

Financial Results

as of December 31st, 2022

4Q22

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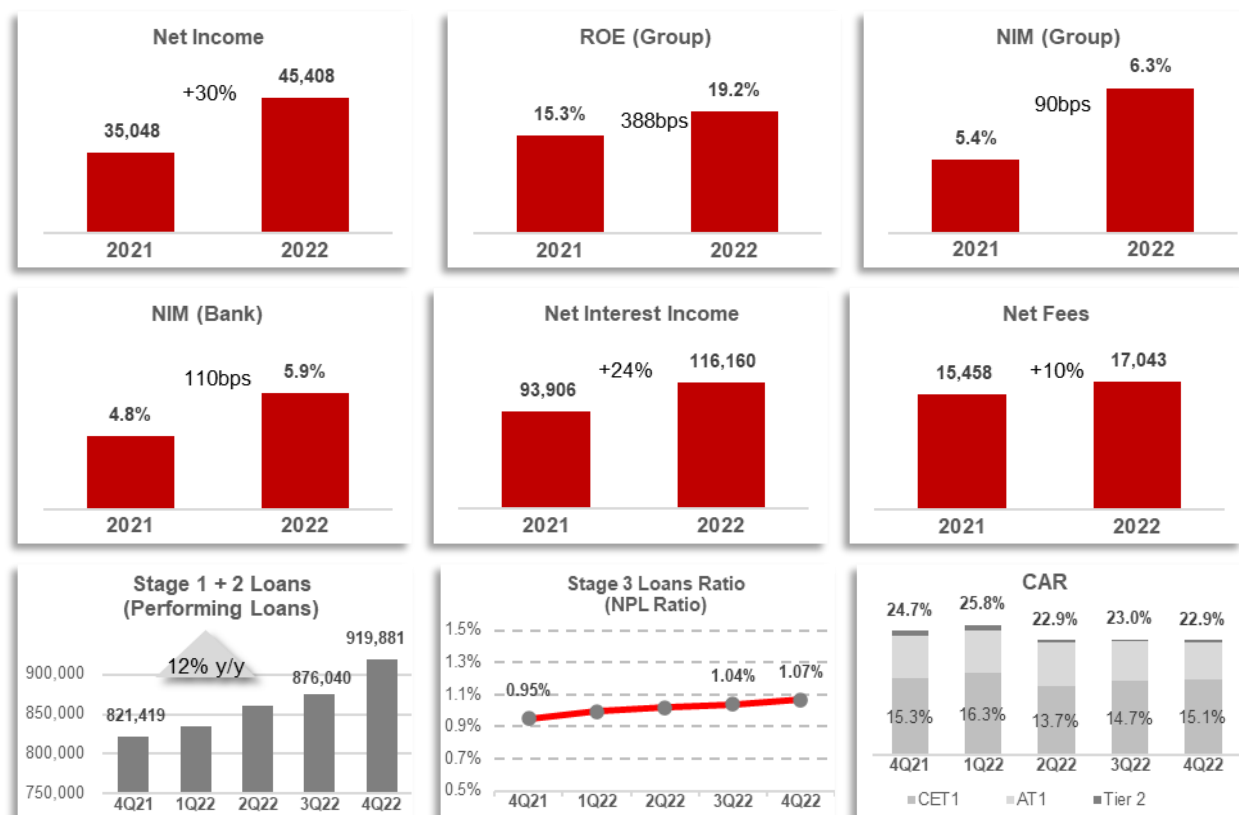


I. Executive Summary

Effective January 2022, new accounting rules, approaching convergence to IFRS international standards, were adopted by the Mexican banking system; thus, reflecting changes in the main indicators. To facilitate comparison, 2021 financial statements were restated under these same accounting rules.

- **GFNorte improves profitability in the year: Net Income +30% vs. 2021**, driven by a sound business diversification. **ROE of the Group at 19.2%, +388bps; ROE of the Bank at 24.6%, +598bps.**
- **Record annual growth of 15% in the consumer portfolio**, 22% in payroll, 16% in auto, 14% in credit card, and 13% in mortgage.
- **Asset quality and cost of risk** remain below average historic levels, driven by structural changes in origination and collection processes.
- **Annual expense increase of 9.1%**, affected by extraordinary expenses in the quarter; excluding them, the increase is **5.3%**. **Efficiency ratio of 38.0%**, improving (461bps) annually.

Figures for 2021 in the following graphs, as well as in the remainder of the document, were restated under new accounting standards, to facilitate comparison with 2022 information.



GFNorte reports Net Income of Ps 45.41 billion in 2022, 30% higher vs. 2021

(BMV: GFNORTEO; OTCQX: GBOOY; Latibex: XNOR)

2021 figures in this report were restated under new accounting rules, approaching convergence to IFRS international standards, as adopted by the Mexican banking system, to facilitate comparison with 2022 figures.

The most relevant results for the period ended on December 31, 2022, were:

During 2022, GFNorte showed clear growth trends in most of its business lines, despite operating in an increasingly challenging macroeconomic environment, with low GDP growth expectations, inflationary pressures, restrictive monetary policies, and uncertainty in the international outlook. GFNorte closed the year with a net result of Ps 45.41 billion; 30% higher vs. 2021, driven by solid credit demand, especially in the consumer portfolio, which was benefitted by the rising economic activity in the country, as well as by the benefit in the margin, derived from higher rates and active asset liability management.

Asset quality exceeded expectations throughout the year; as of the fourth quarter, it remained below the historic average.

Non-interest expenses rose 9% annually, impacted by extraordinary expenses incurred during the quarter, in line with the strategic initiative to strengthen the commercial teams in different regions of the country, as well as the accelerated amortization of different IT-related projects and assets. It is worth mentioning that, without the effects previously mentioned, expenses growth remained below inflation, highlighting the efficient expense control at an institutional level. Additionally, GFNorte maintains an adequate level of loan loss provisions and strong capital ratios, shielding the balance sheet for 2023.

The most relevant results **for the quarter were:**

- **Net Interest Income** (NII) increases 2% sequentially and 18% versus 4Q21, in line with loan growth and partially reflecting the reference rate hikes throughout the year. **NIM of the Group** stood at 6.6% in 4Q22, flat sequentially and increasing 58bps in the year.
- **The bank and other subsidiaries'** sequential performance aligned with that of the market. **Bank's NIM was higher 43bps sequentially**, reflecting the strength and diversification of the credit portfolio, and partially showing the effect of the reference rate increases; in the quarter, the Mexican Central Bank increased the reference rate 75bps in November and 50bps in December, reaching 10.50%. Annually, the bank's NIM increased 165bps.
- **Non-interest income** increased in the quarter, mainly due to better other operating income (expenses) and net fees. The insurance business continues to recover; solid premium issuance and lower claims related to COVID-19.
- **Provisions were 15% higher** sequentially and 33% annually, in line with the increase in loan origination. **Cost of risk** reached **1.6%**, still below historic average levels.
- **Non-interest expenses** increased 23% vs. 3Q22, and 11% in the year, mainly affected by extraordinary expenses in personnel and accelerated amortizations. The **cost to income ratio stood at 41.4%** from 36.4% in 3Q22 and improved from 46.9% in 4Q21.
- **ROE** stood at **19.4%**, (15bps) lower sequentially and **396bps higher annually**, reflecting a sound and expanding business in the Group. **Additionally, ROA remained at 2.3%**, increasing 36bps vs. 4Q21. **ROE for the Bank at 24.6%**, decreasing (243bps) sequentially and increasing 553bps annually.

The most relevant results **for the year were:**

- **Net Income totaled Ps 45.41 billion, 30% higher** vs 2021. **Net Interest Income** grew 24% YoY; **NIM** reached **6.3%, 90bps higher vs. 2021**, reflecting greater origination, a diversified portfolio mix, and the still partial effect of the 500bps increase in the reference rate during 2022. **Non-interest income fell (34%) YoY** and **non-interest expenses grew 9%**, considering extraordinary expenses incurred during the fourth quarter -excluding them, expenses increased 5.3%-, leading to an **efficiency ratio of 38.0%**, (461bps) better vs. 2021.
- **Subsidiaries** contributed and supported the business' sound revenue diversification. In 2022, net income for the Bank grew 32%, Brokerage House 5%, Seguros Banorte 90%, with claims in a downward trend, and Annuities 36%.
- **Performing loan book**, now stages 1 and 2, **increased 5% QoQ**. In the quarter, **consumer loans rose 4%**, driven by credit card 5%, mortgage 4%, and payroll 3%; auto continues to recover with an outstanding growth of 7%. The commercial portfolio led the sequential increase by expanding 8%, aligned with the focus in SME growth, followed by government 5%, and corporate 3%.

In the year, the **performing loan book rose 12%**, driven by a 15% record growth in consumer, 13% in commercial, and 11% in government. The consumer portfolio, showed strong mid-high double-digit **performance, with payroll 22%, auto 16%, credit card 14%, and mortgage 13%**.

- **The quality of the loan portfolio continues to stand out** in all segments comprising the loan book. NPL ratio ended at 1.1%, with a slight sequential increase of 3bps and 12bps in the year, mainly due to the commercial and payroll books. **Cost of risk was slightly higher, increasing 16bps QoQ to 1.6%**, given greater provisions related to higher loan origination, as well as specific cases in the wholesale portfolio, which do not represent a trend. **Coverage ratio** in 179.5%, from 188.5% in 3Q22.
- **Core Deposits increased 3%** during the quarter: demand deposits went up 4% while time deposits remained stable. In the annual comparison, demand deposits grew 16%, and time deposits rose only 3%, in line with the low funding cost strategy. Overall, **Core Deposits increased 12% in the year**.
- **Capital strength, as well as liquidity management** are still top priorities for the Financial Group. The **bank's total Capital Adequacy Ratio (CAR)** reached **22.86%**, and **Core Equity Tier 1 (CET1)** reached **15.15%**, both well above regulatory minimums, allowing the bank to comply with TLAC (Total loss-absorbing capacity) requirements, that came into effect in December 2022. **The quarterly average Liquidity Coverage Ratio** stood at **154.61%**, while the **Leverage Ratio** at **12.71%**.

GFNorte-Consolidated Statement of Comprehensive Income Highlights (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Interest Income *	53,743	72,244	80,773	12%	50%	195,788	268,628	37%
Interest Expense	27,252	41,550	49,548	19%	82%	101,882	152,469	50%
Net Interest Income	26,492	30,694	31,225	2%	18%	93,906	116,160	24%
Net Service Fees	4,277	4,216	4,504	7%	5%	15,458	17,043	10%
Premium Income Ins. & Annu. (Net)	11,309	9,361	8,771	(6%)	(22%)	45,570	42,855	(6%)
Technical Reserves Ins. & Annu.	10,748	6,983	5,174	(26%)	(52%)	33,818	29,541	(13%)
Cost of Acquisition from Insurance Operations	260	300	312	4%	20%	1,120	1,387	24%
Net Cost of Claims and Other Obligations	6,634	6,516	6,661	2%	0%	25,664	26,566	4%
Trading *	1,305	777	651	(16%)	(50%)	3,973	3,660	(8%)
Other Operating Income (Expenses) (1)	(474)	(1,693)	(1,088)	36%	(129%)	(2,086)	(4,548)	(118%)
Non Interest Income	(1,225)	(1,137)	691	161%	156%	2,313	1,516	(34%)
Total Income	25,267	29,557	31,917	8%	26%	96,220	117,675	22%
Non Interest Expense (1)	11,843	10,752	13,201	23%	11%	41,040	44,772	9%
Provisions	2,725	3,148	3,632	15%	33%	11,362	11,881	5%
Operating Income	10,699	15,657	15,083	(4%)	41%	43,819	61,022	39%
Taxes	2,148	4,187	3,742	(11%)	74%	10,557	15,963	51%
Subsidiaries' Net Income	639	233	408	75%	(36%)	2,277	967	(58%)
Minority Interest	129	159	157	(1%)	22%	491	617	26%
Net Income	9,061	11,544	11,592	0%	28%	35,048	45,408	30%
Other Comprehensive Income	(502)	158	1,046	564%	308%	(3,531)	(2,938)	17%
Comprehensive Income	8,688	11,861	12,795	8%	47%	32,008	43,088	35%

* In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified.

1. In accordance with CNBV's D-2 criteria, as of this quarter, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

GFNorte-Consolidated Statement of Financial Position Highlights (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Asset Under Management	3,144,794	3,161,180	3,214,060	2%	2%
Loans Stage 1	814,502	866,330	913,049	5%	12%
Loans Stage 2	6,917	9,710	6,832	(30%)	(1%)
Performing Loans, Stage 1 & 2 (a)	821,419	876,040	919,881	5%	12%
Past Due Loans, Stage 3 (b)	7,919	9,259	9,973	8%	26%
Deferred Items (c)	1,704	1,560	2,042	31%	20%
Loan Portfolio from Insur. Subs.(d)	2,827	3,123	3,188	2%	13%
Total Loans (a+b+c+d)	833,870	889,982	935,084	5%	12%
Preventive Loan Loss Reserves	16,424	17,451	17,899	3%	9%
Total Loans Net	817,446	872,530	917,185	5%	12%
Total Assets	1,909,088	2,033,008	2,070,072	2%	8%
Total Deposits	799,025	872,912	897,192	3%	12%
Total Liabilities	1,671,848	1,789,097	1,831,040	2%	10%
Equity	237,239	243,911	239,033	(2%)	1%

Financial Ratios GFNorte	4Q21	3Q22	4Q22	2021	2022
Profitability:					
NIM (1)	6.1%	6.7%	6.6%	5.4%	6.3%
ROE (2)	15.5%	19.6%	19.4%	15.3%	19.2%
ROA (3)	1.9%	2.3%	2.3%	1.8%	2.3%
Operation:					
Efficiency Ratio (4)	46.9%	36.4%	41.4%	42.7%	38.0%
Operating Efficiency Ratio (5)	2.5%	2.1%	2.6%	2.2%	2.2%
CCL Banorte and SOFOM - Basel III (6)	201.7%	160.4%	154.6%	201.7%	154.6%
Asset Quality:					
Past Due Loan Ratio	0.9%	1.0%	1.1%	0.9%	1.1%
Coverage Ratio	207.4%	188.5%	179.5%	207.4%	179.5%
Cost of Risk (7)	1.3%	1.4%	1.6%	1.4%	1.4%
Market References					
Banxico Reference Rate	5.50%	9.25%	10.50%	5.50%	10.50%
TIE 28 days (Average)	5.17%	8.47%	10.00%	4.62%	7.88%
Exchange Rate Peso/Dollar (8)	20.47	20.09	19.47	20.34	19.90

1) NIM= Annualized Net Interest Income / Average Earnings Assets.

2) Annualized earnings as a percentage of average quarterly equity over the period, minus minority interest, for the same period.

3) Annualized earnings as a percentage of average quarterly assets over the period, minus minority interest, for the same period.

4) Non-Interest Expense / Total Income

5) Annualized Non-Interest Expense / Average Total Assets.

6) Preliminary CCL calculation. To be updated upon publication of Banco de Mexico's official calculations.

7) Cost of Risk = Annualized Provisions / Average Total Loans.

8) The Exchange Rate Peso/Dollar for the semester is the average.

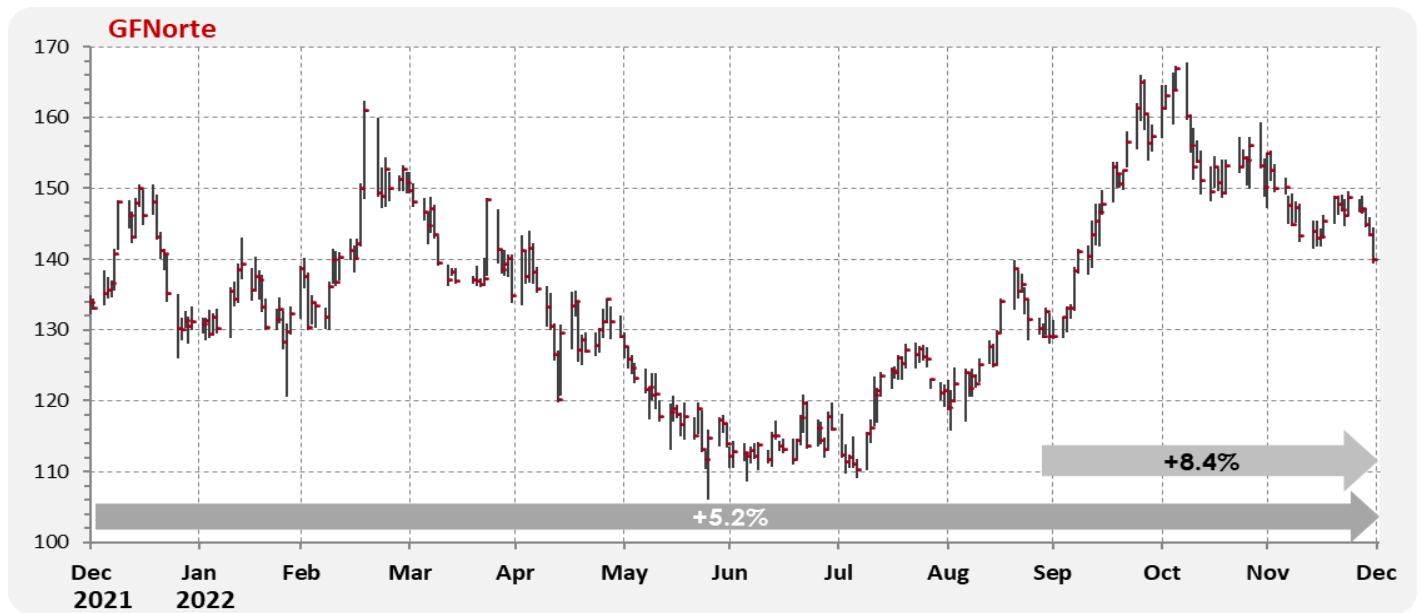
For more detail on Liquidity Coverage Ratio (LCR)

See Page. 26 to 28 of the [Risk Management Report](#)

Subsidiaries Net Income	4Q21	3Q22	4Q22	Change		2021	2022	Change
(Million Pesos)				3Q22	4Q21			2021
Banco Mercantil del Norte	6,649	8,758	8,480	(3%)	28%	25,633	33,949	32%
Banorte Broker Dealer	227	179	77	(57%)	(66%)	1,229	1,287	5%
Operadora de Fondos Banorte	88	83	95	14%	8%	392	361	(8%)
Retirement Funds - Afore XXI Banorte	608	178	355	99%	(42%)	1,920	788	(59%)
Insurance	459	889	1,020	15%	122%	2,103	3,993	90%
Annuities	545	876	825	(6%)	51%	2,007	2,733	36%
BAP (Holding)	(2)	(1)	(1)	(25%)	49%	27	(5)	(117%)
Other Finance Companies	119	65	226	246%	89%	670	663	(1%)
G. F. Banorte (Holding)	368	516	514	(0%)	40%	1,068	1,638	53%
Total Net Income	9,061	11,544	11,592	0%	28%	35,048	45,408	30%

Share Data	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			2021
Earnings per share (Pesos)	3.143	4.004	4.020	0%	28%	12.155	15.748	30%
Earnings per share Basic (Pesos)	3.145	4.048	4.062	0%	29%	12.254	15.893	30%
Dividend per Share for the period (Pesos)	2.65	0.00	5.81	N.A.	120%	5.81	11.89	105%
Payout for the period	25.0%	0.0%	47.8%	N.A.	91%	54.9%	97.8%	78%
Book Value per Share (Pesos)	81.23	83.61	81.86	(2%)	1%	81.23	81.86	1%
Outstanding Shares - BMV (Million)	2,883.5	2,883.5	2,883.5	0%	0%	2,883.5	2,883.5	0%
Stock Price (Pesos)	133.02	129.01	139.91	8%	5%	133.02	139.91	5%
P/BV (Times)	1.64	1.54	1.71	11%	4%	1.64	1.71	4%
Market Capitalization (Million Dollars)	18,740	18,514	20,719	12%	11%	18,740	20,719	11%
Market Capitalization (Million Pesos)	383,557	371,995	403,424	8%	5%	383,557	403,424	5%

Share performance



II. Management's Discussion & Analysis

2021 figures in this report were restated under new accounting rules, approaching convergence to IFRS international standards, as adopted by the Mexican banking system, to facilitate comparison with 2022 figures. Thus, financial information of 2021 is not comparable to the reports published in the respective year. Please refer to the section "Accounting Regulatory Changes" for further detail.

For comparison purposes, it is important to consider that GFNorte holds a 98.2618% ownership of the Bank; therefore, some figures may vary as they refer to the Group or the Bank.

Net Interest Income

Net Interest Income (NII) (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			2021
Interest Income *	53,743	72,244	80,773	12%	50%	195,788	268,628	37%
Interest Expense	27,252	41,550	49,548	19%	82%	101,882	152,469	50%
GFNORTE's NII	26,492	30,694	31,225	2%	18%	93,906	116,160	24%
Credit Provisions	2,725	3,148	3,632	15%	33%	11,362	11,881	5%
NII Adjusted for Credit Risk	23,767	27,546	27,593	0%	16%	82,545	104,278	26%
Average Earning Assets	1,746,787	1,845,670	1,878,325	2%	8%	1,733,832	1,839,143	6%
Net Interest Margin (1)	6.1%	6.7%	6.6%			5.4%	6.3%	
NIM after Provisions (2)	5.4%	6.0%	5.9%			4.8%	5.7%	
NIM from loan portfolio (3)	7.9%	8.5%	8.9%			7.6%	8.4%	

1) NIM (Net Interest Margin)= Annualized Net Interest Income of the quarter / Average Interest Earnings Assets.

2) NIM = Annualized Net Interest Income for the quarter adjusted for Credit Risks / Average of Performing Assets.

3) NIM= Annualized Net Interest Income from the credit portfolio of the quarter / Average Performing Loan Book

* In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified.

NII increased 2% during the quarter, due to the combined effect of i) 9% higher NII in the loan portfolio; ii) positive valuation effect in foreign currency; iii) partial benefits of rate hikes; and iv) negative valuation effect on inflation in the annuities business. Interest expenses were higher, mainly due to the 154bps increase in the average reference rate (TIE28d), which increased deposit and funding interest by 19%. NIM remained stable in the quarter at 6.6%, supported by the efficiency in cost of funds, with demand deposits increasing 4% and time deposits remaining stable. **NIM of the loan portfolio expanded 39bps in the quarter, reaching 8.9%**, driven by greater loan origination volume and higher reference rates.

Compared to 2021, **Net Interest Income rose substantially 24%**, boosted by 17% higher NII in the loan portfolio, on greater credit dynamics and partially reflecting a 500bps adjustment in the reference rate over the past 12 months, the positive valuation effect in inflation-indexed securities (UDIS), and -to a lesser extent- in foreign currency. Interest expenses went up 50%, mainly due to an adjustment in the reference rate, but still maintaining institutional focus on low-cost deposits; demand deposits increased 16%, positively impacting the funding mix. **NIM increased 90bps vs. 2021, ending at 6.3%**, reflecting greater loan origination and the benefit of rate hikes, which offset higher average earning assets. The **NIM of the loan book increased 76bps, reaching 8.4%**.

For more detail on Margin Sensitivity (Bank):

- 1) Refer to page 32 and 33 of the [Risk Management Report](#)

Loan Loss Provisions

Credit Provisions (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Commercial, Corporate & Government	1,315	469	541	15%	(59%)	2,339	1,634	(30%)
Consumer	2,911	3,345	3,859	15%	33%	11,808	13,029	10%
Charge offs and discounts	(1,501)	(667)	(768)	(15%)	49%	(2,785)	(2,782)	0%
Credit Provisions	2,725	3,148	3,632	15%	33%	11,362	11,881	5%

In the quarter, **credit provisions increased Ps 484 million, or 15%**, derived mainly from the increase in consumer loan origination, especially credit card and payroll, as well as to a particular requirement in the commercial portfolio, which does not represent any geographic or sectoral trend. In the quarter, Ps 338 million of the additional reserves constituted in 2020 to face the COVID-19 pandemic were used.

Out of the Ps 3.63 billion provisions recorded in the quarter, 39% correspond to new loan origination and the remaining to risk and portfolio variations.

In 2022, provisions were Ps 520 million or 5% higher vs. 2021, resulting from higher requirements in the payroll, government, and corporate portfolios, due to greater activity in these segments.

Cost of risk increased 16bps in the quarter and 28bps vs. 4Q21, reaching **1.6%**; still below average historic levels, although tending to normalize, as the consumer portfolio increases.

For more detail on Internal Credit Risk Models:

- 1) Pages 15 to 20 of the [Risk Management Report](#)

Non-Interest Income

Non-Interest Income (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Net Service Fees	4,277	4,216	4,504	7%	5%	15,458	17,043	10%
Premium Income Ins. & Annu. (Net)	11,309	9,361	8,771	(6%)	(22%)	45,570	42,855	(6%)
Technical Reserves Ins. & Annu.	10,748	6,983	5,174	(26%)	(52%)	33,818	29,541	(13%)
Cost of Acquisition from Insurance Operations	260	300	312	4%	20%	1,120	1,387	24%
Net Cost of Claims and Other Obligations	6,634	6,516	6,661	2%	0%	25,664	26,566	4%
Trading *	1,305	777	651	(16%)	(50%)	3,973	3,660	(8%)
Other Operating Income (Expenses) (1)	(474)	(1,693)	(1,088)	36%	(129%)	(2,086)	(4,548)	(118%)
Non-Interest Income	(1,225)	(1,137)	691	161%	156%	2,313	1,516	(34%)

* In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified.

