



Annual Report 2025

GRUPO FINANCIERO BANORTE, S.A.B. DE C.V.

David Alfaro Siqueiros 106, Col.Valle Oriente

C. P. 66278

San Pedro Garza García, Nuevo León, México

This Annual Report was prepared in accordance with regulations applicable to companies issuing securities as well as other participants in the market with information for the fiscal year ending December 31st, 2025.

The 2,813,156,594 "O" series shares of Grupo Financiero Banorte, S.A.B. de C.V. in circulation as of December 31st, 2025 are traded in the Bolsa Mexicana de Valores (Mexican Stock Exchange) under the symbol "GFNORTE O" and are registered in the National Securities Registry ("RNV").

The second to last paragraph of Article 86 of the Stock Market Law states that:

Issuing companies with registered securities, must display in the prospectus, supplement or informative brochure, a legend that explicitly states that such registration does not imply a certification of the attractiveness of those securities, solvency of the issuer or the accuracy or truthfulness of the information contained in the prospectus, nor does it authenticate acts that, if the case, have been conducted in breach of these laws.

This report is available to the public at www.investor.banorte.com, in the route "Financial Information / Annual Reports / Circular Unica CNBV 2025 Annual Report - GFNorte".

San Pedro Garza García, N.L. April 30th, 2026.

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1. GENERAL INFORMATION

a) GLOSSARY OF TERMS AND DEFINITIONS

Unless the context suggests otherwise, for purposes of this Annual Report, the following terms have the meanings ascribed to them below and can be used interchangeably in singular or plural.

TERM	DEFINITION
ADR's:	American Depositary Receipts
Afores:	Retirement Saving Funds Managers.
Afore Bancomer:	Administradora de Fondos para el Retiro Bancomer, S.A. de C.V.
Afore Banorte:	Banorte Generali, S. A. de C. V., AFORE (prior its merger with Afore XXI).
Afore XXI Banorte:	Afore XXI Banorte, S.A. de C.V. (corporate identity after the Afore Banorte and Afore XXI merger).
Almacenadora Banorte	Almacenadora Banorte, Organizacion Auxiliar del Credito, Grupo Financiero Banorte
Arrendadora y Factor Banorte:	Arrendadora y Factor Banorte, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada, Grupo Financiero Banorte.
ATM's:	Automated Teller Machine.
Bancen:	Banco del Centro, S. A.
Bancrecer:	Bancrecer, S. A.
Banking Subsidiaries:	Banorte and subsidiaries
Banorte:	Banco Mercantil del Norte, S. A., Institucion de Banca Multiple, Grupo Financiero Banorte.
Banorte Ahorro y Previsión	Banorte Ahorro y Previsión, S.A. de C.V.
Banorte Futuro	Banorte Futuro, S.A. de C.V.,
Banorte-Ixe Tarjetas:	Banorte-Ixe Tarjetas, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada (Formerly Ixe Tarjetas). Subsidiary of Banorte.
Banorte USA:	Banorte USA Corp., subsidiary of Banco Mercantil del Norte, S. A.
Banxico:	Bank of Mexico (Mexican Central Bank).
BCP	Business Continuity Plan
BIVA	Bolsa Institucional de Valores (Mexican Stock Exchange)
BMV:	Bolsa Mexicana de Valores, S.A.B. de C.V. (Mexican Stock Exchange).
Bineo:	Banco Bineo S.A., Institución de Banca Múltiple, Grupo Financiero Banorte
bp	Basis points
Capitalization requirements:	Capital requirements for credit institutions established in the LIC and Circular Unica de Bancos
Casa de Bolsa Banorte:	Casa de Bolsa Banorte, S.A. de C.V., Grupo Financiero Banorte (merged entity with Ixe Casa de Bolsa).
Casa de Bolsa Banorte Ixe:	Casa de Bolsa Banorte Ixe, S.A. de C.V., Grupo Financiero Banorte.
CAPS:	Comité de Auditoria y Prácticas Societarias (Audit & Corporate Practices Committe).
CC:	Credit letters.
CDP:	Not-for-profit organization which provides the major environmental divulgation system in the world.
CEBUR:	Certificado Bursátil (Stock Certificate).

TERM	DEFINITION
CEDES:	Certificados de Depósito a Plazo Fijo (Fixed term Certificate of Deposit).
CETES:	Certificados de la Tesorería de la Federación (Mexican Federal Treasury Certificates).
Circular Unica de Bancos (CUB):	General provisions applicable to credit institutions, published in the Official Gazette on December 2 nd , 2005, as they have been modified.
Circular Única de Emisoras (CUE):	General provisions applicable to issuers and other market participants, published in the Official Gazette on March 19, 2003, as they have been modified.
Circular Única de Auditores Externos (CUAE):	General provisions applicable to entities and issuers, published in the Official Gazette on April 26, 2018, as they have been modified.
CMPC	Código de Mejores Prácticas Corporativas (Best Corporate Practices Code).
CNBV:	Comisión Nacional Bancaria y de Valores (National Banking and Securities Commission).
CNSF:	Comisión Nacional de Seguros y Fianzas (National Insurance and Bonding Commission).
COFECO/ COFECE:	Comisión Federal de Competencia Económica (Federal Commission of Economic Competition).
CONDUSEF:	Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (National Commission for the Protection and Defense of Financial Services users).
CONSAR:	Comisión Nacional del Sistema de Ahorro para el Retiro (National Commission of the Retirement Saving Funds System).
CPO's:	Certificados de Participación Ordinarios (Ordinary Participation Certificates).
CPR	Comité de Políticas de Riesgo (Risk Policies Committee).
CR:	Capitalization ratio.
Creditos Pronegocio:	Créditos Pronegocio, S.A. de C.V., Sociedad Financiera de Objeto Limitado, Grupo Financiero Banorte
CUSF:	General provisions applicable to Insurance and Bonding Institutions.
D:	Director.
DMD:	Deputy Managing Director.
DOF:	Diario Oficial de la Federación (Official Gazette).
D-SIB:	Domestic Systemically Important Bank subject to additional capital buffers
ED	Executive Director
EMISNET:	Electronic Communications System with Securities Issuers.
EMV:	Europay, Mastercard, Visa
EPS:	Employee Profit Sharing Agreement.
FATCA:	Foreign Account Tax Compliance Act
FCICK 16-1	Conversion Trust FCICK 16-1
Fincasa Hipotecaria:	Fincasa Hipotecaria, S.A. de C.V. Sociedad Financiera de Objeto Múltiple, Entidad Regulada, Grupo Financiero Banorte (merged in Banco Mercantil del Norte).
Fintech	Financial Technology Entities
Forward:	Non-standardized private contract to buy or sell a specific asset at a certain price level whose liquidation will be carried out at a future date.
Generali:	Assicurazioni Generali, S.P.A. Italian company and strategic partner of GFNorte until 2013.
GFInter	Grupo Financiero Interacciones, S.A.B. de C.V
GFNorte, the Company, the Issuer:	Grupo Financiero Banorte, S. A. B. de C. V.

TERM	DEFINITION
GEO:	Corporación GEO, S.A.B. de C.V.
GDP	Gross Domestic Product
Holding:	Holding company.
Homex:	Desarrolladora Homex, S.A.B. de C.V.
IFC:	International Finance Corporation.
IMSS:	Instituto Mexicano del Seguro Social. (Mexican Social Security Institute)
INB:	Inter National Bank.
Indeval:	S. D. Indeval, Institucion para el Depósito de Valores, S. A. de C. V. (Institute for Deposit of Securities).
IPAB:	Instituto para la Protección al Ahorro Bancario (Institute for the Protection of Bank Savings).
ISDA:	International Swaps and Derivatives Association
ISR:	Income Tax.
Ixe Automotriz:	Ixe Automotriz, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada, Grupo Financiero Banorte (merged in Arrendadora y Factor Banorte).
Ixe Banco:	Ixe Banco, S. A., Institucion de Banca Multiple, Grupo Financiero Banorte (merged in Banco Mercantil del Norte).
Ixe Casa de Bolsa:	Ixe Casa de Bolsa, S.A. de C.V., Grupo Financiero Banorte (changed its corporate identity to Casa de Bolsa Banorte)
Ixe Fondos:	Ixe Fondos, S.A. de C.V., Sociedad Operadora de Sociedades de Inversion, Grupo Financiero Banorte (changed its corporate identity to Operadora de Fondos Banorte Ixe).
Ixe GF:	Ixe Grupo Financiero, S.A.B. de C.V. (merged in GFNorte).
Ixe Servicios	Ixe Servicios, S.A. de C.V.
Ixe Soluciones:	Ixe Soluciones, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada, Grupo Financiero Banorte (merged in May 2013 with Solida which changed its name to Sólida Administradora de Portafolios)
Ixe Tarjetas:	Ixe Tarjetas, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada (changed its corporate identity to Banorte-Ixe Tarjetas)
KRI:	Key Risk Indicators
LCR:	Liquidity Coverage Ratio
LFI:	Ley de Fondos de Inversión (Mutual Funds Law)
LIC:	Ley de Instituciones de Credito (Credit Institutions Law).
LISF:	Ley de Instituciones de Seguros y de Fianzas (Insurance and Bonding Institutions Law)
LGOAAC:	Ley General de Organizaciones y Actividades Auxiliares del Credito.
LGSM:	Ley General de Sociedades Mercantiles (General Corporate's Law)
LMV:	Ley del Mercado de Valores (Securities' Market Law).
LRAF:	Ley para Regular las Agrupaciones Financieras (Law Regulating Financial Groups)
LSAR:	Ley del Sistema de Ahorro para el Retiro (Retirement Savings System Law)
MD:	Managing Director
M. E.:	Moneda extranjera (Foreign currency).
M. N.:	Moneda nacional (Local currency, Mexican pesos).
Motran:	Motran Services Incorporated (remittance company based in Los Angeles, California acquired by Banorte and merged with Uniteller in 2014).
Nafin, Nacional Financiera:	Nacional Financiera, S.N.C., Institucion de Banca de Desarrollo.
Nearshoring:	Strategy of relocating business operations to nearby countries to reduce costs and improve efficiency.

TERM	DEFINITION
NII:	Net Interest Income.
NIM:	Net Interest Margin.
NPS	Net Promoter Score, indicator that measures client loyalty and satisfaction.
NSFR:	Net Stable Funding Ratio
OTC:	Over The Counter.
Operadora de Fondos Banorte Ixe	Operadora de Fondos Banorte Ixe, S.A. de C.V., Sociedad Operadora de Fondos de Inversion, Grupo Financiero Banorte
Participaciones federales	Federal Contributions
PDL:	Past due loan ratio
Pensiones Banorte	Pensiones Banorte, S.A. de C.V., Grupo Financiero Banorte
Pensiones Banorte Generali	Pensiones Banorte Generali, S.A. de C.V., Grupo Financiero Banorte (changed its corporate identity to Pensiones Banorte)
pp:	Percentage points
PRLV:	Pagares Bancarios con Rendimiento Liquidable al Vencimiento (Bank notes with yield settlement at maturity)
Ransomware:	Malware that encrypts a victim's files and demands a payment (ransom) to restore access to the data.
RNV:	Registro Nacional de Valores (National Securities Registry).
ROA:	Return on Assets
ROE:	Return on Equity
ROTE	Return on Tangible Equity
RRWA	Return on Risk Weighted Assets
SAT:	Servicio de Administracion Tributaria (Tax Administration Service).
SCI/ICS:	Sistema de Control Interno (Internal Control System).
Seguros Banorte	Seguros Banorte, S.A. de C.V., Grupo Financiero Banorte
Seguros Banorte Generali	Seguros Banorte Generali, S.A. de C.V., Grupo Financiero Banorte (changed its corporate identity to Seguros Banorte)
Shares	Common, nominative shares, with a face value of Ps. 3.50, corresponding to Series "O" Class II shares, which represent the variable portion of equity
SHCP:	Secretaria de Hacienda y Credito Publico (Ministry of Finance and Public Credit).
SIEFORE:	Sociedad de Inversion Especializada en Fondos para el Retiro (Specialized Retirement Savings Fund).
SNA:	Sistema Nacional Anticorrupción(National Anticorruption System)
SMEs:	Small and Medium Sized Businesses
Sociedades de Información Crediticia:	Financial entities whose purpose is to provide the services of collection, handling and delivery or transmission of information relating to the credit history of individuals and corporate entities.
SOFOL:	Sociedad Financiera de Objeto Limitado (Restricted Non-Banking Financial Institution).
SOFOM:	Sociedad Financiera de Objeto Multiple (Multi-purpose Non-Banking Financial Institution).
Solida Administradora de Portafolios:	Solida Administradora de Portafolios, S. A. de C. V. which was spun-off from Banco Mercantil del Norte to later merge with Ixe Soluciones in May 2013. Once merged into Ixe Soluciones, Solida change its coporate identity to Solida Administradora de Portafolios.
SPID:	Interbank Dollar Payment System operated by Banco de México

TERM	DEFINITION
Swap:	Private contract establishing the bilateral obligation to exchange one stream of cash flow for another for a set period of time on pre-established dates.
Tarjetas del Futuro	Tarjetas del Futuro, S.A.P.I. de C.V.
Tier 1:	Basic capital.
Tier 2:	Complementary capital.
TIIE:	Tasa de Interes Interbancaria de Equilibrio (Inter-bank Equilibrium Interest Rate).
TLAC	Total Loss Absorbing Capacity
TPV's/ POS:	Point of Sale.
UAIR:	Unidad para la Administracion Integral de Riesgos (Unit for the Comprehensive Risk Management)
UDIS:	Unidades de inversion (Units of investment indexed to inflation).
UMS:	Bonos Soberanos Mexicanos (Sovereign Bonds).
Uniteller:	Uniteller Financial Services, Inc. (remittance company based in New Jersey).
Urbi	Urbi Desarrollos Urbanos, S.A.B. de C.V.
USA:	United States of America.
USMCA (T-MEC)	United States–Mexico–Canada Agreement governing North American trade
USD:	US dollars.
VaR:	Value at Risk.

b) EXECUTIVE SUMMARY

When analyzing the information contained herein is important to take the following into consideration:

- ✓ In 2025, Banco Mercantil del Norte acquired the remaining 44.28% of the equity interest of Tarjetas del Futuro, S.A.P.I. de C.V. (“TDF”), thereby obtaining a 100% ownership interest in the entity. Subsequently, it capitalized five convertible loans extended to TDF and received TDF’s loan portfolio as payment in kind. As a result of these transactions, Banco Mercantil del Norte deconsolidated TDF from its Financial Statements, recognizing it as “Discontinued Operations” in the Income Statement and as a “Non-current asset held for sale or for distribution to owners” in the Statement of Financial Position. In compliance with the disclosure requirements set forth in accounting standard NIF B-11, TDF’s operations were deconsolidated retroactively from Banorte’s Financial Statements for fiscal years 2024 and 2025. For this reason, the 2024 figures included in this report were restated and, consequently, do not correspond to those published in the annual report issued in April 2024, nor are they comparable to the figures reported for 2023. The entity is currently in the process of liquidation.
- ✓ In 2025, Grupo Financiero Banorte deconsolidated Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte (“Bineo”) from its consolidated financial statements, classifying it as “Discontinued Operations” in the Income Statement and as a “Non-current asset held for sale or for distribution to owners” in the Statement of Financial Position. In compliance with the presentation and disclosure requirements set forth in accounting standard NIF B-11, Bineo’s operations were deconsolidated retroactively from GFNorte’s consolidated financial statements for fiscal years 2024 and 2025. Accordingly, the 2024 figures included in this report have been restated and, as a result, do not correspond to those published in the annual report issued in April 2024, nor are they comparable to the figures reported for 2023. The sale process of Bineo is ongoing.
- ✓ The financial information contained in this report is based on the Audited Consolidated Financial Statements of Grupo Financiero Banorte (GFNorte) for the year ended December 31, 2025 and 2024, published by Galaz, Yamazaki, Ruiz Urquiza, S. C. Member of Deloitte Touche Tohmatsu Limited, dated February 20, 2026. For the year ended December 31, 2023, the financial figures are based on the Audited Consolidated Financial Statements of GFNorte, published by Galaz, Yamazaki, Ruiz Urquiza, S. C. Member of Deloitte Touche Tohmatsu Limited, dated February 28, 2025.
- ✓ Starting on 2Q24, a new methodology for calculating ratios was adopted, in line with the standardization issued by the CNBV for the Banking Sector. The adjustment is not retroactive for the periods before 2024 shown in this report, which makes the financial indicators incomparable.
- ✓ From December 2023 to mid-December 2025, Banorte fully consolidated TDF’s operations on a line-by-line basis in its financial statements.
- ✓ The financial information presented in this report has been calculated in pesos and the tables are in million pesos, thus, differences are the result of rounding effects.
- ✓ For comparison purposes, is relevant to consider that GFNorte owns 98.2618% of shares of the Bank, therefore in some cases certain figures may vary when referring to them, both for the Group and the Bank.

SELECTED FINANCIAL INFORMATION

	2025	2024	2023
Net Income	\$58,788	\$56,188	\$52,418
Total Assets GFNorte	\$2,598,663	\$2,471,209	\$2,274,859
Total Liabilities GFNorte	\$2,346,450	\$2,222,781	\$2,025,654
Stockholders’ Equity GFNorte	\$252,213	\$248,428	\$249,205

INFORMATION PER SHARE

Earnings per share Basic (pesos) ¹⁾	\$20.79	\$19.72	\$18.31
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Earnings per share Diluted (pesos) ²⁾	\$ 20.79	\$ 19.72	\$18.31
Dividend approved per share (pesos) ³⁾	\$16.98	\$12.64	\$13.08
Book value per share (pesos) (excluding minority interest) ⁴⁾	\$88.54	\$88.69	\$86.48
Shares outstanding Basic (millions) ⁵⁾	2,828.07	2,849.34	2,862.68
Shares outstanding Diluted (millions) ⁵⁾	2,828.07	2,849.34	2,862.68

PROFITABILITY RATIOS

NIM	6.29%	6.21%	6.32%
NIM Adjusted for Credit Risk	5.36%	5.40%	5.53%
NIM from Loan Portfolio	8.43%	8.14%	8.59%
Return on Assets (ROA)	2.32%	2.32%	2.39%
Return on Equity (ROE)	22.80%	22.44%	21.41%

OPERATIONS

Efficiency Ratio ⁶⁾	35.83%	35.74%	36.23%
Operating Efficiency Ratio ⁷⁾	2.28%	2.15%	2.22%
LCR Banorte and SOFOM - Basel III	162.35%	164.15%	160.54%

ASSET QUALITY INDICATORS

Non-Performing Loan Ratio	1.38%	0.93%	1.04%
Coverage Ratio	135.08%	183.67%	182.33%

CAPITALIZATION RATIO

Banco Mercantil del Norte	20.06%	21.78%	20.72%
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INFRASTRUCTURE AND EMPLOYEES

Bank Branches ⁸⁾	1,216	1,191	1,164
ATMs (automated teller machines)	12,168	11,284	10,372
Points of Sale	251,333	197,216	167,148
Full-time employees	34,556	33,765	32,705
Full-time employees and professional services	34,556	33,767	32,707

Million pesos.

- Earnings per Share Basic= Net Income of the period / weighted average of accounting outstanding shares.
- Earnings per Share Diluted = Net income of the period / (weighted average of accounting outstanding shares + weighed average of shares potentially dilutive).
- In 2025, dividends declared by the Shareholders' meetings were those corresponding to 85% of the profit of 2024; a first dividend of Ps 28,094,143,672.91, at Ps 9.986697410597470 per share, paid on May 5, 2025, and a second dividend of Ps 19,665,900,571.03 at Ps 6.990688187418230 per share, paid on December 9, 2025, charged against the profits of prior years. In 2024, dividends declared by the Shareholders' meetings were those corresponding to 69% of the profit of 2023; a first dividend of Ps 26,209,114,772.24, at Ps 9.089477825598920 per share, paid on June 28, 2024, and a second dividend of Ps 10,000,000,000.00 at Ps 3.554725684779990 per share, paid on December 18, 2024, charged against the profits of prior years. In 2023, dividends declared by the Shareholders' meetings were those corresponding to 83% of the profit of 2022; a first dividend of Ps 22,704,037,531.52, at Ps 7.873896065842770 per share, paid on June 12, 2023, and a second dividend of Ps 15,000,000,000.00, at Ps 5.202089752699080 per share, paid on October 16, 2023, charged against the profits of prior years
- The number of shares outstanding considered for the 2025 period were 2,813,156,594.
- Outstanding Shares= Outstanding shares in the Mexican Securities' Stock Exchange – shares held in the Treasury related to the share buyback program. On November 20th, 2024, the Ordinary General Shareholders' Meeting approved the cancellation of 70.3 million shares.

6. Non-Interest Expense / (Net Interest Income + Non- Interest Income).
7. Non-Interest Expense / Average Total Assets.
8. Includes bank modules and excludes 1 branch in the Cayman Islands.

Grupo Financiero Banorte's Results

Earnings' contribution for 2025 by business sector –as per the participation method– was as follows:

GFNorte's profit, given the participation of its subsidiaries, was Ps 58.79 billion at the end of 2025, a 5% increase versus last year. In 2024, GFNorte's net income was Ps 56.19 billion.

The Banking Sector, reported a net income of Ps 46.50 billion in 2025, increasing Ps 2.42 billion or 5% compared to 2024, contributing with 79.1% of GFNorte's net income. For 2024, the net income amounted to Ps 44.07 billion, contributing with 78.4% of GFNorte's net income.

The Brokerage Sector, which includes Casa de Bolsa Banorte and Operadora de Fondos Banorte, reported net income of Ps 1.47 billion in 2025, a 54% increase versus 2024. The accumulated profit represented 2.5% of the group's earnings. In 2024, net income totaled Ps 959 million. The accumulated profit represented 1.7% of the group's earnings.

Net income of the Long-Term Savings sector, constituted by Seguros Banorte, Afore XXI Banorte (50% subsidiary), and Pensiones Banorte, amounted to Ps 11.13 billion, growing 15% compared to 2024, representing 18.9% of the group's earnings. In 2024, net income amounted to Ps 9.71 billion, representing 17.3% of the group's earnings.

SOFOM and other financial companies, comprised by Arrendadora Banorte and Almacenadora Banorte, reported a net income of Ps 1.27 billion, increasing 24% versus 2024, representing 2.2% of the financial group's earnings. In 2024, net income, including Ixe Servicios, was Ps 1.02 billion, representing 1.8% of the financial group's earnings.

The following are the profits registered accordingly to the percentage of GFNorte's participation in each business sector:

Net Income by Segment	2025	2024	2023
Banking Sector	\$46,498	\$44,074	\$41,217
Banco Mercantil del Norte	46,498	44,074	41,217
Brokerage	\$1,472	\$959	\$751
Casa de Bolsa Banorte	875	480	369
Operadora de Fondos Banorte	597	479	382
Long-Term Savings	\$11,129	\$9,714	\$8,155
Afore XXI Banorte	1,473	1,303	1,206
Seguros Banorte (Insurance) ¹⁾	6,854	5,580	4,429
Pensiones Banorte (Annuities)	2,800	2,827	2,470
Long-Term Savings Holding	1	4	50
SOFOM and Other Finance Companies	\$1,266	\$1,023	\$779
Almacenadora (Warehouse)	52	26	51
Arrendadora y Factor	1,213	997	665
Ixe Servicios ²⁾ (Now Bineo)	-	-	63

Holding	(\$1,575)	\$418	\$1,517
GFNORTE	\$58,788	\$56,188	\$52,418

Million pesos.

1. The result does not consider AFORE XXI Banorte.
2. On November 29, 2022, the shareholders of Ixe Servicios, S.A. de C.V. adopted unanimous resolutions outside the shareholders' meeting by which it was agreed, among others, to modify its corporate name to Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte and the notarization of the respective resolutions were registered in the Public Registry of Commerce on January 3, 2023, prior authorization of the National Banking and Securities Commission. Subsequently, during 2025, Grupo Financiero Banorte decided to dispose of Bineo as part of the sale process, and therefore classified it under the 'Discontinued Operations' line in the Income Statement.

Summary Analysis: December 31, 2025

Net Interest Income (NII-Financial Margin)

In 2025, **net interest income reached Ps 146.58 billion, expanding 6% versus 2024**, displaying an effective strategy to maintain a neutral balance sheet sensitivity amid a monetary easing cycle with reference rate cuts. Additionally, growth was supported by a sound combination of portfolio expansion and mix, along with efficient funding cost management, whose rates repriced at a faster pace than loan yields. This partially offset the negative impact from foreign exchange valuation. **NIM stood at 6.29% at the end of 2025. NIM of the loan portfolio stood at 8.43%.**

Loan Loss Provisions

In 2025, **provisions were 19% higher vs 2024, reaching Ps 21.59 billion**, explained by the combination of: i) the isolated case in the commercial portfolio; ii) loan origination growth and mix, particularly focused on consumer lending; and, iii) the benefit from reserve adjustments related to TDF's portfolio. As a result, **cost of risk stood at 1.8% in 2025**, 14bps above 2024. Excluding the effect of TDF's operational integration on provisions, the 12-month ratio stood at 1.9%.

Non-Interest Income

Non-interest income increased 86% to Ps 14.68 billion compared to last year, supported by a solid base of banking service fees and market operations.

In 2025, premium income from insurance and annuities grew 24% compared to 2024, mostly supported by insurance business generation primarily in life and auto portfolios -in line with loan origination in both products-, as well as growth in the annuities portfolio. Consequently, technical reserves increased 29%. Claims grew 9%, associated with the portfolio's growth and composition.

Non-Interest Expense

In 2025, non-interest expenses grew 11%, related to inertial business growth, organic expansion in commercial areas, the provisioning of variable compensation, and the amortization of technology projects.

Net Income

In 2025, operating income increased 8% vs 2024. Net income expanded 5%, reaching 58.79 billion, reflecting strength across all business lines, resilient margins, and disciplined expense and risk management.

Stage 1 and 2 Loans

In 2025, **stage 1 and 2 loan portfolios expanded 8% in the year**, with balance growth across all portfolios. **Consumer portfolio was the main driver, increasing 12% vs 2024**, driven by an expansion of 32% in auto,

supported by strategies focused on high-value clients, the strength of the automotive sector, and the consolidation of partnerships with highly recognized commercial allies. Mortgage loans grew 7%, supported by efficiencies in origination, stricter risk management, and strategic alliances. Credit card +14%, driven by acquisition campaigns, loyalty programs, and enhancements to origination models; while payroll loans +11%, following strategic adjustments to the product offering that raised available amounts for clients with better profiles. Furthermore, the **corporate portfolio expanded 8% and the commercial portfolio 5%**, mainly driven by working capital needs, liability refinancing, and, in particular, new projects. Both portfolios were partially affected by the appreciation of the Mexican peso. Finally, **government loans increased 1%**, limited by prepayments from subnational entities.

In 2024, stage 1 and 2 loans rose 14%, showing double digit growth in most portfolios. Consumer loans increased 11%, driven by an 8% growth in mortgages, increasing around Ps 19.6 billion in the year, in line with the selectivity strategy for this product; auto +25%, supported by the increasing demand and new commercial partnerships, which accounted for about 58% of the book's growth; credit card +18%, and payroll +10%. Furthermore, corporate loans expanded by 24% and commercial loans 18%, driven by working capital demand to develop their business's productive capacities; both portfolios benefitted from the depreciation of the Peso against the Dollar in the period. The government book increased 7%.

Stage 3 Loans

During the year, stage 3 loans increased Ps 6.71 billion, mainly due to the commercial portfolio, which do not represent sector-specific or geographic trends. Likewise, the annual evolution is aligned with portfolio growth. Institutionally, Banorte has remained focused on portfolio selectivity, maintaining controlled asset quality.

In 2024, stage 3 loans increased Ps 234 million, mainly due to the commercial and credit card portfolios, considering the consolidation of Tarjetas del Futuro. At an institutional level, Banorte is focused on growing with quality.

Deposits

In the year, GFNorte's total deposits increased 10%, with demand and time deposits growing 12%, supported by the personalization of the value proposition centered on client engagement, and transactional funding.

In 2024, total bank deposits increased 7%, with demand deposits growing 8% and time deposits 16%, driven by efforts to balance stable funding and loan growth.

Capital

Shareholders' equity in 2025 was **Ps 252.21 billion**, 1.5% higher versus 2024. The main changes during the year were: net income of Ps 58.79 billion, dividend payments in May and December of (Ps 47.75 billion), a reduction of (Ps 6.31 billion) from the effect of Tarjetas del Futuro's acquisition, and interest on subordinated notes of (Ps 5.97 billion).

In 2024, shareholders' equity was Ps 248.43 billion, down (0.3%) versus 2023. The main changes during the year were: net income of Ps 56.19 billion, dividend payments in June and December of (Ps 35.94 billion), repurchase of share-based payment plan liquidable in equity instruments of (Ps 11.47 billion) and interest on subordinated notes of (Ps 3.87 billion).

Monthly stock performance for the last 6 months:

Date	Maximum	Minimum	Close	Volume of Shares (Daily Average)	Total Volume Operated
31/10/2025	185.07	169.14	174.85	6,798,453	156,364,421

30/11/2025	186.44	171.00	174.99	5,556,037	105,564,707
31/12/2025	178.76	164.00	166.94	5,967,182	125,310,815
31/01/2026	205.79	166.61	197.57	7,163,260	150,428,463
28/02/2026	210.00	193.81	196.39	6,803,563	129,267,700
31/03/2026	201.48	181.61	198.78	6,299,419	132,287,801

In Section 2. "a) The Company - Development and History of the Company" of this Annual Report are the Material Events of 2025, as well as those that happened during the first quarter of 2026.

c) RISK FACTORS

The risks and uncertainties described below are not the only ones faced by the Company and the importance of the risk attributed to them today may increase in the future. GFNorte's operations may also face unknown risks or risks that currently are considered immaterial. If any of the risks described below occur, they could affect adversely and significantly activities, results of operations, projections and the financial situation of the Company, as well as the price or liquidity of Shares. Unless otherwise stated, when referring to Banorte, only Banorte, our main subsidiary is considered. Unless otherwise indicated, or if in the context is required, the terms "GFNorte", "us" and "our" refer to Grupo Financiero Banorte, S.A.B. de C.V. and its subsidiaries.

a. Risks Related to Our Business

a.1. Our financial results are subject to fluctuations in interest rates and other market risks.

Market and interest rate risks refers to the probability of variations in our net interest income, or in the market value of our assets and liabilities, and / or securities positions, due to changes in interest rate and other market risk factors such as exchange rates and equity market volatility. Changes in the above-mentioned market risk affect the following areas, among others, of our business:

- our net interest income;
- our funding cost;
- the value of our capital; and/or on the income statement
- the volume of originated loans;
- the market value of financial assets and securities;
- Credit ratings affecting financial securities reserves

Interest rates are sensitive to many factors beyond our control, including increased regulation of the financial sector, monetary policies, domestic and international economic and political conditions and other factors. A significant portion of our assets, including our loans, are long-term assets. At the same time, a significant percentage of our financial borrowings are short-term. Variations in short-term interest rates could affect our net interest income, which comprises the majority of our revenue. When interest rates rise, we may be required to pay higher interest on our borrowings while interest earned on our assets may not rise as quickly, which could cause profits to grow at a reduced rate or decline in some parts of our portfolio. The Institution continuously monitors these risks through risk-management policies and procedures approved by the Board of Directors, with the objective of maintaining a consistent exposure aligned with its risk profile.

In addition, increases in interest rates may reduce the volume of loans we originate. Sustained high interest rates have historically discouraged customers from borrowing and have resulted, to some extent, in an increased delinquencies in outstanding loans and deterioration in asset quality. Increases in interest rates may also reduce the

value of our financial assets. We hold a substantial portfolio of loans and debt securities that have both fixed and adjustable interest rates.

With respect to debt securities and derivative instruments, in addition to the exposure to interest rate fluctuations, there is exposure to expected credit loss. We are also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies. Fluctuations in the exchange rate between currencies may negatively affect our ability to repay our foreign currency-denominated liabilities, net interest income, our earnings and the value of our balance sheet.

a.2. We may be unable to effectively control the level of non-performing or low credit quality loans in our loan portfolio, and our loan loss reserves may be insufficient to cover future loan losses.

GFNorte complies with current regulations for rating loans, and considers that loans loss provisions provide coverage for expected loan portfolios losses for the next twelve months; nevertheless, we cannot assure that we will be able to control and reduce effectively the level of the impaired loans in our loan portfolio. Particularly, the amount of our reported non-performing loans may increase in the future as a result of growth in our loan portfolio or factors beyond our control, e.g. the impact of epidemiological risks, global financial crisis, macroeconomic trends, political events in Mexico, climate change or natural disasters or unexpected events. Such scenarios could negatively affect our operations' results.

As of December 31, 2025 and December 31, 2024, the aggregate outstanding principal amount and accrued interest of loans for Banorte's 15 largest clients (including corporate and Mexican government loans) represented 14.6% and 16.5%, respectively, of its total loan portfolio. If the financial stability of any of these clients were to be negatively impacted by health, political, economic or industry-related events or any other factor, it could lead to an increase in Banorte's stage 2 or 3 loans or low credit quality loans.

In addition, current loan loss reserves may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of Banorte's or any other subsidiary's loan portfolio. Our loan loss reserves, which are calculated in accordance with CNBV regulations, are based on our current assessment of, and expectations concerning, various factors affecting us, including the quality of our loan portfolio. These factors include, among others, our borrowers' financial condition, the payment behavior in our loans and in the information of Sociedad de Información Crediticia, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for guarantor support, government macroeconomic policies, interest rates and the legal and regulatory environment.

As a result, if Banorte's or any other subsidiary's loan portfolio deteriorates it may be required to increase their loan loss reserves, which may adversely affect our financial position and results of operations. Moreover, there is no precise method for predicting credit losses, and we cannot assure that Banorte's or any other subsidiary's loan loss reserves are sufficient to cover effectively incurred losses. If Banorte or any other subsidiary is unable to control or reduce the level of its stage 2 or 3 loans or poor credit quality loans, their financial position and results of operations could be adversely affected.

a.3. The rules applicable to loan loss provisions have been modified throughout time.

The Mexican government, in an effort to adapt its resolutions to Basel Committee's recommendations, since 2009 has implemented new regulations regarding the way in which Mexican banks should classify loans and determine the required loan loss reserves. These regulations changed from an incurred loss perspective to an expected loss perspective.

In 2009, the credit card loan book methodology was implemented, in 2010 the one for consumer loan book and mortgages, in 2011 for the government book, in 2013 for commercial loans, and in 2014 for the financial institutions' book. For further information regarding preventive loan loss reserves, please refer to section 8 "Annex, section c) Audited Financial Statements – Note 13 Preventive Loan Loss Reserve Estimation" in this Annual Report.

Moreover, CNBV (The National Banking and Stock Market Commission) adjusted the rating methodology for revolving consumer loans, in place since April 2016, as well as the rating methodology for non-revolving credit and mortgages, in place since June 2017, with the objective of incorporating the external credit behavior and leverage levels of our customers as reported by Credit Information Entities.

Starting in January 2018, the CNBV authorized Banorte to use its internal methodology with an advance rating focus for Loan Loss Reserve and Capital Requirements calculation by credit risk for consumer revolving loans.

Likewise, since January, 2019, the CNBV authorized Banorte and Arrendadora y Factor Banorte to use the Internal Methodology under the basic approach for the estimation of loan-loss provisions and capital requirements for credit risk in the Commercial Portfolio for corporate clients (other than federal entities, municipalities, and financial institutions) and individuals with business activity, both with annual sales equal to or greater than 14 million UDIs.

As of January 2020, the CNBV authorized the use of internal methodology in the rating of auto Individuals, for the constitution of regulatory capital and reserves for credit risk with an advanced approach.

Since July 2023, CNBV authorized Banorte to use the Internal Methodology with advanced rating approach for the calculation of Reserve and Capital Requirements for credit risk for the Mortgage Portfolio.

Since August 2024, the CNBV authorized Banorte and Arrendadora y Factor Banorte to use the Internal Methodology with an advanced approach for the estimation of provisions and capital requirements for credit risks in the Commercial Portfolio in corporate clients (other than federal entities, municipalities, and financial entities) and individuals with business activities, both with annual sales of less than 14 million UDIs.

These internal methodologies improve the integral management of credit risk, estimating the risk parameters through the experience of the Institution, such rating methodology is calibrated with the historic credit behavior of our customers with Banorte and also with other financial institutions.

As of January 2022, the CNBV implemented changes in the rating methodology for the commercial portfolio, including investment projects and loans to states and municipalities in order to incorporate the most recent information from the Mexican financial system, adhere more closely to Basel practices and better reflect the main risk factors of such operations. Additionally, NIF C-16 (IFRS9) was incorporated for the classification of loan stages according to their degree of impairment and the consequent reserve.

In the future, CNBV could modify the accounting criteria to determine loan loss subsidies, and may continue modifying methodologies to measure credit risk and/or preventive loan loss reserves requirements for the rest of the portfolios. This could negatively affect the operating results and financial performance of GFNorte and any of its subsidiaries.

a.4. Banorte may experience asset quality problems, including collaterals, and may report relatively large loan losses.

The asset quality of Banorte's loan portfolio, including collaterals, could negatively be affected by unfavorable financial and economic conditions in Mexico due to unfavorable economic conditions. Unfavorable financial and

economic conditions in Mexico and possible regulatory initiatives may cause the Mexican banking sector to experience asset quality problems and to record relatively large loan loss provisions. We also believe that recoveries from those non-performing loans as a percentage of the non-performing loan portfolio are likely to decline over time as a consequence of the aging of such non-performing loan portfolio, as well as the decreased value of the collateral supporting these loans.

Future changes on reserve requirements could have an adverse impact on our financial results, which could affect our ability to pay dividends to our shareholders. Unfavorable financial and economic conditions in Mexico may deteriorate Banorte and cause asset quality problems, which would increase loan loss provisions, leading to potential negative impacts on its financial results.

In Mexico, foreclosure procedures may be subject to delays and administrative requirements that may result in lower levels of recovery on collateral compared to its original value, even though the financial reform aims to make these processes more diligent. In addition, other factors such as defects in Banorte's collateral fulfillment, fraudulent transfers by borrowers or a reduction in the value or liquidity of the collateral may impair its ability to recover on its collateral. Accordingly, there cannot be assurance that we will be able to realize the full value of our collateral. As a result, lower recovery rates, asset quality deterioration, decreased value of collateral and lower levels of recovery on collateral compared to its value, could have a material and adverse effect on our business, financial condition and results of operations.

a.5. We may be unable to successfully implement and continue to improve our credit risk management system, which could substantially and adversely affect our results of operations and financial position.

One of the main risks Banorte faces as a credit institution is credit risk. Therefore, the Bank is always seeking to have state of the art tools and adequate models to value the impact from unfavorable scenarios for the portfolio. However, it is possible that we may not be able to develop a credit risk management system that functions effectively. For example, an important element of Banorte's credit risk management system is the usage of an internal credit rating system to assess the particular risk profile of customers. As this process involves detailed analyses of customer's credit risk, considering both quantitative and qualitative factors, it involves judgments by our management team and employees and, therefore, it is subject to human error. In exercising their judgment, Banorte's employees may not always be able to assign an accurate credit rating or to identify a customer's credit risk, which may result in exposure to higher credit risks than those indicated by Banorte's risk rating system. In addition, Banorte has been trying to refine and strengthen its credit policies and guidelines to address potential risks associated with particular industries or customers, such as affiliated entities. However, Banorte may not be able to timely detect these risks before related losses occur, or due to limited resources or tools available, its employees may not be able to implement effectively the risk identification and management system, which may increase its credit risk. As a result, failure to implement effectively, monitor consistently or revise continuously Banorte's risk management system may result in an inappropriate measurement of risk exposure, which could materially and adversely affect our results of operations and financial position.

In assessing customers' creditworthiness, we rely largely on the credit information available from our own internal databases, the Mexican Credit Bureaus and other sources. Due to limitations in the availability of information and the developing information infrastructure in Mexico, our assessment of credit risk associated with a particular customer may not be based on complete, accurate or reliable information. We cannot assure you that our credit scoring systems collect complete or accurate information reflecting the actual behavior of customers or that their credit risk can be assessed correctly. Without complete, accurate and reliable information, we have to rely on other publicly available resources and our internal resources, which may not be effective. As a result, our ability to effectively

manage our credit risk and subsequently our impairment losses and allowance for impairment losses may be materially adversely affected.

a.6. The credit card industry is highly competitive and entails risks.

The credit card industry in Mexico is highly competitive, and is subject to a number of risks and uncertainties, including the possibility of over-indebtedness of the customers, their economic condition and level of employment and income. This is a shared risk with other financial institutions, which increases with the entry of new players, such as Fintech, among others. Part of our current growth strategy is to increase volume in the credit card portfolio, prioritizing asset quality, although this may increase our exposure to risk in our loan portfolio.

Our current strategy leverages the relationship with the Financial Group's clients that do not have a credit card through cross-sale efforts and focuses in already known low-risk and highly profitable segments, aiming to maintain the same profile and level of risk.

However, we cannot assure that adverse or material effects may arise as a result of higher risk exposure derived from such growth as there are risks attached to the willingness and creditworthiness of our customers, for instance, credit offer in the market and economic conditions.

Furthermore, credit card products are characterized by higher consumer default than other consumer credit products, and defaults are highly correlated with macroeconomic indicators that are beyond our control, and that could increase in the future as a result of external factors, financial crises in other parts of the world, macroeconomic variables, political events in Mexico or other unexpected events and may trigger an economic slowdown, contraction or depression.

If Mexican economic growth slows or declines, or if we fail to effectively analyze the creditworthiness of our customers, we may be faced with unexpected losses that could have a material adverse effect on us, including our financial condition and results from operations.

a.7. The retail banking market is exposed to macroeconomic shocks that may negatively impact household income and a downturn in the economy could result in increased loan losses.

One of our main strategies is to focus on the retail banking sector so we can expand our loan portfolio. The recovery of these loans in particular, as well as our ability to increase the amount of performing loans and our results of operations and financial condition in general, may become increasingly vulnerable to macroeconomic shocks that could negatively impact the household income or constraint the liquidity of our retail customers and result in increased loan losses, which in turn could have a material adverse effect on us.

Although Mexican GDP has grown since 2010, the Mexican economy has historically experienced cycles of growth followed by slowdowns. We can provide no assurance that previously observed GDP growth rates will continue.

Furthermore, because of the historically low penetration of banking loan products in the Mexican retail sector, there is little evidence on which to estimate retail sector's performance in the event of an economic crisis, such as a recession or a significant devaluation, among others. Consequently, our historical loan loss experience may not be indicative of the performance of our loan portfolio in the future.

a.8. GFNorte maintains lower levels of capital or reserves in connection with loans to the Mexican Federal, State and Municipal governments.

The Mexican regulation regarding capitalization and constitution of reserves for loan losses in credit institutions generally require significantly lower capitalization levels or reserves formation regarding to loans granted to the Mexican Federal, State or Municipal governments (together, the “**Governmental Loans**”).

GFNorte has constituted sufficient capital and reserves pursuant to new regulations in Mexico which require provisions according to expected losses for governmental loans, and these reserves represent a lower percentage of the total portfolio of its corresponding loans compared to the percentage of reserves established in portfolios for other segments; nonetheless, this situation is inherent to the risk profile of the portfolio. As of December 31, 2025 Governmental loans amounted to Ps. 185.0 billion, or 14.3% of GFNorte’s total loan portfolio. As a result, if the credit quality of Governmental Loans were to deteriorate, either specifically or at a generalized level, this could result in an adverse impact on our financial position and results of operations, and this impact would be in function of the size of the exposures to these entities, the extent of the deterioration in their risk level assigned according to the methodology approved by the CNBV, and the guarantees of these loans, among other factors. As of December 31, 2025, government portfolio does not present any stage 3 exposure..

It is important to highlight that loans are granted to a State or a Municipal government through a decree, which authorizes funding under specific conditions (amount, term, rate, etc.), and are not granted to a specific governor or municipal president, for that reason, subsequent administrations have to recognize prior operations.

a.9. Some of GFNorte’s loans to Mexican States and Municipalities may be restructured.

State and Municipal governments and credit institutions, including Banorte, have, from time to time, agreed to refund or restructure Governmental Loans. In this process, modifications in terms and reductions in interest rates have been made. As of December 31, 2025, GFNorte has restructured Ps. 19.90¹ billion pesos of current governmental loans. Therefore, it may be the case that current restructured loans or future loans may be subject to further restructures, considering the disposition of the Financial Discipline Law.

In May 26, 2015 the Constitutional Reform through which provisions regarding Financial Discipline were amended and added was published, this aims to establish limits on indebtedness for States and Municipalities, as well as diverse control and transparency measures.

Derived from the aforementioned, the Law on Financial Discipline for the States and Municipalities was published on April 27, 2016; consequently, restructuring or refinancing activities as of this date they’ll have to adopt measurements on financial discipline, indebtedness limits and transparency –to be published in the corresponding governmental websites, and must be registered in the SHCP’s Unique Public Registry.

a.10. The credits to the state and municipal governments of Mexico are guaranteed by the right they have to participate in the tax collection of the Mexican federal government.

Most of our loans to Mexican State and Municipal governments are secured by such entities’ that is, for the part of the federal tax collection that by law corresponds to the states and municipalities, respectively.

Furthermore, since federal participations are a function of the condition of the Mexican economy y, the structure of our loans is affected by 2x or 3x the monthly amount of the amortization and interests we receive, this is a protective measure facing the adverse economic factor that could lead to a reduction of this source of payment.

¹ It considers the bank portfolio and the securitized portfolio on the irrevocable Trust No. 4907 of Bank Actinver, established on December 5, 2023.

a.11. The future of lending to the government sector in Mexico is uncertain.

Our business is subject to a continuously evolving regulatory and legislative regime of financial service laws, regulations, administrative actions and policies in each jurisdiction in which we operate. Furthermore, due to certain high profile restructurings of Mexican State and Municipal that was observed prior to the publication of the legal amendments debt in April 2016 the Mexican Congress approved changes on this subject. Consequently, State and Municipal governments now will have to comply with the Law on Financial Discipline for the States and Municipalities which seeks to organize and align budgetary and financial instruments of the States, Municipalities and agencies to ensure a sustainable administration of local public finance. This Law established general principles on financial discipline including among others, rules to incur and register debt –applicable to states and municipalities, as well as rules to participate in competitive processes or public tenders for granting credit. These measures have fostered healthier public finances and greater transparency in debt allocation, as well as lower interest rates offered on loans due to increased competition among Financial Institutions.

Additionally, although State and Municipal public debt is regulated by Mexican regulation, there are certain provisions and limitations set forth in the Mexican Federal Constitution, in local constitutions, and other Federal and State laws (especially in connection with using *participaciones federales* as a source of payment and the use of *participaciones federales* as a public funding investment). In the past, there have been inconsistencies between State law and Federal law which have been subject to resolution by the Mexican Supreme Court. Some of these judgments have had an adverse effect on the manner in which Governmental Loans have been granted. We cannot ensure that future judicial interpretations or resolutions will not have an adverse effect on our Governmental Loans.

a.12. Exposure to Mexican Federal government debt could have a material adverse effect on us.

Like many other Mexican financial groups, we invest in debt securities of the Mexican government. As of December 31, 2025, approximately 31.5% of GFNorte's total government loan portfolio were comprised of debt securities issued by the Mexican government.

Any failure by the Mexican government to fulfil timely payments under the terms of these securities, or a significant decrease in their market value, will have a material adverse effect on us.

a.13. Our borrowers that are Mexican Federal, State or Municipal governments or agencies may claim privileges under Mexican law, and our ability to sue and recover may be limited.

Article 9 of the Fiscal Coordination Law (*Ley de Coordinación Fiscal*) provides that *participaciones federales* corresponding to States and Municipalities may not be subject to attachment or liens, may not be assigned for specific objectives or subject to retention or withholding, except that they may be used to satisfy payment obligations of such states and municipalities whenever, previously and according to the regulation, they comply with the following conditions:

- have the authorization of the local congress;
- be in the Registry of State Debt;
- be in the Unique Public Registry of the SHCP;
- be registered in the Management Trust used that serves as vehicle of payment;
- have a positive legal opinion by which the modifications of the *participaciones federales* be confirmed.

The risk that any of the three levels of government may claim privileges, reducing our capacity to sue or recover debts is limited to the constitutional provisions that state the non-retroactivity of laws.

In addition, it is worth noting that article 4 of the Mexican Federal Code for Civil Procedures (*Código Federal de Procedimientos Civiles*) does not allow attachment prior to judgment or attachment in and of execution upon a judgment by a Mexican court upon any of the assets of the Federal, State or Municipal governments or their agencies, so sentences would not be executed against such governments or agencies if tax burden or public goods be constituted as guarantee of our loans. The aforementioned, could adversely affect our financial situation or results of operations of our business; therefore, in such cases, our guarantees must always be private goods.

a.14. Loan loss reserves in Mexico differ from those applicable to banks in the United States and other countries.

Except for Government Loans and loans to certain Mexican development banks guaranteed by the federal government and Banco de México, GFNorte is required to classify each loan type according to a risk assessment based on criteria established by Mexican banking regulations and to constitute corresponding reserves. The criterion to establish reserves includes both qualitative and quantitative factors. Mexican banking regulations related to loan classification and determination of loan loss reserves are generally different than those applicable to banks in the United States and certain other countries.

We may be required or deem it necessary to increase our allowances for loan losses in the future, as a result of changes in CNBV rules or for other reasons. Moreover, the CNBV could further change accounting regulations for determination of allowance for loan losses or the methodology to measure credit risk of government entities, which could require a substantial increase in our allowances, and could result in an adverse effect to our business, financial condition and results of operations.

a.15. The short-term nature of Banorte's funding sources may imply a liquidity risk.

We anticipate that in the near future, customers in Mexico will continue to demand short-term deposits and that Banorte will maintain a core of stable deposits based on the trust of the depositors of the Institutions. Regardless that the short term nature of this source of funding may cause a liquidity problem, a statistical analysis has shown that term and demand deposits have shown a stable long term behavior that guarantees this source of funding. However, if a substantial number of customers fail to roll over their deposits at maturity or withdraw them, Banorte's liquidity position could be affected, and more expensive funding sources may be required, affecting then our financial condition and results of operations.

a.16. Liquidity and funding risks are inherent to our business.

Liquidity risk is the risk that we either do not have available sufficient financial resources to meet our obligations as they fall due or can secure them only at excessive cost. This risk can be heightened by a number of company-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation.

Considering the nature of the traditional banking operations, it is acknowledged that institutions' funding needs increase on par of the credit portfolio, then with the aim of having a sustained growth on the credit portfolio an equivalent growth of the stable funding sources is required. The ongoing availability of this type of funding is sensitive to a variety of factors outside our control, such as general economic conditions and the confidence of customer

depositors in the economy, in general, and the financial services industry in particular, the availability and extent of deposit guarantees, and competition between banks for deposits. Any of these factors could significantly increase the amount of customer deposit withdrawals in a short period of time, thereby reducing our ability to access customer deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on our operating results, financial condition and prospects.

For the purpose of providing an accurate measurement of the liquidity risk and funding needs, a series of metrics have been implemented such as liquidity gaps and survival horizon, thus helping to detect funding needs and the institutions capabilities to cover its short and medium term funding needs, securing then Banorte's liquidity rate. Additionally, the institution analyses its liquidity and funding needs under adverse economic scenarios with Stress Testing and Liquidity Coverage Ratio, where the latter is a regulatory measurement that enables a consistent comparison of the liquidity positions of the institutions across the financial system.

Furthermore, and in line with the current regulation and industry best practices, Banorte has implemented a Contingency Funding Plan and a Solvency and Liquidity Contingency Plan, both of which establish recovery strategies under adverse events based on monitoring liquidity indicators and early warning alerts.

a.17. We engage in transactions with our subsidiaries and affiliates on terms that others may not consider to be on an arm's length basis.

We have entered into certain service agreements with subsidiaries and affiliates, allowing them to offer their products and services within Banorte's branch network in exchange of certain fees. In addition, we and our subsidiaries and affiliates have entered into a number of agreements to share revenues or expenses in connection with the performance of certain activities, including loan recovery.

Mexican law applicable to public companies and financial groups and institutions and our by-laws provide for several procedures designed to ensure that the transactions entered into with or among our financial subsidiaries do not deviate materially from prevailing market conditions for those types of transactions, including the approval by our Board of Directors and the receipt of an independent expert's opinion.

We are likely to continue to engage in transactions with our subsidiaries and affiliates, and our subsidiaries and affiliates are likely to continue to engage in transactions among themselves, and no assurance can be given that the terms that we or our subsidiaries consider to be "substantially on market conditions" will be considered as such by third parties. In addition, future conflicts of interest between us and any of our subsidiaries or affiliates, and among these, may arise, which may or may not be resolved in our favor. (See section 4 "Administration, subsection b)Operations with Related Parties and Conflicts of Interest" of this Annual Report.)

a.18. We are exposed to volatility in Peso exchange rates and interest rates in Mexico.

We are exposed to currency risk any time we hold an open position in a currency other than Pesos and to interest rate risk when we have an interest rate re-pricing gap or carry interest-earning securities having fixed real or nominal interest rates. A sustained increase in interest rates may cause losses in the assets or securities portfolio, increasing our funding costs and may reduce GFNorte's loan demand, especially on retail banking products.

Although the majority of our loan portfolio is subject to revisable rates, increases on interest rates may therefore require us to rebalance our asset portfolio and our liabilities in order to minimize the risk of potential mismatches and maintain our profitability.

These exposures are monitored in accordance with the Institution's internal risk-management policies and limits.

a.19. We are subject to market and counterparty risks associated with derivative transactions, as well as structuring risks and the risk that documentation does not incorporate accurately the terms and conditions of derivative transactions.

Banorte performs financial derivative transactions primarily for hedging purposes, trading and, to a lesser extent, on behalf of its customers. Accordingly, we are subject to market risk by unfavorable fluctuations in risk factors and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedging cost) and counterparty or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder). Likewise, the counterparty risk associated with margin calls to our main counterparties.

Market and counterparty risk monitoring is carried out using robust risk systems and on a daily basis. Our ability to adequately monitor, analyze and report derivative transactions continues to depend, to a great extent, on our IT systems and our ability to hire and retain qualified personnel, which further increases the risks associated with these transactions and could have a material adverse effect on us.

As of December 31, 2025, the Expected Shortfall in the Bank associated with our financial instruments sensitive to domestic and foreign interest rates was Ps 300 million. Although we follow various risk management procedures in connection with our trading and treasury activities, there can be no assurance that we will not experience losses with respect to these positions in the future, any of which could have a material adverse effect on our results of operations and financial position. In addition, our foreign currency liabilities are subject to regulation by the Mexican Central Bank, which imposes liquidity requirements in matching currencies, depending upon the maturities of such liabilities.

a.20. Our growth strategy is in part dependent on our ability to acquire other financial institutions and we may not be successful in integrating the operations of those financial institutions.

Our ability to continue to grow by acquisitions is dependent upon, and may be limited by, the availability of suitable acquisition candidates, our ability to negotiate acceptable acquisition terms and our assessment of the characteristics of potential acquisition targets such as:

- financial condition and results of operations;
- attractiveness of products and services;
- suitability of distribution channels;
- management ability; and
- the degree to which the acquired operations can be integrated with our operations and systems.

Furthermore, the completion of these acquisitions is subject to a number of risks, including the following:

- access to capital and financing sources;
- restrictions contained in our debt instruments;
- the uncertainty of the legal environment related to mergers and acquisitions; and
- ability to integrate successfully the operations of the acquired entity with ours.

Growth through acquisitions involves risks that could have a material and adverse effect on our results of operations, including:

- difficulties in integrating the operations;

- undisclosed liabilities and other hidden asset quality problems which could significantly impact the capital requirements or applicable reserves;
- failure of the acquired entities to achieve expected results;
- non-qualified personnel of the acquired companies;
- diversion of management attention from the operation of the existing businesses;
- possible inability to achieve expected synergies and/or economies of scale; and
- the potential loss of key personnel and customers of acquired companies.

We cannot assure that we will be able to identify suitable acquisition candidates, complete the acquisitions on satisfactory terms or, if any such acquisitions are consummated, satisfactorily integrate the acquired businesses. If we are unable to implement and manage our growth strategy, our financial results, operations and business could be materially and adversely affected. [For more information on the history of GFNorte's acquisitions, see the Development and History of the Company section in Chapter 2.].

a.21. We may need additional capital in the future, and may not be able to obtain it on acceptable terms, or at all.

In order for us to grow, remain competitive, enter into new businesses, or meet regulatory capital adequacy requirements, we may require new capital in the future. Likewise, we may need to raise additional capital in the event of large losses derived from any of our activities that result in a reduction of our stockholders' equity. Our ability to obtain additional capital in the future is subject to a variety of uncertainties, including:

- our future financial position, results of operations and cash flows;
- any government regulatory or corporate approvals;
- general market conditions for capital raising activities by commercial banks and other financial institutions;
- any reduction in our credit rating or the credit rating of our subsidiaries; and
- social, economic, political and other conditions in Mexico and elsewhere.

Banorte complies with the current regulation by monitoring its capital requirements on timely basis and revising its future capital need through financial projections under ordinary and stress scenarios, including in the latter category, the Capital Adequacy Assessment, indicating that capital adequacy in the institution is strong even under adverse economic conditions.

We may not be able to obtain needed capital in a timely manner or on acceptable terms or at all.

a.22. We are subject to capital adequacy requirements. Any failure by us to maintain this ratio will result in administrative actions or sanctions which may affect our ability to fulfill our obligations, including losing our banking license.

In order to sustain Banorte's operations, and with the aim of anticipating future capital needs, a Capital Plan has been implemented based on the balance growth expectations under normal and stress conditions, while including contingent events that could have an impact on the capital requirements or in the available capital during the planning period.

Our Capital Plan is related to the Capital Adequacy Assessment established in local regulation and encompasses both regulatory and internal stress scenarios, as well as the institution's Solvency and Liquidity Contingency Plan, which lays down recovery strategies based on monitoring risk measurements and an early warning system.

A new rule issued by the CNBV establishes that our Tier 1 and Tier 2 capital instruments cannot be considered above 50% of our Common Equity Tier 1 Capital if our CET1 is below 10.0%. As of December 31, 2025 the CET1 was 12.6%.

Moreover, in 2025 Banorte endorsed as a Level II - Domestic Systemically Important Financial Institution by the CNBV; therefore, Banorte must maintain a capital buffer of 0.90 bps, to be constituted progressively in up to four years starting on December 31, 2016. Minimum Capitalization Ratio ("CR") stood at 18.34% at the end of 2025 (corresponding to the minimum regulatory of 10.5% plus supplementary capital constituted as of that period), including TLAC's total implementation.

Our Capital Adequacy Ratio as of December 31, 2025, stood at 20.1%.

a.23. Reductions in our credit ratings or those of any of our subsidiaries would increase our cost of borrowing and negatively impact our ability to raise new funds, attract deposits or renew maturing debt.

Our credit ratings are an important component of our liquidity profile. Our clients, creditors and counterparties in financial derivative transactions (and those of our subsidiaries) are sensitive to the risk of a rating downgrade. Changes in our credit ratings or those of any of our subsidiaries would increase the cost of raising funds in the capital markets or of borrowing funds or could restrict our participation in certain activities. In addition, our ability to renew maturing debt may be more difficult and expensive.

The ability of Banorte, our banking subsidiary, to compete successfully in the marketplace for funding depends on various factors, including its financial stability reflected by its credit ratings. A downgrade in Banorte's credit ratings may adversely affect perception of GFNorte's or any other subsidiaries' financial stability, which could significantly affect our business, financial conditions and results of operations.

Additionally, a downgrade of Mexico's sovereign credit rating could exert downward pressure on our own ratings, as our risk assessments are directly linked to the country's operating environment.

a.24. We are exposed to risks faced by other financial institutions.

Routinely, we transact with counterparties in the financial services industry, including brokers, dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions we engaged, expose us to significant credit risk in the event of default by one of our counterparties. Concerns relating to the financial soundness of governments, the deceleration of economic growth in major economies and emerging markets, oscillation in oil prices and commodities. the uncertainty regarding the economic, political and commercial environment...

Should any of these nations default on their debt, or experience a significant widening of credit spreads, major financial institutions and banking systems throughout Europe could be destabilized. A default by a significant financial counterparty, or liquidity problems in the financial services industry generally, could have a material adverse effect on our business, financial position and results of operation.

a.25. We are subject to significant competition from other financial groups in providing financial services.

We face strong competition in all sectors of our business, including our banking business. The competition comes principally from Mexican and foreign banks, mortgage banking companies, consumer finance companies, insurance

companies, other credit institutions, brokerage houses and financial advisory institutions. We anticipate that we will encounter greater competition as we continue expanding our operations in Mexico. A number of institutions with which we compete have significantly greater assets and capital at national level, name recognition and other resources. Additionally, several of our competitors belong to financial groups with integrated business models (banking, insurance, pension fund management, and brokerage), which enables them to bundle products, leverage commercial synergies, and implement more aggressive pricing strategies to attract and retain clients.

Besides traditional banking services, specialized entities exist such as non-regulated multiple purpose financial companies (*Sociedades Financieras de Objeto Múltiple*), are not subject to the extensive Mexican banking regulations to which Banorte and its subsidiaries are subject, including for example, maintaining certain levels of capital, liquidity and reserves for loan losses. As a result, certain of our competitors may have advantages in conducting certain businesses and providing loans and other financial services.

Likewise, competition is also likely to increase as a result of the entry of new participants into the financial services sector derived from the financial reform, which aims to strengthen development banks in order to complement services offered by commercial banks, as well modify legal framework of the later and promote more and cheaper loans offered by credit institutions. Mexican financial authorities continue granting licenses for the establishment and operation of several new financial institutions.

On the other hand, the publication of the Law to Regulate Financial Technology Institutions that establishes the rules applicable to this type of company, is likely to increase the number of competitors in products and services we offer to customers. Therefore, Banorte could experience greater competition in certain sectors of its business as the CNBV issues authorizations for this type of institution. We believe that the commitment of the Mexican government to implement reforms to accelerate and liberalize the financial industry in Mexico translates into greater competition among financial institutions in Mexico. As long as the financial sector reform continues in this regard, foreign financial institutions, many of which have more resources than us, will continue to enter the Mexican market to compete with us, either by themselves or in collaboration with institutions. Mexican financial companies. There can be no assurance that we will be able to successfully compete with domestic or foreign financial institutions or that increased competition will not have a material adverse effect on our financial condition or results of operations.

An increase in competition or a more aggressive competition strategy by our competitors may force GFNorte to decrease certain active rates or pay higher interest rates on deposits and operating creditors, to avoid losing clients preferring more attractive rates offered by other banks, which would increase our interest expenses and reduce our net interest income and, consequently could adversely impact our financial position or operating results.

In addition, if our customer service levels were perceived by the market to be materially below those of our competitor financial institutions, we could lose existing and potential business. If we are not successful in retaining and strengthening customer relationships, we may lose market share, incur losses on some or all of our activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on us.

a.26. Our ability to maintain our competitive position depends, in part, on the success of new products and services we offer our clients and to our ability to continue offering products and services from third parties.

The success of our operations and our profitability depends, in part, on the success of new products and services we offer our clients and to our ability to continue offering products and services from third parties. However, we cannot guarantee that our new products and services will be successfully responsive to clients' demands, or that they will be successful in the future or that we will have the information systems, personnel or innovative capacity sufficient to offer our clients the products and services they demand. In addition, our clients' needs or desires may

change over time, and such changes may render our products and services obsolete, outdated or unattractive and we may not be able to develop new products that meet our clients' changing needs. If we cannot respond in a timely fashion to the changing needs of our clients, we may lose them, which could in turn materially and adversely affect our business, financial position and results of operation.

As we expand the range of our products and services, some of which may be at an early stage of development in the Mexican market, we will be exposed to new and potentially increasingly complex risks and development expenses, with respect to which our experience and our partners' may not be helpful. Our employees and our risk management systems may not be adequate to handle such risks. In addition, the cost of developing products that have not been launched is likely to affect our results of operations. Any or all of these factors, individually or collectively, could have a material adverse effect on our business, financial position and results of operation.

a.27. GFNorte's increasing focus on individuals and SMEs could lead to higher levels of non-performing loans and subsequent charge-offs.

Part of GFNorte's business strategy, seeks to increase lending and other services to individuals and SMEs. Individuals and SMEs are, however, more likely to be adversely affected by downturns in the Mexican economy than large corporations and high income individuals are. Consequently, GFNorte may experience higher levels of non-performing loans, and also derived from the effects on the economy, which could result in higher provisions for loan losses.

Approximately 41.7% of the value of our total gross loan portfolio as of December 31, 2025 consisted of exposure to individuals, while SMEs comprised approximately 4.9% of the value of the total gross loan portfolio. These portfolios are more likely to be adversely affected by downturns in the Mexican economy. Consequently, we may experience higher levels of non-performing loans, which could result in higher provisions for loan loss reserves, which in turn would negatively affect us.

For December 31, 2025, non-performing loans were Ps. 17,839 million and total charge-offs against our allowance for loan losses were Ps. 20,755 million. Non-performing loans related to individuals and SMEs represented 49.9% and 6.0%, respectively, compared to 62.3% and 7.5% respectively for the period ended December 31, 2024.

We cannot provide assurance that the levels of non-performing loans and subsequent charge-offs will not be materially higher in the future and affect our financial condition and results of operations.

a.28. We are subject to extensive Mexican governmental regulation, which is subject to frequent revisions and changes.

We are subject to extensive regulation by Mexican governmental authorities regarding our organization, operations, capitalization, corporate governance, transactions with related parties and other matters. These laws and regulations impose numerous requirements on us and our subsidiaries, including the maintenance of minimum risk based capital levels and loan loss reserves, regulation of our business practices, diversification of our investments, maintenance of liquidity ratios, regulation of loan granting policies and interest rates charged, other terms contained within loan agreements, as well as application of required accounting regulations. Amendments to financial laws could result in additional capital requirements and give financial authorities discretion to impose capital requirements or modify the usage of our net income.

Many of the applicable laws and regulations have been subject to extensive changes in recent years, some of which have had a material effect on our and our subsidiaries' financial and capitalization position and results of operations. For example, several laws were enacted during 2008 and 2009 by the Mexican Congress requiring the elimination of certain fees for credit cards, deposit accounts, and the use of ATMs, as well as granting the Mexican Central Bank the authority to approve, reject or limit account management and general fees that banks, including Banorte, charge to their customers and also granting the ability to impose penalties if in its judgment banking institutions are limiting competition among themselves. Moreover, Mexican financial regulatory authorities possess significant powers to enforce applicable regulatory requirements in the event of our or our subsidiaries' failure to comply with such regulatory requirements, including imposing fines, requiring that new capital be contributed, prohibiting the payment of dividends to shareholders or the payment of bonuses to employees, imposing sanctions or revoking our licenses and permits to operate our businesses; moreover, the 2014 financial reform aims to further strengthen these powers and grant greater discretion to authorities. In case we or our subsidiaries face significant financial problems or become insolvent or in danger of so, Mexican financial regulatory authorities have the power to take over our management and operations.

Given the current environment of frequent changes to laws and regulations affecting the financial services sector, there may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us and our subsidiaries. (See Section 2 "The Company, subsection b) Business Description – Applicable Legislation and Tax Situation – Applicable Law and Supervision" in this Annual Report.)

In particular, on July 26, 2010, the Group of Governors and Supervision Chiefs, the supervision body of the Basel Committee on Banking Supervision, reached broad agreement on the overall design of a capital and liquidity reform package for internationally active banking organizations around the world (known as Basel III), which includes, among others, the definition of capital, the treatment of counterparty credit risk, the leverage ratio and the global liquidity standard. On September 12, 2010, the Basel Committee announced a substantial strengthening of existing capital requirements in connection with Basel III. The full text of the Basel III rules and the results of a quantitative impact study to determine the effects of the reforms on banking organizations were published on December 16, 2010. These rules include, among others, the gradual elimination of securities that count as basic capital (Tier 1) and complementary capital (Tier 2) with prepayment provisions, based on incentives or the implementation of leverage ratios applicable to institutions, in addition to the capital requirements in effect based on risk over assets.

In order to strengthen the net capital of the banking sector, in accordance with the guidelines established by the Capital Accord issued by the Basel Committee, the SHCP published on November 28, 2012 an amendment to the Mexican Banking Regulations that aims to, among others: (i) strengthen the composition of the net capital of banking institutions under Basel III guidelines, and (ii) allow certain securities issued by commercial banks to absorb losses incurred by these institutions when submitting a detriment in their capital, either through a conversion into their shares or by the loss of the agreed value at the time of issuance in order to be recognized as part of the net capital of such institutions. The regulations from this amendment were implemented on January 1, 2013 and are in force. (See Section 2 "The Company, subsection b) Applicable Legislation and Tax Situation – Applicable Law and Supervision - Adoption of New Rules in Mexico in accordance with Basel III" in this Annual Report.)

In April 2016, the CNBV determined the Banks of Local Systemic Importance, which must constitute an additional capital supplement of the Minimum Capitalization Index required, in a maximum period of four years (2016-2019), and must constitute 25% of the capital increase. on an annual basis Banorte was classified as grade II, so the additional supplement is 0.90 percentage points. In 2024 Banorte was ratified with the same grade II.

The application of provisions changing the methodology, calculation or compliance of Capital Ratios of banking institutions or the adoption of changes to the minimum requirements for Tier 1 and Tier 2 capital of banking

institutions, overviewed by Mexican authorities, may have a material adverse effect on our business and results of operations.

On December 31, 2014, the CNBV published the General Provisions on Liquidity Requirements for Multiple Banking Institutions that include the guidelines for the calculation of the Liquidity Coverage Ratio, which aims to provide that the institutions of Multiple banks keep liquid assets freely available and of high credit quality, as defined in the applicable general provisions, to meet their obligations and liquidity needs for 30 days, these rules entered into force in January 2015. In 2020, the CNBV published the guidelines for calculating the Net Stable Funding Coefficient, which is a metric complementary to the Liquidity Coverage Ratio and which aims to ensure that the congruence of the funding of the balance, analyzing that long-term assets are funded with financing stable.

We cannot provide assurance whether the reform packages regarding terms and conditions of government lending or the financial reform enacted on January 9, 2014, will not have a materially adverse effect on our business, financial condition or results of operations.

On December 31, 2014, the SHCP published the General Rules for Financial Groups, which stipulate March 31, 2016 as the deadline to adequate the Bylaws of the Holding Company on the resolution of conflicts of interest among the financial institutions integrating the Financial Group. Consequently, on November 19, 2015 GFNorte held an Extraordinary General Shareholders' Assembly, in which it was agreed to amend its Bylaws in order to adapt them to the regulations, subject to the authorization of competent authorities.

On November 26, 2013, the Mexican Congress approved a financial reform package that granted broader authority to financial authorities and ordered the Mexican competition authorities to initiate an investigation into the fairness of trade practices in the Mexican financial system.

One of the main aspects of the changes in recent years in the Mexican Banking Law approved by Congress consists of the authority granted to the SHCP to conduct evaluations of Mexican banks. The guidelines for such evaluations were published in the Official Gazette on December 31, 2014, and the final results of the first evaluation for 2015 were published on July 31, 2016, in which we received a positive evaluation, and no corrective measures were ordered. Negative or deficient results of evaluations may result in corrective measures being ordered, including a requirement that the bank present a plan to correct such deficiencies. In the event that we receive a negative or deficient evaluation in the future, it is uncertain what corrective measures may be ordered by the SHCP and whether the imposition of such measures may have a material adverse effect on our business.

In June 2014, the Mexican Supreme Court of Justice decided that federal judges have discretion to determine whether or not an interest rate agreed in a promissory note is evidently excessive, violating an individual's human rights, and consequently establishing a reduced rate. The elements the judge should take into account to determine if a rate is evidently excessive are:

- the type of relationship between the parties;
- the qualification of the persons intervening in the subscription of the note and if the activity of the creditor is regulated;
- the purpose of the credit;
- the amount of the loan;
- the term of the loan;
- the existence of guaranties for the payment of the loan;
- the interest rates applied by financial institutions in transactions similar to the one under analysis, as a mere reference;

- the variation of the national inflation index during the term of the loan;
- market conditions; and
- other issues that may be considered relevant by the judge.

The mandatory and partly discretionary application of such criteria in the lawsuits affecting our portfolio could have a material adverse effect on the interest rates we charge and on our operating results.

Changes in regulations may also cause us to face increased compliance costs and limitations on our ability to pursue certain business opportunities and provide certain products and services. As some of the banking laws and regulations have been recently adopted, such as the regulations implementing Basel III in Mexico, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on our business and results of operations.

On November 27, 2018, an amendment to the Single Banking Circular (CUB) was published, which describes various requirements that Financial Entities must comply with in order to implement and monitor the Internal Control System in terms of information security. The foregoing, has important challenges for the Financial Institutions that come into force as of August 2019, such as; permanently evaluate the internal control system, carry out an annual vulnerability scanning plan with scope to all the components of the technological infrastructure of critical applications, perform 2 Ethical Hacking tests per year through third parties, designate an Officer in Head of Information Security and generate annually a Safety Master Plan which must contain the projects that address the findings derived from the aforementioned revisions. Also begins the measurement of 30 risk indicators (KRI) in the field of Information Security, establishing the obligation to have certifications in the debit and credit card industry, such as PCI-DSS, PA-DSS, PTS and EMV, and raises a whole process for the management of security incidents. It is important to comply in a timely manner with each of the aspects mentioned, as from August 2019, several monthly reports are being prepared for the Bank's General Director, various corporate governance bodies and the CNBV with the results of the evaluations. and diagnosis of the internal control system in terms of information security.

Banxico also published the Circular 15/2018 where it establishes the operation of the "Credits associated with Payroll accounts", this measure will apply a debt limit of the Clients of 40% of their average monthly salary, and will provide the Financial Entities with the guarantee of collection of the credits assigned in this category, since a system will be put into operation that will allow to centrally identify the level of indebtedness of each Client and the possibility of processing direct debits with a charge in the ordering account of another bank. Said regulation indicates that if as of March 26, 2019 the Financial Institutions do not implement said functionality, they will not be able to grant credits charged to payroll accounts, however there is a draft modification to said rule that was published during the 1st quarter of 2018, where it is resolved to extend the term until November 1, 2019.

As of March 26, 2019, Financial Institutions that have an Issuer and/or Acquirer role must allow the use of a second authentication factor as an authorization requirement in debit card and credit card transactions (present and not present)), the foregoing is established in Circulars 8/2018 and 9/2018 issued by Banxico. If this functionality is not implemented within the established term, the Issuer or Acquirer must assume the risk and immediately pay the claims for unrecognized charges issued by the clients, which could lead to multiple losses that can be avoided if properly implement the functionality in Banorte.

On 28 December 2023, SHCP published a decree in the Official Journal of the Federation amending a number of provisions of the Securities Market Act, including the inclusion of simplified issuers, the simplified registration of securities in the National Register, and the authority of SHCP to establish general provisions on sustainable and sustainable development, as well as to strengthen gender equity, following the opinion of CNBV and Banxico.

a.29. We are subject to Mexican and U.S. regulatory inspections, examinations, inquiries and audits that could result in sanctions or the imposition of corrective measures.

We are subject to exhaustive regulation and supervision by the Mexican regulatory authorities. We are subject to comprehensive regulation and supervision by U.S. and Mexican regulatory authorities. The Mexican regulatory authorities include the Mexican Central Bank, CNBV, SHCP, CONSAR and CNSF. (See Section 2 “The Company, subsection b) Applicable Legislation and Tax Situation – The Mexican Financial System” in this Annual Report). These regulatory authorities have broad powers to adopt regulations and other requirements that affect all aspects of our capitalization, organization and operations, including changes to capital adequacy and reserve requirements, compliance with rules relating to secrecy, the imposition of anti-money laundering measures and the authority to regulate the terms of products, including the interest rates we charge and the fees we collect in exchange for services.

Moreover, Mexican and U.S. financial regulatory authorities possess significant powers to enforce applicable regulatory requirements, including the imposition of fines, requiring that new capital be contributed, inhibiting us from paying dividends to shareholders or paying bonuses to employees, or the revocation of licenses to operate our business (including our banking or broker-dealer licenses).

In the event we encounter significant financial problems or become insolvent or in danger of becoming insolvent, Mexican banking authorities would have the power to take over our management and operations. (See Section 2 “The Company, subsection b) Applicable Legislation and Tax Situation – Applicable Law and Supervision” in this Annual Report).

As noted above, our business and operations are subject to rules and regulations that are required to conduct banking and financial services business. These affect our financial returns and include reserve and reporting requirements. The regulators seek to maintain the safety and soundness of Mexican financial institutions with the aim of strengthening the protection of customers and the financial system. The continuing supervision of financial institutions is conducted through a variety of regulatory tools, reports, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, regulators in Mexico have a more outcome-focused approach that involves more proactive enforcement and more punitive penalties for infringement, including intervening in institutions and restricting dividends or bonuses to employees. As a result, we face significant high levels of supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees) and in the event of a breach of our regulatory obligations we may face significant regulatory fines.

Some of the regulators focus primarily on consumer protection, including a focus on the design and operation of products, the behavior of customers and the operation of markets. Applicable regulations may prevent institutions such as ours from providing products to customers until changes are made to address the regulators’ views on potential detriment to consumers. Regulations require us to be in compliance across all aspects of our business, including the training, authorization and supervision of personnel, systems, processes and documentation. If we fail to comply with the relevant regulations, we may face adverse impacts on our business from sanctions, fines or other actions imposed by the regulatory authorities, including the revocation of our authorization and the intervention in our operations.

Furthermore, customers of financial services institutions, including our customers, may seek redress if they have suffered loss as a result of an offered product, or through incorrect application of the terms and conditions of a particular product.

Given the inherent unpredictability of litigation and judgments by the relevant authorities, it is possible that an adverse outcome in some matters could harm our reputation or have a material adverse effect on our operating results, financial condition and prospects arising from any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing our profitability.

a.30. We are subject to revocation of authorization to operate as a banking institution granted by the CNBV to Banorte

Under the Mexican Banking Law, the CNBV may revoke Banorte's banking license upon the occurrence of certain events, including - without limitation - if Banorte does not:

- comply with minimum corrective measures ordered by the CNBV, if the case;
- comply with the minimum Capitalization Ratio required under the Mexican Banking Law and the Mexican Capitalization Rules;
- pay certain of its debts or fails to comply with its obligations with one or more participants in clearing systems or with its depositors; and
- comply with restrictions on certain types of transactions prohibited by the Mexican Banking Law.

If the CNBV were to revoke Banorte's banking license, our business, results of operations and financial condition would be materially and adversely affected. (See Section 2 "The Company, subsection b) Applicable Legislation and Tax Situation – Applicable Law and Supervision - Banking Regulation" in this Annual Report).

a.31. Our success depends, in part, on our retention of certain key personnel, our ability to hire additional key personnel, and the maintenance of good labor relations.

We depend on our executive officers and key employees. Our senior management has significant experience in the banking, financial services and pension fund management businesses, therefore, the loss of any of our executive officers, key employees or senior managers could negatively affect our ability to execute our business strategy.

Our future success also depends on our continuing ability to identify, hire, train and retain other qualified sales, marketing and managerial personnel. Competition for such qualified personnel is intense and we may be unable to attract, integrate or retain qualified personnel at levels of experience or compensation that are necessary to sustain or expand our operations. Our businesses could be materially and adversely affected if we cannot attract these necessary personnel.

As of December 31, 2025, approximately 31% of GFNorte's employees were unionized, and we could incur higher ongoing labor costs and disruptions in our operations in the event of a strike or other work stoppage.

a.32. We are subject to litigation and other judicial, administrative and regulatory proceedings that may affect our operations and financial position.

We are regularly party to litigation and other legal proceedings related to claims resulting from our operations in the normal course of business. Litigation is subject to inherent uncertainties, and unfavorable rulings may occur. We cannot assure that these or other legal proceedings will not materially and adversely affect our ability to conduct our business in the manner that we expect or otherwise adversely affect our results of operations and financial position should an unfavorable ruling occur.

We face various issues that may give rise to risk of loss from legal and regulatory proceedings, including tax litigation. These issues, including appropriately dealing with potential conflicts of interest, and legal and regulatory requirements, could increase the amount of damages asserted against us or subject us to regulatory enforcement actions, fines and penalties. The current regulatory environment, has resulted in an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, may lead to material compliance costs.

a.33. Our businesses rely heavily on data collection, processing and storage systems in order for our internal control systems and other operating to function properly.

At a time when transaction processes have become increasingly complex, with increasing volume, our principal businesses are highly dependent on the ability to timely collect and process a large amount of financial and other information across numerous and diverse markets and products at our various locations and channels. The proper functioning of financial control, accounting or other data collection and processing systems is critical to our business and to our ability to compete effectively. A partial or complete failure of any of these primary systems could materially and adversely affect our decision making process and our risk management and internal control systems, as well as our timely response to changing market conditions. If we cannot maintain an effective data collection and management system, our business operations, financial position and results of operations could be materially and adversely affected.

Furthermore, we are dependent on information systems to operate our website, process transactions, respond to customer inquiries on a timely basis and maintain cost efficient operations. We may experience operational problems with our information systems as a result of system failures, viruses, computer “hackers” or other causes. Any material disruption or slowdown of our systems could cause information, including data related to customer requests, to be lost or to be delivered to our clients with delays or errors, which could reduce demand for our services and products and could materially and adversely affect our financial position and results of operations.

a.34. We depend on our ability to effectively improve or upgrade our information technology infrastructure and management information systems in a timely manner.

Our ability to remain competitive in the markets in which we operate depends partially on our ability to upgrade our information technology infrastructure on a timely and profitable basis, through continuous investment. The opening of new offices and branches, and our hyper-personalized offerings approach, requires us to improve our information technology infrastructure, and to maintain and upgrade our software and hardware systems and back office operations.

Additionally, any failure or interruption in the improvement, development and expansion of our information systems could result in a delay in our ability to respond to the demands of our customers, our ability to manage risk, or defects in our service. This could adversely affect our customers or our reputation for reliability.

Any failure to improve effectively or upgrade our information technology infrastructure and management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations, and result in losses for our customers, resulting in liabilities for us.

a.35. We may not be able to detect money laundering, terrorist financing and other illegal or improper activities fully or on a timely basis, which could expose us to liability and damage our business.

We and our subsidiaries are required to comply with applicable anti-money laundering and anti-terrorism laws and sanctions program. These laws require us, among other things, to adopt and enforce “know your customer” policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. These laws and regulations have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision.

The designation of certain Mexican drug cartels as International Terrorist Organizations (ITOs) in early 2025 significantly elevates the relevance of this risk. As a result, our organization is adapting to this new environment through the review of risk models, validation of monitoring systems and blacklists, as well as the strengthening of our Sanctions Program. This decree presents various challenges for Banorte in terms of Anti-Money Laundering and Counter-Terrorist Financing, and the Sanctions Program, driving the development of new processes, training, structures, governance, and systems to adapt to the new environment, with the objective of maintaining high Compliance standards within our Institution.

While our subsidiaries have adopted policies and procedures aimed at detecting and preventing the use of our banking network for money laundering activities, terrorisms financing and other illegal, inappropriate or inadequate activities, through organizations and people related to terrorism, such policies and procedures may not effectively detect all the activities related to money laundering and other illegal inappropriate or inadequate activities. To the extent we fail to fully comply with applicable laws and regulations, the relevant government agencies to which we report have the power and authority to impose fines and other penalties on us. In addition, our business and reputation could suffer if our infrastructure or our subsidiaries are used for money laundering or illegal, improper or inadequate purposes. Any of these situations could have a materially adverse effect on our business, financial position or results of operations.

In addition, while we review our relevant counterparties’ internal policies and procedures with respect to such matters, we, to a large degree, rely upon our relevant counterparties to maintain and properly apply their own appropriate anti-money laundering procedures. Such measures, procedures and compliance may not be completely effective in preventing third parties from using our (and our relevant counterparties’) operations as a conduit for money laundering (including illegal cash operations) without our (and our relevant counterparties’) knowledge. If we are associated with, or even accused of being associated with, or become a party to, money laundering, then our reputation could suffer and/or we could become subject to fines, sanctions and/or legal enforcement (including being added to any “blacklists” that would prohibit certain parties from engaging in transactions with us), any one of which could have a material adverse effect on our reputation, business, financial condition or results of operations.

a.36. We are a holding company and depend upon dividends and other funds from subsidiaries to pay dividends, debts and other obligations.

We are a holding company and our operations are conducted through our subsidiaries. As a result, our ability to, pay dividends, pay our own debts, and have the resources to fund our operations primarily depends on the ability of our subsidiaries to generate earnings and to pay dividends to us or otherwise provide us with resources. Banorte may be restricted from paying dividends to us if it does not meet its required regulatory Capital Ratios. Additionally, distribution of profit by our subsidiaries is subject to the income effectively generated by those subsidiaries and their financial and business situations. Our right to receive any amount from any of our subsidiaries upon their liquidation or reorganization will be effectively subordinated to the claims of our subsidiaries’ creditors, including trade creditors. (See Section 3 “Financial Information, subsection d) Management Analysis and Comments on Operating Results and the Company’s Financial Situation” and Section 2 “The Company, subsection b) Business Description – Dividends” in this Annual Report.)

It is worth mentioning that the Extraordinary Shareholders' Meeting held on April 30, 2019 agreed to modify GFNorte's Dividend Policy to be between 16% and up to 50% of the net income of the prior year.

a.37. Under the Statutory Responsibility Agreement, we are responsible secondarily and without limitation for the performance of the obligations incurred by our subsidiaries.

Under the Statutory Responsibility Agreement that we entered into with our financial subsidiaries, pursuant to the Law Regulating Financial Groups, we are responsible secondarily and without limitation for performance of the obligations incurred by our subsidiaries as a result of the authorized activities of such subsidiaries, and we are fully responsible for certain losses of such, up to the total amount of our assets. For such purposes, a subsidiary is deemed to have losses if:

- its stockholders' equity is less than the amount the subsidiary is required to have as minimum capital under applicable law;
- its capital and reserves are less than the subsidiary is required to have under applicable law; or
- in the judgment of the regulatory authority supervising the subsidiary's activities, the subsidiary is insolvent and cannot fulfill its obligations.

Furthermore, if GFNorte is deemed to have losses we will not be allowed to pay any dividends or transfer any monetary benefit to our shareholders as of the date on which IPAB determines that Banorte has losses extending to the date on which we pay those. Moreover, we would be required, among other things, to guarantee to IPAB the payment of such losses. Pursuant to the Law Regulating Financial Groups, our shares or the shares of our subsidiaries could be posted as collateral to guarantee the payment of GFNorte's losses in favor of IPAB. Pursuant to Article 120 of the Law Regulating Financial Groups, our shareholders, by virtue of their holding of our shares, accept that their shares could be posted as a guarantee in favor of IPAB, and that such shares will be transferred to the Institute if we are unable to pay for any amounts due to IPAB as a result of Banorte's losses.

We cannot assure that in the future, Banorte or any of our other subsidiaries will not be deemed to have losses, and if so, that we will have sufficient assets to cover such losses. (See Section 2 "The Company, subsection b) Applicable Legislation and Tax Situation – Applicable Law and Supervision - Financial Groups' Statutory Responsibility" in this Annual Report.)

a.38. We are subject to the Federal Anticorruption Law in Public Contracting, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

In July 2016, as part of the historic constitutional reform which created the National Anticorruption System (*Sistema Nacional Anticorrupción*) ("SNA"), the Mexican Congress approved a group of laws that comprises the legal framework that will ensure the implementation of the public strategies and policies for fighting corruption and impunity. The objective of this reform is to achieve full coordination of efforts from the federal, state and municipal governments, and the government of Mexico City, in order to prevent, investigate and punish administrative violations and corrupt practices by public officers, companies and individuals.

For the operation of the SNA, the Mexican Congress approved the General Law on the National Anticorruption System (*Ley General del Sistema Nacional Anticorrupción*), the Federal Anticorruption Law on Public Contracts (*Ley Federal Anticorrupción en Contrataciones Públicas*), the General Law on Administrative Accountability (*Ley General de Responsabilidades Administrativas*) and the Organic Law of the Federal Tribunal of the Administrative Justice

(*Ley Orgánica del Tribunal Federal de Justicia Administrativa*). In addition, it approved the Law on Auditing and Accountability of the Federation (*Ley de Fiscalización y Rendición de Cuentas de la Federación*), and amendments on internal controls of the federal executive branch to the Organic Law of the Public Administration (*Ley Orgánica de la Administración Pública Federal*), to the Fiscal Coordination Law (*Ley de Coordinación Fiscal*) and to the General Law for Governmental Accounting (*Ley General de Contabilidad Gubernamental*).

The Federal Anticorruption Law on Public Contracts, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments, in money or in kind, to government officials directly or through other persons, for the purpose of obtaining or retaining business or to promote illicit conduct by these officials.

Banorte has an Anti-corruption policy approved by its Board of Directors, which is reviewed annually to ensure that it is kept updated based on changes in the regulatory context. However, it cannot be guaranteed that our internal control policies and procedures will protect us from imprudent acts or committed crimes by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and could have a material adverse effect on our reputation, business, financial condition or results of operations.

a.39. We are subject to epidemiological risks affectations

GFNorte recognizes that human health and well-being are a priority in any socioeconomic activity, and the lack of it directly affects social development, as well as the profitability and resilience of companies. Risks related to pathologies that cause diseases of great population scope, to the extent of epidemics or pandemics, are a risk factor in the fulfillment of GFNorte's strategy. Faced with the potential threat of new epidemics or pandemics, GFNorte has implemented various measures to prevent and mitigate the effects of potential health crises on the operation, business performance, and the integrity of GFNorte's employees.

Epidemiological risk in GFNorte is managed and mitigated through a solid Corporate Governance, the Business Continuity Plan (BCP), the Integrated Health System, the Crisis Management Committee, communication of relevant information with stakeholders, technological adaptation, identification and timely containment of portfolio deterioration, as well as monitoring of risk indicators.

a.40. Our loan and investment portfolios are subject to prepayment risk, which could negatively affect our net interest income.

Our loan portfolio and our subsidiaries' loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate scenario, prepayment activity increases, reducing the weighted average lives of our interest earning assets and therefore our expected results relating to these assets. If prepayment activity were to increase, we would also be required to amortize net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income. Prepayment risk also might have a significant adverse impact on credit card portfolio and collateralized mortgage obligations, since prepayments could shorten the weighted average life of these portfolios, which would negatively impact our business, financial condition and results of operation.

a.41. Future Mexican government restrictions on interest rates, banking fees or reserves could negatively affect GFNorte's profitability.

A significant portion of our revenues and operating cash flow is generated by Banorte's consumer loans and any such limitations or additional informational requirements could materially and adversely affect our results of

operations and financial position. In Mexico, the Financial Services Users Protection and Defense Act (Ley Federal de Protección y Defensa al Usuario de Servicios Financieros) currently does not impose any limit on the interest rate or in the banking fees, subject to certain exceptions, that a bank may charge.

However, under the Law for the Transparency and Ordering of Financial Services (Ley para la Transparencia y Ordenamiento de los Servicios Financieros), the Mexican Central Bank has broad authority to determine that reasonable competitive conditions do not exist and to issue temporary regulations in respect of credit and debit cards, checks, fund transfers and other means of payment, as a means to ensure competition, free access, no discrimination and protection of the interest of users.

Currently, the Congress and regulators have not yet proposed any specific limit on the interest rates we may charge. We cannot predict what impact the issuance of any such regulations may have on our business and results of operations,

In addition, if Mexican governmental authorities require banks and other financial institutions to increase their reserve requirements for loan losses or change the manner in which such loan reserves are calculated, it may adversely affect our results of operations and financial position.

a.42. Banorte may be required to make significant contributions to IPAB.

Under Mexican law, banks are required to make monthly contributions to support the operations to the Mexican Institute for the Protection of Banking Savings (Instituto para la Protección al Ahorro Bancario), or IPAB, in an amount equal to one-twelfth of 0.4% (the annual rate) multiplied by the average of certain liabilities minus the average of certain assets. IPAB was created in January 1999 to manage the bank savings protection system and regulate the financial support granted to banks in Mexico. Mexican authorities impose regular assessments on banking institutions covered by IPAB for funding. Banorte contributed Ps 5.11 billion and Ps 4.74 billion to IPAB during 2025 and 2024 respectively. In the event that IPAB's reserves are insufficient to manage the bank savings protection system and provide the necessary financial support granted to troubled banking institutions, IPAB maintains the discretionary right to require extraordinary contributions to participants in the system. Any such requirement can be a result of a multitude circumstances, cannot be predicted and could adversely affect our business, financial condition or results of operations.

a.43 We are subject to risk factors derived from cyber-attacks and other security breaches

One of the main risks faced by GFNorte and most of the companies that support their business processes through information technology is to be exposed to attacks from the Internet, internally, and through supply chains, to affect the availability of the services they offer, whether on-site or cloud-based platforms. In recent years there has been a significant increase in this type of attack and, in some cases, it has materialized in the financial industry with significant losses for the institutions. The most common attack recognized by the industry is called Ransomware, which remains one of the main threats. Another risk factor to which we are exposed is malware attacks, which come through different vectors and can pose a threat to the continuity of the institution's operations. Since this type of attack can reach the last link (end user), much depends on awareness and internal control practices, as well as on the technologies implemented in the institution's perimeter to reduce the probability of occurrence of this type of attack. Another attack that is rapidly escalating is the one that uses Generative Artificial Intelligence (Gen AI), which reproduces audio, images, and video, making them powerful tools to enhance social engineering attacks; in addition, the organization is preparing for new threats such as quantum attacks, which are cyber intrusions that leverage the power of a quantum computer to break or compromise security systems that are currently considered secure.

In addition to the above, the cybersecurity awareness of the regulatory bodies has been growing, apart from completely updating the security sections of the current regulation, therefore GFNorte has ongoing modernization initiatives to comply with regulatory requirements and, above all, to ensure that the organization has the necessary controls to address new types of threats. These efforts are carried out through the cybersecurity program, which has strengthened the security of the information systems that support our operations. Budget and resources have been allocated in line with industry needs and the most current threats, incorporating defense mechanisms that use Artificial Intelligence to anticipate and prevent sophisticated attacks. Through these measures, we aim to robustly protect the confidentiality, integrity, and availability of information, and be prepared for the new challenges in cybersecurity. All of the above elements form part of Banorte's Risk Profile, which incorporates a periodic report of industry (external) risks issued by global organizations, complemented with internal information derived from the cyber-risk management model, all to ensure their effective and timely mitigation.

a.44. The entry of Financial Technology Companies into the Mexican financial market could reduce the participation of incumbent players, such as GFNorte.

GFNorte has consistently evolved to address the digital banking challenge in Mexico, consolidating a strategy that today places artificial intelligence and an omnichannel experience at the center of its transformation. Since 2014, the Group has advanced operational, tactical and strategic initiatives, including alliances with technology leaders such as Google, TEC de Monterrey, Rappi and Clip, thereby strengthening its competitiveness and innovation capabilities.

Mexico has become the second-largest fintech ecosystem in Latin America, with more than 1,100 active companies and a growing trend among new market entrants to seek banking licenses, intensifying competition in products such as credit cards, digital payments, mutual funds, and consumer loans. This dynamism presents potential risks to the market share of traditional banking institutions.

In this context, Banorte continues advancing toward its vision of becoming a “digital bank with branches,” developing technological capabilities that enable service personalization, process optimization and fraud prevention through the increasing use of artificial intelligence. Among these initiatives, “Bank in Minutes” stands out as a project that streamlines internal processes and facilitates the deployment of new digital products, improving customer interactions and enabling a faster and more efficient banking experience. Likewise, our strategic alliances—including collaboration with Google Cloud on cybersecurity, hyper-personalization and cloud adoption—enhance our ability to understand consumption patterns and deliver solutions through each customer's preferred channel.

a.45. We are exposed to climate and nature-related risks.

Climate change is one of the biggest global threats, with physical risks and transition risks generating effects that impact on the safety and health of populations, on the balance of nature, as well as on the stability of economies. There is an urgent need for organized and science-led global action that enables both mitigation and adaptation to its effects in order to a resilient, equitable, sustainable and prosperous future.

Physical risks associated with climate change have consequences such as increase in the frequency and severity of extreme weather events, like tropical cyclones, floods, severe storms, rising sea levels, water tensions in some areas, the spread of wildfires, droughts, among other events. Physical risk impacts can be direct in our operations or indirect through our clients, in which case, it could imply an increase in the likelihood of credit default or an erosion in the value of the collateral that supports our credits, resulting in incremental credit losses, the generation of higher reserves, an additional capital requirement and a reduction in utilities in GFNorte.

Transition risks involve major political, legal, technological and market changes as a result of the need for a transition to a green economy to mitigate climate change-related impacts. Reducing greenhouse gases to a green economy will affect all sectors of the economy, but to varying degrees. Significant investments will be required to move towards clean energy to meet the targets established under the Science Based Targets initiative (SBTi) standard, considering that, following the dissolution of the Net-Zero Banking Alliance in 2025, financial institutions face heightened requirements to uphold their decarbonization commitments. The sectors that are harder to decarbonise will face greater transition risks, such as oil and gas, energy generation, agriculture, cement and steel, among others. One of the key variables in transition risk scenarios is the price of carbon, which has already been implemented in some countries around the world to mitigate the impact of industries on climate change, causing increased costs at all levels of the production chain and consequently could trigger liquidity and/or solvency problems for some of our accredited.

In addition, one of the emerging risks we face is the loss of biodiversity that is recognized by the world's central banks as a source of systemic risk alongside climate change. There is increasing evidence that degradation of nature poses risks for, capital providers, financial systems and economies. Critical global supply chains, from agribusiness to semiconductor supply, suffer from water shortages and water stress. Land and soil degradation has been shown to have a negative impact on the market value of enterprises and to increase the credit risk for associated lenders. The loss of pollinators is damaging agricultural production, and in some countries, it is increasingly difficult to meet the growing demand for these processes. Companies in various sectors, from the agrochemical industry to the mining industry, which have not managed their environmental impacts properly have faced denied permits and legal claims, with the consequent deterioration of their credit ratings and market ratings, which could lead to an increase in their risk and, if they are our customers, to a possible increase in the preventive estimates for credit risks.

a.46. We are exposed to Disinformation Risk, which represents a threat to the Group's reputation, operations, profitability, and solvency

Disinformation Risk is defined as the potential loss or impact on profitability attributable to the erosion of confidence among the market, clients, employees, authorities, citizens, and other stakeholders in the Institution, as well as the halting or disruption of GFNorte's operations directly caused by disinformation, understood as erroneous or malicious information that—whether intentionally or unintentionally—may generate uncertainty or doubt among individuals or institutions.

Based on the growing global trend of false-information threats directed at financial institutions, the Group focuses on preventing and defending itself against such practices.

We conduct ongoing monitoring of the information and content published or disseminated in traditional and digital media through the review, assessment, and verification of information, as well as the application of internal protocols and policies.

a.47. We are exposed to Tariff Risk

Tariff Risk is considered a sub-risk of Macroeconomic and Geopolitical Risk and is defined as the possible negative impact on the Institution's earnings resulting from potential episodes of macroeconomic and financial instability specifically caused by uncertainty and volatility in the international trade landscape.

Banorte is aware that the global macroeconomic environment is increasingly complex and dynamic, particularly due to changes in U.S. public policy related to international trade, which throughout 2025 has generated repercussions worldwide.

Given the bilateral relationship we maintain with the United States and the magnitude of this relationship to our interests, our clients, and the economic performance of Mexico, Banorte considers it essential to closely monitor the potential impacts that such policies may have on our results.

b. Risks Related to Mexico

b.1. Economic and financial risks in Mexico.

In recent years, the global economy has undergone a series of transformations driven by the adoption of disruptive technologies, geopolitical tensions, demographic trends, environmental challenges, and changes in monetary, industrial, trade and regulatory policy across major economies, as well as electoral processes in several regions and adjustments to global supply chains. Mexico has not been exempt from these developments.

In addition, there are country-specific factors such as the effects of broad reforms (including judicial and labor reforms and potential changes affecting autonomous agencies); challenges to the rule of law; the need for further fiscal consolidation efforts to avoid a sovereign ratings downgrade; and the review or renegotiation of the United States–Mexico–Canada Agreement (USMCA), including the possible imposition of additional restrictions by the members of the agreement or other partners. These conditions could materially affect the Mexican economy and, in turn, our business.

In particular, we may face, among others, the following risks related to international markets and economic conditions:

- An increase in regulation of the financial industry at the local and international level, which could raise compliance costs, increase operating complexity, and limit the ability to develop new products, services or business opportunities.
- Heightened uncertainty about economic conditions, which could adversely affect the accuracy of forecasts and, in turn, undermine confidence in the process we use to estimate losses inherent in credit exposure. This process requires complex analyses, including projections of economic conditions and how such conditions may affect borrowers' repayment capacity as well as the operational risks we face.
- Derivatives markets and similar transactions could affect financial systems and the solvency of participants.
- A moderate global growth environment with fragilities to shocks, in which activity could be affected by episodes of trade tensions, structural changes in globalization and in economic policies that influence productivity growth, trade and investment.
- Greater international macro-financial volatility—across risk and term premia, interest rates, inflation and exchange rates—and cyclical or institutional changes in monetary and fiscal policy, which could tighten financial conditions, raise funding costs and pressure capital flows to emerging markets.
- A deterioration in the geopolitical backdrop and foreign trade (regional conflicts, technological disputes and logistical disruptions) that could translate into shocks to energy and commodity prices, increasing uncertainty and volatility.
- Risk of a correction in equities and other financial instruments linked to artificial intelligence and technology, given the rapid increase in valuations and expectations; a slower-than-expected pace of adoption and investment returns could trigger abrupt adjustments and weigh on market sentiment.
- Risks associated with climate change that will require coordinated action by economic agents worldwide.
- Challenges to information security and operational resilience amid persistent global cybersecurity threats.

A worsening of any of the foregoing risks or conditions could slow the dynamics of the financial industry and, consequently, negatively affect our financial condition, operating results and growth prospects.

b.2. We are subject to economic and political developments in Mexico that could affect domestic economic policy and our business.

Most of our operations and assets are located in Mexico. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy, changes in national GDP, personal income, unemployment rate, increase of formal labor market, the devaluation of the peso compared to the U.S. dollar, price instability, inflation, changes in oil prices, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control. Decreases in the growth rate of the Mexican economy, periods of negative growth or reductions in disposable income may result in lower demand for our services and products. In 2016 Mexican government cut spending in response to a downward trend in international crude oil prices, and it may further cut spending in the future. These cuts could adversely affect the Mexican economy and, consequently, our business, financial condition, operating results and prospects.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican government actions concerning the economy and regulation of certain industries, including the banking sector, could have a significant effect on Mexican private sector entities in general, and on us and our subsidiaries in particular, and on market conditions, prices and returns on Mexican securities, including ours.

The Mexican government can implement significant changes in the law, public policies and/or regulations that can affect the political and economic situation of Mexico, negatively affecting our business. (See Section 2 “The Company, subsection b) Applicable Legislation and Tax Situation” in this Annual Report).

In recent years, there has been an increasing amount of social instability in Mexico derived from violent crime carried out by organized cartels and others involved in drug trafficking, which has particularly affected the areas of northern Mexico that border the United States. The continuation or escalation of such crime could have negative consequences for the Mexican economy or destabilize its political system, which could adversely affect our business.

We cannot provide any assurance that future economic or political developments in Mexico, over which we have no control, will not have an unfavorable impact on our financial position or operating results.

b.3. Nearshoring may not be fully realised if Mexico does not develop the infrastructure and conditions for it.

GFNorte and other companies in the country continue to observe benefits and opportunities from the relocation of production chains to Mexico (nearshoring). This trend has been supported by North America’s manufacturing integration and the reconfiguration of global supply chains. However, it may not fully materialize—or may do so more gradually and in a more concentrated manner—if Mexico does not develop, expand and modernize the necessary infrastructure (energy, roads, railways, ports, airports and telecommunications, among others); does not encourage the development and availability of industrial parks, data centers and logistics hubs; does not strengthen the integration of micro, small and medium-sized enterprises (MSMEs) into global value chains; and does not improve competitive conditions in markets and the provision of public goods, among other challenges. In particular, limited availability of energy and sufficient water in industrial areas—especially in the north of the country—has become a key obstacle for new projects and expansions. Improving public security is also essential to reduce operating, logistics, transactional and business costs and to support regional competitiveness.

If the conditions required for nearshoring to materialize effectively are not developed, the country’s medium- and long-term growth trajectory could be lower, negatively affecting the expected return on the investments made in

physical and human capital to capitalize on this trend and, consequently, adversely affecting GFNorte's financial position.

b.4. We are subject to the risk of depreciation or fluctuation of the peso with respect to the dollar and other currencies, which could adversely affect our results of operations and financial situation.

