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Financial Results

as of December 31st, 2023

4Q23

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FTSE4Good



GFNORTEO



GBOOY



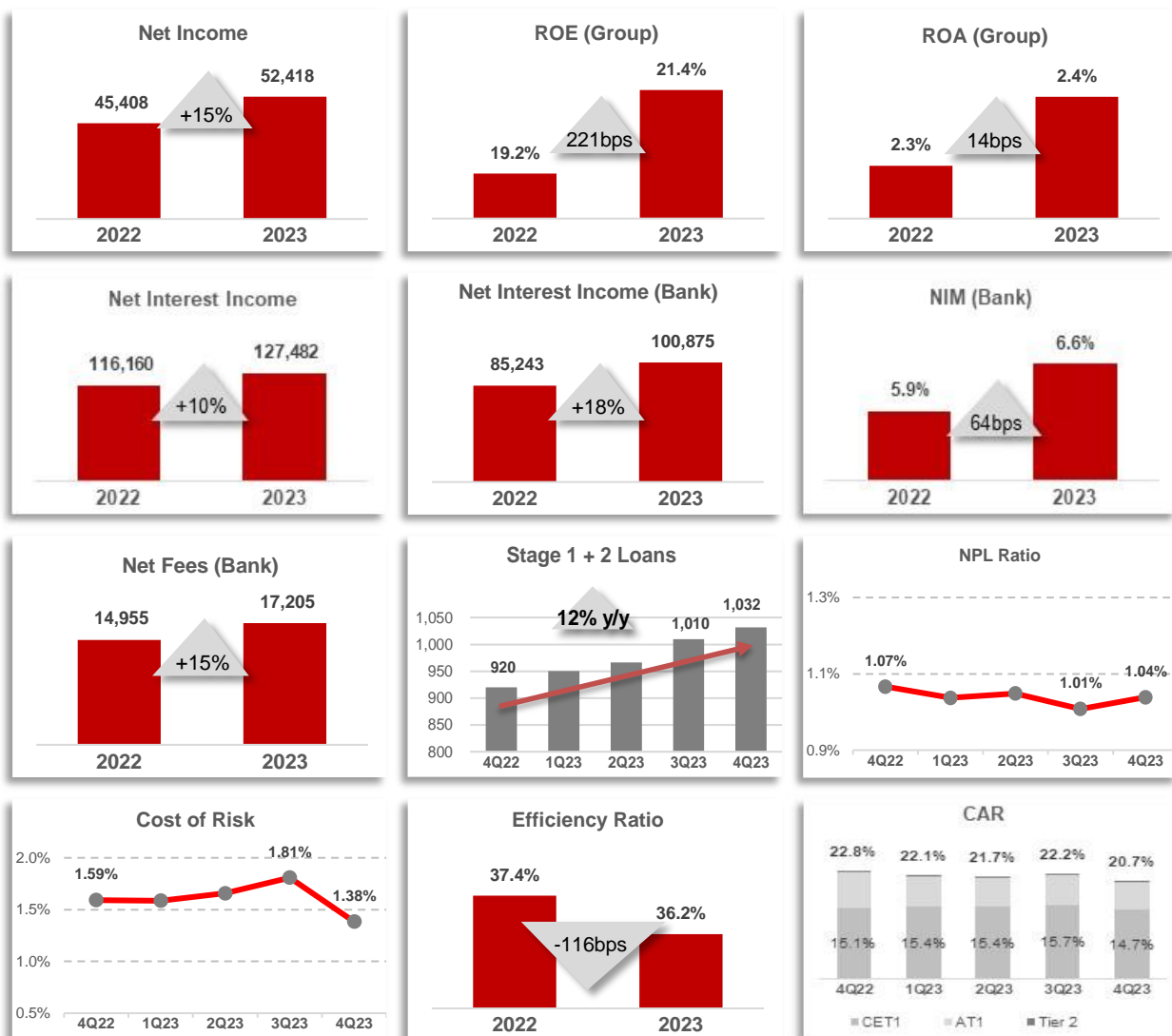
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I. Executive Summary

Since December 2023, Grupo Financiero Banorte consolidates line by line operations regarding the Joint Venture with Rappi, hereinafter referred to as "Tarjetas del Futuro", in its financial statements.

- **GFNorte ended 2023 with double digit growth in earnings and sound profitability metrics.** In the yearly comparison 2023 vs. 2022, **Net Income increased +15%, ROE of the Group +221bps, to 21.4%, and ROE of the Bank +275bps to 27.4%.**
- **Stage 1 and 2 credit portfolios expanding +12% vs. 2022**, in line with the institution's risk appetite, driven by **+15% consumer and +21% corporate.**
- **Cost of Risk at 1.6% and NPL Ratio at 1.0% in 2023**, stable evolution still below historical levels, aligned with loan expansion and mix.
- **Efficiency Ratio at 36.2% as of 2023**, improving (116bps) YoY, leveraging from solid earnings to advance expenses that will allow organic growth to continue.



GFNorte reports Net Income of Ps 52.42 billion in 2023, 15% higher vs. 2022

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

Grupo Financiero Banorte, S.A.B. de C.V. reported results for the period ended on December 31st, 2023.

During 2023, GFNorte sustained solid lending activity, with the loan book reaching a total balance over one trillion pesos. The YoY loan book expansion was driven by sound private consumption, the strength of the labor market, and the gradual materialization of initial investments related to nearshoring, driving the consumer, commercial, and corporate portfolios to have an accelerated expansion in 2023. Moreover, loan growth has been equally supported by stability on quality and risk metrics, below historical averages.

Structurally, we maintained active balance sheet management, preparing for the start of the easing monetary policy cycle; prioritizing the construction of a low-risk fixed rate portfolio to serve as a natural hedge, as well as diligent institutional management over funding costs.

The internal capital generation and the performance of different business lines of the group enabled sustained profitability metrics in 2023.

At the end of 4Q23, GFNorte reported net income of Ps 13.04 billion, 13% above 4Q22, with the following results and indicators for the quarter:

- **Net interest income** (NII) expanded **3% sequentially**, given loan growth and a decline in interest expense. Compared to **4Q22, NII expanded 9%**, in line with the volume of origination and the reference rates level. **NIM of the Group stood at 6.4% in 4Q23**, stable vs. 3Q23.
- **NIM of the Bank** remained sequentially stable at **6.6%**, reflecting greater loan origination, lower funding costs and a favorable result in investments. **YoY, NIM increased 64bps**, 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 75bps, reaching 11.25%.
- **Non-interest income grew 39% vs. 3Q23**, driven by a 9% increase in net fees, given higher economic activity at the end of the year, and a 20% increase in trading income. **Compared to 4Q22, non-interest income grew 107%**.
- **Provisions dropped (21%)** sequentially and (1%) YoY, as a result of i) the reserves release related to a corporate client that went out of stage 3 loans; ii) the cancellation of the remaining reserves created from COVID -19; and iii) the institutional focus on the desired risk appetite. **Cost of risk reached 1.4% in 4Q23**, (42bps) lower vs. 3Q23.
- **Non-interest expenses** grew 27% sequentially and 13% vs. 4Q22, mainly due to the annual expenses management strategy. **Efficiency ratio** grew to 41.9%, from 34.1% in 3Q23.
- **Loan book stages 1 and 2 increased 2% sequentially**. In the quarter, consumer loans continued to be the main growth driver: credit card 13% -which since December 2023 consolidates the operation of Tarjetas del Futuro-, mortgage 2% and auto 5%, reflecting the strength of both, domestic demand, and labor market. Payroll declined (1%) sequentially, in line with a disciplined risk appetite. Corporate reported sequential expansion of 6% or Ps 10.24 billion vs. 3Q23, driven by a healthy and diversified lending growth, as well as by the increasing loan demand derived from nearshoring. Despite solid growth during the quarter, commercial loans were impacted by the credit balance withdrawal of Tarjetas del Futuro, after becoming a subsidiary of the Group. The government portfolio was stable, affected by seasonal prepayments.
- **ROE** stood at **20.9%**, decreasing (79bps) sequentially, mainly because of the annual expense management strategy during the quarter. **Compared to 4Q22 it grew 146bps**, reflecting the sound profitability and internal capital generation. **ROA** reached **2.3%**, (8bps) lower vs. 3Q23, in line with a greater loan book and the incorporation of earnings and assets of the non-banking subsidiaries. **YoY it grew 14 bps**.

The most relevant results of the year were:

- **Net income totaled Ps 52.42 billion as of 2023**, 15% above 2022. **Net interest income rose 10%** in the annual comparison, and **NIM reached 6.3%**, stable vs. 2022, displaying greater volume in credit origination, loan mix optimization and the effects of a higher rates in both, assets & liabilities, mitigating the inflation effect over the annuities business. Non-interest income totaled Ps 6.60 billion, while expenses grew 12% vs. 2022, reaching an efficiency ratio of 36.2%, improving (116bps) in the cumulative variation.
- **Subsidiaries** positively contributed to the performance of the business and supported the revenue diversification of the Group. In 2023, net income of the bank grew 21%, insurance 11%, and Afore 53%, operating with the mixed effect of lower fees due to regulation and the gradual increase in contributions which started in 2023.

- **In the year, loan book stages 1 and 2 increased 12%**, in line with the institutional strategy to balance loan activity with asset quality, showing double digit expansion in most portfolios. The YoY performance was supported by 15% growth in consumer, 21% corporate, and 10% in commercial. Within the consumer portfolio, double-digit expansion continued across all products; the mortgage portfolio increased its balance by Ps 26.21 billion, while credit card increased Ps 13.01 billion, considering Tarjetas del Futuro's loan balance.
- **The overall quality of the loan portfolio remained stable.** NPL ratio remained stable at 1.0% sequentially and slightly better YoY, despite loan growth and origination mix. Since December 2023, the operation of Tarjetas del Futuro is consolidated in the Group, as a result, credit card NPL was impacted by such operations; isolating the effect of the consolidation, the indicator of the product would be 3.0% vs. the 3.3% reported. Risk profiles and mitigation strategies continue to be adjusted across different portfolios, prioritizing our focus on asset quality control. **Cost of risk at 1.4% in 4Q23**, improving (42bps) vs. 3Q23 and (21bps) vs. 4Q22. **Coverage ratio stood at 182.3%**, from 179.5% a year ago.
- **Core deposits increased 2% sequentially**, with demand deposits increasing 10%, while time deposits grew 4% given the seasonality of the end of the year and the current market conditions regarding interest rates. **In the accumulated result, core deposits rose 15%** or Ps 122.83 billion, driven by a 26% expansion of interest-bearing demand deposits and time deposits; 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 **20.69%**, and **Core Equity Tier 1 (CET1)** reached **14.72%**, 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 **160.5%**, while the **Leverage Ratio** at **11.51%**.

GFNorte-Consolidated Statement of Comprehensive Income Highlights (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Interest Income (3)	80,773	99,573	97,257	(2%)	20%	268,628	375,497	40%
Interest Expense	49,548	66,384	63,218	(5%)	28%	152,469	248,015	63%
Net Interest Income	31,225	33,189	34,039	3%	9%	116,160	127,482	10%
Net Service Fees (1)(3)	4,223	4,094	4,465	9%	6%	15,809	16,954	7%
Premium Income Ins. & Annu. (Net)	8,771	10,587	11,269	6%	28%	42,855	48,259	13%
Technical Reserves Ins. & Annu.	5,174	6,749	7,531	12%	46%	29,541	28,288	(4%)
Cost of Acquisition from Insurance Operations	312	174	441	153%	41%	1,387	1,735	25%
Net Cost of Claims and Other Obligations	6,661	7,489	7,509	0%	13%	26,566	29,222	10%
Trading (2)	657	1,061	1,269	20%	93%	3,656	3,913	7%
Other Operating Income (Expenses) (2)	(1,094)	(717)	(672)	6%	39%	(4,544)	(3,278)	28%
Non Interest Income	410	613	850	39%	107%	282	6,603	2244%
Total Income	31,636	33,802	34,888	3%	10%	116,441	134,085	15%
Non Interest Expense (1)	12,920	11,538	14,615	27%	13%	43,538	48,582	12%
Provisions	3,632	4,541	3,591	(21%)	(1%)	11,881	15,942	34%
Operating Income	15,083	17,723	16,682	(6%)	11%	61,022	69,561	14%
Taxes	3,742	4,518	3,944	(13%)	5%	15,963	17,832	12%
Subsidiaries' Net Income	408	259	462	78%	13%	967	1,413	46%
Minority Interest	157	195	157	(20%)	(0%)	617	724	17%
Net Income	11,592	13,268	13,044	(2%)	13%	45,408	52,418	15%
Other Comprehensive Income	1,046	(2,033)	3,323	263%	218%	(2,938)	2,862	197%
Comprehensive Income	12,795	11,431	16,524	45%	29%	43,088	56,004	30%

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. 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.

3. 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.

GFNorte-Consolidated Statement of Financial Position Highlights (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Asset Under Management	3,473,144	3,855,570	3,957,801	3%	14%
Stage 1 Loans	913,049	999,902	1,023,899	2%	12%
Stage 2 Loans	6,832	10,121	8,027	(21%)	17%
Stage 1 & 2 Loans (a)	919,881	1,010,023	1,031,926	2%	12%
Stage 3 Loans (b)	9,973	10,342	10,891	5%	9%
Deferred Items (c)	2,042	2,273	2,386	5%	17%
Loan Portfolio from Insur. Subs.(d)	3,188	3,433	3,503	2%	10%
Total Loans (a+b+c+d)	935,084	1,026,072	1,048,706	2%	12%
Preventive Loan Loss Reserves	17,899	19,431	19,857	2%	11%
Total Loans Net	917,185	1,006,641	1,028,849	2%	12%
Total Assets	2,070,072	2,298,368	2,274,859	(1%)	10%
Total Deposits	897,192	1,036,961	1,056,417	2%	18%
Total Liabilities	1,831,040	2,045,100	2,025,654	(1%)	11%
Equity	239,033	253,267	249,206	(2%)	4%

Financial Ratios GFNorte	4Q22	3Q23	4Q23	2022	2023
Profitability:					
NIM (1)	6.6%	6.4%	6.4%	6.3%	6.3%
NIM adjusted w/o Insurance & Annuities	6.2%	6.0%	6.0%	5.7%	6.0%
ROE (2)	19.4%	21.7%	20.9%	19.2%	21.4%
ROA (3)	2.3%	2.4%	2.3%	2.3%	2.4%
Operation:					
Efficiency Ratio - Cost to Income (4)	40.8%	34.1%	41.9%	37.4%	36.2%
Operating Efficiency Ratio - Cost to Assets (5)	2.5%	2.1%	2.6%	2.2%	2.2%
LCR Banorte and SOFOM - Basel III (6)	154.6%	175.3%	160.5%	154.6%	160.5%
Asset Quality:					
Non-Performing Loan Ratio	1.1%	1.0%	1.0%	1.1%	1.0%
Coverage Ratio	179.5%	187.9%	182.3%	179.5%	182.3%
Cost of Risk (7)	1.6%	1.8%	1.4%	1.4%	1.6%
Market References					
Banxico Reference Rate	10.50%	11.25%	11.25%	10.50%	11.25%
TIE 28 days (Average)	10.00%	11.50%	11.50%	7.88%	11.40%
Exchange Rate Peso/Dollar (8)	19.47	17.41	16.97	19.90	17.58

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. 30 to 32 of the [Risk Management Report](#)

I. Executive Summary

Subsidiaries Net Income (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Banco Mercantil del Norte	8,480	10,828	10,074	(7%)	19%	33,949	41,217	21%
Casa de Bolsa Banorte	77	61	159	160%	106%	1,287	369	(71%)
Operadora de Fondos Banorte	95	94	109	16%	15%	361	382	6%
Afore XXI Banorte	355	207	411	99%	16%	788	1,206	53%
Seguros Banorte	1,020	824	995	21%	(2%)	3,993	4,429	11%
Pensiones Banorte	825	652	744	14%	(10%)	2,733	2,470	(10%)
BAP (Holding)	(1)	2	1	(42%)	203%	(5)	50	1186%
Other Finance Companies	226	331	181	(45%)	(20%)	663	778	17%
G. F. Banorte (Holding)	514	270	369	37%	(28%)	1,638	1,517	(7%)
Total Net Income	11,592	13,268	13,044	(2%)	13%	45,408	52,418	15%

Share Data	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Earnings per share (Pesos)	4.020	4.602	4.524	(2%)	13%	15.748	18.179	15%
Earnings per share Basic (Pesos)	4.062	4.637	4.550	(2%)	12%	15.906	18.311	15%
Dividend per Share for the period (Pesos)	5.81	0.00	5.20	N.A.	(10%)	11.89	13.08	10%
Payout for the period	47.8%	0.0%	33.0%	N.A.	(31%)	97.8%	83.0%	(15%)
Book Value per Share (Pesos)	81.86	86.73	86.48	(0%)	6%	81.86	86.48	6%
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)	139.91	146.07	171.10	17%	22%	139.91	171.10	22%
P/BV (Times)	1.71	1.68	1.98	17%	16%	1.71	1.98	16%
Market Capitalization (Million Dollars)	20,719	24,188	29,160	21%	41%	20,719	29,160	41%
Market Capitalization (Million Pesos)	403,424	421,187	493,359	17%	22%	403,424	493,359	22%

Share performance



II. Management's Discussion & Analysis

Since December 2023 Grupo Financiero Banorte consolidates line by line operations regarding the Joint Venture with Rappi, hereinafter referred to as "Tarjetas del Futuro", in its Group's financial statements.

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)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Interest Income (4)	80,773	99,573	97,257	(2%)	20%	268,628	375,497	40%
Interest Expense	49,548	66,384	63,218	(5%)	28%	152,469	248,015	63%
GFNORTE's NII	31,225	33,189	34,039	3%	9%	116,160	127,482	10%
Credit Provisions	3,632	4,541	3,591	(21%)	(1%)	11,881	15,942	34%
NII Adjusted for Credit Risk	27,593	28,648	30,447	6%	10%	104,278	111,540	7%
Average Earning Assets	1,878,325	2,066,338	2,111,690	2%	12%	1,839,143	2,017,095	10%
Net Interest Margin (1)	6.6%	6.4%	6.4%			6.3%	6.3%	
NIM after Provisions (2)	5.9%	5.5%	5.8%			5.7%	5.5%	
NIM w/o Insurance & Annuities	6.2%	6.0%	6.0%			5.7%	6.0%	
NIM from loan portfolio (3)	8.9%	8.4%	8.3%			8.4%	8.6%	

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 3% higher sequentially, mainly driven by the quarterly expansion in loan origination volume and the positive result in currency valuation. Interest expenses decreased (5%) vs 3Q23, benefiting from the funding mix and seasonality over low-cost deposits. **NIM was stable at 6.4%**, given the balance between loan origination, current rate level, and control over funding costs. **NIM of the loan portfolio stood at 8.3%**.

Compared with 2022, **net interest income rose 10%**. The result was driven by a 17% expansion in the NII of the loan book, given volume and mix, together with the 75bps adjustment in the reference rate in the last 12 months, offsetting the negative effect of inflation in inflation-indexed securities of the annuities business. Interest expenses went up 63%, aligned with the reference rate's adjustments; nevertheless, deposits' mix has remained relatively stable, with 72% demand and 28% time. **NIM stood stable at 6.3%**, due to an improving mix of the loan portfolio and the benefit of the rate levels, which offset higher average earning assets and the effect of inflation in the annuities business. **NIM of the loan book increased 22bps, reaching 8.6% at the end 2023**.

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)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Commercial, Corporate & Government	541	328	(186)	(157%)	(134%)	1,634	886	(46%)
Consumer	3,859	4,676	4,394	(6%)	14%	13,029	16,793	29%
Charge offs and discounts	(768)	(463)	(617)	(33%)	20%	(2,782)	(1,738)	38%
Credit Provisions	3,632	4,541	3,591	(21%)	(1%)	11,881	15,942	34%

In the quarter, **credit provisions decreased (Ps 950 million), or (21%)**, due mainly to: i) reserves release related to a corporate client who left stage 3 loans; ii) cancellation of the remaining COVID-19 provisions for Ps 297 million; and iii) risk prioritization in origination. Out of the Ps 3.59 billion provisions recorded in the quarter, 34% 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 2023, Ps 403 million were used and Ps 297 million were canceled. Therefore, the balance at the end of the year was cero.

At the end of 2023, provisions were Ps 4.06 billion or 34% higher vs. 2022, related to the dynamism and origination mix, especially given the nature of payroll and credit card portfolios.

Cost of risk stood at 1.4% at the end of 4Q23, (42bps) lower vs. 3Q23, and (21bps) in the annual comparison, aligned with the institutional approach of asset quality.

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)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Net Service Fees (1)(3)	4,223	4,094	4,465	9%	6%	15,809	16,954	7%
Premium Income Ins. & Annu. (Net)	8,771	10,587	11,269	6%	28%	42,855	48,259	13%
Technical Reserves Ins. & Annu.	5,174	6,749	7,531	12%	46%	29,541	28,288	(4%)
Cost of Acquisition from Insurance Operations	312	174	441	153%	41%	1,387	1,735	25%
Net Cost of Claims and Other Obligations	6,661	7,489	7,509	0%	13%	26,566	29,222	10%
Trading (2)	657	1,061	1,269	20%	93%	3,656	3,913	7%
Other Operating Income (Expenses) (2)	(1,094)	(717)	(672)	6%	39%	(4,544)	(3,278)	28%
Non-Interest Income	410	613	850	39%	107%	282	6,603	2244%

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. 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.

3. 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 grew 39% sequentially, driven by higher net service fees, better trading income and an increase in other operating income (expenses). **Compared to 2022, non-interest income expanded Ps 6.32 billion**, mainly associated with an improved technical result in insurance and annuities, benefiting from solid business generation and lower inflation in the period, higher net service fees, and the increase in other operating income (expenses).

Premium income from insurance and annuities rose 6% sequentially, driven by insurance business generation, given the renewal of some important medical expenses and life policies during the quarter. Technical reserves grew 12% or Ps 782 million, out of which Ps 2.1 billion correspond to insurance, due to higher premiums issued mostly in the medical expenses and life portfolios, while (Ps 1.3 billion) are associated with the annuities business, derived from lower premium issuance. Cost of acquisition increased sequentially, in line with the insurance business generation. On the other hand, claims remained relatively stable vs. 3Q23, despite the impact of Hurricane Otis on the insurance business for Ps 94 million, benefiting from reinsurance schemes. We will detail the implications of Otis in the *Long-term Savings section*, page 25 of this report.

In 2023, premium income from insurance and annuities increased 13%, driven by insurance business generation, mainly in the life and auto portfolios; consequently, the acquisition cost increased 25%. Technical reserves fell (4%), in line

with lower inflation in the period and a contraction in the annuities market. Claims increased 10% given a larger portfolio and the effect - albeit limited - of hurricane Otis in the insurance business.