1. In accordance with CNBV's D-2 criteria, as of this quarter, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

Non-interest income increased 161% sequentially, derived mainly from better other operating income (expenses), net fees, and technical results of the insurance and annuities companies. **Compared to 2021**, non-interest income dropped (34%), driven by a significant decrease in other operating income (expenses) and lower trading income, despite better technical results and the good performance of net fees.

Insurance and Annuities premium income fell (6%) sequentially, due to lower annuities premiums, given a market contraction, despite higher insurance premiums. Technical reserves declined (26%) or (Ps 1.81 billion), out of which (Ps 2.75 billion) correspond to the annuities business, impacted by lower premiums collected and the valuation effect of inflation, whereas Ps 936 million correspond to higher insurance premiums. Acquisition costs increased 4%, as a result of the portfolio mix. Claims increased only 2% in the quarter, mainly driven by the auto and medical expenses books.

In the cumulative comparison, premium income from Insurance and Annuities decreased (6%), driven by a contraction in the annuities market; consequently, technical reserves were down (13%). Claims increased 4%, due to the size of the annuities portfolio, which was slightly offset by lower claims in the insurance business.

Service Fees

Service Fees (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Fund Transfers	552	527	527	(0%)	(5%)	2,073	2,040	(2%)
Account Management Fees	508	483	455	(6%)	(10%)	2,023	1,910	(6%)
Electronic Banking Services	4,049	4,280	4,705	10%	16%	13,423	16,972	26%
Basic Banking Services Fees	5,109	5,290	5,687	8%	11%	17,519	20,921	19%
For Commercial and Government Loans	345	393	644	64%	87%	1,247	1,876	50%
Consumer Loan Fees	1,505	1,617	1,611	(0%)	7%	5,240	6,144	17%
Fiduciary & Mortgage Appraisals	110	123	151	23%	37%	529	537	1%
Mutual Funds	513	535	551	3%	7%	2,007	2,109	5%
Trading & Financial Advisory Fees	169	135	133	(1%)	(21%)	659	572	(13%)
Other Fees Charged (1)	28	39	(2)	(104%)	(106%)	363	190	(48%)
Fees Charged on Services	7,779	8,132	8,775	8%	13%	27,564	32,348	17%
Interchange Fees (2)	2,515	2,652	2,820	6%	12%	7,974	10,442	31%
Other Fees Paid (2)	987	1,264	1,451	15%	47%	4,131	4,863	18%
Fees Paid on Services	3,502	3,916	4,271	9%	22%	12,105	15,305	26%
Net Service Fees	4,277	4,216	4,504	7%	5%	15,458	17,043	10%

1. Includes fees from transactions with pension funds, warehousing services, financial advisory services, and securities trading, among others.

2. As of this quarter, a provision account for Interchange Fees is reclassified from "Other Fees Paid" to "Interchange Fees". For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

Fees charged on services increased 8% in the quarter comparison and 13% vs. 4Q21. The quarterly performance was supported by higher electronic banking services and an increase in transaction volumes in consumer products, mainly in the credit card business, mostly related to "CyberMonday" and "El Buen Fin" events in November. In the annual comparison, they grew 17%, driven by strong growth in electronic banking services and higher advisory and structuring fees in commercial and government portfolios.

On the other hand, **fees paid on services went up 9% sequentially and 22% year-over-year.** The quarterly variation is mainly explained by the reactivation of commercial activity, reflected in higher interchange fees, mostly in the credit card business, due to the same seasonal effect of "El Buen Fin" and "CyberMonday", and on loan origination through the external sales force. In the annual variation, they grew 26% driven by higher interchange fees.

Altogether, **net service fees grew 7% sequentially and 5% on a year-on-year basis.** Compared to 2021, they **increased 10%**, reflecting better dynamics in economic activity.

Trading

Trading Income (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Currency and Metals	(549)	(146)	(1,262)	(762%)	(130%)	(69)	(1,602)	(2205%)
Derivatives	245	(399)	226	157%	(8%)	372	1,606	332%
Negotiable Instruments *	172	(66)	508	873%	194%	371	(104)	(128%)
Valuation	(131)	(611)	(529)	13%	(304%)	674	(100)	(115%)
Currency and Metals	1,155	1,218	1,235	1%	7%	3,156	4,524	43%
Derivatives	(142)	115	(89)	(177%)	37%	(267)	(909)	(240%)
Negotiable Instruments	423	48	(98)	(305%)	(123%)	411	110	(73%)
Trading	1,436	1,380	1,048	(24%)	(27%)	3,300	3,725	13%
Other financial results	-	8	132	1544%	N.A.	-	35	N.A.
Trading Income *	1,305	777	651	(16%)	(50%)	3,973	3,660	(8%)

* In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified.

Trading income was down (16%) vs. the previous quarter, primarily by the negative effect of derivatives and securities' trading, while valuations went up 13% in the quarter. Other financial results grew significantly QoQ, recording Ps 132 million in 4Q22.

Compared to 2021, trading income declined (8%), mainly due to a significant drop in currencies & metals' valuation. Trading operations expanded 13%, on currencies & metals, despite declines in derivatives and securities. Other financial results closed the year at Ps 35 million.

Other Operating Income (Expenses)

Other Operating Income (Expenses) (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Contributions to IPAB	(905)	(985)	(985)	(0%)	9%	(3,596)	(3,859)	7%
Expenses Incurred in the Recovery of Credit Portfolio (1)	(331)	(350)	(410)	17%	24%	(1,289)	(1,421)	10%
Result for Foreclosed Assets	195	107	187	75%	(4%)	501	629	25%
Lease Income	66	88	86	(2%)	31%	225	322	43%
From Insurance & Annuities	648	(360)	156	143%	(76%)	1,370	263	(81%)
Others	(147)	(192)	(123)	36%	17%	703	(483)	(169%)
Other Operating Income (Expenses)	(474)	(1,693)	(1,088)	36%	(129%)	(2,086)	(4,548)	(118%)

1. In accordance with CNBV's D-2 criteria, as of this quarter, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

Other operating income (expense) improved 36% sequentially, mainly due to the effect of tax provisions' recordings in the Insurance and Annuities sector during the third quarter, on top of higher income from the sale of foreclosed assets and lower spending on advertising support to Visa and Mastercard.

Compared to 2022, they dropped **(118%)**, mainly due to: i) the extraordinary expenses recorded in the first quarter of 2022, in the Others line item; ii) the effect of lower insurance and annuities income, related to the Principal's portfolio acquisition in December 2021; and iii) higher contributions to the IPAB, due to greater deposits' volume.

Non-Interest Expense

Non-Interest Expense (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Personnel	4,717	4,510	6,476	44%	37%	17,664	19,580	11%
Professional Fees	933	929	961	3%	3%	3,406	3,603	6%
Administrative and Promotional (1)	2,114	1,765	1,101	(38%)	(48%)	6,500	5,858	(10%)
Rents, Depreciation & Amortization	2,118	2,336	3,453	48%	63%	8,504	10,623	25%
Other Taxes	516	613	587	(4%)	14%	2,098	2,233	6%
Employee Profit Sharing (PTU)	1,115	394	342	(13%)	(69%)	1,567	1,507	(4%)
Other expenses	329	205	282	37%	(14%)	1,300	1,368	5%
Non-Interest Expense	11,843	10,752	13,201	23%	11%	41,040	44,772	9%

1. In accordance with CNBV's D-2 criteria, as of this quarter, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

Non-interest expenses rose 23% sequentially, primarily on the recording of extraordinary expenses in: i) personnel, associated with the strategical initiative to strengthen the commercial teams in different regions of the country, particularly in the Center and North, as well as the provisioning of severance payments; and ii) amortization and depreciation, due to the accelerated amortization of IT-related projects and assets.

Compared to 2021 figures, non-interest expenses went up 9%, driven by the extraordinary factors previously mentioned. It is worth noting that, without such effects, the increase in expenses would have been 5.3%, below inflation, closing the year in 7.8%.

Compared to 3Q22, the **efficiency ratio increased 498bps**, resulting from the extraordinary expenses incurred in the fourth quarter. With 2022 figures, **the ratio improves (461bps), ending at 38.0%, reflecting a sound revenue generation.**

Net Income

Net Income (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Operating Income	10,699	15,657	15,083	(4%)	41%	43,819	61,022	39%
Subsidiaries' Net Income	639	233	408	75%	(36%)	2,277	967	(58%)
Pre-Tax Income	11,338	15,890	15,492	(3%)	37%	46,095	61,989	34%
Taxes	2,148	4,187	3,742	(11%)	74%	10,557	15,963	51%
Net income from continuing operations	9,191	11,703	11,749	0%	28%	35,539	46,025	30%
Minority Interest	129	159	157	(1%)	22%	491	617	26%
Net Income	9,061	11,544	11,592	0%	28%	35,048	45,408	30%
Valuation Adjustments for Fair Value through other	(830)	(1,099)	1,057	196%	227%	(2,207)	(4,376)	(98%)
Cash Flow Hedges Valuation	149	1,101	76	(93%)	(49%)	(1,774)	1,118	163%
Remeasurement on defined employee benefits	217	9	36	299%	(83%)	302	92	(70%)
Cumulative foreign currency translation adjustment	(4)	(5)	(48)	(842%)	(997%)	35	(86)	(347%)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	(33)	152	(75)	(150%)	(125%)	113	315	178%
Other Comprehensive Income	(502)	158	1,046	564%	308%	(3,531)	(2,938)	17%
Comprehensive Income	8,688	11,861	12,795	8%	47%	32,008	43,088	35%

Operating income fell (4%) sequentially, with a growing business, total income growing 8%, which allowed us to leverage on this situation to record extraordinary expenses in the quarter, preparing us for future business growth. **In the annual comparison, growth was 41%**, driven by better dynamics in the Bank's operations, Insurance and Annuities. **On a cumulative basis for the year, growth was 39%**, due to better dynamics in all businesses, except for the Afore business, which had important regulatory adjustments at the beginning of 2022, together with valuation pressures in long-term investments.

Net income reached Ps 11.59 billion, stable on a sequential comparison, and increased 28% year-over-year. On a cumulative basis, it went up 30% to Ps 45.40 billion at the end of 2022.

Taxes are down (11%) sequentially, and up 74% compared to the same quarter last year; cumulatively, they are up 51%.

Earnings per share for the quarter were **Ps 4.020**.

Profitability

	4Q21	3Q22	4Q22	2021	2022
ROE	15.5%	19.6%	19.4%	15.3%	19.2%
Intangibles	16,956	17,994	18,089	16,956	18,089
Goodwill	26,732	26,724	26,741	26,732	26,741
Average Tangible Equity	181,873	183,004	183,228	181,873	183,228
ROTE	19.9%	25.9%	25.6%	19.2%	25.1%

In the quarter, **ROE** fell (15bps) to **19.4%**, whereas in the annual comparison, **it increased 396bps**, reflecting the strength of the group's businesses.

ROTE dropped (27bps) in the quarter to 25.6%, while **in the yearly comparison, it grew 565bps**.

	4Q21	3Q22	4Q22	2021	2022
ROA	1.9%	2.3%	2.3%	1.8%	2.3%
Average Risk Weighted Assets (billion pesos)	861	835	834	861	834
RRWA	4.1%	5.1%	5.4%	4.1%	5.4%

ROA remained stable in the quarterly comparison, at **2.3%**, and **improved 36bps**.

Deposits

Deposits (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Non-Interest Bearing Demand Deposits (1)	381,974	384,794	412,119	7%	8%
Interest Bearing Demand Deposits (1)	156,250	215,637	210,693	(2%)	35%
Total Demand Deposits	538,224	600,431	622,812	4%	16%
Time Deposits – Retail	211,310	217,770	216,787	(0%)	3%
Core Deposits	749,533	818,201	839,599	3%	12%
Money Market and Credit Notes Issued	56,679	60,729	79,369	31%	40%
Total Bank Deposits	806,213	878,930	918,968	5%	14%
GFNorte's Total Deposits	799,025	872,912	897,192	3%	12%
Third Party Deposits	257,118	258,721	202,459	(22%)	(21%)
Total Assets Under Management	1,063,331	1,137,651	1,121,427	(1%)	5%

1. The Global Account of Deposits Without Movements was reclassified from non-interest-bearing demand deposits to interest-bearing demand deposits.

Core deposits increased 3% in the quarter, driven by 4% higher demand deposits, boosted by a 7% expansion in non-interest-bearing demand deposits, on year-end seasonality, while time deposits remained stable. Compared to 4Q21, core deposits went up 12%, given 16% higher demand deposits and, to a lower extent, 3% higher time deposits, in line with our strategy to improve the cost of funds.

Money market operations and credit notes issued had good performance, increasing 31% in the quarter and 40% annually. Overall, **total bank deposits** increased 5% QoQ and 14% YoY.

Stage 1 + 2 loans, Performing loan portfolio

Stage 1 + 2 loans , Performing Loan Portfolio (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Stage 1 + 2 loans, Performing Loan Portfolio					
Mortgages	200,551	218,039	226,932	4%	13%
Auto Loans	27,800	30,018	32,173	7%	16%
Credit Card	39,536	43,145	45,127	5%	14%
Payroll	55,034	64,970	67,051	3%	22%
Consumer	322,920	356,172	371,283	4%	15%
Commercial	203,256	212,036	229,126	8%	13%
Corporate	140,925	144,045	147,752	3%	5%
Government	154,318	163,788	171,720	5%	11%
Stage 1 + 2 loans, Performing Loan Portfolio	821,419	876,040	919,881	5%	12%

Further detail on Performing and Past due loan portfolios in the [Risk Management Report](#)

- 1) displayed by Sector and Subsidiary, page 9
- 2) displayed by Federal Entities and Subsidiary, page 10
- 3) displayed by Remaining Term, page 10

During the quarter, **performing loans, stage 1 and 2, grew 5%** driven by the noteworthy 8% increase in the commercial portfolio, which continues to be focused on SME's with an appropriate risk profile, 3% in corporate portfolio, impacted by prepayments during the quarter, 5% expansion in government and 4% in consumer portfolio, **boosted by a 7% recovery in auto, followed by credit card, mortgages and payroll.**

In the year, there is a **substantial improvement of 15% in the consumer portfolio**, supported by a good 22% performance in payroll, followed by 16% in auto, 14% in credit card, and 13% in mortgages. The commercial portfolio significantly expanded 13%, while the government portfolio presented an 11% growth and corporate 5%, reflecting greater economic activity and credit demand.

Within the commercial portfolio, **SMEs loans, stage 1 and 2**, were 2% higher sequentially and 9% yearly. NPL ratio improved (27bps) in the quarter and (74bps) in the year, ending at 1.09%, in line with the appropriate risk profile approach for this segment.

SME's Loans (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Performing Portfolio, stage 1 and 2	37,118	39,682	40,416	2%	9%
% of Performing Commercial Portfolio	18.3%	18.7%	17.6%	(108 bp)	(62 bp)
% of Total Performing Portfolio, stage 1 and 2	4.5%	4.5%	4.4%	(14 bp)	(13 bp)
NPL Ratio	1.83%	1.36%	1.09%	(27 bp)	(74 bp)

GFNorte's corporate book is well diversified by industry and by region, showing low concentration risk. The 20 main private sector corporate borrowers accounted for 11% of the group's performing book, stages 1 and 2. The group's largest corporate exposure represented 1.3% of the performing book, stages 1 and 2; whereas corporate borrower number 20 represented 0.3%. All 20 corporates have an A1 credit rating.

The **government book, stages 1 and 2, totaled Ps 171.72 billion, increasing 5% QoQ and 11% YoY**. GFNorte's government portfolio is well diversified by region, showing an adequate risk profile, given that 35.1% of the portfolio is Federal Government exposure and 87.2% of municipal and state government loans are backed by fiduciary guarantees.

Market share position (using CNBV figures as of October 2022):

The system's stages 1 and 2 loans (performing loans) expanding, higher 13.1% annually; **Banorte rose 9.0%, reaching a 14.5% market share**, decreasing (55bps) in the year.

- **Mortgage Loans:** Banorte held a **19.0% market share**, down (10bps) annually, holding on to the second place in the system.
- **Credit Card Loans:** Banorte decreased (39bps) **its market share** in the year, ending at **10.2%**.
- **Auto Loans:** In the year, Banorte regained 52bps market share to **20.0%**, still ranking second in the system. New car sales market is recovering.
- **Payroll Loans:** Banorte held a **20.9%** market share, increasing 57bps in the year, ranking second in the market.
- **Commercial Loans:** Market share totaled **11.18%**, including corporate and SMEs according to the CNBV classification. Market share decreased (56bps) in the last 12 months, but still ranking third in the system.
- **Government Loans:** Banorte's market share decreased (92bps) to **26.3%**, ranking second in the banking system.

Stage 3/ Past Due Loans

In the quarter, non-performing loans increased Ps 715 million, impacting mainly commercial, payroll and credit card.

Stage 3/ Past Due Loans (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Credit Cards	915	986	1,108	122	192
Payroll	1,388	1,868	2,223	355	835
Auto Loans	220	216	198	(18)	(22)
Mortgages	1,985	1,904	1,865	(40)	(120)
Commercial	3,252	3,774	4,178	404	926
Corporate	0	506	398	(108)	397
Government	159	4	4	-	(154)
Total	7,919	9,259	9,973	715	2,054

NPL ratio slightly increased to 1.07%, but remains below normal pre-pandemic levels and historical average, driven by strict loan origination controls and strong collection management. During the quarter, the ratio increased 3bps and 12bps in the year, gradually returning to normal levels.

Past Due Loans Ratios	4Q21	1Q22	2Q22	3Q22	4Q22
Credit Cards	2.3%	2.2%	2.2%	2.2%	2.4%
Payroll	2.5%	2.4%	2.7%	2.8%	3.2%
Auto Loans	0.8%	0.7%	0.6%	0.7%	0.6%
Mortgages	1.0%	0.9%	0.9%	0.9%	0.8%
Commercial	1.6%	1.7%	1.6%	1.7%	1.8%
SMEs	1.8%	1.7%	1.6%	1.4%	1.1%
Rest of commercial	1.5%	1.7%	1.6%	1.8%	1.9%
Corporate	0.0%	0.3%	0.5%	0.4%	0.3%
Government	0.1%	0.1%	0.1%	0.0%	0.0%
Total	0.95%	1.00%	1.02%	1.04%	1.07%

Expected loss for Banco Mercantil del Norte, the group's largest subsidiary, was 1.9%, and the unexpected loss was 4.0%, with respect to the total portfolio as of 4Q22. In 3Q22, these ratios were 1.9% and 4.1%, respectively, and reached 1.7% and 4.0% twelve months ago.

Quarterly changes in accounts that affect stage 3 loans (past due loans) balance for the Financial Group were:

Stage 3 Loan (Past Due Loan) variations (Million Pesos)	
Balance as of September '22	9,259
Transfer from stage 1 + 2 Loans (Performing Loans) to stage 3 (Past Due Loans)	6,503
Portfolio Purchase	-
Renewals	(71)
Debt reversal	-
Cash Collections	(1,209)
Discounts	(34)
Charge Offs	(3,321)
Foreclosures	-
Transfer from stage 3 (Past Due Loans) to stage 1 + 2 Loans (Performing Loans)	(1,177)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	23
Fair Value Ix	-
Balance as of December '22	9,973

Regarding risk ratings, 90% of the **total loan portfolio** was rated as Risk A, 6% as Risk B, and 4% as Risk C, D, and E altogether.

Risk Rating of Performing Loans as of 4Q22 - GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	845,212	1,304	785	70	819	281	3,260
A2	29,992	181	22	5	317	20	545
B1	33,938	41	9	-	1,056	13	1,118
B2	12,286	8	11	-	502	21	542
B3	14,785	137	1	2	689	11	840
C1	10,266	97	24	0	793	32	946
C2	10,061	68	-	-	1,086	211	1,364
D	8,023	787	-	2	1,440	355	2,583
E	8,267	1,960	-	-	3,735	91	5,787
Total	972,830	4,582	852	79	10,438	1,035	16,986
Not Classified	(1,181)						
Cartera sector BAP	3,188						
Partidas diferidas	2,042						
Exempt	-						
Total	976,879	4,582	852	79	10,438	1,035	16,986
Reserves							17,899
BAP Reserves							213
Preventive Reserves							700

Notes:

- Figures for reserve creation and rating are as of December 30, 2022.
- The loan portfolio is rated pursuant to rules issued by the CNBV, in Chapter V, Second Title of General Provisions Applicable to Credit Institutions, and it can also be rated according to internal methodologies authorized by this same regulator.
- The Institution uses regulatory methodologies to rate all credit portfolios. The Institution uses internal methodologies authorized by the CNBV according to the following: for the Revolving Consumer portfolio as of January 2018, for the Auto (Individuals) portfolio as of January 2020, and for the portfolio of commercial borrowers with sales or income greater than or equal to 14 million UDIS, from January 2019 in the Banco Mercantil del Norte subsidiary and from February 2019 in the subsidiaries Arrendadora and Factor Banorte.
- The Institution uses risk ratings: A1; A2; B1; B2; B3; C1; C2; D and E to classify provisions according to the portfolio segment and percentage of the provisions representing the outstanding balance of the loan, and which are set forth in Fifth Section of the "Reserve creation and their classification by degree of risk" found in Chapter 5, Second Title of the aforementioned regulation.
- The constituted complementary reserves follow the general provisions applicable to credit institutions, and they contemplate the additional reserves created to anticipate portfolio impairment effects due to COVID-19 previously described in "Provisions for Credit".

Based on the Accounting provisions, the Institution has formal policies and procedures so that, where appropriate, those loans that have elements that justify greater potential deterioration can be migrated to a higher risk stage, even if they have not complied with such requirements, according to the Accounting Policies and Criteria applicable to the loan portfolio.

As of 4Q22 the Institution did not have loans considered as stage 3 under such policies.

Loan Loss Reserves and Loan Loss Provisions

Loan Loss Reserves (Million Pesos)	4Q22
Previous Period Ending Balance	17,451
Provisions charged to results	4,431
Provisions charged to retained earnings	0
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	-
<u>Charge offs and discounts:</u>	
Commercial Loans	(460)
Consumer Loans	(2,894)
Mortgage Loans	(593)
Foreclosed assets	0
	(3,947)
Cost of debtor support programs	(5)
Valorization and Others	(32)
Adjustments	0
Loan Loss Reserves at Period End	17,899

Loan Loss Reserves as of 4Q22 totaled **Ps 17.90 billion**, increasing 2.6% vs. 3Q22. **Charge-offs and discounts** increased 12.8% quarterly.

Loan loss reserve coverage ratio totaled **179.8%**, in the quarter; resulting in a decrease when compared to the 188.5% from the previous quarter.

Capital

Shareholders' equity balance fell **Ps 4.8 billion sequentially, to Ps 239.03 billion**; the main changes in the quarterly comparison are: net income of Ps 11.59 billion, an increase of Ps 1.05 billion from the valuation of financial instruments to be received or sold, a decrease of (Ps 16.76 billion) derived from the dividend payment, and a reduction of (Ps 1.11 billion) from interest on subordinated notes.

Supplementary Notes to the Financial Information

The following is a breakdown of the credit notes issued by each entity:

[Notes Appendix 1 Grupo Financiero Banorte](#)

[Notes Appendix 1 Banco Mercantil del Norte](#)

Current Events

1. BANORTE INCORPORATED GOOGLE WALLET FOR ITS CREDIT AND DEBIT CARD CUSTOMERS

As of November 15, in line with its digital transformation and service personalization strategy, Banorte allows its customers to make payments using Google Wallet. Through this secure and accessible payment method, our customers will be able to make contactless payments from their Android and WearOS devices, with Banorte's credit and debit cards; these may be added to the wallet directly from Google Wallet app or the Banorte Móvil app. In addition, through Google Wallet, it is possible to store and use gift or benefit cards, and transportation and event passes.

2. BANORTE WAS RECOGNIZED BY LATINFINANCE AS THE BEST INFRASTRUCTURE FINANCING OF THE YEAR IN MEXICO

On November 25, LatinFinance, the renowned publication specializing in capital markets, finance, and economy in the region, awarded Banorte the prize for "Best Infrastructure Financing of the Year in Mexico" for the Mante-Ocampo-Tula highway project, where Banorte acted as leading structuring bank and syndication agent. LatinFinance considered the relevance of the project in its market, the structure, and execution of the financing, as well as its social impact, to give this award to Banorte.

3. BANORTE INTRODUCED "MAYA", THE VIRTUAL ASSISTANT, IN ITS MOBILE APP

On November 28, and in line with its vision of being the best financial group doing banking in a digital world, Banorte announced the incorporation of Maya, the most complete artificial intelligence assistant in the market, to its mobile banking app. Maya is the only assistant of its kind capable of performing 17 monetary operations, on top of handling 300 product and service queries via chat, and will continue to add functionalities to its service through intelligent learning; as users interact with it, Maya improves its responsiveness to evolve into a more fluid and intuitive conversation.

Maya has been recognized in 2021 by Accenture and the European Financial Management Association (EFMA) as one of the nine best banking innovations in the world, in the category of AI Analytics.

