for approval by the Board of Directors.

Support Committees to the Board

GRI 2-9

The board is supported by a group of committees made up of independent members of the board, and in some cases **by executives of the institution itself or related board members, in keeping with the applicable regulations.**

AUDIT AND CORPORATE PRACTICES COMMITTEE

Meets on a regular basis 12 times a year, and in extraordinary meetings as necessary.

Member	Type	Position	Attendance	Committee member since	Executive	Non-executive
Thomas S. Heather Rodríguez	Regular independent member	**Chairman**	92%	April2016	-	X
Everardo Elizondo Almaguer	Regular independent member	**Member**	92%	April 2021	-	X
Clemente I. Reyes Retana Valdés	Regular independent member	**Member**	100%	April 2017	-	X
Alicia A. Lebrija Hirschfeld	Regular independent member	**Member**	100%	April 2022	-	X
Diego Martínez Rueda-Chapital	Independent alternate	**Member**	100%	April 2021	-	X

RISK POLICIES COMMITTEE

Meets for 12 regular sessions and one extraordinary meeting per year.

Member	Type	Position	Attendance	Committee member since	Executive	Non-executive
Carlos de la Isla Corry	Regular related member	**Chairman**	100%	April 2019	-	X
Clemente I. Reyes Retana Valdés	Regular independent member	**Member**	100%	April 2019	-	X
Everardo Elizondo Almaguer	Regular independent member	**Member**	100%	October 2010	-	X
Thomas S. Heather Rodríguez	Regular independent member	**Member**	100%	April 2016	-	X
Diego Martínez Rueda-Chapital	Independent alternate	**Member**	92%	April 2021	-	X
José Marcos Ramírez Miguel	CEO, GFNorte	**Member**	100%	November 2021	X	-
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit/ Comprehensive Risk Management Unit	**Member**	100%	April 2019	X	-

Pursuant to Article 70 of the General Provisions Applicable to Credit Institutions (the Unified Bank Circular), the Risk Policies Committee is made up of at least two regular members of the Board of Directors (one of which chairs the committee); the CEO; and the head of the Comprehensive Risk Management Unit. Additionally, the Internal Auditor and invited guests may attend meetings with the right to speak but not to vote.

HUMAN RESOURCES COMMITTEE

Meets four times a year.

Member	Type	Position	Attendance	Committee member since	Executive	Non-executive
Everardo Elizondo Almaguer	Regular independent member	**Chairman**	100%	January 2011	-	X
Thomas S. Heather Rodríguez	Regular independent member	**Member**	100%	April 2020	-	X
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit	**Member**	100%	April 2020	X	-
Javier Beltrán Cantú	Chief Administrator and Human Relations Officer	**Member**	100%	April 2016	X	-
Rafael Arana de la Garza	Chief Financial and Operational Officer	**Member**	100%	April 2016	X	-
Isaías Velázquez González	Chief Audit Executive	**Guest**	100%	April 2016	X	-

NOMINATING COMMITTEE

Meets at least one a year or when called by its Chairman

Member	Type	Position	Attendance	Committee member since	Executive	Non-executive
Carlos Hank González	Regular related member	Chairman	100%	November 2014	-	X
Juan Antonio González Moreno	Regular related member	Member	100%	November 2014	-	X
José Marcos Ramírez Miguel	Regular related member	Member	100%	November 2014	X	-
Everardo Elizondo Almaguer	Regular independent member	Member	100%	January 2015	-	X
Alfonso de Angoitia Noriega	Regular independent member	Member	100%	July 2016	-	X
José Antonio Chedraui Eguía	Regular independent member	Member	100%	July 2016	-	X
Thomas S. Heather Rodríguez	Regular independent member	Member	100%	July 2016	-	X

Regional and Local Boards

Regional Boards were created in 2011 for each of six regions of the country:

- North
- Northwest
- Central
- Metropolitan
- Western
- Peninsular

They meet twice a year or whenever called by the Chairman of the Board of Directors of GFNorte. **They are crucial for understanding the needs of customers and each region, providing valuable feedback to the institution.** During these meetings, members discuss the country's economic and social situation, as well as institutional matters. This helps us to identify opportunities and trends in the industry and offer more advanced, cutting-edge products tailored to market needs. They also serve as a means of communication within the business community, fostering connections that drive economic development and the deployment projects that contribute to sustainability.

In 2023, **247 men and 26 women sat on these Boards, totaling 273 distinguished members of the business community from 28 states and 9 different economic sectors.**

In recent years, the Regional Boards have adopted a hybrid format for their meetings, combining in-person and virtual attendance. In 2023, three meetings were held: on March 22, April 17, and November 1. The meetings were attended by prominent speakers such as Roy Campos Esquerra, President of Consulta Mitofsky; Luis Donaldo Colosio Riojas, Mayor of Monterrey, Nuevo León; and Jorge Zepeda Patterson, a renowned Mexican journalist, writer, political analyst, economist, and sociologist.

Furthermore, to complement the geographic purpose of the regional councils and under the same general operating guidelines, **33 local boards were created in 2017, comprised of 760 entrepreneurs—693 men and 67 women, representing various industries and covering 31 Mexican states.** During the year, over 50 in-person sessions were held.

Going forward, GFNorte will maintain a close relationship with its regional and local board members, relying on their opinions and suggestions to adapt to changing environments and strengthen their commitment to sustainability and a digital orientation.

6 Regional Boards

273 board members

247 **26**

Average age: **58 years**
States: **28**
Cities: **50**

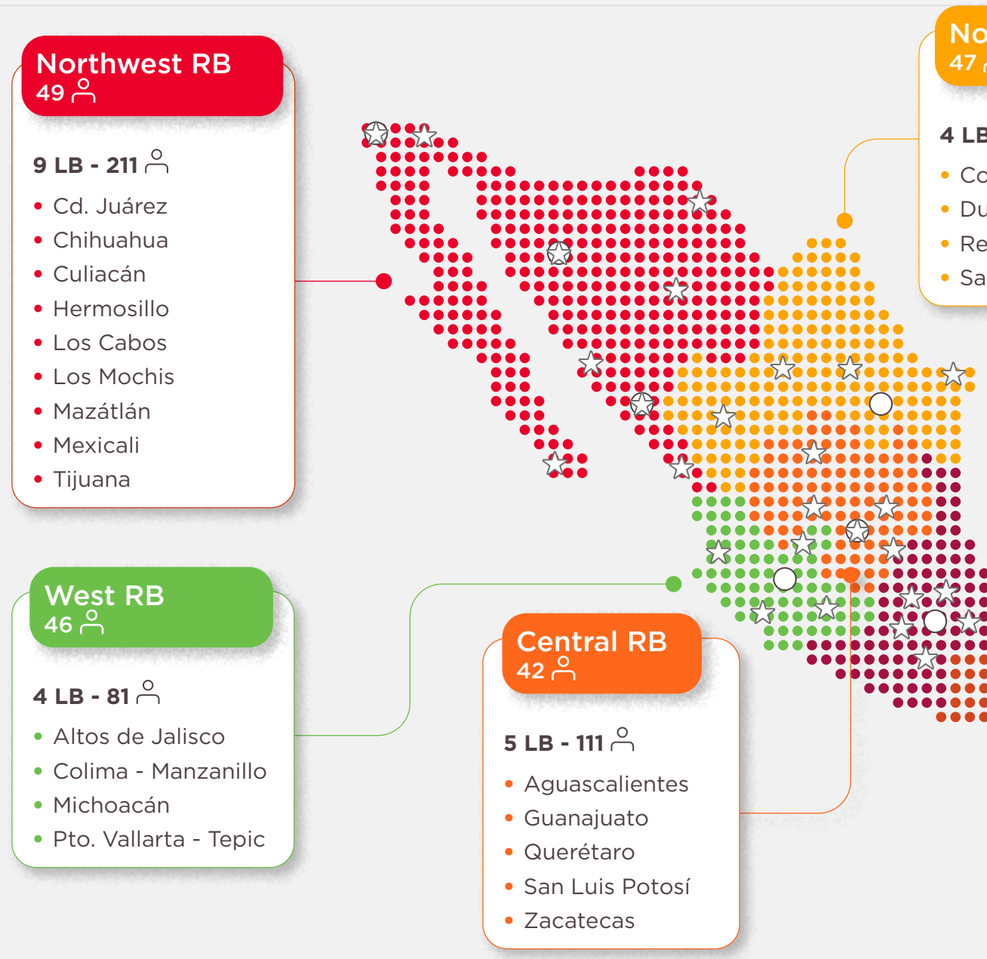
33 Local Boards

760 board members

693 **67**

Average age: **58 years**
States: **31**
Cities: **107**

COMPOSITION OF REGIONAL AND LOCAL BOARDS 2023



Northwest RB
49

9 LB - 211
- Cd. Juárez
- Chihuahua
- Culiacán
- Hermosillo
- Los Cabos
- Los Mochis
- Mazátlán
- Mexicali
- Tijuana

North RB
47

4 LB - 105
- Comarca Lagunera
- Durango
- Reynosa - Matamoros
- Saltillo

West RB
46

4 LB - 81
- Altos de Jalisco
- Colima - Manzanillo
- Michoacán
- Pto. Vallarta - Tepic

Central RB
42

5 LB - 111
- Aguascalientes
- Guanajuato
- Querétaro
- San Luis Potosí
- Zacatecas

Metropolitan RB
44

6 LB - 132
- Naucalpan - Tlalnepantla
- Toluca
- Hidalgo
- Morelos - Guerrero
- Puebla - Tlaxcala
- Veracruz

Peninsular RB
45

5 LB - 120
- Cancún
- Chiapas
- Oaxaca
- Tabasco
- Yucatán

Central control – Regional Boards
Local Board
Board members

9 ECONOMIC SECTORS

Agriculture*
Retail
Communications and transportation
Construction
Education
Manufacturing
Mining and Steel
Services
Financial services

* Agriculture, poultry farming, livestock, forestry and fishing.

Senior management

GRUPO FINANCIERO BANORTE SENIOR OFFICERS

Name	Title
José Marcos Ramírez Miguel	Chief Executive Officer, Financial Group
José Armando Rodal Espinosa	Managing Director, Wholesale Banking
Mario Alberto Barraza Barrón	Managing Director, Retail Banking
Fernando Solís Soberón	Managing Director, Product and Segment Development
Carlos Eduardo Martínez González	Managing Director, Government Banking
José Francisco Martha González	Managing Director, Digital Businesses
Rafael Arana de la Garza	Chief Financial and Operational Officer
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit
Javier Beltrán Cantú	Chief Administrative Officer
Héctor Ávila Flores	Chief Legal Officer
Isaías Velázquez González	Chief Audit Executive

EXECUTIVE COMPENSATION

GRI 2-19, 2-20

Within GFNorte's corporate governance system, the Human Resources Committee is responsible for overseeing the executive compensation ecosystem, **and its mission is to effectively align the compensation of our executives with the financial and strategic performance of the company, as well as with the long-term interests of various stakeholders.**

The strategy embodied in our executive compensation model closely aligns with market practices and specific sector benchmarks. **This allows us to ensure that our compensation structures are competitive and in line with current trends and standards.** This proactive alignment with the market reflects our commitment to our executives, enabling us to maintain a strong and attractive position in the labor market.

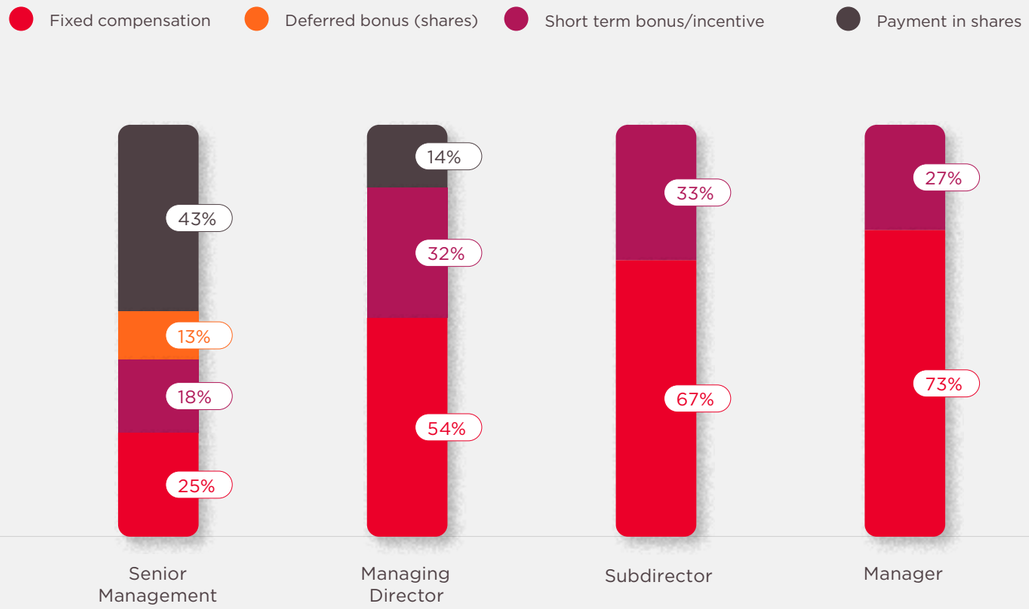
The compensation structure for relevant executives in the group is as follows:

01 Fulfillment of the strategic plan

02 Net profit

03 ROE

MIX OF EXECUTIVE COMPENSATION



The Human Resource Committee monitors and approves the award of deferred bonuses according to the policies and procedures of the Compensation System. Evaluation of executive performance considers risks in a reasonable period of time which are inherent to the role of each of them (credit, market and regulatory/ operational risk).

SENIOR MANAGEMENT COMPENSATION

Executive compensation at GFNorte has been designed to ensure that management's interests are aligned with the short- and long-term goals of the group as a whole, while also fostering accountability and excellence. This approach has been fundamental for attracting and retaining the talent needed to drive our sustainable growth and maximize business value.

Executive compensation schemes often include compliance with strategic business goals and KPIs such as return on equity, net interest margin, efficiency, non-performing loans and capital adequacy.

01

The Compensation System defers over time payment of a percentage of the variable compensation.

02

Payment of the deferred portion is tied to the score attained on the credit and market risk assessments (which have the highest weight in the evaluation) and to regulatory compliance.

03

If the executive does not attain the minimum score required, only a portion of the deferred payment will be released. The evaluation is carried out individually for every executive whose pay is covered by the Compensation System.

04

Before variable compensation is paid out, it is adjusted according to the criteria described in the preceding point. Once the variable compensation is paid out, no further return on the previous adjustments is possible.

05

Short-term variable compensation is paid in cash; long-term variable compensation is paid in Grupo Financiero Banorte shares, a practice that involves primarily senior management.

KEY FIGURES ON THE COMPENSATION SYSTEM

01

31 employees received compensation under this system during the year.

02

The total amount of extraordinary compensation pending payment represents **0.51564%** of the balance of the Direct Short-Term Benefits Account. All of the pending amounts are payable in shares.

03

The total amount of compensation earned and paid out represents **4.78309%** of the balance of the Direct Short-Term Benefits Account.

04

Transferred compensation represents **0.51564%** and non-transferred **3.24260%** of the balance of the Direct Short-Term Benefits Account.

05

0 severance payments representing 0% of the balance of the Direct Short-Term Benefits Account.

06

Fixed compensation represents 1.02485% and variable compensation **3.75824%** of the balance of the Direct Short-Term Benefits Account.

07

The amount of extraordinary compensation paid in cash represents **0.96121%** and payment in shares **2.79703%** of the balance of the Direct Short-Term Benefits Account.

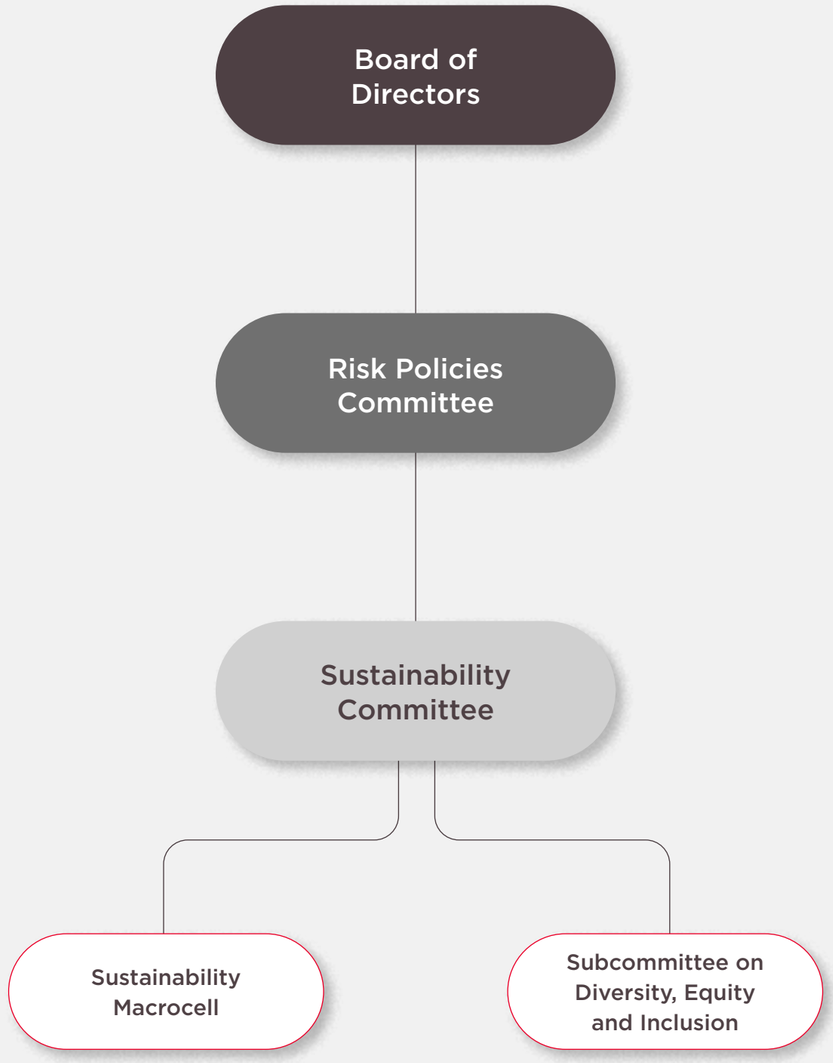
Sustainability Committee

GRI 2-12, 2-13

GFNorte's Sustainability Committee is responsible for **defining the group's sustainability strategy, aligning it with corporate objectives, and implementing it through ESG initiatives** spearheaded by the strategic departments.

The Sustainability Committee reports to the Risk Policies Committee, which in turn reports to the Board of Directors. This committee also oversees the operation of the Subcommittee on Diversity, Equity and Inclusion.

STRUCTURE OF THE GFNORTE SUSTAINABILITY COMMITTEE



MEMBERS OF THE SUSTAINABILITY COMMITTEE

- Managing Director, Investor Relations, Corporate Development, ESG
- Chief Administrative and Human Resource Officer
- Managing Director, Wholesale Banking
- Managing Director, Risk Management and Credit
- Managing Director, Government Banking
- Managing Director, Retail Banking
- Managing Director, Product Development
- Managing Director, Digital Businesses
- Chief Legal Officer
- Chief Audit Executive
- Adjunct Managing Director, Comptrollership
- Managing Director, Communication and Public Affairs
- Chief Investment Officer Afore XXI Banorte
- Managing Director of Sustainability and Investor Relations

The Sustainability Committee oversees the incorporation of ESG aspects as an integral part of organizational processes, the consideration of environmental and social risks and impacts in decision-making, and the application of best corporate governance practices, with the involvement of group leaders at all levels. **These actions are grounded in a regulatory framework of sustainability policies that establish the commitments, references, and guidelines to follow environmental, social, socio-environmental risk, natural capital, and human rights matters.**

Through an update of our materiality exercise for 2023-2025, which provided the basis for our sustainability strategy, we identified five priority topics:

01 Customer relations

02 Decarbonization

03 Corporate governance

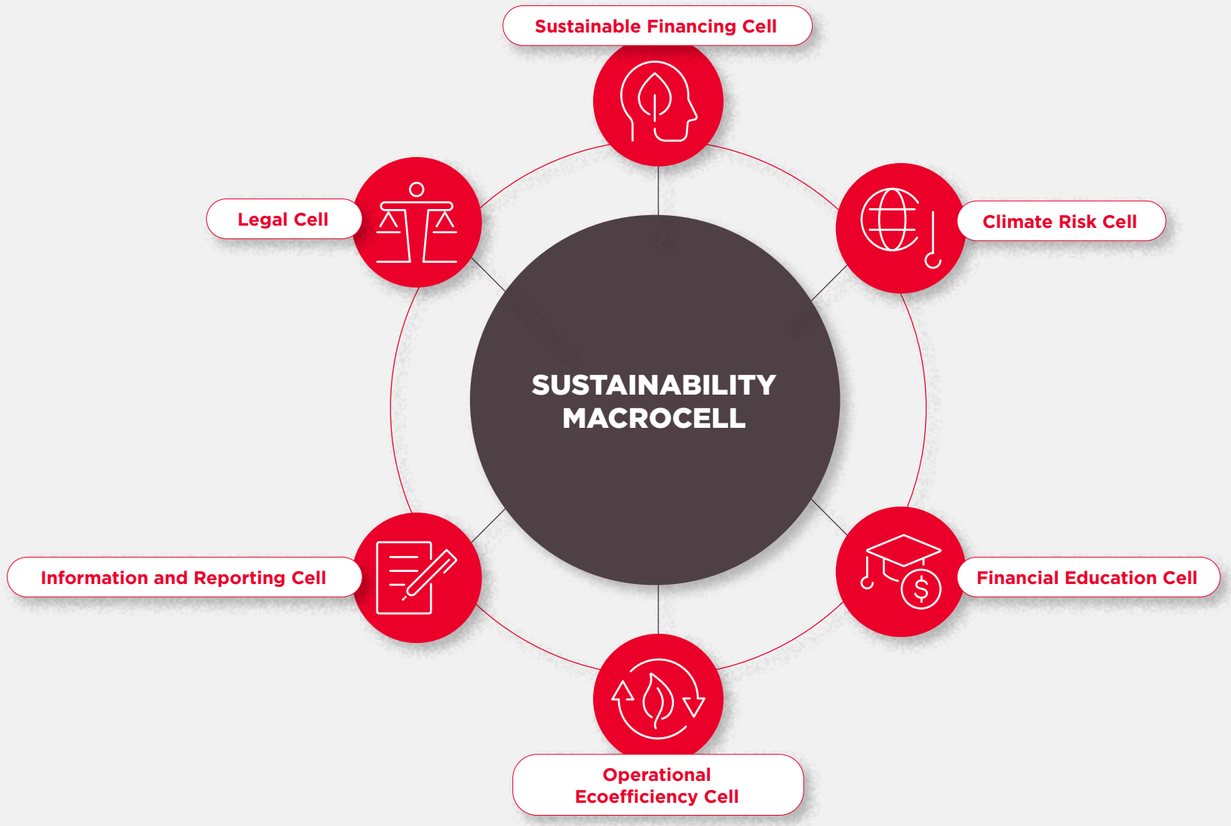
04 Diversity, equity, and inclusion

05 Technology and innovation

In response, we defined ESG objectives for each of the group's managing directors and created a set of working structures called "cells" to pursue them. The cells provide an innovative, multidisciplinary venue for collaboration toward institutional objectives.

The sustainability macrocell was created by the Sustainability Department in coordination with the Customer Experience Department, **to coordinate and monitor sustainability-related projects in both recently created and currently operating cells.** The purpose of this macrocell is to address institutional priorities, including sustainable financing, climate risk, decarbonization, financial education, the bank's environmental performance, legal compliance, and accountability.

SUSTAINABILITY MACROCELL AND CELLS



The Sustainability Committee meets three times a year. In 2023, members discussed issues like:

- Continuing to improve the accountability of our integrated annual report and TCFD report
- Quantifying emissions and setting targets
- Creating the various cells that report to the Sustainability Macrocell
- "Green" products
- Sustainability training
- Social policy update
- The newly launched TNFD
- Issuer engagement

Meeting	Topics discussed	% Attendance
1	• 2022 Integrated annual report and 2022 TCFD report • Quantification of emissions and decarbonization targets • Sustainable Financing Cell • Organizational chart of responsibilities by managing director • PICS	92.86%
2	• Project status • Macrocells • International Financial Reporting Standards (IFRS) on Sustainability (S1 and S2) • Green Mortgage Case	92.86%
3	• Cell status update • Risk "quick hits" • Sustainability score • Status of annual report • Update to Subcommittee on Diversity, Equity and Inclusion • Social policy update • Sustainability e-learning • PRB financial inclusion targets • Launch of TNFD • Issuer engagement	84.6%

04

CORPORATE ETHICS

ODS

8, 16

GRI

2-16, 2-23, 2-24, 2-25, 2-26, 205-1, 205-2, 205-3, 207-1, 207-2, 207-3, 406-1, FS15

SASB

FN-CB-510a.1, FN-AC-510.a1, FN-IB-510a1, FN-IB-510b3 FN-CB-510a.2, FN-IB-510a.2, FN-AC-510a.2, FN-IB-510b.4, FN-AC-270a.3

PERSONALIZING THE FUTURE WITH RESPONSABILITY

A safe, reliable bank

Because of its basic principles and values, **GFNorte has always been known for acting with the strictest ethics and integrity.**

99.7%
of employees passed the onboarding course on the Code of Conduct

29,161
employees trained in prevention of money-laundering and terrorism financing

30,733
employees trained in anti-corruption

Code of Conduct

GRI 2-23, 2-24

SASB FN-IB-510b.4

Our Code of Conduct provides a comprehensive framework of guidelines that are continually adjusted to conform to the world around us. Each year we update the code to enrich its content, covering every aspect from the market environment to daily experiences and customer trends.

This code incorporates principles that are derived from one basic rule: “doing business in good faith, with absolute honesty, and in compliance with the law.” Adherence to this code is imperative for all members of GFNorte, so that we can maintain our reputation as a dynamic, respectable, and transparent institution.

A wide range of topics are addressed in the code:

- Conflicts of interest
- Confidentiality of information
- Resource management
- Customer relation
- Interactions with competitors
- Suppliers, and authorities
- Interpersonal and community interactions
  Managing employee grievances

In all of our business relationships, we ensure that our suppliers are aware of and commit to the provisions of this code as well.

REVIEW, APPROVAL, AND DISTRIBUTION

In accordance with the procedural regulations governing GFNorte's companies, we review the content of the **Code of Conduct every year so that it remains relevant and covers all of current issues and strategies defined by the Board of Directors**. This ensures that it can function as a guide for employees' actions.

The Audit and Corporate Practices Committee reviews any changes to the Code of Conduct and submits it for approval by the Board of Directors.

Once the Board of Directors approves the changes, all personnel are notified through a regulatory bulletin and also have access to a communication channel to resolve any questions.

In 2023, the Code of Conduct was updated to strengthen the concept of respectful and dignified treatment of customers, specifying that GFNorte is mindful of the needs of senior citizens and other vulnerable groups. The section on regulatory compliance was reinforced to stress the concept of zero tolerance for any breach of laws and regulations.

The Code of Conduct is permanently available for employees to consult on the institutional compliance portal, as well as on the corporate website.

Training and evaluation of the Code of Conduct

GRI 2-24

To continue spreading a culture of honesty and responsibility, we have a standing program of training that covers familiarity with and application of the Code of Conduct.

We have training courses for both new hires—as part of the onboarding process—and those who are already working in companies belonging to the financial group. These courses have been widely welcomed by employees, 99.7% of whom pass the course on average each year.

At GFNorte, the work of officers and employees is continuously evaluated by their hierarchical supervisors, with the support of the Human Resources area. For certain officers whose work falls under the Compensation System, their performance is evaluated by the Human Resources Committee. The evaluation covers not just aspects pertaining to their jobs but to their adherence to the Code of Conduct.

99.7%

average passing grade in the Code of Conduct introduction course

Bank information

The Internal Audit area also conducts an independent review of each area as part its annual plan, including questionnaires regarding familiarity with the Code of Conduct. The area's report confirms the results of this questionnaire, most of which are positive.

GFNorte officers and employees are obligated to cooperate in the audits, supplying the requested information and facilitating the process. They must also correct any irregularities detected and cooperate in any internal or external investigations regarding possible violations of the Code of Conduct.

EthicsPoint whistleblowers' channel

GRI 2-16, 2-25, 2-26, 406-1

SASB FN-CB-510a.2, FN-IB-510a.2, FN-AC-510a.2

We have a whistleblowers' channel called EthicsPoint that allows any GFNorte employee, officer, or board member to report breaches of the Code of Conduct or internal or external regulations. Although the system is installed in the institutional intranet and can be accessed from the supplier website (Navex Global), the information received through this channel resides outside the group's technological environment.

This channel accepts both anonymous and identified reports. Throughout the process, we respect anonymity and ensure that whistleblowers are not subjected to reprisals.

Reports are e-mailed to members of the Audit Committee, the Comptroller and Chief Audit Executive, and an administrator. They are classified into human resources and internal control matters. A status report is provided to the Audit Committee twice yearly.

Substantiated reports are sanctioned by reprimand, relocation, suspension without pay, or dismissal, depending on the circumstances of the case.

Report sent and received

- Reporting party inputs report and attaches any evidence.
- Administrator and other recipients receive an e-mail notification.

Analysis and classification

- Administrator reviews content and classifies it as either a human resource or internal control matter.
- If there is sufficient information, the report is forwarded for investigation; if not, more data is requested.

Interaction with the reporting party

- Administrator asks the reporting party for evidence supporting the claim.

Forwarded for investigation

- Human resource cases are forwarded to the Human Resources area; internal control matters are investigated by the Comptroller or Audit area.

Investigation

- Investigations are conducted by analyzing transactions and images, interviews, and workplace environment surveys.

Notification of results

- When the investigation is concluded, the accused's supervisor and the administrator of the whistleblower's channel is informed of the results.

Corrective measures

- The Human Resources area, with the support of any other area required, applies sanctions according to the internal labor regulation, code of conduct, and other internal rules.

Report closed

- The administrator inputs the result of the investigation into the system, notifies the reporting party of the resolution and closes the report.

We have received **348 reports** a year on average in the past three years, **84% of which were human resource matters and 16% internal control issues.**

In 2023, we received **438 reports** through the EthicsPoint channel, **369 of them having to do with human resource issues and 69 with internal control.** The 24% increase in the number of reports filed is attributed to a wider employee awareness of the tool.

In **286 of the cases (65%)** there was enough evidence to investigate the matter, compared to **146 (47%)** in 2022.

182 reports resulted in sanctions, including suspension with pay, written reprimands and dismissal for conduct unacceptable at GFNorte.

348
reports 84% of which were human resource matters and 16% internal control issues

438
reports through the EthicsPoint channel, 369 of them having to do with human resource issues and 69 with internal control

182
reports resulted in sanctions

CATEGORIES OF COMPLAINT

	Reports	Total
Category 1: Corruption or bribery Theft Fraud	 5 2	7
Category 2: Discrimination or harassment Workplace harassment Abuse of office Threats	 167 118 54	339
Category 3: Customer privacy data	0	0
Category 4: Conflicts of interest Policy violations Conflicts of interest (human resources) Conflicts of interest (internal control)	 51 14 16	81
Category 5: Money-laundering or inside trading Falsification Accounting/audit problems	 3 0	3
Others Substance abuse (alcohol)	 8	8
Total		**438**

SUBJECT OF COMPLAINTS

Subjects	2023 Human Resources Number	2023 Human Resources %	2023 Internal Control Number	2023 Internal Control %
Complaints Received	**369**	**100%**	**69**	**100%**
Collecting information	7	2%	-	-
In progress	42	11%	5	7%
Complaints closed	**320**	**87%**	**64**	**93%**
Insufficient information	109	30%	12	17%
Complaints investigated	**211**	**57%**	**52**	**75%**
Frivolous or groundless	64	17%	17	25%
Substantiated	147	40%	35	51%
Fired	41	11%	14	20%
Relocated	2	1%	-	-
Suspended without pay	52	14%	12	17%
Reprimand	49	13%	9	13%
Training	3	1%	-	-
Others				

Money-laundering and terrorism financing

The Board of Directors exercises oversight through the corporate governance bodies appointed by the Board itself to review and evaluate inspection and control aspects.

The Audit and Corporate Practices Committee, which is made up of independent members of the Board of Directors, carries out these duties, informs the Board of the result of its quarterly reviews, and issues an opinion on the functioning of the group's Internal Control System.

The Comptroller's office, which is responsible for various compliance programs, including prevention of money laundering, terrorism financing, and the proliferation of weapons of mass destruction, as well as the Anti-corruption Policy, draws up a quarterly report for the Audit and Corporate Practices Committee regarding the activities carried out.

Prevention of money laundering and terrorism financing is monitored in part through a risk assessment model, the results of which are submitted each year to the Audit and Corporate Practices Committee and the Board of Directors. **This model determines the level of exposure to money-laundering and terrorism financing risk inherent in the group's products, the regions where it is present, and the type of customers it serves.** This analysis is combined with other controls we have developed to mitigate such risks.

The Risk Policies Committee also reports annually to the Board on the design and implementation of the risk assessment model and any changes made. This model incorporates a classification of customers' degree of risk (high, medium, or low) of exposure to money laundering and terrorism financing.

GFNorte has a designated area to prevent transactions that draw upon illegally obtained resources—the Compliance Department, which is part of the Comptroller's Office. **This department is responsible for monitoring and ensuring compliance with the measures established on this matter, using policies, procedures, systems, and controls to mitigate the risk of such transactions.**

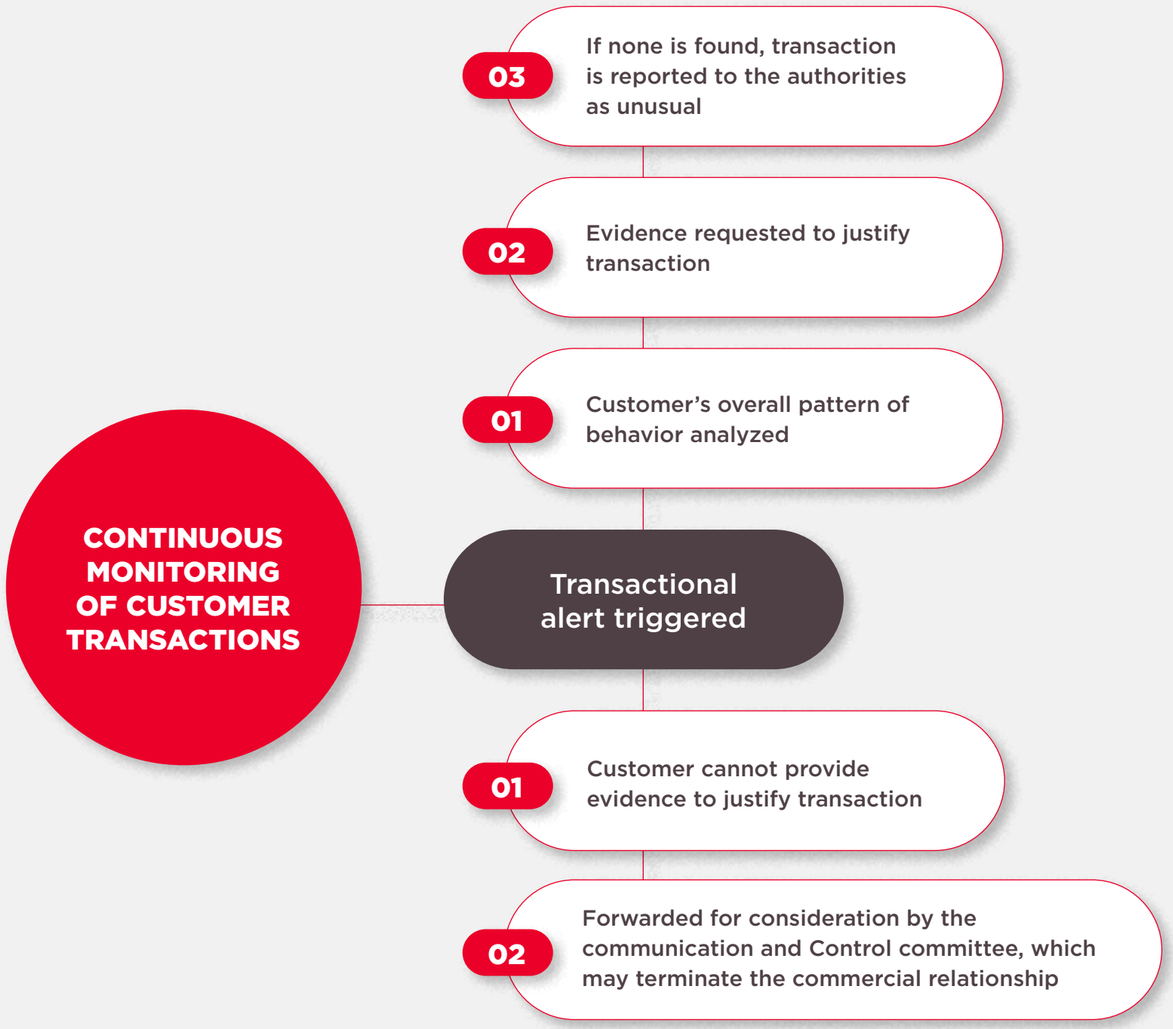
We also have an additional control structure through the Commercial Comptroller's Office, which conducts a physical and documentary review of transactions and files in each branch and customer service module. This oversight helps ensure that established policies and procedures are followed.

Another system we have monitors transactions and compares them against each customer's transactional profile. If any of the established parameters is exceeded, a transactional alert is generated, which is analyzed and reviewed by the compliance team in coordination with the Commercial Department.

This enables us to keep track of any transactions that might require special attention, and it strengthens our capacity to detect and address possible transactions that involve illegally obtained resources.

We have developed a model for grading all customers for degree of risk, which is applied at the start of the commercial relationship. When a customer is rated medium or high risk, an expanded questionnaire is applied to request further information about their activities and the origin and use of their resources. Their transactions are monitored more closely so that we can strictly control and guarantee compliance with regulations and policies.

To ensure continuous improvement in this arena, we engage external consultants every three years. We also immediately address and apply any recommendations we receive from our participation in industry-wide meetings or seminars given by specialized personnel, as well as the observations of the Internal Audit Department or regulators in their annual review. Taken together, these actions enable us to constantly strengthen processes to maintain high compliance standards.



Training in money-laundering and terrorism financing prevention

We have an annual training program that was drafted in coordination with the ABM.

This action keeps our personal up to date and prepared to address the challenges and best practices in our industry while ensuring compliance with regulatory guidelines.

The program encompasses all employees, officers, executives and members of the Board of Directors.

Our goal is to guarantee that every level of the organization is duly trained, and to foster a culture of prevention throughout the entire institution.

The course includes a test that must be completed with a passing grade, and corrective measures to ensure this is done.

We have a team of five officers responsible for regulatory compliance, certified by the CNBV as specialists in the prevention of transactions with illegally obtained resources.

Compliance staff participates in international money-laundering and terrorism financing prevention seminars as well as various internal training programs on the matter, so that they can stay abreast of global trends and best practices.

29,161

employees trained in 2023

Bank information, Afore XXI Banorte and Insurance and Annuities

Money-laundering prevention compliance program

As part of our money laundering and terrorism financing prevention program, **we submit various regulatory reports to the authorities on unusual, relevant, or troubling internal transactions**. We also file reports on international fund transfers, cash dollar deposits and purchases, and transactions relating to the issuance and cashing of cashier's checks.

The information is stored during the life of the account or contract with the customer and for no less than ten years after that.

720
unusual transactions reported on average to the authorities on a monthly basis

Banorte has a policy of not doing business with parties who operate in jurisdictions considered high risk.

Our policy on customer identification and knowledge —contained in the Compliance Manual— includes a specific section on the obligation to identify and apply the strictest monitoring to transactions by politically exposed persons.

The Deputy Managing Director for the Comptrollership has a team of specialists who monitor the transactions of customers identified as politically exposed persons.

This team monitors whether the transactional behavior of politically exposed persons and individuals from high-risk jurisdictions reasonably corresponds to their duties, level, and responsibilities.

We have policies, controls, and systems in place to prevent any transactions involving high-risk jurisdictions listed by authorities such as the Financial Action Task Force (FATF) and the Office of Foreign Assets Control (OFAC). We thoroughly monitor and review the transactions carried out by politically exposed persons that involve jurisdictions considered tax havens.

Through the Compliance Department, comprised of 104 professionals, we directly monitor customer transactions based on their risk level. **This department is responsible for managing and administering compliance policy, as well as preparing and submitting regulatory reports.**

Additionally, we have teams that indirectly participate in and support this process. These teams include process controllers who incorporate this topic into their reviews, and personnel from Commercial, Legal, Internal Audit, Operations, and Data Governance, among other departments, who participate in supervising and complying with policies on the prevention of money laundering and terrorism financing

104
professionals directly monitoring customer transactions

In-person customer due diligence

We conduct thorough background checks on our customers based on documents, data, or information from independent, reliable sources, identification of final beneficiaries, and continuous due diligence in commercial relations.

When beginning a business relationship with a new customer, we prepare an identification file, which includes data and documents to know more about them, as well as the origin and use of their money and how they will use the account. The documents we compile include official identification— corroborated by the issuing agency—proof of address, deeds of incorporation, tax identification certificates, and population registry code (CURP).

In the case of corporations, we also identify the actual owner (final beneficiary) and the company's stock structure and corporate organization.

If a customer is rated medium or high risk, an expanded questionnaire is applied to request further information to determine their main activity and the origin and destination of their funds. We also track their transactions more closely. **This measure allows us to exercise stricter control over higher-risk transactions**

Remote customer due diligence

We inspect and cross-check the documents submitted and the customers' digital channels for contact with the bank.

After our 2022 introduction of tools by which customers could open accounts and sign contracts without having to visit the branch in person, we began monitoring all the know-your-customer information—including geolocation and transactions conducted by these channels. This is carried out by the Adjunct Managing Director of the Comptrollership.

01

Banorte has an in-house bureau that monitors formal lists of known or suspected terrorists issued by the competent authorities with jurisdiction over the relevant financial institution. These include various blacklists, such as the OFAC list, the lists contained in United Nations Security Council resolutions 1267 and 1373 on terrorism, and the list of blocked persons, among others.

02

Before beginning the business relationship, we check these lists to ensure that no one appearing in them is accepted as a customer. We also use the Bridger Insight system, which contains various blacklists issued by the authorities of different countries, including anti-terrorism blacklists, which also serves as a tool for background checking before opening accounts or entering into contracts or transactions with undesirable institutions or individuals.

03

The Internal Audit Department evaluates compliance with regulatory measures on avoiding transactions with illegal resources or terrorism financing each year. Having completed the review, which covers the full calendar year, the department sends a report on the results to the Audit Committee and regulatory agency, which is the CNBV. The CNBV in turn conducts regular inspection visits to evaluate compliance with money laundering and terrorism financing prevention measures. These visits are not scheduled with any particular frequency and depend instead on the degree of risk each institution presents.

Anti-Corruption

GRI 205-1, 205-2, 205-3

Banorte's Anti-corruption Policy is one of a series of key governance documents relating to internal control, and brings together in a single source all the various ordinances GFNorte has on this topic. It generally covers the following aspects:

- What GFNorte understands as an act of corruption
- Prohibitions in matters of human and material resources
- Use of information
- Donations
- Business dealings
- Bribery
- Influence-peddling
- Prevention, monitoring, and oversight

Its purpose is to establish measures to prevent corruption in the course of business and operations by any of the financial institutions that make up this group and investigate and sanction cases where it is warranted.

It also serves as a primary tool for GFNorte personnel to deal with situations in their activities that may place them in any of the situations described. If they have any questions or concerns, the Controller's Office can advise them on how to proceed in keeping with institutional guidelines.

UPDATING

To keep the policy up to date with the current climate, various management areas work together every year on a review, submitting their adjustments or ratifying the current content with the Audit and Corporate Practices Committee for subsequent presentation for consideration by the Board of Directors.

RISK ASSESSMENT

We monitor effective, efficient compliance with our Anti-Corruption Policy using a risk management methodology that includes operational risk indicators relating to corrupt acts, and informing the corresponding governance bodies of the results.

Reputational risk stemming from an act of corruption is managed according to established policies.

30,733
employees trained in 2023
Bank information, Afore XXI Banorte and Insurance and Annuities

COMUNICACIÓN

The Adjunct Managing Director for Communication and Public Affairs is **responsible for creating programs that communicate to employees the importance of acting with integrity**, and share with them tools and channels for combating any corrupt acts they might become aware of.

The Adjunct Managing Director for the Comptrollership is responsible for keeping employees and others informed of GFNorte's Anti-Corruption policy by issuing regulatory bulletins and posting them on the institutional compliance portal as well as on the corporate website at **www.banorte.com**

Fair competition

SASB FN-CB-510a.1, FN-AC-510a.1, FN-IB-510b.3, FN-IB-510a.1

GFNorte understands fair competition as the right of any market participant to develop and grow based on its own capacities, efforts and perseverance in achieving its goals, without preventing or hindering others from achieving their own legitimate ends.

We recognize the value of economic competition because we have thrived in this climate and become a leading player in the Mexican financial industry. GFNorte has the capacity and the desire to compete openly, and has performed outstandingly in a highly competitive environment. For this reason, it encourages free competition, respects legal provisions on this matter and prohibits any practice that might be considered anti-competitive.

As one of the pillars of GFNorte's Internal Control System, the Policy on Economic Competition lays out a series of measures aimed at promoting, protecting, and ensuring fair competition, as well as preventing and investigating, when necessary, monopolistic practices, illicit concentrations, and barriers to free competition, as well as restrictions on market efficiency that may result from decisions or agreements made by GFNorte officials. **The policy and its amendments are reviewed annually by the Audit and Corporate Practices Committee and also subject to approval by the Board of Directors.**

The control areas constitute the second line of defense in the Internal Control System (Legal, Risks, Credit, and Comptroller's Office with the support of process and management comptrollers). Each of these, within the sphere of its duties, contributes to the detection of risks, the implementation of controls and regulatory updates needed to reinforce the Policy on Economic Competition, and, if necessary, the reporting of incidents. Likewise, the control areas are responsible for reporting to the Operational Risk department any event they become aware of involving acts that harm, limit, or hamper fair competition, regardless of whether such act resulted in a fine or penalty by the authorities.

The Adjunct Managing Director for the Comptrollership is responsible for distributing the Policy on Economic Competition and its amendments to the staff through regulatory bulletins and their incorporation into the institutional compliance portal, where they are always available for consultation.

To monitor efficient compliance with the Economic Competition Policy, GFNorte manages risk through operational indicators referring to anti-competitive practices, the results of which are reported to the relevant corporate governance bodies. In addition, any reputational risk that may arise from the existence of anti-competitive practices will be managed according to policies established on that type of risk.

6,223

employees trained in the Policy on Economic Competition in 2023
Bank information, Afore XXI Banorte and Insurance and Annuities

In 2023 there were no monetary implications resulting from anti-competitive practices.

The Chief Administrative Officer is responsible for developing and conducting training programs for senior management and employees to familiarize them with the Policy on Economic Competition, working jointly with the ABM and creating different content for operating personal and senior management, including practical cases that are useful in identifying anti-competitive situations and their consequences.

The Adjunct Managing Director for Communication and Public Affairs is responsible for creating programs that communicate to employees the importance of acting with integrity, and share with them tools and channels for combating any incidents they might become aware of involving anti-competitive practices.

Responsible marketing

GRI FS15, 417-1, 417-2

SASB FN-AC-270a.3

Product approval procedures

Our Policy on the Evaluation and Approval of New Products or Services explains how to review the launch of a new product or service or its modification to ensure that it conforms to the guidelines. A new product or service is defined as one not currently offered or marketed in any distribution channel, aimed at current or prospective GFNorte clients.

01

Any business area with an initiative for developing and launching a new product or service, or modifying an existing one, must submit it for the consideration of the appropriate GFNorte governance bodies.

02

All proposals must include an analysis and opinion by the Comptroller and Risk offices on whether the operation, registry, and authorization functions are duly segregated.

03

The review must:

- Check that there is no conflict of interest in the activity
- Identify the inclusion of physical and local security for implementation when a technological plan is required
- Enforce internal and external regulations,
- Assess the risks involved and the existence of controls to mitigate them
- In general, issue an opinion and provide recommendations as appropriate.

04

If the project is approved, the actions necessary to set it in motion must be managed, including not only the technical aspects but also rules on the applicable technical, economic, and operating characteristics, as well as training of the people involved.

Product or service initiatives or modifications that have been approved by GFNorte's corporate governance bodies must make reference to the technical, economic and operating aspects involved, along with the technological development required to launch them. Furthermore, the responsible areas must develop rules, regulations and compliance standards for the product or services.

Product offering

Our Code of Conduct establishes that officers and employees who provide information on the products or services must do so exclusively through institutional communication channels. They must also ensure the information is truthful, verifiable, and free of any potentially confusing or misleading data regarding the product or service's characteristics. The following is strictly prohibited:

01 Steering clients toward products or services they do not need merely because they may be profitable for GFNorte.

02 Failing to include the possible risks or inconvenience to the client within the detailed product or service description.

03 Making false or misleading comparisons with equivalent products or services offered.

These guidelines are also covered in various internal regulations. One of the most representative regulations is the General Investment Services Guidelines (sales practices).

These guidelines contain policies on evaluating and determining clients' investment profiles; determining the profile of financial products; the reasonability of recommendations to clients; the parameters for the conduct of promoters who supply investment services; and measures to avoid conflicts of interest. All of this is intended to ensure that each client receives the financial product or service that corresponds to their specific needs and level of market knowledge, supported by institutional tools consistent with official regulations.

Tax transparency

GRI 207-1, 207-2, 207-3

GFNorte is committed to ensuring transparency in our tax payments by incorporating our tax strategy into the framework of the company's corporate governance system.

This system establishes the policies, principles, and values that guide the group in tax matters, and compliance is of utmost importance, as it encompasses all members of the institution.

To guarantee that we stay current with our tax obligations, **we have various tax risk control procedures, supported by the regular involvement of the Adjunct Managing Director, who is responsible for providing tax counsel to the governing bodies.** The main objective is to communicate salient tax concerns to GFNorte in a timely matter, along with the measures taken to effectively manage tax risk.

01 Active work to comply with tax obligations in accordance with applicable regulations

02 Adaptation to the new digital environment

03 Constant, clear, and transparent communication with the various stakeholders regarding tax matters

CIT and employee profit-sharing provisions are recognized in the results of the year in which they are incurred. Deferred tax is calculated based on financial projections and is recognized by applying the appropriate rate to temporary differences resulting from the comparison between the book and tax values of assets and liabilities. This calculation also includes benefits from tax loss carryforwards and certain tax credits. Deferred tax assets are recognized only when there is a high probability of recovery. The net effect of all these items is entered on the balance sheet under the heading "Deferred Taxes and Employee Profit-Sharing, net."

Under the current Income Tax Law, the rate for 2022, 2023 and subsequent years is 30%.

The reconciliation of the statutory CIT rate and the effective rate expressed as a percentage of pretax profit is as follows:

For more information, see the **GFNorte Tax Policy Statement**

RECONCILIATION OF THE STATUTORY CIT RATE AND THE EFFECTIVE RATE

	2023
Statutory rate	30%
Tax inflation	(1%)
Non-tax accounting deductions	1%
Non accruable recoveries	(1%)
Interest on tax obligations	(2%)
Other entries	(1%)
Effective rate	26%

05

FINANCIAL CAPITAL

SDG
8, 9
GRI
201-1
SASB
FN-CB-410a.1

PERSONALIZING THE FUTURE WITH RESULTS

15%
increase in GFNorte net earnings, to a total of MXN42.42 billion

MXN$3.96 trillion
in assets under management

21.41%
return on equity (ROE)

Balance and financial security

Internal capital generation and the performance of GFNorte's different lines of business **kept our profitability indicators solid in 2023.**

Direct economic value generated and distributed

GRI 201-1

	2023
Revenues (EVG)	**382,100**
Interest expense (EVD)	**248,015**
Operating expenses	**48,582**
• Personnel expense	22,013
• Honoraria paid	3,633
• Administration & sales expense	6,591
• Rent, depreciation and amortization	11,398
• Sundry taxes	2,753
• Employee profit-sharing incurred	893
• Other expenses	1,300
Taxes	**17,832**
Retained (EVG-EVD)	**67,671**

Figures in millions of pesos

Table of main financial results

In 2023, GFNorte kept up a brisk pace of lending, bringing its loan portfolio balance to over one trillion pesos.

The annual expansion was supported by the strength of private consumption, the robustness of the labor market, and the gradual materialization of early nearshoring investments, driving rapid growth in the consumer, commercial, and corporate portfolios during 2023.

Structurally, we maintained active balance sheet management in preparation for the start of the monetary easing cycle. **We have focused on building an inventory of low-risk fixed-rate portfolios, which serve as a natural hedge, as well as on diligent institutional management of funding costs.** Internal capital generation and the performance of the group's different lines of business kept our profit margins steady in 2023.

GFNorte closed the year with a net income of MXN52.42 billion, a 15% increase over 2022. Net interest income grew by 10% against 2022, and the net interest margin (NIM) stood at 6.3%, stable compared to 2022, reflecting higher origination volume, an optimized portfolio mix, and the effects of a higher reference rate on both sides of the balance sheet, mitigating the effect of inflation on the pension business. The loan delinquency rate remained at 1.0%, slightly better on an annual comparison, despite the growth in the portfolio and origination mix.

MXN$52.42 bn
net income at the end of the year

Subsidiaries contributed positively to performance. These provide a solid foundation for income diversification in the Group. During the year, net earnings by the bank grew 21%, the insurance company by 11%, and the Afore (pension fund) by 53%, operating with the combined effect of lower regulation fees and the gradual increase in contributions that began in 2023.