A severe depreciation of the peso vs. the dollar could limit our capacity to transfer or convert pesos to dollars or other currencies, which could have an adverse effect on our financial situation, operational results and cash flows in the future, increasing the amounts of our foreign-denominated obligations in peso terms.

A severe depreciation of the peso could also result in government and/or central bank intervention (changes in monetary policy) or disruptions in international currency markets. Devaluation or depreciation of the peso against the U.S. dollar may also adversely affect our business, financial condition and results of operations.

These risks are monitored in accordance with the Institution's internal risk-management policies and limits.

b.5. Rule of law and institutional environment

The strength of the rule of law and public security conditions are relevant factors for economic stability and for the proper functioning of the financial system in Mexico. Changes in these conditions could affect regional economic activity, investment, operating and logistics costs and the dynamics of certain productive sectors.

To the extent that these factors affect the performance of our borrowers and/or counterparties, they could influence credit demand, asset quality and portfolio growth. GFNorte incorporates these variables within its comprehensive risk management models, including sectoral, geographic and sensitivity analyses under different macroeconomic scenarios.

Although these elements are beyond GFNorte's control, we maintain adequate capital, liquidity and diversification positions, as well as prudent policies and robust corporate governance practices aimed at mitigating potential impacts arising from the operating environment. There can be no assurance, however, that changes in the institutional or economic environment will not adversely affect our results, financial position or outlook.

b.6. Developments in other countries may adversely affect our operations and the prices of our securities.

Economic and financial conditions in other countries, as well as relevant political or geopolitical events, may influence market performance and the market value of securities issued by Mexican companies. Even when such conditions differ from those in Mexico, investor reactions to international events may trigger bouts of risk aversion, induce capital outflows from emerging markets, tighten financial conditions and reduce liquidity, among other adverse effects. All these factors could lead to higher volatility, wider credit spreads and risk premia, reduced access to certain markets and abrupt, disorderly movements in exchange and interest rates, which could negatively affect the price of our securities and our financial condition.

b.7. Our corporate disclosures may be different or less substantial than those of issuers in other countries.

In Mexico issuers of securities are required to publicly disclose information, in terms that are potentially different and that may be less detailed than disclosures required in countries with more developed capital markets. In addition, accounting and other reporting principles and standards applicable to credit and other financial institutions in Mexico and the financial results reported using such principles and standards may result in material differences between our results and those results that would have been obtained using other principles and standards, such as U.S. GAAP.

c. Risks Related to the Securities Markets and Ownership of Common Shares

c.1. An active and liquid market for common shares may not develop.

Although they are traded on the BMV, our shares could change in the amount traded and liquidity. Since 2018 the BMV is no longer the only stock market in Mexico, with the integration of the Stock Market Institutional, (BIVA), we see ourselves in the need to adapt to the new regulations and changes in the way of reporting stock information. However, we are aware that compared to international markets, the Mexican market is less liquid, more volatile and has a lower institutional investor base. These market characteristics may affect the ability of holders of our common stock to enter into timely purchase or sale transactions, having an effect on the price of our common stock.

c.2. Non-compliance with requirements for maintaining our shares listed in the BMV or of their registration with the CNBV may have an adverse effect on the price or liquidity of our shares.

We are subject to certain requirements set forth by the CNBV and the BMV, such as those of disclosure, to maintain our registration with the CNBV and through the National Registry of Securities (RNV) and our shares listed on the BMV. If we are not able to comply with such requirements, the listing of our shares in the BMV may be suspended or cancelled.

c.3. The market price of our common shares may fluctuate significantly, and investors could lose all or part of their investment.

The market price and liquidity for our common shares may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, among others:

- significant volatility in the market price and trading volume of securities of companies in our sectors or those of our subsidiaries, which are not necessarily related to the operating performance of these companies;
- performance of the banking sector in Mexico;
- changes in earnings or variations in operating results;
- future equity offerings by other financial groups, banks or financial institutions in Mexico;
- changes in the financial recommendation of the fundamental analysts that cover us and our sector;
- new laws, regulations or new interpretations of these, including tax guidelines or others applicable to our business or that of our subsidiaries; and
- economic trends in the Mexican, U.S. or global economies or financial markets, including those resulting from wars, incidents or terrorism or violence or responses to such events; and political conditions or events.
- the possibility of a decrease in the liquidity of our shares in the market as a result of the use of the buyback fund.

c.4. Future issues of our common shares may result in a decrease of their market price and could have a dilutive effect for our shareholders.

In the event we seek to raise capital by issuing shares or market's perception that we could issue new shares, could result in a reduction in the price of our common shares or create volatility in the market price of our common shares. Furthermore, future capital increases could cause a dilution of shareholders' investment in common shares, if they do not, or are not able to exercise their preemptive rights in subscribing to any such issuance.

c.5. There cannot be assurance that we will be able to pay or maintain cash dividends, and our dividend policies are subject to change.

The amount of cash available for dividends, if any, will be affected by many factors, including our future operating results, financial condition and capital requirements, legal restrictions, including capital adequacy requirements, and contractual restrictions in our current and future debt instruments, and those of our subsidiaries, as well as our ability to obtain funds from our subsidiaries, among other variables. Cash currently available for dividend payments may vary significantly from estimates. We cannot assure that we will be able to pay or maintain dividends or that they will increase over time. Our actual results may differ significantly from the assumptions used by our Board of Directors in recommending dividends to shareholders or in adjusting our dividend policy. Also, there cannot be assurance that our Board of Directors will recommend the payment of dividends to our Shareholders' Meeting or that, if recommended, our shareholders will approve disbursing such dividends. Dividend policies adopted by our Board of Directors, are subject to change at any time.

It is worth mentioning that the GFNorte's Ordinary Shareholders' Meeting held on April 30, 2019 agreed to modify the Dividend Policy of the Financial Group so the dividend payment be between 16% and up to 50% of the net income of the prior year. For a description of the factors that can affect the availability and timing of cash dividends to shareholders, see section 2 *"The Company, subsection b) Business Description - Applicable Legislation and Tax Situation – Applicable Law*

c.6. Certain provisions of our by-laws and applicable law may delay or limit a change of control.

Pursuant to the LRAF, the LMV and the Bylaws no person or entity, or group thereof, may, directly or indirectly, in one or more transactions:

- acquire or transfer more than 2% of our shares without informing the SHCP (Article 26 LRAF and Article 9 of our Bylaws);
- acquire 5% or more of our shares, except with prior authorization from the SHCP, who can grant this at its discretion after hearing the Bank of Mexico's opinion and, as appropriate, the opinion of the CNBV, CNSF or CONSAR (Article 28 LRAF and Article 9 of our Bylaws);
- acquire 20% or more of our shares, except with prior authorization from the SHCP, who can grant this at its discretion after hearing the Bank of Mexico's opinion and, as appropriate,
- acquire 10% or more, but less than 30% of our shares, unless the transaction is reported, revealing individual holding in the case of a group of individuals, as well as informing the intention or not to acquire significant influence in the Institution. (Article 109 LRAF and Article 9 of our Bylaws)
- acquire 30% or more of our shares, except with prior authorization from the CNBV and undertake a public offer to purchase up to 100% of our shares (Articles 98 and 99 LMV and Article 18 of our Bylaws).

Notwithstanding the aforementioned, the public must be informed of such simultaneous or successive operations which directly or indirectly, involve people related to the Institution seeking to increase or decrease their

participation by 5%, as well as inform of their intention to influence or significantly increase influence in such Institution, and inform of the intention to acquire, increase or not acquire significant influence in such Institution. (Article 110 LMV and Article 9 of our Bylaws).

Sales and acquisitions made by Board members, relevant Directors, a group of people or an individual who holds, either directly or indirectly, 10% or more of shares must inform the CNBV and the public where appropriate. (Article 111 LMV and Article 9 of our Bylaws).

Furthermore, under the Mexican Financial Groups Law, foreign entities with governmental authority and Mexican financial entities, including those that form part of a financial group, unless such entities are institutional investors as defined in the Law Regulating Financial Groups, cannot purchase our shares. Additionally, our Bylaws provide that any person or entity, or group thereof, that plans to acquire more than 5% of our shares, requires the authorization of our Board of Directors, this prior approval must be requested again when any of the following ownership percentages is reached or exceeded: 10%, 15%, 20%, 25% and up to 30% less one share, of the total outstanding shares of the capital stock. As previously mentioned, to acquire 30% or more of our shares, a public tender offer to purchase up to 100% of such shares must be made; if the public tender offer manages to acquire only a percentage equal to or less than 50% of the offered shares, the Purchaser must request the Board of Directors' approval for this acquisition. Moreover, shareholders representing the following percentages, or if the case, exceed them, must notify the company within a period of 30 business days after the date of the acquisition, when reaching or exceeding ownership of 4%, 8%, 16% and 24%, respectively. (Article 18 of our Bylaws). The Securities Market Law also requires that any person or entity, or group thereof, that plans to acquire a controlling stake in our company, make a public tender offer for 100% of the shares at the same price.

Such provisions may delay or limit a change of control or a change in our management. The existence of such provisions may limit the price that investors would be willing to pay for the shares in the future.

c.7. The rights afforded to minority shareholders in Mexico are not as comprehensive as those in the United States and certain other jurisdictions.

Under Mexican law, the protections afforded to minority shareholders and the fiduciary duties of loyalty, diligence, and others of Board members and officers are, in some respects, distinct or less clear than those applicable in the United States and in other jurisdictions. In particular, Mexican law concerning fiduciary duties of Board members and directors is not as comprehensive as in other markets and the criteria applied to ascertain the independence of corporate directors is different from the criteria applicable under corresponding Mexican laws and regulations.

Although Mexico has enacted rules permitting class actions, there is limited experience in respect of such actions, and the requirements to proceed with and the potential outcomes of such actions are not predictable. As a result, in practice it may be more difficult for our minority shareholders to enforce their rights against us and our Board members and directors than it would be for shareholders of a U.S. or other non-Mexican company. Additionally, even when such rights are exercised, the response time and the consequences may be different than those expected in other markets.

c.8. Our bylaws restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.

As required by Mexican law, our bylaws provide that non Mexican shareholders are treated like Mexican shareholders with respect to their ownership interests and are deemed to have agreed not to invoke the protection of their governments. Our corporate documents also provide that any legal action relating to the execution,

interpretation or performance of our bylaws is governed by Mexican law and may be brought only in Mexican courts. As a result, it could be difficult for our non-Mexican shareholders to enforce their rights as shareholders under our bylaws before courts other than Mexican courts or obtain protection from their governments regarding acts or events affecting their shares.

c.9. According to Mexican laws, shareholders' rights could be more limited, different or less clear than in other jurisdictions.

Our corporate matters are regulated by our by-laws provisions and Mexican law (including special laws applicable to Financial Groups), which differ from those legal provisions applicable if we were a company constituted in any U.S. jurisdiction or in other than Mexico.

The shareholders' rights protecting their interests from acts of our Board of Directors or any of its members or main officers that do not comply with their duties of loyalty, could be limited or less clear than those granted in other jurisdictions. Particularly, any action against our officers and Board members can be initiated by the Company, the affected financial entity or by shareholders with at least 15% stake in capital stock, and not by a single shareholder or group of shareholders, and these actions are derived in benefit of The Company and not of the affected shareholders. Furthermore, rules and guidelines related to operations with related parties and conflicts of interest could be less defined in Mexico than in the United States, therefore shareholders would be in disadvantage.

The duties of loyalty and diligence of Board members and officers are properly defined in the Securities Market Law and Law Regulating Financial Groups and have not been interpreted or defined by courts at the present moment, consequently, legal interpretation of the meaning and scope of such duties is still uncertain. Recently diverse reforms allowing collective actions have been published in Mexico; nevertheless, procedures to implement such actions have been developed recently, but experience regarding the practical implications is still inexistent. At the present moment, there are not significant and enough complaints related to the non-compliance of fiduciary duties, through *collective* or derived actions, in order to motivate judicial complaints based on the non-compliance of fiduciary duties that help to predict the possible outcome of a possible complaint.

As a result, for our minority shareholders is more difficult to enforce their rights against us or our Board members, officers or controlling shareholders, that it would be in a company constituted in the U.S.

c.10. We are not subject to the control of a principal shareholder group.

There is no principal shareholder of our capital stock. Consequently, there is no principal shareholder or group of shareholders that exercises control over us and this could delay our ability to make strategic decisions if no agreement is reached by a majority of our shareholders at a Shareholders' Meeting. In particular, our bylaws provide that certain decisions, including entering into transactions representing 20% or more of our consolidated assets, certain transactions with related parties (Material Asset Acquisition) that imply the acquisition of assets during the fiscal year equal to or above 5% of our consolidated assets (based on figures of the previous quarter) carried out by GFNorte or any of the companies it controls -directly or indirectly-, the appointment or removal of Board members, and increases or decreases in our capital, must be approved by a majority of shareholders at a Shareholders' Meeting. The inability of our shareholders to agree on a matter that could be material to our operations could result in a material adverse effect on our financial condition and results of operations.

c.11. We or other intermediaries may be subject to certain U.S. withholding tax requirements under FATCA, including a requirement to withhold U.S. tax on payments made on our shares to certain non-U.S. financial institutions.

Under certain provisions of the US Internal Revenue Code and the US Internal Revenue Service Guidance Tax Circular, commonly referred to as "FATCA", entities may be subject to withholding taxes at a rate of 30% on certain payments received by them, unless certain audit, reporting and withholding procedures determined by the US Internal Revenue Service are met. IRS") or that such payments are eligible for exemption, in accordance with the " Intergovernmental Agreement" signed between the United States and Mexico on November 19, 2012. However, Grupo Financiero Banorte and its subsidiaries subject to this regulation (Banco Mercantil del Norte, Banco Mercantil del Norte, Fiduciary Division, Banco Mercantil del Norte, Cayman Islands Branch, Banorte Stock Exchange, Banorte Insurance, Banco Bineo, Operator of Banorte Funds, Investment Funds administered by the latter) continue to be duly registered with the IRS as Participating Foreign Financial Institutions, each of the aforementioned companies are assigned a GIIN (Global Intermediary Identification Number) granted by the IRS, with which, the payments that these companies receive from a source located in the USA are not subject to 30% withholding.

Pursuant to FATCA and other regulations issued pursuant to these, any payment made with respect to our shares as of December 31, 2016, may be subject to withholding tax at a rate of 30%, to the extent that such payment is consider as a "payment transferred abroad," but only if said payment is made through a foreign financial institution that does not comply or is deemed not to comply with FATCA. The holders of our shares should consult with their tax advisors regarding the consequences of the application of FATCA to an investment in our shares and their ability to obtain a refund of any amount retained in accordance with FATCA.

c.12. As from June 30, 2017, we will be required to report, as well as other intermediaries, on compliance with the Common Reporting Standards (CRS), contained in Annex 25 Bis of the Fiscal code of the federation (Código Fiscal de la Federación - CFF).

In accordance with the recommendation adopted by the Board of the Organization for Economic Cooperation and Development (OECD) on July 15, 2014 and in order to comply with the contents of Annex 25 Bis of the CFF published on January 12, 2016, corporations and legal entities - which are financial institutions and residents in Mexico - will be required to effectively implement and comply with the CRS standard. To this purpose, they must implement procedures to identify foreign accounts and reportable accounts among new, existing, high and low value accounts, as well as implement a special register of the application of procedures for their identification.

The same fines for offences provided for in Articles 81, Section I, II and 83, Section II of the CFF will apply to whoever does not present information or presents incomplete information, or with errors or different to that indicated by the standard, as well as to those who do not provide a special register of the application of procedures to identify the aforementioned accounts.

c.13 Political and economic events in Mexico and Mexican governmental policies, including the recently approved judicial reform, may result in disruptions to, or interferences in, our business operations and financial condition.

We are a Mexican bank and most of our operations and assets are located in Mexico. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy. Decreases in the growth rate of the Mexican economy, periods of negative growth or reductions in disposable income may result in lower demand for our services and products. The Mexican government has cut spending since the beginning of the previous administration in 2018, and it may further cut spending in the future. These cuts could adversely affect the Mexican economy and, consequently, our business, financial condition, operating results and prospects.

Presidential, congressional, and other governmental elections were held in Mexico on June 2, 2024, resulting in the election of Ms. Claudia Sheinbaum from the ruling National Regeneration Movement (Movimiento de Regeneración Nacional), or Morena coalition, as president. She assumed office on October 1, 2024. President Sheinbaum, a former mayor of Mexico City and former Secretary of the Environment for the city, is expected to continue the social and economic policies of her predecessor, Mr. López Obrador. The newly elected legislators

took office on September 1, 2024, with the Morena coalition holding a qualified two-thirds majority in the Mexican House of Representatives and nearing a qualified majority in the Senate. These majorities grant the Morena coalition considerable authority to enact changes to the Constitution, as well as to Mexican laws, policies, and regulations. The Mexican government could take actions that materially and adversely affect our operations, the manner in which we conduct our business or the manner in which the banking industry generally operates in Mexico.

In February 2024, the Mexican executive branch proposed an amendment to the Mexican Constitution aimed at significantly restructuring the judiciary. This judicial reform was approved in September 2024 by the House of Representatives, the Senate, and a majority of state legislatures, and was subsequently published in the Official Gazette on September 15, 2024, becoming effective on September 16, 2024. Pursuant to this constitutional reform, all federal judges will be elected and the first election of federal judges is expected to take place in 2025. Following this, the Mexican federal and local legislatures have been given 90 and 180 calendar days, respectively, from September 16, 2024, to amend federal and local laws to align with the judicial reform. In addition, a judiciary disciplinary tribunal will be created, taking over the duties of the currently existing Federal Judiciary Council (Consejo de la Judicatura Federal). As of the date of this offering memorandum, no assurance can be given regarding the specifics of the final implementing legislation that will be passed by the Mexican federal and local legislatures. For further details on the judicial reform, see “The Mexican Financial System—Judicial Reform.”

In addition, as part of the proposed constitutional amendments submitted in February 2024, it is currently being discussed to disappear certain autonomous governmental bodies, such as the National Institute for Transparency, Access to Information, and Personal Data Protection (INAI), the National Council for the Evaluation of Social Development Policy (Coneval), the Mexican Antitrust Commission (COFECE), the Federal Telecommunications Institute (IFT), the National Commission for the Continuous Improvement of Education (MEJORADU), the Energy Regulation Commission (CRE), the National Hydrocarbon Commission (CNH) and the National Center of Energy Control (CENACE), and to transfer their functions to Mexican government agencies dependent of the Mexican executive branch.

In 2025, following the entry into force of the decree published in the Official Gazette of the Federation on December 20, 2024, the dissolution of various autonomous constitutional bodies was finalized as part of the reform on organizational simplification. During this period, the Federal Economic Competition Commission (COFECE), the Federal Telecommunications Institute (IFT), the National Institute for Transparency, Access to Information and Personal Data Protection (INAI), the National Council for the Evaluation of Social Development Policy (CONEVAL), the Energy Regulatory Commission (CRE), the National Hydrocarbons Commission (CNH), and the National Commission for the Continuous Improvement of Education (MEJOREDUC) ceased to exist constitutionally, while their functions began the process of being transferred to various agencies within the federal Executive Branch or to INEGI. However, at the beginning of 2025, legal obligations for these bodies still remained in more than 70 laws and codes, which generated a transition period in which they continued to operate in a limited manner until the corresponding legislative harmonization was completed.

We cannot predict the impact that these developments will have on us, our business, or Mexico more broadly. No assurance can be given that these reforms, along with the related amendments to federal and local laws, will not materially and adversely impact the Mexican economy, the banking sector, the market value of our Notes, our ability to recover collateral in judicial processes, or our financial results and operations.

d) OTHER SECURITIES

Banorte has the following registered and existing financial instruments:

Subordinated Preferred Tier 2 capital notes, D8 BNR1031 575C (in US dollars):

Issuance of subordinated preferred preferential capital obligations by Banorte for an amount of USD 500 million, with a maturity date of October 4, 2031, and callable in October 4, 2026. Currently amount of this issuance is USD 74 million

Interests are paid bi-annually at a fixed rate of 5.75% on April 4 and October 4, each year. The capital amortization will be at the end of the 14 years, with the option to be prepaid in the tenth year.

At the moment of issuance, ratings granted by Moody's and Fitch were Ba1 and BB+, respectively.

Non-preferential, non-cumulative, perpetual subordinated capital notes callable to 10 years D8 BNRP 7625C (in US dollars)

Issuance of non-preferential, non-cumulative, subordinated capital notes, callable to 10 years, for an amount of USD \$ 550 million, and callable in January 10, 2028.

Interest is payable quarterly, taking place on January 6, April 6, July 6 and October 6, of each year at a fixed rate of 7.625%.

At the time of the issue, Moody's and S&P granted the ratings Ba2 and BB, respectively.

Non-preferred, non-cumulative, perpetual subordinate capital notes callable to 10 years D8 BANP 75C (in US dollars)

Issuance of non-preferred, non-cumulative perpetual subordinated Capital Notes in the amount of USD 500 million callable in June 27, 2029.

Interest is payable quarterly, taking place on June 27, September 27, December 27 and March 27, of each year at a fixed rate of 7.5%.

At the time of issuance, Moody's / S & P rated Ba2 / BB respectively.

Subordinated Non-Preferred, Non-cumulative, perpetual notes callable to 10 years D2 BANOC21 999999 (in US dollars)

Issuance of non-preferred subordinated capital notes, non-cumulative perpetual, for an amount of USD 500 million with the call date of October 14, 2030.

Interest is payable quarterly, taking place on October 14, January 14, April 14 and July 14, of each year at a fixed rate of 8.375%.

At the time of issuance, Moody's / S&P rated Ba2 / BB- respectively.

Subordinated Non-Preferred, Non-cumulative, perpetual notes callable to 5 years D2 BANOA99 999999 (in US dollars)

Issuance of non-preferred subordinated capital notes, non-cumulative perpetual, for an amount of USD 500 million with the call date of January 24, 2027.

Interest is payable quarterly, taking place on January 24, April 24, July 24 and October 24, of each year at a fixed rate of 5.875%.

At the time of issuance, Moody's / S&P rated Ba2 / BB- respectively.

Subordinated Non-Preferred, Non-cumulative, perpetual notes callable to 10 years D2 BANOB72 999999 (in US dollars)

Issuance of non-preferred subordinated capital notes, non-cumulative perpetual, for an amount of USD 500 million with the call date of January 24, 2032.

Interest is payable quarterly, taking place on January 24, April 24, July 24 and October 24, of each year at a fixed rate of 6.625%.

At the time of issuance, Moody's / S&P rated Ba2 / BB- respectively.

Subordinated Non-Preferred, Non-cumulative, perpetual notes callable to 10.5 years D2 BANOE88 999999 (in USD)

Issuance of non-preferred subordinated capital notes, non-cumulative perpetual, for an amount of USD 750 million with the call date of May 20, 2035.

Interest is payable quarterly, taking place on November 20, February 20, May 20 and August 20, of each year at a fixed rate of 8.750%.

At the time of issuance, Moody's / S&P rated Ba2 / BB- respectively.

Subordinated Non-Preferred, Non-cumulative, perpetual notes callable to 6.5 years D2 BANOD06 999999 (in USD)

Issuance of non-preferred subordinated capital notes, non-cumulative perpetual, for an amount of USD 750 million with the call date of May 20, 2031.

Interest is payable quarterly, taking place on November 20, February 20, May 20 and August 20, of each year at a fixed rate of 8.375%.

At the time of issuance, Moody's / S&P rated Ba2 / BB- respectively.

Stock Market Certificate 94 BINTER 16U (in UDIS)

Bank Stock Certificate for an amount of 365.2 million UDIs with a term of 3,640 days (10 years), maturing in October 01, 2026.

Payment periodicity every 182 days, fixed rate of 4.97%.

At the time of issuance, HR Ratings and Fitch granted HR ratings AA- and A + (Mex), respectively.

Stock Market Certificate 94 BANORTE 20U (in UDIs)

Bank Stock Certificate for an amount of 106.9 UDIs with a 10-year term and maturity in September 18, 2030.

Payment frequency every 182 days and a fixed Rate of 2.76%.

At the time of issuance, HR Ratings / Fitch granted the HR AAA and AAA(mex) ratings, respectively.

Bank Stock Certificate 94 BANORTE 23-3 (in MXN):

Bank Stock Certificate for an amount of Ps 4,180 million with a 4-year term maturing in February 19, 2027.

Payment frequency every 28 days. Yield linked to the 28-day Equilibrium Interbank Interest Rate published by Banco de México plus surcharge (0.08%).

At the time of issuance, Moody's / HR Ratings granted the AAA.mx and HR AAA ratings, respectively.

Bank Stock Certificate 94 BANORTE 23-4 (in MXN):

Bank Stock Certificate for an amount of Ps 5,277 million with a 3-year term maturing in May 21, 2026.

Payment frequency every 28 days. Yield linked to Funding Equilibrium Interbank Interest Rate published by Banco de México plus surcharge (0.30%).

At the time of issuance, S&P / HR Ratings granted the mxAAA.and HR AAA ratings, respectively.

Bank Stock Certificate 94 BANORTE 23-5 (in MXN):

Bank Stock Certificate for an amount of Ps 2,387 million with a 7-year term maturing in May 16, 2030.

Payment frequency every 182 days at a fix rate of 9.41%.

At the time of issuance, S&P / HR Ratings granted the mxAAA.and HR AAA ratings, respectively.

Bank Stock Certificate 94 BANORTE 23U (in UDIs):

Bank Stock Certificate for an amount of Ps 275.8 million with a 10-year term maturing in May 12, 2033.

Payment frequency every 182 days at a fix rate of 4.68%.

At the time of issuance, S&P / HR Ratings granted the mxAAA.and HR AAA ratings, respectively.

Bank Stock Certificate 94 BANORTE 24X (in MXN)

Bank Stock Certificate for an amount of Ps 4,172 million with a 4-year term maturing in February 14, 2028.

Payment frequency every 28 days. Yield linked to Funding Equilibrium Interbank Interest Rate published by Banco de México plus surcharge (0.33%).

At the time of issuance, Fitch / Moody's granted the AAA(mex).and AAA.mx ratings, respectively.

Bank Stock Certificate 94 BANORTE 24-2X (in MXN)

Bank Stock Certificate for an amount of Ps 3,642 million with a 7-year term maturing in February 10, 2031.

Payment frequency every 182 days at a fix rate of 9.74%.

At the time of issuance, Fitch / Moody's granted the AAA(mex).and AAA.mx ratings, respectively.

Bank Stock Certificate 94 BANORTE 24UX (in UDIs)

Bank Stock Certificate for an amount of Ps 648 million with a 10-year term maturing in February 6, 2034.

Payment frequency every 182 days at a fix rate of 4.90%.

At the time of issuance, Fitch / Moody's granted the AAA(mex).and AAA.mx ratings, respectively.

Short-term Structured Debt 83 BANORTE 1-25 (in MXN)

Paying a maximum yield of 27.00% at maturity linked to the ETF, iShares 20+ Year Treasury Bond ETF Class USD Inc. U.S. (TLT US).

The issuance is not subject to a credit rating, as its performance does not depend on the issuer's credit quality.

Warrants WA CRM610R BN001 (in MXN)

Warrant on SALESFORCE (CRM US) for an amount of Ps 62.8 million, with a 1-year term maturing on October 16, 2026.

Paying a maximum yield of 23.99% at maturity.

In compliance with Securities Market Law and the Circular Unica de Emisoras, corresponding quarterly and annual information was presented on timely and in due form to the CNBV and BMV, as well as information regarding material events affecting us. Moreover, during the last three years we have completely and timely presented reports that Mexican and foreign laws require.

Furthermore, we have completely and timely presented Banorte's reports required by foreign law, as well as public reports submitted to regulatory authorities and corresponding stock exchanges. This information includes the same annual and quarterly information that must be presented to the CNBV and BMV in English and that is submitted in the next 15 days that these reports are presented to the CNBV.

GFNorte and its subsidiaries have fulfilled their obligations in reporting material events through the Emisnet system of the Mexican Stock Exchange (BMV) and STIV-1 of the CNBV, as well as with the financial and legal information that it are obligated to present periodically in accordance with the law.

e) SIGNIFICANT CHANGES TO REGISTERED SECURITIES' RIGHTS

Issuance of Subordinated Notes, Stock Market Certificates, Structured Debt and Warrants

Subordinated Note D8 BNR1031 575C

Issuance Date: October 4, 2016.

Call Date: October 4, 2026.
Maturity Date: October 4, 2031.
Amount Issued: USD 500 million.
Current Amount: USD 74 million.
Coupon Rate: 5.75%

Subordinated Note D8 BNRP 7625C

Issuance Date: July 6, 2017.
Call Date: January 10, 2028.
Maturity Date: Perpetual.
Amount Issued: USD 550 million.
Coupon Rate: 7.625%

Subordinated Note D8 BANP 75C

Issuance Date: June 27, 2019.
Call Date: June 27, 2029.
Maturity Date: Perpetual.
Amount Issued: USD 500 million.
Coupon Rate: 7.50%

Subordinated Note D2 BANOC21 999999

Issuance Date: July 14, 2020.
Call Date: October 14, 2030.
Maturity Date: Perpetual.
Amount Issued: USD 500 million.
Coupon Rate: 8.375%

Subordinated Note D2 BANOA99 999999

Issuance Date: November 24, 2021.
Call Date: January 24, 2027.
Maturity Date: Perpetual.
Amount Issued: USD 500 million.
Coupon Rate: 5.875%

Subordinated Note D2 BANO72 999999

Issuance Date: November 24, 2021.
Call Date: January 24, 2032.
Maturity Date: Perpetual.
Amount Issued: USD 550 million.
Coupon rate: 6.625%

Subordinated Obligation D2 BANOE88 999999

Issuance Date: November 20, 2024
Call Date: May 20, 2035
Maturity Date: Perpetual
Amount Issued: USD 750 million
Coupon Rate: 8.750%

Subordinated Obligation D2 BANOD06 999999

Issuance Date: November 20, 2024
Call Date: May 20, 2031
Maturity Date: Perpetual
Amount Issued: USD 750 million
Coupon Rate: 8.375%

Stock Certificate 94 BINTER 16U

Issuance Date: October 13, 2016.
Maturity Date: October 1, 2026.
Amount Issued: 365.2 million UDIS.
Coupon Rate: 4.97%

Stock Certificate 94 BANORTE 20U

Issuance Date: September 30, 2020.
Maturity Date: September 18, 2030.
Amount Issued: 106.9 million UDIS.
Coupon Rate: 2.76%

Stock Certificate 94 BANORTE 23-3

Issuance Date: February 24, 2023.
Maturity Date: February 19, 2027.
Amount Issued: Ps 4,180 millones.
Coupon Rate: TIIE28 + 0.08%

Stock Certificate 94 BANORTE 23-4

Issuance Date: May 25, 2023.
Maturity Date: May 21, 2026.
Amount Issued: Ps 5,277 million.
Coupon Rate: Funding TIIE +0.30%

Stock Certificate 94 BANORTE 23-5

Issuance Date: May 25, 2023.
Maturity Date: May 16, 2030.
Amount Issued: Ps 2,387 million.
Coupon Rate: 9.41%

Stock Certificate 94 BANORTE 23U

Issuance Date: May 25, 2023.
Maturity Date: May 12, 2033.
Amount Issued: 275.8 million UDIs.
Coupon Rate: 4.68%

Stock Certificate 94 BANORTE 24X

Issuance Date: February 19, 2024
Maturity Date: February 14, 2028
Amount Issued: Ps 4,172 million
Coupon Rate: Funding TIIE + 0.33%

Stock Certificate 94 BANORTE 24-2X

Issuance Date: February 19, 2024
Maturity Date: February 10, 2031
Amount Issued: Ps 3,642 million
Coupon Rate: Fixed Rate of 9.74%

Stock Certificate 94 BANORTE 24UX

Issuance Date: February 19, 2024
Maturity Date: February 6, 2034
Amount Issued: 648 million UDIs
Coupon Rate: Fixed Rate of 4.90%

Structured Debt 83 BANORTE 1-25

Issuance Date: February 5, 2025
Maturity Date: February 4, 2026
Amount Issued: Ps 61.5 million
Underlying Asset: : iShares 20+ Year Treasury Bond ETF Class USD Inc. U.S. (TLT US)
Maximum Yield Rate: 27.00%

Optional Titles WA CRM610R BN001

Issuance Date: October 17, 2025
Maturity Date: October 16, 2026
Amount Issued: Ps 62.8 million
Underlying Asset: SALESFORCE (CRM US)
Maximum Yield Rate: 23.99%

f) DESTINATION OF FUNDS

The funds raised by the Subordinated Notes and Stock Certificates issues were used to optimize the cost of funding and strength capital.

g) PUBLIC DOCUMENTS

The Investor Relations, Corporate Development, Sustainability and Financial Planning Executive Department, in charge of Tomás Lozano Debez, is the department responsible for assisting analysts and investors. It is located at:

Av. Prolongación Reforma 1230, 15th Floor
Col. Cruz Manca Santa Fe, Delegación Cuajimalpa, Ciudad de México, 05349
Telephone: (5255) 1670-2256
E-mail: tomas.lozano@banorte.com or investor@banorte.com

This Annual report is available for the general public in our web page: investor.banorte.com in the route Financial Information / Annual Reports / "Circular Unica CNBV 2025 Annual Report".

2. THE COMPANY

a) DEVELOPMENT AND HISTORY OF THE COMPANY

Grupo Financiero Banorte, S.A.B. de C.V. operates under the commercial name of "Banorte" and was constituted on July 21, 1992 in Mexico City for an indefinite period of time.

The main offices are located in:

MEXICO CITY

Ave. Prolongación Reforma 1230, Col. Cruz Manca Santa Fe, Delegación Cuajimalpa
Zip Code 05349, México, Mexico City (0155) 1103-4000

MONTERREY, N. L.

Ave. Revolución 3000, Col. Primavera
Zip Code 64830 Monterrey, Nuevo León., Mexico 81-8319-7200

SAN PEDRO GARZA GARCÍA, N.L.

David Alfaro Siqueiros 106, Col. Valle Oriente
Zip Code 66278, San Pedro Garza García, Nuevo León, México 81-8173-9000

GFNorte's most relevant historical events

GFNorte's origins date back to the founding of Banco Mercantil de Monterrey in 1899 and Banco Regional del Norte in 1947, both with headquarters in Monterrey, Nuevo Leon, Mexico. These banks merged in January 1986 under the name of Banco Mercantil del Norte, Sociedad Nacional de Crédito. In 1987, under a Mexican government privatization initiative, the government sold to the public approximately 34% of Banorte's capital stock. In 1990, the Mexican Constitution was amended to permit the re-privatization of Mexican commercial banks; afterwards, the government enacted the LIC which permitted private ownership of Mexican commercial banks. Additionally, in the same year, leasing services were offered, and in 1991 factoring and warehousing services were also available.

The re-privatization of Mexican commercial banks began in 1991. Derived from this process, in July 1992 Afin Grupo Financiero, S.A. de C.V. was incorporated and later on, in September of the same year, the SHCP authorized the operations of the Holding company as a financial services provider under the LRAF, thus originating Grupo Financiero Banorte.

The 1995 Mexican peso crisis and the penetration of foreign institutions in Mexico prompted the consolidation of the Mexican Banking System which resulted in the absorption of many smaller Mexican banks. With the objective of becoming a national financial institution and taking advantage of Banorte's relative strength in the Mexican banking system, GFNorte completed the acquisition and integrated Bancen in March 1997 in order to gain additional market share, specifically in the central and western regions of Mexico. Additionally in August 1997, 81% of Banpais' shares were acquired, enabling further expansion of the client base, geographical position and national coverage. Aiming to consolidate banking activities and strengthen Banorte's capitalization levels, Banpais was merged into Banorte in January 2000, the later one subsisting.

Subsequently, in December 2001, Banorte acquired Bancrecer and on March 31, 2002, Banorte took over its management, initiating its integration. The SHCP authorized the merger, being Bancrecer the merging entity and

Banorte the merged institution, changing the name of the merging entity to “Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.

On August 28, 2006, Bancen merged with Banorte through the resolutions of their respective Extraordinary General Shareholders' Meetings held on August 16 and 17, 2006, thereby concluding the last phase of integration of this bank, as of that date, Bancen extinguished (being the merged company.)

As part of the development strategy in the U.S., in November 2006, Banorte acquired 70% of INB shares, a regional bank based in Texas with its headquarters in McAllen. Banorte finalized the 100% acquisition of Uniteller, a New Jersey-based remittances company, and in the same year acquired 100% of Motran Services, Inc., another remittances company based in California (the latter merged with Uniteller in 2014). Later on, on April 1, 2009, Banorte purchased the remaining 30% of INB Financial Corp. shares.

On March 30, 2007, Fianzas Banorte (“Afianzadora”) was disincorporated from the Financial Group and, as of January 31, 2008, Arrendadora Banorte, as the merging and surviving company, merged with Arrendadora y Factor Banorte, as the merged and dissolved company; the merging company changed its name to Arrendadora y Factor Banorte (“Arrendadora”).

Regarding the Long-Term Savings sector, on September 30, 1997, a joint-investment contract was signed with Assicurazioni Generali S.P.A., entitling the Italian institution to 49% of Afore Banorte (until December 2011), Seguros Banorte and Pensiones Banorte, officially integrating the Long-Term Savings sector. In 2009, Afore Banorte Generali (former Afore *joint venture*) acquired Ixe Afore, Afore Ahorra Ahora and Afore Argos pension funds in order to further increase its market share in the Mexican pension fund management sector. On August 16, 2011, GFNorte and the Instituto Mexicano del Seguro Social (IMSS) signed an agreement to merge their respective Afores. On January 16, 2012, the merger of Afore Banorte and Afore XXI, and their respective Siefores (Retirement Savings Funds) became effective after receiving the authorizations from their Shareholders' Assemblies, SHCP and Mexican National Commission for the Retirement Savings System (CONSAR), thereby creating Afore XXI Banorte, Banorte and the IMSS each owning 50% of the entity. In January 2013, Afore XXI Banorte finalized the acquisition of 100% of Afore Bancomer, previously approved by the corresponding authorities, including CONSAR and COFECE, thus becoming the largest retirement savings manager in Mexico. On October 4, 2013, GFNorte finalized the acquisition of the 49% stake in the Seguros Banorte and Pensiones Banorte held by Assicurazioni Generali S.P.A.'s, after receiving the corresponding governmental authorizations from COFECE and SHCP.

Furthermore, as part of the efforts to consolidate as one of the most important financial groups in Mexico, on November 17, 2010, GFNorte and Ixe GF reached a binding merger agreement through a stock-for-stock transaction valued at approximately Ps.16.2 billion (approximately USD 1.3 billion). The merger took effect on April 15, 2011 and originated a process of corporate restructuring.

- i. On January 1st, 2012, Casa de Bolsa Banorte merged into Ixe Casa de Bolsa ; thus, originating Casa de Bolsa Banorte Ixe (As of 2018 changes its name to Casa de Bolsa Banorte).
- ii. On May 7, 2013 came into effect the merger of Ixe Automotriz - as merged entity - into Arrendadora y Factor Banorte, which survived as merging company.
- iii. On May 24, 2013, Ixe Banco and Fincasa Hipotecaria merged into Banorte, as the merging entity, and Banorte divested Sólida Administradora de Portafolios (“Sólida Administradora de Portafolios”), through the spin-off of Banorte and the merger of Sólida Administradora de Portafolios as the merged and dissolved company, with Ixe Soluciones as the merging and surviving entity, which in turn changed its corporate name to Sólida Administradora de Portafolios (“Sólida”). (“Sólida”). As a result of this merger and spin-off, Ixe Banco, Fincasa Hipotecaria and Sólida Administradora de Portafolios ceased to exist.

On November 12, 2009 International Financial Corporation (IFC) invested US 150 million dollars in Banco Mercantil del Norte, which represented 4.48% of the bank's equity. During March, 2013, GFNorte signed an agreement with the IFC in order to finalize the capital investment made in November 2009, which contemplated a 5 year term to cover with a cash payment the investment plus capital gains, or convert Banorte's shares held by the IFC into shares of GFNorte, in order to then sell them through an orderly process. In this sense, and given that the exchange period ended in November 2014, GFNorte made an initial cash payment of Ps 2.14 billion, which was funded through dividends paid by its subsidiaries. Subsequently, on December 6, 2013 the IFC received the payment in order to finalize its participation in GFNorte, equivalent to 54,364,887 shares of the Group. With this payment, the IFC does not longer have any patrimonial interest on GFNorte or its subsidiaries.

During 2016 GFNorte launched a series of efforts to improve the Group's and its subsidiaries' corporate structure, to provide greater flexibility to foster the Group's growth, align business units and subsidiaries to GFNorte's diversification strategy and improve the capital allocation of the entities comprising it.

In May 2016, Banorte merged (merging and existing company) with Banorte-Ixe Tarjetas (merged and extinguished company) and later in October was spin-off creating Banorte Futuro, to which the shares representing Afore XXI Banorte were transferred (previously held by Banorte).

Furthermore, in April 2016, the sub holding Banorte Ahorro y Previsión was constituted, GFNorte transferred to the former, the shares of Seguros Banorte and Pensiones Banorte. Moreover, in October, the Financial Group transferred to Banorte Ahorro y Previsión the shares of Banorte Futuro, which later were transferred to Seguros Banorte.

On March 31, 2017, Banco Mercantil del Norte, SA, Institución de Banca Múltiple, Grupo Financiero Banorte ("Banorte"), through INB Financial Corporation (a subsidiary of Banorte), completed the sale of all the shares representatives of the capital stock of Inter National Bank of which it owned, in favor of a group of investors from the United States of America. On that date, the item of long-lived assets available for sale that had been registered in December 2016 was deregistered and the cash received from the sale was entered for an amount of USD 170 million. Prior to the sale, a cash dividend payment was received in the amount of USD 60 million. The foregoing, in relation to the Parent's corporate restructuring program, the terms of which were published in Banorte's consolidated financial statements corresponding to the end of 2016.

On December 5, 2017, the Extraordinary General Shareholders' Meetings approved the merger by acquisition of GFNorte, as a merging company, with Grupo Financiero Interacciones, S.A.B. of C.V. ("GFInter"), as a merged company.

On July 10, 2018, GFNorte and Grupo Financiero Interacciones, S.A.B. of C.V. (GFInter) obtained from the Ministry of Finance and Public Credit, hearing the opinion of the Bank of Mexico and the National Banking and Securities Commissions and Insurance and Bonding, respectively, the necessary authorizations to carry out the merger of: (i) GFInter, as a merged company, with GFNorte, as a merging company; (ii) Banco Interacciones, S.A., as a merged company, with Banco Mercantil del Norte, S.A., as a merging company; (iii) Interacciones Casa de Bolsa, S.A. de C.V., as a merged company, with Casa de Bolsa Banorte, S.A. of C.V., as a merging company; (iv) Aseguradora Interacciones, S.A. de C.V., as a merged company, with Seguros Banorte, S.A. of C.V., as a merging company; and (v) Interacciones Sociedad Operadora de Fondos de Inversión, S.A. de C.V., as a merged company, with Operadora de Fondos Banorte, S.A. of C.V., as a merging company.

On June 17, 2019 Grupo Financiero Banorte and Payclip, Inc. entered into an alliance through Banorte's investment in Clip's capital stock, in order to strengthen our existing commercial alliance and to reinforce our digital strategy and technological innovation.

On July 1, 2020, the merger of Sólida (merger that subsists) and Arrendadora (merged that is extinguished) took effect. Additionally, Sólida changed its name to become Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, E.R., Grupo Financiero Banorte; the Financial's Group percentage participation in the capital stock of the merging company is 99.9009%.

In continuity with our digital strategy and technological innovation. During the second quarter of 2022, Grupo Financiero Banorte and the most relevant PropTech in Latin America, "TuHabi", reached an agreement into a strategic commercial alliance to develop and offer financial products and services to the users of TuHabi ecosystem. Likewise, Banorte participated in the financing round C of McN Investments Ltd. ("Habi"), with a minority investment in the Company.

On June 22, 2020, GFNorte entered into a strategic alliance agreement with Rappi, through which both companies obtained the required regulatory approvals from financial and antitrust authorities. As part of this alliance, each company holds a 50% equity stake and has equal representation on the Board of Directors of a newly created entity named *Tarjetas del Futuro* ("TDF"), which initially offers digital financial services primarily targeted at Rappi's customers. Under this agreement, GFNorte committed to provide TDF with up to Ps 4,395 million, which was fully disbursed upon meeting the established performance milestones. In addition, GFNorte made an additional capital contribution and, beginning in December 2023, consolidates TDF's operations line by line in its financial statements.

On September 30, 2022, the National Banking and Securities Commission (CNBV), through a resolution of its Board of Governors, approved the organization and operation of Ixe Servicios as a commercial banking institution under the name Banco Bineo. Furthermore, on November 17, 2022, the SHCP (Securities and Exchange Commission) approved the incorporation of Banco Bineo as a financial institution within GFNorte, and on December 19, 2022, the CNBV (National Banking and Securities Commission) approved Banco Bineo's bylaws.

In November 2023, UniTeller Financial Services, Inc. ("UniTeller") signed an agreement to acquire the shares representing the capital stock of More Payment Evolution ("MORE"). MORE is a leading international payments company headquartered in Montevideo, Uruguay, with presence in Argentina, Brazil, Chile, Paraguay, Spain, Senegal, and the United States of America. With this acquisition, UniTeller, our international payment processing company, seeks to consolidate its position as a global leader in cross-border payments. Furthermore, the acquisition will allow UniTeller to leverage MORE's extensive experience and knowledge in global payments, thus driving the creation of global products and solutions for our customers.

UniTeller is a company incorporated in the United States of America, a subsidiary of Banorte Financial Services, Inc. (BFS), which, in turn, is a subsidiary of Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte ("Banorte").

On December 11, 2023, GFNorte, in line with the 1-2-3 Strategic Plan, received approval from the CNBV to start operations of Banco Bineo, its digital bank. The launch was in January 2024, marking a milestone in financial innovation in Mexico. Banco Bineo was focused on offering a secure and efficient, customer-centric platform.

On December 15, 2023, Visa acquired a 51% majority stake in Prosa, with Controladora Prosa holding the remaining 49%. This acquisition seeks to strengthen Prosa's technological and commercial capabilities with Visa's global payments expertise. Completion of the transaction is subject to a number of closing conditions, including, but not limited to, obtaining the necessary regulatory approvals.

Following the acquisition process of *Tarjetas del Futuro, S.A.P.I. de C.V.* (“TDF”) and the execution of a strategic commercial agreement with *Tecnologías Rappi, S.A.P.I. de C.V.* (“Rappi”), the transaction became effective on December 17, 2025, after all conditions to which it was subject were satisfied, including the authorization granted by the National Antitrust Commission (formerly the Federal Economic Competition Commission).

A summary of the principal investments that GFNorte or some of its subsidiaries have made during the last three years is shown below:

Date	Concept	Company
November 25, 2023	Uniteller Financial Services' investment in MORE Payment Evolution	UniTeller, a company incorporated in the United States of America, a subsidiary of BFS and this in turn, of Banorte, signed an agreement for the acquisition of the shares representing the capital stock of More Payment Evolution, which will allow UniTeller to take advantage of MORE's extensive experience and knowledge in global payments, thus promoting the creation of global products and solutions for our clients.
December 1, 2023	GFNorte's controlling interest in Tarjetas del Futuro	Beginning December 2023, Grupo Financiero Banorte, through an additional contribution in Tarjetas del Futuro, consolidates line-by-line the operations of Tarjetas del Futuro in its financial statements.
December 11, 2023	Authorization for the start of operations of Banco Bineo	The CNBV, with the favorable opinion of Banco de México, authorized the commencement of operations of Banco Bineo S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
December 15, 2023	Visa enters into a purchase and sale agreement for Prosa shares	Controladora Prosa, S.A. de C.V. (“Controladora Prosa”) and Visa International Service Association (“Visa”) entered into a purchase and sale agreement for shares representing the capital stock of Promoción y Operación S.A. de C.V. (“Prosa”), through which Visa acquired a majority interest in Prosa. The consummation of the transaction is subject to various closing conditions, including, but not limited to, obtaining the necessary regulatory approvals.
August 9, 2024	GFNorte increases its investment in Banorte Leasing and Factoring (AyF).	As a result of the amendments to the CUIFE (Federal Administrative Code) regarding maximum financing limits, GFNorte's investment in the capital stock of Arrendadora y Factor Banorte increased by \$2,001,938,287.00. The aforementioned was done to cover AyF's capitalization needs and continue serving clients who exceed the new maximum financing limit established by the CUIFE, which is set at 25% of the SOFOMES' equity.
December 17, 2025	Acquisition of Shares Representing TDF's Capital Stock.	On December 17, 2025, the shares representing TDF's capital stock were acquired. The acquisition was executed through Banco Mercantil del Norte.

Material Events in 2025 and First Quarter 2026.

Current Events. First Quarter 2026.

1. AFORE XXI BANORTE LEADS THE RETIREMENT SAVINGS SYSTEM IN RETURNS

On February 17, Afore XXI Banorte ranked first in annualized returns within the Retirement Savings System (SAR), reflecting the consistency of its investment strategy. Between December 31, 2025, and February 6, 2026, the fund manager recorded a 34.1% return, surpassing the system's weighted average of 30.1%. This performance stems from a diversified strategy and active management focused on capturing opportunities in global markets and generating higher capital gains for Individual Accounts.

2. TRANSUNION COMPLETES THE ACQUISITION OF A MAJORITY INTEREST IN TRANS UNION DE MÉXICO

On March 2, Banorte, along with other Mexican credit institutions, completed the sale of its entire equity interest in Trans Union de México to TransUnion Reverse Exchange, S. de R.L. de C.V. The transaction was carried out as a follow-up to the material event published on January 16, 2025, and does not include the stake that Banorte maintains in Dun & Bradstreet México.

3. BANORTE IS RECOGNIZED BY *INTERNATIONAL BANKER* FOR RETAIL BANKING INNOVATION AND SUSTAINABILITY COMMITMENT

On March 6, Grupo Financiero Banorte was recognized by the international publication *International Banker* with two distinctions presented at the International Banker Banking Awards: i) Sustainable Bank of the Year in Mexico; and ii) Best Innovation in Retail Banking in Mexico. These recognitions highlight the Group's commitment to sustainability, the integration of Environmental, Social, and Governance (ESG) criteria into its business strategy, as well as its focus on innovation, digital transformation, and the development of customer-centric financial solutions that contribute to the country's economic, social, and environmental well-being.

4. BANORTE RENEWS CONDUSEF INSIGNIA FOR SENIOR CITIZEN CARE

On March 24, Grupo Financiero Banorte received the renewal of the "*Compromiso en la Atención a Personas Adultas Mayores*" (Commitment to Senior Citizen Care) insignia, granted by CONDUSEF. This distinction recognizes institutions that implement practices aligned with the Basic Principles for clear, accessible, and respectful service. The renewal reflects the Group's ongoing efforts to strengthen financial inclusion and improve the experience of this segment through specialized processes, tailored service, and technological solutions.

5. INAUGURATION OF THE THREE-TIME WORLD CUP STADIUM: ESTADIO BANORTE

On March 28, the inauguration of Estadio Banorte took place during the match between Mexico and Portugal, attended by more than 84,000 spectators. As part of the opening event, the bank presented a halftime show featuring emblematic elements of national identity. The reopening included a technological modernization process, with the installation of screens, internet connectivity, and a cashless operation supported by POS terminals and electronic payment methods aimed at enhancing the attendee experience. This inauguration marked a new milestone in Banorte's presence in high-impact and nationally relevant venues.

6. BANORTE'S NTEESG FUND RECOGNIZED BY *MORNINGSTAR* AS THE BEST GLOBAL EQUITY FUND IN MEXICO

On March 31, Operadora de Fondos Banorte was recognized by *Morningstar* with the award for Best Global Equity Fund in Mexico, due to the outstanding performance of the NTEESG fund. The recognition, presented at the Morningstar Awards for Investing Excellence 2026, highlighted the fund's consistent performance and its investment

approach based on Environmental, Social, and Governance (ESG) criteria. The award underscores the strength of Grupo Financiero Banorte's investment platform and its ability to generate sustainable long-term value.

7. TOTAL VOLUNTARY EARLY REDEMPTION OF BANORTE 26

On March 31, Banorte announced its intention to carry out the voluntary full early redemption of the BANORTE 26 Bank Securities Certificates, issued on January 14, 2026. The transaction took place on April 13, 2026, at a price of Ps 100.00 per certificate, for a total amount of Ps 5.0 billion, plus accrued ordinary interest, and covered the redemption of all outstanding certificates.

8. BANORTE RECOGNIZED AS MEXICO'S MOST POWERFUL BANK BY *MUNDO EJECUTIVO*

In March, Banorte was named the most powerful bank in Mexico in the ranking published by Mundo Ejecutivo. The evaluation considered financial performance indicators such as ROA, ROE, and NPL, based on information reported to the CNBV at the close of 2025. This recognition reflects the Group's financial solidity and the results of sustained efforts across the organization.

9. BANORTE RECEIVES ISO/IEC CERTIFICATION IN PERSONAL DATA MANAGEMENT AND INFORMATION PRIVACY

In March, Banorte received the ISO/IEC 27701:2019 certification for its Personal Data Management and Information Privacy System, as well as the renewal of the Personal Data Protection Scheme in accordance with the LFDPPP (Federal Law on Protection of Personal Data Held by Private Parties). This certification reflects our proactive commitment to transparency, customer trust, and continuous improvement in the secure handling of sensitive information.

10. BANORTE ESTABLISHES A STRATEGIC ALLIANCE WITH THE MEXICAN BASEBALL LEAGUE

On April 13, Banorte entered a strategic alliance with the Mexican Baseball League (LMB), which adopted the name LMB Banorte: La Liga Fuerte de México, integrating the bank into the league's financial operations. The agreement promotes modernization through the implementation of technological solutions and electronic payment methods aimed at strengthening operational efficiency and enhancing the fan experience. This alliance consolidates Banorte's presence as a technological enabler in high-impact, nationwide platforms.

11. BANORTE RECOGNIZED FOR THE THIRD CONSECUTIVE TIME AS THE BEST BANK IN MEXICO BY *GLOBAL FINANCE*

On April 14, Banorte was distinguished for the third consecutive time by the international publication *Global Finance* as the Best Bank in Mexico, as part of the annual World's Best Banks 2026 list, standing out among the strongest and best-managed financial institutions in Latin America. This recognition honors institutions with top performance in criteria such as growth, profitability, innovation, financial strength, and the ability to effectively address client needs, reflecting Banorte's leadership in the Mexican financial system and its commitment to generating lasting value for its clients and society.

Current Events of 2025

12. SHARE PURCHASE AGREEMENT – TRANS UNIÓN DE MÉXICO

On January 15, 2025, the Holding Company, together with other Mexican credit institutions acting in their capacity as selling shareholders, entered into a share purchase agreement for shares representing the capital stock of Trans Unión de México, S.A. S.I.C. ("Trans Unión de México"), a credit information company focused on the consumer sector, with TransUnion Reverse Exchange, S. de R.L. de C.V. ("TransUnion"). The closing of the transaction is

subject to various conditions, including obtaining authorization from the Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público), the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores), and the economic competition authority. Once the transaction is consummated, the Holding Company will sell its entire equity interest in Trans Unión de México to TransUnion, which as of this date amounts to 5%. Upon acquiring the shares, TransUnion will increase its ownership interest in Trans Unión de México from 26% to approximately 94%.

During September 2025, the investment in Trans Unión was reclassified to the line item Non-current Assets Held for Sale or for Distribution to Owners at its carrying amount, which totaled \$43.

13. BANORTE EXPERT ON SECURITY STANDARDS

On January 27th, Banorte received the PCI-DSS recertification by the Security Standards Council of the Cards Payments Industry. This regulation provides greater security to operations made in our Contact Center, Digital Banking, and Acquiring Business.

14. RAPPICARD STRENGTHENS ITS LEADERSHIP AND ESTABLISHES AN AGREEMENT WITH WALMART MEXICO

On February 3rd, RappiCard joined Walmart Mexico, business focused on commerce, to offer its customers the possibility to defer their purchases with no interest in Walmart Supercenter, Bodega Aurrera and Sam's Club, either at the physical or online stores.

15. BANORTE DRIVES YOUNG TALENT: CONCLUSION OF THE THIRD EDITION OF THE INTERUNIVERSITY PROGRAM

On February 24th, Banorte concluded the third edition of the Interuniversity Program regarding Public Finance and Professional Development, which took place in coordination with the Universidad Juárez del Estado de Durango (UJED) during five months.

16. VOLUNTARY TOTAL EARLY REDEMPTION OF BANORTE 2-24

On February 28th, 2025, Banorte exercised its right to fully redeem the structured bank bonds BANORTE 2-24, which were issued on July 5, 2024. The total amount of the voluntary early redemption was \$230.

17. BANORTE LAUNCHES NEW HOUSE PRICING INDICATOR

On March 12th, Banorte launched its Indicador Banorte de Precios de Vivienda (INBAPREVI), a new tool that offers a precise and up to date vision about the real estate market in Mexico to help strategic decision making.

18. MEXICO WILL HAVE ONE OF THE PRETTIESTS STADIUMS IN THE WORLD: ESTADIO BANORTE

On March 14th, Banorte and Grupo Ollamani proudly announced the end of an operation consisting in the financing, publicity and sponsorships to drive the modernization and transformation of the historic and iconic stadium for football and Mexican Culture. From now on, the cathedral of world football will be called Estadio Banorte.

19. THE CONTACT CENTER IS RECOGNIZED BY THE INSTITUTO MEXICANO DE TELESERVICIOS (IMT)

On March 25th, on the twentieth edition of the National Award *Employee & Customer Experience*, the contact center team was awarded the category *Best Customer Experience Strategy*. The award given by the IMT highlights teamwork where the customer connects through an initiative designed for elderly people, offering attention that is close, empathic, and aligned to their needs.

20. BANORTE IS RECOGNIZED AS MEXICO'S BEST BANK BY GLOBAL FINANCE

On March 29th, Global Finance recognized Banorte as Mexico's Best Bank 2025. Within the considered objective criteria, asset growth, profitability, geographic reach, strategic relations and development of new business and product innovation stand out. In the subjective criteria, opinions of equity and rating analysts, banking consultants, and other people related to the sector are considered. The selections were made by Global Finance's editors after consultations with financial executives, bankers, consulting bankers, and analysts or all around the world

21. FORBES AND STATISTA RECOGNIZE BANORTE AS ONE OF THE BEST BANKS IN THE WORLD 2025

On April 9th, Forbes published the World's Best Banks list, where more than 50,000 clients around the world grade banks in 34 countries, in five categories: trust, terms and conditions, customer service, digital services and financial advisory. Under these criteria, Banorte positioned itself in the list as one of the Best Banks in the world in 2025.

22. BANORTE IS RECOGNIZED IN MEXICO'S LEGAL 500 AWARDS 2025

On April 9th, Legal 500 awarded Banorte as the Best Internal Legal Team in Mexico. Such recognition was based on investigating firms and legal teams in 100 countries around the world with the objective of recommending, according to their investigations and corporate clients, the best legal teams. Legal 500 analyzes confidential information from more than 300,000 law firms' customers, to study each area: industry, jurisdiction, customer and satisfaction metrics.

23. ACQUISITION OF TARJETAS DEL FUTURO AND EXECUTION OF STRATEGIC COMMERCIAL AGREEMENT

On April 15th, GFNorte informed the investing public that GFNorte (through Banorte bank) and Rappi entered into a definitive agreement for the acquisition of the 44.28% equity interest in Tarjetas del Futuro, S.A.P.I. de C.V. ("TDF"), that Rappi will hold upon consummation of a corporate restructure in TDF. The purchase price agreed for this transaction is USD 50 million. In addition to the acquisition, Banorte, TDF and Rappi will enter into an exclusive 15-year commercial agreement whereby GFNorte, Banorte, TDF and its affiliates will exclusively offer financial services and products such as RappiCard™ to Rappi's customers from within the Rappi Ecosystem. The closing of this transaction is subject to customary conditions, including the receipt of the regulatory approval from the Mexican antitrust authorities.

24. SHAREHOLDER MEETING

On April 23rd, GFNorte held its Annual Ordinary General Shareholders' Meeting, in which the following resolutions were approved:

FIRST.- The Chief Executive Officer's Annual Report was approved with prior opinion of the Board of Directors. The report was prepared pursuant to the provisions of Article 44, Section XI of the Securities Market Law and Article 59, Section X of the Law to Regulate Financial Groups, which includes, among other items: (i) the balance sheet; (ii) the

profit and loss statement; (iii) the statement of changes in shareholders' equity; and (iv) the cash flow statement of the Company as of December 31st, 2024.

SECOND.- The Annual Report of the Board of Directors was approved in which the main accounting and information policies and criteria are stated and explained, followed by the preparation of financial information as of December 31st, 2024, pursuant to the provisions of Article 172, paragraph b) of the General Law of Business Corporations.

THIRD.- The Annual Report of the Board of Directors on the operations and activities in which it participated was approved.

FOURTH.- The Annual Report on the Activities of the Audit and Corporate Practices Committee was approved.

FIFTH.- Each and all operations performed by the Company during the fiscal year ended December 31st, 2024, and the actions taken by the Board of Directors, the Chief Executive Officer and the Audit and Corporate Practices Committee during the same period were approved.

SIXTH.- It was approved the allocation of all net profits of fiscal year 2024 reflected in the financial statements of the Company in the amount of \$56,188,287,345.81 (Fifty-six billion, one hundred eighty-eight million, two hundred eighty-seven thousand, three hundred forty-five pesos 81/100 Mexican currency) to the "Retained Earnings" account, given that the Company's legal reserve fund has been fully established.

SEVENTH.- It was approved the distribution of a cash dividend to the shareholders, equivalent to 50% of the net income of 2024, in the amount of \$28,094,143,672.91 (Twenty-eight billion, ninety-four million, one hundred forty-three thousand, six hundred seventy-two pesos 91/100 Mexican currency), or \$9.986697410597470 pesos for each outstanding share, which will be paid on May 5th, 2025, upon delivery of coupon number 1, which is equivalent to 50% of the net income for 2024. The payment of the cash dividend will be debited from retained earnings of previous years. For the purposes of the Income Tax Law, it will be sourced from the net fiscal income account as of December 31, 2014, and subsequent years.

EIGHTH.- It was approved that the dividend corresponding to fiscal year 2024 be paid on May 5th, 2025, through S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. (Central Securities' Depository), following a notice to be published by the Secretary of the Board of Directors in one of the newspapers with the largest circulation in the

city of Monterrey, Nuevo León and through the Electronic Delivery and Information (SEDI) of the Mexican Stock Exchange.

NINTH. - It is hereby noted that, in accordance with the provisions of Article 76, section XIX, of the Income Tax Law, the report from the External Auditor regarding the fiscal situation of the Company as of December 31, 2023 is distributed among the attendees to the Shareholders' Meeting and subsequently read out.

TENTH.- It was approved that the Board of Directors will be comprised of 14 Regular members and, as the case may be, their respective Alternates, with the independence of the directors being qualified, since they are not within the restrictions provided by the Securities Market Law and the Law to Regulate Financial Groups.

Grupo Financiero Banorte, S.A.B. de C.V.			
Director		Alternate Director	
Mr. Carlos Hank González	Chairman	Graciela González Moreno	
Juan Antonio González Moreno		Juan Antonio González Marcos	
David Juan Villarreal Montemayor		Alberto Halabe Hamui	Independent
José Marcos Ramírez Miguel		Gerardo Salazar Viezca	
Carlos de la Isla Corry		Rafael Victorio Arana de la Garza	
Alicia Alejandra Lebrija Hirschfeld	Independent	Roberto Kelleher Vales	Independent
Clemente Ismael Reyes Retana Valdés	Independent	Cecilia Goya de Riviello Meade	Independent
Mariana Baños Reynaud	Independent	José María Garza Treviño	Independent
Federico Carlos Fernández Senderos	Independent	Manuel Francisco Ruiz Camero	Independent
David Peñaloza Alanís	Independent	Carlos Césarman Kolteniuk	Independent
José Antonio Chedraui Eguía	Independent	Humberto Tafolla Núñez	Independent
Alfonso de Angoitia Noriega	Independent	Carlos Phillips Margain	Independent
Thomas Stanley Heather Rodríguez	Independent	Diego Martínez Rueda-Chapital	Independent
Diana Muñozcano Félix	Independent	Manuel Guillermo Muñozcano Castro	Independent

THIRTY NINTH.- It was approved to appoint Mr. Héctor Ávila Flores as Secretary of the Board of Directors, who shall not be member of the Board of Directors.

FORTY.- Pursuant to Article Forty-Nine of the Bylaws it is exempt from the obligation to post a bond or pecuniary guarantee to support the performance of their duties to the Board of Directors of the Company.

FORTY FIRST.- It was approved to pay the Directors and Alternate Directors, as applicable, as compensation for each attended meeting, the amount equivalent to two gold coins with a nominal value of Fifty Pesos (commonly referred to as "centenarios") including the withholding of the corresponding taxes, at the quotation value on the date of each meeting.

FORTY SECOND.- It was approved to appoint Mr. Thomas Stanley Heather Rodríguez as Chairman of the Audit and Corporate Practices Committee, who will have the powers outlined in the applicable regulations, the Corporation's corporate bylaws, and the bylaws of the Audit and Corporate Practices Committee as approved by the Board of Directors.

FORTY THIRD.- The Board of Directors' Report regarding the purchase and sale of proprietary shares during 2024 was approved.

FORTY FOURTH.- It was approved to earmark up to \$32,344'000,000.00 (thirty-two billion three hundred forty-four million pesos 00/100 Mexican currency), equivalent to 8.6% of the capitalization value of Grupo Financiero as of the closing of 2024, charged against the Net Worth, for the purchase of the Company's own shares, for fiscal year 2025,

including any operations made from 2025 to April 2026, subject to the Company's Own Share Acquisition and Placement Policy.

FORTY FIFTH.- It was approved the establishment and execution of a Stock Plan set to last for a period of 6 years, considering that each of the individual Retention and Performance Plans will have a duration of up to 3 years, in terms of section I of Article 367 of the Securities Market Law.

FORTY SIXTH.- It was approved for the Company to acquire up to 70,000,000 shares representing its capital stock to be allocated for the Stock Plan, which acquisition may be carried out through the Company's share repurchase fund.

FORTY SEVENTH.- It was approved to delegate to the Human Resources Committee, acting as the Allocations Committee, the power to establish the terms and conditions, as well as any modification of the Stock Plan, in accordance with the following:

- a. The general conditions of the Stock Plan include the following options:
 - **Retention Plans:** Payments would be made for continued employment with the Company or its Subsidiaries during the term of the Stock Plan.
 - **Performance Plans:** Payments would be made based on the achievement of a series of variables, including but not limited to: (i) net income growth; (ii) ROE; (iii) ROA; (iv) Efficiency Ratio; (v) Cross-Sell Ratio; (vi) Capitalization Ratio; (vii) NPS; (viii) Increase in preferred customers' value; (ix) Sustainability Indicators. Each of these variables will be weighted according to the strategic objectives of the Financial Group.
- b. The executives of the Company and its Subsidiaries who may be eligible for the Stock Plan would include, among others: (i) Managing Directors; (ii) Deputy Managing Directors and Regional Heads; and (iii) Key Executives and Other Relevant Executives.
- c. The percentage of the 70,000,000 shares of the Company allocated to the Stock Plan will be distributed as follows, and these percentages may be adjusted by the Human Resources Committee:

	Position	Distribution	
		% Retention	% Performance
1	Managing Directors	40%	60%
2	Deputy Managing Directors and Regional Heads	65%	35%
3	Key Executives and Other Relevant Executives	90%	10%
Total of the Stock Plan		60%	40%

- d. The weighting of the Performance Plan metrics will be calculated as follows and the respective variables and percentages may be adjusted by the Human Resources Committee:

Variable		Percentage
1	Net income growth	82%
2	Financial (90%)	ROE
3		ROA
4		Efficiency Ratio
5		Capitalization Ratio
6	Clients (6%)	Cross-Sell Ratio
7		NPS
8		Increase in preferred customers' value
9	Sustainability Indicators	4%
Total		100%

e. Shares would be acquired depending on market conditions.

FORTY EIGHTH.- It was approved the designation of delegate or delegates to formalize and execute, if applicable, the resolutions passed by the Meeting.

25. BANORTE IS RECOGNIZED IN THE SS&C BLUE PRISM CUSTOMER EXCELLENCE AWARDS

On May 6th, Banorte's Operations Area received the AMERICAS award: North America, Central America, and South America in the category "Innovation Brilliance: Creative use of AI and generative technologies". This award highlights us as pioneers in the adoption of emerging technologies such as generative AI and recognizes our commitment to improving our operations to meet our customers' needs through innovation and the transformative use of intelligent automation.

26. BANORTE'S INTERNATIONAL TEAMS FOR OPERATIONS AND BANKING RECEIVE GLOBAL RECOGNITION

Banorte's international teams for operations and banking were recognized by J.P. Morgan, Wells Fargo, and Commerzbank on May 13th, 15th and 26th, respectively, for meeting high international standards in traceability, transparency, and speed in global payments.

27. BANORTE IS RECOGNIZED BY THE BANKER AS THE BEST IN LATIN AMERICA

On May 20th, Banorte was awarded at the Latin American level in the "Technology Awards 2025" by the prestigious international publication The Banker. The award recognizes the technological advancements in its Banorte Móvil application; the development of Artificial Intelligence in its Contact Center; and the promotion of financial inclusion for people with visual disabilities and in the biometric verification process.

28. OPERADORA DE FONDOS BANORTE BECOMES THE FIRST TO ISSUE DIGITAL SECURITIES

On May 26th, Operadora de Fondos Banorte became the first institution in Mexico to successfully migrate all its Investment Fund share certificates from physical format to electronic issuance before the Securities Deposit Institute (INDEVAL).

29. BANORTE AND JETOUR SOUEAST MEXICO ANNOUNCE STRATEGIC AGREEMENT FOR THE AUTO MARKET

On June 2nd, Grupo Financiero Banorte formalized a commercial agreement with the Asian company SOUEAST to provide financing for this automotive brand, which has over 20 years of experience in the industry and is present in Mexico through its JETOUR brand.

30. BANORTE WAS RECOGNIZED IN THE RANKING “TOP 50 MOST SUSTAINABLE COMPANIES IN MEXICO” BY GRUPO MUNDO EJECUTIVO

On June 6th, the magazine Mundo Ejecutivo recognized Banorte as the fifth most sustainable company in Mexico, highlighting its efforts to improve the quality of life for its employees, promote transparency and business ethics, strengthen its commitment to the community and the environment, as well as its positive economic impact.

31. BANORTE WAS RECOGNIZED IN THE RANKING “TOP 2000 GLOBAL COMPANIES” BY FORBES

On June 12th, Forbes published its ranking of the Top 2000 Global Companies for the thirtieth consecutive time, evaluating the largest public companies in the world based on their sales, profits, assets, and market value. In this edition, Banorte was among the top 500 companies in the world.

32. TOTAL EARLY REDEMPTION BANORTE 24

On July 1st, Banorte informed its intention to carry out the voluntary early redemption of the totality of the Bank Securities Certificates with ticker symbol BANORTE 24, issued on August 28th, 2024. Such Bank Securities were redeemed on July 9th, 2025, as described below:

- A total of 20,000,000 (twenty million) Bank Securities were redeemed.
- The Bank Securities were redeemed at a price equal to 100% (one hundred percent) of the principal amount subject to early redemption (the “Early Redemption Price”). The Early Redemption Price was determined in accordance with Section 10, “Voluntary Early Redemption,” of the terms and conditions governing the Bank Securities.
- The amount of the Total Early Redemption was equivalent to Ps 2 billion as principal, plus accrued and unpaid ordinary interest on the outstanding principal of the Bank Securities as of the date of the Partial Early Redemption, which will be announced by the common representative of the holders of the Bank Securities Certificates.

33. BANORTE WAS RECOGNIZED IN THE BRAND FINANCE MEXICO 50 2025 RANKING

On July 1st, Banorte was acknowledged as one of the 10 most valuable, strongest, and highest perceived sustainability brands in Mexico according to Brand Finance, a leading brand valuation firm.

34. BANORTE WAS RECOGNIZED IN THE “TOP 1000 WORLD BANKS” BY THE BANKER’S RANKING

On July 2nd, the international editorial The Banker published its “Top 1000 World Banks” list in which it positioned Banorte as the Best Mexican Bank in Asset Quality and Return on Risk, and the third Best Performing Bank in México.

35. BANORTE IS AWARDED BY WORLD FINANCE AS THE BEST CONSUMER BANK, BEST CORPORATE GOVERNANCE AND BEST PENSION FUND IN MÉXICO 2025

On July 6th, Banorte was recognized for the fifth consecutive year as the Best Consumer Bank and Best Corporate Governance in México 2025, by the international magazine World Finance. These achievements were given to Banorte for: i) innovative, customer-centric financial solutions; and ii) its responsible growth and ability to redefine the future of banking through innovation and inclusion.

Additionally, AFORE XXI Banorte was awarded the Best Pension Fund in Mexico 2025, for demonstrating resilience and maintaining a solid funding strategy for the benefit of workers in the country.

36. TOTAL VOLUNTARY EARLY REDEMPTION OF BANORTE 2-25

On July 10th, Banorte informed the early redemption of the totality of the Structured Bank Notes with ticker symbol BANORTE 2-25, issued on March 21st, 2025. Such Structured Bank Notes were fully redeemed on July 18th, 2025, as described below:

- Structured Bank Notes were redeemed at a price equal to \$101.37 per Structured Bank Note. The price was calculated according to Section 13, "Early Redemption", of the Securities documenting the Structured Banking Notes.
- The Total Early Redemption amounted to \$101'370,000.00 (one hundred one million three hundred seventy thousand Pesos 00/100 M.N.).

37. TOTAL VOLUNTARY EARLY REDEMPTION OF BANORTE 3-25

On July 10th, Banorte informed the intention to redeem early the totality of the Structured Bank Notes with ticker symbol BANORTE 3-25, issued on March 28th, 2025. Such Structured Bank Notes were fully amortized on July 18th, 2025, as described below:

- Each Structured Bank Note was redeemed at a price equal to \$104.19. The price was calculated according to Section 13, "Early Redemption", of the Securities documenting the Structured Banking Notes.
- The Total Early Redemption amounted to \$104'190,000.00 (one hundred four million one hundred ninety thousand Pesos 00/100 M.N.).

38. EUROMONEY NAMES BANORTE THE BEST BANK FOR SMES IN MEXICO

On July 18th, Euromoney magazine recognized Banorte as the Best Bank for SMEs in Mexico, in its awards "Euromoney Awards for Excellence 2025", where banks that have demonstrated their differentiation and offer the best services are recognized.

39. EXTEL RECOGNIZES GRUPO FINANCIERO BANORTE FOR THE EXCELLENCE OF ITS CEO, CFO, AND BOARD OF DIRECTORS IN LATIN AMERICA EX-BRAZIL

On August 27th, Extel (formerly Institutional Investor), a global firm specialized in financial research, published its annual Latin America Executive Team 2025 ranking, one of the most reliable evaluations for global investors. For the fourth consecutive year, Grupo Financiero Banorte was named "Most Honored Company" in Mexico, ranking first in 7 categories within the financial sector in Latin America, excluding Brazil. This recognition highlights GFNorte's excellence in leadership, corporate governance, ESG strategy, investor relations, and executive performance.

Results were based on the opinions of 1,070 investment professionals from over 506 financial institutions. The evaluation process considered key aspects such as the Board of Directors, Chief Executive Officer, Chief Financial Officer, Head of Investor Relations, IR team and program, ESG strategy, and overall performance.

The 7 categories in which GFNorte ranked first are:

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

40. GFNORTE ENTERED INTO AN AGREEMENT TO SELL ALL THE SHARES REPRESENTING THE CAPITAL STOCK OF BINEO

On September 4th, GFNorte informed the investor community that it entered into a share purchase agreement with Clearscope Holdings, S.A.P.I. de C.V. (“Clearscope”), a subsidiary of Klar Holdings Limited (“Klar USA”), under which Clearscope agreed to acquire, directly and indirectly, all the shares representing the capital stock of Banco Bineo, S.A., a multiple banking institution currently owned by GFNorte. The closing of this transaction is subject to various conditions, including regulatory approvals from the Ministry of Finance and Public Credit, the National Banking and Securities Commission, Banco de México, and the Mexican antitrust authority.

41. BANORTE IS RECOGNIZED AS BEST DIGITAL BANK IN MEXICO AND LATIN AMERICA, AND BEST SME BANK BY GLOBAL FINANCE

On September 12th, Global Finance recognized Banorte as the Best Digital Bank in Mexico and Latin America, highlighting its leadership in innovation and customer experience. The bank’s mobile application was awarded as the best in the region, reflecting its hyperpersonalization strategy and human-digital approach. These awards position Banorte as a benchmark in digital financial services, reaffirming its commitment to excellence and technology-driven transformation centered on its clients.

Additionally, on September 23rd, Banorte was awarded Best SME Bank 2026 by Global Finance for the fifth consecutive year, underscoring its commitment to small and medium-sized enterprises growth. With a 39-year editorial trajectory marked by precision and integrity, Global Finance selected winners through a proprietary algorithm that considers criteria such as SME market knowledge, product and service offering, market positioning, and innovation, weighted by relevance.

42. GFNORTE AND GOOGLE CLOUD RENEW STRATEGIC AGREEMENT TO ACCELERATE BANKING HYPERPERSONALIZATION IN MEXICO

On September 13th, Grupo Financiero Banorte and Google Cloud renewed and expanded their strategic alliance for three more years, reaffirming their commitment to innovation. This collaboration drives the bank’s digital transformation through artificial intelligence, advanced analytics, and cloud-based cybersecurity, consolidating Banorte’s position as a technology leader in the Mexican and Latin American financial sector.

43. AMIB RECOGNIZES OPERADORA DE FONDOS BANORTE FOR LEADING ESG FUND ASSETS IN 2024

During the AMIB conference held from October 9th to 11th, Operadora de Fondos Banorte was recognized for achieving the highest amount of assets under management in Environmental, Social, and Governance (ESG) themed mutual funds in 2024. This recognition—the first of its kind granted by the Mexican Association of Brokerage Institutions (AMIB)—highlights Banorte’s leadership in promoting responsible investments that generate sustainable value for Mexico.

44. BANORTE RECEIVES SAÁSIL INSIGNIA FROM CONDUSEF FOR THE MUJER PYME PRODUCT

On October 13th, Grupo Financiero Banorte was awarded the Saásil Insignia by the National Commission for the Protection and Defense of Financial Services Users (CONDUSEF), in recognition of its commitment to financial inclusion for women entrepreneurs. Through Mujer PyME Banorte, more than 3,500 entrepreneurs have accessed tailored financial solutions, resulting in loan placements of over Ps 1.5 billion. This achievement reaffirms Banorte’s leadership in driving economic development with a gender-focused approach.

45. BANORTE’S STATES & MUNICIPALITIES (GEM) GOVERNMENT BANKING WAS RECOGNIZED BY LATINFINANCE AS THE LEADER IN INFRASTRUCTURE FINANCING IN MEXICO

On October 19th, LatinFinance recognized Banorte’s GEM Banking Unit for obtaining the Infrastructure Bank of the Year 2025 and Best Port Financing of the Year awards, acknowledging its outstanding role as a leading financial institution in supporting infrastructure projects in Mexico. This recognition includes the financing provided to Grupo

CICE for the Container Terminal in the North Bay of the Port of Veracruz and reaffirms Banorte's commitment to financing key strategic infrastructure sectors such as transportation, energy, and urban development.

46. BANORTE LINK: NEW DIGITAL APPLICATION FOR REMITTANCE TRANSFERS

On October 28th, Banorte introduced Banorte Link, the new digital application for sending remittances from the United States to Mexico. It offers a fast, secure experience with no fees and a competitive exchange rate. Its goal is to generate savings for users and their beneficiaries by eliminating fees on transfers to Banorte accounts and allowing transactions at any time.

47. DEDUCTIBILITY OF CLAIMS – NON-CREDITABLE VAT AT SEGUROS BANORTE

As a result of the Federal Revenue Law for Fiscal Year 2026 ("LIF 2026"), published in November 2025, changes were introduced affecting the treatment of VAT related to insurance claims:

- Non-creditable VAT: VAT will not be creditable on the acquisition of goods or services used to fulfill insurance contracts when compensation consists of damage reimbursement or replacement of the damaged asset through third parties, in accordance with Article 25, Section XIV of LIF 2026.
- Transitional regime: The Twenty-Eighth Transitory Article of LIF 2026 allows VAT to be credited on goods or services used to fulfill insurance contracts until December 31, 2024, provided such goods or services were used for claims under the conditions described above.

As a result, a tax incentive equivalent to the VAT credited, as well as related tax liabilities (including inflation adjustments, penalties, surcharges, and enforcement costs), was established for insurance companies falling under any of the following scenarios, pursuant to the Twenty-Eighth Transitory Article of LIF 2026:

- Taxpayers subject to audit procedures without a final resolution as of the entry into force of LIF 2026.
- Taxpayers with assessed tax liabilities as of December 31, 2024, for which legal remedies have been filed, provided such remedies are withdrawn.

On January 29, 2026, the Institution filed a request with the Tax Administration Service to apply the tax incentive set forth in the Twenty-Eighth Transitory Article of the Federal Revenue Law for 2026, related to VAT charged and credited on goods and services used to fulfill insurance contracts associated with claims. The request covers the following periods:

- Periods not under audit: 2019 (January–March), 2021, 2022, 2023, and 2024.
- Periods under audit without final resolution: April–December 2019 and fiscal year 2020.
- Periods with disputed tax liabilities: fiscal years 2014 to 2018, for which the entity filed total or partial withdrawals in accordance with applicable regulations.

The Institution stated that it does not fall under any restrictive conditions set forth in the same transitory provision, such as having a final conviction for tax fraud, being included in lists 69-B or 69-B Bis of the Federal Fiscal Code, being non-locatable, or having digital seal certificates revoked.

Additionally, it opted for the installment payment scheme of five partial payments for the tax correction related to VAT charged after December 31, 2024, as permitted under the transitory article. The request was supported by the documentation required under the applicable filing guidelines, including trial balances, working papers, amended tax returns, and the withdrawal filings necessary to apply the incentive.

As of fiscal year-end 2025, the impact derived from the non-credibility of VAT amounted to \$825.

48. FITCH UPGRADES BANORTE'S OUTLOOK TO POSITIVE AND AFFIRMS RATINGS

On November 12th, Fitch revised GFNorte's and Banorte's long-term Issuer Default Rating (IDR) outlook to Positive from Stable, reflecting sustained improvements in their business and financial profile. The agency highlighted the Group's diversified business model, prudent risk management, strong market position, stable asset quality, robust capitalization levels, and structural enhancements in funding and liquidity. Likewise, it affirmed the Group's and its subsidiaries' local and foreign currency issuer ratings, as well as their national ratings.

49. HYUNDAI MOTOR DE MÉXICO STRENGTHENS ITS FINANCIAL STRATEGY WITH BANORTE AS MAIN PARTNER

On December 3rd, Hyundai Motor de México announced that Banorte became its main financial partner to directly offer the brand's financial products and solutions. This alliance strengthens Hyundai's commercial strategy by expanding credit options for its clients and offering more competitive alternatives. Banorte positions itself as a key partner in automotive financing by advancing a customer-centric strategy enabled through the hyperpersonalization of its portfolio.

50. BANORTE INTEGRATES OXXO AS BANKING CORRESPONDENT

On December 4th, GFNorte and OXXO announced the incorporation of more than 24 thousand OXXO stores into the bank's correspondent network, expanding coverage to 44 thousand service points and consolidating the most extensive banking network in Mexico's financial system. This expansion strengthens financial inclusion by facilitating services such as deposits and loan payments nationwide.

51. GRUPO FINANCIERO BANORTE RECEIVES AUTHORIZATION TO SELL THE ENTIRE CAPITAL STOCK OF BINEO

On December 8th, GFNorte was notified of the decision by the National Antitrust Commission, which authorized the sale of 100% of Banco Bineo's capital stock to Clearscope Holdings. This resolution confirms compliance with regulatory requirements related to economic competition.

52. BANORTE IS RECOGNIZED BY THE BANKER AS THE BEST BANK IN MEXICO

On December 16th, the international publication The Banker, published by the Financial Times, named Banorte the Best Bank of the Year in Mexico, highlighting its innovation, financial strength, and client-centric approach. This recognition consolidates its leadership as a robust and inclusive financial institution.

53. BANORTE IS RECOGNIZED BY GLOBAL FINANCE AS THE BEST TRADE FINANCE PROVIDER IN MEXICO 2026

On December 16th, Global Finance recognized Banorte as the Best Trade Finance Provider in Mexico, reaffirming its leadership in trade finance solutions and its solid positioning in the corporate market.

54. BANORTE COMPLETES THE ACQUISITION OF TARJETAS DEL FUTURO

On December 17th, GFNorte completed the acquisition of Tarjetas del Futuro after fulfilling the required conditions, including authorization from the National Antitrust Commission. This integration strengthens its digital strategy based on scale, efficiency, and hyperpersonalization, boosting profitability through cross-selling.

55. ADVANCES IN THE OPERATIONAL CONSOLIDATION OF TARJETAS DEL FUTURO

On December 19th, GFNorte completed the full transfer of TDF's credit card portfolio to Banco Mercantil del Norte. From that date forward, Banorte became the sole issuer and administrator of these cards, ensuring continuity for clients and enabling an orderly and transparent integration. That same day, TDF approved, in a shareholders' meeting, its dissolution and liquidation in accordance with applicable regulations.

56. PRUDENTIAL MEASURES PROGRAM

On December 19, 2025, the CNSF informed insurance institutions of the entry into force of provisions established in the Federal Revenue Law for 2026 (LIF 2026), under which VAT charged or paid on goods and services used to fulfill insurance contracts will not be creditable when compensation consists of damage reimbursement or replacement of the damaged asset through third parties.

Given the potential impact on claims costs, technical reserves, reinsurance recoverables, and solvency parameters, the CNSF indicated that, once the general rules are issued by the Tax Administration Service (SAT), a prudential measures program will be implemented to mitigate the financial impact and allow for a gradual recognition of non-creditable VAT.

The technical annex establishes that:

- A specific sub-account has been created within claims costs to recognize non-creditable VAT related to claims.
- Institutions may use information on the VAT impact for statistical purposes and product design.
- Participation in the program will be voluntary and must be filed no later than March 31, 2026, accompanied by:
 - a financial diagnosis of the impact of VAT on solvency,
 - an action plan including a timeline and both immediate and gradual impact scenarios,
 - board of directors' approval, internal auditor sign-off, and actuarial opinion.
- The program will have a maximum duration of twelve months (January 1–December 31, 2026) and will include monthly progress reports.
- The action plan must include a detailed assessment of the institution's financial condition, identifying and quantifying the impact of non-creditable VAT on solvency parameters; incorporate two scenarios—one recognizing the VAT impact immediately in reserves and another applying it gradually—as well as a clear implementation timeline. It must also have board approval, internal auditor sign-off, and the opinion of both the head of the actuarial function and the independent actuary regarding the adequacy of reserves and the technical sustainability of the proposed measures. The plan must be submitted no later than March 31, 2026, and will be subject to CNSF approval, which may request adjustments once if requirements are not fully met.
- At the end of the program period, if solvency deficiencies persist not attributable to the VAT impact or if the submitted plan is not complied with, the CNSF may modify or revoke the authorization or proceed in accordance with Article 320 of the Insurance and Bonding Institutions Law (LISF) regarding corrective measures and potential revocation processes.

The Institution expressed its interest in participating in the prudential measures program through an email sent to the Commission on January 5, 2026. As of the date of these consolidated financial statements, the Institution is in the process of preparing the corresponding action plan to comply with the formal requirements established by the Commission.

57. BANORTE IS RECOGNIZED BY WORLD FINANCE AS THE BEST CONSUMER DIGITAL BANK AND BEST MOBILE BANKING APPLICATION IN MEXICO

On December 21st, World Finance recognized Banorte as the Best Consumer Digital Bank and awarded Banorte Móvil as the Best Mobile Banking App in Mexico in the 2025 Digital Banking Awards. The distinction acknowledges

the ongoing transformation of its digital processes through the incorporation of artificial intelligence tools, cloud-based services, and solutions that enhance security and optimize the user experience, strengthening its leadership in technological innovation and client service.

58. BANORTE ENABLES “REQUEST A REMITTANCE” ON BANORTE MÓVIL

On January 12th, Banorte launched the “Request a Remittance” feature on Banorte Móvil, allowing users in Mexico to easily and securely request the sending of funds from the United States. Integrated with Banorte Link, this tool strengthens the bank’s digital offering. With this innovation, Banorte reinforces its leadership in digital solutions and its commitment to providing accessible tools that facilitate financial connectivity between Mexico and the United States.

b) BUSINESS DESCRIPTION

MAIN ACTIVITIES

GFNorte is authorized by the SHCP to be constituted and operated as a holding company of the companies mentioned later in this report, section 2. IX) “The Company- Corporate Structure”, under the form and terms established by the LRAF, subject to the supervision and monitoring of the CNBV.

Its main activity consists of acquiring and managing shares issued by financial-sector entities, sub-holding companies, and service providers, as well as participating in the oversight of their operations, as established by the LRAF. GFNorte and its Subsidiaries are supervised, depending on their activity, by the CNBV, the CNSF, and Banxico. Meanwhile, Afore XXI Banorte is regulated by CONSAR.

The main activity of GFNorte's subsidiaries is to carry out financial transactions such as rendering full-banking services, brokerage activities, leasing, factoring, general warehousing services, annuities and life and damage insurance, as well as the acquisition, disposal, administration, collection and in general negotiation any form of negotiation with credit rights.

GFNorte is divided according to business segments and offers its services through:

- ✓ **Retail Banking:** It serves its clients through a network of 1,216 Banorte branches as of December 2025, providing on-site assistance supported by digital tools designed to facilitate interactions between customers and our relationship managers and SME bankers. In addition, we operate through alternative channels, including point-of-sale terminals, correspondent agents, online and mobile banking, and the Contact Center.

It offers services to the personal, SME, preferred, and state and municipal government segments.

Key products and services include: checking and deposit accounts, credit and debit cards, mortgage, auto, payroll, and personal loans, SME loans, payroll payment accounts, payment collection solutions aligned with each company’s operating needs, as well as auto, home, life, and SME insurance across several modalities.

- ✓ **SME Banking:** It offers financial products and services to small and medium-sized enterprises incorporated as legal entities (PM), individuals with business activity (PFAE), and those operating under the Tax Incorporation Regime.

Banorte’s comprehensive suite of products and services offered through SME Banking includes:

- Management solutions: investment and debit accounts in pesos and U.S. dollars.
- Financial solutions: term loans, revolving credit facilities, and commercial credit cards.
- Technology solutions: electronic banking, point-of-sale terminals, payment links, recurring charges, payroll services, treasury services, and foreign exchange operations.
- Commercial insurance solutions: auto fleet, property, and employee insurance.

In addition, within our shelf offering, we provide a differentiated end-to-end value proposition for women-led SMEs, both legal entities and individuals with business activity who serve as leaders and decision-makers within their businesses. This includes benefits across Accounts, Electronic Banking, Payroll Services, Point-of-Sale Terminals, Insurance, SME Credit, and partner discounts in Education—aimed at reducing barriers to financial inclusion and positioning Banorte as the strong ally that supports them in growing and strengthening their businesses.

We also continue developing our SME bankers through career path programs and specialized training designed to enhance the quality of advice and service provided to our clients.

Our specialized SME centers are strategically located near key and potential clients. We operate 1,216 traditional branches that offer “Comprehensive SME Solutions,” providing an integrated financial and non-financial value proposition designed to meet all client needs. Additionally, we have seven specialized offices dedicated to this segment.

Banorte has one of the largest customer networks in the country and remains committed to supporting small and medium-sized enterprises—serving as their strongest ally so they can grow alongside Mexico.

- ✓ **Wholesale Banking:** It is comprised of Middle-market & Corporate Banking, Transactional Banking, Federal Government Banking and International Banking.
- ✓ **Middle-market and Corporate Banking:** This segment specializes in providing comprehensive financial solutions for middle-market and corporate clients through several forms of specialized financing, including structured loans, syndicated loans, financing for acquisitions and investment plans. Other products and services offered to clients in this segment are: cash management, collection, fiduciary, payroll payment, checking accounts and credit lines. Middle-market & corporate clients generally consist in multi-national Mexican or foreign companies, large Mexican corporations and medium enterprises operating in a wide range of sectors. We will continue offering a client-centric banking model, which establishes the role of the Relationship Executive as the central axis to attend all of the customers financial needs.
- ✓ **Transactional Banking:** It provides corporate, commercial, financial institution, and federal government clients with an integrated service model for the promotion, implementation, and post-sale support of transactional solutions and services, including:
 - Electronic Banking and H2H
 - Working capital management and data analytics tools
 - Collections & Payments
 - Banking Correspondents
 - Acquiring Services
 - Payroll services and ATMs
 - Cash collection and distribution

- Investments and savings and pension funds
- Foreign exchange transactions and FX correspondent services
- Financial hedging and insurance
- Business Packages

Our business model is built on a personalized, consultative process supported by close communication with our clients, with the goal of consistently delivering tailored solutions that translate into operational improvements and, ultimately, long-term relationships.

- ✓ **Government Banking:** This segment offers specialized financial services to the Federal, State, and Municipal sectors, as well as to decentralized agencies and other entities such as social security institutions, labor unions, and public trusts. The products and services offered include checking accounts, loans, cash management services, and payroll payment solutions. Additionally, we provide comprehensive advisory services in public finance management to help increase revenue collection and improve the control and efficiency of public spending. We also prepare financial assessments to design appropriate debt-payment structures supported by a solid financial and legal framework, with the objective of strengthening our clients' financial position and enhancing their credit quality.
- ✓ **International Banking:** This segment specializes in providing solutions for the international and foreign trade needs of both corporate clients and individuals. Services include international transactions and global payments, family remittances, correspondent banking services for foreign financial institutions, and comprehensive solutions for exporters, importers, and global supply chains. Banorte's International Banking division maintains strategic agreements with financial institutions outside Mexico, allowing it to offer highly competitive financial services both locally and worldwide. It also provides specialized support to foreign companies establishing operations in Mexico by addressing their local banking needs.

In the United States, UniTeller—our remittances and international payments subsidiary—continues its commitment to serving the migrant community and their families. UniTeller has continued to expand its sending platform, solidifying its position as one of the leading remittance processors worldwide. Through uLink, its digital platform for international payments and remittances, UniTeller enhances accessibility and reduces transaction costs, aligning with our goal of delivering efficient, low-cost remittance services through multiple channels to a growing number of Mexican beneficiaries. With the acquisition of More Payment Evolution, an international payments company based in Uruguay with a presence in Argentina, Brazil, Chile, Paraguay, Spain, Senegal, and the United States, UniTeller seeks to strengthen its commercial payment capabilities and accelerate the development of solutions for clients with cross-border payment needs.

- ✓ **Long-term Savings Sector** this segment offers insurance products and retirement account administration services to address savings, protection, and long-term planning needs through the following companies: Afore XXI Banorte, Seguros Banorte, and Pensiones Banorte.
 - ✓ **Afore XXI Banorte:** It is the second-largest pension fund manager in Mexico. Its scale enables greater operational efficiency, making it the most profitable Afore in the industry. It has also consolidated its position as a leader in the implementation of ESG policies and strategies within the investment process, maintains a strong commitment to gender equality, and is the only Afore certified as a Great Place to Work and authorized to operate options (FX and equities).
 - ✓ **Pensiones Banorte:** A market leader in managing pensions derived from social security. The company has focused on initiatives that leverage its technological capabilities to offer services to pensioners

through digital channels, including a chatbot, access to loan benefits, biometric registration and authentication, and facial recognition for first-contact cases where fingerprint verification is not possible. This positions us as the first pension provider to offer this service model—processes that not only enhance our competitive advantage but also improve the client experience.

- ✓ **Seguros Banorte:** The company offers a broad range of protection and long-term planning products, including life, auto, homeowners, and medical insurance, among others. These products are delivered through multiple distribution channels: Bancassurance, Business Partnerships via traditional broker networks and bidding processes, and its own digital channel. The insurer remains at the forefront of innovation across all business lines and distribution channels in the Mexican insurance industry. Supported by technological advancements, it upholds its commitment to develop innovative products tailored to clients' needs.
- ✓ **Brokerage Sector:** The companies that make up this sector are Casa de Bolsa Banorte and Operadora de Fondos Banorte. These subsidiaries offer comprehensive products and services for both individuals and corporate clients, including brokerage services, financial advisory, portfolio structuring and management, asset management, investment banking, and the distribution of mutual funds as well as debt and equity instruments.
- ✓ **SOFOM and Other Finance Companies Sector:** Composed of the following subsidiaries: Leasing and factoring and Warehousing.
 - **Leasing and Factoring:** The company enters into financial and operating lease agreements for movable and immovable assets, and conducts financial factoring transactions, including the acquisition of receivables owed to suppliers of goods and services, as well as the discounting or negotiation of credit instruments and rights arising from factoring contracts.
 - **Warehousing:** It offers storage, inventory management, commercialization, and logistics services.

ii. DISTRIBUTION CHANNELS

At Grupo Financiero Banorte, we work with a firm commitment to becoming the leading financial group in Mexico by delivering banking services in the digital era. Our strategy focuses on strengthening our presence in the national market through a multichannel approach, an enhanced customer experience, and process optimization—reinforcing the entire banking infrastructure.

Banorte Branches

Banorte has formal processes in place for nationwide market and demographic analysis, evaluating each opportunity to continue expanding the branch network across major urban and semi-urban areas in the country. This approach ensures that all Mexicans have access to Banorte's products and services.

According to CNBV data, Banorte's market share in terms of number of branches stood at 11% as of December 2025, ranking third in the system considering only financial groups.

Banorte Branches

Banorte ended 2025 with a network of 1,216 branches, of which 92 are service modules and 1,124 are traditional branches.

In line with GFNorte's organic growth plan, in 2026 the Group will place greater emphasis on opening new branches, particularly in markets experiencing increased investment and development. For branch relocations and renovations, efforts will focus on offices requiring upgrades to ensure consistent service quality across the network.

SME Centers

As of December 2025, there were seven specialized offices operating for this segment.

ATM

Regarding ATMs, the installed base increased by 8%, rising from 11,284 in 2024 to 12,168 at the end of 2025. According to CNBV data, Banorte's ATM market share stood at 18.33% as of December 2025, ranking second in the system.

Our ATMs served an average of more than 14.1 million customers per month, a 12% increase compared to the previous year, and handled more than 805 million annual transactions.

This ATM network operates with chip-enabled cards, complying with mandatory regulations issued by the CNBV. Operating under the chip standard provides customers using electronic channels (ATMs and POS terminals) with greater confidence and security. Additionally, to help customers locate our coverage, we offer ATM geolocation services through our website and Banorte Móvil. It is important to note that new services continue to be launched through this channel.

Banorte offers a wide range of debit and credit cards, all of which may be used across our ATM network and, through our participation in the Visa and Plus networks, can also be used globally.

New services have been introduced through this channel, including cross-selling of insurance products, credit card activation and line increases, enrollment in Banorte Móvil, origination and renewal of payroll loans, and the ability to perform transactions without a physical card. In addition, we operate 1,490 multifunctional ATMs, which have enabled the automation of branch-based transactions such as cash deposits. As a result, we will continue deploying next-generation ATMs to reduce processing times, streamline customer interactions, and enhance product offerings to maximize the potential of this channel.

Telephone Banking - Contact Center "Roberto Gonzalez Barrera"

In 2025, the Contact Center handled 42.2 million interactions, including automated system calls, inbound and outbound calls, and digital-channel engagements, representing a (3%) decrease compared to 2024. The main services provided include guidance and information on our products and services, support with transaction inquiries, digital-channel assistance, cross-selling and portfolio campaigns, insurance services, credit and debit card activation, and card PIN blocking and assignment.

Point of Sale Terminals (POSs)

As of year-end 2025, there were 251,333 POS terminals, representing a 12% annual increase. This growth was driven by favorable economic conditions and rising demand for electronic payment solutions. By the end of 2025, we held the second position in market in terms of the number of merchants with POS terminals, with a 21% market share according to CNBV figures. Additionally, the number of transactions reached 1,822,575,221 in 2025, reflecting a 0.4% annual increase and a 45% market share based on CNBV data. The billed amount totaled Ps

966 billion, representing a 6% decrease compared to 2024. This decline resulted from the strategic decision to reduce the volume of certain low-profitability e-commerce operations for the Institution.

Digital Banking and Mobile Banking

We remain committed to our 3-4-5 strategic vision, through which we continue strengthening our presence and service within the digital space. We are advancing in the consolidation of a human-digital model and, through our digital channels, we drive process efficiency, hyper-personalization, and the best possible experience for our clients across all service channels for individuals, SMEs, corporations, and government entities.

We have continued promoting not only the digitalization of transactions and processes but also ensuring end-to-end journeys that allow clients to complete their operations and meet their needs remotely, in hybrid formats, or in person through self-service.

The combination of our branch, ATM, contact center, and digital banking experiences enables clients to choose when and how to address their financial needs—whether starting a relationship with Banorte, opening a new account or card, applying for a loan, managing investments, gathering information for decision-making, or handling day-to-day finances—always under our principles of offering simple, agile, fast, and above all, secure banking.

To ensure a strong digital experience, we maintain 24/7 monitoring through both active and passive client feedback. We have tools that allow us to proactively identify pain points and moments of friction in order to resolve or improve them. Active listening also plays a key role through in-app surveys, contact center calls, social media monitoring, and app-store reviews. Throughout 2025, we implemented bi-weekly updates to the app, which delivered improvements and new functionalities that have helped us achieve the current NPS levels in our digital banking. In the case of digital banking for businesses, we also deployed updates that enabled a monthly release cycle, allowing us to be more efficient and respond immediately to client needs and pain points.

By year-end 2025, we had more than 10 million clients registered in Digital Banking, through which over 6.902 billion total transactions were conducted—an annual growth of 24% compared to 5.581 billion the previous year—across both individuals and businesses.

In Banorte Móvil alone, more than 8.1 million clients used our app, representing a 9% increase compared to 2024. Clients completed more than 6.080 billion transactions totaling over Ps 2.805 trillion through this channel, a 31% increase versus the previous year.

For our business clients, we apply the same methodologies for client listening, operational assurance, improvements, and releases, with an additional component: the personalized service provided by the commercial teams that serve the SME, corporate, enterprise, and government segments. This ensures that clients remain supported and up to date, while maintaining the strong NPS levels achieved throughout the year.

Our objective remains focused on transforming Banorte into an *Everywhere Bank*, as well as becoming a benchmark in compliance and data democratization within Open Banking. The bank currently complies with all regulatory and normative APIs and has developed specific APIs for managing and addressing targeted client interactions and needs. This framework allows us to remain prepared for the future and effectively respond to the challenges and requirements the banking industry faces today.

Third-party Correspondents

Through our correspondent network, we support financial inclusion and provide services that contribute to the well-being of thousands of Mexicans who still lack access to formal financial services.

Banorte's strategic partnerships with various retailers have expanded our market presence, allowing us to stay closer to our customers and be available with extended hours, 365 days a year.

The correspondent channel remains a highly relevant point of customer service, and usage continues to grow. Currently, 35% of monetary transactions that, by nature and characteristics, can be processed through this channel—transactions that were previously handled at bank branches—are now conducted via correspondents. Total transactions reached 19.3 million, and customer satisfaction, as measured by the NPS score, remains excellent, reaching 81.6 points in December 2025.

As of year-end 2025, our correspondent network consisted of 45,259 service points through Walmart (3,220), Yastás (5,526), Farmacias Guadalajara (2,999), 7-Eleven (2,114), Financiera para el Bienestar, formerly Telecomm (1,602), Farmacias del Ahorro (1,882), Tiendas Extra / Círculo K (1,180), Soriana (780), Grupo DSW under the "Del Sol" and "Woolworth" brands (137), Chedraui (687), and OXXO (25,132). This network provides coverage across 72% of municipalities in Mexico, representing a 5.88% increase compared to the 19,719 service points recorded at the end of 2024.

iii. LICENSES, BRANDS AND OTHER CONTRACTS

The main registered trademark is BANORTE, as it represents the distinctive sign of GFNorte and its subsidiaries, along with the GRUPO FINANCIERO BANORTE trademark. Both trademarks have a validity period of 10 years from the date the registration application was filed and may be renewed for additional 10-year periods upon expiration. As of today, these registrations remain valid and fully enforceable. Each of these rights is protected by the corresponding authorities.