4. BANORTE AWARDED "BANK OF THE YEAR 2022 IN MEXICO" BY THE BANKER MAGAZINE

On December 5, Banorte was recognized as the "Bank of the Year 2022" in Mexico by the prestigious international publication The Banker, due to its digital transformation strategy and its vision of placing the customer at the center of product and service design. The Banker evaluated the performance of participating banks between January 2021 and June 2022 and considered criteria such as strategic initiatives that generated competitive advantages, digital infrastructure upgrades, and product and service launches.

During this period, Banorte stood out for the launch of a new version of its Banorte Móvil app, which has proven to provide a more intuitive experience for its customers, in addition to allowing the fully digital cycle for products such as account opening, credit cards, payroll loans, mutual funds, and insurance.

5. UNESCO AND FUNDACIÓN BANORTE SIGN AN ALLIANCE TO STRENGTHEN SOCIAL INCLUSION IN MEXICO

On December 14, UNESCO's representative in Mexico, Frédéric Vacheron, and the Director of Fundación Banorte, Jimena Prado Lebríja, signed a collaboration agreement to formalize a series of joint projects that will be carried out from December 14 until 2030. This agreement aims to improve and expand the social inclusion programs at Fundación Banorte, with an intercultural, gender, and human and cultural rights perspective.

The alliance is already working on a joint project that will benefit the living conditions of women artisans in the textile sector and their communities in 12 municipalities in Yucatán. The initiative will include the design and execution of a framework for social indicators in local governments, Culture Indicators | 2030, as well as the surveillance and evaluation of activities in the communities.

6. GLOBAL FINANCE RECOGNIZES BANORTE AS THE "BEST BANK IN MEXICO FOR SMES"

In December and for the second consecutive year, Global Finance Magazine recognized Banorte as the "Best Bank in Mexico for SMEs in 2023", for better meeting and understanding the specialized needs of these companies in their markets.

7. BANORTE ENTERS OTCQX "BEST 50" RANKING

On January 18, Grupo Financiero Banorte was included for the first time in the OTCQX "Best 50" for its 2022 edition. This list is comprised of companies with the best total return and daily dollar volume growth in 2022. More than 600 companies of all sizes, sectors, and geographic regions, from U.S. community banks to global companies, were analyzed for this ranking.

Bank

Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position Highlights - Bank (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			
Net Interest Income	17,926	22,047	23,990	9%	34%	67,984	85,243	25%
Non-Interest Income (1)	3,731	3,269	3,167	(3%)	(15%)	14,256	14,288	0%
Total Income	21,657	25,316	27,157	7%	25%	82,240	99,531	21%
Non-Interest Expense (1)	10,516	10,007	12,140	21%	15%	37,261	40,942	10%
Provisions	2,694	3,098	3,599	16%	34%	11,107	11,722	6%
Operating Income	8,447	12,211	11,417	(6%)	35%	33,871	46,867	38%
Taxes	1,703	3,350	2,829	(16%)	66%	8,114	12,486	54%
Subsidiaries & Minority Interest	22	53	42	(20%)	91%	330	168	(49%)
Net Income	6,766	8,913	8,630	(3%)	28%	26,086	34,549	32%
Balance Sheet								
Loans Stage 1	796,647	846,928	890,301	5%	12%	796,647	890,301	12%
Loans Stage 2	6,800	9,406	6,470	(31%)	(5%)	6,800	6,470	(5%)
Performing Loans, Stage 1 & 2 (a)	803,447	856,334	896,771	5%	12%	803,447	896,771	12%
Past Due Loans, Stage 3 (b)	7,250	8,496	9,143	8%	26%	7,250	9,143	26%
Deferred Items (c)	1,721	1,575	2,058	31%	20%	1,721	2,058	20%
Total Loans (a+b+c)	812,418	866,405	907,972	5%	12%	812,418	907,972	12%
Preventive Loan Loss Reserves including Insurance	15,744	16,554	16,961	2%	8%	15,744	16,961	8%
Total Loans Net (d)	796,674	849,851	891,011	5%	12%	796,674	891,011	12%
Total Assets	1,501,864	1,515,735	1,552,253	2%	3%	1,501,864	1,552,253	3%
Total Deposits	806,213	878,930	918,968	5%	14%	806,213	918,968	14%
Total Liabilities	1,357,229	1,379,873	1,407,576	2%	4%	1,357,229	1,407,576	4%
Equity	144,635	135,862	144,677	6%	0%	144,635	144,677	0%

1. In accordance with CNBV's D-2 criteria, as of this quarter, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 and 2021 figures shown in this report were reclassified.

Financial Ratios - Bank	4Q21	3Q22	4Q22	2021	2022
Profitability:					
NIM (1)	5.0%	6.3%	6.7%	4.8%	5.9%
NIM after Provisions (2)	4.3%	5.4%	5.7%	4.0%	5.1%
ROE (3)	19.1%	27.0%	24.6%	18.7%	24.6%
ROA (4)	1.8%	2.3%	2.3%	1.7%	2.2%
Operation:					
Efficiency Ratio (5)	48.6%	39.5%	44.7%	45.3%	41.1%
Operating Efficiency Ratio (6)	2.8%	2.6%	3.2%	2.5%	2.7%
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III (7)	201.7%	160%	155%	201.7%	154.6%
Asset Quality:					
Past Due Loan Ratio	0.9%	1.0%	1.0%	0.9%	1.0%
Coverage Ratio	217.1%	194.8%	185.5%	217.1%	185.5%
Capitalization:					
Net Capital/ Credit Risk Assets	34.8%	31.7%	31.0%	34.8%	31.0%
Total Capitalization Ratio	24.7%	23.0%	22.9%	24.7%	22.9%
Leverage					
Basic Capital/ Adjusted Assets	13.4%	12.1%	12.7%	13.4%	12.7%

1) NIM = Annualized Net Interest Income for the quarter / Average of Performing Assets.

2) NIM = Annualized Net Interest Income for the quarter adjusted for Credit Risks / Average of Performing Assets.

3) Net Income of the period annualized as a percentage of the quarterly average of Equity (excluding minority interest) for the same period.

4) Net Income of the period annualized as a percentage of the quarterly average of Total Assets (excluding minority interest) for the same period.

5) Non-Interest Expenses / Total Income.

6) Annualized Non-Interest Expenses of the quarter / Average of Total Assets.

7) LCR calculation is preliminary and will be updated once Banco de Mexico publishes official indicators.

Changes vs. the previous quarter

Net interest income (NII) increased 9% sequentially, with 11% higher NII from the loan portfolio, driven by an increase in loan origination volume, the still partial effect of higher interest rates, and the positive valuation effect of FX. Interest expenses increased 20%, reflecting the recent reference rate hikes, which rose deposit and funding interest by 14% in the quarter. Therefore, **NIM improved 43bps sequentially, reaching 6.7%**.

Non-interest income declined in the quarter, although net service fee income grew.

Fees charged increased 8% sequentially, due to the increase in electronic banking services and higher transactions in consumer products, mainly in the credit card business, mostly associated with the "CyberMonday" and "El Buen Fin" events in November. Likewise, **fees paid rose 9%**, driven by the reactivation of commercial activity, reflected in higher interchange fees, mainly from the credit card business, due to the same seasonal effect of "El Buen Fin" and "CyberMonday". Altogether, **net fees rose 7%**, reflecting more active market activity.

Trading income fell (85%) quarter-over-quarter, driven by a negative valuation effect in currencies & metals, despite being higher in derivatives and securities. Trading operations fell (26%) mostly on declines in derivatives and securities.

Other operating income (expense) improved Ps 53 million sequentially, mainly due to an increase in other items, derived from lower spending on advertising support to Visa and Mastercard, as well as higher results from foreclosed assets and recoveries.

Non-interest expenses were up 21% vs. 3Q22, primarily due to the recognition of extraordinary expenses in i) personnel, aligned with the Institutional strategy of strengthening the commercial teams in different regions of the country, particularly in the center and north, as well as the provisioning of severance payments; and ii) amortization and depreciation, due to the accelerated amortization of IT-related projects and assets. Consequently, the **efficiency ratio of the quarter** went to **44.7%** from 39.5% in 3Q22.

In the quarter, **provisions increased 16% QoQ**, on higher consumer loan origination, especially in credit card and payroll.

NIM adjusted for credit risks improved 31bps sequentially, reaching **5.7%**, from 5.4% in the previous quarter.

Net income for the quarter was Ps 8.63 billion, **(3%) lower** vs. 3Q22, resulting in a **(243bps) reduction in ROE** during the quarter, to **24.6%**. **ROA** remained stable at **2.3%** in 4Q22.

Cumulative Changes vs. the previous year

Net interest income (NII) increased 25% vs. 2021, driven by 19% higher revenues in the loan portfolio, given greater loan dynamics, and the still partial effect of the 500bps hike in the reference rate in the last 12 months, as well as the positive effect in FX valuation. Interest expenses increased 45%, mainly due to the adjustment in the average reference rate (TIE28d), reaching 10.00%, although efforts have been maintained to increase further efficiency in the mix, increasing demand deposits by 16%, and time deposits by 3%, annually. Thus, **NIM was up 110bps in the period, to 5.9%**.

Non-interest income remains stable in 2022.

Fees charged grew 18% YoY, due to solid growth in fees from electronic banking services, higher advisory and structuring fees in commercial and government portfolios, and greater transaction volumes in consumer products, reflecting increased economic activity during the year. **Fees paid rose 27%**, mainly due to higher interchange fees, resulting from the increase in transactional volumes. As a result, **net fees** increased 11% compared to 2021.

Trading income fell (21%) in the cumulative comparison, due to lower valuation of derivatives and fewer trading operations with securities and derivatives.

Other operating income (expense) decreased (Ps 747 million) compared to 2021, which is mostly explained by the impact on other items, derived from the extraordinary expenses recorded in the first quarter of 2022.

Non-interest expenses grew 10% vs. 2021, given the recognition of extraordinary expenses during the fourth quarter in personnel expenses, as well as extraordinary expenses related to the accelerated amortization of IT-related projects and assets. All in, the **efficiency ratio ended at 41.1%, a (417bps) improvement** vs. 45.3% in 2021.

Provisions increased 6% or (Ps 615 million) YoY, driven by greater requirements related to the volume and origination of the credit portfolio. **NIM adjusted for credit risks** improved **107bps** in the year, reaching **5.1% at the end of 2022**.

Net income grew 32% over 2021 or Ps 8.46 billion, mainly due to better banking dynamics and higher net fees, despite higher expenses driven by extraordinary records in 4Q22. **ROE expands 598bps**, to **24.6%** from 18.7% in 2021. **ROA increased 51bps YoY, reaching 2.2%**.

Capital

Shareholders' equity balance closed at Ps 144.68 billion, a 6% increase compared to the previous quarter. The main changes during the quarter were: net income of Ps 8.63 billion, an increase of Ps 1.03 billion from the valuation of financial instruments to be received or sold, and a decrease of (Ps 1.13 billion) from interest on subordinated notes.

Regulatory Capital (Banco Mercantil del Norte)

Banorte has fully adopted the capital requirements established to date by Mexican authorities and international standards, so-called Basel III, which came into effect in January 2013.

In 2022, Banorte was confirmed as a Level II - Systemically Important Financial Institution, which implies that Banorte must maintain a 0.90 pp capital buffer. Therefore, **starting on December 2019, the minimum Capital Adequacy Ratio required for Banorte is 11.40%** (corresponding to the regulatory minimum of 10.5% plus the 0.90 pp capital supplement), which includes a minimum requirement of Core Equity Tier 1 (CET1) of 7.90%.

Banorte, as a Systemically Important Financial Institution, is subject to the net capital supplement, TLAC (Total loss-absorbing capacity), incorporated in the regulation during 2021, and effective as of December 2022, with annual increases of 1.625 pp, up to 6.5 pp in December 2025, taking the minimum Capital Adequacy Ratio required for Banorte to 17.90% from 11.40%.

Capitalization (Million Pesos)	4Q21	3Q22	4Q22	Change 3Q22 4Q21	
Core Tier 1	131,693	120,783	129,145	6.9%	(1.9%)
Tier 1 Capital	204,495	185,190	191,574	3.4%	(6.3%)
Tier 2 Capital	7,800	3,861	3,349	(13.2%)	(57.1%)
Net Capital	212,295	189,050	194,923	3.1%	(8.2%)
Credit Risk Assets	609,709	595,701	629,433	5.7%	3.2%
Net Capital / Credit Risk Assets	34.8%	31.7%	31.0%	(0.8 pp)	(3.9 pp)
Total Risk Assets	859,833	821,401	852,616	3.8%	(0.8%)
Core Tier 1	15.32%	14.70%	15.15%	0.4 pp	(0.2 pp)
Tier 1	23.78%	22.55%	22.47%	(0.1 pp)	(1.3 pp)
Tier 2	0.91%	0.47%	0.39%	(0.1 pp)	(0.5 pp)
Capitalization Ratio	24.69%	23.02%	22.86%	(0.15 pp)	(1.83 pp)

(*) The capitalization ratio of the last reporting period is the one submitted to the Mexican Central Bank.

At the end of 4Q22 the estimated Capital Adequacy Ratio (CAR) for Banorte was **22.86%** considering credit, market, and operational risks, and 30.97% considering only credit risk. Moreover, the Core Equity Tier 1 reached 15.15%, a level corresponding to a Systemically Important Institution Level I under the CNBV's classification.

CAR decreased (0.15 pp) vs. 3Q22 due to the following effects:

	4Q22 vs 3Q22
	-0.15 pp
1. Net Income in 4Q22	+1.01 pp
2. Securities' mark-to-market valuation and Hedging Derivatives (1)	+0.13 pp
3. Effects in Risk Assets – Market	+0.11 pp
4. Effects in Risk Assets – Operation	-0.04 pp
5. Other Capital Effects (2)	-0.08 pp
6. Effects in Risk Assets – Credit (Others) (3)	-0.30 pp
7. Capital Notes	-0.38 pp
8. Effects in Risk Assets – Credit	-0.61 pp

(1) Includes hedging derivatives on positions that are not marked to market.

(2) Includes actuarial changes from employee liability and variation of permanent and intangible investments.

(3) Includes issuer's risk, committed credit lines, and other assets.

CAR decreased (1.83 pp) vs. 4Q21 due to the following effects:

	4Q22 vs 4Q21
	-1.83pp
1. Net Income in the period	+4.05 pp
2. Internal Model Effects (Credit and Market)	+1.05 pp
3. Effects in Risk Assets – Market (1)	+0.70 pp
4. Other Capital Effects (2)	-0.06pp
5. Effects in Risk Assets – Credit (Others)	-0.07 pp
6. Effects in Risk Assets – Operation	-0.15 pp
7. IFRS9 effect (3)	-0.33 pp
8. Securities' mark-to-market valuation and Hedging Derivatives (4)	-0.38 pp
9. Effects in Risk Assets – Credit	-1.12 pp
10. Capital Notes (5)	-2.32 pp
11. Dividend to the Financial Group	-3.20 pp

(1) Effect of higher deposits, balance sheet optimization, and reduced FX exposure.

(2) Includes actuarial changes from employee liability and variation of permanent and intangible investments.

(3) Credit reserves, bond impairment, XVA in equity, and increase in fixed assets for leased goods.

(4) Includes hedging derivatives on positions that are not marked to market.

(5) Includes Efficiency loss on Basel II Notes UDIS 276 million (Jan'22)

Tender Offer Tier2 Capital Notes for USD\$202 million (May'22)

Prepayment of AT1 Capital Notes for USD\$350 million (Jul'22)

Evolution of Risk Assets

In compliance with capitalization requirements established to date by Mexican authorities and the International Standards Basel III, Banorte classifies its Risk Assets as Credit, Market, and Operational, which are actively managed by the Institution to monitor its quality.

Total Risk Assets as of December 2022 amounted to Ps 852.62 billion, increasing Ps 31.21 billion compared to September 2022, and declining (Ps 7.22 billion) vs. December 2021.

The evolution of Risk Assets is presented below:

Risk Assets (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Total Credit	609,709	595,701	629,433	6%	3%
Credit (Loan Portfolio)	513,379	501,664	523,949	4%	2%
Credit (Others)	96,330	94,038	105,485	12%	10%
Total Market	174,738	146,850	142,813	(3%)	(18%)
Total Operational	75,386	78,850	80,369	2%	7%
Total	859,833	821,401	852,616	4%	(1%)

The main quarterly changes in RWA vs. 3Q22 were:

- Increase in Credit Risk Weighted Assets (Portfolio) driven by the portfolio's quarterly growth dynamics in traditional credit portfolios.
- Increase in Credit Risk Weighted Assets (Other) driven by higher debt securities' requirements (issuer risk) and increase in committed lines
- Decrease in Market Risk Weighted Assets due to lower foreign currency requirements and stable funding growth.

The main annual changes in RWA vs. 4Q21 were:

- Increase in Credit Risk Weighted Assets (Portfolio) driven by the widespread growth dynamics in credit portfolios, offset by the recalibration of internal models.
- Increase in Credit Risk Weighted Assets (Other) driven by the increase in committed credit lines, offset by the effect of rising interest rates on the Credit Valuation Adjustment requirement for derivative transactions.
- Decrease in Market Risk Weighted Assets, due to balance sheet optimization strategies in local currency, the effect of an increase in demand deposits, as well as a decrease in foreign currency requirements due to lower FX exposure.

Leverage Ratio (Banco Mercantil del Norte)

Leverage Ratio, according to CNBV's regulation, is presented below:

Leverage (Million Pesos)	4Q21	3Q22	4Q22	Change	
				3Q22	4Q21
Tier 1 Capital	204,495	185,190	191,574	3.4%	(6.3%)
Adjusted Assets	1,521,109	1,525,369	1,507,009	(1.2%)	(0.9%)
Leverage Ratio	13.44%	12.14%	12.71%	57 bp	(73 bp)

Adjusted Assets are defined according to the General Provisions applicable to Credit Institutions.

Long Term Savings

Seguros Banorte

Income Statement and Balance Sheet Highlights - Insurance - Seguros Banorte (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			
Interest Income (Net) *	283	543	576	6%	103%	1,166	1,980	70%
Credit Provisions	(0)	(0)	(0)	4%	(10%)	0	3	1252%
Premium Revenue (Net)	5,270	4,051	5,300	31%	1%	23,411	24,653	5%
Net increase in technical reserves	1,062	(833)	103	112%	(90%)	3,996	2,924	(27%)
Net Cost for Insurance Operations	512	597	612	3%	20%	2,174	2,528	16%
Net Cost of Claims and Other Obligations	3,901	3,469	3,642	5%	(7%)	15,746	14,774	(6%)
Trading Income *	202	115	278	142%	38%	372	224	(40%)
Other Operating Income (Expenses)	663	(21)	22	203%	(97%)	1,337	454	(66%)
Total Operating Income	942	1,455	1,819	25%	93%	4,371	7,081	62%
Non Interest Expense	426	239	362	51%	(15%)	1,525	1,524	(0%)
Operating Income	516	1,216	1,457	20%	182%	2,846	5,557	95%
Taxes	59	325	437	35%	636%	740	1,556	110%
Subsidiaries' Net Income	619	181	362	99%	(42%)	1,954	802	(59%)
Net income from continuing operations	1,076	1,073	1,382	29%	28%	4,060	4,803	18%
Minority Interest	9	6	7	12%	(22%)	38	22	(41%)
Net Income	1,068	1,067	1,375	29%	29%	4,022	4,781	19%
Other Comprehensive Income	(96)	(26)	48	285%	150%	(4)	(1)	87%
Comprehensive Income	981	1,048	1,429	36%	46%	4,056	4,802	18%
Shareholder's Equity	22,468	22,856	23,280	2%	4%	22,468	23,280	4%
Total Assets	62,937	67,807	66,537	(2%)	6%	62,937	66,537	6%
Technical Reserves	34,079	36,965	36,319	(2%)	7%	34,079	36,319	7%
Premiums sold	5,900	4,649	5,755	24%	(2%)	27,787	28,914	4%
Coverage ratio of technical reserves	1.1	1.2	1.2	(0.0 pp)	0.1 pp	1.1	1.2	0.1 pp
Solvency capital requirement coverage ratio	3.7	8.0	9.2	1.2 pp	5.5 pp	3.7	9.2	5.5 pp
Coverage ratio of minimum capital	195.8	185.3	188.6	3.3 pp	(7.2 pp)	195.8	188.6	(7.2 pp)
Claims ratio	92.6%	71.3%	68.4%	(2.9 pp)	(24.2 pp)	81%	68%	(13.4 pp)
Combined ratio	97.9%	90.5%	85.4%	(5.1 pp)	(12.5 pp)	90%	81%	(9.4 pp)
ROE	19.8%	18.2%	24.2%	6.0 pp	4.5 pp	15.4%	20.7%	5.3 pp
ROE ex-Afore	31.5%	44.5%	51.8%	7.3 pp	20.3 pp	22.6%	53.8%	31.2 pp

* In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified.

Interest income (net) increased 6% in the quarter, whereas **2022 figures increased 70%**, mainly due to higher yields and instrument valuation.

Premium income increased 31% sequentially driven by the renewal of medical expenses premiums and overall the business expansion, primarily in the life portfolio. **Technical reserves increased 112% sequentially**, given the release of accruals in the third quarter of the year, and the constitution of reserves in 4Q22, associated with premium growth in the period. **Looking at 2021 results, premium income increased 5%**. Business expansion decreased due to the cancellation of a life portfolio premium as well as lower sales in flexible products. However, it is worth mentioning that, in both cases, there was no material impact in earnings; if such effects were to be eliminated, the accumulated annual increase in premiums would have been 12%, with a solid upward trend, mainly in bank-assurance, with an 18% annual increase.

Damages and claims increased 5% in the quarter due to the claims' mix, with a reduction in the life portfolio and an increase in the auto segment, aligned with the normalization of mobility, as well as an expansion in medical expenses. Life claims are practically at pre-pandemic levels. **Damages and claims decreased (6%) in the cumulative period**, mainly explained by: i) a low comparable base due to the pandemic effect in 2021; and ii) the combination of claims in the portfolio, reflecting an important decrease in the life portfolio and an increase in the auto segment -associated with higher mobility- and in medical expenses.

Acquisition costs increased 3% QoQ and 16% vs 2021, driven by the portfolio mix and business growth.

Net operating income increased 20% QoQ, totaling **Ps 1.46 billion in 4Q22**. Compared to 2021 results, it went up **95%**, given business growth and lower claims; however, it's worth noting that these results keep reflecting the reduction of the COVID-19 impact within the business.

Net Income for the quarter totaled **Ps 1.38 billion**, a **29%** increase vs. 3Q22 and **19%** higher vs. 2021, amid the fact that the insurance business results continue to be affected by lower fees and valuation on rate volatility in the Afore. **Net Income for 4Q22** of Seguros Banorte, excluding its subsidiary Afore XXI Banorte, contributed with 8.8% of GFNorte's net income in the same period, **totaling Ps 1.02 billion**. **Net income** for the 12-month period of Seguros Banorte, **reached Ps 3.99 billion**, a **90%** increase vs. 2021.

ROE for the Insurance business, excluding its subsidiary Afore XXI Banorte, grew 7.3pp vs. 3Q22, reaching **51.8% in 4Q22**, including the dividend payment to the group in September and December of 2022.

Regarding the disclosure requested by the General Provisions applicable to the Financial Groups' holding companies, the following was presented for this reporting period:

- i. Risks assumed through the issuance of insurance premiums and bonds, with respect to operations and authorized branches of cancelled operations.
 - *No cancellations were registered during 4Q22 that involved any technical risk.*
- ii. Damages and claims, as well as compliance of reinsurers and bonding companies with their obligations.
 - *In 4Q22, damage ratios remained under control and reinsurers complied with their obligations.*
- iii. Costs generated from issuance of insurance policies and bonds.
 - *There were no relevant events to disclose in 4Q22.*
- iv. Risks transfer through reinsurance and bonding contracts.
 - *In the Life and Damages books, risks were transferred to reinsurers, for the most part to foreign reinsurers, under which there were 2 important businesses: 1 related to government and 1 related to tourism services.*
- v. Contingencies arising from non-compliance of reinsurers and bonding companies.
 - *There were no relevant issues related to non-compliance during 4Q22.*

Afore XXI Banorte

Afore XXI Banorte (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			2021
Net Income	1,239	363	723	99%	(42%)	3,909	1,604	(59%)
Shareholder's Equity	26,000	23,328	24,030	3%	(8%)	26,000	24,030	(8%)
Total Assets	28,430	25,262	25,989	3%	(9%)	28,430	25,989	(9%)
AUM (SIEFORE)	1,093,819	995,499	1,056,391	6%	(3%)	1,093,819	1,056,391	(3%)
ROE	19.5%	6.3%	12.2%	5.9 pp	(7.3 pp)	15.9%	6.7%	(9.1 pp)

In 4Q22, Afore XXI Banorte reported net income of Ps 723 million, or an 99% sequential increase, driven by the lower negative effects from financial products towards the end of the year, as well as the cost control efforts. In 2022, net income declined (59%), reaching Ps 1.60 billion, as a result of: i) the regulatory reduction in fees, effective at the beginning of 2022, for around (Ps 1.39 billion); and ii) a decrease of (Ps 858 million) in financial products, due to the high volatility in the markets throughout the year, and as a result, reduced the AUM balance which constitute the fee base for the business.