Service Fees

Service Fees (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Fund Transfers	527	484	551	14%	5%	2,040	2,028	(1%)
Account Management Fees	455	483	484	0%	6%	1,910	1,922	1%
Electronic Banking Services	4,705	4,432	5,004	13%	6%	16,972	18,114	7%
Basic Banking Services Fees	5,687	5,399	6,040	12%	6%	20,921	22,063	5%
For Commercial and Government Loans	644	519	541	4%	(16%)	1,876	2,089	11%
Consumer Loan Fees	1,611	1,928	2,213	15%	37%	6,144	7,729	26%
Fiduciary & Mortgage Appraisals	151	119	142	19%	(6%)	537	540	1%
Mutual Funds	551	630	645	3%	17%	2,109	2,468	17%
Trading & Financial Advisory Fees	133	110	138	25%	4%	572	441	(23%)
Other Fees Charged (1)(3)	(2)	(172)	(176)	(2%)	N.A.	190	(257)	(235%)
Fees Charged on Services	8,775	8,533	9,543	12%	9%	32,348	35,073	8%
Interchange Fees (2)	3,116	3,033	3,643	20%	17%	11,660	12,580	8%
Other Fees Paid	1,435	1,406	1,435	2%	0%	4,878	5,539	14%
Fees Paid on Services	4,552	4,438	5,078	14%	12%	16,539	18,119	10%
Net Service Fees	4,223	4,094	4,465	9%	6%	15,809	16,954	7%

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

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.

3. 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 increased 12% vs. 3Q23, mainly due to year-end seasonality, with higher electronic banking services and an increase in transactional volumes in consumer products and the acquiring business, mostly associated with the "CyberMonday" and "El Buen Fin" events in November. **In 2023, fees charged increased 8%**, due to the boost in self-service through electronic banking services, higher advisory and structuring fees in commercial and government portfolios, as well as higher transaction volumes in consumer products, combining the operation of Banorte and Tarjetas del Futuro and reflecting the strength of private consumption.

On the other hand, **fees paid grew 14% in the quarter**, due to the seasonal dynamism of commercial activity, reflected in higher interchange fees, mainly in the credit card business. **Fees paid grew 10% vs. 2022**, driven by higher loan origination fees through the external sales force, an increase in trading services, and higher interchange fees.

Altogether, **net service fees expanded 9% sequentially and 7% vs. 2022, at the group level. At a bank level, net fees increased 15% vs. 2022.**

Trading

Trading Income (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Currency and Metals	(1,262)	1,085	(2,357)	(317%)	(87%)	(1,602)	(7,009)	(338%)
Derivatives	226	(3,064)	30	101%	(87%)	1,606	546	(66%)
Negotiable Instruments	508	341	811	138%	60%	(104)	1,562	1600%
Valuation	(529)	(1,639)	(1,516)	7%	(187%)	(100)	(4,900)	N.A.
Currency and Metals	1,235	2,695	2,618	(3%)	112%	4,524	7,895	75%
Derivatives	(89)	(16)	(286)	(1679%)	(222%)	(909)	48	105%
Negotiable Instruments	(98)	10	454	N.A.	565%	110	744	575%
Trading	1,048	2,689	2,787	4%	166%	3,725	8,686	133%
Other financial results (1)	138	10	(2)	(118%)	(101%)	31	127	315%
Trading Income	657	1,061	1,269	20%	93%	3,656	3,913	7%

1. 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 grew 20% quarterly and 7% on a cumulative basis. In both comparisons as a result of the negative valuation seen in the currency position given the appreciation of Mexican Peso/ USD Dollar exchange rate, as well as the valuation benefit resulting from a larger insurance securities position. On the other hand, the trading operation was driven by currency operations and derivative maturities.

Other Operating Income (Expenses)

Other Operating Income (Expenses) (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Contributions to IPAB	(985)	(1,108)	(1,140)	3%	16%	(3,859)	(4,292)	11%
Expenses Incurred in the Recovery of Credit Portfolio	(410)	(349)	(430)	23%	5%	(1,421)	(1,516)	7%
Result for Foreclosed Assets	187	247	391	58%	109%	629	933	48%
Lease Income	86	106	136	28%	57%	322	394	22%
From Insurance & Annuities	156	165	123	(25%)	(21%)	263	501	90%
Others (1)	(128)	221	249	13%	294%	(479)	702	247%
Other Operating Income (Expenses)	(1,094)	(717)	(672)	6%	39%	(4,544)	(3,278)	28%

1. 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) went up 6% sequentially, driven by higher sale of loan portfolios recorded in foreclosed assets and accounts receivable write-offs recorded within "Other" item.

Compared to 2022 they were 28% higher due to the recording of extraordinary expenses and fiscal provisions in the BAP sector, during the first and third quarters of 2022, respectively, along with a larger write-off of accounts receivable, higher income from operating leases and lower asset impairment expenses.

Non-Interest Expense

Non-Interest Expense (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Personnel	6,476	5,181	6,851	32%	6%	19,580	22,013	12%
Professional Fees	961	803	971	21%	1%	3,603	3,633	1%
Administrative and Promotional (1)	820	1,473	2,412	64%	194%	4,624	6,591	43%
Rents, Depreciation & Amortization	3,453	2,819	3,619	28%	5%	10,623	11,398	7%
Other Taxes	587	654	793	21%	35%	2,233	2,753	23%
Employee Profit Sharing (PTU)	342	290	(234)	(181%)	(169%)	1,507	893	(41%)
Other expenses	282	317	203	(36%)	(28%)	1,368	1,300	(5%)
Non-Interest Expense	12,920	11,538	14,615	27%	13%	43,538	48,582	12%

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.

Non-interest expenses grew 27% sequentially, mainly driven by the annual personnel expense management strategy related with operative restructuring, incentives & compensations, as well as the accelerated amortization of capitalizable IT projects.

Compared to 2022, non-interest expenses went up 12%, resulting from the IT center investment, to increase redundancy and stability of the systems, as well as higher personnel expenses related to: i) inflationary adjustments on wages; ii) development of organic growth projects; and iii) incentives provisioning, in line with business generation and advanced severance payments. Recurring expense grew 5.4% in 2023.

Expenses related to the digital bank will be postponed until its launch in January 2024.

The **efficiency ratio stood at 36.2% at the end of 2023**, improving (116bps) vs. 2022. Sound revenue generation has enabled us to carry out investments driving organic growth development.

Net Income

Net Income (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Operating Income	15,083	17,723	16,682	(6%)	11%	61,022	69,561	14%
Subsidiaries' Net Income	408	259	462	78%	13%	967	1,413	46%
Pre-Tax Income	15,492	17,982	17,145	(5%)	11%	61,989	70,974	14%
Taxes	3,742	4,518	3,944	(13%)	5%	15,963	17,832	12%
Net income from continuing operations	11,749	13,464	13,200	(2%)	12%	46,025	53,142	15%
Minority Interest	157	195	157	(20%)	(0%)	617	724	17%
Net Income	11,592	13,268	13,044	(2%)	13%	45,408	52,418	15%
Valuation Adjustments for Fair Value through other	1,057	(1,115)	1,919	272%	82%	(4,376)	1,417	132%
Cash Flow Hedges Valuation	76	(1,115)	1,754	257%	2211%	1,118	1,725	54%
Remeasurement on defined employee benefits	36	22	(146)	(772%)	(506%)	92	(81)	(188%)
Cumulative foreign currency translation adjustment	(48)	24	(37)	(256%)	23%	(86)	(192)	(124%)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	(75)	152	(167)	(210%)	(122%)	315	(7)	(102%)
Other Comprehensive Income	1,046	(2,033)	3,323	263%	218%	(2,938)	2,862	197%
Comprehensive Income	12,795	11,431	16,524	45%	29%	43,088	56,004	30%

Net operating income declined (6%) in the quarter and expanded 11% on a yearly basis. The quarterly performance derives from higher non-interest expenses, given the early recognition of personnel expenses and accelerated amortizations, despite growth in basic banking services and higher fees. **Net income was Ps 13.04 billion**, contracting (2%) sequentially and growing 13% vs. 4Q22.

In 2023, net operating income grew 14%, with good business dynamics in the group's main subsidiaries. **Net income reached Ps 52.42 billion** at the end of 2023, 15% higher than 2022.

The effective tax rate was 23.6% at the end of the quarter and 25.6% in 2023.

Earnings per share for the quarter were **Ps 4.550**.

Profitability

	4Q22	3Q23	4Q23	2022	2023
ROE	19.4%	21.7%	20.9%	19.2%	21.4%
Intangibles	18,089	17,663	17,270	18,089	17,270
Goodwill	26,741	26,697	26,825	26,741	26,825
Average Tangible Equity	181,056	191,797	192,975	181,056	192,975
ROTE	25.6%	27.4%	26.3%	25.1%	27.2%

During the quarter, **ROE** fell (79bp) to **20.9%**, impacted by the provisioning of non-interest expenses; while in the cumulative comparison it **increased 221bps to 21.4%**, reflecting the strength of the group's businesses.

ROTE fell (115bps) in the quarter, **to 26.3%**, while in the accumulated comparison **expanded 208bps, closing 2023 at 27.2%**.

	4Q22	3Q23	4Q23	2022	2023
ROA	2.3%	2.4%	2.3%	2.3%	2.4%
Average Risk Weighted Assets (billion pesos)	834	895	919	834	919
RRWA	5.4%	5.7%	5.7%	5.4%	5.7%

ROA stood at 2.3% in 4Q23, (8bps) lower vs. 3Q23 due to higher assets, aligned with portfolio expansion, growing in contrast to profit. In 2023 the ratio grew 14bps vs. 2022.

Deposits

Deposits (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Non-Interest Bearing Demand Deposits	412,119	385,392	424,912	10%	3%
Interest Bearing Demand Deposits	207,440	296,371	260,650	(12%)	26%
Global Account of deposits without movements	3,253	3,461	3,656	6%	12%
Total Demand Deposits	622,812	685,224	689,217	1%	11%
Time Deposits – Retail	216,787	261,566	273,207	4%	26%
Core Deposits	839,599	946,790	962,424	2%	15%
Money Market and Credit Notes Issued	79,369	96,256	110,707	15%	39%
Total Bank Deposits	918,968	1,043,046	1,073,131	3%	17%
GFNorte's Total Deposits	897,192	1,036,961	1,056,417	2%	18%
Third Party Deposits	202,459	273,431	222,668	(19%)	10%
Total Assets Under Management	1,121,427	1,316,477	1,295,799	(2%)	16%

Core deposits rose 2% in the quarter, driven mainly by growth in non-interest bearing demand deposits, in line with end-of-year seasonality. **In the year, core deposits went up 15%**, with time deposits accelerating growth given 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. Despite a 351bps increase in the average TIE28d reference rate over the last year, we have managed the cost efficiently due to the stability of our funding mix. At the end of the fourth quarter, our funding cost as a percentage of CETES declined (100bps), indicating a positive turning point.

Money market operations and credit notes issued rose 15% in the quarter and 39% YoY. Overall, **total bank deposits** grew 3% QoQ and 17% YoY.

Stage 1 and 2 loans

Stage 1 and 2 Loans (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Stage 1 and 2 loans					
Mortgages	226,932	248,864	253,138	2%	12%
Auto Loans	32,173	40,610	42,604	5%	32%
Credit Card	45,127	51,448	58,137	13%	29%
Payroll	67,051	75,565	74,522	(1%)	11%
Consumer	371,283	416,487	428,402	3%	15%
Commercial	229,126	253,590	253,015	(0%)	10%
Corporate	147,752	168,308	178,549	6%	21%
Government	171,720	171,638	171,961	0%	0%
Stage 1 and 2 loans	919,881	1,010,023	1,031,926	2%	12%

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

In 2023, stage 1 and 2 loans reached above one trillion pesos. Sequentially, consumer loans rose 3%, **benefiting from an expansion across the board**, except for payroll: mortgages 2%, auto 5%, and credit card loans showed a substantial 13% increase due to the consolidation of Tarjetas del Futuro, adding Ps 4.3 billion. Payroll showed a slight reduction linked to loan origination selectivity. On the other hand, commercial loans balance was mainly impacted by Tarjetas del Futuro integration to the Financial Group, reversing the effect of such credit withdrawal, the sequential growth would have been

3%. Corporate loans increased 6%, boosted by the strong credit demand from companies preparing to capitalize on the growing nearshoring opportunities' gradual materialization. Finally, the government portfolio remained stable as it was affected by the seasonality of prepayments.

In the year, the **consumer portfolio expanded 15%**, driven by a 12% rise in mortgages, with an average monthly increase of over Ps 2.1 billion in high-value customers. Payroll and credit cards grew 11% and 29%, respectively, and auto loans rose 32%. The commercial portfolio expanded 10%, reflecting dynamism in economic activity and the strategic focus on growing and monetizing relationships with SMEs. On the other hand, the government portfolio remained flat versus the previous year, influenced by credit regulatory restrictions as we approach the electoral period.

Within the commercial portfolio, **SMEs stage 1 and 2 loans**, were 3% higher sequentially and 24% YoY. Its NPL ratio slightly deteriorated 6bps in the quarter and remained unchanged in the year, ending at 1.09%. Such performance was in line with the appropriate risk profiles for operations in this segment and the expansion in origination volume.

SME's Loans (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Stage 1 and 2 loans	40,416	48,777	50,283	3%	24%
% of Commercial Portfolio, stage 1 and 2 loans	17.6%	19.2%	19.9%	64 bps	223 bps
% of Total Portfolio, stage 1 and 2 loans	4.4%	4.8%	4.9%	4 bps	48 bps
NPL Ratio	1.09%	1.04%	1.09%	6 bps	0 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 10.9% of the group's stages 1 and 2 loans, with the largest corporate exposure representing 1.2%, whereas number 20 represented 0.3%. The 20 corporates have an A1 credit rating.

The **government book, stages 1 and 2, totaled Ps 172 billion, mostly stable QoQ and YoY**. GFNorte's government portfolio is well diversified by region, showing an adequate risk profile, given that 31.7% of the portfolio is Federal Government exposure and 83% of municipal and state government loans are backed by fiduciary guarantees.

During the second half of December, we executed an asset securitization in the government portfolio, enabling us to optimize our A&L structure.

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

The system's stages 1 and 2 loans expanded 9.9% YoY; **Banorte rose 13.9%, reaching a 15.0%** market share, 52bps higher in the year.

- **Mortgage Loans:** Banorte held a **19.6% market share**, increasing 53bps YoY, keeping the second place in the system.
- **Credit Card Loans:** Banorte decreased (22bps) **its market share** in the year, ending at **9.8%**.
- **Auto Loans:** In the year, Banorte regained 192bps market share to **22.0%**, still ranking second in the system.
- **Payroll Loans:** Banorte held a **20.2%** market share, decreasing (62bps) in the year, ranking second in the market.
- **Commercial Loans:** Market share totaled **12.2%**, (including corporate and SMEs according to the CNBV classification). Market share increased 94bps in the last 12 months, maintaining the second place in the system.
- **Government Loans:** Banorte's market share increased 70bps to **27.1%**, ranking second in the banking system.

Stage 3 Loans

In the quarter, stage 3 loans increased Ps 549 million, impacting mainly credit card, although it is worth mentioning that this is due to the consolidation of Tarjetas del Futuro. 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)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Credit Cards	1,108	1,435	1,968	532	860
Payroll	2,223	2,461	2,586	125	363
Auto Loans	198	254	267	13	69
Mortgages	1,865	2,089	2,177	88	312
Commercial	4,178	3,914	3,704	(210)	(474)
Corporate	398	178	178	-	(220)
Government	4	11	11	(0)	7
Total	9,973	10,342	10,891	549	918

NPL ratio stood at 1.04%, still below historical average, driven by strict loan origination controls and strong prevention, mitigation, and collection management. During the quarter, the NPL slightly deteriorated by 3bps QoQ and improved (3pbs) YoY. The NPL ratio remains one of the healthiest in the system.

NPL Ratio	4Q22	1Q23	2Q23	3Q23	4Q23
Credit Cards	2.4%	2.4%	2.7%	2.7%	3.3%
Payroll	3.2%	2.8%	3.2%	3.2%	3.4%
Auto Loans	0.6%	0.5%	0.5%	0.6%	0.6%
Mortgages	0.8%	0.8%	0.8%	0.8%	0.9%
Commercial	1.8%	1.8%	1.6%	1.5%	1.4%
SMEs	1.1%	1.0%	1.0%	1.0%	1.1%
Rest of commercial	1.9%	1.9%	1.7%	1.6%	1.5%
Corporate	0.3%	0.3%	0.3%	0.1%	0.1%
Government	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.07%	1.04%	1.05%	1.01%	1.04%

Expected loss for Banco Mercantil del Norte, the group's largest subsidiary, was **1.7%**, and the **unexpected loss** was **3.7%**, with respect to the total portfolio as of 4Q23. In 3Q23, these ratios were 1.9% and 3.8%, respectively, and reached 1.9% and 4.0% 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 September '23	10,350
Transfer from stage 1 + 2 Loans to stage 3	9,089
Portfolio Purchase	311
Renewals	(87)
Debt reversal	-
Cash Collections	(3,620)
Discounts	479
Charge Offs	(4,596)
Foreclosures	-
Transfer from stage 3 to stage 1 + 2 Loans	(1,139)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	103
Fair Value Ix	-
Balance as of December '23	10,891

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 4Q23 - GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	946,536	1,236	837	69	806	201	3,148
A2	32,302	138	13	0	399	46	595
B1	37,755	70	4	0	1,065	23	1,162
B2	22,225	25	0	-	955	37	1,017
B3	13,346	69	1	-	651	6	726
C1	16,121	65	-	0	764	212	1,041
C2	13,364	98	62	-	1,225	235	1,621
D	9,746	517	-	5	2,229	416	3,166
E	9,095	1,951	3.98	34	4,493	76	6,557
Total	1,100,490	4,169	920	108	12,586	1,252	19,034
Not Classified	(1,318)						
BAP sector book	3,503						
Deferred Items	2,386						
Exempt	-						
Total	1,105,062	4,169	920	108	12,586	1,252	19,034
Reserves							19,857
BAP Reserves							254
Preventive Reserves							569

Notes:

1. Figures for reserve creation and rating are as of December 31st, 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.

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 4Q23 **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)	4Q23
Previous Period Ending Balance	20,650
Provisions charged to results	4,203
Provisions charged to retained earnings	0
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	-
Charge offs and discounts:	
Commercial Loans	(523)
Consumer Loans	(3,897)
Mortgage Loans	(542)
Foreclosed assets	0
	(4,961)
Cost of debtor support programs	(9)
Valorization and Others	(25)
Adjustments	0
Loan Loss Reserves at Period End	19,857

Loan Loss Reserves as of 4Q23 totaled **Ps 19.86 billion**, decreasing 4% vs. 3Q23. **Charge-offs and discounts** rose 8% quarterly.

Loan loss reserve coverage ratio stood at **182.3%**, from 187.9% in 3Q23.

Equity

Shareholders' equity balance declined (Ps 4.06 billion) sequentially to Ps 249.21 billion; the main changes in the quarterly comparison were: net income of Ps 13.04 billion, an increase of Ps 1.92 billion on valuation of financial instruments to be received or sold, a decrease of (Ps 22.70 billion) derived from the dividend payment, and a decrease of (Ps 1.14 billion) from the transfer of shares between entities under common control.

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. GLOBAL FINANCE RECOGNIZES BANORTE AS THE BEST BANK FOR SMES

On October 3rd, Global Finance recognized Banorte with Global Finance's SME Bank Awards 2023 for Mexico. In its evaluation, Global Finance used a proprietary algorithm with criteria -such as knowledge of SME markets and needs, breadth of products and services, market position, and innovation- weighted by relative importance to choose the winners.

2. NEWSWEEK INCLUDES BANORTE IN TOP 5 MOST TRUSTED BANKS IN THE WORLD

In November, Grupo Financiero Banorte was recognized by Newsweek magazine and the global data firm Statista as the fifth most trustworthy bank in the world and the number one in Mexico, in the World's Most Trustworthy Companies list. Newsweek and Statista listed 1,000 companies from 21 countries and 23 different industries, considering the trustworthiness of customers, employees, and investors.

3. UNITELLER SIGNS AGREEMENT TO ACQUIRE MORE PAYMENT EVOLUTION, AN INTERNATIONAL PAYMENTS COMPANY BASED IN URUGUAY

On November 25th, UniTeller Financial Services, Inc. ("UniTeller"), our international payment processing company, signed an agreement to acquire all the shares representing the capital stock of More Payment Evolution ("More"). The closing of the transaction is subject to the fulfillment of certain conditions.

Through this acquisition, UniTeller seeks to leverage its current capabilities in commercial payments by expanding its geographic presence with More's extensive global payments expertise and experience, thus driving the creation of global products and solutions for our clients to consolidate its position as a global benchmark in the cross-border payments industry.

4. BANORTE RECEIVES AWARDS FROM WORLD FINANCE FOR BEST CONSUMER DIGITAL BANK AND BEST MOBILE BANKING APP

On December 5th, Banorte was recognized by World Finance as Best Consumer Digital Bank and Best Mobile Banking App at the Digital Banking Awards. World Finance mentions that the winners of the World Finance Digital Banking Awards are those that pay the most attention to their customers, adopting new and innovative technologies and developing their cloud capabilities.

5. VISA SIGNS AN AGREEMENT TO ACQUIRE A MAJORITY STAKE IN PROSA

On December 15th, Controladora Prosa, S.A. de C.V. ("Controladora Prosa") and Visa International Service Association ("Visa") entered into a definitive share purchase agreement of the shares representing the capital stock of Promoción y Operación S.A. de C.V. ("Prosa"), under which Visa acquired a majority interest. The closing of the transaction is subject to the satisfaction of various conditions, including, -but not limited to-, the granting of the required regulatory approvals.

The transaction seeks to enhance Prosa's technological and business capabilities, as part of its transformation process to maintain its competitive position and relevance in the market. Visa will provide the know-how and expertise from its global payments network, enhancing Prosa's technological infrastructure and expanding its product offerings and innovative payment solutions, serving the needs of clients, merchants, issuers, acquirers, and other participants of the payments market.

6. GRUPO FINANCIERO BANORTE RECEIVES AUTHORIZATION TO START OPERATIONS OF THE NEW DIGITAL BANK

On December 11th, and in line with the 1-2-3 Strategic Plan, which includes as one of its pillars the creation of a fully digital bank, on December 11th, 2023, the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), with the favorable opinion of the Central Bank (*Banco de México*), authorized the start of operations of Banco Bineo S.A., Institución de Banca Múltiple, Grupo Financiero Banorte. The launch of our digital bank, scheduled for January 2024, represents a milestone for the financial system.

7. BANORTE IS GRANTED THE "ALAS20 INSTITUTION" AWARD FOR 2023

On December 11th, Grupo Financiero Banorte won the "ALAS 20 Institution" award in its 2023 edition. This designation is the most important category to which an investor can aspire in the Sustainable Leaders Agenda, which is organized by GOVERNART, as it is awarded to only one investor, the one that demonstrates leadership, consistency, and excellence in

public disclosure of information on its responsible investment relations practices, corporate governance, and sustainability research.