21%
net earnings growth

DATA HIGHLIGHTS

		2023
Balance sheet	Assets under administration	3,957,801
	Total portfolio	1,042,817
	Total assets	2,274,859
	Total deposits	1,056,417
	Shareholders' equity	249,206
	Banorte capital adequacy (%)	20.69%
Asset quality	Non-performing loan index (previously past-due loan index) (%)	1.04%
	Coverage ratio (%)	182.33%
	Cost of risk	1.61%
	Net income	52,418
Profitability	Return on equity (RoE) (%)	21.41%
	Return on assets (RoA) (%)	2.39%
	Net interest margin (%)	6.32%
	Efficiency index (%)	36.20%

Figures in millions of pesos
For more details, visit: **Financial information as of December 31st, 2023**

Credit exposure by industry

SASB FN-CB-410a.1

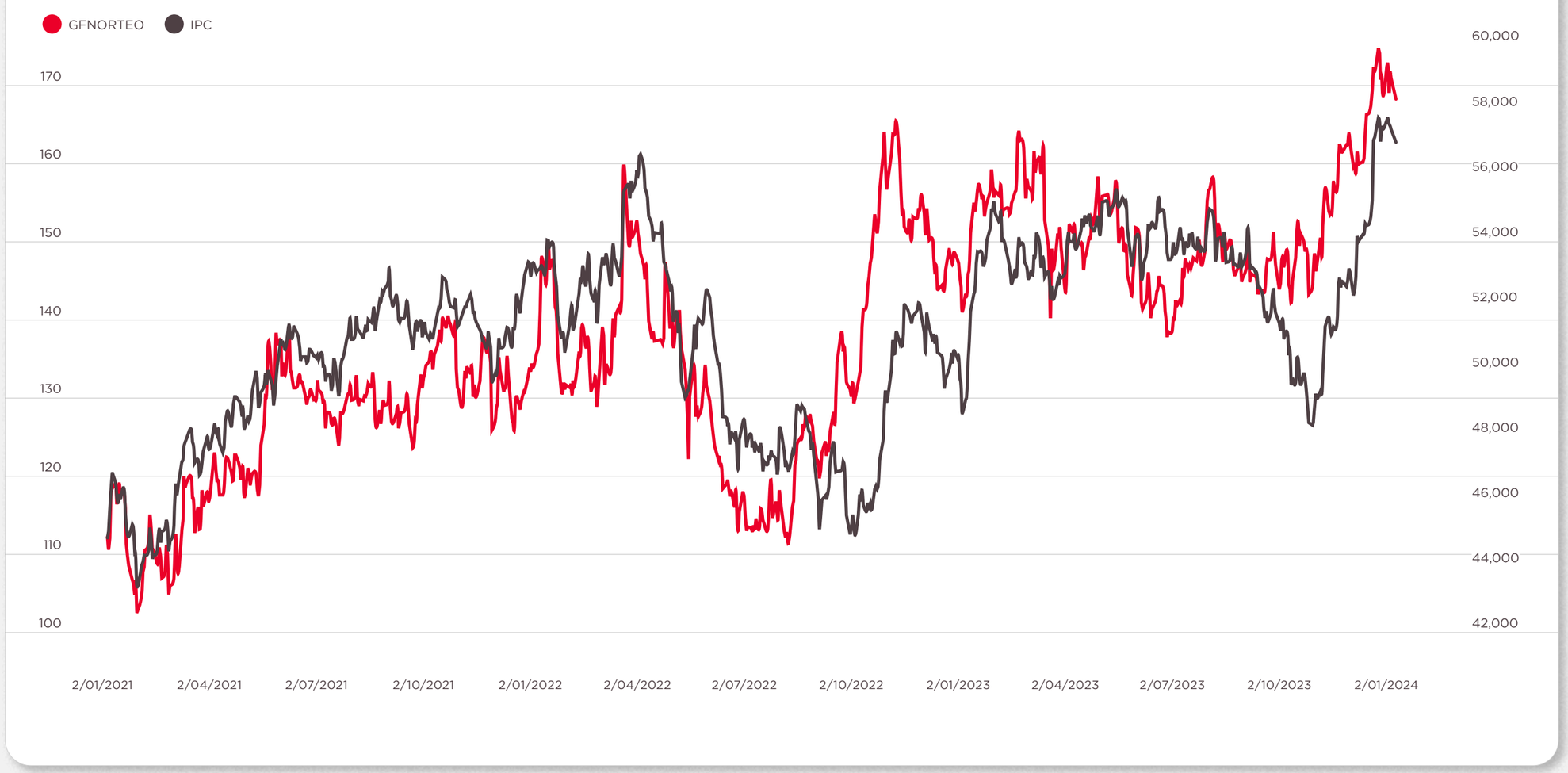
Using Banco de Mexico's catalog as a reference, the following table lists the ten industries where we have the most credit exposure. The scope includes the bank's business, commercial and corporate portfolio.

Top	Subsector	Industry	Number of borrowers	Portfolio stage 1 + 2 + 3	Stage 3 portfolio
1	531	Real-estate services	**748**	60,442	121
2	721	Temporary lodging services	**296**	45,014	100
3	488	Transportation-related services	**191**	33,629	4
4	522	Institutions offering nonmarket credit and financial intermediation	**96**	25,634	119
5	541	Professional, scientific and technical services	**3,350**	24,931	265
6	236	Building	**603**	24,285	85
7	237	Construction of civil engineering works	**288**	18,564	48
8	327	Manufacture of products based on non-metallic minerals	**172**	11,686	0
9	462	Wholesale trade in dry goods, food, beverages, ice and tobacco, and retail trade in dry goods, food, beverages, ice and tobacco	**1,056**	11,543	15
10	436 y 468	Wholesale trade in trucks, parts and new spare parts for cars, light trucks and trucks, and retail trade in motor vehicles, spare parts, fuel and lubricants	**1,788**	10,970	182
			8,588	**266,698**	**938**
		Rest	**19,623**	**131,154**	**2,038**
		Total	**28,211**	**397,853**	**2,976**

Figures in millions of pesos
The concentration of our portfolio in these ten industry groups represents 67% of the business portfolio (excluding government).

GFNorte shares

RELATIVE PERFORMANCE OF GFNORTE SHARES VS. THE IPC



Stock structure

Our shareholders

GFNorte has a globally diversified shareholder base that incorporates investors of various types and with different investment objectives. Our goal is to design strategies that maximize the return on their investment according to the interests of each group. We do this by delivering solid earnings growth and maintaining attractive dividend payout ratios while maintaining solid capital adequacy indicators.

In 2023, as a result of internal capital generation, **the upper portion of the dividend policy and an extraordinary dividend were distributed, amounting to a total of MXN37.70 billion,** a dividend payout ratio of 83%. Following GFNorte's Level 1 ADR program (GBOOY), where each ADR represents five shares of GFNorte, we closed the year with 8,099,433 ADRs in circulation, an increase of 1.43% compared to the previous year.

During the year, we kept in constant communication with our analysts and investor base to clearly and consistently convey our corporate strategy and results, and to gather and analyze their main opinions and concerns so we could promptly address them.

83%
of dividend payout ratio amounting to a total of MXN37.70 billion

2,883.46
millions shares outstanding at the end of the year

Stock market indicators	2023
Shares outstanding at the end of the year (millions)	2,883.46
Average trading volume (shares)	5,578,964
Average value traded[1]	840.22
Highest quote[2]	174.47
Lowest quote[2]	137.69
Stock price[2]	171.10
Book value per share[2]	86.48
Diluted earnings per share[2]	18.31
Market cap[1]	493,359
Dividends per share[2]	13.08
Dividends paid[2]	37,704
Dividend yield	7.64%

[1] Figures in millions of pesos.
[2] Figures in pesos.

These are the basic figures in our communication with leading analysts and investors in 2023:

1,615
equity and fixed-income investors connected

289
(face-to-face and online) conferences and meetings with investors

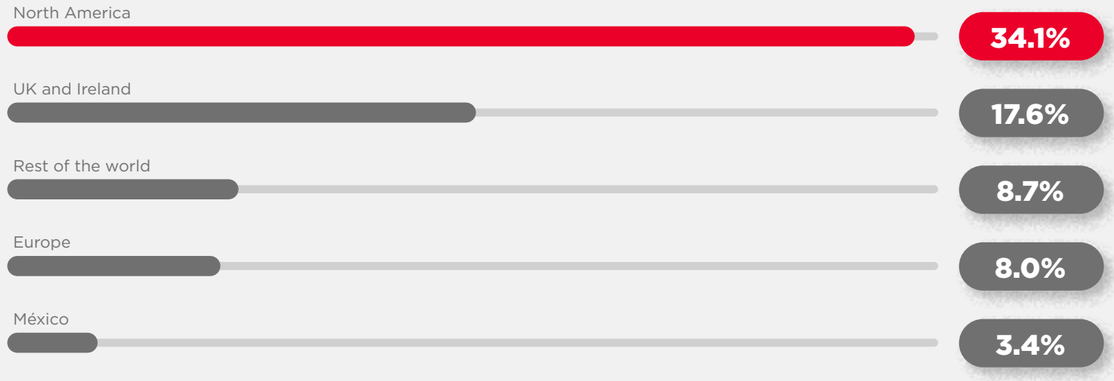
73%
of shareholdings contacted in the year

These were the main concerns communicated to us by investors and analysts during the year:

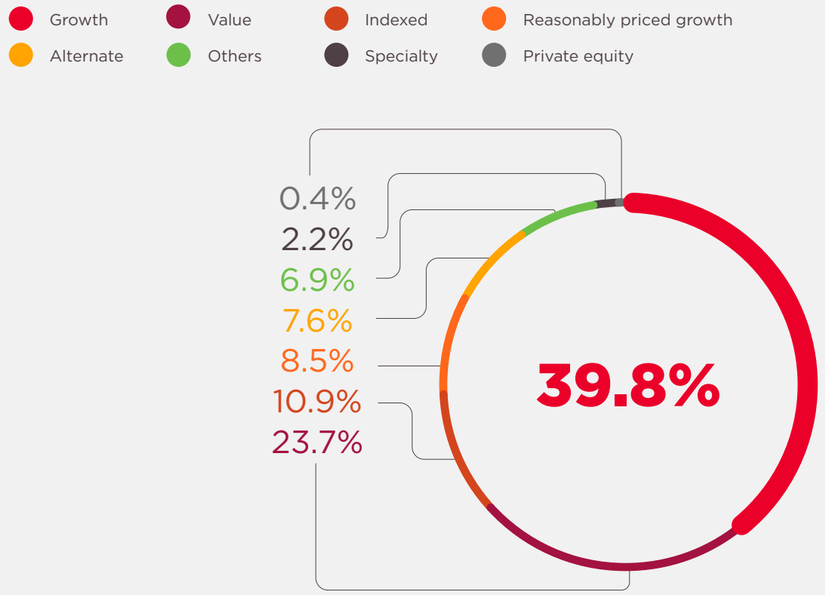
- Macroeconomic indicators, implications of the upcoming elections, and the 2024 budget
- Nearshoring opportunities for Mexico and Banorte
- Disruptions caused by Citibanamex and digital players
- Strategy to control funding costs
- Margin sensitivity and implications
- Capital management and recurring extraordinary dividends
- Launch of Bineo, product roll-out, opportunities for financial inclusion, and joint venture with Rappi.
- Organic growth in ATM infrastructure and redefinition of branch operation model and cost
- Evolution of environmental commitments and decarbonization

Our base of shareholders is diversified across various regions and types of investors:

OUTSTANDING SHARES BY REGION



INSTITUTION BY INVESTMENT STYLE



06

TECHNOLOGY AND INFRASTRUCTURE CAPITAL

SDG

9

GRI

203-1, 418-1

SASB

FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-220a.1, FN-CF-220a.2 FN-CF-230a.2, FN-CF-230a.3

PERSONALIZING THE FUTURE WITH

INNOVATION

Do your banking without going to the bank

Banorte is innovating to bring you the bank you want, when you want and where you want. **We are evolving with technology** to make meaningful, human **connections in a digital world.**

148,000
new digital accounts

43%
of total sales are digital

0
data leaks

Strategy and course

GRI 3-3

We are Mexico's digital bank. With our 1-2-3 Strategy, we are working to accelerate digital transformation, joining forces with those who are leading this transformation and building our own digital bank. This year we completed our plan with tangible achievements in solutions, systems, processes, products and services, so that we can meet our customers' financial needs simply and intuitively.

This clear focus on innovation charts the course for us to create the bank we want to be. We stand firmly on three pillars that will make us the best partner for our customers, working and growing together with them:

This is how we keep our promise of offering the best banking services and products in Mexico, through personalized experiences and solutions.

Market

Acquirer business:

- **1st place** in number of transactions processed
- **3rd place** in number of affiliated merchants

Credit cards:

- **4th place** in portfolio volume

01

Customer

Listening and acting.

The heart of our decisions.

02

Personalization

Every customer is the star.

With their own needs and interests.

03

Digitalization

I decide what, when and where.

Intuitively and with instant results.

Strategic clarity

We are working to be leaders in payment methods, and maintaining a high-quality credit card portfolio is crucial to this effort.

With a stable portfolio, we can invest in developing products and services and launching campaigns and valuable promotions for our customers.

The growth, presence and solidity of our products and channels is visible in many ways. Our credit card portfolio grew to **MXN 55.5 billion** at the close of the year, a **20%** growth over the previous year, while preserving portfolio quality. The loan delinquency rate (LDR) rose moderately in 2023 **(from 2.2% to 2.6%)**, not unexpectedly, because the mix of customers in the portfolio incorporated a growing proportion of cardholders with revolving balances. Nevertheless, the increase is consistent with the bank's risk appetite, the profile of our cardholders, and the economic climate.

Another key indicator is the payment percentage—defined as total payments in the period divided by the initial balance in the period, which was an average of **33%** in 2023, compared to **25%** in our last report before the pandemic (2019). This tells us that customers are using their cards more responsibly and in keeping with their payment capacity.

We have the right tools for keeping track of the LDR on a daily basis and acting promptly when necessary. Over the year, we made some minor adjustments to criteria for origination and assignment of lines of credit as we identified segments where risk was rising above the desired level.

We also completed testing on scoring models during the year, using alternative information, identifying those we can begin using to prudently enter specific market segments, for example, younger customers, where in 2023 we launched a pilot program to offer payroll credit cards to customers with little or no existing credit record. The card is configured for ease of use, and helps new customers learn to manage revolving debt in their daily lives.

The pilot test was conducted in only a small sample of customers, but the preliminary results give room for optimism about the penetration we might achieve, even becoming a key factor in financial inclusion.

In line with the value generation our customers might receive:

- **Mujer Banorte (debit card)**
- **Enlace Negocios (debit card)**
- **BanorTec (debit-credit card)**

Were made from 90% recycled PVC plastic. We will continue to issue more cards of this type and look for different ways to support the growth of our business while pursuing the bank's sustainability strategy.

MXN$55.5 bn
credit card portfolio

The credit card portfolio performed well last year, and some of this growth can be attributed to the modernization of our support infrastructure. We once again ranked second in the country in terms of the number of ATMs; completed the modernization of **98.3%** of the network while maintaining availability at **94.97%**, served an average of **11.49 million customers** and users each month **(+8%).** The credit placement strategy will continue to prioritize locations where our customers and payroll borrowers need us.

11.49 million
customers and users served through our ATMs each month

In our Acquirer business, which is the channel where our cardholders can collect payments, **we prioritized new credit and debit card collection solutions for micro, small and mid-sized companies,** and continued evolving our service to major corporations as we have for several years now.

We complemented this strategy by promoting a more widespread use of our collection solutions, introducing the sales force as an exclusive channel focused on placement of POST, mPOS and payment links. Among its core goals is support for SMEs. In 2023 we were present in four territories, and we plan to take this scheme nationwide in 2024, so we can be closer to our merchants and offer them personalized attention to grow their sales.

More than 221 million transactions processed in one month (+12% more than in 2022).

Through more than **135,000 affiliated merchants** across the country, the Acquirer business saw a **13%** growth in billing over 2022, supported, of course, by technological infrastructure and continuous improvement in the institutions' proprietary payment engine, which continues to mark record highs in the volume of transactions cleared: more than **137 million** per month **(+8% vs. 2022)** and **13%** more in total sales.

We are convinced that the value our customers receive is a key factor in growing together. That's why we focus on continuing to improve the value proposition of all our cards and collection solutions, so that every customer can choose and personalize their products according to their profile and specific needs.

135,000
affiliated merchants

Product and service personalization

Supported by a data-centered strategy, we tested and deployed the necessary components in Google Cloud to model critical analytical solutions for Banorte. Initially, these included:

- **Mortgage abandonment model**
- **Product propensity**
- **Total abandonment**

In parallel, with the help of Google Cloud, we began the work of migrating the bank's data repository to its Bare Metal Solution tool.[1] This infrastructure modernization will enable us to continue incorporating standardized data from various sources and facilitate their handling by all internal teams, to manage and promote personalized offers. The tool not only increases our capacity for incorporating information but will also enhance speed of execution in the computing process, and will enable others without compromising performance of the execution process.

These components will underpin further campaign personalization models in addition to those mentioned above, and should improve results through the increasingly precise targeting of product and service offerings.

Supported by solutions like these, in the Issuer business the personalization experience begins with the customer's selection of the card they need. They can choose from the cards we offer:

01 Affiliated with some loyalty program

02 Banorte Total Rewards

03 Cashback options

And thanks to our alliances with brand-sharing partners, they can also opt for cards that participate in United Airlines or Marriott International loyalty programs, or those that provide entertainment, communication, education or sports perks. **Mujer Banorte, for example, offers women customers the option of opening a deposit account with a debit card and/or credit card and earn exclusive benefits designed for women,** like medical insurance and purchase protection, home assistance, automatic enrollment with RTB, access to the "Priceless" experiences program, and others.

Once the customer has selected the Banorte card that best suits their lifestyle, they can be personalized for their daily use. BTR, **our loyalty program, is a very complete platform where cardholders can redeem their points for travel, merchandise, or payments at selected points of sale.** The power of our platform has even enabled us to test additional schemes, where for example cardholders can earn and redeem points in connection with the placement of card loans. We will continue to monitor the results to maximize the benefit and impact even in other products.

Our promotional strategy continues to be rewarding customers for meeting usage targets (which may be personalized) without leaving anything to chance. We have succeeded in registering **1.1 million bank clients** on the "Favorite Card" platform, where they can see the various promotions that come with their card, activate the ones they find most attractive, keep track of the benefits obtained, and make inquiries when necessary.

1.1 million
bank clients registered on the "Favorite Card" platform

[1] Bare Metal Solution is a Google Cloud solution for management of certified database infrastructure, including computing, storage, and networking; it gives us access to a low latency network in which all Google Cloud services are seamlessly accessible to all Oracle workloads, including support and billing, and facilitates data production by compliance with industry certifications such as ISO, PCI DSS, and others.

The **"Favorite Card"** website has combined well with our big "Hot Sale," "Buen Fin" and holiday promotions in **significantly increasing billing.** In credit cards, the number of cards used in 2023 grew **14%** year-over-year, and total billing grew **24%.**

In debit cards, the number of cards used in 2023 grew 9%, and total billing grew 15%.

The work we put into our value proposition, special promotions, loyalty programs and benefits for daily use have earned us an excellent product rating according to our NPS score, which has steadily improved over the past three years.

- Online CC application through Contrata: **87.2 (+1.2 points vs. 2022)**
- Immediate CC application at bank branch: **74.9 (+9.3 points vs. 2022)**
- In-app CC creation: **89.2 (+1.2 vs. 2022)**

The Issuer business was not the only area where we tested alternative personalization solutions. In the Acquiring business we sought out the best collection solution based on the customer's specific needs—the size of the company, its management needs, sales volume, required reports, types of business, etc. This enables us to make them a unique offer that creates value not just through latest-generation payment processing tools but through assistance and support especially in the earliest months of operation, through campaigns. For example, in 2023 we gave a strong boost to SMEs, giving them three months commission-free and discount rates, plus an additional three months for customers who built on their relationships with GFNorte by acquiring an additional product, like payroll distribution service, insurance or SME loans.

Personalization is the common denominator, and it has changed the way we internally measure, assess, set targets and evolve our businesses and channels. It is definitely the path we will continue to follow to provide the best usage and service experience, which are key to building our customers' loyalty and exceeding their expectations.

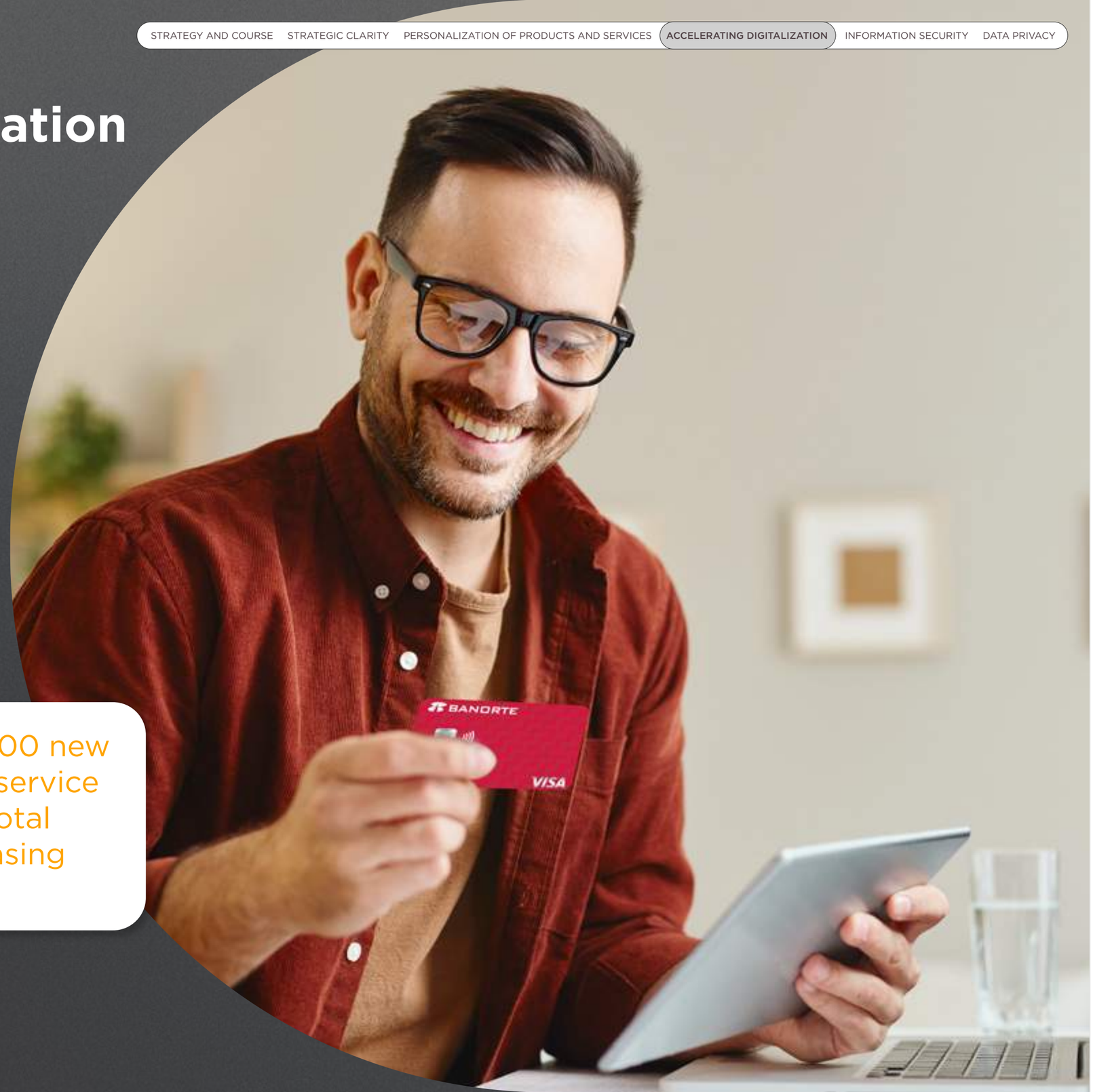
Accelerating digitalization without neglecting traditional channels

GRI 203-1

We continued to focus efforts on the digital services available to our payment method clients in 2023, channeling resources to improving the customer experience in each process and staying competitive in our market.

By incorporating multichannel components into our Contrata Placement platform, we are able to offer a uniform, consistent experience for customers regardless of the channel they decide on for beginning their application.

During the year, we opened 148,000 new accounts through our digital self-service channels, accounting for 24% of total credit card placements and increasing 11% over 2022.



Since 2022, the in-branch experience for customers has been transformed through the use of Contrata and the option of receiving their credit card immediately. We opened **455,000 new credit card** accounts through Contrata in 2023, **93%** of them accompanied by the immediate printing of a credit card that the customer could activate and take away with them.

The next-generation debit product we launched in 2021 remains the market standard. In 2023, we issued more than **1.3 million** cards, more than **280,000** of them in self-service mode through the Banorte Móvil app, and we also distributed more than **130,000** cards at participating merchants. The accumulated billing of these cards was more than **MXN59 billion** during the year.

280,000
debit cards issued in self-service mode through the Banorte Móvil app

130,000
debit cards distributed at participating merchants

Our leadership in daily card use is sustained by the enhancement of our "Favorite Card" website, the fact that we are one of the few card issuers whose customers can pay transactions with Apple Pay and Google Pay, and the functionalities the cards offer in the mobile app.

All of these efforts brought total billing for card-not-present transactions to **40%** of total billing, a growth of **25%** over 2022; and for debit cards, card-not-present billing grew **14%** and accounted for **21%** of total billing. At the same time, the use of our digital cards continues to grow: in digital credit cards, billing through this service grew **58%** in 2023 and it increased from **13% to 16%** of all card-not-present billing; for digital debit cards these indicators were **114%, and from 8% to 16%,** respectively.

In the Acquirer business, our strategy of focusing on customer digitalization has made us increasingly competitive in recent years. Banorte has achieved record e-commerce sales, which last year were **14%** higher than in 2022. In *Latin America's Largest Acquirer*, the Nilson Report **ranked us 9th** in the region by this measure.

Our growth has been supported by tools like the Acquirer ChatBot, which incorporated a virtual assistant called Maya to optimize the customer service process. Most of the issues handled through this channel are requests for:

- **Supplies (paper rolls)**
- **Reports of technical failures in the terminals**
- **General product information**

Through the Acquirer ChatBot, customers can find answers to their questions or report incidents quickly and simply without having to go through the call center. It also provides us with valuable information on customer behavior and satisfaction so we can improve our service. Our success is clear: in **88,000 interactions** with merchants, the **satisfaction rate has been 87%**, resolution rate 92% and average response time one minute.

We have evolved digital management tools to offer customers comprehensive solutions: easily operated, easy to install, and which help them grow by optimizing infrastructure. Digital evolution gives us the flexibility to prioritize and develop prototypes to continue innovating. For example, we developed a pilot program for both the Issuer and Acquirer businesses, in which cardholders can pay with BTR points at our terminals. We will continue testing this solution in phases so it can be extended to larger merchants, accompanied by communication on the "Favorite Card" website.

88,000
interactions with merchants

Digital solutions

Financial innovations have been key to the drive toward financial inclusion, welcoming the unbanked public, and even expanding markets by strengthening strategic partnerships with fintechs, aggregators and integrators, to attract and retain high-value customers.

RappiCard is one example of our pursuit of schemes outside of traditional banking. By the end of 2023, 980,000 cards had been issued, with a portfolio totaling MXN4.6 billion.

We paid special attention during the year to launching functionalities that improve credit cards' value proposition. These included postpaid city transit toll tags with automatic monthly payment, credit score lookup, payment of utilities and card balances using cashback, lookup and administration of automatic bill pay services and subscriptions, and a dynamic account statement that tells users how much they'll have to pay in the next cycle. We also worked on revenue-generating initiatives that have been widely accepted in our user base:

- **Deferred purchases over 500 pesos**
- **Deferment of the total balance**
- **Withdrawals on the RappiCard**

Where users can use some of their credit line to withdraw in cash and use however they want.

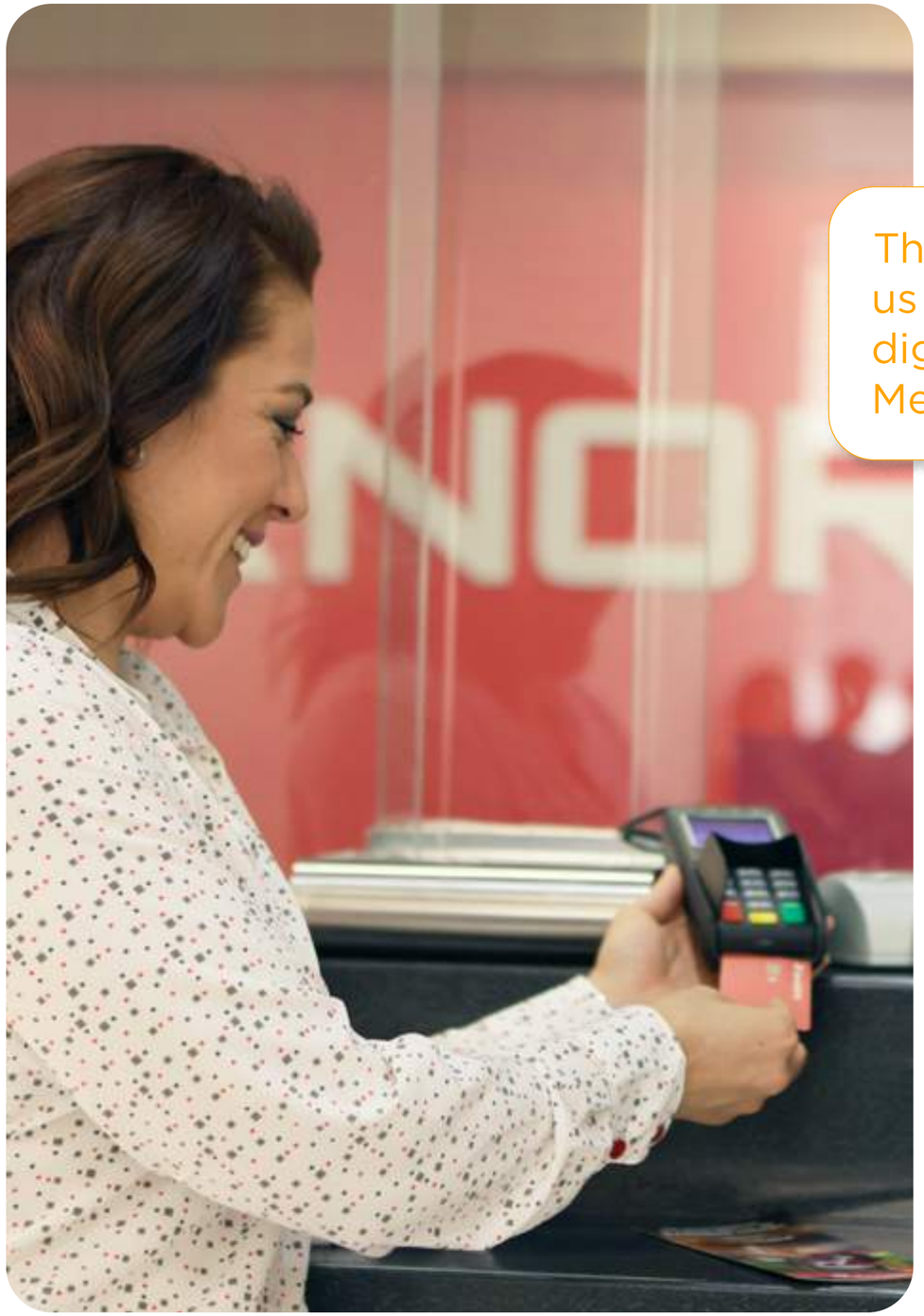
We are continuing to mature as a business with a focus on profitability. In 2023 we created various customer segments and applied personalized rules on benefits, promotions and service, prioritizing more profitable and high-potential segments.

RappiCard continues to build a strong presence among younger customers. At present, **72%** of active cardholders were under 35, and **61%** of the cards issued in the past 12 months were the user's first credit product. This means they have a great impact on financial inclusion and literacy.

We continue to work towards becoming the best credit card in the fintech segment, with customer satisfaction approaching 87%, **an application and approval process that takes less than two minutes, an extensive program of interest-free monthly installments, partnerships and exclusive discounts, no annual fee and personalized customer service** that is unparalleled in the market. All of this in a context of very low acquisition cost, since the product is embedded in the Rappi super app.

72%

of active RappiCard clients are less than 35 years old



Also important is the progress we have made on the third pillar of our institutional strategy, where we are very close to the official launch of **Mexico's first 100% digital bank.**

This milestone will bring us closer to cementing our digital leadership of the Mexican market.

We worked closely with the Mexican authorities throughout 2023 in completing the regulatory process. In June, we obtained digital onboarding authorizations and critical suppliers in record time. After that we received a diagnostic visit from the CNBV and another special visit in which they verified compliance with established regulations and quality standards, after which they gave us the green light to begin operations.

In the same year, we developed new products, services and benefits that bolstered the value proposition we will announce to the market. We also conducted comprehensive testing that were key to ensuring the quality and performance of our universal app. Additionally, 2023 was a key year for defining the commercial and marketing strategy by which we will reveal our digital bank and attract thousands of customers.

As a digital bank, we will **continue developing products and releasing a steady stream of new functionalities**, based on market needs and behavior and guaranteeing the best user experience. Very soon, a new way of banking in Mexico.

Just as RappiCard and our new Digital Bank **are key in the digital solutions we offer customers,** for Banorte's Acquirer business it has been a year of significant progress and improvement in our platforms. In our e-commerce window we introduced a solution for offering interest-free monthly installment payments based on variables sent, which gives merchants more flexibility, because it allows them to select the specific transactions they want to process under this scheme.

In processing tax payments and other public fees and charges for the Mexico City treasury department, we introduced a new digital receipt, designed especially to conform to all the required specifications for simplifying paperwork and improving the user experience.

We also incorporated contactless card technology for American Express cards, for merchants registered to accept payments under Banorte's alliance with Amex, offering cardholders a better experience.

Another new feature is the voucher QR code, which is enabled in devices so that the merchant's central systems can read the QR code containing authorization number and amount and input them automatically into their central systems, facilitating account reconciliation.

Keeping up with the most advanced equipment on the market, we strengthened our presence and accessibility by introducing 5,293 Android POST devices at various strategic points.

In Genera (our origination system), we introduced a pre-contract function, a clear example of how we are streamlining and digitalizing processes. The pre-contract tool allows our team to print out contracts before the validation phase so that signatures can be collected more easily. In the past, affiliations could not be generated in the central systems until all signatures were complete; now the affiliations take place in parallel to the collection of signatures, shortening the service time and, of course, improving the customer experience.

Finally, we took a giant step forward toward digitalization with a business self-service function for third-party accounts. **This function allows customers to authorize contractual documents through their digital banking**, continuing a transition toward paperless contracts and expediting the affiliation process with an outstanding **60% of time saved.**

Optimizing customer experience

We have also been making the transition to paperless processes in digital banking for individuals. Building on the progress and developments of previous years, in 2023 we concentrated on improving our customers' experience. We created a point-to-point experience in which we monitor the percentage of promoters based on our NPS score from the time an account is opened through their enrollment in digital banking and the various types of transactions customers perform. The NPS showed us how these functionalities could be improved so that we can hold on to our position at the top of our market.

At the close of 2023 we had more than six million active customers doing their banking digitally through mobile and online banking.

More than **52% of total bank transactions** were performed digitally through mobile or online banking. At the same time, **96% of the transactions** that can be performed digitally were in fact carried out through digital channels, facilitating self-service and making operations at our bricks-and-mortar branches and channels more efficient.

We focused efforts on two key areas in developing new functionalities: encouraging savings and strengthening inclusion. One of these new functionalities offered customers a very simple way to create a savings plan with a scheduled target, or to separate out “buckets” of money for specific purposes so they can keep track of where their spending goes and better manage their budget.

One very important aspect of our mobile banking app is that it ensures accessibility for customers with visual weakness or disability. This not only distinguishes us from other market offers in creating accessible environments, but makes us proud of developing solutions to improve inclusion.

Digital sales now account for more than **43% of sales in products** like payroll loans, credit card placements, mutual funds, promissory notes, insurance and account opening, as well as the launch of new auto loan product where customers can begin the process digitally by quoting a preauthorized amount, then completing the process at the branch, in line with our vision of combining human and digital capacities.

Digital sales now account for more than

43%

Total digital sales:

1,312,163

% DIGITAL SALES VS. TOTAL PLACED IN THE BANK

Product	2023
Payroll loans	54%
Credit cards	24%
Funds	78%
Promissory notes	51%
Payroll advances	84%
Insurance	1%
New to bank	31%
Supplementary CC	66%
Digital link (debit cards)	100%

We can offer all these services because we efficiently focus resources on changing and transforming the bank while complying with the law and meeting security and system stability standards, so that all our channels can be operated normally and with high availability.

CHANNEL AVAILABILITY

Channel	2023
Mobile banking	99.82%
Online banking for individuals	99.90%
Online banking for businesses and government	99.77%
ATMs	94.97%
Payworks	100%
Call center	99.95%
Correspondents	99.97%
Branches	99.91%

The consistency and maturity of our technological development areas brought the value delivery fulfillment rate (VDFR) to **95% in 2023 (+1 percentage point over 2022)**, indicating the percentage of value deliveries on time and as planned and without production failures, based on **1,047 value deliveries**, a growth of **12% over 2022.**

AMONG THE KEY PROJECTS COMPLETED DURING THE YEAR WERE:

Accounting assistant

Executes accounting valuations at the highest-level breakdown (by transaction/activity), **receiving information in real time**, according to CNBV standards.

Biometrics

We began building biometric records of bank customers **by purchasing and installing equipment in the branches for taking fingerprints and photos and checking official IDs.** We also equipped our field and branch sales forces with the tools necessary to perform verification actions during the product acquisition and service phases, to prevent identity theft.

Transformation of money market and mutual fund distribution

We have a fully parametrizable system that allows **us to optimize costs, increase operating efficiency through automation and process** reengineering, and reduce time to market for new products and services. It allows us to innovate and optimize the business operating model and transform the service and operating culture of the financial products we distribute (value proposition). And because it is a Mexican market product, attending to regulatory requirements is a simpler matter.

Centralized call center screen

We introduced a unique, intuitive tool called Elina that performs intelligent, dynamic interactions in which call center executives can serve customers in less time, and minimize the risk of error in information handling.

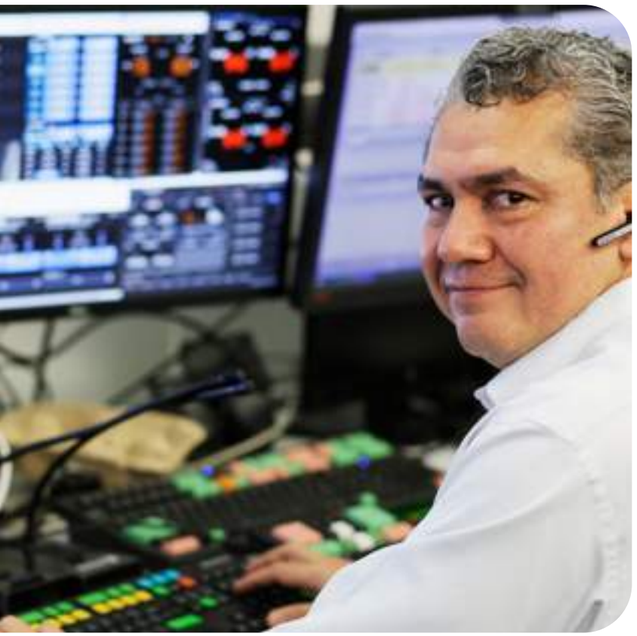
Conversation manager

This is a tool that allows for point-to-point processes in any channel of the institution, **monitoring execution of the processes and measuring compliance with service levels.** Furthermore, information from the various phases of the point-to-point processes can be looked up and displayed through various channels or contact points with customers or prospects.

Installation of an SAS risk management model (liquidity + credit)

Substantially reduced daily report processing times by automatically calculating regulatory liquidity indicators such as liquidity management and net stable funding; also improved the quality of information sent to Banco de México and the bank's treasury. According to this tool, liquidity coverage closed the year at **181%** and net stable funding at **132%.**

Infrastructure modernization



GOOGLE CLOUD VMWARE ENGINE

We reinforced our alliance with Google Cloud by modernizing our infrastructure, migrating 1,300 virtual machines from the development environment that were previously housed in our Data Center and now live in the Google Cloud, thanks to the Google Cloud VMware Engine.[2]

NEW DEVSECOPS MODEL

In the fast-paced world of business today, transitioning from the traditional model of software construction to a DevSecOps[3] based methodology, with continuous integration and continuous delivery (CI/CD)[4] is an essential evolution of our day-to-day operations. This revolutionary approach allows the institution to develop, test and deploy software quickly and reliably. Automation of our processes throughout the development lifecycle, combined with early incorporation of security in every process, guarantees greater efficiency and significantly reduces errors. The results are shorter delivery cycles, greater capacity to respond to market demands, and lower operating costs, all of which translate into an unquestionable competitive advantage for GFNorte's value proposition.

DevSecOps and CI/CD not only accelerate software delivery but also significantly improve the quality and security of our portfolio of technology solutions. By incorporating security from the start, GFNorte can detect and patch vulnerabilities in the early phases of the development cycle, reducing the risk of costly security breaches. Automated testing and deployment guarantee that every software iteration is error-free, which in turn reduces the need for costly manual inspections and reduces down time. This methodology not only encourages innovation and speed but also fosters trust, security and satisfaction for our customers, translating into a clear business value that GFNorte now incorporates into its day-to-day work.

Infrastructure costs were optimized by between 7% and 45%, and time to market was cut by an average of three weeks per value delivery.

Traditional model	Stages	Containers and CI/CD
Decentralized	**Source code protection**	Centralized and collaborative
2 hours	**Construction of applications**	2 minutes
2-3 days	**Execution and results of security engines**	15 minutes
1-2 days	**Quality assurance**	5 minutes
15 days	**Release into production**	2 days
2-3 months	**Infrastructure provisioning**	1 a 2 weeks

[2] Google Cloud VMware Engine: a fully managed service that allows clients to execute VMware environments in the Google Cloud infrastructure offering migration with modification, yield and high availability, security and simplified management.

[3] DevSecOps: an acronym combining the words "development," "security" and "operations," it means a set of practices that comprise security in the entire software development lifecycle, from planning and design to coding, construction, testing and launch.

[4] CI/CD: A set of practices that automate the software development, testing and deployment process, its goal is to deliver high-quality software quickly and reliably through automation of development processes and collaboration between DevSecOps teams.

Open banking and communication with outside entities

APIGEE

We continued to benefit from Google Cloud and its API[5] Management tool Apigee, which allows us to communicate with outside entities, share information or facilitate transactions for our customers, bringing the bank closer to them. For example, through our correspondent agreement with OXXO, customers can withdraw cash at convenience stores using their Banorte card, or use the app that was launched alongside the brand-sharing card we issued with the Tecnológico de Monterrey, a private-label solution we plan to escalate with new ecosystems.

Apigee has fielded more than **24 million calls** distributed across the four APIs currently in production. This tool facilitates secure communication with correspondents, the general public and fintechs, as well as API management.

24 million
calls fielded through Apigee

[5] API: application programming interface, a segment of code that allows applications to communicate with each other to share information and functionalities.

Financial solutions

INTELLIGENT TREASURY

We delivered a 100% digital platform for automated financial management, designed for companies and institutions.

Intelligent Treasury is a unique market platform that offers customers data analytics on their transactional activity and commercial intelligence on clients, suppliers and employees, using state-of-the-art technology.

This solution supplies companies and institutions with information and data mining for their services with Banorte, helping them make better decisions through data analytics. It is available for all BB users, and includes:

- **The acquirer,**
- **Payments**
- **Services**
- **Financial information modules**

Developed in the Microsoft Azure cloud, it processes close to 500 million data records a month, with the capacity to deliver personalized dashboards of various dimensions and filters that provide data mining capacity to 200,000 BB users, helping the institution to attract and retain clients and bolster its position.

500 million
data records processed in the Microsoft Azure cloud

CLOUD ENABLEMENT CENTER

Staffed by a multidisciplinary team of experts, the **Cloud Enablement Center provides a common front for the various technology areas and projects that require cloud services**. Its activities include defining and executing a cloud governance model, assisting and supporting tech project leaders in complying with the controls established by each area within the Adjunct CEO for Technology, and creating and adapting a cloud business strategy.

CLOUD BUSINESS STRATEGY

With the support of the Cloud Enablement Center and staff from various technology areas, we co-created a cloud business strategy to guide the office of the Adjunct CEO for Technology in adopting the cloud as an engine of digital transformation, with which they can deliver resilient solutions effectively, seamlessly and securely. This creates a frame of reference for pursuing the organization's goals by taking advantage of the benefits of cloud services, while strictly following the guidelines set by the various information technology areas.

THURSDAYS WITH GOOGLERS

Working together with Google Cloud and its experts in various areas, we created a space in which employees in the office of the Adjunct CEO for Technology can learn more about the products available through Google Cloud. In biweekly half-hour sessions, they learn about the delivery of high-performance software and operations, security, app modernization, and generative artificial intelligence. In other words, Googlers helping us to understand the possibilities of the cloud.

INFRASTRUCTURE

In 2023, GFNorte completed one of the most ambitious and transformative feats of its history by migrating its technological infrastructure to the city of Querétaro. Meeting this challenge was a sign not just of its commitment to efficiency and innovation but also to sustainability.

The transition was based on three strategic pillars:

01 Availability

02 Service

03 Continuity

The move improved our speed of response while significantly reducing our environmental footprint.

The migration process involved moving two processing rooms (Room A and Room B), which cover a combined space of 675 square meters, in 19 waves, **including the transfer of 695 applications, 241 pieces of physical equipment and more than 3,000 new components, which required the participation and coordination of more than 500 employees.**

It also required a significant investment of MXN1.57 billion, a clear reflection of our commitment to incorporating sustainable technologies in this modernization of processing, storage, security and communication platforms. We installed storage solutions in which the new models emit up to 60% less CO_2 than the two previous generations, and adopted of the latest high-capacity solid-state disks in business models, improving operating efficiency.

In the area of data backup, the upgrade translated into greater security and efficiency and **reduced the risk of critical information being lost**. This is crucial in the financial industry, where availability and reliability are essential. The technological overhaul was extended to central processing, where the introduction of the z16 system (mainframe – bank brain) brought significant advantages. This new system consumes 1**8% less energy** than the previous model, **weighs 31% less and reduces airflow by 17%**, resulting in a reduction of 50% or more in CO_2 emissions.

Our commitment to sustainability was expressed not only in our choice of more efficient, environmentally friendly technologies, but in the project execution itself. Thanks to meticulous planning and execution, and despite its magnitude and complexity, the migration took place without any interruption in service in any customer service channel, guaranteeing that Banorte customers were not affected by the transition.

Information security

GRI 416-1, 416-2

SASB FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.2, FN-CF-230a.3

The technological transition toward digital banking has brought tremendous benefits, but also new risks and challenges in information security.

GFNorte is committed to safeguarding its customers' information and the information generated in all its operations.

Our extensive portfolio of information security policies and procedures comprise our security strategy, incorporating external regulations and best practices. These policies are authorized by the bank's control and audit areas, including the Chief Information Security Officer (CISO) and the Integrity Committee.

In 2022, we defined a new operation model called Cyber Threat & Incident Response (CTIR), which we developed further in 2023. This model is shaped around the organization's main challenges—digitalization, growth of cyber threats, distribution of processes, and automation. It allows the integration of advanced threat detection capacities at specific points:

Through this program, we have succeeded in:

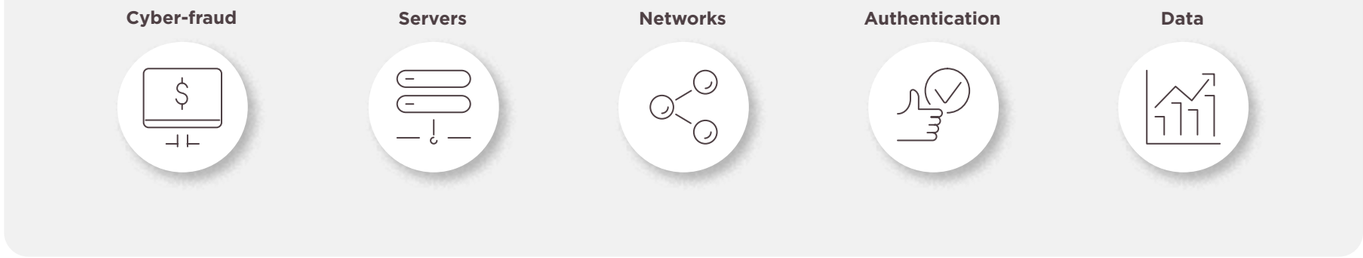
Generating the as-is for the first responder and threat management operating models.

Introducing a new platform for strengthening the cultural transformation at GFNorte.

Generating the to-be for cyber-threat management.

Expanding database monitoring and protection capacities.

Generating an automation model.



Information security compliance

CWe undergo various internal and external audits each year for the purpose of reviewing controls and ensuring the integrity of the information in the financial statements, including visits by the CNBV and Banxico. This year we addressed approximately **93 reviews** on time and as required, responding to over **1,511 requests for information.**

We managed **32 folios** of our information security projects and fulfilled **100%** of the committed value deliveries **(166)** in each project.

At present, we have a security services delivery program that ensures an effective definition and application of controls to mitigate project risk through an efficient process and by reinforcing the roles and responsibilities of the areas involved.

Under this service delivery program, every technology area project is categorized by the Chief Information Security Officer and classified for execution. **In 2023 the program was involved in 240 projects.**

ISO 27001 and PCI standards

In 2023, we were able to maintain ISO 27001 certification of our Data Security Management System (DSMS), complying with information security international standards and certifying the following areas:

01

Critical data assets of our online banking and mobile banking services and apps, payment method platform, local interbank transfer platforms, personal data archives, and databases authorized by senior management.

02

Operation of the IS service delivery process and incident response team (IRT), including their critical assets.

03

Management of cyber-fraud risk in ATMs, online banking, and card-not-present transactions jointly by the business areas of GFNorte and the Adjunct CEO for Technology.

We are also working on obtaining Payment Card Industry Data Security Standard (PCI DSS) recertification for the acquirer process and digital banking channels, and the first PCI DSS certification for our Call Center.

Operating models

To improve our day-to-day operations, we pursue standardization, continuous improvement and automation of our security processes.

With this in mind, we designed a customized method of operating models that includes the area's most essential processes, services, resources, technologies, work teams, tools, and indicators of this department's most relevant security services.

We also work to expedite processes and execution; to do this, we aligned some operating models with the Agile methodology based on the scrum framework. This past year **128 operating models** were generated.

01

We evaluate existing processes, identifying areas of opportunity in aspects such as design, efficiency, the definition of responsibilities, and performance indicators.

02

We build the model, considering the improvements identified through standardized artifacts such as high-level diagrams, data flow charts, and RASCI, KPI, SLA's, and others.

03

We define the execution plan, including indicators by which we can monitor performance and, if necessary, improve execution or alerts in the event the process falls short of established goals.

Application security and access control

Our vulnerability management program provides detailed instructions on analysis and vulnerability testing of the technological infrastructure that supports critical applications.

It covers four types of infrastructure:

01 Regulated applications

02 Applications within the scope of the business impact analysis (BIA)

03 Critical infrastructure

04 Other requirements (servers that support an operating process)

This program applies an internal methodology for measuring vulnerability to risk based on frequency and severity.

The monitoring of the execution of this program is aligned with the evaluation of the KRI0016 indicator "critical vulnerabilities pending correction and detected in vulnerability analyses," as established in the Unified Banking Circular, and is reported to senior management, which can then authorize the necessary support and resources for reducing risk indicators based on the results.

VULNERABILITY MANAGEMENT

In 2023, 28 intrusion tests were run by a qualified external consultant, and 8 internal tests were conducted.

We reviewed over 236 code-level applications with black-box and white-box scans.

We conducted monthly platform scans of 222 applications, encompassing over 1400 servers in all the bank's environments.

We closely tracked change controls relating to the creation of new servers, checking that their configuration complied with the security base line and reviewing vulnerabilities, installation and setup of integrity agents and anti-malware, and the connection of operating system logs for event monitoring, both in on-site ecosystems and in the cloud.

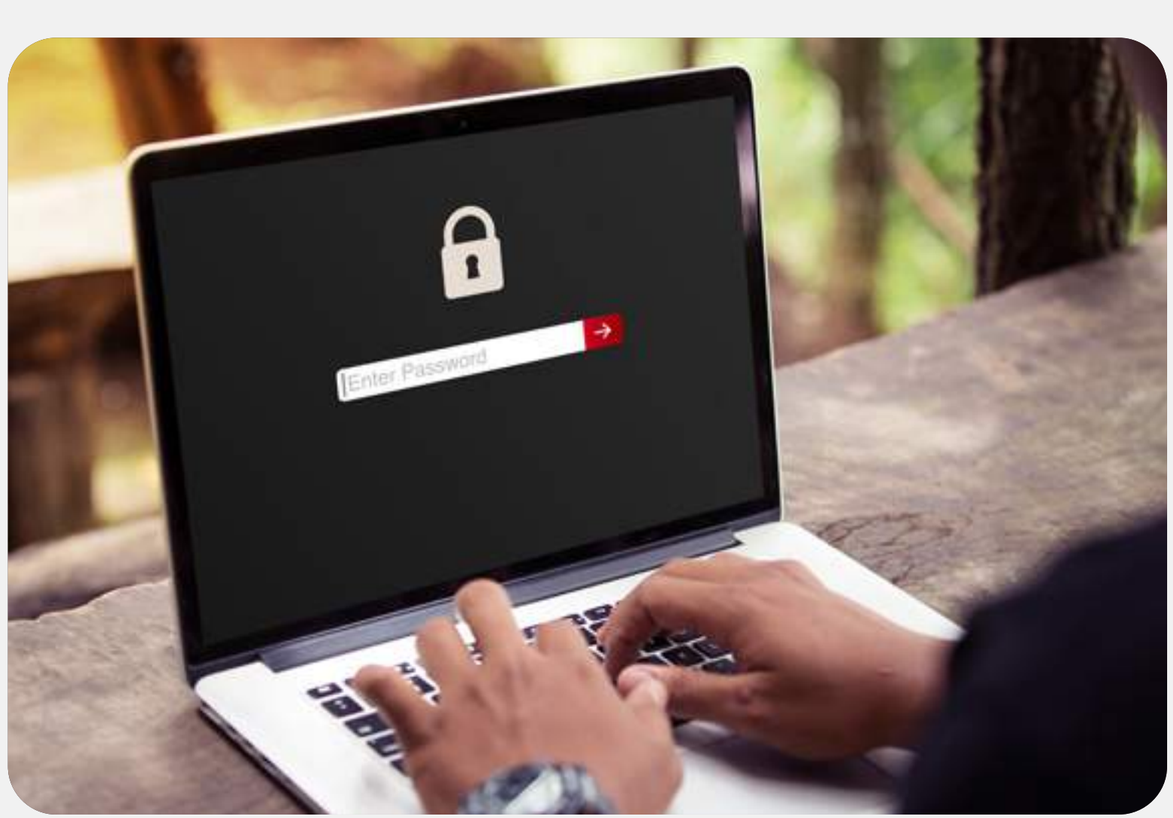
In 2023, around 554 servers were examined and validated in the platform's border patrol process and over 7,700 scans from new applications and maintenance.