ROE reached **12.2%** in **4Q22**, increasing 5.9 pp vs 3Q22; while compared to 2021, it dropped (9.1 pp). Excluding goodwill, **Return on Tangible Equity (ROTE)** reached **41.8%** in 4Q22.

Afore XXI Banorte represented 3.1% of the Financial Group's net income in 4Q22.

Afore XXI Banorte's **assets under management (AUM)**, totaled **Ps 1,056 billion**; increasing 6% compared to 3Q22 and (3%) vs. 2021.

Pensiones Banorte

Income Statement and Balance Sheet Highlights - Annuities - Pensiones Banorte (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change
				3Q22	4Q21			
Interest Income (Net) *	7,189	6,987	5,616	(20%)	(22%)	20,496	24,073	17%
Credit Provisions	6	9	8	(16%)	31%	10	40	296%
Premium Income (Net)	6,169	5,455	3,593	(34%)	(42%)	22,649	18,733	(17%)
Technical Reserves	9,686	7,816	5,071	(35%)	(48%)	29,822	26,617	(11%)
Damages, Claims (Net)	2,732	3,047	3,019	(1%)	11%	9,941	11,802	19%
Trading Income *	(3)	175	158	(10%)	N.A.	(33)	375	1230%
Other Operating Income (Expenses)	(15)	(343)	16	105%	210%	29	(321)	(1188%)
Total Operating Income	916	1,401	1,284	(8%)	40%	3,369	4,401	31%
Non Interest Expense	126	113	105	(7%)	(16%)	494	465	(6%)
Operating Income	790	1,288	1,179	(8%)	49%	2,875	3,936	37%
Taxes	243	414	354	(15%)	46%	869	1,209	39%
Subsidiaries' Net Income	(3)	2	(0)	(102%)	98%	1	6	388%
Net income from continuing operations	545	876	825	(6%)	51%	2,007	2,733	36%
Net Income	545	876	825	(6%)	51%	2,007	2,733	36%
Other Comprehensive Income	(7)	(9)	4	148%	157%	(19)	(27)	(39%)
Comprehensive Income	537	867	830	(4%)	54%	1,987	2,706	36%
Shareholder's Equity	8,439	10,272	11,101	8%	32%	8,439	11,101	32%
Total Assets	208,531	231,777	237,428	2%	14%	208,531	237,428	14%
Technical Reserves	196,269	218,204	222,765	2%	13%	196,269	222,765	13%
Premiums sold	6,169	5,455	3,593	(34%)	(42%)	22,649	18,733	(17%)
Coverage ratio of technical reserves	1.0	1.0	1.0	0.0 pp	0.0 pp	1.0	1.0	0.0 pp
Solvency capital requirement coverage ratio	7.3	10.0	10.8	0.8 pp	3.4 pp	7.3	10.8	3.4 pp
Coverage ratio of minimum capital	45.6	51.6	55.8	4.2 pp	10.2 pp	45.6	55.8	10.2 pp
ROE	26.7%	35.6%	30.9%	(4.7 pp)	4.2 pp	27.0%	28.4%	1.4 pp

*In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line. For comparison purposes, 2021 figures, as well as 2022 figures of the first two quarters, were reclassified

In 4Q22, **interest income (net)** amounted to **Ps 5.62 billion**, a **(20%)** sequential **decrease** driven primarily by the negative valuation effect on inflation-indexed securities (UDIS) in the last months of the year, despite greater portfolio interest. Compared to 2021, it **rose 17%** or Ps 3.58 billion, out of which, Ps 1.08 billion were related to earned interest, and Ps 2.50 billion to the valuation effect.

In the quarter, technical results increased 911 million due to a (35%) decrease in technical reserves, related to lower premiums given a contraction in the market, as well as an update in inflation reserves. **In the cumulative comparison, technical results decreased (Ps 2.57 billion)** given lower premiums driven by a compression in the industry and higher damages in the portfolio, despite a registration of lower reserves in the year, benefitted by the release of extraordinary reserves in the third quarter of 2022.

In the combined result of interest income and technical results, **net income for Pensiones Banorte decreased (6%)** sequentially and increased **36%** vs. 2021. The net income of the business represented 7.1% of the Financial Group's net income in 4Q22.

ROE of Pensiones Banorte stood at **30.9%** in 4Q22, **decreasing (4.7 pp)** quarterly, and 1.4 pp vs. 2021 reaching 28.4% at the end of the year.

Brokerage

Brokerage Sector (Million Pesos)	4Q21	3Q22	4Q22	Change		2021	2022	Change 2021
				3Q22	4Q21			
Net Income	314	262	172	(34%)	(45%)	1,621	1,649	2%
Shareholder's Equity	7,635	7,163	5,779	(19%)	(24%)	7,635	5,779	(24%)
Assets Under Management	956,344	988,681	1,008,853	2%	5%	956,344	1,008,853	5%
Total Assets	300,859	219,130	217,543	(1%)	(28%)	300,859	217,543	(28%)
ROE	16.8%	14.9%	10.6%	(4.3 pp)	(6.2 pp)	23.3%	22.9%	(0.4 pp)
Net Capital (1)	5,805	6,003	4,916	(18%)	(15%)	5,805	4,916	(15%)

1) Net capital structure: Core Equity = Ps 4.92 billion, Additional Capital= Ps 0 million.

The **Brokerage business** (Casa de Bolsa Banorte and Operadora de Fondos) reported a **net income of Ps 172 million in 4Q22**, a (34%) sequential decrease mainly due to lower net interest income and greater non-interest expenses. **Compared to 2021, net income increased 2%**, given higher net interest income.

Net income from the brokerage business in 4Q22 accounted for 1.5% of the group's net income.

Assets Under Management

At the end of 4Q22, AUMs totaled **Ps 1,009 billion**, 2% higher quarterly and 5% annually.

Assets under management by mutual funds totaled **Ps 237 billion**, representing a **6.8% annual increase**. Assets held in **fixed income funds** totaled **Ps 217 billion**, 0.3% higher in the quarter, and 11.3% in the year. Assets held in **equity funds** amounted to **Ps 20 billion, down (0.6%)** in the quarter and (25.3%) in the year.

As of 4Q22, Banorte held an 8.3% share of the mutual fund market, comprised of 10.3% share in fixed income funds and 2.7% in equity funds.

SOFOM and other Finance Companies

SOFOM & Other Finance Companies	4Q21	3Q22	4Q22	Change		2021	2022	Change
(Million Pesos)				3Q22	4Q21			2021
Warehousing								
Net Income	4	11	12	16%	177%	23	36	58%
Shareholder's Equity	305	314	327	4%	7%	305	327	7%
Inventories	1,026	1,590	975	(39%)	(5%)	1,026	975	(5%)
Total Assets	1,224	2,026	1,488	(27%)	22%	1,224	1,488	22%
ROE	5.9%	13.8%	15.4%	1.6 pp	9.5 pp	7.7%	11.4%	3.7 pp
Arrendadora y Factor (previous Sólida Administradora de Portafolios*)								
Net Income	115	38	228	495%	99%	669	598	(11%)
Shareholder's Equity	10,005	10,308	10,540	2%	5%	10,005	10,540	5%
Loan Portfolio (1)	37,489	35,440	36,312	2%	(3%)	37,489	36,312	(3%)
Past Due Loans	669	763	830	9%	24%	669	830	24%
Past Due Loan Ratio	1.8%	2.2%	2.3%	0.1 pp	0.3 pp	1.8%	2.3%	0.50 pp
Loan Loss Reserves	507	693	726	5%	43%	507	726	43%
Total Assets	47,233	44,844	46,219	3%	(2%)	47,233	46,219	(2%)
ROE	4.7%	1.5%	8.9%	7.4 pp	4.2 pp	7.0%	6.0%	(1.1 pp)
Ixe Servicios								
Net Income	0.2	16.2	(14.3)	(189%)	N.A.	(21.6)	29.5	237%
Shareholder's Equity	919	919	919	0%	0%	919	919	0%
Total Assets	919	919	919	0%	0%	919	919	0%
ROE	0.1%	3.9%	(3.4%)	(7.3 pp)	(3.5 pp)	(5.2%)	1.8%	7.0 pp

1) Includes operating lease portfolio of Ps 2.41 billion, and proprietary fixed assets of Ps 1.30 billion, both registered in property, plant, and equipment (net).
*For informational purposes

Leasing and Factoring (Merger between Sólida and Arrendadora)

Net income in 4Q22 totaled **Ps 228 million**, a **quarterly increase of 495%**, mainly due to the beneficial effect of depreciating investment project's assets, in 3Q22. **Compared to 2021 figures, it dropped (11%)**, driven mainly by higher administrative expenses.

The **non-performing loan ratio** reached **2.3%**, a 13bp increase vs. the previous quarter. The Coverage ratio totaled 87.4%, 3.4 pp below 3Q22. **Capital ratio for 4Q22 stood at 28.96%**, considering total risk weighted assets of Ps 31.30 billion. Leverage ratio as of September and December 2022, reached 18.31% and 18.35%, respectively, considering adjusted assets of Ps 47.58 billion and Ps 49.34 billion, respectively.

In 4Q22, Net Income from Leasing and Factoring represented 2.0% of the group's total results.

As of September 2022, Arrendadora y Factor Banorte continues to rank second in terms of portfolio size among the 65 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

Warehouse

In 4Q22, the Warehousing business reported **net income of Ps 12 million**, **16% higher vs. 3Q22**, derived mainly from a (20%) decrease in expenses, while revenue remained stable sequentially. **ROE reached 15.4%** and the **capital ratio totaled 191%**, considering a Ps 327 million equity, and negotiable certificates of deposit issued in active warehouses for Ps 2.82 billion.

Almacenadora Banorte ranks third place among the warehousing businesses in the sector in terms of net income as of March 2022.

III. Sustainability Strategy

Environmental



Climate Change

Banorte announced the results of its Scope 3 financed emissions (S3) and its correspondent targets

In early October, Banorte published the first stage results of its financed carbon emissions measurement following PCAF methodology. This first stage focused on the most intensive CO2 sectors such as Oil and Gas, Power Generation, Real Estate, and Mortgages, representing 39.5% of its corporate loan portfolio.

As a result of this first phase, Scope 3 [financed emissions reduction targets](#) were defined following NZBA guidelines and SBTi methodology -still under validation by SBTi- for the aforementioned portfolio. Additionally, 100% of Scope 1 & 2 GHG emission goals were updated following SBTi methodology.

Social



Reduce Inequalities

Banorte allies with LazarilloApp to offer accessible services to blind people

The purpose of this alliance is to improve customer care for visually impaired customers. Through this app, customers will be able to schedule appointments at their nearest branch, geolocate branches, correspondents, ATMs, as well as to receive news, services and promotions from Banorte.

UNESCO and Fundación Banorte signed an alliance to strengthen Social Inclusion in Mexico

Fundación Banorte will strengthen its programs with the 2030 Agenda for the Sustainable Development Goals and will systematize its social impact measurement with technical guidance from UNESCO in Mexico. The first project within this alliance will improve social and economic conditions of women dedicated to textile crafts in 12 communities in the state of Yucatan.

Governance



Corporate Governance

Sustainability Committee

In early December, the 2nd. session of the Sustainability Committee was held with 85% attendance. The agenda included updating the Group's sustainability strategy, approving ESG goals and monitoring initiatives related to climate change, financial education and financial inclusion, as well as the implementation of gender equality, diversity and inclusion initiatives.

Reconognitions

The Banker recognized Banorte as Bank of the Year 2022 in Mexico, due to its digital transformation strategy and its customer-centric vision of its product design.

Banorte was recognized by LatinFinance as the Best Infrastructure Financing of the Year in Mexico.

Afore XXI Banorte ranked second in the Responsible Government and Corporate Governance Awards and first place in the Sustainability Research award, granted by ALAS20.

Global Finance awarded Banorte as Best SME Bank 2023 in México, for the second consecutive year.

Grupo Financiero Banorte was included for the first time in the OTCQX "Best 50" for its 2022 edition.

Ratified for the 6th consecutive year in the DJSI MILA Index.

Sustainable Finance



Sustainable Finance Products

Autoestrene verde

During 4Q22, Banorte issued 174 loans for hybrid or electric vehicles, and 579 for the full year, totaling Ps 355.7 million.

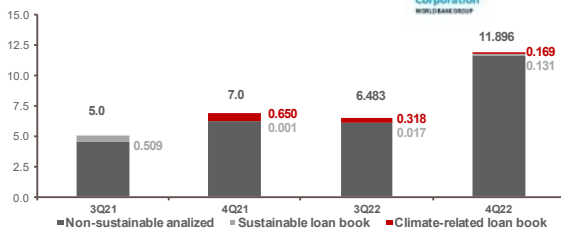
SME Eco-Credito

As of December 2022, we have active loans of Ps. 9.6 million within our SME portfolio. This amount corresponds to 2 energy efficiency loans, and the installation of photovoltaic solar systems.

Sustainable Finance (4Q22)

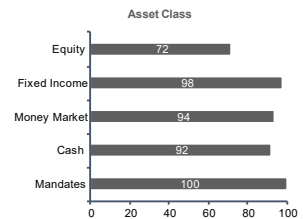
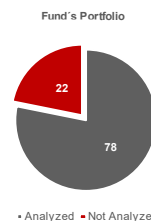
Loan book evaluation

% of wholesale banking loan book



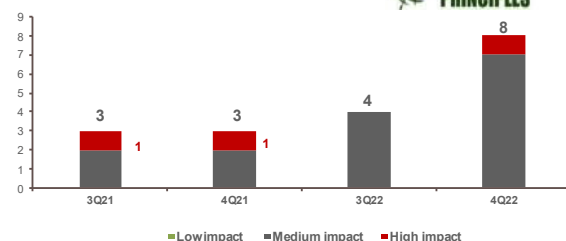
Responsible Investments- Mutual Funds

% share of total analyzed AUM by instrument



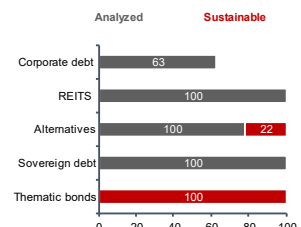
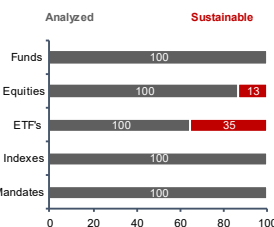
Loan book evaluation under Equator Principles

Number of analyzed projects



Responsible Investments- Pension Funds

% share of total analyzed AUM by instrument



ESG updates



ENVIRONMENTAL

- CDP Climate Change questionnaire, score B
- Measurement of financed emissions under the PCAF methodology with a 39.5% coverage of the credit portfolio (oil & gas, power generation, real estate, temporary accommodation, and mortgage)
- First financed emission reduction goals phase under SBTi methodologies (to be validated with the initiative), and NZBA for the aforementioned credit portfolio
- Update of the GHG emissions reduction goals scope 1 and 2 under the SBTi methodology with 100% coverage



SOCIAL

- Participation in the 2022 National Financial Education Week organized by CONDUSEF
- Alliance with Lazarillo App to offer accessible attention to blind people
- UNESCO and Fundación Banorte signed an alliance to strengthen social inclusion in Mexico



GOVERNANCE

- Banorte was recognized as Bank of the Year 2022 in Mexico by The Banker, due to its digital transformation strategy and its vision of having customers at the core of the design of products and services
- Latin Finance awarded Banorte with the Best Infrastructure Financing of the Year in Mexico award
- Banorte was recognized as Best Bank for SMEs 2023 by Global Finance
- Afore XXI Banorte obtained 2nd place in the Responsible Investment and Corporate Governance awards, and 1st place in the Sustainability Research award, granted by ALAS20
- Constituent of the DJSI MILA Index for the 6th consecutive year

IV. General Information

GFNORTE's Analyst Coverage

In compliance with the requirements of BOLSA MEXICANA DE VALORES, S.A.B. DE C.V, we present the list of brokers who provide an analysis coverage for GFNORTEO.

COMPANY	ANALYST	RECOMMENDATION	DATE
Actinver	Valentín Mendoza	Buy	21-Apr-22
Autonomous	Geoffrey Elliott	Buy	17-Oct-22
Barclays	Gilberto García	Buy	24-Oct-22
BBVA	Rodrigo Ortega	Buy	24-Nov-22
BofA	M. Pierry/ E. Gabilondo	Buy	15-Dec-22
Bradesco	Gustavo Schroden	Buy	30-Aug-22
BTG Pactual	Eduardo Rosman	Buy	8-Jan-23
CITI	José Luis Cuenca	Buy	21-Oct-22
GBM	Carlos de Legarreta	Buy	17-Jan-21
Goldman Sachs	Tito Labarta	Buy	10-Jan-23
HSBC	Carlos Gómez	Buy	25-Oct-22
Itau	Jorge Pérez	Buy	21-Aug-22
JP Morgan	Domingos Falavina	Buy	25-Oct-22
Monex	J. Roberto Solano	Buy	20-Oct-22
Morgan Stanley	Jorge Kuri	Buy	21-Oct-22
Santander	Andrés Soto	Buy	6-Sep-22
Scotia	Jason Mollin	Buy	23-Nov-22
UBS	Thiago Batista	Buy	24-Oct-22
Vector	Marco Montañez	Buy	20-Oct-22
Credit Suisse	Marcelo Telles	Hold	31-Oct-22
InterCam	Carlos Gómez	Hold	20-Oct-22
Nau	Iñigo Vega	Hold	6-Oct-22

Capital Structure

Holding Company Capital Structure

Number of Shares	SERIES O As of December 31, 2022
Number of Issued , Subscribed and Paid Shares	2,883,456,594
Number of Shares Outstanding	2,883,456,594
Shares held in GFNorte's Treasury	0

V. Financial Statements

Grupo Financiero Banorte

GFNorte- Consolidated Statement of Comprehensive Income (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Interest Income	47,505	46,284	48,256	53,743	55,322	60,289	72,244	80,773
Interest Expense	24,614	24,502	25,515	27,252	28,310	33,061	41,550	49,548
Net Interest Income (Nil)	22,891	21,782	22,741	26,492	27,012	27,229	30,694	31,225
Preventive Provisions for Loan Losses	3,214	2,766	2,657	2,725	2,668	2,434	3,148	3,632
Net Interest Income Adjusted for Credit Risk	19,677	19,017	20,084	23,767	24,344	24,795	27,546	27,593
Fund Transfers	473	530	517	552	471	515	527	527
Account Management Fees	509	508	498	508	483	489	483	455
Electronic Banking Services	2,916	3,212	3,246	4,049	3,790	4,197	4,280	4,705
For Commercial and Mortgage Loans	296	278	329	345	-	-	-	-
For Consumer and Credit Card Loans	1,164	1,263	1,307	1,505	1,395	1,521	1,617	1,591
Fiduciary	106	177	136	110	127	136	123	151
Income from Real Estate Portfolios	10	23	24	19	-	-	-	-
Mutual Funds	484	503	507	513	500	523	535	551
Trading & Financial Advising Fees	187	166	137	169	141	163	135	133
Other Fees Charged	405	221	306	328	331	331	381	375
Fees Charged on Services	6,374	6,678	6,732	7,779	7,359	8,082	8,132	8,775
Interchange Fees	1,625	1,911	1,923	2,515	2,327	2,643	2,652	2,820
Insurance Fees	339	236	295	257	-	-	-	-
Other Fees Paid	1,018	1,123	1,003	987	1,022	1,126	1,264	1,451
Fees Paid on Services	2,644	3,034	2,925	3,502	3,350	3,769	3,916	4,271
Net Service Fees	3,731	3,644	3,807	4,277	4,010	4,313	4,216	4,504
Premium Income Ins. & Annu. (Net)	15,340	8,602	10,319	11,309	15,756	8,967	9,361	8,771
Technical Reserves Ins. & Annu.	11,016	4,983	7,071	10,748	11,699	5,685	6,983	5,174
Cost of Acquisition from Insurance Operations	334	231	296	260	468	308	300	312
Net Cost of Claims and Other Obligations	7,097	5,777	6,157	6,634	6,796	6,594	6,516	6,661
Currency and Metals	575	(453)	357	(549)	(543)	351	(146)	(1,262)
Derivatives	8	68	51	245	1,354	226	(399)	508
Notable Instruments	(693)	125	767	172	(56)	(490)	(66)	(529)
Valuation	(110)	(261)	1,175	(131)	755	285	(611)	(529)
Currency and Metals	764	838	399	1,155	1,319	753	1,218	1,235
Derivatives	5	(110)	(121)	(142)	(719)	(216)	115	(89)
Notable Instruments	87	180	(276)	423	19	141	48	(98)
Trading	856	1,008	(0)	1,436	619	678	1,380	1,048
Other financial results	-	-	-	-	2	(107)	8	132
Trading Income	746	747	1,175	1,305	1,376	855	777	651
Contributions to IPAB	(912)	(889)	(889)	(905)	(934)	(954)	(985)	(985)
Expenses Incurred in the Recovery of Credit Portfolio	(331)	(302)	(326)	(331)	(339)	(321)	(350)	(410)
Acquired collection rights	99	85	91	95	54	68	141	70
Result for Foreclosed Assets	87	132	87	195	140	196	107	187
Donations	(3)	(83)	(37)	(61)	(143)	(36)	(23)	(26)
Impairment of Assets	-	-	-	(372)	-	-	(204)	(100)
Result on sale of Property, Furniture and Equipment	(20)	0	(15)	(21)	(5)	(15)	(28)	(13)
Lease Income	62	55	42	66	62	86	88	86
From Insurance	275	195	252	648	230	237	(360)	156
Securitization Operation Valuation Result	0	0	-	-	-	-	-	-
Other Operating Expense	327	230	122	210	(198)	102	(89)	(64)
Total Other Operating Income (Expense)	(416)	(528)	(669)	(474)	(1,133)	(633)	(1,693)	(1,088)
Total Non Interest Income	955	1,475	1,109	(1,225)	1,047	914	(1,137)	691
Total Operating Income	20,632	20,491	21,193	22,542	25,391	25,710	26,409	28,285
Personnel	4,168	4,367	4,412	4,717	4,330	4,264	4,510	6,476
Employee Profit Sharing (PTU)	156	151	145	1,115	385	387	394	342
Professional Fees	811	830	832	933	797	915	929	961
Administrative and Promotional Expenses	4,592	4,374	4,360	5,077	4,861	4,880	4,919	5,422
Total Non Interest Expense	9,727	9,721	9,749	11,843	10,373	10,445	10,752	13,201
Operating Income	10,905	10,770	11,445	10,699	15,018	15,264	15,657	15,083
Subsidiaries' Net Income	429	676	532	639	197	128	233	408
Pre-Tax Income	11,334	11,446	11,977	11,338	15,215	15,392	15,890	15,492
Taxes	2,678	2,756	2,975	2,148	4,331	3,703	4,187	3,742
Net Income from Continuous Operations	8,656	8,690	9,002	9,191	10,884	11,689	11,703	11,749
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	8,656	8,690	9,002	9,191	10,884	11,689	11,703	11,749
Minority Interest	112	122	128	129	136	166	159	157
Net Income	8,544	8,568	8,874	9,061	10,748	11,524	11,544	11,592
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,602)	416	(191)	(830)	(1,983)	(2,351)	(1,099)	1,057
Cash Flow Hedges Valuation	(1,327)	(237)	(359)	149	14	(73)	1,101	76
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	30	30	25	217	23	23	9	36
Cumulative foreign currency translation adjustment	32	(34)	41	(4)	(47)	14	(5)	(48)
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	121	6	19	(33)	163	76	152	(75)
Other Comprehensive Income	(2,745)	182	(465)	(502)	(1,830)	(2,311)	158	1,046
Comprehensive Income	5,910	8,872	8,537	8,688	9,054	9,378	11,861	12,795

