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Financial Results

as of September 30th, 2023

3Q23

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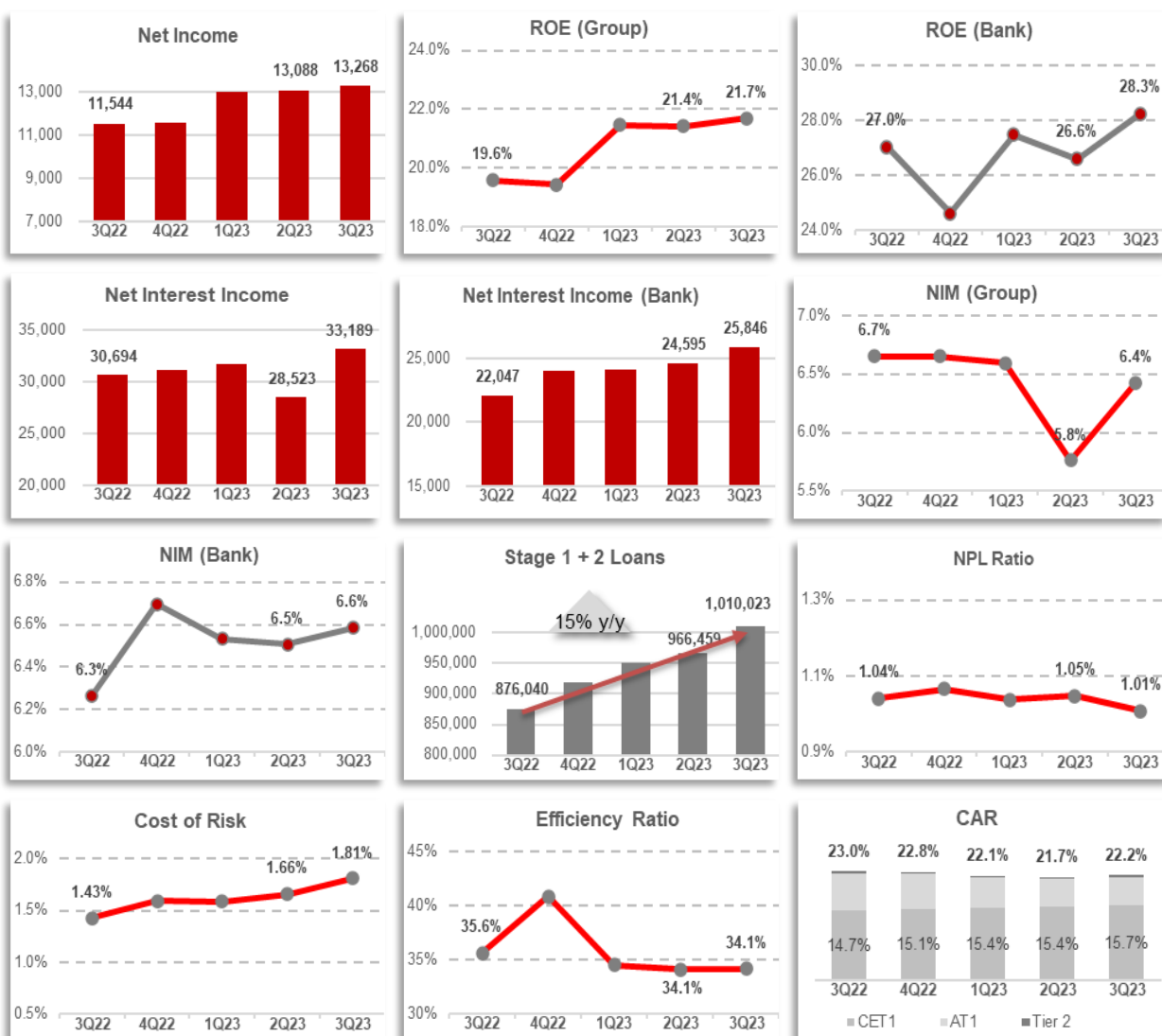


FTSE4Good



I. Executive Summary

- **GFNorte ended the quarter with solid earnings generation and sound profitability metrics. In the cumulative comparison 9M23 vs. 9M22, Net Income increased +16%, and ROE of the Group +249bps, to 21.5%.**
- **Stage 1 and 2 credit portfolios surpassed the trillion pesos, expanding +15% annually. Consumer went up +17%, auto +35%, credit card +19%, payroll 16%, and mortgage +14%. The commercial portfolio grew +20%.**
- **Cost of Risk at 1.8% and NPL Ratio at 1.0%, stable evolution, in line with loan expansion and mix.**
- **Efficiency Ratio at 34.1% as of 3Q23, improving (148bps) YoY, driven by sound revenues and expense efficiency.**
- **Solid capitalization and solvency levels; CAR 22.15%, CET1 15.68%, and average LCR 175.26%.**



GFNorte reports Net Income of Ps 13.27 billion in the third quarter of 2023, 15% higher vs. 3Q22

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

Grupo Financiero Banorte, S.A.B. de C.V. reported results for the period ended on September 30th, 2023.

During 3Q23, GFNorte's loan book surpassed one trillion pesos, supported by sound private consumption, the implementation of personalized commercial strategies, as well as the materialization of initial opportunities related to nearshoring in the commercial and corporate portfolios. The expansion of the loan book has been equally supported by stability on quality and risk metrics, aligned with the growth and mix of the portfolio.

GFNorte continues with an active asset & liability management, which has allowed it to capitalize on the current rate environment, as structural sensitivity is gradually reduced, in anticipation of the upcoming expansive monetary policy cycle. Solid revenues and operating expenses optimization have sustained the group's profitability in the first nine months of the year.

At the end of 3Q23, GFNorte reported net income of Ps 13.27 billion, 15% above 3Q22, with the following results and indicators:

- **Net interest income** (NII) expanded **16% sequentially** and **8% vs. 3Q22**, in line with loan expansion, the benefit of the current reference rate, and the normalization of inflation-indexed securities (UDIS) in the annuities business. **NIM of the Group stood at 6.4% in 3Q23**, 66bps higher vs. 2Q23.
- **NIM of the Bank** increased 8bps sequentially, to **6.6%**, reflecting greater loan origination, slightly pressured by the increase of interest-bearing liabilities, yet with no material impact on the funding mix. **Compared to 3Q22, NIM increased 32bps**, in line with loan origination and mix, as well as the effect of rate hikes. In the last 12 months, Banxico increased the reference rate 200bps, reaching 11.25%.
- **Non-interest income decreased (87%) vs. 2Q23**, mainly due to the normalization of the technical results in the annuities and insurance businesses. The variation was mainly due to i) seasonality in insurance renewals, along with the effect of a delayed premium registration during the second quarter; and ii) higher technical reserves vs. 2Q23 in the annuities business, due to a normalized valuation of inflation-indexed securities.
- **Provisions rose 12%** sequentially and 44% YoY, in line with volume and loan origination mix. **Cost of risk reached 1.8%**, still below average historic levels.
- **Non-interest expenses** grew 2% sequentially and 11% vs. 3Q22, driven by an efficient expense control throughout the year as well as by the effect of the deferred launch of the digital bank. **Efficiency ratio stood at 34.1%**, still in record low levels.
- **ROE** stood at **21.7%**, increasing 26bps sequentially and **210bps compared to 3Q22**, reflecting the sound profitability and internal capital generation. **ROA** reached **2.4%**, (6bps) lower vs. 2Q23, in line with a greater loan book and the incorporation of earnings and assets of the non-banking subsidiaries. **Compared to 3Q22, it increased 9bps. ROE for the Bank stood at 28.3%**, up 166bps vs. 2Q23 and 123bps vs. 3Q22, driven by the dynamism of credit activity and the rate environment.
- **Nine-month net income totaled Ps 39.38 billion**, 16% above 9M22. **Net interest income rose 10%** in the annual comparison, and **NIM reached 6.2%**, 3bps above 9M22, driven by greater volume in credit origination, loan mix optimization, the effects of a higher rate in both, assets & liabilities, and the inflation effect over the annuities business. Non-interest income totaled Ps 5.75 billion, while expenses grew 11% vs. 9M22, to reach an efficiency ratio of 34.2%, improving (186bps) in the cumulative variation.
- **Subsidiaries** positively contributed to the performance of the business and supported the revenue diversification of the Group. In 9M23, net income of the bank grew 22%, insurance 16%, and Afore 84%, gradually recovering from the negative effect of the regulatory cap in fees at the beginning of 2022.
- **Loan book stages 1 and 2 surpassed one trillion pesos, increasing 5% sequentially.** In the quarter, consumer loans continued to be the main growth driver: mortgage 3%, credit card 5%, auto 6%, and payroll 3%; the expansion on consumer has been mainly benefited by the strength of both, domestic demand and labor market. Corporate and commercial portfolios reported a good sequential expansion of 7% and 5%, respectively, in line with the financing needs related to nearshoring, to further expand infrastructure capacities in the North and Center regions of the country. The government portfolio increased 4%, mainly derived from a base effect in 2Q23.
- **In the year, loan book stages 1 and 2 increased 15%**, driven by double digit expansion in most portfolios. The YoY performance was supported by 17% growth in consumer, 20% commercial, and 17% in corporate. Within the consumer

portfolio, there was double-digit expansion across all products; the mortgage portfolio increased its balance by Ps 30.83 billion.

- **The overall quality of the loan portfolio remains stable.** NPL ratio ended at 1.0%, with slight sequential and YoY improvements despite portfolio growth. During the quarter, risk profiles and mitigation strategies have been adjusted across different portfolios, to continue with our focus on asset quality control. **Cost of risk stable at 1.8%**, increasing 15bps vs. 2Q23 and 38bps vs. 3Q22, aligned with higher provisions given the loan origination mix. **Coverage ratio stood at 187.9%**, from 188.5% a year ago.
- **Core deposits increased 6% sequentially**, with demand deposits increasing 5%, while time deposits grew 8%. **For the 9M accumulated result, core deposits rose 16%** or Ps 128.59 billion higher, driven by a 40% expansion of interest-bearing demand deposits and 20% time deposits, in line with current market conditions. Despite higher interest-bearing liabilities, funding mix remains structurally stable, with 72% demand deposits and 28% time deposits.
- **Capital strength, as well as liquidity management** are still top priorities for the Financial Group. The **bank's total Capital Adequacy Ratio (CAR)** reached **22.15%**, and **Core Equity Tier 1 (CET1)** reached **15.68%**, 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 **175.26%**, while the **Leverage Ratio** at **11.76%**.

GFNorte-Consolidated Statement of Comprehensive Income Highlights (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Interest Income (1)(5)	72,244	91,542	99,529	9%	38%	187,856	278,294	48%
Interest Expense	41,550	63,019	66,340	5%	60%	102,921	184,851	80%
Net Interest Income	30,694	28,523	33,189	16%	8%	84,934	93,443	10%
Net Service Fees (3)(5)	3,864	4,187	4,094	(2%)	6%	11,586	12,489	8%
Premium Income Ins. & Annu. (Net)	9,361	12,409	10,587	(15%)	13%	34,084	36,991	9%
Technical Reserves Ins. & Annu.	6,983	4,407	6,749	53%	(3%)	24,367	20,757	(15%)
Cost of Acquisition from Insurance	300	180	174	(3%)	(42%)	1,076	1,295	20%
Net Cost of Claims and Other Obligations	6,516	7,649	7,489	(2%)	15%	19,905	21,713	9%
Trading (1)(4)	774	1,172	1,061	(10%)	37%	2,999	2,644	(12%)
Other Operating Income (Expenses) (2)(4)	(1,690)	(993)	(717)	28%	58%	(3,450)	(2,606)	24%
Non Interest Income	(1,490)	4,540	613	(87%)	141%	(129)	5,754	N.A.
Total Income	29,205	33,063	33,802	2%	16%	84,806	99,197	17%
Non Interest Expense (2)(3)	10,400	11,281	11,538	2%	11%	30,617	33,967	11%
Provisions	3,148	4,038	4,541	12%	44%	8,249	12,351	50%
Operating Income	15,657	17,744	17,723	(0%)	13%	45,939	52,879	15%
Taxes	4,187	4,828	4,518	(6%)	8%	12,221	13,888	14%
Subsidiaries' Net Income	233	358	259	(28%)	11%	558	950	70%
Minority Interest	159	187	195	5%	23%	460	567	23%
Net Income	11,544	13,088	13,268	1%	15%	33,816	39,375	16%
Other Comprehensive Income	158	400	(2,033)	(608%)	(1391%)	(3,983)	(461)	88%

1. In 3Q22, the valuation of financial instruments of "Insurance and Annuities" was reclassified from the "Interest Income" line, into the "Trading Income" line.

2. In accordance with CNBV's D-2 criteria, as of 4Q22, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 figures shown in this report were reclassified.

3. As of 1Q23, card operating expenses are recorded in "Interchange Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses). For comparison purposes, figures shown in this report for 2022 were reclassified.

4. As of 1Q23, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income). For comparison purposes, 2022 figures shown in this report for were reclassified.

5. In 3Q23, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

I. Executive Summary

GFNorte-Consolidated Statement of Financial Position Highlights (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Asset Under Management	3,409,931	3,764,002	3,853,637	2%	13%
Stage 1 Loans	866,330	959,179	999,902	4%	15%
Stage 2 Loans	9,710	7,281	10,121	39%	4%
Stage 1 & 2 Loans (a)	876,040	966,459	1,010,023	4.5%	15%
Stage 3 Loans (b)	9,259	10,299	10,342	0%	12%
Deferred Items (c)	1,560	2,240	2,273	1%	46%
Loan Portfolio from Insur. Subs.(d)	3,123	3,322	3,433	3%	10%
Total Loans (a+b+c+d)	889,982	982,320	1,026,072	4%	15%
Preventive Loan Loss Reserves	17,451	18,759	19,431	4%	11%
Total Loans Net	872,530	963,561	1,006,641	4%	15%
Total Assets	2,033,008	2,191,378	2,298,368	5%	13%
Total Deposits	872,912	976,796	1,036,961	6%	19%
Total Liabilities	1,789,097	1,948,764	2,045,100	5%	14%
Equity	243,911	242,614	253,267	4%	4%

Financial Ratios GFNorte	3Q22	2Q23	3Q23	9M22	9M23
Profitability:					
NIM (1)	6.7%	5.8%	6.4%	6.2%	6.2%
ROE (2)	19.6%	21.4%	21.7%	19.0%	21.5%
ROA (3)	2.3%	2.4%	2.4%	2.3%	2.4%
Operation:					
Efficiency Ratio - Cost to Income (4)	35.6%	34.1%	34.1%	36.1%	34.2%
Operating Efficiency Ratio - Cost to Assets (5)	2.0%	2.1%	2.1%	2.0%	2.1%
LCR Banorte and SOFOM - Basel III (6)	160.4%	169.8%	175.3%	160.4%	175.3%
Asset Quality:					
Non-Performing Loan Ratio	1.0%	1.0%	1.0%	1.0%	1.0%
Coverage Ratio	188.5%	182.2%	187.9%	188.5%	187.9%
Cost of Risk (7)	1.4%	1.66%	1.81%	1.3%	1.69%
Market References					
Banxico Reference Rate	9.25%	11.25%	11.25%	9.25%	11.25%
TIE 28 days (Average)	8.46%	11.52%	11.50%	7.17%	11.36%
Exchange Rate Peso/Dollar (8)	20.09	17.14	17.41	20.05	17.78

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 LCR 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)

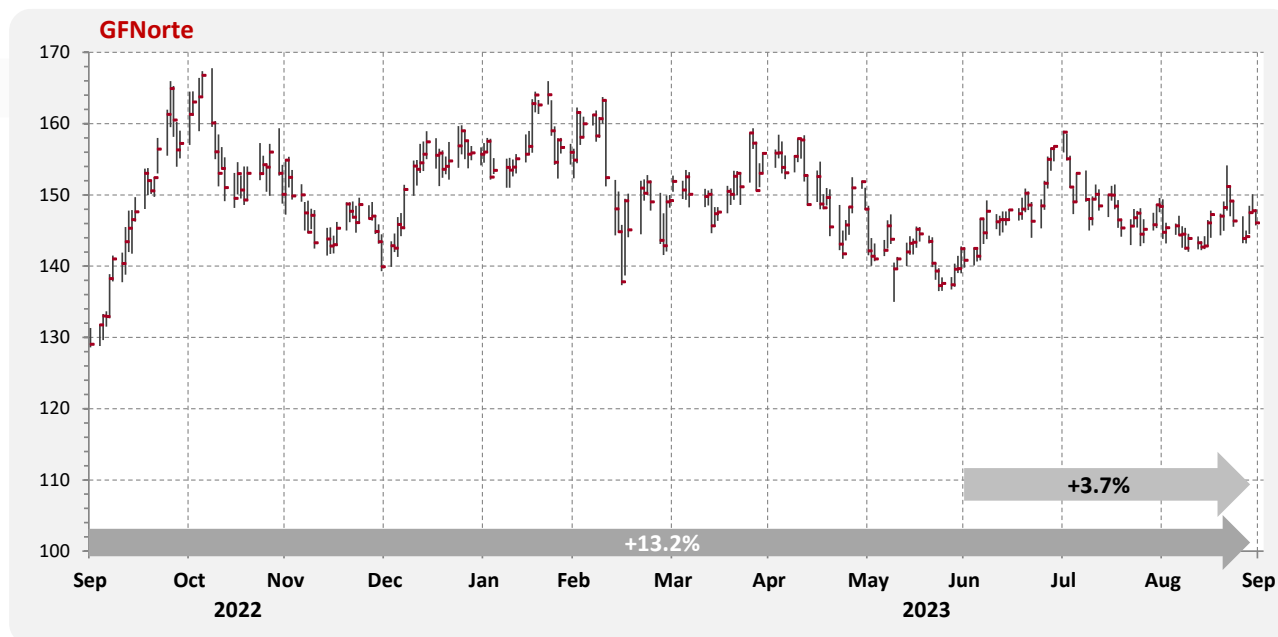
See Page. 29 to 31 of the [Risk Management Report](#)

I. Executive Summary

Subsidiaries Net Income (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Banco Mercantil del Norte	8,758	10,184	10,828	6%	24%	25,469	31,143	22%
Casa de Bolsa Banorte	179	142	61	(57%)	(66%)	1,210	210	(83%)
Operadora de Fondos Banorte	83	97	94	(3%)	13%	266	273	2%
Afore XXI Banorte	178	295	207	(30%)	16%	432	795	84%
Seguros Banorte	889	1,221	824	(32%)	(7%)	2,973	3,434	16%
Pensiones Banorte	876	489	652	33%	(26%)	1,908	1,726	(10%)
BAP (Holding)	(1)	20	2	(93%)	320%	(4)	49	1410%
Leasing and Factoring	38	132	301	129%	686%	370	513	39%
Warehousing	11	14	15	6%	37%	23	41	73%
Other Finance Companies	65	156	331	112%	408%	437	597	36%
G. F. Banorte (Holding)	516	484	270	(44%)	(48%)	1,124	1,148	2%
Total Net Income	11,544	13,088	13,268	1%	15%	33,816	39,375	16%

Share Data	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Earnings per share (Pesos)	4.004	4.539	4.602	1%	15%	11.728	13.655	16%
Earnings per share Basic (Pesos)	4.048	4.574	4.637	1%	15%	11.850	13.761	16%
Dividend per Share for the period (Pesos)	0.00	7.87	0.00	(100%)	N.A.	6.08	7.87	30%
Payout for the period	0.0%	50.0%	0.0%	(100%)	N.A.	50.0%	50.0%	0%
Book Value per Share (Pesos)	83.61	83.03	86.73	4%	4%	83.61	86.73	4%
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)	129.01	140.82	146.07	4%	13%	129.01	146.07	13%
P/BV (Times)	1.54	1.70	1.68	(1%)	9%	1.54	1.68	9%
Market Capitalization (Million Dollars)	18,514	23,696	24,188	2%	31%	18,514	24,188	31%
Market Capitalization (Million Pesos)	371,995	406,048	421,187	4%	13%	371,995	421,187	13%

Share performance



II. Management's Discussion & Analysis

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)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			9M22
Interest Income (4)	72,244	91,542	99,529	9%	38%	187,856	278,294	48%
Interest Expense	41,550	63,019	66,340	5%	60%	102,921	184,851	80%
GFNORTE's NII	30,694	28,523	33,189	16%	8%	84,934	93,443	10%
Credit Provisions	3,148	4,038	4,541	12%	44%	8,249	12,351	50%
NII Adjusted for Credit Risk	27,546	24,485	28,648	17%	4%	76,685	81,092	6%
Average Earning Assets	1,845,670	1,980,563	2,066,338	4%	12%	1,823,687	1,995,490	9%
Net Interest Margin (1)	6.7%	5.8%	6.4%			6.2%	6.2%	
NIM after Provisions (2)	6.0%	4.9%	5.5%			5.6%	5.4%	
NIM w/o Insurance & Annuities	5.8%	6.0%	6.0%			5.5%	6.0%	
NIM from loan portfolio (3)	8.5%	8.8%	8.4%			8.2%	8.7%	

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 Stages 1 and 2 Loans

4. In 3Q23, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

NII was 16% higher sequentially, mainly driven by the quarterly expansion in loan origination volume, greater interest income from repos, and a normalized valuation of inflation-indexed securities (UDIS) in the annuities business. Interest expenses grew 5%; in the quarter, as there is still a migration towards interest-bearing deposits, in line with current market conditions. **NIM was up 66bps vs. 2Q23, to 6.4%**, given the positive inflation valuation effect in the annuities business, and higher credit activity. **NIM of the loan portfolio stood at 8.4%.**

With accumulated figures, net interest income rose 10%. The result was driven by a 21% expansion in the NII of the loan book, given greater loan origination volume and mix, together with the 200bps adjustment in the reference rate in the last 12 months, despite lower contribution in valorization of inflation-indexed securities of the annuities business, from lower inflation in the period. Interest expenses went up 80%, aligned with the reference rate's adjustments; despite the increase in funding costs, deposits' mix has remained relatively stable, with 72% demand and 28% time. **NIM stood at 6.2%**, a slight 3bps increase vs. 9M22, displaying an improving mix of the loan portfolio and the benefit of the rate hikes, which offset higher average earning assets and the effect of inflation in the annuities business. **NIM of the loan book increased 48bps, reaching 8.7%.**

For more detail on Margin Sensitivity (Bank):

- 1) Refer to page 36 and 37 of the [Risk Management Report](#)

Loan Loss Provisions

Credit Provisions (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			9M22
Commercial, Corporate & Government	469	247	328	32%	(30%)	1,093	1,072	(2%)
Consumer	3,345	4,057	4,676	15%	40%	9,170	12,399	35%
Charge offs and discounts	(667)	(267)	(463)	(74%)	31%	(2,014)	(1,121)	44%
Credit Provisions	3,148	4,038	4,541	12%	44%	8,249	12,351	50%

In the quarter, credit provisions increased Ps 503 million, or 12%, given higher requirements on origination volume and mix, mainly in the consumer, commercial, and government books. Out of the Ps 4.54 billion provisions recorded in the quarter, 31% correspond to new loan origination and the remaining to risk and portfolio variations.