Outside-party security

We continued to deploy virtual-desk infrastructure (VDI) technology during the year, installing more than **2,000 VDIs** in 2023, which allow outside suppliers to work in a virtual team with the institution, accessing any physical device (desktop or laptop computer) through a web browser. **These VDIs are administered and monitored by Banorte without having to physically distribute equipment** to the suppliers or to send an agent to modify their equipment. This significantly reduces the risk of loss or theft of information due to negligence or cyberattack on the outside party's premises.

Information security service desk (MESSI)

This year, to be more efficient and automate routine tasks, we deployed a self-service password management service for branch users of our platform who need to change a service or unblock credentials. We also introduced an automated chat technology (a chatbot) for the ten most frequently requested services. With this, we hope to reduce voice call volume by 11,300 calls a month.



A new role in the institution: CTO

This year GFNorte appointed its first chief technology officer, or CTO, whose job will be to optimize the technologies used in Banorte's Information Security Area and ensure that they align correctly with the institution's commercial goals. Their office will also issue recommendations for upgrade required in our operations, evaluating technological needs from the time they are first identified, and improving the usability of the tools acquired. To this end, they will form synergies with strategic executives of technology suppliers, introducing improvement plans for operations from the perspective of growth, future vision and financial model.

ATM SECURITY

To reinforce security, this year, we upgraded the entire infrastructure supporting transactions at ATMs, PST and mPOS.

We have state-of-the-art equipment with new capabilities and functionalities to strengthen security and deliver a seamless service. With this, we can support new encryption mechanisms to improve security. We have incorporated a Configuration Management Database (CMDB) with the necessary information for more efficient management and reduced service times.

PERIMETER SECURITY

We continued to improve application security during the year, incorporating reputation filtering and bot detection mechanisms. We have also created micro-perimeters to protect and improve network traffic visibility.

We have incorporated new cloud functionalities for better protection against attacks, and implemented new technologies—machine learning and artificial intelligence—into our equipment to identify attack patterns and respond immediately.

Awareness-building

We have a program to bolster crisis response capacity for both Banorte and its affiliates, under which we conducted **14 cyber drills throughout the year**, some of them mandated by law. These drills involved various scenarios for local and global risks, such as ransomware, social engineering attacks, supply chain attacks, and denial-of-service, among others. With this, we can better identify and implement improvements, strengthen our security controls, and prepare ourselves to deal with a real cyber crisis.

Toward the same end, we have created action protocols with strategic areas of the bank to ensure a coordinated response by the various teams.

> At least 16 training sessions are given each year to members of the various cyber-crisis teams for continuous training in incident response management.

At least 16 training sessions are given each year to members of the various cyber-crisis teams for continuous training in incident response management. We also designed and carried out 12 anti-phishing campaigns (one per month) to measure the level of employee awareness and response to social engineering attacks. This awareness is reinforced by the publication of 12 newsletters in a variety of corporate media addressing current topics in security.

IT security architecture and protection

As part of our architecture services, we took part in **more than 300 projects and released 1,500 security controls**. Among them were the of the Executive Department of Data Security service model and an initial inventory of services, **documenting 120 technologies provisioning 17 security capacities and 13 sub-capacities.**

1,500
security controls released

Data Privacy

GRI 418-1

SASB FN-CF-220a.1, FN-CB-230a.1, FN-CF-220a.2, FN-CF-230a.1

Personal Data Protection Policy

We have a **Personal Data Protection Policy** that applies to all subsidiaries of the group. This policy outlines the duties and obligations of employees, especially those whose job involves collecting, analyzing, processing, storing or accessing sensitive personal data on the bank's customers.

This policy was created following the publication of regulations on personal data protection in Mexico, which has undergone several updates to incorporate best practices recommended by external consultants and authorities.

We also have a Personal Data Management System Policy, which sets forth our internal strategy for dealing with security risks, cyber threats, and incidents that could jeopardize the confidentiality, integrity, or availability of personal data, compliant with applicable laws and regulations. It also covers the process for eliminating the data of customers whose legal relationship with GFNorte has ended, and at least the 10-year retention period has passed. This policy was created as part of our process certification application.

Personal Data Protection Committee

As part of our commitment to personal data protection, the Personal Data Protection Committee was created in October 2017, with members representing an interdisciplinary sampling of areas. Its objective is to analyze, assess, anticipate risks, and issue resolutions regarding the protection of personal data through planning, monitoring, reviewing policies, procedures, strategies, and continuous improvement related to personal data protection. It also works to foster a culture of personal data protection, prioritizing the interests and privacy of data subjects, internal rules, and external regulations.

Zero
data leaks in 2023

Response to Official Requisitions

GFNorte responds promptly to all official requisitions, upon prior request through a duly justified and motivated notice from the competent authorities and/or by court order, in accordance with Mexican law. These requests are handled promptly by the legal department, in coordination with the Regulatory Provisions Control department. GFNorte's high level of maturity in data protection practices facilitates response to these requirements.

No fines were received from INAI in 2023.

Data Privacy Mechanism

PRIVACY NOTICE

For GFNorte, personal data protection is carried out in compliance with the Federal Law on the Protection of Personal Data Held by Private Parties and its Regulations. Data owners, their privacy, and trust are our top priority. Therefore, we protect their data through continuous review of our physical and electronic information security processes. Our privacy notices are permanently available to data owners on our websites, which are updated according to business needs and compliance with applicable regulations.

Refusal to permit the use of personal data for secondary purposes shall not be considered grounds for denial of services and/or products to data owners who request them or so business with GFNorte. If data owners do not wish their data to be processed for secondary purposes, they can communicate this through the means indicated in the privacy notice. Personal data is retained in accordance with the deadlines established in applicable regulations for financial institutions in Mexico.

CULTURE OF PERSONAL DATA PROTECTION

We instill a culture of data protection among our employees through annual training and regular awareness programs, along with penalties for those who fail to comply with applicable regulations.

We are part of the INAI Allies program, which encourages on a culture of personal data protection through training in member organizations and companies.

On September 30, 2021, we obtained personal data protection certification from NYCE (Normalización y Certificación NYCE, S.C.) for Banco Mercantil del Norte (certificate number: REA.EA.01.2015.-01/15-NYCE- CPDP-070) for Personal Data Management System compliance with the requirements established in the Federal Law on the Protection of Personal Data Held by Private Parties, its Regulations, and the Self-Regulation Parameters for Personal Data Protection. The certificate covers the entire bank's operations, including the Personal Data Protection Committee, as well as its contact and data centers and branches. The original certificate was valid through September 2023, and during the year, the bank obtained recertification valid until August 2025. This was the result of the review NYCE's independent review of Banco Mercantil del Norte.

We reaffirm our commitment to prioritizing customer data protection.

1,773,139
account holders whose information is not used for secondary purposes (15% in 2023 vs. 7% in 2022)

07

MANUFACTURING AND INTELLECTUAL CAPITAL

SDG

1, 2, 4, 8, 9, 10, 16

GRI

2-6, 204-1, FS13

SASB

FN-CF-270a.4

PERSONALIZING THE FUTURE WITH SOLUTIONS

Opening a digital account

At Banorte, digitalization is our how and customer experience is our why. **We build more value** through our focus on hyperpersonalization, **offering customers just the right products and services for them.**

+30,000
physical interaction points

80.4 points
Banorte overall NPS

97%
of our suppliers are domestic

Customer experience

GRI 3-3

At Banorte, we see our customers as individuals, each with their own plans, dreams, and needs.

That's why we place them at the center of our operations, from design to the transformation of products and services. Through innovation and constant listening, we exceed their expectations and produce a "wow" effect when they encounter our products and services.

Our customers and employees are an endless source of ideas. **We are a warm, approachable organization, aware of their needs and of the world around us**. For us, the human factor is key to achieving the transformation that our customers desire.

When we started out on the path of our Customer Experience model, **we learned to be agile and flexible; to offer customers personalized experiences through innovative, highly secure user-friendly products, generating optichannel experiences**. We are present in all channels for both individuals and businesses.

Our real-time customer listening program is crucial for **identifying their needs and understanding their expectations in a timely manner.** Today, we have more than 30,000 physical interaction points and 5.5 million digital interactions through digital channels like email and WhatsApp.

30,000
physical interaction points

5.5 million
digital interactions through digital channels

Customer Centricity

We place people at the center of all our decisions, and they are the compass that guides us on the path to a better future.

Banking in a digital world has allowed us to accelerate transformation according to our customers' needs and to design innovative propositions. Along this journey, we have been building a bank that combines technology and innovation with a laser focus on our external customers and collaborators, and with a culture of service that permeates every level of the organization.

Our customer centricity, collaborative work through more than a thousand working cells and our use of state-of-the-art technologies are all coming together to make hyper-personalization a reality.

With the construction of individual customer segments, behavior analysis, channel usage, propensity or abandonment, current product trends, metrics of current and future customer value, automation of analytical and risk models, and the conversational model, **today we can generate high-value propositions in an anticipatory, contextual, and memorable manner, in the most convenient moment and channel for the customer,** which translates into the customer's ongoing relationship with the bank.

The key elements in leveraging the scalability of personalization for the human-digital experience are:

01 Moving from a risk-product model to a risk-customer model, from a product bank to a customer bank.

02 A unique and relevant proposition to maximize the customer lifetime value.

03 Unique, one-on-one communication in the various service channels.

04 Careful, secure handling of the information and signals we receive from customers.

05 Contextual, empathetic, and simple human-digital experience in minutes.

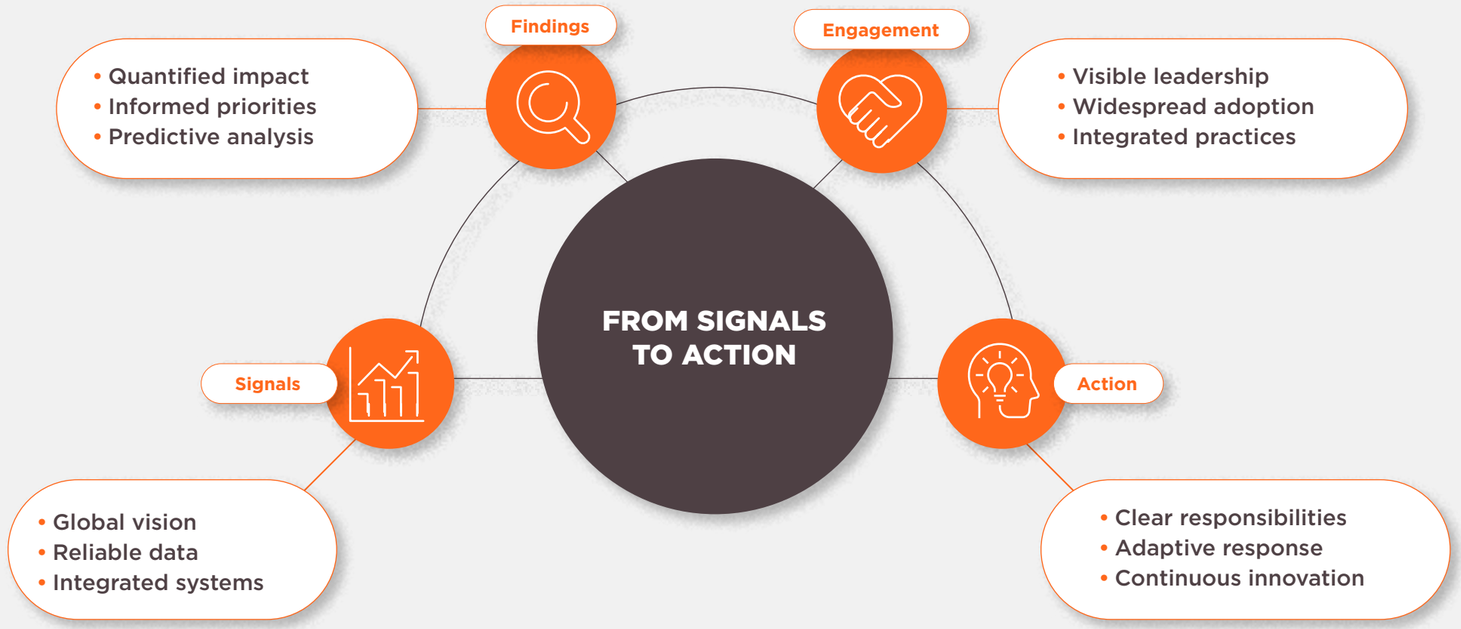
06 Building strong long-term relations with our customers.

Personalization of our offers with a human touch has increased acceptance of these offers by 20%.

Transformation model

The process of making our vision a reality has been a journey toward a practice of the mature customer experience, to become leaders in the industry. We have built our customer-centric transformation model on eight pillars. **This model was inspired by the customer's voice and brought an overhaul of our processes with the involvement of the entire organization**. All of this has given us a deeper knowledge of the financial and contextual behavior of our customers, and the ability to generate hyper-personalized offers that forge closer ties with them.

After a maturity analysis, we are positioned on an even footing with the financial industry on the four pillars that we evaluated, most prominently the action pillar, which is closely related to our collaborative model and cell-based execution.



Our strengths:

01

Decision-making focus

Listening to the customer's voice through NPS surveys and direct comments gives our business areas a cardinal point to guide projects and improvements.

02

Program growth

Banorte employees see that the program has been expanded and grown stronger, that there are increasing opportunities for listening, and that the culture of customer experience is increasingly present in the organization.

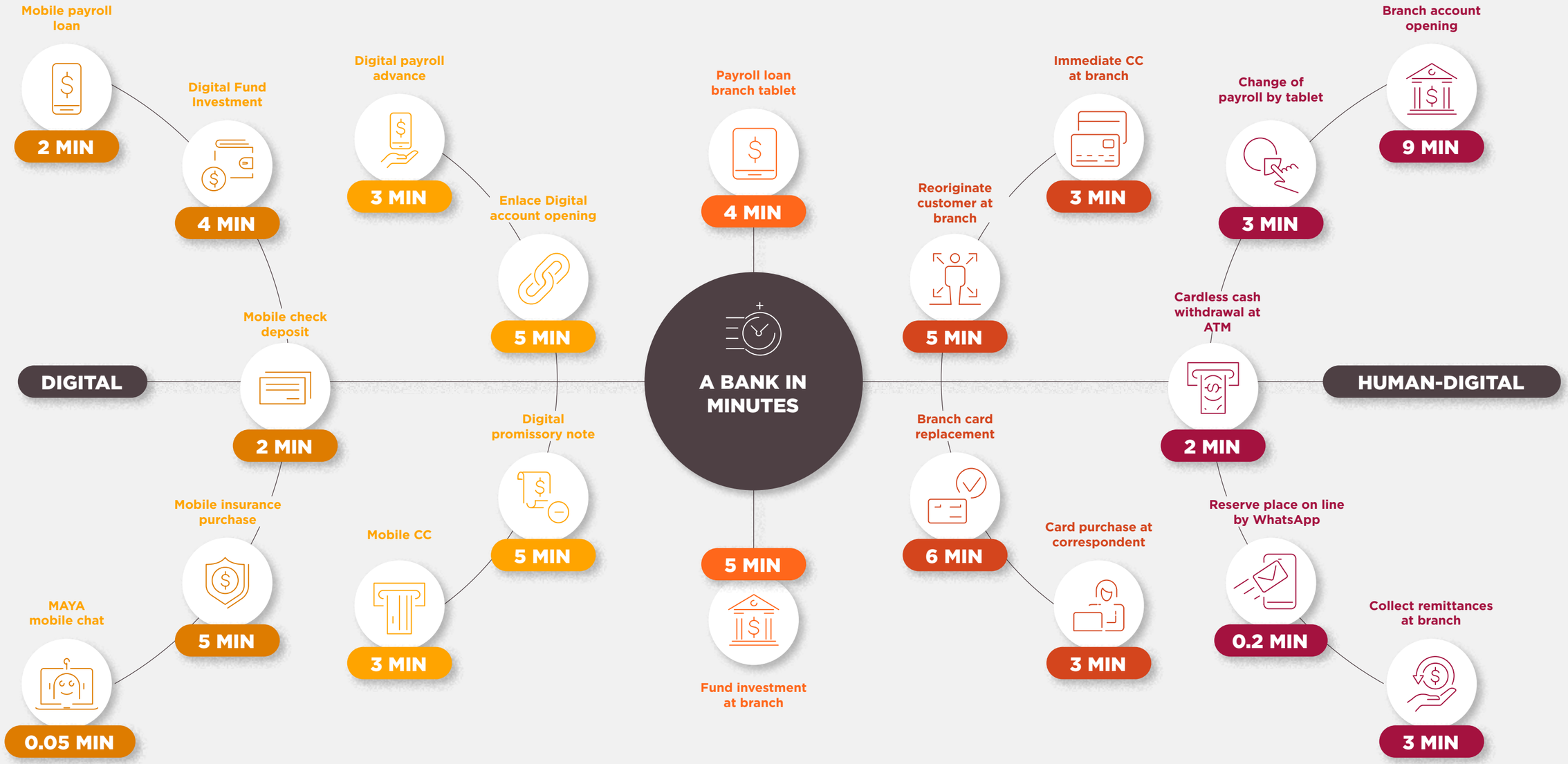
03

Innovation

Employees are aware that Banorte wants to lead the industry in customer experience, and although there are still areas of opportunity, they know that they are using the best tools and constantly looking for ways to improve their processes

A bank in minutes

We have become a bank in minutes, one that combines the advantages of the digital world with the warmth of one-on-one service optimization interactions with customers by offering them a better experience.



Service channels

GRI FS13

To serve our banking customers, we have an extensive service network available to them:

1,164
branches

19,782
correspondents

10,372
ATMs

197,216
POS terminals

We have the second largest ATM network in Mexico, with more than 10,300 ATMS, 95% of which have been modernized.

With our network of allies—our correspondents—we are bringing financial services closer to our customers, **with more than 19,000 contact points throughout the country**, with extended hours. At these points, customers have access to numerous financial services: cash withdrawals, account deposits, credit card and bill payments, 365 days a year, at low costs, opening up access in sparsely populated or lower-income areas.

We pioneered this process, which helped us to retain the preference of our customers. **In 2023 we increased the number of correspondent access points by 2%.**

Channel	2023
Branches Millions of transactions	**1,164** 133
ATMs Millions of transactions	**10,372** 633
Correspondents Millions of transactions	**19,782** 21
Internet-number of active customers* Millions of transactions	**6,686,640** 741
Mobile banking – customers served Millions of transactions	**5,742,816** 3,275
TPVs Millions of transactions Billing (MXNmn)	**197,216** 1,489 864,854
Call center, calls taken (million)	**49**

* Web, Mobile, BEB, SDB, Conexión Banorte, Peper, Apoyos Banorte

The number of municipalities covered by branches and correspondents is shown below:

	Number of offices	Municipalities covered	Percentage of municipalities covered
Banorte branch network	1,164	335	13.5
Banorte correspondent network	19,782	1,632	66.0
Correspondents located in municipalities with no Banorte branch	5,490	1,306	52.8
Correspondents located in municipalities with no bank branches	1,949	833	33.7

[1] Total municipalities in Mexico. 2,473. Source: **www.inegi.org.mx.**

[2] Municipal coverage of bank infrastructure in Mexico. Source: *Marco geoestadístico - Catálogo único de claves de áreas geoestadísticas estatales, municipales y localidades* (www.inegi.org.mx).

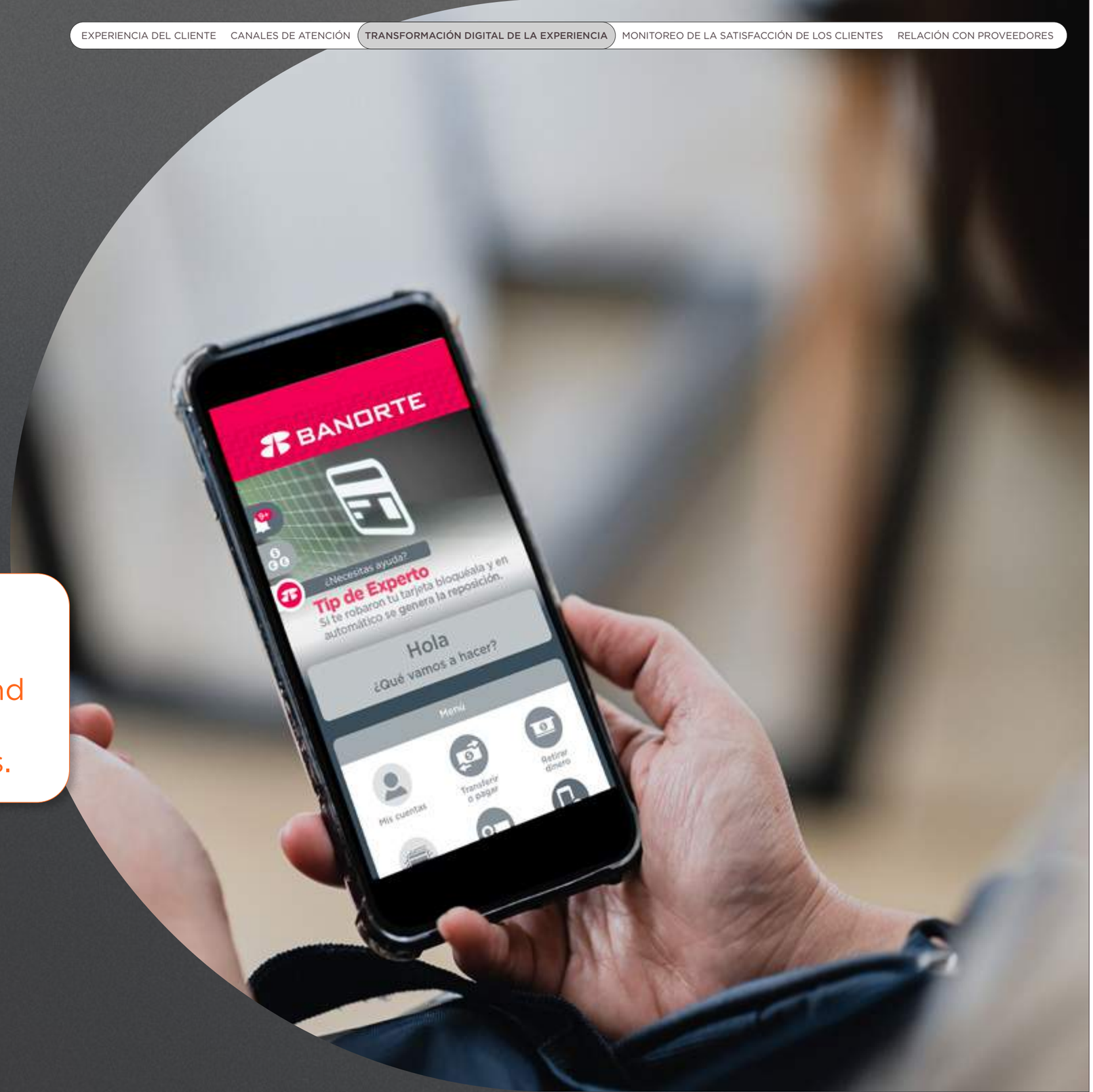
Transforming experiences digitally

We transform ourselves daily so that every person can make Banorte their own in a different way, whenever and wherever they want, with the perfect combination of purely human, human/digital, and purely digital interactions.

Human/digital experiences

A consistent connection with our customers allows us to create meaningful and emotional relationships in human-digital experiences.

Mass transformation through our collaborative cell model has accelerated strategic change and brought our customers great digital and physical experiences.



SCHEDULING BRANCH VISITS

Through innovative processes and technology, customers can now schedule their branch visits from their mobile phones, on whatever day and time they choose. In addition, during 2023, we made 70 million WhatsApp appointments, providing a pleasant experience for our customers.

Making branch visit appointments in advance has improved the customer experience rating by up to 19 NPS points compared to physical queuing.

70 million
WhatsApp appointments

IN-BRANCH ACCOUNT OPENING

In just nine minutes, customers can open an account at the branch, completely digitally, without handwritten signatures or printouts, through digital contracts. In 2023, we increased the number of account openings per day per branch from 2 to 2.5.

DIGITAL PAYROLL PORTABILITY

With the introduction of simple, 100% digital processes through tablets, we have made it easier to go where our customers need us, increasing from 1.8 to 17 payroll portabilities per month per branch.

CREDIT CARDS

In just three minutes a customer can have a credit card ready to use, and thanks to the transformation of human and digital processes, our rewards program, and personalized campaigns, we are now leaders in the relational NPS for credit cards, with a 46% annual growth in the placement of this product.

46%
annual growth in the placement of credit cards

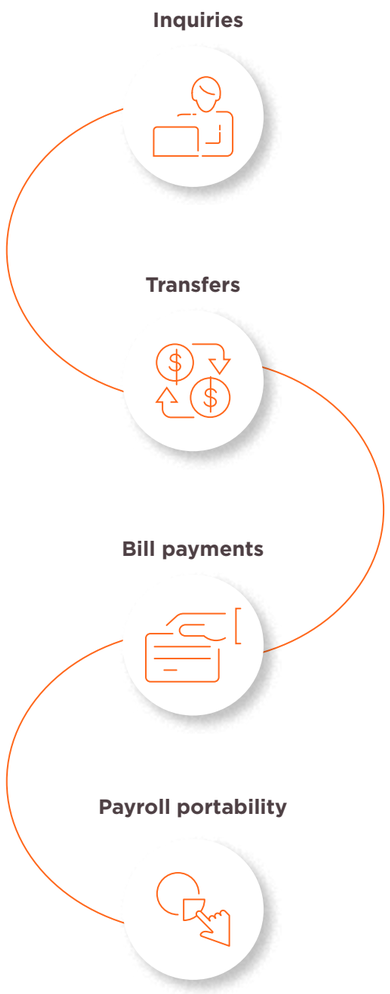
MORTGAGE LOAN

We know how important it is to begin building equity for our loved ones, which is why we've made it possible for customers to obtain a mortgage loan **in less than 24 days, and a pro-approval in less than 30 minutes. This has driven a 24% annual increase in mortgage placements.**

24%
annual increase in mortgage placements

Digital experiences

Thanks to the unstoppable transformation of our Mobile Banking, we now serve **over six million active customers**, handling **over 250 million monthly transactions** and offering more than 190 services:



6 million
active customers in our Mobile Banking

250 million
monthly transactions in our Mobile Banking

Our new mobile features like scheduled savings and layaways, which provide immediate fund access, have been highly praised by customers, with an NPS score of 93 and 200% growth in just four months.

93
NPS score and 200% growth

We pioneered secure, hassle-free digital product sign-ups, resulting in a consistent NPS score exceeding 83 each month.

In 2023, we listened to our customers and responded by revamping how they can invest in funds, creating an unparalleled digital experience and becoming the first Mexican bank to offer 100% digital fund investment options. This change boosted our NPS by 11% in just two months.

Customers like small business owners can also easily buy and sell investment funds and acquire promissory notes through our mobile app.

Our omnichannel approach extends to auto loans, available in-branch, via the Banorte mobile app, or with the help of a tablet-wielding executive. This, along with seamless commercial management, resulted in **a 60% year-over-year increase in auto loan placements.**

In transactional banking, we launched **60 high-impact initiatives** in:

- Payments
- Collections
- Payroll
- Investments
- Derivatives
- Markets

Notably, our unique Banorte Intelligent Treasury platform empowers customers with financial insights and short/long-term projections using artificial intelligence.

To provide preventive protection for our customer and settle unrecognized charges, **we streamlined our inquiry processes, with 83% of cases resolved in under two days.** Customers can now handle charge disputes from their mobile app within minutes, and we were also **the first bank to offer service guarantees for unrecognized charges, ensuring prompt reimbursement.**

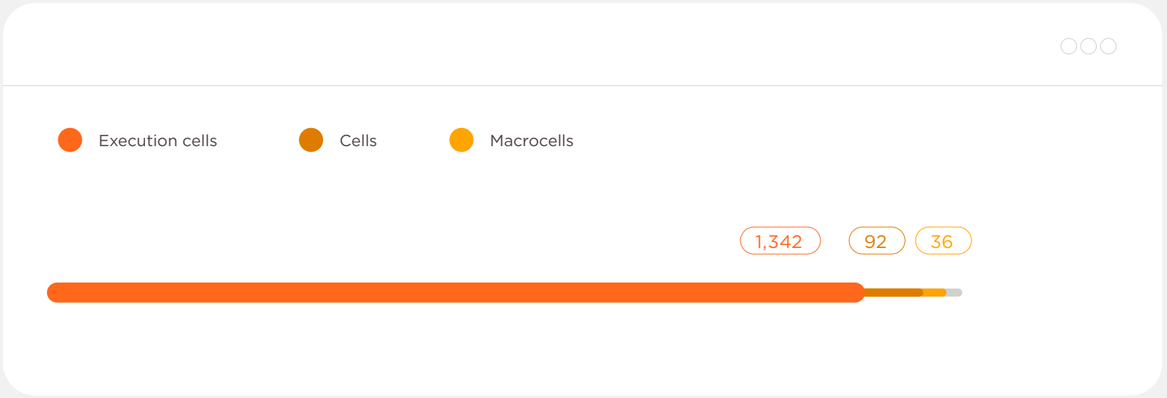
Work cells

This year we doubled down on our use of work cells as an innovative way to push our 123 Plan. These cells comprise more than seven thousand people, who generated 900 value deliveries per month, with 500 cells contributing to digitalization and more than a thousand branch cells.

900
value deliveries per month

This transformation would not be possible without the creation of multi-disciplinary, multi-generational teams. **Cells are work teams with a thorough knowledge of processes and business, and with a capacity for disruptive change.** They are the engine that keeps our transformation and innovation moving at top speed.

Creativity results naturally from the joining of talents and countless innovative ideas that, when brought together, trigger a ceaseless advance in customer satisfaction and process improvement.



Our collaborative cell model enabled us to be more agile during our transformation. In 2023 we had more than 1,200 execution cells working throughout the organization.

The cell model was particularly successful in the branch channel. Each branch is a cell, where every month strategies and tactics are devised to meet business goals and improve customer experience at the branch. These are the teams that decide on tactical actions for the micro-market, based on their in-depth knowledge of the branch's customers.

1,070
branch cells during 2023

To drive incremental disruptive innovation, we launched a program called INGENIO, whose core purpose is to foster an internal culture of collaborative innovation. Participants are encouraged to always be thinking of new ideas and proposing solutions to the various challenges that emerge over the course of the year. These ideas can then be turned into products or services that are highly useful to our customers and support Banorte's goals. Besides the ideas and proposals they come up with for development in their cells, employees will attend workshops and receive mentoring, to guide and empower their creativity.

Artificial intelligence and new technologies

Banorte pioneered the use of a virtual assistant in digital channels. Her name is Maya, and she not only handles request for information but can help in making monetary transactions. Thanks to Maya, we were recognized as one of the most innovative banks in the world in artificial intelligence.

Maya emerged on our path toward innovation. She is an emotionally responsive avatar that incorporates latest-generation technology and autonomous animation. To ensure we stay at the forefront of our industry in artificial intelligence, we conducted concept testing of generative artificial intelligence, with the aim of increasing productivity and efficiency, which ultimately improves the customer experience.

Today, **Maya Chat handles over 2.2 million messages per month through mobile and internet banking and our public website**. We have recently integrated Maya Chat into our digital banking for businesses and small and medium enterprises, expanding the coverage of information about our products and services for these segments.

Leveraging technology and artificial intelligence, we have added Maya as a virtual supervisor, benefiting our contact center executives and branch staff by providing support for specific operational issues, with more than 190,000 conversations logged each month.

Our ability to detect transactional and non-transactional events has allowed us to engage in real-time communication with our customers, tailored to their behavior and individual needs.

This transformation has been driven by new capacities we developed, which have enhanced our human talent and, at the same time, built capabilities that provide a stable backbone of technology and processes, making us an agile, secure, adaptable, flexible, collaborative, and innovative organization.

2.2
million messages per month through mobile and internet banking

190,000
conversations logged each month

Creating the future we want

GFNorte's Analytics Department focused its efforts in 2023 on **furthering our hyperpersonalization strategy, to better understand and serve every customer by offering them personalized experiences** that strengthen our value relationship. This hyperpersonalization is grounded in learning more about each customer's needs, working along four main lines:

01

Automation of AI-based models for online consumption and orchestration of the analytical infrastructure to scale hyperpersonalization strategies to large volumes of customers.

02

Robust statistical methodologies to measure the impact of hyperpersonalization strategies on customer value, so we can put in place agile continuous improvement processes.

03

Microsegmentation, to continually map the evolution of our value relation with customers and its growth potential.

04

Development of AI models to include SMEs in the hyperpersonalization strategy.

In this effort, coordination is crucial. We worked with various areas of the bank to orchestrate and incorporate advanced analytical, artificial intelligence, technology, risk and profitability tools, along with processes for managing campaigns, customer experience and the branch network, **to test and apply new strategies to boost added value creation for the customer.**

With the support of our technological and data infrastructure, along with the operationalization of machine learning solutions, we succeeded in scaling manual pilots into campaigns that incorporate massive amounts of information for an increasingly larger number of customers with a greater variety of offers and shorter execution times.

We also introduced statistically rigorous methodology for tracking and measuring the impact of hyperpersonalization across various aspects of customer value, such as:

01 Propensity to acquire additional products

02 Competitiveness with other institutions

03 Customer retention

04 Customer Lifetime Value (CLV)

05 Profitability

This methodology covers everything from defining control groups to tracking the effects and variations in these aspects over time, and developing dashboards for online lookup.

By tracking and measuring hyperpersonalization we discovered certain patterns and customer information that were useful in further refining our microsegmentation and customer value models. With this **we can better profile our customers and know in advance what value proposition to present to them, and achieve agile communication to listen, address their financial needs, and learn from their feedback.**

Finally, hyperpersonalization and the infrastructure created for individual customers have served as a significant foundation for **developing a wide range of artificial intelligence models for the SME segment, predicting trends in product acquisition and abandonment**. These models have proved essential for our development and implementation of the first pilots in this segment.

Customer satisfaction monitoring

Actively listening to our customers in real time and delving deeper through quantitative and qualitative studies gives us a guide and a focus on ways to improve service and strategies to improve products.

Besides the 14 active listening programs introduced in the bank's traditional channels since 2017, in 2023 we buttressed our "customer's voice" program at various service points:

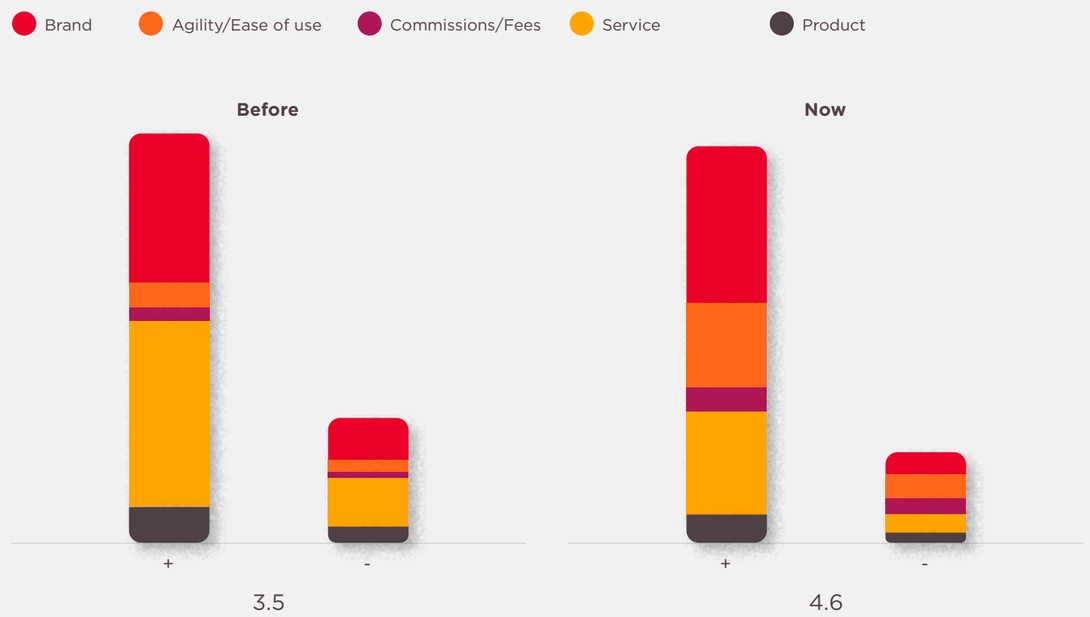
01 Account opening

02 Post-sale

03 Closure

This relates directly to the lifecycle of Banorte's deposit and lending products and solutions and has an impact on transformation of post-sale processes. The result has been an improvement of more than eight points in our NPS, and more than five points in the NPS when we also present a personalized offer during account opening.

SERVICE RECEIVED BY OUR CUSTOMERS



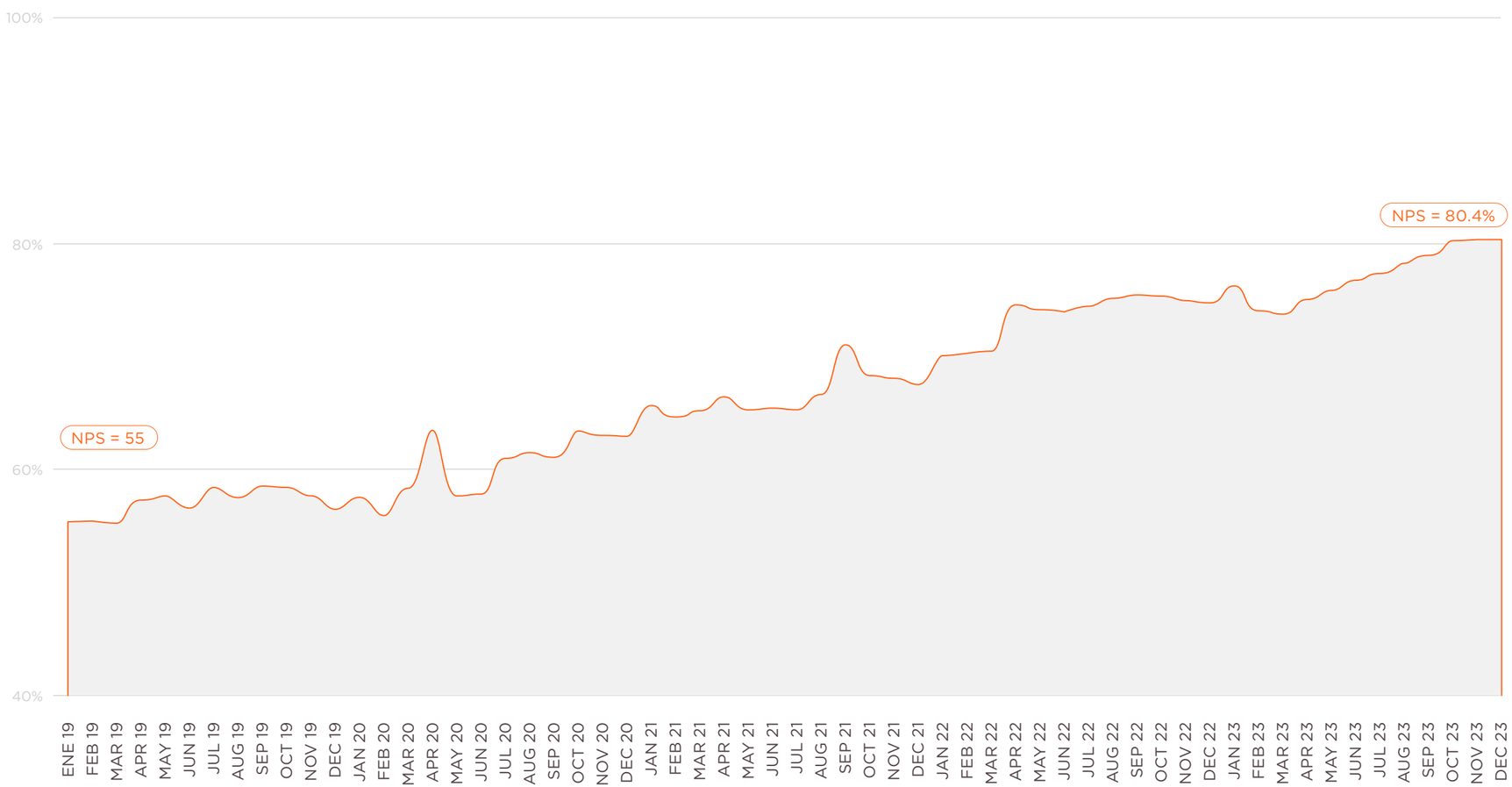
As we build the future, and especially in light of this year's personalization strategy, **we were encouraged by the overall NPS score of 80.4 achieved by Banorte**. This meets the goal we set forth in our 123 plan, leveraged chiefly on the balance between human and digital account and product openings by our customers.

Our high NPS score is a sign of the consistent attention and service customers receive, regardless of the channel they select. Today, we are producing "promoter" customers thanks to the bond they feel with the brand, their human experiences, and our user-friendly, agile and simple processes.

80.4
overall NPS score achieved by Banorte

OVERALL BANORTE EXPERIENCE

Our target: 80 points by 2023



Both digital and physical customer experiences show this pattern of trusted reliability: our NPS in physical channels has grown by more than 25 points, and in digital experiences by more than 20 points. Our unwavering focus on being the best at banking in the digital world has made us more competitive, **with recommendation levels among the highest in the industry and substantially narrowing the gap in the most representative episodes for customers**, from accounting opening to the use of savings and lending accounts.

25 pts
growth in physical channels

20 pts
growth in digital experiences

GROWTH IN NPS BY CHANNEL (2022 VS 2023)

Channel	Growth
Branches	+6
ATMs	+5
Call center	+8
Correspondents	-1
Insurance	+6
OB	+1
BEB	+3
SDB	-1
Mobile app	+1

BANORTE NPS IN STRATEGIC SEGMENTS (2023 VS 2022)

Segment	Growth
Preferred	+2
Businesses	+8

In the last three years, **customer turnaround from detractors (a score of 0 to 6) to promoters (between 9 and 10) in human-human experiences has grown significantly**, which we attribute to a program of detractor alerts by our branch executives. The average turnaround rate in these experiences is now 40% after their first experience.

Supplier relations

GRI 2-6, 204-1

At Banorte, we consider our suppliers strategic allies in our business. We want to do business with suppliers who are committed to our values, to ESG issues and to our country.

We contribute to local economies and job creation through the products and services we acquire from 1,756 suppliers, 97% of which are Mexican.

Since 2012, all of our new supplier contracts and renewals have included a clause stating that they recognize and apply the ten principles of the United Nations Global Compact.

In addition, as part of our value chain engagement, in 2023 **we sponsored and assisted three SME suppliers in applying for and obtaining CEMEFI's Socially Responsible Enterprise distinction.**

08

HUMAN CAPITAL

SDG

4, 5, 8, 16

GRI

2-7, 2-8, 2-19, 2-20, 2-30, 201-3, 401-1, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2

SASB

FN-IB-330a.1, FN-CF-270a.1

PERSONALIZING THE FUTURE WITH A GREAT TEAM

Training in diversity and inclusion

At GFNorte, we work through and for people. In a digital environment, we create meaningful human connections. **This includes offering a great work experience to our employees and remaining the best place to work.**

25%
women in management positions

51.2%
of our total employees are women

36
hours of training per year per employee

Labor demographics

GRI 2-7, 2-8, 2-30, 405-1

SASB FN-IB-330a.1, FN-AC-330a.1

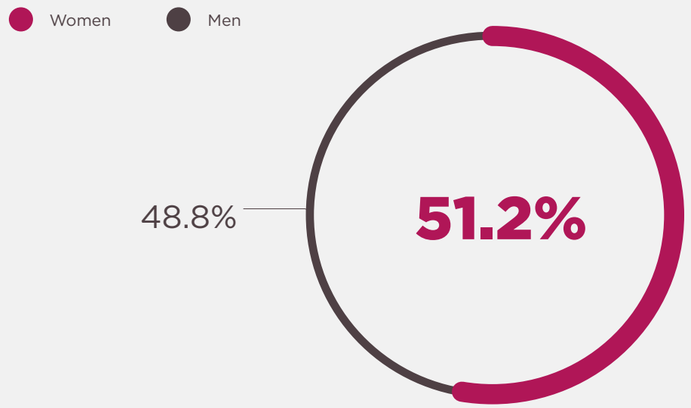
Today we exist in a highly challenging climate, one that is changing constantly and with permanent effects. In 2023, **our chief goal has been to build a flexible, resilient organization, so that we can face these changes while taking our organization's talent into account.**

Talent is our most valuable resource, which is why it is so important we understand their needs and priorities. We must provide optimum conditions for them to do their jobs better and to develop new skills and knowledge for adapting to the change around us, and we must foster a climate of more meaningful collaboration and cocreation with the organization, ensuring the motivation and commitment of our employees.

In 2023, **the GFNorte family consisted of 32,392 employees, 51% of them women**. All of them had permanent contracts and full-time jobs.

We are proud of our reliance on young talent: 34.4% of our team is under the age of 30. This vitality contributes to the extraordinary group of professionals who drive Banorte's continuing development.

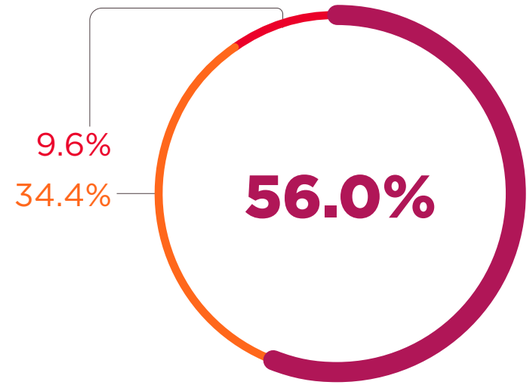
BREAKDOWN BY GENDER



* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

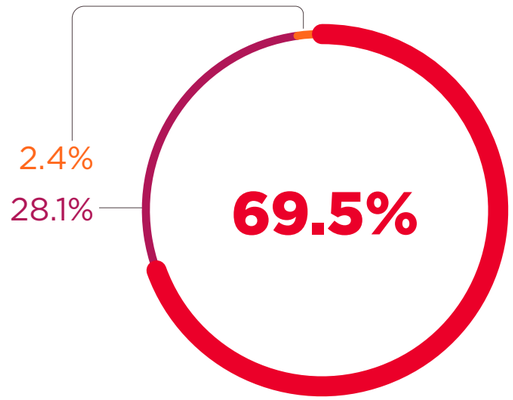
WORKFORCE BREAKDOWN BY AGE RANGE AND GENDER*

	Women		Men		Total
	Total		Total		
Under 30	5,801	35%	5,342	34%	11,143
30-50	9,468	57%	8,658	55%	18,126
Over 50	1,323	8%	1,800	11%	3,123
Total	16,592		15,800		32,392



WORKFORCE BREAKDOWN BY CATEGORY AND GENDER*

	Women		Men		Total
	Total		Total		
Senior management	200	1%	598	4%	798
Middle management	4,035	24%	5,058	32%	9,093
Operations	12,357	75%	10,144	64%	22,501
Total	16,592		15,800		32,392



* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

BREAKDOWN BY NATIONALITY

Nationality	Employees	%
American	23	0.08%
Argentine	3	0.01%
Brazilian	1	0.004%
Canadian	8	0.03%
Colombian	17	0.06%
Danish	1	0.004%
Slovak	1	0.004%
Spanish	2	0.01%
French	1	0.004%
Moroccan	1	0.004%
Mexican	28,315	99.71%
Peruvian	1	0.004%
Venezuelan	24	0.08%
Grand total	28,398	100%

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Union

Banco Mercantil del Norte has a collective bargaining agreement with the Sindicato Nacional de Trabajadores de Banorte since 1992. This agreement covers all the obligations of labor and management and regulates Banorte's relations with its union. As required under the current labor law, the agreement is registered with the Federal Center for Conciliation and Registry and is reviewed every year with regard to salaries, and every two years for general aspects. José Carlos Torres García is the general secretary of the Union which is made up of employees of the institution itself.

	Total
Total employees	32,392
Union members	9,872
Percentage of employees unionized	30.5%

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuitie

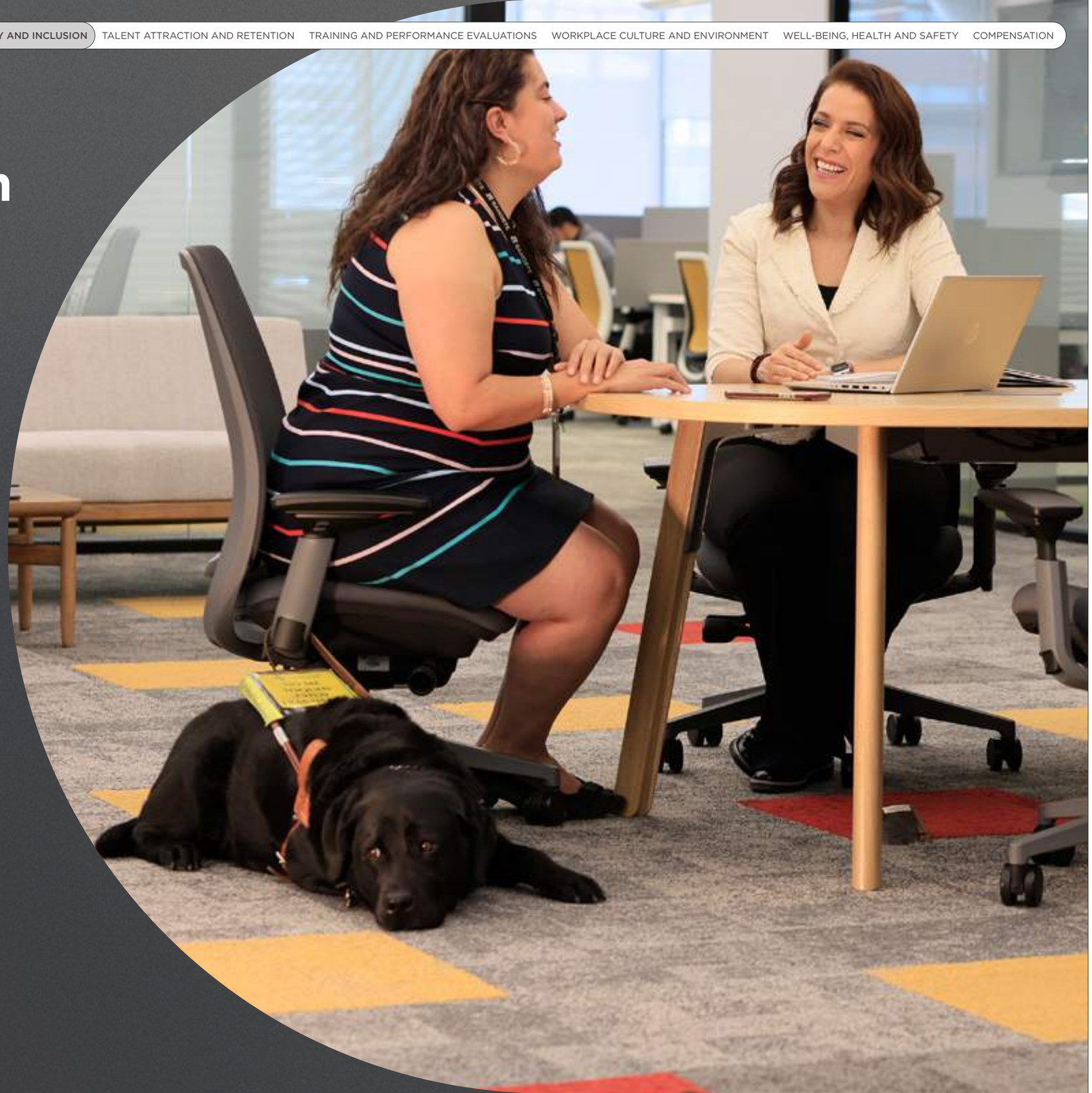
Diversity, gender equality and inclusion

GRI 3-3, 401-3

SASB FN-IB-330a.1

In pursuit of our goal of being the best place to work, GFNorte promotes a diverse, inclusive, participative, meritocratic, and high-performance culture for all our employees, allowing talent to thrive and be valued for their differences, creating a workplace environment of innovation and productivity.