GFNorte -Consolidated Statement of Financial Position <i>(Million Pesos)</i>	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
ASSETS								
Cash and Equivalents	116,389	110,851	67,768	98,842	124,571	99,209	91,746	108,254
Margin Accounts	11,012	8,703	8,268	7,999	8,221	6,526	5,730	5,478
Negotiable Instruments	260,030	252,901	260,759	258,201	257,355	267,006	270,043	289,855
Securities Available for Sale	236,274	231,710	234,479	233,594	230,875	222,511	215,501	209,351
Securities Held to Maturity	207,858	215,382	233,050	258,562	282,726	298,351	307,127	313,537
Investment in Securities	704,162	699,992	728,289	750,357	770,955	787,868	792,671	812,743
Estimate of Expected Credit Losses for Investments	-	-	-	-	291	304	297	293
Debtor Balance in Repo Trans, net	102,435	116,606	102,623	55,593	88,593	53,054	54,794	22,826
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	28,458	24,423	25,999	26,941	29,453	33,775	38,896	35,701
For hedging purposes	609	648	753	1,055	1,096	1,256	1,814	1,854
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	29,068	25,072	26,751	27,996	30,550	35,031	40,709	37,555
Valuation adjustments for Asset Coverage	51	47	43	40	36	32	19	-
Commercial Loans	322,358	315,035	325,282	331,691	328,682	336,398	334,444	357,273
Loans to financial entities	8,440	8,873	8,151	10,915	16,637	17,135	17,967	18,277
Consumer Loans	114,609	116,874	118,229	120,578	122,920	129,446	135,779	142,074
Payroll Loans	50,628	52,122	52,926	53,306	55,340	59,648	62,692	64,612
Personal Loans	619	717	692	702	647	632	706	975
Credit Card	35,589	36,334	37,065	39,108	39,197	40,601	42,663	44,607
Auto Loans	27,773	27,701	27,546	27,462	27,737	28,565	29,718	31,880
Mortgage Loans	188,555	192,478	193,823	197,000	199,148	203,953	214,353	223,705
Medium and Residential	185,864	189,907	191,331	194,598	196,932	201,848	212,310	221,771
Low-income housing	4	3	3	3	2	2	2	2
Loans acquired from INFONAVIT or FOVISSSTE	2,687	2,567	2,489	2,400	2,214	2,102	2,041	1,932
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities' Loans	160,042	154,649	161,400	154,318	160,031	166,433	163,788	171,720
Performing Loans, Stage 1	794,004	787,909	806,885	814,502	827,419	853,365	866,330	913,049
Commercial Loans	2,171	1,540	1,130	1,574	1,819	1,733	3,670	1,328
Loans to financial entities	4	1	37	1	1	36	0	-
Consumer Loans	2,242	1,977	1,831	1,791	2,014	2,061	2,355	2,278
Payroll Loans	1,006	1,026	1,012	1,023	1,261	1,283	1,542	1,438
Personal Loans	4	3	3	3	31	28	30	26
Credit Card	769	519	443	427	410	443	483	520
Auto Loans	463	430	373	339	313	307	300	293
Mortgage Loans	2,726	3,701	3,969	3,551	3,494	3,571	3,685	3,226
Medium and Residential	2,726	3,701	3,969	3,551	3,408	3,482	3,599	3,130
Low-income housing	0	0	0	0	0	0	0	0
Loans acquired from INFONAVIT or FOVISSSTE	-	-	-	-	86	89	86	97
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities' Loans	-	-	-	-	0	-	-	-
Performing Loans, Stage 2	7,142	7,219	6,968	6,917	7,329	7,401	9,710	6,832
Commercial PDL's	3,649	5,498	4,471	3,252	3,886	4,017	4,174	4,572
Financial Entities PDL's	-	-	-	-	101	105	106	4
Consumer PDL's	3,936	3,022	2,641	2,523	2,530	2,820	3,070	3,528
Payroll PDL's	1,520	1,302	1,312	1,359	1,380	1,665	1,832	2,178
Personal PDL's	37	44	39	29	45	49	36	45
Credit Card PDL's	1,992	1,360	1,042	915	902	926	986	1,108
Auto PDL's	386	316	249	220	203	180	216	198
Mortgage PDL's	2,011	1,912	2,080	1,985	1,763	1,855	1,904	1,865
Medium and Residential	1,758	1,654	1,803	1,710	1,446	1,521	1,552	1,553
Low-income housing	0	0	0	0	0	0	0	-
Loans acquired from INFONAVIT or FOVISSSTE	252	258	277	275	317	334	353	312
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities PDL's	192	186	159	159	159	102	4	4
Past Due Loans, Stage 3	9,788	10,618	9,351	7,919	8,440	8,898	9,259	9,973
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-	-
Deferred Items	1,327	1,505	1,611	1,704	1,580	1,590	1,560	2,042
Loans from Insur. Subsidiaries	2,495	2,601	2,728	2,827	2,927	3,025	3,123	3,188
Deferred (BAP)	-	-	-	-	-	-	-	-
Gross Loan Portfolio	814,756	809,851	827,542	833,870	847,695	874,278	889,982	935,084
Preventive Loan Loss Reserves	19,670	18,175	17,297	16,251	16,905	17,013	17,247	17,686
Loan Loss-reserve for Insurance and Bail Bond Risks	162	163	167	173	185	195	205	213
Net from Reserves Loan Portfolio	794,924	791,514	810,078	817,446	830,605	857,070	872,530	917,185
Acquired Collection Rights (net)	1,529	1,421	1,260	1,036	582	466	322	654
Total Credit Portfolio	796,453	792,935	811,338	818,482	831,187	857,536	872,852	917,839
Account Receivables from Insurance and Annuities	11,144	8,638	7,016	4,284	10,995	8,677	6,567	3,960
Amounts recoverable by Reinsurance and Counter-guarantee	7,521	7,707	7,981	7,451	8,022	8,033	7,589	5,402
Account Receivables from Reinsurance	-	-	-	-	-	-	-	-
Benef. receivab. securization transactions	2	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	38,701	49,971	46,886	34,059	55,687	69,339	48,377	40,285
Inventories	832	611	960	1,026	1,019	1,398	1,590	975
Foreclosed Assets, Net	1,552	1,953	1,949	1,873	1,759	1,957	1,894	2,961
Advanced Payments and Other Assets	12,762	14,847	14,581	13,787	18,557	16,728	20,138	16,406
Real Estate, Furniture & Equipment, Net	32,737	20,437	20,599	21,262	21,070	22,133	22,086	28,785
Rights of Use of Intangible Assets	8,514	8,050	7,962	7,344	7,638	7,372	7,346	7,113
Investment in Subsidiaries	13,511	14,155	14,476	15,004	13,420	14,216	14,476	14,954
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	(0)	0	0	0	(0)	(0)	(0)	0
Intangibles	4,324	16,701	16,866	16,956	16,718	17,786	17,994	18,089
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	26,731	26,720	26,733	26,732	26,720	26,725	26,724	26,741
TOTAL ASSETS	1,917,900	1,923,999	1,911,090	1,909,088	2,035,427	2,033,316	2,033,008	2,070,072

GFNorte - Consolidated Statement of Financial Position <i>(Million Pesos)</i>	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
LIABILITIES								
Demand Deposits	541,002	529,030	511,091	528,051	570,690	592,056	591,051	597,782
Time Deposits-Retail	246,883	243,038	246,329	240,051	234,985	248,191	256,447	274,201
Time Deposits-Money Market	8,069	3,364	3,261	100	-	200	200	4,954
Global Account of deposits without movements	2,639	2,744	2,825	3,023	3,060	3,237	3,362	3,253
Senior Unsecured Debt	31,937	31,907	29,786	27,800	27,293	21,507	21,852	17,002
Deposits	830,531	810,082	793,292	799,025	836,028	865,191	872,912	897,192
Due to Banks & Correspondents:								
Demand Loans	0	0	0	7,809	0	0	0	-
Short Term Loans	20,054	19,531	16,829	18,089	20,059	15,285	17,627	22,407
Long Term Loans	13,962	14,223	13,952	13,589	12,778	13,861	14,831	14,798
Due to Banks & Correspondents	34,016	33,754	30,780	39,488	32,837	29,146	32,459	37,205
Technical Reserves	200,479	204,291	219,403	230,425	243,336	248,838	255,216	259,161
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	205,036	210,397	158,946	166,677	169,718	249,066	315,524	369,239
Secs to be received in Repo Trans, Net	0	0	0	-	0	0	-	-
Collateral sold or pledged as collateral								
Repos (Credit Balance)	265,684	285,953	315,066	261,530	295,829	178,235	101,485	72,562
Securities' Loans	13	22	6	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral Sold	265,697	285,975	315,072	261,530	295,829	178,235	101,485	72,562
Derivatives								
For trading purposes	24,508	20,011	21,637	22,442	22,855	27,172	32,487	29,120
For hedging purposes	5,566	5,623	6,565	6,571	5,549	5,651	3,857	3,956
Operations w / Derivatives & Securities	-	-	-	-	-	-	-	-
Total Derivatives	30,073	25,634	28,202	29,013	28,404	32,823	36,344	33,076
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	3,145	2,790	2,501	2,514	3,807	3,514	3,414	1,729
Lease Liabilities	8,495	8,055	7,984	7,366	7,695	7,407	7,099	6,771
Creditors for settlement of transactions	4,020	8,282	6,837	3,398	13,468	23,233	13,887	8,680
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	3,603	3,970	7,502	10,803	18,425	22,059	24,113	20,643
Contributions payable	2,289	2,140	1,878	2,284	2,291	2,197	1,967	2,207
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	31,758	30,976	29,519	24,429	47,605	49,005	38,937	34,847
Other Payable Accounts	41,669	45,367	45,735	40,913	81,790	96,494	78,904	66,377
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	58,761	57,245	59,187	80,574	78,316	75,050	68,008	65,981
Income Tax Liabilities	3,034	3,902	5,102	4,961	5,139	6,086	8,481	10,733
Employee benefit liability	5,517	5,942	6,715	8,043	7,199	7,042	8,014	9,551
Deferred Credits	1,307	1,243	1,231	1,320	1,239	1,176	1,238	1,464
TOTAL LIABILITIES	1,687,758	1,694,677	1,674,150	1,671,848	1,791,336	1,800,068	1,789,097	1,831,040
EQUITY								
Paid-in Capital	14,936	14,936	14,939	14,957	14,969	14,941	14,938	14,955
Provision for future capital increase not formalized by its governing entity	-	-	-	-	0	0	0	0
Share Subscription Premiums	47,863	48,283	48,491	48,292	48,200	48,462	48,657	48,440
Finan. instr. that qualify as capital	-	-	-	-	-	-	-	-
Subscribed Capital	62,799	63,219	63,430	63,248	63,169	63,403	63,595	63,396
Capital Reserves	9,719	8,415	8,451	8,835	9,110	8,209	8,106	33,342
Retained Earnings	148,359	139,558	138,647	130,076	162,794	143,760	142,523	99,810
Net Income	8,544	17,112	25,987	35,048	10,748	22,272	33,816	45,408
Comprehensive Income								
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	2,199	2,615	2,424	1,594	(389)	(2,740)	(3,839)	(2,783)
Valuation Adjustment for Cash Flow Hedges	(2,214)	(2,451)	(2,810)	(2,661)	(2,648)	(2,721)	(1,619)	(1,543)
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	(2,229)	(2,199)	(2,174)	(1,957)	(1,934)	(1,911)	(1,902)	(1,866)
Cumulative foreign currency translation adjustment	166	132	173	169	122	136	131	83
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	(110)	(103)	(85)	(118)	45	120	272	197
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Earned Capital	164,434	163,079	170,613	170,985	177,848	167,125	177,487	172,648
Minority Interest	2,908	3,025	2,897	3,006	3,074	2,720	2,829	2,989
Total Equity	230,142	229,322	236,940	237,239	244,091	233,248	243,911	239,033
TOTAL LIABILITIES & EQUITY	1,917,900	1,923,999	1,911,090	1,909,088	2,035,427	2,033,316	2,033,008	2,070,072

GFNorte - Memorandum Accounts <i>(Million Pesos)</i>	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
On behalf of Third Parties								
Customer's Banks	49	18	13	23	22	6	18	27
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	47	12,022	9,823	92	(409)	397	52	36
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	97	12,039	9,836	115	(386)	403	70	63
Client Securities Received in Custody	720,880	740,294	750,150	734,409	758,691	734,542	753,736	772,939
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	720,880	740,294	750,150	734,409	758,691	734,542	753,736	772,939
Clients' Repurchase Operations	277,305	261,799	290,366	288,025	575,341	569,214	413,030	416,835
Clients' Repo Transactions w / Securities	-	-	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	277,318	261,821	290,372	288,025	278,975	284,634	206,515	208,581
Purchase of Futures & Forward Contracts, national	-	9,345	9,268	11,969	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	9,345	9,268	11,969	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-	-
Trusts under Management	187	129	177	191	195	201	210	220
Siefores shares held by employees	-	-	-	-	-	-	-	-
Miscellaneous accounts	-	-	-	-	-	-	-	-
Transactions On Behalf of Clients	554,810	533,094	590,183	588,211	854,511	854,049	619,755	625,636
Investment Bank Trans. on behalf of Third (Net)	238,860	236,451	264,315	249,907	268,105	292,819	310,999	268,191
TOTAL ON BEHALF OF THIRD PARTIES	1,514,646	1,521,878	1,614,484	1,572,641	1,880,922	1,881,813	1,684,560	1,666,829
Endorsement Guarantees Granted	-	-	182	211	185	221	281	357
Loan Obligations	276,976	282,098	298,397	329,855	324,304	353,074	363,564	393,372
Trusts	309,954	319,065	292,739	287,105	291,862	294,351	291,433	301,499
Mandates	7,024	6,860	7,129	8,377	8,167	8,489	8,266	7,301
Properties in Trusts and Warrant	316,978	325,925	299,868	295,482	300,029	302,840	299,700	308,800
Properties in Custody or Management	478,426	483,225	497,770	479,018	468,507	483,761	496,832	515,172
Shares delivered in custody or as collateral	43,458	43,458	43,458	43,458	43,458	43,458	43,458	44,942
Collateral Received	384,922	398,497	445,062	386,681	423,172	300,480	242,372	189,333
Collateral Received or sold or delivered	543,789	548,764	606,470	550,622	579,659	462,826	307,954	281,113
Assets' Deposit	2,482	2,150	2,512	3,325	2,888	3,258	3,113	4,152
Contingent assets & Liabilities	122	155	207	120	148	60	80	32
Uncollected Accrued Interest from Past Due Loans	286	242	221	220	424	356	386	425
Responsibilities for bonds in force (net)	-	-	-	-	-	-	-	-
Recovery guarantees for bonds issued	-	-	-	-	-	-	-	-
Complaints received pending verification	-	-	-	-	-	-	-	-
Contingent claims	-	-	-	-	-	-	-	-
Claims paid	-	-	-	-	-	-	-	-
Claims cancelled	-	-	-	-	-	-	-	-
Recovered claims	-	-	-	-	-	-	-	-
Siefores' shares, own position	-	-	-	-	-	-	-	-
Miscellaneous accounts	448,251	446,948	478,995	467,035	545,793	579,155	603,289	581,209
TOTAL PROPRIETARY	2,495,690	2,531,462	2,673,142	2,556,028	2,688,568	2,529,490	2,361,029	2,318,909

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOWS**JANUARY 1, 2022 – DECEMBER 31, 2022***(Million Pesos)***Operation activities****Net income before taxes** **61,988****Adjustments for items associated with investing activities** **3,402**

Depreciation in property, furniture, and equipment 3,564

Amortization of intangible assets 804

Participation in the net income of other entities (966)

Adjustments for items associated with financing activities: **3,396**

Interest associated with interbank loans and loans from other organizations 2,296

Interest associated with financial instruments that qualify as a liability 1,100

Sum **6,798****Changes in operating items** **7,819**

Change in margin accounts (derivative financial instruments) 2,522

Change in investments in financial instruments (securities) (net) (66,690)

Change in repo debtors (net) 32,767

Change in derivative financial instruments (asset) (8,720)

Change in loan portfolio (net) (99,739)

Change in acquired collection rights (net) 382

Change in debtors of insurance and bail-bond companies 324

Amounts recoverable by reinsurance and counter-guarantee 2,050

Change in inventories 51

Change in other accounts receivable (net) (9,985)

Change in foreclosed assets (net) (1,088)

Change in traditional deposits 98,166

Change in technical reserves 28,736

Changes of interbank loans and other organizations (4,579)

Change in creditors by repo 202,562

Change in collateral sold or given in guarantee (188,968)

Change in derivative financial instruments (liability) 6,678

Change in accounts payable for reinsurance and reguarantee (liability) (785)

Change in hedging derivative financial instruments (2,297)

(of hedged items related to operating activities)

Change in assets/liabilities for employee benefits 1,512

Change in other accounts payable 25,444

Income tax payments (10,524)

Net cash flows from operating activities **76,605****Investment activities**

Payments for the acquisition of property, furniture and equipment (11,791)

Charges for disposal of property, furniture and equipment 962

Payments for the acquisition of associates, joint ventures and other permanent investments (914)

Collections of cash dividends from permanent investments 1,817

Net cash flows from investing activities **(9,926)****Financial activities**

Lease liability payments (1,018)

Payments associated with financial instruments that qualify as capital (4,768)

Cash Dividend Payments (34,283)

Payments associated with the repurchase of own shares (1,042)

Payments associated with financial instruments that qualify as a liability (15,693)

Interest payments for lease liability (408)

Net cash flows from financing activities **(57,212)****Net increase or decrease in cash and cash equivalents** **9,467****Effects of changes in the value of cash and cash equivalents** **(55)****Cash and cash equivalents at the beginning of the period** **98,842****Cash and cash equivalents at the end of the period** **108,254**

GFNORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1, 2022 – DECEMBER 31, 2022
(Million Pesos)

	CONTRIBUTED CAPITAL		Capital Reserves	Retained Earnings	Financial Instruments to Collect or Sell Valuation	Results from Cash Flow Hedges	EARNED CAPITAL					
	Fixed Paid-in Capital	Premium from Sale of Securities					Remeasurement on Defined Employee Benefits	Remeasurement by Result in the Valuation of the Unexpired Risk Reserve due to Variation in Discount Rates	Cumulative Foreign Currency Translation Adjustment	Total Majority Interest	Total Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2021	14,957	48,292	8,835	165,124	1,594	(2,661)	(1,957)	(118)	168	234,234	3,006	237,240
Retrospective adjustments for accounting changes				(1,171)	46					(1,125)		(1,125)
Balance as of December 31, 2021 adjusted	14,957	48,292	8,835	163,953	1,640	(2,661)	(1,957)	(118)	168	233,109	3,006	236,115
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS												
Repurchase of share-based payment plan liquidable in equity instruments	(2)	96	(337)							(243)		(243)
Dividends Decreed by the Ordinary General Meeting of Shareholders on May 23, 2022 and November 29, 2022				(34,283)						(34,283)		(34,283)
Total	(2)	96	(337)	(34,283)	0	0	0	0	0	(34,526)	0	(34,526)
CHANGES STEMMING FROM RESERVES												
Creation of reserves for stock buybacks			24,844	(24,844)								
Total	0	0	24,844	(24,844)	0	0	0	0	0	0	0	0
COMPREHENSIVE INCOME:												
Net Income				45,408						45,408		45,408
OTHER COMPREHENSIVE INCOME												
Financial instruments to collect or sell valuation					(4,596)					(4,596)		(4,596)
Effect of subsidiaries, associates and mutual funds		52		(248)	173					(23)		(23)
Result from conversion of foreign operations									(85)	(85)		(85)
Cash flow hedges valuation						1,118				1,118		1,118
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates								315		315		315
Defined remeasurements for employees benefits							91			91		91
Interest of subordinated debentures				(4,768)						(4,768)		(4,768)
Total	0	52	0	40,392	(4,423)	1,118	91	315	(85)	37,460	0	37,460
Minority Interest											(17)	(17)
Balance as of December 31, 2022	14,955	48,440	33,342	145,218	(2,783)	(1,543)	(1,866)	197	83	236,043	2,989	239,032

Bank

Bank-Consolidated Statement of Comprehensive Income <i>(Million Pesos)</i>	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Interest Income	39,669	40,329	41,623	44,111	46,022	50,904	60,095	69,620
Interest Expense	23,497	23,466	24,600	26,185	26,959	30,762	38,048	45,630
Net Interest Income (Nil)	16,173	16,863	17,023	17,926	19,063	20,143	22,047	23,990
Preventive Provisions for Loan Losses	3,231	2,584	2,598	2,694	2,634	2,390	3,098	3,599
Net Interest Income Adjusted for Credit Risk	12,942	14,279	14,424	15,232	16,429	17,753	18,949	20,391
Fund Transfers	473	530	517	552	471	515	527	527
Account Management Fees	509	508	498	508	483	489	483	455
Electronic Banking Services	2,916	3,212	3,246	4,049	3,790	4,197	4,280	4,705
For Commercial and Mortgage Loans	277	261	323	337	-	-	-	-
For Consumer and Credit Card Loans	1,164	1,263	1,307	1,505	1,395	1,521	1,617	1,591
Fiduciary	106	176	136	110	127	135	123	151
Income from Real Estate Portfolios	6	7	4	9	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-
Trading & Financial Advising Fees	0	0	0	0	0	(0)	-	-
Other Fees Charged	836	617	693	728	748	777	854	866
Fees Charged on Services	6,116	6,388	6,469	7,488	7,065	7,778	7,847	8,473
Interchange Fees	1,625	1,911	1,923	2,515	2,327	2,643	2,652	2,820
Insurance Fees	-	-	-	-	-	-	-	-
Other Fees Paid	929	1,045	938	925	942	1,060	1,168	1,362
Fees Paid on Services	2,555	2,956	2,861	3,440	3,269	3,703	3,820	4,182
Net Service Fees	3,561	3,431	3,608	4,048	3,796	4,075	4,027	4,291
Premium Income Ins. & Annu. (Net)	-	-	-	-	-	-	-	-
Technical Reserves Ins. & Annu.	-	-	-	-	-	-	-	-
Cost of Acquisition from Insurance Operations	-	-	-	-	-	-	-	-
Net Cost of Claims and Other Obligations	-	-	-	-	-	-	-	-
Currency and Metals	574	(449)	353	(548)	(542)	350	(146)	(1,260)
Derivatives	8	(1)	54	190	1,361	406	(383)	186
Negotiable Instruments	(264)	102	498	3	(1)	(220)	(131)	167
Valuation	317	(349)	905	(355)	818	537	(661)	(907)
Currency and Metals	764	838	399	1,155	1,319	753	1,218	1,235
Derivatives	5	(10)	(121)	(142)	(719)	(209)	115	(96)
Negotiable Instruments	3	128	(112)	266	(25)	(22)	(178)	(287)
Trading	772	956	165	1,279	575	522	1,155	852
Other financial results	-	-	-	-	2	(93)	1	131
Trading Income	1,090	607	1,070	924	1,395	966	495	76
Contributions to the IPAB	(912)	(889)	(889)	(905)	(934)	(954)	(985)	(985)
Expenses Incurred in the Recovery of Credit Portfolio	(319)	(285)	(304)	(312)	(331)	(310)	(340)	(394)
Acquired collection rights	85	68	71	75	51	63	137	67
Income from foreclosed assets	86	132	101	180	118	192	93	167
Donations	(3)	(79)	(35)	(59)	(136)	(36)	(23)	(26)
Impairment of Assets	-	-	-	(352)	-	-	-	-
Result on sale of Property, Furniture and Equipment	(2)	0	(16)	(21)	(6)	(16)	(28)	(13)
Lease Income	2	2	3	0	0	0	0	9
From Insurance	-	-	-	-	-	-	-	-
Securitization Operation Valuation Result	0	0	-	-	-	-	-	-
Other Operating Expense	185	(45)	10	133	(276)	(18)	(219)	(151)
Total Other Operating Income (Expense)	(874)	(1,010)	(960)	(1,241)	(1,472)	(907)	(1,253)	(1,200)
Total Non Interest Income	3,777	3,029	3,718	3,731	3,719	4,134	3,269	3,167
Total Operating Income	16,719	17,308	18,142	18,963	20,148	21,886	22,218	23,557
Personnel	3,985	4,183	4,008	3,919	3,839	3,792	4,030	5,852
Employee Profit Sharing (PTU)	155	149	143	1,042	367	367	367	313
Professional Fees	704	723	735	775	688	799	804	784
Administrative and Promotional Expenses	4,052	3,843	4,066	4,779	4,435	4,507	4,804	5,192
Total Non Interest Expense	8,896	8,898	8,952	10,516	9,330	9,466	10,007	12,140
Operating Income	7,824	8,410	9,190	8,447	10,818	12,421	12,211	11,417
Subsidiaries' Net Income	29	214	65	22	42	31	53	42
Pre-Tax Income	7,852	8,624	9,255	8,469	10,860	12,452	12,264	11,460
Taxes	1,879	2,103	2,430	1,703	3,228	3,078	3,350	2,829
Net Income from Continuous Operations	5,974	6,522	6,825	6,766	7,632	9,374	8,913	8,630
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	5,974	6,522	6,825	6,766	7,632	9,374	8,913	8,630
Minority Interest	(0)	0	0	0	0	(0)	0	0
Net Income	5,974	6,522	6,825	6,766	7,632	9,374	8,913	8,630
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,658)	453	(187)	(759)	(1,936)	(2,169)	(975)	1,035
Cash Flow Hedges Valuation	(1,350)	(241)	(365)	151	14	(74)	1,121	77
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	30	30	26	210	24	24	24	41
Cumulative foreign currency translation adjustment	25	(27)	33	(4)	(37)	11	(5)	(39)
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	-	-	-	-	-	-	-	-
Other Comprehensive Income	(2,952)	215	(493)	(401)	(1,936)	(2,208)	164	1,114
Comprehensive Income	3,021	6,737	6,332	6,365	5,696	7,166	9,078	9,744