During the award ceremony, Grupo Financiero Banorte obtained the following results in the three categories evaluated:

- ALAS20 Mexico Company – Winner
- Leading Company in Investor Relations - Third place in Mexico
- Leading Company in Sustainability - Second place in Mexico

8. FOR THE EIGHTH YEAR IN A ROW, BANORTE IS CONSTITUENT OF THE SUSTAINABILITY INDEX MILA

On December 18th, Grupo Financiero Banorte was again selected as a constituent of the Dow Jones MILA Sustainability Index, which measures the performance of leading Mexican, Chilean, Colombian, and Peruvian companies in terms of sustainability. GFNorte is one of the 23 Mexican companies among 67 Institutions comprising the index.

Bank

Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position Highlights - Bank (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Net Interest Income (2)	23,990	25,846	26,315	2%	10%	85,243	100,875	18%
Non-Interest Income (1)(2)	2,886	3,840	4,258	11%	48%	13,054	15,480	19%
Total Income	26,876	29,686	30,573	3%	14%	98,297	116,354	18%
Non-Interest Expense (1)	11,859	10,458	13,719	31%	16%	39,708	44,406	12%
Provisions	3,599	4,461	3,559	(20%)	(1%)	11,722	15,782	35%
Operating Income	11,417	14,767	13,295	(10%)	16%	46,867	56,166	20%
Taxes	2,829	3,795	3,110	(18%)	10%	12,486	14,425	16%
Subsidiaries & Minority Interest	42	49	7	(87%)	(85%)	168	145	(14%)
Net Income	8,630	11,020	10,253	(7%)	19%	34,549	41,946	21%
Balance Sheet								
Stage 1 Loans	890,301	975,639	999,670	2%	12%	890,301	999,670	12%
Stage 2 Loans	6,470	9,687	7,430	(23%)	15%	6,470	7,430	15%
Stage 1 & 2 Loans (a)	896,771	985,326	1,007,100	2%	12%	896,771	1,007,100	12%
Stage 3 Loans (b)	9,143	9,491	10,006	5%	9%	9,143	10,006	9%
Deferred Items (c)	2,058	2,306	2,436	6%	18%	2,058	2,436	18%
Total Loans (a+b+c)	907,972	997,123	1,019,541	2%	12%	907,972	1,019,541	12%
Preventive Loan Loss Reserves including Insurance	16,961	18,365	18,749	2%	11%	16,961	18,749	11%
Total Loans Net (d)	891,011	978,759	1,000,793	2%	12%	891,011	1,000,793	12%
Total Assets	1,552,253	1,718,758	1,682,493	(2%)	8%	1,552,253	1,682,493	8%
Total Deposits	918,968	1,043,046	1,073,131	3%	17%	918,968	1,073,131	17%
Total Liabilities	1,407,576	1,563,201	1,531,527	(2%)	9%	1,407,576	1,531,527	9%
Equity	144,677	155,557	150,966	(3%)	4%	144,677	150,966	4%

- 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	4Q22	3Q23	4Q23	2022	2023
Profitability:					
NIM (1)	6.7%	6.6%	6.6%	5.9%	6.6%
NIM after Provisions (2)	5.7%	5.4%	5.7%	5.1%	5.5%
ROE (3)	24.6%	28.3%	26.5%	24.6%	27.4%
ROA (4)	2.3%	2.6%	2.4%	2.2%	2.6%
Operation:					
Efficiency Ratio (Cost to Income) (5)	44.1%	35.2%	44.9%	40.4%	38.2%
Operating Efficiency Ratio (Cost to Assets) (6)	3.1%	2.5%	3.2%	2.6%	2.7%
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III (7)	154.6%	175.3%	160.5%	154.6%	160.5%
Asset Quality:					
NPL Ratio	1.0%	1.0%	1.0%	1.0%	1.0%
Coverage Ratio	185.5%	193.5%	187.4%	185.5%	187.4%
Capitalization:					
Net Capital/ Credit Risk Assets	31.0%	31.3%	29.1%	31.0%	29.1%
Total Capitalization Ratio	22.8%	22.2%	20.7%	22.8%	20.7%
Leverage					
Basic Capital/ Adjusted Assets	12.7%	11.8%	11.5%	12.7%	11.5%

- 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 2% sequentially, in line with higher loan origination volume. Interest expenses were down (5%), benefiting from funding management and mix. Therefore, **NIM was relatively stable at 6.6%**.

Non-interest income increased 11% vs. 3Q23, due to higher net fees and other operating income (expense), mainly from the sale of loan portfolios recorded in foreclosed assets.

Fees charged on services grew 11% sequentially, given higher electronic banking services and greater seasonal transactions in consumer products and acquiring business, mainly in credit cards. Fees paid rose 14% due to the same seasonal effect. In sum, **net fees grew 8% vs. 3Q23**.

Trading income fell (35%) vs. the previous quarter, mainly affected by the negative valuation of the currency position.

Other operating income (expense) improved Ps 381 million sequentially, in line with higher income on loan portfolios, recorded in foreclosed assets, as well as higher income from write-offs of accounts receivable.

Non-interest expenses increased 31% in the quarter, due to the provisioning of personnel expenses, related to operational restructuring and compensations, as well as the accelerated amortization of capitalizable IT-related projects. As a result, the **efficiency ratio of the quarter** stood at **44.9%**.

In the quarter, **provisions fell (20%)**, in line mostly with the cancellation of the remaining COVID-19 reserves, as well as the reserves release linked to a corporate client exiting stage 3 loans. **NIM adjusted for credit risks at 5.7%, 23bps higher vs. 3Q23**.

In sum, **net income for the quarter was Ps 10.25 billion**, (7%) lower vs. 3Q23. **ROE fell (180bps)** during the quarter to **26.5%**. ROA declined (23bps) to **2.4%** at the end of 4Q23.

Cumulative Changes vs. the previous year

Net interest income (NII) increased 18% vs. 2022, driven by 16% higher revenues in the loan portfolio, in line with a greater pace in loan origination and portfolio mix, as well as the 75bps adjustment in the reference rate in the last 12 months. Interest expenses grew 60%, driven by the 351bps adjustment in the average reference rate TIE28d, reaching 11.40%, fostering migration into interest-bearing deposits; nevertheless, funding mix remains relatively stable considering the accelerated growth of the loan book. **NIM was up 64bps in the period**, to **6.6%** from 5.9%.

Non-interest income expanded 19% vs. 2022, due to higher net fees and improving other operating income (expense).

Fees charged on services rose 12% on a cumulative basis, driven higher transactional volume in consumer products and affiliated businesses, reflecting the strength of private consumption, and the increase in the fee scheme paid by Seguros Banorte to the bank for products' placement through bancassurance. **Fees paid expanded 10%**, mainly due to higher interchange fees given increasing transactional volumes, higher fees for loan origination through the external sales force, and an increase in trading services. **Net Fees grew 15% compared to 2022**.

Trading income fell (22%) in the cumulative comparison, due to the negative effect on the valuation of currencies, due to the volatility of the exchange rate, mainly in the U.S. dollar.

Other operating income (expense) improved Ps 830 million compared to 2022, mostly explained by the impact of extraordinary expenses recorded in the first quarter of 2022, within "other items", and by higher revenues from the sale of loan portfolios.

Non-interest expenses grew 12% vs. 2022, given higher personnel expenses linked to organic growth, 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 38.2% in 2023, a (223bps) YoY improvement** vs. 40.4% in 2022.

Provisions went up 35% or Ps 4.06 billion vs. 2022, in line with loan volume and origination mix. **NIM adjusted for credit risks improved 42bps** in the year, reaching **5.5% at the end of 2023**.

Net income grew 21% over 2022 or Ps 7.40 billion, reaching 41.95 million. The result reflects the strength of core banking revenue generation. **ROE expanded 275bps, to 27.4% in 2023** from 24.6% in 2022. **ROA increased 32bps on a cumulative basis to 2.6%.**

Equity

Shareholders' equity balance amounted to Ps 150.97 billion, a decrease of (Ps 4.59 billion) compared to the previous quarter. The main changes during the quarter were: net income of Ps 10.25 billion, an increase of Ps 1.76 billion from the valuation of financial instruments to be received or sold, a decrease of (Ps 13.00 billion) derived from the dividend payment, (Ps 1.16 billion) from the transfer of shares between entities under common control, and (Ps 1.01 billion) from interest on subordinated notes.

Regulatory Capital (Banco Mercantil del Norte)

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

In 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)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Core Tier 1	129,145	141,939	139,297	(1.9%)	7.9%
Tier 1 Capital	191,574	197,708	193,590	(2.1%)	1.1%
Tier 2 Capital	3,349	2,838	2,229	(21.5%)	(33.5%)
Net Capital	194,923	200,547	195,819	(2.4%)	0.5%
Credit Risk Assets	629,486	640,141	672,465	5.0%	6.8%
Net Capital / Credit Risk Assets	31.0%	31.3%	29.1%	(2.2 pp)	(1.8 pp)
Total Risk Assets	853,223	905,283	946,593	4.6%	10.9%
Core Tier 1	15.14%	15.68%	14.72%	(1.0 pp)	(0.4 pp)
Tier 1	22.45%	21.84%	20.45%	(1.4 pp)	(2.0 pp)
Tier 2	0.39%	0.31%	0.24%	(0.1 pp)	(0.2 pp)
Capitalization Ratio	22.85%	22.15%	20.69%	(1.47 pp)	(2.16 pp)

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

At the end of 4Q23 the estimated Capital Adequacy Ratio (CAR) for Banorte was **20.69%** considering credit, market, and operational risks, and 29.12% considering only credit risk. Moreover, the Core Equity Tier 1 reached 14.72%, a level corresponding to a Systemically Important Institution Level I under the CNBV's classification.

CAR decreased (1.47 pp) vs. 3Q23 due to the following effects:

		4Q23 vs. 3Q23
		(1.47 pp)
1.	Net Income in 4Q23	+1.14 pp
2.	Securities' mark-to-market valuation and Hedging Derivatives ⁽¹⁾	+0.12 pp
3.	Effects in Risk Assets – Operational	(0.05 pp)
4.	Other Capital Effects ⁽²⁾	(0.11 pp)
5.	Effects in Risk Assets – Market	(0.17 pp)
6.	Capital Notes	(0.28 pp)
7.	Effects in Risk Assets – Credit	(0.36 pp)
8.	Effects in Risk Assets – Credit (Others) ⁽¹⁾	(0.39 pp)
9.	Dividend to the Financial Group	(1.37 pp)

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

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

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

CAR decreased (2.16 pp) vs. 4Q22 due to the following effects:

		4Q23 vs. 4Q22
		(2.16 pp)
1.	Net Income in the period	+4.47 pp
2.	Securities' mark-to-market valuation and Hedging Derivatives ⁽¹⁾	+0.25 pp
3.	Other Capital Effects ⁽²⁾	(0.10 pp)
4.	Effects in Risk Assets – Market	(0.19 pp)
5.	Effects in Risk Assets – Credit (Others) ⁽³⁾	(0.31 pp)
6.	Effects in Risk Assets – Credit	(0.77 pp)
7.	Effects in Risk Assets – Operational ⁽⁴⁾	(0.99 pp)
8.	Capital Notes	(1.32 pp)
9.	Dividend to the Financial Group	(3.20 pp)

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

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

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

(4) 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 December 2023 amounted to Ps 946.59 billion, increasing Ps 41.31 billion compared to September 2023, and of Ps 93.37 billion vs. December 2022.

The evolution of Risk Assets is presented below:

Risk Assets (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Total Credit	629,486	640,141	672,465	5%	7%
Credit (Loan Portfolio)	523,949	538,993	554,327	3%	6%
Credit (Others)	105,537	101,148	118,138	17%	12%
Total Market	143,368	143,510	150,393	5%	5%
Total Operational	80,369	121,632	123,734	2%	54%
Total	853,223	905,283	946,593	5%	11%

The main quarterly changes in RWAs vs. 3Q23 were:

- Increase in Assets Subject to Credit Risk (Portfolio) driven by an increase in the institution's operations.
- Increase in Assets Subject to Market Risk due to balance sheet evolution.
- Increase in Assets Subject to Operational Risk driven by a new regulatory methodology.

The main annual changes in RWAs vs. 4Q22 were:

- Increase in Assets Subject to Credit Risk (Portfolio) driven by an increase in the institution's operations.
- Increase in Assets Subject to Market Risk due to balance sheet evolution.
- 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)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Tier 1 Capital	191,574	197,708	193,590	(2.1%)	1.1%
Adjusted Assets	1,507,009	1,681,192	1,681,270	0.0%	11.6%
Leverage Ratio	12.71%	11.76%	11.51%	(25 bp)	(120 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)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Interest Income (Net)	576	878	824	(6%)	43%	1,980	3,268	65%
Credit Provisions	(0)	(0)	(0)	(1563%)	(425%)	3	0	(99%)
Premium Revenue (Net)	5,300	6,077	8,290	36%	56%	24,653	32,963	34%
Net increase in technical reserves	103	813	2,906	257%	2724%	2,924	9,587	228%
Net Cost for Insurance Operations	612	794	1,031	30%	68%	2,528	4,242	68%
Net Cost of Claims and Other Obligations	3,642	4,150	4,120	(1%)	13%	14,774	16,013	8%
Trading Income	280	252	588	133%	110%	223	1,242	458%
Other Operating Income (Expenses)	20	157	133	(16%)	579%	455	504	11%
Total Operating Income	1,819	1,606	1,778	11%	(2%)	7,081	8,136	15%
Non Interest Expense	362	449	419	(7%)	16%	1,524	1,849	21%
Operating Income	1,457	1,157	1,359	17%	(7%)	5,557	6,287	13%
Taxes	437	333	363	9%	(17%)	1,556	1,848	19%
Subsidiaries' Net Income	362	210	418	99%	16%	802	1,227	53%
Net income from continuing operations	1,382	1,035	1,414	37%	2%	4,803	5,666	18%
Minority Interest	7	4	8	99%	21%	22	31	40%
Net Income	1,375	1,031	1,406	36%	2%	4,781	5,635	18%
Other Comprehensive Income	48	2	(38)	(1881%)	(180%)	(1)	(44)	N.A.
Comprehensive Income	1,429	1,037	1,376	33%	(4%)	4,802	5,622	17%
Shareholder's Equity	23,280	23,358	24,736	6%	6%	23,280	24,736	6%
Total Assets	66,537	75,723	81,305	7%	22%	66,537	81,305	22%
Technical Reserves	36,319	43,922	47,643	8%	31%	36,319	47,643	31%
Premiums sold	5,755	6,665	8,895	33%	55%	28,914	37,617	30%
Coverage ratio of technical reserves	1.2	1.2	1.1	(0.0 pp)	(0.0 pp)	1.2	1.1	(0.0 pp)
Solvency capital requirement coverage ratio	9.2	8.7	7.0	(1.7 pp)	(2.2 pp)	9.2	7.0	(2.2 pp)
Coverage ratio of minimum capital	188.6	176.4	186.5	10.1 pp	(2.1 pp)	188.6	186.5	(2.1 pp)
Claims ratio	68.4%	79.1%	75.5%	(3.5 pp)	7.1 pp	67.8%	68.4%	0.6 pp
Combined ratio	85.4%	95.8%	90.6%	(5.2 pp)	5.2 pp	80.6%	83.6%	2.9 pp
ROE	24.2%	17.0%	23.7%	6.6 pp	(0.5 pp)	20.7%	23.4%	2.7 pp
ROE ex-Afore	51.8%	35.3%	46.9%	11.6 pp	(4.9 pp)	53.8%	49.4%	(4.4 pp)

Net Interest income decreased (6%) in the quarter, whereas vs 4Q22 it increased **43%**, mainly due to higher instruments' valuation and interests.

Premium income was 36% higher sequentially, given the renewal of some important medical expenses and life premiums in the quarter. As a result, technical reserves increased Ps 2.09 billion sequentially, in line with business origination. **In the cumulative variation, premium income increased 34%**, 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 228%, mainly due to higher flexible product sales, which are a 100% reserved. Good business performance is maintained, especially in the bancassurance business, expanding at double digits YoY.

Damages and claims declined (1%) in the quarter and were 8% higher vs. 2022, primarily due to the business growth and claims' mix in the portfolio, with lower claims in life and higher in auto and medical expenses.

During 4Q23, claims registered under damages and auto related to Hurricane Otis amounted to Ps 398 million; nevertheless, the reinsurance programs mitigated the effect of net claims at Ps 94 million. Even if the process continues to adjust claims, such figure is the maximum exposure we will have to the event and was fully recognized at the end of 2023.

Acquisition costs grew 30% quarterly, in line with business origination. **Compared to 2022, they increase 68%** driven by business growth, together with the adjustment in the fee scheme for the placement of insurance products through bancassurance.

Net operating income totaled Ps 1.36 billion in 4Q23, 17% higher sequentially, driven by the business evolution. In the **cumulative comparison**, it grew **13%**, 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 1.41 billion, a 36% increase vs. 3Q23**. Quarterly **Net Income** for Seguros Banorte, excluding its subsidiary Afore XXI Banorte, reached **Ps 995 million**, representing 7.6% of the Group's net income in 4Q23.

ROE for the Insurance business, excluding its subsidiary Afore XXI Banorte, went up 11.6 pp in the quarter, reaching **46.9% in 4Q23**.

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

Afore XXI Banorte

Afore XXI Banorte (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Net Income	723	421	837	99%	16%	1,604	2,455	53%
Shareholder's Equity	24,030	24,021	24,866	4%	3%	24,030	24,866	3%
Total Assets	25,989	25,877	26,740	3%	3%	25,989	26,740	3%
AUM (SIEFORE)	1,056,391	1,085,801	1,168,122	8%	11%	1,056,391	1,168,122	11%
ROE	12.2%	7.1%	13.7%	6.6 pp	1.5 pp	6.7%	10.3%	3.5 pp

In 4Q23, Afore XXI Banorte reported net income of Ps 837 million, a 99% sequential increase, driven by higher yields in financial products. In the cumulative comparison net income increased 53% to Ps 2.46 billion, given higher yields from financial products, an increase in assets under management and the effect of the extraordinary expenses' recognition in 2022.

ROE reached 13.7% in 4Q23, a quarterly increase of 6.6 pp vs. 7.1% in 3Q23. At the end of 2023, it grew 3.5 pp YoY, reaching 10.3%. Excluding goodwill, **Return on Tangible Equity (ROTE)** reached **43.6%** in 4Q23.

Net Income of Afore XXI Banorte represented 3.2% of the Financial Group's net income in 4Q23.

Pensiones Banorte

Income Statement and Balance Sheet Highlights- Pensiones Banorte	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			
(Million Pesos)								
Interest Income (Net)	5,616	5,662	6,054	7%	8%	24,073	20,019	(17%)
Credit Provisions	8	13	10	(23%)	27%	40	41	4%
Premium Income (Net)	3,593	4,657	3,120	(33%)	(13%)	18,733	15,869	(15%)
Technical Reserves	5,071	5,936	4,625	(22%)	(9%)	26,617	18,701	(30%)
Damages, Claims (Net)	3,019	3,338	3,389	2%	12%	11,802	13,221	12%
Trading Income	161	7	2	(78%)	(99%)	372	32	(91%)
Other Operating Income (Expenses)	13	2	(5)	(420%)	(138%)	(318)	(7)	98%
Total Operating Income	1,284	1,040	1,146	10%	(11%)	4,401	3,950	(10%)
Non Interest Expense	105	135	114	(16%)	8%	465	490	6%
Operating Income	1,179	905	1,032	14%	(12%)	3,936	3,459	(12%)
Taxes	354	253	289	14%	(18%)	1,209	997	(18%)
Subsidiaries' Net Income	(0)	(0)	0	219%	530%	6	7	15%
Net Income	825	652	744	14%	(10%)	2,733	2,470	(10%)
Other Comprehensive Income	4	(7)	1	107%	(87%)	(27)	(15)	44%
Comprehensive Income	830	644	744	15%	(10%)	2,706	2,455	(9%)
Shareholder's Equity	11,101	11,312	11,054	(2%)	(0%)	11,101	11,054	(0%)
Total Assets	237,428	251,771	255,805	2%	8%	237,428	255,805	8%
Technical Reserves	222,765	237,201	241,204	2%	8%	222,765	241,204	8%
Premiums sold	3,593	4,657	3,120	(33%)	(13%)	18,733	15,869	(15%)
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	10.8	10.9	10.5	(0.3 pp)	(0.2 pp)	10.8	10.5	(0.2 pp)
Coverage ratio of minimum capital	55.8	52.8	51.6	(1.2 pp)	(4.2 pp)	55.8	51.6	(4.2 pp)
ROE	30.9%	23.7%	26.6%	2.9 pp	(4.3 pp)	28.4%	22.7%	(5.7 pp)

Net interest income increased 7% sequentially, amounting to **Ps 6.05 billion**, driven primarily by the positive valuation effect on inflation-indexed securities (UDIS). Compared to 2022, **it declined (17%)** or (Ps 4.05 billion), out of which (Ps 5.45 billion) were driven by the valuation effect of inflation-indexed securities (UDIS), despite Ps 1.40 billion higher interest income.

In the quarter, technical results fell (Ps 277 million) due to lower premiums issuance. **In the cumulative comparison, technical results rose Ps 3.63 billion** given (30%) fewer reserves due to the inflation update and pensioners deposits; in the year, the market contracted (9.4%). The latter offset higher claims vs. 2022, resulting from portfolio growth, annual annuities update, and the effect of an extraordinary reserves' release and mortality in 2022.

In the combined result of interest income and technical results, **net income of Pensiones Banorte rose 14% sequentially**. In the cumulative comparison, net income fell (10%) due to the effect of the extraordinary reserves' release in 2022. Net income of the business represented 5.7% of the Financial Group's net income in 4Q23.

ROE of Pensiones Banorte stood at **26.6%** in 4Q23, 2.9 pp higher quarterly and (5.7 pp) lower at the end of 2023, reaching 22.7%.

Brokerage

Brokerage Sector (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change 2022
				3Q23	4Q22			
Net Income	172	155	268	73%	56%	1,649	751	(54%)
Shareholder's Equity	5,779	5,949	4,475	(25%)	(23%)	5,779	4,475	(23%)
Assets Under Management	1,008,853	1,119,228	1,161,116	4%	15%	1,008,853	1,161,116	15%
Total Assets	217,543	243,784	250,860	3%	15%	217,543	250,860	15%
ROE	10.6%	10.6%	20.6%	10.0 pp	9.9 pp	22.9%	13.4%	(9.4 pp)
Net Capital (1)	4,916	5,154	3,580	(31%)	(27%)	4,916	3,580	(27%)

(1) Net capital structure: Core Equity = Ps 3.58 billion, Additional Capital= Ps 0 million.

Casa de Bolsa Banorte and Operadora de Fondos reported a **net income of Ps 268 million in 4Q23**, a 73% sequential increase mainly due to higher trading income and net fees. Compared to 2022, net income dropped (54%), driven by larger interest expense.