Regarding the additional reserves created in 2020 to face the COVID-19 pandemic, during the first 9 months of the year, Ps 320 million of additional reserves were used vs. Ps 762 million in 9M22. The balance at the end of 3Q23 was Ps 380 million.

Nine-month provisions were Ps 4.10 billion or 50% higher vs. 9M22, related to the dynamism and nature of the consumer portfolio, especially in payroll and credit card.

Cost of risk stood at 1.8% at the end of 3Q23, 15bps higher vs. 2Q23, and 38bps in the annual comparison, aligned with the volume and mix of loan origination, with a strategic focus on consumer.

For more detail on Internal Credit Risk Models:

1) Pages 18 to 23 of the [Risk Management Report](#)

Non-Interest Income

Non-Interest Income (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Net Service Fees (1)(5)	3,864	4,187	4,094	(2%)	6%	11,586	12,489	8%
Premium Income Ins. & Annu. (Net)	9,361	12,409	10,587	(15%)	13%	34,084	36,991	9%
Technical Reserves Ins. & Annu.	6,983	4,407	6,749	53%	(3%)	24,367	20,757	(15%)
Cost of Acquisition from Insurance Operations	300	180	174	(3%)	(42%)	1,076	1,295	20%
Net Cost of Claims and Other Obligations	6,516	7,649	7,489	(2%)	15%	19,905	21,713	9%
Trading (2)(4)	774	1,172	1,061	(10%)	37%	2,999	2,644	(12%)
Other Operating Income (Expenses) (3)(4)	(1,690)	(993)	(717)	28%	58%	(3,450)	(2,606)	24%
Non-Interest Income	(1,490)	4,540	613	(87%)	141%	(129)	5,754	N.A.

1. As of 1Q23, card operating expenses are recorded in "Interchange Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses). For comparison purposes, figures shown in this report for 2022 were reclassified.

2. In 3Q22, the valuation of financial instruments of "Insurance and Annuities" was reclassified from the "Interest Income" line, into the "Trading Income" line.

3. In accordance with CNBV's D-2 criteria, as of 4Q22, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 figures shown in this report were reclassified.

4. As of 1Q23, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income). For comparison purposes, figures shown in this report for 2022 were reclassified.

5. In 3Q23, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

Non-interest income fell (87%) sequentially, mainly due to the lower technical result of the insurance and annuities businesses, caused by i) higher technical reserves in annuities; ii) lower seasonal insurance premiums; and iii) the effect of the delayed insurance premium registration of the second quarter. In the nine-month comparison, the positive result was driven by a 40% improvement in the insurance and annuities' technical result, higher net service fees, and lower operating expenses.

Premium income from insurance and annuities fell (15%) sequentially, mainly driven by the quarter's seasonality, as well as the benefit of the delayed registration of an insurance policy in the second quarter. Technical reserves grew 53% or Ps 2.34 billion, out of which, Ps 4.07 billion correspond to annuities, related to an update in inflation reserves, in addition to higher premiums issued; whereas (Ps 1.73 billion) are related to the insurance business, affected by the seasonality in premium issuance and accruals. Cost of acquisition dropped sequentially, aligned with the same seasonality effect. On the other hand, claims fell (2%) versus 2Q23, mainly due to the life portfolio.

In the cumulative comparison, premium income from insurance and annuities rose 9%, driven by insurance business generation, mainly in the life and auto portfolios, while technical reserves fell (15%), given lower inflation in the period and its effect on the annuities business. Acquisition costs increased 20%, in line with business growth. Claims were 9% higher due to the portfolio mix.

Service Fees

Service Fees (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Fund Transfers	527	505	484	(4%)	(8%)	1,513	1,476	(2%)
Account Management Fees	483	489	483	(1%)	0%	1,455	1,437	(1%)
Electronic Banking Services	4,280	4,416	4,432	0%	4%	12,267	13,110	7%
Basic Banking Services Fees	5,290	5,410	5,399	(0%)	2%	15,235	16,023	5%
For Commercial and Government Loans	393	456	519	14%	32%	1,231	1,548	26%
Consumer Loan Fees	1,617	1,838	1,928	5%	19%	4,533	5,516	22%
Fiduciary & Mortgage Appraisals	123	147	119	(19%)	(3%)	385	398	3%
Mutual Funds	535	615	630	2%	18%	1,558	1,823	17%
Trading & Financial Advisory Fees	135	97	110	13%	(19%)	438	304	(31%)
Other Fees Charged (1)(4)	39	62	(172)	(379%)	(537%)	192	(81)	(142%)
Fees Charged on Services	8,132	8,625	8,533	(1%)	5%	23,573	25,530	8%
Interchange Fees (2)(3)	2,995	3,061	3,033	(1%)	1%	8,544	8,937	5%
Other Fees Paid (2)	1,272	1,378	1,406	2%	10%	3,443	4,104	19%
Fees Paid on Services	4,268	4,439	4,438	(0%)	4%	11,987	13,041	9%
Net Service Fees	3,864	4,187	4,094	(2%)	6%	11,586	12,489	8%

1. Includes fees from transactions with annuities funds, warehousing services, financial advisory services, and securities trading, among others.
2. As of 4Q22, a provision account for Interchange Fees is reclassified from "Other Fees Paid" to "Interchange Fees". For comparison purposes, 2022 figures shown in this report were reclassified.
3. As of 1Q23, card operating expenses are recorded in "Interchange Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses). For comparison purposes, figures shown in this report for 2022 were reclassified.
4. In 3Q23, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

Fees charged on services declined (1%) sequentially, mainly given the reclassification to the margin of (Ps 158 million) interest income from derivatives' collateral, and lower trust fund activity in the quarter. **In 9M23, charged fees rose 8%**, due to the solid growth in electronic banking services, higher advisory and structuring fees in the commercial and government portfolios, as well as higher transactional activity in consumer products, displaying strong private consumption.

On the other hand, **fees paid remained stable in the quarter**, with a slight drop in interchange fees, given the seasonally high credit card transaction volumes, mostly associated with the "Hot Sale" event in May. **Compared to 9M22, fees grew 9%**, driven by higher loan origination fees through the external sales force, an increase in trading services, and higher interchange fees.

Altogether, **net service fees fell (2%) sequentially and grew 8% in 9M23, at the Group level. At a Bank level, net fees grew 17% vs. 9M22.**

Trading

Trading Income (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Currency and Metals	(146)	(2,494)	1,085	143%	840%	(339)	(4,651)	(1271%)
Derivatives	(399)	1,345	(3,064)	(328%)	(669%)	1,379	516	(63%)
Negotiable Instruments (1)	(66)	284	341	20%	619%	(612)	751	223%
Valuation	(611)	(865)	(1,639)	(89%)	(168%)	429	(3,385)	(890%)
Currency and Metals	1,218	1,216	2,695	122%	121%	3,289	5,276	60%
Derivatives	115	446	(16)	(104%)	(114%)	(820)	334	141%
Negotiable Instruments	48	255	10	(96%)	(79%)	208	290	39%
Trading	1,380	1,917	2,689	40%	95%	2,677	5,900	120%
Other financial results(2)	4	120	10	(92%)	134%	(107)	129	220%
Trading Income (1)	774	1,172	1,061	(10%)	37%	2,999	2,644	(12%)

1. In 3Q22, the valuation of financial instruments of "Insurance and Annuities" was reclassified from the "Interest Income" line, into the "Trading Income" line.
2. As of 1Q23, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income). For comparison purposes, figures shown in this report for 2022 were reclassified.

Trading income fell (10%) compared to 2Q23, mainly related with lower valuation of variable rate swaps, as the MXN curve increased. Trading operations were 40% higher given the early cancellation of cross-currency swaps, thus improving currency & metals operations. Other financial results declined sequentially.

In the nine-month comparison, trading income declined (12%), mainly due to the valuation effect in currencies & metals resulting from FX volatility during the first half of the year, mostly in the U.S. dollar and commodities. Trading operations grew 120%, driven by derivatives and currency & metals operations from spot market operations due to currency volatility.

Other Operating Income (Expenses)

Other Operating Income (Expenses) (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Contributions to IPAB	(985)	(1,042)	(1,108)	6%	12%	(2,874)	(3,152)	10%
Expenses Incurred in the Recovery of Credit Portfolio (1)	(350)	(363)	(349)	(4%)	(0%)	(1,011)	(1,086)	7%
Result for Foreclosed Assets	107	155	247	59%	131%	443	542	23%
Lease Income	88	93	106	15%	21%	236	258	9%
From Insurance & Annuities	(360)	96	165	72%	146%	107	378	253%
Others (2)	(189)	68	221	223%	217%	(350)	453	229%
Other Operating Income (Expenses)	(1,690)	(993)	(717)	28%	58%	(3,450)	(2,606)	24%

1. In accordance with CNBV's D-2 criteria, as of 4Q22, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 figures shown in this report were reclassified.

2. As of 1Q23, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income). For comparison purposes, figures shown in this report for 2022 were reclassified.

Other operating income (expense) increased 28% sequentially, due to higher income from trust investment, recorded in "Others" item, and greater sales of loan portfolios, recorded in "foreclosed assets".

In the cumulative comparison, it was 24% higher given the recording of extraordinary expenses and fiscal provisions in the BAP sector, during the first and third quarters of 2022, respectively.

Non-Interest Expense

Non-Interest Expense (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Personnel	4,510	5,032	5,181	3%	15%	13,104	15,162	16%
Professional Fees	929	945	803	(15%)	(14%)	2,641	2,662	1%
Administrative and Promotional (1)(2)	1,413	1,323	1,473	11%	4%	3,804	4,179	10%
Rents, Depreciation & Amortization	2,336	2,605	2,819	8%	21%	7,171	7,779	8%
Other Taxes	613	607	654	8%	7%	1,647	1,960	19%
Employee Profit Sharing (PTU)	394	419	290	(31%)	(26%)	1,165	1,127	(3%)
Other expenses	205	351	317	(10%)	55%	1,086	1,097	1%
Non-Interest Expense	10,400	11,281	11,538	2%	11%	30,617	33,967	11%

1. In accordance with CNBV's D-2 criteria, as of 4Q22 expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 figures shown in this report were reclassified.

2. As of 1Q23, card operating expenses are recorded in "Interchange Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses). For comparison purposes, figures shown in this report for 2022 were reclassified.

Non-interest expenses grew 2% sequentially, driven by higher amortization of IT-related projects and assets, as well as by inflationary adjustments in wages.

Compared to 9M22, non-interest expenses went up 11%, on higher personnel expenses derived from the strengthening of the commercial structure, inflationary adjustments on wages, and the investment in the alternate IT shop, to increase redundancy and stability of the systems. Expenses related to the digital bank will be deferred until it has been launched.

The **efficiency ratio stood at 34.2% in 9M23**, improving (186bps) vs. 9M22. Sound revenue generation has enabled us to make important investments in IT and personnel, which strengthen the group's capabilities to face future business opportunities, while ensuring operational continuity.

Net Income

Net Income (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			9M22
Operating Income	15,657	17,744	17,723	(0%)	13%	45,939	52,879	15%
Subsidiaries' Net Income	233	358	259	(28%)	11%	558	950	70%
Pre-Tax Income	15,890	18,102	17,982	(1%)	13%	46,497	53,830	16%
Taxes	4,187	4,828	4,518	(6%)	8%	12,221	13,888	14%
Net income from continuing operations	11,703	13,275	13,464	1%	15%	34,276	39,942	17%
Minority Interest	159	187	195	5%	23%	460	567	23%
Net Income	11,544	13,088	13,268	1%	15%	33,816	39,375	16%
Valuation Adjustments for Fair Value through other	(1,099)	141	(1,115)	(892%)	(1%)	(5,433)	(501)	91%
Cash Flow Hedges Valuation	1,101	312	(1,115)	(457%)	(201%)	1,042	(29)	(103%)
Remeasurement on defined employee benefits	9	22	22	0%	141%	56	65	17%
Cumulative foreign currency translation adjustment	(5)	(67)	24	135%	564%	(38)	(155)	(311%)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	152	(7)	152	2293%	0%	390	159	(59%)
Other Comprehensive Income	158	400	(2,033)	(608%)	(1391%)	(3,983)	(461)	88%
Comprehensive Income	11,861	13,675	11,431	(16%)	(4%)	30,293	39,481	30%

Operating income remained stable in the quarter and expanded 13% YoY, driven by core banking services, higher fees, and a better insurance and annuities technical results, which offset expense growth and higher provisions, in line with the volume and mix of loan origination. **Net income reached Ps 13.27 billion**, expanding 1% sequentially and 15% annually.

Nine-month net operating income grew 15%, with good business dynamics in the group's main subsidiaries. **Net income reached Ps 39.38 billion** in 9M23, 16% higher vs. the same period of 2022.

The effective tax rate was **25.5%** at the end of 3Q23.

Earnings per share for the quarter were **Ps 4.602**.

Profitability

	3Q22	2Q23	3Q23	9M22	9M23
ROE	19.6%	21.4%	21.7%	19.0%	21.5%
Intangibles	17,994	17,833	17,663	17,994	17,663
Goodwill	26,724	26,691	26,697	26,724	26,697
Average Tangible Equity	181,192	189,291	191,797	181,192	191,797
ROTE	25.9%	27.0%	27.4%	24.9%	27.4%

During the quarter, **ROE** increased 26bps to **21.7%**, whereas in the accumulated comparison it **increased 249bps**, reflecting the strength of the group's businesses.

ROTE grew 40bps in the quarter, to **27.4%**, while in the accumulated comparison, it grew 249bp.

	3Q22	2Q23	3Q23	9M22	9M23
ROA	2.3%	2.4%	2.4%	2.3%	2.4%
Average Risk Weighted Assets (billion pesos)	835	874	895	835	895
RRWA	5.1%	5.6%	5.7%	5.1%	5.7%

ROA stood at 2.4% in 3Q23, a sequential reduction of (6bps) due to higher assets, aligned with the portfolio expansion, which grew at a higher rate than earnings, as non-bank subsidiaries are included. In 9M23 the ratio grew 17bps vs. 9M22.

Deposits

Deposits (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Non-Interest Bearing Demand Deposits	384,794	384,331	385,392	0%	0%
Interest Bearing Demand Deposits	212,275	264,693	296,371	12%	40%
Global Account of deposits without movements	3,362	3,321	3,461	4%	3%
Total Demand Deposits	600,431	652,344	685,224	5%	14%
Time Deposits – Retail	217,770	242,682	261,566	8%	20%
Core Deposits	818,201	895,026	946,790	6%	16%
Money Market and Credit Notes Issued	60,729	87,399	96,256	10%	58%
Total Bank Deposits	878,930	982,425	1,043,046	6%	19%
GFNorte's Total Deposits	872,912	976,796	1,036,961	6%	19%
Third Party Deposits	258,721	231,090	273,431	18%	6%
Total Assets Under Management	1,137,651	1,213,515	1,316,477	8%	16%

Core deposits rose 6% in the quarter, mainly due to higher interest-bearing demand deposits. **Compared to 3Q22, core deposits went up 16%**, with time deposits accelerating growth, in line with current market conditions. At an institutional level, we maintain the focus in low-cost funding. The funding mix has remained relatively stable, despite the current interest rate conditions and the accelerated loan portfolio expansion. Average reference rate TIE28d increased 304bps in the last twelve months.

Money market operations and credit notes issued rose 10% in the quarter and 58% YoY. Overall, **total bank deposits** grew 6% QoQ and 19% YoY.

Stage 1 and 2 loans

Stage 1 and 2 Loans (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Stage 1 and 2 loans					
Mortgages	218,039	241,444	248,864	3%	14%
Auto Loans	30,018	38,362	40,610	6%	35%
Credit Card	43,145	48,974	51,448	5%	19%
Payroll	64,970	73,422	75,565	3%	16%
Consumer	356,172	402,201	416,487	4%	17%
Commercial	212,036	242,282	253,590	5%	20%
Corporate	144,045	157,298	168,308	7%	17%
Government	163,788	164,678	171,638	4%	5%
Stage 1 and 2 loans	876,040	966,459	1,010,023	5%	15%

Further detail on Stage 1 and 2 loans and Stage 3 loans in the [Risk Management Report](#)

- 1) displayed by Sector and Subsidiary, page 11
- 2) displayed by Federal Entities and Subsidiary, page 12
- 3) displayed by Remaining Term, page 12

During the quarter, **stage 1 and 2 loans, surpassed one trillion pesos**. Consumer loans rose 4%, **benefited by expansion across the board**: mortgages 3%, payroll 3%, and credit cards 5%; auto loans showed strong 6% increase, boosted by the dynamic activity in the sector, as well as by greater loan origination through different commercial partnerships. Commercial and corporate loans increased 5% and 7%, respectively, driven by the strong credit demand from companies that have been preparing to capitalize on the growing nearshoring opportunities. Finally, the government portfolio increased 4%.

In the year, the **consumer portfolio expanded 17%**, driven by a 14% rise in mortgages, with an average monthly increase of over Ps 2.5 billion in high-value customers; payroll and credit cards grew 16% and 19%, respectively, and auto loans rose 35%. The commercial portfolio expanded 20%, reflecting dynamism in economic activity and the strategic focus on growing and monetizing relationships with SMEs, through various efforts, including enhancing digital offerings to enable organized growth in this segment. On the other hand, the government portfolio expanded 5%.

Within the commercial portfolio, **SMEs stage 1 and 2 loans**, were 5% higher sequentially and 23% YoY. Its NPL ratio slightly deteriorated 1bps in the quarter and improved (33bps) in the year, ending at 1.04%, in line with the appropriate risk profiles for operations in this segment and the expansion in origination volume.

SME's Loans (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Stage 1 and 2 loans	39,682	46,241	48,777	5%	23%
% of Commercial Portfolio, stage 1 and 2 loans	18.7%	19.1%	19.2%	15 bps	52 bps
% of Total Portfolio, stage 1 and 2 loans	4.5%	4.8%	4.8%	4 bps	30 bps
NPL Ratio	1.36%	1.02%	1.04%	1 bps	(33 bps)

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 11.2% of the group's stages 1 and 2 loans, with the largest corporate exposure representing 1.3%, whereas number 20 represented 0.3%. 19 out of the 20 corporates have an A1 credit rating.

The **government book, stages 1 and 2, totaled Ps 171.6 billion, higher 4% QoQ and 5% YoY**. GFNorte's government portfolio is well diversified by region, showing an adequate risk profile, given that 34.6% of the portfolio is Federal Government exposure and 89.3% of municipal and state government loans are backed by fiduciary guarantees.

Market share position (using CNBV figures as of August 2023):

The system's stages 1 and 2 loans expanded 10.6% YoY; **Banorte rose 13.9%, reaching a 15.1%** market share, 44bps higher in the year.

- **Mortgage Loans:** Banorte held a **19.6% market share**, increasing 83bps YoY, keeping the second place in the system.
- **Credit Card Loans:** Banorte decreased (38bps) **its market share** in the year, ending at **9.9%**.
- **Auto Loans:** In the year, Banorte regained 261bps market share to **22.3%**, still ranking second in the system.
- **Payroll Loans:** Banorte held a **20.9%** market share, increasing 5bps in the year, ranking second in the market.
- **Commercial Loans:** Market share totaled **12.3%**, (including corporate and SMEs according to the CNBV classification). Market share increased 67bps in the last 12 months and rose to the second place in the system.
- **Government Loans:** Banorte's market share decreased (88bps) to **26.0%**, ranking second in the banking system.

Stage 3 Loans

In the quarter, stage 3 loans increased Ps 44 million, impacting mainly credit card and commercial books, although it is worth mentioning that balance movements are related to the loan book's volume. However, the assessment and implementation of various programs continue to promote orderly portfolio growth. At an institutional level, Banorte is focused on growing with quality.

Stage 3 Loans (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Credit Cards	986	1,344	1,435	92	450
Payroll	1,868	2,400	2,461	61	593
Auto Loans	216	210	254	44	38
Mortgages	1,904	2,054	2,089	35	184
Commercial	3,774	3,839	3,914	75	140
Corporate	506	448	178	(270)	(328)
Government	4	4	11	7	7
Total	9,259	10,299	10,342	44	1,084

NPL ratio stood at 1.01%, still below historical average, driven by strict loan origination controls and strong prevention, mitigation, and collection management. During the quarter, the NPL ratio improved (4bps) QoQ and (3bps) YoY, still one of the healthiest in the system.

NPL Ratio	3Q22	4Q22	1Q23	2Q23	3Q23
Credit Cards	2.2%	2.4%	2.4%	2.7%	2.7%
Payroll	2.8%	3.2%	2.8%	3.2%	3.2%
Auto Loans	0.7%	0.6%	0.5%	0.5%	0.6%
Mortgages	0.9%	0.8%	0.8%	0.8%	0.8%
Commercial	1.7%	1.8%	1.8%	1.6%	1.5%
SMEs	1.4%	1.1%	1.0%	1.0%	1.0%
Rest of commercial	1.8%	1.9%	1.9%	1.7%	1.6%
Corporate	0.4%	0.3%	0.3%	0.3%	0.1%
Government	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.04%	1.07%	1.04%	1.05%	1.01%

Expected loss for Banco Mercantil del Norte, the group's largest subsidiary, was 1.9%, and the unexpected loss was 3.8%, with respect to the total portfolio as of 3Q23. In 2Q23, these ratios were 1.9% and 3.9%, respectively, and reached 1.9% and 4.1% twelve months ago.

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

Stage 3 Loan variations (Million Pesos)	
Balance as of June '23	10,299
Transfer from stage 1 + 2 Loans to stage 3	6,824
Portfolio Purchase	-
Renewals	(0)
Debt reversal	-
Cash Collections	(2,077)
Discounts	508
Charge Offs	(4,231)
Foreclosures	-
Transfer from stage 3 to stage 1 + 2 Loans	(1,000)
Loan Portfolio Sale	(10)
Foreign Exchange Adjustments	30
Fair Value Ixe	-
Balance as of September '23	10,342

Regarding risk ratings, 89% of the **total loan portfolio** was rated as Risk A, 7% as Risk B, and 4% as Risk C, D, and E altogether.

Risk Rating of Performing Loans as of 3Q23 - GFNorte (Million Pesos)								
CATEGORY	LOANS	LOAN LOSS RESERVES						
		COMMERCIAL				CONSUMER	MORTGAGES	TOTAL
		MIDDLE COMPANIES	MARKET ENTITIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	906,524		1,232	785	59	896	193	3,165
A2	43,988		246	13	14	386	38	697
B1	39,197		64	5	0	1,138	20	1,227
B2	22,392		94	0	14	826	31	965
B3	9,497		62	0	0	452	4	518
C1	16,103		294	-	0	647	206	1,148
C2	12,452		103	37	-	1,161	248	1,550
D	9,206		620	3	4	2,010	399	3,036
E	9,148		2,222	-	2	4,198	78	6,500
Total	1,068,508		4,938	844	93	11,715	1,218	18,807
Not Classified	(1,387)							
Cartera sector BAP	3,433							
Partidas diferidas	2,273							
Exempt	-							
Total	1,072,827		4,938	844	93	11,715	1,218	18,807
Reserves								19,431
Reservas Sector BAP								244
Preventive Reserves								380

Notes:

1. Figures for reserve creation and rating are as of September 30th, 2023.

2. 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, for the Mortgage portfolio as of July 2023 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.