Bank - Consolidated Statement of Financial Position (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
ASSETS								
Cash and Equivalents	115,949	110,406	67,251	98,302	124,197	98,778	91,252	107,581
Margin Accounts	11,012	8,703	8,268	7,999	8,221	6,526	5,730	5,478
Negotiable Instruments	39,609	43,914	30,280	32,263	32,064	34,414	117,925	134,685
Securities Available for Sale	142,487	140,484	142,115	136,172	130,391	130,393	120,871	114,771
Securities Held to Maturity	40,044	42,292	44,099	60,200	75,062	85,255	85,108	88,254
Investment in Securities	222,139	226,690	216,494	228,636	237,517	250,063	323,903	337,711
Estimate of Expected Credit Losses for Investments	-	-	-	-	209	208	208	205
Debtor Balance in Repo Trans, net	268,513	286,814	314,987	261,535	293,727	173,934	100,332	74,371
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	28,458	24,346	25,999	26,865	29,452	33,734	38,873	35,576
For hedging purposes	609	648	753	1,055	1,096	1,256	1,814	1,854
Operations w /Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	29,068	24,995	26,751	27,920	30,548	34,990	40,687	37,430
Operations w/Derivatives & Securities	297,581	311,809	341,738	289,454	324,275	208,924	141,019	111,801
Valuation adjustments for Asset Coverage	51	47	43	40	36	32	19	-
Commercial Loans	293,191	288,651	297,283	302,654	301,983	307,605	307,352	328,895
Financial Intermediaries' Loans	22,719	20,688	22,610	28,685	29,285	33,282	31,946	29,690
Consumer Loans	114,602	116,869	118,224	120,574	122,916	129,443	135,775	142,071
Payroll Loans	50,628	52,122	52,926	53,306	55,340	59,648	62,692	64,612
Personal Loans	619	717	692	702	647	632	706	975
Credit Card	35,589	36,334	37,065	39,108	39,197	40,601	42,663	44,607
Auto Loans	27,767	27,696	27,541	27,457	27,733	28,562	29,715	31,877
Mortgage Loans	188,555	192,478	193,823	197,000	199,148	203,953	214,353	223,705
Medium and Residential	185,864	189,907	191,331	194,598	196,932	201,848	212,310	221,771
Low-income housing	4	3	3	3	2	2	2	2
Loans acquired from INFONAVIT or FOVISSSTE	2,687	2,567	2,489	2,400	2,214	2,102	2,041	1,932
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities' Loans	156,941	150,703	157,746	147,734	153,946	163,785	157,501	165,940
Performing Loans, Stage 1	776,008	769,389	789,687	796,647	807,278	838,067	846,928	890,301
Commercial Loans	2,066	1,389	1,048	1,458	1,050	1,453	3,366	966
Financial Intermediaries' Loans	4	1	37	1	-	-	-	-
Consumer Loans	2,242	1,977	1,831	1,791	2,014	2,061	2,355	2,278
Payroll Loans	1,006	1,026	1,012	1,023	1,261	1,283	1,542	1,438
Personal Loans	4	3	3	3	31	28	30	26
Credit Card	769	519	443	427	410	443	483	520
Auto Loans	463	429	373	339	313	307	300	293
Mortgage Loans	2,726	3,701	3,969	3,551	3,494	3,571	3,685	3,226
Medium and Residential	2,726	3,701	3,969	3,551	3,408	3,482	3,599	3,130
Low-income housing	0	0	0	0	0	0	0	0
Loans acquired from INFONAVIT or FOVISSSTE	-	-	-	-	86	89	86	97
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities' Loans	-	-	-	-	-	-	-	-
Performing Loans, Stage 2	7,038	7,068	6,886	6,800	6,558	7,085	9,406	6,470
Commercial PDL's	3,303	5,163	3,830	2,588	3,153	3,252	3,420	3,750
Financial Intermediaries PDL's	-	-	-	-	101	105	101	-
Consumer PDL's	3,936	3,021	2,641	2,523	2,530	2,820	3,070	3,528
Payroll PDL's	1,520	1,302	1,312	1,359	1,380	1,665	1,832	2,178
Personal PDL's	37	44	39	29	45	49	36	45
Credit Card PDL's	1,992	1,360	1,042	915	902	926	986	1,108
Auto PDL's	386	315	248	219	203	180	215	197
Mortgage PDL's	2,011	1,912	2,080	1,985	1,763	1,855	1,904	1,865
Medium and Residential	1,758	1,654	1,803	1,710	1,446	1,521	1,552	1,553
Low-income housing	0	0	0	0	0	0	0	-
Loans acquired from INFONAVIT or FOVISSSTE	252	258	277	275	317	334	353	312
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities PDL's	188	182	154	154	154	98	-	-
Past Due Loans, Stage 3	9,438	10,278	8,705	7,250	7,702	8,129	8,496	9,143
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-	-
Deferred Items	1,345	1,522	1,627	1,721	1,596	1,606	1,575	2,058
Gross Loan Portfolio	793,828	788,257	806,905	812,418	823,135	854,887	866,405	907,972
Preventive Loan Loss Reserves	19,145	17,741	16,816	15,744	16,278	16,350	16,554	16,961
Net Loan Portfolio	774,683	770,515	790,089	796,674	806,857	838,537	849,851	891,011
Acquired Collection Rights (net)	1,529	1,421	1,260	1,036	582	466	322	654
Total Credit Portfolio	776,212	771,936	791,349	797,710	807,439	839,003	850,173	891,665
Benef. receivab. securization transactions	2	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	35,528	45,486	43,479	31,034	50,928	64,829	45,296	36,343
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	1,406	1,812	1,835	1,717	1,620	1,848	1,770	2,844
Advanced Payments and Other Assets	6,308	7,919	7,164	5,788	11,080	9,358	12,715	8,614
Real Estate, Furniture & Equipment, Net	28,569	16,523	16,737	17,472	17,235	18,246	18,145	24,538
Rights of Use of Intangible Assets	8,194	7,755	7,690	7,096	7,424	7,178	7,173	6,951
Investment in Subsidiaries	552	734	588	523	559	1,261	1,339	1,461
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	422	0	(1)	-	-	817	544	565
Intangibles	2,463	14,651	14,751	14,689	14,424	15,410	15,468	15,494
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	1,402	1,392	1,404	1,403	1,391	1,396	1,396	1,413
TOTAL ASSETS	1,507,789	1,525,862	1,518,790	1,501,864	1,606,136	1,523,461	1,515,735	1,552,253

Bank -Consolidated Statement of Financial Position (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
LIABILITIES								
Demand Deposits	545,953	534,257	516,559	535,201	580,928	612,491	597,069	619,559
Time Deposits-Retail	246,944	243,118	246,951	240,089	235,005	248,191	256,447	274,201
Time Deposits-Money Market	8,069	3,364	3,261	100	-	200	200	4,954
Global Account of deposits without movements	2,639	2,744	2,825	3,023	3,060	3,237	3,362	3,253
Senior Unsecured Debt	31,937	31,907	29,786	27,800	27,293	21,507	21,852	17,002
Deposits	835,542	815,389	799,383	806,213	846,286	885,625	878,930	918,968
Due to Banks & Correspondents:								
Demand Loans	0	0	0	7,809	0	0	0	-
Short Term Loans	8,224	8,155	6,721	7,330	6,481	6,255	5,459	7,181
Long Term Loans	6,632	6,599	6,325	6,422	5,944	7,572	7,744	7,641
Due to Banks & Correspondents	14,856	14,754	13,047	21,562	12,425	13,827	13,203	14,822
Technical Reserves	-	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	113,047	119,110	100,565	108,591	110,034	108,400	190,801	218,928
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Collateral sold or pledged as collateral:								
Repos (Credit Balance)	265,684	283,942	312,066	258,530	291,402	172,035	98,485	72,429
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	265,684	283,942	312,066	258,530	291,402	172,035	98,485	72,429
Derivatives								
For trading purposes	24,508	20,003	21,703	22,487	22,950	27,238	32,555	29,116
For hedging purposes	5,566	5,623	6,565	6,571	5,549	5,651	3,857	3,956
Total Derivatives	30,073	25,626	28,269	29,058	28,499	32,889	36,412	33,072
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	-	-	-	-
Lease Liabilities	8,175	7,759	7,712	7,118	7,478	7,211	6,923	6,606
Creditors for settlement of transactions	3,140	17,474	15,254	2,458	9,553	21,269	12,881	7,116
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	2,848	3,192	6,723	10,006	18,425	22,059	24,113	20,643
Contributions payable	1,325	1,291	1,089	1,270	1,280	1,335	1,189	1,025
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	29,335	28,433	26,797	21,671	43,742	44,363	34,559	30,685
Other Payable Accounts	36,649	50,389	49,864	35,404	73,000	89,025	72,742	59,469
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	58,761	57,245	59,187	80,574	78,316	75,050	68,008	65,981
Income Tax Liabilities	1,220	1,324	2,117	1,690	2,598	4,008	5,909	7,380
Employee benefit liability	5,380	5,801	6,434	7,382	6,655	6,462	7,393	8,798
Deferred Credits	1,161	1,107	1,124	1,108	1,087	1,076	1,066	1,123
TOTAL LIABILITIES	1,370,547	1,382,446	1,379,766	1,357,229	1,457,778	1,395,609	1,379,873	1,407,576
EQUITY								
Paid-in Capital	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	3,076	3,442	3,646	3,851	4,051	4,249	4,455	4,651
Finan. instr. that qualify as capital	-	-	-	-	-	-	-	-
Subscribed Capital	21,871	22,237	22,440	22,646	22,845	23,044	23,249	23,445
Capital Reserves	18,959	18,959	18,959	18,959	18,959	18,959	18,959	18,959
Retained Earnings	92,748	91,819	80,892	79,931	103,845	75,975	74,701	73,577
Net Income	5,974	12,495	19,320	26,086	7,632	17,006	25,919	34,549
Comprehensive Income								
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	2,213	2,666	2,479	1,720	(216)	(2,385)	(3,360)	(2,326)
Valuation Adjustment for Cash Flow Hedges	(2,255)	(2,496)	(2,861)	(2,710)	(2,696)	(2,770)	(1,649)	(1,572)
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	(2,303)	(2,272)	(2,247)	(2,036)	(2,013)	(1,989)	(1,965)	(1,924)
Cumulative foreign currency translation adjustment	32	5	38	34	(3)	8	3	(37)
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	-	-	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Earned Capital	115,368	121,176	116,580	121,985	125,508	104,804	112,608	121,227
Minority Interest	3	4	4	4	4	4	5	5
Total Equity	137,242	143,416	139,024	144,635	148,358	127,852	135,862	144,677
TOTAL LIABILITIES & EQUITY	1,507,789	1,525,862	1,518,790	1,501,864	1,606,136	1,523,461	1,515,735	1,552,253

Bank - Memorandum Accounts (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Investment Banking transactions for third parties, net	-	-	-	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	-	-	-	-	-	-	-	-
Endorsement Guarantees Granted	-	-	182	211	185	221	281	357
Loan Obligations	242,137	239,502	256,608	288,260	281,480	307,653	320,206	347,355
Trusts	309,954	319,065	292,739	287,105	291,862	294,351	291,433	301,499
Mandates	7,024	6,860	7,129	8,377	8,167	8,489	8,266	7,301
Properties in Trusts and Warrant	316,978	325,925	299,868	295,482	300,029	302,840	299,700	308,800
Properties in Custody or Management	491,631	487,310	528,132	506,559	509,168	544,522	570,922	546,061
Shares delivered in custody or as collateral	-	-	-	-	-	-	-	-
Collateral Received	365,461	386,101	415,333	362,574	395,593	277,352	206,071	182,756
Collateral Received or sold or delivered	266,471	284,928	313,091	259,597	291,829	171,992	98,441	72,400
Deposits of assets	-	-	-	-	-	-	-	-
Contingent assets & liabilities	122	155	207	120	148	60	80	32
Uncollected Accrued Interest from Past Due Loans	286	242	221	220	418	349	378	412
Liabilities for active bonds (net)	-	-	-	-	-	-	-	-
Recovery guarantees for issued bonds	-	-	-	-	-	-	-	-
Complaints received pending verification	-	-	-	-	-	-	-	-
Contingent claims	-	-	-	-	-	-	-	-
Claims paid	-	-	-	-	-	-	-	-
Claims cancelled	-	-	-	-	-	-	-	-
Recovered claims	-	-	-	-	-	-	-	-
Miscellaneous accounts	427,148	424,607	456,283	443,973	511,708	542,442	565,765	542,918
TOTAL PROPRIETARY	2,110,234	2,148,771	2,269,924	2,156,996	2,290,559	2,147,431	2,061,843	2,001,092

BANORTE - CONSOLIDATED STATEMENT OF CASH FLOWS**JANUARY 1, 2021 – DECEMBER 31, 2022***(Million Pesos)***Operation activities**

Net income before taxes	47,035
Adjustments for items associated with investing activities	3,797
Depreciation in property, furniture, and equipment	3,356
Amortization of intangible assets	609
Participation in the net income of other entities	(168)
Adjustments for items associated with financing activities:	2,046
Interest associated with interbank loans and loans from other organizations	946
Interest associated with financial instruments that qualify as a liability	1,100
Sum	5,843
Changes in operating items	15,690
Change in margin accounts (derivative financial instruments)	2,522
Change in investments in financial instruments (securities) (net)	(113,047)
Change in repo debtors (net)	187,164
Change in derivative financial instruments (asset)	(8,672)
Change in loan portfolio (net)	(94,337)
Change in acquired collection rights (net)	382
Change in other accounts receivable (net)	(5,203)
Change in foreclosed assets (net)	(1,127)
Change in other operating assets (net)	(3,643)
Change in traditional deposits	112,755
Changes of interbank loans and other organizations	(7,685)
Change in creditors by repo	110,337
Change in collateral sold or given in guarantee	(186,100)
Change in derivative financial instruments (liability)	6,629
Change in other operating liabilities	16
Change in hedging derivative financial instruments	(2,276)
Change in assets/liabilities for employee benefits	1,421
Change in other accounts payable	23,801
Income tax payments	(7,247)
Net cash flows from operating activities	68,568
Investment activities	
Payments for the acquisition of property, furniture and equipment	(10,665)
Charges for the acquisition of property, furniture, and equipment	695
Payments for the acquisition of associates, joint businesses, and other permanent investments	(914)
Charges of cash dividends coming from permanent investments	42
Net cash flows from investing activities	(10,842)
Financial activities	
Lease liability payments	(1,033)
Payments associated with financial instruments that qualify as capital	(4,853)
Dividends paid in cash	(26,416)
Payments associated with financial instruments that qualify as a liability	(15,694)
Interest payments for lease liability	(396)
Net cash flows from financing activities	(48,392)
Net increase or decrease in cash and cash equivalents	9,334
Effects of changes in the value of cash and cash equivalents	(55)
Cash and cash equivalents at the beginning of the period	98,302
Cash and cash equivalents at the end of the period	107,581

BANORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1, 2022 – DECEMBER 31, 2022
(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL								
	Fixed Paid-in Capital	Premium from Sale of Securities	Capital Reserves	Retained Earnings	Financial Instruments to Collect or Sell Valuation	Results from Cash Flow Hedges	Remeasurement on Defined Employee Benefit	Cumulative Foreign Currency Translation Adjustment	Total Majority Interest	Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2021	18,795	3,851	18,959	106,018	1,720	(2,710)	(2,036)	34	144,631	4	144,635
Retrospective adjustments for accounting changes				(993)	(46)				(1,039)		(1,039)
Balance as of December 31, 2021 adjusted	18,795	3,851	18,959	105,025	1,674	(2,710)	(2,036)	34	143,592	4	143,596
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS											
Plan based on shares payable in equity instruments		800							800		800
Dividends Decreed by the Ordinary General Meeting of Shareholders on May 16, 2022 and June 22, 2022				(26,416)					(26,416)		(26,416)
Total	0	800	0	(26,416)	0	0	0	0	(25,616)	0	(25,616)
COMPREHENSIVE INCOME:											
Net Income				34,549					34,549		34,549
OTHER COMPREHENSIVE INCOME											
Financial instruments to collect or sell valuation					(4,177)				(4,177)		(4,177)
Effect of subsidiaries, associates and mutual funds				(179)	177				(2)		(2)
Result from conversion of foreign operations								(71)	(71)		(71)
Cash flow hedges valuation						1,138			1,138		1,138
Defined remeasurements for employees' benefits							112		112		112
Interest of subordinated debentures				(4,853)					(4,853)		(4,853)
Total	0	0	0	29,517	(4,000)	1,138	112	(71)	26,696	0	26,696
Minority Interest										1	1
Balance as of December 30, 2022	18,795	4,651	18,959	108,126	(2,326)	(1,572)	(1,924)	(37)	144,672	5	144,677

Seguros Banorte

Income Statement - Insurance - Seguros Banorte (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Interest Income	323	321	239	283	396	471	545	578
Interest Expense	-	-	-	-	3	3	2	2
Monetary Positions Net Interest Income	-	-	-	-	-	-	-	-
Net Interest Income (NII)	323	321	239	283	393	468	543	576
Preventive Provisions for Loan Losses	(0)	0	0	(0)	0	3	(0)	(0)
Net Interest Income	323	320	239	283	393	465	543	576
Fees Charged on Services	-	-	-	-	-	-	-	-
Fees Paid on Services	-	-	-	-	-	-	-	-
Premium Revenue (Net)	11,085	2,817	4,239	5,270	10,941	4,361	4,051	5,300
Net increase in technical reserves	4,537	(1,525)	(78)	1,062	4,522	(868)	(833)	103
Net Cost for Insurance and Bond Operations	626	485	550	512	731	587	597	612
Net Cost of Claims and Other Obligations	4,884	3,390	3,570	3,901	4,018	3,646	3,469	3,642
Trading Income	(29)	50	150	202	(79)	(90)	115	278
Total Other Operating Income (Expenses)	269	192	213	663	226	227	(21)	22
Total Non-Interest Income	1,277	709	560	659	1,817	1,132	913	1,243
Total Operating Income	1,600	1,029	800	942	2,210	1,597	1,455	1,819
Personnel	107	109	115	104	129	104	116	128
Professional Fees	63	51	37	69	63	62	63	60
Administrative and Promotional	37	42	37	45	30	36	29	41
Rents, Depreciation & Amortization	45	46	48	52	54	50	43	55
Other Taxes	34	27	34	19	23	25	29	18
Employee Profit Sharing (PTU)	1	1	1	46	4	6	13	16
Other expenses	94	104	67	91	181	155	(55)	44
Total Non-Interest Expense	380	381	339	426	484	439	239	362
Operating Income	1,220	649	461	516	1,726	1,158	1,216	1,457
Subsidiaries' Net Income	404	465	467	619	158	101	181	362
Pre-Tax Income	1,624	1,113	928	1,136	1,884	1,259	1,398	1,819
Taxes	361	184	136	59	493	302	325	437
Net Income from Continuous Operations	1,263	929	792	1,076	1,391	957	1,073	1,382
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	1,263	929	792	1,076	1,391	957	1,073	1,382
Minority Interest	9	10	10	9	4	6	6	7
Net Income	1,254	919	782	1,068	1,387	951	1,067	1,375

Insurance - Seguros Banorte - Balance Sheet <i>(Million Pesos)</i>	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
ASSETS								
Cash and Equivalents	86	143	82	1,411	3,441	3,517	1,589	3,106
Margin Accounts	-	-	-	-	-	-	-	-
Negotiable Instruments	32,163	30,642	23,366	23,753	25,011	25,874	25,961	25,247
Securities Available for Sale	551	1,720	2,969	4,121	5,443	4,827	5,685	6,466
Securities Held to Maturity	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Investment in Securities	32,714	32,362	26,336	27,874	30,454	30,701	31,646	31,713
Estimate of Expected Credit Losses for Investments	-	-	-	-	-	-	-	-
Debtor Balance in Repo Trans, net	5,337	5,315	2,098	3,786	2,049	3,381	3,554	4,857
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-	-
Operations w /Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Operations w /Derivatives & Securities	5,337	5,315	2,098	3,786	2,049	3,381	3,554	4,857
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-	-
Insurance and Bail Bond portfolio	9	9	24	25	25	24	25	25
Deferred Items (BAP)	-	-	-	-	-	-	-	-
Loan Loss-reserve for Insurance and Bail Bond Risks	9	9	24	25	25	24	25	25
Net Insurance and Bail Bond Loan Portfolio	0	0	0	0	0	0	0	0
Loan Portfolio, net	9	9	24	25	25	24	25	25
Net from Reserves Loan Portfolio	9	9	24	25	25	24	25	25
Acquired Collection Rights (net)	-	-	-	-	-	-	-	-
Total Credit Portfolio	9	9	24	25	25	24	25	25
Account Receivables from Insurance and Annuities	10,876	8,028	5,765	3,674	10,664	8,410	6,196	3,693
Amounts recoverable by Reinsurance and Counter-guarantee	7,521	7,707	7,981	7,451	8,022	8,033	7,589	5,402
Account Receivables from Reinsurance	-	-	-	-	-	-	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	275	302	409	494	236	583	370	446
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Advance Payments and Other Assets	728	1,039	1,391	1,720	1,679	1,673	1,689	1,691
Real Estate, Furniture & Equipment, Net	414	334	330	259	251	243	235	247
Assets for Rights of Use of Property, furniture and equipment	289	267	245	223	193	173	154	143
Investment in Subsidiaries	12,785	13,249	13,715	14,329	12,712	12,812	12,993	13,344
Assets for Rights of Use of Property, Furn.& Eq.	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	335	335	335	327	338	338	338	450
Intangibles	1,224	1,303	1,330	1,365	1,385	1,403	1,429	1,422
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
TOTAL ASSETS	72,593	70,392	60,042	62,937	71,447	71,291	67,807	66,537

Insurance - Seguros Banorte - Balance Sheet (Million Pesos)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
LIABILITIES								
Technical Reserves	36,094	33,217	32,309	34,079	39,729	38,493	36,965	36,319
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Total Derivatives	-	-	-	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	3,145	2,790	2,501	2,514	3,807	3,514	3,414	1,729
Lease Liabilities	289	267	245	223	195	175	157	146
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	-	-	-	-	-	-	-	-
Contributions payable	852	758	673	885	893	731	677	848
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1,642	1,680	1,619	1,516	2,006	2,313	2,123	2,037
Other Payable Accounts	2,494	2,438	2,292	2,401	2,900	3,044	2,800	2,884
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Income Tax Liabilities	708	887	1,019	1,074	811	1,116	1,440	1,987
Employee benefit liability	129	132	134	132	132	133	133	149
Deferred Credits	56	53	53	46	50	50	42	43
TOTAL LIABILITIES	42,916	39,784	38,554	40,469	47,623	46,525	44,951	43,257
EQUITY								
Paid-in Capital	13,928	13,928	13,928	13,928	13,928	13,928	13,928	13,928
Provision for future capital increase not formalized by its governing entity	-	-	-	-	7	7	7	7
Share Subscription Premiums	-	-	-	-	-	-	-	-
Finan. instr. that qualify as capital	-	-	-	-	-	-	-	-
Subscribed Capital	13,928	13,928	13,928	13,928	13,934	13,934	13,934	13,934
Capital Reserves	3,268	3,840	3,840	3,840	3,834	4,236	4,236	4,236
Retained Earnings	10,765	10,193	343	337	4,333	3,930	1,007	3
Net Income	1,254	2,173	2,955	4,022	1,387	2,339	3,406	4,781
<u>Resultados Integrales:</u>								
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	164	160	141	68	(102)	(192)	(356)	(229)
Valuation Adjustment for Cash Flow Hedges	-	-	-	-	-	-	-	-
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	10	10	10	20	20	20	6	3
Cumulative foreign currency translation adjustment	0	0	0	0	0	0	0	0
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	(108)	(101)	(83)	(116)	46	122	274	199
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Earned Capital	15,354	16,274	7,206	8,172	9,519	10,455	8,574	8,992
Minority Interest	395	406	355	368	371	377	348	354
Total Equity	29,677	30,608	21,488	22,468	23,825	24,767	22,856	23,280
TOTAL LIABILITIES & EQUITY	72,593	70,392	60,042	62,937	71,447	71,291	67,807	66,537

Information by Segments

GFNorte - Income Statement as of December 31, 2022

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Interest on Loan Portfolio	1,713	226,642	26,068	2,849	70	22,981
Interest on cash and cash equivalents	252	4,168	138	2	1	443
Interest and yields in favor from margin accounts	-	(637)	-	-	-	1
Interest and yields in favor from OTC collateral operations	-	217	-	-	-	-
Interest and yields in favor from investments in financial instruments	-	17,295	8,883	-	-	21,389
Interest and yields on repurchase agreements	1,461	14,849	0	-	-	282
Operations' coverage income from hedging operations	-	5,741	-	-	-	-
Income from trading financial instruments	-	87,363	-	-	-	836
Interest on loan portfolio with credit risk stage 1	-	-	-	-	-	-
Commercial loans	-	29,063	-	2,475	70	-
Financial entities	-	1,997	-	14	-	-
Government entities	-	13,016	-	288	-	-
Consumer loans	-	31,470	-	-	-	-
Mortgage loans	-	18,690	-	-	-	-
Interest on loan portfolio with credit risk stage 2	-	-	-	-	-	-
Commercial Loans	-	212	-	59	-	-
Financial entities	-	0	-	3	-	-
Government entities	-	-	-	5	-	-
Consumer loans	-	418	-	-	-	-
Mortgage loans	-	347	-	-	-	-
Interest on loan portfolio with credit risk stage 3	-	-	-	-	-	-
Commercial loans	-	76	-	3	-	-
Financial entities	-	0	-	-	-	-
Government entities	-	5	-	0	-	-
Consumer loans	-	69	-	0	-	-
Mortgage loans	-	84	-	-	-	-
Insurance and bond loan portfolio interest	-	-	815	-	-	-
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	1,476	-	-	-	-
Effect of loan portfolio renegotiation	-	202	-	-	-	-
Securities' loans premiums	-	-	301	-	-	-
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	16	7	-	-	30
Income from valuation	-	505	15,923	-	-	0
Increase due interest income update	-	-	-	-	-	-