Net income from the brokerage business in 4Q23 accounted for 2.1% of the group's net income.

Assets Under Management

At the end of 4Q23, AUMs totaled **Ps 1,161 billion**, 4% higher quarterly and 15% YoY.

Assets under management by mutual funds totaled **Ps 288 billion** at the end of December 2023, representing a **21.4% annual increase**. Assets held in **fixed income funds** amounted to **Ps 264 billion**, 1.7% higher in the quarter, and 22.0% in the year. Assets held in **equity funds** amounted to **Ps 24 billion**, **expanding 16.1%** in the quarter and 15.0% in the year, to December 2023.

As of December 2023, Banorte held an 8.5% share of the mutual fund market, comprised of 10.3% share in fixed income funds and 2.9% in equity funds.

Other Subsidiaries

Other subsidiaries (Million Pesos)	4Q22	3Q23	4Q23	Change		2022	2023	Change
				3Q23	4Q22			2022
Almacenedora Banorte								
Net Income	12	15	11	(27%)	(13%)	36	51	44%
Shareholder's Equity	327	368	378	3%	16%	327	378	16%
Inventories	975	1,025	938	(8%)	(4%)	975	938	(4%)
Total Assets	1,488	1,611	1,793	11%	20%	1,488	1,793	20%
ROE	15.4%	16.2%	11.4%	(4.8 pp)	(3.9 pp)	11.4%	14.6%	3.1 pp
Arrendadora y Factor Banorte (1)								
Net Income	228	301	151	(50%)	(34%)	598	665	11%
Shareholder's Equity	10,540	11,056	11,211	1%	6%	10,540	11,211	6%
Loan Portfolio	36,312	41,584	44,496	7%	23%	36,312	44,496	23%
Non-Performing Loans	830	852	885	4%	7%	830	885	7%
Non-Performing Loan Ratio	2.3%	2.0%	2.0%	(0.1 pp)	(0.3 pp)	2.3%	2.0%	(0.3 pp)
Coverage Ratio	87.4%	96.6%	96.6%	(0.0 pp)	9.2 pp	87.4%	96.6%	9.2 pp
Loan Loss Reserves	726	822	854	4%	18%	726	854	18%
Total Assets	46,219	51,284	54,692	7%	18%	46,219	54,692	18%
ROE	8.9%	11.2%	5.5%	(5.7 pp)	(3.4 pp)	6.0%	6.2%	0.3 pp
Banco Bineo (2) (former IXE Servicios (3))								
Net Income	(14)	15	20	30%	237%	30	63	113%
Shareholder's Equity	1,677	2,320	2,339	1%	40%	1,677	2,339	40%
Total Assets	1,828	2,414	2,602	8%	42%	1,828	2,602	42%
ROE	(3.4%)	3.0%	3.4%	0.4 pp	6.8 pp	1.8%	3.2%	1.4 pp

(1) Property, plant, and equipment includes pure operating lease portfolio of Ps 3.10 billion, and proprietary fixed assets of Ps 1.20 billion.

(2) 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.

(3) 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 4Q23 totaled **Ps 151 million**, a quarterly decrease of (50%), mainly due to an increase in administrative expenses and taxes, partially offset by an increase in the adjusted financial margin. **Compared to 2022, it grew 11%**, driven by higher charged fees and other income, operation income, related to a decrease in asset deterioration registration and higher income in operative leasing.

The **non-performing loan ratio** reached **2.0%**, (0.1 pp) lower vs. the previous quarter. The Coverage ratio totaled 96.6%, (0.01 pp) below 3Q23. **Capital ratio for 4Q23 stood at 28.54%**, considering total risk weighted assets of Ps 34.83 billion. Leverage ratio as of September and December 2023 reached 17.83% and 17.03%, respectively, considering adjusted assets of Ps 55.25 billion and Ps 58.38 billion, respectively.

In 4Q23, Net Income from Leasing and Factoring represented 1.2% of the group's total results.

As of September 2023, Arrendadora y Factor Banorte ranks first place in terms of portfolio size among the 61 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

Almacenedora Banorte

In 4Q23, the Almacenedora Banorte reported a **net income** of **Ps 11 million**, decreasing (Ps 4 million) compared to 3Q23, mainly due to higher operating expenses and taxes, offsetting an increase in revenues.

ROE reached **11.4%** and the **capital ratio** totaled **132.9%**, considering a Ps 378 million equity, and negotiable certificates of deposit in active warehouses for Ps 2.39 billion.

Capital ratio decreased to 132.9% from 139.4% due to lower assets with operational risk.

Almacenedora Banorte ranks third place in the sector, in terms of net income as of September 2023.

III. Sustainability Strategy

Below, we present the most significant ESG activities during the quarter, linking them to the 5 most material topics: i) Customer Relations, ii) Decarbonization, iii) Corporate Governance, iv) Diversity, Equity, and Inclusion, and v) Technology and Innovation.

Environmental

- In October, Banorte publishes [the first progress report for NZBA](#) after completing the 18-month deadline following the publication of the first phase of decarbonization goals. The report includes an update of the emissions calculation with figures as of the end of 2022, the measures implemented during this period to reduce the carbon footprint of our operations, as well as the strategy to support our clients in the most intense in CO₂e emissions sectors. *(Material topic: Decarbonization)*
- Banorte announced **the gradual adoption of the Taskforce on Nature-related Financial Disclosure (TNFD) framework to disclose nature risks and opportunities** in our portfolio starting in fiscal year 2025. This positions Banorte as the first Financial Group in Latin America to adopt such frame. *(Material topic: Decarbonization)*

Social

- As part of the 16th edition of the **National Financial Education Week (SNEF, per its acronym in Spanish)**, Grupo Financiero Banorte participated as host of the event "Finanzas Regias, Finanzas Fuertes" in Monterrey where we carried out activities aimed to students and members of the university community to reinforce useful concepts on financial health and education. During the event at the headquarters in Mexico City, we participated with 5 master conferences addressing topics related to mobile banking, payroll, savings, insurance and the correct use of credit and debit cards. We were able to reach more than 1,600 young people, women and the public at large. *(Material Topic: Financial Health and Education)*
- At the end of 2023, we held 8 conferences as part of our **Financial Health Seminar: "My Life in Wealth"**, which purpose was to rethink the relationship with money, as well as the habits and the vision we have about it. We had the participation of more than 300 payroll clients from different sectors such as: Government, States and Municipalities, Transactional, Federal Government and SME. *(Material Topic: Financial Health and Education)*
- As signatories of the **Commitment to Financial Inclusion and Health of the UNEP-FI Principles for Responsible Banking**, during 2023, financial inclusion goals were established which consider inclusion of individuals using digital banking tools, as well as greater credit penetration for SMEs for the period from 2024 to 2026. *(Material Topic: Financial Health and Education)* For more details please visit our [report](#).

Governance

- With the purpose of strengthening governance for sustainability purposes, **4 multidisciplinary working groups have been launched in charge of the implementation of different ESG projects**, such as: Sustainable Financing, Climate Risk, and Operational Eco-efficiency. These working groups (cells) report to the Sustainability Committee. *(Material topic: Corporate Governance)*
- In mid-October, an **online mandatory training** was launched for the Financial Group employees, focused on raising awareness of relevant concepts related to the group's sustainability strategy, with a participation of more than 90%. *(Material topic: Corporate Governance)*
- For the eighth consecutive year, GFNorte was included in the **Dow Jones Sustainability Index for the Integrated Market of Latin America (MILA, per its acronym in Spanish)**. This index is made up of the companies with the best ESG performance in MILA, according to the Corporate Sustainability Assessment (CSA), carried out by Standard & Poor's. *(Material topic: Corporate Governance)*

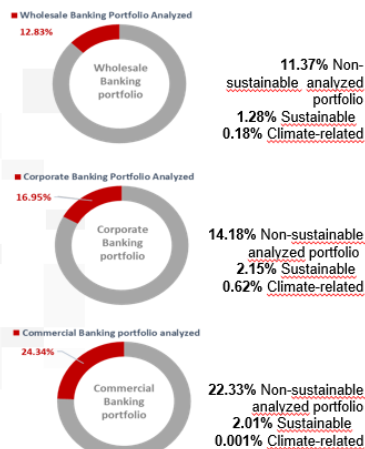
- At the end of October, the results of the **biannual evaluation carried out by Moody's Analytics on GFNorte's ESG performance** were published, with a result of 46pts, which is +5pts above the rating obtained in 2022 and +6pts above of the sector average. *(Material topic: Corporate Governance)*
- GFNorte obtained the **first place of the award Company ALAS20 Mexico, second place in the Sustainability category, and third place in the category of Investor Relations**, granted by ALAS20 *(Material topic: Corporate Governance)*

Sustainable Business

- At the end of the year, the **Autoestrene Verde Banorte** product had a placement of Ps 571.6 million for 878 credits intended for the purchase of hybrid and electric cars, with which we estimate a positive environmental impact of 531.6 tons of CO₂e avoided. *(Material topic: Decarbonization)*
- During 4Q23, **15 visits were made to projects evaluated** under the Equator Principles framework, providing timely monitoring of the ESG performance of Business and Corporate banking clients throughout the life of the loan. *(Material topic: Customer Relations)*

Sustainable Business

Social and Environmental Risk Management System



During 4Q23:
1067 Analyzed loans
104 loans with IFC recommendations
12 Due diligences
15 monitoring visits
36 Credit Committees

In 4Q23:
12 projects were evaluated:
• 6 under EP frameworks, (3 Medium, 3 High Risk)
• 5 projects with IFC Performance Standards (ND), with a medium risk level
• 1 project under SEMS evaluation (ESEMS) with medium risk level.

Risk level of the analyzed portfolio:

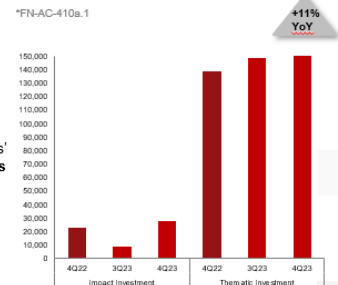


More than 98% of the analyzed loans were classified as Low and Medium risks, which means minimal or mitigatable impacts.
In 2023, a total of 3559 loans were analyzed by the Social and Environmental Risk Area.

Responsible Investment

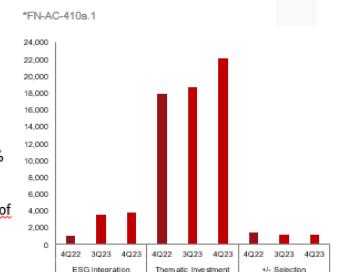
AFORE XXI Banorte

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



Operadora de Fondos Banorte

- 38 ESG performance individual engagements +230% vs. 2022
- Assets with ESG criteria 9.43%
- 21 employees trained for a total of 84 hours



* The SASB indicator FN-AC-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.

2023 STRATEGY – FUNDACIÓN BANORTE

Below please find the results of **Fundación Banorte** on the main areas of work: **Nutrition, Health, Housing, Education and Women's Empowerment.**

Nutrition

- Delivery of **14,868 food packages** to girls, boys and pregnant women in The State of Mexico, Chiapas and Nuevo León.
- Delivery of **720 food packages in the state of Veracruz**, in alliance with the Mexican Food Bank.

Health

In alliance with Un Kilo de Ayuda, the nutritional status of early childhood is monitored. The results are detailed below:

- Anthropometry **measurements** (weight and height) of **3,500 children**.
- Delivery of **1,011 iron-based treatments** to correct anemia to **958 children and 53 pregnant women**.
- **309 screening tests** to evaluate child development.
- **3,014 tests** to quantify hemoglobin in **children** older than 6 months.

Housing

- **89% of progress on a total of 1,046 homes** in projects to **improve or expand homes** in Colima, Chihuahua, The State of Mexico, Chiapas, Guanajuato, Guerrero and Veracruz, in alliance with municipal, state and federal governments, to support **low-income families** to have **adequate housing**.
- In Chiapas and Veracruz, **103 ecological stoves** were installed, seeking to reduce the use of firewood and contribute to families and their localities being smoke-free.

Education

- Equipment of **24 classrooms** and implementation of a support program for public schools that allows the development of learning strategies to **combat school dropouts**. As of the fourth quarter, **6,440 students** have benefited, as well as **288 teachers** in 9 states of the country.
- During 4Q23, **639 participants benefited from the Save the Children digital communities program**, whose objective is to facilitate communication and access to information technologies for communities that have historically faced technological barriers.
- During the year, **324 female secondary, high school and university students from the states of Chiapas, Veracruz and The State of Mexico had access to the Bécas program**, whose focus is on strengthening the self-esteem, empowerment and leadership of young women in rural communities.

Women's Empowerment

- **Economic and social development with a gender perspective** through textile art in Yucatán in alliance with UNESCO. During the quarter, **275 women** benefited through workshops on **financial education**, new masculinities and talks to safeguard the cultural heritage of Yucatán textile art.
- Project in alliance with Edu Campo to strengthen the **empowerment of rural women** in the state of Chiapas, **increasing income generation and quality of life**, through coffee production. **144 women** participating by the end of 4Q23.

Support to Guerrero

On October 24, Hurricane Otis made landfall in Guerrero, affecting thousands of families. The campaign “¡Apoyando Fuerte a Guerrero!” was carried out in order to show solidarity with the victims, and thanks to the support of clients, collaborators and the public at large, Ps 73 million were raised, which Fundación Banorte doubled, achieving a total of Ps 146 million.

This amount will be allocated to the reconstruction of homes, delivery of food packages and the rehabilitation of schools through different organizations, with the supervision and monitoring of Fundación Banorte. During the first tours, it was determined that Fundación Banorte and its strategic allies will have a presence in the municipalities of Acapulco de Juárez, Florencio Villarreal and San Marcos.

By the end of the year, the following actions have been carried out:

- Delivery of 1,500 water filters and 8,000 food supplies in the municipalities of Florencio Villarreal and San Marcos.
- Delivery of 2,500 food supplies and 200 hygiene kits in the municipality of Acapulco de Juárez.
- 12 safe roofs were installed in the municipality of San Marcos.
- 26 safe roofs were installed in the municipality of Acapulco de Juárez.
- Censuses continue to determine the scope and levels of impact on homes.

During 2024, the delivery of food support, the rehabilitation of schools, as well as the reconstruction of approximately 2,000 homes will continue.

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	Renato Meloni	Buy	12-Jan-24
BBVA	Rodrigo Ortega	Buy	10-Jan-24
BofA	M. Pierry/ E. Gabilondo	Buy	11-Jan-24
Bradesco	Gustavo Schroden	Buy	31-Oct-23
BTG Pactual	Eduardo Rosman	Buy	31-Oct-23
CITI	José Luis Cuenca	Buy	12-Jan-24
GBM	Pablo Ordoñez	Buy	17-Jan-21
Goldman Sachs	Tito Labarta	Buy	9-Jan-24
Itau	Jorge Pérez	Buy	12-Dec-23
JP Morgan	Yuri Fernandes	Buy	16-Jan-24
Monex	J. Roberto Solano	Buy	20-Apr-23
Morgan Stanley	Jorge Kuri	Buy	1-Nov-23
Santander	Andrés Soto	Buy	12-Jan-24
UBS	Thiago Batista	Buy	12-Jan-24
Vector	Marco Montañez	Buy	16-Jan-24
William O'Neil+Co	Sreenath Varrier	Buy	20-Dec-23
HSBC	Carlos Gómez	Hold	8-Jan-24
Interam	Alejandra Marcos	Hold	31-Oct-23
Jefferies	Iñigo Vega	Hold	16-Oct-23

Capital Structure

Holding Company Capital Structure

Number of Shares	SERIES O As of December 31, 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	4Q23
Interest Income	55,322	60,289	72,244	80,773	87,124	91,544	99,573	97,257
Interest Expense	28,310	33,061	41,550	49,548	55,394	63,020	66,384	63,218
Net Interest Income (NII)	27,012	27,229	30,694	31,225	31,730	28,523	33,189	34,039
Preventive Provisions for Loan Losses	2,668	2,434	3,148	3,632	3,771	4,038	4,541	3,591
Net Interest Income Adjusted for Credit Risk	24,344	24,795	27,546	27,593	27,959	24,485	28,648	30,447
Fund Transfers	471	515	527	527	487	505	484	551
Account Management Fees	483	489	483	455	465	489	483	484
Electronic Banking Services	3,790	4,197	4,280	4,705	4,262	4,416	4,432	5,004
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	2,213
Fiduciary	127	136	123	151	132	147	119	142
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-
Mutual Funds	500	523	535	551	578	615	630	645
Trading & Financial Advising Fees	141	163	135	133	97	97	110	138
Other Fees Charged	331	331	381	375	405	406	283	350
Fees Charged on Services	7,359	8,082	8,132	8,775	8,372	8,625	8,533	9,543
Interchange Fees	2,643	2,905	2,995	3,116	2,844	3,061	3,033	3,643
Insurance Fees	-	-	-	-	-	-	-	-
Other Fees Paid	1,029	1,141	1,272	1,435	1,320	1,378	1,406	1,435
Fees Paid on Services	3,673	4,047	4,268	4,552	4,164	4,439	4,438	5,078
Net Service Fees	3,687	4,035	3,864	4,223	4,208	4,187	4,094	4,465
Premium Income Ins. & Annu. (Net)	15,756	8,967	9,361	8,771	13,994	12,409	10,587	11,269
Technical Reserves Ins. & Annu.	11,699	5,685	6,983	5,174	9,601	4,407	6,749	7,531
Cost of Acquisition from Insurance	468	308	300	312	941	180	174	441
Net Cost of Claims and Other Obligations	6,796	6,594	6,516	6,661	6,576	7,649	7,489	7,509
Currency and Metals	(543)	351	(146)	(1,262)	(3,242)	(2,494)	1,085	(2,357)
Derivatives	1,354	424	(399)	226	2,235	1,345	(3,064)	30
Negotiable Instruments	(56)	(490)	(66)	508	126	284	341	811
Valuation	755	285	(611)	(529)	(881)	(865)	(1,639)	(1,516)
Currency and Metals	1,319	753	1,218	1,235	1,366	1,216	2,695	2,618
Derivatives	(719)	(216)	115	(89)	(96)	446	(16)	(286)
Negotiable Instruments	19	141	48	(98)	24	255	10	454
Trading	619	678	1,380	1,048	1,294	1,917	2,689	2,787
Other financial results	(1)	(110)	4	138	(1)	120	10	(2)
Trading Income	1,373	852	774	657	412	1,172	1,061	1,269
Contributions to IPAB	(934)	(954)	(985)	(985)	(1,001)	(1,042)	(1,108)	(1,140)
Expenses Incurred in the Recovery of Credit Portfolio	(339)	(321)	(350)	(410)	(374)	(363)	(349)	(430)
Acquired collection rights	54	68	141	70	101	97	112	116
Result for Foreclosed Assets	140	196	107	187	140	155	247	391
Donations	(143)	(36)	(23)	(26)	(90)	(79)	(30)	(24)
Impairment of Assets	-	-	(204)	(100)	-	-	-	(48)
Result on sale of Property, Furniture and Equipment	(5)	(15)	(28)	(13)	(5)	(18)	18	(18)
Lease Income	62	86	88	86	59	93	106	136
From Insurance	230	237	(360)	156	117	96	165	123
Securitization Operation Valuation Result	-	-	-	-	-	-	-	-
Other Operating Expense	(195)	105	(85)	(69)	149	51	112	209
Total Other Operating Income (Expense)	(1,130)	(630)	(1,690)	(1,094)	(895)	(993)	(717)	(672)
Total Non Interest Income	724	637	(1,490)	410	601	4,540	613	850
Total Operating Income	25,068	25,432	26,057	28,004	28,560	29,025	29,261	31,297
Personnel	4,330	4,264	4,510	6,476	4,949	5,032	5,181	6,851
Employee Profit Sharing (PTU)	385	387	394	342	418	419	290	(234)
Professional Fees	797	915	929	961	915	945	803	971
Administrative and Promotional Expenses	4,538	4,602	4,567	5,141	4,866	4,885	5,264	7,027
Total Non Interest Expense	10,050	10,167	10,400	12,920	11,148	11,281	11,538	14,615
Operating Income	15,018	15,264	15,657	15,083	17,412	17,744	17,723	16,682
Subsidiaries' Net Income	197	128	233	408	333	358	259	462
Pre-Tax Income	15,215	15,392	15,890	15,492	17,745	18,102	17,982	17,145
Taxes	4,331	3,703	4,187	3,742	4,542	4,828	4,518	3,944
Net Income from Continuous Operations	10,884	11,689	11,703	11,749	13,203	13,275	13,464	13,200
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	10,884	11,689	11,703	11,749	13,203	13,275	13,464	13,200
Minority Interest	136	166	159	157	185	187	195	157
Net Income	10,748	11,524	11,544	11,592	13,018	13,088	13,268	13,044
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,983)	(2,351)	(1,099)	1,057	473	141	(1,115)	1,919
Cash Flow Hedges Valuation	14	(73)	1,101	76	773	312	(1,115)	1,754
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	23	23	9	36	22	22	22	(146)
Cumulative foreign currency translation adjustment	(47)	14	(5)	(48)	(111)	(67)	24	(37)
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	163	76	152	(75)	15	(7)	152	(167)
Other Comprehensive Income	(1,830)	(2,311)	158	1,046	1,172	400	(2,033)	3,323
Comprehensive Income	9,054	9,378	11,861	12,795	14,375	13,675	11,431	16,524