Relevant Contracts:

Grupo Financiero Banorte has entered into various agreements outside the ordinary course of business but necessary for its operations or business strategy. The most relevant include:

- Agreements with IBM de México, Comercialización y Servicios, S. de R.L. de C.V. (to conduct its activities in all matters related to information processing, data, telecommunications, programs and methods): (i) for the acquisition of products (equipment or software licenses) and the rendering of services and (ii) for the lease of technological equipment. The first contract was signed on December 5, 2005, and is for an indefinite term. No penalties apply.
- Sertres del Norte, S.A. de C.V. (facilities and construction equipment), dated June 1, 2007, for an indefinite term, for preventive and corrective maintenance of the institution's infrastructure equipment, as well as other agreements for installing mechanisms and/or uninterrupted-power infrastructure to protect Banorte from potential operational risks. These agreements are executed based on institutional needs, with some expiring once the assigned service or task has been completed. Penalties for non-compliance related to Remote Sites and Structured Cabling services are calculated as a percentage of the monthly fee, depending on the type, location, number of devices, priority, and incident duration.
- NCR de México, S. de R.L. de C.V. (machinery and equipment for commercial and service activities), for preventive and corrective maintenance of ATMs—including consumables and vandalism—signed on

September 1, 2009, for an indefinite term. An additional agreement for licenses was signed on January 29, 2016, also indefinitely. These contracts were assigned to DC Payments Mexico, S.A. de C.V. (corporate and financial services). Penalties are calculated according to the work plan and the value of the unmet milestone.

- Diebold Nixdorf de México, S.A. de C.V. (raw materials for various industries), for preventive and corrective maintenance of ATMs—including consumables and vandalism—signed on March 1, 2008, for an indefinite term. Penalties for non-compliance are set at 1% of the unit service cost per day of delay, capped at 10% of the total monthly invoiced amount.
- Winston Data, S.A. de C.V., for printing and mailing of account statements, dated July 15, 2008, with an indefinite term. Penalties are applied based on the monthly service-level percentage stipulated in the contract, up to 15% of the monthly invoice.
- Coltomex, S.A. de C.V. (continuous forms and other printed materials), for printing and mailing of account statements, dated May 20, 2014, with an indefinite term. Penalties for non-compliance are 2% of the affected service per day of delay.
- ASAE Consultores S.A. de C.V. (IT consulting), for maintenance of computer and network equipment, dated July 1, 2009, with an indefinite term. Penalties equal 5% of the monthly invoice depending on the degree of non-compliance.
- Microsoft México S. de R.L. de C.V. (business support services), for software licensing from January 1, 2021 to December 31, 2027. No penalties apply.
- Netxtor S.A. de C.V. (retail computer equipment and accessories), for equipment maintenance, signed on August 13, 2015, with an indefinite term; and for Arkivio licenses from October 31, 2015 to September 1, 2020. The agreement was renewed from November 1, 2019 to October 31, 2021, later extended to December 4, 2023, and most recently renewed for an indefinite term. Penalties depend on the percentage of non-compliance relative to the monthly invoice.
- IGSA, S.A. de C.V. (electrical equipment and materials), for electronic infrastructure maintenance services beginning May 1, 2010, all with indefinite terms. Penalties for non-compliance of Remote Site services are calculated as a percentage of the monthly fee, depending on type, location, number of devices, priority, and incident duration.
- GSAT Comunicaciones S.A. de C.V. (satellite services), signed in October 2009 with an indefinite term, for satellite connectivity to Banorte's private network. No penalties apply.
- Oracle de México, S.A. de C.V. (IT consulting), for Oracle Premier Support for SUN-Oracle infrastructure, signed on November 1, 2012, originally expiring on February 28, 2014. The contract has been renewed for the following terms: July 1, 2019 to June 30, 2020; July 1, 2020 to June 30, 2021; through November 30, 2022; through November 30, 2023; and through January 30, 2029. No penalties apply.
- Hewlett-Packard México, S. de R.L. (computer equipment and accessories), for licensing of HP performance and integration testing products, signed on July 1, 2012, with an indefinite term. No penalties apply.
- SAP México, S.A. de C.V. (IT consulting), for SAP NetWeaver licenses, signed on December 12, 2012, with an indefinite term. No penalties apply.

- Kyndryl Mexico S. de R.L. de C.V. (IT consulting), for infrastructure services, signed on August 1, 2023, expiring on July 31, 2028. No penalties apply.

iv. MAIN CLIENTS

As of December 31, 2025, GFNorte had a broad and diversified customer base, with its largest client representing 2.2% of the total loan portfolio.

In addition, GFNorte's operations are appropriately diversified across the different productive sectors of the economy, resulting in no significant sector concentration and, therefore, no material cyclicity.

v. APPLICABLE LEGISLATION AND TAX SITUATION

The Mexican Financial System

Mexico's financial system is currently comprised of commercial banks, national development banks, brokerage firms, development trust funds, limited purpose banks and other non-bank institutions, such as insurance and reinsurance companies, bonding companies, credit unions, savings and loans companies, foreign exchange houses, factoring companies, bonded warehouses, financial leasing companies, mutual fund companies, pension fund management companies and multi-purpose financial institutions. In 1990, Mexican government adopted the Law Regulating Financial Groups (LRAF) aimed at achieving the benefits of universal banking, which permits a number of financial services companies to operate as a single financial services holding company, which was amended and restated on January 10, 2014. Most major Mexican financial institutions are members of financial groups.

The main financial authorities that regulate financial institutions are the SHCP, the Mexican Central Bank, the CNBV, the CONSAR, the CNSF, the IPAB and the CONDUSEF.

Trend toward multi-purpose banking institutions

Prior to 1978, the Mexican banking system was comprised primarily of specialized institutions, which were authorized to conduct specified financial activities pursuant to concessions granted by the Mexican Government. During the period from 1978 to the nationalization of commercial banks in 1982, the structure of the Mexican banking system evolved towards the creation of multi-purpose banking institutions, which were allowed to engage in the full range of banking activities.

Nationalization and subsequent privatization

Effective June 28, 1990, Mexican Constitution was amended to allow Mexican individuals and financial services holding companies to own controlling interests in the then-existing 18 Mexican commercial banks owned by the Mexican Government. Subsequently, a new Banking Law was enacted to regulate the ownership and operation of Mexican commercial banks, national development banks and foreign financial institutions. Pursuant to the Banking Law, Mexico began the process of privatizing commercial banks. By the third quarter of 1992, the Mexican Government had privatized all 18 state-owned commercial banks. Since that time, new commercial banks, have been chartered and regulations regarding investment in the banking sector by foreign investors have been relaxed.

On November 26, 2013, the Senate approved the Report of the Chamber of Deputies (Cámara de Diputados) on the bill presented by President Enrique Peña Nieto amending, supplementing and repealing various provisions with respect to financial matters and issuing the new LRAF, the "Financial Reform".

Thirty-four legal statutes were amended in order to foster greater competition in the financial and banking system by creating incentives to increase lending, as well as a new mandate for development banks. Also, the Financial Reform strengthens the scheme for the stability of the financial institutions and the powers of financial authorities in regulatory, monitoring and enforcement matters.

Financial Groups

The enactment of the former LRAF in 1990 permitted the development of the universal banking model in Mexico. By July 1992, most major Mexican financial institutions had become part of financial groups controlled by a financial services holding company, such as GFNorte, and made up of a number of financial operating entities. On January 10, 2014, the new LRAF was published, authorizing holding corporations through their companies or other financial institutions, to indirectly hold shares of financial institutions that are members of the financial group, as well as shares of financial institutions that are not members of the financial group, service providers and real estate.

The operations of financial services holding companies are generally restricted to holding shares representing the capital stock of financial services operating subsidiaries as well as those of service providers, real estate and subholding companies that do not comprise the financial group. Financial services subsidiaries include general deposit warehouses, foreign exchange houses, bonding institutions, insurance companies, broker-dealers, banks, mutual funds managers, mutual funds distributors, retirement fund management companies, multiple purpose non-banking financial institutions and micro finance companies. [Financial groups must be comprised at least by a holding company and any of the two formerly mentioned financial institutions (which may be of the same type), provided that a financial group may not be comprised solely by the holding company and two Multi-purpose Financial Institution].

The Law Regulating Financial Groups permits entities controlled by the financial services holding company: (i) to act jointly before the public, offer services that are supplemental to the services provided by the other and hold themselves out as part of the same group;(ii) use similar corporate names; and (iii) conduct their activities in the offices and branches of other entities part of the same group.

In addition, the Law Regulating Financial Groups requires that each financial services holding company enter into an agreement with each of the financial services companies integrating the financial group pursuant to which the holding company agrees to be responsible secondarily and without limitation for the satisfaction of the obligations incurred by its subsidiaries as a result of the activities that each such subsidiary is authorized to conduct under the applicable laws and regulations, and is fully responsible for certain losses of its subsidiaries, up to the total amount of the holding company's assets. In the event that the assets of the financial services holding company are insufficient to meet the losses of its subsidiaries if occurred simultaneously, the financial services holding company must first meet the liabilities of the banking institutions that are part of the group and subsequently, the liabilities of any other entities that form the group will be prorated. For such purposes, a subsidiary is deemed to have losses if its assets are insufficient to meet its payment obligations. The subsidiaries will never be held liable for the losses of their financial services holding company or for the losses of the other subsidiaries of the group.

Furthermore, on December 31, 2014 the General Provisions for Financial Groups were published, according to the faculty the SHCP holds of issuing the secondary provisions that the LRAF refers to. These General Provisions consider the terms and conditions to organize holding companies and the running of the financial groups, as well as those to avoid conflict of interest among the entities of the financial group. The General Provisions for Financial Groups were effective on March 31, 2015, 90 days after the publication in the Official Gazette. Under the Financial Reform, the Mexican Congress approved changes to the Financial Groups Law. Relevant changes include the following:

- *Shareholding Structure* - It provides the possibility for the holding company to maintain the shareholding of the members of the group through sub-holding companies.
- *Capitalization and Corrective Measures* - A holding company shall maintain net capital that shall not be less than its permanent investments in the subsidiaries of the group. It also authorizes the SHCP to determine corrective measures, such as the potential sale of assets, non-distribution of dividends and suspending

payments of bonuses, among others.

- *Corporate Governance* - The new law provides for a new corporate governance structure, setting forth specific duties of care and fiduciary duties applicable to Board members, even if the financial services holding company is not publicly traded, similar to that provided in the Securities Market Law (Ley de Mercado de Valores) for stock-traded corporations.
- Other material changes from the previous law include shareholders' agreements, tied sales, liability agreements, the investment structure of the holding company, accounting and consolidated supervision, among others.
- *Investment Structure of the Holding Company* - In addition to its interest in the financial institutions of the group, a holding company may invest in other instruments, such as securities representing the capital stock of other financial institutions that are not group members, service providers and real estate companies, among others.

Authorities of the Mexican Financial System

Main authorities that regulate and supervise financial institutions in Mexico are Banxico, SHCP, CNBV, CONSAR, CNSF, IPAB and CONDUSEF. These authorities are subject to a number of organic laws and other administrative provisions that govern their supervisory and other powers. Also, these entities continually enact administrative provisions on matters falling within their competence for the regulation of the corresponding financial entities, as further mentioned below. GFNorte, as a financial services holding company, is subject to supervision and regulation of the Supervision Commission (CNBV, CNSF or CONSAR, depending on the responsible for supervising the general functioning of the Financial Group in terms of article 102 of the LRAF). In addition, our financial subsidiaries are subject to the supervision and regulation of and keep in touch with different financial authorities, accordingly.

Banco de México

Banco de México is the Mexican Central Bank. It is an autonomous entity that is not subordinated to any other body in the Mexican federal government. The Banco de México Law, as well as Paragraphs 6 and 7 of Article 28, of the Mexican Constitution, regulate the administration and the performance of Banxico's functions. Its primary purpose is to provide the domestic economy with Mexican currency, procuring of acquisition power of such currency, establish reference interest rates and ensure that the banking and payments systems perform under safe and sound principles.

Monetary Policy decisions are taken by its Governing Board. The Governing Board, official body, is composed of a Governor and four Deputy Governors, who are appointed by the President and approved by the Senate or the Permanent Commission of Congress.

Among the decisions that only the Governing Board may take are the authorization of the issuance of currency and the minting of coins, the decision to extend credit to the Mexican government, policies determination and criteria that Mexican Central Bank uses in its operations and in the regulations that it issues, and the approval of its rules of procedure, budget, working conditions and similar internal matters.

SHCP

The SHCP is the entity in charge of proposing, conducting and controlling the economic policy of the Mexican federal government in matters of economics, tax, customs, finance, banking, public budget, public debt and income. Together with the CNBV and Banxico, it is the primary regulator of commercial banks and national development banks. The SHCP participates in the planning, coordination, evaluation and monitoring process of the country's banking system comprised of the Central Bank, the National Development Banking and other institutions responsible for banking and

credit services. Furthermore, it exercises powers provided within the laws in the areas of insurance, bonding, securities and organizations & ancillary credit activities, among others.

CNBV

The CNBV is a governmental body decentralized to the SHCP, having independent technical and executive powers. The CNBV is in charge of the supervision and regulation of entities comprising the Mexican Financial System, with the purpose of ensuring their stability and sound performance, as well as the maintenance of a safe and sound financial system. The scope of the CNBV's authority includes inspection, supervision, prevention and correction powers. The primary financial entities regulated by the CNBV, among others, are: financial groups, credit institutions, regulated multiple purpose financial institutions, brokerage firms, as well as publicly traded companies and other entities that have issued debt securities to investment public. The CNBV is also in charge of granting and revoking banking and securities brokerage licenses in Mexico.

CONSAR

The CONSAR is a governmental body subordinated to the SHCP, having independent technical and executive powers. The CONSAR was created in 1997 as part of a comprehensive reform of the retirement savings and pensions system, and is in charge of protecting the retirement savings of employees through the regulation and supervision of Afores and Siefores. The CONSAR evaluates risks borne by the participants in the retirement savings system and makes sure these participants are solvent and maintain adequate liquidity levels.

CNSF

The CNSF is a governmental body subordinated to the SHCP, having independent technical and executive powers. The CNSF is in charge of the supervision and regulation of insurance and bonding companies, promoting the safe and sound development of the insurance and guaranty bond financial sectors.

IPAB

After the 1994 financial crisis, Mexican government created the IPAB, an independent, decentralized governmental institution with its own legal standing and assets. The IPAB's primary purpose is the protection and insurance of bank deposits, having also powers to provide solvency to banking institutions, contributing to the safe and sound development of the banking sector and the national payments system. IPAB is also entitled to acquire assets from distressed banking institutions.

CONDUSEF

The CONDUSEF is a decentralized public body of the Public Administration. The CONDUSEF is in charge of protecting and defending the rights of users of financial services and serves as an arbitrator between financial institutions and their customers. Among other powers, CONDUSEF has the authority to order the amendment of standardized agreements used by financial entities when it considers that such agreements contain abusive clauses, it may issue general recommendations to financial institutions, and suspend the distribution of information regarding financial services and products that it considers confusing.

History of the Banking Sector

Banking activities in Mexico have been and continue to be affected by prevailing conditions in the Mexican economy; the demand and supply of banking services have been vulnerable to economic downturns and changes in government policies. Prior to the early 1990s, lending by Mexican banks to the private sector fallen to very low levels. It is estimated, however, that by the end of 1994 average total indebtedness of the private sector to Mexican commercial banks had grown to represent approximately 40.7% of Mexican GDP, with mortgage loans and credit card indebtedness generally growing faster than commercial loans. Mexican peso devaluation in December 1994 initiated a crisis, and the resulting high interest rates and contraction of the Mexican economy in 1995 severely impacted most borrowers ability to both repay loans when due and meet debt service requirements. These effects, among others, caused an increase in the non-performing loan portfolio of Mexican financial institutions, particularly during 1995, which adversely affected the capitalization level of financial institutions. Also, increased domestic interest rates and the deteriorating value of the peso made it more difficult for financial institutions to renew dollar-denominated certificates of deposit and credit lines.

From 1995 through the end of 1997, the CNBV intervened in the operations of 13 banks and adopted several measures designed to protect, stabilize and strengthen the Mexican banking sector. These measures included:

- Creating a temporary capitalization program to assist banks;
- Establishing a foreign exchange credit facility with Banco de México to help banks with dollar liquidity problems;
- Increasing the level of required loan loss reserves;
- Establishing a temporary program for interest rates reduction on certain loans;
- Establishing various programs to absorb a portion of debt service cost for mortgage loan (including debt restructuring and conversion support programs); and
- Broadening the ability of foreign and Mexican investors to participate in Mexican financial institutions.

In addition, to address deteriorating asset quality, the Mexican government established debt restructuring and conversion support programs to face cash-flow problems. Finally, Mexican government created a program to promote increased capitalization of Mexican banks by transferring loans and other assets to the Banking Fund for the Protection of Savings (Fondo Bancario de Protección al Ahorro or the FOBAPROA). Effective January 20, 1999, the FOBAPROA was replaced by IPAB, which was created to manage the banking savings protection system and regulate financial support granted to banks.

Mexican Banking Law Reforms

On January 10, 2014, several amendments to the Mexican Banking Law were published in the Federation Official Gazette, and are currently in effect, with the following purposes:

Update capital requirements according to Basel III. The amendments to the Mexican Banking Law updated the capital requirements for banking institutions by incorporating the requirements of the Basel III accords, currently included in the General Rules Applicable to Mexican Banks. The amendments specify that net capital will be comprised of capital contributions, retained profits and capital reserves. CNBV is authorized to allow or prevent the inclusion of other items to calculate a bank's net capital, subject to terms and conditions of the general rules to be issued by CNBV to further regulate the capital requirements for bank institutions. We currently comply with applicable capitalization requirements.

Enhancing the CNBV supervisory practices. The reforms grant ample authority to the CNBV for the supervision of the financial entities under the Mexican Banking Law. CNBV may perform visits to banks, with the aim to review, verify, test and evaluate the operations, processes, systems of internal control and risk management among others elements that may affect the financial position of banks.

Increasing requirements for the granting of credits to customers. For the granting of credits, banks are required to analyze and evaluate the viability of payment by borrowers or counterparties, relying on an analysis based on quantitative and qualitative information that allows establishing their credit worthiness and ability of timely payment of the credit. Banks must issue guidelines and lending process manuals and credit procedures shall be performed in accordance with such policies.

Establishing new provisions on transparency and reliability. Banks are required to publicly disclose their corporate, financial, administrative, operational, economic and legal information, as determined by CNBV. Banks must post on their website and in a national newspaper their balance sheets and other relevant information periodically.

Establishing audit powers for external auditor supervision. CNBV has powers of inspection and surveillance with respect to entities that provide external audit services to banks, including those partners or employees who are part of the audit team, in order to verify the compliance with the Mexican Banking Law. CNBV is allowed to: (i) request any information and documentation related to the services rendered; (ii) practice inspection visits; (iii) require the attendance of partners, legal representatives and other employees; and (iv) issue audit procedures to be complied by the auditors, in connection with the tax opinions and practices performed by them.

Limited purpose banks. The reform introduced limited purpose banks (bancos de nicho), which can only engage in a limited amount of banking activities which are specifically set forth in their by-laws. The minimum required capital of limited-purpose banks can vary depending on the activities carried out by such entities, from a range of 36,000,000 UDIs to 90,000,000 UDIs.

Under the Financial Reform, Mexican Congress approved additional changes to the Mexican Banking Law. Relevant changes include the following:

Participation of Foreign Governments. It clarifies the rules that require prior approval from the CNBV for the investment of foreign governments in commercial banks, as a temporary prudential measure, in cases where foreign entities receive financial support or are rescued. Such intervention should be through official entities not exercising authority, and participation should be indirect and without control. Shareholding structure in broker-dealers, retirement fund administrators, insurance companies and mutual insurance companies, bonding companies, financial groups and credit information companies was also amended.

Capitalization Requirements. “Minimum Basic Capital” and “Capital Supplement” concepts were incorporated into the law. The law also provides for capital requirements, additions and restrictions, as well as asset disposal in cases where the entities with significant influence on banks are facing liquidity or solvency problems. It also entitles development banks to support banks should they require capitalization.

Limit on Transactions with Related Parties. The limit on the aggregate number of transactions with related parties has changed, which shall not exceed 35 percent of the net capital.

Liquidity Requirements. The amendments to the Mexican Banking Law grant authority to the CNBV to order adjustments to a bank’s accounting registries. If a bank fails to meet the liquidity requirements imposed by CNBV and the Mexican Central Bank, the CNBV may order the bank to adopt actions toward restoring the corresponding

liquidity requirements, including suspending or partially limiting certain lending, borrowing or service operations of the bank, and requiring the bank to present a liquidity restoration plan.

Risk Control, Banking Resolutions and New Judicial Liquidation/Bank Bankruptcy Rules. The early warning, preventive and corrective action system changed. The Financial Reform entitles CNBV to determine the maximum number of active transactions and provides for new rules in the event that the Mexican Central Bank acts as lender of last resort so that it requires collateral on the bank's shares. It also introduces the obligation to have a plan of stress scenarios, contingency and resolution plans as well as participation in mock resolutions. It also has amended certain articles regarding the structure of bank resolutions, including new deadlines for exercising the right of audience prior to the revocation of the authorization to operate as a bank and includes a new scheme of judicial liquidation/bank bankruptcy, replacing the provisions of the Bankruptcy Act.

Self-Correcting Programs. The Mexican Banking Law and other financial laws state that the financial institutions may submit to the CNBV self-correcting programs when they detect defaults to the provisions regulating them, taking into consideration that irregularities detected by the CNBV or serious defaults or offenses may not be part of the self-correcting programs.

Transactions with Members of the Same Group or Consortium. New rules and limitations have been established. Transactions with members of the same group shall be agreed to on market terms.

Measures to Encourage Credit and Performance Evaluations. The SHCP is authorized to assess the performance of commercial banks regarding compliance with the support of the country's productive forces and the growth of the economy; the SHCP shall issue the relevant guidelines for such assessment. It also authorizes the CNBV to encourage the channeling of more resources to the productive sector by setting parameters on the execution of transactions with securities. The financial authorities shall take into account the results of the assessments to decide on the authorizations it will grant in general.

Administrative Offenses and Penalties. It significantly increases the number and severity of the sanctions, which are to be disclosed to the general public, although none are definitive or final. It also provides for sanctions for officials involved in transactions with related parties in excess of the statutory limits. Amendments to the administrative sanction system were made consistently in all financial laws amended by the Reform.

SHCP Blacklist. With respect to the prevention of transactions with funds from illegal sources and terrorist financing, it provides for the obligation to immediately suspend transactions with the persons included in the blacklist issued by the SHCP. This obligation is also set for the other financial institutions in their respective laws.

Asymmetric Regulation. It authorizes the SHCP, the CNBV and the Mexican Central Bank to issue asymmetric regulation, *i.e.*, one that considers the regulatory burden in accordance with the size of each institution.

Exchange of Information with Foreign Financial Authorities. It regulates in more detail the procedure for the exchange of information with foreign authorities and verification visits.

Initiatives to Improve Creditors' Rights and Remedies

Mexico has enacted legislation to improve creditors' rights and remedies. These laws include collateral pledge mechanisms and a new bankruptcy law.

Collateral Mechanisms

On June 13, 2003, a congressional decree was published amending the Mexican Commerce Code (Codigo de Comercio), the General Law of Negotiable Instruments and Credit Transactions (Ley General de Titulos y Operaciones de Credito), the former Securities Market Law, the Mexican Banking Law, the Insurance Companies Law (Ley General de Instituciones y Sociedades Mutualistas de Seguros), the Bond Companies Law (Ley Federal de Instituciones de Fianzas) and the General Law of Ancillary Credit Organizations and Activities (Ley General de Organizaciones y Actividades Auxiliares del Credito). The purpose of the amendment was to provide an improved legal framework for secured lending and, as a consequence, encourage banks to increase their lending activities. Among its provisions, the decree eliminated a prior non-recourse provision applicable to non-possessory pledges (which allowed the creation of a pledge over all the assets used in the main business activity of the debtor, but limited recourse to the applicable collateral) and collateral trusts, to allow creditors further recourse against debtors in the event that proceeds derived from the sale or foreclosure of collateral are insufficient to repay secured obligations.

Foreclosure of Securities Loans

Mexican Congress also approved changes to the Commerce Code intended to expedite proceedings relating to the foreclosure of secured loans by financial institutions. These changes grant authority to Mexican courts to issue interim measures, such as ordering persons not to leave Mexico or ordering assets to be frozen. Furthermore, on January 10, 2014, a decree was published which reforms, adds and repeals diverse regulations on financial matters and the Law Regulating Financial Groups was issued, establishing in the General Law of Titles and Loan Operations the application of values or goods given in pledge, which at the time of execution can be made without a legal ruling.

Mexican Bankruptcy Law

The Mexican Bankruptcy Law was enacted on May 12, 2000 and has been amended by virtue of the Decree of Financial Reforms published on January 10, 2014, and is used as a means to conclude complex insolvency situations affecting Mexican companies, by providing expedited and clear procedures, whereas at the same time granting creditors and other participants the certainty of an in-court solution. The Bankruptcy Law provides for a single insolvency proceeding encompassing two successive phases: (i) a conciliatory phase of mediation between creditors and debtor, (ii) and bankruptcy.

The Bankruptcy Law, imposes that only a Supervisory Commission, may demand the insolvency declaration of banking institutions; being that, in which according with the applicable provisions, is responsible for the supervision and monitoring of a Financial Institution. In the case of banking institutions, such as Banorte, with the declaration of bankruptcy the judicial procedure is initiated in the liquidation phase and not, as in common procedures, in the conciliatory phase. The bankruptcy of a Credit Institution is viewed as an extreme measure (because it results in a liquidation and dissolution of the relevant institution), which has not been resorted to in practice, and is preceded by a number of measures that seek to avoid it, such as corrective measures taken by the CNBV, facilities made available by the IPAB and an intervention led by the CNBV. Upon filing a suit of declaration of insolvency, banking institutions must cease operations and suspend payment of all obligations.

The Bankruptcy Law establishes precise rules that determine when a debtor is in general default in its payment obligations. The principal indications are failure by a debtor to comply with its payment obligations with two or more creditors, and the existence of the following two conditions: (i) liabilities must be least 30 days past-due and represent 35.0% or more of a debtor's outstanding liabilities, and (ii) the debtor fails to have certain specifically defined liquid assets and receivables to support at least 80.0% of its obligations.

Applicable law provides for the use and training of experts in the field of insolvency and the creation of an entity to coordinate their efforts. Such experts include the intervenor (interventor), conciliator (conciliador) and receiver (síndico). The IPAB acts as the liquidator and receiver and the CONDUSEF may appoint up to three intervenors.

On the date the insolvency judgment is entered, all peso-denominated obligations are converted into UDIs, and foreign currency-denominated obligations are converted into pesos at the rate of exchange for that date and then converted into UDIs. Only creditors with a perfected security interest (i.e., mortgage, pledge or security trust) continue to accrue interest on their loans. The Bankruptcy Law mandates the netting of derivative transactions upon the declaration of insolvency.

The Bankruptcy Law provides general rules to the period when transactions may be scrutinized by the judge to determine if they were entered into for fraudulent purposes, which is 270 calendar days prior to the judgment declaring insolvency. This period is referred to as the retroactivity period. Nevertheless, upon the reasoned request of the conciliator, the inspectors (who may be appointed by the creditors to oversee the process) or any creditor, the judge may set a longer period.

In December 2007, the Bankruptcy Law was amended to incorporate provisions relating to pre-agreed insolvency proceedings, frequently used in jurisdictions different from Mexico, that permit debtors and creditors to agree upon the terms of a restructuring and thereafter file, as a means to obtain the judicial recognition of a restructuring reached on an out-of-court basis. This also provides protection against dissident minority creditors.

The Mexican Congress also approved changes to Mexico's Bankruptcy Law, intended to improve the application of such law. Relevant changes include:

- the consolidation of bankruptcy proceedings affecting parent and subsidiary companies;
- the application of liquid assets provided as collateral, in connection with the netting and close out of derivative and similar contracts;
- setting forth an outside limit to bankruptcy restructuring (three years);
- permitting trustees and other creditor representatives, to submit claims on behalf of groups of creditors;
- expressly recognizing subordinated creditors, and deeming related party creditors as subordinated creditors; and
- making members of the Board of Directors liable to the bankrupt debtor if such member acted when affected by a conflict of interest, self-dealing and otherwise against the interests of the bankrupt debtor.

Deregulation of Lending Entities and Activities

In July 2006, the Mexican Congress enacted reforms to the General Law of Auxiliary Credit Organizations and Credit Activities (Ley General de Organizaciones y Actividades Auxiliares del Credito), the Mexican Banking Law and the Foreign Investment Law (Ley de Inversion Extranjera), with the objective of creating a new type of financial entity called Multi-purpose Non-Banking Financial Institution (Sociedad Financiera de Objeto Multiple, or Sofom) (the "Sofom Amendments"). The Sofom Amendments were published in the Official Gazette on July 18, 2006.

The main purpose of the Sofomes Amendments is to deregulate lending activities, including financial leasing and factoring activities. Sofomes are Mexican corporations (sociedades anónimas) that expressly include as their main corporate purpose in their by-laws, engaging in lending and/or financial leasing and/or factoring services. Pursuant to the Sofomes Amendments, the SHCP has ceased to authorize the creation of new Sofoles, and all existing Sofol authorizations automatically terminate on July 19, 2013. On or prior to that date, existing Sofoles ceased operating as a Sofol. Failure to comply with this would result in dissolution or liquidation of the Sofol. Existing Sofoles also have

the option of converting to Sofomes or otherwise extending their corporate purposes to include activities carried out by Sofomes.

Among others, Sofomes that are affiliates of Mexican credit institutions (i.e., private or public banks) or the holding companies of financial groups that hold a credit institution will be regulated and supervised by the CNBV, and will be required to comply with a number of provisions and requirements applicable to credit institutions such as capital adequacy requirements, risk allocation requirements, related party transactions rules, write-offs and assignment provisions, as well as reporting obligations. Regulated Sofomes are required to include in their denomination the words “Entidad Regulada” (regulated entity) or the abbreviation thereof, “E.R.” All other entities whose main purpose is engaging in lending, financial leasing and factoring activities are non-regulated Sofomes and must so indicate in their corporate denomination by including the words “Entidad No Regulada” (non-regulated entity) or the abbreviation thereof, “E.N.R.” Non-regulated Sofomes are not subject to the supervision of the CNBV.

Sofomes (regulated or non-regulated) will be subject to the supervision of the CONDUSEF as is the case with any other financial entity.

The Sofomes Amendments also eliminated the restrictions on foreign equity investment applicable to Sofoles, financial leasing and factoring companies, which until the Sofomes Amendments became effective, was limited to 49.0%. Accordingly, the Sofom Amendments may result in an increase in competition in the financial services industry, from foreign financial institutions.

The Mexican Securities Market Law

On December 30, 2005, a new Mexican Securities Market Law was enacted and published in the Official Gazette. The new Mexican Securities Market Law became effective on June 28, 2006, however, in some cases an additional period of 180 days (until late December 2006) was available for issuers to incorporate the new corporate governance and other requirements derived from the new law into their bylaws. The Mexican Securities Market Law sets standards for authorizing companies to operate as brokerage firms, which authorization is granted by the CNBV with the approval of its Governing Board. In addition to setting standards for brokerage firms, the Mexican Securities Market Law authorizes the CNBV, among other things, to regulate the public offering and trading of securities, corporate governance, disclosure and reporting standards and to impose sanctions for the illegal use of insider information and other violations of the Mexican Securities Market Law.

The new Mexican Securities Market Law changed the Mexican securities regulation in various material aspects. The reforms were intended to update the Mexican regulatory framework applicable to the securities market and publicly traded companies in accordance with international standards.

Reforms to the Mexican Securities Market Law

Under the Financial Reform, the Mexican Congress approved additional changes to the Mexican Securities Market Law. Relevant changes include the following:

Offerings of Securities Abroad. CNBV must be notified of any type of offerings made abroad, in the case of securities issued in Mexico or by Mexican corporations, even if the offerings are private.

Various Modifications to the Obligations Related to the Information of an Issuer. The CEO of the issuer shall be responsible for the content of the disclosed information, the material events and other information that must be disclosed to the public.

It also provides for tighter controls on persons having access to material information, the publication of which is deferred.

Persons related to the underwriter (investment banking), persons providing independent or subordinated personal services to the issuer and third parties that have had contact with those who have access to privileged information must be included in the list of persons who are considered to have access to privileged information, unless proven otherwise.

Finally, with respect to misleading information, disclosure of information that is prohibited by applicable law has been excluded as an omission of disclosure.

Rules applicable to Development Trust Certificates, Real Estate Notes and Indexed Notes. The Law introduces special regulation for these instruments. Also, it considers the operating companies of investment companies within the institutions that can act as trustees for the issuance of trust certificates. Finally, administrators of issuing trusts of indexed certificates will be prohibited from having ties with those determining those indices.

Homologation of Broker-Dealers' Capitalization Rules. The capitalization of broker-dealers is homologated to that of the banking institutions.

Stress Scenarios. It introduces the obligation to have a plan for stress scenarios for broker-dealers and commercial banks.

Liability of Underwriters. The liability structure of broker-dealers, who may be liable for damages and losses caused by breach of their obligations, has been extended.

Stock Pledge. It provides for rules for the application of payments of the securities pledged, without any judicial proceeding.

On December 28, 2023, the SHCP published in the Official Gazette of the Federation a decree amending several provisions of the LMV that contemplates, among others, the inclusion of simplified issuers, the simplified registration of securities in the National Securities Registry, and the power of the SHCP to establish general provisions regarding sustainable development, as well as to strengthen gender equity, subject to the opinion of the CNBV and Banxico.

Insurance System

The Mexican insurance system is governed by a number of statutes, the most important of which include the General Insurance Companies Law (Ley General de Instituciones y Sociedades Mutualistas de Seguros) – which was repealed on April 4, 2015 and substituted as of this date by the Insurance and Bonding Law -, the Insurance Contract Law (Ley Sobre el Contrato de Seguro) and other regulatory provisions enacted by the SHCP and the CNSF.

Insurance companies require the authorization of the SHCP for their incorporation. The authorization may include the specific insurance sector in which the insurance company will conduct business, including life, health care, damages, civil and professional liability, among others. The SHCP may also grant authorization to perform reinsurance and co-insurance activities. Insurance companies are subject to stringent capital adequacy and investment rules, compliance of which is supervised by the CNSF. These rules determine the type of assets into which insurance companies may invest, as well as the minimum amount of capital required to be maintained by such

entities. Also, insurance companies are required to maintain technical reserves that function as a cushion against risks and help these entities to maintain adequate levels of liquidity.

The regulation and surveillance powers of the CNSF grant this entity the authority to verify compliance with the various financial and technical actuarial regulations, as well as with other corporate governance principles.

Retirement Savings System

The Retirement Savings Systems Law (Ley de los Sistemas de Ahorro para el Retiro) established the Afore pension system. Among other economic benefits and services to be provided to participants in the retirement savings system, the Retirement Savings Systems Law provides that each worker may establish an independent retirement account, which is to be managed by an approved Afore. Under this system, employees, employers and the government are required to make contributions to the independent retirement accounts maintained by each worker. In addition to the mandatory contributions, employees are allowed to make voluntary contributions to their independent retirement accounts. Pursuant to the Retirement Savings Systems Law, the main functions of an Afore include, among others, (i) managing pension funds, (ii) creating and managing individual pension accounts for each worker, (iii) creating, managing and operating Siefores, (iv) distributing and purchasing Siefores' stock, (v) contracting pension insurance, and (vi) distributing, in certain cases, the individual funds directly to the pensioned worker.

Afores and Siefores are subject to the supervision of CONSAR, which is in charge of pension system coordination and regulation. Under the Retirement Savings Systems Law, no Afore may serve more than 20.0% of the total market, unless CONSAR authorizes a higher limit of market concentration, provided that this is not to the detriment of the interests of workers.

Federal Law for Protection of Personal Data Held by Private Persons

The Federal Law for Protection of Personal Data Held by Private Persons (Ley Federal de Protección de Datos Personales en Posesión de Particulares) that protects personal data collected, became effective on July 5, 2010. Under such law, we are required to ensure the confidentiality of information received from clients. No assurances may be given as to how such law will be interpreted. However, if strictly interpreted and enforced, we may be subject to fines and penalties in the event of violations to the provisions of such law.

Impact on Banks Due to Amendments to Financial Regulations

The Mexican financial system has continued to advance in recent years, in line with regulatory and market requirements, developments in other jurisdictions, and the need to address systemic issues arising from the global financial crisis. In particular, in June 2007, the Law for the Transparency and Regulation of Financial Services was enacted, granting Banco de México authority to regulate interest rates, fees, and disclosure requirements for fees charged by banks to their clients.

Although the global financial crisis did not directly affect Mexican banks, many Mexican companies were impacted—mainly those that had engaged in derivative transactions to hedge exposure to exchange-rate movements, which substantially increased their risk as a result of the peso devaluation. This situation led the CNBV to issue new regulations aimed at improving disclosure requirements relating to derivative transactions.

On October 31, 2013, the Mexican Congress approved a tax reform that came into effect in January 2014. Although it did not directly impact GFNorte, it did so indirectly through its subsidiaries. Due to payroll-related labor costs and the replacement of the deduction for global preventive reserves with deductions for loan losses, Banorte was the

subsidiary most affected. Key elements of the reform included the repeal of IETU and IDE, the nationwide standardization of VAT at 16%, and a new Income Tax Law, which introduced important implications for Banorte, including:

30% Corporate Income Tax Rate

The reform eliminated the transitional rates under the previous law (29% for 2014 and 28% from 2015 onward), setting a permanent 30% rate.

10% Dividend Income Tax

An additional 10% tax was imposed on dividend distributions to individuals and foreign residents, payable through withholding and treated as a final tax. The tax applies to profits generated from 2014 onward.

Global Preventive Reserves

Under the prior Income Tax Law, Banorte could deduct credit reserves of up to 2.5% of the average loan portfolio balance. The reform replaced this deduction with deductions for charge-offs (Article 27, Section XV). Although the new law established a “fiscal cap” to avoid duplicate deductions for reserves, it allowed deductions for non-deducted portions of loans originated in 2013 or earlier. Miscellaneous tax rules published on December 30, 2013 (Rule I.3.22.5) and December 30, 2014 (Rule 3.23.1) allowed banks to deduct loan-losses generated after January 1, 2014 once the accumulated losses equaled the balance of global preventive reserves as of December 31, 2013. Losses generated before reaching this threshold were not deductible.

The amount of deductible losses in each fiscal year could not exceed 2.5% of the average annual loan portfolio (as defined under Article 53 of the 2013 law). Excess losses could be carried forward. GFNorte applied the reserve balance as of December 31, 2013 during fiscal years 2014 and 2015.

Deductibility of Employee Benefits Exempt from Income Tax

The new Income Tax Law limited the deductibility of certain employee benefits—including pension plans, savings funds, and social security contributions—to 53%, or 47% if the benefit amount decreased compared to the prior year. For GFNorte, this primarily affected deductions related to savings funds, food vouchers, and pension plans, increasing the taxable base.

SAT Registration Requirement

The tax reform required individuals and corporations opening accounts at financial institutions or cooperative savings entities to register with the RFC. Financial institutions must report client information to tax authorities and verify RFC registration, allowing authorities to request information directly from institutions without going through the CNBV. On April 23, 2021, the Federal Official Gazette published a decree amending various labor and tax laws regarding labor outsourcing. The reform prohibited personnel outsourcing but allowed outsourcing of specialized services not related to the beneficiary’s corporate purpose or predominant economic activity, provided contractors were registered with the Ministry of Labor. While it did not directly impact GFNorte, it indirectly affected its subsidiaries.

As a subsequent event, the 2026 tax reform introduced new limitations under the Income Tax Law regarding the deductibility of the following items:

Losses on Uncollectible Loans for Credit Institutions

On November 7, 2025, the Federal Income Law for 2026 (LIF) amended the deduction regime for uncollectible loans (Article 27, Section V of the Income Tax Law) through Article 25, Section V of the LIF, eliminating the ability of credit institutions to deduct losses derived from charge-offs made in accordance with CNBV rules—previously the operational mechanism for such deductions.

Beginning in fiscal year 2026, credit institutions may only deduct loan-losses in the month in which the statute of limitations is met or earlier when there is clear, practical impossibility of collection, according to the following rules:

- (a) Loans up to 30,000 UDIs: deductible after one year of delinquency if the creditor notifies corporate debtors in writing for income-recognition purposes.
- (b) Loans exceeding 30,000 UDIs: deductible upon obtaining a final resolution from a competent authority or upon proof of bankruptcy or insolvency.

These thresholds must consider all outstanding loans to the same borrower.

For mortgage-backed loans, credit institutions may deduct 50% of the outstanding balance once a final resolution is issued by a competent authority, and the remainder when foreclosure proceeds or repayment are applied.

Miscellaneous tax rules published on December 28, 2025 further clarified the application of this new deduction regime.

IPAB Fees for Multiple Banking Institutions

On November 7, 2025, the LIF modified Article 28 of the Income Tax Law and the Tenth Transitory Article of the Banking Savings Protection Law through Article 25, Section IV of the LIF, establishing that three-quarters of the fees paid by multiple banking institutions to the IPAB will no longer be deductible.

Impact on Insurance Institutions Due to Regulatory Amendments

Non-creditable VAT on insurance-related transactions

On November 7, 2025, LIF introduced significant changes to the VAT treatment of insurance contracts. VAT paid on goods or services used to comply with insurance contracts is no longer creditable when indemnities involve damage compensation or replacement of insured assets through third parties, as outlined in the Insurance Contract Law.

On January 29, 2026, the insurer opted to apply the available tax incentive, allowing recognition of a benefit equivalent to VAT previously credited as of December 31, 2024, including updates, fines, and surcharges.

As a result of the new provisions and the insurer's assessment of VAT related to claims, as of December 31, 2025 the non-creditable VAT was recognized as part of the claims cost.

The corresponding payment for non-creditable VAT as of December 31, 2025 will be made in installments, in accordance with the LIF.

On January 7, 2026, the insurer submitted a request to the National Insurance and Bonding Commission (CNSF) to participate in a prudential-measures program designed to ensure the solvency, stability, and proper operation of insurers affected by this new regulation.

Applicable Law and Supervision

The following is a summary of provisions, laws and regulations applicable to financial institutions in Mexico.

GFNorte has SHCP authorization to incorporate and operate as a financial group under the terms provided in the LRAF, being under inspection and supervision of CNBV. Its transactions consist in the acquisition, disposal and managing of voting shares issued by Group entities, as well as by those companies providing complementary services to one or more of the financial entities of the Group or to the Company, and to other companies authorized by the SHCP through general regulations.

Our operation as financial group is primarily regulated by the LRAF and the general provisions issued by the SHCP. The operations of our subsidiaries are primarily regulated by the LIC, the LMV, the LGOAAC, the LISF, the LSAR, the LFI, the LGSM and the rules issued thereunder by the SHCP, the CNBV, the CNSF and the CONSAR, as well as rules issued by Banxico and IPAB, the Civil Code for Mexico City and the Mexican Federal Tax Code.

Company's Bylaws, the Statutory Responsibility Agreement, as well as any other amend to such documents, will be submitted for the SHCP approval, which shall grant or deny it hearing Banxico and CNBV opinion. Any conflict arising from interpretation of the compliance or breach of the Company's Bylaws shall be submitted before the competent Mexico City's Courts.

Incorporation of a Financial Group and Subsidiaries

In terms of the LRAF, the incorporation and functioning of financial groups are permitted prior authorization of the SHCP, including the opinion of Banxico and the CNBV, the CNSF or the CONSAR, as the case may be. Approval of the SHCP is also required prior to the opening, closing or relocating of offices, including branches, of any kind outside of Mexico or transfer of assets or liabilities between branches. Likewise, a notice to the SHCP is required for the opening of branches in Mexico.

The corporate purpose of a financial group's holding company shall be to acquire and manage the shares issued by the subsidiaries of the financial group. In no case shall the financial services holding company perform or execute any of the financial activities authorized to the entities that comprise the financial group.

Financial services holding companies shall at all-time direct or indirectly own more than 50% of the representative shares of the paid-in capital of each of the entities that comprise the financial group. Additionally, financial services holding companies may appoint the majority of the members of the Board of Directors of each of its controlled subsidiaries.

The financial services holding company's by-laws, the Statutory Responsibility Agreement, and any other amendment to such documents, shall be submitted to the approval of the SHCP, which may grant or deny such authorization, taking into consideration the opinion of Banco de México and, as the case may be, the opinion of the CNBV, the CNSF or the CONSAR.

Financial Groups are integrated by a holding company and at least two financial institutions (which may be of the same type), provided that a financial group may not be comprised solely by the holding company and two Multi-purpose Non-Banking Financial Institutions. Such institutions may include Multi-purpose Non-Banking Financial Institutions, foreign exchange houses, bonding institutions, insurance companies, broker-dealers, banks, mutual funds managers, mutual funds distributors, retirement fund management companies, multiple purpose non-banking financial institutions and micro finance companies.

Entities of the same financial group are allowed to (i) act jointly before the public, offer complementary services and publicly act as part of the same financial group; (ii) use similar corporate names; and (iii) conduct their activities in the offices and branches of members of the same financial group.

Limitations on Investments in Other Entities

Under the Financial Groups Law, subsidiaries of a financial services holding company may not directly or indirectly own capital stock of their own financial services holding company, unless they hold such stock as institutional investors under the Financial Groups Law. Institutional investors under the Financial Groups Law are insurance and bond companies that invest their technical reserves, investment funds and pension funds. Institutions belonging to a financial group may not extend credits in connection with the acquisition of their capital stock, the capital stock of their financial services holding company or the capital stock of other subsidiaries of their financial services holding company. Without the prior approval of the SHCP (which shall take into consideration the opinions of Banco de México and the primary Mexican regulatory commission supervising the relevant financial entity), members of a financial group may not accept as collateral shares of capital stock of Mexican financial institutions. Mexican banks, such as Banorte's subsidiaries, may not acquire or receive as collateral certain securities issued by other Mexican banks, unless they have the SHCP approval. The approval of the SHCP is required prior to acquisition of shares of capital stock of non-Mexican financial entities.

The Mexican Banking Law imposes certain restrictions on investments by Mexican banks, such as our subsidiary Banorte, in equity securities of companies engaged in non-financial activities. Mexican banks may own equity capital in such companies in accordance with the following guidelines:

- up to 5.0% of the capital of such companies at any time, without any approval;
- more than 5.0% and up to 15.0% of the capital of such companies, for a period not to exceed three years, upon prior authorization of a majority of the members of the bank's Board of Directors; and
- higher percentages and for longer periods, or in companies engaged in new long-term projects or carrying out development related activities, whether directly or indirectly, with prior authorization of the CNBV.

The total of all such investments (divided considering investments in listed and in non-listed companies) made by a bank may not exceed 30.0% of such bank's Mexican Tier 1 capital.

A Mexican bank, such as our subsidiary Banorte, requires the prior approval of the CNBV to invest in the capital stock of companies that render auxiliary services to such bank and of companies that hold real estate where the offices of the applicable bank may be located.

In accordance with the LRAF, in order to merge two or more Holding or Sub holding companies, or any other financial company with a Holding or Sub holding company, as well as to merge two or more financial entities comprising the same Financial Group or an entity of the Financial Group with other financial company or any other company it is required the SHCP authorization, listening to the opinion of Banxico and, as appropriate, the CNBV, the CNSF, or the CONSAR.

Financial Groups' Statutory Responsibility

The Law Regulating Financial Groups requires that each financial services holding company, such as GFNorte, enter into an agreement with each of its financial services subsidiaries (the "Statutory Responsibility Agreement"). Pursuant to such agreement, the financial group holding company is responsible secondarily and without limitation for performance of the obligations that the financial institutions comprising the Financial Group have, corresponding to the activities which, in accordance with the applicable provisions, each is responsible for, even respect to those incurred by such financial institutions prior to their integration into the Financial Group and is unlimited responsible for losses of each and every one of these financial institutions. In the event that the assets of the Holding company

are not sufficient to simultaneously face the responsibilities, with respect to the subsidiaries of the Financial Group, such liabilities will be covered firstly, with regard to the credit institution belonging to this financial group and, subsequently, on a proportional basis with respect to the other companies integrating the Financial Group, until the patrimony of the Holding company is used up. In accordance with the provisions of Article 119 of the LRAF, is considered that a financial entity has losses when its assets are not sufficient to cover its payment obligations. Furthermore, the definition for losses is according to that set forth in the general provisions issued by the SHCP for this purpose.

The financial services holding company has to inform the CNBV the existence or potential existence of any such obligation or loss, referred above. The financial services holding company would only be liable for the obligations of its financial services subsidiaries 15 business days after the CNBV (or any other principal regulator) delivers notice of its approval of the enforceability of such obligations. The financial services holding company responds to the losses of its subsidiaries by making capital contributions to such subsidiaries (no later than 30 days counted from the date the applicable losses shall arise).

In the event of a financial services holding company's statutory responsibility with respect to a bank, IPAB must determine the amount of the preliminary losses of such bank. The financial services holding company is required to create a capital reserve for the amount of such losses. The financial services holding company is also required to guarantee the payment of the bank's losses that are paid by IPAB pursuant to its law. Such guarantee may be created over the financial services holding company's assets or over such company's shares or those of its subsidiaries. Pursuant to Article 120 of the Law Regulating Financial Groups, any shareholder of the financial services holding company, due to its holding of the shares, accepts that its shares could be posted as guarantee in favor of IPAB, and that such shares will be transferred to IPAB if the financial services holding company is unable to pay any amounts due to IPAB as a result of the bank's losses.

A financial services holding company is not allowed to pay any dividends or transfer any monetary benefit to its shareholders as of the date on which IPAB determines the bank's losses up to the date on which the financial services holding company has paid for the bank's losses.

No subsidiary is responsible for the losses of the financial services holding company or of the financial services holding company's subsidiaries. GFNorte has entered into such an agreement with its financial services subsidiaries and such agreement is in effect.

Liabilities

A financial services holding company may only engage on direct or contingent liabilities, or post its assets as guarantee, in the following cases: (i) with respect to its obligations under the Statutory Responsibility Agreement established in the Law Regulating Financial Groups; (ii) transactions with IPAB or with the protection and security fund provided for in the Mexican Securities Market Law; and (iii) with the authorization of Banco de México for the case of subordinated debentures of mandatory conversion to securities representing its capital and the obtainment of short-term loans.

Supervision and Intervention

A financial services holding company is subject to the supervision of the commission that supervises the most important entity of the financial group, as determined by the SHCP. GFNorte is overseen by the Supervision Commission (the CNBV, the CNSF or the CONSAR, depending on the responsible for supervising the general functioning of the Financial Group in terms of article 102 of the LRAF) which in turn supervise the financial entities

according to their activities. The financial services holding company's accounting will be subject to the rules authorized by the CNBV.

If, as part of its supervision activities, the corresponding commission determines that a financial services holding company has engaged in irregular activities against the applicable financial regulations, the chairman of such commission may impose the corrective measures it deems necessary. If such measures are not complied with in the period set for such purposes, the relevant commission may declare the administrative intervention (*intervención administrativa*) of the financial services holding company.

If, in the opinion of the relevant commission, the irregularities of a financial services holding company affect its stability and solvency and endanger the interests of the public or its creditors, a managerial intervention (*intervención gerencial*) can be declared by the chairman of the relevant commission, prior resolution of the governing board. The chairman will appoint a peremptory manager (*interventor-gerente*). The peremptory manager will assume the authority of the Board of Directors. The peremptory manager will have the authority to represent and manage us with the broadest powers under Mexican law and will not be subject to the Board of Directors or the shareholders' meeting. The appointment of the peremptory manager must be registered in the Public Registry of Commerce of the corresponding address.

Ownership Restrictions; Foreign Financial Affiliates

Ownership of a financial services holding company's capital stock is no longer limited to specified people and entities under the Law Regulating Financial Groups. The ordinary stockholders' equity of holding companies shall be comprised of shares Series "O". Additional equity shall be represented by shares Series "L", which shall be issued up to the amount equivalent to 40% of the ordinary Stockholders' equity, prior SHCP authorization. Shares Series "O", and if the case, Series "L" can be subscribed by both Mexican and non-Mexican investors.

Notwithstanding the above, under the Law Regulating Financial Groups, foreign Governments may not participate, directly or indirectly, in the holding's capital stock, except in the following cases:

- When done with prudential measures of a temporary nature such as for support or bailouts.
- When the corresponding participation implies that it has control of the holding company, and is carried out by official corporations, such as funds and governmental promotional entities among others, with prior discretionary authorization of the SHCP, whenever in its opinion such corporations prove that:
 - They do not exert authority, and
 - Their decision-making bodies operate independently of the foreign government involved.
- When the corresponding participation is indirect and does not imply control of the holding company.

Mexican financial entities, including those that form part of the respective financial group, cannot purchase a financial services holding company's capital stock, unless such entities are institutional investors as defined in the Law Regulating Financial Groups. According to the applicable law:

- any transfer of shares representing more than 2% of the outstanding capital stock of a Mexican bank is required to be reported to the CNBV;
- the CNBV has been granted broader discretion to authorize the acquisition of more than 5% of the outstanding shares of a Mexican bank; and

- the composition of the boards of directors of Mexican banks has been limited to a total of 15 members and their alternates (as opposed to the former rule of 11 members or multiples thereof), 25% or more of whom must qualify as independent.

In addition, the LRAF, the LMV and our by-laws set forth restrictions to acquire shares of the Financial Group, pursuant to item 4. Administration, subsection d) Corporate By-Laws and other Agreements of this Annual Report.

A holder that acquires shares in violation of the foregoing restrictions, or in violation of the percentage ownership restrictions, will have none of the rights of a shareholder with respect to such shares and will be required to forfeit such shares in accordance with procedures set forth in the Law Regulating Financial Groups and the Securities Market Law, in addition to any penalties that may be applicable.

Banking Regulation

The SHCP, either directly or through the CNBV, possesses broad regulatory powers over the banking system. Banks are required to report regularly to the financial regulatory authorities, principally the CNBV and Banco de México. Reports to bank regulators are often supplemented by periodic meetings between senior management of the banks and senior officials of the CNBV. Banks must submit their unaudited monthly and quarterly and audited annual financial statements to the CNBV for review and must publish on their website and in a national newspaper their unaudited quarterly balance sheets and audited annual balance sheets. The CNBV may order a bank to modify and republish such balance sheets.

Additionally, each credit institution must publish on their website, among other things:

- its basic consolidated and audited annual financial statements, together with a report containing the management's discussion and analysis of the financial statements and the bank's financial position, including any important changes thereto and a description of the bank's internal control systems;
- a description of the bank's Board of Directors, identifying independent and non-independent directors and including their resumes;
- a description and the total compensation and benefits paid to the members of the Board of Directors and senior officers during the past year;
- unaudited quarterly financial statements for the periods ending March, June and September of each year, together with any comments thereon;
- any information requested by the CNBV to approve the accounting criteria and special registries;
- a detailed explanation regarding the main differences in the accounting used to prepare the financial statements;
- the credit rating of their portfolio;
- the capitalization level of the bank, its classification (as determined by the CNBV) and any modifications thereto;
- financial ratios;
- a brief summary of the resolutions adopted by any shareholders' meeting, debenture holders' meeting, or by holders of other securities or instruments; and
- the bank's by-laws.

The CNBV has authority to impose fines for failing to comply with the provisions of the Mexican Banking Law, or regulations promulgated thereunder. In addition, Banco de México has authority to impose certain fines and administrative sanctions for failure to comply with the provisions of the Law of Banco de México (Ley del Banco de México) and regulations that it promulgates and the Law for the Transparency and Ordering of Financial Services

(Ley para la Transparencia y Ordenamiento de los Servicios Financieros), particularly as violations relate to interest rates, fees and the terms of disclosure of fees charged by banks to clients. Violations of specified provisions of the Mexican Banking Law are subject to administrative sanctions and criminal penalties.

The Mexican Banking Law permits foreign governments to acquire equity securities of Mexican banks, on a temporary basis in connection with rescue or similar packages, which was not possible in the past, and to acquire control of Mexican banks, with the prior approval of the CNBV.

Mexican banks are now required to expense carefully, through their boards of directors, compensation payable to officers and, for that purpose, will be required to observe general rules to be issued by the CNBV and to establish and maintain a compensation committee.

Changes approved by the Congress clarify capitalization requirements, causes for revocation of a license and terms pursuant to which the Mexican government may provide assistance to troubled Mexican banks.

The amended Mexican Banking Law includes a provision for self-correcting irregularities detected by Mexican banks, arising from non-compliance with applicable law. Programs for self-correction are required to be approved by the board of directors of the applicable Mexican bank and must be supervised by the bank's audit committee. General rules implementing the provisions are expected to be issued by the CNBV.

New provisions have been added to the Mexican Banking Law, in connection with the dissolutions and liquidation of Mexican banks facing liquidity or solvency problems. A Mexican bank may only be dissolved and liquidated, if the CNBV has issued a determination to that effect. Prior to such dissolution and liquidation, the IPAB may provide temporary financial assistance to Mexican banks having liquidity problems.

Non-viable Mexican banks will be liquidated pursuant to a procedure set forth in the Mexican Banking Law, under which the IPAB will act as liquidator, will conduct the procedures necessary to collect fees and pay creditors (respective parties specified under the Mexican Banking Law) and will take all measures conducive to the bank's liquidations. The Mexican Banking Law now reflects provisions that were regulated by the Mexican Bankruptcy Law, as they relate to the dissolutions and liquidation of Mexican banks. Liquidation proceedings may be conducted in-court or out of court, depending upon the circumstances affecting the relevant Mexican bank. In addition to liquidation proceedings, Mexican banks may be declared in bankruptcy pursuant to a specialized proceeding set forth in the Mexican Bankruptcy Law.

Licensing of Banks

Authorization of the Mexican government is required to conduct banking activities. The CNBV, with the approval of its Governing Board and subject to the prior favorable opinion of Banco de México, has the power to authorize the establishment of new banks, subject to minimum capital standards, among other things. CNBV approval is also required prior to opening, closing or relocating offices, including branches outside of Mexico or transfer of assets or liabilities between branches.

Intervention

The CNBV, with the approval of its Governing Board, may declare the managerial intervention (*intervención gerencial*) of a banking institution pursuant to Articles 129 through 141 of the Mexican Banking Law (the "CNBV Intervention"). In addition, the Governing Board of IPAB will also appoint a peremptory manager (*administrador cautelar*) if the IPAB provides liquidity, in accordance with applicable law.

CNBV Intervention pursuant to Articles 129 through 141 of the Mexican Banking Law will only occur when:

- during a calendar month, any of the Capital Ratios of a bank is reduced from a level equal to or above the minimum Capital Ratios required under the Mexican Capitalization Requirements, to 50% or less than such minimum Capital Ratios;
- the banking institution does not comply with the minimum Capital Ratios required under the Mexican Banking Law and it does not submit itself to the conditional operation regime under Article 29 Bis 2 of the Mexican Banking Law; or
- the banking institution defaults with respect to any of the following payment obligations:
 - in the case of obligations in an amount greater than 20,000,000 UDIs or its equivalent: (1) loans granted by other banking institutions, foreign financial institutions or Mexican Central Bank, or (2) payments of principal or interest on securities issued, that have been deposited with a clearing system; and
 - in the case of obligations in an amount greater than 2,000,000 UDIs or its equivalent, if during two business days or more, (1) it does not pay its obligations with one or more participants in clearing systems or central counterparts, or (2) it does not pay in two or more of its branches, banking deposits claimed by 100 or more of its customers, could occur.

In addition, a CNBV Intervention may occur when the CNBV, in its sole discretion, determines the existence of irregularities that affect the stability or solvency of the bank or the public interest or the bank's creditors.

According to the LIC, peremptory manager will be appointed by the IPAB, if the IPAB has granted extraordinary financial support to a bank in accordance with the Mexican Banking Law. The peremptory manager appointed by the IPAB will have powers and attributions of the Board of Directors, and of the shareholders, in the cases where the execution of its rights does not correspond to the IPAB. The peremptory manager will have the authority to represent and manage the bank with the broadest powers under Mexican law, and will prepare and submit to the IPAB, the bank's budget (for approval), will be authorized to contract liabilities, make investments, undertake acquisitions or dispositions and incur expenses, to hire and fire personnel and may suspend operations. The appointment of the peremptory manager must be registered in the Public Registry of Commerce of the corresponding domicile.

Banking License Revocation and Payment of Guaranteed Obligations

Banking License Revocation. In the case that the CNBV revokes a license to be organized and operate as a banking institution, IPAB's Governing Board will determine the way under which the corresponding banking institution shall be dissolved and liquidated in accordance with Articles 165 through 274 of the Mexican Banking Law. In such a case, IPAB's Governing Board may determine to carry out the liquidation through any or a combination of the following transactions:

- transfer liabilities and assets of the banking institution in liquidation to another banking institution directly or indirectly through a trust incorporated for such purposes.
- constitution, organization and managing of a new banking institution owned and operated directly by IPAB with the exclusive purpose of transferring the liabilities and assets of the banking institution in liquidation; or
- any other alternative that may be determined within the limits and conditions provided by the Mexican Banking Law that IPAB considers as the best and least expensive option to protect the interest of bank depositors.

Causes to Revoke a Banking License. The above-mentioned amendments significantly expand the events upon which the CNBV may revoke a banking license. The following are among the most relevant causes:

- if the bank does not start operations within the term of thirty days as from the notification of such authorization;
- shareholders' meeting decides to request the revocation;
- if the banking institution is dissolved or initiates liquidation or bankruptcy procedures (*concurso mercantil or quiebra*) according to LIC procedures.
- if the banking institution
 - does not comply with any minimum corrective measures ordered by the CNBV pursuant to Article 122 of the Mexican Banking Law.
 - does not comply with any special corrective measure ordered by the CNBV pursuant to such Article 122; or
 - consistently does not comply with an additional special corrective measure ordered by the CNBV.
- if the banking institution does not comply with the minimum Capital Ratio required under the Mexican Banking Law and the Mexican Capitalization Rules.
- if the banking institution defaults with respect to any of the following payment obligations:
 - in the case of obligations in an amount greater than 20,000,000 UDIs or its equivalent: (1) loans granted by other banking institutions, foreign financial institutions or Banco de México, or (2) payments of principal or interest on securities issued, that have been deposited with a clearing system, and
 - in the case of obligations in an amount greater than 2,000,000 UDIs or its equivalent, if during two business days or more, (1) it does not pay its obligations with one or more participants in clearing systems or central counterparts, or (2) it does not pay, in two or more of its branches, banking deposits claimed by 100 or more of its clients; or
- if the assets of the banking institution are insufficient to meet its liabilities.

Upon publication of the resolution of the CNBV revoking a banking license in the Official Gazette and in two newspapers of wide distribution in Mexico and registration with the corresponding Public Registry of Commerce, the relevant banking institution will be dissolved and liquidation will be initiated. Upon liquidation of a banking institution, the IPAB shall proceed to make payment of all “guaranteed obligations” of the relevant banking institution in compliance with the terms and conditions set forth by the Mexican Banking Law, other than those “guaranteed obligations” that have been actually transferred pursuant to article 186 of the Mexican Banking Law.

Obligations of a banking institution in liquidation that are not considered “guaranteed obligations” pursuant to the IPAB Law, and that are not effectively transferred out of the insolvent banking institution, will be treated as follows:

- term obligations will become due (including interest accrued);
- unpaid principal amounts, interest and other amounts due in respect of guaranteed obligations denominated in pesos or UDIs will cease to accrue interest;
- unpaid principal amounts, interest and other amounts due in respect of guaranteed obligations denominated in foreign currencies, regardless of their place of payment, will cease to accrue interest and will be converted into pesos at the prevailing exchange rate determined by Banco de México;
- secured liabilities, regardless of their place of payment will continue to be denominated in the agreed currency, and will continue to accrue ordinary interest, up to an amount of principal and interest equal to the value of the assets securing such obligations;
- obligations subject to a condition precedent, shall be deemed unconditional;
- obligations subject to a condition subsequent, shall be deemed as if the condition had occurred, and the relevant parties will have no obligation to return the benefits received during the period in which the obligation subsisted; and

- derivatives, repos and securities loans will be early terminated and netted after two business days following the publication of the resolution of the CNBV revoking a banking license in the Official Gazette and in two newspapers of wide distribution in Mexico.

Liabilities owed by the banking institution in liquidation will be paid in the following order of preference:

- liquid and enforceable labor liabilities,
- secured loans,
- tax liabilities,
- liabilities to IPAB, as a result of the partial payment of obligations of the banking institution supported by IPAB in accordance with the Mexican Banking Law,
- bank deposits, loans and other liabilities as provided by Article 46, Sections I and II of the Mexican Banking Law, to the extent not transferred to another banking institution, as well as any other liabilities in favor of IPAB different from those referred formerly,
- any other liabilities (other than those referred to below),
- preferred subordinated debentures,
- non-preferred subordinated debentures, and
- the remaining amounts, if any, shall be distributed to stockholders.

Financial Support

Determination by the Financial Stability Committee. The Financial Stability Committee (“FSC”) includes representatives of the SHCP, Banco de México, the CNBV and IPAB. In the case that the FSC determines that if a bank were to default on its payment obligations and such default may (i) generate direct or indirectly serious negative effects in one or more commercial banks or other financial entities, endangering their financial stability or solvency, and such circumstance may affect the stability or solvency of the financial system, or (ii) put at risk the operation of the payments’ systems required for the development of the economic activity, then the FSC may determine, on a case-by-case basis, that a general percentage of all of the outstanding obligations of the troubled bank that are not considered “guaranteed obligations” under the IPAB Law and guaranteed obligations in amounts equal to or higher than the amount set forth under Article 11 of the IPAB Law (400,000 UDIs per person per entity), be paid as a means to avoid the occurrence of any of such circumstances. Notwithstanding the foregoing, under no circumstance may the transactions referred to in Sections II, IV and V of Article 10 of the IPAB Law (which include transactions such as liabilities or deposits in favor of shareholders, members of the Board of Directors and certain senior officers, and certain illegal transactions) or the liabilities derived from the issuance of subordinated debentures, be covered or paid by IPAB or any other Mexican governmental agency.

Types of Financial Support. In the case that the FSC makes the determination referred to in the prior paragraph, then IPAB’s Governing Board will determine the manner according to which the troubled commercial bank will receive financial support, which may be through either of the following options:

- If the FSC determines that the full amount of all of the outstanding liabilities of the relevant troubled commercial bank (guaranteed and non-guaranteed) must be paid, then the financial support may be implemented through (i) capital contributions granted by IPAB in accordance with Articles 151 to 155 of the Mexican Banking Law, or (ii) credit support granted by IPAB in accordance with Articles 156 through 164 of the Mexican Banking Law, and in either case the CNBV shall refrain from revoking the banking license granted to such commercial bank.

- If the FSC determines that less than the full amount of all the outstanding liabilities of the troubled commercial bank (guaranteed and non-guaranteed) must be paid, then the support will consist of the payment of the general percentage of outstanding obligations of the relevant troubled banking institution in determined by the FSC, in terms of article 198 of the Mexican Banking Law, transferring the assets and liabilities of such commercial bank to a third party, as set forth in Articles 194 to 197 of the Mexican Banking Law.

Conditional Management Regime. As an alternative to revoking the banking license, the relevant bank may request, with the prior approval of its shareholders, the application of a conditional management regime. The conditional management regime may be requested when any of the Capital Ratios of the relevant bank is below the minimum required pursuant to the Mexican Capitalization Requirements. In order to qualify for such regime, the relevant commercial bank should (i) deliver to the CNBV a plan for the reconstitution of its capital, and (ii) transfer at least 75% of its shares to an irrevocable trust. Banking institutions that fail to meet the minimum core capital required by the Mexican Capitalization Requirements may not adopt the conditional management regime.

Bank Liquidation Process

According to the latest amendments to the Mexican Banking Law, enacted on January 10, 2014, upon publication of the resolution of the CNBV revoking a banking license, in the Official Gazette and two newspapers of wide distribution in Mexico and registration of such resolution with the corresponding Public Registry of Commerce, the relevant banking institution will be dissolved and liquidation will be initiated, in terms of the procedure set forth in the Mexican Banking Law. The IPAB will be appointed liquidator of the banking institution.

In the event that the banking license is revoked because the assets of the relevant bank are insufficient to meet its liabilities, the IPAB shall undertake the liquidation procedure before a competent Federal court, according to the terms and conditions provided for a court liquidation (*liquidación judicial*) procedure under the Mexican Banking Law, in substitution of the *concurso mercantil* under the Mexican Bankruptcy Law. Moreover, the IPAB will be appointed as receiver (*liquidador judicial*) for purposes of the court liquidation procedure.

The IPAB will carry out the creditors' identification process. The IPAB must also comply with the following preference for the payment of the banking institution's debts: first, secured creditors; second, labor obligations; third, debts with a special privilege provided by statute; fourth, the unpaid balance in respect to the of the deposits insured by the IPAB and thereafter, payments shall be made in the preference provided in article 241 of the Mexican Banking Law, noting that the last debts to be paid are subordinated preferred and non-preferred obligations.

Capitalization

The regulations on capitalization requirements establish the methodology for determining Net Capital in relation to market risk, risk-weighted assets, and operational risk. The CNBV may also impose additional capital requirements.

Basel III Standards in Mexico

On November 28, 2012, the CNBV published amendments to the *Circular Única de Bancos*, anticipating the adoption of Basel III guidelines. Most elements of this regulatory framework became effective on January 1, 2013, while the remaining provisions entered into force gradually through 2022. (See Section 2. "The Issuer. Item b) Business Description – Applicable Legislation and Tax Situation – Applicable Legislation and Supervision – Adoption of New Rules in Mexico in accordance with Basel III.")

The objectives of the new regulations include, among others: (i) strengthening the composition of banks' Net Capital under Basel III principles; and (ii) allowing certain securities issued by commercial banks to absorb losses in the event of a deterioration in capital—either through conversion into equity or by writing down their principal—in order to qualify as part of Net Capital.

The amendments to the *General Provisions Applicable to Credit Institutions* arising from the implementation of Basel III include, among others, the following:

Quality and level of capital. A greater emphasis is placed on common equity and core capital. The minimum core capital requirement was raised to 4.5% of risk-weighted assets after deductions.

Loss-Absorption at the Point of Non-Viability. The contractual terms of capital instruments include a provision allowing—at the discretion of the competent authority—the cancellation or conversion into common shares if the bank is deemed non-viable. This principle increases the contribution of the private sector in resolving future banking crises.

Capital Conservation Buffer. Banks must maintain a capital buffer of 2.5% of risk-weighted assets, bringing the total minimum Common Equity Tier 1 requirement to 7.0%. Restrictions on discretionary distributions are imposed when banks fall within the buffer range.

Countercyclical Buffer. This buffer ranges from 0–2%, including Common Equity Tier 1, and is applied when the CNBV determines that credit growth reflects an unacceptable build-up of systemic risk, particularly as a result of credit activity in foreign markets. Under the *General Provisions Applicable to Credit Institutions*, this buffer is calculated based on the financial activities carried out by banks across different jurisdictions.

Domestic Systemically Important Banks (D-SIBs). These institutions must maintain a higher loss-absorption capacity to reflect the greater risk they pose to the national financial system. Additional Tier 1 capital requirements range from 0.60% to 2.25%, depending on the bank's systemic importance.

Under the Capitalization Rules, credit institutions are required to maintain a minimum ICAP of 8.0%, including a 2.5% capital conservation buffer composed of Tier 1 basic capital over total risk-weighted assets. Net Capital consists of a basic component and a supplementary component, with the basic component comprising core capital and non-core capital.

The Capitalization Rules applicable to Banorte incorporate two additional capital buffers: (1) *Systemic-importance capital buffer*, and (2) *Countercyclical capital buffer*. The systemic-importance buffer represents additional capital that institutions identified as systemically important must build over a four-year period beginning in December 2016. The countercyclical buffer corresponds to capital requirements associated with exposure to private-sector borrowers in jurisdictions experiencing faster credit growth than others.

Banorte has been designated a Level IV Domestic Systemically Important Institution under current regulations. Accordingly, it established a systemic-importance capital buffer of 0.225% as of December 2016, 0.45% as of December 2017, 0.675% as of December 2018, and must maintain 0.90% as of December 2019.

The Capitalization Rules currently specify that Mexican banks may be classified into various categories based on their Capital Ratio. Classification is performed in accordance with the matrix set forth in the Circular Única de Bancos.

		Net Capital Ratio (ICAP)				
Fundamental Capital or CET1 (CCF)	Tier 1 Capital (CCB)	≥ 10.5% + CBF	≥ 8.0%	≥ 7.0% + CBF	≥ 4.5%	< 4.5%
≥ 7% + CBF	≥ 8.5% + CBF	I	II			
	≥ 7% + CBF	II	II	III		
≥ 4.5%	≥ 8.5% + CBF	II	II			
	≥ 6%	II	II	III	IV	
	≥ 4.5%	III	III	IV	IV	
< 4.5%						V

Where,

ICAP = Net Capital Ratio (Índice de Capitalización)

CCB = Tier 1 Capital Ratio (Coeficiente de Capital Básico)

CCF = Fundamental Capital Ratio (Coeficiente de Capital Básico Fundamental)

CBF = Capital Supplements (Systemically Important Bank Capital Supplement + Countercyclical Capital Supplement). As of December 2019 Banorte's Systemically Important Bank Capital Supplement is 0.90%

This table is based on the classifications established in Article 220 of the *General Provisions Applicable to Credit Institutions*, which must be consulted for a full understanding of the applicable requirements, including those related to the Capital Buffers that banks are required to maintain. For the classification of Domestic Systemically Important Multiple Banking Institutions, the Net Capital Buffer must also be considered.

Furthermore, the *General Provisions Applicable to Credit Institutions* stipulate that:

Net Capital shall include Tier 1 and Tier 2 capital. The minimum Net Capital ratio required for each bank is 8%.

- **Tier 1 Capital must include:**

- a Tier 1 Capital ratio of at least 6%,
- a Common Equity Tier 1 (CET1) ratio of at least 4.5%, and
- a capital conservation buffer consisting of:
 - (a) 2.5% of risk-weighted assets,
 - (b) for D-SIBs, the Domestic Systemically Important Bank capital buffer, and
 - (c) the countercyclical capital buffer.

- Tier 1 Capital is composed of Common Equity Tier 1 and Additional Tier 1 Capital.

Furthermore, Domestic Systemically Important Multiple Banking Institutions must also maintain a Net Capital Supplement, which must consist of capital in addition to that required to comply with the minimum Capital Adequacy

Ratio and the Capital Conservation Buffer. This Net Capital Supplement corresponds to the higher of 6.5% of Total Risk-Weighted Assets and 3.75% of Total Adjusted Assets.

The General Provisions Applicable to Credit Institutions require banks to maintain a Net Capital ratio of at least 10.5% to avoid the imposition of corrective measures, even though the minimum required Net Capital ratio is 8%.

Total Net Capital consists of Tier 1 Capital (which, in turn, is composed of CET1 and AT1) and Tier 2 Capital. Under Mexican capitalization requirements, Tier 1 Capital mainly includes paid-in capital—which represents the most subordinated claim in the event of a bank's liquidation, is not debt, and does not grant redemption rights—earnings (primarily retained earnings), and capital reserves; from CET1, certain items are deducted, including subordinated debt instruments issued by financial and non-financial entities, residual tranches of securitizations, investments in venture-capital funds, investments or loans to related parties, reserve creation, loans and other transactions that do not comply with applicable law, and intangible assets (including goodwill). AT1 is composed of preferred shares, for which the issuer may cancel dividend payments, and subordinated debt instruments with no stated maturity or mandatory conversion, for which interest payments may be cancelled and which may be converted into shares of a credit institution or its holding entity or written down when capitalization concerns arise.

Tier 2 Capital comprises qualifying capitalization instruments, provided they are registered in the National Securities Registry (RNV), are subordinated to deposits and any other bank debt, are unsecured, have a minimum original term of five years, and may be converted into shares at maturity or be subject to amortization procedures. These instruments are recognized as capital based on remaining time to maturity as follows: 100% if more than five years; 80% if more than four but less than five years; 60% if more than three but less than four years; 40% if more than two but less than three years; 20% if more than one but less than two years; and 0% if less than one year.

Each Mexican bank must establish a capital reserve fund, which is considered part of Tier 1 Capital. Banks must allocate 10.0% of their net income to this reserve each year until the capital reserve fund equals 100.0% of paid-in capital (not inflation-adjusted). The remainder of net income not distributed as dividends is added to retained earnings. Under Mexican law, dividends may not be paid from the capital reserve fund.

In 2017, a new regulatory framework was introduced for Additional Tier 1 and Tier 2 instruments, establishing that such instruments may not exceed 50% of CET1 when the CET1 ratio falls below 10.0%.

It should also be noted that in 2025 Banorte was reaffirmed as a Grade II Domestic Systemically Important Multiple Banking Institution, and must therefore maintain a 0.90 pp capital conservation supplement, which was built up progressively over a four-year period beginning in December 2016. As a result, Banorte's minimum regulatory Capital Adequacy Ratio stood at 18.34% at year-end 2025 (corresponding to the 10.5% regulatory minimum plus the capital supplement built to date), including the full implementation of TLAC.

As of December 31, 2025, the Capital Ratios were: (i) 20.06% for the Capital Adequacy Ratio, (ii) 19.66% for Tier 1 Capital, and (iii) 12.61% for Common Equity Tier 1 (CET1).

The Bank is currently classified as Category I and, as a result, is not subject to any corrective measures.

Corrective Measures

The Mexican Banking Law and the General Rules Applicable to Mexican Banks establish the minimum corrective and special additional measures that banks must fulfill according to the category in which they were classified based on their capital. These corrective measures are designed to prevent and, when necessary, correct the operations of the banks that could negatively affect their solvency or financial stability. The CNBV is required to notify the relevant bank in writing of the corrective measures that it must observe, within five business days after Mexican Central Bank has notified the CNBV the capitalization ratio of the bank, as well as verify its compliance with the corrective measures imposed.

Regardless the regulatory CAR, the CNBV may order the application of additional special corrective measures.

Banking institutions classified under Category I pursuant to the table above, shall not be subject to any corrective measures. Nevertheless, corrective measure for all the other categories include:

For Class II:

- requiring the bank to:
 - inform the Board of Directors about the bank's classification, as well as the causes for the CNBV to make such classification, and submit a detailed report containing a comprehensive evaluation of the bank's financial situation, its level of compliance with the regulatory framework and the main indicators that reflect the degree of stability and solvency of the bank, within 20 business days after the bank has received the CNBV notification of the corrective measure;
 - include in such report the causes of the weakening of their Capitalization Ratio and the Tier 1 Capital and Tier 2 Capital;
 - include in such report any observations mandated, in accordance with their respective scope of authority, by each of the CNBV and the Mexican Central Bank;
 - report in writing the financial situation to the chief executive officer and chairman of the board of directors of the bank or the board of directors of the bank's holding company, in the event the bank is part of a financial group;
 - abstain from entering transactions that will cause its Capitalization Ratio to be lower than required under the Capitalization Requirements;
 - abstain from increasing the current amounts of the financings granted to relevant related parties; and
 - submit for approval to the CNBV, a plan for capital restoration which has as a result an increase of its Capitalization Ratio in order for the institution to be placed in Class I.

Such plan shall be presented to the CNBV no later than 20 business days after the date the bank receives the CNBV notification of the corrective measure.

For Class III and above:

- requiring the bank's Board of Directors to:
 - within 15 business days as of the notice of its classification, submit to the CNBV, for its approval, a plan for capital restoration that will result in an increase in its Capitalization Ratio, which may contemplate a program for improvement in operational efficiency, streamlining costs and increasing profitability, the carrying out of contributions to the capital and limits to the operations that the banks may carry out in compliance with their bylaws, or to the risks derived from such operations. The capital restoration plan shall be approved by such bank's board of directors before being presented to the CNBV. The bank shall determine in the capital restoration plan that, in accordance with this subsection, it must submit, periodic targets, as well as the date in which the capital of such bank will get the capitalization level required in accordance with the applicable provisions. The CNBV, through its governing board, must resolve all that corresponds to the capital restoration plan that has been presented to them, in a maximum of 60 calendar days from the date the plan was submitted; and
 - * comply with the plan within the period specified by the CNBV, which in no case may exceed 270 calendar days starting the day after the bank was notified of the respective approval. To determine the period for the completion of the restoration plan, the CNBV shall take into consideration the bank's category, its financial situation, as well as the general conditions prevailing in the financial market. The CNBV, by agreement of its governing board, may extend the deadline once by a period that will not exceed 90

calendar days. The CNBV will monitor and verify compliance with the capital restoration plan, without prejudice of the provenance of other corrective measures depending on the category in which the corresponding bank is classified;

- requiring the bank to:
 - suspend any payment of dividends to its shareholders, as well as any mechanism or act that involves the transfer of any economic benefits to the shareholders. If the bank belongs to the holding company, the measure provided in this subsection will apply to the holding company to which the bank belongs, as well as the financial entities or companies that are part of such holding company. This restriction on the payment of dividends for entities that are part of the same financial group will not apply in the event the dividend is being applied to the capitalization of the bank;
 - * requiring the bank to suspend any capital stock repurchase programs of the bank and, in the event that the bank belongs to a financial group, also the programs of the holding company of such group;
 - requiring the bank to defer or cancel the interest payments on outstanding subordinated debt and, when applicable, defer the payment of the principal or exchange the debt into shares of the bank in the amount necessary to cover the capital deficiency, in advance and proportionately, according to the nature of such obligations. This corrective measure will be applicable to those obligations that are identified as subordinated debt in their indenture or issuance document;
 - * requiring the bank to suspend payment of any extraordinary benefits and bonuses that are not a component of the ordinary salary of the chief executive officer or any officer within the next two levels, as well as not granting any new benefits in the future for the chief executive officer and the officers until the bank complies with the minimum levels of capitalization required by the CNBV;
 - requiring the bank to refrain from increasing outstanding amounts of any credit granted to any individual who is a related party; and

For Class IV and above:

- refraining from making new investments on non-financial assets, opening branches or performing activities other than those made in the ordinary course of business.

In addition to the minimum corrective measures, the CNBV may order the implementation of additional and special corrective measures for banks with a classification from II to V. The additional and special corrective measures that, if applicable, the banks must comply with are:

- define the concrete actions that it will carry out in order not to deteriorate its Capitalization Ratio;
- inform the chief executive officer of the foreign holding company about the bank's classification, as well as the causes that caused the CNBV to make such classification, and submit a detailed report containing a comprehensive evaluation of the bank's financial situation, its level of compliance with the regulatory framework and the main indicators that reflect the degree of stability and solvency of the bank, within 20 business days after the bank has received the CNBV notification of the corrective measure, only in case of banks owned by foreign financial groups;
- hire the services of external auditors or any other specialized third party for special audits on specific issues;
- refrain from agreeing to increases in the salaries and benefits of the officers and employees in general, except for agreed salary revisions and in compliance with labor rights;
- substitute officers, members of the board or external auditors with appointed persons occupying the respective positions;
- undergo other actions or be subject to other limitations as determined by the CNBV, based on the result of its functions of monitoring and inspection, as well as with sound banking and financial practices; or

- refrain from entering into new agreements that may cause an increase on the Weighted Assets Subject to Risk or may cause a higher deterioration on the Capitalization Ratio.

Reserve and Compulsory Deposit Requirements

The compulsory reserve requirement is one of the monetary policy instruments used as a mechanism to control the liquidity of the Mexican economy to reduce inflation. The objective of Banco de México's monetary policy is to maintain the stability of the purchasing power of the Mexican peso and in this context, to maintain a low inflation level. Given the historic inflation levels in Mexico, the efforts of Banco de México have been directed towards a restrictive monetary policy.

Under this policy, Banco de México has elected to maintain a short-term financial creditor stance with respect to the Mexican financial money markets, where every day the markets begin operations with a liquidity deficit that is later compensated by Banco de México through daily operations in the money market that provide liquidity and adequate stability to these markets. Banco de México's experience has shown that the implementation of its monetary policy is more effective if it starts with a position of liquidity deficit at the beginning of each day of operations.

As of January 2015, the Liquidity Coverage Ratio came into effect, which is a measurement of liquidity implemented by authorities that reflects current liquidity of the Bank and foresees liquid, free-disposal and good quality assets in order to face liabilities and liquidity needs for a 30 day period under a stress scenario. Later, in January 2019, the minimum LCR established 100% with daily monitoring measured in accordance with deviations above the minimum of 100%, Banorte currently remains above this regulatory minimum.

The Net Stable Funding Coefficient (CFEN), a long-term measure complementary to the CCL that measures the institutions' long-term funding structure, is expected to take effect in March 2022, with a regulatory minimum of 100% and an early warning structure similar to that applicable to the CCL, measured based on monthly deviations. Banorte's estimates position us above this new regulatory limit.

To manage its maturity exposures to the Mexican financial markets, Banco de México has been extending the maturities of its liabilities for longer terms to avoid the need for continuing refinancing of its liabilities. Those liabilities have been restructured into voluntary and compulsory deposits (Depositos de Regulacion Monetaria), and into investment securities such as longer-term government bonds (Bondes) and compulsory monetary regulatory bonds (Brems). At the same time, Banco de México has elected to hold short-term assets, thus allowing it the ability readily to refinance its positions of assets and reduce its maturity exposure to the financial markets.

Banco de México imposes reserve and compulsory deposit requirements on Mexican commercial banks. Bulletin 36/2008 published on August 1, 2008, stated that the total compulsory reserve deposit required of Mexican commercial banks was Ps 280.0 billion, which had to be deposited in eight installments by eight deposits of Ps 35.0 billion each on August 21 and 28; September 4, 11, 18 and 25; and October 2 and 9, 2008. The amount of the deposit that each bank had to make was determined based on each bank's pro rata share of total Mexican financial institution time deposits allocated as of May 31, 2008. Likewise, in addition to the compulsory reserve abovementioned, the Mexican Central Bank imposed an addition for the monetary regulation I reserve and compulsory deposit requirement on Mexican commercial banks. Circular 11/2014 published on June 27, 2014, stated an additional compulsory reserve deposit of Ps 41.5 billion, which had to be deposited in four installments by four deposits of Ps10.4 billion each on August 14; September 11, October 9 and November 6, 2014. The amount of the deposit that each bank had to make was determined based on each bank's pro rata share of total Mexican financial institution time deposits allocated as of May 31, 2014. The Circular 7/2020, published on April 1, 2020, and referring to the modification of Circular 9/2014, established a decrease of Ps 50.0 billion in the total amount of Monetary Regulation Deposits,

distributing pro rata the amount of Ps 15.0 billion to Development Banking and Ps 35.0 billion among Multiple Banking Institutions. Circular 42/2020, published on November 4, 2020, and referring to the modification of Circular 9/2014, established the recalculation methodology for the amounts of Monetary Regulation Deposits of banking institutions, which were paid on November 12, 2020.

The compulsory deposit reserves required under the terms of the Bulletins 36/2008 and 11/2014 have an indefinite term. During the time these reserves are maintained on deposit with Banco de México, each banking institution receives interest on such deposits every 28 days. Banco de México will provide advance notice of the date and the procedure to withdraw the balance of these compulsory deposits at such time, if any, that the compulsory deposit reserves are suspended or terminated.

Portfolio rating and allowance for loan loss reserves

The loan portfolio represents the balance of amounts effectively granted to borrowers plus uncollected accrued interest minus interest collected in advance. The allowance for loan losses from credit risks is presented as a reduction of the loan portfolio.

Portfolio Stage 1

Loans granted will be recognized in this category as long as they do not meet the portfolio categorization criteria in Stage 2 or Stage 3 described below.

Portfolio Stage 2

Loans must be recognized as a Loan Stage 2 credit risk, in accordance with the rules for each type of portfolio, or based on the criteria of the internal methodologies authorized by the CNBV, with the exception of the loans described in the "Portfolio Stage 3" section below.

Portfolio in Stage 3

The balance of the loan is classified as a Loan Stage 3 when the amortizations have not been fully paid in the terms originally agreed upon, according to the following:

- Loans with single payment of principal and interest at maturity: 30 or more calendar days after the maturity of principal and interest.
- Loans involving a single principal payment at maturity, but with periodic interest payments: 30 calendar days or more after the principal is due, or 90 calendar days or more after the interest is due.
- Loans with payment of principal and interest in partial periodic payments: 90 days or more after payment of principal and interest are due.

Allowance for loan losses

The loan portfolio is rated in accordance with the rules issued by the SHCP and the methodologies established by the CNBV. In the case of the Consumer Revolving and Auto Individual and Housing Mortgage portfolios, and Commercial Portfolio (businesses different than government entities, municipalities and financial institutions and individuals with business activity) with sales or revenues of less than 14 million UDIs (inflation-indexed securities), the Institution rates these portfolios using internal methodologies based on NIF C-16 with an advanced approach, and in the case of the Commercial Portfolio (legal entities other than states, municipalities and financial entities and individuals with business activity) with sales or income greater than or equal to 14 million UDIs, through an internal methodology based on NIF C-16 with a basic approach. These methodologies are authorized by the CNBV.

These regulations also establishes general methodologies for rating and estimating the allowance for loans and credit

losses.

Credit Institutions must apply the established methodology to rate the Commercial Loan Portfolio based on quarterly information for the periods ending in March, June, September and December of each year, whereas also recording in their financial statements the allowances for loan and credit losses at the end of each month. Furthermore, during the months following each quarter, the respective rating to any loan used at the end of the immediately preceding quarter must be applied, based on the outstanding balance in effect on the last day of the aforementioned months. The allowances for loan and credit losses that exceeded the amount required to rate the loan will be cancelled against the period's results on the date of the following quarterly rating. Additionally, recoveries on the previously written-off loan portfolios are recorded in the period's results.

General description of Regulatory Methodologies established by the CNBV

The Standard methodologies for rating the consumer, mortgage and commercial loans (excluding loans intended for investment projects having their own source of payment) establish that their allowance for loan loss should be determined based on the estimated loan's expected loss over the next twelve-month period, for loans classified in Stage 1 and Stage 3, and for the remaining term for loans classified in Stage 2.

Given the entry into force of the International Financial Reporting Standards (IFRS 9) in January 2022, these methodologies stipulate that the estimation of such expected loss, evaluates the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD), and the result of multiplying these three factors corresponds to the estimated expected loss which equals the amount of the reserves required for loans classified in Stage 1 and Stage 3.

For loans classified in Stage 2, a lifetime reserve is calculated in accordance with the formulas established by the CNBV, which incorporate the loan's remaining term and the annual interest rate charged, in addition to the risk parameters PD, LGD, and EAD.

For Revolving Consumer Loan, Non-revolving Consumer and Housing Mortgage, it is assumed that starting at the moment of default, only minimum payments will be done lifetime (estimate of the "average life"). Finally, the amount of reserves to be constituted for loans in Stage 2 is the maximum value between the lifetime reserve and the multiplication of $PD * LGD * EAD$.

Depending on the type of loan, the probability of default, the loss given default and the exposure at default in the standard methodologies for those not considered in internal models, are determined considering the following:

Probability of Default

- Non-revolving consumer loan – takes into consideration current delinquency, payments made against the last amounts due, type of credit, among others.
- Commercial loan.- depending on the type of debtor considers: payment experience, rating agencies' assessment, financial risk, socio-economical risk, financial soundness, country and industry risk, market share, transparency, corporate governance standards, and other qualitative aspects.

Loss Given Default

- Consumer loans (Non-Revolving and Revolving)– considers the number of past due payments.
- Commercial loans – considers financial and non-financial guarantees as well as personal guarantees.

Exposure at Default

- Non-revolving consumer loan – considers loan balance at the rating date.
- Commercial – for revocable loans, the loan balance at the rating date is considered. For irrevocable loans, the current use of credit line to estimate how much its usage would increase in the event that default is considered.

The CNBV's Standard methodologies for rating Commercial loan debtors for loans intended for investment projects having their own source of payment, establish that the rating must be estimated analyzing the risk of projects at pre-operative and operational stages, evaluating the project's source of payment, as well as payment experience factors and other qualitative aspects.

Internal Rating Methodologies based on NIF C-16

In accordance with Annexes 15 and 15BIS of the "General Rules Applicable to Mexican Banks", institutions that implement internal methodologies must calculate capital requirements under an IRB approach (Annex 15) and their reserves under an IFRS9 approach (Annex 15BIS). The internal methodologies used by the Institution, as well as general standard methodologies, have an approach of expected loss in the next twelve months for loans classified in Stage 1 and Stage 3, and for the remaining term for loans classified in Stage 2. Such internal methodologies could have the next approaches:

- Foundation - the probability of default is estimated considering the internal methodology, while the parameters of loss given default and exposure at default are based on the standard methodology.
- Advanced - the probability of default, the loss given default and the exposure at default are estimated according to the approved internal methodology.

Revolving Consumption

The Institution was granted with the approval for applying an Internal Rating Methodology, by CNBV since January 2018. It considers applying internal rating methodology based on an advanced approach for the revolving consumer portfolio. This methodology is used to estimate the reserves and capital requirements for credit risk, according to regulation.

For revolving consumer credit, it is assumed that, from the moment of default, only minimum payments will be made until the loan is fully settled (estimation of the "average life").

The probability of default, loss severity, and exposure at default under this methodology are determined as follows:

Probability of Default

Differentiated models are applied based on internal variables, taking into account factors such as credit limit and account tenure.

Loss Given Default

Based on the number of missed payments and utilization of the credit line.

Exposure at Default

Considers the current balance level, account tenure, credit limit, and delinquency status to estimate the expected increase in line utilization in the event of default.

Auto Loan Portfolio – Individuals

Since January 2020, the Institution has been authorized to use an Internal Methodology under an advanced approach for the Auto loan portfolio for individual borrowers. This methodology is used to estimate reserves and capital requirements for credit risk, in accordance with applicable regulation.

The probability of default, loss severity, and exposure at default under this methodology are determined as follows:

Probability of Default

It incorporates external behavioral variables such as the time elapsed since the last payment, time on credit bureau, and the proportion between the outstanding balance and the value of the collateral.

Loss Given Default

Differentiated models are applied for each segment based on the ratio of the outstanding balance to the value of the collateral. Through various time windows, these models discount recovery-related costs (recoveries, write-offs, and discounts) to present value and express them as a percentage of the exposure at default.

Exposure at Default

As this is a non-revolving product, exposure at default is determined using the outstanding balance at the time of classification.

Mortgage

Since July 2023, the Institution has been authorized to use an Internal Methodology under an advanced approach for the Banorte-originated Mortgage portfolio. This methodology is used to estimate reserves and capital requirements for credit risk, in accordance with applicable regulation.

The probability of default, loss severity, and exposure at default under this methodology are determined as follows:

Probability of Default

It considers the loan type and credit bureau payment behavior, as well as internal and external behavioral variables—such as peak delinquency and utilization at other financial institutions—observed across different time windows.

Loss Given Default

Differentiated models are applied for each segment based on the percentage of the loan's life that has elapsed. Using various time windows, these models discount recovery-related cash flows (recoveries, write-offs, and discounts) to present value and express them as a percentage of exposure at default.

Exposure at Default

As this is a non-revolving product, the outstanding accounting balance at the time of classification is used.

Commercial Portfolio with sales greater than or equal to 14 million UDIs (inflation-indexed securities)

The Institution was granted with the approval from CNBV, to apply an internal rating methodology with a Foundation Approach starting January 2019 for the Commercial Loan Portfolio (individuals with business activity and legal entities different to states, municipalities and financial institutions, both with annual sales greater than or equal to 14 million UDIs). This methodology is used to estimate reserves and capital requirements for credit risk according, to regulation.

Regarding this methodology, the probability of default is determined considering the following:

Probability of default

- Credit behavior, creditors financial risk, funding, restructuring, economic sector, quality of the business management, the Institution's target markets and others qualitative aspects of the business.

Commercial Portfolio with sales lower than 14 million UDIs (inflation-indexed securities)

Since August 2024, the Institution has been authorized to use an internal methodology under an advanced approach for the Commercial portfolio (legal entities other than federal and municipal governments and financial institutions, as well as individuals with business activity) with annual sales less than or equal to 14 million UDIs. This methodology is used to estimate reserves and capital requirements for credit risk, in line with applicable regulation.

The Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) under this methodology are determined as follows:

Probability of Default (PD)

It incorporates internal and external credit behavior, restructurings, and deposit activity.

Loss Given Default (LGD)

It considers the unsecured portion, as well as financial and non-financial collateral and personal guarantees.

Exposure at Default (EAD)

It is based on the outstanding accounting balance at the time of classification and, for revolving products, the current line utilization to estimate the potential increase in usage upon default.

Liquidity Requirements for Foreign Currency-Denominated Liabilities

In accordance with the provisions issued by Banco de México, the total maturity-adjusted amount (calculated by applying a factor depending on the specific maturity of the obligation) of net liabilities denominated or indexed in foreign currency that credit institutions, their subsidiaries, agencies, or foreign branches may maintain (calculated daily) is limited to 1.83 times their Tier 1 Capital. To calculate this limit, maturity-adjusted foreign-currency-denominated or indexed assets (including liquid assets, assets with maturities under one year, short-term derivatives, and foreign-currency market transactions) are subtracted from maturity-adjusted foreign-currency-denominated or indexed liabilities, and the aforementioned factor is applied to the resulting amount.

Maturity-adjusted net foreign-currency-denominated or indexed liabilities of credit institutions (including U.S. dollars) are subject to a liquidity requirement (i.e., the obligation to maintain sufficient foreign-currency-denominated or indexed assets). Permitted liquid assets include, among others:

- Cash denominated in U.S. dollars or any other currency without restrictions on conversion or transfer to U.S. dollars;
- Deposits held at Banco de México;
- U.S. government securities or debt certificates issued by U.S. government agencies that carry the unconditional guarantee of the U.S. government;
- Overnight or one-to-seven-day deposits with foreign financial institutions rated at least P-2 by Moody's or A-2 by S&P;
- Investments in mutual funds or similar vehicles, or in entities authorized by Banco de México, that meet certain requirements; and

- Unutilized committed credit lines from foreign financial institutions rated at least P-2 by Moody's or A-2 by S&P, subject to specific conditions.

These liquid assets may not be pledged, lent, used in repurchase agreements, or be part of any transaction that may restrict their free availability.

Banorte and Casa de Bolsa Banorte are in full compliance with these reserve and liquidity ratio requirements in all respects.

Lending Limits

In accordance with the Circular Única de Bancos, Large Exposures are defined as those that a financial institution maintains with a person or group of persons that represent a common risk and whose aggregate amount is equal to or greater than 10% of the institution's Tier 1 Capital.

For purposes of diversification of credit exposures, each Large Exposure assumed by the institution must not exceed a maximum limit of 25% of its Tier 1 Capital.

For Domestic Systemically Important Multiple Banking Institutions or Global Systemically Important Institutions—or the financial groups to which they belong—that maintain Large Exposures to other Domestic or Global Systemically Important Multiple Banking Institutions, the applicable maximum limit is 15% of their Tier 1 Capital.

Each Large Exposure maintained by the institution with entities and agencies of the Federal Public Administration's parastatal sector—including public trusts established by the Federal Government for economic development, as well as State-Owned Productive Enterprises—shall be subject to a maximum limit not exceeding 100% of the institution's Tier 1 Capital.

The Tier 1 Capital used to calculate lending limits must correspond to the balance recorded at the end of the third month prior to the date of such calculation. The CNBV may, at its discretion, reduce these limits if the credit institution's internal controls or risk management framework are deemed insufficient.

Institutions are not required to comply with the maximum limits when granting financing to:

- The Federal Government, as well as any borrowers backed by its guarantee; and
- Banco de México, IPAB, and development banks guaranteed by the Mexican government; the Bank for International Settlements; the International Monetary Fund; the European Central Bank; the European Union; and certain multilateral organizations, foreign central governments, and their central banks that meet specific high-credit-quality requirements.

Credit institutions are required to disclose any Large Exposures they maintain that exceed 10% of their Tier 1 Capital.

Funding Limits

In accordance with the General Rules Applicable to Mexican Banks, Mexican banks are required to diversify their funding risks. In particular, a Mexican bank is required to notify the CNBV, on the business day following the occurrence of the event, in the event it receives funds from a person or a group of persons acting in concert, that

represent in one or more funding transactions, more than 100% of such bank's Tier 1 Capital. None of our liabilities to a person or group of persons exceeds the 100% threshold.

Related Party Loans

In accordance with the Credit Institutions Law, the total amount of transactions with related parties may not exceed 35% of the institution's Tier 1 Capital. For both loans and revocable credit lines, only the amount drawn is considered. For letters of credit, contingent risk is taken into account.

The Circular Única de Bancos establishes that the aggregate amount of credit-risk-exposed transactions with material related parties must not exceed 25% of the institution's Tier 1 Capital. If the amount exceeds 25%, the excess must be deducted for purposes of determining Tier 1 Capital.

Foreign Currency Transactions

Banco de México's regulations establish the applicable provisions for foreign-currency-denominated operations conducted by multiple banking institutions. These institutions may carry out spot foreign currency transactions (i.e., transactions with a maturity of no more than four business days) without requiring any additional specific authorization. Other foreign currency transactions are considered derivative transactions and require the approvals described below.

At the close of each business day, multiple banking institutions may maintain a foreign-exchange risk position (both on an overall basis and by currency). Such positions are generally permitted, provided they do not exceed 15% of the institution's Tier 1 Capital. In addition, credit institutions must maintain a minimum level of liquidity, as required under Banco de México's provisions, based on the maturity profile of their foreign-currency-denominated obligations.

Derivative Transactions

Certain provisions issued by Banco de México apply to derivative transactions carried out by multiple banking institutions and broker-dealers. These entities may enter into futures, forward, option, swap, and credit derivative transactions related to the following underlying assets:

- a) Shares, a group or basket of shares, or securities referenced to shares, listed on a stock exchange;
- b) Price indices on shares listed on a stock exchange;
- c) National currency, Currencies and UDIS;
- d) Inflation-related price indices;
- e) Nominal, real or surcharge interest rates, rates referring to any debt title and indices based on said rates;
- f) Loans and credits;
- g) Any of the following goods:
 - a. Gold and silver;
 - b. Corn, wheat, soy, sugar, rice, sorghum, cotton, oats, coffee, orange juice, cocoa, barley, milk, canola, soybean oil and soybean paste;
 - c. Pork, pigs and cattle;
 - d. Natural gas, heating fuel, diesel, gasoline and crude oil, and
 - e. Aluminum, copper, nickel, platinum, lead and zinc.
- h) Futures, Forwards, Options, Credit Derivatives and Swaps on the aforementioned underlying assets.

Mexican institutions require express written authorization from Banco de México to enter into derivative transactions—either on their own account or acting as intermediaries—related to each specific underlying asset. However, multiple banking institutions may enter into derivative transactions without Banco de México authorization when such derivatives are used exclusively to hedge existing risks through accounting hedges. Authorizations may be revoked if, among other reasons, the institution fails to comply with Capitalization Rules, does not meet reporting obligations, or engages in transactions that contravene applicable law or sound market practices.

Multiple banking institutions and broker-dealers that trade derivatives with related parties, or with underlying assets whose issuer or obligor is a related party, must comply with the provisions of the Credit Institutions Law (LIC) and the Securities Market Law (LMV) regarding related-party transactions.

Institutions may guarantee the performance of derivative transactions through cash deposits, credit rights, margin exchanges, and/or securities from their portfolio. In the case of over-the-counter (OTC) derivatives, such collateral may be provided only when the counterparties are credit institutions, broker-dealers, foreign financial entities, investment companies, pension fund administrators, SOFOMES, or any other counterparty authorized by Banco de México. Mexican multiple banking institutions are required to report their derivative transactions periodically to their Board of Directors, including whether such transactions fall within the limits approved by the Board or the relevant committee. Institutions must also report derivative transactions periodically to Banco de México, indicating whether such transactions were conducted with a related party.

For hedging transactions undertaken by multiple banking institutions, counterparties must be other credit institutions or financial institutions authorized by Banco de México to engage in transactions with foreign financial institutions. Derivatives must be executed under master agreements that incorporate international terms and standards, such as ISDA Master Agreements (International Swaps and Derivatives Association), or under master agreements approved for the local market. As an exception, credit institutions may guarantee derivative obligations with cash, receivables, or securities.

As key milestones in 2025, UPI was incorporated into regulatory reporting for derivative transactions; Banco de México authorized Banco Banorte's internal model for calculating initial margins to be posted or received on non-centrally cleared OTC derivatives; and the institution successfully completed the implementation of 31 new requirements for operating derivatives.

