



GRUPO FINANCIERO BANORTE

Board of Directors Report

San Pedro Garza García, N.L., April 23, 2021.

To the General Shareholders Meeting of Grupo Financiero Banorte, S.A.B. de C.V.

In compliance with the provisions of Article 39, Section IV, of the Law to Regulate Financial Groups (LRAF) and Article 28, Section IV, of the Securities Market Law (LMV), the following reports corresponding to fiscal year 2020 are hereby submitted to the General Shareholders Meeting of Grupo Financiero Banorte, S.A.B. de C.V. (GFNorte):

- a) Regarding the reports referred to in Articles 58 of the Law to Regulate Financial Groups, 43 of the Securities Market Law and 34 of the CUAE, the Annual Report of the Auditing and Corporate Practices Committee dated March 25, 2021 is attached hereto.
- b) As to the report the Director General must prepare according to the provisions of Article 59, Section X, of the Law to Regulate Financial Groups and Article 44, Section XI, of the Securities Market Law, together with the report of the external auditor, the report on the progress of the company for fiscal year 2020, signed by Mr. Marcos Ramírez Miguel, together with the opinion of Galaz, Yamasaki, Ruiz Urquiza, S.C. (a member of Deloitte Touche Tohmatsu), External Auditor of GFNorte, is attached hereto.
- c) In connection with the opinion on the contents of the Report of the Director General of Grupo Financiero Banorte (GFNorte) on the progress of the Company, the report of Mr. Marcos Ramírez Miguel corresponding to fiscal year 2020, as well as the financial statements with an opinion of GFNorte and Subsidiaries as of December 31, 2020 and the report of the External Auditor, were reviewed and in our opinion it contains a record of the national and international environments mainly affected by the Covid 19 health crisis which affected a great deal of areas beyond health, the efforts to support our Consumption Clients and PYMES suffering the effects of the pandemic, such as support programs and innovative schemes to take care of our users through technological platforms, the results as of December 31, 2020 and the profitability thereof, relevant events such as the strategic alliance with Rappi to offer an innovative value proposal with the best in financial services and electronic commerce, awards as the best Mexican bank in 2020 and other awards in categories such as responsible investment, corporate governance and sustainability.

We reiterate our commitment to continue with the digital transformation of the Bank, innovating and adding functionalities to the Web and Mobile channels and strengthening the offer of our products and services in order to meet the needs of our clients aligned with

our vision of being the Strong Bank of Mexico and the best financial services company in Mexico.

Likewise, we hereby inform you as follows:

1. The accounting and information policies and criteria followed are adequate and comply with the regulation applicable to GFNorte and the financial entities thereof.
2. According to the opinion of the External Auditor and the reports of the reviews by Internal Auditing, such accounting policies and criteria were consistently applied in the financial information submitted by the Director General.
3. As a result of that mentioned above, the information submitted by the Director General reasonably reflects the financial condition and results of GFNorte and Subsidiaries.

Regarding the report on the main accounting and information policies and criteria followed in the preparation of the financial information of Grupo Financiero Banorte (GFNorte) and Subsidiaries, required by Article 172, paragraph b) of the General Law of Business Corporations, it is informed that the Auditing and Corporate Practices Committee reviewed with the persons responsible for their preparation and review, the financial statements as of December 31, 2020 and the notes thereto, as well as the opinion of the External Auditor before the issuance thereof, which shows no exceptions, for which reason their approval was recommended to the Board of Directors.

In Note 4 of the audited financial statements, called "Main Accounting Policies", the main accounting and information policies and criteria followed in the preparation of the financial information of GFNorte and Subsidiaries as well as the main changes in the accounting policies made during the fiscal year and the effects thereof on the financial information were described and explained.

- d) d) In connection with the report on the operations and activities where the Board of Directors of Grupo Financiero Banorte (GFNorte) participated according to the provisions of the Securities Market Law, the Law to Regulate Financial Groups and the External Auditors Sole Circular Letter, during 2020, after listening, when applicable, the opinion of the Auditing and Corporate Practices Committee, we call your attention to the following approvals:

1. Operations with related parties and as of December 31, 2020, the amount of the credits granted through Banco Mercantil del Norte amounted to \$14,844 million pesos, an amount lower than the limit set forth by the respective regulation.
2. Changes at the second level of the organizational structure related to the appointment of Mr. Gerardo Salazar Viesca as Director General of Risks and Credit Administration.
3. The annual review of internal control basic documents, especially the amendments to the Ethics Code, the Internal Control Objectives and Guidelines, the Human Resources General Policies and those corresponding to the use of Material Resources was performed.

4. The financial statements as of December 31, 2020 and the quarterly financial statements for the same fiscal year.
5. The accounting firm Galaz, Yamasaki, Ruiz Urquiza, S.C. (a member of Deloitte Touche Tohmatsu) was appointed as the accounting firm in charge of the external audit of the basic financial statements of GFNorte, Banco Mercantil del Norte and its Subsidiaries for fiscal year 2020, Mr. Héctor García Garza, as Independent External Auditor in charge of signing the opinions and the cost for the external audit services of the basic financial statements.
6. The additional services of the External Auditor related to the issuance of perpetual notes, structured banking bonds, option certificates and stock exchange certificates programs, vulnerabilities testing to critical applicatives and the review of transfer prices, local taxes and sustainability report were approved.
7. Amendments to the bylaws of the Auditing and Corporate Practices Committee and the Bank were approved.

Very truly yours,

Héctor Ávila Flores

Secretary of the Board of Directors of
Grupo Financiero Banorte, S.A.B de C.V.