3. 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 3Q23 **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)	3Q23
Previous Period Ending Balance	18,759
Provisions charged to results	5,247
Provisions charged to retained	0
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
<u>Charge offs and discounts:</u>	
Commercial Loans	(213)
Consumer Loans	(3,792)
Mortgage Loans	(573)
Foreclosed assets	0
	(4,578)
Cost of debtor support programs	(7)
Valorization and Others	10
Adjustments	0
Loan Loss Reserves at Period End	19,431

Loan Loss Reserves as of 3Q23 totaled **Ps 19.43 billion**, increasing 4% vs. 2Q23. **Charge-offs and discounts** rose 10% quarterly.

Loan loss reserve coverage ratio stood at **187.9%**, in the quarter, improving 572bps when compared to the 182.2% in 2Q23.

Equity

Shareholders' equity balance increased Ps 10.65 billion sequentially, reaching **Ps 253.27 billion**; the main changes in the quarterly comparison were: net income of Ps 13.27 billion, an increase of Ps 334 million from repurchase of the stock compensation plan, a reduction of (Ps 1.12 billion) on valuation of financial instruments to be received or sold, and a decline of (Ps 1.12 billion) from the valuation of cash flow hedging instruments.

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 AND ITS BOARD OF DIRECTORS, THE BEST IN LATIN AMERICA'S FINANCIAL SECTOR: INSTITUTIONAL INVESTOR.

On August 8th, Institutional Investor released its annual Latin America Executive Team ranking, considered the most important reference and point of trust for global investors. Grupo Financiero Banorte obtained the first position in all applicable categories in the ranking of financial companies in Latin America (excluding Brazil, according to the magazine's own methodology). In addition, GFNorte was recognized in the new category of Best Company Board of Directors in the financial sector in Latam. For the second consecutive year, Banorte is positioned among the Most Honored Companies in Mexico.

Ranking results are based on the opinion of 1,105 investment professionals from 508 financial services companies. During the survey, participants are asked to rate the Boards of Directors, CEOs, CFOs, and Investor Relations professionals, as well as the company's ESG strategy in their different universes of scope.

The 7 categories where GFNorte held the first position in the financial sector - Latam ex-Brazil ranking, were:

- Best CEO: Marcos Ramírez Miguel
- Best CFO: Rafael Arana de la Garza
- Best IRO: Tomás Lozano Derbez
- Best IR Team: GFNorte
- Best IR Program: GFNorte
- Best ESG: GFNorte
- Best Company Board of Directors: GFNorte

2. CONDUSEF AWARDS BANORTE THE INSIGNIA "COMMITMENT IN ATTENTION FOR THE ELDERLY".

On August 31st, Banorte signed the Protocol for Attention and Service to Senior Citizens, which commits the institution to continue strengthening its actions and service programs for this important segment of the population. Thus, Banorte was distinguished by CONDUSEF with the "Commitment in Attention to the Elderly" insignia, for its actions focused on solving and facilitating financial services for the elderly.

3. BANORTE WAS INCLUDED IN THE RANKING OF THE BEST COMPANIES IN THE WORLD, BY TIME AND THE STATISTA AGENCY.

On September 13th, Grupo Financiero Banorte was included in the ranking of the best companies in the world, prepared by Time and Statista. Banorte ranked 242nd out of 750 companies evaluated on a combination of variables such as revenue growth, employee satisfaction, and Environmental, Social, and Governance (ESG) data. Banorte shares this distinction with 10 other Mexican firms.

4. MENTA AND BANORTE PARTNER TO BOOST FINANCIAL INCLUSION FOR BUSINESSES IN MEXICO

On September 27th, Menta, a white label payment solutions technology company, and Grupo Financiero Banorte announced a commercial alliance to offer customized payment solutions to businesses and customers in Mexico. Through Menta's infrastructure and Banorte's experience, companies that provide products or services to merchants, such as banks, fintechs, technology platforms, mass consumption companies, and retailers, will be able to quickly and easily have their own payment solution to provide intelligent and customized terminals, adaptable to each merchant's needs.

This alliance reaffirms Banorte's commitment to boost financial inclusion in Mexico by promoting the acceptance of payment methods in stores.

5. BANORTE ADDS OXXO STORES TO ITS NETWORK OF COMMERCIAL PARTNERS

On October 16th, Banorte announced the addition of OXXO, a convenience store chain, to its network of allied correspondents in Mexico. The addition of OXXO as a commercial ally will allow Banorte to extend its presence in more than 21,000 points of sale in 1,111 municipalities throughout the country. Banorte's customers will be able to renew or replenish, and withdraw cash from their debit card. This makes Banorte the only bank in Mexico to offer debit card delivery service in allied stores.

Bank

Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position Highlights - Bank (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Net Interest Income (4)	22,047	24,595	25,846	5%	17%	61,253	74,560	22%
Non-Interest Income (1)(2)(3)(4)	2,917	3,892	3,840	(1%)	32%	10,169	11,221	10%
Total Income	24,964	28,487	29,686	4%	19%	71,422	85,781	20%
Non-Interest Expense (1)(3)	9,654	10,254	10,458	2%	8%	27,849	30,687	10%
Provisions	3,098	4,025	4,461	11%	44%	8,123	12,223	50%
Operating Income	12,211	14,208	14,767	4%	21%	35,450	42,871	21%
Taxes	3,350	3,899	3,795	(3%)	13%	9,656	11,315	17%
Subsidiaries & Minority Interest	53	56	49	(12%)	(7%)	126	138	10%
Net Income	8,913	10,364	11,020	6%	24%	25,919	31,693	22%
Balance Sheet								
Stage 1 Loans	846,928	939,685	975,639	4%	15%	846,928	975,639	15%
Stage 2 Loans	9,406	6,979	9,687	39%	3%	9,406	9,687	3%
Stage 1 & 2 Loans (a)	856,334	946,663	985,326	4%	15%	856,334	985,326	15%
Stage 3 Loans (b)	8,496	9,461	9,491	0%	12%	8,496	9,491	12%
Deferred Items (c)	1,575	2,264	2,306	2%	46%	1,575	2,306	46%
Total Loans (a+b+c)	866,405	958,388	997,123	4%	15%	866,405	997,123	15%
Preventive Loan Loss Reserves including Insurance	16,554	17,775	18,365	3%	11%	16,554	18,365	11%
Total Loans Net (d)	849,851	940,613	978,759	4%	15%	849,851	978,759	15%
Total Assets	1,515,735	1,623,047	1,718,758	6%	13%	1,515,735	1,718,758	13%
Total Deposits	878,930	982,425	1,043,046	6%	19%	878,930	1,043,046	19%
Total Liabilities	1,379,873	1,466,745	1,563,201	7%	13%	1,379,873	1,563,201	13%
Equity	135,862	156,301	155,557	(0%)	14%	135,862	155,557	14%

- In accordance with CNBV's D-2 criteria, as of 4Q22, expenses incurred for loan portfolio recovery are reclassified from administrative expenses to other operating income (expenses). For comparison purposes, 2022 figures shown in this report were reclassified.
- As of 1Q23, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income). For comparison purposes, figures shown in this report for 2022 were reclassified.
- As of 1Q23, card operating expenses are recorded in "Interchange Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses). For comparison purposes, figures shown in this report for 2022 were reclassified.
- In 3Q23, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

Financial Ratios - Bank	3Q22	2Q23	3Q23	9M22	9M23
Profitability:					
NIM (1)	6.3%	6.5%	6.6%	5.7%	6.5%
NIM after Provisions (2)	5.4%	5.4%	5.4%	4.9%	5.5%
ROE (3)	27.0%	26.6%	28.3%	24.8%	27.6%
ROA (4)	2.3%	2.6%	2.6%	2.2%	2.6%
Operation:					
Efficiency Ratio (Cost to Income) (5)	38.7%	36.0%	35.2%	39.0%	35.8%
Operating Efficiency Ratio (Cost to Assets) (6)	2.5%	2.5%	2.5%	2.4%	2.5%
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III (7)	160.4%	169.8%	175.3%	160.4%	175.3%
Asset Quality:					
NPL Ratio	1.0%	1.0%	1.0%	1.0%	1.0%
Coverage Ratio	194.8%	187.9%	193.5%	194.8%	193.5%
Capitalization:					
Net Capital/ Credit Risk Assets	31.7%	30.6%	31.3%	31.7%	31.3%
Total Capitalization Ratio	23.0%	21.7%	22.2%	23.0%	22.2%
Leverage					
Basic Capital/ Adjusted Assets	12.1%	12.1%	11.8%	12.1%	11.8%

- NIM = Annualized Net Interest Income for the quarter / Average of Performing Assets.
- NIM = Annualized Net Interest Income for the quarter adjusted for Credit Risks / Average of Performing Assets.
- Net Income of the period annualized as a percentage of the quarterly average of Equity (excluding minority interest) for the same period.
- Net Income of the period annualized as a percentage of the quarterly average of Total Assets (excluding minority interest) for the same period.
- Non-Interest Expenses / Total Income.
- Annualized Non-Interest Expenses of the quarter / Average of Total Assets.
- 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 5% sequentially, in line with higher loan origination volume. Interest expenses were up 3%, reflecting funding migration to interest-bearing deposits. Therefore, **NIM rose 8bps sequentially, reaching 6.6%**.

Non-interest income fell (1%) QoQ, driven by lower net fees, despite the increase in trading income.

Fees charged on services fell (2%) sequentially, mainly given the reclassification to the margin of (Ps 158 million) interest income from derivatives' collateral, and lower trust fund activity in the quarter. **Fees paid** were stable in the quarter. **Altogether, net fees declined (5%) vs. 2Q23**.

Trading income grew 17% QoQ, due to greater trading operations of currency & metals given the early cancellation of cross-currency swaps, along with higher securities' valuation.

Other operating income (expense) improved Ps 34.9 million sequentially, mainly due to higher income in investment portfolios, recorded in foreclosed assets, as well as higher income in trust investment.

Non-interest expenses increased 2% in the quarter, due to higher amortization of IT-related projects and assets. The **efficiency ratio of the quarter** stood at **35.2%**, improving (8bps) vs. 2Q23.

In the quarter, **provisions rose 11%**, in line mostly with higher consumer loan origination. **NIM adjusted for credit risks remained stable at 5.4%**.

In sum, **net income for the quarter was Ps 11.02 billion**, 6% higher vs. 2Q23. **ROE increased 166bps** during the quarter to **28.3%**. **ROA** remained stable at **2.6%** at the end of 3Q23.

Cumulative Changes vs. the previous year

Net interest income (NII) increased 22% vs. 9M22, driven by 21% higher revenues in the loan portfolio, in line with a greater pace in loan origination and portfolio mix, as well as the 200bps adjustment in the reference rate in the last 12 months. Interest expenses grew 77%, driven by the 304bps adjustment in the average reference rate TIE28d, reaching 11.50%, fostering migration into interest-bearing deposits; nevertheless, funding mix remains relatively stable considering the accelerated growth of the loan book. **NIM was up 83bps in the period, to 6.5% from 5.7%**.

Non-interest income expanded 10% compared to 9M22, mainly due to higher net fees and better other operating income (expenses), from higher trust investment income.

Fee charged on services increased 13% on a cumulative basis, driven by solid growth in electronic banking services, higher transaction volume in consumer products, and an increase in the fee scheme paid by Seguros Banorte to the bank, for the placement of products through bancassurance. **Fees paid rose 9%**, mainly due to higher interchange fees, derived from the increase in transactional volumes, higher fees for loan origination through the external sales force, and an increase in trading services. As a result, **net fees increased 17%** compared to 9M22.

Trading income fell (39%) in the nine-month comparison, primarily due to the negative valuation effect in currencies & metals, resulting from FX volatility mostly in the U.S. dollar and commodities.

Other operating income (expense) improved Ps 361 million compared to 9M22, mostly explained by the impact of extraordinary expenses recorded in the first quarter of 2022, within the "Other" item, as well as by higher income from trusts investment.

Non-interest expenses grew 10% vs. 3Q22, given greater personnel expenses derived from the strengthening of the commercial teams, inflationary adjustments on wages, as well as higher investments in IT projects, to increase redundancy in the systems. All in, the **efficiency ratio ended at 35.8% in 9M23, a (322bps) YoY improvement** vs. 39.0% in 9M22.

Provisions went up 50% or Ps 4.10 billion vs. 9M22, driven by greater consumer loan origination volume and higher requirements in the payroll and credit card portfolios, due to greater activity in these segments. **NIM adjusted for credit risks improved 51bps** in the year, reaching **5.5% at the end of 9M23**.

Net income grew 22% compared to 9M22 or Ps 5.78 billion, reflecting a sound revenue generation. **ROE expanded 280bps, to 27.6% in 9M23**, from 24.8% in 9M22. **ROA increased 35bps** on a cumulative basis to **2.6%**.

Equity

Shareholders' equity balance amounted to Ps 155.56 billion, relatively stable compared to the previous quarter. The main changes during the quarter were: net income of Ps 11.03 billion, a decrease of (Ps 9.00 billion) derived from the dividend payment, a reduction of (Ps 978 million) derived from interest on subordinated notes, and a contraction of (Ps 951 million) from the valuation of financial instruments to be received or sold.

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 2023, 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 amounted to 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 since 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)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Core Tier 1	120,783	140,835	141,939	0.8%	17.5%
Tier 1 Capital	185,190	195,605	197,708	1.1%	6.8%
Tier 2 Capital	3,861	2,889	2,838	(1.8%)	(26.5%)
Net Capital	189,050	198,494	200,547	1.0%	6.1%
Credit Risk Assets	595,701	649,209	640,171	(1.4%)	7.5%
Net Capital / Credit Risk Assets	31.7%	30.6%	31.3%	0.8 pp	(0.4 pp)
Total Risk Assets	821,401	913,418	905,334	(0.9%)	10.2%
Core Tier 1	14.70%	15.42%	15.68%	0.3 pp	1.0 pp
Tier 1	22.55%	21.41%	21.84%	0.4 pp	(0.7 pp)
Tier 2	0.47%	0.32%	0.31%	(0.0 pp)	(0.2 pp)
Capitalization Ratio	23.02%	21.73%	22.15%	0.42 pp	(0.86 pp)

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

At the end of 3Q23 the estimated Capital Adequacy Ratio (CAR) for Banorte was **22.15%** considering credit, market, and operational risks, and 31.33% considering only credit risk. Moreover, the Core Equity Tier 1 reached 15.68%, a level corresponding to a Systemically Important Institution Level I under the CNBV's classification.

CAR increased +0.42 pp vs. 2Q23 due to the following effects:

	3Q23 vs. 2Q23
	+0.42 pp
1. Net Income in 3Q23	+1.20 pp
2. Effects in Risk Assets – Credit (Others) ⁽¹⁾	+0.25 pp
3. Effects in Risk Assets – Market	+0.05 pp
4. Other Capital Effects ⁽²⁾	+0.03 pp
5. Capital Notes	0.00 pp
6. Securities' mark-to-market valuation and Hedging Derivatives ⁽³⁾	(0.02 pp)
7. Effects in Risk Assets – Credit	(0.03 pp)
8. Effects in Risk Assets – Operational	(0.07 pp)
9. Dividend to the Financial Group	(0.99 pp)

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

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

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

CAR decreased (0.86 pp) vs. 3Q22 due to the following effects:

	3Q23 vs. 3Q22
	(0.86 pp)
1. Net Income in the period	+4.44 pp
2. Securities' mark-to-market valuation and Hedging Derivatives ⁽¹⁾	+0.27 pp
3. Effects in Risk Assets – Market ⁽²⁾	+0.09 pp
4. Other Capital Effects ⁽³⁾	+0.01 pp
5. Effects in Risk Assets – Credit (Others) ⁽⁴⁾	(0.18 pp)
6. Effects in Risk Assets – Credit	(1.01 pp)
7. Effects in Risk Assets – Operational ⁽⁵⁾	(1.04 pp)
8. Capital Notes	(1.45 pp)
9. Dividend to the Financial Group	(1.99 pp)

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

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

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

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

(5) Includes effect of the Business Indicator Method's implementation, with a negative impact of (90bps).

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 September 2023 amounted to Ps 905.33 billion, decreasing (Ps 8.08 billion) compared to June 2023, and an increase of Ps 83.93 billion vs. September 2022.

The evolution of Risk Assets is presented below:

Risk Assets (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Total Credit	595,701	649,209	640,171	(1%)	7%
Credit (Loan Portfolio)	501,664	537,756	538,993	0%	7%
Credit (Others)	94,038	111,453	101,178	(9%)	8%
Total Market	146,850	145,630	143,532	(1%)	(2%)
Total Operational	78,850	118,579	121,632	3%	54%
Total	821,401	913,418	905,334	(1%)	10%

The main quarterly changes in RWAs vs. 2Q23 were:

- Increase in Credit Risk Weighted Assets (Portfolio) driven by the portfolio's quarterly growth dynamics in traditional credit portfolios.
- Decrease in Assets Subject to Credit Risk (Other) driven by the decrease in committed credit lines.
- Decrease in Assets Subject to Market Risk given the evolution of stable funding.
- Increase in Assets Subject to Operational Risk driven by a new regulatory methodology.

The main annual changes in RWAs vs. 3Q22 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 Assets Subject to Credit Risk (Other) driven by the increase in committed credit lines and in bank securities.
- Decrease in Assets Subject to Market Risk due to foreign currency balance sheet optimization strategies, evolution of stable funding, and reduced foreign exchange exposure.
- Increase in Assets Subject to Operational Risk, driven by the implementation of the Business Indicator Method in January 2023.

Leverage Ratio (Banco Mercantil del Norte)

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

Leverage (Million Pesos)	3Q22	2Q23	3Q23	Change	
				2Q23	3Q22
Tier 1 Capital	185,190	195,605	197,708	1.1%	6.8%
Adjusted Assets	1,525,369	1,613,813	1,681,192	4.2%	10.2%
Leverage Ratio	12.14%	12.12%	11.76%	(36 bp)	(38 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- Seguros Banorte (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			9M22
Interest Income (Net) (1)	543	800	878	10%	62%	1,404	2,444	74%
Credit Provisions	(0)	0	(0)	(105%)	70%	3	0	(98%)
Premium Revenue (Net)	4,051	8,708	6,077	(30%)	50%	19,353	24,672	27%
Net increase in technical reserves	(833)	2,543	813	(68%)	198%	2,821	6,681	137%
Net Cost for Insurance Operations	597	848	794	(6%)	33%	1,916	3,211	68%
Net Cost of Claims and Other Obligations	3,469	4,316	4,150	(4%)	20%	11,133	11,893	7%
Trading Income (1)	114	277	252	(9%)	122%	(58)	654	1232%
Other Operating Income (Expenses)	(20)	99	157	58%	906%	436	371	(15%)
Total Operating Income	1,455	2,176	1,606	(26%)	10%	5,262	6,358	21%
Non Interest Expense	239	420	449	7%	88%	1,162	1,430	23%
Operating Income	1,216	1,757	1,157	(34%)	(5%)	4,100	4,928	20%
Taxes	325	532	333	(37%)	3%	1,119	1,485	33%
Subsidiaries' Net Income	181	301	210	(30%)	16%	440	809	84%
Net income from continuing operations	1,073	1,526	1,035	(32%)	(4%)	3,421	4,252	24%
Minority Interest	6	10	4	(58%)	(32%)	15	23	48%
Net Income	1,067	1,516	1,031	(32%)	(3%)	3,406	4,229	24%
Other Comprehensive Income	(26)	12	2	(83%)	108%	(48)	(6)	87%
Comprehensive Income	1,048	1,538	1,037	(33%)	(1%)	3,373	4,245	26%
Shareholder's Equity	22,856	25,705	23,358	(9%)	2%	22,856	23,358	2%
Total Assets	67,807	77,673	75,723	(3%)	12%	67,807	75,723	12%
Technical Reserves	36,965	43,239	43,922	2%	19%	36,965	43,922	19%
Premiums sold	4,649	10,416	6,665	(36%)	43%	23,159	28,722	24%
Coverage ratio of technical reserves	1.2	1.2	1.2	(0.1 pp)	0.0 pp	1.2	1.2	0.0 pp
Solvency capital requirement coverage ratio	8.0	14.4	8.7	(5.7 pp)	0.7 pp	8.0	8.7	0.7 pp
Coverage ratio of minimum capital	185.3	193.9	176.4	(17.6 pp)	(9.0 pp)	185.3	176.4	(9.0 pp)
Claims ratio	71.3%	70.3%	79.1%	8.8 pp	7.7 pp	67.6%	66.4%	(1.2 pp)
Combined ratio	90.5%	81.7%	95.8%	14.1 pp	5.3 pp	79.4%	81.6%	2.2 pp
ROE	18.2%	24.3%	17.0%	(7.2 pp)	(1.2 pp)	19.6%	23.5%	3.9 pp
ROE ex-Afore	44.5%	48.9%	35.3%	(13.6 pp)	(9.2 pp)	54.3%	51.1%	(3.2 pp)

1. In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line.

Net Interest income increased 10% in the quarter, whereas **9M figures** increased **74%**, mainly due to higher instruments' valuation and interests.

Premium income was (30%) lower sequentially driven by seasonal renewals, as well as the effect of a bigger base due to the delayed premium registration during the second quarter; as a result, technical reserves decreased (Ps 1.73 billion) sequentially, in line with lower premium issuance in the period, as well as the natural accrual of the portfolio. **With nine-month figures, premium income increased 27%**, related to new client acquisition, especially in the life and auto segments, as well as the commercial focus in the sale of flexible products. As a result, technical reserves went up 137%, mainly due to higher flexible product sales, which are a 100% reserved. Good business performance is maintained, especially in the bancassurance business, expanding 15% YoY.

Damages and claims declined (4%) in the quarter and were 7% higher vs. 9M22, primarily due to the claims' mix in the portfolio, with lower claims in life and higher in auto and medical expenses.

Acquisition costs fell (6%) quarterly on seasonal premium generation and went up **68% vs. 9M22**, driven by business growth, together with the adjustment in the fee scheme for the placement of insurance products through bancassurance, during 1Q23.

Net operating income totaled Ps 1.16 billion in 3Q23, (34%) lower sequentially, related to seasonality effects. In the **cumulative comparison**, it grew **20%**, driven by higher yields and instruments' valuation, along with business growth, which offset higher costs given the changes in the intercompany fee scheme.

Net Income for the quarter totaled **Ps 1.03 billion**, a **(32%)** decline vs. 2Q23 and **24%** higher vs. 9M22. Quarterly **Net Income** for Seguros Banorte, excluding its subsidiary Afore XXI Banorte, reached Ps 824 million, representing 6.2% of the Group's net income in 3Q23.

ROE for the Insurance business, excluding its subsidiary Afore XXI Banorte, decreased (13.6 pp) in the quarter, reaching **35.3% in 3Q23**, impacted by seasonality in earnings' generation and the dividend distribution of Ps 3.32 billion in September.