Banco Mercantil del Norte is authorized to conduct the following transactions:

Underlying Instrument	Operation								
	Futures		Options		Swaps		Credit Default		
	RM	OM	RM	OM	RM	OM	RM	OM	
Shares, a group or basket of shares, or securities referenced to shares, which are listed on a stock exchange.		✓		✓					
Price index of shares listed on the stock exchange.		✓		✓					
National currency, Currencies and UDIS.	✓	✓		✓		✓			
Nominal, real or surcharge interest rates, rates referring to any debt security and indices based on said rates.	✓	✓		✓	✓	✓			
Future Operations, Option Operations and Exchange Contracts (Swaps), on	✓ ⁵	✓ ¹		✓ ²					

the Underlying referred to in the preceding paragraphs.								
Other underlying instruments or operations.				✓ ³		✓ ⁴		✓ ⁶
Loans and credits.								✓

RM Regulated Market, OM OTC Market, 1) Forward Starting Swaps (RM), 2) Swaptions, 3) Option on interest rate curve node, 4) Constant Maturity Swap, 5) Forward Starting Swap (MR) and 6) Credit Derivatives on Credit Default Indices (CDX) (OTC)

Casa de Bolsa Banorte is authorized to carry following operations:

Underlying asset	Operation					
	Futures		Options		Swaps	
	MR	OM	MR	OM	MR	OM
Nominal, real or surcharge interest rates, rates referring to any debt security and indices based on said rates.				✓		✓
National currency, Currencies and UDIS.						✓ ²
Future Operations, Option Operations and Exchange Contracts (Swaps), on the Underlying referred to in the preceding paragraphs.		✓ ¹				

RM Regulated Market, OM OTC Market, 1) Forward Starting Swaps (RM), 2) Currency Swaps.

Repo Operations and Securities Lending

In accordance with the regulation issued by Banco de México, Credit Institutions may act as repo sellers with any counterparty and may act as repo buyers exclusively with Banco de México, other Credit Institutions, broker-dealers, certified general-warehousing companies, or foreign financial entities. Repo transactions may be conducted on securities, except for securities used in international arbitrage transactions. This regulation also establishes certain restrictions, such as refraining from entering into repo agreements under terms that conflict with their internal policies and/or sound market practices, restrictions regarding the tenor and settlement of repos, and obligations related to the submission of information to the authorities. For execution purposes, the parties must enter into written master agreements prior to entering into repo transactions; such agreements must be approved by the Asociación de Bancos de México, A.C. and the Asociación Mexicana de Instituciones Bursátiles.

Regarding Securities Lending transactions, Banco de México authorizes Credit Institutions and broker-dealers to enter into these operations. Additionally, the regulation establishes guidelines on the types of securities that may be lent, whether on own account or on behalf of clients, as well as the obligation to submit regulatory reports.

The new rules allow credit institutions, broker-dealers, investment funds, and other financial entities to enter into repo transactions with a wide range of counterparties, including foreign financial entities and hedge funds. These transactions must comply with certain requirements, such as the posting of collateral and proper documentation and confirmation of each transaction. Repos may also be settled through securities depositories and central counterparties for securities, thereby enhancing transparency and security in these transactions.

The regulation also introduces special repo modalities, including open repos, evergreen repos, and Forward Starting Repos. In particular, Forward Starting Repos require prior authorization from Banco de México. These modalities

must comply with the established methodologies and guidelines to ensure the safety and transparency of the transactions.

In 2025, Banorte achieved a significant milestone in strengthening the Mexican debt market by actively participating in the launch of the Contraparte Central de Valores de Deuda (CCV Deuda), which will reduce risk by simplifying operations, standardizing processes, fostering greater liquidity through more robust products and services, and minimizing operational errors.

Restrictions on Liens and Guarantees

Under the Mexican Bank Law, banks are expressly prohibited, among other things, from: (i) pledging their own assets as collateral (except when such collateral consists of receivables or securities posted in connection with transactions with Banco de México, development banks, federal public trusts, IPAB, or when authorized by the CNBV, including as described above with respect to derivatives, securities, and securities lending transactions); and (ii) assuming liabilities or obligations on behalf of third parties, except, generally, in connection with letters of credit and bankers' acceptances.

Banking Secrecy; Credit Information Companies

Pursuant to the Mexican Banking Law, a credit institution may not provide information or documentation related to the identity of its clients or to specific deposits, services, or any other banking transaction (including loans) to third parties (including any purchaser, placement agent, broker-dealer, or holder of any bank security), except to:

- the depositor, debtor, account holder or beneficiary, trustor, trustee, principal, and their legal representatives or attorneys-in-fact;
- judicial authorities in legal proceedings in which the account holder is a plaintiff or defendant;
- federal tax authorities for such purposes;
- the Ministry of Finance and Public Credit (SHCP) for the implementation of anti-terrorism and anti-money-laundering measures and procedures;
- the Federal Audit Office (Auditoría Superior de la Federación) in the exercise of its supervisory powers (including information related to accounts or contracts involving federal public funds);
- the Oversight Unit for the Financing of Political Parties;
- the Office of the Attorney General (Procuraduría General de la República) for criminal proceedings;
- the Federal Treasury, when applicable, for requesting account statements and any other information related to personal accounts of public servants, assistants, and, where appropriate, individuals linked to the relevant investigation; and
- the Secretary and Undersecretaries of the Public Function Ministry (Función Pública) when investigating or auditing the assets and financial condition of federal public officials, among others.

In most cases, such information must be requested through the CNBV. The CNBV is empowered to provide certain confidential information to foreign financial authorities under applicable confidentiality laws, provided that a reciprocal information-exchange agreement has been executed between the CNBV and the relevant authority. The CNBV must refrain from providing information to foreign financial authorities if, in its judgment, such information may be used for purposes other than financial supervision or would be contrary to public order, national security, or any other cause specified in the agreement.

Banks and other financial entities may provide credit information to authorized credit information companies.

General provisions referred to in article 115 of the Credit Institutions Law:

Mexico has a comprehensive regulatory framework for the prevention of money laundering and terrorist financing (AML/CFT). The provisions applicable to credit institutions were published on April 20, 2009 and entered into force the following day. Since then, several amendments have been issued, the most recent in August 2024. Each GFNorte entity has its own provisions according to its business line, which are generally similar to those applicable to Banorte and have been updated on different dates.

Under the AML/CFT provisions, entities operating in the financial sector must comply with various requirements, including, among others:

- Establish and implement policies and procedures for customer identification and due diligence (KYC) aimed at preventing, detecting, and reporting actions, omissions, or transactions that could favor, assist, or in any way cooperate with money laundering or terrorist financing activities (as defined in the Federal Criminal Code).
- Implement procedures to detect and report: relevant transactions, unusual transactions, and worrisome internal transactions (as defined in the AML/CFT provisions).
- Report to the SHCP through the CNBV: relevant, unusual, and worrisome internal transactions; and, in Banorte's case, additionally: cash U.S. dollar transactions, international transfer reports, and cashier's checks reports.
- Set limits for cash U.S. dollar transactions.
- Establish a Communication and Control Committee (which must appoint a Compliance Officer) responsible, among other duties, for overseeing compliance with AML/CFT provisions. Maintain automated systems to monitor customer transactions.
- Risk-rate customers. For high-risk customers, update files annually, including an on-site visit.
- Maintain a risk assessment methodology for the entity's inherent and residual risks.
- Identify Politically Exposed Persons (PEPs).
- Train personnel on AML/CFT prevention.
- Maintain automated systems for the registration and safeguarding of customer information and their transactions.

It is important to note that credit institutions may exchange information on client and user transactions exclusively when intended to strengthen measures to prevent and detect transactions that could be considered of illicit origin. The exchange may occur with authorized financial entities, under an information-exchange agreement, and the SHCP must be notified through the CNBV of the information exchanged.

Financial sector entities must also organize and maintain a customer file prior to opening an account or conducting any type of transaction, for customer identification purposes.

For individuals, each identification file must include, among others: (i) full name; (ii) gender; (iii) date of birth; (iv) nationality, country and place of birth; (v) occupation, profession, activity, or business line; (vi) full address; (vii) a reachable phone number; (viii) email (if applicable); (ix) CURP issued by the Ministry of the Interior and RFC with homoclave, when available; and (x) advanced e-signature (FIEL) serial number, as applicable. The same requirements apply to co-holders and authorized third parties; for beneficiaries, obtain full name, date of birth, and home address.

For legal entities, each identification file must include, among others: (i) corporate name; (ii) address; (iii) business line, activity, or corporate purpose; (iv) nationality; (v) RFC or Tax Identification Number (or equivalent), and the country or countries that issued it; (vi) advanced e-signature serial number; (vii) phone number; (viii) email (if applicable); (ix) date of incorporation; and (x) name of the Sole Administrator, members of the Board of Directors, the CEO, or any relevant attorney-in-fact.

Each entity's manual sets out the documentary evidence that must be included in the file to meet the official ID and proof of address requirements.

Identification files must be retained for the duration of the client's contracts and for a minimum of ten years after termination of such contracts.

Pursuant to AML/CFT provisions, financial entities must submit to the SHCP, through the CNBV: (i) quarterly reports of transactions equivalent to or exceeding USD \$7,500 when carried out using a monetary instrument; (ii) unusual transaction reports within 60 calendar days from the date the unusual transaction is detected by our financial subsidiaries; and (iii) worrisome internal transaction reports within 60 calendar days from the date such transaction is detected.

For credit institutions, additional reporting obligations include: monthly reports of international funds transfers sent or received for amounts equal to or greater than USD \$1,000; quarterly reports of cash U.S. dollar transactions with users starting at USD \$250 and with clients starting at USD \$500; and a quarterly report to the CNBV of cashier's checks issued or paid for amounts equal to or greater than USD \$10,000 (or its equivalent).

In June 2010, the provisions applicable to credit institutions were amended—and further reformed in September and December 2010—to regulate cash U.S. dollar transactions conducted by banks. Under these provisions, banks may only accept cash U.S. dollars from individual clients up to an accumulated monthly maximum of USD \$4,000 nationwide; for individuals with business activity and legal entities, up to USD \$14,000 in cash per calendar month, only for clients located in northern border zones, tourist areas, and municipalities where per-capita remittances are high and significant relative to national totals. Under Banorte's internal policy: Individuals with business activity and legal entities: up to USD \$10,000; Individual clients in such zones: up to USD \$1,500 per calendar month; Outside those zones: up to USD \$500 per calendar month.

Additionally, credit institutions may only buy cash U.S. dollars from domestic users up to USD \$300 per day, not exceeding USD \$1,500 per calendar month; and from foreign users, up to USD \$1,500 per calendar month, in one or multiple transactions. At Banorte, acceptance of cash U.S. dollars from domestic users has been suspended since July 2016, with purchases remaining only from foreign users in tourist areas and the northern border.

In April 2014, AML provisions were amended to clarify KYC requirements for trust agreements, establishing differentiated treatment for: (i) trusts where the institution acts as trustee, and (ii) trusts formalized by another trust institution but holding an account at the Bank (in this case, Banorte).

The SHCP, through the CNBV, also announced it would issue a List of Blocked Persons and its updates, establishing the following obligations for the institution:

- a) Immediately stop any operation or service related to the client or user identified in the blocked individual list.
- b) Submit a report to the SHCP through the CNBV of the unusual operation, mentioning that it involves a person in the blocked individual list. This report must be sent within 24 hours of such information being known.

- c) Notify the client or user in writing of the account freeze and suspension of any act, transaction, or service, informing them that within ten days of notification they may appear before the competent authority to assert their rights, provide evidence, and make statements to clarify their situation.

The same amendment also instituted the obligation to submit to the SHCP, through the CNBV, the quarterly cashier's checks report, mentioned above.

In September 2014, AML provisions were amended again to allow banks to accept unlimited cash U.S. dollars from legal-entity clients nationwide—limited to selected clients that meet, among others, the following conditions:

- a) That they have at least 3 years since their incorporation.
- b) That they justify the need to perform operations in USD in amounts higher than the ones previously mentioned.
- c) The bank must open a file for each of these customers containing among others: financial statements, tax returns, names of main shareholders, etc.

Such supporting information and documentation must be updated annually. An updated list of these clients must be maintained internally and reported monthly to the SHCP through the CNBV.

In September 2015, AML provisions were amended again to grant an additional 30 calendar days—beyond the previously established 60 days—to submit unusual transaction reports, provided the institution's KYC policy defines the criteria and scenarios in which the extended deadline applies.

In the same amendment, the deadline set on September 12, 2014 was extended to two years (730 calendar days) to complete or update files for clients that are trusts which had conducted transactions prior to the effective date of that resolution.

On February 24, 2017, AML provisions were amended again. The most relevant changes include:

- Change in the maximum amount to report relevant operations from USD \$10,000 to USD \$7,500.
- As of July 1, 2017, when opening accounts or entering into contracts, a proof of address must be requested, in addition to the identification, even if it contains the address and coincides with the registered one, except in the case of the voter card.
- New mandatory requirements are established for legal entities: (i) Identification of the real owner, (ii) Shareholder structure and (iii) In case it is not low risk, its internal corporate structure.
- Collect and register new data in the system, in the case of transfers through SPID or transfers abroad of clients and users:

Individuals:

- Paternal surname, maternal surname and name (s), without abbreviations. ^{1, 2, 3, 4}
- Unique Population Registration Code CURP, for Mexicans. ^{1, 2, 3, 4}
- Nationality ^{1, 2, 3, 4}
- Date of birth, for foreigners. ^{1, 2, 3, 4}
- Address of its main administrative offices. ^{2, 3, 4}
- RFC with Homoclave, when it has it or a tax identification number or equivalent, as well as the country or countries that assigned it. ^{2, 3, 4}
- Purpose of the transfers sent. ^{2, 3, 4}
- Occupation, profession, activity or line of business to which the client or user is dedicated. ^{2, 3, 4}

- Digitized copy of your official identification. ^{2. 3. 4}
- Number of the Advanced Electronic Signature series (for those of Mexican nationality). ⁴

¹ Accumulated amount of transfers received, prior to receipt, up to \$ 4,000 in 360 calendar days and up to \$ 333 in 30 calendar days.

² Amount accumulated in the 360 calendar days prior to the transfer being made, <20,000 USD and> 4,000 in the case of receipt; <20,000 in the case of shipments.

³ Amount => 20,000 USD and <90,000 USD.

⁴ Amount => 90,000 USD.

Legal entities:

- Full name or company name, as it appears in the current constitutive document.
 - Country and date of incorporation.
 - RFC with Homoclave if they are incorporated in Mexico or Tax Identification Number or equivalent, as well as the country or countries that assigned it, those established abroad.
 - Serial number of the Advanced Electronic Signature.
 - Purpose of the transfers sent.
 - Address of its main administrative offices (cases => to 300,000 and <2,500,000 USD).
 - Business activity or corporate purpose (cases => to 300,000 and <2,500,000 USD).
 - Name of the legal representatives designated to request transfers (Cases => 2,500,000 USD).
- Establish a risk assessment matrix, with a risk-based approach by product, service, practice, or technology. It must be updated annually, with documented evidence, and is subject to CNBV review.
 - Exchange information and documentation regarding clients and users conducting SPID or international foreign-currency transfers via Banco de México's platform. Additionally, obtain the client's consent to share information and documentation on Banxico's platform.
 - Verify that trusts are not registered as beneficiaries in SPID by authorized clients; if detected, the enrollment must be rejected.
 - Allow the appointment of an Interim Compliance Officer if the Compliance Officer resigns, is removed, or is unable to perform duties.
 - Submit unusual and worrisome internal transaction reports to the SHCP, through the Commission, within three business days following the Communication and Control Committee's decision.
 - Train personnel according to the results of the implemented methodology and the Bank's activities, products, and services.
 - Notify the Secretariat, through the Commission, of the appointment, addition, or replacement of Committee members within 15 business days of the change.
 - Establish a Risk Model, the methodology through which Banco Mercantil del Norte identifies, measures, and classifies clients by the level of risk their transactions pose to the entity. The model must define as many intermediate risk levels as deemed necessary between low and high.

The March 22, 2019 AML amendment introduced, among other changes:

- Acceptance of the Passport Card as valid ID for foreign individuals.
- Rules for non-face-to-face account opening or contracting, requiring geolocation and client consent.
- No need to include copies of CURP, Tax ID assignment, and advanced e-signature in the file if evidence of validation with the issuing authority is included.
- Level 1 accounts are no longer anonymous and now have opening requirements.

The identification process may be suspended if the prospective client is suspected of links to conduct under Articles 139 Quáter or 400 Bis of the Federal Criminal Code, or if there is a risk that resources are linked to such conduct. If suspended, an unusual transaction report must be filed within 24 hours, manually, with available information.

Prohibition on opening accounts where the client or UBO cannot be identified; for UBOs, the address where they can be located may be collected; PEPs require enhanced monitoring.

Requirements for authorization to conduct operations through Innovative Models (fintech/sandbox).

Allow electronic/digital retention of KYC files, historical transaction records, and regulatory reports, ensuring information security.

For international or domestic foreign-currency transfers: for outgoing, collect, retain, and accompany beneficiary information; for incoming, collect originator information.

The Risk Assessment Methodology must include information on client transactions over at least twelve months.

For trusts, entities must compile the identification file for beneficiaries not individualized in the contract at the time they exercise their rights, except where there is securities intermediation, in which case the obligation falls on the financial entity conducting such intermediation.

In July 2021, requirements and operating rules were incorporated for demand deposit accounts in MXN for minors who are beneficiaries of government scholarship programs.

In May 2021, municipalities and boroughs with high per-capita remittance levels—both relative and absolute—were added as authorized for the receipt of cash U.S. dollars.

With the March 2022 amendments, an option was introduced to offer Level 2 accounts to Mexican individuals repatriated from the U.S. (identified with a temporary CURP) and to foreign individuals (identified with an official document issued by the National Immigration Institute proving their entry or legal stay).

On August 28, 2024, AML/CFT provisions were amended again. Key changes include:

For Mexican nationals, the surname fields now request first and second surname (where applicable) for individual clients, administrators, CEOs, or legal representatives of Mexican national clients, as well as resource providers, beneficiaries, and members of the Technical Committee.

Foreign UBOs outside Mexico without a passport or passport card may be identified with a driver's license and credentials issued by federal authorities (or equivalents) of the corresponding country, subject to verification by the entity.

Replace the home address requirement with the address where the person can be located.

File reviews must be conducted without participation of the officer/employee who created the file, to verify consistency and completeness.

For non-face-to-face account openings:

- Applies only to Mexican individuals and legal entities; foreign nationals are excluded.
- Must collect a digital copy of proof of address.
- Some customer identification requirements are further specified.

For internal accounts, entities must ensure such accounts are not used by clients.

A new low-risk account identification process is added (Section IV), limited to credits equal to the MXN-equivalent of 30,000 UDIs per client per calendar month, for Mexican individuals with business activity (PFAE) or Mexican legal entities resident in Mexico.

The methodology must include specific indicators related to offenses under Articles 400 Bis and 139 Quáter of the Federal Criminal Code.

Requirements are specified for correspondent banking with foreign financial entities.

The Compliance Officer and the Auditor who prepares/signs the audit report must hold a valid certification under Article 4, Section X of the CNBV Law.

Deadlines were updated to 10 business days to notify the SHCP of the appointment/removal of the Compliance Officer (OC) and the appointment of the Internal Compliance Officer (OCI).

A new function for automated systems requires keeping historical records of risk-rating changes for at least 10 years and of the client's transactional profile during the relationship. Additionally, the alert system's effectiveness must be independently evaluated every two years.

Obligation to submit to the Commission the Operational Questionnaire within the last ten business days of April each year.

Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero is repealed, and simplified identification no longer applies to foreign financial entities receiving correspondent services.

Risk factors (inherent and transactional) to be considered for the customer risk model were updated for development, use, validation, and documentation.

Rules of the Interbank Payment System in Dollars (SPID):

In March 2016, Banco de México established regulation for domestic U.S. dollar funds transfers through SPID, thereby creating the obligation to compile a file for clients with USD accounts and MXN accounts that perform USD transfers domestically. This file must include a copy of the digital certificate and e-signature, the purpose of using the SPID account, shareholder information, the client's transactional profile, and beneficiary information.

An additional Risk Model must be established—i.e., a methodology through which entities subject to the Risk Model identify, measure, classify, and mitigate the risks of clients operating in the system.

As of May 31, 2017, domestic U.S. dollar funds transfers may be conducted only through SPID.

To coordinate compliance, a SPID Compliance Officer must be appointed, who reports to the AML/CFT Compliance Officer on any matter related to SPID operations.

A semiannual report on risk findings (additional and non-additional) must be submitted to the Audit Committee and Banco de México. An annual written report must also be submitted to Banco de México containing the results of the additional risk model evaluation—after being reported to the entity's Communication and Control Committee—which must be approved by the Risk Committee and subsequently reported to the Bank's Board of Directors.

As an acceptance and ongoing participation requirement for participant banks, a compliance report must be prepared by the head of Internal Audit and an external auditor, indicating findings, irregularities, and non-compliance in the SPID process. Subsequently, an annual review of the process must be conducted alternating between Internal Audit and an external auditor and submitted to Banco de México.

On December 19, 2024, a new version of the SPID Manual entered into force, introducing changes primarily aimed at strengthening cybersecurity and infrastructure.

Rules on Interest Rates

Banco de México's regulations limit the number of reference rates that a multiple banking institution may use as the basis for determining interest rates on loans. For peso-denominated loans, multiple banking institutions may choose any fixed rate, TIIE de Fondo and longer-tenor TIIE rates (beyond one banking day), the Advance Compounded TIIE de Fondo, CETES, the interest rate determined by Banco de México for loans financed or discounted by NAFIN, the rate agreed with development banks for loans financed or discounted with them, the weighted interbank funding rate, and the weighted government funding rate. For foreign-currency loans, credit institutions may choose any fixed rate or variable reference rate not unilaterally determined by a financial institution, including overnight, transaction-based benchmark rates that comply with IOSCO principles and are recognized by authorities in their respective international jurisdictions—among which, without limitation, are SOFR, SONIA, and ESTR. Reference rates also include longer-tenor rates derived from the foregoing benchmarks that are formally proposed for use by any authority, or the rates agreed with international or domestic development banks or development funds for loans financed or discounted with such institutions. For U.S. dollar loans, multiple banking institutions may choose a fixed rate or any of the rates mentioned above, or Dolars-CCP, as calculated and published in the Official Gazette (DOF) by Banco de México.

It is important to note that as of January 1, 2024, TIIE 91 and TIIE 182 may no longer be used for new contracts, and beginning January 1, 2025, TIIE 28 may also no longer be used for new contracts.

The rules also require that only one reference rate may be used for each transaction and that an alternative reference rate may not be included unless the selected reference rate is discontinued, in which case a substitute reference rate may be established. A rate or a mechanism to determine a rate may not be modified unilaterally by a credit institution. Rates must be calculated annually based on 360-day periods.

On November 11, 2010, Banco de México published new rules governing the issuance and use of credit cards. These rules standardize the procedures and formats that allow credit cardholders to authorize recurring payments related to goods and services, and standardize the processes for disputing improper charges and cancelling such services quickly and securely. The rules also establish how credit card issuers must determine the minimum payment each period through a formula that ensures part of the principal is amortized with each payment, with the aim of paying down debt within a reasonable time. The rules also include certain protective measures for cardholders in the event of theft or loss, and incentives for issuers to adopt additional measures to reduce the risks associated with online card use and misuse of card information.

In June 2014, the Mexican Supreme Court (Suprema Corte de Justicia de la Nación) issued binding jurisprudence establishing that federal judges have discretion to determine whether the interest rate agreed in a promissory note is clearly excessive and violates individual human rights. Consequently, judges may order a reduction in the applicable interest rate. Factors judges must consider include: (a) the type of relationship between the parties; (b) whether the signatories are certified and whether the creditor's activities are regulated; (c) the purpose of the loan; (d) the loan amount; (e) the loan term; (f) the existence of collateral; (g) interest rates applied by similar financial institutions, used as a reference only; (h) changes in the National Consumer Price Index (INPC) during the loan term; (i) market conditions; and (j) any other factors the judge deems relevant.

Fees

Under Banco de México regulations, Mexican banks and Sofomes may not, in respect of loans, deposits or other forms of funding and services with their respective clients:

- charge fees that are not included in their respective, publicly disclosed, aggregate annual cost (costo anual total),
- charge alternative fees, except if the fee charged is the lower fee, and
- charge fees for the cancellation of credit cards issued.

In addition, among other things, Mexican banks may not:

- charge simultaneous fees, in respect of demand deposits, for account management and relating to not maintaining minimum amounts,
- charge fees for returned checks received for deposit in a deposit account or as payment for loans granted,
- charge fees for cancellation of deposit accounts, debit or teller cards, or the use of electronic banking services, or
- charge different fees depending upon the amount subject of a money transfer. Under the regulations, fees arising from the use of ATMs must be disclosed to users.

Mexican banks and Sofomes that allow to customers to use ATMs, must choose between two options to charge fees to clients when withdrawing or checking balances: (i) specify a fee for relevant operations, in such case, banks and Sofomes issuing credit and debit cards (“the Issuers”) cannot charge an additional fee to the customers (Issuers have the right to charge the respective fee to operators), or (ii) allow the Issuers to charge a fee to clients, in such case, banks and Sofomes will not be able to charge any additional fee to customers.

Banco de México, on its own initiative or at the request of CONDUSEF, credit institutions or Sofomes, may evaluate whether there are reasonable conditions of competition regarding collection fees made by credit institutions and Sofomes in the development of financial operations. Banco de México must obtain an opinion from COFECE in conducting such task. Banco de México may adopt measures to deal with these expeditions.

On October 3, 2014, Banco de México published a bulletin modifying rules on ATM fees that limited us to charge for their use and the amount of such fees for services such as:

- cash withdrawals
- checking balances
- account deposits
- credit payments, both at the teller and ATMs operated by clients’ bank.

Bulletin also specifies that ATMs must clearly display a legend regarding transaction costs on their screens so that the customer can decide if they want to proceed with the transaction.

IPAB

The IPAB Law, which became effective January 20, 1999, provides for the creation, organization and functions of IPAB, the Mexican bank savings protection agency. IPAB is a decentralized public entity that regulates the financial support granted to banks for the protection of bank guaranteed operations.

According to the IPAB Law, banks must provide the information required by the IPAB for the assessment of their financial situation and notify the IPAB about any event that could affect their financial stability. The IPAB Law expressly excludes the release of such data from bank secrecy provisions contained in the Mexican Banking Law and expressly provides that the IPAB and the CNBV can share information and databases of banks.

IPAB is authorized to manage and sell the loans, rights, shares and any other assets that it acquires to perform its activity according to the IPAB Law, to maximize their recovery value. IPAB must ensure that the sale of such assets is made through open and public procedures. The Mexican President is required to present annually a report to Congress prepared by IPAB with a detailed account of the transactions conducted by IPAB in the prior year.

IPAB has a Governing Board of seven members:

- the Minister of Finance and Public Credit,
- the Governor of Banco de México,
- the President of the CNBV, and
- four other members appointed by the President of Mexico, with the approval of two-thirds of the Senate.

The deposit insurance to be provided by the IPAB to a bank's depositors will be paid upon determination of liquidation of a bank. The IPAB will act as liquidator or receiver, or both, in the liquidation of banks, according to the Mexican Banking Law. The IPAB will guarantee obligations of banks to certain depositors and creditors (excluding, among others, financial institutions) only up to the amount of 400,000 UDIs per person per bank. The IPAB will not guarantee:

- deposits and loans constituting negotiable instruments and bearer promissory notes;
- liabilities for financial institutions or subsidiaries of the bank;
- liabilities not incurred in the ordinary course of business and related party transactions; or
- liabilities assumed in bad faith or in connection with money laundering or other illegal activities.

Banks have the obligation to pay IPAB ordinary and extraordinary contributions as determined from time to time by the Governing Board of IPAB. Under the IPAB Law, banks are required to make monthly ordinary contributions to IPAB, equal to 1/12 of 0.4% multiplied by the average of the daily outstanding liabilities of the respective bank in a specific month, less:

- holdings of term bonds issued by other commercial banks;
- financing granted to other commercial banks;
- financing granted by IPAB;
- subordinated debentures that are mandatorily convertible in shares representing the capital stock of the banking institution; and
- certain *forward* transactions.

IPAB's Governing Board also has the authority to impose extraordinary contributions in the case that, given the conditions of the Mexican financial system, IPAB does not have available sufficient funds to comply with its obligations. The determination of the extraordinary contributions is subject to the following limitations: (i) may not exceed, on an annual basis, the amount equivalent to 0.3% multiplied by the total amount of the liabilities outstanding of the banking institutions that are subject to IPAB contributions; and (ii) the aggregate amount of the ordinary and extraordinary contributions may not exceed, in any event, on an annual basis, an amount equivalent to 0.8% multiplied by the total amount of the liabilities outstanding of the applicable banking institution.

The Mexican Congress allocates funds to IPAB on a yearly basis to manage and service IPAB's liabilities. In emergency situations, IPAB is authorized to incur additional financing every three years in an amount not to exceed 6.0% of the total liabilities of Mexican banks as determined by the CNBV.

Law for the Protection and Defense of Financial Service Users

A Law for the Protection and Defense of Financial Service Users (Ley de Protección y Defensa al Usuario de Servicios Financieros) is in effect in Mexico. The purpose of this law is to protect and defend the rights and interests of users of financial services. To this end, the law provides for the creation of CONDUSEF, an autonomous entity that protects the interests of users of financial services and that has very wide authority to protect users of financial services (including imposing fines). CONDUSEF acts as mediator and arbitrator in disputes submitted to its jurisdiction and seeks to promote better relationships among users of financial institutions and the financial institutions. Banorte and other subsidiaries operating in the financial sector must submit to CONDUSEF's jurisdiction in all conciliation proceedings (initial steps of a dispute) and may choose to submit to CONDUSEF's jurisdiction in all arbitration proceedings that may be brought before it. The Law requires banks to maintain an internal unit designated to resolve any and all controversies submitted by clients. Our financial subsidiaries maintain such a unit.

CONDUSEF maintains a Registry of Financial Service Providers (Registro de Prestadores de Servicios Financieros), in which all financial services providers must be registered, that assists CONDUSEF in the performance of its activities. This Registry will be replaced as explained below. CONDUSEF is required to publicly disclose the products and services offered by financial service providers, including interest rates. To satisfy this duty, CONDUSEF has wide authority to request any and all necessary information from financial institutions. Furthermore, CONDUSEF may scrutinize banking services provided by approving and supervising the use of standard accession agreements.

Banorte and other subsidiaries operating in the financial sector may be required to provide reserves against contingencies which could arise from proceedings pending before CONDUSEF. Our financial subsidiaries may also be subject to recommendations by CONDUSEF regarding our standard agreements or information used to provide our services. Our financial subsidiaries may be subject to coercive measures or sanctions imposed by CONDUSEF. Our financial subsidiaries are not the subject of any material proceedings before CONDUSEF.

As part of the financial reform being undertaken in Mexico in 2013, the Mexican Congress approved changes to the Law for the Protection and Defense of Financial Services Users pursuant to which, among other things:

- CONDUSEF is entitled to initiate class actions against Mexican financial institutions, in connection with events affecting groups of users of financial services;
- CONDUSEF shall maintain a new Bureau of Financial Entities (*Buró de Entidades Financieras*), which is to set forth any and all information deemed material for users of financial services;
- CONDUSEF is empowered to order amendments to any of the standard form commercial banking documentation (such as account and loan agreements) used by financial institutions, if it considers provisions thereof as detrimental to users;
- CONDUSEF is permitted to issue resolutions as part of arbitration proceedings, for the benefit of issuers, that would permit users to attach assets of a financial institution prior to the completion of arbitration proceedings; and
- CONDUSEF is given broader authority to fine financial institutions, if any such financial institution does not comply with an order issued by CONDUSEF.

Law for the Transparency and Ordering of Financial Services.

The Transparency and Ordering of Financial Services Law regulates:

- the fees charged to clients of financial institutions for the use and/or acceptance of means of payment, as with debit cards, credit cards, checks and orders for the transfer of funds,
- the fees that financial institutions charge to each other for the use of any payment system,
- interest rates that may be charged to clients, and

- other aspects related to financial services, all in an effort to make financial services more transparent and protect the interests of the users of such services.

This law grants Banco de México the authority to regulate interest rates and fees and establish general guidelines and requirements relating to payment devices and credit card account statements (See section 2. “The Company. Subsection b) Business Description–Applicable Laws and Tax Position– Applicable Law and Supervision – Banking Regulations – Interest Rates and Fees Rules”). Banco de México has the authority to specify the basis upon which each bank must calculate its aggregate annual cost (*costo anual total*), which comprises interest rates and fees, on an aggregate basis, charged in respect of loans and other services. The aggregate annual cost must be publicly disclosed by each bank. The law also regulates the terms that banks must include in standard accession agreements and the terms of any publicity and of information provided in account statements. Our subsidiaries operating in the financial sector must inform Banco de México of any changes in fees at least 30 calendar days before they become effective.

As part of the financial reform passed in 2013, the Mexican Congress approved changes to the Law for the Transparency and Ordering of Financial Services pursuant to which the Mexican Central Bank may issue temporary regulations applicable to interest rates and fees, if it or the Mexican Federal Economic Competitive Commission determine that no reasonable competitive conditions exist among financial institutions. Also, the Mexican Central Bank and the CNBV are given authority to issue rules regulating the means to obtain funds (i.e., credit cards, debit cards, checks and funds transfers), as a means to ensure competition, free access, no discrimination and protecting the interests of users.

Law on Transparency and Development of Competition for Secured Credit

On December 30, 2002, the Mexican Congress enacted the Law on Transparency and Development of Competition for Secured Credit (*Ley de Transparencia y de Fomento a la Competencia en el Credito Garantizado*, or the “Secured Credit Law”), amended on June 15, 2007 and on May 25, 2010. The Secured Credit Law provides a legal framework for financial activities and certain other services performed by private credit institutions (as opposed to governmental entities) in connection with secured loans relating to real property in general and housing in particular (i.e., purchase, construction, restoration or refinancing). In particular, the Secured Credit Law established specific rules requiring the following:

- the disclosure of certain information by credit institutions to their clients prior to the execution of the relevant loan agreement, including the disclosure of certain terms relating to interest rates, aggregate costs and expenses payable;
- the compliance by credit institutions and borrowers with certain requirements in the application process;
- the binding effect of offers made by credit institutions granting secured loans;
- the inclusion of mandatory provisions in loan agreements; and
- the assumption of certain obligations by public officers (or notaries) before whom secured loans are granted.

In addition, the Secured Credit Law seeks to foster competition among guaranteed credit grantors institutions by permitting security interests underlying a secured loan to survive any refinancing thereof, even if such loans were granted by different credit institutions. This provision of the Secured Credit Law is designed to reduce expenditures made by borrowers.

Insurance Companies

Insurance companies are regulated and subject to supervision by the CNSF, and are subject to the Insurance and Bonding Law -, the Insurance Contract Law (*Ley sobre el Contrato de Seguro*) and other regulatory provisions enacted by the SHCP and the CNSF. The CNSF enacts regulatory provisions establishing the rules and requirements pertaining to insurance companies. Mexican insurance companies are typically involved in insuring customary risks,

such as life, accidents, medical, civil liability, professional liability, maritime and transportation and credit. Insurance companies are subject to capital adequacy requirements, and to certain report filing obligations to ensure compliance with legal, regulatory, capital and accounting provisions. Also, insurance companies are subject to certain regulations in connection with their investment activities. Our subsidiary, Seguros Banorte, operates its business as an insurance company, and therefore, is subject to regulation and supervision by the CNSF.

Brokerage Firms

Brokerage firms (casas de bolsa) are regulated by, and subject to the supervision of, the CNBV, and are subject to the Mexican Securities Market Law and the General Rules Applicable to Brokerage Firms (Disposiciones de Carácter General Aplicables a las Casas de Bolsa) issued by the CNBV. Their principal business includes the brokerage, underwriting and intermediation of securities, the sale and trading of securities (either on their own behalf or on behalf of third parties), and the provision of investment and portfolio management advice to their clients. The CNBV has the power to authorize the incorporation and operation of brokerage firms, and power to revoke any such authorizations. Our subsidiary, Casa de Bolsa Banorte, operates its business as a brokerage firm, and therefore, is subject to regulation and supervision by the CNBV.

Management of Broker-Dealers

Broker-dealers are managed by a Board of Directors and by a Managing Director.

The Board of Directors may have up to 15 members, 25.0% of which is required to be independent.

The broker-dealer must also maintain an audit committee. Casa de Bolsa Banorte's audit committee is comprised of 3 members, 1 of which is independent. See section 4 "Administration - Support Committees to GFNorte's Management" in this Annual Report.

Capitalization

Broker-dealers are required to maintain a minimum capital depending upon their activities. In addition, broker-dealers must maintain minimum capital levels depending upon market risks, credit risk and operational risk.

If minimum capitalization levels are not maintained, the CNBV may take measures against the applicable broker-dealer, which include: (i) suspending the payment of dividends and other distributions to shareholders, (ii) suspending the payment of bonuses and extraordinary compensation to the general director and higher level officers, and (iii) ordering the suspension of activities that may impact the broker-dealer's capital.

Suspension and Limitations of Activities

The CNBV may suspend or limit the activities of a broker-dealer if: (i) internal infrastructure or internal controls are not sufficient for its activities, (ii) it conducts activities different from authorized activities, (iii) it conducts activities affected by conflicts of interest, (iv) undertakes securities transactions on the BMV, and (v) transactions are omitted or incorrectly entered into the broker-dealer's accounting.

In addition, the CNBV may intervene and commence the management of a broker-dealer, if any events affect the broker-dealer that may have an impact on the soundness, solvency or liquidity, or affect the interests of the broker-dealer's clients.

Revocation of Authorization

The CNBV may revoke the authorization to operate as a broker-dealer if, among other things: (i) the authorization was obtained based upon false documentation or statements, (ii) its capital falls below the regulatory minimum, (iii) provides false or incomplete periodic reports, (iv) fails to duly make accounts entries, (v) fails to comply with applicable law, (vi) a process for its dissolution or liquidation is initiated, or (vii) it is declared bankrupt.

Systems for Handling Orders

Broker-dealers are required to maintain an automatic system to receive, register, assign and execute orders for transactions with securities received by clients. Such system must distinguish (i) type of client, and (ii) different orders received. Broker-dealers are required to inform clients their schedules to receive orders and time-periods during which transactions shall remain in effect.

Secrecy

Under the Mexican Securities Market Law, broker-dealers may not provide any information in respect of transactions undertaken or services offered, except to the owner or holder of the account, to beneficiaries or their legal representatives, except if required by judicial authorities as a result of an order or to tax authorities, solely for tax purposes.

Traders and Operators

Broker-dealers may only engage in transactions with the public through authorized officers, and only if such officers have passed certain required exams and have been granted sufficient authority, through powers of attorney, by the broker-dealer.

Third-Party Services

Broker-dealers may contract with third parties any of the services required for their operations, as long as such broker-dealers obtain the approval of the CNBV and (i) maintain procedures to continuously monitor the performance of the service provider, (ii) cause the service provider to always grant CNBV access in connection with its supervisory rate, (iii) ensure that third-party service providers maintain confidentiality, and (iv) report to the CNBV the criteria used for selecting the service provider, the services in effect contracted, and risks arising from services provided.

Financial Reporting

Broker-dealers are required to disclose to the public (i) internal financial statements for the quarters ending in March, June and September, within one month from the end of this applicable quarter, and (ii) audited financial statements for each full fiscal year, within sixty days following the end of the applicable fiscal year.

Afores

Afores and Siefors are regulated and subject to supervision by the CONSAR, and are subject to the Retirement Savings System Law (Ley de los Sistemas de Ahorro para el Retiro) and the regulations issued by CONSAR. Afores are pension funds organized under the Retirement Savings Systems Law, in charge of receiving and investing retirement funds, through a retirement savings system implemented by the Mexican government in 1997. Under Mexican retirement savings system, workers are entitled to choose an Afore, which will manage and invest their retirement fund as set forth under the Retirement Savings System Law. Workers are subject to mandatory and

voluntary contributions to their Afore, which in principle guarantees that, upon retirement, the worker will receive a more significant amount as a retirement pension. Afores typically invest their funds through Siefores, specialized investment entities controlled by Afores. Our subsidiary, Afore XXI Banorte, operates its business as an Afore, and therefore, is subject to regulation and supervision by the CONSAR.

New Regulation Applicable to our Business

Fiscal Coordination Law

The current Fiscal Coordination Law, whose Decree was published in the Official Gazette of the Federation on December 27, 1978, and which entered into force throughout the Republic on January 1, 1980, aims to coordinate the tax system among the Federation, the states, and the municipalities. This law establishes how federal revenues are distributed among the different levels of government; in the case of states and municipalities, the distribution of shares (branch 28), contributions (branch 33), and decentralization agreements.

Main objectives of the Fiscal Coordination Law:

- Establish the share of federal revenues among states and municipalities.
- Distribute federal revenues among states and municipalities.
- Establish rules for administrative collaboration between tax authorities, states, and municipalities.
- Creates and regulates the agencies responsible for fiscal coordination among the different levels of government.

Federal Expenditure Budget and Federal Revenue Law

The Federal Expenditure Budget (PEF) and the Federal Revenue Law (LIF) are two fundamental documents for the country's economic management. Both are prepared by the Executive Branch and approved by the Legislative Branch year after year.

- The LIF is a tool for planning and controlling public revenues. It contains a list of the revenues the federal government expects to obtain during a given year. It details the different types of revenue, such as taxes, fees, products, revenues, etc.
- The PEF is a document that contains a list of the federal government's expected expenditures during a given year. It details the resources that will be allocated to each of the areas, such as federalized spending, education, health, security, infrastructure, etc.

Law on Financial Discipline for States and Municipalities

With the purpose of promoting responsibility in the management of resources and controlling the growing indebtedness of subnational governments, the federal executive and the Congress of the Union published the Constitutional Reform that went into effect on May 27, 2015, which materialized through the "Financial Discipline Law of the Federal Entities and Municipalities" enacted on April 27, 2016 and amended on January 30, 2018 and May 10, 2022.

This law is applicable for the following government powers or entities: executive, legislative and judicial powers, the autonomous bodies of the Federative Entities and Municipalities, as well as de-centralized organisms, state companies (the state has more than 50% interest on the corporation) and trusts of States and Municipalities.

The aim of this Law is to promote sustainable local public finance and responsible management of public debt, as well as to strengthen accountability and transparency based on:

- **Rules on fiscal and financial discipline:** which promote sound public finance based on fiscal responsibility principles.
- **Alerts system:** which establishes indebtedness obliges you to comply with tax liability agreements.
- **Contract of debt and liabilities:** it is guaranteed that debt be contracted at the lowest financial cost through competitive and transparent processes.
- **Secured State Debt:** federal government may secure so States and Municipalities access to cheaper financing.
- **Unique Public Registry:** which will serve to register and provide transparency on the financing and liabilities of public entities.

State and Municipal Revenue and Expenditure Laws (Local Budget Decrees)

State and municipal revenue and expenditure laws must align with and operate within the framework of the Federal Revenue Law, the Federal Expenditure Budget, as well as the corresponding state constitution and applicable federal and state laws. These instruments allow local governments (states and municipalities) to plan and finance their revenues and expenditures, and to establish fiscal and tax policies.

- **Revenue Laws:** These are legal documents that establish the revenues a local government (applicable to the 32 states and municipalities) expects to receive during a fiscal year. Such revenues may include taxes, fees, charges, proceeds, non-tax revenues, and federal transfers, among others.
- **Expenditure Budget Decrees:** These are legal documents that detail how a local government (applicable to the 32 states and municipalities) plans to allocate its revenues during a fiscal year. They specify the amounts assigned to each agency, program, or public service.

State Debt Laws (Harmonization with the Financial Discipline Law)

Each of the 32 states has its own legislation governing public debt, regulating matters such as borrowing limits, the types of debt that may be contracted, the authorities responsible for approving debt issuance, and the mechanisms for control and transparency.

It is important to note that these laws are harmonized with the principles established in the Financial Discipline Law for State and Municipal Governments, ensuring consistency, accountability, and fiscal responsibility across all jurisdictions.

Insurance and Bailment Law

The Insurance and Bailment Law (LISF) was published on the Diario Oficial (Official Journal) on April 4, 2013, establishing that it would become valid 2 years (730 days) after its publication that is on April 4, 2015. At that moment, the existing law, the “Ley General de Instituciones y Sociedades Mutualistas y de Seguros” (LGISMS) (Insurance Institutions and Mutual Societies General Law) was abrogated.

The objective of the LISF law was to incorporate Solvency II principles, which seek to provide certainty that companies within the insurance industry keep adequate solvency, stability and financial security to face their expected and unexpected obligations, as well as implement international regulation and supervision standards.

In order to achieve the above, the governance system was strengthened, which increases the obligations of the Board of Directors, as it is now responsible of setting permanent surveillance mechanisms to ensure compliance of operating and financial aspects of the institution (Corporate Governance).

The main aspects incorporated by the LISF are:

- a) To determine the legal structure for regulatory development of Solvency II in Mexico. (Solvency II is a legislative program currently developed in the European Union), Solvency II is underpinned by three main pillars:

- (i) Pillar I, quantitative requirements. This refers to the economic measurement of assets, liabilities and equity: main aspects of this pillar are based on estimation of better estimator, BEL (Best Estimate Liability) to calculate reserves plus a risk margin and to calculate Solvency Capital Requirement, which is based on the risk effectively assumed by the institutions.

According to Solvency II, LISF allows insurance companies to develop and implement their own Solvency Capital Requirement model calculation which must be authorized by the National Commission of Bailment and Insurance Companies (Comisión Nacional de Seguros y Fianzas), or to use the general formula used by the CUSF.

The LISF establishes that all capital, including that in excess of the Investment Base or of the Solvency Capital Requirement, shall be invested according to the investment policy approved by the Board of Directors, and in compliance with applicable regulation.

- (ii) Pillar II, qualitative requirements. It focuses on institutions having an effective Corporate Governance system that guarantees sound and prudent management of their activity, implementation and monitoring will be responsibility of the Board of Directors. LISF increases the obligations of the Governing Structures of the organizations to implement mechanisms to ensure compliance of operating and financial aspects of the institution.

Moreover, LISF implemented the compulsory establishment and verification of explicit policies and procedures compliance in: Comprehensive Risk Management, Internal Control, Internal Audit, Actuarial Function and Hiring services with third parties.

The LISF also requested the implementation of measures that will ensure that systems, terminology, balance sheet and financial statements be separated from those of their parent institutions in order to ensure free competition conditions, as in transfer pricing studies.

- (iii) Pillar III, market discipline. It consists of Transparency and Information Disclosure requirements, for instance: Specifically points out that Financial Statements published by Insurance and Bailment Institutions must include notes disclosing Assets covering the Investment Base and Own Funds that cover Solvency Capital Requirement.

It also sets the requirement for institutions to obtain a credit rating from a specialized credit rating agency from those mentioned in the applicable regulations, and that it be included in the notes to their financial statements.

- a) A new business line was implemented so that insurance institutions now offer Surety Insurance Premiums which would co-exist with the bailment system currently in place. LISF law explicitly requires that surety insurance be accepted as form of guarantee, in the same way that bails are accepted as guarantees in federal and local government transactions.
- b) In the previous law (LGISMS), the Tax Ministry (SHCP) was responsible of issuing the authorizations to incorporate and operate as an Insurance Institution; however, the LISF now entrusts this duty to the CNSF. The SHCP keeps the power to interpret, apply and resolve administrative matters related to the LISF.

All the above is further detailed in the “Circular Única de Seguros y Fianzas”, a document published on December 19, 2014 which establishes in its first and second transitory provisions, that it will be valid as of April 4, 2015, substituting and abrogating the “Circular Única de Seguros” published on November 8, 2010 and valid since December 13, 2010.

Additionally the Law on Insurance Contract (Ley Sobre el Contrato de Seguros) is applied.

Adoption of New Rules in Mexico in accordance with Basel III

During 2017, a new regulatory framework for Additional Tier 1 and Tier 2 capital instruments was implemented, establishing that such instruments may not account for more than 50% of Common Equity Tier 1 (CET1) when the CET1 Ratio falls below 10.0%. As of December 31, 2025, the CET1 Ratio stood at 12.61%.

Net Stable Funding Ratio

In the exercise of their joint powers, the CNBV and Banco de México issued the General Provisions on Liquidity Requirements for Multiple Banking Institutions on August 23, 2021, which were later amended through a Resolution published in the same Official Gazette on March 1, 2022. These provisions establish the liquidity requirements that institutions must comply with, including the Net Stable Funding Ratio (NSFR), a long-term metric related to the structure of the balance sheet.

The provisions set out the guidelines and considerations for calculating the Net Stable Funding Ratio, a long-term indicator designed to ensure that balance-sheet assets are funded with stable or long-term liabilities by analyzing the relationship between Available Stable Funding and Required Stable Funding. The rules establish the methodology for determining both Available Stable Funding and Required Stable Funding.

Intraday Liquidity Form

Beginning January 31, 2025, the new Intraday Liquidity Reporting Form (LID) entered into force. Its objective is to provide institutions and regulators with monitoring tools that offer greater visibility into the intraday liquidity management of multiple banking institutions, promote and strengthen appropriate supervision and management of intraday liquidity risk, and implement the Basel Committee’s tools for monitoring this risk. As of June 2, 2025, the report is submitted on a daily basis. Currently, no regulatory limit has been established for this form.

Total Loss-Absorbing Capacity

Banorte, as a Domestic Systemically Important Institution, is subject to the Net Capital Supplement incorporated into the regulatory framework in 2021, which has been phased in gradually since December 2022 through its full implementation in December 2025. As of December 2025, the TLAC requirement stood at 6.94%, resulting in a minimum regulatory requirement of 18.34%.

Transition of the Equilibrium Interbank Interest Rate

Banco de México instructed that, beginning January 2, 2025, the 28-day Interbank Equilibrium Interest Rate (TIIE 28) may no longer be used for new contracts; the prohibition on the 91-day and 182-day TIIE rates has been in effect since January 2, 2024. Banorte launched a project in 2022 to prepare for this transition in favor of the TIIE de Fondo. The project was successfully completed in November 2024, and as a result, Banorte is in full compliance with the regulatory requirements.

vi. HUMAN RESOURCES

GFNorte had 34,556 full-time and professional fee-based employees at the end of 2025.

Sector	2025	2024	2023
Banking, Brokerage, SOFOM, Other Finance Companies Sector and USA Subsidiary	30,145	29,702	28,699
Long-term Savings Sector	4,411	4,063	4,006
Total full-time employees	34,556	33,765	32,705
Total full-time employees & contract employees	34,556	33,767	32,707

69% of GFNorte's Banking Sector employees are non-unionized and the rest are union members.

Historically the relationship between Banorte's union and the Institution has been cordial and respectful. There have been no strikes, threats of work disruption or collective conflicts.

vii. ENVIRONMENTAL PERFORMANCE

For more information, please consult our **2025 Integrated Annual Report** and/or our **2025 TCFD Climate-Related Risks and Opportunities Report**, available at the following link: <https://investors.banorte.com/es/financial-information/annual-reports/2025>

Environmental Policy

Grupo Financiero Banorte has an Environmental Policy applicable to all Group companies, which sets forth the framework and the Group's internal and external commitments to its stakeholders on environmental matters. For more information, please consult the policy at:

https://investors.banorte.com/~media/Files/B/Banorte-IR/sustainability/policies-and-procedures/es/PolíticaAmbiental_es.pdf

Environmental Management System

Grupo Financiero Banorte has an environmental efficiency project management system structured through collaborative working groups known as "cells," which operate as a multidisciplinary and innovative collaboration format that ensures the achievement of institutional objectives. These cells are coordinated by a sustainability macro-cell led by the Executive Office of Sustainability and Investor Relations, in conjunction with the Customer Experience Office. The macro-cell is responsible for coordinating and monitoring sustainability-related projects aligned with the Group's strategic priorities, including operational eco-efficiency and risks related to climate change and nature.

Additionally, to manage climate-related risks and opportunities, the Group relies on the **Environmental and Social Risk Evaluation System (SEMS)** which, since 2012, has enabled the identification, categorization, assessment, and monitoring of risks associated with Wholesale Banking financing activities.

SEMS is aligned with national and international standards such as the **Equator Principles**, the **International Finance Corporation (IFC) Performance Standards**, Mexican legislation, and internal regulations. Its operation is overseen by the **Specialized Environmental and Social Risk Area (ARSA)** within the Executive Office of Sustainability and Investor Relations, staffed by subject-matter experts.

Over its 13 years of operation, SEMS has delivered significant results:

- 40,370 loans analyzed
- 262 projects evaluated through due diligence processes
- 3,946 loans reviewed using IFC health, safety, and environmental sector guidelines
- 86 site visits conducted as part of environmental and social risk management

These achievements demonstrate SEMS's strength as a strategic and reliable mechanism that ensures financial operations are conducted responsibly, aligned with international best practices, and under a firm commitment to sustainability.

Environmental Certifications and Recognitions

In June 2025, Grupo Financiero Banorte received the **Acknowledgment of Receipt of the 2024 Annual Environmental Report (COA)** from the Ministry of Environment and Natural Resources (SEMARNAT). Additionally, as required every three years, Banorte obtained a third-party verification report accredited by the authority on the information submitted in the 2024 COA, which was delivered to SEMARNAT in a timely manner.

During 2025, **36 branches were certified** under the **Excellence in Design for Greater Efficiencies (EDGE)** system, bringing the total number of certified branches to **48**. This certification reflects energy, water, and materials savings achieved in these buildings.

As of year-end 2025, there were **no fines or sanctions** issued by the corresponding authorities regarding compliance with environmental legislation.

Environmental Protection, Conservation, and Restoration Projects

In 2024, Grupo Financiero Banorte committed to supporting the growth of **one million trees between 2025 and 2030**, across selected states in Mexico, to promote natural resource connectivity and expand forest coverage. This effort is part of the **World Economic Forum's One Trillion Trees initiative**, through the project **"One Million Trees by 2030: Restore the Land, Transform the Future."**

For 2025, the goal was to foster the growth of **226,000 trees**, a target that was exceeded with the successful planting of **241,561 trees**.

Environmental Risk from Operations

Below are the energy and water consumption figures, along with waste generation and greenhouse gas (GHG) emissions (Scopes 1, 2, and 3—categories 1 to 14 for 2025, and category 15 for 2024).

Energy Consumption

A substantial portion of energy consumption comes from electricity purchased through the **Federal Electricity Commission (CFE)** national grid. However, beginning in 2025, electricity procurement from the **Wholesale Electricity Market (MEM)** was implemented for six major corporate buildings with the highest concentration of employees, ensuring that **30% of this supply is renewable**, sourced from solar energy. To a lesser extent, fossil fuels were used for utility vehicles and power generators. Importantly, none of the subsidiaries use energy for heating or steam generation for commercial purposes.

Energy Consumption in GJ			
Subsidiary	Source	Fuel	2025
Almacenadora Banorte	Utility vehicles	Gasoline	1,967.33
		Diesel	533.14
	Forklifts	LPG	798.05
	Heating	LPG	19.22
	Power generators	Diesel	7.63
	Non-renewable energy consumption	NA	1,066.23
Arrendadora y Factor Banorte	Utility vehicles	Gasoline	0.00
Banorte	Utility vehicles	Gasoline	18,199.88
		Diesel	5.25
	Power Generators	Gasoline	4.94
		Diesel	2,220.07
	Energy Consumption	NA	459,147.77
		Non-Renewable	NA
	Renewable*	NA	54,332.97
	Kitchen	LPG	0.00
Seguros y Pensiones Banorte	Utility vehicles	Gasoline	29,497.96
		Diesel	35.79
	Power Generators	Diesel	0.00
	Non-renewable energy consumption	NA	7,082.03
Grupo Financiero Banorte			520,585.28

The distribution of renewable energy consists of 25,113.6 GJ derived from the acquisition of 6,976 I-REC certificates, while 29,219 GJ come from solar generation associated with the electricity purchased through the Wholesale Electricity Market.

Water consumption

Water consumption (in m ³)*	
	2025
Consumption	133,166.75

*For the calculation of the water footprint, water consumption from the six corporate buildings with the highest concentration of employees was considered.

Waste Generation

In 2025, total waste generation amounted to 1,681 tons across the six corporate buildings with the highest concentration of employees. Of this total volume, 67% corresponded to waste sent to recycling processes, primarily paper (1,121 tons).

Waste Generation (tons)	
	2025
Recyclable waste	1,131
Urban solid waste	550
Hazardous biological-infectious waste	0.11
Total Tons	1,681
Percentage of recycled waste	67%
Employee coverage	62%

Greenhouse Gas (GHG) Emissions – Scopes 1, 2, and 3

Given the nature of Grupo Financiero Banorte's operations, Scope 1 and Scope 2 GHG emissions do not represent the majority of the Group's emissions; instead, these emissions are concentrated in Scope 3, particularly through financed emissions.

Below we present Scope 1, Scope 2, and Scope 3 emissions (categories 1 to 14) for 2025, and Scope 3 emissions (category 15) for 2024:

GHG Emissions (Scopes 1 y 2 in tCO ₂ e)		
Subsidiary	Scope	2025
Almacenedora Banorte	1	235.60
	2 (Market based)	131.50
	2 (Location based)	131.50
	1 + 2 (Market based)	367.10
	1 + 2 (Location based)	367.10
Arrendadora y Factor Banorte	1	0.00
	2 (Market based)	0.00
	2 (Location based)	0.00
	1 + 2 (Market based)	0.00
	1 + 2 (Location based)	0.00
Banorte	1	4,596.00
	2 (Market based)	49,927.20
	2 (Location based)	56,628.22
	1 + 2 (Market based)	54,523.16
	1 + 2 (Location based)	61,224.22
Seguros y Pensiones Banorte	1	2,130.10
	2 (Market based)	873.50
	2 (Location based)	873.50
	1 + 2 (Market based)	3003.50
	1 + 2 (Location based)	3003.50
Grupo Financiero Banorte	1	6,961.70
	2 (Market based)	50,932.20
	2 (Location based)	57,633.22
	1 + 2 (Market based)	57,893.90
	1 + 2 (Location based)	64,594.92

GHG Emissions (scope 3, categories 1 to 14 in tCO ₂ e)				
Category (GHG Protocol)	Description	Source	2025	Coverage
1	Purchased goods and services	Promotional printing, consulting services, and refrigerant gas refills	6,012.05	100%
2	Capital goods	Purchase of laptops, desktop computers, ATMs, tablets, POS terminals, mPOS devices, thin clients, printers, multifunctional devices, tokens, headsets, monitors	25,067.58	92%

3	Fuel- and energy-related activities (not included in Scopes 1 and 2)	Electricity transmission and distribution, and well-to-tank fuel emissions	0.00	100%
4	Upstream transportation and distribution	Postal mail, internal pouch shipments, and other internal deliveries	3,148.88	92%
5	Waste generated in operations	Waste sent to recycling and municipal landfills	16.43	56%
6	Business travel	Employee flights for business purposes	1,888.44	100%
9	Downstream transportation and distribution	International shipments, credit card deliveries, and mailing of account statements	1,994.72	92%

GHG Emissions (scope 3, category 15 in tCO ₂ e)				
Subsidiaries	Asset Class	Coverage	2024	Data Quality*
Banorte	Mortgage	100%	214,435	4
	Commercial Real Estate	86%	299,453	3.8
	Project Finance	100%	983,223	4.5
	Corporate Loans	100%	6,824,099	3.3
Arrendadora y Factor Banorte	Corporate Lending	100%	956,343	3.5
Operadora de Fondos Banorte	Equity	98%	197,252	1.31
	Corporate Bonds	86%	44,270	1.53
	Sovereign Bonds	100%	1,547,154	2
Grupo Financiero Banorte	On-balance-sheet assets	35%	9,277,553	
	Off-balance-sheet assets	62%	1,788,676	

The estimation process depends on data quality, classified according to the scale of the Partnership for Carbon Accounting Financials (PCAF), in which a score of 1 corresponds to the highest-quality data and a score of 5 corresponds to the lowest-quality data.

Eco-efficiency Initiatives

To support Grupo Financiero Banorte's eco-efficiency efforts, the following initiatives were implemented:

- Beginning in 2025, a portion of the energy consumed in the six corporate buildings with the highest concentration of employees is sourced through the Wholesale Electricity Market (MEM), via an external supplier that guarantees that 30% of the electricity supplied is renewable.
- In 2025, photovoltaic systems were installed in two branches, contributing to the mitigation of 21.92 tCO₂e.
- Continuing the project implemented in 2024, the air-conditioning systems were replaced with high-efficiency, low-consumption equipment, resulting in a reduction of 275,277 kWh, equivalent to 122 tCO₂e, and generating cost savings of Ps 633,137.
- Twenty-four charging stations for plug-in hybrid and electric vehicles were installed across the six corporate buildings with the highest employee concentration, helping reduce GHG emissions associated with employee commuting.
- To reduce Scope 2 emissions and ensure traceability of renewable-energy consumption, Banorte used 6,976 International Renewable Energy Certificates (I-RECs) in 2025, equivalent to 6,976 MWh of electricity from renewable sources.
- To reduce potable-water consumption, the Tlalpan building operates a 79-m³ rainwater harvesting system, which allows filtered water to be reused for landscaping and for restroom services on three floors of the building.

Material, Current or Potential Climate-related Impacts on the Business

Physical risks may limit or temporarily disrupt business continuity. For this reason, the exposure of branches to acute and chronic physical risks was assessed.

The following table shows the percentage of branches exposed to each risk level and for each physical risk analyzed, relative to the total number of branches (1,191) as of year-end 2024.

Physical Risk Results – Historical Scenarios

Physical Risks	2024-2025			
	●	●	●	●
Drought	30.6%	44.7%	18.8%	5.9%
Frost	58.7%	15.9%	25.4%	0.0%
Hail	48.0%	22.0%	24.5%	5.6%
Tornado	64.6%	35.4%	0.0%	0.0%
Wildfires	44.0%	28.9%	23.3%	3.9%

Risk: ● Low, ● Medium, ● High, ● Very High

With respect to transition risk, in 2025 an exercise was conducted to estimate electricity consumption across the branch network using combined scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). The analysis considered temperature data from meteorological stations and the electricity consumption of each branch.

Using these data points, a model was constructed to project electricity consumption under different IPCC climate scenarios. This information was then integrated with projected electricity costs under four NGFS scenarios: Net Zero 2050, Delayed Transition, Fragmented World, Nationally Determined Contributions (NDCs). These combined scenarios provide a forward-looking perspective on potential cost and consumption trajectories under varying climate-transition pathways.

Regarding the loan portfolio, climate-risk assessment at Grupo Financiero Banorte is integrated into the Group's comprehensive risk-management framework and business strategy. This approach incorporates the prioritization of material sectors, the definition of indicators and monitoring thresholds, and the strengthening of measurement, reporting, and verification capabilities. Together, this framework enables anticipation of financial impacts, identification of financing opportunities associated with the transition, and prudent and transparent decision-making for the Group's stakeholders.

The following table provides a summary of the main modeled physical risks and the sectors for which they are considered relevant. The color coding reflects the level of materiality of each phenomenon to the Group's activities, based on the results of the analyses conducted.

Sector Risk	Acute Risk										Chronic Risk		
	RA01	RA02	RA03	RA04	RA05	RA06	RA07	RA08	RA09	RA10	RC01	RC02	RC03
Branches	●	●	●	●	●	●	●	●	●	●	●	●	●
Mortgage	●	●	●	●	●	●	●	●	●	●	●	●	●
Agribusiness	●	●	●	●	●	●	●	●	●	●	●	●	●
Aluminum	●	●	●	●	●	●	●	●	●	●	●	●	●
Commercial Real Estate	●	●	●	●	●	●	●	●	●	●	●	●	●
Coal	●	●	●	●	●	●	●	●	●	●	●	●	●
Cement	●	●	●	●	●	●	●	●	●	●	●	●	●
Construction	●	●	●	●	●	●	●	●	●	●	●	●	●

Government, States, and Municipalities	●	●	●	●	●	●	●	●	●	●	●	●	●
Power Generation	●	●	●	●	●	●	●	●	●	●	●	●	●
Iron and Steel	●	●	●	●	●	●	●	●	●	●	●	●	●
Oil and Gas	●	●	●	●	●	●	●	●	●	●	●	●	●
Transportation	●	●	●	●	●	●	●	●	●	●	●	●	●
Other Industries	●	●	●	●	●	●	●	●	●	●	●	●	●

Materiality scale: ● No impact on our activities, ● Low, ● Medium, ● High

Acute Risks (RA): RA01: Tropical cyclones. RA02: Pluvial flooding. RA03: Storm surge. RA04: Droughts. RA05: Wildfires. RA06: Heatwaves / hot temperature anomalies. RA07: Heat stress. RA08: Frost. RA09: Hail. RA10: Tornadoes. Chronic Risks (RC): RC01: Sea-level rise. RC02: Changes in precipitation patterns. RC03: Changes in temperature

**Except for branches, all other sectors belong to the loan portfolio of the banking subsidiary.*

Regarding transition risks within the loan portfolio, a forward-looking approach was incorporated, grounded in scenario analysis and standardized metrics, to evaluate their potential financial impact. Reference climate scenarios were used to analyze sectoral sensitivities and quantify potential effects under different public-policy, regulatory, and technological-development pathways. Additionally, financed emissions were measured in accordance with the methodology of the Partnership for Carbon Accounting Financials (PCAF), enabling the assessment of portfolio carbon intensity, strengthening transition-risk management, and guiding the definition of reduction targets and client-engagement strategies.

The following table presents a summary of the main transition risks identified for climate-relevant sectors:

Transition Risks by Sector

Risk / Sector	Agribusiness	Aluminum	Commercial Real Estate	Coal	Cement	Construction	Power Generation	Iron and Steel	Oil and Gas	Transport
Regulatory Risk										
Regulation	●	●	●	●	●	●	●	●	●	●
Carbon price / tax	●	●	●	●	●	●	●	●	●	●
Stranded assets	●	●	●	●	●	●	●	●	●	●
Market Risk										
Decrease in demand	●	●	●	●	●	●	●	●	●	●
Change in consumer preferences	●	●	●	●	●	●	●	●	●	●
Supply-chain risk	●	●	●	●	●	●	●	●	●	●
Tech Risk										
New Technologies	●	●	●	●	●	●	●	●	●	●

Materiality Scale: ● Null Impact on our activities, ● Low, ● Medium, ● High

To conduct the physical and transition-risk analysis, global climate and socioeconomic scenarios were used, incorporating social, economic, demographic, and climatic shifts, along with assumptions related to environmental policies and carbon-pricing mechanisms. These scenarios are based on references developed by the

Intergovernmental Panel on Climate Change (IPCC) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

viii. MARKET INFORMATION

Given the wide range of products and services offered across all our business lines, we face significant competition from major players, including financial groups, commercial banks—regional and international—broker-dealers, mutual fund managers, pension fund administrators, insurance companies, leasing and factoring companies, among others.

Grupo Financiero Banorte competes strongly in Mexico with foreign financial groups operating through Mexican subsidiaries (primarily U.S. and Spanish institutions). The main competitors include: i) BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer; ii) Banco Nacional de México, S.A., Institución de Banca Múltiple, Grupo Financiero Banamex; iii) Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander; iv) HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC; v) Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat; and vi) Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa.

Below is the evolution of the market shares of the main financial entities that comprise GFNorte:

Entidad financiera	Concept	2025	2024	2023
Consolidated Bank ^{(1) (2)}	Core Deposits	14.02%	13.57%	13.74%
	Stage 1 and Stage 2 Loans	15.36%	15.23%	15.06%
Casa de Bolsa Banorte ⁽³⁾	Equity trading activity	1.43%	1.44%	1.44%
Afore XXI Banorte ⁽⁴⁾	Affiliations	12.07%	12.07%	13.01%
Seguros Banorte ⁽⁵⁾	Issued Premiums	6.00%	5.22%	5.04%
Pensiones Banorte ⁽⁶⁾	Pensions	40.04%	42.93%	42.75%
Arrendadora y Factor Banorte ⁽⁷⁾	Total Loans	18.67%	19.94%	21.54%
Almacenadora Banorte ⁽⁸⁾	Warehousing of goods	8.63%	5.44%	5.39%

1) Consolidation of Banco Mercantil del Norte with the other subsidiaries as of December 2025.

2) Source: CNBV Banca Múltiple as of December 2025.

3) Source: Asociación Mexicana de Intermediarios Bursátiles (Operations Report), A.C., as of September 2025.

4) Source: CONSAR as of December 2025, does not include Assigned Workers with Resources Deposited in Banco de México.

5) Source: Premiums written, Asociación Mexicana de Instituciones de Seguros, A.C.(AMIS) as of December 2025.

6) Source: AMIS as of December 2025.

7) Source: CNBV Sociedades Financieras de Objeto Múltiple, Entidades Reguladas that do not consolidate with Banks as of December, 2025.

8) Source: CNBV Almacenes Generales de Depósito as of December 2025.

For Banorte Consolidated, the following is a detail of the position and market share in various items of the Stage 1 and 2 Portfolio and Traditional Deposits lines:

Concept	2025		2024	
	Position	Market Share	Position	Market Share
Total Assets	3	12.60%	3	12.04%
Performing Loans	2	15.36%	2	15.23%
Commercial ²⁾	2	12.86%	2	12.81%
Consumer ¹⁾	2	13.47%	2	12.83%
Credit Cards	4	11.36%	4	11.01%
Mortgage	2	19.96%	2	19.58%
Government	1	29.43%	2	28.27%
Retail Total Deposits	2	14.02%	2	13.57%
Demand Deposits	2	13.65%	2	12.94%
Time Deposits	1	14.87%	1	15.06%

Source: CNBV Banca Multiple as of December 2025.

- 1) Includes Personal, Payroll and Auto loans.
- 2) Includes Corporates and Financial entities

ix. CORPORATE STRUCTURE

Financial Entity / Service Subsidiary	Equity as of December 31, 2025
Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte. -Credit Institution authorized to conduct financial operations. -Conduct banking and credit operations.	98.26%
Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte. -Company authorized to act and operate as Multiple Banking Institution. -Authorization was obtained to begin operations in terms of Article 46 Bis of the Law of Credit Institutions. Began operations as of January 2024.	99.99%
Arrendadora y Factor Banorte, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada, Grupo Financiero Banorte. -Celebrate leasing and factoring contracts. -Obtain loans and financing from credit and insurance institutions to cover liquidity needs.	99.92%
Almacenadora Banorte, S.A. de C.V., Organización Auxiliar del Crédito, Grupo Financiero Banorte. -Store, keep and maintain goods and merchandise. -Issue deposit certificates and pledged bonds. -Transform deposited merchandise in order to increase their value.	99.99%
Casa de Bolsa Banorte, S.A. de C.V., Grupo Financiero Banorte. -Act as authorized intermediary to operate in the stock market, conducting sale and purchase transactions of securities; provide advice on securities' placement and operation as well as mutual funds.	99.99%
Operadora de Fondos Banorte, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero Banorte. -Carry out the functions of asset management, distribution, valuation, promotion and acquisition of securities issued by mutual funds, deposit and custody of securities subject to investment and of mutual funds, accounting, and management in the issuance of securities	99.99%
Banorte Ahorro y Previsión, S.A. de C.V.* -Act as a Sub-holding company of Grupo Financiero Banorte, in terms of the Law Regulating Financial Groups, maintaining its share position in the financial entities comprising the Long-Term Savings Sector.	99.99%
Seguros Banorte, S.A. de C.V., Grupo Financiero Banorte. -Act as insurance and re-insurance institution for individuals and corporations.	99.99%
Pensiones Banorte, S.A. de C.V., Grupo Financiero Banorte. -Act as insurance institution whose objective is to exclusively manage annuities derived from social security laws.	99.99%

For more information on the main business relationships with subsidiaries, see Section 4, item b) "Administration-Operations with Related Parties and Conflict of Interest" of this Annual Report.

x. DESCRIPTION OF MAIN ASSETS

The following are the most important real estate properties of GFNorte and its subsidiaries:

Building	Location	Construction sqm*	Net book value (thousands of pesos)
Torre Koi	David Alfaro Siqueiros #106, Col. Valle Ote, San Pedro Garza García, N.L.	26,140	2,615,196
Torre Santa Fe	Av. Prolongación Reforma #1230, Col. Cruz Manca Santa Fe, Ciudad de México	24,791	2,206,497
Torre Sur	Av. Revolución #3000 Sur Esq. Ricardo Covarrubias, Col. Primavera, Monterrey, N.L.	25,722	2,367,272
Tlalpan	Calzada de Tlalpan #2980, Ciudad de México.	25,476	1,512,661
Centro de Contacto	Alfonso Reyes # 3639, Monterrey, N.L.	41,672	682,584
Oro Sena	Paseo de la Reforma #281, esquina Río Sena 110, Ciudad de México	1,182	144,349
Reforma 383	Paseo de la Reforma #383, Col. Cuauhtémoc, Ciudad de México	26,812	913,458

* Includes offices and parking lots.

These properties are insured against damages and are not pledged as guarantee in credit operations.

As of December 2025 there are office spaces for subsidiaries in 7 buildings. All these properties are leased to third parties with contracts ranging from 5 to 10 years in average duration. The following chart shows the location of our leased offices.

Buildings	Offices
Mexico City	1
Estado de México	1
Jalisco	1
Michoacán	1
Nuevo León	1
Querétaro	1
Yucatán	1
Total	7

xi. ADMINISTRATIVE, ARBITRATION AND JUDICIAL PROCESSES

There are no relevant matters to report.

For information on Commitments and Contingencies, see Note 42 Commitments and 43 Contingencies in the Audited Financial Statements (Section 8. a) “Annexes- Audited Financial Statements” of this Annual Report.

xii. REPRESENTATIVE SHARES OF COMPANY’S EQUITY

As of December 31, 2025, authorized capital stock totaled Ps 9,846,048,079.00, represented by 262,132,418 registered, Series “O”, Class I common shares and 2,551,024,176 registered, Series “O”, Class II common shares, all with a par value of Ps 3.50, fully subscribed and paid.

The shares representing the capital stock are classified into Class I shares (representing fixed capital) and Class II shares (representing the variable portion of capital). The variable capital may not exceed ten times the fixed capital, which is not subject to withdrawal, pursuant to legal and corporate-bylaw requirements.

Under the Bylaws, capital stock is composed of an ordinary portion, and may also include an additional portion. The ordinary capital stock is represented by Series “O” shares. If applicable, the additional capital stock would be represented by Series “L” shares, which may be issued up to an amount equivalent to forty percent of the ordinary capital stock, subject to CNBV authorization. Shares representing Series “O” and “L” are freely subscribable.

At the Extraordinary General Shareholders’ Meeting held on March 30, 2011, the merger of Ixe Grupo Financiero, S.A.B. de C.V. with Grupo Financiero Banorte, S.A.B. de C.V. was approved, increasing the variable portion of the Company’s capital stock by Ps 1,078,035,819.00 through the issuance of 308,010,234 registered, Series “O” common shares with a par value of Ps 3.50 each. Prior to this merger, subscribed capital stock consisted of 2,018,347,548 registered, Series “O” common shares.

At the Extraordinary General Shareholders’ Meeting held on July 3, 2013, it was resolved to increase variable capital stock through the issuance of 447,371,781 registered, Series “O”, Class II common shares with a par value of Ps 3.50 each, to be subscribed through a public offering, which concluded on July 22, 2013.

At the Extraordinary General Shareholders’ Meeting held on December 5, 2017, the merger of Grupo Financiero Interacciones, S.A.B. de C.V. with Grupo Financiero Banorte, S.A.B. de C.V. was approved, increasing the variable portion of the Company’s capital stock by Ps 384,044,608.50 through the issuance of 109,727,031 registered, Series “O” common shares with a par value of Ps 3.50 each. Prior to this merger, subscribed capital stock consisted of 2,773,729,563 registered, Series “O” common shares.

At the Extraordinary General Shareholders’ Meeting held on November 20, 2024, it was resolved to cancel 70,300,000 registered, Series “O”, Class II common shares with a par value of Ps 3.50 each—representing the variable portion of the Company’s capital stock—which had been repurchased through the Share Repurchase Fund. As a result, the variable capital stock was reduced by Ps 246,050,000.00, bringing it to Ps 8,928,584,616.00.

See Note 35 in Equity in the Audited Financial Statements (Section 8. a) “Annexes- Audited Financial Statements” of this report.

xiii. DIVIDENDS

GFNorte has decreed the following cash dividends for the last three fiscal years as follows:

Meeting Date (decreed dividend)	Amount of Decreed Dividend (pesos per share)	Date of Payment	Comments
June 2, 2023	\$7.87	June 12, 2023	Corresponds to the payment necessary to cover the amount of 50% of the net income for the year 2022. This amount was approved by the Company's Board of Directors at its meeting held on April 20, 2023.
October 5, 2023	\$5.20	October 16, 2023	Corresponds to the payment of an extraordinary cash dividend in the amount of Ps 15,000'000.000 given the significant generation and strength of GFNorte's capital. This amount was approved by the Company's Board of Directors at its meeting held on July 20, 2023.
April 29, 2024	\$9.09	June 28, 2024	Corresponds to the payment necessary to cover the amount of 50% of the net income for the year 2023. This amount was approved by the Company's Board of Directors, at its meeting held April 16, 2024.
December 9, 2024	\$3.55	December 18, 2024	Corresponds to the payment of an extraordinary cash dividend in the amount of Ps 10,000'000.000 given the significant generation and strength of GFNorte's capital. This amount was approved by the Company's Board of Directors at its meeting held on October 29, 2024.
April 23, 2025	\$9.99	May 05, 2025	It corresponds to the payment required to cover 50% of the net income for fiscal year 2024. This amount was approved by the Company's Board of Directors at its meeting held on April 22, 2025.
December 01, 2025	\$6.99	December 09, 2025	Corresponds to the payment of an extraordinary cash dividend in the amount of Ps 19,665,900,571.03, equivalent to 35% of the net income for fiscal year 2024. This amount was approved by the Company's Board of Directors at its meeting held on July 22, 2025.

According to the Resolution of the Ordinary General Shareholders' Meeting held on April 30, 2019 it was approved to modify the Dividend Policy in order that the dividend payment can be

1. Between 16% and up to 50% of the net income of the prior year.

For reference, the previous Dividend Policy was approved in accordance with the following:

a) By resolution of the Ordinary General Shareholders Meeting held on November 19, 2015, it was approved to modify the Dividend Policy so that the payment of dividends is by a percentage in accordance with the following:

1. Between 16% and up to 40% of the profit for the previous year.

b) By resolution of the Ordinary General Shareholders Meeting dated October 17, 2011, it contemplated the payment of dividends as follows:

1. 16% of the recurring net profit in case the profit grows between 0% and 10% during the year.

2. 18% of the recurring net profit in the event that profit grows between 11% and 20% during the year.
3. 20% of the recurring net profit in case the profit grows more than 21% during the year.

3. FINANCIAL INFORMATION

When analyzing the information contained herein is important to take the following into consideration:

- ✓ In 2025, Banco Mercantil del Norte acquired the remaining 44.28% of the equity interest of Tarjetas del Futuro, S.A.P.I. de C.V. (“TDF”), thereby obtaining a 100% ownership interest in the entity. Subsequently, it capitalized five convertible loans extended to TDF and received TDF’s loan portfolio as payment in kind. As a result of these transactions, Banco Mercantil del Norte deconsolidated TDF from its Financial Statements, recognizing it as “Discontinued Operations” in the Income Statement and as a “Non-current asset held for sale or for distribution to owners” in the Statement of Financial Position. In compliance with the disclosure requirements set forth in accounting standard NIF B-11, TDF’s operations were deconsolidated retroactively from Banorte’s Financial Statements for fiscal years 2024 and 2025. For this reason, the 2024 figures included in this report were restated and, consequently, do not correspond to those published in the annual report issued in April 2024, nor are they comparable to the figures reported for 2023. The entity is currently in the process of liquidation.
- ✓ In 2025, Grupo Financiero Banorte deconsolidated Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte (“Bineo”) from its consolidated financial statements, classifying it as “Discontinued Operations” in the Income Statement and as a “Non-current asset held for sale or for distribution to owners” in the Statement of Financial Position. In compliance with the presentation and disclosure requirements set forth in accounting standard NIF B-11, Bineo’s operations were deconsolidated retroactively from GFNorte’s consolidated financial statements for fiscal years 2024 and 2025. Accordingly, the 2024 figures included in this report have been restated and, as a result, do not correspond to those published in the annual report issued in April 2024, nor are they comparable to the figures reported for 2023. The sale process of Bineo is ongoing.
- ✓ The financial information contained in this report is based on the Audited Consolidated Financial Statements of Grupo Financiero Banorte (GFNorte) for the year ended December 31, 2025 and 2024, published by Galaz, Yamazaki, Ruiz Urquiza, S. C. Member of Deloitte Touche Tohmatsu Limited, dated February 20, 2026. For the year ended December 31, 2023, the financial figures are based on the Audited Consolidated Financial Statements of GFNorte, published by Galaz, Yamazaki, Ruiz Urquiza, S. C. Member of Deloitte Touche Tohmatsu Limited, dated February 28, 2025.
- ✓ Starting on 2Q24, a new methodology for calculating ratios was adopted, in line with the standardization issued by the CNBV for the Banking Sector. The adjustment is not retroactive for the periods before 2024 shown in this report, which makes the financial indicators incomparable.
- ✓ From December 2023 to mid-December 2025, Banorte fully consolidated TDF’s operations on a line-by-line basis in its financial statements.
- ✓ The financial information presented in this report has been calculated in pesos and the tables are in million pesos, thus, differences are the result of rounding effects.
- ✓ For comparison purposes, is relevant to consider that GFNorte owns 98.2618% of shares of the Bank, therefore in some cases certain figures may vary when referring to them, both for the Group and the Bank.

a) SELECTED FINANCIAL INFORMATION

	2025	2024	2023
Net Income	\$58,788	\$56,188	\$52,418
Total Assets GFNorte	\$2,598,663	\$2,471,209	\$2,274,859
Total Liabilities GFNorte	\$2,346,450	\$2,222,781	\$2,025,654
Stockholders’ Equity GFNorte	\$252,213	\$248,428	\$249,205

INFORMATION PER SHARE

Earnings per share Basic (pesos) ¹⁾	\$20.79	\$19.72	\$18.31
Earnings per share Diluted (pesos) ²⁾	\$20.79	\$19.72	\$18.31
Dividend approved per share (pesos) ³⁾	\$16.98	\$12.64	\$13.08
Book value per share (pesos) (excluding minority interest) ⁴⁾	\$88.54	\$88.69	\$86.48
Shares outstanding Basic (millions) ⁵⁾	2,828.07	2,849.34	2,862.68
Shares outstanding Diluted (millions) ⁵⁾	2,828.07	2,849.34	2,862.68

PROFITABILITY RATIOS

NIM	6.29%	6.21%	6.32%
NIM Adjusted for Credit Risk	5.36%	5.40%	5.53%
NIM from Loan Portfolio	8.43%	8.14%	8.59%
Return on Assets (ROA)	2.32%	2.32%	2.39%
Return on Equity (ROE)	22.80%	22.44%	21.41%

OPERATIONS

Efficiency Ratio ⁶⁾	35.83%	35.74%	36.23%
Operating Efficiency Ratio ⁷⁾	2.28%	2.15%	2.22%
LCR Banorte and SOFOM - Basel III	162.35%	164.15%	160.54%

ASSET QUALITY INDICATORS

Non-Performing Loan Ratio	1.38%	0.93%	1.04%
Coverage Ratio	135.08%	183.67%	182.33%

CAPITALIZATION RATIO

Banco Mercantil del Norte	20.06%	21.78%	20.72%
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INFRASTRUCTURE AND EMPLOYEES

Bank Branches ⁸⁾	1,216	1,191	1,164
ATMs (automated teller machines)	12,168	11,284	10,372
Points of Sale	251,333	197,216	167,148
Full-time employees	34,556	33,765	32,705
Full-time employees and professional services	34,556	33,767	32,707

Million pesos.

1. Earnings per Share Basic= Net Income of the period / weighted average of accounting outstanding shares.

2. Earnings per Share Diluted = Net income of the period / (weighted average of accounting outstanding shares + weighed average of shares potentially dilutive).

3. In 2025, dividends declared by the Shareholders' Meetings were those corresponding to 85% of the profit of 2024; a first dividend of Ps 28,094,143,672.91, at Ps 9.986697410597470 per share, paid on May 5, 2025, and a second dividend of Ps 19,665,900,571.03 at Ps 6.990688187418230 per share, paid on December 9, 2025, charged against the profits of prior years. In 2024, dividends declared by the Shareholders' Meetings were those corresponding to 69% of the profit of 2023; a first dividend of Ps 26,209,114,772.24, at Ps 9.089477825598920 per share, paid on June 28, 2024, and a second dividend of Ps 10,000,000,000.00 at Ps 3.554725684779990 per share, paid on December 18, 2024, charged against the profits of prior years. In 2023, dividends declared by the Shareholders' Meetings were those corresponding to 83% of the profit of 2022; a first dividend of Ps 22,704,037,531.52, at Ps 7.873896065842770 per share, paid on June 12,

2023, and a second dividend of Ps 15,000,000,000.00, at Ps 5.202089752699080 per share, paid on October 16, 2023, charged against the profits of prior years.

4. The number of shares outstanding considered for the 2025 period were 2,813,156,594.

5. Outstanding Shares= Outstanding shares in the Mexican Securities' Stock Exchange – shares held in the Treasury related to the share buyback program. On November 20th, 2024, the Ordinary General Shareholders' Meeting approved the cancellation of 70.3 million shares.

6. Non-Interest Expense / (Net Interest Income + Non-Interest Income).

7. Non-Interest Expense / Average Total Assets.

8. Includes bank modules and excludes 1 branch in the Cayman Islands.

b) FINANCIAL INFORMATION PER BUSINESS LINE, GEOGRAPHICAL REGION AND EXPORT SALES

a. Total Deposits

By Business Line

	2025	2024	2023
Commercial	882,759	771,099	722,123
Business	75,746	70,433	54,563
Corporate	48,171	43,875	28,069
Government	154,068	146,595	132,069
Patrimonial	12,493	11,210	11,531
Financial Intermediaries	68,770	90,289	108,063
Total Deposits	\$1,242,007	\$1,133,500	\$1,056,418

Million pesos.

By Geographical Regions

	2025	2024	2023
Mexico City- South	259,774	211,485	214,565
Mexico City- North	105,602	92,907	85,832
Northern	267,610	260,872	217,409
Central	150,070	135,507	128,141
Northwest	140,802	136,470	121,347
West	104,789	94,917	86,057
South	84,171	74,477	72,930
Peninsular	88,627	79,262	73,970
Central Treasury	37,778	44,367	53,522
Foreign	2,783	3,236	2,644
Total Deposits	\$1,242,007	\$1,133,500	\$1,056,418

Million pesos.

b. Total Loans

By Business Line

	2025	2024	2023
Mortgages	295,418	274,789	255,315
Car Loans	70,576	53,491	42,870
Credit cards	80,721	70,603	60,105
Payroll	93,704	84,647	77,108
Consumer	540,419	483,531	435,399
Commercial	321,340	302,344	256,719
Corporate	239,891	220,976	178,727
Government ⁽¹⁾	185,016	183,931	171,972
Total Loan Portfolio	\$1,286,666	\$1,190,782	\$1,042,817

Million pesos.

(1) Government banking includes federal, state, and municipal segments.

By Geographical Regions

	2025	2024	2023
Northern	297,019	269,747	233,722
Mexico City- North	135,609	121,962	126,108
Mexico City- South	295,817	286,639	232,461
West	115,976	104,460	93,127
Central	113,617	107,334	100,170
Northeast	156,623	146,310	123,727
South	68,735	61,993	57,768
Peninsular	103,270	86,651	71,145
Bineo	-	47	-
Tarjetas del Futuro	-	5,640	4,589
Total Loan Portfolio	\$1,286,666	\$1,190,782	\$1,042,817

Million pesos.

c) REPORT OF RELEVANT LOANS

Financing obtained from public investors as of December 31, 2025 are:

Arrendadora and Factor Banorte

There is no financing from Arrendadora and Factor Banorte obtained from public investors as of December 31, 2025.

Banorte

Subordinated Note D8 BNR1031 575C

Issuance Date: October 4, 2016.

Call Date: October 4, 2026.

Maturity Date: October 4, 2031.

Amount Issued: USD 500 million.

Current Amount: USD 74 million.

Coupon Rate: 5.75%

Subordinated Note D8 BNRP 7625C

Issuance Date: July 6, 2017.

Call Date: January 10, 2028.

Maturity Date: Perpetual.

Amount Issued: USD 550 million.

Coupon Rate: 7.625%

Subordinated Note D8 BANP 75C

Issuance Date: June 27, 2019.

Call Date: June 27, 2029.

Maturity Date: Perpetual.

Amount Issued: USD 500 million.

Coupon Rate: 7.50%

Subordinated Note D2 BANOC21 999999

Issuance Date: July 14, 2020.

Call Date: October 14, 2030.

Maturity Date: Perpetual.

Amount Issued: USD 500 million.

Coupon Rate: 8.375%

Subordinated Note D2 BANOA99 999999

Issuance Date: November 24, 2021.

Call Date: January 24, 2027.

Maturity Date: Perpetual.

Amount Issued: USD 500 million.

Coupon Rate: 5.875%

Subordinated Note D2 BANOB72 999999

Issuance Date: November 24, 2021.

Call Date: January 24, 2032.

Maturity Date: Perpetual.

Amount Issued: USD 550 million.

Coupon rate: 6.625%

Subordinated Obligation D2 BANOE88 999999

Issuance Date: November 20, 2024

Call Date: May 20, 2035

Maturity Date: Perpetual

Amount Issued: USD 750 million

Coupon Rate: 8.750%

Subordinated Obligation D2 BANOD06 999999

Issuance Date: November 20, 2024

Call Date: May 20, 2031

Maturity Date: Perpetual

Amount Issued: USD 750 million

Coupon Rate: 8.375%

Stock Certificate 94 BINTER 16U

Issuance Date: October 13, 2016.

Maturity Date: October 1, 2026.

Amount Issued: 365.2 million UDIS.

Coupon Rate: 4.97%

Stock Certificate 94 BANORTE 20U

Issuance Date: September 30, 2020.

Maturity Date: September 18, 2030.

Amount Issued: 106.9 million UDIS.

Coupon Rate: 2.76%

Stock Certificate 94 BANORTE 23-3

Issuance Date: February 24, 2023.

Maturity Date: February 19, 2027.

Amount Issued: Ps 4,180 million.

Coupon Rate: TIIE28 + 0.08%

Stock Certificate 94 BANORTE 23-4

Issuance Date: May 25, 2023.

Maturity Date: May 21, 2026.

Amount Issued: Ps 5,277 million.

Coupon Rate: Funding TIIE +0.30%

Stock Certificate 94 BANORTE 23-5

Issuance Date: May 25, 2023.

Maturity Date: May 16, 2030.

Amount Issued: Ps 2,387 million.

Coupon Rate: 9.41%

Stock Certificate 94 BANORTE 23U

Issuance Date: May 25, 2023.

Maturity Date: May 12, 2033.

Amount Issued: 275.8 million UDIs.

Coupon Rate: 4.68%

Stock Certificate 94 BANORTE 24X

Issuance Date: February 19, 2024

Maturity Date: February 14, 2028

Amount Issued: Ps 4,172 million

Coupon Rate: Funding TIIE + 0.33%

Stock Certificate 94 BANORTE 24-2X

Issuance Date: February 19, 2024

Maturity Date: February 10, 2031

Amount Issued: Ps 3,642 million

Coupon Rate: Fixed Rate of 9.74%

Stock Certificate 94 BANORTE 24UX

Issuance Date: February 19, 2024

Maturity Date: February 6, 2034

Amount Issued: 648 million UDIs

Coupon Rate: Fixed Rate of 4.90%

Structured Debt 83 BANORTE 1-25

Issuance Date: February 5, 2025

Maturity Date: February 4, 2026

Amount Issued: Ps 61.5 million

Underlying Asset: iShares 20+ Year Treasury Bond ETF Class USD Inc. U.S. (TLT US)

Coupon Rate: 27.00%

Optional Titles WA CRM610R BN001

Issuance Date: October 17, 2025

Maturity Date: October 16, 2026

Amount Issued: Ps 62.8 million

Underlying Asset: SALESFORCE (CRM US)

Maximum Yield Rate: 23.99%

Loan or tax liabilities

The tax credits listed below are currently in litigation:

	As of December 31, 2025
AFORE XXI	
<i>Loan # 4429309391 Payroll Tax of the state of Coahuila</i>	\$2
PENSIONES BANORTE	
Fiscal Credit year 2014	279
Seguros Banorte, SA de CV	
Fiscal Credit year 2016	46
Seguros Banorte, SA de CV	
Fiscal Credit year 2017	80
Seguros Banorte, SA de CV	
Fiscal Credit year 2025	858

Million pesos

Banorte's liabilities financed in foreign currency

CONCEPT IN FOREIGN CURRENCY	December 2025	
	Capital (Average)	Cost
Core deposits	5,247,443	1.70%
Non-traditional deposits	4,174,009	7.66%
Total interbank loans	131,936	4.86%
Total Resources in Foreign Currency	USD 9,553,388	4.35%

Thousand US dollars.

d) MANAGEMENT ANALYSIS AND COMMENTS ON OPERATING RESULTS AND THE COMPANY'S FINANCIAL SITUATION

The following analysis should be read together with the Audited Financial Statements and with the notes that accompany them. Regarding the items in the Financial Statements that were re-expressed using ratios different than the Mexican Consumer Price Index, refer to the corresponding Note of the audited financial statements for the years ending December 31, 2025, and the independent auditors' opinion of February 20, 2026. (Note 5: "Significant Accounting Policies- Recognition of the effects of inflation in the financial information".)

Relevant transactions not registered in the Balance Sheet or Income Statement, do not apply since there are no registered relevant transactions.

i. OPERATING RESULTS

Grupo Financiero Banorte

Consolidated Income Statement of the Group

	2025	2024 ¹⁾	2023
Interest income ¹⁾	\$ 405,038	\$ 404,605	\$ 375,497
Interest expense	(258,460)	(266,289)	(248,015)
NET INTEREST INCOME	146,578	138,316	127,482
Credit Provisions	(21,589)	(18,122)	(15,942)
NET INTEREST INCOME ADJUSTED FOR CREDIT RISK	124,989	120,194	111,540
Fees Charged ¹⁾	41,176	40,638	35,073
Fees Paid ²⁾	(20,465)	(20,851)	(18,119)
Premium Income Ins. & Annu. (Net)	68,660	55,293	48,259
Technical Reserves Ins. & Annu.	(42,894)	(33,318)	(28,288)
Cost of Acquisition from Insurance Operations	(2,073)	(1,898)	(1,735)
Net Cost of Claims and Other Obligations	(36,575)	(33,498)	(29,222)
Trading Income ³⁾	8,893	4,984	3,913
Other Operating Income (Expenses) ³⁾	(2,038)	(3,446)	(3,278)
Non-Interest Income	14,683	7,903	6,603
Non-Interest Expense ²⁾	(57,779)	(52,255)	(48,582)
OPERATING INCOME	81,894	75,843	69,561
Subsidiaries' Net Income	1,724	1,713	1,413
PRE-TAX INCOME	83,618	77,556	70,974
Taxes	(21,772)	(19,532)	(17,832)
NET INCOME BEFORE DISCONTINUED OPERATIONS	61,846	58,024	53,142
Discontinued Operations	(2,187)	(1,023)	-
NET INCOME FROM CONTINUOUS OPERATIONS (100%)	\$ 59,659	\$ 57,001	\$ 53,142
<i>Minority Interest</i>	<i>(871)</i>	<i>(813)</i>	<i>(724)</i>
NET INCOME	\$ 58,788	\$ 56,188	\$ 52,418
Other Comprehensive Income			
Financial Instruments to Collect or Sell Valuation	2,656	(1,783)	1,417
Cash Flow Hedges Valuation	1,914	(1,047)	1,725
Defined remeasurements for employee's benefits	(945)	(859)	(81)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	(317)	239	(7)
Cumulative foreign currency translation adjustment	(431)	573	(192)
Comprehensive Income	\$ 62,536	\$ 54,124	\$ 56,004

Million pesos

- As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.
- As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).
- As of 2023, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income).

The following table shows earnings according to the percentage of GFNorte's participation in each company or business sector:

Net Income by Sectors

Net Income by Segment	2025	2024	2023
Banking Sector	\$46,498	\$44,074	\$41,217
Banco Mercantil del Norte	46,498	44,074	41,217
Brokerage	\$1,472	\$959	\$751
Casa de Bolsa Banorte	875	480	369
Operadora de Fondos Banorte	597	479	382
Long-Term Savings	\$11,129	\$9,714	\$8,155
Afore XXI Banorte	1,473	1,303	1,206
Seguros Banorte (Insurance) ¹⁾	6,854	5,580	4,429
Pensiones Banorte (Annuities)	2,800	2,827	2,470
Long-Term Savings Holding	1	4	50
SOFOM and Other Finance Companies	\$1,266	\$1,023	\$779
Almacenadora (Warehouse)	52	26	51
Arrendadora y Factor	1,213	997	665
Ixe Servicios (Now Bineo) ²⁾	-	-	63
Holding	(\$1,575)	\$418	\$1,517
GFNORTE	\$58,788	\$56,188	\$52,418

Million pesos.

1. The result does not consider AFORE XXI Banorte.
2. On November 29, 2022, the shareholders of Ixe Servicios, S.A. de C.V. adopted unanimous resolutions outside the shareholders' meeting by which it was agreed, among others, to modify its corporate name to Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte and the notarization of the respective resolutions were registered in the Public Registry of Commerce on January 3, 2023, prior authorization of the National Banking and Securities Commission. Subsequently, during 2025, Grupo Financiero Banorte decided to dispose of Bineo as part of the sale process, and therefore classified it under the 'Discontinued Operations' line in the Income Statement.

Earnings' contribution for 2025 by business sector –as per the participation method– was as follows:

GFNorte's profit, given the participation of its subsidiaries, was Ps 58.79 billion at the end of 2025, a 5% increase versus last year. In 2024, GFNorte's net income was Ps 56.19 billion.

The Banking Sector reported a net income of Ps 46.50 billion in 2025, increasing Ps 2.42 billion or 5% compared to 2024, contributing with 79.1% of GFNorte's net income. For 2024, the net income amounted to Ps 44.07 billion, contributing with 78.4% of GFNorte's net income.

The Brokerage Sector, which includes Casa de Bolsa Banorte and Operadora de Fondos Banorte, reported net income of Ps 1.47 billion in 2025, a 54% increase versus 2024. The accumulated profit represented 2.5% of the group's earnings. In 2024, net income totaled Ps 959 million. The accumulated profit represented 1.7% of the group's earnings.

Net income of the Long-Term Savings sector, constituted by Seguros Banorte, Afore XXI Banorte (50% subsidiary), and Pensiones Banorte, amounted to Ps 11.13 billion, growing 15% compared to 2024, representing 18.9% of the group's earnings. In 2024, net income amounted to Ps 9.71 billion, representing 17.3% of the group's earnings.

SOFOM and other financial companies, comprised by Arrendadora Banorte and Almacenadora Banorte, reported a net income of Ps 1.27 billion, increasing 24% versus 2024, representing 2.2% of the financial group's earnings. In 2024, net income, including Ixe Servicios, was Ps 1.02 billion, representing 1.8% of the financial group's earnings.

Grupo Financiero Banorte Results for 2025

The following is a breakdown of the most important items of the Consolidated Income Statement and the Balance Sheet. For comparative purposes, the analysis presents 2024 figures with the deconsolidation of Bineo and Tarjetas del Futuro; in this context, the 2024 financial statements presented here are not comparable to those of 2023, and therefore no analysis for that period will be conducted for any line item.

- **Net Interest Income – NII**

	2025	2024	2023
Interest income ⁴⁾	\$ 405,038	\$ 404,605	\$ 375,497
Interest expense	(258,460)	(266,289)	(248,015)
NET INTEREST INCOME	146,578	138,316	127,482
Credit Provisions	(21,589)	(18,122)	(15,942)
NET INTEREST INCOME ADJUSTED FOR CREDIT RISK	124,989	120,194	111,540
Average Earnings Assets	2,330,643	2,227,252	2,017,095
NIM ¹⁾	6.29%	6.21%	6.32%
NIM adjusted for Credit Risk ²⁾	5.36%	5.40%	5.53%
NIM from Loan Portfolio ³⁾	8.43%	8.14%	8.59%

Million pesos

1. NIM (Net Interest Margin) = Net Interest Income / Average Earnings Assets.
2. NIM adjusted for Credit Risk = Net Interest Income adjusted for Credit Risk / Average Earnings Assets.
3. NIM from Loan Portfolio = Net Interest Margin from Loan Portfolio / Average Performing Loans.
4. As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

In 2025, **net interest income reached Ps 146.58 billion, expanding 6% versus 2024**, displaying an effective strategy to maintain a neutral balance sheet sensitivity amid a monetary easing cycle with reference rate cuts. Additionally, growth was supported by a sound combination of portfolio expansion and mix, along with efficient funding cost management, whose rates repriced at a faster pace than loan yields. This partially offset the negative impact from foreign exchange valuation. **NIM stood at 6.29% at the end of 2025. NIM of the loan portfolio stood at 8.43%.**

- **Loan Loss Provisions**

	2025	2024	2023
Commercial, Corporate & Government	(\$ 4,443)	(\$ 1,213)	(\$ 886)
Consumer	(18,053)	(17,852)	(16,793)
Charge offs and discounts	907	942	1,738
Credit Provisions	(21,589)	(18,122)	(15,942)

Million pesos

In 2025, **provisions** were **19% higher amounting to Ps 21.59 billion**, explained by the combination of: i) the isolated case in the commercial portfolio; ii) loan origination growth and mix, particularly focused on consumer lending; and, iii) the benefit from reserve adjustments related to TDF's portfolio. As a result, **cost of risk stood at 1.8% in 2025**, 14bps above vs 2024. Excluding the effect of TDF's operational integration on provisions, the 12-month ratio stood at 1.9%.

- **Non-Interest Income**

	2025	2024	2023
Net Service Fees ^{2) 4)}	\$ 20,711	\$ 19,787	\$ 16,954
Premium Income Ins. & Annu. (Net)	68,660	55,293	48,259
Technical Reserves Ins. & Annu.	(42,894)	(33,318)	(28,288)
Cost of Acquisition from Insurance Operations	(2,073)	(1,898)	(1,735)
Net Cost of Claims and Other Obligations ¹⁾	(36,575)	(33,498)	(29,222)
Trading ³⁾	8,893	4,984	3,913
Other Operating Income (Expenses) ^{1) 3)}	(2,038)	(3,446)	(3,278)
Non-Interest Income	14,683	7,903	6,603

Million pesos

1. In 2025, an accounting reclassification of insurance provisions was made from other operating income (expenses) to cost of claims, due to the change in VAT accreditation.
2. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).
3. As of 2023, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income).
4. As of 2023, 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 increased 86% vs 2024 to Ps 14.68 billion compared to last year, supported by a solid base of banking service fees and market operations.

In 2025, premium income from insurance and annuities grew 24% compared to 2024, mostly supported by insurance business generation primarily in life and auto portfolios -in line with loan origination in both products-, as well as growth in the annuities portfolio. Consequently, technical reserves increased 29%. Claims grew 9%, associated with the portfolio's growth and composition.

- **Service Fees**

	2025	2024	2023
Fund Transfers	\$ 2,847	\$ 2,478	\$ 2,028
Account Management Fees	2,088	1,953	1,922
Electronic Banking Services	19,486	20,935	18,114
Basic Banking Services Fees	24,421	25,367	22,063
For Commercial and Government Loans	1,955	2,456	2,089
Consumer Loan Fees	10,078	8,745	7,729
Fiduciary	510	561	540
Mutual Funds ⁴⁾	3,610	2,986	2,468
Trading & Financial Advisory Fees ⁴⁾	821	656	441
Other Fees Charged ^{1) 3)}	(219)	(133)	(257)
Fees Charged on Services	41,176	40,638	35,073
Interchange Fees ²⁾	(13,146)	(14,909)	(12,580)
Other Fees Paid ²⁾	(7,319)	(5,942)	(5,539)
Fees Paid on Services	(20,465)	(20,851)	(18,119)
Net Service Fees	20,711	19,787	16,954

Million pesos

1. Includes fees from transactions with annuities funds, warehousing services, financial advisory services, and securities trading, among others.
2. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).
3. As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.
4. Since 2025, charged fees on securities' trading for customers' accounts, are recognized in the Trading & Financial Advisory line, previously recognized in Mutual Funds

In 2025, fees charged on services expanded 1% compared to 2024, mainly given a strong credit card origination, higher income from mutual fund operations, and Uniteller's performance, which benefited from the FX. **On the other hand, fees paid were (2%) lower vs 2024**, driven by the reduction in interchange fees, despite higher transactional activity, partially offset by credit origination through the external sales force and Uniteller's operation. As a result, **net service fees were up 5% vs 2024**.