V. Financial Statements

GFNorte - Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
ASSETS								
Cash and Equivalents	124,571	99,209	91,746	108,254	107,251	130,568	109,223	100,230
Margin Accounts	8,221	6,526	5,730	5,478	5,253	5,213	6,964	4,918
Negotiable Instruments	257,355	267,006	270,043	289,855	291,713	310,181	316,085	335,756
Securities Available for Sale	230,875	222,511	215,501	209,351	201,972	188,577	217,042	222,018
Securities Held to Maturity	282,726	298,351	307,127	313,537	320,482	313,037	333,083	338,743
Investment in Securities	770,955	787,868	792,671	812,743	814,167	811,796	866,210	896,516
Estimate of Expected Credit Losses for Investments	291	304	297	293	294	173	167	165
Debtor Balance in Repo Trans, net	88,593	53,054	54,794	22,826	41,473	65,672	97,821	41,606
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	29,453	33,775	38,896	35,701	32,606	34,723	33,775	28,957
For hedging purposes	1,096	1,256	1,814	1,854	2,958	3,762	2,984	4,442
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	30,550	35,031	40,709	37,555	35,564	38,486	36,760	33,399
Valuation adjustments for Asset Coverage	36	32	19	-	-	-	-	-
Commercial Loans	328,682	336,398	334,444	357,273	364,531	376,601	396,994	404,688
Loans to financial entities	16,637	17,135	17,967	18,277	19,236	22,028	21,577	25,470
Consumer Loans	122,920	129,446	135,779	142,074	148,232	158,015	164,636	172,328
Payroll Loans	55,340	59,648	62,692	64,612	66,962	70,747	72,725	71,939
Personal Loans	647	632	706	875	883	939	955	1,003
Credit Card	39,197	40,601	42,663	44,607	45,523	48,331	50,738	57,164
Auto Loans	27,737	28,565	29,718	31,880	34,863	37,997	40,217	42,223
Mortgage Loans	199,148	203,953	214,353	223,705	230,684	238,050	245,286	249,877
Medium and Residential	196,932	201,848	212,310	221,771	228,828	236,285	243,592	248,257
Low- income housing	2	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	1,618
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	171,537
Performing Loans, Stage 1	827,419	853,365	866,330	913,049	943,047	959,179	999,902	1,023,899
Commercial Loans	1,819	1,733	3,670	1,328	1,195	951	3,327	1,406
Loans to financial entities	1	36	0	-	-	-	-	-
Consumer Loans	2,014	2,061	2,355	2,278	2,706	2,742	2,987	2,935
Payroll Loans	1,261	1,283	1,542	1,438	1,731	1,703	1,845	1,535
Personal Loans	31	28	30	26	70	31	39	46
Credit Card	410	443	483	520	586	643	710	973
Auto Loans	313	307	300	293	319	365	393	381
Mortgage Loans	3,494	3,571	3,685	3,226	3,210	3,393	3,578	3,262
Medium and Residential	3,408	3,482	3,599	3,130	3,112	3,315	3,506	3,193
Low- income housing	0	0	0	0	1	-	0	0
Loans acquired from INFONAVIT or FOVISSSTE	86	89	86	97	98	79	71	68
Restruct. or improv. guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Restruct. or improv. guaranteed by housing sub-account	-	-	-	-	-	-	-	-
Government Entities' Loans	0	-	-	-	-	194	229	424
Performing Loans, Stage 2	7,329	7,401	9,710	6,832	7,111	7,281	10,121	8,027
Commercial NPL's	3,886	4,017	4,174	4,572	4,644	4,262	3,990	3,759
Financial Entities NPL's	101	105	106	4	4	24	102	123
Consumer NPL's	2,530	2,820	3,070	3,528	3,367	3,954	4,150	4,820
Payroll NPL's	1,380	1,665	1,832	2,178	1,993	2,337	2,421	2,531
Personal NPL's	45	49	36	45	49	63	40	55
Credit Card NPL's	902	926	986	1,108	1,132	1,344	1,435	1,968
Auto NPL's	203	180	216	198	193	210	254	267
Mortgage NPL's	1,763	1,855	1,904	1,865	1,994	2,054	2,089	2,177
Medium and Residential	1,446	1,521	1,552	1,553	1,650	1,701	1,739	1,831
Low- income housing	0	0	0	-	0	0	0	-
Loans acquired from INFONAVIT or FOVISSSTE	317	334	353	312	343	352	350	346
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	11
Non-Performing Loans, Stage 3	8,440	8,898	9,259	9,973	10,013	10,299	10,342	10,891
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-	-
Deferred Items	1,580	1,590	1,560	2,042	2,172	2,240	2,273	2,386
Loans from Insur. Subsidiaries	2,927	3,025	3,123	3,188	3,249	3,322	3,433	3,503
Deferred (BAP)	-	-	-	-	-	-	-	-
Gross Loan Portfolio	847,695	874,278	889,982	935,084	965,592	982,320	1,026,072	1,048,706
Preventive Loan Loss Reserves	16,905	17,013	17,247	17,686	18,041	18,528	19,187	19,603
Loan Loss-reserve for Insurance and Bail Bond Risks	185	195	205	213	221	231	244	254
Net from Reserves Loan Portfolio	830,605	857,070	872,530	917,185	947,330	963,561	1,006,641	1,028,849
Acquired Collection Rights (net)	582	466	322	654	597	551	888	1,094
Total Credit Portfolio	831,187	857,536	872,852	917,839	947,927	964,112	1,007,528	1,029,943
Account Receivables from Insurance and Annuities	10,995	8,677	6,567	3,960	8,050	10,052	7,189	4,660
Amounts recoverable by Reinsurance and Counter-guarantee	8,022	8,033	7,589	5,402	4,898	5,284	5,471	5,773
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	44,932
Inventories	1,019	1,398	1,590	975	1,280	1,306	1,025	938
Foreclosed Assets, Net	1,759	1,957	1,894	2,961	2,794	2,818	2,601	4,881
Advanced Payments and Other Assets	18,557	16,728	20,138	16,406	10,591	12,937	12,184	13,184
Real Estate, Furniture & Equipment, Net	21,070	22,133	22,086	28,785	28,860	29,799	29,602	30,551
Rights of Use of Intangible Assets	7,638	7,372	7,346	7,113	6,703	4,025	3,944	3,903
Investment in Subsidiaries	13,420	14,216	14,476	14,954	14,485	14,765	15,006	15,495
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	(0)	(0)	(0)	0	(0)	(0)	12	(0)
Intangibles	16,718	17,786	17,994	18,089	17,971	17,833	17,663	17,270
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	26,720	26,725	26,724	26,741	26,710	26,691	26,697	26,825
TOTAL ASSETS	2,035,427	2,033,316	2,033,008	2,070,072	2,130,031	2,191,378	2,298,368	2,274,859

V. Financial Statements

GFNorte -Consolidated Statement of Financial Position <i>(Million Pesos)</i>	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
LIABILITIES								
Demand Deposits	570,690	592,056	591,051	597,782	603,364	643,394	675,678	678,923
Time Deposits-Retail	234,985	248,191	256,447	274,201	269,082	281,256	307,654	332,098
Time Deposits-Money Market	-	200	200	4,954	13,903	11,898	13,441	8,098
Global Account of deposits without movements	3,060	3,237	3,362	3,253	3,223	3,321	3,461	3,656
Senior Unsecured Debt	27,293	21,507	21,852	17,002	27,397	36,927	36,728	33,643
Deposits	836,028	865,191	872,912	897,192	916,968	976,796	1,036,961	1,056,417
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	25,731
Long Term Loans	12,778	13,861	14,831	14,798	15,738	13,174	14,129	7,410
Due to Banks & Correspondents	32,837	29,146	32,459	37,205	34,102	31,178	32,470	33,142
Technical Reserves	243,336	248,838	255,216	259,161	268,980	274,462	281,170	288,892
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	381,012
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	88,145
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	88,145
Derivatives								
For trading purposes	22,855	27,172	32,487	29,120	23,836	24,428	26,483	21,534
For hedging purposes	5,549	5,651	3,857	3,956	2,892	2,370	3,647	2,259
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Total Derivatives	28,404	32,823	36,344	33,076	26,727	26,798	30,131	23,793
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	2,379
Lease Liabilities	7,695	7,407	7,099	6,771	6,437	4,104	4,046	3,947
Creditors for settlement of transactions	13,468	23,233	13,887	8,680	26,129	18,019	17,483	13,148
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	18,425	22,059	24,113	20,643	23,173	22,488	23,200	19,747
Contributions payable	2,291	2,197	1,967	2,207	2,659	2,875	2,132	2,707
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	47,605	49,005	38,937	34,847	33,184	35,499	35,472	37,038
Other Payable Accounts	81,790	96,494	78,904	66,377	85,145	78,880	78,288	72,639
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	55,421
Income Tax Liabilities	5,139	6,086	8,481	10,733	10,666	6,367	6,070	6,934
Employee benefit liability	7,199	7,042	8,014	9,551	8,338	9,305	10,189	11,399
Deferred Credits	1,239	1,176	1,238	1,464	1,326	1,282	1,406	1,535
TOTAL LIABILITIES	1,791,336	1,800,068	1,789,097	1,831,040	1,877,460	1,948,764	2,045,100	2,025,654
EQUITY								
Paid-in Capital	14,969	14,941	14,938	14,955	14,968	14,968	14,971	14,988
Provision for future capital increase not formalized by its governing entity	0	0	0	0	0	0	0	0
Share Subscription Premiums	48,200	48,462	48,657	48,440	48,404	48,709	49,040	47,648
Finan. instr. that qualify as capital	-	-	-	-	-	-	-	-
Subscribed Capital	63,169	63,403	63,595	63,396	63,372	63,677	64,012	62,636
Capital Reserves	9,110	8,209	8,106	33,342	33,615	33,618	33,619	33,885
Retained Earnings	162,794	143,760	142,523	99,810	144,172	120,409	119,496	103,510
Net Income	10,748	22,272	33,816	45,408	13,018	26,106	39,375	52,418
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)	(1,411)
Valuation Adjustment for Cash Flow Hedges	(2,648)	(2,721)	(1,619)	(1,543)	(770)	(458)	(1,573)	181
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)	(1,947)
Cumulative foreign currency translation adjustment	122	136	131	83	(28)	(95)	(72)	(109)
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	189
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Earned Capital	177,848	167,125	177,487	172,648	186,019	175,748	186,071	186,717
Minority Interest	3,074	2,720	2,829	2,989	3,180	3,189	3,184	(148)
Total Equity	244,091	233,248	243,911	239,033	252,570	242,614	253,267	249,929
TOTAL LIABILITIES & EQUITY	2,035,427	2,033,316	2,033,008	2,070,072	2,130,031	2,191,378	2,298,368	2,274,859

V. Financial Statements

GFNorte - Memorandum Accounts	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
<i>(Million Pesos)</i>								
On behalf of Third Parties								
Customer's Banks	22	6	18	27	45	71	12	13
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	(409)	397	52	36	(391)	(23)	(85)	(53)
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)	(40)
Client Securities Received in Custody	758,691	734,542	753,736	772,939	797,425	850,200	839,057	873,526
Securities and Documents Received in	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	758,691	734,542	753,736	772,939	797,425	850,200	839,057	873,526
Clients' Repurchase Operations	575,341	569,214	413,030	416,835	434,000	-	235,752	246,140
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	240,997
Purchase of Futures & Forward Contracts,	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-	-
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	246
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	492,432
Investment Bank Trans. on behalf of Third (Net)	268,105	292,819	310,999	268,191	317,546	340,435	362,297	322,822
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	1,688,740
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	453,193
Trusts	291,862	294,351	291,433	301,499	333,375	337,595	308,076	305,608
Mandates	8,167	8,489	8,266	7,301	7,396	7,840	7,824	7,052
Properties in Trusts and Warrant	300,029	302,840	299,700	308,800	340,771	345,434	315,900	312,660
Properties in Custody or Management	468,507	483,761	496,832	515,172	534,055	553,613	590,979	623,956
Shares delivered in custody or as collateral	43,458	43,458	43,458	44,942	44,942	44,942	45,542	45,542
Collateral Received	423,172	300,480	242,372	189,333	239,675	241,213	290,436	235,218
Collateral Received or sold or delivered	579,659	462,826	307,954	281,113	335,308	107,552	139,371	88,155
Assets' Deposit	2,888	3,258	3,113	4,152	4,552	3,943	3,951	3,706
Contingent assets & Liabilities	148	60	80	32	39	57	34	29
Uncollected Accrued Interest from Non-Performing Loans	424	356	386	425	442	417	373	410
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	655,197
TOTAL PROPRIETARY	2,688,568	2,529,490	2,361,029	2,318,909	2,519,746	2,372,887	2,500,327	2,418,066

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOWS**JANUARY 1st, 2023 – December 31st, 2023***(Million Pesos)***Operation activities****Net income before taxes 70,974****Adjustments for items associated with investing activities 3,072**

Depreciation in property, furniture, and equipment 3,685

Amortization of intangible assets 800

Participation in the net income of other entities (1,413)

Adjustments for items associated with financing activities: 5,744

Interest associated with interbank loans and loans from other organizations 3,214

Interest associated with financial instruments that qualify as a liability 2,530

Sum 8,816**Changes in operating items (27,878)**

Change in margin accounts (derivative financial instruments) 560

Change in investments in financial instruments (securities) (net) (82,540)

Change in repo debtors (net) (18,779)

Change in derivative financial instruments (asset) 6,744

Change in loan portfolio (net) (111,664)

Change in acquired collection rights (net) (440)

Change in debtors of insurance and bail-bond companies (700)

Amounts recoverable by reinsurance and counter-guarantee (372)

Change in inventories 37

Change in other accounts receivable (net) (1,834)

Change in foreclosed assets (net) (1,920)

Change in traditional deposits 159,226

Change in technical reserves 29,731

Changes of interbank loans and other organizations (7,277)

Change in creditors by repo 11,773

Change in collateral sold or given in guarantee 15,583

Change in derivative financial instruments (liability) (7,586)

Change in accounts payable for reinsurance and reguarantee (liability) 650

Change in hedging derivative financial instruments (2,560)

(of hedged items related to operating activities)

Change in assets/liabilities for employee benefits 1,848

Change in other accounts payable 3,497

Income tax payments (21,855)

Net cash flows from operating activities 51,912**Investment activities**

Payments for the acquisition of property, furniture and equipment (9,064)

Charges for disposal of property, furniture and equipment 3,940

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 (4,264)**Financial activities**

Lease liability payments (362)

Payments associated with financial instruments that qualify as capital (3,988)

Cash Dividend Payments (37,704)

Payments associated with financial instruments that qualify as a liability (13,090)

Interest payments for lease liability (379)

Net cash flows from financing activities (55,523)**Net increase or decrease in cash and cash equivalents (7,875)****Effects of changes in the value of cash and cash equivalents (149)****Cash and cash equivalents at the beginning of the period 108,254****Cash and cash equivalents at the end of the period 100,230**

GFNORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1st, 2023 – DECEMBER 31st, 2023
(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL									Total Stockholders' Equity
	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 Variaciones en las Tasas de Descuento	Cumulative Foreign Currency Translation Adjustment	Total Majority Interest	Total Minority Interest	
Balance as of December 31, 2022	14,955	48,440	33,342	145,218	(2,783)	(1,544)	(1,866)	196	83	236,041	2,989	239,030
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS												
Repurchase of share-based payment plan liquidable in equity instruments	33	304	543	53						933		933
Transfer of shares between entities under common control		(1,141)								(1,141)		(1,141)
Dividends Decreed by the Ordinary General Meeting of Shareholders on June 2nd, 2023 and October 5th, 2023				(37,704)						(37,704)		(37,704)
Total	33	(837)	543	(37,651)	0	0	0	0	0	(37,912)	0	(37,912)
OTHER CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS												
Effect of subsidiaries, associates, and investment companies		45		(69)	(45)					(69)		(69)
Interest on subordinated debt				(3,988)						(3,988)		(3,988)
Total	0	45	0	(4,057)	(45)	0	0	0	0	(4,057)	0	(4,057)
COMPREHENSIVE INCOME:												
Net Income				52,418						52,418	724	53,142
OTHER COMPREHENSIVE INCOME												
Financial instruments to collect or sell valuation					1,417					1,417		1,417
Result from conversion of foreign operations									(192)	(192)		(192)
Cash flow hedges valuation						1,725				1,725		1,725
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates								(7)		(7)		(7)
Defined remeasurements for employees benefits							(81)			(81)		(81)
Total	0	0	0	52,418	1,417	1,725	(81)	(7)	(192)	55,280	724	56,004
Minority Interest											(3,861)	(3,861)
Balance as of December 31st, 2023	14,988	47,648	33,885	155,928	(1,411)	181	(1,947)	189	(109)	249,352	(148)	249,204

Bank

Bank-Consolidated Statement of Comprehensive Income (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Interest Income	46,022	50,904	60,095	69,620	75,227	82,867	86,174	83,371
Interest Expense	26,959	30,762	38,048	45,630	51,108	58,272	60,328	57,056
Net Interest Income (Nil)	19,063	20,143	22,047	23,990	24,119	24,595	25,846	26,315
Preventive Provisions for Loan Losses	2,634	2,390	3,098	3,599	3,737	4,025	4,461	3,559
Net Interest Income Adjusted for Credit Risk	16,429	17,753	18,949	20,391	20,383	20,570	21,385	22,755
Fund Transfers	471	515	527	527	487	505	484	551
Account Management Fees	483	489	483	455	465	489	483	484
Electronic Banking Services	3,790	4,197	4,280	4,705	4,262	4,416	4,432	5,004
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	2,152
Fiduciary	127	135	123	151	131	147	119	142
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	1,235
Fees Charged on Services	7,065	7,778	7,847	8,473	8,379	8,681	8,484	9,441
Interchange Fees	2,643	2,905	2,995	3,116	2,844	3,061	3,033	3,643
Insurance Fees	-	-	-	-	-	-	-	-
Other Fees Paid	949	1,075	1,177	1,347	1,224	1,293	1,332	1,351
Fees Paid on Services	3,592	3,981	4,172	4,463	4,068	4,354	4,365	4,993
Net Service Fees	3,473	3,797	3,675	4,010	4,312	4,327	4,119	4,448
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	(2,357)
Derivatives	1,361	406	(383)	186	2,236	1,343	(3,054)	24
Negotiable Instruments	(1)	(220)	(131)	167	(31)	(7)	326	229
Valuation	818	537	(661)	(907)	(1,038)	(1,159)	(1,644)	(2,104)
Currency and Metals	1,319	753	1,218	1,235	1,366	1,216	2,695	2,618
Derivatives	(719)	(209)	115	(96)	(97)	446	(16)	(286)
Negotiable Instruments	(25)	(22)	(178)	(287)	(45)	87	(212)	312
Trading	575	522	1,155	852	1,224	1,748	2,467	2,645
Other financial results	2	(93)	1	131	3	123	10	1
Trading Income	1,395	966	495	76	189	712	833	542
Contributions to the IPAB	(934)	(954)	(985)	(985)	(1,001)	(1,042)	(1,108)	(1,140)
Expenses Incurred in the Recovery of Credit Portfolio	(331)	(310)	(340)	(394)	(359)	(349)	(337)	(422)
Acquired collection rights	51	63	137	67	95	99	107	107
Income from foreclosed assets	118	192	93	167	134	142	225	377
Donations	(136)	(36)	(23)	(26)	(87)	(78)	(28)	(24)
Impairment of Assets	-	-	-	-	-	-	-	-
Result on sale of Property, Furniture and Equipment	(6)	(16)	(28)	(13)	(5)	(18)	18	(23)
Lease Income	0	0	0	9	0	1	0	0
From Insurance	-	-	-	-	-	-	-	-
Securitization Operation Valuation Result	-	-	-	-	-	-	-	-
Other Operating Expense	(276)	(18)	(219)	(151)	59	(65)	(172)	114
Total Other Operating Income (Expense)	(1,472)	(907)	(1,253)	(1,200)	(1,012)	(1,147)	(1,112)	(731)
Total Non Interest Income	3,396	3,856	2,917	2,886	3,489	3,892	3,840	4,258
Total Operating Income	19,825	21,609	21,866	23,277	23,871	24,462	25,225	27,014
Personnel	3,839	3,792	4,030	5,852	4,361	4,476	4,589	6,172
Employee Profit Sharing (PTU)	367	367	367	313	389	389	259	(269)
Professional Fees	688	799	804	784	791	797	719	846
Administrative and Promotional Expenses	4,112	4,229	4,452	4,911	4,434	4,591	4,891	6,970
Total Non Interest Expense	9,007	9,188	9,654	11,859	9,975	10,254	10,458	13,719
Operating Income	10,818	12,421	12,211	11,417	13,896	14,208	14,767	13,295
Subsidiaries' Net Income	42	31	53	42	33	56	49	37
Pre-Tax Income	10,860	12,452	12,264	11,460	13,929	14,264	14,816	13,332
Taxes	3,228	3,078	3,350	2,829	3,620	3,899	3,795	3,110
Net Income from Continuous Operations	7,632	9,374	8,913	8,630	10,309	10,364	11,020	10,222
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	7,632	9,374	8,913	8,630	10,309	10,364	11,020	10,222
Minority Interest	0	(0)	0	0	0	0	0	(31)
Net Income	7,632	9,374	8,913	8,630	10,309	10,364	11,020	10,253
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(1,936)	(2,169)	(975)	1,035	421	97	(940)	1,773
Cash Flow Hedges Valuation	14	(74)	1,121	77	787	318	(1,135)	1,785
Income and Expenses related to Assets Held for Disposal	-	-	-	-	-	-	-	-
Remeasurement on defined employee benefits	24	24	24	41	22	22	22	(136)
Cumulative foreign currency translation adjustment	(37)	11	(5)	(39)	(89)	(54)	19	(29)
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)	3,393
Comprehensive Income	5,696	7,166	9,078	9,744	11,451	10,747	8,987	13,615