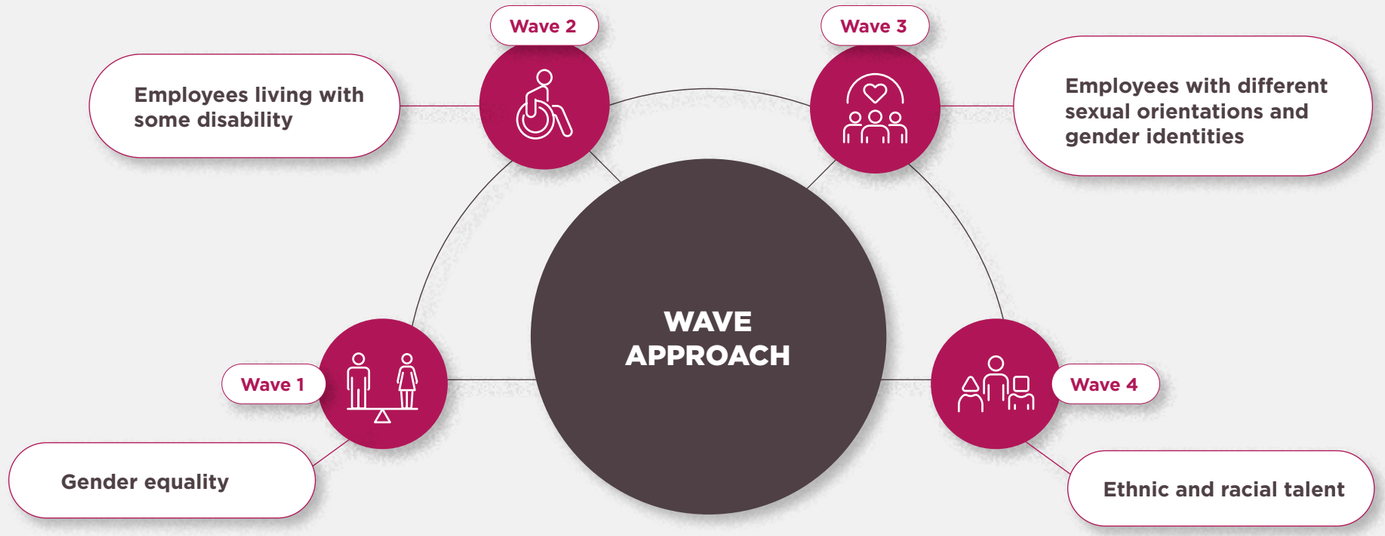
51% of our employees are women, with 25% in leadership positions.



We are members of the Mexican Banking Association's Diversity and Inclusion Committee, spearheading concrete action to promote gender equality in the financial sector. We have also begun initiatives for the inclusion of talent with disabilities.

In 2023, our Subcommittee on Diversity, Equality and Inclusion set the course of action to foster an inclusive culture through initiatives and programs for Banorte employees.

WE HAVE A STRATEGY BASED ON FOUR WAVES, CENTERED AROUND THE FOLLOWING THEMES:



This year's focus was continuing work on wave 1, gender equality, and beginning wave 2, which addresses initiatives for employees with disabilities.

Gender equality indicators

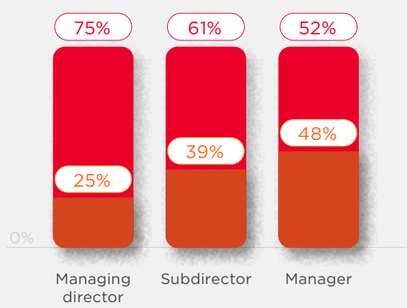
GRI 405-2

The Subcommittee on Diversity, Equality and Inclusion defined a set of gender equality indicators so that we can monitor our progress on this topic. In 2023, the indicators were as follows:

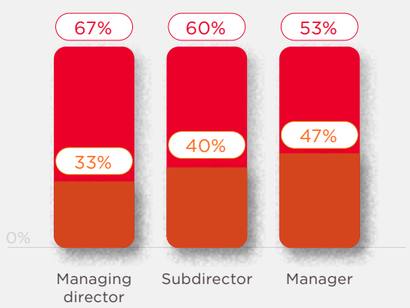
DEI INDICATORS

Women · Men · Women/Men

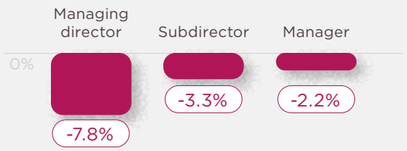
% of gender equality in the workforce



% promotions per year by job category



Equal payment in similar roles (salary gap)



Complaints of gender harassment or discrimination resolved

** Source: EthicsPoint*

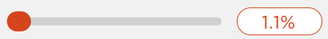
7/7 cases

(0.02465% of the total workforce)

% of women who returned to work after maternity leave

(437 de 462)

% of women who left the organization due to gender issues



del total de las bajas

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Awareness-building sessions

To increase awareness about diversity, equity, and inclusion topics throughout the organization, a set of virtual sessions were offered through the *Banorte Contigo* platform. In March, to commemorate Women's Month, we offered 13 sessions where women leaders from within and outside of Banorte were the main speakers.

A total of seven sessions were conducted, attended by 5,899 employees.

Covering topics such as:

01 Motherhood and work

02 Inclusive recruitment process

03 Shared positive fatherhood

04 Managing an inclusive culture

05 Inclusion perspective: impact on companies

WOMAN-ON WORKSHOP

Over the course of the year, initiatives were carried out to promote gender equity and close the gender gap in leadership positions, while raising awareness about the role of women in the organization. We designed and gave three online sessions of a workshop called Woman-ON, covering topics such as personal branding, effective communication, networking, and life purpose.

In these sessions, women directors and subdirectors shared with other female employees their career paths, experiences, and the advice that had helped them grow within the organization. The workshop was attended by more than 300 women, and its impact is reflected in the fact that participants "recognize the significant female talent within the organization and how women can support each other in advancing their careers."

+300
women attended the workshop

MAMÁ BANORTE PROGRAM

In commitment to all the women who become mothers during their careers at GFNorte, we continually monitor the reinstatement rate of women after maternity leave. In 2022, it was 94.3%, and in 2023, it was 94.6%. These results guide us in our efforts to encourage more working mothers to pursue their careers within the institution.

In July of this year, working together with a specialized coach, we created a pilot program of personal support, where pregnant employees could receive guidance for their main concerns before taking maternity leave and upon their return. After the pilot ended, we identified other topics of great interest and strengthened the program, including group sessions where we share the benefits of GFNorte during this stage of life, and address questions about the process within the institution.

94.6%
reinstatement rate of women after maternity leave

INCLUSIVE MANAGEMENT WORKSHOP FOR HUMAN RESOURCES LEADERS

In January 2023, a workshop was organized for staff of the Human Resources department, in which 50 leaders spoke to them about the impact of diversity issues in the workplace from a strategic business perspective.

This workshop helped raise awareness about the key role played by the entire Human Resources department in fostering an inclusive culture.

INCLUSION OF DEI TOPICS IN LEADERSHIP PROGRAMS

We install awareness of DEI topics from the highest echelons of leadership on down, and we have included these issues within our leadership programs, because we consider mastery of these topics essential for a Banorte leader.

INCLUSIVE RECRUITMENT

It is our conviction that talent recruitment should be free from any biases or stereotypes. This past year we introduced a four-session workshop on best practices for inclusive recruitment and selection, to raise awareness about the active role recruiting and selection can play in strengthening diversity and inclusion at GFNorte.

Additionally, we continue to encourage the inclusion of at least one female candidate in all executive recruitment shortlists, and the use of diverse selection panels to reduce bias in decision-making.

INCLUSIVE AMBASSADORS

We identified key men and women directors within the institution and held a kick-off workshop in November to appoint them as agents of change to promote and communicate DEI actions and initiatives with their teams.

Talent attraction and retention

As a financial institution, in addition to providing a unique experience to our customers, GFNorte firmly believes that this experience should also be felt from within. That's why we are convinced that employees' experiences have fundamental value in spreading our culture of service, and this experience begins even before they sign their contract. In 2023, we deployed a series of efforts at key moments in employees' journeys, renewing and reinforcing the strength of our employer brand.

A defining characteristic of the bank's workforce is pride in belonging to this organization. Our people value being part of a successful, stable, 100% mexican organization.

Employer brand: our calling card for talent

To attract the best talent, we want to be there from the moment a prospective hire first begins to envision their career, and this means creating memorable experiences at key moments in their lives. Our programs were designed not just to stir the interest of potential recruits but also to consistently communicate the values by which GFNorte has reinvented itself as an institution, and let them know that we are aware of the challenges that move the younger generations.

Young Talent Program

More than any other group, young professionals are in a position to put into practice what they have learned in the classroom as they begin their careers.

GFNorte believes in and invests in this talent, and in 2023, we invited 129 students from various bachelor's and engineering degree programs at the country's leading universities to participate in active projects in various areas of the bank related to their careers.

OVERVIEW OF INTERNSHIP PROGRAM PARTICIPANTS

● Number of students

Interns by gender

Men
70

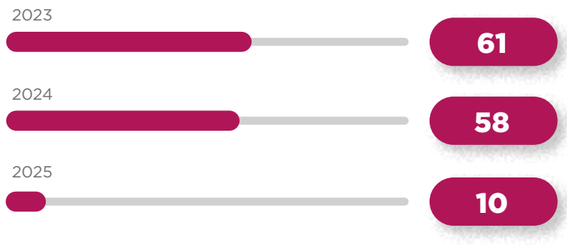
Women
59

Participating universities

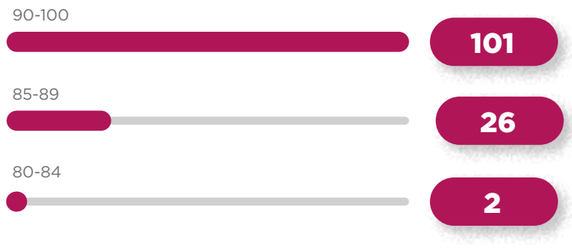
ITESM
72

Other
57

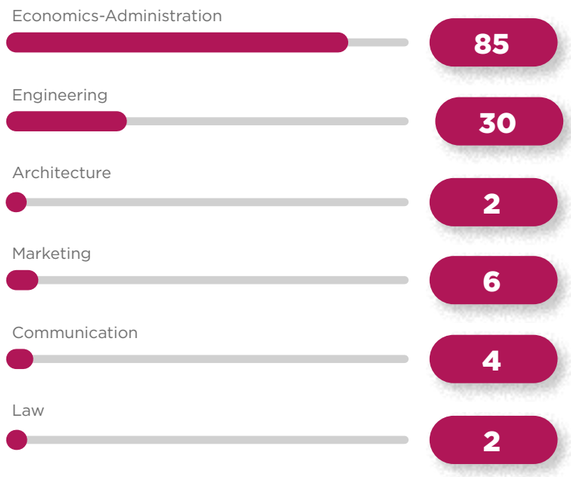
Graduation year



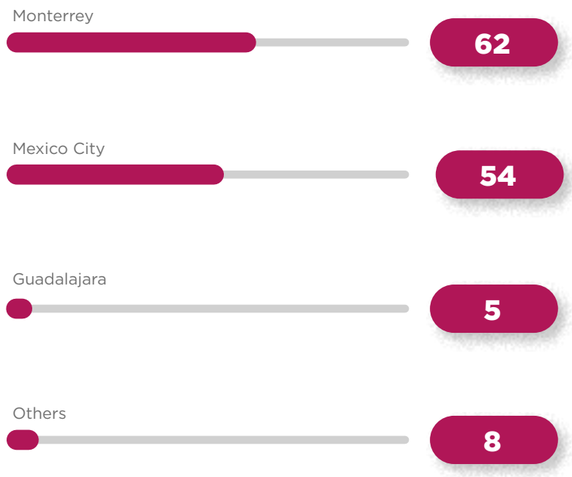
Grade averages



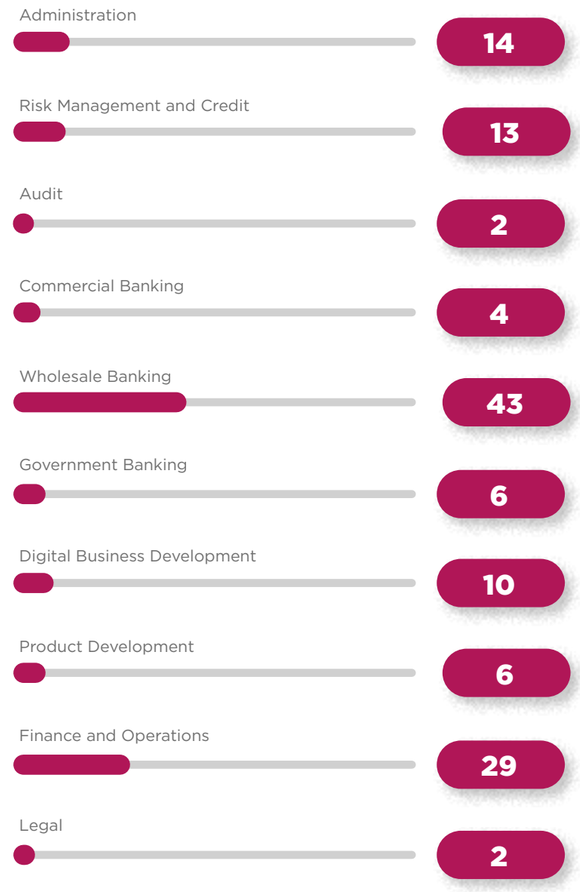
Participating degree programs



Participating cities



Participating departments



* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

2023 BANORTE HACKATHON

Last year we held our first Banorte Hackathon, an event in which we challenged university students to come up with solutions for banking in the future. **More than 200 students came together, organized into 49 teams from various universities like ITESM**, Instituto Tecnológico de la Laguna, TEC Milenio, Universidad Autónoma de Nuevo León and the Instituto Tecnológico de Piedras Negras, among others. Each team presented their proposed solution to mentors and GFNorte executives, and the three best proposals received a recognition and a cash prize. The proposals were developed in response to the following challenges presented by GFNorte:

- How to create a human-digital bank
- Redesigning Banorte's webpage with generative artificial intelligence
- Creating a virtual assistant with artificial intelligence

Academic partnerships

We want to be present as an employer of future talent from the moment they begin their studies in the most prestigious institutions. We want to understand their priorities so we can create an attractive work environment. In 2023 we continued to work under an initiative we formed with ITESM for the professional advancement of its students.
These are:

Banorte Lectures

Banorte executives share their knowledge and experience in the classroom, furthering students' education and giving them a look at what it's like to be part of the great Banorte family. **This year, 23 lectures were given to more than 500 students.**

Professional Internships

Banorte values the contribution of the new generations and shows them how the fresh approach of their vision and their new knowledge can complement the solid experience of those who built the bank's reputation and results. In 2023, **we had 71 ITESM students working here, 55% of the entire Young Talent program.**

HackMty 2023

In an increasingly digital world, technological qualifications for handling the new responsibilities that are necessary today have become a priority. Qualified professionals seek flexible and open work environments, where trial and error are encouraged. They look for environments where collaborative work thrives in more horizontal, agile organizations.

Banorte is evolving in this direction and participated for the fourth time in the HackMTY event organized by ITESM, **where we received 56 teams (47% of the total) with the challenge "Develop an Investment Coach with Artificial Intelligence."**

NATIONAL FINANCE CONGRESS

Banorte was invited for the second time to act as the primary sponsor of this congress, organized by the Society of Undergraduate Finance Students of ITESM, and held at EGADE Business School. Our talent recruitment team participated in the event, offering information to participants on the Young Talent program and the professional opportunities available at GFNorte. We also welcomed the participation of Banorte's Adjunct Managing Director of Economic and Financial Analysis, Alejandro Padilla, who shared his presentation on "Mexico as a point of international investment."

TRAINING PARTNER CHALLENGES

We participated as training partners to develop three challenges that encouraged learning and skill building among business majors at various ITESM campuses. Some 240 students took part in the following challenges: Evolution of bank statements in Banorte Móvil, Market Study: Digitalization for the Elderly, and Multidisciplinary Cultural Project.

240
students participated

SOCIAL MEDIA

Successful content strategies were deployed, offering job opportunities, resulting in the addition of 18,915 new followers on our **Banorte Talent Facebook** profile, concluding with a total of 87,850 followers in 2023. Additionally, we reached a total of 232,000 followers on LinkedIn, the most widely used professional platform.

18,915
new followers

JOB FAIRS

In 2023, we participated in 27 job fairs: 21 in person and 6 virtually, at leading universities in Mexico, such as ITESM, Universidad Autónoma de Nuevo León, Universidad Autónoma de México, Instituto Tecnológico Autónomo de México, and Universidad Anáhuac, among others.

27
job fairs

Integration and Talent Retention

GRI 401-1

The onboarding of new employees is an important part of Banorte's culture. Through in-person and virtual welcome sessions called "¡HOLA!" we provide them with necessary information about our vision, mission, and values, as well as benefits, structure, and other topics to ease their entry and ensure they feel welcomed.

In 2023, through our work cells, we introduced new processes to make onboarding more efficient, like agile delivery of equipment and swift delivery of the work tools each employee needs, from their first day at work.

COVERAGE BY GENDER AND GENERATION

External Internal

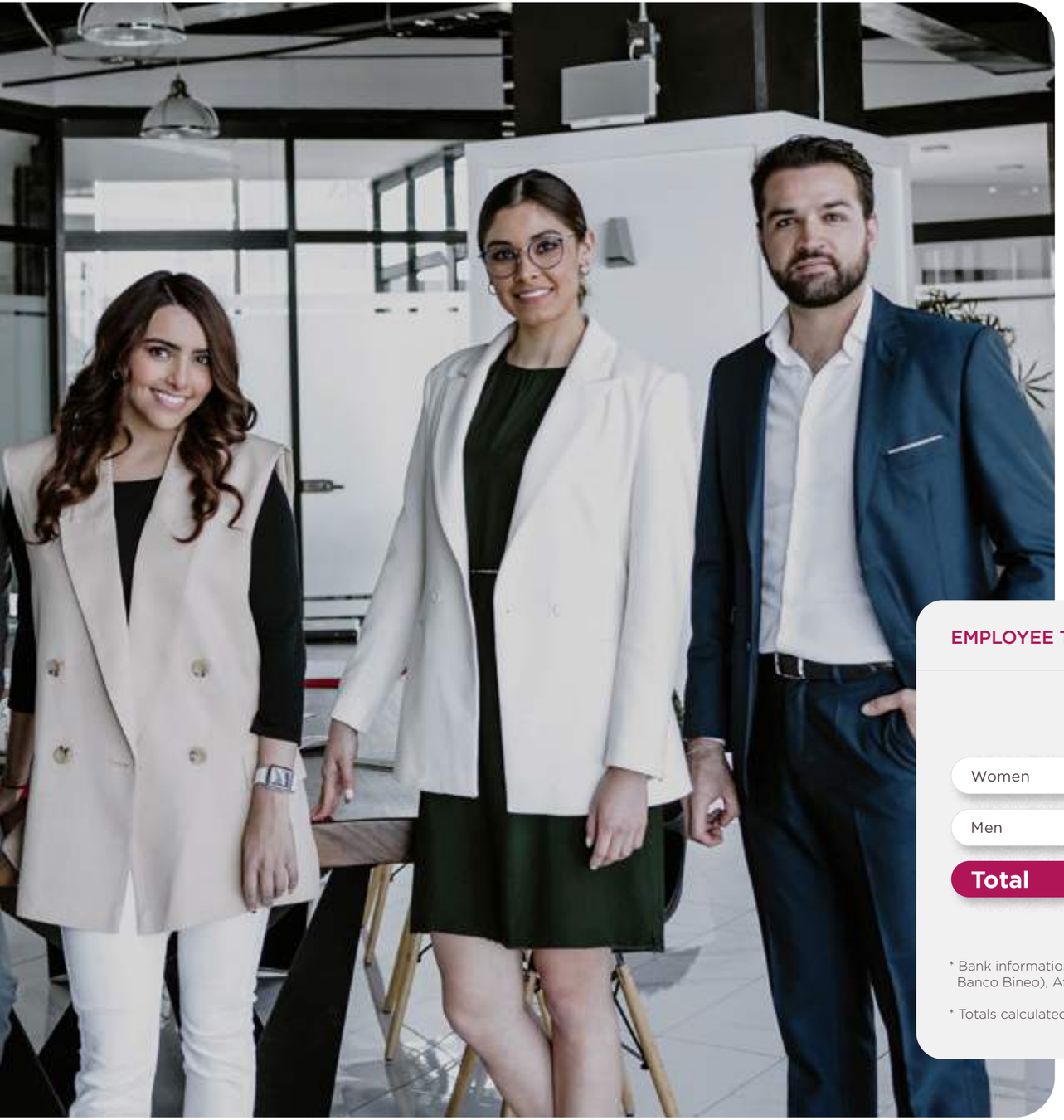
	Baby Boomers		Generation X		Millennials		Centennials		Total
Managing Director	-	4	8	32	14	37	1	1	**97**
Subdirector	-	9	38	78	108	220	26	32	**511**
Manager	1	5	71	124	344	663	221	222	**1,651**
Operating	12	4	286	138	1,610	2,136	4,773	3,355	**12,314**
Total	13	22	403	372	2,076	3,056	5,021	3,610	**14,573**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

NUMBER OF HIRES

	Bank	Insurance and Annuities	Afore	Total
Women	3,639	99	354	**4,092**
Men	3,874	157	301	**4,332**
Total	7,513	256	655	**8,424**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities



Turnover

In 2023, our turnover rate remained healthy, clear evidence of the actions taken by the Human Resources department to create a better place to work. We closed 2023 with a total turnover rate of 20.1%, and an involuntary turnover rate of 14.8%. The branch segment is crucial for us, and currently, we have one of the lowest turnover rates in the financial sector, closing 2023 at 11.7%.

Our highest turnover was once again among executives in the Contact Center and sales and service promoters, where in-depth analyses have been conducted to identify actions to retain more of this talent.

EMPLOYEE TURNOVER

	Bank	Insurance and Annuities	Afore
Women	18.9%	5.4%	35.7%
Men	21.5%	7.1%	38.1%
Total	**20.2%**	**6.3%**	**36.9%**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

* Totals calculated by average

Talent development

LEADERSHIP FOR THE FUTURE

At the heart of our mission is the constant drive to develop responsible leaders, endowed with the skills and know-how to understand the priorities and expectations of the business and our employees. We want leaders that not only understand but align their teams toward a shared vision of the future. This commitment will in turn drive the continuing generation of business, and will become an integral part of GFNorte's culture.

We provide comprehensive evaluations to all executive levels in the organization, identifying their strengths and areas of improvement. 2023 was a landmark in this regard, with our continuing investment in developing and empowering key talent.

These efforts were evident in growing commitment and work satisfaction, personal growth and a richer trajectory. Through training initiatives, we seek to align our leaders' skills and knowledge with GFNorte's ideal profile, preparing them to lead with confidence and efficacy. At the same time, these efforts build a solid base of highly qualified, adaptable key talent.

In 2024, GFNorte will continue strengthening its overall environment of growth and opportunities, where talent is not only recognized but empowered to achieve goals and targets and can achieve sustained advancement.

> We reaffirm our commitment to fostering a culture of self-development while creating experiences that enable leaders to contribute to the bank's transformation.

KEY TALENT MAPPING AND SUCCESSION PLANNING

We have improved our talent mapping by leveraging technology, analytics, and data science, so that we can accurately identify employees who will be the driving force behind our transformation. This approach enables us to anticipate future talent needs, ensuring that key roles are filled by exceptional leaders who are already familiar with GFNorte's values and goals.

For employees that are found to have the required qualifications and potential, we have designed customized succession and personal development plans that align with our business objectives and strategy. The aim of these plans is to ensure business continuity through a seamless leadership transition that strengthens the organic growth of the Group.

> GFNorte has its sights set on future horizons, and anticipation and preparedness define our talent management approach. This strategy is an opportunity to innovate and build capacities in our institution.

LEADERSHIP PROGRAMS

Because we know that our leaders' development is a vital and integral part of the Group's transformation strategy, we prioritize continuous specialized programs. These not only focus on critical skills that we have already identified, but also incorporate a forward-looking perspective.

This approach ensures that our leaders are equipped with the necessary technical skills and a mindset and values aligned with our institution's vision and the principles of equality, diversity, and inclusion.

100%
of deputy managing directors have a defined development plan

Confirmed talent pool for
100%
of senior management (deputy managing directors/executive directors)

PROGRAMAS

Women | Men | Total

Adjunct managing directors

- **Individual development programs**

Women	Men	Total
3	24	**27**

Executive directors

- **Leadership in transformation, innovation and agility**
  - IPADE

Women	Men	Total
4	18	**22**

- **Executive coaching**

Women	Men	Total
2	3	**5**

Area directors

- **Leadership in transformation, innovation and agility**
  - IPADE

Women	Men	Total
21	60	**81**

- **Managing people**
  – IPADE

Women	Men	Total
17	41	**58**

- **Strategic approach**
  – IPADE

Women	Men	Total
16	40	**56**

- **Executive coaching**

Women	Men	Total
10	9	**19**

Subdirectors

- **Talent accelerator**
  – IPADE

Women	Men	Total
33	32	**55**

- **Leadership and online enterprise**
  – ICAMI

Women	Men	Total
84	138	**222**

- **Transformational leadership**
  – Harvard

Women	Men	Total
61	86	**147**

- **Executive coaching and coaching for women's leadership**

Women	Men	Total
11	2	**13**

Managers

- **Management skills**
  LIVE – ITESM

Women	Men	Total
260	251	**511**

- **Digital Transformation**
  Program– ISDI

Women	Men	Total
37	32	**69**

- **Coaching for career development and key talent**

Women	Men	Total
66	59	**125**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Training and performance evaluations

GRI 404-1, 404-2, 404-3

What we have learned repeatedly from our environment is that change is the only constant. The capacity to adapt rapidly has become fundamental, and we must always be open to learning, to face new challenges that require agility, innovation and assertiveness. This reality has prompted us to rethink how we develop our talent, seeking out a more proactive approach and above all, proposing a new culture of continuous, interactive learning, more practical and personalized.

INVESTMENT IN TRAINING 2023 (MXN mn)

Leadership techniques	$139.08
AMIB certifications	$12.54
Regulatory issues	$16.81
Digital platforms	$19.09
Scholarships	$20.41
Total	**$207.93**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

AVERAGE HOURS OF TRAINING

Women Men

	Bank		Insurance and Annuities		AFORE	
Senior management	32	31	32	31	64	17
Middle management	41	41	31	28	22	16
Operations	37	36	25	25	25	19

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

Implementation of the skills model

Our performance evaluation model is continually evolving, and at the moment we are actively working to develop talent that can effectively manage teams and introduce, to the extent possible, new agile technologies to their daily work, to encourage innovation and pursue individual and group goals.

This requires leaders with the skills and behaviors needed to set clear, quantifiable targets for every member of their team. It also means placing a priority on cell-based collaboration throughout the organization so we can focus on the strategy of keeping the customer at the center of everything we do, generating interconnections with the various collective groups that make up the bank.

PERCENTAGE OF EMPLOYEES WHO RECEIVE PERFORMANCE EVALUATIONS, BY JOB CATEGORY AND GENDER

Women Men

	Bank		Insurance and Annuities		AFORE	
Senior management	100%	100%	100%	100%	27%	19%
Middle management	100%	100%	97%	97%	44%	47%
Operations	79%	76%	82%	84%	28%	32%

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

Standardized schools for central and business areas

To propel new learning habits, we need to develop more engaging, practical, and personalized content, tailored to the different needs and priorities of various business areas. To this end, **in 2023, we designed and introduced three schools:**

1. Wholesale Banking School

Aligned with the strategic projects of the business, the Wholesale Banking School offers specialized study plans for each role in corporate and transactional banking. Its course offering includes over 100 hours of content covering various topics focused on business operations, such as credit and finance, service models, processes and systems, or products and services. It also offers specialization courses in portfolio recovery, restructuring and financing, investment project evaluation, among others.

+600
employees trained

2. Credit and Risk School

Benefits employees from specialized areas in our institution. Its main objective is specialized training in credit analysis and risk topics, advanced analysis tools and systems, and others.

+550
employees trained

3. Commercial and SME School

Focused on optimizing advisory and customer service functions, prioritizing content and providing a progression in product knowledge and promotion. It offers differentiated content for each segment of the sales force.

+13,000
employees trained

Meritocracy, the Engine of Growth

At Banorte, we adhere to the philosophy of equal opportunities and evaluate talent objectively, recognizing, valuing, and respecting the contributions of each employee. In September, we sponsored a talk entitled **"Growing at Banorte: Development Opportunities"** explaining the concept of meritocracy and sharing best practices with employees for using the development opportunities module. Tips for creating a résumé and recommendations for a successful interview were also offered.

As a result of these initiatives, there were 8,581 relocations in the organization last year, 92% of which were promotions and 8% were lateral moves, supporting the overall advancement of our people and showing the kind of strong support we as an organization provide to their professional careers.

INTERNAL PROMOTIONS 2023

	Women	Men	Total
Managing Director	21	43	64
Subdirector	125	187	312
Manager	417	479	896
Operating	3,386	3,277	6,663
Grand total	3,949	3,986	7,935

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

INTERNAL AND EXTERNAL COVERAGE

Internal | External | Gran Total

	Internal		External		Gran Total
STAFF					
Managing Director	77	77%	23	23%	100
Subdirector	297	64%	167	36%	464
Manager	965	61%	620	39%	1,585
Operating	1,346	53%	1,206	47%	2,552
Grand total	2,685	57%	2,016	43%	4,701
BRANCH					
Subdirector	44	90%	5	10%	49
Manager	58	77%	17	23%	75
Operating	2,793	64%	1,597	36%	4,390
Grand total	2,895	64%	1,619	36%	4,514
SPECIALIZED SALES FORCE					
Operating	88	9%	947	91%	1,035
Grand total	88	9%	947	91%	1,035
CALL CENTER EXECUTIVES					
Operating	2,931	50%	2,913	50%	5,844
Grand total	2,931	50%	2,913	50%	5,844

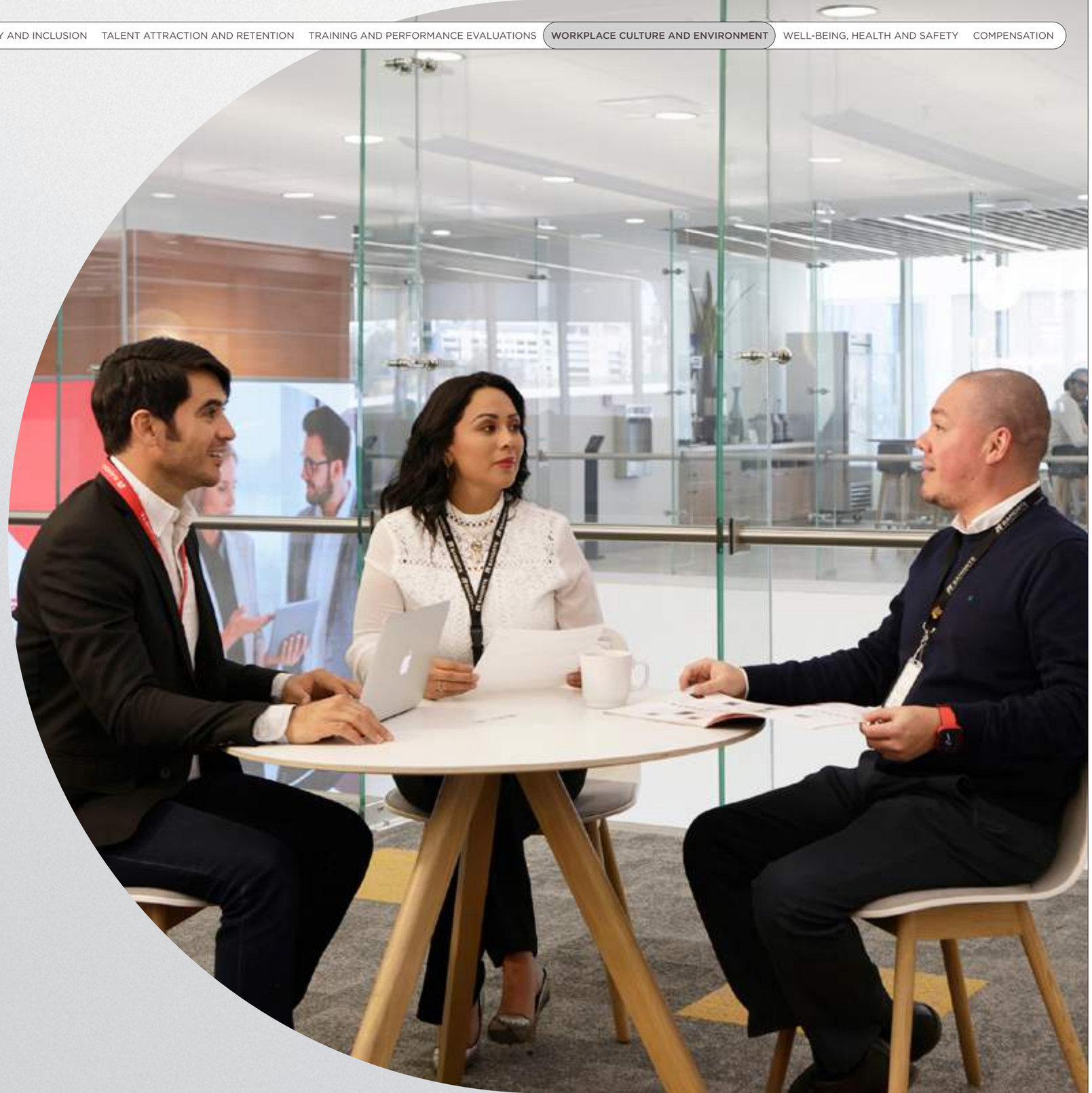
* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Workplace culture and environment

Boosting talent to the next level

We have leveraged the lessons of the years following the pandemic, making ourselves more resilient, more responsive, with the GFNorte's ever-present strategic vision as the vital axis of our initiatives.

We assume at all times that the focus must be constant and comprehensive, results-oriented but mindful of the environment in which these results are achieved.



Organizational Culture

The values, beliefs, and behaviors that define our work ethic are a reflection of our GFNorte's culture, aimed at fostering healthy and productive work environments that, in turn, promote recognition, effort, and a job well done. We are a diverse, inclusive, participative, meritocratic, and high-performance organization.

We focus on people and their potential; therefore, our diversity is an integral part of our talent, and our values—respect, responsibility, loyalty, solidarity, and innovation—are the lodestar for our actions.

To this end, we continuously monitor our employees' perceptions, emotional state, health and commitment, along with aspects of the work environment such as leadership, communication, and team dynamics. The findings inform specific actions that drive a constant cycle of improvement.

GPTW Survey

In September 2023, we conducted the Great Place to Work (GPTW) survey to diagnose our work culture and climate, achieving the highest response rate ever (80%) **with the participation of 21,874 employees across the nation, as well as the highest average result in GFNorte's history, 84.4%.**

GFNorte's application of this study is a sign of our commitment to actively and continuously listen to our employees to remain a great place to work.

THERE ARE FIVE KEY DIMENSIONS OF THE GPTW METHODOLOGY:

Credibility

Employees' perception of whether leaders provide appropriate information, their competence in leading the organization, and the consistency of their actions.

Respect

Employees' perception of the support they receive from leaders, their willingness to collaborate with them, and being considered as individuals, not just as workers.

Fairness

Their belief that leaders treat people fairly and impartially and promote meritocracy rather than favoritism.

Pride

A sense of satisfaction as employees perceive that their work is meaningful, has value and makes a difference in the organization; pride in their team's achievements and a sense of appreciation for the company, its brand, products and services, and its philanthropic contributions.

Camaraderie

The perception that genuine relationships have been forged with coworkers; an environment where they can enjoy themselves, celebrate company and personal events, and see themselves as part of a great team, creating an exceptional work atmosphere.

GFNorte's results were positive in every dimension, demonstrating a high level of satisfaction among employees regarding work culture and environment. **Our indicators are as follows:**

Context

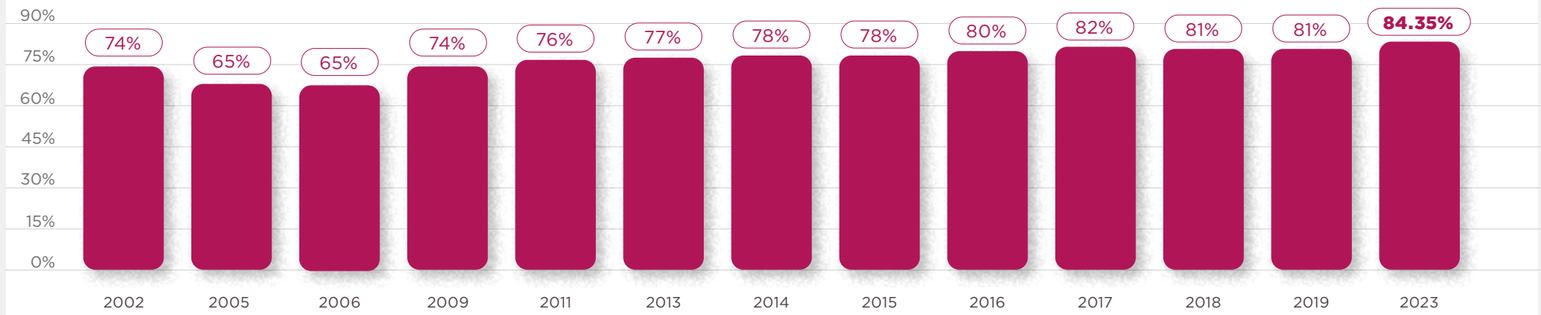
In 2002 we began measuring our organizational climate through the Great Place to Work (GPTW) survey. Between that year and 2019 we completed 12 measurements.

2019 Last year GPTW survey was applied

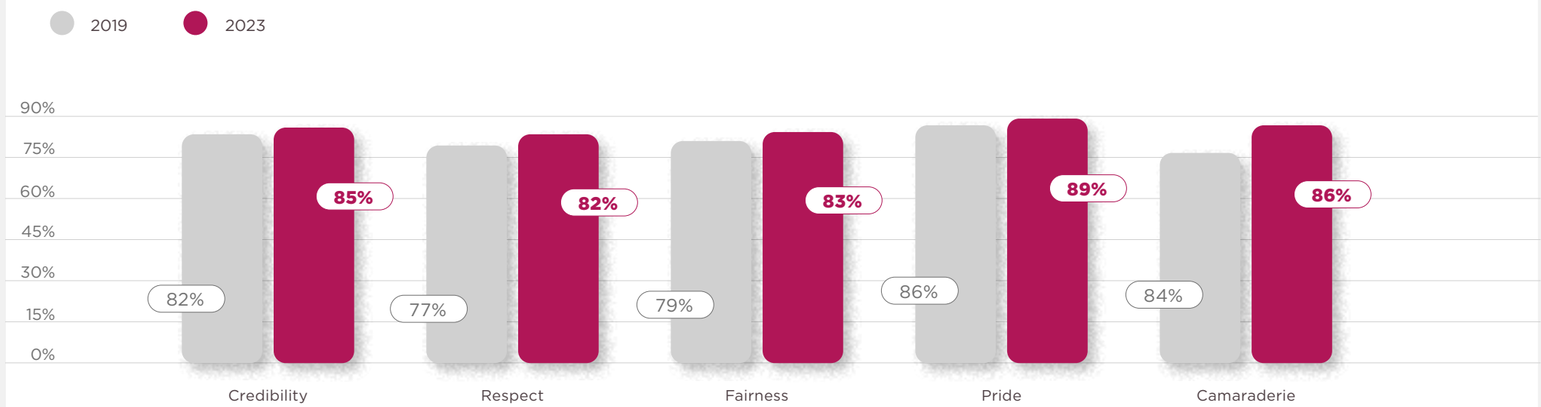
2023 We reactivated the metric

2023 Application period: September 18-October 13

GLOBAL RATING OVER TIME



DIMENSIONS 2019 vs. 2023



* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

ORGANIZATIONAL PULSE-TAKING

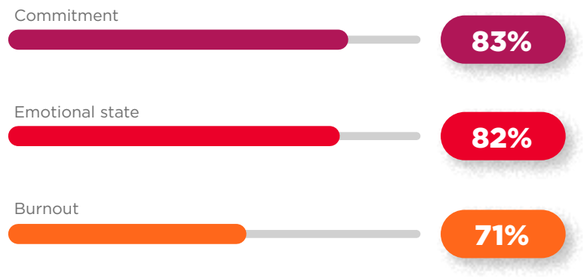
Today, we are known as one of the best banks in Mexico for our customers, but we want to be the best for our employees as well. That's why we aim to be actively and constantly listening to them to understand what they want and need, so we can continue to be a great place to work.

Since 2020, we have been conducting monthly surveys aimed at our employees, called "organizational pulse-taking," which began as occasional surveys to gauge the emotional state of our employees during the pandemic. With the new ways of working and the ever-changing environment, at GFNorte, we decided to evolve these exercises into an instrument for understanding our employees' perception in three dimensions, which we have been measuring since May 2022:

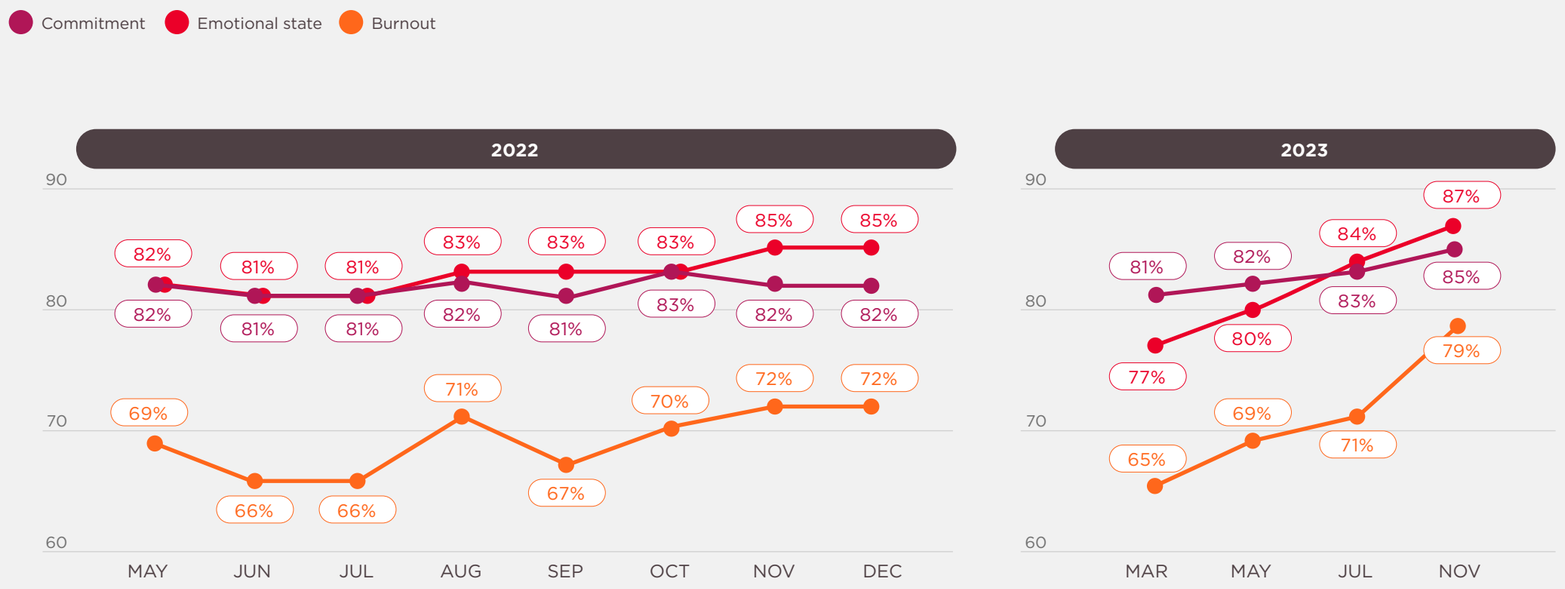
- **Emotional state**
- **Commitment**
- **The burnout index**

These ongoing measurements enable us to detect situations or factors that may affect well-being and potential obstacles to achieving objectives. With this information, we can design interventions, experiences, and actions that align with the identified needs. This in turn contributes to employee satisfaction, while reinforcing our goal of being the number one bank in Mexico.

In 2023, the results of these organizational pulse-taking exercises, with favorability measured on a scale of 0 to 100% **for each dimension, were as follows:**



The following graphs show how these indicators have evolved throughout most of 2022 and all of 2023.



* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Our strengths and main pillars, in general, are and continue to be commitment and emotional well-being, and these are growing stronger. The progress we have made has been useful in identifying the good practices responsible for such high rating. Among these are providing opportunities for growth and development, creating work environments that enable us to carry out activities aligned with clear organizational objectives, and the formation of alliances and bonds that strengthen collaborative work among all employees.

To improve well-being, we are addressing the areas of opportunity that were pointed out to us, such as developing our leaders more effectively. We achieve this through workshops and targeted communication, promoting key practices and behaviors that align with our culture, instilling the core values that distinguish us throughout the organization. Additionally, we emphasize the importance of setting achievable and empathetic goals that make employees feel more familiar and engaged without risking overload or burnout in order to meet those goals.

Interventions for improving the organizational climate

At Banorte, we understand the importance of getting to know teams up close and listening to leaders to understand their concerns and needs. We have developed ways to support them through our organizational climate intervention model, through which we identify specific opportunities and strengths in work teams. Once we have identified the elements that drive them to continue growing as a team, we define specific lines of action, establish Key Performance Indicators (KPIs), and Key Behavior Indicators (KBIs) to provide continuous support and monitoring and ensure that the established improvements are put in place.

Flexible Work Arrangements

Flexibility in work arrangements is a key element in the current environment. At GFNorte, thanks to the commitment of leaders and employees, we have been able to establish schemes to maintain productivity while adhering to our culture and focusing on results.

Under the hybrid remote/in-person work model, we achieved a balance between flexibility and productivity while promoting quality of life of our employees.

Banorte Experiences

We are in the age of experiences, and as an organization, we understand the importance of having spaces that bring us closer to employees in various ways. With this in mind, we developed an annual engagement activities agenda, through which we aim to create valuable experiences that strengthen the organization's connection with its people and highlight the value of being part of GFNorte, fostering:

- Sense of belonging
- Recognition
- Health and well-being
- Entertainment

BANORTE CUP

Last year marked the sixth time we have held the Banorte Cup, **a seven-a-side soccer tournament that encourages employees to interact in a sporting competition.** The event generates a sense of belonging to the institution and positions GFNorte as a company that supports the physical well-being and health of its employees through sports.

The Banorte Cup was held in Monterrey and Mexico City on the fields of Club Esfera and Deportivo Olympus respectively. The tournament lasted for 6 weeks and was attended by 700 players in men's competition and 84 in women's games. The winners of each category (master, youth and women's) were recognized in an award ceremony and later a celebratory gathering was organized for the finalist teams.

700
players in men's competition

84
players in women's competition

BANKING GAMES

The Banking Games have been a tradition at GFNorte for over 20 years. This competition brings together the best athletes from our institution, providing them with the opportunity to participate and represent GFNorte in a sporting context, a source of pride for the group and a way to nurture a sense of belonging.

The 2023 edition brought together the most skilled players from over 60 financial institutions in Mexico, with GFNorte being represented by more than 570 employees who became our "Banorte Gladiators." In total, **we won 107 medals in the 20 disciplines in which we competed. We won the most medals for swimming (55), and we finished ninth in the overall standings.**

6,500
participants

THE GREAT BANORTE RACE

The Great Banorte Race, which we have been organizing in Monterrey since 2018 and was held for the first time in Mexico City in 2023, **is a sporting event open to employees and their families, who participate in 3, 5, or 10-kilometer runs.** In 2023, in Monterrey's Fundidora Park and Mexico City's Bosque de Chapultepec park, which served as venues for this sporting event, we brought together more than 6,500 participants, including employees, friends, and family members. Everyone proudly wore the jersey as part of the Great Banorte Family.

After the race was over in its various categories, an awards ceremony was held for the top three positions in both the female and male categories for the 5 and 10-kilometer races. This was followed by various activities and prize drawing for all participants.

CAREER RECOGNITION EVENT

This is an awards ceremony organized to recognize employees who have demonstrated lasting loyalty and commitment to the institution. This year, the grand event took place at the iconic Horno 3 museum in Monterrey, and at the Hilton Hotel located in the heart of Mexico City, where more than 400 employees who have been with GFNorte for 20, 25, 30, 35, and 40 years were honored.

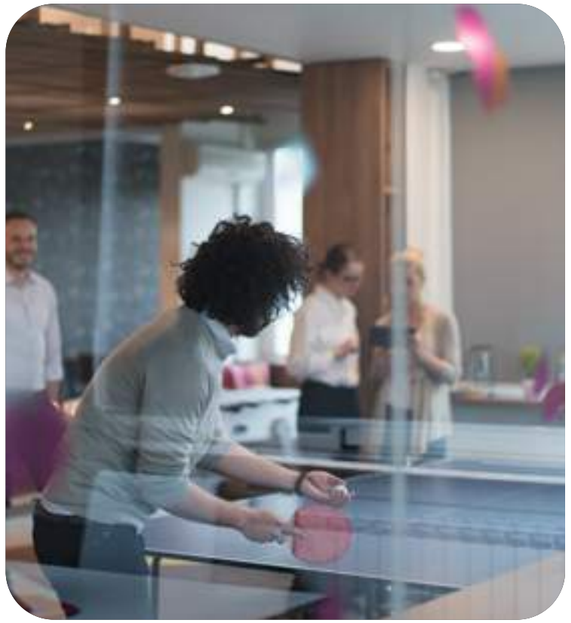
Honorees had the opportunity to socialize with their colleagues and friends from their generation during a cocktail reception following the ceremony. In addition to the recognition, they were presented with a watch symbolizing their time as employees at GFNorte and a commemorative portrait as a memento of the event.

400
employees were honored

ZONE B

The COVID-19 pandemic prompted an evolution of our workplaces in various ways, as we sought out new ways to work in offices and developed innovative initiatives and different forms of entertainment and recreational spaces for employees. One of these was the concept of Zone B, a space within our facilities aimed at promoting interaction among employees.

Zone B is an ideal space for socializing and relaxation after the workday, and is open every Thursday afternoon in the main administrative buildings in Monterrey and Mexico City. **The activation allows employees to enjoy activities such as ping pong, foosball, video games, and various card and board games.**



CHRISTMAS GET-TOGETHER

As part of our effort to create experiences for employees, we take advantage of special times and holidays throughout the year. In December, it's the perfect occasion for the magic of Christmas to arrive at GFNorte's main administrative buildings in Monterrey and Mexico City. **The event includes a display with Santa Claus and various Christmas characters, where employees have the opportunity to take photographs.**

BANORTE CELEBRATES

Our effort to keep people safe during the pandemic also prompted us to invent new ways for employees to be together, one of which was a new concept for celebrating the December holidays. **"Banorte Celebrates" is a live broadcast in which the bank's executive leadership delivers a message to all GFNorte employees.** During this broadcast, messages of gratitude, recognition for the year's efforts, and congratulations for the achievements are shared.

During the broadcast, employees have the opportunity to participate in a raffle where more than a thousand prizes are drawn, including cars, electronic equipment, and cash.

BENEFITS WITH VALUE

At GFNorte, we take pride in our employee value proposition, which includes unique and generous benefits and perks. **The aim of the "Benefits with Value" event was to create a pleasant experience for employees while providing them important information about this value proposition in different areas: innovation, loans, sustainability, personnel services, learning and development, Banorte Foundation, and the Comprehensive Health System.** Representatives from each area guided and advised over 5,000 employees who attended this event, which was held in the main administrative buildings in Monterrey and Mexico City in the first weeks of September this year.

Banorte Contigo

This strategic platform for communicating GFNorte culture and strategies continues to grow through virtual sessions that are organized into a three-point model: informing, empowering, and challenging employees.

01

Inform

Promote attitudes and behaviors that embody Banorte culture.

02

Enable

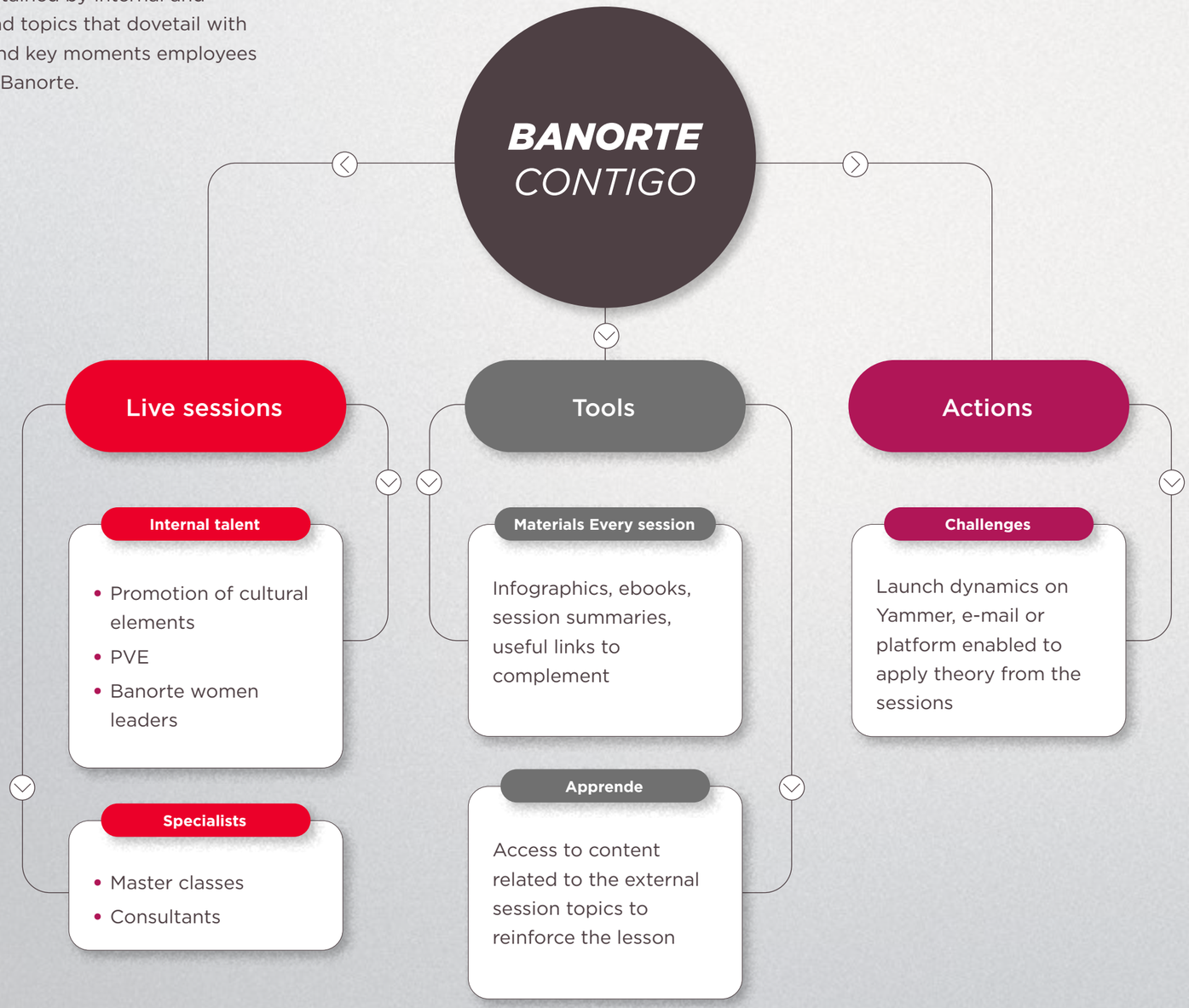
Provide appropriate tools and channels to complement the theory.