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 3Q23 that involved any technical risk.*
- ii. Damages and claims, as well as compliance of reinsurers and bonding companies with their obligations.
 - *In 3Q23, 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 3Q23.*
- 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 4 important businesses: 3 related to government and 1 related to industrial transformation.*
- v. Contingencies arising from non-compliance of reinsurers and bonding companies.
 - *There were no relevant issues related to non-compliance during 3Q23.*

Afore XXI Banorte

Afore XXI Banorte (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			9M22
Net Income	363	601	421	(30%)	16%	880	1,618	84%
Shareholder's Equity	23,328	23,602	24,021	2%	3%	23,328	24,021	3%
Total Assets	25,262	25,528	25,877	1%	2%	25,262	25,877	2%
AUM (SIEFORE)	995,499	1,121,027	1,085,801	(3%)	9%	995,499	1,085,801	9%
ROE	6.3%	10.3%	7.1%	(3.3 pp)	0.8 pp	4.9%	9.1%	4.2 pp

In 3Q23, Afore XXI Banorte reported net income of Ps 421 million, a (30%) sequential decline, driven by lower yields in financial products. Nine-month net income increased 84%, given higher yields from financial products and the effect of the extraordinary expenses' recognition in 2022.

ROE reached 7.1% in 3Q23, a quarterly decrease of (3.3 pp). Compared to 9M22, it grew 4.2 pp, reaching 9.1%. Excluding goodwill, **Return on Tangible Equity (ROTE)** reached **23.9%** in 3Q23.

Net Income of Afore XXI Banorte represented 1.6% of the Financial Group's net income in 3Q23.

Afore XXI Banorte's **assets under management (AUM)**, totaled **Ps 1,086 billion**, decreasing (3%) compared to 2Q23 and 9% higher vs. 3Q22.

Pensiones Banorte

Income Statement and Balance Sheet Highlights- Pensiones Banorte (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change
				2Q23	3Q22			
Interest Income (Net) (1)	6,987	2,153	5,662	163%	(19%)	18,457	13,965	(24%)
Credit Provisions	9	10	13	27%	39%	32	31	(2%)
Premium Income (Net)	5,455	3,838	4,657	21%	(15%)	15,141	12,750	(16%)
Technical Reserves	7,816	1,863	5,936	219%	(24%)	21,546	14,076	(35%)
Damages, Claims (Net)	3,047	3,333	3,338	0%	10%	8,783	9,832	12%
Trading Income (1)	172	24	7	(71%)	(96%)	211	30	(86%)
Other Operating Income (Expenses)	(341)	(5)	2	132%	100%	(331)	(2)	99%
Total Operating Income	1,401	805	1,040	29%	(26%)	3,117	2,804	(10%)
Non Interest Expense	113	117	135	15%	20%	360	377	5%
Operating Income	1,288	688	905	32%	(30%)	2,757	2,427	(12%)
Taxes	414	203	253	25%	(39%)	856	707	(17%)
Subsidiaries' Net Income	2	4	(0)	(104%)	(106%)	6	7	11%
Net Income	876	489	652	33%	(26%)	1,908	1,726	(10%)
Other Comprehensive Income	(9)	(0)	(7)	(2068%)	17%	(31)	(16)	50%
Comprehensive Income	867	488	644	32%	(26%)	1,877	1,711	(9%)
Shareholder's Equity	10,272	10,668	11,312	6%	10%	10,272	11,312	10%
Total Assets	231,777	245,270	251,771	3%	9%	231,777	251,771	9%
Technical Reserves	218,204	231,170	237,201	3%	9%	218,204	237,201	9%
Premiums sold	5,455	3,838	4,657	21%	(15%)	15,141	12,750	(16%)
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	10.0	10.1	10.9	0.8 pp	0.9 pp	10.0	10.9	0.9 pp
Coverage ratio of minimum capital	51.6	49.8	52.8	3.0 pp	1.2 pp	51.6	52.8	1.2 pp
ROE	35.6%	18.8%	23.7%	5.0 pp	(11.9 pp)	27.5%	21.3%	(6.2 pp)

1. In 3Q22, the valuation of financial instruments of "Seguros y Pensiones" was reclassified from the "Interest Income" line, into the "Trading Income" line.

Net interest income increased 163% sequentially, amounting to **Ps 5.66 billion**, driven primarily by the positive valuation effect on inflation-indexed securities (UDIS), amounting to Ps 3.48 billion. Compared to 9M22, **it declined (24%)** or (Ps 4.49 billion), out of which (Ps 5.37 billion) were driven by the valuation effect of inflation-indexed securities (UDIS), despite Ps 880 million higher interest income.

In the quarter, technical results fell (Ps 3.26 billion) given Ps 4.47 billion higher technical reserves, related to an update in inflation reserves. **In the cumulative comparison, technical results rose Ps 4.03 billion** given (35%) lower reserves due to the inflation update and pensioners deposits, despite higher claims vs. 2022, resulting from portfolio growth, annual annuities update, and the effect of an extraordinary reserves' release in 2022 for (Ps 654 million).

In the combined result of interest income and technical results, **net income of Pensiones Banorte rose 33% sequentially**. In the cumulative comparison, net income fell (10%) due to a compression in the business industry, as well as the higher claims effect vs. 2022. Net income of the business represented 4.9% of the Financial Group's net income in 3Q23.

ROE of Pensiones Banorte stood at **23.7%** in 3Q23, 5.0 pp higher quarterly and decreasing (6.2 pp) at the end of 9M23, reaching 21.3%.

Brokerage

Brokerage Sector (Million Pesos)	3Q22	2Q23	3Q23	Change		9M22	9M23	Change 9M22
				2Q23	3Q22			
Net Income	262	239	155	(35%)	(41%)	1,477	483	(67%)
Shareholder's Equity	7,163	5,823	5,949	2%	(17%)	7,163	5,949	(17%)
Assets Under Management	988,681	1,118,230	1,119,228	0%	13%	988,681	1,119,228	13%
Total Assets	219,130	242,630	243,784	0%	11%	219,130	243,784	11%
ROE	14.9%	16.3%	10.6%	(5.7 pp)	(4.4 pp)	26.0%	11.0%	(15.1 pp)
Net Capital (1)	6,003	5,136	5,154	0%	(14%)	6,003	5,154	(14%)

1. Net capital structure: Core Equity =Ps 5.15 billion, Additional Capital= Ps 0 million.

Casa de Bolsa Banorte and Operadora de Fondos reported a **net income of Ps 155 million in 3Q23**, a (35%) sequential decrease mainly due to higher non-interest expenses and less operating income. Compared to 9M22, net income dropped (67%), driven by larger interest expense and less net fees.

Net income from the brokerage business in 3Q23 accounted for 1.2% of the group's net income.

Assets Under Management

At the end of 3Q23, AUMs totaled **Ps 1,119 billion**, 0.1% higher quarterly and 13% YoY.

Assets under management by mutual funds totaled **Ps 280 billion**, representing a **18.5% annual increase**. Assets held in **fixed income funds** amounted to **Ps 260 billion**, 4.1% higher in the quarter, and 20.4% in the year. Assets held in **equity funds** amounted to **Ps 20 billion**, **expanding 9.6%** in the quarter and down (1.5%) in the year.

As of 3Q23, Banorte held an 8.5% share of the mutual fund market, comprised of 10.3% share in fixed income funds and 2.7% in equity funds.

Other Subsidiaries

Other subsidiaries (Million Pesos)	3Q22	2Q23	3Q23	Change 2Q23 3Q22		9M22	9M23	Change 9M22
Almacenadora Banorte								
Net Income	11	14	15	6%	37%	23	41	73%
Shareholder's Equity	314	353	368	4%	17%	314	368	17%
Inventories	1,590	1,306	1,025	(22%)	(36%)	1,590	1,025	(36%)
Total Assets	2,026	1,916	1,611	(16%)	(20%)	2,026	1,611	(20%)
ROE	13.8%	16.0%	16.2%	0.2 pp	2.4 pp	10.1%	15.7%	5.5 pp
Arrendadora y Factor Banorte								
Net Income	38	132	301	129%	686%	370	513	39%
Shareholder's Equity	10,308	10,752	11,056	3%	7%	10,308	11,056	7%
Loan Portfolio (1)	35,440	38,568	41,584	8%	17%	35,440	41,584	17%
Non-Performing Loans	763	837	852	2%	12%	763	852	12%
Non-Performing Loan Ratio	2.2%	2.2%	2.0%	(0.1 pp)	(0.0 pp)	2.2%	2.0%	(0.1 pp)
Loan Loss Reserves	693	753	822	9%	19%	693	822	19%
Total Assets	44,844	48,362	51,284	6%	14%	44,844	51,284	14%
ROE	1.5%	5.0%	11.2%	6.2 pp	9.7 pp	5.0%	6.5%	1.5 pp
Banco Bineo* (former IXE Servicios**)								
Net Income	16	11	15	42%	(6%)	44	43	(2%)
Shareholder's Equity	1,690	1,705	2,320	36%	37%	1,690	2,320	37%
Total Assets	1,721	1,824	2,414	32%	40%	1,721	2,414	40%
ROE	3.9%	2.5%	3.0%	0.5 pp	(0.8 pp)	3.5%	3.1%	(0.4 pp)

1) Includes pure operating lease portfolio of Ps 2.79 billion, and proprietary fixed assets of Ps 1.23 billion, both registered in property, plant, and equipment (net).

* On November 29th, 2022, shareholders of Ixe Servicios, S.A. de C.V. adopted unanimous resolutions outside the shareholders' meeting, through which it was agreed to modify its corporate name to Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte. The protocolization of the respective resolutions were registered in the Public Registry of Commerce on January 3rd, 2023, prior authorization from the National Banking and Securities Commission.

**Since 2022, IXE Servicios has been preparing itself from an accounting perspective for the future operation of Banco Bineo.

Arrendadora y Factor Banorte

Net income in 3Q23 totaled **Ps 301 million**, a quarterly increase of **129%**, mainly due to better financial margin and other income, given a larger portfolio. **On the YoY comparison, it grew 686%**, driven by a base effect due to the annual recognition of impairments of investment projects in 3Q22.

The **non-performing loan ratio** reached **2.0%**, (0.1 pp) lower vs. the previous quarter. The Coverage ratio totaled 96.6%, 6.7 pp above 2Q23. **Capital ratio for 3Q23 stood at 30.74%**, considering total risk weighted assets of Ps 32.07 billion. Leverage ratio as of June and September 2023 reached 17.85% and 17.83%, respectively, considering adjusted assets of Ps 51.64 billion and Ps 55.25 billion, respectively.

In 3Q23, Net Income from Leasing and Factoring represented 2.3% of the group's total results.

As of June 2023, Arrendadora y Factor Banorte ranks first place in terms of portfolio size among the 63 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

Almacenadora Banorte

In 3Q23, the Almacenadora Banorte reported a **net income of Ps 15 million**, increasing **Ps 1 million** compared to 2Q23, mainly due to the combination of (Ps 3 million) less income, offset by (Ps 2 million) lower operating expense and taxes, respectively.

ROE reached **16.2%** and the **capital ratio** totaled **139.4%**, considering a Ps 368 million equity, and negotiable certificates of deposit issued in active warehouses for Ps 3.08 billion.

Almacenadora Banorte ranks third place in the sector, in terms of net income as of June 2023.

III. Sustainability Strategy

During 3Q23, we concluded the biannual **materiality** assessment, through which we identified the most relevant topics to our customers, investors, employees, suppliers, regulators, among other stakeholders. With this assessment, we identified **22 relevant topics**, and our sustainability strategy has a particular focus on the top 5: **i) Customer Relations; ii) Decarbonization; iii) Corporate Governance; iv) Diversity, Equality, and Inclusion; and v) Technology and Innovation**. Below, we present the most significant ESG activities during the quarter, linking them to the mentioned material topics.

Environmental

- Starting in August 2023, we began using 90% recycled plastic for cards in our “Mujer Banorte” debit product, and we will gradually implement this in a greater number of debit and credit products. *(Material Topic: Innovation and Digitalization)*
- In early October, the **Science Based Targets Initiative (SBTi)** granted final validation to Banorte's decarbonization goals. This validates that the calculation methodology is science-based and aligns with international ambitions for temperature targets of <2.0°C and <1.5°C. With this, **Banorte becomes the first bank in Latin America to receive this validation**. *(Material Topic: Decarbonization)*
- **Afore XXI-Banorte** presented the **first Climate Risks and Opportunities Report for 2022** under the **Taskforce on Climate-related Financial Disclosures (TCFD)** framework, as part of the effort to contribute to the mitigation and reduction of GHG emissions and the adaptation and resilience of the investments and operations of the Afore. *(Material Topic: Decarbonization)*
- **Afore XXI-Banorte** formalized 261 commitments with 38 companies in the portfolio, representing Ps 78.83 billion in AUMs. This engagement includes environmental and climate resilience commitments aimed at **reducing the Afore's exposure to expected climate events**. *(Material Topic: Decarbonization)*

Social

- On August 31st, Banorte signed the **Protocol for Attention and Service to Senior Citizens**, committing us to continue strengthening our actions and service programs for this important segment of the population. *(Material topic: Customer Relations)*
- Through the functionality of **deposits' divisions and scheduled savings in Banorte Móvil**, we assist our customers in managing their personal finances. Since its launch, these functionalities have sustained a monthly growth of 30%. 59% of the customers using deposits' divisions are women. *(Material Topic: Innovation and Digitalization)*

- In October, Banorte actively participated in various events during the 2023 **National Financial Education Week**, promoting relevant topics primarily for **young people and women**, such as **savings, responsible credit usage, insurance benefits, among other subjects**. *(Material Topic: Diversity, Equity, and Inclusion)*

- **Afore XXI-Banorte, was the first Afore to meet the requirements of the Mexican Standard NMX-R-025-SCFI-2015 on Labor Equality and Non-Discrimination**, scoring 93 out of 100 possible points and achieving a Gold-level certification, the highest possible. *(Material Topic: Diversity, Equity, and Inclusion)*



Governance

- Sustainable Fitch has rated **GFNorte's ESG performance** for the first time, awarding it a **score of 3** and placing it within the **average of other issuers in Europe and North America under its coverage**. *(Material Topic: Corporate Governance)*

- In August, results of the annual evaluation conducted by the **Corporate Sustainability Assessment (CSA)** on Banorte's ESG performance were published, with a total score of **66 points, which is 2 points higher than in 2022** due to improvements in risk management and cybersecurity, among other areas. This rating has once again included Banorte in the **Sustainability Yearbook published by S&P** for the second consecutive year, recognizing its **outstanding ESG performance among other companies in the financial sector**. *(Material Topic: Corporate Governance)*

2023 STRATEGY – FUNDACIÓN BANORTE

During 2023, **Fundación Banorte's** model has been based on five working pillars: Nutrition, Health, Housing, Education, and Women's Empowerment, with a focus on three states in the country: the State of Mexico, Chiapas, and Veracruz, aiming to enhance the quality of life for Mexican families by meeting their basic needs.

Nutrition

- Delivery of 18,324 food packages to children and pregnant women in the State of Mexico, Chiapas, and Nuevo León.
- Delivery of 1,387 food packages in the state of Veracruz, in partnership with the Food Bank of Mexico.

Health

- Anthropometric **measurements** (weight and height) for 3,500 kids.
- **3,014 tests** to quantify hemoglobin levels in **kids** aged 6 months and older.
- Distribution of **1,011 iron-based treatments** to correct anemia in **958 kids and 53 pregnant women**.
- **309 screening tests** to assess **child development**.

Housing

- **69% progress out of a total of 1,046 housing units** in projects aimed at **improving or expanding housing** in the State of Mexico, Chiapas, and Veracruz, in collaboration with municipal, state, and federal governments, to assist **low-income families in having suitable housing**.

Education

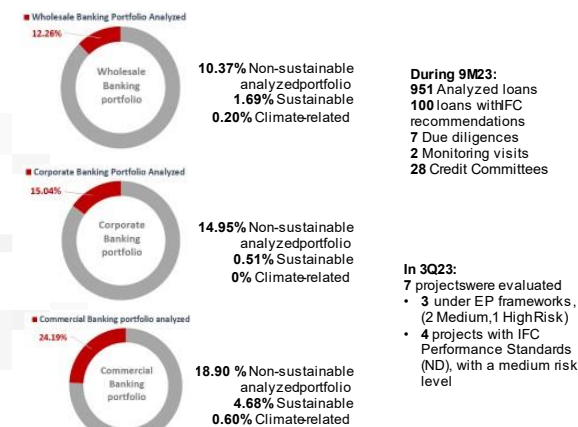
- Outfitting of **24 classrooms** and the implementation of a program to support public schools, enabling the development of learning strategies to combat school dropout. As of the third quarter, **6,566 students** and **254 teachers** in 9 states across the country have benefited from this program.

Women Empowerment

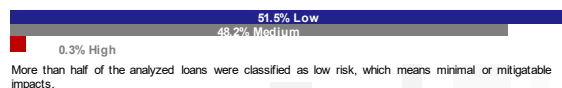
- Partnership with UNESCO to promote **economic and social development with a gender perspective** through textile art in Yucatan. **81 women** have benefited through workshops on **financial education** and conferences to safeguard the cultural heritage of Yucatan's textile art.
- Partnership with "Fundación Origen" for **emotional and economic empowerment** of **183 families** in 3 indigenous communities, through **technical skills workshops for women** to position Wixárika art products at the regional and national levels.
- Project in partnership with EduCampo to enhance the **empowerment of rural women** in the state of Chiapas by **increasing income generation and improving life quality** through coffee production. As of the end of September, there were **119 women** participating.

Sustainable Business

Social and Environmental Risk Management System



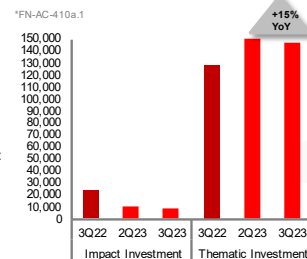
Risk level of the analyzed portfolio:



Responsible Investment

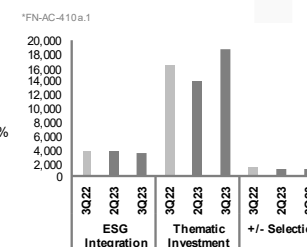
AFORE XXI Banorte

- Assets with ESG criteria 14%
- 19% of the structured instruments' portfolio has impact investments with direct contribution to SDGs



Operadora de Fondos Banorte

- Equities' ESG Analysis
81% national issuers coverage
+6 issuers vs. 2022
- Assets with ESG criteria 8.79%
- Publication of the internal ESG Analysis methodology for Equities



* The SASB indicator FNAC-410a.1 evaluates the amount of AUMs (in million pesos) by asset class, that employ (1) integration of environmental, social, and governance (ESG) matters; (2) thematic investment in sustainability; and (3) screening.

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	-	Buy	21-Apr-22
Autonomous	Geoffrey Elliott	Buy	25-Sep-23
BBVA	Rodrigo Ortega	Buy	10-Aug-23
BofA	M. Pierry/ E. Gabilondo	Buy	25-Sep-23
Bradesco	Gustavo Schroden	Buy	24-Jul-23
BTG Pactual	Eduardo Rosman	Buy	13-Sep-23
CITI	José Luis Cuenca	Buy	2-Aug-23
GBM	Pablo Ordoñez	Buy	17-Jan-21
Goldman Sachs	Tito Labarta	Buy	10-Oct-23
HSBC	Carlos Gómez	Buy	29-Oct-23
Itau	Jorge Pérez	Buy	4-Aug-23
JP Morgan	Yuri Fernandes	Buy	3-Oct-23
Monex	J. Roberto Solano	Buy	20-Apr-23
Morgan Stanley	Jorge Kuri	Buy	29-Sep-23
Santander	Andrés Soto	Buy	5-Jul-23
UBS	Thiago Batista	Buy	23-Oct-23
Vector	Marco Montañez	Buy	2-Jun-23
Intercam	Alejandra Marcos	Hold	20-Jul-23
Jefferies	Iñigo Vega	Hold	16-Oct-23

Capital Structure

Holding Company Capital Structure

Number of Shares	SERIES O As of September 30, 2023
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)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Interest Income	55,322	60,289	72,244	80,773	87,223	91,542	99,529
Interest Expense	28,310	33,061	41,550	49,548	55,492	63,019	66,340
Net Interest Income (NII)	27,012	27,229	30,694	31,225	31,730	28,523	33,189
Preventive Provisions for Loan Losses	2,668	2,434	3,148	3,632	3,771	4,038	4,541
Net Interest Income Adjusted for Credit Risk	24,344	24,795	27,546	27,593	27,959	24,485	28,648
Fund Transfers	471	515	527	527	487	505	484
Account Management Fees	483	489	483	455	465	489	483
Electronic Banking Services	3,790	4,197	4,280	4,705	4,262	4,416	4,432
For Commercial and Mortgage Loans	-	-	-	-	-	-	-
For Consumer and Credit Card Loans	1,395	1,521	1,617	1,591	1,750	1,838	1,928
Fiduciary	127	136	123	151	132	147	119
Income from Real Estate Portfolios	-	-	-	-	-	-	-
Mutual Funds	500	523	535	551	578	615	630
Trading & Financial Advising Fees	141	163	135	133	97	97	110
Other Fees Charged	331	331	381	375	405	406	283
Fees Charged on Services	7,359	8,082	8,132	8,775	8,372	8,625	8,533
Interchange Fees	2,643	2,905	2,995	3,116	2,844	3,061	3,033
Insurance Fees	-	-	-	-	-	-	-
Other Fees Paid	1,029	1,141	1,272	1,435	1,320	1,378	1,406
Fees Paid on Services	3,673	4,047	4,268	4,552	4,164	4,439	4,438
Net Service Fees	3,687	4,035	3,864	4,223	4,208	4,187	4,094
Premium Income Ins. & Annu. (Net)	15,756	8,967	9,361	8,771	13,994	12,409	10,587
Technical Reserves Ins. & Annu.	11,699	5,685	6,983	5,174	9,601	4,407	6,749
Cost of Acquisition from Insurance	468	308	300	312	941	180	174
Net Cost of Claims and Other Obligations	6,796	6,594	6,516	6,661	6,576	7,649	7,489
Currency and Metals	(543)	351	(146)	(1,262)	(3,242)	(2,494)	1,085
Derivatives	1,354	424	(399)	226	2,235	1,345	(3,064)
Negotiable Instruments	(56)	(490)	(66)	508	126	284	341
Valuation	755	285	(611)	(529)	(881)	(865)	(1,639)
Currency and Metals	1,319	753	1,218	1,235	1,366	1,216	2,695
Derivatives	(719)	(216)	115	(89)	(96)	446	(16)
Negotiable Instruments	19	141	48	(98)	24	255	10
Trading	619	678	1,380	1,048	1,294	1,917	2,689
Other financial results	(1)	(110)	4	138	(1)	120	10
Trading Income	1,373	852	774	657	412	1,172	1,061
Contributions to IPAB	(934)	(954)	(985)	(985)	(1,001)	(1,042)	(1,108)
Expenses Incurred in the Recovery of Credit Portfolio	(339)	(321)	(350)	(410)	(374)	(363)	(349)
Acquired collection rights	54	68	141	70	101	97	112
Result for Foreclosed Assets	140	196	107	187	140	155	247
Donations	(143)	(36)	(23)	(26)	(90)	(79)	(30)
Impairment of Assets	-	-	(204)	(100)	-	-	-
Result on sale of Property, Furniture and Equipment	(5)	(15)	(28)	(13)	(5)	(18)	18
Lease Income	62	86	88	86	59	93	106
From Insurance	230	237	(360)	156	117	96	165
Securitization Operation Valuation Result	-	-	-	-	-	-	-
Other Operating Expense	(195)	105	(85)	(69)	149	51	112
Total Other Operating Income (Expense)	(1,130)	(630)	(1,690)	(1,094)	(895)	(993)	(717)
Total Non Interest Income	724	637	(1,490)	410	601	4,540	613
Total Operating Income	25,068	25,432	26,057	28,004	28,560	29,025	29,261
Personnel	4,330	4,264	4,510	6,476	4,949	5,032	5,181
Employee Profit Sharing (PTU)	385	387	394	342	418	419	290
Professional Fees	797	915	929	961	915	945	803
Administrative and Promotional Expenses	4,538	4,602	4,567	5,141	4,866	4,885	5,264
Total Non Interest Expense	10,050	10,167	10,400	12,920	11,148	11,281	11,538
Operating Income	15,018	15,264	15,657	15,083	17,412	17,744	17,723
Subsidiaries' Net Income	197	128	233	408	333	358	259
Pre-Tax Income	15,215	15,392	15,890	15,492	17,745	18,102	17,982
Taxes	4,331	3,703	4,187	3,742	4,542	4,828	4,518
Net Income from Continuous Operations	10,884	11,689	11,703	11,749	13,203	13,275	13,464
Discontinued Operations	-	-	-	-	-	-	-
Net income from continuing operations	10,884	11,689	11,703	11,749	13,203	13,275	13,464
Minority Interest	136	166	159	157	185	187	195
Net Income	10,748	11,524	11,544	11,592	13,018	13,088	13,268
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,983)	(2,351)	(1,099)	1,057	473	141	(1,115)
Cash Flow Hedges Valuation	14	(73)	1,101	76	773	312	(1,115)
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	23	23	9	36	22	22	22
Cumulative foreign currency translation Res. for holding non-monetary assets	(47)	14	(5)	(48)	(111)	(67)	24
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	163	76	152	(75)	15	(7)	152
Other Comprehensive Income	(1,830)	(2,311)	158	1,046	1,172	400	(2,033)
Comprehensive Income	9,054	9,378	11,861	12,795	14,375	13,675	11,431