V. Financial Statements

Bank -Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
ASSETS								
Cash and Equivalents	124,197	98,778	91,252	107,581	106,864	130,256	108,922	100,128
Margin Accounts	8,221	6,526	5,730	5,478	5,253	5,213	6,964	4,918
Negotiable Instruments	32,064	34,414	117,925	134,685	126,821	109,204	106,499	109,121
Securities Available for Sale	130,391	130,393	120,871	114,771	106,812	115,537	149,882	161,049
Securities Held to Maturity	75,062	85,255	85,108	88,254	86,776	79,771	92,717	94,708
Investment in Securities	237,517	250,063	323,903	337,711	320,408	304,512	349,098	364,877
Estimate of Expected Credit Losses for Investments	209	208	208	205	207	86	85	84
Debtor Balance in Repo Trans, net	293,727	173,934	100,332	74,371	107,771	104,215	136,173	83,103
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	29,452	33,734	38,873	35,576	32,383	34,456	33,754	28,791
For hedging purposes	1,096	1,256	1,814	1,854	2,958	3,762	2,984	4,442
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	30,548	34,990	40,687	37,430	35,342	38,218	36,738	33,233
Operations w/Derivatives & Securities	324,275	208,924	141,019	111,801	143,112	142,433	172,911	116,336
Valuation adjustments for Asset Coverage	36	32	19	-	-	-	-	-
Commercial Loans	301,983	307,605	307,352	328,895	335,446	346,618	365,388	369,978
Financial Intermediaries' Loans	29,285	33,282	31,946	29,690	35,037	39,089	36,785	43,454
Consumer Loans	122,916	129,443	135,775	142,071	148,229	158,013	164,634	172,326
Payroll Loans	55,340	59,648	62,692	64,612	66,962	70,747	72,725	71,939
Personal Loans	647	632	706	975	883	939	955	1,003
Credit Card	39,197	40,601	42,663	44,607	45,523	48,331	50,738	57,164
Auto Loans	27,733	28,562	29,715	31,877	34,860	37,995	40,215	42,221
Mortgage Loans	199,148	203,953	214,353	223,705	230,684	238,050	245,286	249,877
Medium and Residential	196,932	201,848	212,310	221,771	228,828	236,285	243,592	248,257
Low-income housing	2	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	1,618
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	164,035
Performing Loans, Stage 1	807,278	838,067	846,928	890,301	923,263	939,685	975,639	999,670
Commercial Loans	1,050	1,453	3,366	966	928	836	3,122	1,233
Financial Intermediaries' Loans	-	-	-	-	-	-	-	-
Consumer Loans	2,014	2,061	2,355	2,278	2,706	2,742	2,987	2,935
Payroll Loans	1,261	1,283	1,542	1,438	1,731	1,703	1,845	1,535
Personal Loans	31	28	30	26	70	31	39	46
Credit Card	410	443	483	520	586	643	710	973
Auto Loans	313	307	300	293	319	365	393	381
Mortgage Loans	3,494	3,571	3,685	3,226	3,210	3,393	3,578	3,262
Medium and Residential	3,408	3,482	3,599	3,130	3,112	3,315	3,506	3,193
Low-income housing	0	0	0	0	1	-	0	0
Loans acquired from INFONAVIT or FOVISSSTE	86	89	86	97	98	79	71	68
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	7,430
Commercial NPL's	3,153	3,252	3,420	3,750	3,811	3,433	3,147	2,883
Financial Intermediaries NPL's	101	105	101	-	-	20	98	119
Consumer NPL's	2,530	2,820	3,070	3,528	3,367	3,954	4,150	4,820
Payroll NPL's	1,380	1,665	1,832	2,178	1,993	2,337	2,421	2,531
Personal NPL's	45	49	36	45	49	63	40	55
Credit Card NPL's	902	926	986	1,108	1,132	1,344	1,435	1,968
Auto NPL's	203	180	215	197	193	210	254	267
Mortgage NPL's	1,763	1,855	1,904	1,865	1,994	2,054	2,089	2,177
Medium and Residential	1,446	1,521	1,552	1,553	1,650	1,701	1,739	1,831
Low-income housing	0	0	0	-	0	0	0	-
Loans acquired from INFONAVIT or FOVISSSTE	317	334	353	312	343	352	350	346
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	7
Non-Performing Loans, Stage 3	7,702	8,129	8,496	9,143	9,172	9,461	9,491	10,006
Loan Portfolio Valued at Fair Value	-	-	-	-	-	-	-	-
Deferred Items	1,596	1,606	1,575	2,058	2,195	2,264	2,306	2,436
Gross Loan Portfolio	823,135	854,887	866,405	907,972	941,474	958,388	997,123	1,019,541
Preventive Loan Loss Reserves	16,278	16,350	16,554	16,961	17,288	17,775	18,365	18,749
Net Loan Portfolio	806,857	838,537	849,851	891,011	924,185	940,613	978,759	1,000,793
Acquired Collection Rights (net)	582	466	322	654	597	551	888	1,094
Total Credit Portfolio	807,439	839,003	850,173	891,665	924,783	941,164	979,646	1,001,887
Benef. receivab. securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	50,928	64,829	45,296	36,343	43,938	43,678	46,632	38,352
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	1,620	1,848	1,770	2,844	2,667	2,670	2,513	4,792
Advanced Payments and Other Assets	11,080	9,358	12,715	8,614	5,060	6,370	4,976	4,959
Real Estate, Furniture & Equipment, Net	17,235	18,246	18,145	24,538	24,494	25,183	24,998	25,624
Rights of Use of Intangible Assets	7,424	7,178	7,173	6,951	6,545	3,884	3,824	3,795
Investment in Subsidiaries	559	1,261	1,339	1,461	1,503	1,481	1,510	1,570
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	13,843
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	1,391	1,396	1,396	1,413	1,381	1,362	1,369	1,497
TOTAL ASSETS	1,606,136	1,523,461	1,515,735	1,552,253	1,601,058	1,623,047	1,718,758	1,682,493

V. Financial Statements

Bank -Consolidated Statement of Financial Position (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
LIABILITIES								
Demand Deposits	580,928	612,491	597,069	619,559	610,570	649,023	681,763	685,561
Time Deposits-Retail	235,005	248,191	256,447	274,201	269,082	281,256	307,854	332,098
Time Deposits-Money Market	-	200	200	4,954	13,903	11,898	13,441	8,098
Global Account of deposits without movements	3,060	3,237	3,362	3,253	3,223	3,321	3,461	3,656
Senior Unsecured Debt	27,293	21,507	21,852	17,002	42,499	36,927	36,728	43,718
Deposits	846,286	885,625	878,930	918,968	939,276	982,425	1,043,046	1,073,131
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	5,525
Long Term Loans	5,944	7,572	7,744	7,641	7,029	5,007	4,919	4,584
Due to Banks & Other Correspondents	12,425	13,827	13,203	14,822	14,554	11,693	9,537	10,109
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	206,018
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	83,098
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	83,098
Derivatives								
For trading purposes	22,950	27,238	32,555	29,116	23,735	24,286	26,576	21,488
For hedging purposes	5,549	5,651	3,857	3,956	2,892	2,370	3,647	2,259
Total Derivatives	28,499	32,889	36,412	33,072	26,626	26,656	30,224	23,748
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	-	-	-	-	-
Lease Liabilities	7,478	7,211	6,923	6,606	6,275	3,958	3,921	3,835
Creditors for settlement of transactions	9,553	21,269	12,881	7,116	16,043	13,985	13,958	9,465
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	18,425	22,059	24,113	20,643	23,173	22,488	23,200	19,747
Contributions payable	1,280	1,335	1,189	1,025	1,557	1,558	1,237	1,519
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	43,742	44,363	34,559	30,685	28,228	30,320	30,259	31,450
Other Payable Accounts	73,000	89,025	72,742	59,469	69,001	68,350	68,654	62,181
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	55,421
Income Tax Liabilities	2,598	4,008	5,909	7,380	8,461	3,322	3,328	2,501
Employee benefit liability	6,655	6,462	7,393	8,798	7,697	8,554	9,200	10,346
Deferred Credits	1,087	1,076	1,066	1,123	1,107	1,164	1,158	1,140
TOTAL LIABILITIES	1,457,778	1,395,609	1,379,873	1,407,576	1,445,741	1,466,745	1,563,201	1,531,527
EQUITY								
Paid-in Capital	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	4,051	4,249	4,455	4,651	4,904	5,158	5,408	4,500
Finan. instr. that qualify as capital	-	-	-	-	-	-	-	-
Subscribed Capital	22,845	23,044	23,249	23,445	23,699	23,952	24,203	23,294
Capital Reserves	18,959	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	73,054
Net Income	7,632	17,006	25,919	34,549	10,309	20,673	31,693	41,946
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)	(969)
Valuation Adjustment for Cash Flow Hedges	(2,696)	(2,770)	(1,649)	(1,572)	(785)	(467)	(1,602)	183
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)	(1,993)
Cumulative foreign currency translation adjustment	(3)	8	3	(37)	(126)	(181)	(162)	(191)
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	130,989
Minority Interest	4	4	5	5	5	5	6	(3,317)
Total Equity	148,358	127,852	135,862	144,677	155,317	155,301	155,557	150,966
TOTAL LIABILITIES & EQUITY	1,606,136	1,523,461	1,515,735	1,552,253	1,601,058	1,623,047	1,718,758	1,682,493

V. Financial Statements

Bank - Memorandum Accounts (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
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	403,623
Trusts	291,862	294,351	291,433	301,499	333,375	337,595	308,076	305,608
Mandates	8,167	8,489	8,266	7,301	7,396	7,840	7,824	7,052
Properties in Trusts and Warrant	300,029	302,840	299,700	308,800	340,771	345,434	315,900	312,660
Properties in Custody or Management	509,168	544,522	570,922	546,061	590,620	625,669	672,756	658,836
Shares delivered in custody or as collateral	-	-	-	-	-	-	-	-
Collateral Received	395,593	277,352	206,071	182,756	220,146	224,995	264,082	215,655
Collateral Received or sold or delivered	291,829	171,992	98,441	72,400	105,820	104,217	136,126	83,105
Deposits of assets	-	-	-	-	-	-	-	-
Contingent assets & liabilities	148	60	80	32	39	57	34	29
Uncollected Accrued Interest from Non-Performing Loans	418	349	378	412	427	400	353	391
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	599,532
TOTAL PROPRIETARY	2,290,559	2,147,431	2,061,843	2,001,092	2,189,625	2,260,988	2,395,766	2,273,831

BANORTE - CONSOLIDATED STATEMENT OF CASH FLOWS

JANUARY 1st, 2023 – DECEMBER 31st, 2023

(Million Pesos)

Operation activities**Net income before taxes 56,341****Adjustments for items associated with investing activities 3,908**

Depreciation in property, furniture, and equipment 3,474

Amortization of intangible assets 609

Participation in the net income of other entities (175)

Adjustments for items associated with financing activities: 4,143

Interest associated with interbank loans and loans from other organizations 1,046

Interest associated with financial instruments that qualify as a liability 3,097

Sum 8,051**Changes in operating items (18,245)**

Change in margin accounts (derivative financial instruments) 560

Change in investments in financial instruments (securities) (net) (25,941)

Change in repo debtors (net) (8,732)

Change in derivative financial instruments (asset) 6,785

Change in loan portfolio (net) (109,782)

Change in acquired collection rights (net) (440)

Change in other accounts receivable (net) (3,171)

Change in foreclosed assets (net) (1,948)

Change in other operating assets (net) 5,222

Change in traditional deposits 154,162

Changes of interbank loans and other organizations (5,760)

Change in creditors by repo (12,910)

Change in collateral sold or given in guarantee 10,669

Change in derivative financial instruments (liability) (7,627)

Change in other operating liabilities 16

Change in hedging derivative financial instruments (2,515)

Change in assets/liabilities for employee benefits 1,548

Change in other accounts payable (167)

Income tax payments (18,214)

Net cash flows from operating activities 46,147**Investment activities**

Payments for the acquisition of property, furniture and equipment (7,347)

Charges for the acquisition of property, furniture, and equipment 3,305

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 (3,994)**Financial activities**

Lease liability payments (371)

Payments associated with financial instruments that qualify as capital (4,059)

Dividends paid in cash (31,000)

Payments associated with financial instruments that qualify as a liability (13,657)

Interest payments for lease liability (370)

Net cash flows from financing activities (49,457)**Net increase or decrease in cash and cash equivalents (7,304)****Effects of changes in the value of cash and cash equivalents (149)****Cash and cash equivalents at the beginning of the period 107,581****Cash and cash equivalents at the end of the period 100,128**

BANORTE - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JANUARY 1st, 2023 – DECEMBER 31st, 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)	(1,572)	(1,924)	(37)	144,672	5	144,677
CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS											
Plan based on shares payable in equity instruments		1,011							1,011		1,011
Dividends Decreed by the Ordinary General Meeting of Shareholders on April 5th, 2023, July 12th, 2023 and October 18th, 2023				(31,000)					(31,000)		(31,000)
Transfer of shares between entities under common control		(1,162)							(1,162)		(1,162)
Total	0	(151)	0	(31,000)	0	0	0	0	(31,151)	0	(31,151)
OTHER CHANGES STEMMING FROM STOCKHOLDERS' DECISIONS											
Interest on subordinated debt				(4,059)					(4,059)		(4,059)
Effect of subsidiaries, associates, and investment companies				(13)	5				(8)		(8)
Total	0	0	0	(4,072)	5	0	0	0	(4,067)	0	(4,067)
COMPREHENSIVE INCOME											
Net Income				41,946					41,946	(30)	41,916
OTHER COMPREHENSIVE INCOME											
Financial instruments to collect or sell valuation					1,342				1,342		1,342
Effect of subsidiaries, associates and mutual funds					10	(14)			(4)		(4)
Result from conversion of foreign operations								(154)	(154)		(154)
Cash flow hedges valuation						1,769			1,769		1,769
Defined remeasurements for employees' benefits							(69)		(69)		(69)
Total	0	0	0	41,946	1,352	1,755	(69)	(154)	44,830	(30)	44,800
Minority Interest										(3,293)	(3,293)
Balance as of December 31st, 2023	18,795	4,500	18,959	115,000	(969)	183	(1,993)	(191)	154,284	(3,318)	150,966

Seguros Banorte

Income Statement- Seguros Banorte	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(Million Pesos)								
Interest Income	396	471	545	578	769	801	879	826
Interest Expense	3	3	2	2	2	1	1	2
Monetary Positions Net Interest Income	-	-	-	-	-	-	-	-
Net Interest Income (NII)	393	468	543	576	767	800	878	824
Preventive Provisions for Loan Losses	0	3	(0)	(0)	0	0	(0)	(0)
Net Interest Income	393	465	543	576	767	800	878	824
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	8,290
Net increase in technical reserves	4,522	(868)	(833)	103	3,324	2,543	813	2,906
Net Cost for Insurance and Bond Operations	731	587	597	612	1,568	848	794	1,031
Net Cost of Claims and Other Obligations	4,018	3,646	3,469	3,642	3,427	4,316	4,150	4,120
Trading Income	(80)	(91)	114	280	126	277	252	588
Total Other Operating Income (Expenses)	227	228	(20)	20	115	99	157	133
Total Non-Interest Income	1,817	1,132	913	1,243	1,808	1,377	729	954
Total Operating Income	2,210	1,597	1,455	1,819	2,575	2,176	1,606	1,778
Personnel	129	104	116	128	127	130	138	140
Professional Fees	63	62	63	60	71	74	7	26
Administrative and Promotional	30	36	29	41	55	37	76	38
Rents, Depreciation & Amortization	54	50	43	55	47	42	44	46
Other Taxes	23	25	29	18	33	26	38	42
Employee Profit Sharing (PTU)	4	6	13	16	13	14	15	19
Other expenses	181	155	(55)	44	215	97	130	109
Total Non-Interest Expense	484	439	239	362	561	420	449	419
Operating Income	1,726	1,158	1,216	1,457	2,014	1,757	1,157	1,359
Subsidiaries' Net Income	158	101	181	362	298	301	210	418
Pre-Tax Income	1,884	1,259	1,398	1,819	2,312	2,057	1,368	1,777
Taxes	493	302	325	437	621	532	333	363
Net Income from Continuous Operations	1,391	957	1,073	1,382	1,691	1,526	1,035	1,414
Discontinued Operations	-	-	-	-	-	-	-	-
Net income from continuing operations	1,391	957	1,073	1,382	1,691	1,526	1,035	1,414
Minority Interest	4	6	6	7	9	10	4	8
Net Income	1,387	951	1,067	1,375	1,682	1,516	1,031	1,406

Seguros Banorte - Balance Sheet (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
ASSETS								
Cash and Equivalents	3,441	3,517	1,589	3,106	2,416	1,678	1,697	3,626
Margin Accounts	-	-	-	-	-	-	-	-
Negotiable Instruments	25,011	25,874	25,961	25,247	29,440	29,868	31,459	36,372
Securities Available for Sale	5,443	4,827	5,685	6,466	6,192	6,557	6,880	6,479
Securities Held to Maturity	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Investment in Securities	30,454	30,701	31,646	31,713	35,632	36,425	38,338	42,851
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	5,515
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	5,515
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-	-
Insurance and Bail Bond portfolio	25	24	25	25	24	27	28	41
Deferred Items (BAP)	-	-	-	-	-	-	-	-
Loan Loss-reserve for Insurance and Bail Bond Risks	25	24	25	25	24	27	28	41
Net Insurance and Bail Bond Loan Portfolio	0	0	0	0	0	0	0	0
Loan Portfolio, net	25	24	25	25	24	27	28	41
Net from Reserves Loan Portfolio	25	24	25	25	24	27	28	41
Acquired Collection Rights (net)	-	-	-	-	-	-	-	-
Total Credit Portfolio	25	24	25	25	24	27	28	41
Account Receivables from Insurance and Annuities	10,664	8,410	6,196	3,693	7,939	9,921	7,110	4,575
Amounts recoverable by Reinsurance and Counter-guarantee	8,022	8,033	7,589	5,402	4,898	5,284	5,471	5,773
Account Receivables from Reinsurance	-	-	-	-	-	-	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	236	583	370	446	170	280	323	429
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Advance Payments and Other Assets	1,679	1,673	1,689	1,691	350	1,156	1,635	2,094
Real Estate, Furniture & Equipment, Net	251	243	235	247	244	254	297	348
Assets for Rights of Use of Property, furniture and equipment	193	173	154	143	141	126	106	96
Investment in Subsidiaries	12,712	12,812	12,993	13,344	12,830	13,130	13,340	13,762
Assets for Rights of Use of Property, Furn. & Eq.	-	-	-	-	-	-	-	-
Deferred Income Tax Assets	338	338	338	450	450	746	656	669
Intangibles	1,385	1,403	1,429	1,422	1,452	1,482	1,506	1,526
Rights of Use of Intangible Assets	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
TOTAL ASSETS	71,447	71,291	67,807	66,537	72,343	77,673	75,723	81,305

V. Financial Statements

Seguros Banorte - Balance Sheet (Million Pesos)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
LIABILITIES								
Technical Reserves	39,729	38,493	36,965	36,319	39,824	43,239	43,922	47,643
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Total Derivatives	-	-	-	-	-	-	-	-
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	2,379
Lease Liabilities	195	175	157	146	144	130	111	99
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Creditors for collateral received in cash	-	-	-	-	-	-	-	-
Contributions payable	893	731	677	848	949	883	777	1,045
Suppliers	-	-	-	-	-	-	-	-
Related Party	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	2,006	2,313	2,123	2,037	3,021	2,965	2,952	2,808
Other Payable Accounts	2,900	3,044	2,800	2,884	3,970	3,848	3,728	3,853
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	2,359
Employee benefit liability	132	133	133	149	151	154	155	183
Deferred Credits	50	50	42	43	46	49	50	53
TOTAL LIABILITIES	47,623	46,525	44,951	43,257	47,393	51,968	52,366	56,568
EQUITY								
Paid-in Capital	13,928	13,928	13,928	13,928	13,928	13,928	13,928	13,928
Provision for future capital increase not formalized by its governing entity	7	7	7	7	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	13,934
Capital Reserves	3,834	4,236	4,236	4,236	4,236	4,714	4,714	4,714
Retained Earnings	4,333	3,930	1,007	3	4,783	3,537	216	220
Net Income	1,387	2,339	3,406	4,781	1,682	3,198	4,229	5,635
<u>Resultados Integrales:</u>								
Valuation Adjustments for Fair Value through other (Formerly Securities Available for Sale)	(102)	(192)	(356)	(229)	(265)	(245)	(395)	(250)
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	(14)
Cumulative foreign currency translation adjustment	0	0	0	0	0	0	0	0
Res. for holding non-monetary assets	-	-	-	-	-	-	-	-
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	46	122	274	199	213	206	358	191
Participation in other comprehensive income of other entities	-	-	-	-	-	-	-	-
Earned Capital	9,519	10,455	8,574	8,992	10,653	11,412	9,125	10,497
Minority Interest	371	377	348	354	363	359	299	305
Total Equity	23,825	24,767	22,856	23,280	24,950	25,705	23,358	24,736
TOTAL LIABILITIES & EQUITY	71,447	71,291	67,807	66,537	72,343	77,673	75,723	81,305

Information by Segments

GFNorte - Income Statement as of December 31st, 2023

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Interest on Loan Portfolio	1,748	327,638	23,354	3,950	97	27,965
Interest on cash and cash equivalents	473	7,296	234	6	0	407
Interest and yields in favor from margin accounts	-	(621)	-	-	-	3
Interest and yields in favor from OTC collateral operations	-	493	-	-	-	-
Interest and yields in favor from investments in financial instruments	567	28,906	11,062	-	-	25,456
Interest and yields on repurchase agreements	709	14,526	1	-	-	794
Operations' coverage income from hedging operations	-	9,231	-	-	-	-
Income from trading financial instruments	-	135,815	-	-	-	1,273
Interest on loan portfolio with credit risk stage 1						
Commercial loans	-	43,921	-	3,374	96	-
Financial entities	-	3,357	-	136	-	-
Government entities	-	19,514	-	317	-	-
Consumer loans	-	39,823	-	0	-	-
Mortgage loans	-	21,736	-	-	-	-
Interest on loan portfolio with credit risk stage 2						
Commercial Loans	-	197	-	43	-	-
Financial entities	-	-	-	3	-	-
Government entities	-	0	-	25	-	-
Consumer loans	-	706	-	-	-	-
Mortgage loans	-	338	-	-	-	-
Interest on loan portfolio with credit risk stage 3						
Commercial loans	-	95	-	13	-	-
Financial entities	-	0	-	-	-	-
Government entities	-	-	-	-	-	-
Consumer loans	-	92	-	1	-	-
Mortgage loans	-	92	-	-	-	-
Insurance and bond loan portfolio interest	-	-	943	-	-	-
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	1,657	-	31	-	-
Effect of loan portfolio renegotiation	-	341	-	1	-	-
Securities' loans premiums	-	-	744	-	-	-
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	17	20	-	-	33
Income from valuation	-	106	10,350	-	-	0
Increase due interest income update	-	-	-	-	-	-

V. Financial Statements

GFNorte - Income Statement as of December 31st, 2023

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Interest expense	-	226,764	8	3,497	0	27,014
Interest on demand deposits	-	16,907	-	-	-	-
Interest on time deposits	-	25,524	-	-	-	-
Interest due to banks and correspondents	-	1,046	-	3,379	-	-
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	3,097	-	-	-	-
Interest and yields charged from OTC collateral operations	-	1,004	-	-	-	-
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	35,475	-	-	-	25,761
Expenses from hedging operations	-	8,863	-	-	-	-
Expenses from trading financial instruments	-	131,253	-	-	-	1,252
Proceeds from lent securities	-	-	-	-	-	0
Effect of loan portfolio renegotiation	-	430	-	6	-	-
Costs expenses of granting loans	-	2,419	-	13	-	-
Foreign exchange valorization income	-	224	0	99	0	0
Chargeable interest associated with the global deposit account without movements	-	150	-	-	-	-
Interest on lease liabilities	-	371	8	-	-	-
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	-	-	-	-	-	-
Financial Margin	1,748	100,875	23,346	454	97	951
Allowance for loan losses	0	15,782	41	119	-	-
Risk adjusted net interest income	1,748	85,093	23,304	335	97	951
Commissions and fees charged on services	-	34,985	-	574	-	1,234
Commissions and fees paid on services	-	17,780	0	74	0	252
Premium revenue (net)	-	-	48,760	-	-	-
Increase in technical reserves (net)	-	-	28,288	-	-	-
Cost of acquisition for insurance and bail bonds operations (net)	-	-	4,252	-	-	-
Cost of damages, claims, and other obligations	-	-	29,234	-	-	-
Trading income	-	2,276	1,274	(2)	1	337
Total other operating income (expense)	2	(4,002)	497	1,017	65	45
Administrative and promotional Expenses	118	44,406	2,269	975	82	1,871
Operating income	1,633	56,166	9,792	875	81	443
Subsidiaries' net income	50,901	175	1,227	1	-	1
Pre-tax income	52,534	56,341	11,020	877	81	444
Taxes	111	14,425	2,841	212	30	75
Net income from continuous operations	52,422	41,916	8,179	665	51	369
Discontinued Operations	-	-	-	-	-	-
NET INCOME	52,422	41,946	8,155	665	51	369
Minority interest	-	(30)	24	0	0	-
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	1,371	1,352	(34)	-	-	77
Cash flow hedges valuation	1,725	1,755	-	-	-	-
Remeasurement on defined employee benefits	(81)	(70)	(18)	(2)	(0)	7
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	(7)	-	(7)	-	-	-
Cumulative foreign currency translation adjustment	(192)	(154)	-	-	-	(40)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	2,816	2,883	(59)	(2)	(0)	44
COMPREHENSIVE INCOME	55,239	44,800	8,119	663	51	414