03

Challenge

Urge employees to take concrete action based on the lessons learned.

The strategic anchor for this model is the consistent tone maintained by internal and external speakers, and topics that dovetail with various milestones and key moments employees have experienced at Banorte.



Some key topics covered during the year reinforced the employee value proposition in various areas (health, unique compensation and benefits, among others) and internal initiatives (Ingenio, DEI program, promotion of the Apprende platform, etc.). Sessions were also held with specialized consultants on specific topics (feedback, teamwork, positive leadership, inclusive and positive work environments, among others). Collectively, these efforts convey the values and philosophy that the bank aims to instill in its employees, promoting behaviors, benefits, and internal practices that help strengthen GFNorte's organizational culture.

The impact of the program is reflected, for example, in the commitment indicator measured in internal bi-yearly pulse-taking, which was significantly higher for employees who have attended at least one session. It is also expressed in employees' comments, for example that Banorte Contigo has helped them **"learn about the bank areas in depth and the intangible benefits we can have as employees,"** and that it influenced aspects such as their **"motivation and sense of belonging as a team."** Together with their professional growth, employees shared that Banorte Contigo has helped them personally as well, giving them **"new knowledge in a brief, digestible format, a different vision of certain personal and professional aspects," and "tips for personal wellness that affect every area of their lives."**

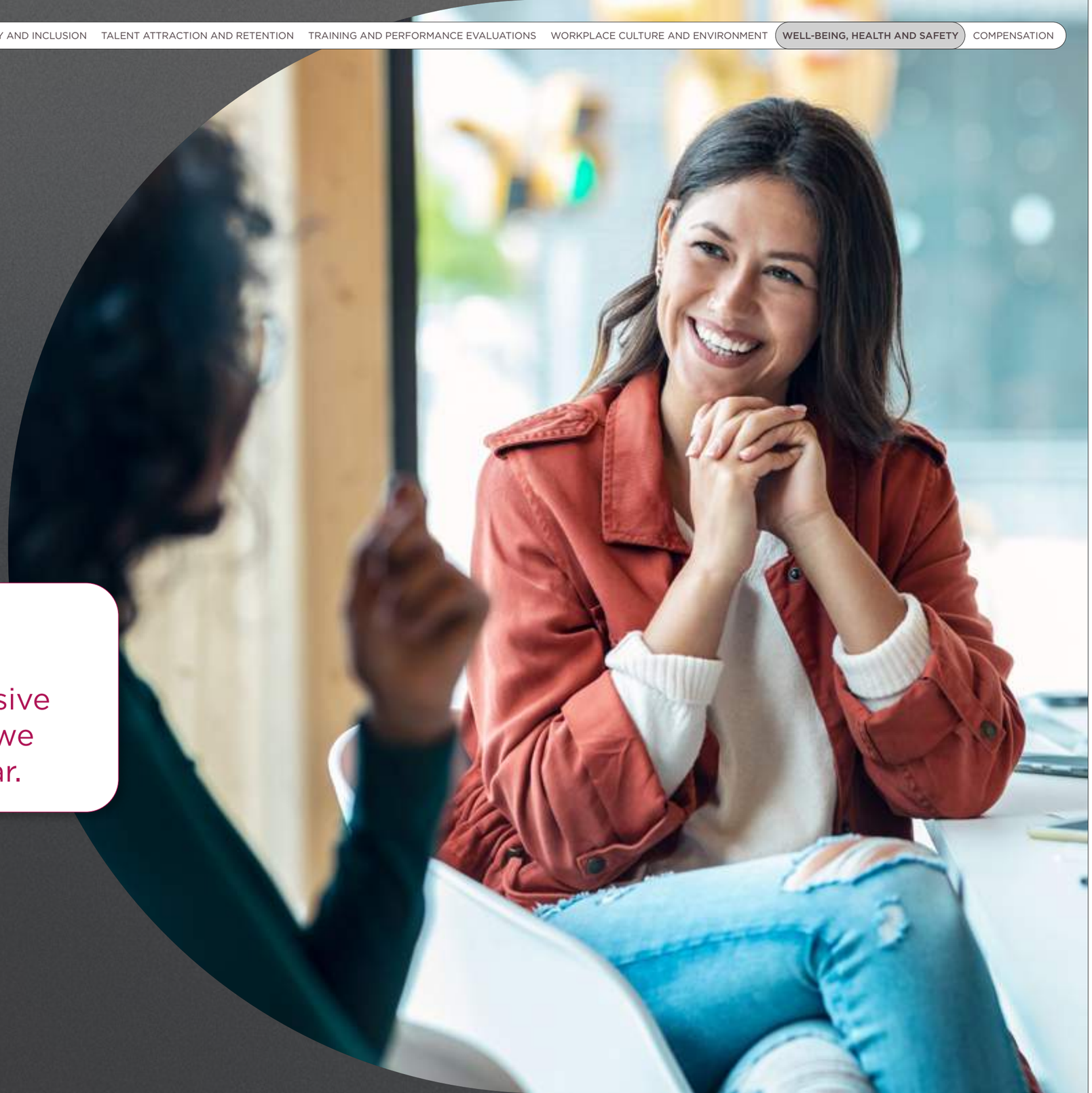
The KPIs for the Banorte Contigo program are as follows:

- Number of sessions held in the year: **53**
- The cumulative attendance of employees who have attended any Banorte Contigo session during the year was **62,669**, counting all instances they were present for a session. The average attendance per session was 1,182 employees, and the average attendance per participant is 6 sessions.
- Net enrollment, meaning the number of employees who have attended any Banorte Contigo session during the year (counted only once, even if they attended multiple sessions): **10,337**
- Recurrence rate, referring to how many attendees have participated in two or more sessions out of the net attendees: **16%**
- Percentage of bank employees who attended at least one session during the year: **49%**
- eNPS of the program, calculated from the reaction surveys conducted at the end of each session: **93.31%**
- In *Viva Engage*, the bank's internal social network (primarily with branch network employees), where content related to the sessions and cultural practices we want to promote is published, the total number of followers was **11,854.**
- Engagement of the posts made in the *Viva Engage* community: **3.6**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

Well-being, health and safety

GRI 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10



As part of our comprehensive approach to managing employee well-being, we have a comprehensive wellness attention system, which we strengthen and improve every year.

Health and safety

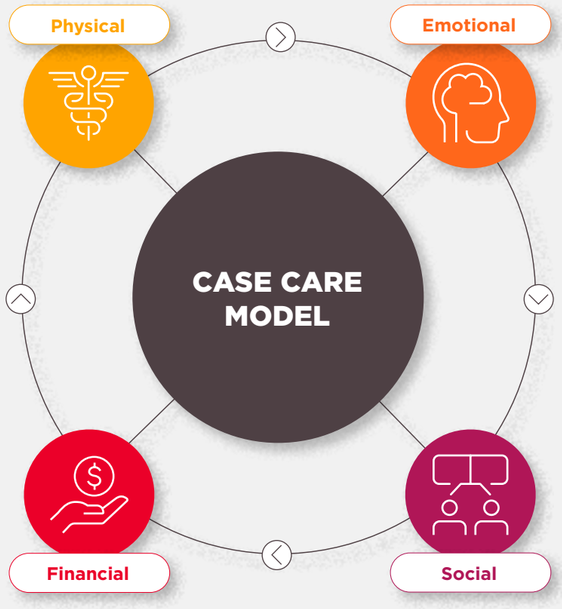
NOM-035 PROTOCOL FOR PREVENTING PSYCHOSOCIAL RISKS

To foster a positive organizational environment that promotes well-being among employees, and in compliance with the Policy on Psychosocial Risk at Work, we introduced nationwide training on the NOM-035-STPS-2018 standard starting August 22, 2023, and 99.9% of our workforce passed the training.

The purpose was to provide employees with the information they need to prevent psychosocial risk factors and promote favorable organizational environments. It also aimed to make employees aware of the available reporting and support mechanisms. This action allowed us to comply with the regulatory provisions issued by federal authorities and continue promoting positive and productive work environments.

Also this year, we updated the case management model, enabling us to establish levels of care and timely service to address potential reports while ensuring confidentiality and a positive experience for employees.

Promoting healthy habits is essential for impacting the quality of life of our employees. This year, we sponsored programs that contribute to fostering a culture of self-care and healthy lifestyles through four pillars:



Physical

Understand and manage our own health, take preventive measures, improve our state of health.

Emotional

Be aware of oneself, maintain good mental health, be resilient to stress and positive and negative triggers, weather life crises and maintain stability.

Social

Being connected includes family, friends, coworkers and the community. Learning to interact with others, accepting diversity, being welcoming, empathetic, collaborative, capable of successfully resolving conflict, and resilient.

Financial

Have the capacity to manage budget commitments, fulfill financial goals, protect ourselves against risk, save for unexpected future needs, and deal with financial shocks.

With this in mind, our main initiatives this past year focused on:

- Relaunching our "Live Healthy, Live Banorte" program, with **12,859 employees** signing up on the portal, 46% of the active employee population.
- Providing early detection screening for metabolic syndrome in the main cities.
- A campaign for early detection of breast cancer, with **38%** of all active female employees participating, and **58%** of employee women over 40.
- Acquiring a **Wellness Line** to help achieve well-being goals, providing personalized support and guidance.
- Continuing the influenza vaccination campaign, with **12,000 vaccine doses** administered.
- Introducing a mental health assessment module for all employees to identify problems and offer guidance.
- Continuing to offer a **free psychological support** helpline for employees.
- Implementing **telemedicine consultations** nationwide to ensure that all employees have access to medical services regardless of their location.
- Developing an epidemiological alert system.
- Encouraging employee and family participation in **sports activities** such as the Banorte Race, Banking Games, and online **physical activation classes** three times a week within our *Vive Sano* portal.
- Providing tools to assist employees and address any **health service**-related queries in a simple, immediate, and accessible manner with a single click through our chatbot. The tool can help them find answers to frequently asked questions about health, such as the network of doctors, hospitals, medical benefits, major medical insurance policy terms and conditions, nutrition consultations, physical activation, psychological guidance, and sick leave, among others.
- The quality of care levels in medical consultations, pharmacies, laboratories, radiology, and hospitalization achieved a rating of **9.6** on a scale of 1 to 10.
- Safety and hygiene management and supervision were conducted in over **40 workplaces** to ensure compliance with safety standards.
- Optimal results in inspections by the Ministry of Labor and Social Welfare, complying with all workplace risk prevention requirements.
- Management of Internal Civil Protection Programs was carried out in compliance with the Federal Civil Protection Law.
- In-person training was provided to over **6,000 Banorte Protectors** (brigade members) and 96% of Banorte employees received virtual training.
- **100%** of civil protection inspections were addressed and resolved on time.
- A communication program on preventive and safety topics was established on all institutional communication platforms, reaching **100%** of Banorte employees.
- **Banorte Protectors Week** was held, with high-level speakers addressing topics of general interest in the field.
- **1,862 safety drills** were carried out in GFNorte properties with the joint participation of relevant departments and Banorte employees.
- Manuals and necessary documents were created for the Mexican Social Security Institute's Safe and Healthy Work Environments program, by which we received the corresponding distinctions for **100%** of our properties in all four inspection categories.

Some programs also extend to employee families, giving them access to quality medical, nutritional, and emotional care.

THE FOLLOWING EVENTS WERE HELD:

○ Major milestones 2023 ○ Annual campaigns ● Banorte contigo I&B webinar

FEBRUARY

- **Telemedicine** Testing and webinar (Southern territory)
- **4D Ultrasound campaign**
- **Asismed**
- **Ten commandments of health**

MARCH

- **21-day challenge**
- **Telemedicin** (Nationwide)
- **Pre UMBA**
- **Program to detect high blood pressure, diabetes and obesity**
- **Annual medical service evaluation**
- **Service quality**
- **Webinar, March 22**

APRIL

- **“Live Healthy” program** (including emotional health)
- **Dental service**
- **Notice on renovation of GMM policy**

MAY

- **Cancer prevention program**
- **Women’s health month**

JUNE

- **UMBA** (CDMX-Monterrey)
- **Certification of beneficiaries**
- **Program to detect high blood pressure, diabetes and obesity**
- **Health week**
- **Service quality**
- **Check-up bulletin** to directors
- **Webinar, May 16**

JULY

- **Kilothon**
- **Dental service**
- **GMM policy webinar**
- **Women’s health month**

AUGUST

- **Let’s lighten our workload**
- **Webinar, August 25**

SEPTEMBER

- **Program to detect high blood pressure, diabetes and obesity**
- **Healthy finances**
- **Service quality**

OCTOBER

- **Influenza-COVID vaccines**
- **Dental service**
- **Mental health month**
- **Webinar, October 17**

NOVEMBER

- **Surviving the holidays**

In 2023 there were zero occupational illnesses.

Number and rate of deaths resulting from work-related accidents	**0**
Number and rate of work-related accidents with significant consequences (excluding deaths)	**0**
Number and rate of recordable work-related injuries	**78 accidents with a rate of 0.28**
Primary types of work-related injuries	**ankle sprains, cervical sprains, neck pain, bruises, and patellar dislocations**
Total hours worked	**1,912 hours per worker**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

ABSENTEE RATE

Bank	**0.81%**
Insurance and Annuities	**0.18%**
AFORE	**0.60%**

* Bank information (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities

Remuneraciones

GRI 2-19, 2-20, 201-3, 401-2, 405-2

SASB FN-CF-270a.1

The Group's compensation philosophy is based on the fundamental principle of rewarding exceptional performance and strengthening employee commitment to organizational goals. We seek a balance between internal and external fairness, ensuring that compensation reflects individual contribution as well as salary practices prevalent in the market. Through a transparent, merit-based approach, we want to foster a motivating and rewarding work environment that drives excellence and sustainable growth for both the company and employees.

The compensation ecosystem at GFNorte is essential for attracting, retaining and motivating talent, ensuring that remuneration is fair, transparent, and aligned with the organization's strategic objectives.

Compensation packages include base salary, incentives, bonuses, benefits, and profit-sharing programs, all designed consistently with the organizational structure. Compensation schemes are regularly reviewed to ensure their competitiveness in the labor market and their ability to drive exceptional performance.

COMPENSATION STRUCTURE BY ORGANIZATIONAL ROLE

Organizational role		Fixed compensation	Variable compensation		Cash/economic incentives	Stock plan	Benefits
Strategic	CEO	• Salary • Annual bonus • Vacation bonus • Savings fund • Grocery vouchers (only for operations staff)	Profit sharing	Annual performance bonus	Not eligible	All the group is eligible	• Vacation • Access to credit • Subsidy for fitness membership • IMSS subsidy • Retirement plan • Medical service • Death expenses
	Adjunct CEO						
Tactical	Executive director				Regional directors and relationship managers in Wholesale and SME banking	High potential and high performing	
	Area director						
Operational	Subdirector/manager			Productivity bonus	Commercial banking, recovery and call center	Not eligible	
	Operations staff						
	Operations commercial			Sales results bonus			

Short term (monthly) — Medium term (3 years)

Term of payment of total compensation

Compensation breakdown

Total compensation for senior management in 2023 was MXN5.04 bn, and for employees, MXN3.42 bn.

* Bank information(Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo)

AVERAGE SALARY BY JOB CATEGORY AND GENDER

Women | Men | Ratio

	Bank			Insurance and Annuities			AFORE		
Senior management	144,692	189,280	1.308	173,706	213,563	1.229	153,710	158,177	1.029
Middle management	37,996	41,185	1.084	40,137	45,420	1.132	73,106	79,455	1.087
Operations	15,680	15,537	0.991	17,199	16,673	0.969	18,180	20,812	1.145

* Bank information(Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora and Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance and Annuities
**Figures in Mexican pesos

Variable compensation

Within our compensation system, meritocracy is key to our underlying philosophy. At GFNorte, we value exceptional performance and reward those who demonstrate outstanding attitudes and abilities and contribute meaningfully to the achievement of our goals.

Our compensation system is designed to recognize and reward merit, thus fostering a culture of high performance and excellence throughout the organization. We firmly believe that meritocracy not only drives individual growth but also strengthens GFNorte's competitiveness and long-term success in the market.

Variable compensation, including performance-based bonuses and incentives, plays a crucial role in motivating and retaining key talent. By directly aligning individual and organizational achievements with financial rewards, we promote a culture of high performance and excellence.

OUTLOOK FOR 2024

Organizational efficiency

Maintaining and optimizing efficiency margins is an ongoing strategy to deliver the expected results for our shareholders. This leads us to continually seek transformation through technology in our human resources processes to better serve our employees.

Technological evolution

Embracing technological trends, such as artificial intelligence in human resources and talent management, presents both a challenge and an opportunity in the coming years. In 2023, we introduced the use of artificial intelligence through a chatbot in mass recruitment and generated information dashboards for talent development decision-making.

Performance evaluation

Recognizing a job well done and our employees' efforts to improve has become an important aspect of our work culture. We encourage performance management through goal setting and assessment of employee skills.

Compensation strategy

We continually enhance our value proposition and employee experience by improving our positioning in total employee compensation.

Leadership development

GFNorte's transformation requires leaders that are prepared to face new challenges. Through data intelligence, we identify key competencies and areas for development, to create career plans that become part of a line of succession for critical positions.

09

SOCIAL CAPITAL

SDG

5, 10, 17

GRI

203-1, 203-2, 413-1, FS6, FS13, FS14, FS16

SASB

FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-240a.4

PERSONALIZING THE FUTURE WITH THE COMMUNITY

Development opportunities

People are at the heart of every decision we make. Our focus is on **building value to positively impact Mexican society** through social initiatives, working toward a better future for all.

1,547,216
beneficiaries of Apoyos Banorte

+15,000
SMEs supported with a total portfolio of MXN50.31 bn in loans

1,046
total housing actions through Fundación Banorte

Financial inclusion

GRI FS6, FS13, FS14

SASB FN-CB-240a.3

Personalizing the future means better understanding people's needs to expand and improve access to financial products and services for all Mexicans.

PRODUCTS AND SERVICES THAT CONTRIBUTE TO FINANCIAL INCLUSION

In 2023 we made inroads into financial product and service access for vulnerable groups like refugees, the elderly, migrants and people with auditory and visual disabilities.

Other GFNorte financial inclusion products:

Apoyos Banorte*

This account is part of the Bienestar program, supporting Mexico's most vulnerable populations through a deposit account and debit card that make it easier to access their money.

This product is offered only for social programs that pay out money to their participants.

1,547,216

Beneficiaries (number of accounts)

Banorte Fácil

An attractive option for anyone who wants to access the banking world and its benefits through a basic peso deposit account with no fees or commissions.

86,539

Beneficiaries (number of accounts)

*Number of first-time bank customer accounts (under 18 and over 65).

Enlace Digital

A 100% digital account that can be opened in just five minutes from any device with internet access, with no annual membership fee or minimum opening amount.

This account can be used for banking anytime, from anywhere, through Banorte Móvil.

Banorte-UNHCR Partnership
In a partnership that is unique in its kind, Banorte and the United Nations High Commissioner for Refugees (UNHCR) joined forces to give refugees access to the Mexican financial system through the "Enlace Digital" account, where they can receive their pay from their first formal job.
This account marks a milestone in this country because it gives refugees access to credit products, helping them to save and build financial security.

232,965
Beneficiaries (number of accounts)

Suma Menores

This account can receive deposits at any branch and through Banorte Móvil, and money can be withdrawn at any of our network of ATMs or used to make card purchases. The account earns interest on a minimum monthly balance of MXN 500 pesos.

*Can only be opened by the child's parent or tutor.

109,523
Beneficiaries (number of accounts)

Mujer Banorte

This is the only account in Mexico to offer a package of benefits and services designed exclusively for women, giving them greater security and peace of mind. Starting this year, Mujer Banorte debit cards are printed on sustainable 90% recycled PVC plastic.

Exclusive benefits:
- Mujer Banorte emergency assistance
- Medical insurance for women's illnesses
- Accidental death insurance
- 20% discount on specialization courses at Tecnológico de Monterrey

Account benefits:
- Scheduled savings and buckets
- Sight investment
- Protection against card loss or theft
- Sustainable debit card with exclusive benefits
- MasterCard Priceless™ experiences
- Banorte reward points

296,790
Beneficiaries (number of accounts)

Tarjeta de Débito Universal **

One of the most practical and simplest cards on the market, it allows customers to obtain, replace or renew their card automatically at participating merchants without having to visit the bank branch.

Its main goals are to offer greater security and a better customer experience, guaranteeing permanent access to a payment method, while taking the pressure off our branches, particularly during the pandemic.

The card has contactless payment technology and invisible security elements (no CVV2 or expiration date printed). This payment method can be associated 24/7 with various deposit or savings accounts through Banorte Móvil or online banorte.com/midebito.

Starting this year, the cards can be acquired directly at Oxxo convenience stores, guaranteeing customers access to a Banorte card 24/7, 365 days a year.

2,661,752
Beneficiaries (number of accounts)

** This section covers accounts in the following portfolios: Banorte Fácil, Enlace Digital and Nómina 2, taking into account the criteria for first-time bank customers (under 18 and over 65).

Points of access in marginalized areas

Using as a reference the 2020 database published by the National Population Council entitled "Total population, socioeconomic indicators, index and degree of marginalization by municipality," out of the 204 municipalities classified as very high in the marginalization index, Banorte is present through its various channels as follows:

- **POST**
  Presence in **52** municipalities with **211** POST
- **ATM**
  Presence in **17** municipalities with **20** ATMs
- **Correspondents**
  Presence in **98** municipalities with **261** correspondents

73%
increase of the POST network

This year marked a significant milestone in GFNorte's mission of fostering financial inclusion in the most remote corners of Mexico.

Our strategy of distributing POST in the most disadvantaged areas has translated into an unprecedent growth and a meaningful change in the daily lives of thousands of Mexicans, who now enjoy greater access to financial services.

Our efforts to expand the POST network increased placement of these critical devices by 73% from 2022 to 2023, a clear indicator of how technology can serve as an engine of financial inclusion by supplying the tools that merchants and customers need to do business efficiently and securely.

We also have a number of services that foster inclusion in our channels:

Service for customers unable to visit a branch

This is a service offered to customers who for health reasons are unable to visit a Banorte branch.

Internet connection

Wifi connection in bank branches, available to customers and users who can browse Banorte websites at no charge.

Service for senior citizens

This service facilitates and prioritizes service to the elderly through:

- An internal campaign that stresses the use of the queue, assisted service and suggested service phrases.
- NPS training through service awareness and incorporating suggested phrases into the protocol
- Inclusion of clear measures to avoid elderly customers from being pushed out of line.

Lazarillo App

With this app, Banorte becomes the first bank to welcome people with visual disabilities to our branches, correspondents and ATMs. The app also gives them access to news and promotions, and scheduling of appointments at their closest branch. Our work with the app earned us the CONDUSEF Commitment to Service for the Elderly badge.

Screen reader

Customers with visual disabilities who use Apple or Android smartphones have access to a feature that reads text on screen aloud, so they can use Banorte Móvil for their banking transactions.

Remittances

Mexico is among the three top remittance receiving countries in the world, largely because of the solid U.S. labor market and steady growth in disposable income. Driven by these dynamics, remittances continued to grow in 2023, reaching a record high of more than USD63 billion, 9% more than in 2022.

This transmission of money to Mexican families from abroad affords a valuable opportunity to pursue financial inclusion goals by bringing them more bank products and services. Income from remittances allows many families to develop their financial and productive potential, so it has a significant socioeconomic impact.

At GFNorte, out of the total amount of remittances handled, 79% were deposited into Banorte accounts (compared to 70% in 2022), and only 21% of them were paid out in cash at branches to users who did not have an account with us. This means that eight out of ten remittances paid at Banorte were to customers with a bank account.

To complement our strategy of self-service and payment alternatives, in 2023 we introduced a new way for families to receive remittances through mobile banking, so that just as when they cash their remittance in the digital area of the branch, they can deposit the cash into a Banorte account in minutes. This spares them a trip to the branch and time waiting on line, improving their quality of life and their experience at Banorte.

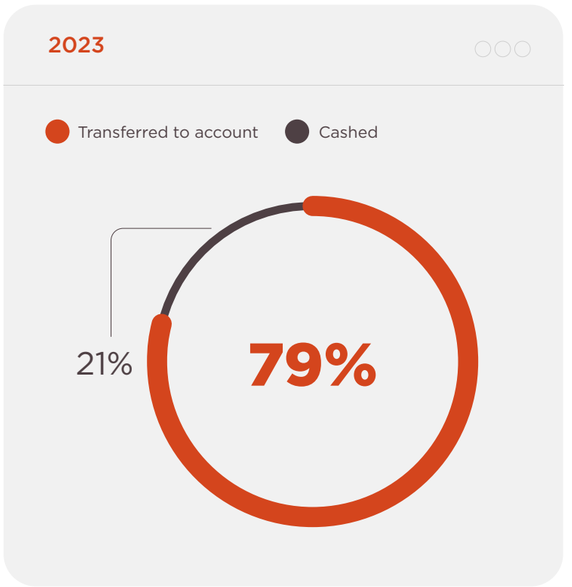
+$63 USD billion
remittance record

01 6 out of 10 customers who receive remittances at Banorte are women

02 70% of customers who receive remittances use mobile banking

03 14% more new accounts were opened to receive remittances in 2023

04 3 out of 10 customers have a loan or credit card with Banorte



Correspondents

Correspondents are a vital ally in achieving our financial inclusion objectives. Their main objective is to provide our clients with access to financial services through more than 19,700 points of service with extended office hours.

At these affiliated points of service, customers can make cash withdrawals, account deposits, credit card and utility payments, without traveling long distances and at a low cost.

In addition to our new services—such as the ability to open a digital account through online banking and cardless cash withdrawal—correspondents are a strategic ally for financial inclusion, as they combine digital services with physical correspondent premises, delivering cards and cash in rural and hard-to-reach areas.

+19,700
points of service with extended office hours

CORRESPONDENTS BY AREA

Support for SMEs

GRI FS6

GFNorte is well aware that small and mid-sized enterprises are a driving force in the Mexican economy. For this reason, we are bent on supporting their growth and helping them create more jobs by providing them the financing they need.

Building a solid SME Banking area has strengthened our ability to serve Mexican business with a comprehensive view of financing and transactional products, creating a sustainable space within the bank and fostering inclusion through financing for women entrepreneurs, green credits and online credit.

In keeping with the trends seen among new generations of entrepreneurs, and using a sustainable approach to reduce our carbon footprint, this year we introduced a system for scoring SME loan applications in self-service mode, where customers can obtain a credit assessment from the comfort of their home or business and digitally create their credit file.

To provide additional support to SMEs and IWBA who take out loans at floating interest rates, we offer hedging instruments that cap the benchmark rate in the event of macroeconomic fluctuations.

Our Stage 3 index (previously NPL) is the lowest in the banking system, thanks to continuous updates to our origination strategy and policies, specialized training for our executives, and promotion according to career plans. All of this ensures a comprehensive focus on customer development to encourage greater loyalty and thus reduce the likelihood of default.

We have also followed a strategy of continuous credit placement, preferred terms, and customer care for those with the best credit ratings.

During the year we supported 15,300 SMEs with loans totaling MXN50.31 billion

62%
of the portfolio was made up of floating-rate loans

1.30
loans per customer on average

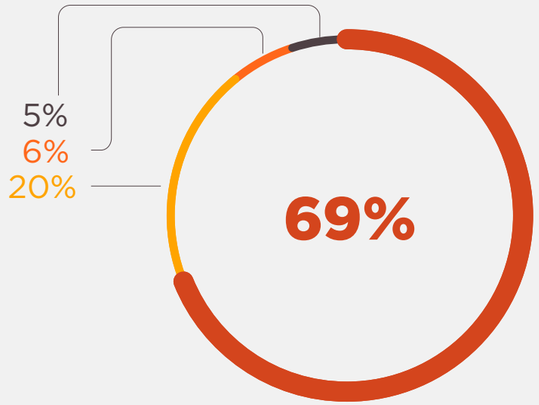
28%
of IWBA borrowers are women entrepreneurs

S3I (previously NPL) was
1.08%
as of December 2023, currently the lowest in the market

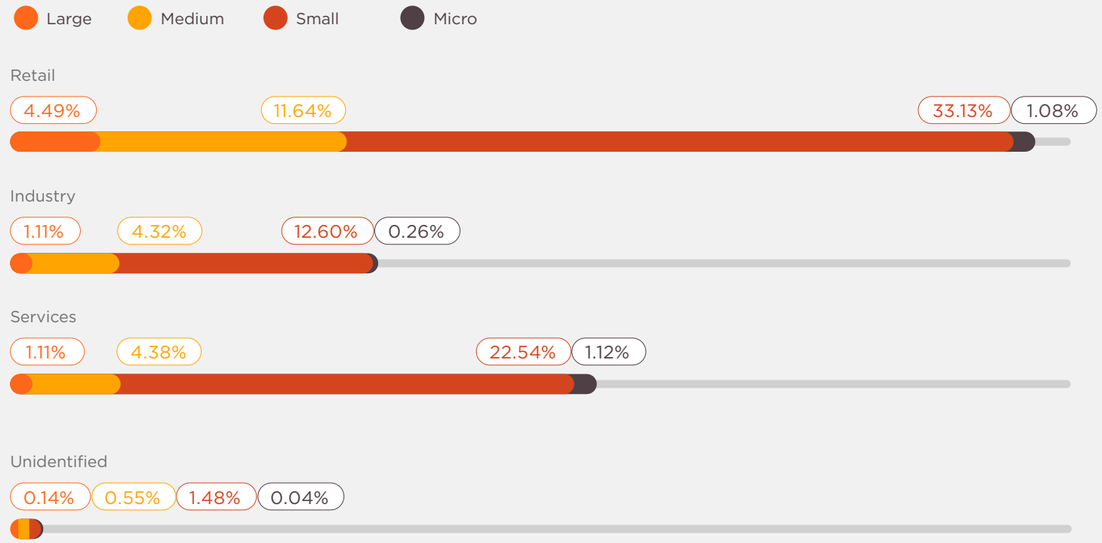
The construction of the new SME Banking area involved doubling our sales force and bringing in new specialized training processes. We also developed a career plan for executives to foster continuity and boost our strategy of attracting quality borrowers. With this we were able to increase our loan portfolio by 36% during the year.

BREAKDOWN OF TOTAL LOAN BALANCE BY COMPANY SIZE

- **Large**
  # Retail and service employees = +101
  # Industrial employees: + 250
  Annual sales +MXN250 mn
- **Medium**
  # Retail employees = 31-100
  # Service employees: 51-100
  # Industrial employees: 51-250
  Annual sales MXN100 mn – 250 mn
- **Small**
  # Retail employees = 11-30
  # Industrial and service employees: 11-50
  Annual sales MXN4 mn – 100 mn
- **Micro**
  # Employees = up to 10
  Annual sales up to MXN4 mn

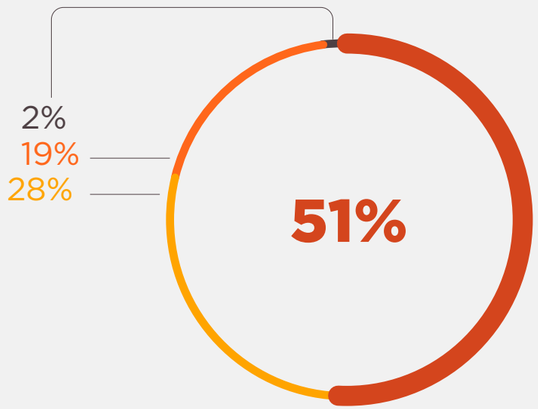


BREAKDOWN OF TOTAL LOAN PORTFOLIO BY SECTOR AND BUSINESS SIZE



BREAKDOWN OF TOTAL LOAN PORTFOLIO BY SECTOR

Retail Services Industry Others (unidentified)



Development banking

Development banking plays a vital role in Mexico's economy because it supports lending for SMEs through commercial banking. It allows us to participate in other market niches and promote specific segments of the economy by sharing risk with public institutions.

In 2023, we worked in concert with the ABM and development banks to design a new program of guarantees consistent with the country's current needs, which provides secure lending conditions broken out by geographic region and business size. The idea is to replicate this system of differentiated hedging in other scenarios, to support the development of Mexico's SMEs.

We were the second most active bank in the country for these programs in 2023:
Business:
MXN30.77 bn
Promotion + states:
MXN5.95 bn

72%
of SME loans have development bank guarantees (23,469 out of 32,503 loans)

Banorte used
53%
of the total resources allocated by the development banks in the industry and economic promotion programs

Loans for small business support and community development programs

SASB FN-CB-240a.1, FN-CB-240a.2

SMES

The consolidation of an SME Banking area has strengthened our system for servicing Mexican business with a comprehensive vision of financing and transactional products, creating a unique space for inclusion and sustainability. We kicked off this work with financing for women entrepreneurs, green loans and online credit applications.

Considering trends in the new generations of entrepreneurs, and aiming to take a sustainable approach and reduce our carbon footprint, this year we introduced self-service online SME credit evaluations, where customers can generate a credit evaluation from the comfort of their own home or business and open their own credit file digitally.

To support our SMEs and self-employed individuals, we offer them a way to make their floating-rate loan payments more predictable through hedges that set a cap on the reference rate in the event of macroeconomic fluctuation.

COMMUNITY DEVELOPMENT

Farmers
- **888 loans** for small farmers, totaling **MXN3.33 bn** at the close of 2023
- **14 loans** to small farmers classified as past-due or nonperforming, totaling MXN23 mn

Real-estate
- **20 loans** to entry-level or medium-income housing developers, worth **MXN1.68 billion** at the close of 2023
- 0 Loans to entry-level or medium-income housing developers classified as past-due or nonperforming

33,473
loans to SMEs worth MXN49.69 bn at the close of 2023

1,164
loans to small businesses classified as past-due or nonperforming worth MXN858 mn

PROGRAMS

Special projects by region

We placed 4,710 loans on preferred conditions, supporting the development and competitiveness of Mexican SMEs in various industries, activities and regions of the country, through the following programs:

Nafin promotion + States

Differentiated hedging

Mi Pyme Municipal Hermosillo

Credisuministro

Foreign banks

Inclusion and sustainability

Retail

Tourism

Automotive industry suppliers

Electrical-electronic industry suppliers

Women entrepreneurs

Designed to support women who often face barriers to financing. The program is aimed at businesses led by women, incentivizing their participation in the country's economic life and supporting their growth.

MujerES Bancomext

Encourages the work of women entrepreneurs involved directly or indirectly in foreign trade and tourism to strengthen their position in the global market.

SME Women

This year we launched an independent inclusion program, to keep up an inclusive offering. The product was launched on September 19, 2023, and from that date until the year's close, we placed MXN218 mn in 130 loans to women-led businesses.

Eco-loans (NAFIN)

Loans to support energy efficiency and/or renewable energy projects, as well as equipment acquisition or replacement and installation expenses. This program ended in 2022; currently there are **2 loans outstanding, totaling MXN6.7 mn.**

In keeping with its commitment to sustainability, NAFIN set up work tables with banks to introduce a draft of its new green program. Banorte provided input and feedback on the proposed processes and policies. The program is slated for launch in 2024.

Program	Loans	%
Eco-loans	0	0%
Solar panel systems	2	100%
Total	**2**	**100%**

Bancomext

In partnership with Bancomext, Banorte participates in the Green Program, which offers a clear and straightforward process for SMEs to invest in energy efficiency and eco-technologies, helping foster a culture of sustainability among Mexico's small and mid-sized businesses.

Microapoyo

This program offers financing to customers in the TIR, part of our effort to support SMEs. This year, the programs' activities were:

	Number of loans 2023	Total amount
TIR Programs Repecos	7	**$1,881,850.00**

And our portfolio includes:

	Number of loans 2023	Total amount
TIR Programs Repecos	39	**$8,470,510.86**

Products

We have products that adapt to the needs of every small or mid-sized business and help them cover the needs of their operating cycle, from traditional financing, credit cards or sales advances to helping them improve cash flow or invest in capex. That way, companies can focus on growing their business.

Based on the latest market information available (November 2023) and Banorte figures as of the close of December 2023:

The SME loan portfolio totaled **MXN50.31 bn, a 24.5%** growth over December 2022, compared to a market growth rate of 7.1%. **We were the fastest-growing bank on the market for nine consecutive months.**

Our stage three index (before non-performing loans) **closed the year at 1.07%, 2 basis points better than** at the close of December 2022, and considerably lower than the banking system average of 3.55% as of November 2023.

	Banorte SMEs	Banking system
Performing loans	98.92%	96.45%
Nonperforming loans	1.08%	3.55%
Total balance	$50,313	$440,277
YoY growth	24.5%	7.1%

Financial literacy

GRI FS16

SASB FN-CB-240a.4

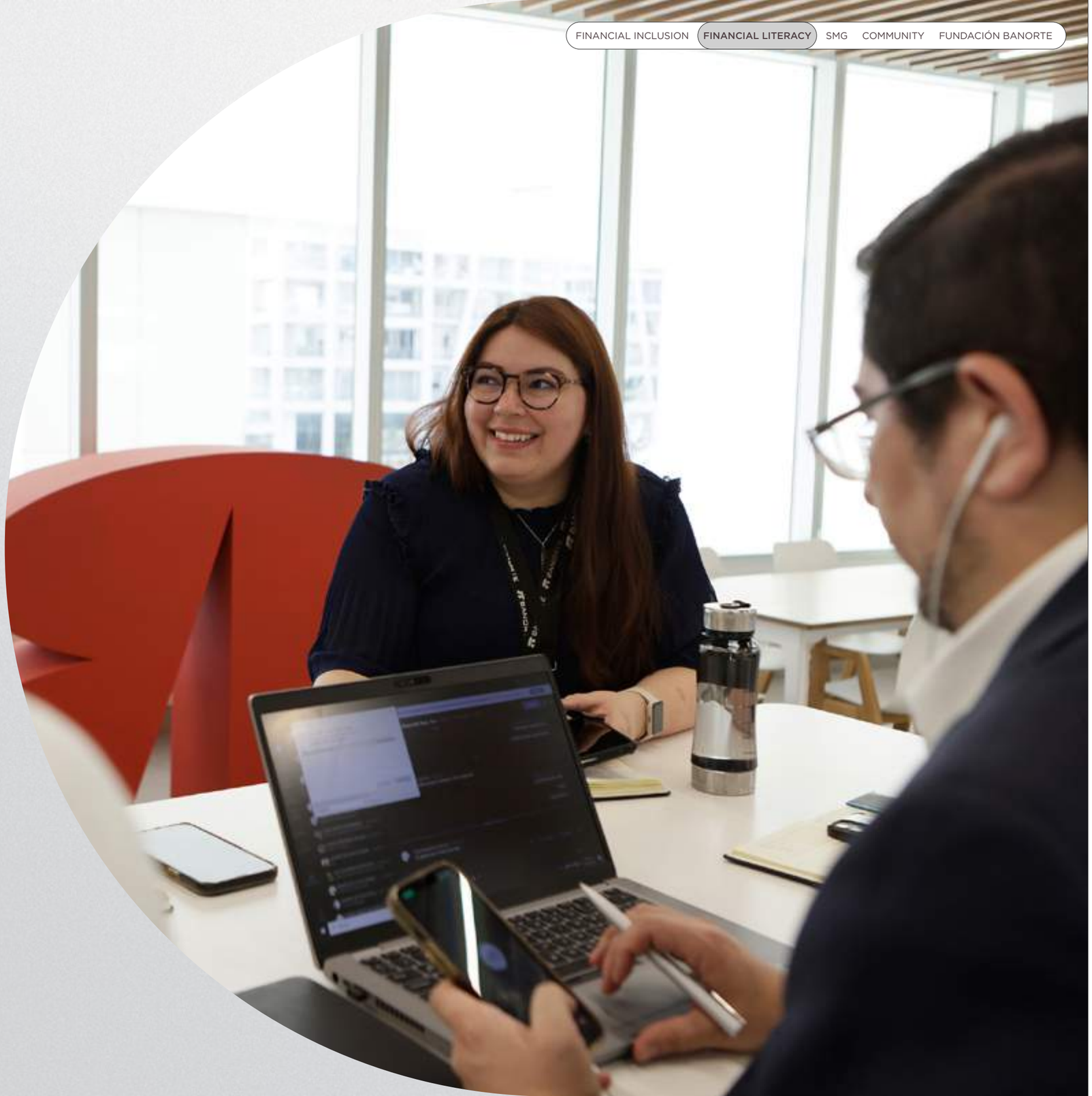
At Banorte, we are committed to raising awareness among customers and the general public about the importance of financial culture, and giving them tools to participate in it.

We believe it is very important that people acquire basic skills and knowledge to properly manage their money, to make appropriate and responsible use of financial products and services, and to save for the future.

In 2023 we organized the following financial literacy initiatives:

Initiative	Number of workshops	Participants
"My life in wealth" financial habits seminar	8	326
Financial literacy workshops	12	1,505
ACNUR financial literacy workshops*	24	842
Total	**44**	**2,553**

*All participants in the ACNUR financial literary workshops are under-banked or under-served



“My life in wealth” financial habits seminar

One of the most important areas where Banorte feels it can make a difference is improving the financial health of customers with payroll accounts, through initiatives that build their money management skills and knowledge.

In 2022, we approached customers with payroll accounts to participate in a seminar on financial habits, and based on their input and experiences, we decided to renew the program for another year, calling this year’s Financial Health Seminar “My life in wealth.” The program is intended to motivate reflection on our relationship with money, our financial habits and vision (whether conscious or unconscious) about it.

Eight workshops were held in all, each lasting an hour, and involving various areas—Sustainability, Asset management, Digital Banking, Payroll Products, Commercial Effectiveness and GEM Payroll.

We developed a financial agenda in which customers participated in activities to improve their financial habits and be more aware of their relationship with money.

At the end of every workshop there were a series of challenges that sparked personal reflection for each customer and supported their financial self-awareness.

With this in mind, we want to encourage our customers to make decisions that improve their financial health and to form their own vision of wealth for themselves and their families.

Unlock your Savings Campaign

As investment specialists, the staff of our Asset Management area is committed to dealing in financial products that help investors meet their goals.

We are convinced that we can contribute to the financial education of our employees to raise their awareness and help them make the right decisions. We designed an internal communication campaign consisting of informational messages on money management, savings and investment through Fondos Banorte, taking advantage of the preferred commissions they have access to in these products.

The first phase involved publications in our weekly newsletter Noticias Banorte, the Viva Engage business network, BanorTV, our internal website and elevators in corporate buildings. These offered guidance on organizing finances and turning savings into investment. We also encouraged employees to invest in mutual funds through their mobile banking app, increasing the use of digital media.

In the second phase, we reinforced messages through video content in the form of videogames in which users could unlock achievements toward turning their savings into investment. With this we hope to reach younger generations and be a part of their healthy financial future.

The campaign reached a significant number of employees:

	Number of employees reached
Posts in Noticias Banorte	15,039
Posts on the VIVA corporate network	1,868
BanortTV reception spots	1,051
Internal website	1,114
Elevator posts	2,967
Total	**21,657**

Our Asset Management area is determined to play a role in the financial inclusion of employees so that they can make responsible investment decisions. To this end, we have a permanent channel for communication for such matters on Banorte's internal website.

Synergy with CONDUSEF

As part of our commitment to CONDUSEF, we continued to distribute educational and informational content to build financial literacy among stakeholders, through the following channels:

- Yammer
- Social media
- Exclusive **Banorte-Condusef** website

This content included topics like:

01 Educate your wallet

02 Budgeting tips

03 Financial literacy in your institution

04 Financial literacy stories

05 Financial literacy leaders

National Financial Education Week

Prior to the start of the 16th National Financial Literacy Week, CONDUSEF organized a series of events to promote the kickoff. GFNorte participated as host of the "Finanzas regias, finanzas fuertes" event in Monterrey, where young people and members of the university community were invited to learn useful concepts to reinforce financial literacy.

Under the motto "Take control of your finances and improve your financial health," we participated once again in the nationwide Financial Literacy Week, in which various institutions from the public and private sectors join forces to strengthen financial culture among Mexicans.

This year, the event returned to in-person mode at the venue of the Los Pinos Cultural Complex in Mexico City, in which we participated through:

- **A Banorte stand:** Fun activities for visitors under our institutional image
- **Branding:** Sponsorships with the institutional image in the main event center.
- **Five keynote lectures:** given by specialists from various areas of GFNorte.

All participants in the National Financial Education Week workshops were unbanked beneficiaries.

11
Volunteers

1,638
Beneficiaries

7
Workshops

SMG

Partnership with UNDP Mexico: Agenda 2030 in the subnational sphere

Banorte remains deeply committed to following and assessing a holistic plan for addressing fundamental issues like individual well-being, preservation of the natural environment, simulating prosperity, promoting peace and fostering cooperation among all sectors of society.

Toward these ends, we have forged two valuable partnerships with the UNDP. In the first, we participated in a diagnosis of RBB and its relationship to the Agenda 2030 in Mexico's subnational governments. In the second, we will be addressing the mainstreaming of gender approach in participative results-based budgeting instruments at the subnational level.

The idea is to spur the creation of societies and governments where peace, equality and inclusion thrive. To do so a set of actions has been designed, including training activities and workshops that will strengthen our contribution to these shared goals.

Three lines of action were formed out of the first partnership in 2022-2023, which was the diagnosis of results-based budgeting and its connection with the Agenda 2030 in Mexican subnational governments:

01

A Day of awareness-building about the Agenda 2030, RBB and development financing, aimed at state and municipal government officials. It involved workshops for participants to learn and understand how to effectively implement the principles of the Agenda 2030 and RBB in the subnational sphere, promoting financial discipline and sustainable funding of public works.

02

An assessment of current conditions for accomplishing RBB at the estate and municipal level. This involved five separate diagnostics and the preparation and presentation of a report on the matter in four in-person workshops and one virtual event. Also, four special workshops (in virtual form) were held to strengthen functional and technical skills in RBB implementation.

03

Guide for linking RBB instruments with the SDG toward the Agenda 2030. The first component of this line was the development of a methodological proposal to guide subnational governments in the effective application of RBB, aligned with the principles and goals of the Agenda 2030. The next part was the introduction of a Guide to Results-Based Budgeting with a specific focus on the Agenda 2030, providing detailed practical guidelines on implementation. Finally, a day of training was held to strengthen RBB-related technical skills and support the successful incorporation of the Agenda 2030 into decision-making and public policy at the subnational level.

In 2024 we will be launching a second partnership effort on mainstreaming the gender approach in participative results-based budgeting instruments in state and municipal governments. The ultimate aim of this work will be to ensure that a gender perspective is effectively incorporated on a mainstream basis in all budgeting processes and decisions at the subnational level. A third collaborative effort will cover integration of the Agenda 2030 into implementation of RBB and sustainable development at the local government level.

Intercollegiate Program in Public Finance and Professional Development

In 2023 we reaffirmed our commitment to Mexico, especially its young people. Through our Government Banking and Infrastructure department, we continued our Intercollegiate Program in Public Finance and Professional Development for a second year, starting August 30, 2023. This program once again aimed to nourish the talent found among our national public university students.

The goal is to support the training of young college students who are the future leaders of Mexico and the public sector. The program also works to build direct ties between financial banking and public university students in related degree programs. This was done through public administration and finance workshops, with a specific focus on state and municipal government administration. The workshops are given by professionals from Banorte's Government Banking area, who contribute their experience and know-how.

To further enrich the training, these workshops are complemented by mentoring sessions with high-ranking executives from the financial group and guests who have excelled in the sphere of public administration. All of this should contribute greatly to developing the skills and vision of future leaders in the sphere of public administration.

In this second year of the program, 29 public universities invited their students to apply for the program, more than 300 of which expressed an interest and 152 of these were accepted on the basis of outstanding talent. The program lasted for five months and was scheduled to conform to the academic calendars of participating universities. At the end of the program, students who had met all the requirements had an opportunity to live the Banorte experience, working in the SMG Banking area. These talented youth came away with practical and enriching experience in the world of finance and government, preparing themselves for significant roles in the future.

After the five-month program ended, 102 certificates of participation were awarded to the students who passed the program (with minimum attendance of 80% in workshops and active participation in the sessions). They were also given a chance to join our Banorte team and experience our institution. The selection process also took into account the project they prepared, interviews and an evaluation of their background, all closely analyzed by the Human Resources team. They were also given electronic devices to support their academic growth and professional advancement.

Community

Our solid culture of volunteer work inspires our employees to play an active role in efforts to improve society around them.

Through the volunteer work of our employees we have had the opportunity to improve the quality of life for disadvantaged people and help them build a better future.

2023 Initiatives

Bottlecaps

We exceeded our goal of collecting 638 kg of caps in 2023, gathering a total of 1,124 kg of caps that funded 37 doses of methotrexate used in chemotherapy treatments for kids with cancer, through a donation to Banco de Tapitas.

Pull tabs

This year we launched our first campaign to collect aluminum can pull tabs and collected 20kg, equivalent to three sets of crutches and assistive canes donated to Proyecto An-Dar.

Fundación Banorte

GRI 203-1, 203-2, 413-1

Inspired by our enduring commitment to society, in 2005 we created Fundación Banorte to act as the social arm of GFNorte, with the mission of building strong Mexican families.

Through our programs and initiatives, we provide opportunities and improve quality of life for people experiencing vulnerability for economic, social, or health reasons, or due to natural disasters.

External community programs: Building strong families together

With a clear goal of building strong families, in 2023 Fundación Banorte focused funding through our social programs on five spheres of work:

Nutrition **Health** **Housing** **Education** **Women's empowerment**

We prioritized three Mexican states: Mexico State, Chiapas and Veracruz, where we sought to improve quality of life for Mexican families, meeting their basic needs[1] and helping to reduce inequality.

In the nutrition sphere, to unite all our external efforts into one comprehensive program, in 2023 we performed a diagnosis of nutritional needs for 1,681 participants in Mexico State and Chiapas, examining their socioeconomic status, their homes, their access to health and education, women's work, and Fundación Banorte's positioning as a donor.

This diagnosis provided a snapshot of the communities so that we could focus our actions to boost investment in communities and reduce social inequality for the families involved.

[1] In line with the social rights defined in the General Social Development Law (2000), which are used by CONEVAL to measure multidimensional poverty in Mexico.

NUTRITION

Our basic goal in this sphere is to improve early childhood nutrition, focused on children from birth to five years of age, pregnant women and families by providing biweekly or monthly packages of basic food supplies. We also offered workshops where their families could learn about selecting, preparing, using and enjoying food.

Food packages and nutritional follow-up
In an alliance with Un Kilo de Ayuda in Mexico State, Chiapas and Nuevo León:

un Kilo de Ayuda

01 35,010 food packages were distributed to 3,500 children and 200 pregnant women.

02 Nutritional status was evaluated through anthropomorphic measurements (weight and size) for 3,500 infants and young children.

03 Hemoglobin tests were given to detect anemia in 3,014 infants and young children and 95 pregnant women.

04 1,482 iron-based treatments were delivered to treat anemia for 1,482 children and 53 pregnant women.

05 586 screenings to evaluate childhood development, prioritizing the 11-13 month, 17-19 months, 23-25 month and 36-37 month age groups.

In an alliance with the Mexican Food Bank in the state of Veracruz:

01 **2,008 basic food supply packages were presented to 240 participants in the housing sphere.**

02 **Socio-nutritional studies were conducted of 240 mothers and 240 young children, with hemoglobin testing, glucose, weight, size, and body mass index (BMI) calculation.**

Workshops

Five workshops and three one-point lessons were held on the topics of iron deficiency anemia, vitamin supplements, iron-rich foods and micronutrient deficiencies with Un Kilo de Ayuda in Mexico State, Chiapas and Nuevo León.

41 workshops on eating as a family, were held to teach people about preparation of healthy foods, and a family cookbook will be assembled, with the participation of 240 people in the state of Veracruz, through an alliance with the Mexican Food Bank.

On September 22, 2023, Un Kilo de Ayuda opened its Center for Early Childhood Development in Galeana, Nuevo León, which will serve 3,024 infants and young children and 2,572 mothers and participating caregivers, supported by a joint investment between Fundación Banorte and the Nuevo León state Ministry of Equality and Inclusion. The center will serve as a focal point for delivering food support and nutritional follow-up.

HEALTH

In this sphere, we work to bring basic and preventive health services to allied nonprofit organizations and states where Fundación Banorte is present.

Fundación Devlyn Vision Day

On October 8th, in Mexico City's Palacio de los Deportes sports stadium, Fundación Devlyn organized its "Vision Day" event. Fundación Banorte joined in the activities and invited nonprofits affiliated with the Helping Others toy drive to participate.

Eye care was provided to young children and elderly adults, with eye exams and donation of glasses for those who needed them. Fundación Devlyn donated 258 pairs of glasses to participants from various institutions, including Alimentos de México a Compartir, Casa de la Amistad, Casa de las Mercedes, and Fundación para la Asistencia Educativa, were present for the event.