V. Financial Statements

GFNorte - Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
ASSETS							
Cash and Equivalents	124,571	99,209	91,746	108,254	107,251	130,568	109,223
Margin Accounts	8,221	6,526	5,730	5,478	5,253	5,213	6,964
Negotiable Instruments	257,355	267,006	270,043	289,855	291,713	310,181	316,085
Securities Available for Sale	230,875	222,511	215,501	209,351	201,972	188,577	217,042
Securities Held to Maturity	282,726	298,351	307,127	313,537	320,482	313,037	333,083
Investment in Securities	770,955	787,868	792,671	812,743	814,167	811,796	866,210
Estimate of Expected Credit Losses for Investments	291	304	297	293	294	173	167
Debtor Balance in Repo Trans, net	88,593	53,054	54,794	22,826	41,473	65,672	97,821
Securities Lending	-	-	-	-	-	-	-
For trading purposes	29,453	33,775	38,896	35,701	32,606	34,723	33,775
For hedging purposes	1,096	1,256	1,814	1,854	2,958	3,762	2,984
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
Transactions with Derivatives	30,550	35,031	40,709	37,555	35,564	38,486	36,760
Valuation adjustments for Asset Coverage	36	32	19	-	-	-	-
Commercial Loans	328,682	336,398	334,444	357,273	364,531	376,601	396,994
Loans to financial entities	16,637	17,135	17,967	18,277	19,236	22,028	21,577
Consumer Loans	122,920	129,446	135,779	142,074	148,232	158,015	164,636
Payroll Loans	55,340	59,648	62,692	64,612	66,962	70,747	72,725
Personal Loans	647	632	706	975	883	939	955
Credit Card	39,197	40,601	42,663	44,607	45,523	48,331	50,738
Auto Loans	27,737	28,565	29,718	31,880	34,863	37,997	40,217
Mortgage Loans	199,148	203,953	214,353	223,705	230,684	238,050	245,286
Medium and Residential	196,932	201,848	212,310	221,771	228,828	236,285	243,592
Low-income housing	2	2	2	2	2	2	2
Loans acquired from INFONAVIT or FOVISSSTE	2,214	2,102	2,041	1,932	1,855	1,763	1,692
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities' Loans	160,031	166,433	163,788	171,720	180,364	164,484	171,409
Performing Loans, Stage 1	827,419	853,365	866,330	913,049	943,047	959,179	999,902
Commercial Loans	1,819	1,733	3,670	1,328	1,195	951	3,327
Loans to financial entities	1	36	0	-	-	-	-
Consumer Loans	2,014	2,061	2,355	2,278	2,706	2,742	2,987
Payroll Loans	1,261	1,283	1,542	1,438	1,731	1,703	1,845
Personal Loans	31	28	30	26	70	31	39
Credit Card	410	443	483	520	586	643	710
Auto Loans	313	307	300	293	319	365	393
Mortgage Loans	3,494	3,571	3,685	3,226	3,210	3,393	3,578
Medium and Residential	3,408	3,482	3,599	3,130	3,112	3,315	3,506
Low-income housing	0	0	0	0	1	-	0
Loans acquired from INFONAVIT or FOVISSSTE	86	89	86	97	98	79	71
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities' Loans	0	-	-	-	-	194	229
Performing Loans, Stage 2	7,329	7,401	9,710	6,832	7,111	7,281	10,121
Commercial NPL's	3,886	4,017	4,174	4,572	4,644	4,262	3,990
Financial Entities NPL's	101	105	106	4	4	24	102
Consumer NPL's	2,530	2,820	3,070	3,528	3,367	3,954	4,150
Payroll NPL's	1,380	1,665	1,832	2,178	1,993	2,337	2,421
Personal NPL's	45	49	36	45	49	63	40
Credit Card NPL's	902	926	986	1,108	1,132	1,344	1,435
Auto NPL's	203	180	216	198	193	210	254
Mortgage NPL's	1,763	1,855	1,904	1,865	1,994	2,054	2,089
Medium and Residential	1,446	1,521	1,552	1,553	1,650	1,701	1,739
Low-income housing	0	0	0	-	0	0	0
Loans acquired from INFONAVIT or FOVISSSTE	317	334	353	312	343	352	350
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities' PDL's	159	102	4	4	4	4	11
Non-Performing Loans, Stage 3	8,440	8,898	9,259	9,973	10,013	10,299	10,342
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-
Deferred Items	1,580	1,590	1,560	2,042	2,172	2,240	2,273
Loans from Insur. Subsidiaries	2,927	3,025	3,123	3,188	3,249	3,322	3,433
Deferred (BAP)	-	-	-	-	-	-	-
Gross Loan Portfolio	847,695	874,278	889,982	935,084	965,592	982,320	1,026,072
Preventive Loan Loss Reserves	16,905	17,013	17,247	17,686	18,041	18,528	19,187
Loan Loss-reserve for Insurance and Bail Bond	185	195	205	213	221	231	244
Risks	-	-	-	-	-	-	-
Net from Reserves Loan Portfolio	830,605	857,070	872,530	917,185	947,330	963,561	1,006,641
Acquired Collection Rights (net)	582	466	322	654	597	551	888
Total Credit Portfolio	831,187	857,536	872,852	917,839	947,927	964,112	1,007,528
Account Receivables from Insurance and Annuities	10,995	8,677	6,567	3,960	8,050	10,052	7,189
Amounts recoverable by Reinsurance and Counter-guarantee	8,022	8,033	7,589	5,402	4,898	5,284	5,471
Account Receivables from Reinsurance	-	-	-	-	-	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	55,687	69,339	48,377	40,285	56,347	50,195	52,635
Inventories	1,019	1,398	1,590	975	1,280	1,306	1,025
Foreclosed Assets, Net	1,759	1,957	1,894	2,961	2,794	2,818	2,601
Advanced Payments and Other Assets	18,557	16,728	20,138	16,406	10,591	12,937	12,184
Real Estate, Furniture & Equipment, Net	21,070	22,133	22,086	28,785	28,860	29,799	29,602
Rights of Use of Intangible Assets	7,638	7,372	7,346	7,113	6,703	4,025	3,944
Investment in Subsidiaries	13,420	14,216	14,476	14,954	14,485	14,765	15,006
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-
Deferred Income Tax Assets	(0)	(0)	(0)	0	(0)	(0)	12
Intangibles	16,718	17,786	17,994	18,089	17,971	17,833	17,663
Rights of Use of Intangible Assets	-	-	-	-	-	-	-
Goodwill	26,720	26,725	26,724	26,741	26,710	26,691	26,697
TOTAL ASSETS	2,035,427	2,033,316	2,033,008	2,070,072	2,130,031	2,191,378	2,298,368

V. Financial Statements

GFNorte -Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
LIABILITIES							
Demand Deposits	570,690	592,056	591,051	597,782	603,364	643,394	675,678
Time Deposits-Retail	234,985	248,191	256,447	274,201	269,082	281,256	307,654
Time Deposits-Money Market	-	200	200	4,954	13,903	11,898	13,441
Global Account of deposits without movements	3,060	3,237	3,362	3,253	3,223	3,321	3,461
Senior Unsecured Debt	27,293	21,507	21,852	17,002	27,397	36,927	36,728
Deposits	836,028	865,191	872,912	897,192	916,968	976,796	1,036,961
Due to Banks & Correspondents:							
Demand Loans	0	0	0	-	-	-	-
Short Term Loans	20,059	15,285	17,627	22,407	18,365	18,004	18,341
Long Term Loans	12,778	13,861	14,831	14,798	15,738	13,174	14,129
Due to Banks & Correspondents	32,837	29,146	32,459	37,205	34,102	31,178	32,470
Technical Reserves	243,336	248,838	255,216	259,161	268,980	274,462	281,170
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	169,718	249,066	315,524	369,239	337,016	371,092	365,518
Secs to be received in Repo Trans, Net	0	0	-	-	-	-	-
Collateral sold or pledged as collateral							
Repos (Credit Balance)	295,829	178,235	101,485	72,562	118,297	107,536	139,408
Securities' Loans	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-
Total Collateral Sold	295,829	178,235	101,485	72,562	118,297	107,536	139,408
Derivatives							
For trading purposes	22,855	27,172	32,487	29,120	23,836	24,428	26,483
For hedging purposes	5,549	5,651	3,857	3,956	2,892	2,370	3,647
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-
Total Derivatives	28,404	32,823	36,344	33,076	26,727	26,798	30,131
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	3,807	3,514	3,414	1,729	2,326	2,789	2,405
Lease Liabilities	7,695	7,407	7,099	6,771	6,437	4,104	4,046
Creditors for settlement of transactions	13,468	23,233	13,887	8,680	26,129	18,019	17,483
Margin Accounts Payable	-	-	-	-	-	-	-
Creditors for collateral received in cash	18,425	22,059	24,113	20,643	23,173	22,488	23,200
Contributions payable	2,291	2,197	1,967	2,207	2,659	2,875	2,132
Suppliers	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	47,605	49,005	38,937	34,847	33,184	35,499	35,472
Other Payable Accounts	81,790	96,494	78,904	66,377	85,145	78,880	78,288
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	78,316	75,050	68,008	65,981	61,132	58,175	57,039
Income Tax Liabilities	5,139	6,086	8,481	10,733	10,666	6,367	6,070
Employee benefit liability	7,199	7,042	8,014	9,551	8,338	9,305	10,189
Deferred Credits	1,239	1,176	1,238	1,464	1,326	1,282	1,406
TOTAL LIABILITIES	1,791,336	1,800,068	1,789,097	1,831,040	1,877,460	1,948,764	2,045,100
EQUITY							
Paid-in Capital	14,969	14,941	14,938	14,955	14,968	14,968	14,971
Provision for future capital increase not formalized by its governing entity	0	0	0	0	0	0	0
Share Subscription Premiums	48,200	48,462	48,657	48,440	48,404	48,709	49,040
Finan. instr. that qualify as capital	-	-	-	-	-	-	-
Subscribed Capital	63,169	63,403	63,595	63,396	63,372	63,677	64,012
Capital Reserves	9,110	8,209	8,106	33,342	33,615	33,618	33,619
Retained Earnings	162,794	143,760	142,523	99,810	144,172	120,409	119,496
Net Income	10,748	22,272	33,816	45,408	13,018	26,106	39,375
Comprehensive Income							
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(389)	(2,740)	(3,839)	(2,783)	(2,355)	(2,215)	(3,330)
Valuation Adjustment for Cash Flow Hedges	(2,648)	(2,721)	(1,619)	(1,543)	(770)	(458)	(1,573)
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	(1,934)	(1,911)	(1,902)	(1,866)	(1,844)	(1,822)	(1,801)
Cumulative foreign currency translation adjustment	122	136	131	83	(28)	(95)	(72)
Res. for holding non-monetary assets	-	-	-	-	-	-	-
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	45	120	272	197	211	204	356
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-
Earned Capital	177,848	167,125	177,487	172,648	186,019	175,748	186,071
Minority Interest	3,074	2,720	2,829	2,989	3,180	3,189	3,184
Total Equity	244,091	233,248	243,911	239,033	252,570	242,614	253,267
TOTAL LIABILITIES & EQUITY	2,035,427	2,033,316	2,033,008	2,070,072	2,130,031	2,191,378	2,298,368

V. Financial Statements

GFNorte - Memorandum Accounts (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
On behalf of Third Parties							
Customer's Banks	22	6	18	27	45	71	12
Dividends Receivable from Customers	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-
Settlement of Customer Transactions	(409)	397	52	36	(391)	(23)	(85)
Customer Premiums	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-
Customers' Current Account	(386)	403	70	63	(346)	48	(73)
Client Securities Received in Custody	758,691	734,542	753,736	772,939	797,425	850,200	839,057
Securities and Documents Received in	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-
Clients' Securities	758,691	734,542	753,736	772,939	797,425	850,200	839,057
Clients' Repurchase Operations	575,341	569,214	413,030	416,835	434,000	-	235,752
Clients' Repo Transactions w / Securities	-	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	278,975	284,634	206,515	208,581	217,071	0	232,429
Purchase of Futures & Forward Contracts,	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts,	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-
Trusts under Management	195	201	210	220	227	238	237
Siefores shares held by employees	-	-	-	-	-	-	-
Miscellaneous accounts	-	-	-	-	-	-	-
Transactions On Behalf of Clients	854,511	854,049	619,755	625,636	651,299	238	471,663
Investment Bank Trans. on behalf of Third (Net)	268,105	292,819	310,999	268,191	317,546	340,435	362,297
TOTAL ON BEHALF OF THIRD PARTIES	1,880,922	1,881,813	1,684,560	1,666,829	1,765,925	1,190,922	1,672,944
Endorsement Guarantees Granted	185	221	281	357	250	153	-
Loan Obligations	324,304	353,074	363,564	393,372	419,511	445,072	448,770
Trusts	291,862	294,351	291,433	301,499	333,375	337,595	308,076
Mandates	8,167	8,489	8,266	7,301	7,396	7,840	7,824
Properties in Trusts and Warrant	300,029	302,840	299,700	308,800	340,771	345,434	315,900
Properties in Custody or Management	468,507	483,761	496,832	515,172	534,055	553,613	590,979
Shares delivered in custody or as collateral	43,458	43,458	43,458	44,942	44,942	44,942	45,542
Collateral Received	423,172	300,480	242,372	189,333	239,675	241,213	290,436
Collateral Received or sold or delivered	579,659	462,826	307,954	281,113	335,308	107,552	139,371
Assets' Deposit	2,888	3,258	3,113	4,152	4,552	3,943	3,951
Contingent assets & Liabilities	148	60	80	32	39	57	34
Uncollected Accrued Interest from Non-Performing Loans	424	356	386	425	442	417	373
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	545,793	579,155	603,289	581,209	600,202	630,490	664,971
TOTAL PROPRIETARY	2,688,568	2,529,490	2,361,029	2,318,909	2,519,746	2,372,887	2,500,327

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOWS

JANUARY 1st, 2023 – SEPTEMBER 30th, 2023

(Million Pesos)

Operation activities**Net income before taxes 53,830****Adjustments for items associated with investing activities 2,201**

Depreciation in property, furniture, and equipment 2,567

Amortization of intangible assets 585

Participation in the net income of other entities (951)

Adjustments for items associated with financing activities: 4,152

Interest associated with interbank loans and loans from other organizations 2,387

Interest associated with financial instruments that qualify as a liability 1,765

Sum 6,353**Changes in operating items (20,018)**

Change in margin accounts (derivative financial instruments) (1,486)

Change in investments in financial instruments (securities) (net) (54,139)

Change in repo debtors (net) (74,995)

Change in derivative financial instruments (asset) 1,925

Change in loan portfolio (net) (89,455)

Change in acquired collection rights (net) (233)

Change in debtors of insurance and bail-bond companies (3,230)

Amounts recoverable by reinsurance and counter-guarantee (69)

Change in inventories (49)

Change in other accounts receivable (net) (7,658)

Change in foreclosed assets (net) 360

Change in traditional deposits 139,769

Change in technical reserves 22,009

Changes of interbank loans and other organizations (7,122)

Change in creditors by repo (3,721)

Change in collateral sold or given in guarantee 66,846

Change in derivative financial instruments (liability) (2,636)

Change in accounts payable for reinsurance and reguarantee (liability) 676

Change in hedging derivative financial instruments (1,468)

(of hedged items related to operating activities)

Change in assets/liabilities for employee benefits 638

Change in other accounts payable 13,224

Income tax payments (19,204)

Net cash flows from operating activities 40,165**Investment activities**

Payments for the acquisition of property, furniture and equipment (6,659)

Charges for disposal of property, furniture and equipment 3,529

Payments for the acquisition of associates, joint ventures and other permanent investments (94)

Collections of cash dividends from permanent investments 954

Net cash flows from investing activities (2,270)**Financial activities**

Lease liability payments (114)

Payments associated with financial instruments that qualify as capital (2,998)

Cash Dividend Payments (22,704)

Payments associated with financial instruments that qualify as a liability (10,707)

Interest payments for lease liability (282)

Net cash flows from financing activities (36,805)**Net increase or decrease in cash and cash equivalents 1,090****Effects of changes in the value of cash and cash equivalents (121)****Cash and cash equivalents at the beginning of the period 108,254****Cash and cash equivalents at the end of the period 109,223**

GFNORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1st, 2023 – SEPTEMBER 30th, 2023
(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	Cash Flow Hedges	Remeasurement on Defined Employee Benefits	Remediones por Resultado en la Valuación de la Reserva de Riesgos en Curso por Tasas de Descuento	Cumulative Foreign Currency Translation Adjustment	Total Majority Interest	Total Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2022	14,955	48,440	33,342	145,218	(2,783)	(1,544)	(1,866)	197	83	236,042	2,989	239,031
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS												
Repurchase of share-based payment plan liquidable in equity instruments	16	552	277	53						898		898
Dividends Decreed by the Ordinary General Meeting of Shareholders on June 2nd, 2023				(22,704)						(22,704)		(22,704)
Total	16	552	277	(22,651)	0	0	0	0	0	(21,806)	0	(21,806)
OTHER CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS												
Effect of subsidiaries, associates, and investment companies		49		(72)	(45)					(68)		(68)
Interest on subordinated debt				(2,998)						(2,998)		(2,998)
Total	0	49	0	(3,070)	(45)	0	0	0	0	(3,066)	0	(3,066)
COMPREHENSIVE INCOME:												
Net Income				39,375						39,375	567	39,942
OTHER COMPREHENSIVE INCOME												
Financial instruments to collect or sell valuation					(502)					(502)		(502)
Result from conversion of foreign operations									(154)	(154)		(154)
Cash flow hedges valuation						(29)				(29)		(29)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates								159		159		159
Defined remeasurements for employees benefits							65			65		65
Total	0	0	0	39,375	(502)	(29)	65	159	(154)	38,914	567	39,481
Minority Interest											(372)	(372)
Balance as of September 30th, 2023	14,971	49,041	33,619	158,872	(3,330)	(1,573)	(1,801)	356	(71)	250,084	3,184	253,268

Bank

Bank-Consolidated Statement of Comprehensive Income (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Interest Income	46,022	50,904	60,095	69,620	75,326	82,864	86,127
Interest Expense	26,959	30,762	38,048	45,630	51,207	58,269	60,281
Net Interest Income (NII)	19,063	20,143	22,047	23,990	24,119	24,595	25,846
Preventive Provisions for Loan Losses	2,634	2,390	3,098	3,599	3,737	4,025	4,461
Net Interest Income Adjusted for Credit Risk	16,429	17,753	18,949	20,391	20,383	20,570	21,385
Fund Transfers	471	515	527	527	487	505	484
Account Management Fees	483	489	483	455	465	489	483
Electronic Banking Services	3,790	4,197	4,280	4,705	4,262	4,416	4,432
For Commercial and Mortgage Loans	-	-	-	-	-	-	-
For Consumer and Credit Card Loans	1,395	1,521	1,617	1,591	1,750	1,838	1,928
Fiduciary	127	135	123	151	131	147	119
Income from Real Estate Portfolios	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-
Trading & Financial Advising Fees	0	(0)	-	-	-	-	-
Other Fees Charged	748	777	854	866	1,233	1,300	1,133
Fees Charged on Services	7,065	7,778	7,847	8,473	8,379	8,681	8,484
Interchange Fees	2,643	2,905	2,995	3,116	2,844	3,061	3,033
Insurance Fees	-	-	-	-	-	-	-
Other Fees Paid	949	1,075	1,177	1,347	1,224	1,293	1,332
Fees Paid on Services	3,592	3,981	4,172	4,463	4,068	4,354	4,365
Net Service Fees	3,473	3,797	3,675	4,010	4,312	4,327	4,119
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	(542)	350	(146)	(1,260)	(3,243)	(2,494)	1,084
Derivatives	1,361	406	(383)	186	2,236	1,343	(3,054)
Negotiable Instruments	(1)	(220)	(131)	167	(31)	(7)	326
Valuation	818	537	(661)	(907)	(1,038)	(1,159)	(1,644)
Currency and Metals	1,319	753	1,218	1,235	1,366	1,216	2,695
Derivatives	(719)	(209)	115	(96)	(97)	446	(16)
Negotiable Instruments	(25)	(22)	(178)	(287)	(45)	87	(212)
Trading	575	522	1,155	852	1,224	1,748	2,467
Other financial results	2	(93)	1	131	3	123	10
Trading Income	1,395	966	495	76	189	712	833
Contributions to the IPAB	(934)	(954)	(985)	(985)	(1,001)	(1,042)	(1,108)
Expenses Incurred in the Recovery of Credit Portfolio	(331)	(310)	(340)	(394)	(359)	(349)	(337)
Acquired collection rights	51	63	137	67	95	99	107
Income from foreclosed assets	118	192	93	167	134	142	225
Donations	(136)	(36)	(23)	(26)	(87)	(78)	(28)
Impairment of Assets	-	-	-	-	-	-	-
Result on sale of Property, Furniture and Equipment	(6)	(16)	(28)	(13)	(5)	(18)	18
Lease Income	0	0	0	9	0	1	0
From Insurance	-	-	-	-	-	-	-
Securitization Operation Valuation Result	-	-	-	-	-	-	-
Other Operating Expense	(276)	(18)	(219)	(151)	59	(65)	(172)
Total Other Operating Income (Expense)	(1,472)	(907)	(1,253)	(1,200)	(1,012)	(1,147)	(1,112)
Total Non Interest Income	3,396	3,856	2,917	2,886	3,489	3,892	3,840
Total Operating Income	19,825	21,609	21,866	23,277	23,871	24,462	25,225
Personnel	3,839	3,792	4,030	5,852	4,361	4,476	4,589
Employee Profit Sharing (PTU)	367	367	367	313	389	389	259
Professional Fees	688	799	804	784	791	797	719
Administrative and Promotional Expenses	4,112	4,229	4,452	4,911	4,434	4,591	4,891
Total Non Interest Expense	9,007	9,188	9,654	11,859	9,975	10,254	10,458
Operating Income	10,818	12,421	12,211	11,417	13,896	14,208	14,767
Subsidiaries' Net Income	42	31	53	42	33	56	49
Pre-Tax Income	10,860	12,452	12,264	11,460	13,929	14,264	14,816
Taxes	3,228	3,078	3,350	2,829	3,620	3,899	3,795
Net Income from Continuous Operations	7,632	9,374	8,913	8,630	10,309	10,364	11,020
Discontinued Operations	-	-	-	-	-	-	-
Net income from continuing operations	7,632	9,374	8,913	8,630	10,309	10,364	11,020
Minority Interest	0	(0)	0	0	0	0	0
Net Income	7,632	9,374	8,913	8,630	10,309	10,364	11,020
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,936)	(2,169)	(975)	1,035	421	97	(940)
Cash Flow Hedges Valuation	14	(74)	1,121	77	787	318	(1,135)
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	24	24	24	41	22	22	22
Cumulative foreign currency translation adjustment	(37)	11	(5)	(39)	(89)	(54)	19
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	(1,936)	(2,208)	164	1,114	1,141	383	(2,034)
Comprehensive Income	5,696	7,166	9,078	9,744	11,451	10,747	8,987