GFNorte - Income Statement as of December 31, 2022

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Interest expense	-	141,399	11	2,162	0	20,841
Interest on demand deposits	-	8,481	-	-	-	-
Interest on time deposits	-	13,224	-	-	-	-
Interest due to banks and correspondents	-	946	-	2,148	-	-
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	1,100	-	-	-	-
Interest and yields charged from OTC collateral operations	-	380	-	-	-	-
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	24,163	-	-	-	19,921
Expenses from hedging operations	-	5,277	-	-	-	-
Expenses from trading financial instruments	-	84,726	-	-	-	823
Proceeds from lent securities	-	-	-	-	-	96
Effect of loan portfolio renegotiation	-	496	-	-	-	-
Costs expenses of granting loans	-	1,656	-	-	-	-
Insurance and bail bond loan origination costs and expenses	-	-	-	-	-	-
Foreign exchange valorization income	-	311	0	14	0	0
Chargeable interest associated with the global deposit account without movements	-	241	-	-	-	-
Interest on lease liabilities	-	397	11	-	-	-
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	1,713	85,243	26,057	687	70	2,140
Allowance for loan losses	0	11,722	43	117	-	-
Risk adjusted net interest income	1,713	73,521	26,014	570	70	2,140
Commissions and fees charged on services	-	31,163	-	330	-	1,295
Commissions and fees paid on services	-	14,975	0	72	0	201
Premium revenue (net)	-	-	43,322	-	-	-
Increase in technical reserves (net)	-	-	29,541	-	-	-
Cost of acquisition for insurance and bail bonds operations (net)	-	-	2,538	-	-	-
Cost of damages, claims, and other obligations	-	-	26,577	-	-	-
Trading income	-	2,931	599	(3)	-	101
Total other operating income (expense)	(98)	(4,832)	133	689	65	28
Administrative and promotional Expenses	114	40,942	1,926	858	66	1,623
Operating income	1,501	46,867	9,485	656	68	1,739
Subsidiaries' net income	43,887	168	802	(0)	-	0
Pre-tax income	45,388	47,035	10,287	656	68	1,740
Taxes	(26)	12,486	2,762	58	32	452
Net income from continuous operations	45,415	34,550	7,525	598	36	1,287
Discontinued Operations	-	-	-	-	-	-
NET INCOME	45,415	34,549	7,509	598	36	1,287
Minority interest	-	0	16	0	-	-
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	(4,422)	(4,046)	(324)	-	-	(123)
Cash flow hedges valuation	1,118	1,138	-	-	-	-
Remeasurement on defined employee benefits	92	112	(18)	4	0	(5)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	315	-	315	-	-	-
Cumulative foreign currency translation adjustment	(86)	(71)	-	-	-	(16)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	(2,984)	(2,866)	(27)	4	0	(144)
COMPREHENSIVE INCOME	42,431	31,684	7,498	602	36	1,143

GFNorte - Income Statement as of December 31, 2022

(Million Pesos)

	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest on Loan Portfolio	35	78	280,436	12,015	208	268,628
Interest on cash and cash equivalents	35	-	5,039	740	-	4,299
Interest and yields in favor from margin accounts	-	-	(636)	-	-	(636)
Interest and yields in favor from OTC collateral operations	-	-	217	-	-	217
Interest and yields in favor from investments in financial instruments	-	57	47,624	-	-	47,624
Interest and yields on repurchase agreements	-	21	16,613	10,262	-	6,350
Operations' coverage income from hedging operations	-	-	5,741	-	-	5,741
Income from trading financial instruments	-	-	88,199	-	-	88,199
Interest on loan portfolio with credit risk stage 1	-	-	-	-	-	-
Commercial loans	-	-	31,608	40	-	31,568
Financial entities	-	-	2,011	828	-	1,183
Government entities	-	-	13,304	-	208	13,512
Consumer loans	-	-	31,470	-	-	31,470
Mortgage loans	-	-	18,690	-	-	18,690
Interest on loan portfolio with credit risk stage 2	-	-	-	-	-	-
Commercial Loans	-	-	270	-	-	270
Financial entities	-	-	3	-	-	3
Government entities	-	-	5	-	-	5
Consumer loans	-	-	418	-	-	418
Mortgage loans	-	-	347	-	-	347
Interest on loan portfolio with credit risk stage 3	-	-	-	-	-	-
Commercial loans	-	-	79	-	-	79
Financial entities	-	-	0	-	-	0
Government entities	-	-	5	-	-	5
Consumer loans	-	-	69	-	-	69
Mortgage loans	-	-	84	-	-	84
Insurance and bond loan portfolio interest	-	-	815	-	-	815
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	-	1,476	-	-	1,476
Effect of loan portfolio renegotiation	-	-	202	-	-	202
Securities' loans premiums	-	-	301	144	-	157
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	-	53	-	-	53
Income from valuation	-	0	16,428	-	-	16,428
Increase due interest income update	-	-	-	-	-	-

GFNorte - Income Statement as of December 31, 2022

(Million Pesos)

	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest expense	-	-	164,413	-	11,944	152,469
Interest on demand deposits	-	-	8,481	-	740	7,742
Interest on time deposits	-	-	13,224	-	0	13,224
Interest due to banks and correspondents	-	-	3,094	-	798	2,296
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	-	1,100	-	-	1,100
Interest and yields charged from OTC collateral operations	-	-	380	-	-	380
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	-	44,085	-	10,406	33,678
Expenses from hedging operations	-	-	5,277	-	-	5,277
Expenses from trading financial instruments	-	-	85,549	-	-	85,549
Proceeds from lent securities	-	-	96	-	-	96
Effect of loan portfolio renegotiation	-	-	496	-	-	496
Costs expenses of granting loans	-	-	1,656	-	-	1,656
Insurance and bail bond loan origination costs and expenses	-	-	-	-	-	-
Foreign exchange valorization income	-	-	325	-	-	325
Chargeable interest associated with the global deposit account without movements	-	-	241	-	-	241
Interest on lease liabilities	-	-	408	-	-	408
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	35	78	116,023	12,015	12,152	116,160
Allowance for loan losses	-	-	11,881	-	-	11,881
Risk adjusted net interest income	35	78	104,141	12,015	12,152	104,278
Commissions and fees charged on services	2,109	-	34,897	2,549	-	32,348
Commissions and fees paid on services	1,518	2	16,768	-	1,463	15,305
Premium revenue (net)	-	-	43,322	467	-	42,855
Increase in technical reserves (net)	-	-	29,541	-	-	29,541
Cost of acquisition for insurance and bail bonds operations (net)	-	-	2,538	-	1,151	1,387
Cost of damages, claims, and other obligations	-	-	26,577	-	11	26,566
Trading income	39	(0)	3,667	7	-	3,660
Total other operating income (expense)	11	0	(4,003)	565	20	(4,548)
Administrative and promotional Expenses	183	25	45,738	68	1,034	44,772
Operating income	493	51	60,861	15,671	15,832	61,022
Subsidiaries' net income	(4)	-	44,853	43,887	-	967
Pre-tax income	490	51	105,715	59,558	15,832	61,989
Taxes	128	22	15,913	50	-	15,963
Net income from continuous operations	361	30	89,802	59,608	15,832	46,025
Discontinued Operations	-	-	-	-	-	-
NET INCOME	361	30	89,818	59,608	16,433	45,408
Minority interest	-	-	16	-	601	617
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	-	(0)	(8,915)	1,786	6,325	(4,376)
Cash flow hedges valuation	-	-	2,255	1,625	488	1,118
Remeasurement on defined employee benefits	0	(0)	185	93	-	92
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	-	-	630	315	-	315
Cumulative foreign currency translation adjustment	-	-	(172)	-	87	(86)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	0	(1)	(6,017)	3,820	6,900	(2,938)
COMPREHENSIVE INCOME	362	29	83,817	63,428	23,933	43,088

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Cash and cash equivalents	15,011	107,581	3,156	439	4	3,643
Margin accounts (derivate financial instruments)	-	5,478	-	-	-	-
Investment in securities						
Trading financial instruments	-	134,685	33,738	-	-	121,279
Financial instruments to collect or sell	-	114,771	6,491	-	-	87,951
Financial instruments to collect principal and interest (securities)	-	88,254	224,739	-	-	891
Estimate of expected credit losses for investments (securities)	-	(205)	(82)	-	-	(7)
Debtor balance in repo trans (net)	960	74,371	4,857	-	-	133
Securities lending	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Transactions with derivatives for trading purposes	-	35,576	-	-	-	635
Transactions with derivatives for hedging purposes	-	1,854	-	-	-	-
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	328,895	-	28,378	-	-
Financial entities	-	29,690	-	974	-	-
Government	-	165,940	-	5,780	-	-
Consumer loans	-	142,071	-	3	-	-
Mortgage						
Medium and residential	-	221,771	-	-	-	-
Low-income housing	-	2	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	1,932	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	890,301	-	35,135	-	-
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	966	-	363	-	-
Financial entities	-	-	-	-	-	-
Government	-	-	-	-	-	-
Consumer loans	-	2,278	-	-	-	-
Mortgage						
Medium and residential	-	3,130	-	-	-	-
Low-income housing	-	0	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	97	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	6,470	-	363	-	-

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Loan portfolio with credit risk stage 3						
Commercial loans						
Commercial	-	3,750	-	822	-	-
Financial entities	-	-	-	4	-	-
Government	-	-	-	4	-	-
Consumer loans	-	3,528	-	0	-	-
Mortgage	-	-	-	-	-	-
Medium and residential	-	1,553	-	-	-	-
Low-income housing	-	-	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	312	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	9,143	-	830	-	-
Loan portfolio	-	905,914	-	36,328	-	-
(+/-) Deferred items	-	2,058	-	(16)	-	-
(-) Minus						
Allowance for loan losses	-	(16,961)	-	(726)	-	-
Loan portfolio (net)	-	891,011	-	35,587	-	-
Loan portfolio from insurance and bail bonds	-	-	3,188	-	-	-
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(213)	-	-	-
Total insurance and bail bond loan portfolio (net)	-	-	2,975	-	-	-
Acquired collection rights (net)	-	654	-	-	-	-
Loan portfolio, net	-	891,665	2,975	35,587	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	3,960	-	-	-
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,402	-	-	-
Other accounts receivable (net)	1	36,343	523	1,168	398	1,773
Inventories	-	-	-	-	975	-
Foreclosed assets (net)	-	2,844	-	117	-	-
Advanced payments and other assets (net)	70	8,614	2,804	4,236	52	431
Property, furniture, and equipment (net)	-	24,538	256	3,706	52	71
Assets for rights of use of property, furniture and equipment (net)	-	6,951	162	-	-	-
Investment in subsidiaries	194,399	1,461	13,344	32	-	3
Deferred income tax assets	-	565	-	935	8	-
Intangible assets (net)	333	15,494	1,422	-	-	12
Goodwill	25,329	1,413	-	-	-	-
TOTAL ASSETS	236,103	1,552,253	303,746	46,219	1,488	216,815

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

ASSETS	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Cash and cash equivalents	83	0	129,918	113	21,777	108,254
Margin accounts (derivate financial instruments)	-	-	5,478	-	-	5,478
Investment in securities						
Trading financial instruments	289	-	289,991	-	136	289,855
Financial instruments to collect or sell	-	138	209,351	-	-	209,351
Financial instruments to collect principal and interest (securities)	-	-	313,884	-	347	313,537
Estimate of expected credit losses for investments (securities)	-	-	(293)	-	-	(293)
Debtor balance in repo trans (net)	-	630	80,950	-	58,124	22,826
Securities lending	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Transactions with derivatives for trading purposes	-	-	36,211	-	510	35,701
Transactions with derivatives for hedging purposes	-	-	1,854	-	-	1,854
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	-	357,273	-	-	357,273
Financial entities	-	-	30,664	-	12,387	18,277
Government	-	-	171,720	-	-	171,720
Consumer loans	-	-	142,074	-	-	142,074
Mortgage						
Medium and residential	-	-	221,771	-	-	221,771
Low-income housing	-	-	2	-	-	2
Loans acquired from INFONAVIT or FOVISSTE	-	-	1,932	-	-	1,932
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	-	925,436	-	12,387	913,049
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	-	1,328	-	-	1,328
Financial entities	-	-	-	-	-	-
Government	-	-	-	-	-	-
Consumer loans	-	-	2,278	-	-	2,278
Mortgage						
Medium and residential	-	-	3,130	-	-	3,130
Low-income housing	-	-	0	-	-	0
Loans acquired from INFONAVIT or FOVISSTE	-	-	97	-	-	97
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	-	6,832	-	-	6,832

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

ASSETS	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Loan portfolio with credit risk stage 3						
Commercial loans						
Commercial	-	-	4,572	-	-	4,572
Financial entities	-	-	4	-	-	4
Government	-	-	4	-	-	4
Consumer loans	-	-	3,528	-	-	3,528
Mortgage	-	-	-	-	-	-
Medium and residential	-	-	1,553	-	-	1,553
Low-income housing	-	-	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	-	312	-	-	312
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	-	9,973	-	-	9,973
Loan portfolio	-	-	942,242	-	12,387	929,854
(+/-) Deferred items	-	-	2,042	-	-	2,042
(-) Minus						
Allowance for loan losses	-	-	(17,686)	-	-	(17,686)
Loan portfolio (net)	-	-	926,598	-	12,387	914,211
Loan portfolio from insurance and bail bonds	-	-	3,188	-	-	3,188
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(213)	-	-	(213)
Total insurance and bail bond loan portfolio (net)	-	-	2,975	-	-	2,975
Acquired collection rights (net)	-	-	654	-	-	654
Loan portfolio, net	-	-	930,227	-	12,387	917,839
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	3,960	-	-	3,960
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,402	-	-	5,402
Other accounts receivable (net)	221	103	40,530	-	245	40,285
Inventories	-	-	975	-	-	975
Foreclosed assets (net)	-	-	2,961	-	-	2,961
Advanced payments and other assets (net)	64	134	16,406	-	-	16,406
Property, furniture, and equipment (net)	0	4	28,626	203	44	28,785
Assets for rights of use of property, furniture and equipment (net)	-	-	7,113	-	-	7,113
Investment in subsidiaries	115	-	209,353	390	194,789	14,954
Deferred income tax assets	6	-	1,514	-	1,514	-
Intangible assets (net)	10	818	18,089	-	-	18,089
Goodwill	-	-	26,741	-	-	26,741
TOTAL ASSETS	787	1,828	2,359,240	706	289,874	2,070,072

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

LIABILITIES & EQUITY	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Deposits						
Demand deposits	-	619,559	-	-	-	-
Time deposits						
Time deposits-retail	-	274,201	-	-	-	-
Time deposits-money market	-	4,954	-	-	-	-
Senior unsecured debt	-	17,002	-	-	-	-
Global account of deposits without movements	-	3,253	-	-	-	-
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	7,181	-	26,502	1,112	-
Long-term loans	-	7,641	-	7,157	-	-
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	259,084	-	-	-
Creditor balance in repo transactions (net)	-	218,928	-	-	-	208,435
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	72,429	-	-	-	133
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	29,116	-	-	-	514
For hedging purposes	-	3,956	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	1,729	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-
Lease liabilities	-	6,606	165	-	-	-
Other payable accounts						
Creditors of liquidation operations	-	7,116	-	-	-	1,565
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	20,643	-	-	-	-
Contributions payable	0	1,025	863	17	10	267
Other creditors and accounts payable	1	30,685	2,413	1,584	21	251
Financial instruments that qualify as a liability						
Financial instruments that qualify as a liability	-	65,981	-	-	-	-
Income tax liabilities	33	7,380	4,755	-	10	48
Employee benefit liability	-	8,798	159	122	9	379
Deferred credits and advanced charges	-	1,123	43	298	-	0
TOTAL LIABILITIES	34	1,407,576	269,212	35,680	1,161	211,592
Equity						
Paid-in capital						
Common stock	14,959	18,795	15,776	12,294	87	1,985
Additional paid-in capital	48,369	4,651	5,594	16	-	77
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Financial instruments that qualify as equity	-	-	-	-	-	-
Earned capital						
Capital reserves	33,342	18,959	1,580	770	62	397
Cumulative results						
Retained earnings	99,897	73,577	3,952	(3,327)	142	1,406
Net income	45,415	34,549	7,509	598	36	1,287
Other comprehensive income						
Valuation of financial instruments to collect or sell	(2,783)	(2,326)	(348)	-	-	(45)
Cash flow hedges valuation	(1,543)	(1,572)	-	-	-	-
Defined remeasurements for employees benefits	(1,866)	(1,924)	(2)	5	0	(4)
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	197	-	197	-	-	-
Cumulative foreign currency translation adjustment	83	(37)	-	-	-	120
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	236,069	144,673	34,260	10,356	327	5,223
Minority Interest	-	5	275	184	0	-
TOTAL EQUITY	236,069	144,677	34,535	10,540	327	5,223
TOTAL LIABILITIES AND EQUITY	236,103	1,552,253	303,746	46,219	1,488	216,815

GFNorte - Balance Sheet as of December 31, 2022

(Million Pesos)

LIABILITIES & EQUITY	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Deposits						
Demand deposits	-	-	619,559	21,777	-	597,782
Time deposits						
Time deposits-retail	-	-	274,201	-	-	274,201
Time deposits-money market	-	-	4,954	-	-	4,954
Senior unsecured debt	-	-	17,002	-	-	17,002
Global account of deposits without movements	-	-	3,253	-	-	3,253
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	-	34,794	12,387	-	22,407
Long-term loans	-	-	14,798	-	-	14,798
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	259,084	-	76	259,161
Creditor balance in repo transactions (net)	-	-	427,363	58,124	-	369,239
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	-	72,562	-	-	72,562
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	-	29,630	510	-	29,120
For hedging purposes	-	-	3,956	-	-	3,956
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	1,729	-	-	1,729
Obligations in securitization transactions	-	-	-	-	-	-
Lease liabilities	-	-	6,771	-	-	6,771
Other payable accounts						
Creditors of liquidation operations	-	-	8,680	-	-	8,680
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	-	20,643	-	-	20,643
Contributions payable	19	5	2,207	-	-	2,207
Other creditors and accounts payable	169	84	35,207	397	37	34,847
Financial instruments that qualify as a liability						
Financial instruments that qualify as a liability	-	-	65,981	-	-	65,981
Income tax liabilities	-	22	12,247	1,514	-	10,733
Employee benefit liability	43	41	9,551	-	-	9,551
Deferred credits and advanced charges	-	-	1,464	-	-	1,464
TOTAL LIABILITIES	231	151	1,925,635	94,709	113	1,831,040
Equity						
Paid-in capital						
Common stock	170	1,679	65,744	50,832	44	14,955
Additional paid-in capital	-	-	58,707	10,588	322	48,440
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Financial instruments that qualify as equity	-	-	-	-	-	-
Earned capital						
Capital reserves	34	2	55,146	21,805	-	33,342
Cumulative results						
Retained earnings	(11)	(33)	175,603	84,044	8,251	99,810
Net income	361	30	89,786	44,378	-	45,408
Other comprehensive income						
Valuation of financial instruments to collect or sell	-	0	(5,501)	1,004	3,723	(2,783)
Cash flow hedges valuation	-	-	(3,115)	674	2,246	(1,543)
Defined remeasurements for employees benefits	2	(0)	(3,789)	-	1,923	(1,866)
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	-	-	394	197	-	197
Cumulative foreign currency translation adjustment	-	-	166	83	-	83
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	556	1,677	433,141	213,605	16,508	236,044
Minority Interest	-	-	464	-	2,525	2,989
TOTAL EQUITY	556	1,677	433,605	213,605	19,033	239,033
TOTAL LIABILITIES AND EQUITY	787	1,828	2,359,240	308,314	19,147	2,070,072

VI. Appendix

Accounting & Regulatory Changes

Numbers in this section are stated in million pesos.

Early termination of support programs for mortgage loan debtors

On June 30th, 2010, the Federal Government, through the SHCP (Tax and Credit Institutions Authority), signed an agreement to early terminate the support programs for the mortgage loan debtors. Therefore, as of January 1, 2011, the Holding entity absorbed the discount that was early applied to the mortgage loan debtors enrolled in the program.

The agreement established a set of payment obligations by the Federal Government payable in 5 equal annual payments ending on June 1, 2015; day in which the bank received Ps 29 million including a monthly interest from the day after the cutoff date until the ending month before the payment date.

As of December 31st, 2022, the remaining balance of CETES ESPECIALES which have not been repurchased by the Federal Government, totaled Ps 450 million, with maturities in 2027.

New Financial Reporting Standards

In accordance with the resolution that modified the general regulation applicable to Financial Institutions published on December 4, 2020, in the Official Gazette of the Federation (DOF), about rules published on March 13th, 2020, regarding the Financial Reporting Standards (NIF) issued by the Mexican Council of Financial Information Standards (CINIF), referred to in paragraph 3 of Criterion A-2 "Application of particular standards" of Annex 33, will enter into force on January 1st, 2022.

The NIFs issued and that began to become applicable as of January 1st, 2022, are:

- NIF B-5 "Financial information by segments".
- NIF B-12 "Compensation of financial assets and financial liabilities".
- NIF B-17 "Determination of reasonable value".
- NIF C-2 "Investment in financial assets".
- NIF C-3 "Accounts receivable".
- NIF C-9 "Provisions, contingencies and commitments".
- NIF C-10 "Derivative and hedging financial instruments".
- NIF C-13 "Related parties".
- NIF C-14 "Transfer and derecognition of financial assets".
- NIF C-16 "Impairment of financial instruments receivable".
- NIF C-19 "Financial instruments payable".
- NIF C-20 "Financial instruments receivable principal and interest".
- NIF D-1 "Income from contracts with customers".
- NIF D-2 "Costs for contracts with customers".
- NIF D-5 "Leases".
- NIF C-22 "Cryptocurrencies".

The adoption of the aforementioned reporting standards did not have a material impact in the consolidated Financial Statements, which were recognized in the entry of Retained Earnings inside Stockholder's Equity.

Changes in the Local Liquidity Regulations for Banking Institutions

Aligned with the regulatory changes implemented on March 1st, 2022, the declaration of the institutions that consolidate in the calculation of the LCR and the NSFR can be found in the following link (available only in Spanish).