HOUSING

Our efforts in this sphere center around providing adequate housing for people living in conditions of vulnerability.

In 2023, we prioritized three states: Mexico State, Chiapas and Veracruz, where we expanded, built and improved homes that lacked plumbing, electricity, or space for the family.

Next, we will be working in Chiapas and Mexico State, where we will help 447 participants by improving and repairing their homes and ensuring that their families can live in adequate housing.

Our work in the housing sphere is carried out by allies who operate the projects, with the following results:

3 strategic allies

8 states served

1,046 adequate homes

Ally	States	Total housing actions
Corazón Urbano ac — Garantizamos tu derecho al color	Colima y Jalisco	110
Hábitat para la Humanidad®	Colima, Chihuahua, Chiapas, Estado de México, Guerrero, Guanajuato y Veracruz	876
PYMO	Estado de México	60

In addition to our actions in these states, we also work with projects in other areas of the country where there is a significant shortage of adequate housing.

This work includes social assistance based on participative design of housing solutions, technical visits to monitor the status of construction, and workshops on topics like right to housing, community organization, family finance, home improvement, home and habitability, participative design, construction training, and healthy homes, among others. Habitat for Humanity gave 67 workshops to participants in this program.[2]

Fundación Banorte conducted supervisory and follow-up visits to the housing projects, dedicating 82 hours of field work.

Sustainable compliments

Fundación Banorte's work in the housing sphere also considers sustainable alternatives that are useful when space, plumbing or electricity are lacking in the home, essentially solving a problem by taking into account the cultural specificities of the community and respecting the environment.

- **TetraPak collection:** To raise employee awareness about waste handling and reduce the impact of multilayer aseptic cartons on the environment, we collected this type of waste at our corporate headquarters in Tlalpan and Santa Fe. The collected containers were recycled into sheets of roofing that were then installed in 60 homes in Ocuilan, Mexico State.

At the close of the campaign, the following amounts had been collected:

- Santa Fe corporate building: **374 kg.**
- Tlalpan corporate building: **465 kg.**

Ecological stoves

In Chiapas and Veracruz we will build 103 ecological stoves to reduce the use of firewood and help families and towns to live free of smoke. The purpose of this intervention is to help families without household utilities to have a stove where they can cook their food, while respecting their traditions and customs.

Electricity systems

In Coscomatepec, Veracruz and Basaseachi, Chihuahua, we will install electrical systems in 22 homes participating in our housing program, where the families previously had no access to electricity. With this, they will be able to light their homes and plug in small household appliances (like radios or television).

[2] Counting workshops given by Banorte volunteers on Family Finance and Environment.

EDUCATION

In this sphere, our main goal is to support education for early childhood, boys and girls and young people, and provide technological tools for skill-building.

Media classrooms with Únete

This project brings technology to public schools, trains teachers in a mentoring program to create new learning strategies for students, helps reduce school dropout rates, and improves education through teamwork.

- Setup of 8 media classrooms and school assistance in Mexico State, Colima, Chiapas, Chihuahua, Guanajuato, Jalisco, Nuevo León, Veracruz and Yucatán.
- 6,440 students and 288 teachers benefited.
- Presence of 12 facilitators who work on site in 24 classrooms to provide training to teachers and students.

6,440
benefited students

Save the Children digital communities

Digital communities are spaces created for people who face barriers in accessing information and communication technologies. They also provide people options for developing and strengthening the skills necessary to use technology as digital citizens in today's world.

There are seven digital communities, in the states of Oaxaca, Yucatán, Chiapas and Mexico City, which had benefited more than 639 participanpts with 1,090 hours of classroom time by the close of 2003.

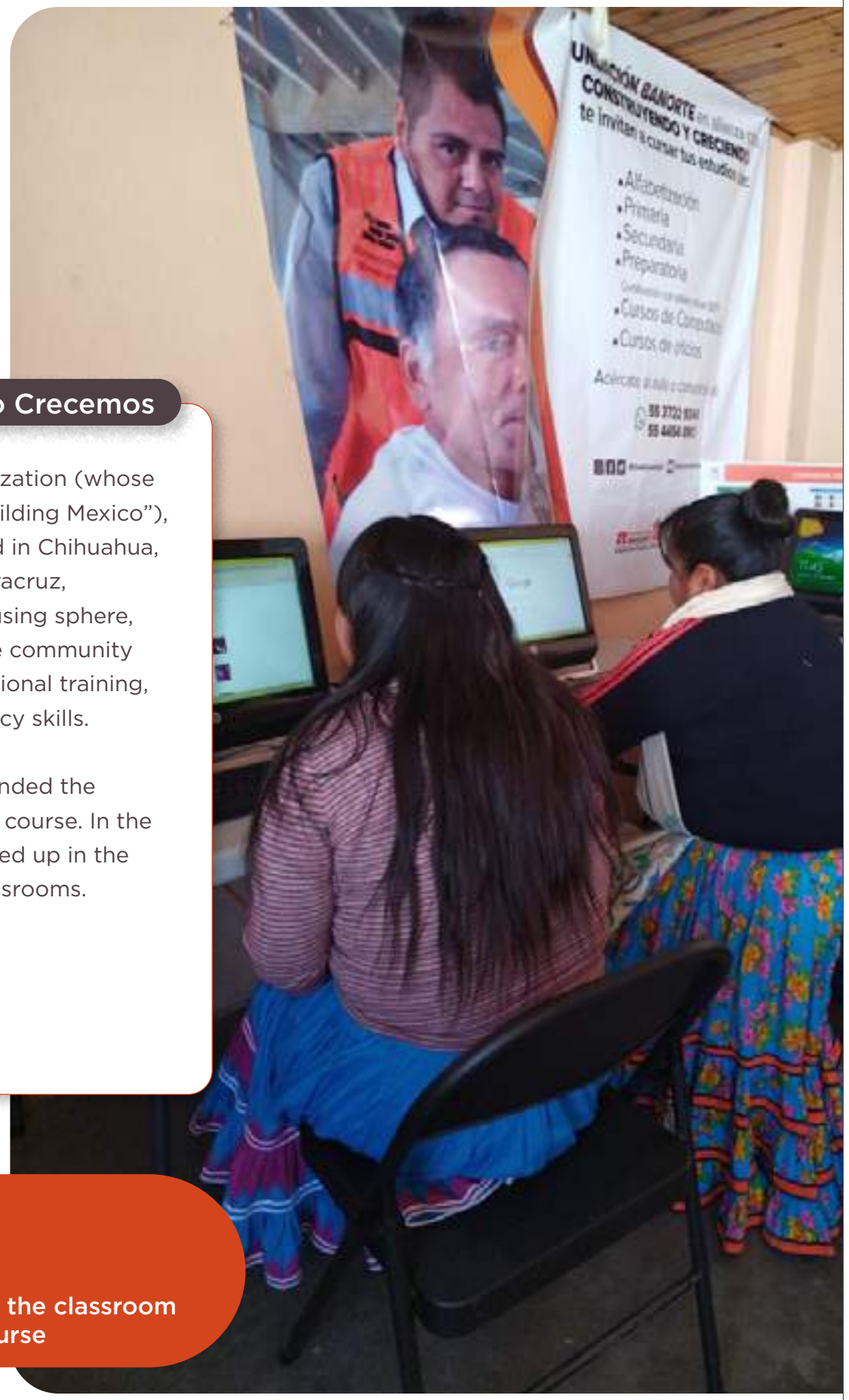
+639
benefited participanpts

Construyendo a México Crecemos

In an alliance with this organization (whose name means "we grow by building Mexico"), four classrooms were opened in Chihuahua, Mexico State, Colima and Veracruz, where participants in the housing sphere, construction workers and the community at large received free professional training, school certification and literacy skills.

In 2023, 137 participants attended the classroom regularly to take a course. In the same month activities wrapped up in the Colima and Huixquilucan classrooms.

137
participants attended the classroom regularly to take a course



Community Scholarships for WomenMéxico Crecemos

This is a program that builds self-esteem, empowerment and leadership among young women in rural communities, giving them tools in areas like spoken expression, financial literacy, socio-emotional skills and creating a life project. At the end of the program these women receive a scholarship or stipend depending on the level of education.
This year, 324 young women in high school, preparatory school and college participated in Chiapas, Mexico State and Veracruz.

324
young women in high school

"Futval" Soccer with Values, in partnership with Scholas

This program aims to create learning experiences linked with values drawn from sports and games with rules. Futval seeks to harmonize the development of children and teens in vulnerable situations, connecting the pedagogical benefits of play with the reality of their communities to knit and strengthen the social fabric.

This year, the following activities were carried out in Sihuapan, San Andrés Tuxtla, Veracruz:

- Completion of the second phase of Futval work.
- 35 teachers trained in the communities of Santiago Tuxtla, San Andrés Tuxtla and Catemaco.
- An exhibition sports clinic open to parents and the community, attended by Club Necaxa's Official Academy in Sihuapan, where teachers-in-training worked with 150 kids who practice soccer in the academy.

Un Kilo de Ayuda building parenting skills

Under the Un Kilo de Ayuda model, we worked with mothers and caretakers on developing tools for strengthening their parenting skills. These lessons foster sensitive parenting and a loving and secure attachment between children and their parents and caregivers.

Two workshops were held:

- Expressing and managing emotions
- Your baby's development

In parallel, the "Play Everyday" program developed by Sesame Workshop was given, financed by Fundación Banorte and in coordination with Un Kilo de Ayuda, covering issues like personal care, mathematics, the environment and emotional development.

Facilitators from Un Kilo de Ayuda in Mexico State, Chiapas and Nuevo León were trained to replicate the content for participants in their states.

EMPOWERING WOMEN

In this sphere, we empower women and help them strengthen productive capacities and socio-emotional skills. Fundación Banorte recognizes the essential role women play in the community, and more than half of the participants enrolled in our spheres of action are women. We want to help women overcome the inequality that they have historically endured and support their empowerment.

Economic and social development with a gender perspective through textile art in Yucatán, in partnership with UNESCO

The aim of this project is to recognize and monetize Yucatán's rich textile heritage to promote inclusive economic and social development with a gender approach. It will do so by training women to create a local business model and build financial literacy. It will also encourage inter-cultural dialogue on planning for the protection of cultural heritage in the state's textile art and developing cultural expressions.

The project has so far been introduced to 12 municipalities in Yucatán, with 320 craftswomen identified by UNESCO participating in workshops to:

01 Strengthen business and financial management and cultural heritage awareness among craftswomen.

02 Encourage men in the craftswomen's communities to recognize women weavers as social, economic and cultural pillars of those communities.

03 Identify economic, social, environmental and cultural threats to textile art, and define, agree on solutions and take the first steps to addressing the most important of these.

During the year, 36 workshops were held, with 320 participants:

- 12 on business models and financial literacy
- 12 on cultural and immaterial heritage
- 12 on new masculinities

Also during the year, coworkers from the Banorte Customer Experience area attended workshops to provide information on financial products to textile artisans, and based on their conversations with local craftswomen, they identified the need to install an ATM in Maní, Yucatán.

Building Communities with Wixarica art, in partnership with Fundación Origen

This project supports the social and economic well-being of three indigenous communities in Nayarit--La Moderna, Zapote de Picachos, and Zitakua--by empowering women emotionally and economically through support for Wixarika art and through technical and practical training to position their products regionally and nationally.

This project directly benefited 86 women in 2023; workshops and play-based activities were held for 188 babies and children of participants and community members, and for local men, benefiting a total of 183 families.

86
benefited women

Home gardens in partnership with Fundación Origen

The program provides training to women heads of families on how to cultivate a home garden. Carried out in the community of Almoloya, Mexico State, it helps families to grow food for their own consumption and improve food security in this area. It also supports participants' personal development, leadership and agency to strengthen group and community processes for sustenance and preservation of the gardens.

At the end of 2023, a group of 36 participating women had been formed, and the following workshops given:

- Theory and practice of building cultivation beds using the double dig method
- Theory and practice of sowing and transplanting vegetables
- Theoretical information on making compost
- Theory and practice of installing a watering system
- Human development
- Theory and practice of interpersonal relations
- Theory and practice of leadership

Women poultry producers, in partnership with EduCampo

This program promotes women's economic and social empowerment through productive activity, so that they can later create a business as a group; positively impacting their self-esteem, decision-making and social and family recognition and giving them greater access to and control of money.

A total of 144 women were trained in Mexico State during the year, with the following results:

- A fifth vaccination campaign had been organized for community producers, and the first vaccination campaign for first-time producers.
- Technical assistance visits to each producer and a check that good production practices are being followed.
- Producers received 880 egg laying chicks donated by Fundación Vida, along with 30 packets of electrolytes, vitamins and medicines.

Workshops were given on:

- Financial literacy: Borrowing and investment
- Equipping the chicken pen and bird illnesses
- Savings, credit and investment; and sisterhood

The staff of Banorte's San Felipe del Progreso branch attended the work groups to provide information on the bank's products and the benefits of saving with Banorte.

144
women were trained in Mexico State

Coffee farming women in partnership with EduCampo

The project aims to empower women in rural Chiapas, helping them increase their income by growing coffee, and improve their quality of life by developing skills that enable them to establish and build successful rural businesses.

Eight working groups with 119 participating women have been formed, with workshops on:

- Self-esteem.
- Value chain mapping.
- Self-recognition for empowerment.
- Financial literacy.

Furthermore:

- Co-op shops were identified in the municipality of Tuxtla Gutierrez where products may be sold.
- A demonstration coffee plot was established to promote improved crop management practices.
- 500 coffee plants were distributed to restore coffee plots.
- Women attended a coffee tasting and roasting event in collaboration with the Chiapas Coffee Institute (INCAFECH).
- The purchase of a coffee processing module is being arranged with the producers' support.

Specialization Course in Rural Development: An alternative for training and promoting value-added businesses in the field, in partnership with EduCampo

The project aims to develop participants' knowledge and skills so that they can identify and/or improve their rural productive projects while strengthening production capabilities through various forms of holistic capacity development.

In 2023, 25 women were trained in the communities of Chilapa and Chilapilla in La Perla, Veracruz.

25
women were trained

In addition to the actions carried out in the five spheres discussed above, we continued our support for other social initiatives such as:

BAC

In 2023, with the delivery of a soccer field in Joquicingo, Mexico State, we wrapped up the actions of BAC, a program we began in 2017 with a fundraising campaign to rebuild affected communities following the earthquakes of September 7 and 19 of that year.

With an investment of MXN107mn we benefited 14,443 families in 16 communities, nine of which we supported for more than three consecutive years.

14,443
benefited families in 16 communities

BAC RESULTS 2017-2023

Reconstruction, rehabilitation, and/or construction	**720** houses **1** water system **3** community markets **7** spaces: 6 community and 1 school
Equipment	**14** media classrooms in public primary schools
Training	**5** housing reinforcement and 1 manual production **6** risk plans and manuals **1** territorial planning for risk management **4** vocational workshops (baking and sewing)
Humanitarian Aid	**1** donated rescue van **500** food and hygiene kits (2017 earthquakes) **9,698** food packages (COVID-19)
Community Workshops	**9** cultural workshops and mammogram testing

We worked with communities in:

- San Francisco del Mar
- Sierra Mixe
- Ocuilan
- Joquicingo
- Malinalco
- Villa Victoria
- Ecatepec
- Antenango del Río
- Tlayacapan
- Jojutla
- Chalcatcingo
- Tlaquiltenango
- Santa Cruz Cuautomatitla
- Tochimilco
- Tonalá
- Xochimilco

CONTINUOUS IMPROVEMENT SYSTEM UNESCO

On August 25, Fundación Banorte presented the results of its systematization of social impact programs. Participants in the nutrition and housing spheres were invited, along with strategic partners, to learn about the findings and recommendations for improvement of the programs funded by the institution.

The event was held in San Cristóbal de las Casas, Chiapas, one of the areas where Fundación Banorte carries out its work, and it was attended by UNESCO's representatives in Mexico and the general directors of Un Kilo de Ayuda, Habitat for Humanity and Fundación Banorte itself.

The report brought together the voices of 300 participants in 10 municipalities who participated in focus groups and interviews, sharing their words and their experiences. These are valuable resources that enrich the work of Fundación Banorte, contributing to social inclusion in alignment with the SDG of the Agenda 2030.

Among the main findings of the report were:

- The need to cease viewing individuals merely as beneficiaries but recognizing them as active participants who make decisions and lead their own lives.
- UNESCO reinforced **47 indicators and proposed 31 new ones,** with a direct focus on reality, in line with the SDG and the United Nations' New Urban Agenda, to provide Banorte Foundation with clear guidance and objectives for continued collaboration with its strategic allies.

CENTRO DE ESTUDIOS EDUCATIVOS Y SOCIALES (CEES)

To enrich and learn more about the effects of our spheres of action, Fundación Banorte commissions this organization to conduct independent evaluations of the programs it funds.

In the educational sphere:

- An evaluation was conducted on the "Setting up media classrooms in partnership with Únete" program, interviewing directors, teachers, parents, and students from 14 schools. The results of this effort will be delivered by the end of January 2024.
- An instrument was designed to interview mothers and primary caregivers participating in parenting skills workshops, playing every day, and secure attachment in partnership with Un Kilo de Ayuda. This survey will be conducted in January 2024.

In the housing axis, we identified the universe to be interviewed during the program evaluation in the States of Mexico, Chiapas, Veracruz, and Chihuahua.

We also evaluated the results of the Women Poultry Producers project, finding that the support of Fundación Banorte has been instrumental in enhancing the capacity and knowledge of women in poultry raising, helping them take the initiative to start a business and pursue economic independence. The program also strengthened family ties, empowered women and improved their emotional well-being. Despite some challenges and the lack of resources like chicken pens, the program has had a tangible positive impact on the lives of these women.

Finally, to learn more about the perceptions of our employees and strategic allies about the work done by Fundación Banorte, we designed a questionnaire that will be applied in 2024 to a sample of employees and allies.

HELPING OTHERS

Under this program, Fundación Banorte and employees of GFNorte bring smiles to children's shelters and senior care centers at special times of the year.

To celebrate Children's Day, we donated funds to purchase gifts for 1,026 young children living in 13 children's shelters in 11 states.

During the Christmas season, we made a donation to purchase gifts for 1,901 children and 230 elderly adults living in 23 institutions in 13 states.

1,026
young children benefited during Children´s Day

1,901
young children benefited during the Christmas season

ATM CAMPAIGNS

This year we invited ATM users to participate in three fundraising campaigns:

01

Construction, expansion and improvement of homes with Habitat for Humanity Mexico
Date
March 27-July 5, 2023,
Total raised
MXN13.7mn

02

Strengthen business management capacities and cultural heritage among embroiderer craftswomen of Yucatán state
Date
September 4-October 19, 2023
Total raised
MXN5.2mn

03

Guerrero Strong, to support people whose homes were lost or damaged by hurricane Otis
Date
October 26-December 7
Total raised
MXN8.4 mn

SUPPORT FOR GUERRERO

On October 24, hurricane Otis struck land in Guerrero, affecting thousands of families. To show our solidarity with victims and help them recover what they could of the loss, we activated Fundación Banorte's Natural Disaster Response Protocol through a specially targeted fundraising campaign in which we pledged to match donations from customers, employees and the general public one for one.

We also allocated the support for reconstruction of homes and delivery of basic food packages through other charitable organizations, supervised and monitored by Fundación Banorte.

In our first visits to the zone we decided that the Foundation would work primarily in the municipalities of Acapulco de Juárez, Florencio Villarreal and San Marcos.

By the close of the year:

- **1,500** water filters and **8,000** basic food packages had been delivered in the municipalities of Florencio Villarreal and San Marcos.
- **2,500 basic food packages and 200 hygiene kits** were delivered in the municipality of Acapulco de Juárez.
- **12 safe roofs** were installed in the municipality of San Marcos.
- **26 safe roofs** were installed in the municipality of Acapulco de Juárez
- Census efforts are ongoing to determine the scope and level of damage to homes.

In 2024, we will continue to deliver basic food packages, repair schools and help rebuild around 2,000 homes.

2,500
basic food packages were delivered in the municipality of Acapulco de Juárez

26
safe roofs were installed in the municipality of Acapulco de Juárez

SPECIAL CAUSES

We support some social projects in marginalized communities where we have a commercial or service presence, which arise out of special concerns of our employees or senior management, as well as our industry.

In 2023, we supported:

01 Assistance for homeless and at-risk children and youth

02 School stipends for disadvantaged preparatory school and undergraduate students

03 Basic food and supply packages for patients with cancer, and wheelchairs for people with disabilities

04 Lodging for family members of patients at the Federico Gómez Children's Hospital

05 Participation in international Special Olympics tournaments

06 Installation of home gardens and restoration of a public park

Internal Community Programs

Our commitment to building strong families starts at home. In keeping with Fundación Banorte's social strategy, we have programs aimed at supporting our employees' families through education and health initiatives. Furthermore, our corporate volunteer work relates to the five spheres of our social action: nutrition, health, housing, education and women's empowerment. All of these are carried out on a nationwide basis.

EDUCATION

A Thousand dreams to fulfill
The program supports the educational advancement of our employees' children by helping them to develop skills to stay in school and excel in their studies, building motivation through scholarships, stipends and educational supplements.

In 2023 we awarded academic scholarships, special education grants and stipends to 1,961 children of GFNorte employees from primary school through university. We also supported the scholastic advancement of 2,191 children of employees through online courses and workshops.

2,191
children of employees were supported through online courses and workshops

Educational level	Program/course	Description
Primary	Learning through science, literature and art	Strengthen lessons learned in school
	Self-management of socio-emotional education	Develop emotional awareness and self-regulation
	Creation of retro video games	Technological skills and development of computational thought
Secondary	Web design with Wix	Develop programming knowledge
Secondary-Prep School	Learning to decide	Vocational guidance and life skills
Secondary-College	Intelligent optimism	Foster greater well-being, success and resistance.
Preparatory School	Lessons for all	Tutoring in mathematics and communication
	Prepanet	Online preparatory school with certification from Tecnológico de Monterrey: Five employees who resumed prep school studies in 2021 received their degree.
College	English Challenge	English learning and practice: 11 students spent the summer in Canada to strengthen their English skills..

Our program allies are: Fundación Nemi, Tecnológico de Monterrey, Fundación Televisa-Bécalos, Centro Laboral de México, Crack the Code and Fundación Zorro Rojo.

HEALTH

Banorte Force
This program promotes solidarity among our families by providing complementary support for specialized medical services, preventive health and physical activation events, through a fund made up of biweekly donations from Banorte employees which are matched by Fundación Banorte.

Specialized support

We improved the health and quality of life of four children and one elderly adult, helping to restore their families' peace of mind by funding medical treatment for these patients. This year we supported four people with therapy, treatment, and a bone marrow transplant.

Preventive health services

We encourage a culture of preventive health among employees and their families through diagnostic testing for early detection of illness and the provision of assistive devices, along with distribution of coupons that can be used in affiliated clinics and testing labs. This year we benefited 352 people through health days held in our administrative offices in Monterrey and Mexico City.

Vision Day Fundación Devlyn

We invited the family members of external employees (who work for companies that provide services in Banorte's administrative buildings) to Vision Day, which was organized by Fundación Devlyn at Mexico City's Palacio de los Deportes stadium, where they received eye exams and glasses. We supported eight people from external communities with hearing tests and hearing aids.

Physical activation events
On Sunday, May 21 we celebrated Family Day, an event that promoted family togetherness and physical activation for employees and their families at Kinezis, a wellness center that combines fitness with fun. The event was attended by 980 people from Mexico City and Mexico State who enjoyed more than 40 extreme attractions for free.

2,000
new donors

New donors
To expand the program's support, we organized a contest between areas, in which department heads and territorial directors encouraged employees to participate, an effort that resulted in 2,000 new donors. At the end of the year, there were 3,820 employees supporting Banorte Force.

The Adjunct CEO of Administration, Risks and Credit and the Western, South and Mexico South divisions were the winners, and each was allowed to select a charitable organization that provides health services to vulnerable populations to receive a donation and extend the support of Banorte Force to 1,898 participants.

I am a Banorte Volunteer

Through our corporate volunteer program, which is aligned with the social strategy of Fundación Banorte and the GFNorte sustainability model, employees donated their time and talent to benefit those who need it most, to generate value and social impact in communities and to encourage motivation, empathy, and a sense of belonging to the institution.

In 2023, we carried out 70 actions in communities in 18 states of Mexico with the help of 335 volunteers who donated 1,658 hours of their time to benefit 2,086 people

70
actions in communities

335
volunteers

2,086
benefited people

Community

- Improve community and family spaces
- Create spaces for togetherness and joy at times of celebration

Financial education

- Share knowledge on family finance and financial inclusion

Environment

- Reforest protected natural areas
- Build awareness about the importance of environmental care.

Line	Description	Action	Volunteers	Hours donated	Participants
Community	Helping Others Children's Day	11	87	217	835
	Bank volunteering	1	22	88	140
	Prep school construction	1	17	45	28
	Devlyn Day	1	3	15	350
	Joquicingo sports facilities	1	17	85	300
	Helping Others Christmas	22	174	560	2,238
Financial literacy	Family finance workshop	18	34	119	645
Environment	Environmental education workshop	12	33	111	523
	Reforestation (1,900 trees planted)	3	148	418	100

Donate your cell phone

Fundación Banorte and the Digital Banking, Internal Communication and Sustainability areas launched a campaign called "Donate your cell phone," a pilot program that was launched in our Santa Fe building in Mexico City, inviting employees to donate cell phones they were no longer using but were still in good condition, to send to people in communities where Fundación Banorte had a presence; and to bring in their non-working phones for recycling.

One hundred working phones were collected:

- **2 were donated to young people** from the "Bécalos" program in Los Pozos, Chiapas
- **21 were given to women** in Mexico State who participated in the Poultry Producers' Program, in an alliance with Educampo.
- **77 were sent for responsible recycling.** With the support of ITESM, three students in the Mechatronic Engineering program completed their social service requirement during the campaign, helping to check and inventory the cell phones.

10

ENVIRONMENTAL CAPITAL

SDG

7 , 12, 13, 15

GRI

2-23, 3-3, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5

PERSONALIZING THE FUTURE WITH COMMITMENT

Strategies for reducing our environmental footprint

At Banorte, we understand our responsibility, and **we are committed and taking actions toward a more equal and sustainable world for all,** especially for future generations.

16.5 GJ
energy consumption per employee

1.93 tCO_2e/employee
emission intensity per employee

83%
of waste was recycled

Environmental management

GRI 2-23, 3-3

As part of our commitment to the environment and our organizational development, we have an Environmental Policy aligned with current national and international regulations and the global initiatives that we have signed. This policy establishes environmental principles and guidelines on how the group operates and does business.

To learn more about GFNorte's environmental policy, **click here**

We have an environmental impact matrix through which we have identified 128 operational aspects that in turn involve six current or emerging risks, including applicable environmental regulations.

We also have an Environmental Management System by which we manage our use of resources, our generation of waste and emissions, to improve our environmental performance.

Because of our strict management of environmental impacts, we received no fines for violations of environmental laws or regulations in 2023.

Energy

Energy consumption

GRI 302-1, 302-3

Given the nature of the sector in which our group operates, our energy consumption occurs mainly in the purchase of electricity from the national electrical grid. None of our subsidiaries consumes energy associated with heating, cooling, or steam, nor do they generate energy for their own consumption or for sale.

ENERGY CONSUMPTION (GJ)

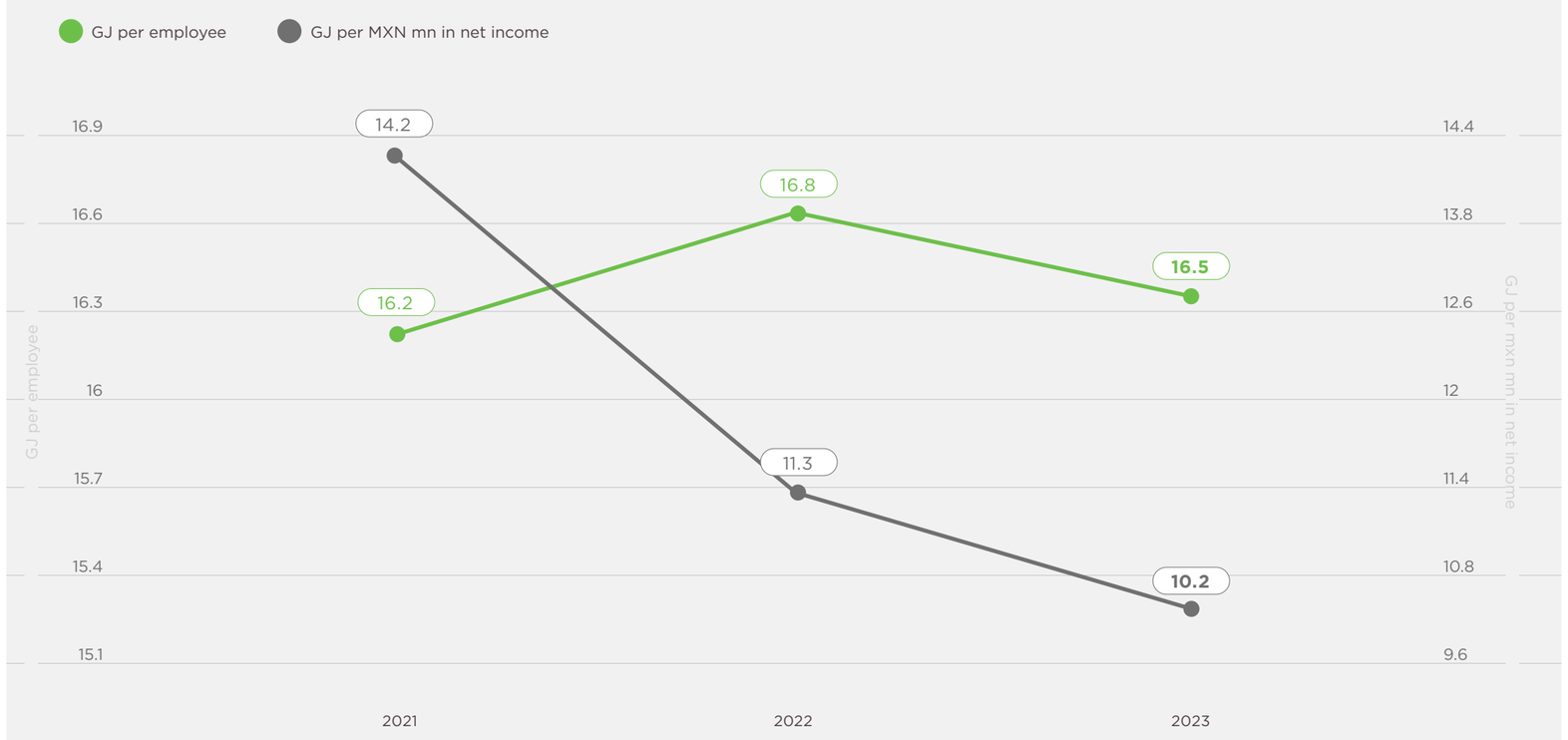
Company	Source	Fuel	2021	2022	2023	% Change
Afore XXI Banorte *Joint Venture*	Utility vehicles	Gasoline	1,772.4	2,002.1	2,813.8	41%
		Diesel	61.9	13.6	7.3	-46%
	Electricity	NA	8,756.2	9,060.8	9,156.1	1%
	Heating	Natural gas	2.3	-	-	-
Almacenadora Banorte	Utility vehicles	Gasoline	1,670.0	1,903.6	2,311.6	21%
	Fork lifts	LP Gas	728.9	542.8	764.9	41%
	Power generators	Diesel	13.2	11.1	7.8	-30%
	Electricity	NA	531.5	692.2	851.4	23%
Arrendadora y Factor Banorte	Utility vehicles	Gasoline	284.5	1,034.5	517.2	-50%
Banorte	Utility vehicles	Gasoline	14,537.1	16,701.2	17,826.3	7%
		Diesel	1,812.4	13.1	123.8	844%
	Power generators	Gasoline	-	30.3	95.5	215%
		Diesel	106.8	1,095.4	2,838.4	159%
	Electricity	NA	443,691.6	455,758.8	472,113.1	4%
	Kitchen	LP Gas	41.1	-	-	-
Insurance and Annuities	Utility vehicles	Gasoline	17,299.4	18,628.7	20,111.6	8%
	Power generators	Diesel	-	32.9	51.4	56%
	Electricity	NA	6,310.9	6,112.0	5,677.8	-7%
GFNorte			497,620.1	513,633.14	535,267.9	4.2%

For the calculation of energy consumption from fuels, the heating values published in the List of Fuels and their Heating Values 2024 issued by the National Commission for the Efficient Use of Energy (CONUEE) were used.

Due to internal changes, the fuel consumption of Arrendadora and Factor Banorte is consolidated with Banorte's starting July of the reporting year, so the energy reported for this subsidiary corresponds to the period from January to June of the same year.

Energy consumption grew 4.2% in 2023 due to an increase in electricity consumption following the return to work in the office and an increase in employees' use of utility vehicles. Additionally, emergency power generators were more in use last year because of more frequent interruptions in electricity supply from the national grid, primarily due to an energy demand overload.

ENERGY INTENSITY



We saw a 1.6% reduction in energy intensity per employee due to a 5.9% increase in our headcount, mainly in the sales force, to take advantage of opportunities arising from the relocation of companies and its effect on supply chains.

Similarly, the 9.7% reduction in energy intensity per million pesos of net income resulted from a 15.4% increase in the denominator due to a favorable economic environment following the post-pandemic reactivation and high monetary policy rates in Mexico.

1.6%
reduction in energy intensity per employee due

9.7%
reduction in energy intensity per million pesos of net income

To calculate energy intensity we used a base of 32,392 employees, including full-time employees, those working on a fee basis and other professional service providers, and MXN52.418 bn in net income attributable to the majority interest.

ENERGY EFFICIENCY AND RENEWABLE ENERGY

GRI 302-4, 302-5

To operate at lower costs and reduce our GHG emissions, in 2023 we introduced the following energy efficiency projects in our branches and administrative buildings:

Upgrade of air conditioning equipment

We replaced equipment nearing obsolescence with energy-efficient technologies using environmentally friendly gases, resulting in a **reduction of 248,821 kWh**, equivalent to **108.2 tCO_2e,** leading to an economic saving of MXN661,390.

Renewable energy

As part of our commitment to decarbonizing operations, we closed a deal for the purchase of solar energy that will supply approximately **38% of the Group's total electricity consumption.** The initiative involves the purchase of 42 GWh annually in the wholesale power market (WPM), starting with 30% of the total acquired by mid-2024 and gradually increasing to 100% by 2027.

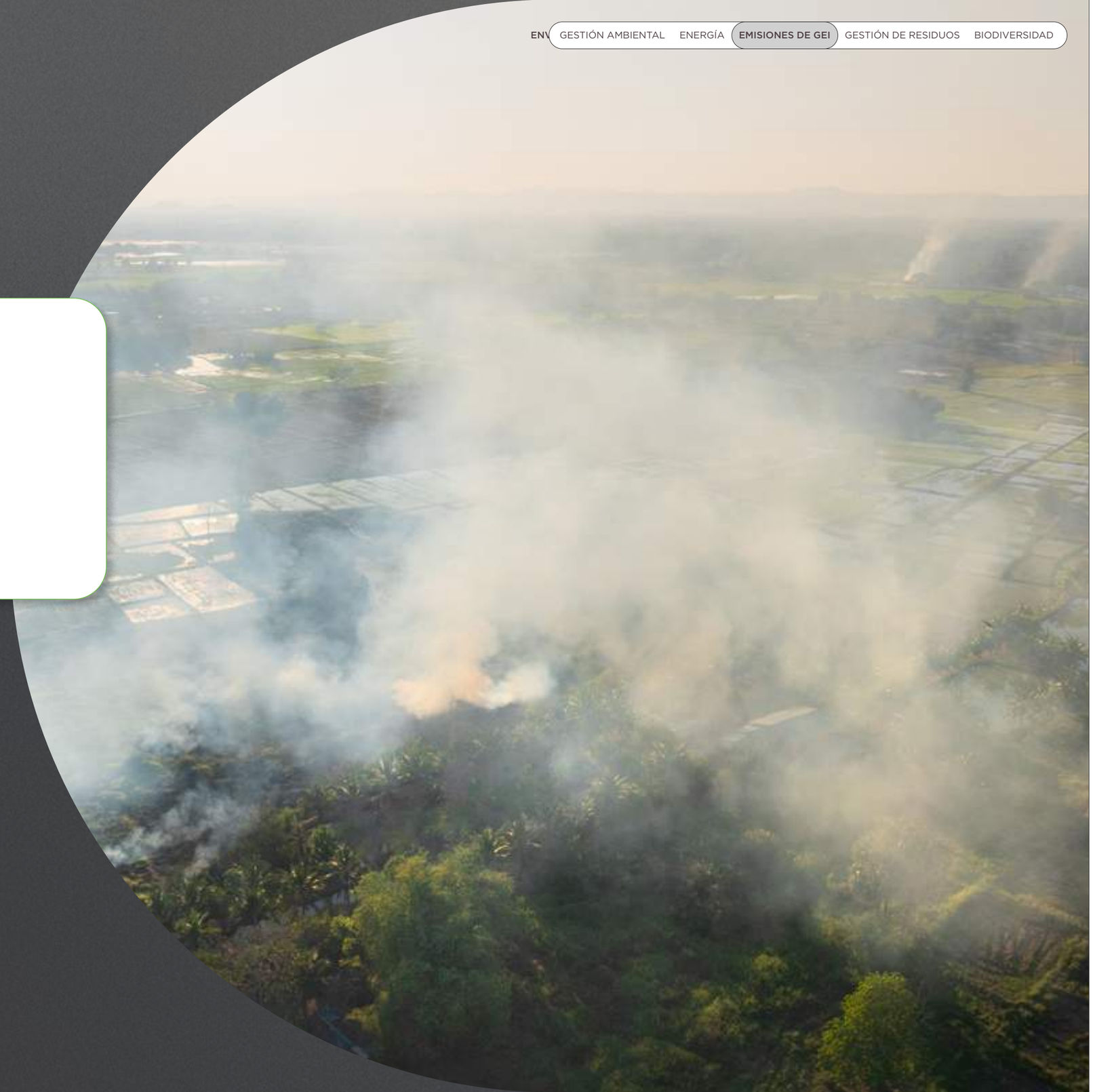
Reorganization of technological equipment

This measure r**educed energy consumption by 231,480 kWh,** associated with **100.7 tCO2e,** a saving of MXN564,070, by migrating the Data Center from Tlalpan in Mexico City to the KIO Computing Center in Querétaro. As part of this same program, in 2024, we plan to shut down 1,790 pieces of computer equipment operating in Tlalpan and optimize air conditioning and electrical operation equipment that previously supplied the Data Center, generating an estimated energy saving for 2024 of 2,789,156 kWh, translating into 1,213.3 tCO_2e avoided and a potential saving of MXN6.8 million in operating costs.

GHG emissions

GRI 3-3

We manage the GHG emissions we produce in our direct and indirect activities using the operational approach of the GHG Protocol accounting principles.



GHG emissions - Scope 1 and Scope 2

GRI 305-1, 305-2, 305-4

GHG EMISSIONS - SCOPE 1 AND SCOPE 2 (tCO_2e)

Company	Scope	2021 (tCO_2e)	2022 (tCO_2e)	2023 (tCO_2e)	% Change
Afore XXI Banorte *Joint Venture*	A1	132.6	145.4	203.5	40%
	A2	1,028.8	1,094.8	1,106.4	1%
	A1 + A2	1,161.5	1240.2	1,309.8	6%
Almacenadora Banorte	A1	168.7	173.3	216.9	25%
	A2	62.5	83.6	102.9	23%
	A1 + A2	231.2	256.9	319.8	24%
Arrendadora y Factor	A1	20.5	74.6	37.3	-50%
	A2	-	-	-	0%
	A1 + A2	20.5	74.6	37.3	-50%
Banorte	A1	1,190.9	1,289.1	1,513.0	17%
	A2	52,131.5	55,070.9	57,047.0	4%
	A1 + A2	53,322.3	56,360	58,560.0	4%
Insurance and Annuities	A1	1,247.6	1,345.9	1,454.3	8%
	A2	741.5	738.5	686.1	-7%
	A1 + A2	1,989.2	2,084.4	2,140.3	3%
GFNorte	A1	2,760.3	3,028.4	3,424.9	13%
	A2	53,964.3	56,987.9	58,942.3	3.4%
	A1 + A2	56,724.7	60,016.2	62,367.2	3.9%

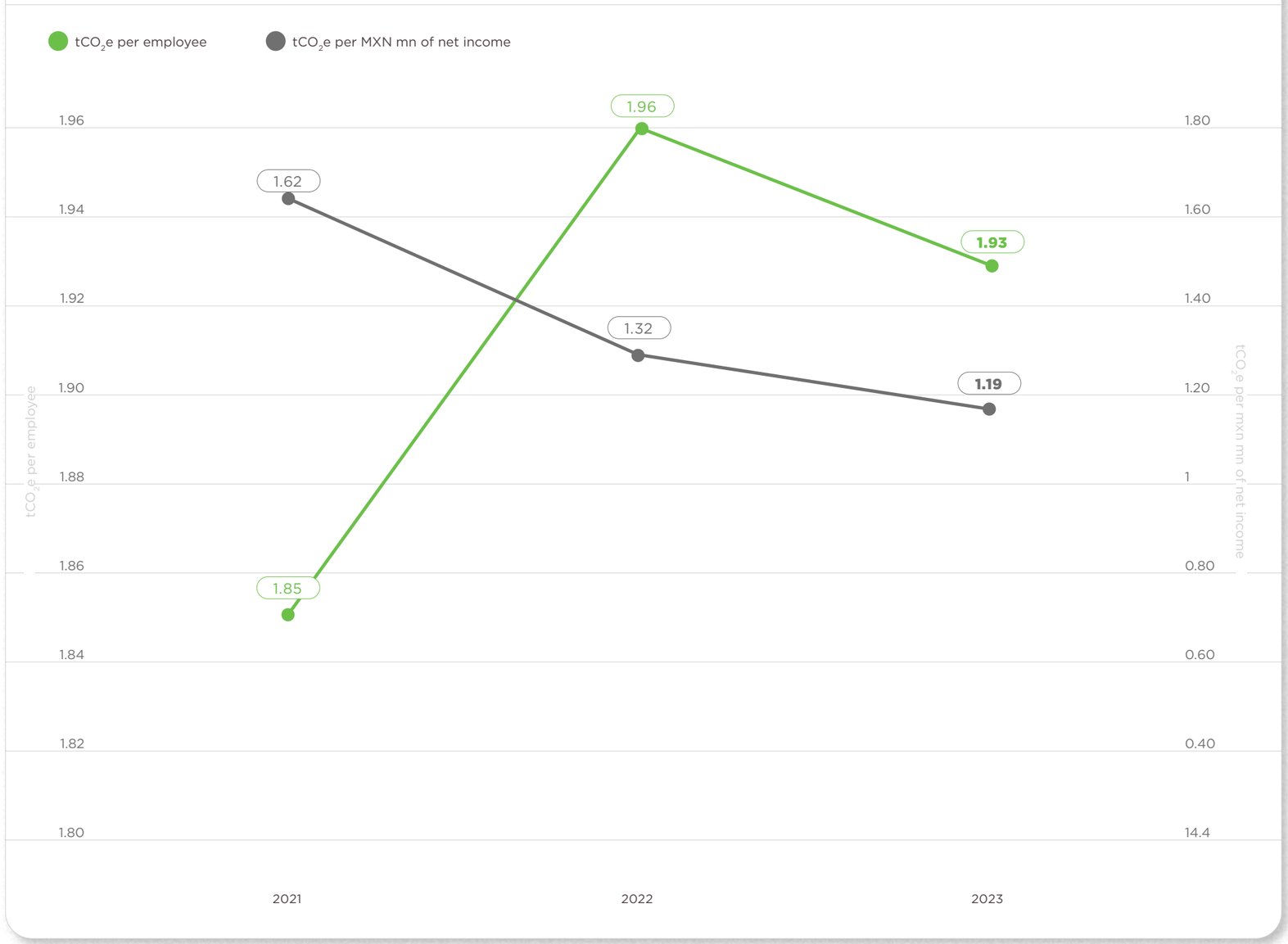
To guarantee the traceability and quality of the information obtained, we engage an independent consultant and SEMARNAT-accredited agency each year to verify and validate our inventory of Scope 1 and Scope 2 GHG emissions (OC-VV-GHG).

Scope 1 and 2 GHG emissions increased by 3.9% due to the aforementioned 4.2% increase in energy consumption. However, emissions intensity per employee and per million pesos of net profit both declined, by 1.9% and 10.0, respectively, which is associated with a 5.9% increase in the denominators for employees and a 15.4% increase in net profit compared to the previous year.

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the "Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions."

To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2022 issued by the Energy Regulatory Commission (CRE).

EMISSION INTENSITY



To calculate emission intensity we used a base of 32,392 employees, including full-time employees, those working on a fee basis and other professional service providers, and MXN52.418 bn in net income attributable to the majority interest.

Scope 3 GHG emissions

GRI 305-3

SCOPE 3 GHG EMISSIONS, CATEGORIES 1-14 (tCO_2e)

GHG Protocol category	Description	Source	2023 (tCO_2e)	Coverage (%)
1	Purchased goods and services	Advertising print material, consultancy, refrigerant gas suppliers	11,707.8	95%
2	Capital goods	Purchase of office equipment	18,013.0	88%
3	Fuel- and energy-related activities (not included in Scope 1 and 2)	Electricity transmission and distribution (T&D), and fuel well to tank (WTT)	758.7	100%
4	Upstream transportation and distribution	Correspondence, internal mail, and other internal shipments	2,461.9	88%
5	Waste generated in operations	Waste sent for recycling and to municipal landfills	282.7	36%
6	Business travel	Flights related to work matters	1,298.4	100%
9	Downstream transportation and distribution	International shipments, delivery of credit cards, and statement mailings	502.0	88%

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document “Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1.” The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023. The increase in category 2 GHG emissions is due to the inclusion of new sources (in 2022 they included only laptop and desktop computers).

Category 3 emissions were calculated using the fuel-based method and the factors provided by the UK Department for Environment, Food & Rural Affairs (DEFRA) in the document “Conversion factors 2020: full set.”

Category 5 emissions were calculating using the type-of-waste method, and category 6, based on distance. Both categories use the factors supplied by the US EPA in its “Emission Factors for Greenhouse Gas Inventories 2023.”

Scope 3 category 15 greenhouse gas emissions (known as financed emissions) are highly representative for the financial industry, as they are defined as indirect emissions associated with financing and investment. Since 2022, we have been quantifying financed emissions and setting emission reduction targets according to the strictest standards in our industry, in line with our decarbonization commitment.

SCOPE 3 GHG EMISSIONS, CATEGORY 15 (tCO_2e)

Company	Asset class	Coverage (%)	2021 (tCO_2e)	2022 (tCO_2e)	Change (%)	Data quality
Banorte	Mortgage	100%	184,657	209,132	2%	4.0
	Commercial real estate	69%	711,980	724,549	-12%	4.1
	Investment projects	91%	943,032	825,194	-5%	4.2
	Corporate loans	92%	7,921,188	8,732,899	10%	4.1
Arrendadora y Factor Banorte	Corporate loans	100%	544,732	402,658	-26%	4.8
Afore XXI Banorte *Joint Venture*	Stocks	100%	321,802	309,956	-4%	2.0
	FIBRAs	77%	35,905	40,249	12%	2.0
	Corporate bonds	62%	639,541	626,891	-2%	2.0
	Sovereign bonds	100%	9,036,920	9,036,920	0%	2.0
Operadora de Fondos Banorte	Stocks	93%	57,303	81,013	41%	2.0
	Corporate bonds	67%	7,496	18,815	151%	1.5
	Sovereign bonds	100%	1,557,426	1,450,290	-6.9%	2.0
GFNorte	**Assets on the balance sheet**	**27%**	**10,305,589**	**10,894,432**	**5.71%**	
	Off-balance assets	**61%**	**11,656,393**	**11,564,134**	**-0.8%**	

Figures as of the close of December 2022.

The financed emissions reported for assets on the balance sheet include subsidiaries Banorte and Arrendadora y Factor Banorte, while emissions from off-balance assets correspond to the subsidiaries Afore XXI Banorte and Operadora de Fondos Banorte. In both cases, we used the Global GHG Accounting and Reporting Standard A, published by the PCAF.

The "coverage" column shows the percentage of the total balance or investment within that the asset class. Mortgage loans, commercial real estate, and investment projects include short and long-term financing, while corporate loans include long-term financing. Short-term financing is defined as loans with maturities of less than one year, and long-term financing is defined as loans with maturities of more than one year.

To calculate financed emissions for Banorte (the bank) and Arrendadora y Factor Banorte (our leasing and factoring subsidiary), Scope 1, 2, and 3 greenhouse gas emissions were considered based on the availability of corresponding factors in the PCAF database. Investment projects and corporate loans encompass industries that are more carbon-intensive, including energy generation, oil & gas, aluminum, agriculture, coal, cement, construction, iron and steel, and transportation. Sources used for calculations include internal databases as well as customers' public reports and PCAF emission factors.

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Afore XXI Banorte (our retirement fund manager), we included Scope 1 and 2 greenhouse gas emissions by the issuers. If the issuer's enterprise value was not available for calculation, market capitalization was used. In the case of international companies with a presence in Mexico and a sustainability report at the subsidiary level, emissions of greenhouse gases at the Mexico level were used; otherwise, emissions at the corporate level were used for calculations. To quantify emissions from sovereign bonds, Mexico's consumption emissions were used, where emissions intensity refers to CO_2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO_2e/GDP). Sources used for calculations include internal databases, as well as MSCI, Bloomberg, and S&P.

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Operadora de Fondos Banorte (our fund management subsidiary), we included Scope 1 and 2 greenhouse gas emissions by the issuers, except for oil & gas and mining, which include scope 3. To quantify emissions from sovereign bonds, we used Mexico's consumption emissions, where emissions intensity refers to the CO_2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO_2e/GDP). Sources used for calculations include internal databases, as well as issuers' public reports, Refinitiv, and CDP.

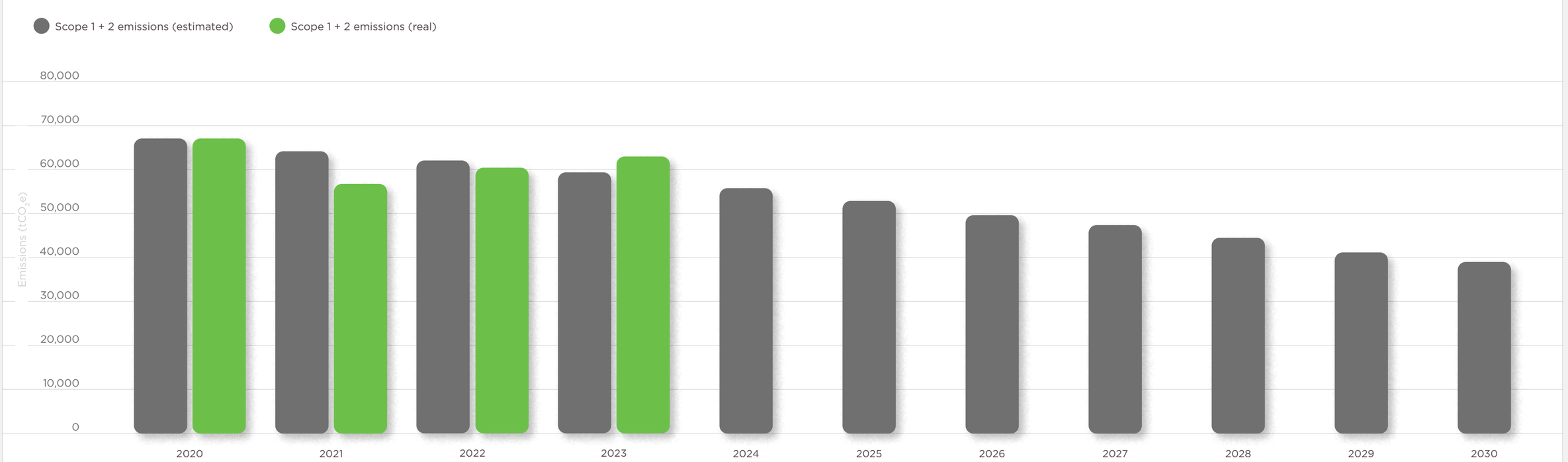
The data quality column shows the result of a weighted average of the customer/issuer balances that make up the asset classes by their respective data quality. PCAF's data quality scale is used, where data quality 1 is of the highest quality, and data quality 5 is the lowest.

GHG emission reduction targets

GRI 305-5

In 2023, we redefined our Scope 1 and 2 GHG emission reduction targets with a coverage of 100%, using the Absolute Contraction Approach, aligned with the scenario of a 1.5°C rise in global temperature.

SCOPE 1 + 2 REDUCTION TARGETS



We also set GHG emission reduction targets for Scope 3, category 15, with a coverage of 21.9% of the assets of the Financial Group. For this purpose, we used the Science-based Target-Setting Manual for the Financial Industry and the Sectorial Decarbonization Approach (SDA) and the Portfolio Coverage Approach, all supplied by the SBTi, using the scenarios of 1.5°C and below 2°C, according to the asset class and industry.

Asset class	KPI 2021 (Base year)	KPI 2022	Metric	Coverage (% of assets)	Target	Target year	Methodology	Climate scenario
Mortgage	8.90	8.19	$kgCO_2e/m^2$	100%	42.1%	2030	SDA	SBTi 1.5°C
Commercial real estate	42.0	43.4	$kgCO_2e/m^2$	75%	52.5%	2030	SDA	SBTi 1.5°C
Energy generation	0.49	0.50	tCO_2e/MWh	100%	73.7%	2030	SDA	SBTi 1.5°C
Corporate loans – Oil & Gas	1.45%	6.63%	Percentage coverage	95%	27.4%	2026	SBTi Portfolio coverage	SBTi 1.5°C
Corporate loans – other long-term loans				68%				
Common and preferred stock	10.5%	3.4%	Percentage coverage	100%	34.1%	2026	SBTi Portfolio coverage	SBTi 1.5°C
Corporate bonds				100%				
Exchange-traded funds (ETFs)								

Figures as of December 2022.