V. Financial Statements

Bank -Consolidated Statement of Financial Position	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
(Million Pesos)							
ASSETS							
Cash and Equivalents	124,197	98,778	91,252	107,581	106,864	130,256	108,922
Margin Accounts	8,221	6,526	5,730	5,478	5,253	5,213	6,964
Negotiable Instruments	32,064	34,414	117,925	134,685	126,821	109,204	106,499
Securities Available for Sale	130,391	130,393	120,871	114,771	106,812	115,537	149,882
Securities Held to Maturity	75,062	85,255	85,108	88,254	86,776	79,771	92,717
Investment in Securities	237,517	250,063	323,903	337,711	320,408	304,512	349,098
Estimate of Expected Credit Losses for Investments	209	208	208	205	207	86	85
Debtor Balance in Repo Trans, net	293,727	173,934	100,332	74,371	107,771	104,215	136,173
Securities Lending	-	-	-	-	-	-	-
For trading purposes	29,452	33,734	38,873	35,576	32,383	34,456	33,754
For hedging purposes	1,096	1,256	1,814	1,854	2,958	3,762	2,984
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
Transactions with Derivatives	30,548	34,990	40,687	37,430	35,342	38,218	36,738
Operations w/Derivatives & Securities	324,275	208,924	141,019	111,801	143,112	142,433	172,911
Valuation adjustments for Asset Coverage	36	32	19	-	-	-	-
Commercial Loans	301,983	307,605	307,352	328,895	335,446	346,618	365,388
Financial Intermediaries' Loans	29,285	33,282	31,946	29,690	35,037	39,089	36,785
Consumer Loans	122,916	129,443	135,775	142,071	148,229	158,013	164,634
Payroll Loans	55,340	59,648	62,692	64,612	66,962	70,747	72,725
Personal Loans	647	632	706	975	883	939	955
Credit Card	39,197	40,601	42,663	44,607	45,523	48,331	50,738
Auto Loans	27,733	28,562	29,715	31,877	34,860	37,995	40,215
Mortgage Loans	199,148	203,953	214,353	223,705	230,684	238,050	245,286
Medium and Residential	196,932	201,848	212,310	221,771	228,828	236,285	243,592
Low- income housing	2	2	2	2	2	2	2
Loans acquired from INFONAVIT or FOVISSSTE	2,214	2,102	2,041	1,932	1,855	1,763	1,692
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities' Loans	153,946	163,785	157,501	165,940	173,866	157,916	163,546
Performing Loans, Stage 1	807,278	838,067	846,928	890,301	923,263	939,685	975,639
Commercial Loans	1,050	1,453	3,366	966	928	836	3,122
Financial Intermediaries' Loans	-	-	-	-	-	-	-
Consumer Loans	2,014	2,061	2,355	2,278	2,706	2,742	2,987
Payroll Loans	1,261	1,283	1,542	1,438	1,731	1,703	1,845
Personal Loans	31	28	30	26	70	31	39
Credit Card	410	443	483	520	586	643	710
Auto Loans	313	307	300	293	319	365	393
Mortgage Loans	3,494	3,571	3,685	3,226	3,210	3,393	3,578
Medium and Residential	3,408	3,482	3,599	3,130	3,112	3,315	3,506
Low- income housing	0	0	0	0	1	-	0
Loans acquired from INFONAVIT or FOVISSSTE	86	89	86	97	98	79	71
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities' Loans	-	-	-	-	-	7	-
Performing Loans, Stage 2	6,558	7,085	9,406	6,470	6,844	6,979	9,687
Commercial NPL's	3,153	3,252	3,420	3,750	3,811	3,433	3,147
Financial Intermediaries NPL's	101	105	101	-	-	20	98
Consumer NPL's	2,530	2,820	3,070	3,528	3,367	3,954	4,150
Payroll NPL's	1,380	1,665	1,832	2,178	1,993	2,337	2,421
Personal NPL's	45	49	36	45	49	63	40
Credit Card NPL's	902	926	986	1,108	1,132	1,344	1,435
Auto NPL's	203	180	215	197	193	210	254
Mortgage NPL's	1,763	1,855	1,904	1,865	1,994	2,054	2,089
Medium and Residential	1,446	1,521	1,552	1,553	1,650	1,701	1,739
Low- income housing	0	0	0	-	0	0	0
Loans acquired from INFONAVIT or FOVISSSTE	317	334	353	312	343	352	350
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-
Government Entities PDL's	154	98	-	-	-	-	7
Non-Performing Loans, Stage 3	7,702	8,129	8,496	9,143	9,172	9,461	9,491
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-
Deferred Items	1,596	1,606	1,575	2,058	2,195	2,264	2,306
Gross Loan Portfolio	823,135	854,887	866,405	907,972	941,474	958,388	997,123
Preventive Loan Loss Reserves	16,278	16,350	16,554	16,961	17,288	17,775	18,365
Net Loan Portfolio	806,857	838,537	849,851	891,011	924,185	940,613	978,759
Acquired Collection Rights (net)	582	466	322	654	597	551	888
Total Credit Portfolio	807,439	839,003	850,173	891,665	924,783	941,164	979,646
Benef. receivab. securization transactions	-	-	-	-	-	-	-
Sundry Debtors & Other Accts Rec, Net	50,928	64,829	45,296	36,343	43,938	43,678	46,632
Inventories	-	-	-	-	-	-	-
Foreclosed Assets, Net	1,620	1,848	1,770	2,844	2,667	2,670	2,513
Advanced Payments and Other Assets	11,080	9,358	12,715	8,614	5,060	6,370	4,976
Real Estate, Furniture & Equipment, Net	17,235	18,246	18,145	24,538	24,494	25,183	24,998
Rights of Use of Intangible Assets	7,424	7,178	7,173	6,951	6,545	3,884	3,824
Investment in Subsidiaries	559	1,261	1,339	1,461	1,503	1,481	1,510
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-
Deferred Income Tax Assets	-	817	544	565	-	-	887
Intangibles	14,424	15,410	15,468	15,494	15,257	14,927	14,593
Rights of Use of Intangible Assets	-	-	-	-	-	-	-
Goodwill	1,391	1,396	1,396	1,413	1,381	1,362	1,369
TOTAL ASSETS	1,606,136	1,523,461	1,515,735	1,552,253	1,601,058	1,623,047	1,718,758

V. Financial Statements

Bank -Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
LIABILITIES							
Demand Deposits	580,928	612,491	597,069	619,559	610,570	649,023	681,763
Time Deposits-Retail	235,005	248,191	256,447	274,201	269,082	281,256	307,854
Time Deposits-Money Market	-	200	200	4,954	13,903	11,898	13,441
Global Account of deposits without movements	3,060	3,237	3,362	3,253	3,223	3,321	3,461
Senior Unsecured Debt	27,293	21,507	21,852	17,002	42,499	36,927	36,728
Deposits	846,286	885,625	878,930	918,968	939,276	982,425	1,043,046
Due to Banks & Correspondents:							
Demand Loans	0	0	0	-	-	-	-
Short Term Loans	6,481	6,255	5,459	7,181	7,525	6,686	4,618
Long Term Loans	5,944	7,572	7,744	7,641	7,029	5,007	4,919
Due to Banks & Correspondents	12,425	13,827	13,203	14,822	14,554	11,693	9,537
Technical Reserves	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	110,034	108,400	190,801	218,928	205,729	198,243	200,925
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral:							
Repos (Credit Balance)	291,402	172,035	98,485	72,429	105,882	104,204	136,169
Securities' Loans	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-
Total Collateral sold	291,402	172,035	98,485	72,429	105,882	104,204	136,169
Derivatives							
For trading purposes	22,950	27,238	32,555	29,116	23,735	24,286	26,576
For hedging purposes	5,549	5,651	3,857	3,956	2,892	2,370	3,647
Total Derivatives	28,499	32,889	36,412	33,072	26,626	26,656	30,224
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	-	-	-
Lease Liabilities	7,478	7,211	6,923	6,606	6,275	3,958	3,921
Creditors for settlement of transactions	9,553	21,269	12,881	7,116	16,043	13,985	13,958
Margin Accounts Payable	-	-	-	-	-	-	-
Creditors for collateral received in cash	18,425	22,059	24,113	20,643	23,173	22,488	23,200
Contributions payable	1,280	1,335	1,189	1,025	1,557	1,558	1,237
Suppliers	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	43,742	44,363	34,559	30,685	28,228	30,320	30,259
Other Payable Accounts	73,000	89,025	72,742	59,469	69,001	68,350	68,654
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	78,316	75,050	68,008	65,981	61,132	58,175	57,039
Income Tax Liabilities	2,598	4,008	5,909	7,380	8,461	3,322	3,328
Employee benefit liability	6,655	6,462	7,393	8,798	7,697	8,554	9,200
Deferred Credits	1,087	1,076	1,066	1,123	1,107	1,164	1,158
TOTAL LIABILITIES	1,457,778	1,395,609	1,379,873	1,407,576	1,445,741	1,466,745	1,563,201
EQUITY							
Paid-in Capital	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	4,051	4,249	4,455	4,651	4,904	5,158	5,408
Finan. instr. that qualify as capital	-	-	-	-	-	-	-
Subscribed Capital	22,845	23,044	23,249	23,445	23,699	23,952	24,203
Capital Reserves	18,959	18,959	18,959	18,959	18,959	18,959	18,959
Retained Earnings	103,845	75,975	74,701	73,577	107,062	97,045	87,064
Net Income	7,632	17,006	25,919	34,549	10,309	20,673	31,693
Comprehensive Income							
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(216)	(2,385)	(3,360)	(2,326)	(1,904)	(1,807)	(2,747)
Valuation Adjustment for Cash Flow Hedges	(2,696)	(2,770)	(1,649)	(1,572)	(785)	(467)	(1,602)
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	(2,013)	(1,989)	(1,965)	(1,924)	(1,902)	(1,879)	(1,857)
Cumulative foreign currency translation adjustment	(3)	8	3	(37)	(126)	(181)	(162)
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	125,508	104,804	112,608	121,227	131,613	132,344	131,349
Minority Interest	4	4	5	5	5	5	6
Total Equity	148,358	127,852	135,862	144,677	155,317	156,301	155,557
TOTAL LIABILITIES & EQUITY	1,606,136	1,523,461	1,515,735	1,552,253	1,601,058	1,623,047	1,718,758

Bank - Memorandum Accounts (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Investment Banking transactions for third parties, net	-	-	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	-	-	-	-	-	-	-
Endorsement Guarantees Granted	185	221	281	357	250	153	-
Loan Obligations	281,480	307,653	320,206	347,355	371,313	396,990	397,033
Trusts	291,862	294,351	291,433	301,499	333,375	337,595	308,076
Mandates	8,167	8,489	8,266	7,301	7,396	7,840	7,824
Properties in Trusts and Warrant	300,029	302,840	299,700	308,800	340,771	345,434	315,900
Properties in Custody or Management	509,168	544,522	570,922	546,061	590,620	625,669	672,756
Shares delivered in custody or as collateral	-	-	-	-	-	-	-
Collateral Received	395,593	277,352	206,071	182,756	220,146	224,995	264,082
Collateral Received or sold or delivered	291,829	171,992	98,441	72,400	105,820	104,217	136,126
Deposits of assets	-	-	-	-	-	-	-
Contingent assets & liabilities	148	60	80	32	39	57	34
Uncollected Accrued Interest from Non-Performing Loans	418	349	378	412	427	400	353
Liabilities for active bonds (net)	-	-	-	-	-	-	-
Recovery guarantees for issued bonds	-	-	-	-	-	-	-
Complaints received pending verification	-	-	-	-	-	-	-
Contingent claims	-	-	-	-	-	-	-
Claims paid	-	-	-	-	-	-	-
Claims cancelled	-	-	-	-	-	-	-
Recovered claims	-	-	-	-	-	-	-
Miscellaneous accounts	511,708	542,442	565,765	542,918	560,240	563,073	609,482
TOTAL PROPRIETARY	2,290,559	2,147,431	2,061,843	2,001,092	2,189,625	2,260,988	2,395,766

BANORTE - CONSOLIDATED STATEMENT OF CASH FLOWS

JANUARY 1st, 2023 – SEPTEMBER 30th, 2023

(Million Pesos)

Operation activities**Net income before taxes 43,009****Adjustments for items associated with investing activities 2,723**

Depreciation in property, furniture, and equipment 2,414

Amortization of intangible assets 447

Participation in the net income of other entities (138)

Adjustments for items associated with financing activities: 3,000

Interest associated with interbank loans and loans from other organizations 832

Interest associated with financial instruments that qualify as a liability 2,168

Sum 5,723**Changes in operating items (12,280)**

Change in margin accounts (derivative financial instruments) (1,487)

Change in investments in financial instruments (securities) (net) (11,927)

Change in repo debtors (net) (61,802)

Change in derivative financial instruments (asset) 1,822

Change in loan portfolio (net) (87,748)

Change in acquired collection rights (net) (233)

Change in other accounts receivable (net) (10,290)

Change in foreclosed assets (net) 331

Change in other operating assets (net) 4,582

Change in traditional deposits 124,078

Changes of interbank loans and other organizations (6,117)

Change in creditors by repo (18,003)

Change in collateral sold or given in guarantee 63,740

Change in derivative financial instruments (liability) (2,539)

Change in other operating liabilities 35

Change in hedging derivative financial instruments (1,441)

Change in assets/liabilities for employee benefits 402

Change in other accounts payable 9,794

Income tax payments (15,477)

Net cash flows from operating activities 36,452**Investment activities**

Payments for the acquisition of property, furniture and equipment (5,433)

Charges for the acquisition of property, furniture, and equipment 2,953

Payments for the acquisition of associates, joint businesses, and other permanent investments (94)

Charges of cash dividends coming from permanent investments 142

Net cash flows from investing activities (2,432)**Financial activities**

Lease liability payments (122)

Payments associated with financial instruments that qualify as capital (3,051)

Dividends paid in cash (18,000)

Payments associated with financial instruments that qualify as a liability (11,110)

Interest payments for lease liability (276)

Net cash flows from financing activities (32,559)**Net increase or decrease in cash and cash equivalents 1,461****Effects of changes in the value of cash and cash equivalents (120)****Cash and cash equivalents at the beginning of the period 107,581****Cash and cash equivalents at the end of the period 108,922**

BANORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1st, 2023 – SEPTEMBER 30th, 2023
(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, 2022	18,795	4,651	18,959	108,126	(2,326)	(1,571)	(1,924)	(37)	144,673	5	144,678
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS											
Plan based on shares payable in equity instruments		757							757		757
Dividends Decreed by the Ordinary General Meeting of Shareholders on April 5th, 2023 and July 12th 2023				(18,000)					(18,000)		(18,000)
Total	0	757	0	(18,000)	0	0	0	0	(17,243)	0	(17,243)
OTHER CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS											
Interest on subordinated debt				(3,051)					(3,051)		(3,051)
Effect of subsidiaries, associates, and investment companies				(11)					(11)		(11)
Total	0	0	0	(3,062)	0	0	0	0	(3,062)	0	(3,062)
COMPREHENSIVE INCOME											
Net Income				31,693					31,693	1	31,694
OTHER COMPREHENSIVE INCOME											
Financial instruments to collect or sell valuation					(420)				(420)		(420)
Effect of subsidiaries, associates and mutual funds					(1)	(28)			(29)		(29)
Result from conversion of foreign operations								(125)	(125)		(125)
Cash flow hedges valuation						(2)			(2)		(2)
Defined remeasurements for employees' benefits							67		67		67
Total	0	0	0	31,693	(421)	(30)	67	(125)	31,184	1	31,185
Minority Interest										(1)	(1)
Balance as of September 30th, 2023	18,795	5,408	18,959	118,757	(2,747)	(1,601)	(1,857)	(162)	155,552	5	155,557

Seguros Banorte

Income Statement- Seguros Banorte (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Interest Income	396	471	545	578	769	801	879
Interest Expense	3	3	2	2	2	1	1
Monetary Positions Net Interest Income	-	-	-	-	-	-	-
Net Interest Income (NII)	393	468	543	576	767	800	878
Preventive Provisions for Loan Losses	0	3	(0)	(0)	0	0	(0)
Net Interest Income	393	465	543	576	767	800	878
Fees Charged on Services	-	-	-	-	-	-	-
Fees Paid on Services	-	-	-	-	-	-	-
Premium Revenue (Net)	10,941	4,361	4,051	5,300	9,887	8,708	6,077
Net increase in technical reserves	4,522	(868)	(833)	103	3,324	2,543	813
Net Cost for Insurance and Bond Operations	731	587	597	612	1,568	848	794
Net Cost of Claims and Other Obligations	4,018	3,646	3,469	3,642	3,427	4,316	4,150
Trading Income	(80)	(91)	114	280	126	277	252
Total Other Operating Income (Expenses)	227	228	(20)	20	115	99	157
Total Non-Interest Income	1,817	1,132	913	1,243	1,808	1,377	729
Total Operating Income	2,210	1,597	1,455	1,819	2,575	2,176	1,606
Personnel	129	104	116	128	127	130	138
Professional Fees	63	62	63	60	71	74	7
Administrative and Promotional	30	36	29	41	55	37	76
Rents, Depreciation & Amortization	54	50	43	55	47	42	44
Other Taxes	23	25	29	18	33	26	38
Employee Profit Sharing (PTU)	4	6	13	16	13	14	15
Other expenses	181	155	(55)	44	215	97	130
Total Non-Interest Expense	484	439	239	362	561	420	449
Operating Income	1,726	1,158	1,216	1,457	2,014	1,757	1,157
Subsidiaries' Net Income	158	101	181	362	298	301	210
Pre-Tax Income	1,884	1,259	1,398	1,819	2,312	2,057	1,368
Taxes	493	302	325	437	621	532	333
Net Income from Continuous Operations	1,391	957	1,073	1,382	1,691	1,526	1,035
Discontinued Operations	-	-	-	-	-	-	-
Net income from continuing operations	1,391	957	1,073	1,382	1,691	1,526	1,035
Minority Interest	4	6	6	7	9	10	4
Net Income	1,387	951	1,067	1,375	1,682	1,516	1,031

Seguros Banorte - Balance Sheet (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
ASSETS							
Cash and Equivalents	3,441	3,517	1,589	3,106	2,416	1,678	1,697
Margin Accounts	-	-	-	-	-	-	-
Negotiable Instruments	25,011	25,874	25,961	25,247	29,440	29,868	31,459
Securities Available for Sale	5,443	4,827	5,685	6,466	6,192	6,557	6,880
Securities Held to Maturity	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Investment in Securities	30,454	30,701	31,646	31,713	35,632	36,425	38,338
Estimate of Expected Credit Losses for Investments	-	-	-	-	-	-	-
Debtor Balance in Repo Trans, net	2,049	3,381	3,554	4,857	5,797	7,166	5,215
Securities Lending	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Operations w/Derivatives & Securities	2,049	3,381	3,554	4,857	5,797	7,166	5,215
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-
Insurance and Bail Bond portfolio	25	24	25	25	24	27	28
Deferred Items (BAP)	-	-	-	-	-	-	-
Loan Loss-reserve for Insurance and Bail Bond	25	24	25	25	24	27	28
Net Insurance and Bail Bond Loan Portfolio	0	0	0	0	0	0	0
Loan Portfolio, net	25	24	25	25	24	27	28
Net from Reserves Loan Portfolio	25	24	25	25	24	27	28
Acquired Collection Rights (net)	-	-	-	-	-	-	-
Total Credit Portfolio	25	24	25	25	24	27	28
Account Receivables from Insurance and Annuities	10,664	8,410	6,196	3,693	7,939	9,921	7,110
Amounts recoverable by Reinsurance and Counter-	8,022	8,033	7,589	5,402	4,898	5,284	5,471
Account Receivables from Reinsurance	-	-	-	-	-	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	236	583	370	446	170	280	323
Inventories	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-
Advance Payments and Other Assets	1,679	1,673	1,689	1,691	350	1,156	1,635
Real Estate, Furniture & Equipment, Net	251	243	235	247	244	254	297
Assets for Rights of Use of Property, furniture and equipment	193	173	154	143	141	126	106
Investment in Subsidiaries	12,712	12,812	12,993	13,344	12,830	13,130	13,340
Assets for Rights of Use of Property, Furn.& Eq.	-	-	-	-	-	-	-
Deferred Income Tax Assets	338	338	338	450	450	746	656
Intangibles	1,385	1,403	1,429	1,422	1,452	1,482	1,506
Rights of Use of Intangible Assets	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-
TOTAL ASSETS	71,447	71,291	67,807	66,537	72,343	77,673	75,723