- **Trading**

	2025	2024	2023
Currency and Metals	(\$ 11,385)	\$ 14,616	(\$ 7,009)
Derivatives	7,984	(8,317)	546
Negotiable Instruments ¹⁾	2,709	1,351	1,689
Valuation	(692)	7,650	(4,774)
Currency and Metals	6,566	(4,445)	7,895
Derivatives	149	(153)	48
Negotiable Instruments ²⁾	2,870	1,932	744
Trading	9,585	(2,666)	8,687
Trading Income	8,893	4,984	3,913

Million pesos

1. Includes other financial results.
2. As of 2023, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income).

In 2025 trading income was 78% higher vs 2024, mainly driven by transactional activity, which reflects an extraordinary sale of government securities to realize gains, as well as higher profit generation from the realization at maturity of forward and cross-currency swap operations, supported by FX levels.

- **Other Operating Income (Expenses)**

	2025	2024	2023
Contributions to IPAB	(\$ 5,107)	(\$ 4,740)	(\$ 4,292)
Expenses Incurred in the Recovery of Credit Portfolio	(1,630)	(1,609)	(1,516)
Result for Foreclosed Assets	344	614	933
Lease Income	478	394	394
From Insurance & Annuities ¹⁾	1,917	784	501
Others ²⁾	1,959	1,111	702
Other Operating Income (Expenses)	(2,038)	(3,446)	(3,278)

Million pesos

1. During 2025, an accounting reclassification of insurance provisions was made from other operating income (expenses) to cost of claims, due to the change in VAT accreditation.
2. As of 2023, the Expected Credit Loss of the Insurance and Annuities financial instruments portfolio are recorded in Trading Income (formerly recorded in Other Income).

In 2025 other operating income (expenses) declined (41%), reflecting: i) Ps 367 million higher contributions to the IPAB, in line with a larger deposit base; and ii) lower income from the sale of foreclosed assets. These effects were offset by the accounting reclassification of insurance provisions into the claims line, and gains from portfolio sales.

- **Non-Interest Expense**

	2025	2024	2023
Personnel	(\$ 26,257)	(\$ 23,384)	(\$ 22,013)
Professional Fees	(4,819)	(4,271)	(3,633)
Administrative and Promotional ¹⁾	(6,601)	(6,483)	(6,591)
Rents, Depreciation & Amortization	(13,822)	(12,407)	(11,398)
Other Taxes	(3,128)	(2,884)	(2,753)
Employee Profit Sharing (PTU)	(1,621)	(1,545)	(893)
Other expenses	(1,532)	(1,279)	(1,300)
Non-Interest Expense	(57,779)	(52,255)	(48,582)

Million pesos.

1. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).

In 2025, non-interest expenses grew 11%, related to inertial business growth, organic expansion in commercial areas, the provisioning of variable compensation, and the amortization of technology projects.

Efficiency ratio stood at 35.8% in 2025, 9bps above 2024, in line with our strong income growth and disciplined expense management.

- **Net Income**

	2025	2024	2023
Operating Income	\$ 81,894	\$ 75,843	\$ 69,561
Subsidiaries' Net Income	1,724	1,713	1,413
Pre-Tax Income	83,618	77,556	70,974
Taxes	(21,772)	(19,532)	(17,832)
Net Income Before Discontinued Operations (100%)	61,846	58,024	-
Discontinued Operations	(2,187)	(1,023)	(17,832)
Net Income from Continuous Operations (100%)	59,659	57,001	53,142
Minority Interest	(871)	(813)	(724)
Net Income	58,788	56,188	52,418
Other Comprehensive Income			
Financial Instruments to Collect or Sell Valuation	2,656	(1,783)	1,417
Cash Flow Hedges Valuation	1,914	(1,047)	1,725
Defined rereasurements for employee's benefits	(945)	(859)	(81)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	(317)	239	(7)
Cumulative foreign currency translation adjustment	(431)	573	(192)
Comprehensive Income	62,536	54,124	56,004

Million pesos

In 2025, operating income increased 8% vs 2024. Net income expanded 5%, reaching 58.79 billion, reflecting strength across all business lines, resilient margins, and disciplined expense and risk management.

- **Stage 1 and 2 loans**

	2025	2024	2023
<i>Mortgage</i>	\$ 292,405	\$ 272,692	\$ 253,138
<i>Car Loans</i>	70,201	53,197	42,604
<i>Credit Cards</i>	77,924	68,445	58,137
<i>Payroll</i>	90,982	82,264	74,522
Consumer	531,512	476,598	428,402
Commercial	313,373	298,359	253,015
Corporate	238,927	220,772	178,549
Government	185,016	183,927	171,961
Stage 1 and 2 loans	1,268,827	1,179,656	1,031,927
Stage 3 loans	17,839	11,125	10,890
% NPL Ratio	1.38%	0.93%	1.04%

Million pesos

In 2025, **stage 1 and 2 loan portfolios expanded 8% in the year**, with balance growth across all portfolios. **Consumer portfolio was the main driver, increasing 12% vs 2024**, driven by an expansion of 32% in auto, supported by strategies focused on high-value clients, the strength of the automotive sector, and the consolidation of partnerships with highly recognized commercial allies. Mortgage loans grew 7%, supported by efficiencies in origination, stricter risk management, and strategic alliances. Credit card +14%, driven by acquisition campaigns, loyalty programs, and enhancements to origination models; while payroll loans +11%, following strategic adjustments to the product offering that raised available amounts for clients with better profiles. Furthermore, the **corporate portfolio expanded 8% and the commercial portfolio 5%**, mainly driven by working capital needs, liability refinancing, and, to a lesser extent, new projects. Both portfolios were partially affected by the appreciation of the Mexican peso. Finally, **government loans increased 1%**, limited by prepayments from subnational entities.

In 2024, stage 1 and 2 loans rose 14%, showing double digit growth in most portfolios. Consumer loans increased 11%, driven by an 8% growth in mortgages, increasing around Ps 19.6 billion in the year, in line with the selectivity strategy for this product; auto +25%, supported by the increasing demand and new commercial partnerships, which accounted for about 58% of the book's growth; credit card +18%, and payroll +10%. Furthermore, corporate loans expanded by 24% and commercial loans 18%, driven by working capital demand to develop their business's productive capacities; both portfolios benefitted from the depreciation of the Peso against the Dollar in the period. The government book increased 7%.

Market share position (using CNBV records as of December 2025):

Banorte reached 15.4% of market share on stages 1 and 2 loans, ranking second in the banking system:

- ✓ **Mortgage Loans:** Banorte held a **20.0% market share**, increasing 38bps YoY, ranking second place in the system.
- ✓ **Credit Card Loans:** Banorte increased its market share 35bps in the year, ending at **11.4%**.
- ✓ **Auto Loans:** In the year, Banorte rose its market share 184bps to **19.7%**, ranking third place in the system.
- ✓ **Payroll Loans:** Banorte held a **21.2%** market share, increasing 39bps in the year, ranking second place in the market.
- ✓ **Commercial Loans:** Market share reached **12.9%**, (including corporate and SMEs according to the CNBV classification), increasing 4bps in the last 12 months, maintaining second place in the system.
- ✓ **Government Loans:** Banorte's market share increased 116bps to **29.4%**, reaching first place in the banking system.

Within the commercial portfolio, **SMEs stage 1 and 2 loans**, were 7% higher in 2025, driven by the recalibration of origination models and differentiated strategies by client segment. The NPL ratio increased 29bps in the year, ending at 1.71%, in line with loan portfolio expansion.

In 2024, SMEs stage 1 and 2 loans, were 15% higher vs 2023, reflecting the strategic focus to build stronger relationships with clients in this segment. The NPL ratio increased 32bps in the year, ending at 1.42%, in line with loan portfolio expansion.

	2025	2024	2023
Stage 1 and 2 loans	\$ 61,945	\$ 57,869	\$ 50,283
% of Commercial Portfolio, stage 1 and 2 loans	19.8%	19.4%	19.9%
% of Total Portfolio, stage 1 and 2 loans	4.9%	4.9%	4.9%
NPL Ratio	1.71%	1.42%	1.09%

Million pesos

In 2025, GFNorte's corporate book is well diversified by industry and region, showing low concentration risk. Within the private sector, the Group's 20 largest corporate borrowers account for 12.5% of stages 1 and 2 loans; the largest corporate exposure represents 1.5%, while borrower number twenty represents 0.3%. All 20 corporates hold an A1 credit rating.

In 2024, the 20 main private sector corporate borrowers accounted for 12.2% of the Group's stages 1 and 2 loans, with the largest corporate exposure representing 1.6%, whereas number 20 represented 0.3%. The 20 corporates have an A1 credit rating.

Government stage 1 and 2 portfolio, totaled Ps 185.02 billion in 2025, increasing 1% YoY. GFNorte's government portfolio is well diversified by region. Likewise, its risk profile is adequate: 31.5% of the government portfolio corresponds to Federal Government exposure, and among state and municipal exposures, 81.2% are backed by fiduciary guarantees.

In 2024, government stage 1 and 2 portfolio, totaled Ps 183.93 billion, increasing 7% YoY. GFNorte's government portfolio is well diversified by region, showing an adequate risk profile, given that 35.7% of the portfolio is Federal Government exposure and 80.6% of municipal and state government loans are backed by fiduciary guarantees.

Stage 3 Loans

During the year, stage 3 loans increased Ps 6.71 billion, mainly due to the commercial portfolio, which do not represent sector-specific or geographic trends. Likewise, the annual evolution is aligned with portfolio growth. Institutionally, Banorte has remained focused on portfolio selectivity, maintaining controlled asset quality.

In 2024, stage 3 loans increased Ps 234 million, mainly due to the commercial and credit card portfolios, considering the consolidation of Tarjetas del Futuro. At an institutional level, Banorte is focused on growing with quality.

	2025	2024	2023
Credit Card	\$ 2,797	\$ 2,158	\$ 1,968
Payroll	2,723	2,383	2,586
Car Loans	375	294	267
Mortgage	3,013	2,097	2,177
Commercial	7,967	3,985	3,704
Corporate	964	204	178

Government	-	4	11
Total	17,839	11,125	10,890

Million pesos

NPL ratio stood at 1.38% in 2025, 45bps vs. 2024, in line with consumer portfolio growth and the specific case within the commercial portfolio. Delinquency levels across the Group's portfolios underscore the focus on selective risk and the strict controls in origination, prevention, mitigation, and collection.

In 2024, NPL ratio stood at 0.93%, still below the historical average, driven by a strict control in loan origination and strong prevention, mitigation, and collection management. During the year it improved (11bps), remaining as one of the healthiest in the system.

	2025	2024	2023
Credit Card	3.47%	3.06%	3.27%
Payroll	2.91%	2.81%	3.35%
Car Loans	0.53%	0.55%	0.62%
Mortgage	1.02%	0.76%	0.85%
Commercial	2.48%	1.32%	1.44%
<i>SME</i>	1.71%	1.42%	1.09%
<i>Commercial</i>	2.67%	1.29%	1.53%
Corporate	0.40%	0.09%	0.10%
Government	0.00%	0.00%	0.01%
Total	1.38%	0.93%	1.04%

- **Deposits**

	2025	2024	2023
Non-Interest-Bearing Demand Deposits	\$ 513,691	\$ 460,202	\$ 424,912
Interest-Bearing Demand Deposits	315,814	279,348	260,650
Global Account of Deposits Without Movements	4,538	4,009	3,656
Total Demand Deposits	834,043	743,559	689,217
Time Deposits – Retail	352,807	315,805	273,207
Money Market	71,553	93,525	110,707
Total Bank Deposits	1,258,403	1,152,889	1,073,131
GFNorte's Total Deposits	1,242,007	1,133,500	1,056,418
Third Party Deposits	235,973	241,293	222,668
Total Assets Under Management	1,494,375	1,394,182	1,295,799

Million pesos

In the year, GFNorte's total deposits increased 10%, with demand and time deposits growing 12%, supported by the personalization of the value proposition centered on client engagement, and transactional funding.

In 2024, total bank deposits increased 7% in the year, with demand deposits growing 8% and time deposits 16%, driven by efforts to balance stable funding and loan growth.

Banking Sector

- **Banorte**

Banorte's Consolidated Net Income was Ps 47.32 billion in 2025. During 2025, ROA totaled 2.50%, while ROE 29.14%.

Banorte's Consolidated Financial Ratios

	2025	2024	2023
<u>Profitability</u>			
MIN ¹⁾	6.59%	6.46%	6.57%
ROA ²⁾	2.50%	2.50%	2.56%
ROE ³⁾	29.14%	29.08%	27.38%
<u>Operation</u>			
Efficiency Ratio ⁴⁾	38.29%	38.13%	38.16%
Operating Efficiency Ratio ⁵⁾	2.83%	2.68%	2.72%
Average Liquidity Coverage Ratio Banorte and SOFOM – Basel III ⁶⁾	162.35%	164.15%	160.54%
<u>Asset Quality</u>			
NPL Ratio	1.38%	0.91%	0.98%
Coverage Ratio	134.49%	186.06%	187.37%

1. MIN (Net Interest Margin) = Net Interest Income / Average Productive Assets.

2. Net Income as a percentage of average Total Assets (without minority interest).

3. Net Income as a percentage of average Equity (without minority interest).

4. Non-interest Expense / (Financial Margin + Non-interest Income).

5. Non-interest Expense / Average Total Assets.

6. Liquid Assets / Liquid Liabilities (Liquid Assets = Cash and Due from Banks + Trading Securities + Available-for-Sale Securities. Liquid Liabilities = Cash and Due from Banks and Other Institutions + Cash and Due from Banks and Other Institutions + Short-term Bank Loans).

Banorte's Consolidated Income Statement

	2025	2024	2023
Interest income ²⁾	\$ 357,104	\$ 350,363	\$ 327,638
Interest expense	(240,075)	(241,735)	(226,763)
NET INTEREST INCOME	117,029	108,628	100,875
Credit Provisions	(21,310)	(17,966)	(15,782)
NET INTEREST INCOME ADJUSTED FOR CREDIT RISK	95,719	90,662	85,093
Fees Charged ²⁾	42,323	40,348	34,985
Fees Paid ¹⁾	(20,015)	(20,479)	(17,780)
Trading Income	4,849	2,082	2,276
Other Operating Income (Expenses)	(4,640)	(4,430)	(4,002)
Non-Interest Income	22,517	17,521	15,479
Non-Interest Expense ¹⁾	(53,436)	(48,100)	(44,406)
OPERATING INCOME	64,800	60,083	56,166
Subsidiaries' Net Income	212	374	175
Pre-Tax Income	65,012	60,457	56,341
Taxes	(17,677)	(15,555)	(14,425)
NET INCOME BEFORE DISCONTINUED OPERATIONS	47,335	44,902	41,916
Discontinued Operations	5	(42)	-
NET INCOME FROM CONTINUOUS OPERATIONS (100%)	47,340	44,860	41,916
Minority Interest	(20)	(6)	30
NET INCOME	47,320	44,854	41,946
Other Comprehensive Income			
Financial Instruments to Collect or Sell Valuation	2,431	(1,534)	1,352
Cash Flow Hedges Valuation	1,948	(1,066)	1,755
Defined remeasurements for employee's benefits	(967)	(857)	(69)
Cumulative foreign currency translation adjustment	(379)	539	(154)
Comprehensive Income	50,373	41,942	44,800

Million pesos

1. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).
2. As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

The following is a breakdown of the most important items of the income statement. For comparative purposes, the analysis presents 2024 figures with the deconsolidation of Bineo and Tarjetas del Futuro; in this context, the 2024 financial statements presented here are not comparable to those of 2023, and therefore no analysis for that period will be conducted for any line item.

- **Net Interest Income – NII**

	2025	2024	2023
Interest income ³⁾	\$ 357,104	\$ 350,363	\$ 327,638
Interest expense	(240,075)	(241,735)	(226,763)
Net Interest Income	117,029	108,628	100,875
Credit Provisions	(21,310)	(17,966)	(15,782)
Net Interest Income Adjusted for Credit Risk	95,719	90,662	85,093
Average Earnings Assets	1,778,367	1,665,124	1,536,450
NIM ¹⁾	6.59%	6.46%	6.57%
NIM adjusted for Credit Risk ²⁾	5.39%	5.39%	5.54%

Million pesos

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

2. NIM adjusted for Credit Risk = Net Interest Income adjusted for Credit Risk / Average Earnings Assets.

3. As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

Net interest income (NII) increased 8% vs 2024, supported by the balance sheet neutralization strategy amid the interest rate easing cycle, which accumulated a (300bps) reduction during the year. Loan portfolio margin expanded 13% during the period, driven by growth in consumer products—particularly fixed-rate lending—and the sustained decline in funding costs. Deposit mix improvement reflects the commercial efforts deployed throughout the year across various channels. **NIM increased 13bps during the year, reaching 6.59% at the close of 2025**, as a result of active balance sheet sensitivity management, despite accelerated government lending toward year-end.

- **Credit Provisions**

	2025	2024	2023
Commercial, Corporate & Government	(\$ 4,177)	(\$ 1,114)	(\$ 755)
Consumer	(18,023)	(17,793)	(16,752)
Charge offs and discounts	890	941	1,725
Credit Provisions	(\$21,310)	(\$17,966)	(\$15,782)

Million pesos

Provisions went up 19%, or Ps 3.34 billion, compared to 2024, explained by the combination of: i) the isolated case in the commercial portfolio; ii) loan origination growth and mix, particularly focused on consumer lending; and, iii) the benefit from provision adjustments related to the Tarjetas del Futuro portfolio. As a result, **NIM adjusted for credit risks stood at 5.39% in 2025**, stable vs 2024.

- **Non- Interest Income**

	2025	2024	2023
Net Service Fees ^{1) 2)}	\$ 22,308	\$ 19,869	\$ 17,205
Trading	4,849	2,082	2,276
Other Operating Income (Expenses)	(4,640)	(4,430)	(4,002)
Non-Interest Income	22,517	17,521	15,479

Million pesos

1. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).
2. As of 2023, interest charged on collateral for derivatives traded on the Chicago Stock Exchange was reclassified from the fees charged account to the interest income account.

Income from fees charged rose 5% YoY, associated with: i) the higher fee scheme paid by the insurance business to the Bank for product distribution through bancassurance; ii) dynamism in consumer products, especially credit cards; and, iii) the strength of the remittances business, also benefited by the FX. In tandem, **fees paid decreased (2%) YoY**, primarily due to the strategy of prioritizing efficiency and profitability in digital affiliated businesses. As a result, net service fees increased 12% vs 2024.

Trading income increased 133% YoY, mainly due to the sale of government securities and gains from the realization at maturity of forward and cross-currency swap operations. These effects offset lower valuation in currency and metals.

Other operating income (expenses) increased 5% vs 2024, due to higher contributions to the IPAB given deposit growth and lower income from foreclosed assets, partially offset by gains from liability write-offs and lower administrative service expenses.

Overall, **non-interest income expanded 29% vs. 2024**.

- **Non- Interest Expense**

	2025	2024	2023
Personnel	(\$ 23,488)	(\$ 20,765)	(\$ 19,598)
Professional Fees	(4,152)	(3,640)	(3,154)
Administrative and Promotional ¹⁾	(7,152)	(6,931)	(6,578)
Rents, Depreciation & Amortization	(13,134)	(11,737)	(10,863)
Other Taxes	(2,788)	(2,560)	(2,418)
Employee Profit Sharing (PTU)	(1,512)	(1,423)	(770)
Other expenses	(1,211)	(1,042)	(1,027)
Non-Interest Expense	(53,436)	(48,100)	(44,406)

Million pesos.

1. As of 2023, card operating expenses are recorded in "Interchange Fees" and "Other Fees" within Fees Paid on Services (formerly recorded in Administrative Expenses).

Non-interest expenses expanded 11% compared to 2024, driven by inertial business growth, organic expansion in commercial areas, the provision of variable compensation, and the amortization of technology projects. **Efficiency ratio stood at 38.3% in 2025**, increasing 16bps compared to 2024.

- **Stage 1 and 2 loans**

	2025	2024	2023
<i>Mortgage</i>	\$ 292,405	\$ 272,693	\$ 253,139
<i>Car Loans</i>	70,200	53,196	42,602
<i>Credit Cards</i>	77,924	68,444	58,137
<i>Payroll</i>	90,982	82,229	74,522
Consumer	531,511	476,563	428,399
Commercial	282,390	267,969	229,913
Corporate	244,296	224,784	184,752
Government	178,463	182,182	164,035
Stage 1 and 2 loans	1,236,659	1,151,497	1,007,099
Stage 3 loans	17,353	10,565	10,006
Total loan portfolio	1,254,012	1,162,062	1,017,105
% NPL Ratio	1.38%	0.91%	0.98%

Million Pesos

At the end of 2025, stage 1 and 2 portfolios stood at Ps 1,236.66 billion, growing 7% in the year. The consumer portfolio stands out for good activity in all segments, especially the auto portfolio. **Stage 3 portfolio ended the year at Ps 17.35 billion**, bringing the NPL ratio to 1.38%.

In 2024, stage 1 and 2 portfolios stood at Ps 1,151.50 billion, growing 14% in the year. Stage 3 portfolio ended the year at Ps 10.57 billion, bringing the NPL ratio to 0.91%, a historically low level.

- **Deposits**

	2025	2024	2023
Non-Interest-Bearing Demand Deposits	\$ 513,691	\$ 460,202	\$ 424,912
Interest-Bearing Demand Deposits	315,814	279,330	260,650
Global Account of Deposits Without Movements	4,538	4,009	3,656
Total Demand Deposits	834,043	743,541	689,217
Time Deposits – Retail	352,807	315,805	273,207
Money Market	71,553	93,525	110,707
Total Bank Deposits	1,258,403	1,152,871	1,073,131

Million pesos

The bank's total deposits amounted to Ps 1,258.40 billion at the end of 2025, 9% higher YoY. Time deposits expanded 12% during the year, while demand deposits grew 12%.

Money market operations decreased (23%) in 2025.

In 2024, total bank deposits amounted to Ps 1,152.87 billion, 7% higher than 2023. In the year, time deposits expanded 16% during the year, while demand deposits grew 18%. Money market operations decreased (16%) in 2024.

- **Bineo**

Bineo's operations were reclassified as Discontinued Operations in the Income Statement and as a Long-term Asset held for Sale in the Statement of Financial Position. Therefore, the financial results and accounts presented in this section refer exclusively to Bineo and are no longer consolidated within the Group's figures.

- **Income Statement**

	2025	2024
Interest income	\$ 105	\$ 156
Interest expense	(1)	(0)
NET INTEREST INCOME	104	156
Credit Provisions	(17)	(16)
NET INTEREST INCOME ADJUSTED FOR CREDIT RISK	87	140
Fees Charged	1	1
Fees Paid	(11)	(13)
Trading Income	(0)	(0)
Other Operating Income (Expenses)	1	0
Non-Interest Income	(9)	(12)
Non-Interest Expense	(976)	(1,531)
OPERATING INCOME	(898)	(1,403)
Subsidiaries' Net Income	-	-
Pre-Tax Income	(898)	(1,403)
Taxes	(1)	(422)
NET INCOME BEFORE DISCONTINUED OPERATIONS	(897)	(981)
Discontinued Operations	-	-
NET INCOME FROM CONTINUOUS OPERATIONS (100%)	(897)	(981)
<i>Minority Interest</i>	-	-
NET INCOME	(897)	(981)
Other Comprehensive Income		
Financial Instruments to Collect or Sell Valuation	-	-
Cash Flow Hedges Valuation	-	-
Defined remeasurements for employee's benefits	0	1
Cumulative foreign currency translation adjustment	-	-
Comprehensive Income	(897)	(980)

Million pesos.

Brokerage

	2025	2024	2023
Net Income	\$ 1,472	\$ 959	\$ 751
Stockholders' Equity	5,644	4,743	4,475
Total Assets	217,245	260,857	250,929
Assets Under Management	1,699,635	1,425,818	1,161,116

Million pesos.

The **Brokerage Business (Casa de Bolsa Banorte and Operadora de Fondos)** reported a **Net Income of Ps 1.47 billion** in 2025, a 54% YoY expansion, driven by an increase in fees resulting from higher mutual fund activity and trading of financial instruments, as well as by higher financial margin. In 2025, the earnings of the Brokerage Business represented 2.5% of the Group's total profit.

At the end of 2024, The Brokerage Business' net income was Ps 959 million in 2024, a 28% YoY increase, due to larger financial advisory & mutual funds fees. The earnings of the Brokerage Business represented 1.7% of the Group's total profit in 2024.

- **Assets Under Management**

At the end of 2025, **Assets Under Management** totaled **Ps 1.70 trillion**, growing 19% YoY.

Assets under management by mutual funds totaled **Ps 462 billion** at the end of December 2025, representing a **25.9%** annual increase. Assets held in **fixed income funds** amounted to **Ps 400 billion**, **23.3%** higher in the year. Assets held in **equity funds** amounted to **Ps 62 billion**, expanding **45.3%** in the year, as of December 2025.

As of December 2025, Banorte held a 9.4% share of the mutual fund market, comprised of 11.0% share in fixed income funds and 4.9% in equity funds.

At the end of 2024, Assets Under Management totaled Ps 1.43 trillion, growing 23% YoY. Assets under management by mutual funds totaled Ps 367 billion at the end of December 2024, representing a 27.5% annual increase. Assets held in fixed income funds amounted to Ps 324 billion, 22.6% higher in the year. Assets held in equity funds amounted to Ps 43 billion, expanding 82.0% in the year, as of December 2024. As of December 2024, Banorte held an 8.6% share of the mutual fund market, comprised of 10.3% share in fixed income funds and 3.9% in equity funds.

Long-Term Savings

The following figures correspond to what was reported in the Financial Statements of each company. The total sector figures are not consolidated figures, as they include eliminations. See note 32 of the Audited Financial Statements.

	2025	2024	2023
Long-Term Savings Sector ¹⁾			
Net Income	\$ 11,129	\$ 9,714	\$ 8,155
Stockholders' Equity	41,513	36,834	36,052
Total Assets	423,677	373,465	336,777
Seguros Banorte ²⁾			
Net Income	\$ 8,327	\$ 6,883	\$ 5,635
Stockholders' Equity	28,597	26,596	24,736

Total Assets	124,802	97,766	81,305
Afore XXI Banorte ³⁾			
Net Income	\$ 3,000	\$ 2,653	\$ 2,455
Stockholders' Equity	25,643	25,163	24,866
Total Assets	27,943	27,180	26,740
AUM ⁴⁾	1,581,325	1,303,176	1,168,122
Pensiones Banorte ⁵⁾			
Net Income	\$ 2,800	\$ 2,827	\$ 2,470
Stockholders' Equity	12,795	9,970	11,054
Total Assets	299,025	275,717	255,805

Million pesos.

1. Consolidated according to the percentage of participation of each subsidiary in the Group. Includes BAP.

2. Consolidated Seguros: Includes Seguros and Afore XXI (50%)

3. Figures 100%.

4. Source: CONSAR

5. The financial statements of Pensiones for the year ended December 31, 2023, which had been previously issued and published, were retrospectively adjusted to recognize a correction of an error identified during 2024, in accordance with NIF B-1 "Accounting Changes and Error Corrections." The adjustment relates to the omission of the recognition of the income tax liability, including the effect of inflation adjustments and surcharges, arising from the tax criterion applied by the Company through 2020 in determining the taxable income from the valuation of instruments denominated in UDIs. Up to that date, taxable income was recognized only upon the maturity or redemption of the instruments, with a deferred income tax being recorded.

- **Seguros Banorte**

Net Interest Income decreased (5%) in 2025, mainly due to the negative effect from FX valuation.

Compared to 2024, premium income increased 30% and technical reserves went up 71%, in line with business growth and the sale of flexible products² whose reserve is constituted at 100%.

Damages and Claims grew 10% YoY, mainly impacted by the auto and medical expenses segments, reflecting the recognition of obligations generated throughout the year. The mix was partially offset by lower claims in damages.

Net Operating Income grew 18% in the year, to Ps 8.91 billion, driven by higher premium income resulting from business growth, combined with stronger trading income and lower non-interest expenses.

Net Income for Seguros Banorte expanded 21% YoY; excluding its subsidiary Afore XXI Banorte, it totaled **Ps 6.85 billion** in 2025, increasing 23% YoY.

Net Income for Seguros Banorte, excluding its subsidiary Afore XXI Banorte, accounted for 11.7% of GFNorte's net income in the year.

ROE for the Insurance business, excluding Afore XXI, stood at **62.0% in 2025**.

Regarding the disclosure requested by the General Provisions applicable to Financial Groups' holding companies, 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 in 2025 that involved any technical risk.*
- ii. Damages and claims, as well as compliance of reinsurers and bonding companies with their obligations.

² Patrimonio Vida Banorte: An individual retirement savings plan product with a life insurance component.

- *In 2025 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 2025.*
- iv. Risk transfer through reinsurance and bonding contracts.
 - *In the Life and Damages book, risks were transferred to reinsurers, for the most part to foreign reinsurers.*
- v. Contingencies arising from non-compliance of reinsurers and bonding companies.
 - *There were no relevant issues related to non-compliance during 2025.*

In 2024, Net Interest Income increased 15%, mainly due to the natural growth of the portfolio and greater yields in investment securities. Compared to 2023, premium income increased 21% and technical reserves went up 39%, related to greater business generation in the life segment. Damages and Claims grew 18% YoY, in line with the natural growth of the businesses and portfolio composition. Net Operating Income grew 20% in the year, to Ps 7.54 billion, due to greater premium income generation. Net Income for Seguros Banorte expanded 22% YoY; excluding its subsidiary Afore XXI Banorte, it totaled Ps 5.58 billion in 2024, increasing 26% YoY. Net Income for Seguros Banorte, excluding its subsidiary Afore XXI Banorte, accounted for 9.9% of GFNorte's net income in 2024.

- **Afore XXI Banorte**

In 2025, **Afore XXI Banorte** reported **net income of Ps 3.00 billion**, expanding 13% YoY, supported by an increase in fee income, given the larger base of assets under management, and higher yields on financial products; offsetting higher expenses from business generation.

ROE for 2025 reached **12.3%**. **Afore XXI Banorte's net income** represented 2.5% of the Group's earnings in the year.

In 2025, Afore XXI Banorte's **Assets Under Management** totaled **Ps 1,581 billion**.

In 2024, Afore XXI Banorte reported net income of Ps 2.65 billion, expanding 8% YoY, mainly due to higher income given greater assets under management and lower transfers. ROE for 2024 reached 11.0%, growing 74bps YoY. Afore XXI Banorte's net income represented 2.3% of the Group's earnings in 2024.

- **Pensiones Banorte**

In 2025, **Net Interest Income** amounted to **Ps 22.13 billion**, relatively stable YoY, mainly due to a (Ps 882 million) negative effect in the valuation of inflation-indexed securities (UDIS), partially offset by Ps 840 million in higher interest earned.

Compared to 2024, premium income rose 9%, despite a highly competitive industry environment. In turn, technical reserves expanded 1%, in line with business growth.

Net Income for Pensiones Banorte stood at Ps 2.80 billion, decreasing (1%) YoY, explained by a base effect resulting from the release of provisions in 2024. Net income of the business represented 4.8% of the Financial Group's net income in 2025.

ROE stood at **24.4%** by the end of **2025**.

In 2024, Net Interest Income amounted to Ps 22.24 billion, increasing 11% or Ps 2.22 billion YoY, out of which Ps 990 million correspond to the valuation effect of inflation-indexed securities (UDIS) and Ps 1.23 billion to higher interest income. Compared to 2023, premium income rose 5%, while reserves expanded 7%, reflecting an increase in pensioners. Net Income for Pensiones Banorte stood at Ps 2.83 billion, increasing 14% YoY, reflecting a reactivation of market dynamics. Net income of the business represented 5.0% of the Financial Group's net income in 2024.

SOFOM and Other Finance Companies

The following figures correspond to what was reported in the Financial Statements of each company. The total sector figures are not consolidated figures. See note 32 of the Audited Financial Statements.

	2025	2024	2023
SOFOM and Other Finance Companies ¹⁾			
Net Income	\$ 1,266	\$ 1,023	\$ 779
Stockholders' Equity	15,702	14,424	13,929
Total Portfolio	54,111	48,113	44,546
Stage 3 Loans	485	550	885
Loan Loss Provisions	(416)	(451)	(854)
Total Assets	69,327	60,684	59,086
Leasing and Factoring ²⁾			
Net Income	\$ 1,214	\$ 997	\$ 665
Stockholders' Equity	15,245	14,019	11,211
Total Portfolio ³⁾	54,111	48,113	44,546
Stage 3 Loans	485	550	885
Loan Loss Provisions	(416)	(451)	(854)
Total Assets	67,263	58,856	54,692
Warehousing			
Net Income	\$ 52	\$ 26	\$ 51
Stockholders' Equity	457	406	378
Inventories	1,297	1,219	938
Total Assets	2,063	1,827	1,793
Ixe Servicios ⁴⁾ (now Bineo)			
Net Income	\$ -	\$ -	\$ 63
Stockholders' Equity	-	-	2,339
Total Assets	-	-	2,602

Million pesos

1. In 2024 and 2025, Bineo is not included in the total sum due to its deconsolidation after being classified as a discontinued operation.
2. Includes portfolio of assets under pure lease and assets in own fixed assets recorded in real estate, furniture, and equipment (net).
3. Total portfolio considers only stages 1, 2 and 3.
4. 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. Subsequently, during 2025, Grupo Financiero Banorte decided to dispose of Bineo and, as part of the sale process, reclassified it under "Long-term assets held for sale or to be distributed to owners" in the Statement of Financial Position and under "Discontinued Operations" in the Income Statement.

- **Leasing and Factoring**

In 2025, **net income** totaled **Ps 1.21 billion, growing 22% YoY**, supported by a larger financial margin, growth in lease income, and higher other operating income from recoveries, partially affected by lower fees and higher reserve requirements.

Non-performing loan ratio, reached **0.9%** in 2025. **Capital Ratio** totaled **33.2%**, considering **Total Risk Weighted Assets** of **Ps 40.43 billion**. **Leverage Ratio** for December 2025 was **22.2%**, considering **Adjusted Assets** of **Ps 60.32 billion**.

In 2025, **Net Income** from **Leasing and Factoring** represented **2.1%** of the Group's total results.

In 2024, net income totaled Ps 997 million, growing 50% YoY, driven by an increase in the financial margin and fee income, reducing the effect of 13% higher administrative expenses. Non-performing loan ratio reached 1.1% in 2024. Capital Ratio totaled 31.9%, considering Total Risk Weighted Assets of Ps 39.19 billion. Leverage Ratio for December 2024 was 19.4%, considering Adjusted Assets of Ps 64.34 billion. In 2024, Net Income from Leasing and Factoring represented 1.8% of the Group's total results.

- **Warehouse**

In 2025, the Warehousing Business reported a **net income** of **Ps 52 million, increasing 96% compared to 2024**, mainly driven by an expansion in the financial margin and higher trading income from FX valuation, as well as an increase in other operating income from higher commercialization and recoveries, as well as greater leasing income. **ROE** reached **11.7%** in 2025 and the **Capital Ratio** reached **93.6%**, considering a Ps 417 million net capital, and negotiable certificates of deposit in active warehouses for Ps 4.62 billion.

In 2024, the Warehousing Business reported a net income of Ps 26 million, decreasing (49%) compared to 2023, due to higher administrative and promotion expenses and the decrease in other operating income (expenses). ROE reached 6.6% in 2024 and the Capital Ratio reached 128.1%, considering Ps 328 million net capital and negotiable certificates of deposit in active warehouses for Ps 2.64 billion.

ii. FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The function of liquidity administration is to ensure sufficient resources to fulfill financial obligations. These obligations arise from the withdrawal of deposits, payment of short term notes maturing, loans granted and other forms of financing and working capital needs. A significant element of liquidity administration is to fulfill Bank of Mexico's regulation requirements for reserves and liquidity coefficients.

The Bank of Mexico's regulations require that we maintain certain levels of reserves in connection with liabilities denominated in pesos. On the other hand, reserves for deposits denominated in foreign currency continue to be mandatory. As of December 31, 2025, GFNorte fulfilled all the reserve and liquidity coefficient requirements requested by the authority. Furthermore, GFNorte's management considers that the cash flow generated by operations and other sources of liquidity will be sufficient to fulfill liquidity requirements in the next 12 months.

Liquidity Risk and Balance

In order to provide a global measurement of liquidity risk, as well as follow up in a consistent manner, GFNorte (through its banking subsidiary Banorte) relies on various methodologies, among them, liquidity gaps, survival horizon, and the regulatory calculation of the Liquid Coverage Ratio. Banorte's and SOFOM's Average LCR under CNBV criterion amounted to 162.35%, this ratio at the end of the fourth quarter of 2025 was 143.00%, both ratios above the minimum regulatory and the Profile Risk approved by the Board of the Institution.

The "investment regime for foreign currency transactions and conditions to satisfy within the terms of operations in such currency" designed by the Mexican Central Bank for credit institutions, establishes the mechanism to determine the liquidity ratio of liabilities denominated in foreign currency.

In accordance with the aforementioned regime, during 2025 the Holding Company generated an average monthly liquidity requirement of 1,488,717 thousand USD and maintained an average investment in liquid assets for 7,189,547 thousand USD; having on average an excess of 5,700,831 thousand USD and having no shortage.

Internal and external sources of liquidity

Internal sources of liquidity in local and foreign currency come from diverse deposit products that the institution offers to clients. That is to say, it receives funds through checkbook accounts and time deposits.

Regarding external sources of liquidity, it has diverse mechanisms to access debt and capital markets. The Institution obtains resources through the issuance of debt securities, loans from other institutions - including the Central Bank and international organisms -, as well as from the issuance of subordinated debt. Also considered is the liquidity that the Institution obtains through its proprietary repos' securities that qualify for this type of transactions. It also has the alternative of obtaining resources through the issuance of shares representing capital.

Currently, the Institution has diverse sources of liquidity. Deposits, including interest bearing and non-interest bearing demand and time deposits, are the bank's main source of liquidity. Negotiable and short term instruments, such as government securities and deposits in the Central Bank and other banks, are liquid assets that generate interest. Liquid assets also include deposits in foreign banks, which are denominated mainly in US dollars.

Detailed information related to liquidity sources is found under the different items of GFNorte's Statement of Financial Position in this Annual Report.

Below is the GFNorte's level of consolidated debt for the last three years:

As of December 31:

	2025	2024	2023
Short-term Debt	\$27,099	\$22,196	\$25,731
Long-term Debt			
Interbank Loans	10,230	12,865	7,411
Other long-term debt (subordinated debt and others)	110,041	128,759	89,064
Total Debt	\$147,370	\$163,820	\$122,206

Million pesos.

Funding

Our main and most economic source of funding comes from client deposits. As of December 31, 2025, GFNorte's client deposits totaled Ps 1,202.41 billion, while Banorte's client deposits amounted to Ps 1,218.81 billion in 2025.

Repos are important securities in the Mexican Money Market, providing bank clients with short term investments, mainly instruments issued by the federal government and to a lesser extent, securities issued by banks and companies. GFNorte has used repos to achieve cost efficiencies and be more competitive. As of December 31, 2025, the balance of repos registered by GFNorte was Ps 454.15 billion. Furthermore, Banorte registered a balance of Ps 316.61 billion at the end of 2025.

Another source of long-term funding is long-term debt. This is used to fund long term loans and investments and to reduce liquidity risk. As of December 31, 2025, GFNorte's total long-term debt maturing in more than one year was Ps 120.27 billion and Banorte's was Ps 155.43 billion.

Our current funding strategy seeks to reduce funding costs by taking advantage of our extensive branch network to attract clients' deposits. Although we are constantly monitoring the needs of long-term loans and opportunities for long term funding under favorable conditions, we anticipate that our clientele will continue demanding for short term deposits (especially demand deposits), and therefore we will maintain our focus on the use of clientele deposits to fund loan activity.

Federal government UDI denominated deposits continue to fund the assets we maintain in the UDI off balance sheet trust funds. In return for these deposits, we have acquired Special CETES from the federal government that pay an interest rate indexed to the rate of CETES, with maturities and face values similar to the loans in the UDI trusts. These Special CETES pay cash interest as the trusts' loans expire. Government UDI denominated deposits have a real fixed interest rate that varies depending on the type of loan in the UDI trusts.

Our assets denominated in foreign currency, mainly denominated in US dollars, are funded through different sources, mainly clients' deposits and medium and large exporting companies, inter-bank deposits and fixed-rate instruments. In the case of financing operations for external trade, facilities of the Mexican development banks and other foreign banks focused on financing exports, are used. The interest rate for this type of funding is usually indexed to SOFR.

Regulatory Framework

All operations carried out by the Treasury are executed in strict accordance with regulations established by Banking Institution regulatory authorities, such as Banco de México (BANXICO), the National Banking and Securities Commission (CNBV), Ministry of Finance and Public Credit (SHCP), as well as those set forth in the Law of Credit Institutions.

Moreover, the Treasury is subject to policies regarding liquidity, market and counterparty credit risks management, annually established by the Risk Policy Committee (CPR) annually to the following operation parameters:

Market Risk:

- VaR (Value at Risk)
- DV01 (sensitivity by security, term and currency)

Liquidity Risk:

- LCR (Liquidity Coverage Ratio)
- ACLME (Regime of liabilities admission and investment in foreign currency and limit of FX risk position)
- NSFR (Net Stable Funding Ratio)
- Survival Horizon

Credit Risk:

- Counterparty Lines

Capital Management:

- Tier 1, Core Tier 1, and Net Capital (these are monitoring thresholds, the Treasury will set mechanisms to the extent that the Bank or any of its subsidiaries approaches the limits established by the CPR).

Treasury Management

To maintain a prudent A&L management strategy through stable funding sources, constitute and maintain liquid assets at optimum levels, the Treasury applies the following guidelines:

1. Diversification of funding sources in national and international markets.
2. Structure liabilities in such a way as to avoid the accumulation of maturities that significantly influence the administration and control of the Treasury's resources.
3. Ensure liquidity by tapping mid and long-term liabilities.
4. Manage and maintain liquid assets to total assets, considering its effects on profitability and liquidity needs.
5. Determine and propose the Transfer Costs Policy according to the current business plan.

Treasury's Funding sources

Sources of financing for the Treasury must be classified indicating by the following way

- Public:
 - Demand Deposits
 - Term Deposits
- Market:
 - Commercial Paper
 - Cross-Currency Swaps
 - Securizations
 - Deposit Certificates
 - Issuance Programs
 - Bank Loans
- National Banks and Development Funds:
 - National Banks
 - Funds
- Correspondent Banks:
 - Foreign Banks
- Available credit lines: (available and not disposed)
 - Commercial paper
 - Call Money
 - Correspondent Banks

Through various long-term financing programs, proposals are analyzed and implemented to consolidate the debt profile.

The Treasury, in coordination with the Risk Management department, monitor on a permanent basis compliance with the LCR limits set forth by the CPR and authorities.

Loan or tax liabilities

See this information in section “c) Report of Relevant Loans” of this Annual Report.

GFNorte's Equity

	2025	2024	2023
Paid-in Capital	\$ 14,674	\$ 14,711	\$ 14,988
Share Subscription Premiums	42,140	48,161	47,648
Subscribed Capital	56,814	62,872	62,636
Capital Reserves	30,081	22,236	33,885
Retained Earnings	165,336	170,319	155,928
Comprehensive Income			

Financial instruments to collect or sell valuation	(584)	(3,240)	(1,411)
Cash flow hedges valuation	1,048	(866)	181
Defined remeasurements for employee's benefits	(3,750)	(2,805)	(1,947)
Remeasurement by result in the valuation of the unexpired risk reserve due to variation in discount rates	111	428	189
Cumulative foreign currency translation adjustment	34	465	(108)
Earned Capital	192,276	186,537	186,717
Majority Interest	249,090	249,409	249,353
Minority Interest	3,123	(981)	(148)
Total Shareholders' Equity	252,213	248,428	249,205

Million pesos

Shareholders' equity in 2025 was **Ps 252.21 billion**, 1.5% higher versus 2024. The main changes during the year were: net income of Ps 58.79 billion, dividend payments in May and December of (Ps 47.75 billion), a reduction of (Ps 6.31 billion) from the effect of Tarjetas del Futuro's acquisition, and interest on subordinated notes of (Ps 5.97 billion).

In 2024, shareholders' equity was Ps 248.43 billion, down (0.3%) versus 2023. The main changes during the year were: net income of Ps 56.19 billion, dividend payments in June and December of (Ps 35.94 billion), repurchase of share-based payment plan liquidable in equity instruments of (Ps 11.47 billion) and interest on subordinated notes of (Ps 3.87 billion).

Banco Mercantil del Norte's Capitalization Ratio

	2025	2024	2023
Paid-in Capital	\$ 18,795	\$ 18,795	\$ 18,795
Share Subscription Premiums	475	5,704	4,500
Subscribed Capital	19,270	24,499	23,295
Capital Reserves	18,959	18,959	18,959
Retained Earnings	115,865	113,916	115,000
Comprehensive Income			
Financial instruments to collect or sell valuation	(77)	(2,508)	(969)
Cash flow hedges valuation	1,065	(883)	183
Defined remeasurements for employee's benefits	(3,817)	(2,850)	(1,993)
Cumulative foreign currency translation adjustment	(31)	348	(191)
Earned Capital	131,964	126,982	130,989
Majority Interest	151,234	151,481	154,284
Minority Interest	195	(3,914)	(3,318)
Total Shareholders' Equity	151,429	147,567	150,966

Million pesos

Shareholders' equity in 2025 was **Ps 151.43 billion**, a 2.6% increase vs. 2024. The main changes during the year were: net income of Ps 47.32 billion, (Ps 39.30 billion) from dividend payments, a reduction of (Ps 6.42 billion) from the effect of Tarjetas del Futuro's acquisition, and (Ps 6.07 billion) from interest on subordinated notes.

Shareholders' equity in 2024 was Ps 147.57 billion, a (2.3%) decrease vs. 2023. The main changes during the year were: net income of Ps 44.85 billion, (Ps 42.00 billion) from dividend payments, and (Ps 3.94 billion) from interest on subordinated notes.

Banco Mercantil del Norte's Capitalization Ratio

See Note 35 of GFNorte's 2025 Audited Financial Statements

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.

These rules initially establish for Banorte a minimum regulatory level of **7.0% for Core Equity Tier 1 (CET1)** and **10.5% for the Capitalization Ratio**.

Since Banorte has been confirmed as a Level II - Systemically Important Financial Institution, it must maintain two additional capital buffers:

- 1) 0.90pp of systemic importance capital conservation buffer, effective as of December 2019;
- 2) 6.94pp of net capital supplement, TLAC (Total loss-absorbing capacity), effective as of December 2025.

The above brings the minimum regulatory requirement for CET1 to 7.9%, and the Capitalization Ratio to 18.34% (as of year-end December 2025).

	2025	2024	2023
Tier 1 Capital	\$ 205,777	\$ 221,129	\$ 193,443
Tier 2 Capital	4,214	2,193	2,229
Net Capital	209,991	223,322	195,672
Credit Risk Assets	751,563	713,973	670,310
Market & Operational Risk Assets	295,085	311,533	274,127
Total Risk Assets	1,046,648	1,025,506	944,437
Net Capital / Credit Risk Assets	27.94%	31.28%	29.19%
Capitalization Ratio			
Tier 1	19.66%	21.56%	20.48%
Tier 2	0.40%	0.21%	0.24%
Total Capitalization Ratio	20.06%	21.78%	20.72%

Million pesos.

(*) CAR for the current reporting year is preliminary, as the approval of the Central Bank is still pending. CAR for previous years can be subject to modifications, as they have already received the approval of the Central Bank.

At the end of 2025 the estimated Capital Adequacy Ratio (CAR) for Banorte was 20.06% considering credit, market, and operational risks, and 27.94% considering only credit risk. The Core Equity Tier 1 reached 12.61%. The above classifies the institution in Level I of capitalization under CNBV classification.

CAR decreased (1.71 pp) vs. 2024 due to the following effects:

	2025 vs 2024
	(1.71 pp)
1. Net Income in the period	4.53 pp
2. Effects in Risk Assets – Market	0.62 pp
3. Securities’ mark-to-market valuation and Hedging Derivatives ⁽¹⁾	(0.03 pp)
4. Effects in Risk Assets – Credit (Others) ⁽²⁾	(0.15 pp)
5. Effects in Risk Assets – Operational	(0.24 pp)
6. Other Capital Effects ⁽³⁾	(0.30 pp)
7. Effects in Risk Assets – Credit (Portfolio) ⁽⁴⁾	(0.66 pp)
8. Capital Notes	(1.73 pp)
9. Dividend to the Financial Group ⁽⁵⁾	(3.75 pp)

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

(2) Includes issuer, committed credit lines, and other assets.

(3) Includes variation of permanent and intangible investments, and other variations in capital.

(4) Includes the effect of incorporating Tarjetas del Futuro’s portfolio into Banorte’s balance sheet.

(5) Ps 14 billion on May 2nd, 2025; and Ps 25.3 billion on December 2nd, 2025.

Bineo’s Capitalization Ratio

Bineo 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.

The minimum Capital Adequacy Ratio required for Bineo amounted to 10.50%, which includes a minimum requirement of Core Equity Tier 1 (CET1) of 7.00%.

	2025	2024
Tier 1 Capital	\$ 920	\$ 1,035
Tier 2 Capital	0	0
Net Capital	920	1,035
Credit Risk Assets	244	406
Market & Operational Risk Assets	66	71
Total Risk Assets	309	477
Net Capital / Credit Risk Assets	377.14%	254.62%
Capitalization Ratio		
Tier 1	297.25%	216.75%
Tier 2	0.00%	0.00%
Total Capitalization Ratio	297.25%	216.75%

Million pesos

(*) CAR for the current reporting year is preliminary, as the approval of the Central Bank is still pending.

At the end of 2025 the estimated Capital Adequacy Ratio (CAR) for Bineo was 297.25% considering credit, market, and operational risks, and 377.14% considering only credit risk. The Core Equity Tier 1 reached 297.25%. The above classifies the institution in Level I of capitalization under CNBV classification.

CASH FLOW STATEMENT

The cash flow statement reveals cash available to the institution at a certain point in time in order to meet its obligations with creditors. The structure of the cash flow statement provides details of the cash generated by the operation, and uses of resources for net financing and the investment program. As of December 2025, available cash amounted to Ps 100.29 billion, 1.6% higher than the Ps 98.70 billion registered in December 2024.

GFNorte's Cash Flow Statement

	2025	2024 ¹	2023
Operation activities			
Net income before taxes	\$ 83,618	\$ 77,556	\$ 70,974
Adjustments for items associated with investing activities			
Depreciation in property, furniture, and equipment	4,494	4,198	3,685
Amortization of intangible assets	1,030	1,053	800
Participation in the net income of other entities	(1,724)	(1,713)	(1,413)
Discontinued operations	2,187	1,023	-
Adjustments for items associated with financing activities:			
Interest associated with interbank loans and loans from other organizations	2,662	3,483	3,214
Interest associated with financial instruments that qualify as a liability	2,856	3,814	2,530
	11,505	11,858	8,816
Changes in operating items:			
Change in margin accounts (derivative financial instruments)	9	920	560
Changes in investments in securities (net)	(43,467)	(81,891)	(82,540)
Changes in debtor balances under repurchase and resale agreements (net)	1,052	37,603	(18,779)
Change in derivative financial instruments (asset)	5,845	7,831	6,744
Change in loan portfolio (net)	(99,120)	(148,443)	(111,664)
Change in acquired collection rights (net)	80	218	(440)
Changes in debtors of insurance and surety companies	(703)	(959)	(700)
Changes in reinsurance and surety agencies (net)	(1,024)	112	(372)
Changes in merchandise inventory	(78)	(281)	37
Change in other accounts receivable (net)	15,217	(11,559)	(1,834)
Change in foreclosed assets	(229)	281	(1,920)
Cambio in deposits	108,508	77,083	159,226
Change in technical reserves	43,776	32,835	29,731
Change in interbank and other loans	(395)	(1,563)	(7,277)
Change in creditor balances under repurchase and sale agreements	(5,296)	78,429	11,773
Collateral sold or pledged	12,069	(35,440)	15,583
Change in liability position of derivative financial instruments	(13,847)	596	(7,586)
Changes in reinsurance and surety agencies (net) (liability)	498	640	650
Change in hedging instruments related to operations	(3,869)	3,929	(2,560)
Change in assets/liabilities for employee benefits	1,239	1,247	1,848
Change in other accounts payable	(7,257)	1,508	3,497
Income tax payments	(22,147)	(21,179)	(21,855)
Net assets from discontinued operations	(4,551)	-	-
Net cash flows from operating activities	81,433	31,331	51,912
Investment activities:			
Payments for acquisition of property, furniture, and equipment	(11,106)	(8,272)	(9,064)
Proceeds on disposal of property, furniture, and equipment	3,386	2,905	3,940

Payments for acquisition of subsidiaries	(901)	(3,248)	-
Payments for disposal of associates, joint ventures and other permanent investments	(20)	(3)	(94)
Charges for cash dividends	1,561	1,400	954
Net cash flows from investing activities	(7,080)	(7,218)	(4,264)
Financial activities:			
Lease liability payments	(716)	(767)	(362)
Payments associated with financial instruments that qualify as capital	(5,968)	(3,867)	(3,988)
Dividends paid in cash	(47,750)	(35,938)	(37,704)
Payments associated with the repurchase of own shares	(2,893)	(12,674)	-
Payments associated with financial instruments that qualify as a liability	(14,800)	27,693	(13,090)
Interest payments for lease liability	(405)	(387)	(379)
Net cash flows from financing activities	(72,532)	(25,940)	(55,523)
Net increase or decrease in cash and cash equivalents	1,821	(1,827)	(7,875)
Effects of changes in the value of cash and cash equivalent	(230)	301	(149)
Cash and cash equivalents at the beginning of the period	98,704	100,230	108,254
Cash and cash equivalents at the end of the period	100,295	98,704	100,230

1. Restated figures, for comparative purposes, to reflect the deconsolidation of Bineo and Tarjetas del Futuro carried out in 2025, which is why they differ from those presented in the Annual Report submitted to the authority in April 2024.
Million pesos

iii. INTERNAL CONTROL

For 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, Controller departments and CISO, which provide permanent control and monitoring support, and
- C. **Third.** Internal Audit, which with the independence granted by its direct line of report to the Internal Audit and Corporate Practices Committee (CAPS), 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 2025, 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. Corporate Governance documents related to Internal Control were reviewed, updated, and submitted through the CAPS for the Board of Directors' approval.
- C. Frameworks containing policies and procedures remained updated for changes in external regulations, new products and services, and changes in the Institution's processes or improvements to internal controls.
- D. Requests from different internal areas regarding internal control matters were addressed, both in support of the development of new institutional projects, as well as with those that derive from regulatory changes.
- E. GFNorte's business and operating support processes were constantly monitored through the Business Process and Management Comptrollers. They issued periodic compliance reports and identified areas of opportunity for their appropriate remediation.
- F. Various activities regarding internal accounting control were carried out in line with the work plan established at the beginning of the year.
- G. Effectiveness tests related to the Business Continuity Plan (the Plan) were conducted in accordance with the schedule and scope, approved by the corresponding Corporate Governance body in this area. In addition, the Plan was activated with satisfactory results in response to the events that occurred, primarily natural ones and technological.

- H. We continued to monitor the improvement initiatives derived from the observations made by the different Authority members regarding the operation of payment methods SPID, SPEI, and CoDi.
- I. Monitoring of client account transactions was maintained to detect possible operations that, due to their characteristics, could be related to money laundering or terrorist financing. Additionally, a series of activities continue to be carried out to strengthen the Sanctions Compliance Program following the designation by the U.S. Government of certain drug cartels as Foreign Terrorist Organizations (FTOs). These activities include reinforcing institutional regulations, reviewing and adjusting our risk methodologies, and expanding control structures dedicated to transactional monitoring.
- J. Different actions were carried out to ensure the proper use of personal data. Banorte is the only bank in Mexico with Certification of Compliance with the Personal Data Protection Act, recognized by INAI (Instituto Nacional de Transparencia). Banorte also has PCI-DSS Certifications in its Acquiring, Electronic Banking and Contact Center channels.
- K. The Chief Information Security Officer (CISO) submitted to GFNorte's CEO for authorization the Master Plan, carrying out its functions on the basis of the Plan, reporting the findings and details of the activities carried out to the CEO and the corresponding Corporate Governance Committees, while maintaining a matrix coordination with the Comptroller as part of the SCI.
- L. Tasks aimed at ensuring compliance with the 2025 Fraud Prevention Management Plan were carried out, and updates were reported to the corresponding Corporate Governance bodies.
- M. Continued follow-up of the improvement actions regarding the observations made by the different members of the SCI.
- N. Requirements of the Supervisory Authorities were answered, and the information requirements required by the external regulation were fulfilled. In addition, ordinary inspection visits were attended and follow-up is being provided on the remediation of the resulting recommendations.

e) CRITICAL ACCOUNTING ESTIMATES, PROVISIONS OR RESERVES

GFNorte's key accounting policies are in accordance with the accounting criteria required by the CNBV through the issuance of accounting provisions and other applicable laws, which require Management to make certain estimates and use certain assumptions to determine the valuation of some of the items included in the consolidated financial statements and to make the disclosure required. Even though they can differ from their final effect, Management believes that the estimates and assumptions used were appropriate under current circumstances.

According to the CNBV's Accounting Criteria A-1 "Basic framework of the set of accounting standards applicable to credit institutions", accounts of institutions shall be subject to financial reporting standards (NIF), defined by the Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C. (formerly, Mexican Board for Research and Development of Financial Reporting Standards), except when in the opinion of the CNBV, it is necessary to implement a regulatory framework or a specific accounting criteria taking into account the specialized operations Credit Institutions need to perform.

For more information regarding our policies and critical accounting estimates, see Note 5 of the Audited Consolidated Financial Statements to December 31, 2025 (Section 8 a) - "Annexes-Financial Statements" of this Annual Report).

GFNorte has identified the main critical accounting estimates described in this section as follows:

Investment in Financial Instruments

Investments in debt or capital financial instruments are classified based on the business model at the time of acquisition and fair value is determined according to the type of financial instrument concerned, in accordance with the following:

Negotiable Financial Instruments

Negotiable Financial Instruments are instruments owned by GFNorte, acquired with the intention of selling them for a profit derived from the price differences in short-term purchase and sale operations made by GFNorte as a market participant.

At the time of the acquisition they are initially recorded at fair value, which may include either a discount or a premium. These securities are stated at fair value, which is determined by the price vendor. The valuation includes both capital and accrued interest. The negotiable financial instruments valuation result is recorded in the results of the period.

Financial Instruments to Collect or Sell

Financial Instruments to Collect or Sell are debt or equity securities; acquired with no intention of obtaining earnings from short term trading operations and, in the case of debt securities, neither with the intention nor capacity of holding them to maturity. Therefore, they represent a residual category, in other words, they are acquired with an intention different than that of negotiable financial instruments or financial instruments to collect principal and interest.

They are valued in the same way as negotiable financial instruments, recognizing the result from valuation in other headings of net income within stockholders' equity.

If, in a later period, the fair value of a debt security classified as available for sale increased and that effect of reversal of the impairment may be objectively related to an event that occurs after the impairment was recognized in the income statement, the impairment loss must be reversed in the current results of the year.

The impairment loss recognized in the results for the year of an equity instrument classified as available for sale should not be reversed.

Financial instruments to Collect Principal and Interest

Securities that consist of debt instruments whose payments are fixed or can be determined with a set maturity, which are acquired by GFNorte with the intent and capability to hold them to maturity.

They are initially recorded at fair value and valued at amortized cost, which means that the amortization of the premium or discount (included in the fair value at which they were initially recorded), is part of the earned interest.

General Valuation Standards

The result of the valuation regarding the disposal of negotiable financial instruments, previously recorded in the year's results, is reclassified as part of the gain or loss on the date of the sale. Similarly, upon the sale of the financial instruments to collect or sell, the cumulative valuation result recorded in the comprehensive result in stockholders' equity is reclassified as part of the gain or loss on the date of sale.

Accrued interest on debt instruments is determined using the effective interest method and is recorded in the corresponding category of investments in financial instruments and in the year's results.

Dividends on equity instruments are recorded in the corresponding category of investments in financial instruments and in the year's results when the right to receive the payment of such dividends is established.

The foreign exchange gain or loss on investments in financial instruments denominated in foreign currency is recorded in the year's results.

In case of reclassifications under the accounting standard NIF C-2, section 44 among the different categories of investments in financial instruments, changes in the business model will be allowed to be effectuated, which should be writtenly informed to the Committee in the first 10 business days following the authorization. The aforementioned, so the Risk Committee can profoundly present and justify the change in the business model.

If financial instruments to collect principal and interest are reclassified as financial instruments to collect or sell, the corresponding valuation result on the reclassification date is recorded in the comprehensive result within stockholders' equity.

When the reclassification of the debt financial instrument is effectuated from the category of financial instruments to collect or sell to financial instruments to collect principal and interest, the valuation result on the transfer date continues to be reported in the Group's stockholders' equity, and it is amortized based on such instrument's remaining life.

Regarding authorized reclassifications from negotiable financial instruments to any other category, the valuation result on the reclassification date is already acknowledged in the year's results.

An impairment loss on a security is recorded against the year's results if there is objective evidence of such impairment as a result of one or more events, occurring after the initial recording of the security, that have had an impact on the estimated future cash flows that can be reliably determined. The effect of recording the impairment of securities is shown in Note 7 of the GFNorte's audited consolidated financial statements as of December 31, 2025.

A previously recorded impairment loss is reversed against the year's results if, in a later period, the amount of the loss decreases and such decrease is objectively associated with an event occurring after the impairment was recorded.

The Holding company periodically verifies whether its financial instruments to collect or sell and its financial instruments to collect principal and interest show any impairment losses, under the Expected Credit Loss method (PCE); according to the NIF C-16 accounting standard and considering the credit risk they withhold. The expected credit losses (PCEs) are estimated based on all the possible default events that could be presented throughout the life of the the financial instrument to collect.

The expected credit losses (PCEs) are accrued losses in the financial instrument to collect that can be proved after analyzing its probability of default and severity loss. Therefore, its recognition begins once the instrument to collect is generated, as the risk of a bad debt already exists, despite how minimal it is at that moment.

The Holding company evaluates the expected credit losses over the financial instruments to collect or sell and the financial instruments to collect principal interest, taking the following into consideration:

- a. The expected credit losses are not the losses as of the date of publication of the financial statements, but the accrued losses in the financial instruments to collect that could be proved afterwards regarding its probability of default and severity loss. Therefore, its recognition begins once the financial instrument to collect is generated. The aforementioned, given that the risk of a bad debt is already there, despite how minimal it is at that moment.
- b. Time Value of Money; and
- c. The availability of reasonable and backed-up information without effort or undue cost in the date of the analysis, regarding past events, actual conditions, and future economic forecasts.

Under the NIF C-16 accounting standard, the Holding company determines the stage of default in which the financial instruments to collect or sell and the financial instruments to collect principal interest are currently in, taking into consideration the following:

Stage 1: Risk of default has not increased significantly from the date of its initial recognition to the reporting date of the financial statements. The probability of default (PI) is determined at 12 months.

Stage 2: Financial instruments that have shown a significant increase in the credit risk since the date of its initial recognition to the reporting date of the financial statements. The probability of default (PI) is determined at its total term.

Stage 3: Financial instruments that have gone through one or more damaging events within the future cash flows of the financial instruments to collect principal interest. The probability of default (PI) is 100%.

Based on the 3 stages previously mentioned, the estimated amount for each expected credit loss is determined, under the following steps:

- 1) Based on the three stages previously mentioned, the defaulted investments are determined considering the applicable probability of default (PI) for each stage;
- 2) Based on the severity loss (LS), the recoverable amount of the defaulted investments is determined, by valuating the estimated recoverable cashflows to present value, with the original effective interest rate; and
- 3) The recoverable amount is compared vs the defaulted portfolio determined in step 1.

The Estimated Credit Losses (PCE) is recognized in the P&L in the moment in which they are determined.

Repo Operations

It is an operation by means of which the buyer acquires the ownership of credit titles for a sum of money and is obliged to transfer the ownership of as many titles of the same kind to the seller, within the agreed term and against reimbursement of the same price plus a prize. The award remains for the benefit of the reporter, unless otherwise agreed.

Repo transactions are recorded according to their economic substance, which is that of a financing with collateral, where GFNorte, acting as a buyer, delivers cash as financing, in exchange for obtaining financial assets that serve as protection in the event of default.

On the repurchase agreement transaction contract date, GFNorte acting as the seller, records the cash inflow, or else a settlement debtor account as well as a payable account at its fair value, initially at the agreed price, which represents the obligation to reimburse the cash to the purchaser. The account payable is subsequently valued over

the term of the repurchase agreement at amortized cost by recognizing the interest from the repurchase agreement in the year's results using the effective interest method.

As to the collateral granted, GFNorte classifies the financial asset in the Consolidated Balance Sheets as restricted, valuing it according to the criteria described in Note 4 of the audited financial statements of GFNorte to December 31, 2025 until the repurchase agreement's maturity.

Operations with Derivatives

Since the derivatives products operated by GFNorte are considered as conventional (*Plain Vanilla*), the institution uses the standard valuation models contained in derivatives operations and GFNorte risk management systems.

All of the valuation methods that GFNorte uses result in fair value of the transactions and are periodically adjusted. Furthermore, they are audited by independent third parties.

Valuation of the positions is done on a daily basis and a price provider generates the input used by the transaction and risk management systems. The price provider generates these valuations based on daily market conditions.

Forward and Futures Contracts

Forward and Futures Contracts available for sale, are those through which a buy or sell of a financial asset or commodity obligation is set at a future date, with previously set amount, quality and price in the contract. Futures contracts are recorded initially by GFNorte in the balance sheet as an asset and a liability at fair value, which represents the price agreed in the contract in order to acknowledge the right and obligation of receiving and/or delivering the underlying, as well as the right and obligation of receiving and/or delivering the cash equivalent to the underlying, object of the contract.

Derivatives are presented in a specific item of assets or liabilities, depending on whether their fair value (as a consequence of established rights and/or obligations) corresponds to a debtor or creditor balance, respectively. Debtor or creditor balances in the Consolidated Balance Sheets are offset if GFNorte has the contractual right to offset the stated amount, the intention of liquidating the net amount or to realize the assets and cancel the liability, simultaneously.

In the case of transactions for trading purposes, their balance represents the difference between the fair value of the contract and the established "forward" price.

Options Contracts

Options are contracts that, through the payment of a premium, grant the right, but not the obligation, to buy or sell a financial or underlying asset at a specific price called the exercise price, on an established date or period.

Due to the rights they grant, the options are divided into: call options and put options. Both can be used as trading or hedging instruments.

Options can be exercised on a defined date or within a specified period of time; the exercise price is the one agreed upon in the option, and which will be exercised if it is convenient for the option buyer. The instrument on which this price is set is the reference or underlying security. The premium is the price paid by the holder to the issuer for the rights conferred by the option.

The holder of a call option has the right, but not the obligation, to buy from the issuer a certain financial or underlying asset, at a fixed price (exercise price), within a specified period.

The holder of a put option has the right, but not the obligation, to sell a certain underlying or financial asset, at a fixed price (exercise price), within a specified period.

GFNorte records the option premium as an asset or liability at the transaction date. The fluctuations resulting from market valuation of the option's premium are recorded by affecting the Consolidated Income Statement in the account "Trading results" and the corresponding Consolidated Balance Sheet account.

Swaps

They are contracts between two parties, through which the bilateral obligation is established to exchange a series of cash flows, for a specified period of time and on pre-established dates, over a nominal or reference value.

Are recorded at fair value which corresponds to the net amount between the asset and liability portion for the rights and obligations agreed upon; they are subsequently valued at fair value using the present value of the future flows to receive or grant according to the projections for future implicit applicable rates, discounting the market rate on the valuation date with yield curves given by the price provider. The result of such valuation is recorded in the year's results.

Allowance for loan losses

As of January 1, 2022, regulatory modifications of the Commission entered into force, regarding the classification and registration of the loan portfolio (Accounting Criterion B-6) for the implementation of the MFRS C-16 (IFRS 9), modifications to the standard methodologies for rating and calculating allowance for loan losses, recalibration of the standard methodologies for calculating the probability of default of the commercial portfolio and changes in the requirements to certify internal models and methodologies for calculating capital requirements for credit risk and estimate of preventive reserves.

Within these modifications, loans are classified into three "Stages" based on their risk: those cataloged within Stage 1 are considered to have no significant increase in credit risk, Stage 2 are considered those that have a significant increase in credit risk, but without objective evidence of impairment. Stage 3 classifies those loans where there is objective evidence of impairment. With the above description, for loans classified in Stage 1 and 3, the expected loss was calculated over a 12-month time horizon, while for those loans classified in Stage 2, expected losses were recognized throughout the life of the loan.

Among the most relevant regulatory changes in standard portfolio rating methodologies and in the requirements to certify internal models and methodologies, the following stand out:

Standard methodology

- All portfolios
 - In loans classified as Stage 2, allowances are estimated considering the higher of the expected loss with a 12-month horizon or the expected loss considering the remaining term of the loan.
- Commercial Loans
 - The methodologies for determining the Probabilities of Default of all types of borrowers (Governments loans, Financial Holding Companies and Business with Sales of less than 14 million udis) are replaced.

- The methodology for determining the percentage of reserves in loans granted to Investment Projects with their own source of payment is modified, where in addition to the cash flow, a series of qualitative factors specific to each type of project are evaluated.
- The Severity of the Loss of unsecured credits is modified to differentiate the factor according to the type of borrower, and additionally, the evolution of said Severity of the Loss of credits classified in Stage 3 is modified, which will gradually increase to reach 100% in a period of 36 months after its classification in Stage 3.
- The formulas for estimating the Exposure at Default in committed lines of credit are adjusted.
- In certain exposures, Rebuttal of Stage 2 is allowed when the borrower's delay event is due to an operational issue, a quantitative and qualitative analysis is carried out, and it is also approved by a collegiate body.

In the event of impairment in the credit quality of the borrower, in certain exposures the deterioration to a Stage of higher risk is allowed after a quantitative and qualitative analysis, and that is also approved by a collegiate body.

Internal Models

In October 2016, the Board of Directors approved the implementation plan for the internal models for calculating reserves and capital requirements for all modelable portfolios, which was sent to the Commission that same year. Pursuant to this implementation plan, the models for the Credit Card, Business and Personal Automotive portfolios were certified.

At the end of 2018, the Commission released the project to migrate standard and internal methodologies under the IFRS 9 approach, but it was not until March 2020 that the definitive rules for Internal Methodologies of reserves were published on the Official Gazette of the Federation (DOF) based on MFRS C-16 (IFRS 9), effective as of January 2021, however, derived from the Covid-19 pandemic, the Commission issued a statement in April 2020, indicating that the rule would be effective as of January 2022.

Due to the foregoing, the Financial Group adhered to the new regulation and adopted the Internal Reserve Methodologies based on MFRS C-16, requesting in April 2021 the CPR and the Board of Directors, the approval of the new Implementation Plan (Capital and Reserves), which was authorized by the Commission in January 2022 through Official Letter No. 111-2/852/2022.

Therefore, as of January 2022, when the MFRS C-16 (IFRS 9) standard came into force, it is being used to calculate preventive reserves for credit risks, both in the Standard Approach and in the Internal Models. Consequently, for the Internal Models there will be estimates for the risk parameters under two approaches: IRB for calculating the capital requirement and IMFRS9 for calculating reserves:

- The approach for equity will maintain long-term estimates under Annex 15 of the CUB2.
- The approach for reserves captures current behaviors and with a prospective approach (future macroeconomic environment), under Annex 15 Bis of the CUB. In addition, the new methodology indicates that the portfolio must be classified into 3 risk stages, being necessary for stage 2 a reserve calculation for the remaining term.

Given the new guidelines of the CUB on Internal Models, the Commission will only issue an official letter of approval for the use of the methodology for the Calculation of Equity, for a maximum period of 18 months. The use of the internal reserve methodology is authorized by the Board of Directors with the support of the Technical Evaluation made by the Independent Evaluator that guarantees compliance with the model under the standards established in Annex 15 Bis. It should be noted that the Technical Evaluation Report is sent to the Commission for its review, the

validity of this model is also for a maximum period of 18 months.

Advanced Internal Model for Credit Card

On November 15, 2017, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for Credit Card (TDC) qualification for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official 111-3/706/2017). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months. (Official Letter 111-2/272/2021) and the Board of Directors authorized the use of the reserve methodology based on MFRS C-16 at its meeting held on October 21, 2021. The maximum period of use of the reserve model is also for 18 months.

These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience, and have been applied as of February 2018 (with January figures). The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI),
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

Advanced Internal Model for Individual Auto Loan

On November 25, 2019, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for the qualification of Individuals Auto Loans (Auto PF) for the constitution of regulatory reserves and capital for credit risk with a focus advanced (Official 111/678/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on September 29, 2022, the Commission (Official 111-2/272/2021) granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months, and the Board of Directors authorized the use of the reserve methodology based on MFRS-C16 at its meeting on July 21, 2022. The maximum period of use of the reserve model also is for 18 months.

These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI).
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

Basic Internal Model for Business

The Financial Group obtained on November 30, 2018 from the Commission the approval for the use of the Internal Model for business for the constitution of reserves and regulatory capital requirement for credit risk with a basic approach (Official Letter 111-3/1472/ 2018) in Banorte, and on March 1, 2019 for AyF (Oficios 111-1/160/2019 and

111-1/161/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months for Banorte (Official 111-2/269/2021) and AyF (Official 111-2/267/2021). Likewise, the Board of Directors authorized the use of the reserve methodology based on MFRS C16 at its meeting held on October 21, 2021 for Banorte and on October 20, 2021 for AyF. The maximum period of use of the reservation model is also for 18 months.

The positions subject to those qualification are Business Entities (other than federal entities, municipalities and financial entities) and individuals with business activity, both with annual sales greater than or equal to 14 million UDIs.

The Internal Model improves comprehensive credit risk management, estimating risk parameters through the Institution's experience, and has been applied as of February 2019 (with figures as of January) at Banorte; and as of March 2019 (with figures as of February) in AyF. The authorized parameter under the Basic Internal Model of Companies is:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.

Acquired Collection Rights

This item is represented by the acquisition cost of the various credit asset packages acquired by GFNorte, valued at amortized cost via the effective interest method with the effective interest rate.

The effective interest rate of the acquired collection rights could be periodically adjusted in order to recognize the cash flow variations expected to receive.

The Holding company periodically evaluates the expected estimated cash flows by the acquired collection rights; the acquired collection rights that, acquired by the Holding company, are considered financial instruments to collect with a high credit risk (stage 3), and cannot be transferred to another stage in case of any aftereffect.

Impairment of Credit Assets

GFNorte performs a periodic evaluation of the expected cash flows during the term of the collection rights and discounts them based on the effective interest rate of each portfolio under the NIF C-16 accounting standard. In case that, based on information and events, the said expected discounted cash flows will decrease; an estimate of irrecoverability or doubtful receivables vs the year's results is carried out, by the amount in which those discounted cashflows are lower than the book value of the account receivable.

Premium Receivable

This balance represents premium receivables at the balance sheet date. In accordance with the provisions of the Insurance Companies Law (Ley General de Instituciones y Sociedades Mutualistas de Seguros) and those of the CNSF, premiums more than 45 days old must be canceled against the results of the fiscal year, including, if the case, technical reserves, acquisition cost and the relative ceded reinsurance, and should not be considered in the computation of the coverage of technical reserves.

Based on the internal policy approved by the CEO, certain issued policies older than 45 days and whose premiums have not been fully or partially collected are excluded from the cancellation process; this is due to the fact that various negotiations are currently being carried out with insured parties, with whom our experience has indicated that these accounts are collectible. As of December 31, 2025, the premiums older than 45 days that were not paid amount to approximately Ps 80, excluding debts borne by agencies and entities of the federal public administration, amount to which should reduce the unearned net premium, commissions and corresponding reinsurance to determine its net effect on results. Said amount was not computed to cover technical reserves.

Reserve for Uncollectable Accounts

GFNorte performs a study to quantify the different future events that could affect the amount in accounts receivable over 90 days and thus determine the percentage of non-recoverability in order to calculate its allowance for doubtful accounts. The remaining balance of accounts receivable is reserved at 90 calendar days from the initial recognition.

The investment projects' balances represent financing to investment projects' trusts (especially in the development of social housing). GFNorte acknowledges a yield from the trust financing disposal, which is related to the construction project's progress compliance and/or sale as stated in each trust's agreement. Failure to meet the construction project's progress and/or sale as stipulated in the agreement, GFNorte stops recording the funding yield.

To assess investment projects, each project's expected value is determined according to the expected flow of the sale of investment project's potential inventory or that of a portfolio of investment projects of GFNorte based on the current business plan.

The impairment of investment projects is determined based on the projection of cash flows to be recovered discounted at present value using an appropriate interest rate, in accordance with the policy mentioned in Note 5.

Foreclosed Assets, Net.

Foreclosed property or property received as payments in kind are recorded at the lower of their cost or fair value minus the strictly necessary costs and expenses disbursed in the foreclosure. Cost is determined as the forced sale value established by the judge upon foreclosure or, in the case of payments in kind, the price agreed between the parties involved.

When the gross value of the asset or the accrued or past due amortizations leading to the foreclosure, is higher than the foreclosed property, the difference is recorded in the period's results under "Other Operating Income (expenses)."

When the value of the asset or the accrued or past due amortizations leading to the foreclosure, is lower than the foreclosed property, its value is adjusted to the asset's value.

The carrying value is only modified when there is evidence that the fair value is lower than the recorded carrying value. Reductions in the carrying value of the loan are recorded in the current earnings as they occur.

The provisions applicable to the new valuation methodology for the allowance for loan losses mentioned above define the valuation methodology for reserves related to either foreclosed property or those assets received as payment in kind, establishing that additional quarterly provisions must be created to recognize the potential decrease in value over time of property awarded under legal proceedings, out-of-court or received as payment in kind and the investments in financial instruments received as foreclosed goods or payment in kind.

When problems are identified regarding the realization of the value of the foreclosed property, GFNorte records additional reserves based on management's best estimates. As of December 31, 2025, Management has not identified signs of deterioration or problems to realize foreclosed assets, consequently, has not created reserves in addition to those created by the percentage applied based on the accounting criteria.

Property, furniture and equipment, Goodwill and Other Intangible Assets

Property, furniture and equipment

Property, furniture and equipment are recorded at acquisition cost. The balances of acquisitions made until December 31, 2007 are restated using factors derived from the value of the UDI of that date. Depreciation is calculated using the straight-line method based on the useful lives of the assets as estimated by independent appraisers.

Goodwill and Other Intangible Assets

As goodwill is considered an intangible asset with an indefinite life, it is subject to impairment tests at least annually according to NIF C-15 "Impairment in the value of long-lasting assets and their disposal."

Intangible assets are recognized in the consolidated balance sheets provided they are identifiable and generate future economic benefits that are controlled by GFNorte. The amortizable amount of the intangible asset is assigned on a systematic basis during its estimated useful life. Intangible assets with indefinite lives are not amortized and both, with defined and indefinite lives, their value are subject to annual impairment tests.

GFNorte maintains criteria for identifying and, where appropriate, recording intangible losses for deterioration or decline in value for those financial and other long-term assets, including goodwill. No indicators of impairment of goodwill have been identified as of December 31, 2025.

Income Taxes (ISR)

The provisions for ISR and PTU are recorded in the results of the year in which they are incurred. Deferred taxes are recognized based on financial projections. Deferred taxes are calculated by applying the corresponding tax rate to the applicable temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carry-forwards and certain tax credits. The deferred tax assets are recorded only when there is a high probability of recovery. The net effect of the aforementioned items is presented in the Consolidated Balance Sheet under the "Deferred taxes, net" line.

Technical Reserves

By provision of the CNSF, all technical reserves must be ruled annually by independent actuaries. On February 10 (Insurer) and February 5 (Pensions) 2026, the actuaries have confirmed that in their opinion the amounts of the reserves recorded by GFNorte as of December 31, 2025, are reasonably acceptable based on their obligations, within the parameters that the actuarial practice indicates and in accordance with the criteria that the authorities in this matter consider.

Technical reserves are constituted pursuant to the terms set forth by the Law, as well as to the provisions issued by the CNSF. To value the technical reserves, the Financial Group used the valuation methods found in the provisions set forth in Chapter 5 "Technical Reserves" in the Insurance Circular published in the DOF on December 19, 2014.

Provisions

Provisions are recognized when a current obligation that results from a past event and are likely to result in the use of economic resources and can be reasonably estimated.

Labor Obligations

Defined Benefit Plans

Seniority bonuses, pensions, and medical expenses after retirement are recognized as they are accrued, and are based on third party actuarial calculations that use the projected unitary credit, using nominal interest rates. Therefore this liability consists of the present value of a future obligation that will be paid at the estimated retirement date of all GFNorte's employees, together with liabilities derived from currently retired personnel.

Defined Contribution Plan

GFNorte has a defined contribution pension plan. Employees that are eligible for this plan are those who joined the company after January 2001, as well as all others who joined before that date, but voluntarily signed up for this plan. This pension plan is invested in a fund which is included under "Other Assets".

Labor obligations derived from the definite contribution plan do not require an actuarial valuation as per NIF D-3 regulation, as the cost of this plan is equivalent to the individual periodic contributions made under this plan for each participating employee.

These estimations are further described in note 29 to the Consolidated Financial statements as of December 31, 2025. This note includes the expected revenue of retirement plans, the discount rate and the growth rate used for future labor expenses. These estimates depend on economic circumstances in Mexico.

Employee Profit Sharing provisions (PTU) are recognized in the results of the year in which they are accrued as non-interest expense. GFNorte calculates PTU according to the guidelines established in the Mexican Constitution.

4. ADMINISTRATION

a) EXTERNAL AUDITORS

During the past three years Galaz, Yamazaki, Ruiz Urquiza, S.C. (member of Deloitte Touche Tohmatsu) has been the External Audit Firm who has audited Grupo Financiero Banorte's Financial Statements, who has stated that such information has been prepared, in all material respects, in compliance with the accounting criteria established by the CNBV (Comisión Nacional Bancaria y de Valores) through the General Provisions applicable to Holding Companies of Financial Groups which regulate the matters corresponding jointly to the National Supervisory Commissions and in the reports has not identified significant shortcomings in the Internal Control evaluation, procedure execution and other matters evaluation.

The Board of Directors is responsible for the designation of the Firm and Independent External Auditor on the proposal of the Audit and Corporate Practices Committee. To this end, the latter must evaluate and validate the compliance with the personal and professional independence requirements of the Quality Control Standard, and review the work plan, as well as the team to determine, in accordance with their opinion, whether the resources to carry out their execution are reasonable.

For 2025, the Board of Directors authorized services other than external audit of Basic Financial Statements for the following purposes:

	Thousand Pesos
▪ Local Tax Review.	3,887
▪ Transfer Pricing Analyses	3,895
▪ Annual Sustainability Report Review	1,074
▪ Income Tax (ISR) depreciation rate opinion applicable to Aviacoore, including the tax effect of the outstanding balance on asset renewals.	600
▪ Independent Assessment of AML/CFT Systems for Empresas More.	682
▪ Recovery of 2021 VAT credit balances for Uniteller México.	374
▪ Advisory on the identification of material risks and opportunities for disclosure and Sustainability Reporting in accordance with IFRS S1 and S2.	890
▪ Effectiveness review of the AML/CFT alerting system at Banco Bineo.	350
Total	11,752

The total expenditure paid to the Firm during said fiscal year was Ps 38.7 million; therefore, the aforementioned services represent 30.4%.

b) OPERATIONS WITH RELATED PARTIES AND CONFLICTS OF INTEREST

At Banco Mercantil del Norte, GFNorte's main subsidiary, the portion of the loan portfolio operated with related individuals and companies does not exceed the established limit of 35% of the Tier 1 Capital for December 2025, 2024, and 2023.

	Banorte		
	Dic-25	Dic-24	Dic-23
Portfolio Art. 73 Banorte	Ps 26,326	Ps 32,469	Ps 22,105
Portfolio Art. 73 / Tier 1 Capital	11.6%	17.1%	11.2%
Portfolio Art. 73 / Limit established of Tier 1 Capital	33.0%	48.9%	31.9%

Million Pesos

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

Banorte

As of December 31st, 2025, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 26.33 billion (including Ps 2.47 billion in Letters of Credit "CC", which are registered in memorandum accounts), representing 2.1% of Banorte's total loan portfolio (excluding the balance of CC). Out of the total related loans balance, Ps 24.91 billion loans were granted to clients linked to members of the Board of Directors, and Ps 1.42 billion were linked to companies related to GFNorte. At the end of December 2025, 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 2025 was 11.6% of Core Equity.

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

As of December 31st, 2024, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 32.47 billion (including Ps 3.12 billion in Letters of Credit "CC", which are registered in memorandum accounts), representing 2.8% of Banorte's total loan portfolio (excluding the balance of CC). Out of the total related loans balance, Ps 20.73 billion loans were granted to clients linked to members of the Board of Directors, and Ps 11.74 billion were linked to companies related to GFNorte. At the end of December 2024, 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 2024 was 17.1% 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

Business Relations

GFNorte maintains the practice of identifying balances and operations that it carries out with its subsidiaries. All balances and transactions with consolidated subsidiaries that are shown below have been eliminated in the consolidation process. These transactions are also set up using studies of transfer pricing.

As of December 31st, 2025, 2024, and 2023, GFNorte's participation in the equity of its consolidated subsidiaries is as follows:

	2025	2024	2023
Banco Mercantil del Norte, S.A. y Subsidiarias	98.26%	98.26%	98.26%
Arrendadora y Factor Banorte, S.A. de C.V. SOFOM, ER y Subsidiaria	99.92%	99.92%	99.90%
Almacenadora Banorte, S.A. de C.V. y Subsidiaria	99.99%	99.99%	99.99%
Banorte Ahorro y Previsión, S.A. de C.V. y Subsidiarias	99.99%	99.99%	99.99%
Casa de Bolsa Banorte Ixe, S.A. de C.V. y Subsidiaria	99.99%	99.99%	99.99%
Operadora de Fondos Banorte Ixe S.A. de C.V.	99.99%	99.99%	99.99%
Banco Bineo	99.99%	99.99%	99.99%

As of April 29th, 2016, the Sub holding Company Banorte Ahorro y Previsión, S.A. de C.V. was constituted in terms of the Law Regulating Financial Groups. On September 1st, 2016, GFNorte transferred in kind its holding of representative shares of Pensiones Banorte and Seguros Banorte equity towards BAP, given the increase in the variable portion of its equity.

	2025	2024	2023
Seguros Banorte, S.A. de C.V.	99.99%	99.99%	99.99%
Pensiones Banorte, S.A. de C.V.	99.99%	99.99%	99.99%

Moreover, on October 17th, 2016, Banorte's spin-off became effective, creating Banorte Futuro, S.A. de C.V. ("Banorte Futuro"), a new company, to which Banorte transferred shares representing Afore XXI Banorte's equity as assets. That day, GFNorte transferred in kind its holding of Banorte Futuro's shares to Banorte Ahorro y Previsión, given the increase in the variable portion of its equity. Immediately afterwards, Banorte Ahorro y Previsión transferred in kind its holding of Banorte Futuro's shares to Seguros Banorte, given the increase in the fixed portion of its equity.

c) MANAGERS AND SHAREHOLDERS

Board of Directors

The Board of Directors of Grupo Financiero Banorte, S.A.B. de C.V. ("GFNorte") is made up of 14 Regular Directors, and if the case, by their respective Alternates; out of which 9 are independent. Alternate Directors can only replace their respective Regular Director in the event of a temporary vacancy, in the understanding that Alternates of Independent Regular Directors have the same capacity.

Frequency of sessions: The Board meets every quarter and, under extraordinary circumstances, at the request of the Board's Chairman, 25% of Regular Directors, or the respective Chairmans of the Audit and Corporate Practices Committees, respectively.

Quorum: 51% of the Board Members which should include at least one Alternate Director.

- All Regular Directors of the Board have voice and vote in the meetings.
- In the absence of a Regular Director, the alternate is entitled to vote, and his/her presence is considered part of the required quorum.

- When a Regular Director is present, the alternate is not entitled to vote, and his/her presence is not considered part of the required quorum.
- Decisions are made by the majority of votes of those present.

Policy that promotes gender equality: GFNorte has a policy to promote equality between men and women in its social bodies. This is within the rules of operation and operation of the Nominating Committee and incorporates provisions that promote dignity, equity, inclusion and diversity (gender, race, nationality, culture, beliefs, language, marital status, ideology, political opinions or any other personal, physical or social condition, etc.), in order to foster an inclusive work environment, respect and freedom from discrimination, within the Board of Directors.

Grupo Financiero Banorte, S.A.B. is the majority shareholder of Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte and holds a 98.26% interest in the capital stock. No member of the Board of Directors or Senior Management has an ownership interest of more than 1% or less than 10% in the capital stock of Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.

The Board of Directors was designated by the Annual General Shareholders' Meeting held on April 23rd, 2025. The Board of Directors is comprised by the following Members:

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Carlos Hank González	Chairman of the Board of Directors Regular Director	October 2014	Male	<ul style="list-style-type: none"> • Vice Chairman of the Board of Directors of Gruma (Non-Executive Director). • Independent member of the Board of Directors of Televisa. • Chairman of the Board of Directors of Cerrey. • Chief Executive Officer of Grupo Hermes. • Former member of the Board of Directors of the Mexican Stock Exchange until March 20, 2025. • Former Chief Executive Officer of Grupo Financiero Interacciones and Interacciones Casa de Bolsa. • Former Deputy Chief Executive Officer of Grupo Financiero Banorte. • Holds a Bachelor's degree in Business Administration from Universidad Iberoamericana.
Juan Antonio González Moreno	Regular Director	April 2004	Male	<ul style="list-style-type: none"> • Chairman of the Board of Directors and Chief Executive Officer of Gruma and Gimsa. • Former Chief Executive Officer of Gruma Asia and Oceania; Senior Vice President of Special Projects at Gruma Corporation; Chairman and CEO of CarAmigo U.S.; Vice President of the Central and Eastern Regions of Mission Foods; and

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>President and Vice President of Sales at Azteca Milling.</p> <ul style="list-style-type: none"> • Holds a Bachelor's degree in Business Administration from Universidad Regiomontana and an MBA from the University of San Diego, California.
David Juan Villarreal Montemayor	Regular Director	October 1993	Male	<ul style="list-style-type: none"> • Chief Executive Officer and majority shareholder of Artefactos Laminados, S.A. de C.V. • Chairman of the Board of Directors and Deputy Chief Executive Officer of Inmobiliaria Montevi, S.A. de C.V. and Inmobiliaria Monyor, S.A. de C.V. • Regional Advisory Board Member of Banco Nacional de México, S.A. (Banamex) and Financial Advisor and Business Developer at SISMEX. • Holds a Mechanical and Electrical Engineering degree from ITESM, a Master of Science in Automatic Controls from the same institution and has completed the Senior Management Program at IPADE.
José Marcos Ramírez Miguel	Regular Director	April 2015	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo Financiero Banorte and Banco Mercantil del Norte. • Former CEO of Wholesale Banking and former Corporate CEO within Grupo Financiero Banorte. • Former Chairman of the Mexican Association of Securities Brokers; previously worked at Nacional Financiera, BNP, Banque Indosuez México; founder of Finventia; and consultant at Peat Marwick México. • Former CFO, Head of Wholesale Banking, CEO of Santander Brokerage House, and Executive Vice President at Grupo Financiero Santander. • Holds a Bachelor's degree in Actuarial Science from Universidad Anáhuac, postgraduate studies in Finance from ITAM, and an MBA from ESADE Barcelona.
Carlos de la Isla Corry	Regular Director	April 2020	Male	<ul style="list-style-type: none"> • Director of the Office of the Presidency of Grupo Hermes.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • Former Chief Risk and Credit Officer of GFNorte. • Former CFO of Grupo Hermes (2003–2014), overseeing industrial, tourism, transportation, construction, and concession operations; former Board member of Grupo Industrial. • Former Board member of Grupo Financiero Interacciones companies. • Former Chair of the Credit Committee of Banco Interacciones and Chair of the Risk Committee at Grupo Financiero Interacciones; member of Audit, Compensation and Corporate Practices Committees. • Holds a degree in Electronics and Digital Systems Engineering from UNAM and an MBA from the University of Texas at Austin.
Alicia Alejandra Lebrija Hirschfeld	Independent Regular Director	April 2022	Female	<ul style="list-style-type: none"> • She has served as Executive Chair of Fundación Televisa since 2011. • She is the founder of flagship programs such as Béalos, which has benefited more than 500,000 students and teachers. She has also led technology-driven initiatives that have reached over 2.5 million children nationwide. Through programs such as Tecnolochicas and Cuantrix, she actively promotes the reduction of gender gaps in STEM education. • In academia, she served as Professor of Economics at the Instituto Tecnológico Autónomo de México (ITAM) beginning in 1994 and was appointed Director of International Relations in 1996. She concluded her academic career at ITAM in 2006, when she assumed the position of Director of Education at Fundación Televisa. • She was Founder and Director of the Institute for European Integration Studies, a joint initiative of the European Commission and ITAM (January 1999 – December 2000). At ITAM, she also served as

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>School Director (August 1995 – August 1996) and as Professor in the Department of Economics (January 1994 – January 2003).</p> <ul style="list-style-type: none"> • Additionally, she was a Visiting Professor in the Department of International Studies at CIDE (January – June 2000) and at the Matías Romero Institute of the Ministry of Foreign Affairs (April 1995 – June 1997). Earlier in her career, she served as a Research Assistant at the Center for Economic Analysis and Research (CAIE) (January – December 1989).
Clemente Ismael Reyes Retana Valdés	Independent Regular Director	April 2021	Male	<ul style="list-style-type: none"> • Managing Partner of Reyes Retana Consultores, S.C. since February 2008. • Has served as consultant to Grupo BAL, Indeval, Envases y Laminados, GNP Seguros, and companies in the real estate development, self-financing, pharmaceutical, manufacturing, and information technology sectors. • Has served as Independent Professional Director and Chair of Audit and Corporate Practices Committees in multiple organizations, including the Mexican Stock Exchange (Bolsa Mexicana de Valores) and Grupo Comercial Chedraui. • Former Chief Financial Officer (1992–1994) and Deputy Chief Executive Officer (1994–2008) of Invex Grupo Financiero, S.A.B. de C.V. • Holds a Bachelor's degree in Actuarial Science from Universidad Nacional Autónoma de México (UNAM) and an MBA from Cornell University.
Mariana Baños Reynaud	Independent Regular Director	April 2023	Female	<ul style="list-style-type: none"> • Founder and Chief Executive Officer of Fundación Origen, a comprehensive support platform for women in vulnerable situations, offering human and economic development programs aimed at breaking cycles of violence and reducing poverty in Mexico.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • Holds a Bachelor's degree in Art History from Universidad Iberoamericana.
Federico Carlos Fernández Senderos	Independent Regular Director	April 2023	Male	<ul style="list-style-type: none"> • Founder and Executive Chairman of Grupo SIM, a company providing integrated solutions that combine advanced equipment, specialized services, qualified personnel, and information technology for healthcare delivery, including AVANT SOFOM (founded in 2004), SEAC Back Office Operator (founded in 2005), and SIM-A Seed Capital Investment Company (founded in 2010). • Independent Proprietary Director of Grupo Comercial Chedraui; Related Director (Non-Related) of Grupo Kuo and Grupo Dine, due to family ties with the Chairman of the Boards of Grupo Kuo and Grupo Dine, Mr. Fernando Senderos Mestre. • Holds a Bachelor's degree in Business Administration from Universidad Anáhuac and a Senior Management Master's degree from IPADE.
David Peñaloza Alanís	Independent Regular Director	April 2019	Male	<ul style="list-style-type: none"> • Chief Executive Officer and Chairman of the Board of Directors of Promotora y Operadora de Infraestructura, S.A.B. de C.V. (PINFRA). • Formerly worked at Société Générale, GBM, and Serfin. • Holds a Bachelor's degree in Public Accounting from Universidad Anáhuac and a postgraduate degree in Business Administration from Harvard University.
José Antonio Chedraui Egúa	Independent Regular Director	April 2015	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo Comercial Chedraui. • Former Commercial Director and subsequently Chief Executive Officer of Las Galas. • Active participant in Fundación Chedraui, Young Presidents' Organization, and México Nuevo. • Holds a Bachelor's degree in Accounting and Finance from Universidad Anáhuac.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Alfonso de Angoitia Noriega	Independent Regular Director	April 2015	Male	<ul style="list-style-type: none"> • Co-Chief Executive Officer and Chairman of the Finance Committee of Grupo Televisa, S.A.B. de C.V.; former Board member, Executive Committee member, and Executive Vice President of Administration and Finance. • Former Board member of Cablevisión, Innova (Sky), Cablemás Telecomunicaciones, Operbes (Bestel), Televisión Internacional, Grupo Axo, and The Americas Society. • Chairman of the Board of Trustees of Fundación Kardias and member of Fundación UNAM and Fundación Mexicana para la Salud. • Founding partner of the law firm Mijares, Angoitia, Cortés y Fuentes, S.C. • Former Board member of Grupo Modelo and The American School Foundation. • Holds a Law degree from Universidad Nacional Autónoma de México (UNAM).
Thomas Stanley Heather Rodríguez	Independent Regular Director	April 2016	Male	<ul style="list-style-type: none"> • Partner at Creel, García-Cuéllar, Aiza y Enríquez, S.C., specializing in external financing, restructurings, and securities offerings. • Legal Advisor to the Business Coordinating Council (CCE) and permanent member of the committee responsible for drafting the Code of Best Corporate Practices. • Independent Director and Chairman of the Corporate Practices and Audit Committee (CAPS) of Gruma, S.A.B. de C.V. • Former Board and CAPS member of Grupo Bimbo, S.A.B. de C.V. • Holds a Law degree from Escuela Libre de Derecho and a Master of Comparative Jurisprudence – Financial Law from the University of Texas at Austin; additionally completed executive programs at Universidad Panamericana, UNAM, and New York University.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Diana Muñozcano Félix	Independent	April 2025	Female	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo INDI. • Former Director of New Business Development, Vice President of Infrastructure, and Deputy CEO at Grupo INDI. • Founder and Managing Partner of Ennova América, a private equity fund focused on clean energy and infrastructure. • Graduate of Universidad Panamericana; holds a Master's degree in Financial Management from EAE Business School (Barcelona) and completed the Senior Management Program at IPADE.
Graciela González Moreno	Alternate Director	April 2013	Female	<ul style="list-style-type: none"> • Holds a Private Accounting degree from Universidad Labastida, Monterrey. • Former Accountant at Trane-Realven air conditioning plant (1967–1970). • Co-founder and Board member of Asociación Gilberto, A.C. (1988–2010); served as Vice President from 2007 to 2010.
Juan Antonio González Marcos	Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Former Marketing Projects Director at Mission Foods. • Holds a Bachelor's degree in Audio Production from SAE Institute of Melbourne and a Bachelor of Fine Arts from the University of North Texas, as well as a Master of Fine Arts from the University of Texas at Dallas.
Alberto Halabe Hamui	Independent Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Deputy CEO of Inmobiliaria IHM, S.A. de C.V., and CEO of Comercializadora de Viviendas Albatros and Nueva Imagen Construcciones. • Member of the Management and Operations Committee of St. Regis Mexico; former Board member of microfinance institution Finsol. • Holds a Bachelor's degree in Economics from ITAM and postgraduate studies in Construction and Real Estate Management.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Gerardo Salazar Viezca	Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • General Director of Risk Management and Credit of Grupo Financiero Banorte. • He served as Chief Executive Officer of Banco Interacciones from 2004 to 2018, and as Corporate Director of Risk Management of Grupo Financiero Interacciones from 2002 to 2004. • He held senior leadership positions in Corporate Banking at both Banco Bilbao Vizcaya Argentaria Bancomer and Banco Bilbao Vizcaya Argentaria. • He holds a Bachelor's Degree in Economics from Universidad Iberoamericana. • He has distinguished himself in the academic field as a university professor and through extensive postgraduate studies, including doctoral studies, master's degrees, and specializations in Economics, Business Administration, Finance, and Social Sciences, completed at institutions such as Tecnológico de Monterrey, Universidad Iberoamericana (where he also served as Head of the Department of Economics), Instituto Tecnológico Autónomo de México, Harvard University, and the New York Institute of Finance. • He has been the recipient of scholarships awarded by various councils and foundations, including the National Council of Science and Technology and the Fulbright Program. In the field of Corporate Governance, he is certified by the National Association of Corporate Directors, as well as by the Consortium of Corporate Directors of Stanford University, The University of Chicago, and Dartmouth College.
Rafael Victorio Arana de la Garza	Alternate Director	April 2025	Male	<ul style="list-style-type: none"> • Chief Financial and Operations Officer of Grupo Financiero Banorte. • Former Regional Head of Retail Banking for Latin America and the Caribbean at HSBC, and Advisor to

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>the Regional President for Latin America and the Caribbean.</p> <ul style="list-style-type: none"> • Former business management consultant for Grupo ADO, Bayer, CYDSA, HYLSA, and Multibanco Comermex. • Holds a Mechanical and Electrical Engineering degree from Universidad Iberoamericana and a Master of Science in Operations Research and Industrial Engineering from the University of Michigan.
Roberto Kelleher Vales	Alternate Independent Director	April 2014	Male	<ul style="list-style-type: none"> • President and partner of automotive dealership agencies representing Volkswagen, Seat, and Audi brands, as well as a tire distribution company in the city of Mérida. • Shareholder and Vice Chairman of Inmobilia Desarrollos. • Former Board member and Chairman of the National Association of Volkswagen Dealers; former Board member of the Mexican Association of Automobile Dealers. • Holds a Bachelor's degree in Industrial and Systems Engineering from ITESM, with additional executive and financial specialization programs, as well as a Senior Management diploma from IPADE.
Cecilia Goya de Riviello Meade	Independent Alternate Director	April 2021	Female	<ul style="list-style-type: none"> • Founder and Chief Executive Officer of Balanceship Consultores, S.C., a firm focused on leadership development and high-performance team coaching. • Chief Executive Officer of Grupo Acritus (Zapaterías Capa de Ozono and Dorothy Gaynor). • Has served as Board member of public and private companies including Sicrea Autofinanciamiento, Grupo Ruz, Grupo Acritus, Ipeth, and Aguas Zoe; currently serves as Director of Grupo Chedraui, Novelty, Bizarro Joyerías, Iluméxico, and Provive. • Over 30 years of experience in general management, strategic

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>planning, marketing, sales, and financial performance optimization.</p> <ul style="list-style-type: none"> • Member of International Women's Forum (IWF), Women Corporate Directors (WCD), Vital Voices; independent board member of NGOs including Casa Hogar Alegría, Mitz, and Wish México (Chairwoman of the Board); active Endeavor mentor since 2004.
José María Garza Treviño	Independent Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Chairman of Grupo Garza Ponce. • Former Board member of Grupo Financiero BITAL, Finanzas Monterrey, Afirme, and Confía-Ábaco Grupo Financiero. • Former Vice Chairman of the Employers' Council of the Mexican Chamber of the Construction Industry and of the Mexican Association of Industrial Parks (AMPIP); former Board member of COPARMEX and the Real Estate Owners' Chamber. • Holds a Civil Engineering degree from ITESM and an MBA from the same institution.
Manuel Francisco Ruiz Camero	Independent Alternate Director	April 2023	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo SIM since January 2001. • Former Controller and Chief Financial Officer of Grupo Eulen. • Former Chief Executive Officer of Universum Investment. • Holds a Bachelor's degree in Economics and Business Administration from the University of Málaga.
Carlos Césarman Kolteniuk	Independent Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • Board member, Chief Financial Officer, and Head of Investor Relations of Promotora y Operadora de Infraestructura, S.A.B. de C.V. (PINFRA). • Formerly worked at Industrias Campos Hermanos. • Founder of Inovamed, a healthcare sector management company. • Holds a Bachelor's degree in Economics from Universidad Anáhuac and serves as Professor in the Business Administration and Economics Department at Universidad Iberoamericana.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Humberto Tafolla Núñez	Independent Alternate Director	April 2018	Male	<ul style="list-style-type: none"> • Chief Financial and Administrative Officer of Grupo Comercial Chedraui, S.A.B. de C.V. • More than 20 years of experience in financial management positions. • Former Chief Financial Officer of Industrias Mabe for eight years. • Holds a Bachelor's degree in Business Administration from ITAM, a diploma in Corporate Finance from ITESM, and a postgraduate degree in Business Administration and Management from IE Business School (Madrid).
Carlos Phillips Margain	Independent Alternate Director	April 2023	Male	<ul style="list-style-type: none"> • Corporate Vice President of Finance of Grupo Televisa. • Former Senior Vice President at Itaú BBA USA Securities. • Former Executive Director at BBVA Securities. • Former Vice President at Goldman Sachs & Co. • Former Associate at J.P. Morgan. • Holds a Bachelor's degree in Economics from ITAM.
Diego Martínez Rueda-Chapital	Independent Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • Partner at DLA Piper México, S.C., specializing in Corporate Law with emphasis on banking and capital markets. • Extensive experience in mergers and acquisitions and real estate transactions, particularly in tourism, industrial, and housing sectors. • Former Partner at Cervantes Sainz law firm. • Former Director of Securities Projects at the National Banking and Securities Commission (CNBV). • Holds a Law degree from Universidad Panamericana and a Master of Laws from Georgetown University, specializing in banking, securities, and financial regulation.
Manuel Guillermo Muñozcano Castro	Independent Alternate Director	April 2025	Male	<ul style="list-style-type: none"> • Executive Chairman of Grupo INDI, responsible for leading the Group's long-term strategy, strengthening institutional governance, expansion into new business lines, and consolidation across infrastructure, investment, and international development sectors.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • Extensive experience in operations, strategic planning, corporate governance, infrastructure project execution, public works, and technical talent development. • Holds degrees in Engineering and Architecture; certifications in Construction Business and International Business from the University of California. • Completed the Senior Management Program at IPADE and the Owner/President Management Program at Harvard Business School.