Short term refers to loans with maturities of less than one year; long term means loans with maturities of more than one year. In both cases, with respect to the base year (2022 for the purposes of this exercise).
The targets for the mortgage and commercial real estate segments apply only to Banorte (the bank), and include short- and long-term loans. Commercial real estate does not include investment projects. Targets for both these asset classes were set using the Sectorial Decarbonization Approach (SDA) Tool for Commercial Real Estate and Residential Mortgages, version 1.2.

The target for energy generation includes investment projects and corporate loans with short- and long-term maturities. We used the "Science Based Targets Setting Tool" version 2.1 to set the target for energy generation.
Corporate loans include the portfolios of Banorte (the bank) and Arrendadora y Factor Banorte (leasing and factoring). This asset class includes loans to the Oil & Gas industry at short and long terms, and other long-term loans, primarily from other highly carbon-intensive industries.

The Common and Preferred Stock, Corporate Bonds, and ETF asset classes correspond to the book account "Investments in Securities." This account includes negotiable financial instruments, assets available for sale and held to maturity, by all subsidiaries of the Group that manage assets on the balance sheet. The ETFs directly consider the commitments of the instrument managers to SBTi, not constituent issuers. The coverage percentage is lower in our comparison due to changes in the exposure of certain assets that previously had a higher concentration in the account and now have emissions reduction targets aligned with and approved by SBTi.

In line with SBTi methodologies, the exercise covers all mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group's balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class.

In total, greenhouse gas emission reduction targets for Scopes 1, 2, and 3 were approved by the SBTi, making GFNorte the first financial institution in all of Latin America to have its targets validated by the initiative.

To complement this exercise, we set targets for highly carbon-intensive industry groups at the Banorte level (the bank subsidiary), covering 44.2% of the total loan portfolio. The targets were developed under the guidelines of the Net Zero Banking Alliance (NZBA), the SDA and Absolute Contraction methodologies, using SBTi's 1.5°C scenario and the Net Zero 2050 scenario of the International Energy Agency (IEA-NZE 2050).

GHG emission reduction targets were approved by the Sustainability Committee, the Risk Policies Committee (RPC) and the Board of Directors.

EMISIONES DE GEI DE ALCANCE 1 Y 2 (tCO_2e)

Industry	KPI 2021 (Base year)	KPI 2022	Metric	Industry coverage (% Portfolio)	2030 Target	Board approved range	Methodology	Climate scenario
Mortgage	8.90	8.19	$kgCO_2e/m^2$	100%	42.1%	20% - 39%	SDA	SBTi 1.5°C
Commercial real estate	42.0	43.4	$kgCO_2e/m^2$	75%	52.5%	19% - 37%	SDA	SBTi 1.5°C
Energy generation	0.49	0.50	tCO_2e/ MWh	100%	73.7%	34% - 68%	SDA	SBTi 1.5°C
Oil & gas	2,109,250	1,875,030	tCO_2e	95%	21.0%	24% - 47%	Absolute contraction	IEA - NZE 2050
Agriculture	1,691,253	1,789,475	tCO_2e	100%	35.0%	18% - 35%	Absolute contraction	IEA - NZE 2050
Aluminum	5,973	15,273	tCO_2e	100%	35.0%	18% - 35%	Absolute contraction	IEA - NZE 2050
Iron and steel	50,136	45,027	tCO_2e	100%	22.0%	11% - 22%	Absolute contraction	IEA - NZE 2050
Coal	1,418	156	tCO_2e	100%	68.0%	34% - 68%	Absolute contraction	IEA - NZE 2050
Transportation	46,608	51,729	tCO_2e	100%	18.0%	9% - 18%	Absolute contraction	IEA - NZE 2050
Cement	1,161,167	1,194,810	tCO_2e	100%	17.0%	3% - 18%	Absolute contraction	IEA - NZE 2050
Construction	164,519	194,841	tCO_2e	100%	35.0%	18% - 35%	Absolute contraction	IEA - NZE 2050

Figures as of the close of 2022.

Short term refers to loans with maturities of less than one year; long term means loans with maturities of more than one year. In both cases, with respect to the base year (2022 for the purposes of this exercise).

The reported ranges are between the optimistic and conservative scenarios for the measures that Banorte would have to take, depending on the market response. These ranges have been approved by the Board of Directors and are included for informational purposes.

In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

DECARBONIZATION PLAN

GRI 3-3

To meet these goals, we are working on a decarbonization roadmap for our internal operations and financed emissions, which will include the following aspects:

SCOPE 1 + 2 EMISSIONS:

01

Identify and evaluate the substitution of electricity consumption in our main administrative buildings with clean or renewable energy suppliers operating within the wholesale electricity market (WEM), ensuring the traceability of the resource with their respective IRECs.

02

Evaluate opportunities for distributed energy generation by installing solar panels in own branches through different schemes.

03

Conduct an energy audit of branches with the highest energy consumption using the energy intensity metric kWh/m².

04

Replace obsolete equipment with more efficient equipment, especially air conditioning and lighting systems.

05

Establish a continuous monitoring program to identify additional improvement opportunities.

06

Increase environmental awareness for employees.

07

Establish an internal carbon pricing mechanism.

08

Identify and evaluate the possibility of obtaining an environmental certification for our main administrative buildings.

09

Acquire carbon offsets (for up to 10% of emissions in the reporting year), from reforestation projects or carbon capture and storage, among others.

10

Evaluate the gradual replacement of internal combustion vehicles in the fleet with hybrid or electric vehicles.

Progress towards meeting the goals is variable, as it depends on the prioritization, budget and implementation time of each project.

SCOPE 3 EMISSIONS:

01

Develop policies to define the Group's stance on climate change for financial decision-making.

02

Focus efforts on understanding transition plans and addressing the financing needs of the main customers in each industry.

03

Seek to generate greater knowledge among our customers through strategic alliances, including industry experts, and by sharing best practices with the most advanced companies.

04

Strengthen our climate governance by creating multidisciplinary teams called "cells" responsible for implementing various sustainability-related projects, including internal changes that make sustainable financing traceable, updates and evolution of climate risk management, and the development of sustainable products, among another 40 projects.

05

Train and raise awareness of our employees, especially the sales force, about the importance of decarbonization and how they can contribute from their area of control.

06

Promote transparency of GHG emissions of customers in the loan portfolio and emissions portfolio.

07

Continue to refine, to the extent possible, the quality of information about our customers, and automate calculation of the carbon footprint of our portfolio, in order to more expediently measure progress towards our medium and long-term decarbonization goals.

Waste management

GRI 306-1, 306-3, 306-4, 306-5

We have a waste management system through which we recover, reuse and recycle the waste generated in our business activities.

We consider paper to be a raw material, because it is used in various processes by our bank subsidiary. This past year, we consumed 611 metric tons of paper, basically stable (0.10% more than in 2022).

WASTE GENERATED (T)

Type of waste	2023	% Change
Metric tons sent for recycling	1,138	191%
Metric tons sent to municipal landfills	475	43%
Total metric tons	1,614	123%

Employee coverage **36%**

Percentage of total waste recycled **83%**

With the measurements taken by the waste separation program, we estimate the waste generated in the administrative buildings based on a kilogram per employee indicator, which is extrapolated to seven administrative buildings, assuming similar behavior. Hazardous biologically infectious waste (HBIW) is excluded from the estimation since its representation is negligible (<1 Mton).

In 2023, we generated a total of 1,614 metric tons of waste in six of our administrative buildings. **While 83% of the total reported waste was sent for recycling,** 97% corresponds to documents classified as inactive files, which undergo a process of selection, purge, destruction, and recycling with the support of a SEMARNAT-certified provider.

It is important to note that 2023 was an atypical year as the mandatory retention period for inactive files was reduced from 12 to 10 years, nearly tripling the amount of paper sent for recycling. Additionally, we saw a 53% increase in total waste generated (excluding inactive files) following the return of employees to offices.

A total of 428 m^3 of construction debris produced during office renovations in two of our buildings were collected by an external provider for proper disposal.

Recycling Programs

GRI 306-2

With the introduction of a waste separation program in six of our administrative buildings in 2023, we sent a total of 1,138 metric tons of urban solid waste for recycling, recovering **MXN4.16 million** and avoiding sending that waste to municipal landfills.

1,138
metric tons of urban solid waste for recycling

We sent another 34.1 metric tons of electronic waste from ATMs, computers, and other equipment, which underwent a separation and revaluation process for recycling through a SEMARNAT-certified provider, from which we recovered **MXN1.55 million.**

In partnership with BioBox, we continued our campaign to collect PET bottles and aluminum cans, in which users receive a public transportation credit by placing plastic bottles and/or aluminum cans in special containers. In 2023, 1.7 metric tons of waste were collected from 12 sites located in Mexico City.

Additionally, through the Banorte Foundation, we developed the "From a Liter to a Roof: Tetrapak Collection" initiative to support the communities we are part of. With this campaign, we collected **838.5 kilograms** of packaging in our Tlalpan and Santa Fe corporate buildings and gave them a second life as laminated roofing material in Ocuilan, State of Mexico.

Likewise, through the Banorte Foundation and our Digital Banking, and Internal Communication areas, we created the "Donate Your Cellphone" campaign, in which defective cellphones from employees were donated for responsible recycling to an electronic recycler accredited by the Ministry of Environment of the State of Mexico, estimating a total of 77 mobile phones sent for recycling.

Furthermore, we issued 57,340 and **8,600 debit cards** made from recycled plastic for Mujer Banorte and Banortec accounts, respectively, along with 924 credit cards in Banortec. This initiative promotes a circular economy in our products.

77
mobile phones sent for recycling

57,340
debit cards made from recycled plastic for Mujer Banorte

Waste reduction programs

We optimize paper usage by an ongoing digitalization of processes that gradually phases out printed materials. Among our initiatives in 2023 were:

Elimination of paper account statements

We encouraged customers to opt out of receiving printed credit card statements and succeeded in moving **90% of statements to digital channels by the end of 2023**. The initiative resulted in a reduction of **329 tons of paper and savings of MXN89 million.**

POS vouchers

100% of our POS terminals are set up with the option to bypass the printed voucher, evolving in the e-commerce business with a representation of 40% since 2020. **The initiative avoided the use of 942 metric tons of paper and saved us MXN622 million.**

Water

We recognize the value of water as an essential resource for life and as a driver of economic development.

To optimize the water used in bathroom equipment, we began phasing out old fixtures in 2022 and replacing them with water-saving equipment.

WATER CONSUMPTION (m^3)

Water	2023
Total consumption m^3	116,718.9
m^3/employee	9.9
Coverage	36%

To calculate our water footprint, we counted the water consumption of the six buildings with the greatest number of people, including full-time staff, people working on a fee basis and other professional service suppliers. We are only reporting for the current year because we have updated the calculation methodology to generate more precise figures.

Biodiversity

To help maintain the ecological balance, Banorte participates in and develops projects that contribute to our ecosystems' health and resilience to climate change.

Our Green Rooftop project, located in the Roberto González Barrera Contact Center in Monterrey, Nuevo León, has **1,750 square meters of landscaped area** that hold 68 species of Mexican plants, 16 of them classified under environmental protection standard NOM-059-SEMARNAT-2010.

68
Species of Mexican plants held in our Green Rooftop project

The Green Rooftop houses representative Mexican plants from warm climates and extreme environments, including succulent plants from the agave, cactus, and crassula families, as well as an area with aromatic and medicinal plants and vegetables.

In 2023, we held two reforestation events in partnership with Reforestamos México through the "Better Alliances, Better Forests" program, where we restored 1 hectare of the La Primavera Forest in Jalisco and the Cumbres de Monterrey Park.

With a total of 1,400 trees of Pinus oocarpa, Pinus devoniana, Pinus pseauodstrobus, and Quercus magnoliifolia planted, these species are expected to capture **268.11 tCO_2e** when they are fully grown.

To promote awareness about environmental care, we held a series of environmental education workshops attended by 523 beneficiaries, covering topics such as:

1,400
trees planted during our reforestation events

523
beneficiaries of environmental education workshops attended

01

Waste management
from the definition of "waste" to its classification, separation, recycling, and methods of reuse.

02

Water conservation
highlighting the importance of water conservation in communities to prevent pollution caused by the discharge of untreated domestic wastewater and the improper disposal of non-biodegradable and solid waste that ends up in water bodies, as well as the benefits of rainwater capture for domestic activities.

03

Energy efficiency
Englobamos las diversas líneas de acción en la aplicación de la eficiencia energética dentro del hogar, al igual que en el consumo de productos locales.

About this report

GRI 2-2, 2-3, 2-4, 2-5, 2-14

This 2023 GFNorte Annual Report describes our progress and performance on ESG matters in the period from January 1 to December 31, 2023.

Its content is aligned with the Value Creation Model, structured in seven chapters: financial, technology and infrastructure, manufacturing, intellectual, human, social and environmental, and four ESG priorities: environmental, social, governance and sustainable business.

The information presented here refers to the operations of Grupo Financiero Banorte (GFNorte; ticker symbols BMV: GFNORTEO; OTCQX; GBOOY; LATIBEX: XNOR), and does not include information on other companies.

The report has been subject to external assurance, with the scope specified in the letter of assurance. Fewer indicators were covered by the limited assurance process in 2023 than in 2022. This is because we conducted a detailed analysis this year to align indicators for verification with our new materiality matrix.

The report

- Incorporates the framework supplied by the International Integrated Reporting Council (IIRC) for presentation of financial and non-financial information, allowing us to assess our ability to create value in the short, medium, and long term.

- Has been developed in accordance with GRI standards 2021 version. These standards address social and environmental materiality and are intended for a broad audience.

- It reports our contribution to the SDGs, the global roadmap proposed by the UN to address the most pressing challenges of society today.

- Reports SASB standards for the following industries: commercial banking, consumer finance, investment banking and brokerage, and asset management and custody activities. SASB Standards address financial materiality and respond to information requirements, especially from investors.

- Addresses the recommendations of the TCFD, which proposes a framework of guidelines for informing investors about the management of risks and opportunities related to climate change.

- Incorporates progress in adopting the recommendations of the TNFD, which allows for the assessment of nature-related risks and impacts related to nature.

- Responds to our commitment as signatories of the UNEP-FI PRB, a unique framework to ensure that our strategy and operations are aligned with the UN SDGs and the Paris Climate Agreement.

- Serves as our Communication of Progress (CoP) for the Global Compact, regarding our activities toward implementing its ten principles.

How to read the report

- At the beginning of each chapter, there is a reference to the contents of the GRI, SASB standards and the SDGs to which they correspond.

- In the annexes, specific indices of GRI and SASB reporting standards and frameworks are provided, as well as a summary of our progress toward PBR, TNFD, TCFD, and SDG frameworks, and the Principles of the Global Compact.

The 2023 Annual Report and Financial Statements of GFNorte are available in the following formats:

Annual Report in Spanish

Financial Statements in Spanish

Annual Report in English

Financial Statements in English

Detail of ESG results

Financial, operating and ESG results by subsidiary

Bank	Metric	2021	2022	2023
Total revenues	MXN mn	82,240	98,297*	**116,354**
Earnings	MXN mn	26,086	34,549	**41,946**
ROE	%	18.7	24.6	**27.4**
Customers	number	11,072,056	11,501,983	**12,118,684**
Market rank by assets managed	rank	2°	2°	**2°**
Sustainable portfolio analyzed for Corporate and Commercial Banking	MXN mn	8,501	4,075	**25,395**
Portfolio analyzed in clean and renewable energy	MXN mn	8,125	3,608	**6,098**
Sustainability-linked syndicated loans	number	-	7	**4**
Sustainability-linked syndicated loans	MXN mn	-	13,786	**3,070**
"Autoestrene Verde" loans**	number	-	579	**868**
"Autoestrene Verde" loans**	MXN mn	-	356	**572**
Projects assessed under Performance Standards, Equator Principles or SEMS Evaluation	number	19	23	**35**
Projects assessed under Performance Standards, Equator Principles or SEMS Evaluation	MXN mn	16,410	19,970	**24,115**
Participation as lead underwriter in thematic bonds	tranches	12	15	**27**
Participation as lead underwriter in thematic bonds	MXN mn	27,500	41,824	**94,566**
Participation as lead underwriter in sustainable bonds	MXN mn	20,000	20,090	**34,044**
Participation as lead underwriter in gender bonds	MXN mn	3,500	-	**-**
Participation as lead underwriter in social bonds	MXN mn	2,500	16,045	**37,826**
Participation as lead underwriter in green bonds	MXN mn	1,500	5,689	**6,620**
Participation as lead underwriter in sustainability-linked bonds	MXN mn	-	-	**16,076**

* Value updated according to the financial statements at the close of 2022
** Autoestrene Verde was launched in 2022

Seguros Banorte (Insurance)	Metric	2021	2022	2023
Premium revenues	MXN mn	23,411	24,653	**32,963**
Total operating income	MXN mn	4,371	7,081	**8,136**
Earnings	MXN mn	4,022	4,781	**5,635**
ROE	%	15.4	20.7	**23.4**
Customers	number	9,810,275	10,634,896	**10,401,967**
Market rank in profits	rank	7°	4°	**4°**
Market rank in premiums	rank	8°	7°	**6°**
Hydrometeorological insurance, covered risk	number	214,256	218,075	**223,087**
Hydrometeorological insurance, insurable value	MXN mn	785,272	891,325	**947,287**
Hydrometeorological insurance, value of retention	MXN mn	104,736	85,295	**85,794**
Hydrometeorological insurance, net premiums	MXN mn	825	795	**828**
Parametric insurance policies	number	5	5	**1**
Parametric insurance, net premiums	MXN mn	15	52	**1.4**

Pensiones Banorte (pensions)				
Premium revenues	MXN mn	22,649	18,733	**15,869**
Total operating income	MXN mn	3,369	4,401	**3,950**
Earnings	MXN mn	2,007	2,733	**2,470**
ROE	%	27.0	28.4	**22.7**
Customers	number	184,728	195,983	**206,761**
Market rank	rank	1°	1°	**1°**

Afore XXI Banorte				
Earnings	MXN mn	3,909	1,604	**2,455**
Assets under management (SIEFORE)	MXN mn	1,093,819	1,056,391	**1,168,122**
ROE	%	15.9	6.7	**10.3**
Customers	number	7,860,442	7,736,362	**7,751,039**
Market rank	rank	1°	1°	**1°**
Assets in the responsible investment portfolio covered by ESG analysis	%	100	96	**99**
Commitments relating to ESG risk	number	22	121	**263**
Issuers in the portfolio with whom some ESG commitment has been made	number	5	20	**39**
Meetings in which Banorte participated in general or technical committee meetings	number	207	195	**208**
Investment in sustainable thematic bonds	MXN mn	12,494	22,760	**40,296**
Investment in sustainable ETFs	MXN mn	7,127	8,546	**11,507**
Investment in alternative sustainable instruments	MXN mn	23,172	22,830	**27,512**

Securities market (brokerage firm and fund manager)	Metric	2021	2022	2023
Earnings	MXN mn	1,621	1,649	**751**
Portfolio in custody	MXN mn	956,344	1,008,853	**1,161,116**
ROE	%	23.3	22.9	**13.4**
AUM covered by ESG analysis	%	72	79	**83**
Total market value of AUM in NTESEL responsible investment fund	MXN mn	1,318	1,089	**1,074**
AUM in NTEESG fund	MXN mn	2,149	1,483	**1,235**
AUM invested in labeled bonds and ETFs that contribute to sustainable development	MXN mn	1,169	4,108	**4,075**
Amount invested in green bonds	MXN mn	466	241	**532**
Amount invested in social bonds	MXN mn	120	437	**1,357**
Amount invested in gender bonds	MXN mn	215	291	**301**
Amount invested in sustainable bonds	MXN mn	305	2,593	**1,105**
Amount invested in sustainability-linked bonds	MXN mn	0	408	**699**
Amount invested in thematic ETFs	MXN mn	63	138	**78**

Almacenadora Banorte (warehousing)				
Earnings	MXN mn	23	36	**51**
Inventory	MXN mn	1,026	975	**938**
ROE	%	7.7	11.4	**14.6**

Arrendadora y Factor Banorte (leasing and factoring)				
Earnings	MXN mn	669	598	**665**
Total portfolio	MXN mn	37,489	36,312	**44,496**
Past-due loans	MXN mn	669	830	**885**
Non-performing loan index	%	1.8	2.3	**2.0**
Coverage index	%	-	87.4	**96.6**
ROE	%	7.0	6.0	**6.2**

Banco Bineo (formerly IXE Servicios)				
Earnings	MXN mn	-22	30	**63**
ROE	%	-5.2	1.8	**3.2**

Strategy

ESG Ratings	Metric	2021	2022	2023
Rating agency				
S&P Global – CSA	rating	63 / 100	64 / 100	**66 / 100**
Indexes: Dow Jones, Sustainability Index, MILA				
MSCI	rating	AA	AA	**AA**
Indexes: 143 sustainability, ESG, SRI or thematic indexes				
FTSE Russell	rating	3.3 / 5	3.7 / 5	**3.7 / 5**
Indexes: FTSE4Good Emerging Index, FTSE4Good Emerging Latin American Index, FTSE4Good BIVA				
Moody´s - VE*	rating	41 / 100	41 / 100	**46 / 100**
Indexes: Vigeo-Eiris Best EM, Performers Ranking				

*Vigeo-Eiris (VE) evaluates ESG performance every two years

ESG Ratings				
Data providers				
CDP*	rating	B	B	**B**
Bloomberg**	rating	53 / 100	57.5 / 100	**60.1 / 100**
Refinitiv	rating	A-	A	**A-**

*CDP evaluates only aspects relating to climate change, forests and water

**Bloomberg evaluates only ESG data transparency. Due to changes in the providers' evaluation methodology 2021 and 2022 figures are not comparable with previously published figures.

Contributions to associations and initiatives				
Contributions to associations	MXN mn	32.9	35.1	**12.8**
Contributions to initiatives	MXN mn	1.44	1.02	**1.5**

Corporate governance

Board of Directors	Metric	2021	2022	2023
Board Members	number	14	14	**14**
Independent Board Members	%	61	64	**64**
Executive Board Members	%	8	7	**7**
Non-Executive Board Members	%	92	93	**93**
Female Board Members	%	7*	7	**14**
Male Board Members	%	93	93	**86**
Board members by age range, 40 – 50 years	%	21	15	**14**
Board members by age range, 51 – 60 years	%	37	43	**43**
Board members by age range, 61 – 70 years	%	21	21	**29**
Board members by age range, 71 – 80 years	%	21	21	**14**
Quorum for Board of Directors Meetings, January	%	100	100	**93**
Quorum for Board of Directors Meetings, April	%	100	100	**100**
Quorum for Board of Directors Meetings, July	%	100	93	**100**
Quorum for Board of Directors Meetings, October	%	92	100	**100**
Average board tenure	years	9	10	**8**

*Carmen Patricia Armendáriz Guerra was an independent member of the Board of Directors until August 31, 2021

Support Committees to the Board of Directors				
Meetings of the Audit and Corporate Practices Committee	number	12	12	**12**
Meetings of the Risk Policies Committee	number	12	12	**12**
Meetings of the Sustainability Committee	number	2	2	**3**
Meetings of the Human Resources Committee	number	4	3*	**4**
Meetings of the Nominations Committee	number	1	1	**1**

*The April meeting was not held as there were no matters to address at that time, as established in the corresponding minutes for that date

Data highlights of the Compensation System (compensation of key group executives)				
Employees who received compensation under the Compensation System during the fiscal year	number	31	31	**31**
Total amount of outstanding extraordinary compensation to be granted on the short-term direct benefits account balance	%	0.56994	0.52371	**0.51564**
Total amount of compensation granted and paid on the short-term direct benefits account balance	%	5.65675	4.45258	**4.78309**
Transferred compensation on the short-term direct benefits account balance	%	0.56994	0.52371	**0.51564**
Untransferred compensation on the short-term direct benefits account balance	%	3.74412	2.8169	**3.24260**
Fixed compensation on the short-term direct benefits account balance	%	1.34269	1.11197	**1.02485**
Variable compensation on the short-term direct benefits account balance	%	4.31405	3.34061	**3.75824**
Amount of extraordinary compensation in monetary benefits on the short-term direct benefits account balance	%	1.09902	0.97222	**0.96121**
Amount of extraordinary compensation in stocks on the short-term direct benefits account balance	%	3.21504	2.36839	**2.79703**

Corporate ethics

Corporate Ethics	Metric	2021	2022	2023
Percentage of employees who passed the Code of Conduct onboarding course	%	99.7	99.7	**99.7**
Employees trained in money-laundering prevention	number	27,193	27,798	**29,161**
Employees trained in anti-corruption	number	-	3,992	**30,733***
Employees trained in fair competition policy	number	26,353	2,048	**6,223**

*The significant increase is attributed to the anti-corruption module included in the Code of Conduct course starting in 2023

Reports received through EthicsPoint				
Reports received through EthicsPoint	number	294	312	**438**
Category 1: Corruption or bribery	number	-	-	**7**
Theft	number	-	-	**5**
Fraud	number	-	-	**2**
Category 2: Discrimination or harassment	number	-	-	**339**
Workplace harassment	number	-	-	**167**
Abuse of power	number	-	-	**118**
Threats	number	-	-	**54**
Category 3: Customer privacy data	number	-	-	**0**
Category 4: Conflicts of interest	number	-	-	**81**
Policy violations	number	-	-	**51**
Human resources conflicts of interest	number	-	-	**14**
Internal control conflicts of interest	number	-	-	**16**
Category 5: Money laundering or insider trading	number	-	-	**3**
Forgery	number	-	-	**3**
Accounting/auditing issues	number	-	-	**0**
Others:	number	-	-	**8**
Substance abuse (Alcohol)	number	-	-	**8**
Reports received through EthicsPoint				
Reports received through EthicsPoint	number	294	312	**438**
Information gathering	number	0	0	**7**
In process	number	3	6	**47**
Closed reports	number	291	306	**384**
Insufficient information	number	148	160	**121**
Investigation results	number	146	146	**263**
Unfounded	number	48	67	**81**
Founded	number	95	79	**182**
Dismissed	number	21	19	**55**
Reassigned	number	15	5	**2**
Suspended without pay	number	14	5	**64**
Reprimanded	number	45	49	**58**
Training and others	number	0	1	**3**

Tax Transparency	Metric	2021	2022	2023
Legal rate	%	30	30	**30**
Tax inflation	%	-4	-3	**-1**
Non-tax accounting deductions	%	1	1	**1**
Non-accumulative recoveries	%	-	-1	**-1**
Interest on tax obligations	%	-	-2	**-2**
Other items	%	-3	1	**-1**
Effective rate	%	24	26	**26**

Compliance				
Significant cases of non-compliance with applicable laws and/or regulations	number	0	0	**0**

*A case is considered significant when the penalty is equal to or greater than MXN100 mn

Cases of non-compliance related to marketing communications				
Significant cases of non-compliance related to marketing communications	number	0	0	**0**

*A case is considered significant when the penalty is equal to or greater than MXN100 mn

Total amount of monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice, or other financial industry-related laws or regulations				
Significant monetary losses as a result of legal proceedings	MXN mn	0	0	**0**

*A monetary loss is considered significant when the amount is equal to or greater than MXN100 mn

Complaints filed with CONDUSEF				
Complaints filed	number	13,351	11,467	**11,753**
Complaints filed with monetary compensation	number	-	2,541	**4,344**
Complaints filed with monetary compensation	%	-	22**	**37**
Complaints filed involving litigation (appealed by the client)	number	-	1,755	**1,780**
Complaints filed involving litigation (appealed by the client)	%	-	15	**15**
Complaints filed under investigation	number	-	427	**317**
Complaints filed under investigation	%	-	"-"	**3**

*In some cases, the same complaint may fall under more than one category ("with monetary compensation" or "in litigation"). As a result, the percentages may not always add up to 100%.
**The percentage is restated as there was an error in the 2022 Annual Report. This change does not impact the number of complaints, only the calculation of the corresponding percentage.

Financial assistance from the government				
Government assistance in the form of tax breaks and credits, grants, and/or royalty exemptions (tax-related assistance)	number	0	0	**0**

Financial capital

Main financial results	Métrica	2021	2022	2023
Balance sheet				
Assets under management	MXN mn	3,144,794	3,214,060	**3,957,801**
Loan portfolio	MXN mn	829,338	929,854	**1,042,817**
Total assets	MXN mn	1,850,879	2,070,072	**2,274,859**
Total deposits	MXN mn	799,025	897,192	**1,056,417**
Shareholders' equity	MXN mn	237,239	239,033	**249,206**
Capital sufficiency index – Banorte	%	24.69	22.86	**20.69**
Asset quality				
Past-due loan index (before non-performing loan index)	%	1.03	1.07	**1.04**
Coverage index	%	191.07	179.47	**182.33**
Cost of risk	%	1.39	1.36	**1.61**
Net earnings	MXN mn	35,048	45,408	**52,418**
Profitability				
ROE	%	15.32	19.19	**21.41**
ROA	%	1.94	2.26	**2.39**
Net interest income	%	4.85	6.32	**6.32**
Efficiency index	%	45.43	38.05	**36.20**

*In 2022, the Mexican financial system adopted new accounting rules consistent with IFRS standards. Therefore, information from 2022 and 2023 is not comparable with the 2021 data.

Stock structure				
Outstanding stock at close of year	million	2,883.46	2,883.46	**2,883.46**
Average trading volume	shares	6,268,801	7,543,821	**5,578,964**
Average value traded	MXN mn	773.73	1,023.95	**840.22**
High quote	$	140.11	166.33	**174.47**
Low quote	$	101.60	110.20	**137.69**
Stock price at close of year	$	133.02	139.91	**171.10**
Book value	$	81.23	81.86	**86.48**
Earnings per basic share	$	12.25	15.89	**18.31**
Market capitalization	MXN mn	383,557	403,424	**493,359**
Dividend per share	$	5.81	11.89	**13.08**
Dividends paid	MXN mn	16,759	34,283	**37,704**
Dividend return	%	4.76	8.71	**7.64**

Communication with lead analysts and investors	Metric	2021	2022	2023
Fixed income and equity investors connected	number	360	1,398	**1,615**
Investor conferences and meetings	number	37	229	**289**
Shareholdings connected during the year	%	57	62	**73**

Outstanding shares by region				
North America	%	33.0	31.7	**34.1**
United Kingdom and Ireland	%	17.0	19.4	**17.6**
Europe	%	8.0	8.5	**8.0**
Rest of world	%	6.0	7.6	**8.7**
Mexico	%	5.0	4.0	**3.4**

Institutions by investment style				
Growth	%	37.7	36.7	**39.8**
Value	%	23.8	24.5	**23.7**
Indexed	%	12.4	20.8	**10.9**
Reasonably priced growth	%	9.3	9.0	**8.5**
Alternative	%	7.9	4.0	**7.6**
Specialty	%	1.5	2.3	**2.2**
Others	%	7.4	1.9	**6.9**
Private equity	%	0.0	0.8	**0.4**

Technology and infrastructure capital

Percentage of digital sales to total bank portfolio	Metric	2021	2022	2023
Payroll loans	%	24	37	**54**
Credit cards	%	18	26	**24**
Funds	%	53	95	**78**
Promissory notes	%	42	53	**51**
Payroll advances	%	-	-	**84**
Insurance	%	-	-	**1**
New to bank	%	-	-	**31**
Additional CC	%	-	-	**66**
Enlace digital (debit card)	%	-	-	**100**

Channels available				
Mobile banking	%	99.55	99.81	**99.82**
Internet – individuals	%	99.72	99.85	**99.90**
Internet – corporations and government	%	99.76	99.85	**99.77**
ATMs	%	95.74	95.23	**94.97**
Payworks	%	100	99.99	**100**
Call center	%	99.88	99.92	**99.95**
Correspondents	%	99.95	99.98	**99.97**
Branches	%	99.70	99.84	**99.91**

Vulnerability management				
Intrusion tests by independent consultant	number	20	27	**28**
Internal intrusion tests	number	12	12	**8**
Code-level app reviews, with black-box and white-box scanners	number	49	159	**236**
Apps subject to monthly platform scans, encompassing more than 1,000 servers in all bank environments	number	161	224	**222**

Data privacy				
Account holders whose information is not used for secondary purposes	number	310,249	835,542	**1,773,139**
Account holders whose information is not used for secondary purposes	%	3	7	**15**
Data leaks	number	0	0	**0**
INAI fines	number	-	0	**0**

Human capital

Workforce by age range and job category	Métrica	2021	2022	2023
Total	number	30,667	30,590	**32,392**
< 30 years	number	10,655	10,620	**11,143**
30 – 50 years	number	16,757	16,755	**18,126**
> 50 years	number	3,255	3,215	**3,123**
Senior management	number	699	756	**798**
Middle management	number	8,211	8,438	**9,093**
Operations	number	21,757	21,396	**22,501**

Breakdown by nationality*				
American	number	-	-	**23**
Argentine	number	-	-	**3**
Brazilian	number	-	-	**1**
Canadian	number	-	-	**8**
Colombian	number	-	-	**17**
Danish	number	-	-	**1**
Slovak	number	-	-	**1**
Spanish	number	-	-	**2**
French	number	-	-	**1**
Moroccan	number	-	-	**1**
Mexican	number	-	-	**28,315**
Peruvian	number	-	-	**1**
Venezuelan	number	-	-	**24**

*Information from the bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)

Women in the work force	Metric	2021	2022	2023
Total	number	15,732	15,742	**16,592**
Total	%	51.3	51.5	**51.2**
< 30 years	number	5,572	5,639	**5,801**
30 – 50 years	number	8,790	8,737	**9,468**
> 50 years	number	1,370	1,366	**1,323**
Senior management	number	152	183	**200**
Middle management	number	3,642	3,749	**4,035**
Operations	number	11,938	11,810	**12,357**
New hires	number	3,330	3,621	**4,092**
Turnover – bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	%	16	21	**19**
Turnover – Afore XXI Banorte	%	27	45	**36**
Turnover – Insurance and pensions	%	4	12	**5**
Gender equity – senior management*	%	22	24	**25**
Gender equity – subdirectors *	%	38	39	**39**
Gender equity – managers*	%	48	48	**48**
Total promotions*	number	2,072	4,552	**3,949**
Promotions – senior management*	number	11	26	**21**
Promotions – senior management*	%	38	43	**33**
Promotions – subdirector level*	number	95	159	**125**
Promotions – subdirector level*	%	42	44	**40**
Promotions – manager*	number	235	545	**417**
Promotions – manager*	%	52	48	**47**
Promotions – operations*	number	1,731	3,822	**3,386**
Employees who took maternity leave during the year	number	191	334	**462**
Reinstatement after maternity leave*	number	179	315	**437**
Reinstatement after maternity leave*	%	93.7	94.3	**94.6**
Resignation due to gender issues*	% of total resignations	1.8	1.4	**1.1**

*Information from the bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)

Men in the workforce	Metric	2021	2022	2023
Total	number	14,935	14,848	**15,800**
Total	%	48.7	48.5	**48.8**
< 30 years	number	5,083	4,981	**5,342**
30 – 50 years	number	7,967	8,018	**8,658**
> 50 years	number	1,885	1,849	**1,800**
Senior management	number	547	573	**598**
Middle management	number	4,569	4,689	**5,058**
Operations	number	9,819	9,586	**10,144**
New hires	number	3,435	4,038	**4,332**
Turnover – Bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	%	19	27	**22**
Turnover – Afore XXI Banorte	%	29	51	**38**
Turnover – Insurance and Pensions	%	4	18	**7**
Gender equity – senior management*	%	78	76	**75**
Gender equity – subdirector level*	%	62	61	**61**
Gender equity – manager*	%	52	52	**52**
Total promotions*	number	1,986	4,319	**3,986**
Promotions – senior management*	number	27	38	**43**
Promotions – senior management*	%	62	57	**67**
Promotions – subdirector level*	number	132	222	**187**
Promotions – subdirector level*	%	58	56	**60**
Promotions – manager*	number	212	524	**479**
Promotions – manager*	%	48	52	**53**
Promotions – operations*	number	1,615	3,535	**3,277**

*Information from the bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)

Average hours of training for women – bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	Metric	2021	2022	2023
Senior management	number	-	43	**32**
Middle management	number	-	44	**41**
Operations	number	-	40	**37**

Average hours of training for men – bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	Metric	2021	2022	2023
Senior management	number	-	40	**31**
Middle management	number	-	45	**41**
Operations	number	-	39	**36**

Average hours of training for women – Afore XXI Banorte				
Senior management	number	-	22	**64**
Middle management	number	-	132	**22**
Operations	number	-	108	**25**

Average hours of training for men – Afore XXI Banorte				
Senior management	number	-	21	**17**
Middle management	number	-	81	**16**
Operations	number	-	102	**19**

Average hours of training for women – Insurance and Pensions				
Senior management	number	-	16	**32**
Middle management	number	-	36	**31**
Operations	number	-	26	**25**

Average hours of training for men- Insurance and Pensions				
Senior management	number	-	21	**31**
Middle management	number	-	28	**28**
Operations	number	-	24	**25**

Percentage of women employees who received performance evaluations – bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)				
Senior management	number	-	96	**100**
Middle management	number	-	96	**100**
Operations	number	-	77	**79**

Percentage of male employees who received performance evaluations – bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)				
Senior management	number	-	86	**100**
Middle management	number	-	98	**100**
Operations	number	-	73	**76**

Percentage of women employees who received performance evaluations – Afore XXI Banorte				
Senior management	%	-	100	**27**
Middle management	%	-	90	**44**
Operations	%	-	100	**28**

Percentage of male employees who received performance evaluations – Afore XXI Banorte				
Senior management	%	-	100	**19**
Middle management	%	-	100	**47**
Operations	%	-	100	**32**

Percentage of women employees who received performance evaluations – Insurance and Pensions	Metric	2021	2022	2023
Senior management	%	-	100	**100**
Middle management	%	-	70	**97**
Operations	%	-	81	**82**

Percentage of male employees who received performance evaluations – Insurance and Pensions	Métrica	2021	2022	2023
Senior management	%	-	89	**100**
Middle management	%	-	64	**97**
Operations	%	-	83	**84**

Average salary for women – Bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)				
Senior management	MXN	-	135,962	**144,692**
Middle management	MXN	-	35,478	**37,996**
Operations	MXN	-	14,467	**15,680**
Senior management – average salary for men vs. average salary for women	ratio	-	1.102	**1.308**
Middle management – average salary for men vs. average salary for women	ratio	-	1.091	**1.084**
Operations – average salary for men vs. average salary for women	ratio	-	0.981	**0.991**

Average salary for men – Bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)				
Senior management	MXN	-	149,824	**189,280**
Middle management	MXN	-	38,715	**41,185**
Operations	MXN	-	14,191	**15,537**
Senior management – average salary for men vs. average salary for women	ratio	-	1.102	**1.308**
Middle management – average salary for men vs. average salary for women	ratio	-	1.091	**1.084**
Operations – average salary for men vs. average salary for women	ratio	-	0.981	**0.991**

Average salary for women – Afore XXI Banorte				
Senior management	MXN	-	147,382	**153,710**
Middle management	MXN	-	73,389	**73,106**
Operations	MXN	-	19,332	**18,180**
Senior management – average salary for men vs. average salary for women	ratio	-	1.145	**1.029**
Middle management – average salary for men vs. average salary for women	ratio	-	1.133	**1.087**
Operations – average salary for men vs. average salary for women	ratio	-	1.180	**1.145**

Average salary for men – Afore XXI Banorte				
Senior management	MXN	-	168,754	**158,177**
Middle management	MXN	-	83,169	**79,455**
Operations	MXN	-	22,810	**20,812**
Senior management – average salary for men vs. average salary for women	ratio	-	1.145	**1.029**
Middle management – average salary for men vs. average salary for women	ratio	-	1.133	**1.087**
Operations – average salary for men vs. average salary for women	ratio	-	1.180	**1.145**

Average salary for women – Insurance and Pensions				
Senior management	MXN	-	173,096	**173,706**
Middle management	MXN	-	37,267	**40,137**
Operations	MXN	-	15,575	**17,199**
Senior management – average salary for men vs. average salary for women	ratio	-	1.237	**1.229**
Middle management – average salary for men vs. average salary for women	ratio	-	1.100	**1.132**
Operations – average salary for men vs. average salary for women	ratio	-	0.988	**0.969**

Average salary for men – Insurance and Pensions				
Senior management	MXN	-	214,110	**213,563**
Middle management	MXN	-	40,997	**45,420**
Operations	MXN	-	15,388	**16,673**
Senior management – average salary for men vs. average salary for women	ratio	-	1.237	**1.229**
Middle management – average salary for men vs. average salary for women	ratio	-	1.100	**1.132**
Operations – average salary for men vs. average salary for women	ratio	-	0.988	**0.969**

Union	Metric	2021	2022	2023
Employees	number	25,766	26,455	**32,392**
Unionized employees	number	8,325	8,346	**9,872**
Unionized employees	%	32.3	31.5	**30.5**

*Information only for the bank for 2021 and 2022; for 2023 includes information for the bank and its subsidiaries (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo), Afore XXI Banorte and Insurance & Pensions

Absentee rate				
Bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	%	0.85	0.98	**0.81**
Afore XXI Banorte	%	0.07	0.79	**0.60**
Insurance and Pensions	%	1.03	1.03	**0.18**

Gender wage gap				
Senior management*	%	-7.3	-9.3	**-7.8**
Subdirector level*	%	-3.9	-4.0	**-3.3**
Manager*	%	-3.1	-2.5	**-2.2**

*Information from the bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)

Ratio of standard starting salary vs. local minimum wage, by gender				
Ratio of banking industry minimum (men and women) – concentrated	times	1.6	1.6	**-**
Ratio of banking industry minimum (men and women) – Bank (Casa de Bolsa Banorte, Operadora de Fondos Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte, Banco Bineo)	times	-	-	**1.04**
Ratio of banking industry minimum (men and women) – Afore XXI Banorte	times	-	-	**1.00**
Ratio of banking industry minimum (men and women) – Insurance and Pensions	times	-	-	**1.37**

Manufacturing and intellectual capital

Service channels	Metric	2021	2022	2023
Branches	number	1,151	1,154	**1,164**
Branch transactions	million	130	133	**133**
ATMs	number	9,668	9,938	**10,372**
ATM transactions	million	620	665	**633**
Correspondent banks	number	18,425	19,559	**19,782**
Correspondent bank transactions	million	22	22	**21**
Internet – Active customers*	number	4,983,165	5,577,613	**6,686,640**
Internet transactions	million	818	711	**741**
Mobile banking – Customers served	number	4,775,766	4,736,437	**5,742,816**
Mobile banking transactions	million	2,078	2,562	**3,275**
POS terminals	number	154,443	167,148	**197,216**
POS transactions	million	1,105	1,375	**1,489**
POS billing	MXN mn	580,724	767,887	**864,854**
Contact center, calls taken	million	57	55	**49**

*Web, Mobile, BEM, BEP, Banorte Connection, Peper, Banorte Support

Banorte branch network				
Locations	number	1,151	1,154	**1,164**
Covered municipalities	number	333	332	**335**
Covered municipalities	%	13.6	13.4	**13.5**

*Total municipalities in Mexico: 2,457 Source: www.inegi.org.mx
**Municipal coverage of banking infrastructure in the country. Source: Geostatistical framework – Unique catalog of keys for state geostatistical areas, municipalities, and localities (www.inegi.org.mx)

Banorte correspondent bank network				
Locations	number	18,425	19,559	**19,782**
Covered municipalities	number	1,683	1,722	**1,632**
Covered municipalities	%	68.5	69.6	**66.0**

*Total municipalities in Mexico: 2,457 Source: www.inegi.org.mx
**Municipal coverage of banking infrastructure in the country. Source: Geostatistical framework – Unique catalog of keys for state geostatistical areas, municipalities, and localities (www.inegi.org.mx)

Correspondents located in municipalities where there is no Banorte branch				
Locations	number	5,106	5,558	**5,490**
Covered municipalities	number	1,355	1,393	**1,306**
Covered municipalities	%	55.1	56.3	**52.8**

*Total municipalities in Mexico: 2,457 Source: www.inegi.org.mx
**Municipal coverage of banking infrastructure in the country. Source: Geostatistical framework – Unique catalog of keys for state geostatistical areas, municipalities, and localities (www.inegi.org.mx)

Correspondents located in municipalities where there are no Banorte or other bank branches	Métrica	2021	2022	2023
Locations	number	186	218	**1,949**
Covered municipalities	number	116	135	**833**
Covered municipalities	%	4.7	5.4	**33.7**

*Total municipalities in Mexico: 2,457 Source: www.inegi.org.mx
**Municipal coverage of banking infrastructure in the country. Source: Geostatistical framework – Unique catalog of keys for state geostatistical areas, municipalities, and localities (www.inegi.org.mx)

Work cells				
Macrocells	number	31	31	**36**
Cells	number	178	97	**92**
Execution cells	number	773	1,169	**1,342**

Customer satisfaction monitoring				
NPS Banorte Comprehensive Experience	points	-	-	**80.4**
Growth in branch NPS vs. previous year	points	+6	+4	**+6**
Growth in ATM NPS vs. previous year	points	+6	+3	**+5**
Growth in Contact Center NPS vs. previous year	points	+10	+6	**+8**
Growth in correspondent NPS vs. previous year	points	+5	+2	**-1**
Growth in Insurance NPS vs. previous year	points	+5	+5	**+6**
Growth in BxI NPS vs. previous year	points	+10	+5	**+1**
Growth in BEM NPS vs. previous year	points	+6	+4	**+3**
Growth in BEP NPS vs. previous year	points	+10	+3	**-1**
Growth in mobile app NPS vs. previous year	points	+12*	+3	**+1**

*The redesign of the mobile app resulted in an improvement of +12 points compared to the previous version.

Supplier relations				
Suppliers	number	996	1,544	**1,756**
Domestic suppliers	%	96	95	**97**

Social capital

Projects to support financial inclusion	Metric	2021	2022	2023
Apoyos Banorte	number of accounts	1,293,818	1,575,927	**1,547,216**
Banorte Fácil	number of accounts	136,901	102,413	**86,539**
Enlace Digital	number of accounts	218,973	210,479	**232,965**
Suma Menores (First-time bank customers: under the age of 18 and over 65)	number of accounts	147,245	147,931	**109,523**
Mujer Banorte	number of accounts	-	185,796	**296,790**
Universal debit card (accounts in the following portfolios: Banorte Fácil, Enlace Digital and Nómina 2, including the criteria of first-time bank customers under the age of 18 and over 65)	number of accounts	>150,000	>1.4 million	**2,661,752**

Access points by type in sparsely populated or economically disadvantaged areas				
Municipalities classified with a very high degree of marginalization	number	-	204	**204**
Municipalities classified with a very high degree of marginalization with POS terminals	number	-	39	**52**
POS terminals in municipalities classified with a very high degree of marginalization	number	-	-	**211**
Municipalities classified with a very high degree of marginalization with ATMs	number	-	17	**17**
ATMs in municipalities classified with a very high degree of marginalization	number	-	-	**20**
Municipalities classified with a very high degree of marginalization with correspondent banks	number	-	75	**98**
Correspondent banks in municipalities classified with a very high degree of marginalization	number	-	-	**261**

*The database published for 2020 by the National Population Council called "Total population, socioeconomic indicators, marginalization index and degree by municipality" is taken as reference.

Remittances				
Remittances deposited to Banorte accounts	%	60	71	**79**
Remittances paid in cash to users without Banorte accounts	%	40	29	**21**

SME support	Metric	2021	2022	2023
SMEs supported	number	19,000	20,200	**15,300**
Total SME support portfolio	MXN mn	37,000	40,531	**50,313**
Proportion of total loan balance placed in large companies	%	6	7	**6**
Proportion of total loan balance placed in mid-sized companies	%	20	18	**20**
Proportion of total loan balance placed in small companies	%	71	71	**69**
Proportion of total loan balance placed in micro-enterprises	%	3	4	**5**
Proportion of total loan balance placed in the commerce sector	%	51	52	**51**
Proportion of total loan balance placed in the services sector	%	26	28	**28**
Proportion of total loan balance placed in the industry sector	%	21	20	**19**
Proportion of total loan balance placed in the "other" sector	%	2	-	**2**
Proportion of IWBA borrowers who are women entrepreneurs	%	32	32	**28**
Stage 3 loan index	%	1.80	1.11	**1.08**
Loans per customer	number	1.4	1.4	**1.3**
Loans in SME portfolio that have development bank guarantees	number	19,688	22,498	**23,469**
Loans in SME portfolio that have development bank guarantees	%	79	79	**72**
Use of resources provided to banks by the development banks	%	42	38	**53**
Number of pending loans that qualify for programs designed to support small businesses and community development				
Loans to small businesses	number	26,655	29,005	**33,473**
Amount of loans to small businesses	MXN mn	60,968	69,235	**49,695**
Loans to entry-level or medium-income housing developers	number	-	30	**20**
Amount of loans to entry-level or medium-income housing developers	MXN mn	-	2,116	**1,678**
Loans to small farmers	number	-	-	**888**
Amount of loans to small farmers	MXN mn	-	-	**3,332**
Past-due or nonperforming loans that qualify for programs designed to support small businesses and community development				
Number of loans to small businesses classified as past-due or nonperforming	number	1,222	1,091	**1,164**
Amount of loans to small businesses classified as past-due or nonperforming	MXN mn	2,449	2,265	**858**
Loans to entry-level or medium-income housing developers classified as past-due or nonperforming	number	-	0	**0**
Amount of loans to entry-level or medium-income housing developers classified as past-due or nonperforming	MXN mn	-	0	**0**
Loans to small farmers classified as past-due or nonperforming	number	-	-	**14**
Amount of loans to small farmers classified as past-due or nonperforming	MXN mn	-	-	**23**

Special programs	Métrica	2021	2022	2023
Loans for promoting activities such as: industry and state promotion, women's inclusion, molds, dies and tooling, foreign trade, tourism and hospitality, automotive, credit supplies, electrical-electronic, youth credit inclusion, leather and footwear, sectoral programs, construction, and foreign banks.	number	3,195	2,525	**4,710**
Nafin eco-loans				
Special loans to finance solar panel systems	number	1	2	**2**
Special loans to finance solar panel systems	MXN mn	0.530	9.6	**6.7**
Microsupport				
TIR and Repeco program loans, activity during the year	number	10	44	**7**
TIR and Repeco program loans, activity during the year	MXN mn	2.2	10	**1.8**
TIR and Repeco program loans, portfolio at close of year	number	-	-	**39**
TIR and Repeco program loans, portfolio at close of year	MXN mn	-	-	**8.5**
Financial literacy				
Financial habits seminar workshops	number	10	10	**8**
Participants in financial habits workshops	number	417	799	**326**
Personal finance workshops*	number	2	11	**36***
Participants in personal finance workshops*	number	75	272	**2,347***
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers				
Underbanked or underserved beneficiaries	number	-	23	**842**
Unbanked beneficiaries	number	-	7	**1,638**
National Financial Literacy Week				
Volunteers	number	6	6	**11**
Participants	number	600	844	**1,638**
Workshops	number	6	6	**7**
Cases of violations of indigenous peoples' rights				
Cases of violations of indigenous peoples' rights	number	0	0	**0**
Operations with significant potential or actual negative impacts on local communities				
Cases of operations with significant potential or actual negative impacts on local communities	number	0	0	**0**
Negative social impacts in the supply chain and actions taken				
Cases with negative social impacts in the supply chain and actions taken	number	-	0	**0**

*The values for personal finance workshops and participants are calculated by adding together the financial literacy workshops and ACNUR financial literacy workshops

Environmental capital

Energy consumption	Metric	2021	2022	2023
Afore XXI Banorte				
Utility vehicles (gasoline)	GJ	1,772.4	2,002.1	**2,813.8**
Utility vehicles (diesel)	GJ	61.9	13.6	**7.3**
Electricity	GJ	8,756.2	9,060.8	**9,156.1**
Heating (natural gas)	GJ	2.3	0.0	**0.0**
Almacenadora Banorte				
Utility vehicles (gasoline)	GJ	1,670.0	1,903.6	**2,311.6**
Fork lifts (LP gas)	GJ	728.9	542.8	**764.9**
Emergency generators (diesel)	GJ	13.2	11.1	**7.8**
Electricity	GJ	531.5	692.2	**851.4**
Arrendadora y Factor Banorte				
Utility vehicles (gasoline)	GJ	284.5	1,034.5	**517.2**
Banorte				
Utility vehicles (gasoline)	GJ	14,537.1	16,701.2	**17,826.3**
Utility vehicles (diesel)	GJ	1,812.4	13.1	**123.8**
Emergency generators (gasoline)	GJ	0.0	30.3	**95.5**
Emergency generators (diesel)	GJ	106.8	1,095.4	**2,838.4**
Electricity	GJ	443,691.6	455,758.8	**472,113.1**
Kitchen (LP gas)	GJ	41.1	0.0	**0.0**
Seguros y Pensiones				
Utility vehicles (gasoline)	GJ	17,299.4	18,628.7	**20,111.6**
Emergency generators (diesel)	GJ	0.0	32.9	**51.4**
Electricity	GJ	6,310.9	6,112.0	**5,677.8**
GFNorte	**GJ**	**497,620.1**	**513,633.1**	**535,267.9**

To calculate energy consumption from fuels, the heating values published in the List of Fuels and their Heating Values 2024 issued by the National Commission for the Efficient Use of Energy (CONUEE) were used.
Due to internal changes, the fuel consumption of Arrendadora and Factor Banorte is consolidated with Banorte's starting July of the reporting year, so the energy reported for this subsidiary corresponds to the period from January to June of the same year.