Seguros Banorte - Balance Sheet <i>(Million Pesos)</i>	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
LIABILITIES							
Technical Reserves	39,729	38,493	36,965	36,319	39,824	43,239	43,922
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Total Derivatives	-	-	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	3,807	3,514	3,414	1,729	2,326	2,789	2,405
Lease Liabilities	195	175	157	146	144	130	111
Creditors for settlement of transactions	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-
Creditors for collateral received in cash	-	-	-	-	-	-	-
Contributions payable	893	731	677	848	949	883	777
Suppliers	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	2,006	2,313	2,123	2,037	3,021	2,965	2,952
Other Payable Accounts	2,900	3,044	2,800	2,884	3,970	3,848	3,728
Contributions for future capital increases pending formalization by its governing body	-	-	-	-	-	-	-
Subordinated Non Convertible Debt	-	-	-	-	-	-	-
Income Tax Liabilities	811	1,116	1,440	1,987	931	1,759	1,996
Employee benefit liability	132	133	133	149	151	154	155
Deferred Credits	50	50	42	43	46	49	50
TOTAL LIABILITIES	47,623	46,525	44,951	43,257	47,393	51,968	52,366
EQUITY							
Paid-in Capital	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	7	7	7
Share Subscription Premiums	-	-	-	-	-	-	-
Finan. instr. that qualify as capital	-	-	-	-	-	-	-
Subscribed Capital	13,934	13,934	13,934	13,934	13,934	13,934	13,934
Capital Reserves	3,834	4,236	4,236	4,236	4,236	4,714	4,714
Retained Earnings	4,333	3,930	1,007	3	4,783	3,537	216
Net Income	1,387	2,339	3,406	4,781	1,682	3,198	4,229
<u>Resultados Integrales:</u>							
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(102)	(192)	(356)	(229)	(265)	(245)	(395)
Valuation Adjustment for Cash Flow Hedges	-	-	-	-	-	-	-
Income and expenses related to assets held for disposal	-	-	-	-	-	-	-
Remeasurements defined benefits for employees	20	20	6	3	3	3	3
Cumulative foreign currency translation adjustment	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	46	122	274	199	213	206	358
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-
Earned Capital	9,519	10,455	8,574	8,992	10,653	11,412	9,125
Minority Interest	371	377	348	354	363	359	299
Total Equity	23,825	24,767	22,856	23,280	24,950	25,705	23,358
TOTAL LIABILITIES & EQUITY	71,447	71,291	67,807	66,537	72,343	77,673	75,723

Information by Segments

GFNorte - Income Statement as of September 30th, 2023

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Interest on Loan Portfolio	1,334	244,318	16,471	2,827	71	20,677
Interest on cash and cash equivalents	435	5,471	187	5	0	295
Interest and yields in favor from margin accounts	-	(486)	-	-	-	2
Interest and yields in favor from OTC collateral operations	-	354	-	-	-	-
Interest and yields in favor from investments in financial instruments	403	21,051	8,112	-	-	18,805
Interest and yields on repurchase agreements	495	10,982	1	-	-	603
Operations' coverage income from hedging operations	-	6,918	-	-	-	-
Income from trading financial instruments	-	103,298	-	-	-	941
Interest on loan portfolio with credit risk stage 1						
Commercial loans	-	32,103	-	2,501	71	-
Financial entities	-	2,423	-	47	-	-
Government entities	-	14,502	-	196	-	-
Consumer loans	-	29,142	-	-	-	-
Mortgage loans	-	16,005	-	-	-	-
Interest on loan portfolio with credit risk stage 2						
Commercial Loans	-	133	-	29	-	-
Financial entities	-	-	-	2	-	-
Government entities	-	0	-	16	-	-
Consumer loans	-	478	-	-	-	-
Mortgage loans	-	253	-	-	-	-
Interest on loan portfolio with credit risk stage 3						
Commercial loans	-	67	-	11	-	-
Financial entities	-	0	-	-	-	-
Government entities	-	-	-	-	-	-
Consumer loans	-	63	-	1	-	-
Mortgage loans	-	70	-	-	-	-
Insurance and bond loan portfolio interest	-	-	694	-	-	-
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	1,248	-	19	-	-
Effect of loan portfolio renegotiation	-	228	-	-	-	-
Securities' loans premiums	-	-	554	-	-	-
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	16	12	-	-	32
Income from valuation	-	-	6,912	-	-	0
Increase due interest income update	-	-	-	-	-	-

V. Financial Statements

GFNorte - Income Statement as of September 30th, 2023

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Interest expense	-	169,758	6	2,520	0	19,978
Interest on demand deposits	-	11,780	-	-	-	-
Interest on time deposits	-	18,241	-	-	-	-
Interest due to banks and correspondents	-	831	-	2,442	-	-
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	2,168	-	-	-	-
Interest and yields charged from OTC collateral operations	-	774	-	-	-	-
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	26,646	-	-	-	19,052
Expenses from hedging operations	-	6,512	-	-	-	-
Expenses from trading financial instruments	-	100,064	-	-	-	925
Proceeds from lent securities	-	-	-	-	-	0
Effect of loan portfolio renegotiation	-	307	-	-	-	-
Costs expenses of granting loans	-	1,852	-	5	-	-
Foreign exchange valorization income	-	209	0	72	0	0
Chargeable interest associated with the global deposit account without movements	-	97	-	-	-	-
Interest on lease liabilities	-	276	6	-	-	-
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	-	-	-	-	-	-
Financial Margin	1,334	74,560	16,465	308	71	699
Allowance for loan losses	0	12,223	31	97	-	-
Risk adjusted net interest income	1,334	62,338	16,434	211	71	699
Commissions and fees charged on services	-	25,544	-	432	-	888
Commissions and fees paid on services	-	12,786	-	54	0	191
Premium revenue (net)	-	-	37,367	-	-	-
Increase in technical reserves (net)	-	-	20,757	-	-	-
Cost of acquisition for insurance and bail bonds operations (net)	-	-	3,219	-	-	-
Cost of damages, claims, and other obligations	-	-	21,725	-	-	-
Trading income	-	1,734	685	(2)	2	208
Total other operating income (expense)	1	(3,271)	369	685	46	38
Administrative and promotional Expenses	87	30,687	1,753	665	57	1,362
Operating income	1,248	42,871	7,401	607	61	280
Subsidiaries' net income	38,227	138	809	1	-	0
Pre-tax income	39,475	43,009	8,211	608	61	281
Taxes	96	11,315	2,190	95	21	71
Net income from continuous operations	39,379	31,694	6,020	513	41	210
Discontinued Operations	-	-	-	-	-	-
NET INCOME	39,379	31,693	6,004	513	41	210
Minority interest	-	1	16	(1)	-	-
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	(547)	(421)	(181)	-	-	48
Cash flow hedges valuation	(29)	(30)	-	-	-	-
Remeasurement on defined employee benefits	65	67	-	(0)	(0)	0
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	159	-	159	-	-	-
Cumulative foreign currency translation adjustment	(155)	(125)	-	-	-	(32)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	(507)	(510)	(22)	(0)	(0)	16
COMPREHENSIVE INCOME	38,872	31,185	5,998	512	41	226

GFNorte - Income Statement as of September 30th, 2023

(Million Pesos)

	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest on Loan Portfolio	10	60	285,767	7,473	-	278,294
Interest on cash and cash equivalents	10	-	6,403	897	-	5,506
Interest and yields in favor from margin accounts	-	-	(485)	-	-	(485)
Interest and yields in favor from OTC collateral operations	-	-	354	-	-	354
Interest and yields in favor from investments in financial instruments	-	41	48,411	403	-	48,008
Interest and yields on repurchase agreements	-	19	12,099	5,036	-	7,064
Operations' coverage income from hedging operations	-	-	6,918	-	-	6,918
Income from trading financial instruments	-	-	104,239	-	-	104,239
Interest on loan portfolio with credit risk stage 1						
Commercial loans	-	-	34,676	-	-	34,676
Financial entities	-	-	2,470	950	-	1,519
Government entities	-	-	14,698	-	-	14,698
Consumer loans	-	-	29,142	-	-	29,142
Mortgage loans	-	-	16,005	-	-	16,005
Interest on loan portfolio with credit risk stage 2						
Commercial Loans	-	-	161	-	-	161
Financial entities	-	-	2	-	-	2
Government entities	-	-	16	-	-	16
Consumer loans	-	-	478	-	-	478
Mortgage loans	-	-	253	-	-	253
Interest on loan portfolio with credit risk stage 3						
Commercial loans	-	-	78	-	-	78
Financial entities	-	-	0	-	-	0
Government entities	-	-	-	-	-	-
Consumer loans	-	-	64	-	-	64
Mortgage loans	-	-	70	-	-	70
Insurance and bond loan portfolio interest	-	-	694	-	-	694
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	-	1,267	-	-	1,267
Effect of loan portfolio renegotiation	-	-	228	-	-	228
Securities' loans premiums	-	-	554	187	-	367
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	-	59	-	-	59
Income from valuation	-	-	6,912	-	-	6,912
Increase due interest income update	-	-	-	-	-	-

V. Financial Statements

GFNorte - Income Statement as of September 30th, 2023

(Million Pesos)

	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest expense	-	0	192,261	-	7,410	184,851
Interest on demand deposits	-	-	11,780	-	897	10,883
Interest on time deposits	-	-	18,241	-	-	18,241
Interest due to banks and correspondents	-	-	3,274	-	887	2,387
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	-	2,168	-	403	1,765
Interest and yields charged from OTC collateral operations	-	-	774	-	-	774
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	-	45,698	-	5,223	40,475
Expenses from hedging operations	-	-	6,512	-	-	6,512
Expenses from trading financial instruments	-	-	100,989	-	-	100,989
Proceeds from lent securities	-	-	0	-	-	0
Effect of loan portfolio renegotiation	-	-	307	-	-	307
Costs expenses of granting loans	-	-	1,857	-	-	1,857
Foreign exchange valorization income	-	0	282	-	-	282
Chargeable interest associated with the global deposit account without movements	-	-	97	-	-	97
Interest on lease liabilities	-	-	282	-	-	282
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	-	-	-	-	-	-
Financial Margin	10	60	93,506	7,473	7,410	93,443
Allowance for loan losses	-	-	12,351	-	-	12,351
Risk adjusted net interest income	10	60	81,155	7,473	7,410	81,092
Commissions and fees charged on services	1,758	-	28,621	3,091	-	25,530
Commissions and fees paid on services	1,232	2	14,265	-	1,224	13,041
Premium revenue (net)	-	-	37,367	377	-	36,991
Increase in technical reserves (net)	-	-	20,757	-	-	20,757
Cost of acquisition for insurance and bail bonds operations (net)	-	-	3,219	-	1,924	1,295
Cost of damages, claims, and other obligations	-	-	21,725	-	12	21,713
Trading income	21	(0)	2,648	4	-	2,644
Total other operating income (expense)	0	1	(2,129)	531	54	(2,606)
Administrative and promotional Expenses	193	11	34,815	57	905	33,967
Operating income	366	48	52,883	11,533	11,529	52,879
Subsidiaries' net income	2	-	39,177	38,227	-	950
Pre-tax income	368	48	92,061	49,760	11,529	53,830
Taxes	95	5	13,888	-	-	13,888
Net income from continuous operations	273	43	78,173	49,760	11,529	39,942
Discontinued Operations	-	-	-	-	-	-
NET INCOME	273	43	78,189	49,760	12,080	39,375
Minority interest	-	-	16	-	551	567
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	-	0	(1,102)	172	772	(501)
Cash flow hedges valuation	-	-	(59)	(43)	(13)	(29)
Remeasurement on defined employee benefits	(0)	0	131	66	-	65
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	-	-	319	159	-	159
Cumulative foreign currency translation adjustment	-	-	(312)	-	157	(155)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	(0)	0	(1,023)	355	917	(461)
COMPREHENSIVE INCOME	273	43	77,182	50,115	13,548	39,481

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Prevención Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Cash and cash equivalents	15	108,922	1,806	148	9	4,190
Margin accounts (derivate financial instruments)	-	6,964	-	-	-	-
Investment in securities						
Trading financial instruments	-	106,499	38,713	-	-	170,663
Financial instruments to collect or sell	-	149,882	6,894	-	-	59,609
Financial instruments to collect principal and interest (securities)	-	92,717	240,686	-	-	27
Estimate of expected credit losses for investments (securities)	-	(85)	(82)	-	-	(0)
Debtor balance in repo trans (net)	17,549	136,173	5,215	-	-	3,239
Securities lending						
Derivative financial instruments						
Transactions with derivatives for trading purposes	-	33,754	-	-	-	804
Transactions with derivatives for hedging purposes	-	2,984	-	-	-	-
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	365,388	-	31,605	-	-
Financial entities	-	36,785	-	861	-	-
Government	-	163,546	-	7,863	-	-
Consumer loans	-	164,634	-	2	-	-
Mortgage						
Medium and residential	-	243,592	-	-	-	-
Low-income housing	-	2	-	-	-	-
Loans acquired from INFONAVIT or FOVISSTE	-	1,692	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	975,639	-	40,332	-	-
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	3,122	-	204	-	-
Financial entities	-	-	-	-	-	-
Government	-	-	-	229	-	-
Consumer loans	-	2,987	-	-	-	-
Mortgage						
Medium and residential	-	3,506	-	-	-	-
Low-income housing	-	0	-	-	-	-
Loans acquired from INFONAVIT or FOVISSTE	-	71	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	9,687	-	433	-	-

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Prevención Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Loan portfolio with credit risk stage 3						
Commercial loans						
Commercial	-	3,147	-	843	-	-
Financial entities	-	98	-	4	-	-
Government	-	7	-	4	-	-
Consumer loans	-	4,150	-	-	-	-
Mortgage						
Medium and residential	-	1,739	-	-	-	-
Low-income housing	-	0	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	350	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	9,491	-	852	-	-
Loan portfolio	-	994,817	-	41,617	-	-
(+/-) Deferred items	-	2,306	-	(33)	-	-
(-) Minus						
Allowance for loan losses	-	(18,365)	-	(822)	-	-
Loan portfolio (net)	-	978,759	-	40,761	-	-
Loan portfolio from insurance and bail bonds	-	-	3,433	-	-	-
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(244)	-	-	-
Total insurance and bail bond loan portfolio (net)	-	-	3,189	-	-	-
Acquired collection rights (net)	-	888	-	-	-	-
Loan portfolio (net)	-	979,646	3,189	40,761	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	7,189	-	-	-
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,471	-	-	-
Other accounts receivable (net)	1	46,632	404	1,225	459	4,029
Inventories	-	-	-	-	1,025	-
Foreclosed assets (net)	-	2,513	-	61	26	-
Advanced payments and other assets (net)	90	4,976	2,416	4,196	30	408
Property, furniture, and equipment (net)	-	24,998	304	4,021	54	62
Assets for rights of use of property, furniture and equipment (net)	-	3,824	120	-	-	-
Investment in subsidiaries	206,849	1,510	13,340	33	-	3
Deferred income tax assets	-	887	-	840	8	-
Intangible assets (net)	267	14,593	1,506	-	-	44
Goodwill	25,329	1,369	-	-	-	-
TOTAL ASSETS	250,101	1,718,758	327,172	51,284	1,611	243,078

V. Financial Statements

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

ASSETS	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Cash and cash equivalents	157	0	115,248	60	6,085	109,223
Margin accounts (derivate financial instruments)	-	-	6,964	-	-	6,964
Investment in securities						
Trading financial instruments	210	-	316,085	-	-	316,085
Financial instruments to collect or sell	-	657	217,042	-	-	217,042
Financial instruments to collect principal and interest (securities)	-	-	333,430	-	347	333,083
Estimate of expected credit losses for investments (securities)	-	-	(167)	-	-	(167)
Debtor balance in repo trans (net)	-	326	162,502	-	64,681	97,821
Securities lending						
Derivative financial instruments						
Transactions with derivatives for trading purposes	-	-	34,559	-	783	33,775
Transactions with derivatives for hedging purposes	-	-	2,984	-	-	2,984
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	-	396,994	-	-	396,994
Financial entities	-	-	37,646	-	16,068	21,577
Government	-	-	171,409	-	-	171,409
Consumer loans	-	-	164,636	-	-	164,636
Mortgage						
Medium and residential	-	-	243,592	-	-	243,592
Low-income housing	-	-	2	-	-	2
Loans acquired from INFONAVIT or FOVISSSTE	-	-	1,692	-	-	1,692
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	-	1,015,971	-	16,068	999,902
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	-	3,327	-	-	3,327
Financial entities	-	-	-	-	-	-
Government	-	-	229	-	-	229
Consumer loans	-	-	2,987	-	-	2,987
Mortgage						
Medium and residential	-	-	3,506	-	-	3,506
Low-income housing	-	-	0	-	-	0
Loans acquired from INFONAVIT or FOVISSSTE	-	-	71	-	-	71
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	-	10,121	-	-	10,121

V. Financial Statements

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

ASSETS	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Loan portfolio with credit risk stage 3						
Commercial loans						
Commercial	-	-	3,990	-	-	3,990
Financial entities	-	-	102	-	-	102
Government	-	-	11	-	-	11
Consumer loans	-	-	4,150	-	-	4,150
Mortgage						
Medium and residential	-	-	1,739	-	-	1,739
Low-income housing	-	-	0	-	-	0
Loans acquired from INFONAVIT or FOVISSSTE	-	-	350	-	-	350
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	-	10,342	-	-	10,342
Loan portfolio	-	-	1,036,434	-	16,068	1,020,365
(+/-) Deferred items	-	-	2,273	-	-	2,273
(-) Minus						
Allowance for loan losses	-	-	(19,187)	-	-	(19,187)
Loan portfolio (net)	-	-	1,019,520	-	16,068	1,003,452
Loan portfolio from insurance and bail bonds	-	-	3,433	-	-	3,433
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(244)	-	-	(244)
Total insurance and bail bond loan portfolio (net)	-	-	3,189	-	-	3,189
Acquired collection rights (net)	-	-	888	-	-	888
Loan portfolio (net)	-	-	1,023,597	-	16,068	1,007,528
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	7,189	-	-	7,189
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,471	-	-	5,471
Other accounts receivable (net)	245	132	53,127	-	492	52,635
Inventories	-	-	1,025	-	-	1,025
Foreclosed assets (net)	-	-	2,601	-	-	2,601
Advanced payments and other assets (net)	2	65	12,184	-	-	12,184
Property, furniture, and equipment (net)	0	4	29,443	203	44	29,602
Assets for rights of use of property, furniture and equipment (net)	-	-	3,944	-	-	3,944
Investment in subsidiaries	120	-	221,855	390	207,239	15,006
Deferred income tax assets	12	-	1,746	-	1,734	12
Intangible assets (net)	25	1,228	17,663	-	-	17,663
Goodwill	-	-	26,697	-	-	26,697
TOTAL ASSETS	772	2,414	2,595,190	653	297,475	2,298,368

V. Financial Statements

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

LIABILITIES & EQUITY	Holding	Banorte	Ahorro y Prevención Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Deposits						
Demand deposits	-	681,763	-	-	-	-
Time deposits						
Time deposits-retail	-	307,654	-	-	-	-
Time deposits-money market	-	13,441	-	-	-	-
Senior unsecured debt	-	36,728	-	-	-	-
Global account of deposits without movements	-	3,461	-	-	-	-
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	4,618	-	28,586	1,205	-
Long-term loans	-	4,919	-	9,210	-	-
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	281,122	-	-	-
Creditor balance in repo transactions (net)	-	200,925	-	-	-	229,275
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	136,169	-	-	-	3,239
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	26,576	-	-	-	690
For hedging purposes	-	3,647	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	2,405	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-
Lease liabilities	-	3,921	125	-	-	-
Other payable accounts						
Creditors of liquidation operations	-	13,958	-	-	-	3,626
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	23,200	-	-	-	-
Contributions payable	-	1,237	794	20	3	53
Other creditors and accounts payable	2	30,259	3,300	2,041	22	190
Financial instruments that qualify as a liability						
Subordinated non-convertible debt	-	57,039	-	-	-	-
Income tax liabilities	127	3,328	4,279	-	3	42
Employee benefit liability	-	9,200	169	172	11	514
Deferred credits and advanced charges	-	1,158	50	198	-	0
TOTAL LIABILITIES	129	1,563,201	292,243	40,228	1,243	237,628
Equity						
Paid-in capital						
Common stock	14,971	18,795	15,776	12,294	87	1,985
Additional paid-in capital	48,885	5,408	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	33,619	18,959	1,956	830	65	397
Cumulative results						
Retained earnings	119,537	87,064	5,496	(2,789)	174	2,694
Net income	39,379	31,693	6,004	513	41	210
Other comprehensive income						
Valuation of financial instruments to collect or sell	(3,330)	(2,747)	(529)	-	-	3
Cash flow hedges valuation	(1,573)	(1,602)	-	-	-	-
Defined remeasurements for employees benefits	(1,801)	(1,857)	(2)	5	0	(3)
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	356	-	357	-	-	-
Cumulative foreign currency translation adjustment	(72)	(162)	-	-	-	88
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	249,972	155,552	34,652	10,870	368	5,449
Minority Interest	-	6	277	187	0	-
TOTAL EQUITY	249,972	155,557	34,929	11,056	368	5,449
TOTAL LIABILITIES AND EQUITY	250,101	1,718,758	327,172	51,284	1,611	243,078

V. Financial Statements

GFNorte - Balance Sheet as of September 30th, 2023

(Million Pesos)

LIABILITIES & EQUITY	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Deposits						
Demand deposits	-	-	681,763	6,085	-	675,678
Time deposits						
Time deposits-retail	-	-	307,654	-	-	307,654
Time deposits-money market	-	-	13,441	-	-	13,441
Senior unsecured debt	-	-	36,728	-	-	36,728
Global account of deposits without movements	-	-	3,461	-	-	3,461
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	-	34,409	16,068	-	18,341
Long-term loans	-	-	14,129	-	-	14,129
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	281,122	-	48	281,170
Creditor balance in repo transactions (net)	-	-	430,200	64,681	-	365,518
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	-	139,408	-	-	139,408
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	-	27,266	783	-	26,483
For hedging purposes	-	-	3,647	-	-	3,647
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	2,405	-	-	2,405
Obligations in securitization transactions	-	-	-	-	-	-
Lease liabilities	-	-	4,046	-	-	4,046
Other payable accounts						
Creditors of liquidation operations	-	-	17,584	101	-	17,483
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	-	23,200	-	-	23,200
Contributions payable	21	5	2,132	-	-	2,132
Other creditors and accounts payable	184	4	36,003	543	12	35,472
Financial instruments that qualify as a liability						
Subordinated non-convertible debt	-	-	57,039	-	-	57,039
Income tax liabilities	1	27	7,805	1,734	-	6,070
Employee benefit liability	66	57	10,189	-	-	10,189
Deferred credits and advanced charges	-	-	1,406	-	-	1,406
TOTAL LIABILITIES	272	93	2,135,037	89,996	60	2,045,100
Equity						
Paid-in capital						
Common stock	170	1,679	65,757	50,873	88	14,971
Additional paid-in capital	0	-	59,980	11,265	326	49,040
Provision for future capital increase not formalized by its governing entity	-	600	600	600	-	-
Financial instruments that qualify as equity	-	-	-	-	-	-
Earned capital						
Capital reserves	34	4	55,864	22,245	-	33,619
Cumulative results						
Retained earnings	21	(5)	212,193	100,948	8,251	119,496
Net income	273	43	78,157	38,783	-	39,375
Other comprehensive income						
Valuation of financial instruments to collect or sell	-	0	(6,603)	1,176	4,449	(3,330)
Cash flow hedges valuation	-	-	(3,175)	687	2,289	(1,573)
Defined remeasurements for employees benefits	2	(0)	(3,657)	-	1,857	(1,801)
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	-	-	713	357	-	356
Cumulative foreign currency translation adjustment	-	-	(146)	(74)	-	(72)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	500	2,320	459,683	226,859	17,259	250,083
Minority interest	-	-	469	-	2,715	3,184
TOTAL EQUITY	500	2,320	460,153	226,859	19,974	253,267
TOTAL LIABILITIES AND EQUITY	772	2,414	2,595,190	316,856	20,034	2,298,368

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 September 30th, 2023, the remaining balance of CETES ESPECIALES which have not been repurchased by the Federal Government, totaled Ps 459 million, with maturities in 2027.