GFNorte - Income Statement as of December 31st, 2023

(Million Pesos)

	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest on Loan Portfolio	13	85	384,850	9,353	-	375,497
Interest on cash and cash equivalents	13	-	8,429	1,087	-	7,342
Interest and yields in favor from margin accounts	-	-	(618)	-	-	(618)
Interest and yields in favor from OTC collateral operations	-	-	493	-	-	493
Interest and yields in favor from investments in financial instruments	-	58	66,047	567	-	65,481
Interest and yields on repurchase agreements	-	27	16,057	6,131	-	9,925
Operations' coverage income from hedging operations	-	-	9,231	-	-	9,231
Income from trading financial instruments	-	-	137,088	-	-	137,088
Interest on loan portfolio with credit risk stage 1						
Commercial loans	-	-	47,391	-	-	47,391
Financial entities	-	-	3,492	1,298	-	2,194
Government entities	-	-	19,832	-	-	19,832
Consumer loans	-	-	39,823	-	-	39,823
Mortgage loans	-	-	21,736	-	-	21,736
Interest on loan portfolio with credit risk stage 2						
Commercial Loans	-	-	240	-	-	240
Financial entities	-	-	3	-	-	3
Government entities	-	-	25	-	-	25
Consumer loans	-	-	706	-	-	706
Mortgage loans	-	-	338	-	-	338
Interest on loan portfolio with credit risk stage 3						
Commercial loans	-	-	109	-	-	109
Financial entities	-	-	0	-	-	0
Government entities	-	-	-	-	-	-
Consumer loans	-	-	93	-	-	93
Mortgage loans	-	-	92	-	-	92
Insurance and bond loan portfolio interest	-	-	943	-	-	943
Interest on acquired collection rights	-	-	-	-	-	-
Loan commissions	-	-	1,688	-	-	1,688
Effect of loan portfolio renegotiation	-	-	343	-	-	343
Securities' loans premiums	-	-	744	270	-	474
Debt issuance premiums	-	-	-	-	-	-
Net dividends from equity instruments	-	-	69	-	-	69
Income from valuation	-	-	10,456	-	-	10,456
Increase due interest income update	-	-	-	-	-	-

V. Financial Statements

GFNorte - Income Statement as of December 31st, 2023

(Million Pesos)

	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest expense	-	0	257,282	-	9,267	248,015
Interest on demand deposits	-	-	16,907	-	1,087	15,820
Interest on time deposits	-	-	25,524	-	-	25,524
Interest due to banks and correspondents	-	-	4,426	-	1,212	3,214
Interest, transaction costs, and discounts of financial instruments that qualify as liabilities	-	-	3,097	-	567	2,530
Interest and yields charged from OTC collateral operations	-	-	1,004	-	-	1,004
Premiums paid for the early redemption of financial instruments that qualify as liabilities	-	-	-	-	-	-
Interest and yields payable in repurchase agreements	-	-	61,236	-	6,401	54,835
Expenses from hedging operations	-	-	8,863	-	-	8,863
Expenses from trading financial instruments	-	-	132,505	-	-	132,505
Proceeds from lent securities	-	-	0	-	-	0
Effect of loan portfolio renegotiation	-	-	436	-	-	436
Costs expenses of granting loans	-	-	2,432	-	-	2,432
Foreign exchange valorization income	-	0	323	-	-	323
Chargeable interest associated with the global deposit account without movements	-	-	150	-	-	150
Interest on lease liabilities	-	-	379	-	-	379
Increase due to update of interest expense	-	-	-	-	-	-
Financial Margin	-	-	-	-	-	-
Financial Margin	13	85	127,568	9,353	9,267	127,482
Allowance for loan losses	-	-	15,942	-	-	15,942
Risk adjusted net interest income	13	85	111,626	9,353	9,267	111,540
Commissions and fees charged on services	2,392	-	39,184	4,111	-	35,073
Commissions and fees paid on services	1,677	2	19,785	-	1,666	18,119
Premium revenue (net)	-	-	48,760	501	-	48,259
Increase in technical reserves (net)	-	-	28,288	-	-	28,288
Cost of acquisition for insurance and bail bonds operations (net)	-	-	4,252	-	2,517	1,735
Cost of damages, claims, and other obligations	-	-	29,234	-	12	29,222
Trading income	30	(0)	3,917	4	-	3,913
Total other operating income (expense)	(1)	1	(2,375)	978	74	(3,278)
Administrative and promotional Expenses	249	17	49,988	74	1,480	48,582
Operating income	508	67	69,566	15,021	15,016	69,561
Subsidiaries' net income	9	-	52,314	50,901	-	1,413
Pre-tax income	517	67	121,880	65,922	15,016	70,974
Taxes	135	4	17,832	-	-	17,832
Net income from continuous operations	382	63	104,048	65,922	15,016	53,142
Discontinued Operations	-	-	-	-	-	-
NET INCOME	382	63	104,042	65,922	15,746	52,418
Minority interest	-	-	(6)	-	730	724
Other comprehensive income	-	-	-	-	-	-
Financial instruments to collect or sell valuation	-	(0)	2,766	(601)	(1,949)	1,417
Cash flow hedges valuation	-	-	3,480	2,507	752	1,725
Remeasurement on defined employee benefits	(0)	(0)	(163)	(82)	-	(81)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	-	-	(15)	(7)	-	(7)
Cumulative foreign currency translation adjustment	-	-	(386)	-	194	(192)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in other comprehensive income of other entities	-	-	-	-	-	-
Other comprehensive income	(0)	(0)	5,683	1,817	(1,003)	2,862
COMPREHENSIVE INCOME	382	62	109,718	67,739	15,473	56,004

GFNorte - Balance Sheet as of December 31st, 2023

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Previsión Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Cash and cash equivalents	4	100,128	3,734	110	10	2,794
Margin accounts (derivate financial instruments)	-	4,918	-	-	-	-
Investment in securities						
Trading financial instruments	-	109,121	43,711	-	-	182,505
Financial instruments to collect or sell	-	161,049	6,498	-	-	54,472
Financial instruments to collect principal and interest (securities)	10,076	94,708	244,355	-	-	28
Estimate of expected credit losses for investments (securities)	-	(84)	(82)	-	-	(0)
Debtor balance in repo trans (net)	8,220	83,103	5,515	-	-	5,046
Securities lending						
Derivative financial instruments						
Transactions with derivatives for trading purposes	-	28,791	-	-	-	545
Transactions with derivatives for hedging purposes	-	4,442	-	-	-	-
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	369,978	-	34,710	-	-
Financial entities	-	43,454	-	850	-	-
Government	-	164,035	-	7,502	-	-
Consumer loans	-	172,326	-	2	-	-
Mortgage						
Medium and residential	-	248,257	-	-	-	-
Low-income housing	-	2	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	1,618	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	999,670	-	43,064	-	-
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	1,233	-	173	-	-
Financial entities	-	-	-	-	-	-
Government	-	-	-	424	-	-
Consumer loans	-	2,935	-	-	-	-
Mortgage						
Medium and residential	-	3,193	-	-	-	-
Low-income housing	-	0	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	68	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	7,430	-	597	-	-

GFNorte - Balance Sheet as of December 31st, 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	-	2,883	-	876	-	-
Financial entities	-	119	-	4	-	-
Government	-	7	-	4	-	-
Consumer loans	-	4,820	-	-	-	-
Mortgage						
Medium and residential	-	1,831	-	-	-	-
Low-income housing	-	-	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	346	-	-	-	-
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	10,006	-	885	-	-
Loan portfolio	-	1,017,106	-	44,545	-	-
(+/-) Deferred items	-	2,436	-	(49)	-	-
(-) Minus						
Allowance for loan losses	-	(18,749)	-	(854)	-	-
Loan portfolio (net)	-	1,000,793	-	43,642	-	-
Loan portfolio from insurance and bail bonds	-	-	3,503	-	-	-
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(254)	-	-	-
Total insurance and bail bond loan portfolio (net)	-	-	3,249	-	-	-
Acquired collection rights (net)	-	1,094	-	-	-	-
Loan portfolio (net)	-	1,001,887	3,249	43,642	-	-
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	4,660	-	-	-
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,773	-	-	-
Other accounts receivable (net)	1	38,352	510	1,526	724	3,915
Inventories	-	-	-	-	938	-
Foreclosed assets (net)	-	4,792	-	62	26	-
Advanced payments and other assets (net)	41	4,959	3,102	4,194	31	625
Property, furniture, and equipment (net)	-	25,624	354	4,299	55	56
Assets for rights of use of property, furniture and equipment (net)	-	3,795	108	-	-	-
Investment in subsidiaries	205,423	1,570	13,762	34	-	3
Deferred income tax assets	-	-	-	826	8	-
Intangible assets (net)	245	13,843	1,527	-	-	57
Goodwill	25,329	1,497	-	-	-	-
TOTAL ASSETS	249,338	1,682,493	336,777	54,692	1,793	250,045

GFNorte - Balance Sheet as of December 31st, 2023

(Million Pesos)

ASSETS	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Cash and cash equivalents	23	1	106,803	65	6,638	100,230
Margin accounts (derivate financial instruments)	-	-	4,918	-	-	4,918
Investment in securities						
Trading financial instruments	419	-	335,756	-	-	335,756
Financial instruments to collect or sell	-	-	222,018	-	-	222,018
Financial instruments to collect principal and interest (securities)	-	-	349,165	-	10,423	338,743
Estimate of expected credit losses for investments (securities)	-	-	(165)	-	-	(165)
Debtor balance in repo trans (net)	-	773	102,658	-	61,052	41,606
Securities lending						
Derivative financial instruments						
Transactions with derivatives for trading purposes	-	-	29,336	-	379	28,957
Transactions with derivatives for hedging purposes	-	-	4,442	-	-	4,442
Asset hedges valuation adjustments	-	-	-	-	-	-
Loan portfolio with credit risk stage 1						
Commercial loans						
Commercial	-	-	404,688	-	-	404,688
Financial entities	-	-	44,304	-	18,835	25,470
Government	-	-	171,537	-	-	171,537
Consumer loans	-	-	172,328	-	-	172,328
Mortgage						
Medium and residential	-	-	248,257	-	-	248,257
Low-income housing	-	-	2	-	-	2
Loans acquired from INFONAVIT or FOVISSTE	-	-	1,618	-	-	1,618
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 1	-	-	1,042,734	-	18,835	1,023,899
Loan portfolio with credit risk stage 2						
Commercial loans						
Commercial	-	-	1,406	-	-	1,406
Financial entities	-	-	-	-	-	-
Government	-	-	424	-	-	424
Consumer loans	-	-	2,935	-	-	2,935
Mortgage						
Medium and residential	-	-	3,193	-	-	3,193
Low-income housing	-	-	0	-	-	0
Loans acquired from INFONAVIT or FOVISSTE	-	-	68	-	-	68
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 2	-	-	8,027	-	-	8,027

V. Financial Statements

GFNorte - Balance Sheet as of December 31st, 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	-	-	3,759	-	-	3,759
Financial entities	-	-	123	-	-	123
Government	-	-	11	-	-	11
Consumer loans	-	-	4,820	-	-	4,820
Mortgage						
Medium and residential	-	-	1,831	-	-	1,831
Low-income housing	-	-	-	-	-	-
Loans acquired from INFONAVIT or FOVISSTE	-	-	346	-	-	346
Remodeling or improvement with guarantee of the housing subaccount	-	-	-	-	-	-
Loan portfolio with credit risk stage 3	-	-	10,891	-	-	10,891
Loan portfolio	-	-	1,061,651	-	18,835	1,042,817
(+/-) Deferred items	-	-	2,386	-	-	2,386
(-) Minus						
Allowance for loan losses	-	-	(19,603)	-	-	(19,603)
Loan portfolio (net)	-	-	1,044,435	-	18,835	1,025,600
Loan portfolio from insurance and bail bonds	-	-	3,503	-	-	3,503
(+/-) Deferred items	-	-	-	-	-	-
(-) Minus						
Loan loss-reserve for insurance and bail bond risks	-	-	(254)	-	-	(254)
Total insurance and bail bond loan portfolio (net)	-	-	3,249	-	-	3,249
Acquired collection rights (net)	-	-	1,094	-	-	1,094
Loan portfolio (net)	-	-	1,048,778	-	18,835	1,029,943
Benef. receivab. securization transactions	-	-	-	-	-	-
Debtors of insurance and surety companies	-	-	4,660	-	-	4,660
Amounts recoverable by reinsurance and counter-guarantee (net)	-	-	5,773	-	-	5,773
Other accounts receivable (net)	255	41	45,323	-	391	44,932
Inventories	-	-	938	-	-	938
Foreclosed assets (net)	-	-	4,881	-	-	4,881
Advanced payments and other assets (net)	17	215	13,184	-	-	13,184
Property, furniture, and equipment (net)	0	5	30,392	203	44	30,551
Assets for rights of use of property, furniture and equipment (net)	-	-	3,903	-	-	3,903
Investment in subsidiaries	126	-	220,918	390	205,813	15,495
Deferred income tax assets	12	-	846	-	846	-
Intangible assets (net)	31	1,568	17,270	-	-	17,270
Goodwill	-	-	26,825	-	-	26,825
TOTAL ASSETS	883	2,602	2,578,622	657	304,420	2,274,859

V. Financial Statements

GFNorte - Balance Sheet as of December 31st, 2023

(Million Pesos)

LIABILITIES & EQUITY	Holding	Banorte	Ahorro y Prevención Banorte	Arrendadora y Factor Banorte	Almacenadora Banorte	Casa de Bolsa Banorte
Deposits						
Demand deposits	-	685,561	-	-	-	-
Time deposits						
Time deposits-retail	-	332,098	-	-	-	-
Time deposits-money market	-	8,098	-	-	-	-
Senior unsecured debt	-	43,718	-	-	-	-
Global account of deposits without movements	-	3,656	-	-	-	-
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	5,525	-	28,812	1,369	-
Long-term loans	-	4,584	-	11,686	-	-
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	288,847	-	-	-
Creditor balance in repo transactions (net)	-	206,018	-	-	-	236,047
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	83,098	-	-	-	5,046
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	21,488	-	-	-	424
For hedging purposes	-	2,259	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	2,379	-	-	-
Obligations in securitization transactions	-	(0)	-	-	-	-
Lease liabilities	-	3,835	112	-	-	-
Other payable accounts						
Creditors of liquidation operations	-	9,465	-	-	-	3,683
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	19,747	-	-	-	-
Contributions payable	0	1,519	1,062	22	3	74
Other creditors and accounts payable	4	31,450	3,158	2,334	24	220
Financial instruments that qualify as a liability						
Subordinated non-convertible debt	-	55,421	-	-	-	-
Income tax liabilities	92	2,501	4,916	103	6	133
Employee benefit liability	-	10,346	197	182	12	531
Deferred credits and advanced charges	-	1,140	53	341	-	0
TOTAL LIABILITIES	96	1,531,527	300,724	43,480	1,414	246,159
Equity						
Paid-in capital						
Common stock	14,988	18,795	15,776	12,294	87	1,985
Additional paid-in capital	47,493	4,500	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	33,885	18,959	1,956	830	65	397
Cumulative results						
Retained earnings	103,550	73,054	4,498	(2,789)	174	944
Net income	52,422	41,946	8,155	665	51	369
Other comprehensive income						
Valuation of financial instruments to collect or sell	(1,411)	(969)	(381)	-	-	32
Cash flow hedges valuation	181	183	-	-	-	-
Defined remeasurements for employees benefits	(1,947)	(1,993)	(20)	3	0	4
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	189	-	190	-	-	-
Cumulative foreign currency translation adjustment	(109)	(191)	-	-	-	80
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	249,242	154,284	35,767	11,020	378	3,887
Minority interest	-	(3,317)	285	192	0	-
TOTAL EQUITY	249,242	150,966	36,052	11,211	378	3,887
TOTAL LIABILITIES AND EQUITY	249,338	1,682,493	336,777	54,692	1,793	250,045

V. Financial Statements

GFNorte - Balance Sheet as of December 31st, 2023

(Million Pesos)

LIABILITIES & EQUITY	Operadora de Fondos Banorte	Banco Bineo	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Deposits						
Demand deposits	-	-	685,561	6,638	-	678,923
Time deposits						
Time deposits-retail	-	-	332,098	-	-	332,098
Time deposits-money market	-	-	8,098	-	-	8,098
Senior unsecured debt	-	-	43,718	10,076	-	33,643
Global account of deposits without movements	-	-	3,656	-	-	3,656
Due to banks & correspondents						
Demand loans	-	-	-	-	-	-
Short-term loans	-	-	35,706	9,974	-	25,731
Long-term loans	-	-	16,270	8,860	-	7,410
Non-assigned securities for settlement	-	-	-	-	-	-
Technical reserves	-	-	288,847	-	45	288,892
Creditor balance in repo transactions (net)	-	-	442,065	61,052	-	381,012
Securities to be received in repo transactions (net)	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	-
Repos	-	-	88,145	-	-	88,145
Securities' loans	-	-	-	-	-	-
Transactions with derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Derivative financial instruments						
For trading purposes	-	-	21,913	379	-	21,534
For hedging purposes	-	-	2,259	-	-	2,259
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Payable accounts for reinsurance and counter-guarantee entities (net)	-	-	2,379	-	-	2,379
Obligations in securitization transactions	-	-	(0)	-	-	(0)
Lease liabilities	-	-	3,947	-	-	3,947
Other payable accounts						
Creditors of liquidation operations	-	-	13,148	-	-	13,148
Margin accounts payable	-	-	-	-	-	-
Creditors from collaterals received in cash	-	-	19,747	-	-	19,747
Contributions payable	23	4	2,707	-	-	2,707
Other creditors and accounts payable	196	175	37,561	543	19	37,038
Financial instruments that qualify as a liability						
Subordinated non-convertible debt	-	-	55,421	-	-	55,421
Income tax liabilities	3	25	7,779	846	-	6,934
Employee benefit liability	73	58	11,399	-	-	11,399
Deferred credits and advanced charges	-	-	1,535	-	-	1,535
TOTAL LIABILITIES	295	263	2,123,957	98,368	65	2,025,654
Equity						
Paid-in capital						
Common stock	170	1,679	65,773	50,785	(0)	14,988
Additional paid-in capital	0	-	57,680	10,358	326	47,648
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	56,130	22,245	-	33,885
Cumulative results						
Retained earnings	0	(5)	179,427	84,168	8,251	103,510
Net income	382	63	104,053	51,635	-	52,418
Other comprehensive income						
Valuation of financial instruments to collect or sell	-	-	(2,730)	404	1,723	(1,411)
Cash flow hedges valuation	-	-	365	(78)	(261)	181
Defined remeasurements for employees benefits	2	(1)	(3,952)	-	2,005	(1,947)
Remeasurement by results in valuation of risk reserve in progress due to variation in discount rates	-	-	379	190	-	189
Cumulative foreign currency translation adjustment	-	-	(220)	(111)	-	(109)
Result from holding non-monetary assets	-	-	-	-	-	-
Participation in OCI of other entities	-	-	-	-	-	-
Majority interest	589	2,339	457,506	220,195	12,043	249,353
Minority interest	-	-	(2,840)	-	2,693	(148)
TOTAL EQUITY	589	2,339	454,665	220,195	14,736	249,206
TOTAL LIABILITIES AND EQUITY	883	2,602	2,578,622	318,563	14,800	2,274,859

VI. Appendix

Accounting & Regulatory Changes

Numbers in this section are stated in million pesos.

Early termination of support programs for mortgage loan debtors

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

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

As of December 31st, 2023, the remaining balance of CETES ESPECIALES which have not been repurchased by the Federal Government, totaled Ps 463 million, with maturities in 2027.

Special Accounting Treatment of the Support Programs implemented by the Institution because of Hurricane Otis

After the negative impact generated by the hydrometeorological phenomena with severe affectation to the State of Guerrero, Mexico, the Institution has determined to support its clients by implementing several support programs which will apply to all customers who are in the previously mentioned municipalities and who subscribe to the program from October 24th, 2023, until April 30th, 2024, in accordance with the following:

Credit card:

- The support consists of freezing interests from the October cut-off and resuming them in May 2024. It was applied to the whole State of Guerrero. The included accounts where the ones whit up to two past due payments as of October 24th, 2023.

Non-Revolving consumer loans, mortgages, and SMEs:

- The support consists of 6-month deferral with no interest capitalization, during which no principal nor interest is required, and the term is extended for six months. The loans considered are the ones of all our clients domiciled in the State of Guerrero, whose credit risk belongs to stage 1 and stage 2 as of October 24th, 2023.

Due to the above, on October 27th, 2023, by means of official letter P307/2023, the Commission issued The Special Accounting Criteria, applicable for credit institutions from October 24th, 2023, until April 30th, 2024, in accordance with the following:

Those loans with schemes of single payment of principal at maturity and periodic interest payments, single payment of principal at maturity and interest at maturity, periodic payments of principal and interest, as well as non-revolving, which are renewed or restructured, were not transferred to the next category with higher credit risk in terms of paragraphs 98 to 112 of the B-6 criteria, the special accounting criteria applied only to loans which until October 24th, 2023, were registered in the loan book as credit risk stage 1 and 2, and that the new maturity period does not exceed six months from the expiration date from the original contract.

Additionally, loans subject to the special accounting criteria, where not considered as restructuring as established in paragraph 35 of de Criteria B-6, nor were reported as past due loans before credit bureaus.

The amounts that would have been registered and presented in both Statement of Financial Position and Statement of Comprehensive Income by type of portfolio, if the special accounting criteria had not been applied, as well as the detail of the concepts and amounts by type of portfolio, for which the accounting allocation has been made due to application of the special accounting criteria as of December 31st, 2023, are shown below:

Concept	Balance with Special Accounting Criteria	Effect on Loan Book and Estimation	Balance without Special Accounting Criteria
LOAN PORTFOLIO WITH CREDIT RISK STAGE 1			
Commercial Loans	\$601,695	(\$3)	\$601,692
Consumer Loans	172,328	-	172,328
Mortgage Loans	249,877	-	249,877
TOTAL LOAN PORTFOLIO WITH CREDIT RISK STAGE 1	1,023,900	(3)	1,023,897
LOAN PORTFOLIO WITH CREDIT RISK STAGE 2			
Commercial Loans	1,830	3	1,833
Consumer Loans	2,936	-	2,936
Mortgage Loans	3,261	-	3,261
TOTAL LOAN PORTFOLIO WITH CREDIT RISK STAGE 2	8,027	3	8,030
LOAN PORTFOLIO WITH CREDIT RISK STAGE 3			
Commercial Loans	3,893	-	3,893
Consumer Loans	4,820	-	4,820
Mortgage Loans	2,177	-	2,177
TOTAL LOAN PORTFOLIO WITH CREDIT RISK STAGE 3	10,890	-	10,890
LOAN PORTFOLIO	1,042,817		1,042,817
(+/-) DEFERRED ITEMS	2,386		2,386
(Minus) ALLOWANCE FOR LOAN LOSSES	19,603	347	19,950
INSURANCE AND BOND LOAN PORTFOLIO	3,503	-	3,503
(Minus) ALLOWANCE FOR LOAN LOSSES	254	-	254
TOTAL INSURANCE AND BOND LOAN PORTFOLIO	3,249	-	3,249
ACQUIRED COLLECTION RIGHTS (NET)	1,094	-	1,094
TOTAL LOAN PORTFOLIO, (NET)	1,029,943	(347)	1,029,596
TOTAL ASSETS	2,274,859	(347)	2,274,512
Allowance for Loan Losses (Results)	15,942	347	16,289
NET INCOME	53,142	(347)	52,795

TOTAL EQUITY	249,204	(347)	248,857
TOTAL LIABILITIES AND EQUITY	\$2,274,859	(\$347)	\$2,274,512

* Figures in millions of pesos

As December 31st, 2023, the balance of loans subject to the programs is Ps 3.31 billion.