Energy intensity				
GJ per employee	GJ/employee	16.2	16.8	**16.5**
GJ per MXN million net earnings	GJ/MXN mn net earnings	14.2	11.3	**10.2**

GHG emissions, Scope 1 y Scope 2	Metric	2021	2022	2023
Afore XXI Banorte				
Scope 1	tCO_2e	132.6	145.4	**203.5**
Scope 2	tCO_2e	1,028.8	1,094.8	**1,106.4**
Scope 1 + Scope 2	tCO_2e	1,161.5	1240.2	**1,309.8**
Almacenadora Banorte				
Scope 1	tCO_2e	168.7	173.3	**216.9**
Scope 2	tCO_2e	62.5	83.6	**102.9**
Scope 1 + Scope 2	tCO_2e	231.2	256.9	**319.8**
Arrendadora y Factor Banorte				
Scope 1	tCO_2e	20.5	74.6	**37.3**
Scope 2	tCO_2e	0.0	0.0	**0.0**
Scope 1 + Scope 2	tCO_2e	20.5	74.6	**37.3**
Banorte				
Scope 1	tCO_2e	1,190.9	1,289.1	**1,513.0**
Scope 2	tCO_2e	52,131.5	55,070.9	**57,047.0**
Scope 1 + Scope 2	tCO_2e	53,322.3	56,360.0	**58,560.0**
Insurance and Pensions				
Scope 1	tCO_2e	1,247.6	1,345.9	**1,454.3**
Scope 2	tCO_2e	741.5	738.5	**686.1**
Scope 1 + Scope 2	tCO_2e	1,989.2	2,084.4	**2,140.3**
GFNorte				
Scope 1	**tCO_2e**	**2,760.3**	**3,028.4**	**3,424.9**
Scope 2	**tCO_2e**	**53,964.3**	**56,987.9**	**58,942.3**
Scope 1 + Scope 2	**tCO_2e**	**56,724.7**	**60,016.2**	**62,367.2**

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the "Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions."
To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2022 issued by the Energy Regulatory Commission (CRE). Scope 2 emissions are location-based, because they draw energy directly from the national electrical network.

Emission intensity				
tCO2e per employee	tCO_2e/ employee	1.85	1.96	**1.93**
tCO2e per MXN million net earnings	tCO_2e/ net earnings (MXNmn)	1.62	1.32	**1.19**

GHG emissions, Scope 3	Metric	2021	2022	2023
Category 1 GHG Protocol: Purchase of goods and services (printed advertising, consultancy services, and refrigerant gas refilling)	tCO_2e	-	6,757	**11,708**
Employee coverage Category 1 GHG Protocol: Purchase of goods and services (printed advertising, consultancy services, and refrigerant gas refilling)	%	-	95	**95**
Category 2 GHG Protocol: Capital goods (purchase of office equipment)	tCO_2e	-	828	**18,013**
Employee coverage Category 2 GHG Protocol: Capital goods (purchase of office equipment)	%	-	87	**88**
Category 3 GHG Protocol: Energy-related activities and fuels not included in Scope 1 and 2 (electricity transmission and distribution T&D and well-to-tank WTT of fuels)	tCO_2e	-	10,065	**759**
Employee coverage Category 3 GHG Protocol: Energy-related activities and fuels not included in Scope 1 and 2 (electricity transmission and distribution T&D and well-to-tank WTT of fuels)	%	-	100	**100**
Category 4 GHG Protocol: Transportation and upstream distribution (postal correspondence, courier shipments, and other internal shipments)	tCO_2e	-	1,336	**2,462**
Employee coverage Category 4 GHG Protocol: Transportation and upstream distribution (postal correspondence, courier shipments, and other internal shipments)	%	-	87	**88**
Category 5 GHG Protocol: Waste generated in operations (waste sent for recycling and to municipal landfills)	tCO_2e	-	180	**283**
Employee coverage Category 5 GHG Protocol: Waste generated in operations (waste sent for recycling and to municipal landfills)	%	-	35	**36**
Category 6 GHG Protocol: Corporate travel (business-related flights)	tCO_2e	-	262	**1,298**
Employee coverage Category 6 GHG Protocol: Corporate travel (business-related flights)	%	-	100	**100**
Category 9 GHG Protocol: Downstream transportation and distribution (shipments abroad, credit card deliveries, and statement mailings)	tCO_2e	-	723	**502**
Employee coverage Category 9 GHG Protocol: Downstream transportation and distribution (shipments abroad, credit card deliveries, and statement mailings)	%	-	87	**88**

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023. The increase in category 2 GHG emissions is due to the inclusion of new sources (in 2022 they included only laptop and desktop computers).

Category 3 emissions were calculated using the fuel-based method and the factors provided by the UK Department for Environment, Food & Rural Affairs (DEFRA) in the document "Conversion factors 2020: full set."

Category 5 emissions were calculating using the type-of-waste method, and category 6, based on distance. Both categories use the factors supplied by the US EPA in its "Emission Factors for Greenhouse Gas Inventories 2023."

GHG emissions, Scope 3, category 15	Metric	2021	2022
Banorte			
Mortgage	tCO_2e	184,657	209,132
Coverage	%	100	100
Data quality	number	4.0	4.0
Commercial real estate	tCO_2e	711,980	724,549
Coverage	%	69	69
Data quality	number	4.1	4.1
Investment projects	tCO_2e	943,032	825,194
Coverage	%	91	91
Data quality	number	4.2	4.2
Corporate loans	tCO_2e	7,921,188	8,732,899
Coverage	%	92	92
Data quality	number	4.1	4.1
Arrendadora y Factor Banorte			
Corporate loans	tCO_2e	544,732	402,658
Coverage	%	100	100
Data quality	number	4.8	4.8
Afore XXI Banorte			
Stocks	tCO_2e	321,802	309,956
Coverage	%	100	100
Data quality	number	2.00	2.00
FIBRAs	tCO_2e	35,905	40,249
Coverage	%	77	77
Data quality	number	2.00	2.00
Corporate bonds	tCO_2e	639,541	626,891
Coverage	%	62	62
Data quality	number	2.00	2.00
Sovereign bonds	tCO_2e	9,036,920	9,036,920
Coverage	%	100	100
Data quality	number	2.00	2.00
Operadora de Fondos Banorte			
Stocks	tCO_2e	57,303	81,013
Coverage	%	93	93
Data quality	number	2.00	2.00
Corporate bonds	tCO_2e	7,496	18,815
Coverage	%	67	67
Data quality	number	1.5	1.5
Sovereign bonds	tCO_2e	1,557,426	1,450,290
Coverage	%	100	100
Data quality	number	2.00	2.00
GFNorte			
On-balance assets	**tCO_2e**	**10,305,589**	**10,894,432**
Coverage	**%**	**27**	**27**
Off-balance assets	**tCO_2e**	**11,656,393**	**11,564,134**
Coverage	**%**	**%**	**%**

Figures as of the close of December 2022.

The financed emissions reported for assets on the balance sheet include subsidiaries Banorte and Arrendadora y Factor Banorte, while emissions from off-balance assets correspond to the subsidiaries Afore XXI Banorte and Operadora de Fondos Banorte. In both cases, we used the Global GHG Accounting and Reporting Standard A, published by the PCAF.
The "coverage" column shows the percentage of the total balance or investment within that the asset class. Mortgage loans, commercial real estate, and investment projects include short and long-term financing, while corporate loans include long-term financing. Short-term financing is defined as loans with maturities of less than one year, and long-term financing is defined as loans with maturities of more than one year.

To calculate financed emissions for Banorte (the bank) and Arrendadora y Factor Banorte (our leasing and factoring subsidiary), Scope 1, 2, and 3 greenhouse gas emissions were considered based on the availability of corresponding factors in the PCAF database. Investment projects and corporate loans encompass industries that are more carbon-intensive, including energy generation, oil & gas, aluminum, agriculture, coal, cement, construction, iron and steel, and transportation. Sources used for calculations include internal databases as well as customers' public reports and PCAF emission factors.

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Afore XXI Banorte (our retirement fund manager), we included Scope 1 and 2 greenhouse gas emissions by the issuers. If the issuer's enterprise value was not available for calculation, market capitalization was used. In the case of international companies with a presence in Mexico and a sustainability report at the subsidiary level, emissions of greenhouse gases at the Mexico level were used; otherwise, emissions at the corporate level were used for calculations. To quantify emissions from sovereign bonds, Mexico's consumption emissions were used, where emissions intensity refers to CO2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO2e/GDP). Sources used for calculations include internal databases, as well as MSCI, Bloomberg, and S&P.

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Operadora de Fondos Banorte (our fund management subsidiary), we included Scope 1 and 2 greenhouse gas emissions by the issuers, except for oil & gas and mining, which include Scope 3. To quantify emissions from sovereign bonds, we used Mexico's consumption emissions, where emissions intensity refers to the CO2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO2e/GDP). Sources used for calculations include internal databases, as well as issuers' public reports, Refinitiv, and CDP.

The data quality column shows the result of a weighted average of the customer/issuer balances that make up the asset classes by their respective data quality. PCAF's data quality scale is used, where data quality 1 is of the highest quality, and data quality 5 is the lowest. The estimate excludes biologically infectious hazardous waste (BIHW) because its representation in the total is negligible (<1 metric ton).

Waste management	Metric	2021	2022	2023
Waste sent to recycling	ton	509	391	**1,138**
Waste sent to municipal landfills	ton	1,196	332	**475**
Total	**ton**	**1,705**	**723**	**1,614**
Waste recycled	%	30	54	**83**
Employee coverage	%	48	35	**36**

*With the measurements carried out by the waste separation program, we estimate the waste generated in the administrative buildings based on the indicator of kilograms per employee. This indicator is extrapolated to seven administrative buildings, assuming similar behavior.

Water				
Total consumption	m^3	673,596	954,778	**116,719**
m^3 water per employee	m^3 / employee	22	31	**10**
Employee coverage	%	100	100	**36**

To calculate our water footprint, we counted the water consumption of the six buildings with the greatest number of people, including full-time staff, people working on a fee basis and other professional service suppliers. We are only reporting for the current year because we have updated the calculation methodology to generate more precise figures.

Stakeholder relations

GRI 2-29

We consider our relationship with all stakeholders critical to maximizing the results of our operations and continuing to create value in every sphere where we are present.

We define stakeholders as the group of people or organizations we directly or indirectly affect, and those who can influence the course and outcome of our activities.

We maintain active and open communication with stakeholders through various specific channels to learn about their priorities, meet their needs and address their concerns. This approach helps us more effectively pursue our goals and build stronger relations with each of these groups.

FREQUENCY OF STAKEHOLDER INTERACTION: Annual · Regular · Constant

Stakeholder group	Value Proposition	Communication channel
Investors	We apply best practices in financial and ESG transparency and communication. We attract interest and investment through strong management of our business growth.	Quarterly Reports Investor Website *Norte Económico* Podcast Annual Report Newsletters Conferences E-mail Shareholders' meeting Website
Customers	We offer high-quality products and services that meet every customer's needs through practical, ethical, and responsible advice. We ensure better communication through technological and digital solutions. We also encourage the incorporation of sustainable practices.	Branch network Banorte Móvil Specialized User Service Unit Media advertising Website Social media *Norte Económico* podcast Satisfaction surveys
Employees	We foster a culture grounded in our principles and values, ensuring equal opportunities for all. We create development and growth opportunities by building highly competitive profiles. One of our priorities is ensuring our employees' overall wellness, health, and safety.	Institutional website Banorte News Collaborative tools: Microsoft Teams EthicsPoint Hotline Human capital development Course (Corporate WhatsApp) Viva Engage E-mail Banorte support line AsisMed app Union magazine Organizational climate survey

Stakeholder group	Value Proposition	Communication channel
Government Agencies	We maintain a culture of regulatory compliance with applicable laws, always safeguarding the rights of our customers and stakeholders.	Website Participation in forums E-mail Contact numbers Committees Online meetings Face-to-face meetings
Industry and trade activities	We actively promote an ESG management agenda with priority attention to relevant banking sector issues.	Contact numbers Website Social media Online meetings and visits Meetings and site visits E-mail
Community	We continually work for the social development of our communities through inclusion and financial literacy efforts. We also promote investment initiatives benefiting the community through donations, volunteer efforts, and other programs.	Contact numbers Website Social media Community visits Meetings and site visits Corporate volunteering E-mail

Stakeholder group	Value Proposition	Communication channel
Media	We keep the public informed about the performance of our business while fostering a culture of financial literacy.	E-mail Public tenders Online meetings and visits Meetings and site visits Contact numbers
Suppliers	We build solid relationships, based on mutual benefit through commitment and compliance with quality criteria.	Online meetings and visits Meetings and site visits E-mail Contact numbers Public tenders
Civil Society Organizations	We strengthen our partnerships to continue creating social investment and other environmental opportunities related to our line of business. We support financial literacy and inclusion.	Website Social media E-mail Contact numbers

Associations and Commitments

Committed to sustainability and responsible banking, we work together with national and international organizations that motivate us every day to make more conscious decisions, connected with various of the most representative initiatives, frameworks and standards of our industry and in the sustainability sphere. GFNorte is convinced that partnerships between private enterprise, government and society are crucial for building a better future.

GRI 2-28

2011

- Red Mexicana APOYAMOS
- CDP DISCLOSURE I INSIGHT ACTION — Investor Signatories

2012

- EQUATOR PRINCIPLES
- Natural Capital Finance Alliance

2013

- UNEP FINANCE INITIATIVE

2014

- WOMEN'S EMPOWERMENT PRINCIPLES — UN WOMEN — UNITED NATIONS GLOBAL COMPACT

2015

- ABM ASOCIACIÓN DE BANCOS DE MÉXICO — Sustainability Protocol
- GEI2

2016

- AMEBIN — Co-chair Founder
- SCIENCE BASED TARGETS — Group Commitment

2017

- PRI — Afore XXI Banorte

2018

- UN Environment Programme Finance Initiative — Founding Member

2019

- Climate Action 100+ — Afore XXI Banorte

2020

- PRI — Operadora de fondos Banorte
- TCFD — UNEP FI 3rd Pilot Program/ TCFD Supporter
- TNFD — Informal Working Group Co-chair

2021

- Net-Zero Banking Alliance — Founding Member
- Net-Zero Banking Alliance — Steering Committeé member
- PACTA — ABM Pilot Programe

2022

- PCAF Partnership for Carbon Accounting Financials

2023

- UN Environment Programme Finance Initiative — Core Group PRB
- SCIENCE BASED TARGETS — Group's Targets Validation
- PCAF Partnership for Carbon Accounting Financials — Climate Date Working Group
- TNFD — Climate Date Working Group

MXN$12.8 mn
contributions to associations

MXN$1.5 mn
contributions to initiatives

Other allies

GRI 2-28

Amafore
Asociación Mexicana de Afores

AMIB

AMIS
ASOCIACIÓN MEXICANA DE INSTITUCIONES DE SEGUROS

CONDUSEF

CONSEJO MEXICANO DE FINANZAS SOSTENIBLES

UN-Convened, Industry-led
Net-Zero Banking Alliance

Principios para el Empoderamiento de las Mujeres

Materiality Analysis

GRI 3-1, 3-2

For GFNorte, the materiality analysis is an essential component of our sustainability strategy, because it allows us to identify environmental, social, economic, and governance risks, align the organization's strategy with the factors that entail the greatest impact and risk, create action plans and performance indicators, and facilitate reporting on progress in ESG matters based on the relevant topics that make up the matrix.

In keeping with the regulatory framework and the importance of materiality definitions for GFNorte's sustainability strategy, **in 2022 we conducted a double materiality exercise for the first time**—incorporating financial materiality—using the methodology proposed by the EFRAG (European Financial Reporting Advisory Group), and following the recommendations for the identification and prioritization of material issues raised by GRI. This new materiality will govern our sustainability strategy for the years 2023, 2024, and 2025.

METHODOLOGY

The methodology consisted of the following stages:

01

Identification of stakeholder groups for GFNorte: Eight stakeholder groups were identified:

- Shareholders and investors
- Employees
- Suppliers and partners
- Customers
- Regulatory agencies
- Industry associations
- Society
- Media

02

Identification of material issues and impacts: In this phase, previously reported material issues were analyzed, a benchmark exercise was conducted, and based on this, the list of material issues was obtained.

03

Communication with stakeholders through surveys: Interviews were conducted with GFNorte's Senior Management and Board of Directors, as well as surveys among a defined universe of other identified stakeholder groups.

04

Evaluation of financial materiality: A qualitative analysis was conducted enriched with quantitative proxies provided by the Operational Risk department.

05

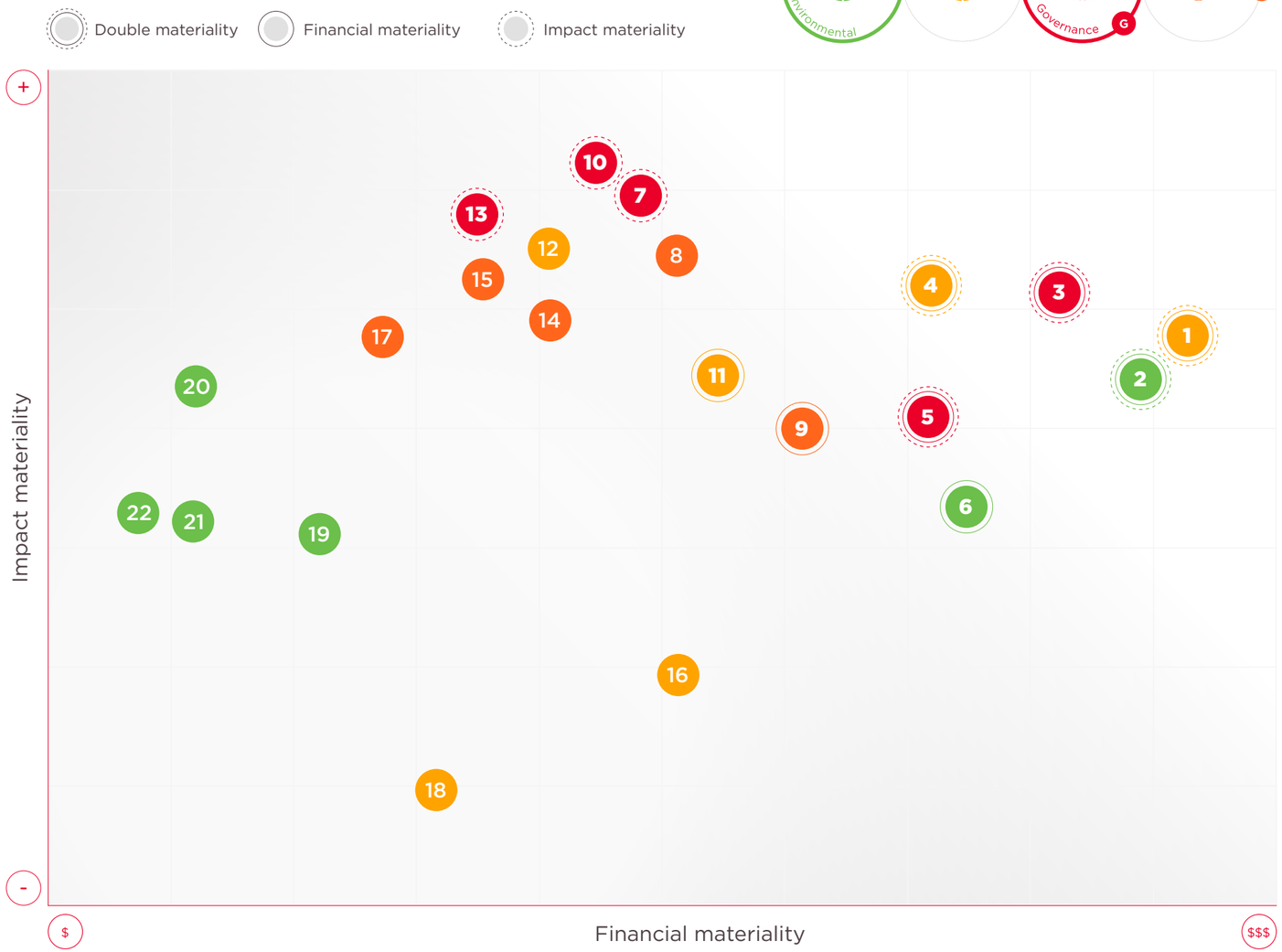
Construction of the double materiality matrix: The Y-axis was formed with impact materiality, and the X-axis with financial materiality.

The results of this exercise were presented to the Sustainability Committee for validation.

Material topics

As a result of this analysis, these were the five most relevant material topics identified:

- S **1** Customer relations
- A **2** Decarbonization
- G **3** Corporate governance
- S **4** Diversity, equity, and inclusion
- G **5** Technology and innovation



RANKING OF MATERIAL TOPICS

1	**Customer relations**	S
2	**Decarbonization**	A
3	**Corporate governance**	G
4	**Diversity, Equity and Inclusion**	S
5	**Technology and innovation**	G
6	Climate resilience	A
7	Cybersecurity and information security	G
8	ESG risk management	NS
9	Financial literacy and health	NS
10	Risk management	G
11	Occupational health and safety	S
12	Human rights	S
13	Corporate ethics	G
14	Products and services for financial inclusion	NS
15	Sustainable financing and products	NS
16	Talent recruitment and retention	S
17	Responsible investment	NS
18	Community engagement	S
19	Ecosystems	A
20	Resource stewardship	A
21	Pollution	A
22	Biodiversity	A

We classified the 22 material topics identified in this exercise based on the four priorities of our ESG strategy:

Environmental	Social	Governance	Sustainable business
Climate change	Corporate citizenship	Responsible leadership	Inclusive banking
Operating eco-efficiency	Human Capital	Digitalization	Sustainable finance
Nature			
Decarbonization	Community engagement	Corporate governance	Technology and innovation	Financial literacy and health	Sustainable financing and product
Resource stewardship	Diversity, equity and inclusion				
Ecosystems					
Climate resilience	Customer relations	Corporate ethics	Cybersecurity and information security	Products and services for financial inclusion	Responsible investment
Pollution	Talent recruitment and retention				
Biodiversity					
	Human rights	Risk management			ESG risk management
	Occupational safety and health				

Human rights due diligence

Our Policy on Human Rights establishes the regulatory framework and guidelines that must be respected by our employees, customers, suppliers, communities and other stakeholders.

In compliance with applicable legislation, we also adhere to international guidelines on human rights, such as:

- The International Bill of Human Rights
- International Covenant on Civil and Political Rights and its two protocols
- International Covenant on Economic, Social, and Cultural Rights
- Declaration of the International Labor Organization
- UN Guiding Principles on Business and Human Rights (UNGPs)
- The ten principles of the United Nations Global Compact
- Equator Principles

Our operations undergo human rights impact assessments as part of a due diligence process , in accordance with the Organization for Economic Cooperation and Development (OECD) Guidelines for Responsible Business Conduct.

HUMAN RIGHTS DUE DILIGENCE PROCESS

Steps	How we put it into practice	For more details, see section on:
Incorporate responsible business conduct into policies and management systems	Through our mission, vision, and values, as well as guidelines on employee conduct and relations with customers, suppliers, community, and other stakeholders established by: • Code of Conduct • Sustainability Committee • Environmental Policy • Social Policy • Socio-Environmental Risk Policy • Responsible Investment Policy • Natural Capital Policy • Psychosocial Risk Policy	• Corporate ethics • Socio-environmental credit risk assessment • Responsible investment • Work environment
Identify and evaluate negative impacts on operations, supply chains, and business relationships	• By efficiently managing our EthicsPoint reporting channel, where employees can securely and promptly communicate concerns related to unethical behavior or activities. • Banorte maintains constant communication with its customers, investors, and other stakeholders through various communication channels to obtain feedback and identify areas of opportunity in our different activities. • Cases are also identified through internal and external audit processes. • All supplier agreements include a clause in which they declare awareness of and adherence to the ten principles of the United Nations Global Compact, and through the Banorte Sustainability Academy, we provide them with ethics training.	• Corporate ethics • Risk management • Relationship with suppliers

Due diligence in human rights

DUE DILIGENCE PROCESS IN HUMAN RIGHTS

Steps	How we put it into practice	For more details, see section on:
Cease, prevent, or mitigate negative impacts	• Reports are received by members of the Audit Committee, directors of Internal Audit and Control, and an administrator. The corresponding department applies sanctions according to the internal labor regulations, the Code of Conduct, and other internal regulations. Investigations are conducted through transaction and image analysis, interviews, and work environment surveys. • We identify risks and areas for improvement in ESG through a Sustainability Score based on the selection of material indicators corresponding to each of the ESG pillars. • Additionally, we have the SEMS by which we manage social risks in financing, by obtaining quantifiable information on climate change and the environment.	• Corporate governance • Corporate ethics • Socio-environmental credit
Monitor implementation and results	• The status of reports is reported semi-annually to the Audit Committee. This committee is responsible for monitoring the implementation of different initiatives to monitor risks. • The results of the Sustainability Score are presented each year to the CRP for monitoring. • During the SEMS management phase, we conduct monthly monitoring of the reputational exposure of projects evaluated under the Equator Principles and classified in the high and medium-risk categories. The results of this monitoring are reported to the Operational Risk department.	• Corporate ethics • Risk management • Socio-environmental credit risk assessment
Report on how impacts are addressed	• Through the annual report, we publicly report on annual management, including the detection of violations or non-compliance related to human rights. • We also maintain a fluid relationship with our stakeholders and mechanisms for responding to their particular concerns. • As part of an exercise in communication and transparency, we have developed this annex to provide further details on our actions.	• Corporate ethics • Stakeholder relations
Remediate or collaborate in remedying the impact when appropriate	• Regulatory compliance and preventive management have avoided any significant human rights impact by our organization.	• Corporate ethics • Work environment

Progress toward the Principles of the Global Compact

Since 2011, as signing members of the UN Global Compact we have pledged to adhere to its ten principles. We account for our performance against each of these principles to promote sustainable development, addressing issues such as human rights, labor standards, the environment, and anti-corruption.

Principle	Commitment	Performance (presented in this report)
Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.	• Policy on Human Rights • Social Policy • Code of Conduct • Anti-corruption policy • Socioenvironmental Risk Policy	• Corporate ethics • Socioenvironmental credit risk assessment • Human rights due diligence
Business should make sure that they are not complicit in human rights abuses.	• Policy on Human Rights • Social Policy • Supplier questionnaire • Anticorruption Policy	• Corporate ethics • Supplier relations • Human rights due diligence
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	• Union • Internal HR Policies	• Corporate ethics • Labor demographics
Business should support the elimination of all forms of forced and compulsory labor.	• Policy on Human Rights • Social Policy • Code of Conduct	• Corporate ethics • Human rights due diligence
Business should support the effective abolition of child labor.	• Policy on Human Rights • Social Policy • Code of Conduct • Internal HR Policies	• Corporate ethics • Human rights due diligence
Business should support the elimination of discrimination in respect of employment and occupation.	• Policy on Human Rights • Social Policy • Code of Conduct • Internal HR Policies	• Corporate ethics • Diversity, equity and inclusion • Human rights due diligence

Progress toward the Principles of the Global Compact

Principle	Commitment	Performance (presented in this report)
Businesses should support a precautionary approach to environmental challenges.	• Environmental policy • Policy on Natural Capital • Socioenvironmental Risk Policy	• Socioenvironmental credit risk assessment • Responsible investment • Environmental capital
Business should support undertake initiatives to promote greater environmental responsibility.	• Environmental policy • Policy on Natural Capital	• Socioenvironmental credit risk assessment • Responsible investment • Environmental capital
Business should encourage the development and diffusion of environmentally friendly technologies.	• Environmental policy	• Environmental capital
Businesses should work against corruption in all its forms, including extortion and bribery.	• Anti-corruption Policy	• Anti-corruption

GRI content index

Banorte has prepared this report in accordance with the gri standards for the period between january 1 and december 31, 2023.

GRI Standard	Content	Page/s	Omission	Verification
GRI 1 used:	**GRI 1: Foundation 2021**			
GRI Sectorial Standard applied:	**Financial Services**			
GRI 2 used:	**General Disclosures 2021**			
The organization and its reporting practices	GRI 2-1 Organizational details	14		
	GRI 2-2 Entities included in the organization's sustainability reporting	14, 306		
	GRI 2-3 Reporting period, frequency and contact point	306, 363		
	GRI 2-4 Restatements of information	306		
	GRI 2-5 External assurance	306		
Activities and workers	GRI 2-6 Activities, value chain, and other business relationships	14, 207		
	GRI 2-7 Employees	209		
	GRI 2-8 TWorkers who are not employees	209		
Governance	GRI 2-9 Governance structure and composition	117		
	GRI 2-10 Nominating and selection of the highest governance body	118, 121		
	GRI 2-11 Chair of the highest governance body	117		
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	24, 43, 134		
	GRI 2-13 Delegation of responsibility for managing impacts	24, 134		
	GRI 2-14 Role of the highest governance body in sustainability reporting	306		
	GRI 2-15 Conflicts of interest	118, 121 See mechanisms for preventing and managing conflicts of interest in the Code of Conduct: https://investors.banorte.com/en/governance/policies-and-documents Additionally, in accordance with Articles 64, 64 Bis, and 64 Bis 1 and the General Rules for Financial Groups, financial entities that are part of a single financial group must avoid conflicts of interest between themselves and their respective business units. The Audit and Corporate Practices Committee and the Audit Committees of the financial entities, where applicable, must implement a Conflict of Interest Prevention System and will ensure at all times that its operations are in line with the strategies and purposes of said financial entities, applying the necessary preventive and corrective measures to remedy any deficiencies detected within a reasonable period, taking into account the characteristics of said measures. GFNorte limits itself to communicating conflicts of interest, which are dealt with internally.		
	GRI 2-16 Communication of critical concerns	141 Critical concerns are conveyed in Shareholders' Meetings. For more detail, visit: https://investors.banorte.com/es/governance/shareholders-meetings		

GRI Standard	Content	Page/s	Omission	Verification
Governance	GRI 2-17 Collective knowledge of highest governance body	118, 122		
	GRI 2-18 Evaluation of the performance of the highest governance body	118, 123		
	GRI 2-19 Remuneration policies	116, 131, 244		
	GRI 2-20 Process to determine remuneration	116, 131, 244		
	GRI 2-21 Annual total compensation ratio	The ratio of senior management salaries compared to the average salary of other employees is 7.85 times. The methodology consists of grouping, on one hand, the different levels of management and obtaining the average of their compensation, and on the other hand, grouping the different levels of the other employees and obtaining the average of their compensation. The average compensation paid to senior management is divided by the average compensation paid to other employees to obtain the indicator.		
Strategy, policies, and practices	GRI 2-22 Statement on sustainable development strategy	7, 10		
	GRI 2-23 Policy commitments	139, 287 See our policies: https://investors.banorte.com/es/sustainability/resources/policies-and-procedures		
	GRI 2-24 Embedding policy commitments	139, 140 See Internal Control Goals and Guidelines: https://investors.banorte.com/~/media/Files/B/Banorte-IR/documents/policies-anddocuments/es/2020/Sistema%20de%20Control%20Interno_NF_241120.pdf		
	GRI 2-25 Processes to remediate negative impacts	141		
	GRI 2-26 Mechanisms for seeking advice and raising concerns	141		
	GRI 2-27 Compliance with laws and regulations	There were no significant cases of non-compliance related to marketing communications during 2023. For a case of non-compliance to be considered significant, the value of the corresponding fine or penalty must exceed MXN100 million.		
	GRI 2-28 Membership associations	337, 338		
Stakeholder engagement	GRI 2-29 Approach to stakeholder engagement	334		
	GRI 2-30 Collective bargaining agreements	209		
GRI 3 used:	**Material Topics 2021**			
	GRI 3-1 Guidance to determine material topics	339		
	GRI 3-2 List of material topics	340		x
	GRI 3-3 Management of material topics	Response throughout the report; see table below		

GRI Standard	Content	Page/s	Omission	Verification
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	157		
	201-2 Financial implications and other risks and opportunities due to climate change	24		
	201-3 Defined benefit plan obligations and other retirement plans	244		
	201-4 Financial assistance received from government	Banorte has not received any government assistance in terms of tax deductions and credits, subsidies, royalty exemptions, or any other form of tax assistance.		
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Ratio of 1.04 for the bank Ratio of 1.00 for Afore XXI Banorte Ratio of 1.37 for Insurance and Pensions		x
	202-2 Proportion of senior management hired from the local community	211		
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	170, 268		
	203-2 Significant indirect economic impacts	268		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	207		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	149		
	205-2 Communication and training about anti-corruption policies and procedures	149		
	205-3 Confirmed incidents of corruption and actions taken	149		
GRI 207: Tax 2019	207-1 Approach to tax	154		
	207-2 Tax governance, control, and risk management	154		
	207-3 Stakeholder engagement and management of concerns related to tax	154		
	207-4 Country-by-country reporting		N/A	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	288		x
	302-2 Energy consumption outside of the organization		Unavailable	
	302-3 Energy intensity	288		x
	302-4 Reduction of energy consumption	290		x
	302-5 Reductions in energy requirements of products and services	290		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	292		x
	305-2 Energy indirect (Scope 2) GHG emissions	292		x
	305-3 Other indirect (Scope 3) GHG emissions	294		
	305-4 GHG emissions intensity	292		x
	305-5 Reduction of GHG emissions	296		
	305-6 Emissions of ozone-depleting substances (ODS)		N/A	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		N/A	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	301		
	306-2 Management of significant waste-related impacts	303		
	306-3 Waste generated	301		
	306-4 Waste diverted from disposal	301		
	306-5 Waste directed to disposal	301		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	221		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	239		
	401-3 Parental leave	212		

GRI Standard	Content	Page/s	Omission	Verification
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	239		
	403-2 Hazard identification, risk assessment, and incident investigation	239		
	403-3 Occupational health services	239		
	403-4 Worker participation, consultation, and communication on occupational health and safety	239		
	403-5 Worker training on occupational health and safety	239		
	403-6 Promotion of worker health	239		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	239		
	403-8 Workers covered by an occupational health and safety management system	239		
	403-9 Work-related injuries	239		
	403-10 Work-related ill health	239		
GRI 404:Training and education 2016	404-1 Average hours of training per year per employee	225		
	404-2 Programs for upgrading employee skills and transition assistance programs	225		
	404-3 Percentage of employees receiving regular performance and career development reviews	225		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees 81, 147 x	121, 209		
	405-2 Ratio of basic salary and remuneration of women to			x
	405-2 Ratio del salario base y de la remuneración de mujeres frente a hombres	214, 244		x
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	141		
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	In 2023, there were no such claims reported.		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	268		
	413- 2 Operations with significant actual and potential negative impacts on local communities	In 2023, there were no such claims reported.		
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	181		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	181		
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	152		
	417-2 Incidents of non-compliance concerning product and service information and labeling	152		
	417-3 Incidents of non-compliance concerning marketing communications	152 There were no significant cases of non-compliance related to marketing communications during 2023. For a case of non-compliance to be considered significant, the value of the corresponding fine or penalty must exceed MXN100 million.		x
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	188		x

GRI Standard	Content	Page/s	Omission	Verification
Products and services portfolio	FS1 Policies with specific environmental and social components applied to business lines	See our policies: https://investors.banorte.com/es/sustainability/resources/policies-andprocedures		
	FS2 Procedures for the evaluation and selection of environmental and social risks in lines of business	43		
	FS3 Processes to monitor implementation and compliance with environmental and social requirements included in agreements or transactions with customers	43		
	FS4 Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business	47		
	FS5 Interactions with customers in terms of environmental and social opportunities and risks	43, 95		
	FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	248, 253		
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	92		
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	92		x
Audit	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	43		
Active participation	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	43, 95 Bank: -2,134 clients with due diligence -21% of clients related to environmental and/or social issues. Afore XXI Banorte: -154 clients with due diligence -60% of clients related to environmental and/or social issues. Fund Operator: -5 clients with due diligence -100% of clients related to environmental and/or social issues.		x
	FS11 Percentage of assets subject to social or environmental review, positive as well as negative	101		x
Local communities	FS13 Access points in low-populated or economically disadvantaged areas by type	194, 248		
	FS14 Initiatives to improve access to financial services for disadvantaged people	248		
Product and service labeling	FS15 Policies for the fair design and sale of financial products and services	152		
Financial Literacy	FS16 Initiatives to enhance financial literacy by type of beneficiary	260		x

SASB parameters index

SASB STANDARD: COMMERCIAL BANKS 2018					
SASB Topic	**Code**	**Topic Description**	**Omissions and/or modifications**	**Page**	**Verification**
		Accounting Parameter			
Data security	FN-CB-230a.1	Number of data breaches		181, 187	
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks		181	
Financial inclusion & capacity building	FN-CB-240a.1	Number of loans outstanding qualified to programs designed to promote small business and community development		256	
	FN-CB-240a.2	Number of past due and nonaccrual loans qualified to programs designed to promote small business and community development		256	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers		248	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers		260	x
Incorporation of environmental, social, and governance factors in credit analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry		160	
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis		43	
Business ethics	FN-CB-510a.1	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		150 No significant monetary losses are reported during 2023. Significant monetary losses are defined as losses in excess of MXN100 million.	
	FN-CB-510a.2	Description of whistleblower policies and procedures		141	
Systemic risk management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category		GFNorte it is not considered within the banks with Global System Importance	
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		24	

SASB ESTÁNDAR: CONSUMER FINANCE 2018					
SASB Topic	**Code**	**Topic Description**	**Omissions and/or modifications**	**Page**	**Verification**
		Accounting Parameter			
Customer privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes.		187	
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		187 No significant monetary losses are reported during 2023. Significant monetary losses are defined as losses in excess of MXN100 million.	x
Data security	FN-CF-230a.1	Number of data breaches		181, 187	
	FN-CF-230a.2	Card-related fraud losses from card-not-present fraud		181	
		Card-related fraud losses from card-present and other fraud		181	
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks		181	
Selling practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold		244	
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	N/A		
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	N/A		
	FN-CF-270a.4	1.1 Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)		11,753 complaints to CONDUSEF 4,344 complaints with monetary implications 36.96% of complaints with monetary implications 1,780 complaints involving a lawsuit 15.15% of complaints involved a lawsuit 317 complaints under investigation 3.00% complaints under investigation	x
		1.2 Percentage with monetary or nonmonetary relief			
		1.3 Percentage disputed by consumer			
		1.4 Percentage that resulted in investigation by the CFPB			
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Unavailable		

SASB ESTÁNDAR: INVESTMENT BANKING & BROKERAGE 2018					
SASB Topic	**Code**	**Topic Description**	**Omissions and/or modifications**	**Page**	**Verification**
		Accounting Parameter			
Employee diversity & inclusion	FN-IB-330a.1	1.1 Percentage of gender and racial/ethnic group representation for executive management		212, 121	
		1.2 Percentage of gender and racial/ethnic group representation for non-executive management		209	
		1.3 Percentage of gender and racial/ethnic group representation for professionals		209	
		1.4 Percentage of gender and racial/ethnic group representation for all other employees		209	
Incorporation of environmental, social, and governance factors in investment banking & brokerage activities	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry		95	
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry		95	
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities		95	
Business ethics	FN-IB-510a.1	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		150 No significant monetary losses are reported during 2023. Significant monetary losses are defined as losses in excess of MXN100 million.	
	FN-IB-510a.2	Description of whistleblower policies and procedures		141	
Professional integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings4	Unavailable		
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Unavailable		
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care5		150	
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care		139	
Systemic risk management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	N/A		
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		24	
Professional integrity	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Unavailable		
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	Unavailable		
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Unavailable		

SASB ESTÁNDAR: INVESTMENT BANKING & BROKERAGE 2018					
SASB Topic	**Code**	**Topic Description**	**Omissions and/or modifications**	**Page**	**Verification**
		Accounting Parameter			
Transparent information & fair advice for customers	FN-AC-270a.1	(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	N/A		
	FN-AC-270a.2	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	N/A		
	FN-AC-270a.3	Description of approach to informing customers about products and services		152	
Employee diversity & inclusion	FN-AC-330a.1	1.1 Percentage of gender and racial/ethnic group representation for executive management		212, 121	
		1.2 Percentage of gender and racial/ethnic group representation for non-executive management		209	
		1.3 Percentage of gender and racial/ethnic group representation for professionals		209	
		1.4 Percentage of gender and racial/ethnic group representation for all other employees		209	
Incorporation of environmental, social, and governance factors in investment management & advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening		95	
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies		95	
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures		95	
Corporate ethics	FN-AC-510a.1	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		150 No significant monetary losses are reported during 2023. Significant monetary losses are defined as losses in excess of MXN100 million.	
	FN-AC-510a.2	Description of whistleblower policies and procedures		141	

Glosary

ABM	Mexican Bankers' Association, per its acronym in Spanish
ADRs	American Depositary Receipts
Afore	Retirement Fund Administrator
AMAFORE	Association of Mexican Retirement Fund Administrators, per its acronym in Spanish
AMIS	Mexican Association of Insurance Institutions, per its acronym in Spanish
ATM	Automatic teller machine
AUM	Assets under management
BAC	Banorte Adopts a Community
Bancomext	Mexico's export-import bank, per its acronym in Spanish
BB	Business banking
BCP	Business continuity plan
BEB	Banorte Enterprise Banking
BMV	Mexican Stock Exchange, per its acronym in Spanish
bp	Basis points
BTR	Banorte Total Rewards
CAR	Capital adequacy ratio
CC	Credit card
CDMX	Mexico City
CDP	Carbon Disclosure Project
CEMEFI	Mexican Center for Philanthropy, per its acronym in Spanish
CEO	Chief Executive Officer
CERPIs	Investment Project Trust Certificates, per its acronym in Spanish
CISO	Chief Information Security Officer
CIT	Corporate income tax
CKD	Development Capital Certificates, per its acronym in Spanish
CNBV	National Banking and Securities Commission, per its acronym in Spanish
CO_2	Carbon dioxide
CONDUSEF	National Commission for the Protection and Defense of Financial Service Users, per its acronym in Spanish
CONEVAL	National Counsel for the Evaluation of Social Development Policy, per its acronym in Spanish
CRMU	Comprehensive Risk Management Unit
CSCP	Comprehensive Sustainable Culture Program
CTIR	Cyber Threat and Incident Response
CTO	Chief Technology Officer
DC	Debit card
DEI	Diversity, equity and inclusion
DRP	Disaster Recovery Plan
eNPS	Employee Net Promotor Score
EP	Equator Principles

Glosary

ETF	Exchanged Traded Funds
ETFs	Sustainable Exchanged Traded Funds
EVD	Economic value distributed
EVE	Economic value of equity
EVG	Economic value generated
FIBRA	Real-Estate Investment Trust, per its acronym in Spanish (the equivalent of the US REIT)
FICPI	Financial instruments for collecting principal and interest
FIRS	Financial instruments to redeem or sell
GDP	Gross domestic product
GFNorte	Grupo Financiero Banorte
GHG	Greenhouse gases
GJ	Gigajoules
GRC	Governance, Risk and Compliance
GRI	Global Reporting Initiative
HR	Human Resources
HTM	Held to maturity
IFC	International Finance Corporation
IFMI	Interest-free monthly installments
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMSS	Mexican Social Security Institute, per its acronym in Spanish
INAI	Federal Institute for Transparency, Information Access and Personal Data Protection, per its acronym in Spanish
IPC	The main index of the Mexican Stock Exchange
ISSB	International Sustainability Standards Board
IT	Information Technology
ITESM	Instituto Tecnológico y de Estudios Superiores de Monterrey
IWBA	Individuals with business activities
kg	Kilograms
KPI	Key performance indicator
kWh	Kilowatt hours
LCR	Liquidity coverage ratio
LDR	Loan-to-deposit ratio
LSAR	Retirement Savings Systems Law, per its acronym in Spanish
MESSI	Information security service desk
MILA	Integrated Latin American Market, per its acronym in Spanish
MLP	Money-laundering prevention
mPOS	Mobile point of sale
MSMEs	Micro, small and mid-sized enterprises
Mton	Metric ton

Glosary

N/A	Not applicable
Nafin	Mexico's national development bank, per its acronym in Spanish
NGFS	Network for Greening the Financial System
NGO	Non-governmental organization
NIM	Net interest margin
NPL	Non-performing loans
NPS	Net promoter score
NSFR	Net stable funding ratio
NZBA	Net-Zero Banking Alliance
OB	Online banking
PCAF	Partnership for Carbon Accounting Financials
PET	Polyethylene terephthalate
PICS	Comprehensive Program for Sustainable Culture, per its acronym in Spanish
POS	Point of sale
PPP	Purchasing power parity
PRB	Principles for Responsible Banking
PRI	Principles for Responsible Investment
PST	Point of sale terminal
PVC	Polyvinyl chloride
RBB	Results-based budgeting
Repeco	Small taxpayers' regime, per its acronym in Spanish
ROA	Return on assets
ROE	Return on equity
RPC	Risk Policies Committee
S3I	Stage 3 index
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDB	SME Digital Banking
SDG	Sustainable Development Goals
SEMARNAT	Ministry of the Environment and Natural Resources, per its acronym in Spanish
SEMS	Social and Environmental Management System
SERA	Socio-Environmental Risk Area
SHCP	Ministry of Finance and Public Credit, per its acronym in Spanish
SME	Small and mid-sized enterprises
SMG	State and municipal governments
SPO	Second-party opinion
T1C	Tier 1 capital
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Metric tons of CO_2 equivalent
TIR	Tax Incorporation Regime

Glosary

TLAC	Total loss absorbing capacity
TNFD	Taskforce on Nature-related Financial Disclosures
UMBA	Banorte Medical Unit
UN	United Nations
UNDP	United Nations Development Programme
UNEP FI	United Nations Environmental Programme Financial Initiative
UNESCO	United Nations Educational, Scientific and Cultural Organization
US EPA	United States Environmental Protection Agency
USDmn	Millions of US dollars
VDI	Virtual desktop infrastructure
VMP	Vulnerability Management Program
VSM	Value stream mapping
WPM	Wholesale power market
XVA	X-value adjustment

Assurance letter

Grupo Financiero Banorte, S.A.B de C.V.

Limited assurance report for selected sustainability information included in the Annual Report for the year ended December 31, 2023

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Independent Practitioner's Limited Assurance Report for selected sustainability information of Grupo Financiero Banorte, S.A.B de C.V.

Information Subject to the Assurance Engagement

We have been engaged by the Management of Grupo Financiero Banorte, S.A.B de C.V. ("Banorte" or the "Entity") to perform a limited assurance engagement on selected sustainability information included in the Annual Report for the year ended December 31, 2023.

Our work was performed by an independent, multidisciplinary team including assurance practitioners and sustainability specialists.

Our limited assurance engagement was performed solely in respect of the selected sustainability information included in Appendix A. Our assurance report does not extend to information from previous periods or other information included in the 2023 Annual Report, including other information related to such report that may contain images, audio or videos.

Criteria used for the preparation of the information subject to the assurance engagement ("Criteria")

The selected sustainability information included in Appendix A has been prepared and presented in accordance with the guidelines of the Global Reporting Initiative (*"GRI"*) and Sustainability Accounting Standards Board *("SASB")*.

Banorte's Responsibility for selected sustainability information

Banorte is responsible for the preparation of the selected sustainability information in accordance with *GRI* and *SASB*. This responsibility includes the design, implementation and execution of internal controls over the relevant information for the preparation of the selected information that is free from material misstatement, whether due to fraud or error.

Inherent limitations to the Assurance Engagement

Selected sustainability information is subject to inherent uncertainty due to the use of non-financial information, which is subject to greater inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In preparing the selected information, the Entity makes qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.

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Our Independence and Quality Control

We have complied with the independence and ethical requirements of the *Code of Ethics for Public Accountants* issued by the *International Ethics Standard Board for Accountants* (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The Firm applies *International Standard on Quality Management 1 (ISQM 1)* and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on selected sustainability information for the year ended December 31, 2023, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000- *Assurance Engagements other than audits or reviews of historical financial information* ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Banorte's use of GRI and SASB as the basis for the preparation of the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluation of the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Performed inquiries, through which we obtained an understanding of the Entity's internal policies related to the selected sustainability information.
- Performed inquiries, through which we obtained an understanding of Banorte's control environment and information systems relevant to the preparation of selected sustainability information but did not evaluate the design of particular control activities, obtain evidence about their implementation or test operating effectiveness.
- Evaluated whether Banorte's methods for developing estimates are appropriate and had been consistently applied in the preparation of the selected sustainability information.
- Performed substantive tests on the selected sustainability information referred in this report, to corroborate that the data has been adequately measured, recorded, compiled, and reported through:
  - Inspection;
  - Observation;
  - Confirmation;
  - Re-calculations;
- Comparison of the contents presented by the Management with what is established in the section of criteria of this report.

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The procedures performed in a limited assurance engagement vary in nature and opportunity from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Banorte's selected sustainability information has been prepared, in all material respects, in accordance with the guidelines provided by *GRI* and *SASB*.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected sustainability information for the year ended December 31, 2023, was not prepared, in all material aspects, in accordance with the Criteria section of this report.

Restriction on Use and Distribution

Our report is intended solely for the management of Grupo Financiero Banorte, S.A.B de C.V., in accordance with the terms of our engagement letter and should not be used by, or distributed to any other party.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

C.P.C. David Alejandro Solano Zúñiga
Mexico City, Mexico
March 7, 2024

Appendix A

The following include the GRI and SASB non-financial metrics, scope of the limited assurance engagement, determined by Banorte's Management.

GRI Indicators	Metric
405-1 Diversity of governance bodies and employees	- **5,801** women under 30 years old - **5,342** men under 30 years old - **9,468** women between 30 and 50 years old - **8,658** men between 30 and 50 years old - **1,323** women over 50 years old - **1,800** men over 50 years old - **200** women in senior management positions - **598** men in senior management positions - **4,035** women in middle management positions - **5,058** men in middle management positions - **12,357** women in operating positions - **10,144** men in operating positions
417-3 Incidents of non-compliance concerning marketing communications	**-Zero** incidents of non-compliance related to marketing communications.
FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	- **MXN571.6** mn in the Autoestrene Verde Program (financing for the purchase of hybrid and electric vehicles). - **MXN25.40** bn in the sustainable portfolio
FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	**Bank:** - **2,134** clients with due diligence - **21%** of clients related to environmental and/or social issues. **Afore XXI Banorte:** - **154** clients with due diligence - **60%** of clients related to environmental and/or social issues. **Fund Operator:** - **5** clients with due diligence - **100%** of clients related to environmental and/or social issues.
FS11 Percentage of assets subject to positive and negative environmental or social screening	Assets subject to positive social or environmental review amounting to **MXN1.24** bn, only by the sustainable investment fund "NTEESG".
FS16 Initiatives to enhance financial literacy by type of beneficiary	- **8** Seminar workshops "My life in wealth" - **326** beneficiaries of the Seminar "My life in wealth" - **12** Financial Literacy workshops - **1,505** beneficiaries of the Financial Literacy workshops - **7** workshops of the National Financial Education Week - **1,638** beneficiaries of the National Financial Education Week workshops - **24** financial literacy workshops for the financial inclusion campaign promoted by the UN Refugee Agency (ACNUR). - **842** beneficiaries of financial literacy workshops for the financial inclusion campaign promoted by the UN Refugee Agency (ACNUR).
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Ratio of **1.04** for the Bank Ratio of **1.00** for Afore XXI Banorte Ratio of **1.37** for Insurance and Pensions

GRI Indicators	**Metric**
405-2 Ratio of basic salary and remuneration of women to men	**Bank:** - Ratio of basic salary and remuneration of women to men in senior management positions of **1.31** - Ratio of basic salary and remuneration of women to men in middle management positions of **1.08** - Ratio of basic salary and remuneration of women to men in operating positions of **0.99** **Afore XXI Banorte:** - Ratio of basic salary and remuneration of women to men in senior management positions of **1.03** - Ratio of basic salary and remuneration of women to men in middle management positions of **1.09** - Ratio of basic salary and remuneration of women to men in operating positions of **1.14** **Insurance and Pensions:** - Ratio of basic salary and remuneration of women to men in senior management positions of **1.23** - Ratio of basic salary and remuneration of women to men in middle management positions of **1.13** - Ratio of basic salary and remuneration of women to men in operating positions of **0.97**
302-1 Energy consumption within the organization	Total energy consumption of **535,267.90** GJ
305-1 Direct (Scope 1) GHG emissions	- **0** tCO_2e natural gas emissions - **225.40** tCO_2e diesel emissions - **49.63** tCO_2e LP gas emissions - **3,149.91** tCO_2e gasoline emissions
305-2 Energy indirect (Scope 2) GHG emissions	**58,942.30** tCO_2e electricity emissions *The emission factor used is 0.435 tCO2e/MWh (SEMARNAT, February 2023).
302-3 Energy intensity	Energy intensity of **16.52** GJ per employee Energy intensity of **10.21** GJ per net result attributable to the controlling interest (in millions of pesos)
305-4 GHG emissions intensity	GHG emissions intensity of **1.93** tCO_2e per employee GHG emissions intensity of **1.19** tCO_2e per net result attributable to the controlling interest (in millions of pesos)
302-4 Reduction of energy consumption	Qualitative review of the energy reduction initiatives that took place in 2023. - **4.2%** increase in energy consumption.
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	- **Zero** data leaks - **Zero** complaints regarding client privacy data violations
3-2 List of material topics	Qualitative review of the list of material topics.
SASB Indicators	**Metric**
FN-CF-270a.4 (1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) Percentage with monetary or nonmonetary Relief, (3) Percentage disputed by consumer, (4) Percentage that resulted in investigation by the CFPB	- **11,753** complaints to CONDUSEF - **4,344** complaints with monetary implications - **36.96%** of complaints with monetary implications - **1,780** complaints involving a lawsuit - **15.15%** of complaints involved a lawsuit - **317** complaints under investigation - **3.00%** complaints under investigation
FN-CB-240a.4 Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	- **1,638** unbanked participants in financial literacy initiatives - **842** underserved participants in financial literacy initiatives
FN-CF-220a.2 Total amount of monetary losses as a result of legal proceedings associated with customer privacy	**-Zero** monetary losses as a result of legal proceedings associated with customer privacy

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GRI 2-3

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GRUPO FINANCIERO BANORTE