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 3Q23

(Million Pesos)

Trading Financial Instruments	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	275,293	4,423	(2,988)	276,727
Unrestricted	18,282	834	(43)	19,074
BONDES D	2	0	(0)	2
BONDES F	(795)	0	1	(794)
BONDES M	(2,706)	2	(11)	(2,716)
BPA	(42)	0	0	(42)
BREMS	-	-	-	-
Government Securities	7	0	2	9
UDI Securities	-	-	-	-
CETES	14,301	724	(26)	14,998
CETES (Special)	-	-	-	-
Government Eurobonds	61	0	(14)	47
Udibonds	7,082	105	6	7,193
Treasury Bills	365	3	(0)	368
Treasury Bonds	-	-	-	-
Treasury Notes	7,856	0	0	8
Restricted	257,010	3,588	(2,945)	257,653
BONDES D	28,960	165	16	29,141
BONDES F	46,205	258	45	46,508
BONDES M	5,067	58	(50)	5,075
BPA	171,230	3,095	216	174,541
BREMS	-	-	-	-
Government Securities	1,317	5	1	1,323
UDI Securities	0	0	(0)	0
CETES	500	-	(2)	498
CETES (Special)	-	-	-	-
Government Eurobonds	-	-	-	-
Udibonds	3,731	7	(3,171)	567
Treasury Bills	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	22,398	78	7	22,484
Unrestricted	1,362	0	0	1,363
Bank Acceptances	5	0	-	5
Development Bank Securities	6	0	0	6
Bank Securities	6	0	0	6
Deposit Certificates	99	0	-	99
Other Banking Securities	97	0	(0)	97
Promissory Notes	1,149	0	(0)	1,150
Restricted	21,036	78	7	21,121
Bank Bonds	-	-	-	-
Development Bank Securities	6,967	28	6	7,001
Bank Securities	1,642	7	0	1,649
Deposit Certificates	10,827	39	0	10,866
Other Banking Securities	1,116	5	(0)	1,120
Promissory Notes	484	-	0	485
Private Securities	440	5	(10)	435
Unrestricted	393	5	(10)	388
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	342	5	(8)	338
Trust Stock Certificates	-	-	-	-
Municipal Stock Certificates	-	-	-	-
Private Eurobonds	51	0	(2)	49
Other Banking Securities	-	-	-	-
Restricted	47	-	(0)	47
Corporate Stock Certificates	47	-	(0)	47
Municipal Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Equity Financial Instruments	14,616	-	1,823	16,439
Unrestricted	14,103	-	1,825	15,928
Shares	907,871	-	858	1,766
Investment Company Shares	13,195	-	967	14,162
Restricted	512	-	(1)	511
Shares	512	-	(1)	511
Reasonable Value Adjustment Ixe Bank Acq	-	-	-	-
Total	312,747	4,506	(1,168)	316,085

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q23

(Million Pesos)

Instruments to Collect or Sell	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	165,178	2,762	(2,644)	165,296
Unrestricted	46,559	468	(970)	46,057
BONDES D	1	0	0	1
BONDES F	-	-	-	-
BONDES M	9,048	151	(173)	9,026
BPA	-	-	-	-
BREMS	7,778	5	-	7,783
Government Securities	802	8	(96)	713
UDI Securities	102	4	169	275
CETES	4,528	-	(0)	4,528
CETES (Special)	-	-	-	-
Government Eurobonds	8,067	159	(652)	7,574
Udibonds	2,475	35	(28)	2,482
Treasury Bills	1,693	-	(4)	1,690
Treasury Bonds	-	-	-	-
Treasury Notes	12,065	106	(185)	11,986
Restricted	118,619	2,294	(1,674)	119,239
BONDES D	3,040	22	2	3,064
BONDES F	-	-	-	-
BONDES M	2,728	44	(133)	2,639
BPA	77,770	1,981	42	79,794
BREMS	-	-	-	-
Government Securities	1,667	6	(7)	1,665
UDI Securities	-	-	-	-
CETES	52	-	(0)	52
CETES (Special)	-	-	-	-
Government Eurobonds	24,922	129	(1,557)	23,494
Udibonds	8,440	111	(21)	8,531
Treasury Bills	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	32,857	211	(379)	32,690
Unrestricted	21,307	153	(381)	21,079
Development Bank Securities	2,828	29	(283)	2,574
Bank Securities	1,756	30	(78)	1,708
Deposit Certificates	10,574	59	(14)	10,619
Other Banking Securities	2,072	35	(7)	2,100
Promissory Notes	4,076	1	1	4,078
Restricted	11,550	59	2	11,611
Bank Bonds	3,133	16	(4)	3,145
Development Bank Securities	-	-	-	-
Bank Securities	8,417	42	6	8,465
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Private Securities	20,214	300	(1,457)	19,056
Unrestricted	15,435	269	(1,256)	14,448
Subordinated Debt	77	-	(77)	0
Other private securities	6,447	86	(763)	5,770
CP	-	-	-	-
Municipal Stock Certificates	877	9	11	897
Stock Certificates BORHIS	8,034	175	(428)	7,781
Other Banking Securities	-	-	-	-
Restricted	4,779	30	(201)	4,608
Corporate Stock Certificates	950	2	4	956
Municipal Stock Certificates	2,521	6	(12)	2,515
Private Eurobonds	1,308	22	(193)	1,137
Equity Financial Instruments	-	-	-	-
Unrestricted	-	-	-	-
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Restricted	-	-	-	-
Shares	-	-	-	-
Reasonable Value Adjustment Ixe Bank Acq	-	-	-	-
Total	218,249	3,273	(4,480)	217,042

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q23

(Million Pesos)

Financial instruments to Collect Principal and Interest (securities) (net)	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	313,924	4,136	-	318,060
Unrestricted	285,725	3,618	-	289,343
BONDES D	-	-	-	-
BONDES F	1,999	10	-	2,009
BONDES M	927	21	-	948
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	1,929	5	-	1,934
UDI Securities	168	3	-	171
CETES	381	-	-	381
CETES (Special)	36	423	-	459
Government Eurobonds	39,302	380	-	39,682
Udibonds	230,502	2,736	-	233,237
Treasury Bills	356	-	-	356
Treasury Bonds	-	-	-	-
Treasury Notes	10,126	40	-	10,166
Restricted	28,199	518	-	28,716
BONDES D	-	-	-	-
BONDES F	-	-	-	-
BONDES M	15,502	319	-	15,821
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	-	-	-	-
UDI Securities	-	-	-	-
CETES	65	-	-	65
CETES (Special)	-	-	-	-
Government Eurobonds	11,843	189	-	12,032
Udibonds	788	10	-	798
Treasury Bills	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	983	9	-	992
Sin Restricción	983	9	-	992
Development Bank Securities	-	-	-	-
Bank Securities	983	9	-	992
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Restricted	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	-	-	-	-
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Private Securities	13,307	1,071	-	14,378
Unrestricted	10,685	1,064	-	11,750
Subordinated Debt	2	0	-	2
Other private securities	2,279	1,017	-	3,297
CP	-	-	-	-
Municipal Stock Certificates	1,981	16	-	1,997
Stock Certificates BORHIS	5,200	31	-	5,231
Other Banking Securities	1,223	-	-	1,223
Restricted	2,622	6	-	2,628
Corporate Stock Certificates	-	-	-	-
Municipal Stock Certificates	2,622	6	-	2,628
Private Eurobonds	-	-	-	-
Equity Financial Instruments	-	-	-	-
Unrestricted	-	-	-	-
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Restricted	-	-	-	-
Shares	-	-	-	-
Reasonable Value Adjustment Ixe Bank Acq	(347)	-	-	(347)
Reasonable value adjustment Ixe Bank Acq	(167)	-	-	(167)
Total	327,700	5,216	-	332,916

REPURCHASE AGREEMENT OPERATIONS 3Q23

(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	96,320	127,518	-	-	347,226
Banking Securities	0	9,993	-	-	12,601
Private Securities	1,500	1,897	-	-	5,691
Total	97,821	139,408	-	-	365,518

DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 3Q23

(Million Pesos)

Creditor Balance	
Instrument	Fair Value
Futures	
TIE 28 Futures	-
Forward	
Fx Forward	883
Options	
Rate Options	1,252
Fx Options	111
Warrants	0
Swaps	
Rate Swap	24,785
Fx Swap	6,741
Credit Swap	2
Negotiable Total	33,775
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	1
Fx Swap	2,983
Credit Swap	-
Hedging Total	2,984
Position Total	36,760

DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 3Q23
(Million Pesos)

Debtor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	443
Options	
Rate Options	1,402
Fx Options	111
Warrants	2
Swaps	
Rate Swap	18,123
Fx Swap	6,390
Credit Swap	14
Negotiable Total	26,483
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	2,609
Fx Swap	1,038
Credit Swap	-
Hedging Total	3,647
Position Total	30,131

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 3Q23 - Banorte
(Million Pesos)

PRODUCT	TYPE	UNDERLYING	NOTIONAL	OPERATIONS
FX Forwards	Purchases	Exchange Rate (USD/MXN)	11,075	153
FX Forwards	Sales	Exchange Rate (USD/MXN)	14,797	199
FX Forwards	Sales	Exchange Rate (EUR/USD)	1,827	5
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	318	6
FX Forwards	Sales	Exchange Rate (EUR/MXN)	323	5
FX Options	Purchases	Exchange Rate (Dollar)	4,910	127
FX Options	Sales	Exchange Rate (Dollar)	4,897	125
Interest Rate Options	Purchases	TIIE	32,538	110
Interest Rate Options	Sales	TIIE	30,477	271
Interest Rate Options	Purchases	LIBOR	273	2
Interest Rate Options	Sales	LIBOR	265	2
Interest Rate Options	Purchases	SOFR	16,931	25
Interest Rate Options	Sales	SOFR	19,141	36
Interest Rate Options	Purchases	SOFR	1,531	1
Interest Rate Options	Sales	SOFR	1,531	1
Interest Rate Options	Swaption - Purchases	SOFR	871	2
Interest Rate Swaps	USD LIBOR	LIBOR	84,318	1,087
Interest Rate Swaps	MXN TIIE	TIIE	1,231,102	4,286
Interest Rate Swaps	USD SOFR	SOFR	268,423	2,058
Interest Rate Swaps	MXN TIIE M M	TIIE	14,647	12
Interest Rate Swaps	USD SOFR	SOFR	4,999	4
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	97	2
Interest Rate and FX Swaps	CS USDMXN	VARIABLE/VARIABLE	128,200	138
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 UDIMXN	FIX/VARIABLE	700	1
Interest Rate and FX Swaps	CS GBP MXN	FIX/FIX	2,575	11
Credit Derivatives	CDS USD	D2_JPMM86_290123	313	1
Credit Derivatives	CDS USD	D1_MEXC46_270328	958	5
Equity Options	Purchases	*L_SPX_IND	151	2
Equity Options	Sales	*L_SPX_IND	151	2
Equity Options	Purchases	1L_TLT_*	468	1
Equity Options	Sales	1L_TLT_*	496	1

LOAN PORTFOLIO								
(Million Pesos)								
	Local Currency		UDIS		Foreign Currency		Total	
	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23
Performing Loans Stage 1 & 2								
Commercial Loans	262,848	307,523	-	-	75,265	92,798	338,114	400,321
Loans to Financial Entities	11,836	13,368	-	-	6,131	8,209	17,967	21,577
Consumer Loans	138,133	167,623	-	-	-	-	138,133	167,623
Mortgage Loans	217,977	248,815	61	49	-	-	218,039	248,864
Government Loans	139,895	155,211	-	-	23,893	16,426	163,788	171,638
Total	770,690	892,541	61	49	105,289	117,433	876,040	1,010,023
Past Due Loans Stage 3								
Commercial Loans	2,996	3,219	-	-	1,179	771	4,174	3,990
Financial to Financial Entities	106	102	-	-	-	-	106	102
Consumer Loans	3,070	4,150	-	-	-	-	3,070	4,150
Mortgage Loans	1,901	2,086	4	3	-	-	1,904	2,089
Government Loans	4	11	-	-	-	-	4	11
Deferred Items	1,572	2,282	-	-	(13)	(8)	1,560	2,273
Total Credit Portfolio	780,338	904,391	65	52	106,455	118,196	886,858	1,022,639
Insurance and Bail Bond Portfolio	3,123	3,433	-	-	-	-	3,123	3,433
Total Proprietary Loans with Insur. and Subs.	783,462	907,824	65	52	106,455	118,196	889,982	1,026,072

**COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND
MORTGAGE FOVI LOAN PORTFOLIOS AS OF 3Q23- GFNorte**

(Million Pesos)		
	PERIOD COST	TOTAL BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	21.9	0.0
Mortgage FOVI	-	-
	21.9	0.0

DEFERRED TAXES 3Q23

(Million Pesos)

ASSETS	INCOME TAX	NET
Global loss reserves loan portfolio	5,509	5,509
Non deductible provisions	1,866	1,866
Excess of accounting value over fiscal value on repossessed long-term assets	381	381
Diminishable Employee Profit Sharing (PTU)	481	481
Advanced charged fees	1,218	1,218
Effects from valuation of instruments	-	-
Tax losses pending amortization	376	376
Provisions for possible loss in loans	570	570
Pension funds contribution	43	43
Loss on sale of foreclosed assets and credits	0	0
Value decrease in property	-	-
Loan interest	-	-
Other accounts	42	42
Total Assets	10,486	10,486
LIABILITIES		
Pension funds contribution	-	-
Loan portfolio acquisitions	(266)	(266)
Projects to be capitalized	(7,301)	(7,301)
Intangibles' amortizations different from commercial funds	-	-
Effects from valuation of instruments	(2,537)	(2,537)
Intangibles' amortizations related with clients	(305)	(305)
Unrealized loss on securities held for sale	(66)	(66)
Total Liabilities	(10,475)	(10,475)
Assets (Liabilities) accumulated net	12	12

LONG TERM DEBT AS OF SEPTEMBER 30, 2023 - BANCO MERCANTIL DEL NORTE

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	(Million Pesos)		TERM	RATE	CALLABILITY	MATURITY	INTEREST PAYMENT
				ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT					
Non Convertible Subordinated Bonds 2016 (D2_BANOC36_311004)	USD	04-oct-16	500	9,607	1,517	15 years	5.750%	04-oct-26	04-oct-31	180 days
Non Convertible Subordinated Bonds 2017 (D2_BANOC91_999999)	USD	06-jul-17	550	10,077	9,585	Perpetual	7.625%	10-ene-28	Perpetual	Quarterly
Stock certificates 2016 (94_BINTER_16U)	UDIS	13-oct-16	365	2,000	2,875	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	TIIE +0.17%	-	10-may-24	28 days
Non Convertible Subordinated Bonds 2019 (D2_BANOC64_999999)	USD	27-jun-19	600	11,501	10,457	Perpetual	6.750%	27-sep-24	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2019 (D2_BANOC48_999999)	USD	27-jun-19	500	9,584	8,714	Perpetual	7.500%	27-jun-29	Perpetual	Quarterly
Eurobond (Swiss francs) 2019 (D2_BANOC343_231218)	CHF	18-sep-19	160	3,112	3,046	4.3 years	0.450%	-	18-dec-23	Annual
Eurobond (Swiss francs) 2020 (D2_BANOC64_241206)	CHF	06-mar-20	225	4,826	4,284	4.8 years	0.500%	-	06-dec-24	Annual
Non Convertible Subordinated Bonds 2020 (D2_BANOC21_999999)	USD	14-jul-20	500	11,309	8,714	Perpetual	8.375%	14-oct-30	Perpetual	Quarterly
Stock certificates 2020 (94_BANORTE_20U)	UDIS	30-sep-20	107	700	841	10 years	2.760%	-	18-sep-30	182 days
Non Convertible Subordinated Bonds 2021 (D2_BANOC99_999999)	USD	24-nov-21	500	10,718	8,714	Perpetual	5.875%	24-ene-27	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2021 (D2_BANOC72_999999)	USD	24-nov-21	550	11,790	9,585	Perpetual	6.625%	24-ene-32	Perpetual	Quarterly
Stock certificates 2023 (94_BANORTE_23-2)	MXN	24-feb-23	6,581	6,581	6,582	2 years	TIIE + .04%	-	21-feb-25	28 days
Stock certificates 2023 (94_BANORTE_23-3)	MXN	24-feb-23	4,179	4,179	4,180	4 years	TIIE + .08%	-	19-feb-27	28 days
Stock certificates 2023 (94_BANORTE_23-4)	MXN	25-may-23	5,277	5,277	5,277	3 years	TIIE fondo+0.30%	-	21-may-26	28 days
Stock certificates 2023 (94_BANORTE_23-5)	MXN	25-may-23	2,387	2,387	2,387	7 years	9.410%	-	16-may-30	182 days
Stock certificates 2023 (94_BANORTE_23U)	UDIS	25-may-23	276	2,149	2,171	10 years	4.680%	-	12-may-33	182 days

BANK AND OTHER ENTITIES LOANS' AS OF 3Q23

(Million Pesos)

	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Local Banks	21,531	-	21,531
Loans from Development Banks	19,110	441	19,551
Loans from Public Funds	5,904	1,129	7,033
Loans from Fiduciary Funds	34	-	34
Provisions for Interest	389	-	389
	46,968	1,570	48,538
Eliminations			(16,068)
Total			32,470

CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS -
INTEREST RATES 3Q23

CORE DEPOSITS (BANORTE)

Demand Deposits

Local Currency and UDIs	3.11%
Foreign Currency	1.75%

Time Deposits - Retail

Local Currency and UDIs	8.54%
Foreign Currency	1.72%

Time Deposits - Money Market

Local Currency and UDIs	10.65%
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DUE TO BANKS & CORRESPONDENTS (BANORTE)

Immediate Redemption Loans

Local Currency and UDIs	-
Foreign Currency	-

Public Funds and Development Banks

Local Currency and UDIs	9.69%
Foreign Currency	5.32%

MAIN CREDIT LINES RECEIVED 3Q23 (BANORTE)

Million pesos

	3Q22			2Q23			3Q23		
	Line	Used	% used	Line	Used	% used	Line	Used	% used
Bank Counterparty Lines (Call Money)	268,628	9	0.0%	265,938	4,756	1.8%	266,217	5,360	2.0%
Banxico (Repos for liquidity with the System of Payments) RSP*	85,428	7,778	9.1%	89,265	11,737	13.1%	89,999	19,541	21.7%
Banxico MXN & USD Credit Auction*	64,833	-	0.0%	49,063	-	0.0%	71,254	-	0.0%
Banxico Credit line with Government and Banking securities as collateral (Ordinary Facility)*	64,833	-	0.0%	49,063	-	0.0%	71,254	-	0.0%
Banxico Credit line with State and Municipal Government securities as collateral (Extraordinary Facility)	90,121	-	0.0%	91,514	-	0.0%	93,367	-	0.0%
TOTAL	573,843	7,787	1.4%	544,843	16,493	3.0%	592,090	24,901	4.2%

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

TRADING INCOME 3Q23

Million Pesos

Trading income	Consolidated
Securities - Unrealized gains	1,267
Trading financial instruments	751
Derivate trading financial instruments	465
Derivative instruments - hedging	51
Impairment loss or revaluation increase	129
Result from foreign exchange valuation	(4,651)
Result from valuation of precious metals	(1)
Result from purchase/sale of securities and derivatives	623
Trading financial instruments	226
Financial instruments to collect or sell	43
Financial instruments to collect principal and interest (securities)	21
Negotiable derivate instruments	265
Cash flow hedges	69
Result from purchase/sale of foreign exchange	5,273
Result from purchase/sale of precious metals	3
Total	2,644

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 third quarter of 2023, 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 Corporate Governance documents related to Internal control were reviewed and updated, they were presented through CAPS to the Board for its approval.
- C. 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.
- D. 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.
- E. 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.
- F. Various activities regarding internal accounting control took place with the work plan established at the beginning of the year.
- G. Effectiveness tests related to the Business Continuity Plan were made in accordance with the calendar dates and scope, approved by the corresponding Corporate Governance Committee in this area.
- H. We continued to monitor the improvement initiatives derived from the observations made by the different Authority members regarding the operation of payment methods SPID, SPEI, and CoDi
- I. Monitoring continued to the transactionality of client accounts for the detection of possible operations, that due to its characteristics, might be related to money laundering and financing terrorism.
- J. Different actions were carried out to ensure the proper use of personal data.
- K. The Information Security Officer (CISO) presented to GFNorte's Management for approval the Master Plan, also, it carried out its functions according to the 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.
- L. The follow-up to the improvement actions regarding the observations made by the different members of the SCI continued.

- M. The requirements of the Supervisory Authorities were answered, and the information requirements required by the external regulation were fulfilled. In addition, 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 3Q23.

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

In August 2023, the total early redemption of preferred subordinated obligations not convertible into shares BANORTE 08U took place for an amount of 276.94 million UDIS.

In addition, it should be noted that Banorte has not used the Central Bank of México's Ordinary Facilities or Extraordinary Facilities during 3Q23.

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 September 30th and June 30th, 2023, the amount of loans granted to third parties was as follows (billion pesos):

Lender	Sep-2023	% Basic Equity	Jun-23	% Basic Equity
Banorte	18.80	9.6%	18.21	9.2%
	18.80		18.21	

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

Banorte

As of **September 30th, 2023**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 18.80 billion (including Ps 1.23 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 17.88 billion were loans granted to clients linked to members of the Board of Directors, and Ps 921 million were linked to companies related to GFNORTE. At the end of September 2023, 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 2023 was 9.6% 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 **June 30th, 2023**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 18.21 billion (including Ps 1.84 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 17.16 billion were loans granted to clients linked to members of the Board of Directors, and Ps 1.05 billion were linked to companies related to GFNORTE. At the end of June 2023, 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 2023 was 9.2% 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 September 30, 2023	
AFORE BANORTE	Ps	2
Loan #4429309391 Payroll Tax of the state of Coahuila		2
PENSIONES BANORTE	Ps	364
Financial year 2014		364
SEGUROS BANORTE	Ps	1,171
Financial year 2014		1,171
SEGUROS BANORTE	Ps	1,360
Financial year 2015		1,360
SEGUROS BANORTE	Ps	2,093
Financial year 2017		2,093

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
Deputy Managing 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, October 19, 2022, January 13, 2023, April 17, 2023, September 13, 2023, September 15, 2023, and September 27, 2023, 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.