It is informed through this Annual Report that the Annual Ordinary General Shareholders' Meeting was held on April 23rd, 2026, in which was approved - among other resolutions - the Board of Directors for the fiscal year 2026 which will be comprised by 13 Proprietary and their respective Alternate members, out of which 8 are Independent, accordingly:

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Carlos Hank González	Chairman of the Board of Directors Regular Director	October 2014	Male	<ul style="list-style-type: none"> • Vice Chairman of the Board of Directors of Gruma (Non-Executive Director). • Independent member of the Board of Directors of Televisa. • Chairman of the Board of Directors of Cerrey. • Chief Executive Officer of Grupo Hermes. • Former member of the Board of Directors of the Mexican Stock Exchange until March 20, 2025. • Former Chief Executive Officer of Grupo Financiero Interacciones and Interacciones Casa de Bolsa. • Former Deputy Chief Executive Officer of Grupo Financiero Banorte. • Holds a Bachelor's degree in Business Administration from Universidad Iberoamericana.
Juan Antonio González Moreno	Regular Director	April 2004	Male	<ul style="list-style-type: none"> • Chairman of the Board of Directors and Chief Executive Officer of Gruma and Gimsa. • Former Chief Executive Officer of Gruma Asia and Oceania; Senior Vice President of Special Projects at

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>Gruma Corporation; Chairman and CEO of CarAmigo U.S.; Vice President of the Central and Eastern Regions of Mission Foods; and President and Vice President of Sales at Azteca Milling.</p> <ul style="list-style-type: none"> • Holds a Bachelor's degree in Business Administration from Universidad Regiomontana and an MBA from the University of San Diego, California.
David Juan Villarreal Montemayor	Regular Director	October 1993	Male	<ul style="list-style-type: none"> • Chief Executive Officer and majority shareholder of Artefactos Laminados, S.A. de C.V. • Chairman of the Board of Directors and Deputy Chief Executive Officer of Inmobiliaria Montevi, S.A. de C.V. and Inmobiliaria Monyor, S.A. de C.V. • Regional Advisory Board Member of Banco Nacional de México, S.A. (Banamex) and Financial Advisor and Business Developer at SISMEM. • Holds a Mechanical and Electrical Engineering degree from ITESM, a Master of Science in Automatic Controls from the same institution and has completed the Senior Management Program at IPADE.
José Marcos Ramírez Miguel	Regular Director	April 2015	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo Financiero Banorte and Banco Mercantil del Norte. • Former CEO of Wholesale Banking and former Corporate CEO within Grupo Financiero Banorte. • Former Chairman of the Mexican Association of Securities Brokers; previously worked at Nacional Financiera, BNP, Banque Indosuez México; founder of Finventia; and consultant at Peat Marwick México. • Former CFO, Head of Wholesale Banking, CEO of Santander Brokerage House, and Executive Vice President at Grupo Financiero Santander. • Holds a Bachelor's degree in Actuarial Science from Universidad Anáhuac, postgraduate studies in

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				Finance from ITAM, and an MBA from ESADE Barcelona.
Carlos de la Isla Corry	Regular Director	April 2020	Male	<ul style="list-style-type: none"> • Director of the Office of the Presidency of Grupo Hermes. • Former Chief Risk and Credit Officer of GFNorte. • Former CFO of Grupo Hermes (2003–2014), overseeing industrial, tourism, transportation, construction, and concession operations; former Board member of Grupo Industrial. • Former Board member of Grupo Financiero Interacciones companies. • Former Chair of the Credit Committee of Banco Interacciones and Chair of the Risk Committee at Grupo Financiero Interacciones; member of Audit, Compensation and Corporate Practices Committees. • Holds a degree in Electronics and Digital Systems Engineering from UNAM and an MBA from the University of Texas at Austin.
Alicia Alejandra Lebrija Hirschfeld	Independent Regular Director	April 2022	Female	<ul style="list-style-type: none"> • She has served as Executive Chair of Fundación Televisa since 2011. • She is the founder of flagship programs such as Béalos, which has benefited more than 500,000 students and teachers. She has also led technology-driven initiatives that have reached over 2.5 million children nationwide. Through programs such as Tecnolochicas and Cuantrix, she actively promotes the reduction of gender gaps in STEM education. • In academia, she served as Professor of Economics at the Instituto Tecnológico Autónomo de México (ITAM) beginning in 1994 and was appointed Director of International Relations in 1996. She concluded her academic career at ITAM in 2006, when she assumed the position of Director of Education at Fundación Televisa. • She was Founder and Director of the Institute for European

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>Integration Studies, a joint initiative of the European Commission and ITAM (January 1999 – December 2000). At ITAM, she also served as School Director (August 1995 – August 1996) and as Professor in the Department of Economics (January 1994 – January 2003).</p> <ul style="list-style-type: none"> • Additionally, she was a Visiting Professor in the Department of International Studies at CIDE (January – June 2000) and at the Matías Romero Institute of the Ministry of Foreign Affairs (April 1995 – June 1997). Earlier in her career, she served as a Research Assistant at the Center for Economic Analysis and Research (CAIE) (January – December 1989).
Clemente Ismael Reyes Retana Valdés	Independent Regular Director	April 2021	Male	<ul style="list-style-type: none"> • Managing Partner of Reyes Retana Consultores, S.C. since February 2008. • Has served as consultant to Grupo BAL, Indeval, Envases y Laminados, GNP Seguros, and companies in the real estate development, self-financing, pharmaceutical, manufacturing, and information technology sectors. • Has served as Independent Professional Director and Chair of Audit and Corporate Practices Committees in multiple organizations, including the Mexican Stock Exchange (Bolsa Mexicana de Valores) and Grupo Comercial Chedraui. • Former Chief Financial Officer (1992–1994) and Deputy Chief Executive Officer (1994–2008) of Invex Grupo Financiero, S.A.B. de C.V. • Holds a Bachelor's degree in Actuarial Science from Universidad Nacional Autónoma de México (UNAM) and an MBA from Cornell University.
Mariana Baños Reynaud	Independent Regular Director	April 2023	Female	<ul style="list-style-type: none"> • Founder and Chief Executive Officer of Fundación Origen, a comprehensive support platform for women in vulnerable situations,

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>offering human and economic development programs aimed at breaking cycles of violence and reducing poverty in Mexico.</p> <ul style="list-style-type: none"> • Holds a Bachelor's degree in Art History from Universidad Iberoamericana.
Federico Carlos Fernández Senderos	Independent Regular Director	April 2023	Male	<ul style="list-style-type: none"> • Founder and Executive Chairman of Grupo SIM, a company providing integrated solutions that combine advanced equipment, specialized services, qualified personnel, and information technology for healthcare delivery, including AVANT SOFOM (founded in 2004), SEAC Back Office Operator (founded in 2005), and SIM-A Seed Capital Investment Company (founded in 2010). • Independent Proprietary Director of Grupo Comercial Chedraui; Related Director (Non-Related) of Grupo Kuo and Grupo Dine (related companies due to Grupo Kuo's spin-off when it was named DESC, that resulted in the incorporation of Grupo Dine as the spun-off company), due to family ties with the Chairman of the Boards of Grupo Kuo and Grupo Dine, Mr. Fernando Senderos Mestre. • Holds a Bachelor's degree in Business Administration from Universidad Anáhuac and a Senior Management Master's degree from IPADE.
David Peñaloza Alanís	Independent Regular Director	April 2019	Male	<ul style="list-style-type: none"> • Chief Executive Officer and Chairman of the Board of Directors of Promotora y Operadora de Infraestructura, S.A.B. de C.V. (PINFRA). • Formerly worked at Société Générale, GBM, and Serfin. • Holds a Bachelor's degree in Public Accounting from Universidad Anáhuac and a postgraduate degree in Business Administration from Harvard University.
José Antonio Chedraui Egúfa	Independent Regular Director	April 2015	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo Comercial Chedraui.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • Former Commercial Director and subsequently Chief Executive Officer of Las Galas. • Active participant in Fundación Chedraui, Young Presidents' Organization, and México Nuevo. • Holds a Bachelor's degree in Accounting and Finance from Universidad Anáhuac.
Thomas Stanley Heather Rodríguez	Independent Regular Director	April 2016	Male	<ul style="list-style-type: none"> • Partner at Creel, García-Cuéllar, Aiza y Enríquez, S.C., specializing in external financing, restructurings, and securities offerings. • Legal Advisor to the Business Coordinating Council (CCE) and permanent member of the committee responsible for drafting the Code of Best Corporate Practices. • Independent Director and Chairman of the Corporate Practices and Audit Committee (CAPS) of Gruma, S.A.B. de C.V. • Former Board and CAPS member of Grupo Bimbo, S.A.B. de C.V. • Holds a Law degree from Escuela Libre de Derecho and a Master of Comparative Jurisprudence – Financial Law from the University of Texas at Austin; additionally completed executive programs at Universidad Panamericana, UNAM, and New York University.
Diana Muñozcano Félix	Independent	April 2025	Female	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo INDI. • Former Director of New Business Development, Vice President of Infrastructure, and Deputy CEO at Grupo INDI. • Founder and Managing Partner of Ennova América, a private equity fund focused on clean energy and infrastructure. • Graduate of Universidad Panamericana; holds a Master's degree in Financial Management from EAE Business School (Barcelona) and completed the Senior Management Program at IPADE.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Graciela González Moreno	Alternate Director	April 2013	Female	<ul style="list-style-type: none"> • Holds a Private Accounting degree from Universidad Labastida, Monterrey. • Former Accountant at Trane-Realven air conditioning plant (1967–1970). • Co-founder and Board member of Asociación Gilberto, A.C. (1988–2010); served as Vice President from 2007 to 2010.
Juan Antonio González Marcos	Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Former Marketing Projects Director at Mission Foods. • Holds a Bachelor's degree in Audio Production from SAE Institute of Melbourne and a Bachelor of Fine Arts from the University of North Texas, as well as a Master of Fine Arts from the University of Texas at Dallas.
Alberto Halabe Hamui	Independent Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Deputy CEO of Inmobiliaria IHM, S.A. de C.V., and CEO of Comercializadora de Viviendas Albatros and Nueva Imagen Construcciones. • Member of the Management and Operations Committee of St. Regis Mexico; former Board member of microfinance institution Finsol. • Holds a Bachelor's degree in Economics from ITAM and postgraduate studies in Construction and Real Estate Management.
Gerardo Salazar Viezca	Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • General Director of Risk Management and Credit of Grupo Financiero Banorte. • He served as Chief Executive Officer of Banco Interacciones from 2004 to 2018, and as Corporate Director of Risk Management of Grupo Financiero Interacciones from 2002 to 2004. • He held senior leadership positions in Corporate Banking at both Banco Bilbao Vizcaya Argentaria Bancomer and Banco Bilbao Vizcaya Argentaria. • He holds a Bachelor's Degree in Economics from Universidad Iberoamericana.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • He has distinguished himself in the academic field as a university professor and through extensive postgraduate studies, including doctoral studies, master's degrees, and specializations in Economics, Business Administration, Finance, and Social Sciences, completed at institutions such as Tecnológico de Monterrey, Universidad Iberoamericana (where he also served as Head of the Department of Economics), Instituto Tecnológico Autónomo de México, Harvard University, and the New York Institute of Finance. • He has been the recipient of scholarships awarded by various councils and foundations, including the National Council of Science and Technology and the Fulbright Program. In the field of Corporate Governance, he is certified by the National Association of Corporate Directors, as well as by the Consortium of Corporate Directors of Stanford University, The University of Chicago, and Dartmouth College.
Rafael Victorio Arana de la Garza	Alternate Director	April 2025	Male	<ul style="list-style-type: none"> • Chief Financial and Operations Officer of Grupo Financiero Banorte. • Former Regional Head of Retail Banking for Latin America and the Caribbean at HSBC, and Advisor to the Regional President for Latin America and the Caribbean. • Former business management consultant for Grupo ADO, Bayer, CYDSA, HYLSA, and Multibanco Comermex. • Holds a Mechanical and Electrical Engineering degree from Universidad Iberoamericana and a Master of Science in Operations Research and Industrial Engineering from the University of Michigan.
Roberto Kelleher Vales	Alternate Independent Director	April 2014	Male	<ul style="list-style-type: none"> • President and partner of automotive dealership agencies representing Volkswagen, Seat, and Audi brands,

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<p>as well as a tire distribution company in the city of Mérida.</p> <ul style="list-style-type: none"> • Shareholder and Vice Chairman of Inmobilia Desarrollos. • Former Board member and Chairman of the National Association of Volkswagen Dealers; former Board member of the Mexican Association of Automobile Dealers. • Holds a Bachelor's degree in Industrial and Systems Engineering from ITESM, with additional executive and financial specialization programs, as well as a Senior Management diploma from IPADE.
Cecilia Goya de Riviello Meade	Independent Alternate Director	April 2021	Female	<ul style="list-style-type: none"> • Founder and Chief Executive Officer of Balanceship Consultores, S.C., a firm focused on leadership development and high-performance team coaching. • Chief Executive Officer of Grupo Acritus (Zapaterías Capa de Ozono and Dorothy Gaynor). • Has served as Board member of public and private companies including Sicrea Autofinanciamiento, Grupo Ruz, Grupo Acritus, Ipeth, and Aguas Zoe; currently serves as Director of Grupo Chedraui, Novelty, Bizarro Joyerías, Iluméxico, and Provive. • Over 30 years of experience in general management, strategic planning, marketing, sales, and financial performance optimization. • Member of International Women's Forum (IWF), Women Corporate Directors (WCD), Vital Voices; independent board member of NGOs including Casa Hogar Alegría, Mitz, and Wish México (Chairwoman of the Board); active Endeavor mentor since 2004.
José María Garza Treviño	Independent Alternate Director	April 2014	Male	<ul style="list-style-type: none"> • Chairman of Grupo Garza Ponce. • Former Board member of Grupo Financiero BITAL, Finanzas Monterrey, Afirme, and Confía-Ábaco Grupo Financiero.

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
				<ul style="list-style-type: none"> • Former Vice Chairman of the Employers' Council of the Mexican Chamber of the Construction Industry and of the Mexican Association of Industrial Parks (AMPIP); former Board member of COPARMEX and the Real Estate Owners' Chamber. • Holds a Civil Engineering degree from ITESM and an MBA from the same institution.
Manuel Francisco Ruiz Camero	Independent Alternate Director	April 2023	Male	<ul style="list-style-type: none"> • Chief Executive Officer of Grupo SIM since January 2001. • Former Controller and Chief Financial Officer of Grupo Eulen. • Former Chief Executive Officer of Universum Investment. • Holds a Bachelor's degree in Economics and Business Administration from the University of Málaga.
Carlos Césarman Kolteniuk	Independent Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • Board member, Chief Financial Officer, and Head of Investor Relations of Promotora y Operadora de Infraestructura, S.A.B. de C.V. (PINFRA). • Formerly worked at Industrias Campos Hermanos. • Founder of Inovamed, a healthcare sector management company. • Holds a Bachelor's degree in Economics from Universidad Anáhuac and serves as Professor in the Business Administration and Economics Department at Universidad Iberoamericana.
Humberto Tafolla Núñez	Independent Alternate Director	April 2018	Male	<ul style="list-style-type: none"> • Chief Financial and Administrative Officer of Grupo Comercial Chedraui, S.A.B. de C.V. • More than 20 years of experience in financial management positions. • Former Chief Financial Officer of Industrias Mabe for eight years. • Holds a Bachelor's degree in Business Administration from ITAM, a diploma in Corporate Finance from ITESM, and a postgraduate degree in Business Administration and Management from IE Business School (Madrid).

NAME	POSITION	WITH THE COMPANY SINCE	GENDER	PROFESSIONAL BACKGROUND
Diego Martínez Rueda-Chapital	Independent Alternate Director	April 2019	Male	<ul style="list-style-type: none"> • Partner at DLA Piper México, S.C., specializing in Corporate Law with emphasis on banking and capital markets. • Extensive experience in mergers and acquisitions and real estate transactions, particularly in tourism, industrial, and housing sectors. • Former Partner at Cervantes Sainz law firm. • Former Director of Securities Projects at the National Banking and Securities Commission (CNBV). • Holds a Law degree from Universidad Panamericana and a Master of Laws from Georgetown University, specializing in banking, securities, and financial regulation.
Manuel Guillermo Muñozcano Castro	Independent Alternate Director	April 2025	Male	<ul style="list-style-type: none"> • Executive Chairman of Grupo INDI, responsible for leading the Group's long-term strategy, strengthening institutional governance, expansion into new business lines, and consolidation across infrastructure, investment, and international development sectors. • Extensive experience in operations, strategic planning, corporate governance, infrastructure project execution, public works, and technical talent development. • Holds degrees in Engineering and Architecture; certifications in Construction Business and International Business from the University of California. • Completed the Senior Management Program at IPADE and the Owner/President Management Program at Harvard Business School.

According to Article Thirty-three of the Corporate By-laws, the functions and faculties of the Board of Directors are:

- I. To establish the general strategies of the Financial Group, as well as the overall strategies for the management, direction, and execution of the business of the Company, the Financial Entities and, where applicable, the Sub-holding Companies.
- II. To oversee, through the Corporate Practices Committee, the management and operation of the Company, the Financial Entities, and, where applicable, the Sub-holding Companies over which the

Company exercises control, taking into account the relevance of such entities to the financial, administrative, and legal condition of the Financial Group as a whole, as well as the performance of the Relevant Officers, pursuant to Articles 56 to 58 of the Law Regulating Financial Groups (Ley para Regular las Agrupaciones Financieras).

III. To approve, with the prior opinion of the competent committee:

- a) The policies and guidelines governing the use or enjoyment of the assets comprising the equity of the Company, as well as those of the Financial Entities and other entities over which it exercises control, by related parties.
- b) Related-party transactions, considered individually, that the Company intends to enter into.

The following transactions shall not require Board approval, provided they comply with the policies and guidelines approved by the Board:

1. Transactions that, due to their amount, are not material to the Financial Group as a whole, in accordance with the general rules governing the organization and operation of controlling companies and financial groups.
 2. Transactions carried out between the Company and the Financial Entities that are part of the Financial Group and, where applicable, the Sub-holding Companies, provided that:
 - i) they are conducted in the ordinary or customary course of business; and
 - ii) they are carried out at market prices or supported by valuations performed by independent external specialists.
 3. Transactions carried out with employees of the Company, of the Financial Entities forming part of the Financial Group, or, where applicable, the Sub-holding Companies, provided that such transactions are conducted under the same terms and conditions applicable to any customer or arise from general employment benefits.
- c) Transactions that are carried out, either simultaneously or successively, which due to their characteristics may be considered as a single transaction, and which the Company, the Financial Entities forming part of the Financial Group, or, where applicable, the Sub-holding Companies, intend to execute within a single fiscal year, when such transactions are unusual or non-recurring, or when their aggregate amount represents, based on figures as of the close of the immediately preceding quarter, any of the following:
1. The acquisition or disposal of assets with a value equal to or greater than five percent of the consolidated assets of the Financial Group.
 2. The granting of guarantees or the assumption of liabilities for a total amount equal to or greater than five percent of the consolidated assets of the Financial Group.

Investments in debt securities or banking instruments shall be excluded, provided that they are carried out in accordance with the policies approved by the Board of Directors.

- d) The appointment and, where applicable, removal of the Company's Chief Executive Officer, as well as the approval of his or her overall compensation, and the policies governing the appointment and overall compensation of the other Relevant Officers.
- e) The policies for the granting of loans or any type of credits or guarantees to Related Parties.
- f) Waivers authorizing a Director, Relevant Officer, or any person with decision-making authority to pursue business opportunities for their own benefit or for the benefit of third parties, which would otherwise correspond to the Company, the Financial Entities, or, where applicable, the Sub-holding Companies. Waivers for transactions involving amounts below those specified in item c) above may be delegated to one of the Company's committees responsible for audit or corporate practices matters, as referred to in the Law Regulating Financial Groups.
- g) The internal control and internal audit guidelines applicable to the Company, the Financial Entities, and, where applicable, the Sub-holding Companies.
- h) The accounting policies of the Holding Company, in accordance with the provisions of the Law Regulating Financial Groups.
- i) The Company's financial statements.
- j) The appointment of the legal entity providing external audit services and, where applicable, additional or complementary services related to external auditing.

When the resolutions adopted by the Board of Directors are not consistent with the opinions issued by the corresponding committee, such committee shall instruct the Chief Executive Officer to disclose such circumstance to the investing public through the stock exchange on which the Company's shares or debt securities are listed, in accordance with the terms and conditions established in the applicable exchange regulations; to the General Shareholders' Meeting held subsequent to such resolution; and to the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores), within ten business days following the relevant determination.

These authorizations shall not exempt the Company from complying with the obligations applicable to related-party transactions established under the special laws governing each of the Financial Entities comprising the Financial Group.

- IV. To submit to the General Shareholders' Meeting held in connection with the close of the fiscal year:
 - a) The reports referred to in Article 58 of the Law Regulating Financial Groups (Ley para Regular las Agrupaciones Financieras).
 - b) The report prepared by the Chief Executive Officer in accordance with the provisions of Article 59, Section X, of the Law Regulating Financial Groups, together with the opinion issued by the external auditor.
 - c) The opinion of the Board of Directors regarding the contents of the Chief Executive Officer's report referred to in the preceding paragraph..

- d) The report referred to in Article 172, Section B) of the General Law of Commercial Companies (Ley General de Sociedades Mercantiles), which includes the principal accounting policies and information criteria applied in the preparation of the financial information.
 - e) The report on the transactions and activities which the Board has intervened, in accordance with the provisions of the Securities Market Law and the Law Regulating Financial Groups.
- V. To oversee and monitor the principal risks to which the Company and the Financial Entities comprising the Financial Group, and, where applicable, the Sub-holding Companies, are exposed, as identified on the basis of information submitted by the committees, the Chief Executive Officer, and the legal entity providing external audit services; as well as the accounting systems, internal control and internal audit systems, and the record-keeping, filing, and information systems of both the Company and such entities. This oversight may be carried out through the committee responsible for audit-related matters.
 - VI. To approve the information and communication policies applicable to shareholders and the market, as well as to Directors and Relevant Officers, in order to ensure compliance with the provisions of the Law Regulating Financial Groups (Ley para Regular las Agrupaciones Financieras).
 - VII. To determine the actions required to remedy any irregularities brought to its attention and to implement the corresponding corrective measures.
 - VIII. To establish the terms and conditions under which the Chief Executive Officer shall exercise his or her authority with respect to acts of ownership and disposition.
 - IX. To instruct the Chief Executive Officer to disclose to the public any relevant events of which the Board becomes aware, without prejudice to the Chief Executive Officer's disclosure obligations pursuant to Article 44, Section V of the Securities Market Law (Ley del Mercado de Valores).
 - X. To represent the Company before all types of individuals and legal entities, as well as before administrative, judicial, or any other authorities, whether municipal, state, or federal; before local or federal labor authorities; before the various Ministries of State; the Federal Court of Administrative Justice; the Mexican Social Security Institute (Instituto Mexicano del Seguro Social), its regional offices and other related agencies; and before arbitrators or arbitration panels, holding a general power of attorney for litigation and collections, which includes the broadest general powers contemplated in the first paragraph of Article 2554 of the Federal Civil Code, as well as the special powers requiring express authorization pursuant to Sections I, II, III, IV, V, VI, VII, and VIII of Article 2587 of the same legal statute; and, for illustrative but non-limiting purposes, may:
 - a) To settle disputes and submit matters to arbitration.
 - b) To initiate, pursue, and withdraw from any type of legal proceedings and remedies.
 - c) To file constitutional relief actions (*amparo* proceedings) and to withdraw from such actions.
 - d) To file and ratify criminal complaints and claims; to comply with the legal requirements thereof; and to withdraw from such complaints and claims.
 - e) To act as a coadjutant to the Federal or Local Public Prosecutor's Office.
 - f) To grant legal pardon in criminal proceedings.
 - g) To formulate or respond to pleadings in any type of legal proceedings, including labor matters, with the understanding that the authority to respond to pleadings may only be exercised through such individuals specifically designated for that purpose by the Board of Directors, pursuant to Section X of

this Article; therefore, any other officers or attorneys-in-fact of the Company are expressly excluded from exercising such authority.

h) To obtain adjudications of assets, assign assets, submit bids at judicial or extrajudicial auctions, file challenges or recusals, and receive payments.

- XI. To appear before all types of labor authorities, whether administrative or judicial, local or federal; to act within the corresponding procedural or non-procedural labor proceedings, from the conciliation stage through enforcement; and to enter into any type of settlement agreements, in accordance with Articles 11, 787, and 876 of the Federal Labor Law.
- XII. To manage the Company's business or assets under the broadest general power of administration, pursuant to Article 2554 of the Federal Civil Code.
- XIII. To issue, execute, grant, accept, guarantee, or endorse negotiable instruments, pursuant to Article 9 of the General Law of Negotiable Instruments and Credit Transactions.
- XIV. To open and close bank accounts in the name of the Company, make deposits therein, draw funds against such accounts, and designate authorized signatories.
- XV. To carry out acts of disposition and ownership with respect to the Company's assets or real or personal rights, pursuant to the third paragraph of Article 2554 of the Federal Civil Code and with the special authorities set forth in Sections I, II, and V of the aforementioned statute.
- XVI. To grant general or special powers of attorney, while always retaining the authority to exercise such powers, and to revoke any powers of attorney so granted.
- XVII. To establish rules governing the structure, organization, composition, functions, and authorities of the Executive Committee of the Board of Directors, the Regional Boards, the Internal Committees, and any working committees it deems necessary; to appoint their members; and to determine their compensation.
- XVIII. To adopt its internal bylaws and rules of procedure.
- XIX. To grant such powers of attorney as it deems appropriate to the Company's officers or to any other persons, and to revoke those previously granted; and, subject to applicable law, to delegate its powers to the Chief Executive Officer, or any of them to one or more Directors or attorneys-in-fact designated for such purpose, to be exercised in the relevant business or businesses and under the terms and conditions established by the Board of Directors.
- XX. To delegate, in favor of one or more persons as it deems appropriate, the legal representation of the Company; to grant them the use of the corporate signature; and to confer upon them a general power of attorney for litigation and collections, with the broadest general powers referred to in the first paragraph of Article 2554 of the Federal Civil Code, as well as the special powers requiring express authorization pursuant to Sections III, IV, VI, VII, and VIII of Article 2587 of the same statute, so that, by way of example and without limitation, they may:
 - a) Hold themselves out as the legal representatives of the Company in any administrative, labor, judicial, or other proceedings or procedures and, in such capacity, take all manner of actions, including, in particular,

the formulation or response to pleadings on behalf of the Company; appear during conciliation proceedings before labor conciliation and arbitration authorities; participate in the relevant proceedings; and enter into all types of agreements with employees.

- b) Perform all legal acts referred to in Section I of this Article.
- c) Substitute the relevant powers and authorities, without diminishing their own, and grant and revoke new mandates.

XXI. To resolve the acquisition, encumbrance, or transfer of shares owned by the Company and issued by other corporations.

XXII. In general, to have all powers necessary to carry out the administration entrusted to it and, accordingly, to perform all transactions and acts, whether legal or factual, that are directly or indirectly related to the corporate purpose set forth in Article Three of these Bylaws and the ancillary activities specified in Article Four thereof, without limitation. References in this Article to provisions of the Federal Civil Code shall be deemed to refer to the corresponding provisions of the Civil Codes of the federative entities or the Civil Code for Mexico City, as applicable to the territorial scope in which the authority is exercised, as well as to any other provisions established under the Securities Market Law and the Law Regulating Financial Groups.

The Board of Directors shall be responsible for overseeing compliance with the resolutions adopted by the Shareholders' Meetings, which oversight may be carried out through the committee responsible for audit-related functions, as provided under the Law Regulating Financial Groups.

Shareholders 2025

There is no individual direct equity ownership held by the Directors or principal officers of the Company in excess of one percent (1%), in accordance with the shareholder registries prepared in connection with the Ordinary General Shareholders' Meeting held on December 1st, 2025.

The names of the ten largest shareholders of GFNorte, in accordance with the shareholder registry prepared pursuant to the aforementioned Shareholders' Meetings, are as follows:

BANCO INVEX S A FIDEICOMISO 1204
SSB OM01 CLIENT OMNIBUS A

STATE STREET BANK CLIENT OMNIB OU80
BNYM AS AGT/CLTS
CBNY-GIC PTE LTD
CITIBANK NA FBO ISHARES
JPMCB NA CLIENT ASSETS
ISHARES NAFTRAC ACTIVOS
JPMCBNA RE CLIENT ASSETS US RES LD
THE BANK OF NEW YORK MELLON DR

The following Support Committees for the Board of Directors and the CEO are updated as of December 31st, 2025:

Support committees for GFNorte's Board of Directors

The established support Committees for the Board of Directors of GFNorte are the:

1. Risk Policies Committee (CPR)
2. Audit and Corporate Practices Committee (CAPS)
3. Human Resources Committee
4. Designation Committee

The Board of Directors have the faculty to designate the members of the referred Committees.

Committees are made up of GFNorte's Board Members (mainly Independent) and, among some of them, officers of the institution. The Board is responsible for authorizing Committees' bylaws and evaluating management.

The Chairman of the Audit and Corporate Practices Committee is designated by GFNorte's General Shareholders' Meeting.

RISK POLICIES COMMITTEE (CPR)

Objective:

To manage the risks to which the Institution is exposed and to ensure that its operations are conducted in accordance with the approved Risk Appetite, the Comprehensive Risk Management Framework, and the Risk Exposure Limits established by the Board of Directors.

Functions:

1. To propose for approval by the Board of Directors:
 - A. Objectives, guidelines and policies for comprehensive risk management, as well as the amendments made to them.
 - B. The overall limits of risk exposure and, if the case, specific risk exposure limits considering Consolidated Risk, broken down by business unit or risk factor, cause or origin of them, taking into account, as appropriate, the provisions of Articles 79 to 86 Bis 2 of the General Provisions applicable to credit institutions as well as, where appropriate, risk tolerance levels.
 - C. Mechanisms for the implementation of corrective measures.
 - D. Special cases or circumstances in which specific or global limitations could be exceeded.
 - E. At least once a year, the assessment of Sufficiency of Capital includes the estimation of capital and, where appropriate, the capitalization plan.
 - F. A contingency Plan and its amendments.
2. To approve:
 - A. Specific risk exposure limits and levels of risk tolerance when the Board delegates any powers for this purpose, as well as the liquidity risk indicators referred to in Article 81, Section VIII of the General provisions applicable to credit institutions.
 - B. Methodology and procedures to identify, measure, monitor, limit, control, inform and disclose the different types of risk which the institution is exposed to, as well as their modifications.
 - C. Models, parameters, scenarios, assumptions, including those relating to stress tests referred to in Annex 12-B of the General Provisions applicable to credit institutions, which are used to perform the assessment of Capital Sufficiency and that will be used to carry out the valuation, measurement

and control of risks proposed by the unit for the comprehensive risk management which must be commensurate with the technology of the institution.

- D. Methodologies for the identification, valuation, measurement and control of the risks of new operations, products and services that the institution intends to offer to the market.
 - E. Corrective plans proposed by the CEO under the terms established in Article 69 of the General Provisions applicable to credit institutions.
 - F. The evaluation of aspects of comprehensive risk management referred to in Article 77 of the General Provisions Applicable to Credit Institutions, for submission to the Board and to the CNBV.
 - G. The manuals for Comprehensive Risk Management, in accordance with the objectives, guidelines and policies established by the Board, as referred to in the last paragraph of Article 78 of the General Provisions Applicable to Credit Institutions.
 - H. The report referred to in Article 77 of the General Provisions Applicable to Credit Institutions.
 - I. The effectiveness level of the mechanisms for validating security features of the identifications presented by possible clients, as well as the technology referred to in Articles 51 Bis 6 and 51 Bis 8 of the General Provisions applicable to Credit Institutions to carry out biometric recognition referred to in said articles.
3. The Designation or Removal of the Head of the Unit for Comprehensive Risk Management. The respective Designation or Removal must be ratified by the Board of the Institution.
 4. Inform at least quarterly to the Board of Directors about the Risk Profile and compliance with the capital estimate contained in the Institution's Capital Adequacy Assessment, as well as the negative effects that could occur on the operation of the Institution. Also, inform the Board in the next meeting, or in an extraordinary meeting, if necessary, about the non-compliance with the Desired Risk Profile, the Risk Exposure Limits and the Risk Tolerance Levels established, as well as, where appropriate, the capitalization plan referred to in Article 2 Bis 117c of the General Provisions applicable to Credit Institutions.
 5. Inform the Board about implemented corrective actions, including those on the Capital Projections Plan and, where applicable, in accordance with the provisions of Article 69 of the General Provisions applicable to Credit Institutions.
 6. Ensure at all times that the personnel involved in risk-taking are aware of the Desired Risk Profile, the Risk Exposure Limits, Risk Tolerance Levels, as well as the Capital Projections Plan and, where applicable, the capitalization plan.
 7. Inform the Board, at least once a year, the results of the effective tests of the Business Continuity Plan.
 8. Approve the methodologies for estimating the quantitative and qualitative impacts of Operational Contingencies referred to in section XI of Article 74 of the General Provisions applicable to Credit Institutions.
 9. The Risk Policy Committee, with prior approval from the Board of Directors, may, in accordance with the objectives, guidelines and policies for comprehensive risk management, adjust or authorize in an exceptional manner, exceeding specific risk exposure limits when the conditions and environment of the

institution require so much. In the same terms, the Committee may request the governing body to establish or authorize, as an exception, exceeding the overall limits of risk exposure.

10. The approval of new Committees or change in the faculties, integration and functions of the existing ones relies on the CPR, except in case of a member change with the same functions and level, which may be authorized by the same Committee. Prior to the submission of proposals to the Risk Policy committee, they must be sent to the Executive Directorate of Regulatory Comptrollership and the Executive Directorate of Risk Information and Analysis, specifically to the Risk Policy directorate to begin their formalization.
11. To present to the Board of Directors the follow-up reports on issues related to Cyber Security Information that the Information Security Area has presented to the Risk Policy Committee.

Review at least once a year:

- A. Mechanisms for the implementation of corrective measures.
- B. Specific risk exposure limits and tolerance levels when the Board delegates powers for this purpose, as well as the liquidity risk indicators referred to in Article 81, Section VIII of the General Provisions Applicable to Credit Institutions.
- C. Methodologies and procedures to identify, measure, monitor, limit, control, inform and reveal the various types of risk to which the institution is exposed, as well as their possible modifications.
- D. Models, parameters, scenarios, assumptions, including those relating to stress tests referred to in Annex 12-B of the General Provisions applicable to credit institutions, used to assess capital adequacy and to carry out the valuation, measurement and control of risks proposed by the unit for comprehensive risk management which must be commensurate with the technology of the institution.

Frequency of the sessions: The Committee shall meet on a monthly basis.

All meetings and resolutions shall be duly recorded in detailed minutes, which must be executed, either physically or electronically, by each and every attendee. The mechanisms applicable to electronic signatures are described in the Electronic Signature Procedure.

When meetings are held through the institutional video-conference system and are recorded, in accordance with the provisions set forth in the Acceptable Use of Video-Conferencing Policy, the Secretary shall perform the following functions:

• During the meeting:

In the event that the meeting is conducted through the institutional video-conference system and is to be recorded, the Secretary shall inform the participants that the recording will commence and shall first ask whether any participant objects to such recording.

If any participant expresses an objection, such participant shall state the reasons for the objection and, if applicable, withdraw from the meeting.

• After the meeting:

If the meeting was conducted and recorded through the institutional video-conference system, the Secretary shall ensure that the recording is deleted within no more than thirty (30) calendar days from the date on which the meeting was held.

Integration:

Proprietary Members		
Proprietary Director	Mr. Carlos de la Isla Corry	Chairman – Voice and Vote
Proprietary Director	Mr. Thomas Stanley Heather Rodríguez	Voice and Vote
Proprietary Director	Mr. Clemente Reyes Retana Valdés	Voice and Vote
Alternate Director	Mr. Diego Martínez Rueda-Chapital	Voice and Vote
CEO – GFNorte	Mr. Marcos Ramírez Miguel (CEO – GFNorte)	Voice and Vote
Deputy Director – Leasing and Factoring*	Mr. Carlos Alberto Vázquez Kuri (A&F)	Voice and Vote
Deputy Director – Investment Banking*	Mr. Arturo Monroy Ballesteros (Casa de Bolsa Banorte, S.A. de C.V., GFB)	Voice and Vote
Chief Risk and Credit Officer	Mr. Gerardo Salazar Viezca	Secretary – Voice and Vote
Guests		
Deputy Director – Long-Term Savings	Mr. Fernando Solís Soberón (BAP)	Non-voting
General Counsel	Mr. Héctor Ávila Flores	Non-voting
Deputy Director – Wholesale Banking	Mr. José Armando Rodal Espinosa	Non-voting
CFO & COO	Mr. Rafael Arana de la Garza	Non-voting
Deputy Director – Corporate and Financial Institutions Banking	Mr. René Gerardo Pimentel Ibarrola	Non-voting
Deputy Director – Government Banking	Mr. Carlos Eduardo Martínez González	Non-voting
Chief Audit Officer**	Mr. Isaías Velázquez González	Non-voting

* Members marked with an asterisk shall have voice and voting rights only with respect to matters related to the entity they represent.

** The presence of the Chief Audit Officer is mandatory at Committee meetings, except in cases of force majeure.

Decisions shall be adopted by unanimous vote of the members present.

Quorum:

The quorum shall consist of two Proprietary Directors, the Chief Executive Officer of the relevant entity, and the Secretary of the Committee.

AUDIT AND CORPORATE PRACTICES COMMITTEE (CAPS)

Objective: The purpose of the Committee is to support the Board of Directors in monitoring the management, performance and execution of GFNorte's businesses and of the financial entities comprising the Financial Group, considering the relevance that these have in the financial, administrative, operational, and legal situation of GFNorte.

The scope of the committee's competence includes Grupo Financiero Banorte, S.A.B. de C.V., and its relevant entities: Banco Mercantil del Norte, S.A., Casa de Bolsa Banorte, S.A. de C.V., Sociedades Financieras de Objeto Múltiple (Arrendadora y Factor Banorte, S.A. de C.V.) and Organizaciones Auxiliares del Crédito (Almacenadora Banorte, S.A. de C.V.), Seguros Banorte, S.A. de C.V., Pensiones Banorte, S.A. de C.V. and Banorte Ahorro y Previsión, S.A. de C.V.

Faculties:

The Committee, as the support government body to the Board of Directors, will have the faculty to comply with duties and perform the functions defined in the following operating rules:

1. Request the opinion of independent experts in such cases where it is judged to be convenient for the appropriate performance of their functions.
2. Have full availability of book, registers, facilities and the support of the employees' entities under its responsibility.
3. Require relevant officers and other employees of GFNorte and the financial entities comprising it, regarding the elaboration of financial and of any other type of information that it considers necessary for the execution of their duties.
4. Do research on the possible non-fulfillment of those with knowledge regarding operational policies and guidelines, the Internal Control System, internal audit and accounting registration system, either of GFNorte or the financial entities, through an examination of documentation, registrations and other proof or evidence, to the extent necessary to fulfill this supervision.
5. Receive observations expressed by shareholders, Board Members, relevant officers, employees and, by any third party in general, regarding matters referred to in the previous paragraph, as well as carrying out actions that are reasonable in their opinion in connection with such observations.
6. Request periodic meetings with the relevant officers, as well as the delivery of any type of information related to the internal control and internal audit of the Group or the financial entities that comprise it.
7. Meet with the Board of Director, relevant GFNorte's officers, internal comptroller, Internal and external auditor, authorities and investors.
8. Convene Shareholder's' Meetings and ensure that the topics the deem pertinent are included in the agenda of such meetings.

The Committee, in the development of its activities, shall establish the necessary procedures for the general performance of its duties. In any case, Committee members shall take as a basis for their activities, information prepared by the External Auditors, the Internal Comptroller, Internal Auditors, the person responsible for monitoring compliance with Sales and External Practices, the Information Security Officer, as well as the Management.

Structure and Integration:

I. Profile

Members of the Committee shall be selected based on their professional capability and reputation. At least one member shall be an individual who, due to his or her knowledge and professional background, has extensive experience in the financial, audit, or internal control fields.

II. Appointment

A. Committee members shall be appointed by the Board of Directors from among its members.

B. Under no circumstances may officers or employees of the Bank be appointed as members of the Committee.

C. The Committee shall have a Secretary, who shall be appointed by the Chairman and may or may not be a member of the Committee.

III. Removal

Committee members may be removed by the Board of Directors, upon a duly substantiated proposal from the Committee Chairman or from the Head of the National Banking and Securities Commission (CNBV), in the latter case subject to approval by its Governing Board.

1. Composition

A. The Committee shall be composed exclusively of Independent Directors and shall consist of a minimum of three members appointed by the Board of Directors, upon proposal by the Chairman of such governing body.

B. If, for any reason, the Committee lacks the minimum required number of members and the Board of Directors has not appointed provisional directors, any shareholder may request the Chairman of the Board to convene, within three days, a General Shareholders' Meeting so that the appropriate appointments may be made.

MEMBERS		
Thomas Stanley Heather Rodríguez	Proprietary Independent Member	Chairman*
Alicia Alejandra Lebrija Hirschfeld	Proprietary Independent Member	Member
Clemente Ismael Reyes Retana Valdés	Proprietary Independent Member	Member
Diego Martínez-Rueda Chapital	Alternate Independent Member	Member
Anwar Loera Mendoza	Secretary	Not Member

2. Chairman

A. The Chairman of the Committee shall be appointed and removed exclusively by the General Shareholders' Meeting.

B. The Chairman of the Committee may not serve as Chairman of the Board of Directors and shall be selected based on his or her experience, recognized professional competence, and professional standing.

C. The Chairman of the Committee shall have the following duties:

1. To submit the annual work plan and the meeting schedule for the following fiscal year, for review and, if applicable, approval by the Committee at its last meeting of the year.
2. To convene meetings through the Secretary. Likewise, the Chairman may call extraordinary or urgent meetings when deemed necessary or at the request of a majority of the Committee members.
3. To chair and moderate discussions during Committee meetings.
4. To authorize the attendance of officers, executives, or special guests at Committee meetings for the discussion of specific matters.
5. To ascertain whether the items on the agenda have been sufficiently discussed and, if applicable, to call for a vote.
6. For each resolution adopted at Committee meetings, to clearly specify the required information, including target dates and the parties responsible for follow-up.
7. Any other duties expressly assigned by the General Shareholders' Meeting or the Board of Directors.

D. Through its Chairman, the Committee shall submit a report on its activities and the results derived from the duties and responsibilities assigned by the Board of Directors, at least once a year or whenever requested by the Board.

E. The Chairman of the Committee shall ensure the timely and proper dissemination of these operating rules to all Committee members through the Secretary.

3. Secretary

The Committee shall have a Secretary, who shall be responsible for taking and maintaining the minutes of the respective meetings.

Operating Procedures:

1. Meetings

A. The Committee shall meet as often as necessary, in accordance with the approved annual work plan and meeting calendar, at the place, date, and time designated. Meetings may be held through electronic means, videoconference, or teleconference.

B. The following individuals may attend Committee meetings as invitees, with voice but without voting rights: the Chief Executive Officer; the heads of the Internal Comptrollership, Internal Audit, and Legal functions; the External Auditor; the Statutory Examiner (*Comisario*); and any other individuals invited by the Chairman of the Committee when deemed appropriate given the matters to be discussed. Such invitees shall withdraw from the meeting when so determined by the Chairman, due to the nature of the matters under discussion or for purposes of the Committee's deliberations.

C. Invitees may remain at the meeting solely for the discussion of the agenda items for which they were invited.

2. Meeting Notices

A. Notices of meetings shall be sent to each Committee member at least seven (7) business days prior to the meeting date, together with any information available at that time for prior review. Any remaining information shall be sent at least four (4) business days prior to the meeting date. Notices shall be delivered by email to the addresses previously registered with the Secretary.

B. Meeting notices shall state the place, date, and time of the meeting, as well as a detailed agenda and the estimated time allocated for each item. No "general business" or "other matters" section shall be included. Such notices shall be signed by the Chairman.

C. Committee members, the Head of Internal Audit, and the Chief Executive Officer may submit matters for consideration by the Chairman of the Committee for inclusion on the agenda.

D. On an extraordinary basis, the Chairman of the Committee may authorize the inclusion of additional agenda items up to three (3) business days prior to the Committee meeting.

E. Authority to convene meetings shall also be granted to the Chairman of the Board, twenty-five percent (25%) of the Directors, the Chief Executive Officer, or two (2) members of the Committee.

3. Quorum

A. Committee meetings shall be deemed valid with the participation of a majority of its members, provided that the Chairman or his or her alternate is present.

B. In the absence of the Chairman, Committee members shall appoint, from among the proprietary or alternate Independent Directors of the Committee, the individual who shall preside over that meeting.

C. If a quorum cannot be formed, a new meeting shall be convened at the place, date, and time stated in a new notice, which shall follow the same notice procedure as the original meeting. The same process shall apply for subsequent notices if required.

D. In the absence of the Secretary, the Chairman of the Committee shall appoint the individual who will perform the duties of Secretary for that meeting.

4. Conduct of Meetings

A. The Committee shall deliberate exclusively on matters included on the agenda.

B. Meetings shall be conducted in the following order:

1. By the Secretary:

a. Verification of quorum.

b. Review and, if applicable, approval of the minutes of the previous meeting.

c. Review of the follow-up on resolutions and commitments.

d. When meetings are held through the institutional videoconference system and are recorded, in accordance with the Acceptable Use of Videoconferencing Policy, the Secretary shall perform the following functions:

During the meeting:

If the meeting is conducted through the institutional videoconference system and is to be recorded, the Secretary shall inform participants that recording will commence and shall first ask whether any participant objects. If any participant objects, such participant shall state the reason and, if applicable, withdraw from the meeting.

After the meeting:

If the meeting is recorded, the Secretary shall ensure that the recording is deleted within no more than thirty (30) calendar days from the date of the meeting.

By the Chairman:

a. Discussion of the agenda items and approval thereof, if applicable.

b. Designation of the individuals responsible for implementing the Committee's resolutions, including directors, invited participants, or Committee members.

5. Voting

A. Committee members shall have voice and vote.

B. Resolutions shall be adopted by a majority vote of the members present. In the event of a tie, the Chairman shall have the casting vote.

C. Committee members who disagree with the majority opinion may request that their dissenting vote and the rationale thereof be recorded in the minutes.

D. Committee members and, where applicable, the Secretary, who have a conflict of interest with respect to any matter shall abstain from participating in and being present during the deliberation and voting on such matter, without affecting the quorum required for the Committee meeting.

6. Minutes

A. The meetings, discussion of agenda items, and resolutions adopted by the Committee shall be recorded in duly executed minutes, signed physically or electronically by all participating members, including any abstentions due to conflicts of interest.

B. The Secretary of the Committee shall be responsible for preparing the minutes.

C. Draft minutes shall be submitted to Committee members for review, approval, and execution at the following Committee meeting and shall be circulated no later than five (5) business days prior to such meeting.

D. Once approved and executed by the Chairman, Committee members present, and the Secretary, the minutes shall be filed in the Committee's records under the responsibility of the Secretary.

E. The minutes shall include, at a minimum, the following information:

1. Sequential number of the meeting.
2. Place, date, and time of the meeting.
3. Members and guests in attendance.
4. Agenda.
5. Discussion of agenda items and resolutions adopted.
6. Individuals responsible for implementing the resolutions.
7. Abstentions due to conflicts of interest, if any.
8. Dissenting votes, if requested.
9. Physical or electronic signatures of the Chairman, Committee members, and Secretary.

Duties and Responsibilities

A. Each Committee member shall owe a duty of care and shall therefore:

1. Be informed and prepared for Committee meetings.
2. Assess the sufficiency and accuracy of the information provided.
3. Ensure the proper and efficient use of financial, human, and material resources.

B. Each Committee member shall owe a duty of loyalty and shall therefore:

1. Make decisions free from conflicts of interest.
2. Maintain the confidentiality of information, in accordance with the communication policies applicable to GFNorte's governing bodies.
3. Disclose any information that, by its nature or impact, the Committee should be aware of for decision-making purposes.

Internal Control System

In the performance of its duties, the Committee shall, at a minimum, carry out the following activities for each of the Entities under its responsibility:

A. To oversee the establishment of internal mechanisms and controls designed to ensure that the actions of GFNorte and the financial entities comply with applicable regulations, and to implement methodologies that allow for the review of such compliance.

B. To inform the Board of Directors of the status of GFNorte's internal control system, as well as that of the financial entities or legal entities over which it exercises control, including any irregularities identified.

Accounting and Financial Information

- A. Discuss and revise GFNorte's financial statements with the people responsible for its preparation, and based on that, recommend or not the Board's approval.
- B. Review significant accounting and reporting issues, including complex or unusual transactions as well as professional declarations and recent regulations, and understand their impact on the financial statements.
- C. Review the verdict of the annual financial statements with Management and with the Internal and External Auditors, prior to submission to regulatory authorities.
- D. Select and approve the hiring of an independent expert who will perform impairment testing of goodwill.
- E. Review the results of the goodwill impairment test.

Internal Comptrollership

- A. Follow-up on the Internal Comptroller's activities, keeping the Board informed of its performance.
- B. Review the management report prepared by the Internal Comptroller must deliver quarterly to the Board, the Internal Auditor and the General Manager, and where appropriate, the person responsible for Sales Practices.
- C. Review the reports presented by the Internal Comptroller on the results of the inspection visits which were carried out by supervising agencies.
- D. Determine corrective and preventive measures when it becomes aware that the Internal Comptroller does not have access to all the information necessary for the performance of its duties.
- E. Receive reports of those cases in which the Internal Comptroller detects any deficiency or deviation that in the exercise of its functions considers significant and relevant, including the activities in which it detects a potential conflict of interest.

Internal Audit

- A. Follow up on the Internal Auditor's activities, keeping the Board informed of its performance.
- B. Monitor the independence of the Internal Audit area about the other business and administrative units. Any lack of independence must be reported to the Board.
- C. Inform the Board of Internal Audit's situation in GFNorte, its financial or legal entities or corporations in which it exercises control, including any detected irregularities, if the case.
- D. Approve the Internal Audit's Bylaws and Manual, and the methodologies used for the development of its activities, as well as their updates.
- E. With the prior opinion of the CEO, to approve the annual work program of the Internal Audit area. Where appropriate, modifications to the annual program must be submitted for approval by the Committee at the next session when required.
- F. Review, based on reports from the Internal Audit area and the External Auditor, at least once a year or when required by the CNBV, that the Internal Audit program is carried out in accordance with appropriate quality standards in accounting matters and internal controls, and that the activities of the Internal Audit area are carried out effectively.
- G. Review the report prepared by the head of Internal Audit functions on the results of its management, at least every six months or as frequently as the Committee requires. The foregoing, notwithstanding that the head of Internal audit functions learns of, immediately, the detection of any deficiency or deviation identified in the

exercise of their functions and that according to the Internal Control System is considered significant or relevant.

- H. Approve the hiring of service providers for the external evaluation of the quality of Internal Audit's performance.
- I. Review the results of internal and external quality assessments carried out for Internal Audit's functions and where appropriate, to follow up on the implementation of certain recommendations.
- J. Review, at least annually, the organization's structure, capabilities and the adequacy of resources allocated to the Internal Audit area for the performance of its functions and, where appropriate, approve actions required in order to ensure the greatest effectiveness in the fulfillment of its objectives and goals.
- K. Meet regularly with the Internal Auditor, without the presence of management for comments and observations on the progress of its work.
- L. Determine corrective and preventive measures when it becomes aware that the Internal Auditor does not have access to all the information necessary for the performance of its duties.

External Audit

Designation or annual ratification of the External Auditor

- A. Monitor and document that, prior to the designation or annual ratification of the contracting of the Firm that will provide said services, they adhere to the provisions of the provisions.
- B. Validate the knowledge and professional experience of the Independent External Auditor, the Manager and Audit Officer who will participate in the external audit, as well as compliance with the requirements established in the provisions by the Firm, Independent External Auditor and participating personnel in the external audit, and must have a documented, transparent and impartial process that allows it to assess compliance with these requirements. In cases in which it is intended to propose the appointment of another Office, you must previously evaluate at least two options and duly justify the preference for one of them, so that there is a possibility of choosing considering compliance with the aforementioned requirements.

Contracting with the Firm

- A. Validate, prior to the appointment of the Firm, that both it and the Independent External Auditor comply with the personal, professional and independence requirements established in the provisions for the provision of the external audit service and, where appropriate, the services other than the external audit of Basic Financial Statements.
- B. Obtain from the Office, the statement on compliance with the quality control norm corresponding to the audited exercise, presented before the professional association recognized by the Ministry of Public Education to which said Office belongs or, when the college in question such manifestation does not require, the one issued by the Firm itself regarding the fulfillment of the obligation referred to in the provisions.
- C. Opinions, prior to the appointment of the Firm, regarding whether the resources proposed to execute the external audit program are reasonable considering the scope of the audit, the nature and complexity of the Entity's operations and its structure.
- D. Review the terms of the audit engagement prior to signing the service provision contract.

External Auditing activities follow up

- A. Contribute to the internal audit area or the internal auditor facilitating the development of external audit activities.

- B. Encourage GFNorte to have policies that allow it to have personnel in charge of preparing, reviewing and authorizing accounting, as well as the Basic Financial Statements and their notes, subject to external audit, and with the knowledge of accounting regulations that are applicable to the aforementioned entity.

In relation to the external audit:

1. Know, at the beginning of the external audit work, the focus of the review, taking into account the level of materiality, the scope of the scheduled audit, the hours assigned to each work, its corresponding cost and the significant issues identified.
 2. Ensure that, during the development of the external audit, the Independent External Auditor has all the necessary documentation and in a timely manner to carry out its functions and must have access to the documentation related to the work of third parties hired by GFNorte, if such documentation is necessary for carrying out the external audit.
 3. Maintain effective communication with the Independent External Auditor that allows the latter to be informed of any matter that, where appropriate, has an impact on regulatory capital, as well as matters relevant to the conduct of the external audit. The Firm and the Independent External Auditor when in the course of the audit they find irregularities or any other situation that, based on their professional judgment, could jeopardize the stability, liquidity or solvency of the Entity, or have been committed to the detriment. Regardless of whether or not it has effects on financial information, they must submit a detailed report on the situation observed to the Committee. During the course of the external audit, you should be aware of the point of view of the Independent External Auditor regarding the important matters identified by the latter and how they impact the approach of the external audit.
Inform the Commission, when it becomes aware, of the breaches or risks that affect the independence of the Firm and the Independent External Auditor, through a detailed report.
 4. As soon as it becomes aware of these events, the Independent External Auditor shall report to the Committee on threats to independence that arise in the development of the external audit of Basic Financial Statements, as well as the safeguards applied. Convene the Independent External Auditor, as a guest with the right to speak but without vote, to the Committee sessions, when it is deemed appropriate due to the topics to be discussed.
 5. Review with the Independent External Auditor, prior to the issuance of the External Audit Report, the statement letter issued by the Director General prepared in accordance with International Standard on Auditing 580 "Written manifestations", with special emphasis on matters in which the Independent External Auditor required specific statements on some item of the Basic Financial Statements.
 6. Evaluate, prior to the conclusion of the external audit work, the adherence of the Independent External Auditor to the initial audit program, and in case there are changes, evaluate its reasonableness.
- C. Monitor that the necessary corrective measures are implemented to timely address the findings and recommendations of the Independent External Auditor.
- D. Follow up on the issuance of the communications and opinions indicated in the provisions, keeping the Board informed regarding the performance of said activities, and the Independent External Auditor must report at the request of the Committee on its activities and the development of the audit. The Independent External Auditor will be obliged to provide the Committee with a statement, prior to the issuance of the External Audit Report, which must include the minimum aspects established in the provisions.
- E. Monitor that the Office, in the external audits of Basic Financial Statements, as well as in the issuance of its communications and opinions, maintains a quality control system, which must be available to the Committee during the execution of the audit.

- F. Periodically meet with the External Auditor, without the presence of the Administration, to hear their comments and observations on the progress of their work.

Performance Evaluation of the Independent External Audit Firm and Auditor.

- A. It will be responsible for establishing operating policies within GFNorte for the periodic evaluation of the Independent External Auditor that provides External audit services regarding the Basic Financial Statements, and the issuance of statements and opinions mentioned in the guidelines.
- B. Evaluate, at the end of its auditing responsibility, the performance of the Independent External Audit firm, as well as the quality of the External Audit Report, and if applicable, the quality of statements and reports mentioned in the guidelines derived from its external audit service.
- C. Review, together with the Independent External Auditor, the results of any statements and opinions mentioned in the previous bullet point, in order to understand the rationale behind its conclusions.
- D. The Committee may request the Independent External Auditor firm and/or the auditor, any documents that provide evidence compliance with the obligations and requirements set form in the guidelines regarding the audit service hired, without affecting the fact that the Committee shall meet with the Auditor at least once per year.
- E. The Audit Committee must evaluate the potential substitution of the Audit Firm or the Independent External Auditor when they stop complying with the requirements for the fulfillment of their responsibilities.
- F. The Committee, in order to meet the proper development of its obligations pursuant to the guidelines, may seek support from people belonging to areas that are independent from the Management Team or its equivalent. The activities performed by the Committee pursuant to the guidelines, and the results obtained from them must be properly documented.

Conflict of Interest Prevention System

- A. Implement the Conflict-of-Interest prevention system, and will at all times ensure that its operation is in accordance with the strategies and purposes of GFNorte's financial institutions, taking the necessary preventive and corrective measures to correct any deficiency detected within a reasonable time, taking into account the characteristics of the aforementioned measures.

Agreements between the Shareholders' Assembly and the Board of Directors

- A. Monitor that the CEO fulfills the agreements made between the Shareholders' Meetings and the Board of Directors of GFNorte, according to the instructions which, if the case, are dictated by the Meeting or the Board.

Authorizations from the Board of Directors and Shareholder Rights

- A. Monitor that the Board approve the topics that correspond to it and respect the shareholders' rights in accordance that established in the LRAF, as well as policies derived from them too.

The other regulations established by the LRAF or in GFNorte's Bylaws, in accordance with the functions assigned by the LRAF.

Cybersecurity

- A. Review quarterly with the Information Security Officer the information security indicators established in the Provisions.
- B. Review the Information Security Management Report with the Information Security Officer every six months.

- C. Review the reports of incidents in the Electronic Banking services that must be submitted to the Audit and Risk Committees in the session immediately following the verification of the event in question, to adopt measures to prevent or prevent them from occurring again.
- D. Review the reports that must be submitted to the Audit and Risk Committees each time they meet with the result of correlating the information from customer complaints with fraud events.
- E. To review the Executive Report to be presented to the Board of Directors on Information Security Indicators.
- F. Review the report on Information Security incidents that meet the requirements established in the Provisions, in the session immediately following the verification of the event in question.
- G. Review of the Executive Report to be presented to the Council on Cybersecurity.

COMMUNICATION

Provide opinions for approval by the Board of Directors

Give the Board an opinion to approve of the following issues:

Corporate Practices:

- A. Policies and guidelines for the use of assets that make up GFNorte's patrimony, as well as financial institutions and other legal entities that exercise control, through related people.
- B. Acts, each individually, with Related People, proposed to celebrate with GFNorte.
- C. Policies for the granting of joint loans, loans or any type of credit or guarantee to Related People.
- D. Acts that are executed, either simultaneously or successively, which by their nature may be considered as one and that are intended to be carried out by GFNorte or financial institutions comprising it, in the span of one fiscal year, when they are unusual or non-recurring, or when their amount fits into any of the cases referred to by the LRAF.
- E. The appointment and, if the case, dismissal of GFNorte's CEO and this comprehensive remuneration, as well as policies for the designation and comprehensive remuneration of other relevant managers.
- F. Any waivers so that a Board member, relevant officer or person with authority may take advantage of business opportunities for, or on behalf of third parties, corresponding to GFNorte or the financial entities that comprise it.

Audit:

- A. Guidelines in the areas of Internal Control and Internal Audit for GFNorte and the financial institutions under their responsibility.
- B. GFNorte's accounting policies, adjusted to the LRAF.
- C. GFNorte's financial statements.
- D. Regarding external audit:
 1. Designation or, as the case may be, annual ratification of the Firm in charge of the external audit.
 2. Substitution of the Firm or Independent External Auditor, in charge of the audit.
 3. Contracting services other than external audit for Basic Financial Statements.
 4. Remuneration amount for both the external audit service and the different services of the external audit of the Basic Financial Statements.

When the Board's determinations are not in accordance with the opinions of the Committee, the Chief Executive Officer shall be instructed to disclose such circumstances to the Shareholders' Meeting held after such act, as well as to de CNBV, within ten business days following the corresponding determination.

Report to the Board of Directors:

- A. The Chairman of the Committee should draw up an annual report on the activities that correspond to such organs and submit it to the Board of Directors. Such report, at least, will contemplate the following aspects:

Corporate practices' matters:

- a. Observations regarding the performance of relevant managers.
- b. Acts with Related People, during the period reported, detailing the more significant characteristics.
- c. Emolument or comprehensive remuneration packages for the CEO and relevant executives.
- d. Any exemptions granted by the Board so that a Board Member, relevant Director or person with authority, can take advantage of business opportunities for himself or on behalf of third parties, that correspond to GFNorte or to financial institutions under its responsibility.
- e. Observations made by commissioned supervisors of the financial institutions of the financial group, or the CNBV for GFNorte, as a result of supervision of the same.

Audit matters:

- a. The state of the Internal Control and Internal Audit systems of GFNorte, of financial institutions or companies in which it exercises control and, where appropriate, the description of its deficiencies and deviations, as well as aspects requiring improvement, taking into account the opinions, reports, press releases and the opinion of the External Auditor as well as reports issued by independent experts who rendered services during the period the report covers.
- b. The mention and follow-up of implemented preventive and corrective measures based on the results of investigations related to non-compliance with guidelines and operational policies and accounting records, of either GFNorte or financial entities that it is responsible for.
- c. Regarding External Audit:
 1. The evaluation of services other than external auditing of Basic or Complementary Financial Statements that, if applicable, is provided by the Office in charge of performing the external audit.
 2. The result of the evaluation regarding compliance, by the Office and the Independent External Auditor, with the independence requirements established in the provisions.
 3. The results of the review of the External Audit Report and the Basic Financial Statements that accompany it, as well as the communications and opinions of the Independent External Auditor indicated in the provisions.
 4. The mention and follow-up of the implementation of preventive and corrective measures derived from the observations of the external audit, in accordance with the plan of action to which the provisions refer.

5. The results of the evaluation of the performance of the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of other communications and opinions, prepared in compliance with the provisions of the provisions. Likewise, the measures taken to guarantee the independence of the Office and the Independent External Auditor, as well as the personnel who participated in the audit, should be considered. The measures are adopted on the occasion of complaints made by shareholders, directors, relevant managers, employees and, in general, of any third party on matters related to external audit.
 6. Report on the progress in the External Auditor's review of the financial statements, as well as the result of the review of the opinion of the annual financial statements.
 - d. The main results of revisions to financial statements of GFNorte and the financial institutions under their responsibility.
 - e. The description and effects of modifications to approved accounting policies during the period that the report covers.
 - f. Measures adopted for relevant observations made by shareholders, Board Members, relevant managers, employees and, in general, any third party, with respect to accounting, internal controls and issues related to internal or external auditors, issues arising from allegations based on facts considered to be irregular in the administration.
 - g. The follow-up on agreements of the Shareholders' Meeting and the Board of Directors' meetings.
- B. Prepare an opinion of the CEO's report on the business' progress and submit it for consideration to the Board of Directors for subsequent submission to the Shareholders' Meeting, relying on, among other things, the External Auditor's opinion.
 - C. Support the Board of Directors in the preparation of the report on major accounting policies and criteria and information following the preparation of financial information.
 - D. Support the Board of Directors in the preparation of the report on intervened operations and activities in accordance with the LRAF. To prepare the report, as well as opinions, the Committee should hear from relevant officers; in the case of any difference of opinion with the latter, such differences should be incorporated into the aforementioned reports and opinions.
 - E. Inform the Board of important irregularities detected in the exercise of functions and, where appropriate, the corrective actions taken or proposals for action to be implemented.

OTHER AUDIT COMMITTEES

Audit Committee for Banco Mercantil del Norte, S.A. (Banorte)

Objective:

This committee is a government body constituted by Board of Directors to support it in the definition and update of the Internal Control System's (ICS) objectives and the guidelines for their implementation, as well as in its evaluation.

The Committee will also supervise that financial information and accounting are prepared in accordance with the guidelines, dispositions and applicable accounting principles, and will follow on the external and internal audit activities and internal comptrollership, informing the Board regarding the development of the aforementioned.

The scope of the Committee's competence includes the Bank, the Multiple Purpose Financial Companies (Arrendadora y Factor Banorte, S.A. de C.V. SOFOM, E.R.) and Auxiliary Credit Organizations (Almacenadora Banorte, S.A. de C.V. Organización Auxiliar del Crédito).

Faculties:

The Committee, as the support government body to the Board of Directors, will have the faculty to comply with duties and perform the functions defined in the following operating rules:

- A. Request the opinion of independent experts in such cases where it is judged to be convenient for the appropriate performance of their functions.
- B. Have full availability of book, registers, facilities and the support of the employees' Entities under its responsibility.
- C. Require involved officers of the financial Entities under its responsibility, regarding the elaboration of financial and of any other type of information that it considers necessary for the execution of their duties.
- D. Meet with the Board of Director, relevant GFNorte's officers, internal comptroller, Internal and external auditor, authorities and investors.
- E. Convene shareholders' meetings and ensure that the items they deem pertinent are included in the agenda of such meetings.

The Committee, in the development of its activities, shall establish the necessary procedures for the general performance of its duties. In any case, Committee members shall take as a basis for their activities, information prepared by the Internal Comptroller, Internal Auditor, the person responsible for monitoring compliance Sales Practices and the Information Security Officer, as well as the Chief Executive Officer.

Integration:

- A. The Committee is comprised of at least three and not more than five members of the Board of Directors, that may be proprietary or alternate, of which at least one should be independent.
- B. Proprietary or Alternate Directors serving as members of the Committee may be replaced by any other Director.

MEMBERS		
Thomas Stanley Heather Rodríguez	Independent Regular Director	Chairman*
Alicia Alejandra Lebrija Hirschfeld	Independent Regular Director	Member
Clemente Ismael Reyes Retana Valdés	Independent Regular Director	Member
Diego Martínez Rueda-Chapital	Alternate Independent Director	Member
Anwar Loera Mendoza	Secretary	Not member

Frequency of sessions: The Audit Committee shall meet as many times as necessary, in accordance with the annual work plan and approved schedule for sessions in stablished date, place and time in the understanding that these sessions may be held electronically, through videoconference or telephone.

Individuals may attend Committee meetings as invitees, with voice but without voting rights, including the Chief Executive Officer; the heads of the Internal Comptrollership, Internal Audit, and Legal functions; the External Auditor; and the Statutory Examiner (*Comisario*), as well as any other persons invited at the request of the Chairman of the Committee when deemed appropriate in light of the matters to be discussed. Such invitees shall withdraw from the meeting whenever the Chairman deems it appropriate, due to the nature of the matters under consideration or in order for the Committee to conduct its deliberations.

Guests may remain at the meeting solely and exclusively for the discussion of the specific agenda items for which they were invited.

Quorum:

- A. Meetings of the Audit Committee shall be deemed valid when attended by a majority of its members, provided that the Chairman or his or her alternate is present.
- B. In the event of the Chairman's absence from any Committee meeting, the members shall designate, from among the proprietary or alternate Independent Directors serving on the Committee, the individual who shall preside over such meeting.
- C. If a quorum cannot be formed, a new meeting shall be convened, to be held at the place, date, and time set forth in a new notice, which shall be issued in accordance with the same procedure applicable to the prior notice. The same process shall apply to any subsequent notices, as necessary.
- D. In the absence of the Secretary, the Chairman of the Committee shall appoint the individual who will perform the duties of Secretary for that meeting.

1. Internal Control System

- A. Hold a permanent and updated register of the ICS objectives, guidelines for implementation as well as manuals considered relevant for the operation, which shall be elaborated by the responsible for the Internal Control functions.
- B. Review and oversee with the support of the person responsible for the Internal Control functions, that such relevant manuals comply with the ICS.
- C. Review together with the Management the relevant manuals previously referred to, as well as the Code of Conduct, at least once a year or when significant changes in the operation occur.
- D. Review along internal and external audit the implementation of the ICS, assessing its efficiency and effectiveness.
- E. Review the report the CEO shall present at least annually to the Board of Directors and the Committee regarding the performance of his activities for the duly implementation of the ICS, as well as its operation.
- F. Review the report that Internal Audit shall prepare regarding the follow-up on detected deficiencies or relevant deviation, so they can be timely restored.

2. Accounting and Financial Information

- A. Assist the Board of Directors in the revision of the annual and intermediate financial information and in the release process, relying on the Internal and External Auditors' work.
- B. Oversee that the financial and accounting information is formulated in accordance with the applicable guidelines and dispositions, as well as with applicable accounting principles.

- C. Review significant accounting and reporting issues, including complex or unusual transactions, as well as professional opinions and recent regulations, and to understand their impact in the financial statements.
- D. Review with Management and the Internal and External Auditors, the opinion of the annual financial statements, before their presentation to regulatory authorities.
- E. Review with Management and the Internal and External Auditors, the opinion of internal accounting control, which shall be released every two years, before their presentation to regulatory authorities.
- F. Select and approve the hiring of an independent expert who will perform impairment testing of goodwill.
- G. Review the results of the goodwill impairment test.
- H. Prepare the internal policies aiming to establish guidelines and procedures related to management and, if the case, destruction of the books, registers documents and other information related to accounting, that have been or will be object of microfilm or recording.

3. Internal Comptroller

- A. Follow-up on the Internal Comptroller's activities, keeping the Board informed of its performance.
- B. Review the management report that the Internal Controller must deliver quarterly to the Board, the Internal Auditor and the General Manager, and where appropriate, the person responsible for Sales Practices.
- C. Review the reports presented by the Internal Comptroller on the results of the inspection visits carried out by supervising agencies.
- D. Determine corrective and preventive measures when it becomes aware that the Internal Comptroller does not have access to all the information necessary for the performance of his or her duties.
- E. Receive reports of those cases in which the Internal Comptroller detects any deficiency or deviation that in the exercise of its functions is considered significant and relevant, including the activities in which it detects a potential conflict of interest.

4. Sales Practices

- A. Approve the appointment of the person responsible for overseeing the compliance of applicable Provisions on advised investment services, who shall comply with the requirements and functions established in the general provisions on investment services issued by SHCP.
- B. Follow up on the activities of the person to monitor compliance with Sales Practices, keeping the Board informed of the performance of such activities.
- C. Determine the corrective and preventive measures when it becomes aware that the person responsible for compliance with Sales Practices does not have access to all the information necessary to perform his duties.

5. Internal Audit

- A. Follow up on the Internal Auditor's activities, keeping the Board informed of its performance.
- B. Monitor the independence of the Internal Audit area with regards to the other business and administrative units. Any lack of independence must be reported to the Board.
- C. Approve the Bylaws and Manual of Internal Audit's function as well as the applicable methodology and policies to review the quality of internal control of main operations called Models of Risk Evaluation (MER).
- D. With the prior opinion of the CEO, to approve the annual work program of the Internal Audit area.

If the case, amendments to the refer annual program should be presented for the approval of the Committee, in the next session.

- E. Review, based on reports from the Internal Audit area and the External Auditor, at least once a year or when required by the CNBV, that the Internal Audit program is carried out in accordance with appropriate quality standards in accounting matters and internal controls, and that the activities of the Internal Audit area are carried out effectively.
- F. Review the report prepared by the head of Internal Audit functions on the results of its management, at least every six months or as frequently as the Committee requires. The foregoing, notwithstanding that the head of Internal audit functions learns of, immediately, the detection of any deficiency or deviation identified in the exercise of their functions and that according to the Internal Control System is considered significant or relevant.
- G. Approve the hiring of service providers for the external evaluation of the quality of Internal Audit's performance.
- H. Review the results of internal and external quality assessments carried out for Internal Audit's functions and where appropriate, to follow up on the implementation of certain recommendations.
- I. Review, at least annually, the organization's structure, capabilities and the adequacy of resources allocated to the Internal Audit area for the performance of its functions and, where appropriate, approve actions required in order to ensure the greatest effectiveness in the fulfillment of its objectives and goals.
- J. Meet regularly with the Internal Auditor, without the presence of management for comments and observations on the progress of its work.
- K. Determine corrective and preventive measures when it becomes aware that the Internal Auditor does not have access to all the information necessary for the performance of its duties.

6. External Audit

Designation or annual ratification of the External Independent Auditor Firm

- A. Monitor and document that, before the designation or annual ratification of the Independent Auditor firm that will provide such services, these comply with the content set forth in the corresponding guidelines.
- B. Validate the knowledge and professional experience of the External Independent Auditor, as well as those of the manager in charge of the audit activity who will participate in the external audit. Moreover, monitor the proper compliance of the requirements set forth by the External Independent Auditor, and personnel who participate in the external audit. There must be a documented, transparent and unbiased process which allows for a proper evaluation of compliance with such requirements.

Hiring process for External Independent Auditor Firm

- A. Validate, prior to the appointment of the Firm, that both it and the Independent External Auditor comply with the personal, professional and independence requirements established in the provisions for the provision of the external audit service and, where appropriate, the services other than the external audit of Basic Financial Statements.
- B. Obtain from the Office, the statement on compliance with the quality control norm corresponding to the audited exercise, presented before the professional association recognized by the Ministry of Public Education to which said Office belongs or, when the college in question such manifestation does not require, the one issued by the Firm itself regarding the fulfillment of the obligation referred to in the provisions.
- C. Opinions, prior to the appointment of the Firm, regarding whether the resources proposed to execute the external audit program are reasonable considering the scope of the audit, the nature and complexity of the Entity's operations and its structure.
- D. Review the terms of the audit engagement prior to signing the service provision contract.

External Auditing activities follow up

- A. Provide assistance so that either the Internal Audit Department or the Internal Auditor facilitate the development of External Auditing activities.
- B. Foster that the Entity have policies which enable it to have personnel in charge of preparation, review, and authorization of accounting and Basic Financial Statements and its notes, which are the subject of analysis by the external auditors. Such personnel must also be knowledgeable on the accounting regulation applicable to the beforementioned Entity.

Regarding external auditing:

- 1. Know, at the beginning of the external audit work, the focus of the review, taking into account the level of materiality, the scope of the scheduled audit, the hours assigned to each job, its corresponding cost and the significant issues identified.
 - 2. Monitor that, during the development of the external audit, the Independent External Auditor has all the necessary documentation and in a timely manner to carry out its functions, and must have access to the documentation related to the work of third parties hired by GFNorte, if such documentation is necessary for the performance of the external audit.
 - 3. Maintain effective communication with the Independent External Auditor that allows the latter to be informed of any matter that, where appropriate, has an impact on regulatory capital, as well as matters relevant to the development of the external audit. The Firm and the Independent External Auditor when in the course of the audit they find irregularities or any other situation that, based on their professional judgment, could jeopardize the stability, liquidity or solvency of the Entity, or have been committed to the detriment. Regardless of whether or not it has effects on financial information, they must submit a detailed report on the situation observed to the Committee. During the course of the external audit, you should be aware of the point of view of the Independent External Auditor regarding the important issues identified by the latter and how they impact the approach of the external audit.
 - 4. Inform the Commission, when it becomes aware, of the breaches or risks that affect the independence of the Firm and the Independent External Auditor, through a detailed report. As soon as it becomes aware of these events, the Independent External Auditor shall report to the Committee on threats to independence that arise in the development of the external audit of Basic Financial Statements, as well as the safeguards applied. Convene the Independent External Auditor, as a guest with the right to speak but not to vote, to the Committee sessions, when it is deemed appropriate due to the topics to be discussed.
 - 5. Review with the Independent External Auditor, prior to the issuance of the External Audit Report, the statement letter issued by the Director General prepared in accordance with the International Standard on Auditing 580 "Written Manifestations" with special emphasis on matters in which the Independent External Auditor required specific statements on some item of the Basic Financial Statements.
 - 6. Evaluate, prior to the conclusion of the external audit work, the adherence of the Independent External Auditor to the initial audit program, and in case there are changes, evaluate its reasonableness.
- C. Oversee that the necessary corrective measures are implemented to attend to the findings and recommendations of the Independent External Auditor in a timely manner.
 - D. Follow up on the issuance of the statements and opinions indicated in the provisions, keeping the Board informed regarding the performance of said activities, and the Independent External Auditor must report at the request of the Committee on its activities and development of the audit. The Independent External Auditor will be obliged to provide the Committee with communication, prior to the External Audit Report being issued, which must include the minimum aspects established in the provisions.

- E. Ensure that the Firm maintains a quality control system implemented in the external audits of Basic Financial Statements, as well as in the issuance of its statements and opinions, which must be available to the Committee during the execution of the audit.
- F. Meet periodically with the External Auditor, without the presence of the Administration, to hear his comments and observations on the progress of his work.

Evaluation of the Firm and the External Independent Auditor

- A. He will be responsible for establishing operating policies within GFNorte for the periodic evaluation of the Firm and the Independent External Auditor who provide the external audit services of the Basic Financial Statements and for the issuance of the statements and opinions indicated in the provisions.
- B. Evaluate, at the end of the external audit assignment, the performance of the Firm and the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of the communications and opinions indicated in the provisions derived from the service external audit.
- C. Review with the Independent External Auditor, the results of the statements and opinions indicated in the previous point, in order to understand their reasoning to reach their conclusions.
- D. The Committee may request from the Firm and the Independent External Auditor the documentation that evidence compliance with the obligations and requirements established in accordance with the provisions, in relation to the contracted audit service, without prejudice to the fact that the Committee must meet with it. last at least once a year.
- E. The Audit Committee must evaluate the possible replacement of the Firm or, where appropriate, of the Independent External Auditor when they no longer comply with the necessary requirements for the development of their work.
- F. The Committee, for the development of the obligations contemplated in the provisions, may rely on people from independent areas of the General Directorate or its equivalent. The activities carried out by the Committee in accordance with the provisions and the results obtained from them must be documented.

7. Credit

- A. Review the CEO's report which shall be prepared at least quarterly for the Board, the Risk Committee and the Audit committee regarding the detected deviations of the objectives guidelines, policies, procedures, strategies and current provisions on credit.
- B. Review the internal audit report of credit preparation shall prepare at least once a year and which will be presented to the Board, the Risk Committee and the Audit Committee, regarding its findings.
- C. Approve the annual loan review and the number of clients to be included in each entity's review.
- D. Check the results report on the loan review.

8. Comprehensive Risk Management

- A. Review the Internal Audit report with the results of the audit on Comprehensive Risk Management, which be carried out at least once a year or at the end of the fiscal year. This report shall be presented to the Board, the Risk Committee and the CEO and be submitted to the CNBV.
- B. Select and approve the hiring of suppliers of technical assessment on Comprehensive Risk Management matters, according to internal policies for suppliers hiring.
- C. Review the report of the technical assessment on Comprehensive Risk Management matters, which will be carried out at least every two fiscal years and shall be presented for approval to the Risk Committee and the Board and be submitted to CNBV.

9. Derivatives

- A. Release a document in which the Committee expresses that it complies with the requirements set forth in the rules to carry out derivative transactions issued by Banco de Mexico, as a necessary element to manage the authorization to hold proprietary derivative transactions.
- B. Select and approve the hiring of an independent expert to valid valuation and risk measurement models according to internal policies for suppliers hiring.
- C. Review the results of the valuation and risk measurement models approval, which shall be made at least once a year by independent experts.

10. Comission agents

- A. Approve the hiring of commission agents to carry out an operative process or database management that may be executed partially or totally abroad or by foreign residents.
- B. Review the performance report of commission agents to be delivered to the Board, the Audit Committee or CEO, as well as the compliance of provisions related to such service.
- C. Review the results of the audits carried out every two years to verify the compliance with Chapter XI of the hiring of commission agents if the CUB, as well as what is set forth in Annexes 52 and 58 accordingly.

11. Money Laundering and Financing of Terrorism

- A. Approve, by proposal of the Communication and Control Committee, the policies and procedures Manual to prevent money laundering and financing of terrorism, as well as any amendment to this document.
- B. Review the results of the work of Internal Audit or independent external auditors of assessing and ruling annually the compliance of Provisions set forth in articles 115 of the LIC and 87-D and 95-Bis of the LGOAAC. This revision shall be presented to the CEO and Communication and Control Committee and be submitted to CNBV.

12. Cybersecurity

- A. Quarterly review with the Information Security Officer the indicators regarding information security established in the provisions.
- B. Review every six months with the Information Security Officer the management report regarding information security.
- C. Review the reports of incidents of Online Banking, which shall be presented to the Audit and Risks Committees in the immediately following session of the event involved, in order to adopt measures to prevent and avoid these incidents again.
- D. Review the reports to be presented to the Audit and Risks Committee each time these meets; therefore, correlating information from clients' claims with fraud events.
- E. To review the Executive Report to be submitted to the Board of Directors on Information Security Indicators.
- F. Review the Report on Information Security incidents that meet the requirements established in the Provisions in the session immediately following the verification of the event in question.
- G. Review of the Executive Report to be presented to the Council on Cybersecurity.

13. Autocorrection program

- A. Provide an opinion on the autocorrection programs to be submitted for authorization of the CNBV, CONDUSEF, or IPAB, when the institution, in the development of its activities, or the Audit Committee, as a result of its functions, select irregularities or non-compliance of what is set forth in the LIC and other applicable regulations.
- B. Autocorrection programs shall be signed off by the Chairman of the Committee and be presented to the Board in the immediately following session of the request for authorization presented before CNBV, CONDUSEF or IPAB, accordingly.
- C. Follow up on the implementation of the authorized autocorrection programs and inform the advance, to the Board, CEO, CNBV, CONDUSEF or IPAB, accordingly.

14. Contributions to IPAB

- A. Sign the certification in which it pronounces on the validity of the information on passive operations for the calculation of the ordinary fees paid each year to the Institute for the Protection of Bank Savings.

Other duties and responsibilities are necessary for the performance of its functions.

COMMUNICATION

1. Propose for the Board of Directors approval:

- A. The ICS that the institution requires for its proper functioning and updates.
- B. The objectives and guidelines for the implementation of the Internal Control System (ICS), which shall refer to at least two:
 - 1. General policies referred to organizational structure.
 - 2. Communication and flow information channels among different units and areas.
 - 3. General operation policies.
 - 4. Business Continuity Plan
 - 5. Control measures for transactions to be properly approved, processed and registered.
- C. The Code of Conduct, prepared by the Management.
- D. Changes to accounting policies related to the registration, rating of items in the financial statements and presentation and disclosure of information, so that it is complete, correct, precise, reliable, timely and serves in decision making prepared by the CEO according to applicable provisions. In any event, the Committee will also be able to propose changes that it considers necessary to these policies, considering the opinion of the CEO.
- E. Internal Audit appointment.
- F. Regarding External Audit:
 - 1. Designation, or where appropriate, annual ratification of the Firm in charge of the external audit.
 - 2. The replacement of the Firm or the Independent External Auditor in charge of the audit.
 - 3. The contracting of services other than the external audit of Basic Financial Statements.
 - 4. The amount of remuneration for both the external audit service and the non-external audit services of the Basic Financial Statements.
- G. Business Continuity Plan as well as its amendments.

- H. Regulation that will determine the proper functioning of this Committee, which will subsequently be send to the CNBV for its information.

All the matters to be approved by the Board contained in chapter VI of the Internal Control of the CUB will be presented by the Committee by such effort.

2. Report to the Board of Directors

- A. Evaluate on an annual basis the condition of the Internal Control System and inform the Board of Directors of the results. The report shall contain at least the following:
 - 1. Deficiencies, deviations or issues of the ICS that, if the case, require enhancement considering such effect, reports of the Risk Management department, as well as ARSI.
 - 2. The mention and follow-up of implemented preventive and corrective measures based on the comments of the CNBV and the results of the internal and external audit, as well as the assessment of the ICS carried out by the committee.
 - 3. Evaluation of the performance of the Internal Comptrollership and Internal Audit functions.
 - 4. Significant aspects of the Internal Control System could affect the performance of the Institution's activities.
 - 5. Assessment of the scope and effectiveness of the Business Continuity Plan, its disclosure among the corresponding areas and identification, if the case, of the necessary adjustments for its update and strengthening.

The Committee, when preparing its report, will hear from the CEO, the Internal Auditor and the person responsible for the Internal Comptrollership functions. In the case of different opinions from the aforementioned in the ICS, such differences should be included in the report.

- B. Report the Board of the significant irregularities detected when carrying out their functions, and if the case, of the adopted corrective measures or propose those that shall be applied.
- C. Regarding External Audit:
 - 1. The evaluation of services other than the external audit of Basic or complementary Financial Statements that, if applicable, is provided by the Office responsible for carrying out the external audit.
 - 2. The result of the evaluation regarding compliance, by the Office and the Independent External Auditor, with the independence requirements established in the provisions.
 - 3. The results of the review of the External Audit Report and the Basic Financial Statements that accompany it, as well as the statements and opinions of the Independent External Auditor indicated in the provisions.
 - 4. The mention and monitoring of the implementation of preventive and corrective measures derived from the observations of the external audit, in accordance with the action plan referred to in the provisions.
 - 5. The results of the evaluation of the performance of the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, other communications and opinions, prepared in compliance with the provisions of the provisions. Likewise, the measures taken to guarantee the independence of the Office and the Independent External Auditor, as well as the personnel who participated in the audit, should be considered. The measures adopted on the occasion of complaints made by shareholders, directors, relevant managers, employees and, in general, of any third party on issues related to external audit.

6. Report on the progress in the External Auditor's review of the financial statements, as well as the result of the review of the opinion of the annual financial statements.
- D. Review the report that the person responsible for overseeing the compliance of applicable provisions on advised investment services, which will contain the main findings, and shall be presented to the Commission at least twice a year.
 - E. Report to the Board at least once a year on the consistency of the Compensation System application. The report shall contain at least the following:
 1. An evaluation of the compliance to the policies and procedures of compensation, and if the case, provide undemented reason for any exception.
 2. Adjustments to the Compensation System as a result of losses when these were not foreseen by this System.
 3. Significant matters of the Compensation system may affect bank's liquidity, solvency and stability.
 - F. Relating to the Information Security Officer:
 1. Inform quarterly of the result of the evaluation of the indicators regarding information established in the provisions.
 2. Annually inform the content of the Security Master Plan previously approved by the Chief Executive Officer.
 - G. Regarding the Responsible person for Compliance with Sales Practices:
 1. Inform the Board on the performance of said responsibility.

Audit Committee for Casa de Bolsa Banorte, S.A. de C.V. (Casa de Bolsa)

Objective:

The Committee is a governing body constituted by the Board to support it in the definition and updating of the objectives of the Internal Control System and the guidelines for its implementation, as well as in its evaluation.

The Committee will also supervise that the financial and accounting information is formulated in accordance with the applicable accounting guidelines, provisions and principles, and will follow up on the activities of Internal and External Audit, Internal Controller and the person responsible for monitoring compliance with the General Provisions applicable to financial institutions and other persons that provide investment services (Sales Practices Officer) as well as other functions, keeping the Council informed of the performance of the same.

Faculties:

The Committee, as the governing body supporting the Council, shall have sufficient powers to be able to fulfil the duties and perform the functions defined by these rules of operation, among which the following stand out:

1. To request the opinion of independent experts in cases in which it deems it appropriate, for the proper performance of its functions.
2. To have at their disposal, without any restriction, the books, records, facilities and support of the personnel of the Entities under their responsibility.
3. To request from the directors involved in the Entities under its responsibility reports related to the preparation of financial information or any other type that it deems necessary for the exercise of its functions.

4. Meet with the Board, senior officials, Internal Comptroller, Internal Auditor, External Auditor, Authorities and Investors.
5. To convene shareholders' meetings and to have the items they deem pertinent inserted in the agenda of said meetings.

The Committee, in the course of its activities, shall establish the procedures necessary for the general performance of its functions. In any case, the members of the Committee shall take as a basis for the performance of their activities the information prepared by the External Auditor, the Internal Comptroller, the Internal Auditor and the Head of Sales Practices, as well as the General Manager.

Integration:

- A. The Audit Committee shall be composed entirely of members of the Board of Directors, who may serve as proprietary or alternate directors. Such members shall be independent and appointed by the Board of Directors upon the proposal of its Chairman, and the Committee shall consist of at least three (3) members.
- B. Committee members may appoint their respective alternates, who must be proprietary or alternate Directors and shall also meet the independence requirements.

MEMBERS		
Thomas Stanley Heather Rodríguez	Independent Regular Director	Chairman*
José Antonio Quesada Palacios	Independent Regular Director	Member
Clemente Ismael Reyes Retana Valdés	Independent Regular Director	Member
Everardo Elizondo Almaguer	Independent Regular Director	Member
Anwar Loera Mendoza	Secretary	Non-Member

Frequency of sessions: The Audit Committee shall meet at least on a quarterly basis, within the timeframes established in the General Provisions Applicable to Brokerage Firms (Disposiciones de Carácter General Aplicables a las Casas de Bolsa), in accordance with the approved annual work plan and meeting calendar. The Committee may convene extraordinary meetings whenever it is necessary, which may be held through electronic means, videoconference, or teleconference. The Committee shall collect and retain all presentations, analyses, and supporting materials that serve as the basis for discussion and the adoption of resolutions.

Quorum: The sessions of the Committee will be valid with the participation of the majority of its members, as long as the President of the Committee intervenes. The resolutions issued will be taken by a majority vote of the members present, with the President casting a casting vote in the event of a tie.

Responsibilities:

The Audit Committee has the responsibilities set forth below.

1. Internal Control Matters:

- A. Have a permanently updated log that allows the identification over time of the modifications made to the manuals used for the implementation of the objectives, guidelines, and policies of the Internal Control System. This log must be prepared or reviewed by the Internal Comptroller.
- B. Ensure, with the support of the person responsible for the Internal Audit functions, that the operation manuals adhere to the Internal Control System.

- C. Review, in coordination with the General Directorate, at least once a year or when there are significant changes in the operation, the operation manuals referred to in the previous point, as well as the Code of Conduct.
- D. Review, with the support of the Internal and External Audit, the application of the Internal Control System, evaluating its efficiency and effectiveness.
- E. To review the report that the Director General must present at least annually, to the Council and the Committee, on the performance of his activities for the proper implementation of the Internal Control System, as well as its operation as a whole.
- F. Review the report that Internal Audit must prepare on the follow-up to the deficiencies or deviations detected in relation to the operation, so that they can be corrected in a timely manner.

2. Financial Statements Matters:

- A. Assist the Board in the review of the annual and interim financial information and its issuance process, relying on the work of the internal and external auditors. Review significant accounting and reporting issues, including complex or unusual transactions, high risk areas as well as pronouncements arising from accounting regulations, understanding their impact on the financial statements.
- B. Supervise that the financial and accounting information is formulated in accordance with the applicable guidelines and provisions, as well as with the accounting principles that are applicable to it
- C. Review significant accounting and reporting issues, including complex or unusual transactions, as well as recent professional pronouncements and regulations, and understand their impact on financial statements.
- D. Review with the Administration and with the internal and external auditors, the opinion of the annual financial statements, before their presentation to the regulatory authorities.
- E. Select and approve the hiring of the independent expert who, where appropriate, will carry out the goodwill impairment tests.
- F. Review the results of goodwill impairment tests.
- G. To prepare, with the support of the Office of the Internal Comptroller, internal policies that aim to establish guidelines and procedures related to the handling and, where appropriate, destruction of books, records, documents and other information related to their accounting, which have been or will be the subject of microfilming or recording.

3. Internal Comptroller:

- A. To follow up on the activities of the Internal Comptroller's Office, keeping the Council informed of their performance.
- B. Review the management report that the Internal Controller must deliver at least quarterly to the Board, the Internal Auditor and the General Director, and that must be available to the Comprehensive Risk Management Unit, External Auditor, as well as, where appropriate, to the person responsible for Sales Practices.
- C. To review the reports presented by the Internal Comptroller on the results of the inspection visits carried out by Supervisory Bodies.
- D. To determine corrective and preventive measures when it becomes aware that the Internal Comptroller does not have access to all the information necessary for the performance of its functions.
- E. To receive reports of those cases in which the Internal Comptroller detects any deficiency or deviation that in the exercise of its functions it considers significant and relevant, including activities in which it detects a potential conflict of interest.

4. Sales Practices

- A. To follow up on the activities of the person responsible for Sales Practices, keeping the Board informed of the performance of said activities.
- B. Determine corrective and preventive measures when it is aware that the person responsible for Sales Practices does not have access to all the information necessary to perform his or her duties.

5. Internal Audit Matters:

- A. Follow up on Internal Audit activities, keeping the Board informed of their performance.
- B. To monitor the independence of the Internal Audit area with respect to the other business and administrative units. In the event of a lack of independence, it must inform the Council on the same day that it becomes aware of this circumstance.
- C. To approve the Statute and Manual of Internal Auditing.
- D. After the opinion of the Director General, approve the annual work program of the Internal Audit area. Where appropriate, modifications to the aforementioned annual program must be submitted for the approval of the Committee, at the next session in which this is required.
- E. Review, based on the reports of the Internal Audit area and the External Auditor, at least once a year or when required by the CNBV, compliance with the Internal Audit program, informing the Board of Directors, where appropriate, of the causes of non-compliance with the program and must verify that the audits were carried out in accordance with the applicable quality standards in accounting and internal control.
- F. Review the report that the person responsible for the Internal Audit functions must make on the results of his or her management, at least quarterly or more frequently when established by the Committee. The foregoing, without prejudice to the fact that the person responsible for the Internal Audit functions immediately informs the person of the detection of any deficiency or deviation that he identifies in the exercise of his functions and that according to the Internal Control System is considered significant or relevant.
- G. To approve the hiring of service providers for the external quality assessment of the Internal Audit function.
- H. Review the results of the internal and external quality evaluations carried out by the Internal Audit function, and, where appropriate, follow up on the implementation of the determined recommendations.
- I. Review, at least annually, the organizational structure, capacities, and sufficiency of resources assigned to the Internal Audit area for the performance of its functions and, where appropriate, approve the actions required in order to ensure the greatest effectiveness in the fulfillment of its objectives and goals.
- J. To meet periodically with the Internal Auditor, without the presence of the Administration, to obtain his comments and observations on the progress of his work.
- K. Determine corrective and preventive measures when it becomes aware that the Internal Auditor does not have access to all the information necessary for the performance of its functions.

6. External Audit Matters:

Annual appointment or ratification of the Firm

- A. Monitor and document that, prior to the annual designation or ratification of the Firm that will provide such services, they comply with the provisions of the provisions.
- B. Validate the knowledge and professional experience of the Independent External Auditor, the Manager and the Person in Charge of the audit who will participate in the external audit, as well as compliance with the requirements established in the Single Circular of External Auditors (CUAE) by the Firm, the Independent External Auditor and personnel participating in the external audit, and must have a documented process, transparent and impartial and that allows it to assess compliance with these requirements.

- C. In cases in which it is intended to propose the appointment of another Firm, it must previously evaluate at least two options and duly justify the preference for one of them, in such a way that there is a possibility of choosing to consider compliance with the aforementioned requirements.
- D. Validate, prior to the appointment of the Firm, that both the Firm and the Independent External Auditor comply with the personal, professional and independence requirements established in the provisions for the provision of the external audit service and, where appropriate, of services other than the external audit of Basic Financial Statements.

Hiring of the Firm

- A. Obtain from the Firm, the statement on compliance with the quality control standard corresponding to the audited year, submitted to the professional association recognized by the Ministry of Public Education to which said Firm belongs or, when the Association in question does not require such a statement, the one issued by the Firm itself regarding compliance with the obligation referred to in the CUAE.
- B. To give an opinion, prior to the appointment of the Firm, regarding whether the resources proposed to execute the external audit program are reasonable considering the scope of the audit, the nature and complexity of the Entity's operations and its structure.
- C. Review, in conjunction with the Administration, the terms of the service proposal and know the hours assigned and the cost of the audit assignment, prior to the signing of the contract for the provision of services.

Follow-up to External Audit activities

- A. To contribute to the Internal Audit area or the internal auditor facilitating the development of external audit activities.
- B. To encourage the Entity to have policies that allow it to have personnel in charge of the preparation, review and authorization of the accounts, as well as the Basic Financial Statements and their notes, subject to the external audit, and with the knowledge of the accounting regulations that are applicable to the Entity.

In relation to external audit:

- A. Know, at the beginning of the external audit work, the focus of the review, taking into consideration the level of materiality, the scope of the scheduled audit and the significant issues identified.
- B. To ensure that, during the development of the external audit, the Independent External Auditor has all the necessary documentation and in a timely manner to perform his functions and must have access to the documentation related to the work of third parties hired, if such documentation is necessary to carry out the external audit.
- C. Maintain effective communication with the Independent External Auditor to inform the latter of any matter that, where appropriate, has an impact on the regulatory capital, as well as matters relevant to the development of the external audit.
- D. The Firm and the Independent External Auditor when, in the course of the audit, they find irregularities or any other situation that, based on their professional judgment, could jeopardize the stability, liquidity or solvency of the Entity, or have been committed to the detriment of its assets, regardless of whether or not they have an effect on financial information, they must submit a detailed report on the situation observed to the Committee.
- E. During the external audit, you should know the Independent External Auditor's point of view regarding the important issues identified by the Independent External Auditor and how they impact the approach to the external audit.
- F. To inform the CNBV, when it becomes aware, of the breaches or risks that affect the independence of the Firm and the Independent External Auditor, through a detailed report.

- G. The Independent External Auditor shall report to the Committee as soon as he becomes aware of these facts, the threats to independence that arise in the conduct of the external audit of Basic Financial Statements, as well as the safeguards applied for.
- H. To summon the Independent External Auditor, as a guest with the right to speak, but not to vote, to the meetings of the Committee, when deemed appropriate due to the issues to be discussed.
- I. Review with the Independent External Auditor, prior to the issuance of the External Audit Report, the letter of representation issued by the Director General prepared in accordance with International Standard on Auditing 580 "Written Statements", with special emphasis on matters in which the Independent External Auditor required specific statements on any item of the Basic Financial Statements.
- J. To evaluate, prior to the conclusion of the external audit work, the adherence of the Independent External Auditor to the program, and in case of changes, evaluate its reasonableness.
- K. To ensure that the necessary corrective measures are implemented to address the findings and recommendations of the Independent External Auditor in a timely manner.
- L. To follow up on the issuance of the communications and opinions indicated in the CUAE, keeping the Board informed regarding the performance of such activities, and the Independent External Auditor must report at the request of the Committee on its activities and development of the audit. The Independent External Auditor shall be obliged to provide the Committee with a statement, prior to the issuance of the External Audit Report, which shall include the minimum aspects established in the CUAE.
- M. To ensure that the Firm, in the external audits of Basic Financial Statements, as well as in the issuance of its communications and opinions, maintains a quality control system, which must be available to the Committee during the execution of the audit.
- N. To meet periodically with the External Auditor, without the presence of the Administration, to obtain his comments and observations on the progress of his work.

Firm's Assessment and Independent External Auditor

- A. It will be responsible for the establishment of operating policies aligned with GFNorte for the periodic evaluation of the Firm and the Independent External Auditor who provide the external audit services of the Basic Financial Statements and for the issuance of the communications and opinions indicated in the provisions.
- B. To evaluate, at the end of the external audit engagement, the performance of the Firm and the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of the communications and opinions indicated in the provisions, derived from the external audit service.
- C. Review with the Independent External Auditor the results of the communications and opinions indicated in the previous point, in order to understand his reasoning in reaching his conclusions.
- D. The Committee may request from the Firm and the Independent External Auditor the documentation evidencing compliance with the obligations and requirements established in accordance with the CUAE, in relation to the audit service contracted, without prejudice to the fact that the Committee must meet with the latter at least once a year.
- E. The Committee shall evaluate the possible replacement of the Firm or, where appropriate, of the Independent External Auditor when they cease to comply with the necessary requirements for the development of their work.
- F. The Committee, in order to carry out the obligations contemplated in the provisions, may rely on people from areas independent of the Chief Executive Officer or their equivalent. The activities carried out by the Committee in accordance with the CUAE and the results obtained from them must be documented.

Comprehensive Risk Management

- A. Review the Internal Audit report with the results of the Comprehensive Risk Management audit, which will be carried out at least once a year or at the end of each fiscal year, which must be submitted to the Board, the Risk Committee and the Chief Executive Officer and submitted to CNBV.
- B. Select and approve the contracting of service providers for the technical evaluation of the aspects of Comprehensive Risk Management, in accordance with the internal policies for the contracting of suppliers.
- C. Review the report on the results of the technical evaluation of the aspects of Comprehensive Risk Management, which will be carried out at least every two fiscal years, which must be submitted to the Risk Committee for approval and to the Board and submitted to the CNBV.

Derivatives

- A. Issue the communication in which the Committee states that it complies with the requirements set forth in the Rules for the Execution of Derivative Transactions issued by the Bank of Mexico, as one of the necessary elements to manage the authorization to enter Derivative Transactions on its own account.
- B. Select and approve the hiring of independent experts for the validation of the valuation and risk measurement models, in accordance with the internal policies for the contracting of suppliers.
- C. Review the results of the validations of the valuation and risk measurement models, which must be carried out by independent experts, at least once a year.

Third-Party Contracting

- A. To approve the contract with third parties for the provision of services on the performance of an operational, technological or database administration process, which are provided or executed partially or totally outside the national territory or by residents abroad.
- B. To review the report that will be presented annually to the Council, on the performance of the third party, as well as compliance with the applicable regulations related to said service.
- C. Reviewing the results of the audits carried out every two years on the providers of information processing services, which aim to verify the degree of compliance with Chapter Two, On the contracting of services with third parties of the Provisions, as well as with the provisions of Annex 12.

Prevention of money laundering and terrorist financing

- A. To approve, at the proposal of the Communication and Control Committee, the Manual of Policies and Procedures for the Prevention of Money Laundering and Terrorist Financing, as well as any modification thereto.
- B. Review the result of the work of the Internal Audit or an independent external auditor, to evaluate and rule on an annual basis on compliance with article 212 of the Securities Market Law (LMV), which must be submitted to the Chief Executive Officer and Communication and Control Committee and sent to the CNBV.

Use of electronic media

- A. Review, where appropriate, the incident reports of the users of the electronic media that are shared by the technical and operational support areas, in order to adopt measures to prevent or prevent them from occurring again.

Autocorrect programs

- A. To give an opinion on the self-correction programs that are submitted for authorization by the National Banking and Securities Commissions and the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF), as appropriate, when the Entities, in the performance of their activities,

or the Committee as a result of the functions conferred on them, detect irregularities or non-compliance with the provisions of the LMV and other applicable provisions.

- B. The self-correction programs must be signed by the Chair of the Committee and be presented to the Council at the meeting immediately following the request for authorization submitted to the CNBV or CONDUSEF, as appropriate.
- C. To follow up on the implementation of the authorized self-correction programs, and to report on their progress both to the Board and the Chief Executive Officer, as well as to the CNBV and CONDUSEF, as appropriate.