Considering the previous figures, if the special accounting treatment of the support programs granted by the Institution derived from Hurricane Otis had not been used, the Capitalization Ratio would have been at 20.67% vs. the observed level of 20.69%, representing a (1.6pbs) impact on the indicator.

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 4Q23

(Million Pesos)

Trading Financial Instruments	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	285,143	3,535	668	289,346
Unrestricted	26,656	308	309	27,274
BONDES F	68	0	0	68
BONDES M	5,357	36	190	5,583
BPA	7	0	(0)	7
BREMS	-	-	-	-
Government Securities	11	0	2	13
UDI Securities	-	-	-	-
CETES	14,137	247	11	14,396
CETES (Special)	-	-	-	-
Government Eurobonds	59	1	(10)	50
Udibonds	6,814	22	117	6,953
Treasury Bills	195	1	-	195
Treasury Notes	8	0	0	8
Restricted	258,486	3,227	359	262,072
BONDES D	27,087	91	18	27,197
BONDES F	43,827	225	29	44,081
BONDES M	3,453	29	58	3,540
BPA	180,749	2,875	242	183,866
Government Securities	1,317	6	1	1,324
UDI Securities	0	0	(0)	0
CETES	1,565	-	(3)	1,562
Government Eurobonds	-	-	-	-
Udibonds	488	0	13	502
Banking Securities	26,577	105	3	26,685
Unrestricted	4,450	3	0	4,452
Bank Acceptances	5	0	-	5
Development Bank Securities	6	0	(0)	6
Bank Securities	8	0	0	8
Deposit Certificates	102	0	-	102
Other Banking Securities	66	0	(0)	66
Promissory Notes	4,263	3	(0)	4,265
Restricted	22,127	103	3	22,232
Development Bank Securities	8,117	22	1	8,140
Bank Securities	1,632	11	1	1,644
Deposit Certificates	10,824	67	0	10,891
Other Banking Securities	1,056	3	0	1,059
Promissory Notes	499	-	0	499
Private Securities	586	12	(10)	588
Unrestricted	586	12	(10)	588
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	536	11	(8)	538
Municipal Stock Certificates	-	-	-	-
Private Eurobonds	50	1	(2)	50
Other Banking Securities	-	-	-	-
Restricted	-	-	-	-
Corporate Stock Certificates	-	-	-	-
Municipal Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Equity Financial Instruments	16,756	-	2,382	19,138
Unrestricted	14,349	-	2,388	16,737
Shares	(1,111)	-	971	(139)
Investment Company Shares	15,460	-	1,417	16,877
Restricted	2,406	-	(6)	2,401
Shares	2,406	-	(6)	2,401
Reasonable Value Adjustment Ixe Bank Acq	-	-	-	-
Total	329,061	3,652	3,043	335,756

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q23

(Million Pesos)

Instruments to Collect or Sell	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	162,946	3,131	(485)	165,592
Unrestricted	42,691	605	30	43,326
BONDES F	-	-	-	-
BONDES M	7,663	183	159	8,005
BPA	-	-	-	-
BREMS	7,778	24	-	7,803
Government Securities	809	2	(71)	740
UDI Securities	102	1	184	287
CETES	3,022	4	(2)	3,023
CETES (Special)	-	-	-	-
Government Eurobonds	8,103	186	(356)	7,933
Udibonds	2,585	8	57	2,649
Treasury Bills	1,670	-	(5)	1,665
Treasury Notes	10,959	197	65	11,221
Restricted	120,255	2,525	(515)	122,265
BONDES D	3,042	3	3	3,047
BONDES F	-	-	-	-
BONDES M	9,019	84	205	9,309
BPA	79,597	2,080	76	81,752
Government Securities	1,666	10	(7)	1,668
UDI Securities	-	-	-	-
CETES	-	-	-	-
Government Eurobonds	24,311	343	(786)	23,868
Udibonds	2,621	6	(6)	2,620
Banking Securities	36,925	246	(178)	36,993
Unrestricted	24,645	181	(187)	24,638
Bank Acceptances	-	-	-	-
Development Bank Securities	2,834	29	(212)	2,652
Bank Securities	2,747	20	(18)	2,748
Deposit Certificates	15,119	120	(12)	15,227
Other Banking Securities	2,073	12	54	2,139
Promissory Notes	1,872	0	0	1,872
Restricted	12,281	65	9	12,355
Development Bank Securities	3,133	24	(3)	3,154
Bank Securities	9,148	41	13	9,201
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Private Securities	20,185	376	(1,128)	19,433
Unrestricted	15,389	327	(1,006)	14,710
Stock Certificates BORHIS	77	-	(77)	0
Corporate Stock Certificates	6,447	92	(755)	5,784
Municipal Stock Certificates	874	12	67	952
Private Eurobonds	7,991	223	(241)	7,974
Other Banking Securities	-	-	-	-
Restricted	4,797	48	(122)	4,723
Corporate Stock Certificates	951	4	3	958
Municipal Stock Certificates	2,520	9	(12)	2,518
Private Eurobonds	1,326	35	(113)	1,247
Equity Financial Instruments	-	-	-	-
Unrestricted	-	-	-	-
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Restricted	-	-	-	-
Shares	-	-	-	-
Reasonable Value Adjustment lxe Bank Acq	-	-	-	-
Total	220,057	3,752	(1,791)	222,018

INVESTMENTS IN FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q23

(Million Pesos)

Financial instruments to Collect Principal and Interest (securities) (net)	Book Value	Interest	Unrealized Gain (Loss)	Market Value
Government Securities	321,482	1,746	-	323,228
Unrestricted	291,664	1,523	-	293,187
BONDES F	2,000	15	-	2,015
BONDES M	927	6	-	933
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	1,956	26	-	1,982
UDI Securities	136	2	-	138
CETES	3,987	-	-	3,987
CETES (Special)	36	426	-	462
Government Eurobonds	35,838	372	-	36,210
Udibonds	236,837	593	-	237,431
Treasury Bills	-	-	-	-
Treasury Notes	9,948	82	-	10,029
Restricted	29,818	223	-	30,041
BONDES D	-	-	-	-
BONDES F	-	-	-	-
BONDES M	15,498	115	-	15,613
BPA	-	-	-	-
Government Securities	-	-	-	-
UDI Securities	-	-	-	-
CETES	2	-	-	2
Government Eurobonds	14,147	108	-	14,254
Udibonds	171	0	-	172
Banking Securities	996	20	-	1,016
Sin Restricción	996	20	-	1,016
Bank Acceptances	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	996	20	-	1,016
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Restricted	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	-	-	-	-
Deposit Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
Private Securities	13,705	1,141	-	14,845
Unrestricted	11,083	1,131	-	12,214
Stock Certificates BORHIS	2	0	-	2
Corporate Stock Certificates	3,161	1,058	-	4,219
Municipal Stock Certificates	2,009	40	-	2,048
Private Eurobonds	4,700	33	-	4,733
Other Banking Securities	1,212	-	-	1,212
Restricted	2,621	10	-	2,631
Corporate Stock Certificates	-	-	-	-
Municipal Stock Certificates	2,621	10	-	2,631
Private Eurobonds	-	-	-	-
Equity Financial Instruments	-	-	-	-
Unrestricted	-	-	-	-
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
Restricted	-	-	-	-
Shares	-	-	-	-
Reasonable Value Adjustment lxe Bank Acq	(347)	-	-	(347)
Reasonable value adjustment lxe Bank Acq	(165)	-	-	(165)
Total	335,670	2,907	-	338,577

REPURCHASE AGREEMENT OPERATIONS 4Q23

(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	40,105	75,715	-	-	362,572
Banking Securities	0	10,501	-	-	12,807
Private Securities	1,501	1,929	-	-	5,633
Total	41,606	88,145	-	-	381,012

DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 4Q23

(Million Pesos)

Creditor Balance	
Instrument	Fair Value
Futures	
TIE 28 Futures	-
Forward	
Fx Forward	939
Options	
Rate Options	910
Fx Options	81
Warrants	14
Swaps	
Rate Swap	18,464
Fx Swap	8,547
Credit Swap	2
Negotiable Total	28,957
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	741
Fx Swap	3,701
Credit Swap	-
Hedging Total	4,442
Position Total	33,399

**DERIVATES FINANCIAL INSTRUMENTS
OPERATIONS 4Q23
(Million Pesos)**

Debtor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	731
Options	
Rate Options	943
Fx Options	87
Warrants	0
Swaps	
Rate Swap	11,995
Fx Swap	7,765
Credit Swap	13
Negotiable Total	21,534
Options	
Rate Options	-
Fx Options	-
Swaps	
Rate Swap	1,151
Fx Swap	1,108
Credit Swap	-
Hedging Total	2,259
Position Total	23,793

**NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q23 - Banorte
(Million Pesos)**

PRODUCT	TYPE	UNDERLYING	NOTIONAL	OPERATIONS
FX Forwards	Purchases	Exchange Rate (USD/MXN)	9,367	238
FX Forwards	Sales	Exchange Rate (USD/MXN)	13,396	251
FX Forwards	Purchases	Exchange Rate (EUR/USD)	0	0
FX Forwards	Sales	Exchange Rate (EUR/USD)	1,785	5
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	253	1
FX Forwards	Sales	Exchange Rate (EUR/MXN)	258	1
FX Options	Purchases	Exchange Rate (Dollar)	4,156	85
FX Options	Sales	Exchange Rate (Dollar)	4,003	83
Interest Rate Options	Purchases	TIIE	31,162	108
Interest Rate Options	Sales	TIIE	30,947	260
Interest Rate Options	Purchases	SOFR	20,822	40
Interest Rate Options	Sales	SOFR	22,969	51
Interest Rate Options	Purchases	SOFR	1,492	1
Interest Rate Options	Sales	SOFR	1,492	1
Interest Rate Options	Swaption - Purchases	TIIE	0	0
Interest Rate Options	Swaption - Sales	TIIE	0	0
Interest Rate Options	Swaption - Purchases	SOFR	848	2
Interest Rate Options	Swaption - Sales	SOFR	0	0
Interest Rate Swaps	MXN TIIE	TIIE	971,066	3,701
Interest Rate Swaps	USD SOFR	SOFR	317,791	2,434
Interest Rate Swaps	MXN TIIE M M	TIIE	14,647	12
Interest Rate Swaps	USD SOFR	SOFR	4,871	4
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	97	2
Interest Rate and FX Swaps	CS USDMXN	VARIABLE/VARIABLE	129,984	139
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	0	0
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 GBPMXN	FIX/FIX	2,575	11
Credit Derivatives	CDS USD	D2_JPMM86_290123	305	1
Credit Derivatives	CDS USD	D1_MEXC46_270328	933	7
Equity Options	Purchases	*I_SPX_IND	340	2
Equity Options	Sales	*I_SPX_IND	0	0
Equity Options	Purchases	1L_TLT_*	468	1
Equity Options	Sales	1L_TLT_*	496	1

LOAN PORTFOLIO								
(Million Pesos)								
	Local Currency		UDIS		Foreign Currency		Total	
	4Q22	4Q23	4Q22	4Q23	4Q22	4Q23	4Q22	4Q23
Performing Loans Stage 1 & 2								
Commercial Loans	277,696	309,920	-	-	80,906	96,174	358,601	406,094
Loans to Financial Entities	12,243	16,028	-	-	6,033	9,442	18,277	25,470
Consumer Loans	144,351	175,263	-	-	-	-	144,351	175,263
Mortgage Loans	226,873	253,091	59	47	-	-	226,932	253,138
Government Loans	144,452	154,276	-	-	27,268	17,685	171,720	171,961
Total	805,616	908,578	59	47	114,206	123,301	919,881	1,031,926
Past Due Loans Stage 3								
Commercial Loans	3,380	2,953	-	-	1,192	806	4,572	3,759
Financial to Financial Entities	4	123	-	-	-	-	4	123
Consumer Loans	3,528	4,820	-	-	-	-	3,528	4,820
Mortgage Loans	1,861	2,175	4	2	-	-	1,865	2,177
Government Loans	4	11	-	-	-	-	4	11
Deferred Items	2,047	2,397	-	-	(4)	(11)	2,042	2,386
Total Credit Portfolio	816,440	921,058	62	49	115,394	124,096	931,897	1,045,203
Insurance and Bail Bond Portfolio	3,188	3,503	-	-	-	-	3,188	3,503
Total Proprietary Loans with Insur. and Subs.	819,628	924,561	62	49	115,394	124,096	935,084	1,048,706

**COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND
MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q23- GFNorte**

(Million Pesos)		
	PERIOD COST	TOTAL BALANCE OF LOAN PORTFOLIO
INAPE	-	-
OPYME	-	-
Mortgage UDIS	31.1	0.0
Mortgage FOVI	-	-
	31.1	0.0

DEFERRED TAXES 4Q23

(Million Pesos)

ASSETS	INCOME TAX	NET
Global loss reserves loan portfolio	5,232	5,232
Non deductible provisions	1,853	1,853
Excess of accounting value over fiscal value on repossessed long-term assets	731	731
Diminishable Employee Profit Sharing (PTU)	393	393
Advanced charged fees	1,245	1,245
Effects from valuation of instruments	-	-
Tax losses pending amortization	307	307
Provisions for possible loss in loans	577	577
Pension funds contribution	46	46
Loss on sale of foreclosed assets and credits	0	0
Value decrease in property	-	-
Loan interest	-	-
Other accounts	8	8
Total Assets	10,391	10,391
LIABILITIES		
Pension funds contribution	-	-
Loan portfolio acquisitions	(319)	(319)
Projects to be capitalized	(7,087)	(7,087)
Intangibles' amortizations different from commercial funds	-	-
Effects from valuation of instruments	(4,451)	(4,451)
Intangibles' amortizations related with clients	(301)	(301)
Unrealized loss on securities held for sale	(70)	(70)
Total Liabilities	(12,228)	(12,228)
Assets (Liabilities) accumulated net	(1,838)	(1,838)

LONG TERM DEBT AS OF DECEMBER 31, 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	1,376	15 years	5.750%	04-oct-26	04-oct-31	180 days
Non Convertible Subordinated Bonds 2017 (D2_BANOE91_999999)	USD	06-jul-17	550	10,077	9,305	Perpetual	7.625%	10-ene-28	Perpetual	Quarterly
Stock certificates 2016 (94_BINTER_16U)	UDIS	13-oct-16	365	2,000	2,915	10 years	4.970%	-	01-oct-26	182 days
Stock certificates 2019 (94_BANORTE_19-2)	MXN	17-may-19	1,500	1,500	1,500	5 years	TIE +0.17%	-	10-may-24	28 days
Non Convertible Subordinated Bonds 2019 (D2_BANOA64_999999)	USD	27-jun-19	600	11,501	10,151	Perpetual	6.750%	27-sep-24	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2019 (D2_BANOB48_999999)	USD	27-jun-19	500	9,584	8,460	Perpetual	7.500%	27-jun-29	Perpetual	Quarterly
Eurobond (Swiss francs) 2020 (D2_BANO664_241206)	CHF	06-mar-20	225	4,826	4,524	4.8 years	0.500%	-	06-dec-24	Annual
Non Convertible Subordinated Bonds 2020 (D2_BANOC21_999999)	USD	14-jul-20	500	11,309	8,460	Perpetual	8.375%	14-oct-30	Perpetual	Quarterly
Stock certificates 2020 (94_BANORTE_20U)	UDIS	30-sep-20	107	700	853	10 years	2.760%	-	18-sep-30	182 days
Non Convertible Subordinated Bonds 2021 (D2_BANOA99_999999)	USD	24-nov-21	500	10,718	8,460	Perpetual	5.875%	24-ene-27	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2021 (D2_BANOB72_999999)	USD	24-nov-21	550	11,790	9,305	Perpetual	6.625%	24-ene-32	Perpetual	Quarterly
Stock certificates 2023 (94_BANORTE_23-2)	MXN	24-feb-23	6,581	6,581	6,581	2 years	TIE + .04%	-	21-feb-25	28 days
Stock certificates 2023 (94_BANORTE_23-3)	MXN	24-feb-23	4,179	4,179	4,179	4 years	TIE + .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	TIE 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
Stock certificates 2023 (94_BANORTE_23-6)	MXN	09-nov-23	10,000	10,000	10,000	2 years	TIE fondo+0.020%	-	06-nov-25	28 days

BANK AND OTHER ENTITIES LOANS' AS OF 4Q23

(Million Pesos)

	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Local Banks	23,921	-	23,921
Loans from Development Banks	19,581	710	20,291
Loans from Public Funds	6,638	1,054	7,692
Loans from Fiduciary Funds	32	-	32
Provisions for Interest	40	-	40
	50,213	1,763	51,976
Eliminations			(18,835)
Total			33,142

CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS -
INTEREST RATES 4Q23

CORE DEPOSITS (BANORTE)

Demand Deposits

Local Currency and UDIs	3.06%
Foreign Currency	1.68%

Time Deposits - Retail

Local Currency and UDIs	8.72%
Foreign Currency	2.96%

Time Deposits - Money Market

Local Currency and UDIs	10.67%
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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	9.38%
Foreign Currency	4.82%

MAIN CREDIT LINES RECEIVED 4Q23 (BANORTE)

Million pesos

	4Q22			3Q23			4Q23		
	Line	Used	% used	Line	Used	% used	Line	Used	% used
Bank Counterparty Lines (Call Money)	268,076	2,203	0.8%	266,217	5,360	2.0%	265,805	2,582	1.0%
Banxico (Repos for liquidity with the System of Payments) RSP*	87,287	20,095	23.0%	89,999	19,541	21.7%	91,400	16,426	18.0%
Banxico MXN & USD Credit Auction*	55,706	-	0.0%	71,254	-	0.0%	76,230	-	0.0%
Banxico Credit line with Government and Banking securities as collateral (Ordinary Facility)*	55,706	-	0.0%	71,254	-	0.0%	76,230	-	0.0%
Banxico Credit line with State and Municipal Government securities as collateral (Extraordinary Facility)	90,121	-	0.0%	93,367	-	0.0%	93,367	-	0.0%
TOTAL	556,895	22,298	4.0%	592,090	24,901	4.2%	603,032	19,008	3.2%

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

TRADING INCOME 4Q23
Million Pesos

Trading income	Consolidated
Securities - Unrealized gains	2,108
Trading financial instruments	1,562
Derivate trading financial instruments	541
Derivative instruments - hedging	5
Impairment loss or revaluation increase	127
Result from foreign exchange valuation	(7,009)
Result from valuation of precious metals	0
Result from purchase/sale of securities and derivatives	792
Trading financial instruments	618
Financial instruments to collect or sell	102
Financial instruments to collect principal and interest (securities)	24
Negotiable derivate instruments	16
Cash flow hedges	32
Result from purchase/sale of foreign exchange	7,891
Result from purchase/sale of precious metals	4
Total	3,913

Internal Control

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

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

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

ICS is structured around three defense lines:

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

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

During the fourth quarter of 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 manuals containing policies and procedures remained updated for changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls.
- C. The requests from different internal areas regarding the internal control matters were addressed, both in support of the development of new institutional projects, as well as with those that derive from regulatory changes.
- D. GFNORTE's business and operating support processes were constantly monitored through the Business Process and Management Controllers. They issue periodic compliance reports and identify areas of opportunity so that they can be remediated appropriately.
- E. Various activities regarding internal accounting control took place and were concluded in accordance with the work plan established at the beginning of the year.
- F. 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.
- G. 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.
- H. 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.
- I. Different actions were carried out to ensure the proper use of personal data.
- J. The Information Security Officer (CISO) carried out its functions according to the Master Plan, reporting the findings and the details of the activities to the General Director of GFNorte and to the Corresponding Corporate Governance Committees, while maintaining a matrix coordination with the Comptroller, as part of the SCI.
- K. The follow-up to the improvement actions regarding the observations made by the different members of the SCI continued.
- L. The requirements of the Supervisory Authorities were answered, and the information requirements required by the external regulation were fulfilled. In addition, ordinary inspection visits by the authorities were attended and follow-ups in remediation from the resulting recommendations have been fulfilled.

Financial Situation and Liquidity

Main sources of liquidity

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

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

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

Important initiatives of Banorte's liquidity during 4Q23.

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 December 2023, Banorte's notes with ticker symbol BANO343, issued in 2019, matured for a total of CHF\$160 million.

In addition, it should be noted that Banorte has not used the Central Bank of México's Ordinary Facilities or Extraordinary Facilities during 4Q23.

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

Related Parties Loans

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

In the case of GFNorte, as of December 31st and September 30th, 2023, the amount of loans granted to third parties was as follows (billion pesos):

Lender	Dec-2023	% Basic Equity	Sep-23	% Basic Equity
Banorte	22.10	11.2%	18.80	9.6%
	22.10		18.80	

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

Banorte

As of **December 31st, 2023**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 22.10 billion (including Ps 2.58 billion in Letters of Credit "CC", which are registered in memorandum accounts), representing 2.2% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans balance, Ps 11.95 billion were loans granted to clients linked to members of the Board of Directors, and Ps 10.16 billion were linked to companies related to GFNORTE. At the end of December 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 December 2023 was 11.2% 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, 93% of the related party loans are rated in Category "A", and most of these loans were classified as commercial loans.

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.

Loan or tax liabilities

The tax credits listed below are currently in litigation:

As of December 31st, 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	1,185
Financial year 2014		1,185
SEGUROS BANORTE	Ps	1,377
Financial year 2015		1,377
SEGUROS BANORTE	Ps	2,119
Financial year 2017		2,119

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, February 5, April 30, May 27, June 23, August 27, September 21, October 29, November 9 and 13, December 16 and 31, 2015, April 7 and 28, June 22, July 7 and 29, August 1, September 19 and 28, and December 27, 2016, January 6, April 4 and 27, May 31, June 26, July 4 and 24, 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, 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, 2020, May 21, June 18, July 20 and 23, August 6, September 23, and December 15, 30, and 31 2021, May 13 and 27, June 22, September 2, October 19, 2022, January 13, April 17, September 13, 15 and 27, and December 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.