Notes to Financial Statements

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q22

(Million Pesos)

Trading Financial Instruments	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	260,021	2,964	121	263,106
Unrestricted	16,904	242	63	17,209
BONDES F	(1,297)	-	1	(1,296)
BONDES M	(545)	0	1	(545)
BPA	(58)	-	0	(57)
BREMS	-	-	-	-
Government Securities	8	0	2	10
Municipalities Securities	-	-	-	-
UDI Securities	-	-	-	-
CETES	11,111	206	(20)	11,297
CETES (Special)	-	-	-	-
Government Eurobonds	68	1	(13)	56
Udibonds	7,618	34	92	7,745
Restricted	243,116	2,722	58	245,897
BONDES D	47,778	158	12	47,948
BONDES F	27,108	126	(6)	27,228
BONDES M	1,700	14	(3)	1,710
BPA	164,228	2,416	65	166,709
BREMS	-	-	-	-
Government Securities	1,019	5	0	1,025
Municipalities Securities	-	-	-	-
UDI Securities	0	0	(0)	0
CETES	1,014	4	(1)	1,016
Government Eurobonds	-	-	-	-
Udibonds	270	1	(10)	261
Banking Securities	13,300	27	3	13,329
Unrestricted	3,277	1	(0)	3,278
Bank Acceptances	5	0	-	5
Development Bank Securities	5	0	(0)	5
Bank Securities	6	0	0	6
Deposit Certificates	61	0	-	61
Structured Notes	-	-	-	-
Other Banking Securities	190	0	(0)	190
Promissory Notes	3,011	1	(0)	3,011
Restricted	10,023	26	3	10,052
Development Bank Securities	2,904	9	2	2,916
Bank Securities	780	1	0	781
Deposit Certificates	5,549	15	0	5,564
Other Banking Securities	790	1	0	791
Private Securities	12,018	15	1,386	13,419
Unrestricted	11,740	15	1,386	13,141
Shares	828	-	823	1,650
Investment Company Shares	9,769	-	600	10,370
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	345	1	(11)	335
Trust Stock Certificates	-	-	-	-
Private Eurobonds	798	14	(26)	786
Other Banking Securities	-	-	-	-
Restricted	278	-	(0)	278
Shares	278	-	(0)	278
Corporate Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Reasonable Value Adjustment lxe Bank Acq	-	-	-	-
Total	285,339	3,006	1,510	289,855

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q22

(Million Pesos)

Instruments to Collect or Sell	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	171,028	2,708	(2,355)	171,382
Unrestricted	23,041	230	(645)	22,626
BONDES F	-	-	-	-
BONDES M	1,224	7	(20)	1,211
BPA	-	-	-	-
BREMS	768	2	-	770
Government Securities	786	2	(64)	724
Municipalities Securities	897	12	61	970
UDI Securities	102	1	184	286
CETES	7,718	8	(38)	7,688
CETES (Special)	-	-	-	-
Government Eurobonds	8,838	190	(777)	8,251
Udibonds	2,707	8	10	2,725
Restricted	147,988	2,478	(1,710)	148,756
BONDES D	3,036	2	2	3,040
BONDES F	-	-	-	-
BONDES M	2,001	28	(78)	1,951
BPA	94,639	1,971	(9)	96,600
BREMS	7,010	18	-	7,029
Government Securities	2,524	10	(4)	2,531
Municipalities Securities	2,527	8	(10)	2,525
UDI Securities	-	-	-	-
CETES	-	-	-	-
Government Eurobonds	28,255	407	(1,420)	27,242
Udibonds	7,995	34	(190)	7,839
Banking Securities	20,751	91	(263)	20,579
Unrestricted	9,280	39	(274)	9,045
Bank Acceptances	-	-	-	-
Development Bank Securities	2,219	27	(199)	2,046
Bank Securities	2,312	9	(49)	2,272
Deposit Certificates	422	2	(11)	413
Structured Notes	618	-	(6)	612
Other Banking Securities	400	0	(0)	400
Promissory Notes	3,310	0	(9)	3,302
Restricted	11,471	52	11	11,534
Development Bank Securities	3,133	21	(1)	3,153
Bank Securities	7,338	26	12	7,376
Deposit Certificates	1,000	5	(0)	1,005
Other Banking Securities	-	-	-	-
Private Securities	18,256	369	(1,234)	17,391
Unrestricted	15,830	327	(1,061)	15,096
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Stock Certificates BORHIS	77	-	(77)	0
Corporate Stock Certificates	7,122	77	(569)	6,630
Trust Stock Certificates	-	-	-	-
Private Eurobonds	8,632	250	(416)	8,466
Other Banking Securities	-	-	-	-
Restricted	2,426	42	(173)	2,295
Shares	-	-	-	-
Corporate Stock Certificates	948	3	6	957
Private Eurobonds	1,478	39	(179)	1,337
Reasonable Value Adjustment lxe Bank Acq	-	-	-	-
Total	210,035	3,169	(3,853)	209,351

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q22

(Million Pesos)

Financial instruments to Collect Principal and Interest (securities) (net)	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	298,998	1,221	-	300,219
Unrestricted	279,274	1,084	-	280,358
BONDES F	1,997	13	-	2,010
BONDES M	928	6	-	934
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	1,890	25	-	1,915
Municipalities Securities	2,250	46	-	2,296
UDI Securities	170	2	-	171
CETES	5,454	-	-	5,454
CETES (Special)	449	-	-	449
Government Eurobonds	48,772	476	-	49,248
Udibonds	217,364	517	-	217,881
Restricted	19,724	137	-	19,861
BONDES D	-	-	-	-
BONDES F	-	-	-	-
BONDES M	15,515	112	-	15,627
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	-	-	-	-
Municipalities Securities	2,903	15	-	2,919
UDI Securities	-	-	-	-
CETES	-	-	-	-
Government Eurobonds	1,306	10	-	1,315
Udibonds	-	-	-	-
Banking Securities	1,221	261	-	1,482
Unrestricted	1,221	261	-	1,482
Bank Acceptances	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	958	19	-	977
Deposit Certificates	-	-	-	-
Structured Notes	180	242	-	422
Other Banking Securities	-	-	-	-
Promissory Notes	84	-	-	84
Restricted	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	-	-	-	-
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	11,027	1,155	-	12,182
Unrestricted	11,027	1,155	-	12,182
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Stock Certificates BORHIS	2	0	-	2
Corporate Stock Certificates	1,059	1,107	-	2,166
Trust Stock Certificates	-	-	-	-
Private Eurobonds	8,700	48	-	8,748
Other Banking Securities	1,266	-	-	1,266
Restricted	-	-	-	-
Shares	-	-	-	-
Corporate Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Reasonable Value Adjustment Ixe Bank Acq	(347)	-	-	(347)
Reasonable value adjustment Ixe Bank Acq	(293)	-	-	(293)
Reasonable Value Adjustment Ixe Bank Acq	(293)	-	-	(293)
Total	310,607	2,637	-	313,244

REPURCHASE AGREEMENT OPERATIONS 4Q22*(Million Pesos)*

	Repo Debtors			Repo Creditors	
	MV Repo Debtors	VM Collateral Received/Sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Government Securities	21,326	64,045	-	-	354,403
Banking Securities	(0)	6,577	-	-	8,954
Private Securities	1,500	1,939	-	-	5,881
Total	22,826	72,562	-	-	369,239

**DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 4Q22***(Million Pesos)*

Creditor Balance	
Instrument	Fair Value
Futures	
TIE 28 Futures	-
Forward	
Fx Forward	125
Options	
Rate Options	1,154
Fx Options	142
Warrants	50
Swaps	
Rate Swap	30,380
Fx Swap	3,709
Credit Swap	141
Negotiable Total	35,701
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	-
Fx Swap	1,854
Credit Swap	-
Hedging Total	1,854
Position Total	37,555

**DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 4Q22
(Million Pesos)**

Debtor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	165
Options	
Rate Options	1,211
Fx Options	143
Warrants	35
Swaps	
Rate Swap	23,237
Fx Swap	4,318
Credit Swap	10
Negotiable Total	29,120
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	1,177
Fx Swap	2,779
Credit Swap	-
Hedging Total	3,956
Position Total	33,076

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q22 - Banorte
(Million Pesos)

PRODUCT	TYPE	UNDERLYING	NOTIONAL	OPERATIONS
FX Forwards	Purchases	Exchange Rate (USD/MXN).	1,914	126
FX Forwards	Sales	Exchange Rate (USD/MXN).	2,299	132
FX Forwards	Purchases	Exchange Rate (EUR/MXN).	1,247	3
FX Forwards	Sales	Exchange Rate (EUR/MXN).	1,619	8
FX Options	Purchases	Exchange Rate (Dollar)	4,018	6
FX Options	Sales	Exchange Rate (Dollar)	2,908	4
Interest Rate Options	Purchases	TIIE	26,438	89
Interest Rate Options	Sales	TIIE	35,351	303
Interest Rate Options	Purchases	LIBOR	14,772	24
Interest Rate Options	Sales	LIBOR	17,398	33
Interest Rate Swaps	USD LIBOR	LIBOR	255,559	3,454
Interest Rate Swaps	MXN TIIE	TIIE	1,104,791	3,680
Interest Rate Swaps	USD SOFR	SOFR	60,471	843
Interest Rate Swaps- Brokerage House	MXN TIIE M M	TIIE	14,647	12
Interest Rate Swaps- Brokerage House	USD LIBOR	LIBOR	2,166	2
Interest Rate Swaps- Brokerage House	USD SOFR	SOFR	3,424	2
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	112	2
Interest Rate and FX Swaps	CS USDMXN	VARIABLE/VARIABLE	112,082	129
Interest Rate and FX Swaps	CS USDMXN	FIX/FIX	33,338	52
Interest Rate and FX Swaps	CS CHF MXN	FIX/FIX	4,490	1
Interest Rate and FX Swaps	CS CHF MXN	FIX/VARIABLE	3,113	1
Interest Rate and FX Swaps	CS EUR MXN	FIX/FIX	19,077	81
Interest Rate and FX Swaps	CS USD MXN	FIX/FIX	700	1
Interest Rate and FX Swaps	CS GBP MXN	FIX/FIX	2,575	11
Credit Derivatives	CDS USD	D2_PEMEX_150927	1,051	5
Credit Derivatives	CDS USD	D1_MEXC46_270328	779	2
Credit Derivatives	CDS USD	D1_MEXC46_270328	292	2
Equity Options	Compras	*I_MEXBOL_IND	919	2
Equity Options	Ventas	*I_MEXBOL_IND	918	2
Equity Options	Compras	1I_TLT_*	523	1
Equity Options	Ventas	1I_TLT_*	555	1

LOAN PORTFOLIO								
<i>(Million Pesos)</i>								
	Local Currency		UDIS		Foreign Currency		Total	
	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22
Performing Loans Stage 1 & 2								
Commercial Loans	259,860	277,696	-	-	73,406	80,906	333,265	358,601
Loans to Financial Entities	8,189	12,243	-	-	2,727	6,033	10,916	18,277
Consumer Loans	122,369	144,351	-	-	-	-	122,369	144,351
Mortgage Loans	200,483	226,873	68	59	-	-	200,551	226,932
Government Loans	144,542	144,452	-	-	9,776	27,268	154,318	171,720
Total	735,442	805,616	68	59	85,909	114,206	821,419	919,881
Past Due Loans Stage 3								
Commercial Loans	2,480	3,380	-	-	772	1,192	3,252	4,572
Loans to Financial Entities	-	4	-	-	-	-	-	4
Consumer Loans	2,523	3,528	-	-	-	-	2,523	3,528
Mortgage Loans	1,979	1,861	6	4	-	-	1,985	1,865
Government Loans	159	4	-	-	-	-	159	4
Deferred Items	1,718	2,047	-	-	(13)	(4)	1,704	2,042
Total Credit Portfolio	744,301	816,440	74	62	86,668	115,394	831,043	931,897
Insurance and Bail Bond Portfolio	2,827	3,188	-	-	-	-	2,827	3,188
Total Proprietary Loans with Insur. and Subs.	747,128	819,628	74	62	86,668	115,394	833,870	935,084

**COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND
MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4T22- GFNorte**

<i>(Million Pesos)</i>		
	PERIOD COST	TOTAL BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	5.7	0.0
Mortgage FOVI	-	-
	5.7	0.0

DEFERRED TAXES 4Q22

(Million Pesos)

ASSETS	INCOME TAX	NET
Global loss reserves loan portfolio	5,088	5,088
Non deductible provisions	1,499	1,499
Excess of accounting value over fiscal value on repossessed long-term assets	575	575
Diminishable Employee Profit Sharing (PTU)	434	434
Advanced charged fees	1,190	1,190
Effects from valuation of instruments	-	-
Tax losses pending amortization	484	484
Provisions for possible loss in loans	512	512
Pension funds contribution	34	34
Loss on sale of foreclosed assets and credits	-	-
Value decrease in property	-	-
Loan interest	-	-
Other accounts	8	8
Total Assets	9,825	9,825
LIABILITIES		
Pension funds contribution	-	-
Loan portfolio acquisitions	(194)	(194)
Projects to be capitalized, payments, and advanced income	(7,148)	(7,148)
Intangibles' amortizations different from commercial funds	-	-
Effects from valuation of instruments	(2,542)	(2,542)
Intangibles' amortizations related with clients	(318)	(318)
Unrealized loss on securities held for sale	(85)	(85)
Total Liabilities	(10,287)	(10,287)
Assets (Liabilities) accumulated net	(462)	(462)

LONG TERM DEBT AS OF DECEMBER 30 2022 - BANCO MERCANTIL DEL NORTE

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUANCE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	CALLABILITY	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2008 (Q_BANORTE_08U)	UDIS	11-mar-08	495	1,963	2,118	20 years	4.950%	22-aug-23	15-feb-28	182 days
Non Convertible Subordinated Bonds 2016 (D2_BANOC36_311004)	USD	04-oct-16	500	9,607	1,712	15 years	5.750%	04-oct-26	04-oct-31	180 days
Non Convertible Subordinated Bonds 2017 (D2_BANOE91_999999)	USD	06-jul-17	550	10,077	10,730	Perpetual	7.625%	10-ene-28	Perpetual	Quarterly
Stock certificates 2016 (94_BINTER_16U)	UDIS	13-oct-16	365	2,000	2,793	10 years	4.970%	-	01-oct-26	182 days
Stock certificates 2019 (94_BANORTE_19-2)	MXN	17-may-19	1,500	1,500	1,500	5 years	TIE +0.17%	-	10-may-24	28 days
Non Convertible Subordinated Bonds 2019 (D2_BANO64_999999)	USD	27-jun-19	600	11,501	11,705	Perpetual	6.750%	27-sep-24	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2019 (D2_BANOB48_999999)	USD	27-jun-19	500	9,584	9,754	Perpetual	7.500%	27-jun-29	Perpetual	Quarterly
Eurbond (Swiss francs) 2019 (D2_BANO343_231218)	CHF	18-sep-19	160	3,112	3,367	4.3 years	0.450%	-	18-dec-23	Annual
Eurbond (Swiss francs) 2020 (D2_BANO664_241206)	CHF	06-mar-20	225	4,826	4,734	4.8 years	0.500%	-	06-dec-24	Annual
Non Convertible Subordinated Bonds 2020 (D2_BANOC21_999999)	USD	14-jul-20	500	11,309	9,754	Perpetual	8.375%	14-oct-30	Perpetual	Quarterly
Stock certificates 2020 (94_BANORTE_20U)	UDIS	30-sep-20	107	700	817	10 years	2.760%	-	18-sep-30	182 days
Non Convertible Subordinated Bonds 2021 (D2_BANO99_999999)	USD	24-nov-21	500	10,718	9,754	Perpetual	5.875%	24-jan-27	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2021 (D2_BANOB72_999999)	USD	24-nov-21	550	11,790	10,730	Perpetual	6.625%	24-jan-32	Perpetual	Quarterly

BANK AND OTHER ENTITIES LOANS' AS OF 4Q22*(Million Pesos)*

	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Local Banks	18,696	2,451	21,147
Loans from Development Banks	17,503	1,049	18,551
Loans from Public Funds	8,445	1,142	9,587
Loans from Fiduciary Funds	41	-	41
Provisions for Interest	266	-	266
	44,951	4,641	49,592
Eliminations			(12,387)
Total			37,205

**CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS -
INTEREST RATES 4Q22****CORE DEPOSITS (BANORTE)****Demand Deposits**

Local Currency and UDIs	1.90%
Foreign Currency	0.43%

Time Deposits - Retail

Local Currency and UDIs	6.59%
Foreign Currency	0.28%

Time Deposits - Money Market

Local Currency and UDIs	8.49%
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DUE TO BANKS & CORRESPONDENTS (BANORTE)**Immediate Redemption Loans**

Local Currency and UDIs	9.75%
Foreign Currency	-

Public Funds and Development Banks

Local Currency and UDIs	10.25%
Foreign Currency	3.86%

MAIN CREDIT LINES RECEIVED 4Q22 (BANORTE)*Million pesos*

	4Q21			3Q22			4Q22		
	Line	Used	% used	Line	Used	% used	Line	Used	% used
Bank Counterparty Lines (Call Money)	219,970	10,109	4.6%	268,628	9	0.0%	268,076	2,203	0.8%
Banxico (Repos for liquidity with the System of Payments) RSP*	80,824	7,989	9.9%	85,428	7,778	9.1%	87,287	20,095	23.0%
Banxico MXN & USD Credit Auction*	61,292	-	0.0%	64,833	-	0.0%	55,706	-	0.0%
Banxico Credit line with Government and Banking securities as collateral (Ordinary Facility)*	61,292	-	0.0%	64,833	-	0.0%	55,706	-	0.0%
Banxico Credit line with State and Municipal Government securities as collateral (Extraordinary Facility)	86,810	-	0.0%	90,121	-	0.0%	90,121	-	0.0%
TOTAL	510,188	18,098	3.5%	573,843	7,787	1.4%	556,895	22,298	4.0%

* The credit amount of the RSP, Banxico Credit Auction, and Green Facility are interchangeable.

TRADING INCOME 4Q22*Million Pesos*

Trading income	Consolidated
Securities - Unrealized gains	1,502
Trading financial instruments	(104)
Derivate trading financial instruments	1,645
Derivative instruments - hedging	(40)
Impairment loss or revaluation increase	35
Result from foreign exchange valuation	(1,600)
Result from valuation of precious metals	(2)
Result from purchase/sale of securities and derivatives	(799)
Trading financial instruments	343
Financial instruments to collect or sell	(179)
Financial instruments to collect principal and interest (securities)	(54)
Derivative instruments - Negotiation	(0)
Cash flow hedges	(909)
Result from purchase/sale of foreign exchange	4,520
Result from purchase/sale of precious metals	4
Total	3,660

Internal Control

For Grupo Financiero Banorte, S.A.B. de C.V. (GFNORTE), internal control is a shared responsibility among all of its constituents; therefore, the Board of Directors, other Corporate Governance entities, the senior management team, and each one of its executives and employees are part of the Internal Control System (ICS).

ICS is the general framework set forth by the Board of Directors with the objective of reaching institutional objectives through policies and monitoring activities and procedures, which have a positive impact on risk management, on the trustworthiness of financial information being generated, and on regulatory compliance.

ICS establishes the objectives and general guidelines which provide a framework to activities and responsibilities applicable to all personnel in charge of origination, operational processing, and execution. Such activities are monitored by teams specialized in risk monitoring and in mitigating controls.

ICS is structured around three defense lines:

- A. **First.** The owners of support and business processes, who are ultimately responsible for the primary internal control function in their activities.
- B. **Second.** Risk, Credit, Legal and Controller departments, which provide permanent control and monitoring support, and
- C. **Third.** Internal Audit, with which the independence granted by its direct line of report to the Internal Audit and Corporate Practices Committee, supervises all activities and the adequate development of all functions across all areas.

At GNORTE we are convinced that having an adequate control environment is yet another competitive advantage that drives our growth and solid presence in the domestic financial market. Therefore, all executives and employees perform their daily activities with discipline as well as with strict adherence to the norm; following a philosophy of getting things done right the first time without having to rely on reviews that might be carried out by other areas.

During the fourth quarter of 2022, there was a continuous development of activities related to strengthening control, risk evaluation and management, establishment and monitoring of controls, and quality of information assurance; highlighting the following:

- A. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
- B. The manuals containing policies and procedures remained updated for changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls.
- C. The requests from different internal areas regarding the internal control matters were addressed, both in support of the development of new institutional projects, as well as with those that derive from regulatory changes.
- D. GFNORTE's business and operating support processes were constantly monitored through the Business Process and Management Controllers. They issue periodic compliance reports and identify areas of opportunity so that they can be remediated appropriately.
- E. Various activities regarding internal accounting control were carried out and were concluded with the work plan established at the beginning of the year.
- F. Effectiveness tests related to the Business Continuity Plan were carried out in accordance with the calendar dates and scope, approved by the corresponding Corporate Governance Committee.
- G. We continued to monitor the improvement initiatives derived from the observations made by the different members of the SCI.
- H. The Information Security Officer (CISO) carried out its functions according to the Master Plan, reporting the findings and the details of the activities to the General Director and to the Corresponding Corporate Governance Committees, while maintaining a matrix coordination with the Comptroller, as part of the SCI.
- I. The requirements of the Supervisory Authorities were answered, and the information requirements required by the external regulation were fulfilled. In addition, ordinary inspector visits from the Authorities were attended and follow-ups in remediation from the resulting recommendations have been fulfilled.

Financial Situation and Liquidity

Main sources of liquidity

The main liquidity source comes from the various deposit products that the institution offers to customers, such as interest bearing and non-interest-bearing demand deposits, as well as time deposits.

Regarding other sources of liquidity, Banorte has diverse mechanisms to access the debt and capital markets. The Institution obtains resources through the issuance of debt securities, including subordinated debt (Capital Notes), and loans and facilities from other institutions including the Central Bank and international banking institutions.

Liquid assets include investments in government securities and deposits held in the Central Bank and other foreign banks.

Important initiatives of Banorte's liquidity during 4Q22.

Banorte's liquidity strategy is aimed at maintaining adequate liquidity levels based on prevailing circumstances. In this sense, and given the current contingency, management decided to maintain current liquidity levels prioritizing funding from client's deposits.

In October 2022, Banorte's notes with ticker symbol BANOD36, issued in 2019, matured for a total of CHF\$250 million.

In addition, it should be noted that Banorte has not used the Central Bank of México's Ordinary Facilities or Extraordinary Facilities during 4Q22.

Detailed information related to liquidity sources is reported in different headings of the GFNorte's Balance Sheet in this report.

Related Parties Loans

According to Article 73 of the Law of Credit Institutions, loans granted to the related parties of credit institutions cannot exceed the established limit of 35% of the basic portion of net capital.

In the case of GFNorte as of December 31, 2022, and September 30, 2022, the amount of loans granted to third parties is as follows (billion pesos):

Lender	Dec-2022	% Basic Equity	Sep-22	% Basic Equity
Banorte	17.25	9.3%	16.52	8.9%
	17.25		16.52	

The loans granted are under the 100% limit set forth by the LIC.

Banorte

As of **December 31, 2022**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 17.25 billion (including Ps 1.82 billion in Letters of Credit "CC", which are registered in memorandum accounts), representing 1.9% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans balance, Ps 16.42 billion were loans granted to clients linked to members of the Board of Directors, and Ps 834 million were linked to companies related to GFNORTE. At the end of December 2022, there were no loans granted to clients related to shareholders.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNORTE's related party loan portfolio for individuals and corporations at the end of September 2022 was 9.3% of Core Equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNORTE's loan portfolio based on the general dispositions applicable to credit institutions regarding rating of loan portfolios issued by CNBV. Additionally, 100% of the related party loans are rated in Category "A", and most of these loans were classified as commercial loans.

As of **September 30, 2022**, total loans granted to related parties, under the Article 73 of the Law of Credit Institutions, was Ps 16.52 billion (including Ps 1.67 billion in — Letters of Credit "CC", which are registered in memorandum accounts), representing 1.9% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans balance, Ps

15.74 billion were loans granted to clients linked to members of the Board of Directors, and Ps 786 million were linked to companies related to GFNORTE. At the end of September 2022, there were no loans granted to clients related to shareholders.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNORTE's related party loan portfolio for individuals and corporations at the end of June 2022 was 8.9% of Core Equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNORTE's loan portfolio based on the general dispositions applicable to credit institutions regarding rating of loan portfolios issued by CNBV. Additionally, 100% of the related party loans are rated in Category "A", and most of these loans were classified as commercial loans.

Loan or tax liabilities

The tax credits listed below are currently in litigation:

	As of December 31, 2022
AFORE BANORTE	2
Loan #4429309391 Payroll Tax of the state of Coahuila	2
PENSIONES BANORTE	364
Financial year 2014	364
SEGUROS BANORTE	1,145
Financial year 2014	1,145
SEGUROS BANORTE	2,024
Financial year 2017	2,024

Million pesos

People in Charge

The undersign represent under oath that, taking into account our respective functions, we have drawn up the information relative to Grupo Financiero Banorte, which, to the best of our knowledge, reasonably reflects its financial situation. Furthermore, we express that we are not aware that relevant information has been omitted or falsified in this quarterly report or that it contains information that may lead to errors for investors.

Act. Jose Marcos Ramirez Miguel
Chief Executive Officer of Grupo Financiero Banorte, S.A.B. de C.V.

Eng. Rafael Arana de la Garza
Chief Operating Officer & Chief Financial Officer

C.P. Isaias Velazquez Gonzalez
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

C.P.C. Mayra Nelly López
Executive Director of Accounting

Basis for submitting and presenting Financial Statements

Grupo Financiero Banorte (GFNorte). Issues the financial statements in consolidated form with its Subsidiaries in accordance with the General Provisions Applicable to the Controlling and Sub-Controlling Companies of Financial Groups that regulate the matters that correspond jointly to the National Supervisory Commissions (the Provisions) published in the Official Gazette of the Federation on June 29, 2018, modified through Resolution published in the same official medium on December 21, 2021.

Banorte. Issues the financial statements in consolidated form with its Subsidiaries in accordance with the General Provisions Applicable to the financial information of the Credit Institutions (the Provisions) published in the Official Gazette of the Federation on December 2, 2005, modified by means of published Resolutions in the aforementioned Official Gazette on March 3 and 28, September 15, December 6 and 8, 2006, January 12, March 23, April 26, November 5, 2007, March 10, August 22, September 19, October 14, December 4, 2008, April 27, May 28, June 11, August 12, October 16, November 9, December 1 and 24, 2009, January 27, February 10, April 9 and 15, May 17, June 28, July 29, August 19, September 9 and 28, October 25, November 26 and December 20, 2010, January 24 and 27, March 4, April 21, July 5, August 3 and 12, September 30, October 5 and 27, and December 28, 2011, June 19, July 5, October 23, November 28 and December 13, 2012, January 31, April 16, May 3, June 3 and 24, July 12, October 2 and December 24, 2013, January 7 and 31, March 26, May 12 and 19, July 3 and 31, September 24, October 30, December 8 and 31, 2014, January 9, 5 February, April 30, May 27 and June 23, 2015, August 27, September 21, October 29, November 9 and 13, December 16 and 31, 2015, April 7 and 28 and June 22, 2016, July 7 and 29, August 1, September 19 and 28, 2016, and December 27, 2016, January 6, April 4 and 27, May 31, June 26, 4 and 24 July, August 29, October 6 and 25, December 18, 26 and 27, 2017, January 22, March 14, April 26, May 11, June 26, July 23, August 29, September 4, October 5, November 15 and 27, 2018, and April 15, July 5, October 1, and November 4 and 25, 2019, March 13, April 9, June 9, August 21, October 12, November 19, December 4, May 21 and June 18, July 20 and 23, and August 6, 2021, September 23, and December 15, 30, and 31 2021, May 13 and 27, June 22, September 2, 2022, as well as October 19, 2022, respectively.

GFNorte and Banorte. The financial information contained in this document has been prepared in accordance with the regulation issued by the National Banking and Securities Commission (CNBV) for the holding company and the financial entities that make up the Financial Group and the NIF issued by the Mexican Board of Standards of Financial Information, AC (CINF). The regulation of the CNBV and the NIFs differ from each other due to the specialized operations of the Credit Institutions. They also differ from the accounting principles generally accepted in the United States of America (US GAAP) and the regulations and principles established by the North American authorities for this type of financial entities. In order to present the information contained in an international format, the format for the classification and presentation of certain financial information differs from the format used for the financial information published in Mexico.

The information contained in this document is based on unaudited financial information of each of the entities to which it refers.