Other duties and responsibilities

- A. Those that are necessary for the performance of their functions.

Cybersecurity

- A. To review quarterly the indicators on Information Security contained in the Management Report of the Internal Comptroller.
- B. Review the report on Information Security incidents in the session immediately following the verification of the event in question, in order to ensure that measures are adopted to prevent or prevent them from occurring again.

COMMUNICATION

Propose for Board approval

- A. The Internal Control System that the Entities require for its proper functioning, as well as its updates.
- B. The objectives of the Internal Control System and the guidelines for its implementation, which must refer at least to:
 - C. Those for the proper use and use of human and material resources.
 - D. Those that regulate operational processes.
 - E. Those that regulate and control dependence on external suppliers.
 - F. Those that regulate and control the installation and use of automated data processing systems and telecommunications networks.
- G. General policies relating to the organizational structure.
- H. Channels of communication and flow of information between the different units and areas.
- I. General operating policies.
- J. Business Continuity Plan.
- K. Control measures to ensure that transactions are approved, processed and recorded correctly.
- L. The Code of Conduct, drawn up by the Chief Executive Officer.
- M. Changes to the accounting policies relating to the recording, valuation of items in the financial statements, and the presentation and disclosure of information, so that the latter is complete, correct, accurate, complete, reliable and timely, prepared by the Chief Executive Officer in accordance with the Single Circular of Brokerage Firms. In any case, the Committee may also propose the aforementioned changes when it deems it necessary, after hearing the opinion of the Directorate-General.
- N. The appointment of the Internal Auditor.
- O. In relation to the External Audit:
 - P. The designation or, where appropriate, annual ratification of the Firm in charge of the external audit.
 - Q. The replacement of the Firm or the Independent External Auditor, in charge of the audit.
 - R. The contracting of services other than the external audit of Basic Financial Statements.

- S. The amount of remuneration, both for the external audit service and for services other than the external audit of Basic Financial Statements.
- T. The Business Continuity Plan, as well as its modifications.
- U. The rules that will govern the operation of the Committee itself, which will subsequently be sent to CNBV for its information.
- V. All the matters that must be approved by the Board, which are part of Chapter I of the Internal Control of the Single Circular of Brokerage Firms, shall be presented for that purpose directly by the Committee.

Report to the Council

- A. At least once a year, about the Internal Control System. The report must contain, at least, the following:
 1. Deficiencies, deviations or aspects of the Internal Control System that, where appropriate, require improvement, considering for this purpose the reports and opinions of the Internal and External Auditors, respectively, as well as the Internal Comptroller.
 2. The mention and monitoring of the implementation of the preventive and corrective measures derived from the observations of the CNBV and the results of the internal and external audits, as well as the evaluation of the Internal Control System carried out by the Committee itself.
 3. The evaluation of the performance of the functions of the Internal Comptroller and the Internal Audit area.
 4. The significant aspects of the Internal Control System that could affect the performance of the Institution's activities.
 5. An evaluation of the scope and effectiveness of the Business Continuity Plan, its dissemination among the relevant areas and the identification, where appropriate, of the necessary adjustments for its updating and strengthening.
 6. The Committee shall hear the Chief Executive Officer, the Internal Auditor and the Internal Comptroller prepare its report. In the event of a difference of opinion with the latter regarding the Internal Control System, such differences shall be incorporated in said report.
- B. To inform the Board of any irregularities in the operation that affect the solvency or liquidity of the Entities that result in an impact on the assets of customers and that constitute a breach of the applicable provisions or represent an operational risk, which are detected in the exercise of their functions and, where appropriate, of the corrective actions adopted or propose those to be applied.
- C. To report to the Council, at least once a year, on its management and functions.
- D. In relation to the External Audit:
 1. The evaluation of the services other than the external audit of Basic Financial Statements that, where appropriate, are provided by the Firm in charge of carrying out the external audit.
 2. The result of the evaluation regarding the compliance, by the Firm and the Independent External Auditor, of the independence requirements established in the CUAE.
 3. The results of the review of the External Audit Report and the accompanying Basic Financial Statements, as well as the communications and opinions of the Independent External Auditor indicated in the CUAE.
 4. The mention and monitoring of the implementation of the preventive and corrective measures derived from the observations of the external audit, in accordance with the action plan referred to in the CUAE.
 5. The results of the evaluation of the performance of the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of other communications and opinions, prepared in compliance with the provisions of the CUAE.
 6. Likewise, the measures taken to guarantee the independence of the Firm and the Independent External Auditor, as well as the personnel who participated in the audit, must be considered.
 7. The measures are adopted as a result of complaints made by shareholders, directors, relevant executives, employees and, in general, any third party on issues related to external auditing.
- E. The progress in the External Auditor's review of the financial statements, as well as the result of the review of the opinion of the annual financial statements.

- F. Submit the report of the person responsible for supervising compliance with the provisions applicable to the Investment Services advised because of the exercise of their functions containing the main findings, which must be prepared at least semiannually and submitted to the CNBV.
- G. At least once a year, on the consistency in the application of the Remuneration System.
- H. The report must contain at least the following:
 1. An evaluation of compliance with the remuneration policies and procedures and, where appropriate, the exceptions, substantiating the reasons that gave rise to them.
 2. Adjustments made to the Remuneration System as a result of the occurrence of losses when these were not foreseen in the Remuneration System.
 3. The significant aspects of the Remuneration System could affect the liquidity, solvency and stability of the Brokerage House and Fund Operator.
- I. Regarding the performance of the person responsible for Sales Practices.

Long-Term Savings Audit Committee (CA-SAP)

Objective:

The Committee is the body, of advisory nature, responsible for monitoring the adherence of companies in the Long-Term Savings Sector (companies) to internal norms defined by the Board, as well as compliance with applicable legal and administrative provisions.

The Committee will also see that the financial and accounting information is formulated in accordance with the applicable guidelines, provisions and accounting principles and will monitor the activities of Internal and External Audit and the Internal Comptrollership, keeping the Board of Directors informed of the performance of the same.

Faculties:

The Committee, as a supporting governance entity for the Board of Directors, will have sufficient authorization to carry out the duties and functions that the present rules of operation define, among which stand out:

- A. Request the opinion of independent experts for cases it considers convenient, for the proper performance of its functions.
- B. Have unrestricted access to books, records, facilities and support from personnel in institutions under its responsibility.
- C. Require from involved officials of companies under their responsibility, reports relating to the preparation of financial information or any other type of report that it is necessary to perform its duties.
- D. Meet with the Board of Directors, senior officers of these companies, Internal Comptroller, Internal Auditor, External Auditor, authorities and investors.

The Committee, in the development of its activities, shall establish the procedures necessary for the general performance of its duties. In any case, Committee members shall take information prepared by the Internal Comptroller, Internal and External Auditors, Independent Actuary and Management as a basis for its activities.

Integration

A. The Committee will be comprised of at least three and not more than five Board members, who may be proprietary members or alternates, of which at least one must be an independent.

B. Proprietary members or alternates who are Committee members may be substituted by any other member, observing the regulations of Article 72, Sections III and IV of the law.

MEMBERS		
Thomas Stanley Heather Rodríguez	Independent Regular Director	Chairman
Alicia Lebrija Hirschfeld	Independent Regular Director	Member
Narciso Campos Cuevas	Independent Regular director	Member
Anwar Loera Mendoza	Secretary	Non-Member

Quorum: Committee sessions are valid with a majority participation of its members, provided that the Chairman or his alternate is present.

The Committee, in the performance of its duties shall, at least, perform the following activities for each of the companies under its responsibility:

1. Corporate Governance System

A. Follow-up on companies' compliance with corporate governance policies and guidelines adopted by the Board.

1.1. Comprehensive Risk Management

A. To monitor companies' adherence to internal regulations defined by the Board, as well as compliance with applicable laws, regulations and administrative provisions, related to the comprehensive risk management system.

B. Review Internal Audit's reports with the results of audits carried out to verify procedures which the Risk Management area uses to follow-up on compliance with limits, objectives, policies and procedures relating to comprehensive risk management, in accordance with applicable legal, regulatory or administrative regulations, as well as with policies established by the Board in that area.

1.2. Internal Control

A. Review the reports on the Internal Comptroller's System operation and of its results that the CEO shall submit to the Committee at least every six months.

B. Review, with support from Internal Audit and the independent external auditor, the application of the Internal Comptroller's System, evaluating its efficiency and effectiveness.

C. Follow-up on the Internal Comptroller's activities for the companies, keeping the Board informed of its performance.

D. Review the management report that the head of Internal Comptroller must submit to the Committee and the CEO at least twice a year.

E. Review the code of conduct at least once a year and propose necessary modifications to the Board of Directors, if the case.

F. To establish monitoring mechanisms for the companies' areas that, by their operational characteristics or its relationship with the public or third parties, may be prone to corruption; and to propose the necessary control measures.

- G. To review the Internal Audit report on the follow-up of detected relevant deficiencies or deviations in connection with the operation of the companies, so that they be remedied promptly.
- H. To review the reports submitted by the Internal Comptroller on the results of the inspection visits carried out by supervising agencies.

1.3. Internal Audit's Duties

- A. Follow up on the Internal Auditor's activities, keeping the Board informed of its performance.
- B. Monitor the independence of the Internal Audit area with respect to other business and administrative units. Any lack of independence must be reported to the Board.
- C. Approve the By-Laws and Internal Audit Manual, and methodologies used for the development of its activities, as well as updated versions.
- D. With the prior opinion of the CEO, to approve the annual work program of the Internal Audit area.

For this purpose, Internal Audit must present its work program for the following year in the last two months of every year. The work program shall ensure that the companies' activities are audited within a reasonable period of time, considering a risk-oriented approach and adequate period to review the strategic areas.

If the case, amendments to the referred annual program should be presented for the Committee's approval in its next session.

- E. Review, based on reports from the Internal Audit area and the independent External Auditor, at least once a year or when required by the CNBV, that the Internal Audit program is carried out in accordance with appropriate quality standards in accounting matters, and that the activities of the Internal Audit area are carried out in adherence to applicable internal and external regulations.
- F. Review Internal Audit reports on the results of audits carried out, and the tests or evidence supporting observations and recommendations, and other elements that allow the Committee to fulfill its functions.
- G. Review of the report prepared by the head of the Internal Audit area on the results of its management, at least every six months. The foregoing, notwithstanding that the Internal Auditor immediately informs the Committee of the detection of any deficiency or deviation identified in the exercise of its functions and that is considered significant or relevant according to the corporate governance system. In addition, a copy of these reports must be submitted to Management and other business areas, as the Committee deems convenient, in view of the nature of the problem detected.
- H. Approve the hiring of service providers for the external evaluation of the quality of Internal Audit's performance.
- I. Review the results of internal and external quality assessments carried out regarding Internal Audit's functions and where appropriate, to follow-up on the implementation of established recommendations.
- J. Review, at least annually, the organization's structure, capabilities and the adequacy of resources allocated to the Internal Audit area for the performance of its functions and where appropriate, actions required to ensure the greatest effectiveness in the fulfillment of its objectives and goals.
- K. Meet regularly with the Internal Auditor, without the presence of management for comments and observations on the progress of its work.

1.4. Actuarial Duties

- A. To monitor that the companies adhere to the internal policy defined by the Board, as well as fulfill applicable legal, regulatory and administrative laws related to the actuarial duties of the companies.
- B. To review the Letter of Opinion and the Opinion of Technical Reserves report, which the independent actuary must submit to the Committee within ninety calendar days from the end of the fiscal year.

- C. To review the reports that the independent actuary must submit to the Committee and the Commission if in the course of its revision of the situation and adequacy of the technical reserves, irregularities were found that, based on his professional judgment, may endanger the stability, liquidity or solvency of the companies.

1.5. Hiring Third Party Services

- A. To monitor the adherence of the companies to internal policy defined by the Board, as well as compliance with applicable legal, regulatory and administrative regulations related to hiring third party services.
- B. Review the reports to ensure that policies and procedures for hiring third-party services established by the Management are adhered to, as well as compliance with applicable legal, regulatory and administrative regulations.
- C. Review Internal Audit reports on the performance of third parties hired to provide services necessary for its operation, as well as their compliance with applicable regulations.

2. Accounting and Financial Information

- A. Assist the Board in the review of the annual and intermediate financial information and its issuance process, relying on the work of the Internal and External Auditors.
- B. To monitor that financial and accounting information is formulated in accordance with guidelines and provisions, as well as applicable accounting principles.
- C. To review significant accounting and reporting issues, including complex or unusual transactions, as well as professional declarations, recent regulations and to understand their impact on financial statements.
- D. To assess the financial position and results of the companies in relation to the state of the Internal Control System and submit the corresponding recommendations to the Board.
- E. To assist the Board of Directors and the CEO in the evaluation of the fulfillment of the objectives and goals of the companies.
- F. To develop internal policies designed to establish guidelines and procedures relating to the management and, where appropriate, destruction of books, records, documents and other information relating to its accounting, that have been or will be subject to recording or microfilming.
- G. To review with management and the Internal Auditor the reports that the independent External Auditor must prepare, sign and submit to the Commission (short report of basic consolidated annual financial statements, long report and reports on supplementary information, and other reports and releases).

3. External Audit

Annual designation or ratification of the Firm

- A. Monitor and document that, prior to the annual designation or ratification of the contracting of the Firm that will provide such services, they comply with the provisions of the Single Circular of External Auditors (CUAE).
- B. Validate the knowledge and professional experience of the Independent External Auditor, the Manager and the Person in Charge of the audit who will participate in the external audit, as well as compliance with the requirements established in the CUAE by the Firm, Independent External Auditor and personnel participating in the external audit, and must have a documented process, transparent and impartial and that allows it to assess compliance with these requirements.

In cases in which it is intended to propose the appointment of another Firm, it must previously evaluate at least two options and duly justify the preference for one of them, in such a way that there is a possibility of choosing to consider compliance with the aforementioned requirements.

Hiring of the Firm

- A. Validate, prior to the appointment of the Firm, that both the Firm and the Independent External Auditor comply with the personal, professional and independence requirements established in the CUAE for the provision of the external audit service and, where appropriate, of services other than the external audit of Basic Financial Statements.
- B. Obtain from the Firm, the statement on compliance with the quality control standard corresponding to the audited year, submitted to the professional association recognized by the Ministry of Public Education to which said Firm belongs or, when the college in question does not require such a statement, the one issued by the Firm itself regarding compliance with the obligation referred to in the CUAE.
- C. To give an opinion, prior to the appointment of the Firm, regarding whether the resources proposed to execute the external audit program are reasonable considering the scope of the audit, the nature and complexity of the Entity's operations and its structure.
- D. Revisar los términos del encargo de auditoría, previo a la firma del contrato de prestación de servicios.

Follow-up to External Audit activities

- A. To contribute to the internal audit area or the internal auditor facilitating the development of external audit activities.
- B. Encourage the Entity to have policies that allow it to have personnel in charge of the preparation, review and authorization of the accounts, as well as the Basic Financial Statements and their notes, subject to the external audit, and with the knowledge of the accounting regulations that are applicable to the aforementioned Entity.

In relation to external audit:

- Know, at the beginning of the external audit work, the focus of the review, taking into consideration the level of materiality, the scope of the scheduled audit, the hours assigned to each work, its corresponding cost and the significant issues identified.
- Ensure that, during the development of the external audit, the Independent External Auditor has all the necessary documentation and in a timely manner to perform his functions and must have access to the documentation related to the work of third parties hired by the Company, if such documentation is necessary to carry out the external audit.
- Maintain effective communication with the Independent External Auditor to inform the latter of any matter that, where appropriate, has an impact on regulatory capital, as well as matters relevant to the development of the external audit.
The Firm and the Independent External Auditor when, in the course of the audit, they find irregularities or any other situation that, based on their professional judgment, could jeopardize the stability, liquidity or solvency of the Entity, or have been committed to the detriment of its assets, regardless of whether or not they have an effect on financial information, they must submit a detailed report on the situation observed to the Committee.
- During the course of the external audit, you should know the Independent External Auditor's point of view regarding the important issues identified by the Independent External Auditor and how they impact the approach to the external audit.
- The Independent External Auditor shall report to the Committee as soon as he becomes aware of these facts, the threats to independence that arise in the conduct of the external audit of Basic Financial Statements, as well as the safeguards applied for.
- To summon the Independent External Auditor, as a guest with the right to speak, but without vote, to the sessions of the Committee, when it is considered appropriate due to the issues to be discussed.

- Review with the Independent External Auditor, prior to the issuance of the External Audit Report, the letter of representation issued by the Director General prepared in accordance with International Standard on Auditing 580 "Written Statements", with special emphasis on matters in which the Independent External Auditor required specific statements on any item in the Basic Financial Statements.
 - Evaluate, prior to the conclusion of the external audit work, the adherence of the Independent External Auditor to the initial audit program, and in case of changes, evaluate its reasonableness.
- C. To ensure that the necessary corrective measures are implemented to address the findings and recommendations of the Independent External Auditor in a timely manner.
 - D. To follow up on the issuance of the communiqués and opinions indicated in the provisions, keeping the Council informed of their performance. The Independent External Auditor must report at the request of the Committee on its activities and the conduct of the audit. The Independent External Auditor shall be obliged to provide the Committee with a statement, prior to the issuance of the External Audit Report, which shall include the minimum aspects established in the CUAE.
 - E. To ensure that the Firm, in the external audits of Basic Financial Statements, as well as in the issuance of its communications and opinions, maintains a quality control system, which must be available to the Committee during the execution of the audit.
 - F. Meet regularly with the External Auditor, without the presence of Management, to hear his comments and observations on the progress of his work.
 - G. Reviewing the reports that the Independent External Auditor must submit to the Committee and the Commission if during practice or because of the audit, he finds irregularities that affect the liquidity, stability or solvency of the company or companies to which he provides his services.

Firm's Assessment and Independent External Auditor

- A. It will be responsible for the establishment of operating policies within the Company for the periodic evaluation of the Firm and the Independent External Auditor who provide the external audit services of the Basic Financial Statements and for the issuance of the communications and opinions indicated in the CUAE.
- B. To evaluate, at the end of the external audit engagement, the performance of the Firm and the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of the communications and opinions indicated in the CUAE, derived from the external audit service.
- C. It will be responsible for the establishment of operating policies within the Company for the periodic evaluation of the Firm and the Independent External Auditor who provide the external audit services of the Basic Financial Statements and for the issuance of the communications and opinions indicated in the CUAE.
- D. To evaluate, at the end of the external audit engagement, the performance of the Firm and the Independent External Auditor, as well as the quality of the External Audit Report and, where appropriate, of the communications and opinions indicated in the CUAE, derived from the external audit service.
- E. The Audit Committee shall evaluate the possible replacement of the Firm or, where appropriate, of the Independent External Auditor when they cease to comply with the necessary requirements for the development of their work.
- F. The Committee, in order to carry out the obligations contemplated in the CUAE, may rely on people from areas independent of the Directorate-General or its equivalent. The activities carried out by the Committee in accordance with the CUAE and the results obtained from them must be documented.

4. Follow-up on the fulfillment of Other Policies and Standards

- A. To follow-up on compliance with policies and standards in subscription issues, design of insurance and reinsurance products and other transfer mechanisms for risks and responsibilities, financial reinsurance, marketing, development and financing of the companies' operations.

- B. Follow-up on compliance with standards to avoid conflicts of interest between different areas of the companies in the exercise of assigned duties.
- C. To follow-up on compliance with policies for investment of the companies' assets.
One member of the Audit Committee must attend Investment Committee meetings, with voice but without vote.
- D. To follow-up on the fulfillment of general policies for the provision of services and attention to service users, as well as issues relating to the disclosure of information in which companies comply with the obligations established in Article 308 of the Law, and in Title 24 of the CUSF.

5. Regularization Plans and AutoCorrect Programs

- A. To approve auto-correct programs when companies or the Committee, in the exercise of their duties, detect irregularities or non-compliance to the Law and/or other applicable regulations, and submit them for consideration by the Commission through the CEO as well as present them to the Board.
- B. Review, if the case, regularization plans to restore coverage of solvency parameters or to remedy irregularities detected by the Commission, which must be presented for the Board's approval, prior to its submission to the Commission for approval.
- C. To follow up on regularization plans and AutoCorrect programs authorized by the Commission, keeping the Board and CEO, as well as the Commission, informed of progress in compliance.
- D. To present a report to the Commission on the instrumentation progress of regularization plans and AutoCorrect programs in effect, within the first ten working days following the closing of each month, accompanied by documents that, if the case, support the reported progress.
- E. Submit a report to the Commission within ten working days from the respective expiration date of the regularization plan or autocorrect program, with respect to the fulfillment of actions contained therein. In cases where irregularities or breaches, subject of the regularization plan or auto-correct program were not corrected, the report must state the reasons for this.

6. Cybersecurity

- A. Review the reports which must be presented whenever the Committee sessions, with the results of applying the procedures, enabling the correlation of information from customers' claims with fraud events.
- B. Review the reports about occurrences in the operation of the computing and telecommunications infrastructure in the session immediately following verification of the event concerned, in order to ensure that the necessary measures to prevent or avoid recurrence of such an event.

7. Prudential Measures in Credit Issues

- A. Review that the Credit Manual is consistent with the objectives, guidelines and policies for origination and credit management issues approved by the Board.
- B. Review the report prepared by the CEO on a quarterly basis at least, for the Board, the Committee and the Risk Management area, on deviations detected with respect to the objectives, guidelines, policies, procedures, strategies and regulations in credit matters.
- C. Review the report by the area responsible for Internal Audit's function, at least once a year, in terms of credit matters on observations made in their reviews, to the Board and the Committee.

8. Sales Practices

- A. In the case of trusts, in which companies act as fiduciary institutions and that involve operations with the public such as consultancy, advertising, purchase and sale of securities as established in Article 140 Section III of the

Law, Receiving and Assignment System manuals, as well as their modifications, shall be authorized by the CEO, based on guidelines and policies established by the Board for this purpose, on the Committee's proposal. Manuals, as well as their amendments shall be submitted to the Commission's prior approval.

- B. Review reports by the officer or area responsible for monitoring transactions carried out through the Receiving and Assignment System, as frequently as established by the Committee; the above, without prejudice, to immediately inform the Committee Chairman of the detection of any deficiency or deviation considered significant or relevant in the performance of its duties. In addition, when determined by the Committee, the officer or area shall report to the CEO and other units of the companies, including, when appropriate, to the Board.

9. Financial Reinsurance Transactions

- A. To follow up, within the scope of its responsibilities, on companies' reinsurance contracts, as well as those that include financial reinsurance operations, permanently evaluating the behavior of the original estimates with respect to the significant transfer of insurance risk, as well as the impact of the Financing component's amortization scheme on the technical and financial operation of the companies.

10. Issuance of Subordinated Notes and Other Debt Instruments

- A. To issue the required opinion for authorization to issue subordinated notes or other debt instruments, with the favorable vote of the independent Board members, regarding:
 - a) To prepare financial statement projections of the company, with and without the effects of the issuance of subordinated notes or other debt instruments.
 - b) To calculate the impact that the financing amortization scheme planned in the issuance act may have on the company's financial situation.

11. Transactions with Related Parties

- A. Review the results of the transfer pricing study to be prepared by an independent third party for the realization of significant transactions with related entities, such study must be submitted to the Committee in the session immediately following the date of its reception, in order to verify compliance with applicable legal, regulatory and administrative regulations as well as policies and procedures adopted by the Board, and take measures deemed pertinent.

When the study carried out by the independent third party determines that prices or the amounts of compensation agreed on significant transactions with related entities, do not correspond to those that had been agreed by parties in comparable acts, the Committee must report this fact to the Commission in a term no longer than five working days, as of the date of the study reception.

12. Prevention of Money Laundering and Financing of Terrorism

- A. To approve, at the proposal of the Communication and control committee, the Manual of Policies and Procedures in this area, as well as any modification thereto.
- B. Study the results of the review by Internal Auditor and independent External Auditor that must be done on an annual basis to evaluate and assess compliance with regulations for the prevention of money laundering and financing of terrorism. Such a report must be submitted to the CEO and the Communication and Control Committee to evaluate the effectiveness of implemented measures and to follow-up on applicable corrective-

action programs, and which must be presented to the Commission within sixty calendar days following the close of the fiscal year of the corresponding revision.

All other obligations arising from legal, regulatory and administrative regulations applicable to the companies, and which are necessary for the performance of their duties.

Communication

1. Proposal for approval by the Board of Directors

- A. The Internal Comptroller System that the companies require to function properly, as well as its updates. The Internal Comptroller System's objectives and guidelines must relate to the aspects listed in Chapter 3.3 of the CUSF, which shall be drawn up by the CEO and submitted for consideration by the Committee.
- B. The code of conduct referred to in Regulation 3.1.3 of the CUSF.
- C. The appointment of the Internal Auditor for the company.
- D. In relation to the External Auditor
 - a. The designation or, where appropriate, annual ratification of the Firm in charge of the external audit.
 - b. The replacement of the Firm or the Independent External Auditor, in charge of the audit.
 - c. The contracting of services other than the external audit of Basic Financial Statements.
 - d. The amount of remuneration, both for the external audit service and for services other than the external audit of Basic Financial Statements.
- E. The appointment of the Independent Actuary who will issue a ruling on the situation and adequacy of the technical reserves that companies must create, and additional services derived from this review.
- F. The appointment of the Actuary who will perform the Dynamic Solvency Test for the companies.
- G. Where appropriate, the designation of an independent expert to provide an opinion on whether the internal model for the calculation of the Capital Solvency Requirement of the companies complies with applicable legal, regulatory and administrative regulations.
- H. The regularization plans referred to in Article 320 of the LISF.
- I. Any changes to accounting policy regarding:
 - 1. The registration and valuation of headings in the financial statements, and
 - 2. The presentation and disclosure of the companies' information, so that it is correct, sufficient, reliable, consistent and timely.In all cases, the Committee may propose such changes when it deems them necessary for the companies.
- J. A Business Continuity Plan, as well as its modifications.
- K. The rules for Committee's functions.

2. Report to the Board of Directors

- A. The Board must be informed at least once a year, on the situation of the companies' corporate governance system. This report must contain, as a minimum, the following:
 - 1. Any deficiencies, deviations, or aspects of the Comprehensive Risk Management System which, if the case, requires improvement, taking into account for this purpose reports from the Risk Management Area, as well as those from ARSI.
 - 2. Any deficiencies, deviations or aspects of the Internal Comptroller System, if the case, that require improvement, taking into account for this purpose the reports and rulings from the Internal Audit Area and the independent External Auditor as well as those responsible for Internal Comptroller duties.

3. The mention and follow-up of implemented preventive and corrective measures derived from the Commission's observations and the results of the Internal and External audits, as well as the evaluation of the Internal Comptroller System carried out by the Committee itself.
 4. The performance evaluation for the Internal Comptroller and Internal Audit includes significant aspects in carrying out those functions that could affect the performance of the companies.
 5. The performance evaluation for the External Auditor and the Independent Actuary who rules on the situation and the adequacy of technical reserves, as well as the quality of its opinions and prepared reports, including comments from the Commission.
 6. The results of the ruling review, reports, opinions and statements from the External Auditor and the independent Actuary who rule on the situation and adequacy of the technical reserves.
 7. The deficiencies, deviations or aspects of the companies' actuarial function that, if the case, require improvement
 8. The deficiencies, deviations, or aspects of hiring services through third parties that, if the case, require improvement.
- B. The Committee in the elaboration of its report will listen to THE Management, the Internal Auditor and the person responsible for the functions of Internal Comptrollership. In case of a difference in opinion with the latter, with respect to the Internal Control System, such differences should be incorporated into this report.
 - C. Important irregularities detected with the objective of performing their duties and, if the case, corrective actions taken or proposed.
 - D. The Board and General Management of the companies must be notified, through the Committee, of the results and recommendations arising from the Internal Audit, to ensure the implementation of appropriate corrective measures.
 - E. Results of the follow-up of regularization plans and auto correction programs authorized by the Commission.
 - F. Progress in the External Auditor's review of the financial statements audited.
 - G. Report on the performance of its activities.
 - H. Review in advance, reports that the CEO, Internal Comptroller, and Internal and External Auditors submit to the Board on issues falling within the purview of the Committee.

HUMAN RESOURCES COMMITTEE

Objective: Be the body responsible for remuneration to staff of the Institution, protecting the integrity, stability, competitiveness and financial soundness of the same, supporting GFNorte's Board of Directors in its functions relating to the Compensation System, through the approval of determinations in human resources subject and the establishment of a regulatory framework, undertaking implementation, maintenance and evaluation activities regarding the Compensation System.

A Remuneration System is understood to be the one referred to in the "Remuneration System Policies" for the granting of the annual bonus and the retention plan for risk-taking positions.

Functions:

Assist the Board of Directors in the performance of its duties regarding the Compensation System in the following aspects:

- A. Proposal for approval of the Board of Directors:
 - a. The compensation policies and procedures, consistent with reasonable risk taking, as well as any modifications made to them.

- b. Employees or personnel who hold any position, mandate, commission or any other legal title, which will be subject to the paragraph of Compensation System related to risk taking.
- c. The special cases or circumstances in which someone might exempt the application of approved compensation policies.
- B. Implement and maintain the Compensation System related to risk taking, which must consider the differences among the different administrative, control and business units as well as the risks inherent to the activities performed by people subject to the Compensation System related to risk taking. For this purpose, the Committee shall receive and consider the reports of the Unit for Risk Management and any other area that the same Committee deems appropriate, on the implications of risk policies and procedures for compensation.
- C. Inform all relevant staff about policies and procedures of compensation, ensuring at all times the understanding by stakeholders regarding the methods for the determination, integration and delivery of their compensation, applicable risk adjustments, the deferral of extraordinary compensation and any other mechanisms applicable to their remuneration.
- D. Prior to the DMD of Human Resources proceeds to deliver the percentage of Deferred Compensation that corresponds to each employee subject to deferral system, the Human Resources Committee shall report the results of the evaluation exercise to:
 - a. The CEO: Results of risk analysis of Managing Directors under his charge before being presented to each of them.
 - b. The Chairman of the Board: Results of the risk analysis of the CEO.
- E. Hiring, when deemed necessary, external consultants on compensation schemes and risk management, who contribute to design compensation schemes, avoiding any conflict of interest.
- F. Define and update the guidelines that frame the retention plan (in shares) for executives of the Institution subject to the Compensation System associated with risks, and to interpret, manage, modify and, where appropriate, propose to the Board the termination of the retention plan.
 - a. Take any necessary action for the effective and timely execution of the retention plan for officers subject to the Compensation System.
 - b. Report to the Board of Directors, when deemed appropriate on matters relevant to the retention plan for officers subject to the Compensation System.
- G. Report to the Board of Directors at least semiannually on the operation of the Compensation System, and any time when exposure to risk assumed by the Institution, administrative, control and business units or people subject to the Compensation System, could result in an adjustment to such Compensation System.

Frequency of sessions: The Human Resources Committee meets quarterly. It may also meet in an extraordinary manner.

Structure: According to Article 168 Bis 5 of the General provisions applicable to credit institutions, the Human Resources Committee must be comprised by at least two Proprietary Board Members, of which at least one must be independent (who shall preside). Furthermore, at least one of the Board Members shall be a person who has extensive experience in Risk Management or Internal Control; the Responsible of Comprehensive Risk Management; a representative of the Human Resources area, a representative of the finance planning or budget elaboration area; and the Internal Audit, which will have voice but no vote.

In addition to what's required by the applicable regulation, the Board Members comprising the Human Resources Committee should be independent members.

The Chairman, listening to the opinion of GFNorte's CEO, may appoint alternate members when one member ceases to be part of this Committee. Each member has the right for a vote, and resolutions must be approved by a majority vote of the attending members; in the event of a tie, the Chairman of the Human Resources Committee shall have the deciding vote. In the event that a member of this committee has a conflict of interest with any specific matter, should abstain in the voting process.

MEMBERS		
Thomas Stanley Heather Rodríguez	Independent Regular Director	Chairman
Diego Martínez Rueda-Chapital	Independent Alternate Director	Member
Gerardo Salazar Viezca	Responsible for the Comprehensive Risk Management	Member
Javier Beltran Cantu	Human Resources Representative	Member
Rafael Arana de la Garza	Financial Planning Representative	Member
Isaias Velazquez Gonzalez	Internal Auditor	Member (Voice / w/o vote)
Rogelio Cardenas Solis	Secretary	Non-Member

Quorum: The Committee's resolutions will be constituted when the majority of the members attend the meeting, having to always present at least one of the proprietary members of the Board of Directors as independent.

NOMINATIONS COMMITTEE

In the Extraordinary General Shareholders' Meeting held on October 17, 2011, it was approved to create this Committee, in order to do so, Article Thirty-seven Bis-1 was included in the Corporate Bylaws. On July 4, 2014, GFNorte's Bylaws were fully amended by resolution of the Extraordinary General Shareholders' Meeting, including changes to the numbering corresponding to the Nominations Committee to Article Forty-Fourth.

Moreover, GFNorte's Extraordinary General Shareholders' Meetings held on November 19, 2015, and August 19, 2016, approved the amendment to Article Forty-four of GFNorte's Corporate Bylaws regarding the integration and operation of the Nominations Committee.

Structure: The Nominations Committee will be designated by the Board of Directors, and will be comprised of at least seven members, who shall be part of the Board of Directors and of whom four must be Independent Members and one, the Chairman of the Board, who will preside the Committee.

Each member has the right to vote, and resolutions must be approved by a majority vote of the attending members. In the event of a tie, the Chairman of the Nominations Committee shall have the deciding vote. In the event that a member of this committee has a conflict of interest with any specific matter, should abstain from participating in the voting process, not affecting the required quorum for the Committee.

MEMBERS	
Carlos Hank González	Chairman
Juan Antonio González Moreno	Member
Carlos de la Isla Corry	Member
Alfonso de Angoitia Noriega	Independent Member
José Antonio Chedraui Eguía	Independent Member
Thomas Stanley Heather Rodríguez	Independent Member
Federico Carlos Fernández Senderos	Independent Member
Héctor Ávila Flores	Secretary Non-member

Faculties:

1. Propose for approval by the Shareholders' Meeting the appointment of the members of the Company's Board of Directors, of the Financial Groups' subsidiaries and if the case sub holdings.
2. Elaborate an opinion regarding the people who will hold the position of CEO at the Company, of the Financial Group's subsidiaries and if the case sub holds, without prejudice to the faculties assigned to the Audit and Corporate Practices Committee in terms of Article Thirty-three, paragraph III, section d) of these bylaws.
3. Propose for approval by the Shareholders' Meeting or by the Board of Directors, the compensation for the members of the Company's Board of Directors and its Committees, as well as the Boards of Financial Groups' Subsidiaries and if the case sub holdings.
4. Propose for approval by the Shareholders' Meeting or by the Board of Directors, the removal of members of the Company's Board of Directors, as well as from the Board of any of the Financial Groups' Subsidiaries and if the case sub holds.

The operation and functioning of the Nominations Committee will be subject to the policies and guidelines approved by the Board of Directors of GFNorte.

Frequency of sessions: The Designation Committee will hold sessions at least once a year or when convened by its Chairman.

GFNORTE TOP MANAGEMENT SUPPORT COMMITTEES

There are several committees which support GFNORTE's Top Management's work, which propose and resolve within their abilities, diverse aspects related to the progress of the business. The Managing Directors of areas that report directly to the CEO sit on these Committees, as well as other officials responsible for specific areas. These Committees are detailed as follows:

1. Security
2. Central Credit
3. Central Credit Recovery
4. Asset and Liabilitie
5. Financial Markets
6. Communications and Control
7. Fiduciary Business
8. Investment projects
9. Operational Risk

- 9.1. Application Programming Interfaces (APIs) Governance Group
- 9.2. Cyber Risk Subcommittee
- 10. Asset Management
- 11. Parametric Loan
- 12. Investment Services
- 13. Personal Data Protection
- 14. Recovery and Continuity
- 15. Sustainability
 - 15.1 Subcommittee on Diversity, Equality and Inclusion
- 16. Derivatives

SECURITY COMMITTEE

Objective: Propose improvements and seek solutions to physical security problems that affect the institutional assets or pose risks of embezzlement by employees or third parties, considering the employees' physical integrity, through changes to processes and procedures, as well as sanction whoever is responsible for unhealthy practices in their financial function and services at the Financial Group.

Functions:

1. To analyze the origin of the damage or risk of irregular events of third parties or employees.
2. To implement preventive measures to avoid risk, through changes in the operative or management processes and send messages to alert managers, officers and employees.
3. To take corrective measures and actions in the face of irregular or illicit behavior by managers, officers and employees (Labor Sanctions) and by third parties (Legal Action). Considering provisions in the "Guidelines for the care of unlawful acts by officers".
4. Evaluate and follow up resolutions made in the Work Group and decide on queries or requests submitted by this group.

Frequency of sessions: The Committee will be held regularly on a monthly basis, the third Thursday of the month. Furthermore, it can also gather extraordinarily in virtue of the risk or gravity of a particular case.

Integration:

MEMBERS		
Jorge Eduardo Vega Camargo	DMD Comptrollership	Chairman
Hector Ávila Flores	MD Legal	
Isaias Velazquez Gonzalez	MD Internal Audit	
Javier Beltrán Cantu	DMD Administration & Human Resources	
Eduardo Mercadillo Franco	ED Frauds	
Ricardo Morales Gonzalez	ED Information Security	
Juan Manuel Márquez Goitia	D Specialized Unit of Attention to Users	Secretary, Not Member

CENTRAL CREDIT COMMITTEE

Functions:

Resolving the credit applications presented by the clientele through banking areas, based on the experience and knowledge of GFNORTE's officers regarding the situation of the different sectors, regional economies and specific clients, with a focus on business profitability and measurement of institutional risk.

The Central Credit Committee is supported by various committees with different geographical coverage and risk budgets. Furthermore, a scheme of individual or joint faculties exists so GFNORTE's officers can authorize transactions to special clients occasionally.

Frequency of sessions: The Central Credit Committee convenes every fifteen days. The Credit Committees supporting it convenes with the same frequency, or if needed, on a weekly basis or more frequently as required.

Integration:

MEMBERS	
Gerardo Salazar Viezca ^{(1) (2)}	Chairman and Coordinator
Rafael Hinojosa Cárdenas ⁽²⁾	Alternate Coordinator and Secretary
José Wilfrido Lozano Merino ⁽²⁾	Alternate Coordinator
Germán Ballesteros Quezadas ⁽²⁾	Alternate Coordinator
José Armando Rodal Espinosa ⁽³⁾	Vote and voice
Jorge de la Vega Grajales ⁽⁶⁾	Vote and voice
Víctor Antonio Roldan Ferrer ⁽³⁾	Vote and voice
Carlos Eduardo Martínez González ⁽³⁾	Vote and voice
René Gerardo Pimentel Ibarrola ⁽³⁾	Vote and voice
Mario Alberto Treviño Villarreal ⁽²⁾	Vote and voice
Arturo Monroy Ballesteros ^{(3) (4)}	Vote and voice
Manuel Sarmiento Serrano ⁽⁵⁾	Vote and voice
Samir Abud Espinosa ^{(3) (8)}	Vote and voice
Raúl Carreto Diaz ^{(3) (7)}	Vote and voice
Alberto Bitar Hank ⁽⁵⁾	Vote and voice
Héctor Ávila Flores	Voice
Cristobal Collado de Cima	Voice
Audit Representative	Voice
Comptroller Representative	Voice
Sustainability Representative ⁽⁹⁾	Voice

(1) Your participation is focused on guaranteeing compliance with the credit process policies.

(2) Credit Officer.

(3) Business Officer.

(4) In the case of credit requests from groups that have authorized Investment Projects, it has a voice without vote.

(5) External Member.

(6) Only participates in cases involving the Federal Government.

(7) Only participates in Credit Applications related to cases of Infrastructure Projects.

(8) Only participates in Credit Applications related to cases in the portfolio of the State and Municipal Government segment.

(9) Cases with loan amounts equal to or greater than \$500,000,000 pesos, with socio-environmental due diligence, classified as high or medium risk and belonging to sensitive sectors such as infrastructure, tourism, construction, mining, energy, agriculture, and oil and gas, or in those cases where the Committee and ARSA deem it necessary. The Members who can participate are the Executive Director of Investor Relations and ESG and the Director of Sustainability and Investor Relations.

CENTRAL CREDIT RECOVERY COMMITTEE

Functions:

Resolve clients' recovery proposals that are under management of the Asset Recovery Business as well as Transactional Banking borrowers that propose cash settlements, restructurings and payments in kind or conversions of debt to equity, that could imply or not debt cancellations or write-offs.

Additionally, Recovery committees manage the resolutions proposal for the sale of foreclosed assets according to the following:

1. Analyze the sale value of Foreclosed Assets, based on financial rationale, considering present value and cost of money.
2. Propose to the Risk Policies Committee adjustments to the Sale of Foreclosed Assets policy.
3. Analyze, and if the case authorizes, all the sale proposals of Foreclosed Assets.
4. Analyze the quarterly report on transactions of the Administration and Sale of Assets department.
5. Overview the progress and compliance of the sale of Foreclosed Assets, as well as duly coordination of the departments involved.
6. Decide on the hiring of brokers or companies specialized in real estate sale; in case of urgency, this decision shall be made by 3 members informing (and establishing in the corresponding minutes) to the Committee in the next session.
7. Manage every issue related to the sale of Foreclosed Assets not considered herein.

Integration:

Central Credit Recovery Committee			
Propetary Members		Faculties	Quorum
Jorge Abiel Garza Bautista	Coordinator	Cash settlements, restructurings, and dations in payment involving loans exceeding Ps 10 million, considering the outstanding balance recorded at the Grupo Económico level within Grupo Financiero Banorte, as well as loans exceeding Ps 30 million in principal outstanding for portfolios acquired or managed by the Asset Recovery Area.	<u>For Recovery proposals: a minimum of four (4) voting members shall be required.</u> At least two (2) of the four members must be Coordinators, and at least two (2) of the four must not be assigned to the Asset Recovery Area.
Sergio García Robles Gil	Coordinator		
Gerardo Salazar Viezca	Coordinator		
José Wilfrido Lozano Merino	Coordinator		
Armando Rodal Espinosa	Coordinator		
Rafael Hinojosa Cárdenas	Coordinator		
Antonio Fernández Montero			
Claudia Cecilia Amezcua Chávez			
Hector Ávila Flores	Without vote		
Director Ejecutivo Jurídico Recuperación Activos.	Without vote		
Carlota Hinojosa Salinas	Without vote		
Representante del Área de Prevención y Control Institucional	Without vote		
Representante de Auditoría	Without vote		

Alternate Members			
José Marcos Ramírez Miguel	Coordinator	Additional credit per customer of up to 10% of the carrying amount or Ps 10 million, whichever is lower. Amounts exceeding such thresholds must be authorized by the National Credit Committee and, where applicable, by the Central Credit Committee.	<u>For Asset Sale proposals: a minimum of three (3) voting members shall be required.</u> At least one (1) of the three members must be a Coordinator, and at least two (2) of the three must not be assigned to the Asset Recovery Area. In both cases, decisions shall be adopted by majority vote. In the event of a split decision, the approval of the Chief Executive Officer of GFNorte shall be required; however, under no circumstances may there be more than two (2) dissenting votes.
Rafael Arana de la Garza	Coordinator		
Mario A. Barraza Barrón	Coordinator		
Enrique Argüelles Illoldi	Coordinator		
Carlos Martínez González			
Director Jurídico de Recuperación de Activos de Región o Producto que corresponda.	Without vote	Sales of GFNorte's own assets, whose appraised commercial value is equal to or greater than Ps 5 million. Sales of GFNorte's own assets, previously assigned to the Banorte Real Estate Area for sale. In such cases, the policies applicable to the sale of Foreclosed Assets must be applied. If the sale is proposed to be executed below the carrying amount recorded in the books, the approval of the Deputy Chief Executive Officer – Asset Recovery shall be required, provided that such officer did not participate in the Committee meeting in which the sale was approved. Debtor substitution.	The participation of a Legal Department representative shall be mandatory, particularly in matters falling within the scope of that function.
Rosa Martha Nuñez Escamilla	Secretary without vote		
Horacio Antonio Díaz Vásquez	Secretary without vote		
Blanca Deyanira García Reyes	Secretary without vote	Sales of assets from the Solid Projects area, previously assigned to the Banorte Real Estate Area for sale.	
Note: Jorge Ruiz Cortázar, Executive Director of Material Resources may participate as a voting owner member in Sale of Assets proposals.			

ASSETS AND LIABILITIES COMMITTEE

Objectives:

General:

- Maximize shareholder value.

Particular:

1. Establish and monitor strategies for:
 - a. Coverage, management and optimization of the balance.
 - b. Capital structure and levels.
 - c. Management of the cost of funds and liabilities issues.
 - d. Optimization and capital flows and dividends.
 - e. Balance sheet structure and financial margin management.
2. Monitor the alignment of prices and rates (does not include BAP sector).
3. Maximize the benefit of the products offered (does not include BAP sector).
4. Analyze and monitor:
 - a. The return on capital and assets.
 - b. The use of capital and liquidity of the Group and its subsidiaries, including among them, investments and share buybacks.
 - c. The financial margin.
 - d. Debt and capital structure.
 - e. Structural or balance sheet investments.
 - f. Investments in new subsidiaries.
 - g. Projections of key indicators.
5. Validate the premises and results of the capital adequacy assessment and internal and regulatory liquidity contingency plans.
6. Follow up on the results of the exercise vs the budget:
7. Ensure that all acquired assets have the approvals of the corresponding authorities.

Functions:

1. Strategic approaches to manage the balance sheet for the benefit of the income statement.
2. Monitor and approve key balance indicators:
 - a. Deposits
 - b. Origination
 - c. Margin
 - d. Capital
 - e. Liquidity
 - f. Financial Risks
 - g. Profitability
3. Authorize maximum fee and price thresholds.
4. Authorize debt issuance and capital notes.
5. Approve the issuance of capitalization instruments and dividends.
6. Approve investments and/or sales of assets, including portfolio.
7. Authorize transactions with assets between subsidiaries.

8. Approve acquisitions of papers in which we act as placement agents, subject to the non-objection of the Deputy General Director of Treasury.
9. Monitor balance sheet positions and their impacts
10. Propose to the Risk Policy Committee (CPR) the approval of:
 - a. Internal balance models
 - b. Capital, liquidity, and leverage policies
 - c. Balance sheet coverage

Higher court: CPR

- Changes in the powers, functions and adjustments to the composition of the Committee must be submitted for approval to the CPR; except for adjustments to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: Meetings are held at least weekly; the Secretary is responsible for the agenda and convene sessions. Extraordinary sessions shall be held as required.

Integration:

Assets and Liabilities Committee		
Position	Member	Participation
COO and CFO	Rafael Arana de la Garza	With voice, vote and veto power
Wholesale Bank	Armando Rodal Espinosa	With voice and vote
Administration and Risk and Credit	Gerardo Salazar Viezca	With voice and vote
Government Banking	Carlos Eduardo Martínez González	With voice and vote
Commercial Banking	Mario Alberto Barraza Barrón	With voice and vote
Long-Term Savings	Fernando Solís Soberón	With voice and vote
Treasury	Carlos Alberto Arciniega Navarro	With voice and vote
Digital Development	José Francisco Martha González	With voice and vote
Legal	Héctor Ávila Flores	With voice and vote
Human Resources	Javier Beltrán Cantú	With voice and vote
Markets and Institutional Sales	Alejandro Eric Faesi Puente	With voice
Financial Risk Management	Ignacio Saldaña Paz	With voice
Deposits	Alejandro del Bosque Patoni	With voice
Transactional Banking	Raúl Alejandro Arauzo Romero	With voice
Risk	Abraham Mohamed Izquierdo García	With voice
Financial Planning (Secretary)	Pablo Ramos Coronado	With voice
Profitability	David Delgado Sánchez	With voice
Accounting	Mayra Nelly López López	With voice
Corporate Governance	Diego González Chebaux	With voice
Investor Relations, ESG and M&A	Tomás Lozano Derbez	With voice
Guest	Guest Directors	With voice
Guest	Audit	With voice
Guest	Treasury	With voice
Guest	Comptroller	With voice

FINANCIAL MARKETS COMMITTEE

Objective:

To be the corresponding body to approve general strategies for investment and buy-sell of financial instruments, complying with what was approved by CPR for GFNorte and its subsidiaries for the transactions made in the Bank and the Brokerage.

Functions:

1. Analysis of the national and international economic environment.
2. Approval of general investment strategies (maximum amounts, stop loss levels, profit taking, maximum terms, types of instruments, etc.) and trade of financial instruments.
 - a. The foregoing is understood on the basis that any acquisitions of securities in which GFNorte acts as placement agent must be managed by the Asset and Liability Management Committee (ALCO), subject to the prior approval of the Treasury Division. (See Asset and Liability Management Committee – ALCO.)

Follow up on the Balance Sheet and define strategies for risk in proprietary investment portfolios proposed by the business areas that manage those portfolios.

3. Review and evaluate the portfolios.
4. Supervise compliance with limits authorized by the Board of Directors or by the corresponding Risk Policies Committee.
5. Define investment strategies in abnormal situations of risk.
6. Review of parameters and definition of remedial measures of liquidity when applicable (absence of a secondary market, low liquidity, etc).
7. Follow up and authorization regarding the Financial Institutions included in the Banks' watchlist for financial market lines and proprietary positions.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: Meetings shall be hold monthly; the Secretary is responsible for coordinating the agenda and convening sessions. In the event that the financial situation requires it, any member can summon extraordinary meetings.

Integration:

MEMBERS			
Position	PROPRIETARY	ALTERNATE	
Markets and Institutional Sales (President)	Alejandro Eric Faesi Puente	Bruno Alberto Grebe Martínez	With voice and vote
Derivatives	Dan Perkulis Zimbal	Héctor Rodríguez Rueda	With voice and vote
Money Market and Derivatives	Jorge Arturo García Pares	Héctor López Morales	With voice and vote
Investment Banking	Arturo Monroy Ballesteros	Pablo Carrera López	With voice and vote
Market Risk	Oscar Guadalupe Vela Hinojosa	Efraim Pérez Abea Camarena	With voice and vote
Financial Risk	Abraham Mohamed Izquierdo García	Jorge Arturo Espinosa Moore	With voice and vote
Financial Risk Management	Ignacio Saldaña Paz	Héctor Raúl Camacho Riveros	With voice and vote
Corporate credits	Mario Alberto Treviño Villarreal	Francisco Tenorio Pérez	With voice and vote
Stock Exchange and Market Comptroller (Secretary)	Miguel Ángel Arenas López	Alfonso Ulises Velázquez Mondragón	Voice
Audit Representative	José Alfredo Santiago García	Leticia González Saldaña	Voice

COMMUNICATIONS AND CONTROL COMMITTEE

Each GFNORTE entity whose regulation dictates, has a Committee engaged in the prevention of money laundering that complies with regulatory functions. Below we present the committee corresponding to Banorte as an example of the functions performed.

Functions:

1. Submit for the approval of the Audit Committee of the entity involved, Know-Your-Client policies as well as User Identification policies which the entity itself should prepare, including the criteria, measures and procedures that must be developed for proper compliance, as well as any modification in compliance with that established in the General Provisions referred to in Articles 115 of the LIC;
2. Act as the competent body for receiving outcomes from the Entity's Internal Audit department with respect to the degree of efficiency of the policies, criteria, measures and procedures indicated in the section above so as to adopt appropriate actions for correcting errors, weaknesses or omissions;
3. Have knowledge of new accounts or contracts with characteristics that imply a high risk for Banorte, or any other subsidiary based on reports from the Compliance Officer, and, if appropriate, formulate the necessary procedures;
4. Establish and disseminate criteria for classifying clients based on their risk level;
5. Ensure that the Institution's systems contain, the officially acknowledged lists issued by Mexican authorities, international organisms, intergovernmental groups or authorities of other countries, of people linked to terrorism or its financing, or with other illegal activities; as well as the lists of countries or jurisdictions that apply fiscally preferable regimes or don't have measures to prevent, detect and combat operations with resources of illicit origin or financing of terrorism, or when the application of this measures is faulty, and the lists of Politically Exposed people, these last two provided by the SHCP;
6. Rule on operations that should be reported to the SHCP, through the CNBV, considered unusual or worrisome, in the terms established in the General Provisions referred to in Article 115 of the LIC;
7. Approve the training programs for the personnel of Banorte or any other subsidiary, related to prevention, detection and reporting of conducts aimed at favoring, helping, aiding or abetting any kind of terrorism

- financing activities or transactions involving illegally sourced funds.
8. Inform the Institution's competent area about the conducts carried out by directors, officers, employees or representatives that infringe the Generally Applicable Dispositions referred in Article 115 of the Law of the LIC, or in the cases that such directors, officers, employees or representatives contravene the established policies, criteria, measures and procedures for the correct compliance with the Generally Applicable Provision referred in Article 115 of the LIC, with the objective of imposing the corresponding disciplinary measures,
 9. Resolve other matters submitted to consideration related to the application of these Provisions.

FIDUCIARY BUSINESS COMMITTEE

Objective: Regulate promotion, recruitment, administration and control of operations processes in which GFNorte participates as trustee, custodian or representative.

Faculties:

1. Analyze, approve or reject medium, high and limited risks trust businesses.
2. Analyze, approve or reject promotion and hiring schemes' trust businesses.
3. Determine matters that by their risk don't need to be submitted to this Committee.
4. Analyze and decide those issues whose characteristics may eventually produce a legal, financial, administrative or reputational contingency to the institution, stemming from the hiring, operation or management of the trust businesses.
5. Remission of honorary Trustees vanquished and moratorium interest, as well as reduction in trust fees agreed.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of Sessions: Meetings will be hold ordinary the first and third Wednesday every month. It may also meet in an extraordinary matter.

Integration:

MEMBERS		
PROPIETARY	ALTERNATE	
Legal (Chairman)	Héctor Ávila Flores	Diego González Chebaux
Credit and Risk Management	Gerardo Salazar Viezca	Pablo Andrés Álvarez Falcón
	Germán Ballesteros Quezadas	Jesús Valdés Fernández
Comptrollership	Jorge Eduardo Vega Camargo	Gerardo Mejía Zacarías
Government, States and Municipals	Alberto Samir Abud Espinosa	Enrique José Camps Álvarez
Wholesale Banking Representative	Ricardo Velázquez Rodríguez	Víctor Antonio Roldan Ferrer
Operations	Luis Álvarez Trillo	Pedro Alberto Tsuyoshi Rodríguez Hokuto
Fiduciary	Cristina Leonor Guerrero Sarre	Mario Rodolfo Luna Estrada
Legal Fiduciary (Secretary Not Member)	Diana Citlalli García Mendoza	
GUESTS		
Audit Representative	Invited (without vote)	

INVESTMENT PROJECTS COMMITTEE

Objectives: Analyze the viability of every proposal related to: 1) the acquisition of loan portfolios, 2) acquisition of real estate portfolios, and 3) investment in housing, commercial real estate, and mixed usage projects, which must be authorized in adherence to GFNorte's strategies.

Scope: The objectives, functions, members and frequency of the investment projects committee's sessions are generally applicable to GFNorte and subsidiaries.

Functions:

1. Analyze and approve different business transactions presented to this Committee, such as:
 - a. Acquisition of loan portfolios.
 - b. Acquisition of real estate portfolios.
 - c. Investment in housing, malls, infrastructure and tourism projects. (see provisions at the end of this section)
 - d. Extensions and changes to authorizations.
 - e. Authorize, as part of the natural recovery of investments, the partial or total sales of land managed by the Real Estate Business Strategy and Promotion Area, which were originally authorized by this Committee as investments in Real Estate Projects (housing and commercial) or Land Purchases.
2. Monitor and review advances in the business transactions being executed, through a presentation by those responsible for each business.
3. Ensure that every business transaction presented to the Committee adheres to the minimum profitability and risk criteria established in GFNORTE and/or the Board of Solida Administradora de Portfolios.
4. Recommend that additional funds be requested to the corresponding instances in order to advance in the initiatives or projects under development that require the disbursement of additional resources.
5. Respect all provisions issued by the Risk Policies Committee (RPC) that impact its areas of influence.
6. The Committee will be able to request a review of the analysis presented to it by an expert in the subject, as well as by personnel of the specialized areas.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of the sessions: Upon request by the Coordinator and/or Secretary of the Committee. Advancements on the projects should be presented at least once every three months.

Integration:

MEMBERS, QUÓRUM AND APPROVAL			
CEO GFNORTE	José Marcos Ramírez Miguel	President/Coordinator	Four voting members, one of whom must be a member of the Risk area. In the absence of the Coordinator
Wholesale Banking	José Armando Rodal Espinosa	Alternate Coordinator	
Credit and Risk Management	Gerardo Salazar Viezca	Alternate Coordinator	

Credit	José Wilfrido Lozano Merino	Alternate Coordinator	there must be an Alternate Coordinator.
Selective Credit Management	Rafael Hinojosa Cárdenas	Alternate Coordinator / Secretary	
Credit Director	Germán Ballesteros Quezadas		
COO and CFO	Rafael Arana de la Garza		
Investment Banking	Arturo Monroy Ballesteros		
Legal Representative		Invited (without vote)	
Audit Representative		Invited (without vote)	
Sólida or its investment vehicle Representative		Invited (without vote)	

OPERATIONAL RISK COMMITTEE

Objective:

Related with Operational Risk:

- A. Approve any proposal related to Operational Risk issues, i.e., those proposals that involve potential losses due to failures or deficiencies in internal controls, errors in the processing and storage of operations or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft, including technological risk and legal risk.
- B. Approve proposals or initiatives for new products or services due to operational risk (or changes to existing ones).
- C. Follow up on operational risks with a score greater than 9.60 (Very High).
- D. Follow up on reputational risk management.

Related to Information Security (Cyber Risk):

- A. Align information security and control efforts to establish an effective and efficient program under the prevention approach.
- B. Evaluate and recommend strategies to prevent risks and incidents, as well as support compliance with applicable laws, regulations, and GFNorte's internal policies.
- C. Support and ensure the establishment of information security risk treatment plans and remediation plans for information security incidents and findings.
- D. Foster a culture of information security.

Functions:

Related with Operational Risk:

1. Analyze and evaluate and, if the case, approve risks with a score higher than 9.60 (Very High).
2. Follow-up risks mitigation with a score higher than 9.60 and risks approved by the same body, which shall be informed semiannually to the CPR.
3. Give periodic follow-up to ratios and incidents of reputational risk and conform the "Reputational Risk Work Group" which will implement mitigating measures.

4. Evaluate and, if the case, approve operational risks in proposals or initiatives of new products and services.

Related to Information Security (Cyber Risk):

- A. Define the integral strategy for Information Security.
- B. Review and approve the scope, objectives, programs, policies, procedures, reports and any other documents required in the area of information security.
- C. Evaluate threats, risks and vulnerabilities that are presented through the different areas, assessing impacts and proposing mitigation or treatment measures.
- D. Monitor, measure and report information security metrics and indicators.
- E. Review and monitor information security incidents, considering measure to take.
- F. Appraise the effectiveness of controls established for information security.
- G. Promote knowledge and application of information security policies, as well as their proper dissemination.
- H. Create work groups in order to follow-up on and attend to special risk or problematic situations related to computer security issues.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: The Committee will meet quarterly, or if the case, when the Chairman or Secretary of the Committee deem convenient. Extraordinary sessions may also be convened.

Integration:

MEMBERS		
Credit and Risk Mangement (President)	Gerardo Salazar Viezca	Voice and Vote
Digital Business Development	José Francisco Martha González	Voice and Vote
Government Banking	Carlos Eduardo Martínez González	Voice and Vote
Commercial Banking	Mario Alberto Barraza Barrón	Voice and Vote
Processes, Branches, Sales	Ramón Silva González (Alternate of Mario Alberto Barraza Barrón)	Voice and Vote
Long-Term Savings	Fernando Solís Soberón	Voice and Vote
Legal	Héctor Ávila Flores	Voice and Vote
Legal Digital Norm and Prod	Ana Laura Villanueva Vega (Alternate of Héctor Ávila)	Voice and Vote
Comptrollership	Jorge Eduardo Vega Camargo	Voice and Vote
Human Resources	Javier Beltrán Cantú	Voice and Vote
HR Services and Medical Management	Luis Mario Ochoa Gómez (Alternate of Javier Beltrán Cantú)	Voice and Vote
Information Security	Jesús Ricardo Medina Cantú	Voice and Vote
Fraud Detection	Eduardo Mercadillo Franco	Voice and Vote
Audit	Alejandro Rodríguez Moreno	Voice
Operational Risk Management (Secretary)	Jesús Valdés Fernández	Voice and Vote
GUESTS		
Information Security	Ricardo Morales González	Voice

APPLICATION PROGRAMMING INTERFACE GOVERNANCE COMMITTEE (API)

Objective:

- A. Define the comprehensive Open Banking strategy and the Application Programming Interfaces (APIs) that must be established.
- B. Review compliance with the obligations arising from the secondary regulation of Article 76 of the Law to Regulate Financial Technology Institutions, with regard to the opening of Application Programming Interfaces (APIs) to third parties authorized by the CNBV, which are established in the General Provisions Relating to Standardized Computer Application Programming Interfaces.
- C. Analyze and approve new Application Programming Interfaces (APIs) - which are not mandatory by the Regulation - but which under GFNorte's institutional strategy are proposed by any area to make available to customers or third parties (non-customers) existing services or products that can be consumed by external parties, be they partners, customers, other banks, etc.
- D. Make decisions regarding the allocation of resources and prioritization of projects according to the criticality and relevance of the API Products that will be published on the API Management Platform.

Functions:

The Application Programming Interfaces (APIs) Governance Group for the development of its object must perform the following functions:

- A. Establish strategies to share with other banks or new financial market entrants, data from our products or transaction points, statistical data that may add value to new business models, or data from our customers with their prior consent. But also to exploit the APIs of other financial institutions, either to generate analytics that support better decision-making, or to offer comprehensive experience and improve the service to our customers.
- B. Evaluate the business concept of the proposals or initiatives for new API products that must be incorporated into the API Management platform, in order to issue their opinion on them and, where appropriate, approve them.
- C. Recommend the parameters to be considered for the establishment of the commissions that are intended to be charged for the consumption of API products through Banorte's API Management Platform; commissions that must be approved by the Assets and Liabilities Committee, through the Prices and Rates Group.
- D. Monitor compliance with the obligations established in the General Provisions Relating to Programming Interfaces of Standardized Computer Applications issued by the CNBV, regarding the opening of APIs to third parties authorized by the CNBV itself.
- E. Prioritize initiatives for new API products so that resources can be allocated efficiently.
- F. Identify, where appropriate, incremental operational risks in proposals or initiatives for new APIs, in order to inform the Integrity Committee thereof.

Higher Court: Operational Riks Committee

- Changes in the powers, functions and adjustments to the composition of the Group must be submitted for approval to the Integrity Committee; except for adjustments to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Working Group itself.

Frequency of sessions: The Subcommittee will meet quarterly, or, where appropriate, when the Chair or the Secretary of the Group deems it appropriate. Likewise, it may hold extraordinary sessions

Integration:

Application Programming Interfaces (APIs) Governance Group			
MEMBER	DIRECCION	ALTERNATE	FACULTY
Rafael Fragoso Pérez Carreño (President)	Digital Business Development	Claudia Ileana Fragoso Flores	Vote and Voice
Jorge Eduardo Vega Camargo	Comptroller	Gerardo Medía Zacarias	Vote and Voice
Claudia Ignacio Cruz	Client Experience and Innovation	Alejandro Ramsés de León Macías	Vote and Voice
Fernando Treviño Elizondo	Technology	Daniel Alejandro Gallardo Mezquida	Vote and Voice
Ricardo Morales González	Information Security	Bernardo García Sevilla López	Vote and Voice
Jesús Valdés Fernandez	Risks	César Saúl Velázquez Ortiz	Vote and Voice
Héctor Ávila Flores	Juridical	Marco Rodríguez Martínez	Vote and Voice
Eduardo Mercadillo Franco	Fraud Prevention	Jesús Reyes Barragán	Vote and Voice
Jesús Ricardo Medina Cantú	CISO	Carlos Abraham García Saavedra	Vote and Voice
Quirino Castro Flores	Digital Business Comptroller	Jaime Elyoneay Juárez Correa	Vote and Voice
Claudia Ileana Fragoso Flores (Secretary)	Digital Ecosistemas	Rodrigo Galindo Ososrio	Voice

Cybersecurity Subcommittee

Objective:

Classify, supervise and guide on possible cyber risks, based in the methodology established in 5.01.08 Operational Risk Management Model.

- A. Watch the control and management of cyber risks of GFNorte, based in the Institutional Operational Risk Management Model, established in section 5.01.08 Conceptual Framework of the Risk Manual.
- B. Ensure compliance with the Internal Control System based on 3 (three) Lines of Defense (3LoD) created for the management of cyber risk in accordance with the Internal Control Objectives and Guidelines.
- C. Analyze the needs, approach and follow-up for the allocation of sufficient resources for the development and implementation of controls that mitigate the cyber risks detected.
- D. Inform the Integrity Committee on the results and follow-ups of cyber risk management.
- E. Inform the Integrity Committee regarding the escalation of cyber risk that is outside the risk appetite, which is established based on the Operational Risk Methodology 5.1.8.5 Quantification of Operational Risk.

- F. Establish a preventive model to anticipate the occurrence of cyber risks with its required operational enablers, with the aim of better managing the occurrence of cyber risk. This is in accordance with the management model of the 3 lines mentioned above.

Functions:

1. Propose to the Integrity Committee the approval of the Cyber Risk Management Model aligned with the operational and technological risk methodology to monitor its implementation and operation. The foregoing is in accordance with section 5.01.08 Operational Risk Management Model.
2. Analyze and evaluate cyber risks, update and supervise the actions to be carried out by the areas involved, formalizing and following up on the Risk Treatment Plans that are implemented, to bring the identified risks (inside and outside the risk appetite), to an acceptable level according to the operational and technological risk methodology.
3. Propose to the Integrity Committee and follow-up on the allocation of the budget and the necessary resources based on the regulations Preparation of the Annual Institutional Budget, for the treatment of cyber risks outside the risk appetite of GFNorte, according to 5.1.8.5 Quantification of Operational Risk.
4. Manage GFNorte's cyber risks inventory.

Higher Court: Operational Risk Committee

- Changes in the Subcommittee's faculties, functions and adjustments regarding integration must be submitted for approval of the Integrity Committee; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Subcommittee itself.

Frequency of sessions: The Subcommittee will meet monthly, or if the case, when the Chairman or Secretary of the Subcommittee deem convenient. Extraordinary sessions may also be convened.

Integration:

MEMBERS				
Proprietary			Alternate	
Operational Risk (President)	Jesús Valdés Fernández	Voice and Vote	Operational Risk Deputy Director	César Saúl Velázquez Ortiz
Information Security (Secretary)	Ricardo Morales González	Voice and Vote	Information Security Director	Daniel Aldrete Navarro
Comptrollership	Jorge Eduardo Vega Camargo	Voice and Vote	Comptrollership Director	Gerardo Delgadillo Ramos
Technology	Fernando Treviño Elizondo	Voice and Vote	Infrastructure Technology Director	Delfín Ruiz Favela
Information Security	Jesús Ricardo Medina Cantú	Voice and Vote	Information Security Deputy Director	Jessica Dafne Martínez Garza
Fraud Prevention	Eduardo Mercadillo Franco	Voice and Vote	Fraud Prevention Executive Director	Jesús Reyes Barragán/ Rafael Valencia González
Cyber Security Crisis	Eduardo Espina García	Voice and Vote	Security Intelligence Specialist Lead	Alejandro Núñez Sandoval
Corporate Projects	Victor Romero Romero	Voice	Corporate Projects Director	Angélica Lizeth Denis López

Technology Internal Control	Marcos Ricardo Rivera Valdovinos	Voice	Technology Internal Control Director	Daniel Alberto Tenorio Tapia
Operations Comptrollership	Gabriel Guardiola Sánchez	Voice	Operations Comptrollership Deputy Director	Manuel Alonso Castro
Digital Business Development Comptrollership	Quirino Castro Flores	Voice	Digital Business Development Comptrollership Deputy Director	Janeth Esmeralda Rodríguez Miranda
Seguros Banorte / Information Technology	Tomás García Alanís	Voice and Vote	Infrastructure and Telecommunications Deputy Director	Mario Filiberto Flores Vargas
Afore XXI Banorte	Héctor Constantino Morales Ramírez	Voice	Information Security Compliance Manager	Jorge Silva Silva
GUESTS				
Information Technology Audit	Alejandro Rodríguez Moreno	Voice	Technology Audit	Vicente Romero Moctezuma
Technology Logistics	Dennis Fitzpatrick Fiorentini	Voice	Programs and Projects	Patricia Guadalupe Canales Morcos

ASSET MANAGEMENT COMMITTEE

Objective:

To be the body empowered to manage the assets in third party portfolios related to the Investment Funds ("the Funds") and portfolio management.

Functions:

The Managed Investment Portfolios Committee will be responsible for determining and updating policies and general guidelines regarding:

1. Analyze the national and international economic environment.
2. Define the general guidelines for asset management based on the Internal and External Regulations, as well as the prospectuses of information to the investing public ("the prospectuses") of the Funds or what is established in the mandates of the clients, having previously formalized the acceptance of the risks on the part of the client.
3. To follow up on the general asset management strategies.
4. Approve the exceptions to the general management guidelines based on the Internal and External Regulations, as well as the Funds' prospectuses in extreme market situations, such as downgrading, increased concentration, among others, defining the regularization strategy for such exception.
5. Define strategies for asset management in the event of abnormal risk situations.
6. Approve temporary exceptions that exceed the prudential parameters in asset management approved by the Committee, always within the limits authorized by the CPR, particularly those that exceed the maximum concentration percentages per issuer, issue, sector and others that may be established.
7. Approve the suspension of the repurchase of shares of the Funds, when market conditions are not favorable, as authorized by the Board of Directors ("the Board").

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of Sessions: The Committee will meet monthly, or if the case, when the Chairman or Secretary of the Subcommittee deem convenient. Extraordinary sessions may also be convened, onsite, videoconference or by telephone, according to the Video Call Acceptable Use Policy.

Integration:

MEMBERS		
Proprietary		Alternate
Asset Management (President)	Alejandro Aguilar Ceballos	Eduardo García Vila
Corporate Banking and Financial Institutions	René Gerardo Pimentel Ibarrola	Guillermo Abdala Brizio Cherit
Private Banking and Wealth Management	Luis Ernesto Pietrini Sheridan	Fernando Durán Garza Galindo
Markets & Institutional Sales	Alejandro Eric Faesi Puente	Jorge Arturo García Pares
Investment Banking & Structured Financing	Arturo Monroy Ballesteros	Francisco Javier Vázquez Zaragoza
Financial Risk Management	Ignacio Javier Saldaña Paz	Héctor Raúl Camacho Viveros
Investment Asset Management	Javier Díaz de León Opitz*	Mauricio Calva Ruiz de Chávez*
Asset Manager Promotion	Manuel Lasa Lasa	Anuar Elías Rizk Heyser
Asset Management	Marco Tulio Chávez Godoy *	Juan Pablo Robles Gil Caba
Comptrollership CB (Secretary Not Member)	Miguel Ángel Arenas López	Sandra Martínez López
INVITED		
Audit Representative	José Alfredo Santiago García	Vanessa Rodríguez Guajardo Lissette
Legal Representative	Juan Pablo Villela Vizcaya	José Luis Eguiluz Haces
Risk Representative	Abraham Mohamed Izquierdo García	Oscar Guadalupe Vela Hinojosa

*Officer of the Business.

PARAMETRIC LOAN COMMITTEE

Objective: Promote, design and establish the policies and strategies of Consumer and SMEs credit products for individuals (payroll, car, mortgages, credit cards and personal loans), individuals with business activity and businesses (car and SMEs: Crediactivo and Empuje Negocios y Negocios y Empresas), Parametric or Consumer Loan Portfolio, as well as credit products with Guarantee of Patrimonial Private Banking Stock Pledge up to Ps 40 million.

Functions:

1. Ensure compliance with the risk appetite framework and limits approved by the Risk Policies Committee and notify it in case of any deviations.

2. Approve or modify credit and risk products, programs and policies for Retail Banking and Wealth and Private Banking Products, in accordance with the policies and limits established by the Risk Policy Committee.
3. Grant powers to GFNorte's officials for the approval of credit lines for Consumers, SMEs, Patrimonial and Private Banking regarding loans with a Stock Pledge Guarantee of Patrimonial and Private Banking up to Ps 40 million.
4. Authorize strategies and collection policies for the parametric loan portfolio.
5. Portfolio's periodically monitoring placement, past due, scorecards' performance, rating, losses, among other aspects.
6. Resolve matters related to Banco Mercantil del Norte, S.A. parametric loan risk.
7. Authorize or reject requests for the granting of credit for Consumer and SME products and Patrimonial and Private Banking, as well as color changes in the Internal Bureau.
8. Authorize or reject requests for cases whose Common Risk, Financial Group Risk, exceeds the credit limits established for each product, as long as such risk does not come from loans from the Wholesale Bank and is not greater than Ps 100 million.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of Sessions: The meetings will be hold on a quarterly basis or when convened by the Chairman or Secretary. Furthermore, it can meet extraordinarily.

Integration:

MEMBERS		
Proprietary		Alternate
Credit and Risk Management (President)	Gerardo Salazar Viezca	Enrique Argüelles Illoldi
CFO and COO	Rafael Arana de la Garza	
Digital Business Development	José Francisco Martha González	
Commercial Banking	Mario Alberto Barraza	Jorge Alberto Zenteno Cervantes
Retail Risk Management	Enrique Argüelles Illoldi	Priscila Jimenez Ortega
Product Development	Jesús Eduardo Reyes Smith Mac Donald	Ivan Cariño Tapia
Asset Recoveries	Jorge Abiel Garza Bautista	Abraham de Jesús Ayala Quevedo
Corporate and Government Credit	José Wilfrido Lozano Merino	Marco Antonio Bustillo Gutiérrez
Product Strategy and Payroll	Karen Kaiser Villalobos	Lourdes Garrido Suárez
Digital and Physical Cards	José Gerardo Aguilar y Maya Verduzco	Luis Humberto Landeros García
Retail Risk Planning (Secretary non-member)	Marco Antonio Bustillo Gutiérrez	Lilian Sacnite Torres Espinosa
Permanent Invites		
Proprietary		Alternates

Legal	Hector Martín Ávila Flores	Elba Elena García Garate / Ana Laura Villanueva Vega
Audit	Isaías Velázquez González	David Guillen Zúñiga
Comptrollership	Jorge Eduardo Vega Camargo	Gerardo Mejía Zacarías
Risk Strategy	David Foulkes González	

INVESTMENT SERVICES COMMITTEE

Objective: The Analysis of Financial Products Committee is the entity authorized to comply with the obligations of the General Provisions applicable to brokerage houses and credit institutions related to investment services issued by the CNBV.

Functions:

1. The Investment and Portfolio Management Committee will be responsible for developing and updating policies and guidelines regarding:
 - a. Authorization of information on recommended Investment Services; personalized or generalized advice or suggestions, to be delivered to customers through promotional efforts.
 - b. Diversification in the composition of investment portfolios based on different investment profiles of clients, establishing maximum limits to be considered on a value, instrument, issuer or counterpart at the time of the recommendation, as well as the specific circumstances in which they could not comply with the aforementioned limits.
 - c. Managing accounts comprised of financial instruments transferred from another financial institution or that would not have been subject to the investment advisory service.
 - d. The general performance framework on which investment management services will be delivered (agreements with limited discretion).
 - e. The parameters to be considered for the establishment of fees to be charged for investment services.
2. Develop policies and specific procedures based on the policies and general guidelines approved by the Board of Directors regarding the following matters:
 - a. Evaluation and determination of clients' investment profiles
 - b. Determine the profile of Investment Services
 - c. Reasonableness of recommendations directed to customers.
 - d. Performance parameters to be observed by the promoters providing Investment Services.
 - e. Measures to avoid conflicts of interest in providing Investment Services.
 - f. Analysis and follow-up on complaints or legal actions
3. Approve the profile matrix of the Investment Services, which must be identified and classified according to the different investment profiles of clients.
4. Authorize a market offering or the acquisition of new Investment Services for clients under the umbrella of advised and unadvised investment services.
5. Analyze the prices of new products and those determined by the Committee itself, through general guidelines.
6. Follow-up periodically on the performance of financial instruments, which through general guidelines the Committee determined with respect to the risk-return relationship, in order to determine the actions to be taken in making investment decisions.

7. Approve the directory of investment services provided by the institution.
8. Follow-up and authorization regarding Financial Institutions included in the watchlist for placement towards clients and positions of third parties.
9. Update, include, modify or repeal policies and procedures to the manuals associated to products or services that concern the Committee.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the compos of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of Sessions: The meetings will be hold on a quarterly basis, or when convened by the Chairman or Secretary. Furthermore, it can meet extraordinarily.

Integration:

MEMBERS			
	Proprietary	Alternates	Participation
Financial Risks (President)	Abraham Izquierdo García	Gerardo Salazar Viezca	Voice, Vote and Veto
Asset Management	Alejandro Aguilar Ceballos	Manuel Lasa Lasa*	Voice and Vote
Wealth and Private Management	Luis Pietrini Sheridan	Ruth Drumond Sobol*	
Economic Research	Alejandro Padilla Santana	Santiago Leal Singer	Voice and Vote
Legal	Diego González Chebaux	Juan Pablo Villela Vizcaya	Voice and Vote
Comptrollership	Jorge Eduardo Vega Camargo	Gerardo Mejía Zacarias	Voice and Vote
Balance Management	Ángel Hinojosa Garza	Herminio Alfaro Arcibar	Voice and Vote
Investment Banking	Arturo Monroy Ballesteros	Pablo de la Peza*	Voice and Vote
Stock Market Comprollership	Miguel Ángel Arenas López	Paola Marimar Enríquez Llanos	Voice and Vote
Financial Market Risk	Ignacio Saldaña Paz	Gabriela Corona Guerra	Voice and Vote
Corporate Credit	Mario Alberto Treviño Villareal	Marco Antonio Amaya González	
Markets and Institutional Sales	Alejandro Eric Faesi Puente	Jorge Arturo García Pares	Voice and Vote
Deposits	Alejandro Alberto del Bosque Patoni	Gilles Roger Macías	Voice and Vote
External Advisor	Adán Jorge Peña Guerrero	-----	Voice and Vote
External Advisor	Gilberto Martínez Serrano	-----	Voice and Vote
External Advisor	Jaime Díaz Tinoco	-----	Voice and Vote
Market Risks (Secretary Non-Member)	Oscar Guadalupe Vela Hinojosa	Efraim Pérez Abea Camarena	Voice

Guests			
Audit Representative	Alfredo Santiago García	Rebeca Romero Flores	Voice

PERSONAL INFORMATION PROTECTION COMMITTEE

Purpose:

To analyze, evaluate, and anticipate risks and issue resolutions regarding personal information protection at Banorte, by planning, monitoring, reviewing policies, procedures, strategies and continual improvement actions regarding personal information protection, as well as activities that promote their protection, seeking to benefit the interests of account holders and protecting the reasonable expectation of privacy, internal and external regulation.

Duties:

- A. Update internally mandatory policies and privacy programs
- B. Implement training, and awareness program
- C. Establish an internal surveillance system or conduct external audits.
- D. Assign resources towards program implementation and privacy policies.
- E. Establish a procedure to address and mitigate personal data protection risks derived from the implementation of new products, services, technologies and business models.
- F. Periodic reviews of policies and security programs.
- G. Establish procedures to receive and answer customer questions and complaints.
- H. Implement mechanisms to enforce policy and privacy programs compliance, as well as sanctions for their non-compliance.
- I. Establish measures to safeguard personal information
- J. Establish measures that enable proper tracking of personal information during its use and treatment.
- K. Implement the Personal Data Management System.
- L. Evaluate the identified risks by the different lines of defense in terms of internal control and follow-up on the implementations of actions to mitigate such risks.
- M. Determine the application of sanctions to personnel responsible for relevant regulatory breaches.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the compos of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of committee sessions: The Committee must meet quarterly, on the second Wednesday of January, April, July and October, or when convened by the Chairman or Secretary.

Quorum:

- A. Committee sessions will be legally constituted with the attendance of the majority of its members. If the minimum quorum is not met, a new session will be convened stating its new date, place and time, and must follow the same procedure as the original one.

- B. In case of absence of the President, the attending members may nominate one that will take his/her place for that particular session. In case of absence of the Secretary, the President may designate a substitute Secretary among the attending members.

Integration:

PERSONAL INFORMATION PROTECTION COMMITTEE				
	Members		Alternates	Area of competence
Comptrollership (President)	Jorge Eduardo Vega Camargo	Voice and Vote	NA	Comptrollership
Legal and Regulatory Compliance (Secretary)	Jesús Ricardo Medina Cantú	Voice and Vote	Gloria María Sánchez Alba	Personal Data Control
Profitability	David Delgado Sánchez	Voice and Vote	José de Jesús Lomelí Parga	Data Governance
Regulatory Comptroller	Gerardo Mejía Zacarías	Voice and Vote	Carmen Navarro Popoca	Regulation
Learning and development	David Cruz García	Voice and Vote	Brenda Lucía Chavez Rodríguez	Training
Human Resources	Jesús Martínez Celis	Voice and Vote	Javier Roberto García González	Labor Relations
Communication and Culture	Alejandro Badillo Villeda	Voice and Vote	Lucero Jazmín Arteaga Tapia	Internal Communication
Legal Digital and Product	Ana Laura Villanueva Vega	Voice and Vote	Silvia Carolina Arana Guajardo	Legal / Products
Legal Corporate Governance	Diego González Chebaux	Voice and Vote	Marcos Rodríguez Martínez	Legal / Suppliers
Legal and Asset Recovery	Francisco Tadeo Peimbert Romero	Voice and Vote	Mayra Merit Serrano Sánchez	Legal / Disputes
Audit, Operations and Subsidiaries	Juan José Villalón Ávalos	Voice and Vote	Lorenzo González García	Audit
Security Support	Lizeth Caffarel Rodriguez	Voice and Vote	Epigmenio Treto Martínez	Security
Security of the information	Ricardo Morales González	Voice and Vote	Daniel Aldrete Navarro	Security of the information
Analytics	José Gonzalo Rangel López	Voice and Vote	Ricardo Martinez Contreras	Analytics
Operational Risk	Jesús Valdés Fernández	Voice and Vote	To be defined	Operational Risk
Information Security Control	Vicente Pérez Ortega	Voice and Vote	Javier Gil Licona	Office of Information Security Control

GUESTS BANKING PRODUCTS AND SERVICES		
Deposits	Roberto Cano	Voice
Credit Card	Luis Humberto Landeros García	Voice
Product Development	Jesus Eduardo Reyes Smith Mac Donald	Voice
GUESTS PROCESS CONTROLLERS		
Comptroller – Digital Business Developmen	Quirino Castro Flores	Voice
Comptroller – Customer Experience and Innovation	Luz del Carmen González Arvizu	Voice
Credit Card Compliance	Mariana Rivas Reyes	Voice
Regulatory Compliance Deposits	Jorge Alberto Garza Garza	Voice
Human Resources and Medical	Luis Mario Ochoa Gómez	Voice
Internal Control Technology	Marcos Ricardo Rivera Valdovinos	Voice
Administrative Comptroller's	Rodrigo Ruiz Treviño	Voice
Commercial Comptroller	Hugo Domínguez de León	Voice

RECOVERY AND CONTINUITY COMMITTEE

Objective:

To be the body with faculties too:

- I. In case of service interruption, evaluate the impact of damages, identify affected business areas, estimate the recovery time; and
- J. In case of a disaster, coordinate the resume of operations and report to the Technology and Investment Committee and the CEO.

Functions:

- A. Ensure that the Business Continuity Plans (BCP: Processes, Procedures, Communication, etc.) including the Disasters Recovery Plan (DRP) are documented, current and proven to respond to a contingency in an organized manner.
- B. Ensure that the different components (Hardware, Software, Communications, data, etc.) of the Alternate Computer Center are installed and available for a contingency.
- C. Ensure the availability and proper functioning of the facilities located in the Alternate Computer Center.
- D. Monitor the execution of DRP and BCP.
- E. Request the necessary resources from the Technology and Investment Committee to coordinate and execute test runs of the DRP and BCP at least once a year.
- F. Coordinate the actions of the Immediate Response Team (Crisis Center) to evaluate the impact, identify the affected business areas, estimate recovery time and prioritize the actions to be executed in the event of a lingering interruption of services.
- G. In the event of a declared disaster, to coordinate the recovery and/or continuity at an Institutional level until

ensuring the total recovery of all the necessary components for operation (software, hardware, communications, human and materials resources, clients, suppliers, etc).

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the compos of the committee must be submitted for approval of the CPR; except for the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: The Recovery and Continuity Committee will hold sessions on the first Friday of February, May, August and November or when convened by the Committee's Chairman or Secretary. Furthermore, it can meet extraordinarily.

Quorum: The meetings of the Committee are validly constituted with the attendance of a majority of its members. If the quorum cannot be formed, a new session is called, which must be held at the place, date and time stated in a new call, which must follow the same process as the previous one.

Integration:

RECOVERY AND CONTINUITY COMMITTEE		
	Proprietary	Alternate
Comptrollership (Chairman)	Jorge Eduardo Vega Camargo	N/A
Technology	Fernando Treviño Elizondo	Delfín Ruíz Favela
Material Resources	Jorge Ruiz Cortazar	Javier Gerardo Escalera Reyna
Information Security	Ricardo Morales González	Eduardo Espina García
Information Technology Audit	Alejandro Rodríguez Moreno	Vicente Romero Moctezuma Piñón
Information Technology (Insurance and Annuities)	Tomás García Alanís	Mario Filiberto Flores Vargas
Operational Risk	Jesús Valdés Fernández	Rogelio Aarón Lázaro Bustamante
Comptrollership (Brokerage)	Miguel Angel Arenas López	Sandra Martinez Lopez
Human Resources & Administration	Javier Beltrán Cantú	Luis Mario Ochoa Gómez
Corporate Control and Compliance	Alfonso García Cacho Herrerías	Homero Martínez Hernández
Corporate Banking and Financial Institutions	René Gerardo Pimentel Ibarrola	Guillermo Abdala Brizio Cherit
Banking Operations	Luis Álvarez Trillo	José Gabriel Guardiola Sánchez
Operation, Protection, Security and Intelligence	Eduardo Arellano Vázquez	Alejandrina Cisneros
Transformation Infrastructure	To be defined	Ricardo Nuñez Alvarez
Comptrollership Leasing and Factoring	Luis Gerardo Moreno Santos	Alberto Gerardo González Pérez
Business Continuity (Secretary)	Gerardo Delgadillo Ramos	N.A.
Corporate Communication	Gabriela Gallegos de la Torre	Alejandro Badillo Villeda
Information Security Officer	Jesús Ricardo Medina Cantú	Vicente Pérez Ortega
Strategy and Effectiveness	To be defined	Jesús Alfredo Garza Cárdenas

SUSTAINABILITY COMMITTEE

Objective:

- A. Manage the sustainability strategy and its alignment to the business vision.
- B. Permeate the sustainability strategy in all the subsidiaries and levels of the Group.
- C. Approve Institutional initiatives in the matter of sustainability, verifying that they are in accordance with the business strategies approved by the Board of Directors of GFNorte.

Functions:

- A. Define the Group's sustainability strategy and action plan in accordance with the strategic guidelines defined by the GFNorte Board of Directors.
- B. Develop and keep sustainability policies updated.
- C. Promoting that business and administrative decisions take into account the possible impacts that may arise in social and environmental aspects, promoting at all times the best corporate governance practices.
- D. Authorize the action plan and goals regarding sustainability, as well as follow up on its results.
- E. Propose the integration of environmental, social and corporate governance aspects as an integral part of Institutional processes.
- F. Communicate within and outside GFNorte the relevant issues related to sustainability.
- G. Analyze the convenience and opportunity of promoting strategic alliances with third parties aimed at strengthening GFNorte's presence as a sustainable company.
- H. Encourage the active participation of GFNorte companies' collaborators in sustainability initiatives.
- I. Assign a budget item and define the amount for the activities derived from the topics discussed in the Committee, subject to the review and approval of the Financial Planning Directorate.
- J. Make decisions about the Sustainability strategy and be accountable for the performance of the initiatives.
- K. K. Develop actions for the social and financial inclusion of customers, users, collaborators and stakeholders, as well as promote diversity and gender equity in the Group, through the Diversity, Equity and Inclusion Subcommittee.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the compos of the committee must be submitted for approval of the CPR; except for the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: The Committee meets three times a year, where appropriate, members may request an extraordinary session subject to the approval of the President, when relevant issues arise.

Quorum:

The sessions of the Committee are validly constituted with the assistance of the majority of its members.

If the quorum cannot be integrated, a new session is called, which must be held at the place, date and time stated in a new call, which must follow the same process as the previous one.

Integration:

MEMBERS			
Proprietary		Faculty	Area of Competence
Investor Relations and ESG (President)*	José Luis Muñoz Domínguez	Voice and Vote	Sustainability, Investor Relations
Investor Relations, ESG, M&A, Financial Planning	Tomás Lozano Derbez	Voice and Vote	Corporate Finance, Investor Relations and Sustainability
Human Resources	Javier Beltrán Cantú	Voice and Vote	Material Resources Human Resources
Wholesale Banking	Armando Rodal Espinosa	Voice and Vote	Wholesale Banking
Credit and Risks	Gerardo Salazar Viezca	Voice and Vote	Credit and Risks
Government Banking	Carlos Eduardo Martínez González	Voice and Vote	Government Banking
Commercial Banking	Mario Alberto Barraza Barrón	Voice and Vote	Commercial Banking
Long-Term Savings	Fernando Solís Soberón	Voice and Vote	Long term savings
Comptrollership	Jorge Eduardo Vega Camargo	Voice and Vote	Comptrollership and Regulatory Provisions
Communication and Public Affairs	Fernando Solís Cámara y Jiménez Canet	Voice and Vote	Communication and Public Affairs
Digital Business Director	Francisco Martha González	Voice and Vote	Digital Banking Financial Strategy ATMs Acquiring Business Physical and Digital Cards
Legal	Héctor Ávila Flores	Voice and Vote	Legal
Audit	Isaías Velázquez González	Voice without Vote	Audit
Afore XXI Banorte	Gabriela Luna Zambrano	Voice and Vote	Afore XXI Banorte
Afore XXI Banorte	Jaqueline Hernández	Voice without Vote	Afore XXI Banorte
Sustainability (Secretary)	Ana Regina Ramírez Hoyos	Voice without Vote	Sustainability

Subcommittee on Diversity, Equality and Inclusion

Objective:

Develop and follow-up on the actions that are implemented in terms of equality, fairness and non-discrimination.

- A. Develop actions to maintain as part of GFNorte's strategy and culture, the social and financials inclusion of customers, users, collaborators and stakeholders.
- B. Promote gender equality in processes, committees, work cells and in general interaction between collaborators, monitoring possible deviations and, where appropriate, proposing the corresponding action plans.
- C. Involve the directors who are process owners of the Diversity, Equality and Inclusion (DEI) strategies defined by the Subcommittee, so that they can be promoters from their scope of action.
- D. Mainstream the Gender Equality perspective in institutional processes that have a relationship or impact on employees and their life-career plan.
- E. Anchor the Subcommittee's initiatives and work approach in the values defined in the Code of conduct, which reflect in their content a DEI focus on attracting and retaining human talent.

Functions:

1. Annually propose the work plan on the subject for authorization by the Sustainability Committee, monitor its progress and report the results.
2. Manage, with the support of the DGA of Communication and Public Affairs, internal and third-party communication on relevant issues related to DEI.
3. Analyze the convenience and opportunity of promoting strategic alliances with third parties aimed at strengthening GFNorte's presence as a company committed to DEI principles.
4. Develop and keep the general DEI policy up to date, as well as proposed adjustments in any aspect of institutional regulations in which it is considered necessary to incorporate some DEI aspects.
5. Encourage that business and administrative decisions consider DEI aspects.

Higher Court: Sustainability Committee

- Changes in the Subcommittee's faculties, functions and adjustments regarding integration must be submitted for approval of the Sustainability Committee; except the changes to the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Subcommittee itself.

Frequency of sessions: The Committee meets every four months, if needed, members may request an extraordinary session subject to the approval of the President, when relevant issues arise

Integration:

MEMBERS				
Proprietary		Alternate	Faculty	Area of Competence
Human Resources (President)	Javier Beltrán Cantú	Rogelio Cárdenas Solís	Voice and Vote	Human Resources
Commercial Banking	Mario Alberto Barraza Barrón		Voice and Vote	Branches, Call Center, Commercial Management, Specialized Sales Force
Legal	Elba Elena García Gárate		Voice and Vote	Legal
Acquiring Business	Constanza Noelia López Vela		Voice and Vote	Acquiring Business
Human resources and Medical Management	Luis Mario Ochoa Gómez		Voice and Vote	Human Resources, Medical Management, Comptrollership
Corporate Communication	Gabriela Gallegos de la Torre	Alejandro Badillo Villeda	Voice and Vote	Internal and External Communication
Sustainability and Responsible Investments	Ana Regina Ramírez Hoyos	José Luis Muñoz Domínguez	Voice and Vote	Sustainability and Investor Relations
Human Capital	Rogelio Cárdenas Solís	Alejandra Ábrego Robles	Voice	Talent Attraction, Organization, Compensations, Personnel Service
Audit	Mónica Graciela Gallegos García		Voice	Audit
Working Environment and Diversity, Equity and inclusion (Secretary)	Perla Daniela Salinas Díaz		Voice	Human Resources

DERIVATIVES COMMITTEE

The main objective of the Derivatives Committee is to evaluate and, where appropriate, approve the proposals for derivatives product operations without associated Banorte's own credit and / or derivatives with exotic structures. Because a counterparty line is required, the Derivatives Committee will recommend to the corresponding Credit Committee the authorization of the credit line, actively exercising the approval powers granted by the Risk Policies Committee as delegated by the Board and within the terms, conditions and risk limits established by the regulatory provisions, as well as the policies and limits approved by the Risk Policy Committee.

Functions:

Approve:

- A. Any type of operation with a derivative product that generates credit exposure. All derivative applications will go through the Derivatives Committee in person or by mail (except for line renewals or extensions without change in the structure or characteristics of the derivative structure).
- B. Any derivative transaction considered exotic structure (products that are not swaps, options or plain vanilla forwards).
- C. Any changes in margin calling schemes. It must have approval from the Treasury Department, in addition to the Credit Committee for its involvement in liquidity and price of counterparty risk (XVA).
- D. Approve the management of the contracting of suppliers to perform validation services regarding methodologies and parameters concerning derivative financial products in accordance with the manuals "Contracting of Suppliers of Goods and Services" and "Selection, Hiring and Rotation of External Auditors".
- E. Approve models and parameters regarding derivative financial products.
- F. Approve, together with the Credit Committee, the request for the unwind action plan for non-payment by customers. In accordance with the Early Expiry of Client Transactions (Unwind) procedure of Derivative Instruments Operations Manual.
- G. Approve derivative applications from financial institutions that do not approve the parametric model authorized by the Risk Policy committee.
- H. Approve the hedging derivatives transactions entered by Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, E.R., and to inform the CPR of any deviation detected, corrective actions and their follow-up.

Higher Court: CPR

- Changes in the faculties, functions and adaptations of the composition of the committee must be submitted for approval of the CPR; except the changes to the integration when it comes to a change of member with the same functions and level, as well as operational changes which are authorized by the Committee itself.

Frequency of sessions: Meetings are held biweekly; the agenda and call to the session is managed by the President. Extraordinary sessions will be held as required.

Quorum: Committee sessions will be validly constituted with the attendance of at least six voting members, three of which must belong to Staff Areas, at least one credit member, one risk member and one member of the business area.

Integration:

MEMBERS			
	Proprietary	Alternate	Power
Credit and Risk Management (President)	Gerardo Salazar Viezca		Voice, Vote and Veto
Financial Risk (Secretary)	Abraham Mohamed Izquierdo García	José P. Gutiérrez López	Voice and Vote
Independent Board Member	Clemente Reyes Retana Valdés	Thomas Stanley Heather Rodríguez	Voice and Vote
External Adviser	Manuel Sarmiento Serrano	Raúl Ojeda Zatarain	Voice and Vote
External Adviser	Jaime Díaz Tinoco	Fausto Hernández Trillo	Voice and Vote
Corporate and Government Credit	José Wilfredo Lozano Merino	Jesús Guillermo Acosta	Voice and Vote
Corporate Credit	Rafael Ángel Hinojosa Cárdenas	German Ballesteros Quezadas	Voice and Vote
Profitability	David Delgado Sánchez	Héctor Hugo Hernández Cantú	Voice and Vote
Government Credit	Jesús Alejandro Hernández Rivas	Cristian Omar Acosta Bernal	Voice and Vote
Derivatives Structuring	Dan Perkulis Zimbal	Alejandro Eric Faesi Puente	Voice and Vote
Transactional Banking	Alejandro Arauzo Romero	Miguel Ángel Tejeida Vilchis	Voice and Vote
Financial Risk Management	Ignacio Saldaña Paz	Gabriela Adriana Corona Guerra	Voice and Vote
Government, States and Municipalities	Samir Abud Espinosa	Luis Alberto Tolentino Medrano	Voice and Vote
Treasury Operations and Securities	Juan Carlos Arreola García	Lizeth Nallely Cobián Gutiérrez	Voice and Vote
Money Market and Derivatives	Jorge Arturo García Pares	Michel Escobedo Pliego	Voice
Market Risk Control and Development	Jorge Arturo Espinosa Moore	Nancy Mileydi Rosaldo Solis	Voice
Audit	José Alfredo Santiago García	Leticia González Saldaña	Voice
Comptrollership	Miguel Ángel Arenas López	Jorge Eduardo Vega Camargo	Voice
Corporate Governance	Diego González Chebaux	Juan Pablo Villela Vizcaya	Voice
GUESTS			
Relationship Banking Representative			Voice
Government Banking Representative / Infrastructure / Special Credit			Voice
Comptrollership Representative			Voice
Audit Representative			Voice

Links among Board Members

Carlos Hank González - Proprietary Director and Chairman of the Board of Directors.

Family relationship with Juan Antonio González Moreno - Regular Director (Uncle). Relationship to Graciela González Moreno - Alternate Director (Mother). Relationship to Juan Antonio González Marcos - Alternate Director (Cousin).

Juan Antonio González Moreno - Proprietary Board Member

Relationship to Carlos Hank González - Regular Director (Nephew). Relationship to Graciela González Moreno - Alternate Director (Sister). Relationship to Juan Antonio González Marcos - Alternate Director (Son).

Graciela González Moreno - Alternate Director.

Relationship to Carlos Hank González - Proprietary Director (Son). Relationship to Juan Antonio González Moreno - Proprietary Director (Brother). Relationship to Juan Antonio González Marcos - Alternate Director (Nephew).

Juan Antonio González Marcos - Alternate Director

Relationship to Carlos Hank González - Regular Director (Cousin). Relationship to Juan Antonio González Moreno - Regular Director (Father). Relationship to Graciela González Moreno - Alternate Director (Aunt).

There is no relationship between Relevant Executives and Board Members.

There is no relationship between Relevant Executives and other Relevant Executives.

Main Officers as of December 2025*

Name	Years in the company	Current Position	Age	Gender	Maximum Level of Education	Main executive positions at other companies
Jose Marcos Ramirez Miguel	15.1	GFNorte's CEO	62	Male	MBA	Santander Mexico
Carlos Eduardo Martinez Gonzalez	26.7	MD Retail Banking	62	Male	MBA	Grupo Financiero Serfin
Jose Armando Rodal Espinosa	32.7	MD Wholesale Banking	56	Male	MBA	ITESM
Fernando Solis Soberon	18.5	MD Long-Term Savings	64	Male	Ph.D.in Economics	Grupo Nacional Provincial, Grupo Bal, CONSAR, Comision Nacional de Seguros y Fianzas
Rafael Victorio Arana de la Garza	14.3	COO	74	Male	Master's degree in Industrial and Operational Engineering	Managing Director of HSBC's Retail Banking for Latin America and the Caribbean. Deputy CEO of HSBC Mexico.
Isaias Velazquez Gonzalez	27	MD Internal Audit	63	Male	Public Accountant	CNBV
Javier Beltrán Cantú	29.2	MD Admon. and Human Resources	57	Male	MBA Master in Accountability	DOVETAIL MEXICAN FOODS, GRUMA CORPORATION
Héctor Martín Ávila Flores	10.9	MD Legal	58	Male	Bachelor's degree in Law	University Holdings - Chairman y DGA Banco Invex – Legal Director Fiduciary Terra Editorial Consortium - Legal Director Editorial Televisa - Legal Director
Gerardo Cuitláhuac Salazar Viezca	5.8	MD Credit and Risks	64	Male	PhD in social sciences and Bachelor degree in Economics	Grupo Financiero Interacciones
José Francisco Martha González	11.5	Digital Business Development	56	Male	QFB	Scotiabank

Name	Years in the company	Current Position	Age	Gender	Maximum Level of Education	Main executive positions at other companies
Mario Alberto Barraza	28.2	MD Commercial Banking	63	Male	Computer System Engineer	N.A.
Carlos Hank Guerreiro	2.3	MD Chairman Office	25	Male	Bachelor's degree in Business Management	N.A.
Fernando Valenzuela Bracamontes	22.5	North Territorial Director	50	Male	MBA	N.A.
Cruz Nemesio Aguirre Dávila	25.3	Southern Territorial Director	51	Male	Master in Finance	N.A.
Alfonso Paez Martinez	27.9	Central Territorial Director	60	Male	Executive MBA	Casa de Bolsa Abaco and Casa de Bolsa Probusa
Ricardo Milton Compean Ortega	16.7	North Mexico City Territorial Director	51	Male	Bachelor's degree in Business Management	N.A.
Isac Ayon Cruz	26.3	South Mexico City Territorial Director	61	Male	Public Accountant	N.A.
Jorge Alberto Hurtado Martin	33.2	Western Territorial Director	53	Male	Bachelor's degree in External Commerce	N.A.
Luis Alberto González Ayala	28.7	Peninsular Territorial Director	55	Male	Bachelor's degree in Business Management	N.A.
Jerónimo Cota Mezta	26.8	Noreast Territorial Director	53	Male	Master in Finance	Bancrecer

*Considers only officers reporting directly to the CEO and Territorial Directors.

Compensation and Benefits

The total amount of compensation and benefits paid to GFNorte's main officers in 2025 was approximately Ps 439.4 million.

Compensations and Benefits are as follows:

- **Fixed Compensation:** Salary.
- **Annual Bonus Plan for 2025:**

The Bonus Plan for each business area evaluates estimated profit for that particular business, as well as an evaluation of individual performance, which considers the achievement of each participant's goals and objectives. The bonus for certain departments is also adjusted based on operational risk evaluations carried out by the Control Department. Likewise, eligibility to receive the deferred variable compensation for a group of managers is determined by a risk and compliance mechanics' review.

Eligible personnel of staff areas are evaluated based on the attainment of estimated profit for the Group, as well as individual performance in accordance with the achievement of each candidate's goals and objectives.

For senior management, yearly bonuses are covered in 60% and the remaining 40% is covered in three annual installments of 13%, 13%, and 14%, respectively.

- **Banorte's Long Term Incentive Plans:**

Stock Options:

The long-term incentive scheme consists of assigning a stock option package through a trust, with a 100% right in a period up to 4 years, for designated Officers by the Compensation Committee. Participants will be entitled to exercise a percentage of the package each year, receiving shares in its capital account.

- **Vacations:** From 16 to 40 working days, depending on each employee's years of service.
- **Holiday Bonus:** From 8 to 23 days of salary to be paid on each anniversary of the employee, depending on the number of years of service.
- **Legally Mandated Christmas Bonus:** Equivalent to 42 days of salary.
- **Savings Fund:** The Corporation matches the amount of the employee's contribution up to a maximum of 13% of their monthly salary in accordance with the legal limits established in the Income Tax Law.
- **Medical Service: Traditional Scheme:** Banorte provides medical services through recognized medical institutions, obtaining efficiency in cost and service. **Full Medical Insurance Scheme:** Major medical expenses insurance policy.
- **Life Insurance:** In the event of death or total incapacity, a life insurance policy provides a sum of up to 36 months' salary. In the event of accidental death, the compensation is double, prior verification by the insurance company.

- **Pension and Retirement:** The institution has two types of plans: one with defined benefits (Traditional and Special), and a second with a defined contribution (Asegura tu Futuro).
- **Asegura tu Futuro:** was established on January 1, 2001. This is a defined contribution plan, whereby a percentage of individual contributions by the employee and the company (Banorte) are deposited in a fund for withdrawal by that employee upon termination of their labor relationship. This plan has an "initial individual contribution" (only for employees hired prior to January 1, 2001) corresponding to pension benefits for past services accumulated to the date the plan was created. The maximum monthly contribution is 10% of the gross nominal wage (5% employee and 5% company). The total amount accumulated by the Asegura tu Futuro plan for the company's main officers' amounts to Ps 322.7 million.
- **Directors' compensation** for attendance at meetings of the Board of Directors: 2 Ps 50 gold coins ("Centenarios") at the value of each meeting. In 2025 it was Ps 9.9 million gross.

Code of Conduct

The Code of Conduct is a general framework for action that must adapt to the changing nature of our environment; therefore, we seek to strengthen its content year after year to keep it current, integrating both topics related to the general market situation, as well as some that may reflect day-to-day experiences that may arise in our actions. The principles contained in the Code of Conduct are based on the rule of "Conducting business in good faith, with absolute honesty and in compliance with the law", and their full compliance by all members of GFNorte will allow us to continue projecting the institution with a dynamic, serious and transparent image. The topics addressed in the Code of Conduct include, among others, conflict of interest, confidentiality of information, resource management, conduct with clients, relations with competitors, suppliers and authorities, interpersonal and community relations, and handling of personnel complaints. In compliance with the regulations that frame the processes of the companies that make up GFNorte, the content of the Code of Conduct is reviewed annually, in order to verify that its context remains current and covers current issues and strategies defined by the Board of Directors, so that it can serve as a guide for employees' actions. All employees, officers, and Directors are committed to complying with the Code of Conduct, which strengthens the Company's culture of integrity and accountability. The Code of Conduct is communicated to new hires as part of the onboarding process; upon completion, employees formally acknowledge their understanding of, and commitment to, compliance by signing the corresponding acknowledgment.

d) CORPORATE BY-LAWS AND OTHER AGREEMENTS

In 2006 the bylaws were modified in order to adapt them with the dispositions of the new Stock Market Law to incorporate the articles related to the integration, organization and functioning of the social bodies. The Board of Directors' functions were redefined as the body in charge of strategy and supervision, and the CEO responsible for conduction and management of the company. Also, the commissary figure was eliminated, and its functions were redistributed within the Board of Directors, the Audit and Corporate Practices Committee and the Independent External Auditor. The objective of the Audit and Corporate Practices Committee is to monitor all the accounting processes of the company, having the following general functions: evaluate the performance of the external independent auditor, elaborate an opinion regarding the financial statements prior to presenting them to the Board, inform the Board about the internal control systems and monitor that the generally accepted accounting principles and procedures are followed, among others. The objective of the Corporate Practices Committee is to reduce the potential risk that transactions are carried out in disadvantageous conditions for the company's patrimony or give privileges to a determined group of shareholders. Its general functions include approve the policies for the use of the company's assets, authorizing transactions with related parties, among others.

Also, the bylaws and the Statutory Responsibility Agreement were reformed with respect to the responsibility of the holding company for the losses of the entities that form the group, so that in case that the equity of the holding was not enough to cover the losses of the Group's members, the losses corresponding to the credit institution will be first covered, and later on a pro-rata basis with respect to the other entities until the holding's equity is depleted.

Bancen was spun-off from GFNorte due to its merger with Banorte, as well as Fianzas Banorte, S.A. de C.V., as a result of selling all the shares that represented its equity.

Additionally, Arrendadora Banorte, S.A. de C.V. merged Arrendadora y Factor Banorte, S. A. de C. V. and changed its denomination to remain as Arrendadora y Factor Banorte, S. A. de C. V., Sociedad Financiera de Objeto Multiple, Entidad Regulada, Grupo Financiero Banorte.

Creditos Pronegocio was also spun-off from GFNorte, due to its merger with Banorte, consequently modifying the second article of the corporate Bylaws, to eliminate the reference of this society as an entity of the Financial Group.

In 2011, Ixe GF, was merged into GFNorte, modifying articles: second, under the terms of Article 15 of the Law Regulating Financial Groups (LRAF), to change the Group's participation in the financial entities that conform it, including the financial subsidiaries of Ixe GF; tenth and twenty-first in reference to Article 50 of the Stock Market Law concerning the right of shareholders who either individually or jointly hold 10% of the Group's equity, to require the Board of Directors's Chairman or the Committees' that carry out the functions related to Audit and Corporate Practices, at any moment, to convene a General Shareholders' Meeting, without the effect being applicable to the percentage pointed out in Article 184 of the General Law of Mercantile Companies; Articles 25, 31, 32 and 36 in order to reflect changes in the Corporate Bylaws as a result of the appointment of a Chairman Emeritus and a Chairman of the Board of Directors; Article 25 establishing the faculties so that the Chairman Emeritus presides the Shareholders' Meetings and in his absence, the Chairman of the Board of Directors will have full authority; Article 31 in order to grant the General Assembly the faculty to designate a Chairman Emeritus and also a Chairman of the Board of Directors, both of which are part of the Board of Directors. Also, the Assembly or the Board will designate a Secretary or his/her respective alternate (Pro-Secretary) who will not be part of these corporate organisms. The Chairman Emeritus will not have an alternate. Also, in the event of death, inability, remotion or resignation of the Chairman of the Board of Directors, he/she will be substituted by the rest of the proprietary members in the order that they determine, or if there is no rule in this respect, in the order of their appointments until the Shareholders Assembly names a new Chairman of the Board. The changes also grant the faculty to the

Chairman Emeritus to preside the Shareholders Assemblies and the Board Sessions of the company as stipulated in articles Twenty-Five and Thirty-Two of the Corporate Bylaws. Also, the Chairman of the Board of Directors will have the following faculties, obligations, attributions and powers unless otherwise indicated by the Assembly: i) Preside the Shareholders Assemblies and Board Sessions in the absence of the Chairman Emeritus; ii) Propose to the Board the independent board members that will integrate the Corporate Practices and Audit Committees, as well as the temporary board members whose designation corresponds to the board in accordance with article Thirty-Six of the ByLaws and iii) Execute or supervise the execution of the resolutions taken by the Shareholders Assembly and the Board of Directors, doing whatever is necessary or prudent to protect the interests of the company, without violating the faculties that the Assembly, Board of Directors and the legal framework gives to the Chief Executive Officer; Article Thirty-Two will be modified in order to make express reference to articles 27 of the Stock Market Law and 24 of the Law to Regulate Financial Institutions regarding the requirement to hold at least one Board meeting every quarter. Furthermore, the Chairman of the Board of Directors must call the necessary board meetings in accordance with article 411 of the Stock Market Law. The changes also reflect the faculty of the Chairman Emeritus to preside the Board Sessions, and in his absence, by the Chairman of the Board of Directors. In the case that both are absent, the Board of Directors' sessions will be chaired by the board members designated by those present at the meeting. Also, the Chairman Emeritus and the President of the Board of Directors will have a tie-breaking vote in case of a tie in the voting of the Board's resolutions. Article Thirty-Six will change in order to make an express reference to Article 25 of the Stock Market Law regarding the faculty of the Chairman of the Board of Directors to propose to the Board or the Shareholders Assembly, the independent members that will integrate the Audit and Corporate Practices Committee.

Also, the following were incorporated to the Agreement of Shared Responsibility: Fincasa Hipotecaria, Ixe Soluciones, Ixe Fondos, Ixe Automotriz, Ixe Casa de Bolsa and Ixe Banco.

Furthermore, through agreements reached at the Extraordinary General Shareholders' Meeting held on July 21, 2011, Article Twenty Nine was modified, so that the Board of Directors is composed of a maximum of 15 proprietary members and, if the case, by their respective alternates and also members may be appointed for defined periods of 3 years, with the possibility of reelection, seeking to have a generational balance, ensuring that at least 50% of the members are characterized as independent in accordance with best practices.

Moreover, in the Extraordinary General Shareholders' Meeting held on October 17, 2011, Article Thirty-seventh Bis 1 of the Bylaws was added, in order to establish the creation and operation of the Designations Committee, whose main objective is the to propose to the Assembly the people who will serve on the Board of Directors of the Company and the Directors of the Subsidiaries and entities that comprise the financial group.

On February 17, 2012, the Extraordinary General Shareholders' Meeting approved to modify Article Second of the Bylaws, in order to exclude Casa de Bolsa Banorte, as integrated entity of Grupo Financiero Banorte, given its merger with Ixe Casa de Bolsa.

On January 22, 2013, the Extraordinary General Shareholders' Meeting approved to modify Article Second of the Bylaws, in order to i) exclude Ixe Automotriz, as an integrated entity of Grupo Financiero Banorte, as a result of its merger with Arrendadora y Factor Banorte, and ii) modify the legal denomination of Ixe Casa de Bolsa, S.A. de C.V. to Casa de Bolsa Banorte Ixe, S.A. de C.V.

On April 26, 2013, the Extraordinary General Shareholders' Meeting approved to modify Article Second of the Bylaws, in order: i) exclude Ixe Banco and Fincasa Hipotecaria as integrated entities of GFNorte and ii) modify the legal denomination of Ixe Soluciones, S.A. de C.V., to Solida Administradora de Portafolios, S.A. de C.V. and Ixe Fondos, S.A. de C.V. to Operadora de Fondos Banorte Ixe, S.A. de C.V.,

On July 4, 2014, by the resolutions approved in the Extraordinary General Shareholders' Meeting, Article Second of the Bylaws was modified to eliminate "Generali" in the legal denomination of the companies Seguros Banorte and Pensiones Banorte. Similarly, such Assembly approved to fully modify the Corporate bylaws to comply with the new Law Regulating Financial Groups ("LRAF"), published on January 10th, 2014, in the Official Gazette, as well as the new agreement of shared responsibilities under LRAF's terms, in which Banorte-Ixe Tarjetas becomes a financial entity comprising the Financial Group.

The Extraordinary General Shareholders' Meeting held on November 19th, 2015 approved, among others, the following: i) amendment to Article 2 of the bylaws in order to eliminate Banorte-Ixe Tarjetas as an entity of Grupo Financiero Banorte because of its merger with Banorte (ii) modification to Article 44 of the bylaws so that the Nominating Committee is comprised of 4 members of the Board of Directors, being one of them an Independent member; (iii) amendment to Article 64 and the addition of Articles 64 Bis and 64 Bis 1 of the bylaws according to the General Provisions for Financial Groups published in the Official Gazette on December 31st, 2015, regarding the prevention of conflicts of interest among the Financial Group's entities; and (iv) the new agreement of shared responsibilities in order to eliminate Banorte-Ixe Tarjetas as an entity of the Financial Group because of its merger with Banorte. Such resolutions are subject to authorization by the competent authorities.

The Extraordinary General Shareholders' Meeting held on August 19, 2016 approved, among others, the following: i) the amendment of Article Five of the Corporate Bylaws aiming to change the corporate domicile to the Municipality of San Pedro Garza García, Nuevo León from the city of Monterrey, Nuevo León; ii) the amendment of Article Nineteen of the Corporate Bylaws aiming that the approval of operations implying asset acquisitions by the Company or its controlled companies be through an Ordinary General Shareholders' Meeting if: (a) the amount of the operation represents 5% or more of the Company's consolidated assets; and (b) the counterparties are Related Parties; and iii) the amendment of Article Forty-Four of the Corporate Bylaws, so that the Nomination Committee be comprised of 7 members of the Board of Directors, being 4 of them Independent Members and the Chairman of the Board, who will preside the Nomination Committee, and its organization and operations will be subject to the policies and guidelines approved by the Board.

On December 5, 2017, the Extraordinary General Shareholders' Meeting of GFNorte approved the merger of the Company as a merger or that subsists, with Grupo Financiero Interacciones, S.A.B. of C.V., as merged or that is extinguished, said agreement was subject to obtaining authorization from the SHCP, with the prior opinion of the CNBV and Banxico. The merger of the financial entities that are members of both Financial Groups is included in the transaction. The merger was effective as of July 13, 2018, the date on which the merger agreements and the authorization office to carry out the merger agreements were registered with the Public Registries of Commerce of Mexico City and Monterrey, Nuevo León. merger issued by the SHCP. The merger of the financial entities that are members of both Financial Groups is included in the transaction.

On April 23, 2021, the Extraordinary General Stockholders' Meeting of GFNorte approved the amendment of the second article of its bylaws in order to update the names of the financial entities comprising it and the execution of the corresponding Single Responsibilities Agreement.

On November 29, 2022, the Extraordinary General Stockholders' Meeting of GFNorte approved the integration of Banco Bineo, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte ("Banco Bineo") as a financial entity of the Financial Group, as well as the amendment of the second article of its bylaws and the execution of the corresponding Sole Liability Agreement.

It is important to point out that both the new LRAF and the Stock Market Law establish the following requisites for the acquisition or transmission of the Company's shares:

The individuals who acquire or transfer series "O" shares representing more than 2% of the company's equity, or who exceeds such percentage with such acts must inform the SHCP within 3 business days of such acquisition or transfer.

No Mexican financial entities, even those which are a part of the Financial Group may participate in the capital stock of the Company, except when they act as institutional investors, upon the terms of Article 27 of the Law Regulating Financial Groups.

Except as provided in the following paragraph, insurance and bonding institutions, acting as Institutional investors, and if the case, any other Institutional Investor integrating or controlled directly or indirectly by member of a Financial Group, may not acquire Company's shares or any other company's shares of the Financial Group.

Mutual funds controlled directly or indirectly by financial entities integrating into a Financial Group, which individually or jointly invest in the Company's shares and subordinated debt, may not in any case acquire more than 10% of these shares and obligations.

Any individual or company can acquire through one or various simultaneous transactions, the control of series "O" shares of the Holding Company, in the understanding that such transactions must always be subject to Article 28 of the Law Regulating Financial Groups.

When is intended to directly or indirectly acquire more than 5% of the paid capital stock, the authorization of the SHCP shall be previously obtained, which may grant it on a discretionary basis after hearing the opinion of Banco de Mexico, and w and as applicable, of the CNBV, the Insurance and Bonding Commission or the Retirement Saving Funds System. In such cases, the people that intend to perform such acquisition must evidence that they meet the requirements established in section II of Article 14 of the Law Regulating Financial Groups and provide to the SHCP the information required by rules of a general nature to such effect.

In the event that a person or group of persons, whether or not shareholders, intend to directly or indirectly acquire 20% or more of Series "O" shares of capital stock of the Holding Company or the control thereof, they must request authorization from the SHCP, which may grant it on a discretionary basis, for which purpose it must hear the opinion of Banco de Mexico and as applicable, of the CNBV, the Insurance and Bonding Commission or the Retirement Saving Funds System. Such request must contain the following:

- I. Relation or information of the person or persons that, if the case, intend to acquire shares, which must contain also the information proving it complies with Article 28 of the Law Regulating Financial Groups.
- II. Relation of the members of the Board of Directors and officers that would be appointed to the acquired company, including the information that proves that such people comply with the requirements set forth in the Law Regulating Financial Groups.
- III. If the case, modifications to the strategic plans for the organization, administration and internal control; and
- IV. Further information that the SHCP requires in order to start assessing the corresponding requirement.

When an individual or company intend to directly or indirectly acquire more than 5% of the paid capital stock of a Subholding Company, the authorization of the SHCP shall be previously obtained, which may grant it on a discretionary basis after hearing the opinion of Banco de Mexico and as applicable, of the CNBV, the Insurance and Bonding Commission or the Retirement Saving Funds System. The people who intend to perform such acquisition must evidence that they meet the requirements established in section II of Article 14 of the Law Regulating Financial Groups

The direct or indirect acquisition of more than 20% of the shares of the paid capital stock of a Subholding Company will be subject to the provisions for such entities set forth in Article 28 of the Law Regulating Financial Groups.

The Company shall refrain from filing in the Share Registry referred to in Articles 128 and 129 of the General Law of Business Corporations, in connection with Article Sixteen of these Corporate Bylaws, any transfers made in contravention of Articles 24, 26, 27, 28, 74 and 75 of the Law Regulating Financial Groups, and it shall notify such circumstance to the SHCP and the Supervisory Commission within five business days of the date it becomes aware thereof.

Likewise, when the acquisition and other legal acts through which the direct or indirect ownership of shares of capital stock of the Company is obtained are made in contravention to the provisions of the abovementioned Articles, the property and corporate rights inherent to the relevant shares of the Company shall be suspended and, therefore, they may not be exercised until the obtainment of the relevant authorization or resolution, or the compliance with the requirements contemplated by the Law Regulating Financial Groups, are evidenced.

The person or group of persons who acquire, directly or indirectly, within or outside of the Stock Exchange, through one or various simultaneous or successive transactions of any nature, series "O" shares that result in holdings equal to or greater than 10% and lower than 30% of such shares, must inform the public of this situation the next business day at the latest, through the corresponding stock exchange, following the terms and conditions established by it. If it is a group of people, the individual holdings of each member of the group must be disclosed.

Also, the individual or group of people must inform their intention or not of acquiring a significant influence in the company.

Individuals related to the company who directly or indirectly increase or reduce their holdings of the company by 5%, through one or various simultaneous or successive transactions, must inform the public of this situation on the next business day at the latest, through the corresponding stock exchange, following the terms and conditions established by the exchange.

Furthermore, they must express their intention or not of acquiring a significant influence or increasing it in the terms outlined in the previous paragraph.

Any individual or group of persons who directly or indirectly own 10% or more of the shares representing the company's equity, as well as members of the Board of Directors and relevant officers of the company, must inform the CNBV and the public in the cases established by generally applicable dispositions issued by the CNBV, of the acquisition or disposal of these securities within the stated timeframe established by the CNBV.

The current Bylaws also include mechanisms to protect the interests of minority shareholders, which basically consist of:

Board of Directors' approval to any shareholder or group of shareholders related to each other or to third parties to

acquire 5% or more of GFNorte's shares. The Board can solve the mentioned requirements through a committee, which will be comprised of Proprietary members and will act under the terms that Board of Directors set. This also applies when the holdings are close to reaching or already exceed through public offering or not, the following percentages: 10%, 15%, 20%, 25% and up to 30% minus one share of the total shares outstanding representing the company's equity. Once the authorization from the Board of Directors or the Committee's is given, authorization that according to the current provisions is necessary from the SHCP, and if the case, of any other authority should be requested. If the authorization is not given, the prior approval of the Board or Committee will be ineffective.

To be able to acquire ownership of shares representing 30% or more of the equity, the owner, shareholder or acquirer is obligated to make a public offering to purchase 100% of the shares representing the ordinary common stock of the company. The foregoing notwithstanding authorization granted by the SHCP, the National Banking and Securities Commission and if the case, other authorities. If in the public offering referred to in this paragraph, only manages to acquire a percentage equal to or less than 50% of the offered shares, the purchaser must request the approval of the Board on the acquisition no later than 10 calendar days subsequent to the acquisition with the understanding that if there is no request or it is not approved by the Board, the corporate rights attached to those shares may not be exercised, in accordance with Article 18, Section III of the bylaws.

In the event of a public offering, the Board reserves the right to request or receive more competitive bids, for a period of 45 working days from the date of the beginning of the tender offer. The Board of Directors will be the only body with faculties to approve or deny a potential acquirer from acquiring either through public offering or not, conducting a "Due Diligence" of the company, and in the case of approval, the potential acquirer must sign the contracts and confidentiality agreements that establish the obligations deemed convenient by the Board.

If there's a noncompliance with the provisions of Article 18 of the Corporate bylaws, the holder may not exercise the inherent rights of the shares acquired and will not be taken into account for the purpose of determining the quorum for Shareholders' Assemblies; the society will abstain from registering the aforementioned holders in the Share Registry referred to in the General Corporate's Law and making ineffective the registry made by the securities depository institution.

Additionally, whoever becomes holder of the shares representing (or exceeding), the following percentages must notify the company within 30 business days after purchasing, reaching or exceeding the limit in their holdings of 4%, 8%, 16% and 24% respectively.

Aiming to protect minority shareholders, the following rights are established:

To have available in the corporation's offices, information and documents related to each of the points contained in the agenda of the corresponding Shareholders' Assembly, free of charge, and at least fifteen days prior to the date of the Assembly.

Prevent issues under the category of General or its equivalent to be dealt with at the General Shareholders' Assembly.

Be represented in Shareholders' Assemblies by those who prove their identity through proxies prepared by the corporation and made available at least fifteen days prior to the date of each Assembly.

The aforementioned proxies must at least contain the following requirements:

- a. To highlight the company's name as well as the respective agenda.

- b. Contain spaces for instructions indicated by the grantor for the exercise of power.

The Secretary of the Board shall be required to ensure compliance with the provisions of this section and report thereon to the Assembly, which shall be recorded in the corresponding Minutes

Designate and remove in the General Shareholder's Meeting a member of the board of Directors, when individually or jointly own 10% of the equity, without being applicable the percentage referred to in article 144 of the General Company's Law. Such appointment may only be revoked by the other shareholders when the appointment of all of the others Board Members are revoked, in which case the substituted persons may not be appointed as such for the following next twelve months from the revocation date.

Require the Chairman of the Board of Directors or of committees that carry out functions in issues of corporate practices and audit referred to in the Law, to convene at any time a general shareholders' assembly in matters which require voting, or defer a vote only once for 3 days, on any matter for which shareholders consider they are not sufficiently informed about, without the need of reconvening. All of the above, when individually or jointly own ten percent of the capital stock, without being applicable the percentages as referred to in Articles 184 and 199 of the General Corporate's Law.

Legally oppose, in accordance with provisions of Article 201 of the General Corporate's Law, resolutions of the General Assembly, only when they have the right to vote on the subject concerned, when either individually or jointly twenty percent or more of the capital stock is owned, without being applicable the percentage referred to in the provision.

VII. Agree between them:

- a. Obligations to not develop commercial businesses that compete with some of the financial group's entities or controlled companies, limited in time, matter and geographic coverage, without these limitations exceeding three years from the date on which the shareholder ceased to participate in the controlling company and without prejudice to provisions in other applicable laws.
- b. Rights and obligations that establish options to buy or sale shares representing the company's equity, such as:
 - 1. That one or more shareholders may only dispose of all or part of their shareholding, when the acquirer is also obliged to acquire a proportion or all of the shares of another or other shareholders, under identical conditions.
 - 2. One or more shareholders may demand that another shareholder sell all or part of his shareholding, when they accept a tender offer, under identical conditions.
 - 3. That one or more shareholders have the right to dispose of or acquire from another shareholder, who shall be obliged to dispose of or acquire, as appropriate, all or part of the shareholding pertaining to the operation, at a determined or determinable price.
 - 4. That one or more shareholders are obligated to subscribe and pay a certain number of shares representing the company's equity, at a determined or determinable price.
- c. Divestitures and other legal acts relating to the domain, provisions or exercise of the right of preference referred to in Article 132 of the General Corporate's Law, with independent of legal acts, are carried out with other shareholders or other people.

- d. Agreements to exercise the right to vote at Shareholders' Assemblies, without Article 198 of the General Corporate's Law becoming applicable.
- e. Agreements for the divestiture of shares in a public offering.

The agreements referred to in this section will not be opposable to the company, except for a legal resolution, which is why non-compliance will not affect the validity of the vote at Shareholders' Assemblies

Shareholders who represent at least 15% of GFNorte's equity, may directly exercise liability action against administrators under the terms of the applicable legislation.

The corporate bylaws stipulate the company's faculties to purchase its shares under the terms of the Mexican Securities Market Law

The Ordinary nominative shares are comprised of Series "O", the fixed portion of the equity is represented by Class I, ordinary, nominative shares and the variable portion of equity is represented by Class II ordinary, nominative shares, both with face value of Ps 3.50 each. The variable portion of equity cannot exceed 10 times the fixed portion and is not subject to withdrawal.

Additional equity can also be included, represented by Series "L" shares. This series will be represented by nominative shares, with a face value of Ps 3.50 (three 50/100 pesos national currency) each and freely subscribed, except from what is provided in Articles 24 and 27 of the Law Regulating Financial Groups and up to 40% of the ordinary equity, with prior authorization from the SHCP. Shares of this series will have voting and other limited corporate rights under the terms of Article 25 of the Law Regulating Financial Groups.

The Special Assembly to appoint members of the Board of Directors, corresponding to the shareholders of the "L" series, under the terms of Articles 29 and 40 of the present bylaws, will be subject to the provisions for Ordinary Shareholders' Assemblies set in the General Corporate's Law. Other special meetings will convene to decide on matters other than the aforementioned and shall be governed by the General Corporate's Law.

To install and vote on resolutions of the General Shareholders' Meetings, ordinary or extraordinary, the dispositions established in the General Corporate's Law for these types of meetings will apply.

Since GFNorte is a financial group, the integration, organization and functioning of the social organs, including those related to administration and monitoring, will be governed by the dispositions of the Law Regulating Financial Groups and the Securities Market Law.

5. STOCK MARKET

a) SHARE STRUCTURE

GFNorte does not have convertible obligations or Ordinary Participation Certificates (CPO's) of shares. The information on representative shares of equity can be found in section 2.b) xii "The Company – Business Description - Representative Shares of Equity" of this Annual Report.

In June 2009, Grupo Financiero Banorte (BMV: GFNORTEO) established a Level 1 Sponsored Program of ADRs in the United States, as a consequence of changes on October 10, 2008 to regulation 12g3-2b of the Securities and Exchange Commission (SEC) that facilitates the establishment of sponsored and non-sponsored ADR programs for shares in companies which don't trade in US financial markets. Because Banorte's shares are one of the most liquid and one of the most traded in the Mexican Stock Exchange, they have attracted the interest of institutional funds around the world. This ADR program supplements the efforts of Banorte to achieve presence in the main international financial markets for its shares. The program has been established as Level 1, which allows it to operate in "Over the Counter" markets without having to be listed in the NYSE, NASDAQ or any other Stock Exchange. The shares operate under the GBOOY symbol. Each ADR represents 5 shares of GFNORTEO and there were 10,981,518 ADRs outstanding at the end of 2025. The depository bank is Bank of New York Mellon. On July 15, 2010, the Level 1 ADR program was authorized to operate in the OTCQX International Premier platform, the highest level in the "Over The Counter" (OTC) market and on April 9, 2014, was included in the OTCQX ADR 30 Index ("OTCQX30"), comprised by the 30 most relevant ADRs in the market, in terms of market capitalization, volume and liquidity. Grupo Financiero Banorte is one, of only two Mexican companies, included in this index. The inclusion of our Level 1 ADR in this index will provide more visibility and liquidity to our program.

On June 9, 2009, ordinary shares of Grupo Financiero Banorte began trading in the Madrid Stock Exchange through the Latin American Stock Market "Latibex", under the symbol XNOR. GFNORTE's shares were included in the FTSE Latibex All Shares index from their inclusion to the market, and as of June 10, they were incorporated into the FTSE Latibex TOP index which includes the 16 Latin American most important companies of this market. One share of XNOR represents 10 shares of GFNORTE.

b) PERFORMANCE OF SHARES IN THE STOCK MARKET

GFNORTE's series "O" shares are traded in the Mexican Stock Exchange (BMV) under the ticker "GFNORTEO".

The following charts show, for the indicated periods, the maximum, minimum and close market prices for shares in the BMV (GFNORTEO), GBOOY (ADR Level 1) and XNOR (Latibex).

Performance of the stock at closing of the last 5 fiscal years:

GFNORTEO (Pesos) – BMV

Date	Maximum	Minimum	Close	*P/BV	**P/E	Volume of Shares (Daily Average)	Total Volume Operated
31/12/2021	140.11	101.57	133.02	1.62	10.94	6,244,298	1,579,807,464
31/12/2022	167.79	106.12	139.91	1.71	8.88	7,543,821	1,901,042,949
31/12/2023	178.19	135.01	170.76	1.98	9.39	5,563,063	1,396,328,858
31/12/2024	190.12	130.04	133.97	1.51	6.79	7,217,590	1,811,615,067
31/12/2025	187.29	134.61	166.94	1.89	8.03	6,448,959	1,618,688,811

*P/BV = Multiple Price to Book Value. The indicators were calculated with known numbers as of the date of the report.

**P/E = Multiple Price to Earnings annualized. The indicators were calculated with known numbers as of the date of the report.

Source: Refinitiv and Bloomberg.

GBOOY (Dollars) – ADRs

Date	Dollars per ADR			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/12/2021	33.96	24.59	32.38	26,266	6,619,035
31/12/2022	43.00	26.44	35.83	39,610	9,942,083
31/12/2023	52.17	36.07	50.21	22,892	5,723,008
31/12/2024	56.15	30.00	32.10	57,805	14,566,795
31/12/2025	56.06	31.25	46.42	35,998	8,999,539

XNOR (Euros) – Latibex

Date	Euros			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/12/2021	6.0	6.0	6.0	3,473	38,200
31/12/2022	7.85	5.40	7.15	4,800	10,518
31/12/2023	9.40	7.25	9.40	316	2,846
31/12/2024	10.40	6.20	6.20	247	6,678
31/12/2025	9.30	6.25	8.90	688	35,758

Quarterly performance of the stock for the last 2 fiscal years:

GFNORTEO (Pesos) – BMV

Date	Maximum	Minimum	Close	P/BV *	P/E **	Volume of Shares (Daily Average)	Total Volume Operated
31/03/2024	190.12	161.56	176.37	1.94	9.49	5,953,022	297,181,334
30/06/2024	184.28	131.50	142.56	1.68	7.54	9,432,133	603,656,504
30/09/2024	151.39	130.04	139.50	1.55	7.25	7,219,524	469,269,038
31/12/2024	157.47	131.60	133.97	1.51	6.79	7,121,000	441,508,191
31/03/2025	157.49	134.77	141.93	1.50	7.20	7,178,052	437,861,188
30/06/2025	180.82	134.61	171.52	1.91	8.33	7,054,271	437,364,830
30/09/2025	187.29	155.50	184.48	1.97	8.90	5,506,579	341,407,896
31/12/2025	186.44	164.00	166.94	1.89	7.79	6,146,666	387,239,943
31/03/2026	210.00	166.61	198.78	2.14	9.25	6,753,835	411,983,964

*P/BV = Multiple Price to Book Value. The indicators were calculated with known numbers as of the date of the report.

**P/E = Multiple Price to Earnings. The indicators were calculated with known numbers as of the date of the report.

Source: Bloomberg.

GBOOY (Dollars) – ADRs

Date	Dollars per ADR			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/03/2024	56.15	46.88	53.70	29,405	1,793,681
30/06/2024	55.62	35.22	41.41	75,020	4,726,233
30/09/2024	43.21	32.40	35.38	65,290	4,178,580
31/12/2024	40.73	30.00	32.10	60,442	3,868,301
31/03/2025	42.00	31.25	34.67	48,322	2,899,319
30/06/2025	47.89	32.00	45.80	34,385	2,131,842
30/09/2025	51.04	41.70	50.18	16,137	1,032,759
31/12/2025	56.06	45.00	46.42	45,869	2,935,619
31/03/2026	62.89	46.38	55.46	60,422	3,685,758

XNOR (Euros) – Latibex

Date	Euros			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/03/2024	9.35	9.00	9.30	35	175
30/06/2024	10.40	6.90	7.30	130	1,172
30/09/2024	7.85	6.20	6.40	532	4,253
31/12/2024	7.10	6.35	6.20	216	1,078
31/03/2025	7.20	6.35	6.60	876	4,380
30/06/2025	8.20	6.25	7.85	274	3,567
30/09/2025	9.30	7.00	9.25	1,276	24,240
31/12/2025	9.25	7.70	8.90	238	3,571
31/03/2026	12.00	7.60	8.70	192	3,456

Monthly performance of shares during the last 6 months:

GFNORTEO (Pesos) – BMV

Date	Maximum	Minimum	Close	Volume of Shares (Daily Average)	Total Volume Operated
31/10/2025	185.07	169.14	174.85	6,798,453	156,364,421
30/11/2025	186.44	171.00	174.99	5,556,037	105,564,707
31/12/2025	178.76	164.00	166.94	5,967,182	125,310,815
31/01/2026	205.79	166.61	197.57	7,163,260	150,428,463
28/02/2026	210.00	193.81	196.39	6,803,563	129,267,700
31/03/2026	201.48	181.61	198.78	6,299,419	132,287,801

GBOOY (Dollars) – ADRs

Date	Dollars per ADR			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/10/2025	51.00	45.95	46.98	56,682	1,303,687
30/11/2025	50.75	45.68	48.12	52,429	996,160
31/12/2025	56.06	45.00	46.42	28,899	635,772
31/01/2026	60.70	46.38	56.32	66,958	1,339,153
28/02/2026	62.89	56.37	56.99	66,951	1,272,066
31/03/2026	59.30	51.20	55.46	48,843	1,074,539

XNOR (Euros) – Latibex

Date	Euros			Volume of Shares (Daily Average)	Total Volume Operated
	Maximum	Minimum	Close		
31/10/2025	9.25	7.70	7.70	66	461
30/11/2025	9.25	7.70	7.70	653	2,610
31/12/2025	8.90	8.00	8.90	125	500
31/01/2026	9.00	7.60	8.15	79	317
28/02/2026	12.00	8.20	8.90	49	392
31/03/2026	9.45	8.10	8.70	458	2,747

c) MARKET MAKER

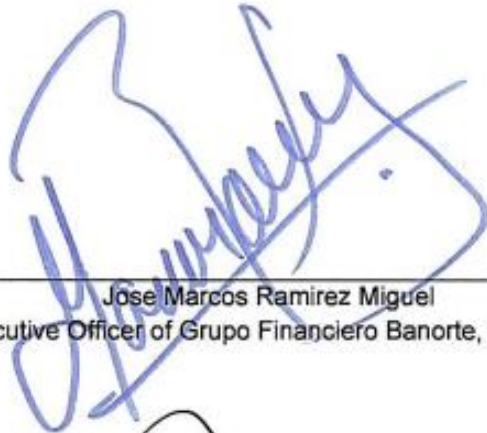
GFNorte does not have nor has it ever had a market maker.

6. UNDERLYING ASSETS

Currently GFNorte and its subsidiaries do not carry out operations involving underlying assets.

7. RESPONSIBLE OFFICERS

"The undersigned hereby solemnly declare that within the scope of our respective functions, we have truthfully prepared the information contained in this annual report related to Grupo Financiero Banorte, which to the best of our knowledge and understanding reasonably reflects the situation. We also declare that we do not have knowledge of any relevant information that has been omitted or falsified in this annual report or that it contains information that could mislead investors."



José Marcos Ramírez Miguel
Chief Executive Officer of Grupo Financiero Banorte, S.A.B. de C.V.



Rafael Arana de la Garza
Chief Operating and Financial Officer



Hector Martín Avila Flores
Managing Director of Legal Affairs

8. ANNEXES

a) AUDITED FINANCIAL STATEMENTS

**Grupo Financiero Banorte, S.A.B.
de C.V. and Subsidiaries**

Consolidated Financial Statements for
the years ended December 31, 2025 and
2024, and Independent Auditors' Report
Dated February 20, 2026



Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries

Independent Auditors' Report and Consolidated Financial Statements as of December 31, 2025 and 2024

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Independent Auditors' Report to the Board of Directors and Stockholders of Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Grupo Financiero Banorte, S.A.B. of C.V. and Subsidiaries (the Holding), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Accounting Criteria established by the National Banking and Securities Commission (the Commission) through the "General Provisions applicable to Holding Companies of Financial Groups subject to the Supervision of the National Banking and Securities Commission (the Provisions).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professionals Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The accompanying consolidated financial statements, where required, present unaudited financial information within their Notes, which is required in the Provisions established by the Commission.

The accompanying consolidated financial statement have been translated into English for the convenience of users.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below are the key audit matters which should be communicated in our report.

Allowance for loan losses (See Notes 5 and 13 to the consolidated financial statements)

The methodology for calculating allowance for loan losses requires that the expected loss be evaluated in accordance with the Accounting Standards issued by the National Banking and Securities Commission (the Commission). This expected loss considers 3 credit risk factors that are (i) the probability of default, (ii) the severity of the loss and (iii) the exposure to non-compliance for each of the types of credit.



To carry out the above identification, said rules establish a method, which considers a series of qualitative and quantitative factors, such as: 1) in consumer loans: payment behavior, potential losses and credit risk; 2) in mortgage loans: delinquency periods, possibility of non-payment and net potential losses of the guarantees received; and 3) in commercial credits: evaluation of the ability to repay the credit, financial risk, payment history, as well as the corresponding guarantees.

It has been considered a key audit matter due to the importance of the book value of the loan portfolio and its corresponding allowance for loan losses, and because the process for determining the estimate requires considering the completeness and accuracy of the information.

Our audit procedures to cover this key audit issue included:

- a) Test the design and implementation, and operational effectiveness of the relevant controls regarding the valuation of allowance for loan losses of the Holding.
- b) Reperformance the valuation on a sample of credits, considering the risk factors and the source of information used to carry out this calculation. In addition, we review the source of information used to determine and update each of the risk factors in the calculation.
- c) Our tests were developed with the involvement of our team of credit risk specialists, who ensured that the models to determine the preventive estimates used by the Holding were in accordance with the stipulated and authorized models (so it corresponds to the internal models) by the Commission.
- d) We validate the correct presentation and disclosure in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report

Management is responsible for the other information. The other information will include the information that will be incorporated in the annual report that the Holding Company is required to prepare in accordance with Article 33, Section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and Other Participants in the Securities Market in Mexico and the Instructions that accompany those Provisions. The annual report is expected to be available for our reading after the date of this audit report.

Our opinion of the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, we will issue the statement regarding the reading of the annual report, as required by Article 33, Section I, subsection b) numeral 1.2. of the aforementioned the Provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the Accounting Standards and the internal control that management deems necessary to enable the preparation of consolidated financial statements free of material misstatement, due to fraud or error.

In preparing of the consolidated financial statements, management is responsible for assessing the Holding's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Holding's consolidated financial reporting process.⁴



Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding to cease to continue as a going concern.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Holding to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliate of a Member Firm of Deloitte Touche Tohmatsu Limited



C.P.C. Fernando Nogueta
Registration in the General Administration
Of Federal Tax Audit No. 13204
Monterrey, Nuevo León, México
February 20, 2026



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 and 2024
(In millions of Mexican pesos)

ASSET	2025	2024
CASH AND CASH EQUIVALENTS	Ps. 100,295	Ps. 98,704
MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS)	3,989	3,998
INVESTMENTS IN SECURITIES		
Trading Financial Instrument	436,130	400,772
Financial Instruments to collect or sell	199,502	201,079
Financial instruments to collect principal and interest	387,089	374,746
	1,022,721	976,597
DEBTOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS	2,950	4,002
DERIVATIVE FINANCIAL INSTRUMENTS		
For trading purposes	15,281	21,126
For hedging purposes	3,002	1,004
	18,283	22,130
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1		
Commercial loans		
Business loans	500,397	478,315
Financial institution's loans	48,645	39,171
Government loans	184,812	183,594
Consumer loans	235,614	200,754
Mortgage loans		
Medium and residential	287,138	267,837
Low-income housing	-	1
Loans acquired from INFONAVIT or FOVISSSTE	1,087	1,373
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1	1,257,693	1,171,045
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2		
Commercial loans		
Business loans	3,258	1,645
Government loans	204	332
Consumer loans	3,493	3,152
Mortgage loans		
Medium and residential	4,118	3,407
Loans acquired from INFONAVIT or FOVISSSTE	62	75
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2	11,135	8,611
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3		
Commercial loans		
Business loans	8,854	4,053
Financial institutions' loans	77	136
Government loans	-	4
Consumer loans	5,895	4,835
Mortgage loans		
Medium and residential	2,760	1,754
Loans acquired from INFONAVIT or FOVISSSTE	252	343
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3	17,838	11,125
LOAN PORTFOLIO	1,286,666	1,190,781
(Plus/Minus) DEFERRED ITEMS	4,033	3,132
(Minus) ALLOWANCE FOR LOAN LOSSES	(23,755)	(20,122)
LOAN PORTFOLIO OF INSURANCE AND BOND	4,228	3,812
(Minus) ALLOWANCE FOR LOAN LOSSES	(342)	(312)
LOAN PORTFOLIO OF INSURANCE AND BOND, (NET)	3,886	3,500
ACQUIRED COLLECTION RIGHTS, (NET)	796	876
TOTAL LOAN PORTFOLIO, (NET)	1,271,626	1,178,167
DEBTORS OF INSURANCE AND SURETY COMPANIES	6,321	5,619
AMOUNTS RECOVERABLE BY REINSURANCE AND COUNTER-GUARANTEE, (NET)	6,684	5,661
OTHER ACCOUNTS RECEIVABLE, (NET)	45,049	56,229
MERCHANDISE INVENTORY	1,297	1,219
FORECLOSED ASSETS, (NET)	4,647	4,600
LONG-LIVED ASSETS HELD FOR SALE OR DISTRIBUTION TO OWNERS	2,779	-
ADVANCE PAYMENTS AND OTHER ASSETS, (NET)	13,950	14,091
PROPERTY, FURNITURE AND EQUIPMENT, (NET)	35,284	31,913
LEASE RIGHT OF USE ASSETS, (NET)	4,525	4,440
PERMANENT STOCK INVESTMENTS	15,758	15,629
DEFERRED INCOME TAX ASSETS, (NET)	3,437	5,245
INTANGIBLE ASSETS, (NET)	11,590	14,898
GOODWILL	27,478	28,067
TOTAL ASSETS	Ps. 2,598,663	Ps. 2,471,209



LIABILITIES AND STOCKHOLDERS' EQUITY	2025	2024
DEPOSITS		
Demand deposits	Ps. 813,139	Ps. 722,181
Time deposits		
General public	383,432	363,684
Money market	5,841	1,795
Senior debt issued	35,057	41,831
Global account of deposits without movements	4,538	4,009
	1,242,007	1,133,500
INTERBANK AND OTHER LOANS		
Short-term loans	27,099	22,196
Long-term loans	10,230	12,865
	37,329	35,061
TECHNICAL RESERVES	365,502	321,727
CREDITOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS	454,145	459,442
COLLATERAL SOLD OR PLEDGED		
Repurchase or resale agreements (creditor balance)	64,773	52,704
DERIVATIVE FINANCIAL INSTRUMENTS		
For trading purposes	8,283	22,130
For hedging purposes	13	3,798
	8,296	25,928
ACCOUNTS PAYABLE TO REINSURERS, net	3,516	3,018
LEASE LIABILITY	4,717	4,577
OTHER ACCOUNTS PAYABLE		
Creditors from settlements of transactions	21,431	30,746
Creditors from collaterals received in cash	11,169	9,903
Contributions payable	4,551	3,719
Sundry creditors and other payables	29,720	32,527
	66,871	76,895
FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITY		
Subordinated debentures	74,984	86,928
INCOME TAX LIABILITIES	9,172	9,130
EMPLOYEE BENEFIT LIABILITY	13,885	12,646
DEFERRED CREDITS AND ADVANCE COLLECTIONS	1,253	1,225
TOTAL LIABILITIES	Ps. 2,346,450	Ps. 2,222,781
STOCKHOLDERS' EQUITY		
PAID-IN CAPITAL		
Common stock	14,674	14,711
Additional paid-in capital	42,140	48,161
	56,814	62,872
EARNED CAPITAL		
Capital reserves	30,081	22,236
Retained earnings from prior years	165,336	170,319
Other comprehensive income		
Result from valuation of securities to collect or sell	(584)	(3,240)
Result from valuation of instruments for cash flow hedging	1,048	(866)
Defined remeasurements for employees benefits	(3,750)	(2,805)
Result from valuation of reserve for unexpired risks variations in rates	111	428
Cumulative Translation Adjustment	34	465
	192,276	186,537
CONTROLLING INTEREST	249,090	249,409
NON-CONTROLLING INTEREST	3,123	(981)
TOTAL STOCKHOLDERS' EQUITY	252,213	248,428
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	Ps. 2,598,663	Ps. 2,471,209



"These statements of financial position were formulated in accordance with the accounting criteria for controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law Regulating the Financial Groups, of general and obligatory observance, applied in a consistent manner, reflecting the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are capable of being consolidated up to the aforementioned date, which they were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

The accompanying Consolidated Statements of financial positions have been approved by the Board of Directors in accordance with the responsibility assigned to them.

As of December 31, 2025, the stockholders' equity amounts to Ps. 9,756.

"The attached Notes are an integral part of these consolidated financial statements."

Act. José Marcos Ramírez Miguel
CEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting

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GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(In millions of Mexican pesos)

	2025	2024
Interest income	Ps. 405,038	Ps. 404,605
Interest expense	(258,460)	(266,289)
NET INTEREST INCOME	146,578	138,316
Allowance for loan losses	(21,589)	(18,122)
NET INTEREST INCOME AFTER ALLOWANCE FOR LOAN LOSSES	124,989	120,194
Commission and fee income	41,176	40,638
Commission and fee expense	(20,465)	(20,851)
Premium revenue, (net)	68,660	55,293
Increase in technical reserves	(42,894)	(33,318)
Net cost for insurance and bond operations	(2,073)	(1,898)
Casualty rate, claims and other contractual obligations, net	(36,575)	(33,498)
Brokerage revenues	8,893	4,984
Other operating income (expenses)	(2,038)	(3,446)
Non-interest expense	(57,779)	(52,255)
OPERATING INCOME	(43,095)	(44,351)
Equity in earnings of unconsolidated subsidiaries and associated companies	1,724	1,713
INCOME BEFORE INCOME TAX	83,618	77,556
Current income tax	(21,772)	(19,532)
INCOME BEFORE DISCONTINUED OPERATIONS	61,846	58,024
Discontinued operations	(2,187)	(1,023)
NET INCOME	Ps. 59,659	Ps. 57,001
Other comprehensive income:		
Financial instruments to collect or sell valuation	2,656	(1,783)
Result from valuation of instruments for cash flow hedging	1,914	(1,047)
Defined remeasurements for employees benefits	(945)	(859)
Result from valuation of reserve for unexpired risks variations in rates	317	239
Cumulative Translation Adjustment	(431)	573
	2,877	(2,877)
RESULTADO INTEGRAL	Ps. 62,536	Ps. 54,124
Attributable net income to:		
Controlling interest	58,788	56,188
Non-controlling interest	871	813
	Ps. 59,659	Ps. 57,001
Attributable comprehensive income to:		
Controlling interest	61,612	53,358
Non-controlling interest	924	766
	Ps. 62,536	Ps. 54,124
Earnings per ordinary share	Ps. 20.787	Ps. 19.720

"These consolidated comprehensive income statements were formulated in accordance with the accounting criteria for the controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law Regulating the Financial Groups, of general and obligatory observance, applied in a consistent manner, reflecting all the income and expenses derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are susceptible to consolidation, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

The accompanying comprehensive income statements have been approved by the Board of Directors in accordance with the responsibility assigned to them.

The attached notes are an integral part of these consolidated income statements.

Act. José Marcos Ramírez Miguel
CEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting

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GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(In millions of Mexican pesos)

	CONTRIBUTED CAPITAL			CAPITAL EARNED		
	Common Stock	Additional paid-in capital	Capital reserves	Retained earnings from prior years	Result from valuation of securities to collect and sell	Result from valuation of instruments for cash flow hedging
Balances, December 31, 2023	Ps. 14,988	Ps. 47,648	Ps. 33,885	Ps. 155,928	(Ps. 1,411)	Ps. 181
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	(277)	455	(11,649)	-	-	-
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 29 and December 9, 2024	-	-	-	(35,938)	-	-
Total transactions approved by stockholders	(277)	455	(11,649)	(35,938)	-	-
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	58	-	(1,992)	(46)	-
Interest on subordinated debentures	-	-	-	(3,867)	-	-
Total	-	58	-	(5,859)	(46)	-
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	56,188	-	-
OTHER COMPREHENSIVE RESULTS:						
Financial instruments to collect or sell valuation	-	-	-	-	(1,783)	-
Cumulative Translation Adjustment	-	-	-	-	-	-
Result from valuation of instruments for cash flow hedging	-	-	-	-	-	(1,047)
Defined remeasurements for employees benefits	-	-	-	-	-	-
Result from valuation of reserve for unexpired risks variations in rates	-	-	-	-	-	-
Total	-	-	-	56,188	(1,783)	(1,047)
Non-controlling interest	-	-	-	-	-	-
Balances as of December 31, 2024	14,711	48,161	22,236	170,319	(3,240)	(866)
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	(37)	204	(2,154)	-	-	-
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 23 and December 1, 2025.	-	-	-	(47,750)	-	-
Creation of reserves for share buybacks	-	-	9,999	(9,999)	-	-
Effect of the Acquisition of the subsidiary Tarjetas del Futuro	-	(6,309)	-	-	-	-
Total	(37)	(6,105)	7,845	(57,749)	-	-
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	84	-	(54)	-	-
Interest on subordinated debentures	-	-	-	(5,968)	-	-
Total	-	84	-	(6,022)	-	-
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	58,788	-	-
OTHER COMPREHENSIVE RESULTS:						
Financial instruments to collect or sell valuation	-	-	-	-	2,656	-
Cumulative Translation Adjustment	-	-	-	-	-	-
Result from valuation of instruments for cash flow hedging	-	-	-	-	-	1,914
Defined remeasurements for employees benefits	-	-	-	-	-	-
Result from valuation of reserve for unexpired risks variations in rates	-	-	-	-	-	-
Total	-	-	-	58,788	2,656	1,914
Non-controlling interest	-	-	-	-	-	-
Balances as of December 31, 2025	Ps. 14,674	Ps. 42,140	Ps. 30,081	Ps. 165,336	(Ps. 584)	Ps. 1,048

"These consolidated statements of changes in consolidated stockholders' equity were formulated in accordance with the accounting criteria for holding and subholding companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law to Regulate Financial Groups, of general and mandatory observance, applied consistently, reflecting all movements in the stockholders' equity accounts derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are likely to be consolidated, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of changes in consolidated stockholders' equity were approved by the Board of Directors under the responsibility of the executives who sign it."

The attached notes are an integral part of these consolidated statements of changes in stockholders' equity.



			OTHER CAPITAL			
	Defined remeasurements for employees benefits	Result in the valuation of unexpired risk reserves due to changes in rates	Cumulative foreign currency translation adjustment	Total Controlling interest	Total Non- controlling interest	Total stockholder s' equity
Balances as of December 31, 2023	(Ps. 1,947)	Ps. 189	(Ps. 108)	Ps. 249,353	(Ps. 148)	Ps. 249,205
OWNER MOVEMENTS:						
Share repurchase for executive shares' plan payable in equity instruments	-	-	-	(11,471)	-	(11,471)
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 29 and December 9, 2024	-	-	-	(35,938)	-	(35,938)
Total transactions approved by stockholders	-	-	-	(47,409)	-	(47,409)
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	-	-	(1,980)	-	(1,980)
Interest on subordinated debentures	-	-	-	(3,867)	-	(3,867)
Total	-	-	-	(5,847)	-	(5,847)
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	56,188	813	57,001
OTHER COMPREHENSIVE RESULTS:						
Financial instruments to collect or sell valuation	-	-	-	(1,783)	-	(1,783)
Cumulative Translation Adjustment	-	-	573	573	-	573
Result from valuation of instruments for cash flow hedging	-	-	-	(1,047)	-	(1,047)
Defined remeasurements for employees benefits	(858)	-	-	(858)	-	(858)
Result from valuation of reserve for unexpired risks variations in rates	-	239	-	239	-	239
Total	(858)	239	573	53,312	813	54,124
Non-controlling interest	-	-	-	-	(1,646)	(1,646)
Balances as of December 31, 2024	(2,805)	428	465	249,409	(981)	248,428
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	-	-	-	(1,987)	-	(1,987)
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 23 and December 1, 2025.	-	-	-	(47,750)	-	(47,750)
Creation of reserves for share buybacks	-	-	-	-	-	-
Effect of the Acquisition of the subsidiary Tarjetas del Futuro	-	-	-	(6,309)	-	(6,309)
Total	-	-	-	(56,046)	-	(56,046)
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	-	-	30	-	30
Interest on subordinated debentures	-	-	-	(5,968)	-	(5,968)
Total	-	-	-	(5,938)	-	(5,938)
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	58,788	871	59,659
OTHER COMPREHENSIVE RESULTS:						
Financial instruments to collect or sell valuation	-	-	-	2,656	-	2,656
Cumulative Translation Adjustment	-	-	(431)	(431)	-	(431)
Result from valuation of instruments for cash flow hedging	-	-	-	1,914	-	1,914
Defined remeasurements for employees benefits	-	(317)	-	(317)	-	(317)
Result from valuation of reserve for unexpired risks variations in rates	(945)	-	-	(945)	-	(945)
Total	(945)	(317)	(431)	61,665	871	62,536
Non-controlling interest	-	-	-	-	3,233	3,233
Balances as of December 31, 2025	(Ps. 3,750)	Ps. 111	Ps. 34	Ps. 249,090	Ps. 3,123	Ps. 252,213

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Managing Director – Audit

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Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(In millions of Mexican pesos)

	2025	2024
Operation activities		
Income before income tax	Ps. 83,618	Ps. 77,556
Adjustments for items associated with investing activities		
Depreciation of property, furniture and equipment	4,494	4,198
Amortization of intangible assets	1,030	1,053
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,724)	(1,713)
Discontinued operations	2,187	1,023
Adjustments for items associated with financing activities		
Interest associated with interbank and other loans	2,662	3,483
Interest associated with financial instruments that qualify as liability	2,856	3,814
	11,505	11,858
Changes in operating activities:		
Changes in margin accounts (derivative financial instruments)	9	920
Changes in investments in securities (net)	(43,467)	(81,891)
Changes in debtor balances under repurchase and resale agreements (net)	1,052	37,603
Changes in derivative financial instruments (asset)	5,845	7,831
Change in loan portfolio (net)	(99,120)	(148,443)
Changes in acquired collection rights (net)	80	218
Changes in debtors of insurance and surety companies	(703)	(959)
Changes in reinsurance and surety agencies (net)	(1,024)	112
Changes in merchandise inventory	(78)	(281)
Change in other accounts receivable	15,217	(11,559)
Change in foreclosed assets	(229)	281
Change in deposits	108,508	77,083
Change in technical reserves	43,776	32,835
Change in interbank and other loans	(395)	(1,563)
Change in creditor balances under repurchase and sale agreements	(5,296)	78,429
Collateral sold or pledged	12,069	(35,440)
Change in liability position of derivative financial instruments (liability)	(13,847)	596
Changes in reinsurance and surety agencies (net) (liability)	498	640
Change in hedging instruments related to operations	(3,869)	3,929
Change in assets / liabilities for employees benefits	1,239	1,247
Change in other account payable	(7,257)	1,508
Income tax payment	(22,147)	(21,179)
Net cash flows provided by (used in) operating activity	(4,551)	-
Changes in operating activities:	81,433	31,331
Investing activities:		
Payments for acquisition of property, furniture and equipment	(11,106)	(8,272)
Proceeds on disposal of property, furniture and equipment	3,386	2,905
Payment on acquisitions of subsidiaries and associated companies	(901)	(3,248)
Payments for the acquisition of associates, joint ventures and other permanent investments	(20)	(3)
Proceeds for cash dividends	1,561	1,400
Net cash flows provided by (used in) investment activity	(7,080)	(7,218)
FINANCING ACTIVITIES:		
Leasing liability paid	(716)	(767)
Payments associated with financial instruments that qualify as equity	(5,968)	(3,867)
Dividends paid	(47,750)	(35,938)
Repurchase of shares	(2,893)	(12,674)
Payments associated with financial instruments that qualify as liability	(14,800)	27,693
Interest of leasing paid	(405)	(387)
Net cash flow provided by (used in) financing activity	(72,532)	(25,940)
Net decrease in cash and cash equivalents	1,821	(1,827)
Effects from changes in the value of cash and cash equivalents	(230)	301
Cash and cash equivalents at the beginning of the year	98,704	100,230
Cash and cash equivalents at the end of the year	Ps. 100,295	Ps. 98,704

"These consolidated cash flow statements were formulated in accordance with the accounting criteria for the controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law for Regulate the Financial Groups, of general and mandatory observance, applied consistently, reflecting the cash inflows and cash outflows derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are capable of being consolidated, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions".

The attached notes are an integral part of these consolidated cash flow statements.

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C.P. Isaías Velázquez González
Managing Director – Audit
www.banorte.com/ri
www.gob.mx/cnbv

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GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(In millions of Mexican pesos, except exchange rates and Note 36)

1 – ACTIVITY AND REGULATORY ENVIRONMENT

Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries (the Financial Group or Holding) are authorized by Mexico's Ministry of Finance and Public Credit (SHCP) to operate as a Financial Group under the form and terms established by the Law Regulating Financial Groups, subject to the supervision and monitoring of the National Banking and Securities Commission (the Commission). Its main activities consist of acquiring and managing entities engaged in the financial services industry and supervising their activities, as defined in the above-mentioned law. The Financial Group is regulated, depending on its activities, by the Commission, the Mexican National Insurance and Bonding Commission (CNSF) (the Commissions), the Mexican Central Bank (Banco de México) and other applicable laws and regulations.

The main activity of its subsidiaries is the execution of financial operations such as the provision of services of commercial banking, brokerage, leasing, financial factoring, warehousing services in general, pensions, life and damage insurance, as well as disposal, management, collection and negotiation, in any form, with credit rights.

The main regulating aspect compels the Financial Group to maintain a minimum capitalization ratio for market and loan risks, to meet certain acceptance limits for deposits, obligations and other types of funding that may be denominated in foreign currency, as well as to establish the minimum limits for paid-in capital and capital reserves. The Financial Group complies satisfactorily with all of the above as of December 31, 2025.

By legal requirements, the Financial Group has unlimited liability for the obligations assumed and losses incurred by each of its subsidiaries.

The powers of the Commission, in its capacity as regulator of the Financial Group and its subsidiaries, include reviewing the financial information and requesting modifications to such information.

The Financial Group performs its activities throughout Mexico and until March 2017, the United States of America.

The Financial Group's consolidated financial statements have been approved by the Board of Directors at its January 27, 2026 meeting in accordance with the responsibility assigned to this Organ.

2 – SIGNIFICANT EVENTS DURING THE YEAR

Total Voluntary Early Repayment of BANORTE 2-24

On February 28, 2025, the Holding exercised the right to redeem in full the BANORTE 2-24 Structured Bank Bonds, issued on July 5, 2024, the total early redemption amount was Ps. 230.

Trans Unión de México Purchase Agreement

On January 15, 2025, the Holding, together with other Mexican credit institutions in their capacity as selling shareholders, entered into an agreement for the sale and purchase of shares representing the capital stock of Trans Unión de México, S.A. S.I.C. ("Trans Unión de México"), a credit information company focused on the consumer sector, with TransUnion Reverse Exchange, S. de R.L. de C.V. ("TransUnion"). The consummation of the operation is subject to various conditions, including obtaining authorization from the Ministry of Finance and Public Credit, the National Banking and Securities Commission and the authority in matters of economic competition. Once this is consummated, the Holding will sell its entire stake in its capital stock of Trans Unión México to TransUnion, which this date amounts to 5%, TransUnion will increase its stake in Trans Unión de México from approximately 26% to 94% when it acquires the shares.



During the month of September 2025, the investment in Trans Union was reclassified to Long-Duration Assets Held for Sale or Distribution to Owners at its book value which amounted to Ps. 43.

Total Voluntary Early Repayment of BANORTE 2-24

On July 1, 2025, the Holding exercised the right to redeem in full the BANORTE 24 Bank Stock Certificates, issued on August 28, 2024, the total amount of the early redemption was Ps. 2,000.

Total Voluntary Early Repayment of BANORTE 2-25 and BANORTE 3-25

On July 10, 2025, the Holding exercised the right to redeem in full the BANORTE 2-25 and BANORTE 3-25 Structured Bank Bonds, issued on March 21 and March 28, 2025, the total early redemption amount was Ps. 101 and Ps. 104, respectively.

Deductibility of claims Non-creditable VAT in Seguros Banorte

On the occasion of the Federal Revenue Law for the Fiscal Year 2026 ("LIF 2026"), published in November 2025, changes were incorporated that affect the treatment of VAT related to claims in insurance contracts:

- Non-crediting of VAT: It is established that VAT will not be creditable on the acquisition of goods or services intended for the fulfillment of the insurance contract when the compensation consists of compensation for damages or the replacement of the damaged property through third parties, in accordance with article 25, section XIV of the LIF 2026.
- Transitional regime: The Twenty-Eighth Transitory Article of the LIF 2026 allows the VAT corresponding to goods or services intended for the fulfillment of insurance contracts to be credited until December 31, 2024, provided that such goods or services have been used for compensation under the conditions indicated.

Due to the above, a tax incentive equivalent to the accredited VAT was established, as well as related tax credits (including updates, fines, surcharges and execution expenses), applicable to insurers that are in any of the following cases, based on the Twenty-Eighth Transitory Article of the LIF 2026:

- Subject to verification powers without a final resolution upon the entry into force of the LIF 2026.
- With tax credits determined as of December 31, 2024, with respect to which they have means of defense filed, provided that they are withdrawn.

On January 29, 2026, the Institution submitted to the Tax Administration Service a request to apply the tax incentive provided for in the Twenty-Eighth Transitory Article of the Federal Revenue Law for 2026, relating to the VAT transferred and credited on goods and services intended for the fulfillment of insurance contracts related to claims.

The stimulus requested covers the following cases:

- Periods without revision: 2019 (January–March), 2021, 2022, 2023 and 2024.
- Periods under verification powers without final resolution: April–December 2019 and the 2020 financial year.
- Periods with contested tax credits: fiscal years 2014 to 2018, for which the entity submitted total or partial withdrawals in accordance with the applicable regulations.

The Institution stated that it does not place itself in the restrictive cases of the transitory article itself, such as having a final sentence for tax crime, being included in lists 69B or 69B Bis of the Federal Tax Code, non-location or cancellation of digital seal certificates.



Likewise, it opted for the payment method in five installments for the tax correction corresponding to the VAT transferred after December 31, 2024, in accordance with what is allowed in said transitory article.

The application submitted was accompanied by the documentation required by the corresponding procedure form, including trial balances, working papers, complementary declarations and the letters of withdrawal necessary for the application of the incentive.

At the end of fiscal year 2025, the effect derived from the non-accreditation of VAT amounted to Ps. 825.

Prudential measures programme

On December 19, 2025, the CNSF notified insurance institutions of the entry into force of provisions provided for in LIF 2026, through which VAT transferred or paid on the acquisition of goods and services used to fulfill insurance contracts will not be creditable when the compensation consists of compensation for the damage or replacement of the damaged property through third parties.

Given the potential impact on claims, technical reserves, recoverable reinsurance reserves and solvency parameters, the CNSF indicated that, once the general rules of the SAT are published, a program of prudential measures will be implemented aimed at mitigating the financial impact and allowing a gradual incorporation of the effect of non-creditable VAT.

The Technical Annex establishes that:

- A specific sub-account was created within the loss cost to recognize non-creditable VAT related to claims.
- Institutions may use VAT impact information for statistical and product design purposes.
- Membership of the programme will be voluntary, and must be processed no later than 31 March 2026, accompanied by:
 - financial diagnosis on the effect of VAT on solvency,
 - an action plan with a timeline and inclusion of immediate and gradual impact scenarios,
 - Approval of the Board of Directors, approval of the Internal Auditor and actuarial opinion.
- The program will be valid for a maximum of twelve months (January 1–December 31, 2026) and will include monthly progress reports.
- The action plan must include a detailed diagnosis of the institution's financial situation, identifying and quantifying the impact of non-creditable VAT on solvency parameters; incorporate two scenarios – one with immediate registration of the effect of VAT on reserves and the other with gradual application – as well as a clear implementation schedule. It must also have the approval of the Board of Directors, the approval of the internal auditor and the opinion of the actuarial officer and the independent actuary regarding the adequacy of reserves and the technical sustainability of the proposed measures. The plan will have to be submitted no later than March 31, 2026 and will be subject to approval by the CNSF, which may require one-time adjustments if it does not meet the requirements.
- At the end of the period, if deficiencies in solvency not attributable to the impact of VAT persist or the plan presented is not complied with, the CNSF may modify or revoke the authorization or proceed in accordance with article 320 of the LISF with respect to corrective measures and possible revocation processes.

The Institution expressed to the Commission its interest in joining the prudential measures program by email sent on January 5, 2026. In addition, as of the date of these consolidated financial statements, the Institution is in the process of preparing the corresponding action plan to comply with the formalities established by the Commission.



3 – BASIS OF PRESENTATION

Presentation of consolidated financial statements

The consolidated financial statements as of December 31, 2025 and 2024, which are accompanied, have been prepared by Management of the Holding in accordance with the “General Provisions Applicable to Financial Group Holding Companies that Regulate Matters Corresponding Jointly to the National Supervisory Commissions” (the Accounting Criteria).

Monetary unit of the consolidated financial statements

The consolidated financial statements and notes for the years ended as of December 31, 2025 and 2024 include balances and transactions in Mexican pesos of purchasing power of such dates.

As of December 31, 2025 and 2024, the registration currency and functional currency of the Parent Company is the Mexican peso.

Recognition of the effects of inflation in financial consolidated information

Inflation recognition is done pursuant to MFRS B-10, “Inflation Effects,” which considers two types of economic environments: a) inflationary, when the accumulated inflation of the three previous years is 26% or over, in which case the inflation effects must be acknowledged; b) non-inflationary, when in the same period inflation is less than 26%; in this case the effects of inflation should not be recorded in the consolidated financial statements.

The cumulative Mexican inflation over the three years prior to 2025 and 2024 was 17.34% and 20.83%, respectively. Therefore, the Mexican economy is considered as non-inflationary. However, assets, liabilities and stockholders' equity as of December 31, 2025 and 2024 include the restatement effects recorded up through December 31, 2007. The cumulative Mexican inflation over the three years including the year ended December 31, 2025 was 13.32%.

The Mexican inflation rates for the years ended December 31, 2025 and 2024 were 3.89% and 4.50%, respectively.

Going concern

The consolidated financial statements have been prepared by Management on the assumption that the Holding Company will continue to operate as a going concern.

Consolidation of financial statements

The accompanying consolidated financial statements include those of Grupo Financiero Banorte, S.A.B. de C.V. and its subsidiaries mentioned below. All significant intercompany balances and transactions have been eliminated in consolidation.

As of December 31, 2025 and 2024, the Grupo Financiero Banorte S.A.B. de C.V.'s consolidated subsidiaries and its equity ownership is as follows:

Entity	December 2025	December 2024
Banco Mercantil del Norte, S.A. and Subsidiaries (Banorte)	98.26%	98.26%
Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, ER y Subsidiaries (AyF)*	99.92%	99.92%
Almacenadora Banorte, S.A. de C.V. and Subsidiary	99.99%	99.99%
Banorte Ahorro y Previsión S.A. de C.V. and Subsidiaries	99.99%	99.99%
Casa de Bolsa Banorte, S.A. de C.V. and Subsidiary	99.99%	99.99%
Operadora de Fondos Banorte, S.A. de C.V.	99.99%	99.99%

Equity investments in mutual funds and investments in associated companies are valued under the equity method according to the accounting principles established by the Commission.



*The permanent investment in AyF includes participation in the Trusts created in conjunction with Urbi Desarrollos Urbanos, S.A.B. de C.V. (URBI), Corporación GEO S.A.B. de C.V. (GEO) and Desarrolladora Homex, S.A.B. de C.V. (Homex), constituted for the construction of real estate developments (the Trusts). As of December 31, 2025 and 2024, AyF consolidated the financial statements of these trusts.

Conversion of financial statements of foreign subsidiary

In order to consolidate the financial statements of Banorte Financial Services, INC., they are first adjusted to the recording and functional currency (U.S. dollar) to conform to the accounting criteria established by the Commission. The financial statements are then converted to the reporting currency (Mexican pesos) according to the following methodology:

Foreign operations whose recording and functional currency are one and the same convert their financial statements using the following exchange rates for the year-end rate for assets and liabilities (Ps. 18.0080 for 2025), historical rate for non-monetary assets and liabilities as well as stockholders' equity, and the weighted average rate of the period for income, costs and expenses (Ps. 19.2139 for 2025). The conversion effects are presented in the Institution's stockholders' equity.

Long-Lived Assets Held for Sale or Distribution to Owners

During 2025, the Holding decided to dispose of Bineo, this as part of the strategy to restructure its digital financial services offer by integrating all its capabilities into Banorte.

As part of the sale process and once the requirements established in NIF B-11 "Disposition of long-lived assets and discontinued operations" (NIF B-11) have been met, the Holding has classified its investment in Bineo as a long-duration asset held for sale.

The intention to dispose of this entity meets the definition to be classified as a discontinued operation, in accordance with NIF B-11, for which reason Bineo's investment has been presented in the Statement of Financial Position under the heading of "Long-lived assets held for sale or for distribution to owners". The results of said entity have been presented under the heading of discontinued operations in the Comprehensive Income Statement.

The comparison between the net carrying amount of the investment as of the date of reclassification and the estimated sale value generated a difference of (Ps. 1,307), which was recorded by decreasing the value of the long-lived asset held for sale against a decrease in the heading "Discontinued operations" in the Comprehensive income statement. As of December 31, 2025, the valuation effect is (Ps. 1,295).

As of December 31, 2025, the long-lived available-for-sale assets associated with Bineo are integrated as follows:

	2025
Intangible assets (net)	Ps. 1,587
Cash and cash equivalents	1,132
Deferred Income Tax Assets (Net)	398
Other assets	64
Traditional recruitment	(25)
Employee benefit liabilities	(24)
Other liabilities	(20)
Net Assets	Ps. 3,112
Effect of the Valuation of Discontinued Assets	(1,295)
Total Long-Lived Assets Available for Sale	Ps. 1,817

Tarjetas del Futuro, S.A.P.I. de C.V. (TDF)

On December 19, 2025, an Extraordinary General Meeting of Shareholders of TDF was held through which, among other matters, its dissolution and liquidation was approved in terms of the provisions of the General Law of Commercial Companies. Therefore, the investment that the Holding has in TDF was reclassified to the heading of "Long-Duration Assets Held for Sale or Distribution to Owners".



Prior to making the decision to liquidate TDF, the following events took place:

On December 17, the acquisition of 44.28% of the capital stock of TDF, which was owned by Tecnologías Rappi, S.A.P.I. de C.V. (Rappi) was completed, the purchase price was 50 million dollars.

The Holding capitalized the convertible loan granted to TDF for Ps. 6,279.

On December 19, the entire portfolio of credit cards issued by TDF was transferred to Banorte, said transfer was instrumented by means of a dation in payment for the guaranteed credit that Banorte had in charge of TDF for an amount of Ps. 3,892.

As a result of the foregoing, Banorte is, from that moment on and thereafter, the sole issuer of said credit cards, directly assuming their administration and operation, as well as the corresponding contractual relationship with the current and future customers who hold them.

The closing of this Transaction is aligned with the Holding's comprehensive digital strategy, focused on leveraging business and technological scale, in order to increase profitability through cross-selling, driven by hyper-personalization.

As of December 31, 2025, the long-lived available-for-sale assets associated with TDF are integrated as follows:

	2025
Cash and cash equivalents	820
Other accounts receivable	63
Other assets	6
Accounts Payable	(309)
Taxes payable	(30)
Other liabilities	(3)
Net Assets	Ps. 547

The results of said entity have been presented under the heading of discontinued operations in the Comprehensive Income Statement.

Reclassification of 2024 Financial Statements

In accordance with the provisions of NIF B-11, the consolidated statement of comprehensive income and changes in consolidated stockholders' equity as of December 31, 2024, have been reclassified to present the effect of the discontinued operations described above in a comparative manner with the consolidated financial statements as of December 31, 2025.



The effects of the reclassifications are detailed below:

	December 31, 2024		
	Previously reported balances	Retrospective reclassifications	Restated balances
Consolidated Comprehensive Income Statement			
Interest income	Ps. 405,433	(Ps. 828)	Ps. 404,605
Interest Expense	(266,073)	(216)	(266,289)
Preventive estimation for credit risks	(19,536)	1,414	(18,122)
Commissions and fees charged and paid	20,304	(517)	19,787
Other items	(11,885)	2	(11,883)
Administration and promotion expenses	(54,625)	2,370	(52,255)
Share of net income of other entities	1,713	-	1,713
Income taxes	(19,127)	(405)	(19,532)
Discontinued operations	-	(1,023)	(1,023)
NET INCOME	Ps. 56,204	Ps. 797	Ps. 57,001
Other comprehensive results	(2,876)	(1)	(2,877)
COMPREHENSIVE RESULT	Ps. 53,328	Ps. 796	Ps. 54,124
Net income attributable to:			
Controlling Interest	56,188	-	56,188
Non-controlling interest	16	797	813
	Ps. 56,204	Ps. 797	Ps. 57,001
Comprehensive income attributable to:			
Controlling Interest	53,358	-	53,358
Non-controlling interest	(30)	796	766
	Ps. 53,328	Ps. 796	Ps. 54,124

	December 31, 2024		
	Previously reported balances	Retrospective reclassifications	Restated balances
Statement of changes in consolidated stockholders' equity			
Net Income	Ps. 56,188	Ps. -	Ps. 56,188
Participation of the non-controlling company	16	797	813
Non-controlling interest	(849)	(797)	(1,646)
Other capital accounts	193,073	-	193,073
Total stockholders' equity	Ps. 248,428	Ps. -	Ps. 248,428

Comprehensive Income

This is the change in stockholders' equity during the year, for items other than distributions and activity in contributed common stock, and is comprised of the net income of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in stockholders' equity and do not affect the Consolidated Income Statements, in accordance with the accounting practices established by the Commission. In 2025 and 2024, comprehensive income includes the net income of the year, the result from valuation of securities to collect and sell; the effect of subsidiaries, affiliates and mutual funds; the cumulative conversion effect; remeasurements for employee benefits; Interest on subordinated debentures, Commission special accounting criteria and the result from valuation of cash flow hedging instruments.

4- CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES FOR THE ESTIMATION OF UNCERTAINTIES

In applying the Financial Group's accounting policies, which are described in note 5, management must make judgments, estimates and assumptions about the book values of assets and liabilities in the consolidated financial statements. Estimates and relative assumptions are based on experience and other factors considered relevant. Actual results could differ from these estimates.

Estimates and assumptions are reviewed on a regular basis. Changes to accounting estimates are recognized in the period in which the change is made and future periods if the change affects both the current period and subsequent periods.



a. Critical judgments when applying accounting policies

Below are critical judgments, apart from those involving estimates, made by management during the process of applying the Financial Group's accounting policies and that have a significant effect on the consolidated financial statements.

- Business model evaluation

The classification and evaluation of financial assets depend on the result of the SPPI tests (only principal and interest payments) and the business model test. The Financial Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular objective. This task includes judgments that reflect all relevant evidence including how the performance of the assets is evaluated and how their performance is measured, the risks that affect the performance of the assets and how the assets are managed and how the managers of the assets are compensated. The Financial Group monitors the financial assets evaluated at amortized cost and at fair value through other comprehensive income that were derecognized before their maturity, to understand the reason for their derecognition and if the reasons are consistent with the objective of the business for which assets are held. Monitoring is part of the Holding Company's ongoing assessment of whether the business model for the remaining financial assets is appropriate and if it is not appropriate, whether there has been a change in the business model and a prospective change should be made to those assets. These changes were not necessary during the periods presented.

- Significant increase in credit risk

As explained in note 5, ECP (expected credit loss) is measured as an allocation equal to 12 months of the total expected loss for stage 1 assets, the total life of the total expected loss for stage 2 or 3 assets. An asset is moved to stage 2 when the credit risk has increased significantly since initial recognition. MFRS C-16 "Impairment of financial instruments" does not define what constitutes a significant increase in credit risk. In assessing whether credit risk has significantly increased, the Financial Group considers prospective quantitative and qualitative information.

- Technical reserves

The current risk reserve is determined as the sum of the best estimate and a risk margin, where the best estimate will be equal to the expected value of future flows of obligations, understood as the probability-weighted average of those flows, considering the time value of money based on the market risk-free interest rate curves for each currency or monetary unit provided by the price provider. The amount of the reserve for unfulfilled obligations is determined as the sum of the best estimate and a risk margin, where the best estimate will be the amount that corresponds to each of the known obligations at the time of valuation. As indicated in note 5 to the consolidated financial statements, the Financial Group annually reports on its technical reserves by independent actuaries.

b. Key sources of uncertainty in estimates

Key forward-looking assumptions and other key sources of uncertainty in estimates at the end of the period, which have a significant risk of resulting in significant adjustments to the carrying amounts of assets and liabilities during the coming year, are explained below.

Discount rate used to determine the book value of the defined benefit obligation

The determination of the benefits of the borrowed obligations depends on some assumptions, which include the selection of the discount rate. The discount rate is set by reference to the market return at the end of the period in corporate bonds. Significant assumptions need to be made when setting the criteria for the bonds and must be included in the yield curve. The most important criteria to consider for bond selection include the current size of corporate bonds, quality, and identification of exclusionary guidelines.



5 – SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Holding are in conformity with practices prescribed by the Commission through issued accounting standards and other applicable laws, which require Management to make certain estimates and use certain assumptions to determine the valuation of certain items included in the consolidated financial statements and make the required disclosures therein. Even though they may differ in their final effect, management considers the estimates and assumptions to have been adequate under the current circumstances.

Pursuant to accounting criteria A-1, "Basic Framework of the Accounting Criteria Applicable to Banking Institutions", prescribed by the Commission, the Institutions' accounting will adhere to Mexican Financial Reporting Standards, (MFRS or individually referred to as Normas de Informacion Financiera (MFRSs)) defined by the Mexican Board of Financial Reporting Standards (previously the Mexican Board for Research and Development of Financial Reporting Standards (CIMFRS)), except when the Commission deems it necessary to apply a specific accounting standard or Circular, considering the fact that financial institutions perform specialized operations.

Explanation for translation into English

The accompanying consolidated financial statements have been translated from Spanish into English for the convenience of users. These consolidated financial statements are presented on the basis of accounting practices prescribed by the Commission. Certain accounting practices applied by the Institution may not conform to Mexican Financial Reporting Standards ("MFRS") or other accounting principles generally accepted outside of Mexico.

Arithmetical translation of the consolidated financial statements from Mexican pesos into United States of America (U.S.) dollars for the year ended December 31, 2025

The consolidated financial statements are stated in millions of Mexican pesos ("Ps.") the currency of the country in which the Institution is incorporated and has its principal operations. The translations of Mexican pesos into U.S. dollars ("USPs. ") are included solely for the convenience of the readers and have been made at the rate of Ps. 18.0080 per one U.S. dollar on December 31, 2025, as issued by Banco de México. Such translation should not be construed as representations that the Mexican peso amounts have been, could have been, or could in the future, be converted into U.S. dollars at this rate or at any other rate, if at all.

Changes in accounting policies

During 2025, the following changes came into force:

Improvements to the NIF that generate accounting changes

NIF A-1, Conceptual Framework of Financial Reporting Standards.- The disclosure of important accounting policies is foreseen in order for institutions to make a more effective disclosure of them. Disclosure of accounting policies is most useful to the user when it includes entity-specific information rather than just standardized information or information that duplicates or summarizes the content of the requirements of particular MFRS.

NIF B-14, Earnings per share.- its scope was modified so that it is applicable only to entities that have capital instruments listed or to be listed, on a stock exchange.

NIF C-19, Financial instruments payable.- certain requirements are added to deregister a financial liability when payment is made in cash using an electronic payment system. In addition, it incorporates disclosure requirements that allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of financial instruments (this requirement is effective for years beginning on or after January 1, 2026).

NIF D-1, Income from contracts with customers.- clarifies that when an entity issues contracts that are similar in economic substance to an insurance contract, it must apply NIF D-1 provided that the entity is a service provider and meets specific requirements.

These rules are effective for fiscal years beginning on or after January 1, 2025, except where a different date has been indicated and early application is permitted.

Improvements to the NIF that do not generate accounting changes



NIF A-1, Conceptual Framework of Financial Reporting Standards.- Clarifications were made to clarify how other comprehensive income (OCI) is recycled, considering that the recycling of the OCI to the statement of comprehensive income must be proportional to the realization of the item that gave rise to it.

NIF B-1, Accounting changes and correction of errors.- Clarifications are made for consistency with the definition of "reclassification".

NIF B-5, Financial information by segments.- It is clarified that the standard is applicable to Public Interest Entities (EIPs) that have financial instruments listed or to be listed on a stock exchange.

NIF B-17, Determination of fair value.- indicates the information that must be disclosed.

NIF C-2, Investments in financial instruments.- modifications were made for purposes of consistency with the definition of "concentration".

NIF C-8, Intangible Assets.- requires that in all cases it be analyzed whether an acquired intangible asset meets the criteria for its recognition.

NIF C-10, Derivative financial instruments and hedging relationships.- clarifies, in an introductory paragraph, that NIF C-10 has an additional criterion to those indicated in International Financial Reporting Standard 9, Financial Instruments, as a requirement to determine the effectiveness of a hedging relationship.

NIF C-15, Impairment on long-lived assets.- it is clarified that the discount rate to be used in projections of future cash flows must not exceed the average long-term growth rate for the products or industries, as well as for the country or countries in which the entity operates and for the market in which the asset is used. unless a higher growth rate can be justified.

NIF C-19, Financial instruments payable.- Clarifications were made to clarify that accounts payable, whose term exceeds one year, must be valued at their amortized cost, considering the value of money over time.

NIF C-20, Financial instruments to collect principal and interest.- modifications were made for purposes of consistency with the definition of "concentration"

These rules come into force for fiscal years beginning on or after January 1, 2025, allowing their early application.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset in such a way that the debit or credit balance is presented in the statement of financial position, as appropriate, if and only if there is the contractual right to offset recognized imports, and the intention to settle the net amount, or to realize the asset and cancel the liability, simultaneously.

Recording of operations

Transactions with securities and repurchase agreements, among others, for its own account or for the account of third parties, are recorded on the date they are agreed, regardless of the date of their settlement.

Financial instruments valuation

To determine the fair value of the positions in financial instruments, both its own and those of third parties, the Financial Group uses the prices, rates and other market information provided by a price provider authorized by the Commission, except for what refers to the operations with futures, which are valued with the market prices determined by the clearing house of the stock exchange in which they are operated.



Cash and cash equivalents

Cash and cash equivalents are stated and valued at nominal value, except for precious metal coins, which are stated at fair value at the end of the period. Cash and cash equivalents available in foreign currency are valued at the closing of the day exchange rate published by Banco de México at the Consolidated statement of financial position.

Margin securities

Margin securities on cash in transactions with derivative financial instruments in recognized markets are recorded at nominal value.

The cash is intended to ensure the compliance with the obligations corresponding to derivatives held in recognized markets and correspond to the initial margin, to partial or total settlements, additional contributions or withdrawals, returns generated by the account itself, as well as commissions that correspond to charge in the validity of the corresponding contracts.

Partial or total settlements deposited and withdrawn by the clearing house due to fluctuations in the prices of derivatives must be recognized within the margin account, affecting as a counterpart a specific account that may be of a debtor or creditor nature, and that it will reflect the effects of the derivative valuation prior to its liquidation. The counterpart of a debtor or creditor nature will represent an advance received, or, a financing granted by the clearing house prior to the liquidation of the derivative.

The amount of margin accounts granted and received in cash in derivative transactions not carried out in recognized markets or exchanges will be presented under other accounts receivable, while the account payable generated by the receipt of cash collateral it will be presented in other accounts payable.

Collaterals granted in such operations, other than restricted cash must remain in the same area from which they originate. The payable account, which represents the obligation of the assignee to return to the transferor the collateral other than cash that has been sold must be presented in the statement of financial position, on collaterals sold or given as collateral. The amount of the collateral other than cash on which the right to sell or give as guarantee has been granted shall be presented in memorandum accounts in a specific item.

As of December 31, 2025 and 2024, the Financial Group maintained standardized derivative and future operations, so cash collateral (cash margin calls) were recognized to ensure compliance with the obligations corresponding to the operations held in markets recognized for the purpose to mitigate the default risk.

Investments in securities

Business model

Pursuant to MFRS C-2, the Financial Group determined a business model consistent with the management of its investments in financial instruments, in order to classify them properly. The business model is based on the way in which financial instruments are managed to generate cash flows for the Financial Group when carrying out its activities and not on a particular intention to hold an instrument.

The Financial Group's business model is determined at a level that reflects how the groups of financial instruments are managed as a whole to achieve a business objective and not based on management's intentions regarding a particular instrument.

The business model for managing financial instruments is based on facts and not on intention. It is typically observable through the activities carried out to achieve the business objective and judgment is applied to determine the business model, since it is not based on a single factor or activity, therefore all the evidence available at the time is considered to do the evaluation.

Derived from the analysis that the Financial Group carried out to determine the business model, financial instruments are classified as follows:



a) financial instruments to collect principal and interest (IFCPI), whose objective is to collect the contractual cash flows and the terms of the contract consider cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount payment. Due to the above, the IFCPI has loan characteristics and are managed based on its contractual performance. These instruments are valued after their initial recognition at their amortized cost, as established in MFRS C-20.

b) financial instruments to collect or sell (IFCV), the objective is to obtain a possible profit in their sale when it is convenient or to collect the contractual cash flows to obtain a profit for the contractual interest that they generate. These instruments are valued at their fair value through Other Comprehensive Income (OCI); or

c) trading financial instrument (IFN), which are all those investments in financial instruments that do not have the characteristics mentioned in the two previous paragraphs, and are made up of debt or capital financial instruments, whose objective is to obtain a profit between the purchase price and the sale price and not to collect principal and interest, that is, its administration is based on the market risks of said instruments, which are valued at their fair value through results.

For the application of the business model, the Financial Group performs SPPI tests (Only payments of principal and interest) to the investments in financial instruments, which consist of testing whether the recovery of the flows is represented only by concept of principal and interest.

Trading financial instruments

Trading financial instruments are securities owned by the Financial Group, acquired with the intention of selling them for a profit derived from the price differences in short-term purchase and sale operations made by the Financial Group as a market participant.

At the time of the acquisition they are initially recorded at fair value, which may include either a discount or premium.

These securities (including both capital and accrued interest) are stated at fair value, which is determined by the price vendor contracted by the Financial Group.

The trading financial instruments valuation result is recorded in the results of the period.

Financial instruments to collect or sell

Financial instruments to collect or sell are debt or equity securities that are neither classified as trading nor held to maturity, therefore they represent a residual category, which means that, they are purchased with an intention different from trading or collect principal and interest.

They are valued in the same way as trading financial instruments, but with unrealized gains and losses recognized in other comprehensive income in consolidated stockholders' equity.

Financial instruments to collect principal and interest

Financial instruments to collect principal and interest consist of debt instruments whose payments are fixed or can be determined with a set maturity, which are acquired with the intent and capability to hold them to maturity.

They are initially recorded at fair value and valued at amortized cost, which means that the amortization of the premium or discount (included in the fair value at which they were initially recorded), is part of the earned interest.

The provisions of paragraph 41.1.1 numeral 4 of MFRS C-20 regarding the use of the market rate as the effective interest rate in the valuation of the financial instrument to collect principal and interest when both rates are substantially different are not applicable.

The option to irrevocably designate a financial instrument to collect principal and interest upon initial recognition, to be subsequently valued at fair value with effect on net income referred to in paragraph 41.3.4 of MFRS C-20, is not applicable.

General valuation standards



Upon the sale of trading financial instruments, the valuation result previously recorded in the year's results is reclassified as part of the gain or loss on the sale. Similarly, upon the sale of financial instruments to collect or sell, the cumulative valuation result recorded in other comprehensive income in stockholders' equity is reclassified as part of the gain or loss on the sale.

Accrued interest on debt instruments is determined using the effective interest method and is recorded in the corresponding category of investments in securities and in the year's results.

Dividends on equity instruments are recorded in the corresponding category of investments in securities and in the year's results when the right to receive such dividends is established.

The foreign exchange gain or loss on investments in securities denominated in foreign currency is recorded in the year's results.

In the event of reclassifications under section 44 of MFRS C-2 among the different categories of investments in financial instruments, they may be made due to changes in the business model, which must be reported in writing to the Commission within the 10 business days following the authorization issued for such purposes by the Risk Committee, detailing the change in the business model that justifies them.

If securities to collect principal and interest are reclassified as securities to collect and sell, the corresponding valuation result on the reclassification date is recorded in other comprehensive income within stockholders' equity.

In the case of debt instruments reclassified from securities to collect and sell to securities to collect principal and interest, the valuation result on the transfer date continues to be reported in stockholders' equity, and it is amortized based on such instrument's remaining life.

Regarding authorized reclassifications from trading financial instruments to any other category, the valuation result on the reclassification date is already acknowledged in the year's results.

An impairment loss on a security is recorded against the year's results if there is objective evidence of such impairment as a result of one or more events, occurring after the initial recording of the security, that have had an impact on the estimated future cash flows that can be reliably determined. The effect of recording the impairment of securities is shown in Note 7.

A previously recorded impairment loss is reversed against the year's results if, in a later period, the amount of the loss decreases and such decrease is objectively associated with an event occurring after the impairment was recorded.

The Financial Group periodically assesses whether its financial instruments to be collected or sold and its financial instruments to be collected principal and interest present impairment under the expected credit loss method (ECL), in accordance with MFRS C-16, considering the credit risk of them. The ECLs are estimated based on all possible default events in the entire life of the IFCVs and IFCPI.

The ECL are the losses accrued in the IFCV and IFCPI that can be evidenced later in view of their probability of default and their severity of loss. Therefore, its recognition begins from the time the IFC is generated, since there is already a risk of uncollectibility, even if it is minimal at that time.

The Financial Group evaluates the ECL on the IFCV and IFCPI considering the following:

- a) The ECL are not the losses verified at the date of the financial statements, but the losses accrued in the IFCV and IFCPI that could be evidenced later in view of their probability of default and their severity of loss. Therefore, its recognition begins when the IFCV and IFCPI are generated, since there is already a risk of uncollectibility, even if it is minimal at that time.
- b) The time value of money; and
- c) Reasonable and supported information that is available without any undue effort or cost at the date of analysis, about past events, current conditions and forecasts of future economic conditions.



In accordance with MFRS C-16, the Financial Group determines the stage of default of IFCV and IFCPI as follows:

Stage 1: They are all those for which their risk of default has not increased significantly since their initial recognition, up to the date of the financial statements. The Probability of Default (PI) is determined at 12 months

Stage 2: Includes those that have already shown a significant increase in credit risk from their initial recognition to the date of the financial statements. The PI is determined by the total term.

Stage 3: They are those for which one or more events have occurred that have a detrimental impact on future cash flows. The IP considered for these investments is 100%.

Based on the identification of the three stages of default described, the amount of the allowance for ECL is determined. For this, the following stages are applied

- 1) The investments with non-compliance of each of the three previous stages are determined, considering the IP applicable to each stage
- 2) Based on the severity of loss (SP), the recoverable amount (MR) of the defaulted investments is determined, valuing the cash flows that are estimated to be recovered at their present value, with the original effective interest rate; and
- 3) The recoverable amount is compared against the defaulted portfolio determined in stage 1 above.

The ECL allowance is recognized in the income statement at the time it is determined.

Customer repurchase agreements (repos)

This is a transaction through which the purchaser acquires ownership of credit securities for a sum of money and is obliged to transfer the property of another amount of securities of the same kind to the seller of the securities within the agreed term and in exchange for the same price plus a premium. The purchaser keeps the premium unless agreed otherwise.

Repurchase transactions are recorded according to their economic substance, which is financing with collateral, through which the Financial Group, acting as the purchaser, provides cash as financing in exchange for financial assets as guarantee in case of non-compliance.

On the repurchase agreement transaction contract date, the Financial Group, acting as the seller, records the cash inflow, or else a settlement debtor account as well as a payable account at its fair value, initially at the agreed price, which represents the obligation to reimburse the cash to the purchaser. The account payable is subsequently valued over the term of the repurchase agreement at amortized cost by recognizing the interest from the repurchase agreement in the year's results using the effective interest method.

As to the collateral granted, the Financial Group reclassifies the financial asset in the Consolidated statement of financial position as restricted and values it according to the criteria mentioned earlier in this note until the maturity of the repurchase agreement.

The Financial Group, acting as the purchaser, on the repurchase transaction contract date records cash and cash equivalents or a creditor settlement account, with an account receivable at its fair value, initially at the agreed price, which represents the right to recover the cash that was delivered. The receivable is subsequently valued over the life of the repurchase agreement at amortized cost by recognizing the repurchase agreement interest in the year's results using the effective interest method.

As to the collateral received, the Financial Group records it in off statement of financial position memorandum accounts until the repurchase agreement's maturity, following the guidelines of Circular B-9, "Asset Custody and Management", issued by the Commission.



When the Financial Group sells the collateral or delivers it as a guarantee, the proceeds from the transaction are recognized, as well as an account payable for the obligation to return the collateral to the reported (initially measured at the agreed price), which is valued, to the case of its sale at fair value or, in the event that it is given as collateral in another repurchase agreement, at its amortized cost (any difference between the price received and the value of the account payable is recognized in the results of the year). For presentation purposes, said account can be offset with the account receivable "Repo debtors" in accordance with the provisions of MFRS B-12.

Derivative financial instruments

The Financial Group is authorized to perform two types of transactions involving derivative financial instruments:

Transactions to hedge the Financial Group's open risk position: Such transactions involve purchasing or selling derivative financial instruments to mitigate the risk resulting from one or a group of given transactions.

Transactions for trading purposes: The Financial Group enters into such transactions as a market participant for reasons other than to hedge its exposed position.

Transactions with derivative financial instruments are presented in assets or liabilities, as applicable, under the heading "Derivative financial instruments", separating derivatives for trading purposes from those for hedging purposes.

When entering into transactions involving derivative financial instruments, the Financial Group's internal policies and norms require an assessment and if necessary, determination of different risk exposures for each counterparty in the financial system that have been authorized by Banco de México to enter into these types of transactions. Regarding corporate customers, a preauthorized credit line by the National Credit Committee must be granted or liquid guarantees must be given through a securitized collateral contract before entering into these types of transactions. Medium and small sized companies and individuals must provide liquid guarantees established in securitized collateral contracts with this type of transactions.

The recognition or cancellation of assets and/or liabilities resulting from transactions involving derivative financial instruments occurs when these transactions are entered into, regardless of the respective settlement or delivery date of the goods.

Forward and futures contracts

Forward and futures contracts with trading purposes establish an obligation to buy or sell a financial asset or an underlying at a future date in the quantity, quality and prices pre-established in the contract. Future contracts are recorded initially by the Financial Group in the Consolidated statement of financial positions as an asset and a liability at fair value, which represents the price agreed in the contract in order to acknowledge the right and obligation of receiving and/or delivering the underlying, as well as the right and obligation of receiving and/or delivering the cash equivalent to the underlying, object of the contract.

The derivatives are presented in a specific item of the assets or liability depending on whether their fair value (as a consequence of the rights and/or obligations it establishes) corresponds to the debtor balance or creditor balance. Such debtor or creditor balances in the Consolidated statement of financial positions are offset when the Financial Group has the contractual right to offset the stated amount, the intention of liquidating the net amount or to realize the asset and cancel the liability simultaneously.

In the case of transactions for trading purposes, their balance represents the difference between the fair value of the contract and the established "forward" price.

Option contracts

Through paying a premium, options contracts grant the right but not the obligation to buy or sell a financial asset or underlying instrument at a given price within an established term.

Options are divided into: options to buy (calls) and options to sell (puts). Both can be used as trading or hedging instruments.



Options can be executed on a specific date or within a certain period of time. The price is agreed in the option and may be exercised at the discretion of the buyer. The instrument used to establish the price is the reference or underlying value.

The premium is the price the holder pays to the issuer for the option rights.

The holder of a call option has the right, but not the obligation, to purchase from the issuer a certain financial asset or underlying instrument at a fixed price (transaction price) within a certain term.

The holder of a put option has the right, but not the obligation, to sell a certain financial asset or underlying instrument at a fixed price (transaction price) within a certain term.

The Financial Group records the option premium as an asset or liability at the transaction date. The fluctuations resulting from market valuation of the option's premium are recorded by affecting the Consolidated Income Statement in the account "Trading results" and the corresponding Consolidated statement of financial position account.

Swaps

These are two-party contracts through which a bilateral obligation is established to exchange a series of cash flows for a certain period on pre-set dates at a nominal or reference value.

They are recorded at fair value which corresponds to the net amount between the asset and liability portion for the rights and obligations agreed upon; they are subsequently valued at fair value using the present value of the future flows to receive or grant according to the projections for future implicit applicable rates, discounting the market rate on the valuation date with yield curves given by the price provider. The result of such valuation is recorded in the year's results.

Management's risk policy regarding hedging contracts is to protect the Financial Group's Consolidated Statement of financial positions and to anticipate interest and exchange rate fluctuations, thereby protecting the stockholders' equity.

For hedging derivatives, the Financial Group applies the fair value and cash flow hedging methods and the accumulated compensation method to measure effectiveness. Such methods are approved by current accounting standards. In case ineffective hedges are detected, they are recorded in the year's results.

The Financial Group documents hedging transactions from the date on which the derivatives are designated as hedges. The documentation is carried out by drawing up a file for each operation, leaving the evidence as required in NIF C-10 "Derivative Financial Instruments and Hedging Relationships" (NIF C-10), which sets out the conditions for the use of hedge accounting.

Accordingly, the Financial Group documents its cash flow's hedging transactions based on the following guidelines:

- a. The effective portion of the hedging instrument's gain or loss is recorded as a component of other comprehensive income in stockholders' equity using an asset or liability account called "derivative financial instruments" with an offsetting account in liquid assets or liabilities. The portion determined as ineffective is measured through retrospective testing, and when it results in over-hedging, it is immediately recognized in the period's results under "Trading results".
- b. The effective hedging component recognized in stockholders' equity associated with the hedged item is adjusted to equal the lowest (in absolute terms) of:
 - i. The accumulated gain or loss of the hedging instrument from its inception.
 - ii. The accumulated change in fair value (present value) of the hedged expected future cash flows from the beginning of the transaction.



Valuation techniques

Since the derivatives used by the Financial Group are considered as conventional (“Plain Vanilla”) standard valuation models contained in the derivative transaction systems and the Financial Group's risk management are used.

All of the valuation methods that the Financial Group uses result in fair value of the transactions and are periodically adjusted. Furthermore, they are audited by internal and external auditors as well as by the financial authorities.

Valuation of the positions is done on a daily basis and a price provider generates the input used by the transaction and risk management systems. The price provider generates these valuations based on daily market conditions.

The valuation methods are based on the principles accepted and commonly used by the market. As of 31 December 2025, and 2024, derivatives are valued using the Present Value of Flows method, with the exception of the options. This method consists of estimating the future flows of derivatives, using the difference between the level of and the forward curves of the market at the valuation date, and then discount these flows and bring them to present value. The options are evaluated under the Black and Scholes method, which, in addition to the value The present of the flows involves the volatility and probability of occurrence for the calculation of the premium. Once the market value of the option is obtained, it is compared against the original premium accrued on the date of the valuation.

Cancellation of hedging accounting

A cash flow hedging relation is cancelled when:

1. The hedging instrument expires or is sold, terminated or enforced;
2. The hedging fails to meet the requirements of documentation, evaluation and effectiveness measuring;
3. The projected transaction is not expected to occur;
4. The hedging designation is revoked.

For cases 1 and 2, the profit or loss recorded in net income stays in that account until the projected transactions occurs. For case 3, the profit or loss recorded in net income should be immediately restated in results; and for case 4, if the hedging is on a projected transaction, the loss or profit stated in net income should stay in that account until the projected transactions is realized. Otherwise, it should be immediately restated in results.

A fair value hedging relation is canceled when:

1. The hedging instrument expires or is sold, terminated or enforced;
2. The hedging fails to meet the requirements of documentation, evaluation and effectiveness measuring;
3. The hedging designation is revoked.

Any adjustment to the result from the valuation adjustment of the hedged item attributable to the covered risk, should be amortized in the period's results. The amortization begins as soon as the adjustment turns up, and under no circumstance after the hedged item is no longer adjusted due to changes in the fair value attributable to the risk covered. The adjustment should be amortized in full on the due date of the hedged item.

Operation strategies

Trading

The Financial Group participates in the derivatives market with trading purposes, and the risk exposures generated are computed within its overall VaR limit.

The trading strategy is submitted on a weekly basis to the Financial Group's Treasury Committee, which analyzes the current risks and takes any necessary decisions.

The trading strategy is carried out according to market levels and expectations, maximizing the circumstances to obtain a benefit by trading, margin and volatility. Each trading strategy is submitted to the Treasury Committee on a weekly basis for its consideration. The Risk Policies Committee analyzes the risks and then decides accordingly.



Hedging

The hedging strategy is determined annually and when market conditions require it. Hedging strategies are submitted to the Risk Policies Committee.

Hedging transactions comply with the applicable norm set forth in NIF C-10. This implies among other things that the hedge effectiveness be evaluated both prospectively (prior to its agreement) and in a prospective manner retrospectively (after its agreement). These tests must be performed on a monthly basis.

The hedging strategy is determined annually and each time the market conditions require. Hedges are used to reduce foreign exchange risks, through both, exchange rate forwards and currency swaps, as well as interest rates by means of interest rate swaps. This is done with the purpose of setting the rates paid on debt issued by the Financial Group, thereby ensuring the debt servicing, as well as to make investments that generate greater value for the customers. The main strategy is to ensure that the Financial Group's future income and expenses are covered, maximizing its profitability.

Hedging derivatives can be restated whole or partially due to hedging inefficiencies, maturity or sale of primary position.

Contingencies

To enter the derivatives market, the Financial Group is bound by agreement to deliver its financial information in a timely manner and to abide by the applicable laws, regulations and provisions, as well as to provide written notice to the affected parties in case that an event arises that could be considered as early termination, which could lead to a credit contingency. These include the following: bankruptcy filing, payment suspension, restructuring, intervention, liquidation, dissolution or other similar judicial or extra-judicial proceedings that affect the Financial Group; if the statements stipulated in the contract are incorrect; the Financial Group's failure to fulfill its obligations and/or payments; breach of contract; the Financial Group's consolidates or merges with another entity thereby transferring a substantial portion of its assets; failure to provide the guarantees that were agreed in the event of noncompliance with obligations or if such guarantees expired or diminished in value; the Financial Group's falls into insolvency, lower credit quality or illegality due to changes in the tax or legal legislation; the existence of a ruling, proceeding or embargo against the Financial Group that could substantially affect its ability to fulfill its obligations in a timely manner; or general noncompliance with obligations. Each ground for early termination is subject to the counter-party's consideration to determine its importance and substantiality regarding the Financial Group's ability to comply.

As of December 31, 2025 and 2024, there have been no contingency situations.

Embedded derivatives

Embedded derivatives are those contract components that do not intend to explicitly originate a derivative financial instrument but rather that the implicit risks generated or hedged by those components differ in their economic and risk features from those of the contract, and therefore display a behavior and features similar to those of a common derivative.

Identified embedded derivatives are separated from the host contract for valuation purposes and are treated as a derivative when they meet the features outlined in NIF C-10, unless the embedded derivative is denominated in a currency commonly used for the purchase and sale of non-financial items in the economic environment where the transaction takes place. The main embedded derivatives recognized by the Financial Group prior to January 2011 are from service and leasing contracts established in US dollars.



Loan portfolio

Business model

In accordance with criterion B-6 “Loan Portfolio”, the Financial Group has implemented a business model in accordance with the provisions of MFRS C-2 based on the administration and management of the loan portfolio to generate cash flows, with this business model the Financial Group determines whether the cash flows will come from obtaining contractual cash flows, from the sale of the credit portfolio, or from both.

The business model to administer and manage the loan portfolio is a matter of facts, not an intention or statement. It is typically observable through the activities carried out to achieve the business objective and judgment is applied to determine the business model, since it is not based on a single factor or activity, therefore all the evidence available at the time is considered to do the evaluation.

The loan portfolio is recognized if the objective of the business model is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount payment, in this case the portfolio is valued at amortized cost in accordance with criterion B-6, if the above is not met, it is valued in accordance with the provisions of MFRS C-2.

Loans or loan portfolios previously evaluated, whose contractual conditions are modified and in the case of new products, are submitted to the SPPI tests and are authorized by the Credit Committee of the Financial Group, it is also communicated in writing to the Commission within the 10 calendar days prior to its application, stating in detail the justification for its classification within the business model for collection of principal and interest, to negotiate or to collect or sell.

The Financial Group evaluates periodically the business model, in accordance with its established policies for the classification of the portfolio based on the business model. The aforementioned policies are duly documented.

Loan portfolio represents the balance of the amounts actually delivered to borrowers plus accrued interest not collected, less interest collected in advance. The allowance for loan losses is presented by deducting the balances of the portfolio. Transaction costs and commissions charged at the beginning of the loan are recognized separately as a deferred charge or credit, and are presented net in deferred items, as part of the loan portfolio.

Interest collected in advance is recognized as a deferred credit and is presented net of the loan portfolio that originated it.

The unpaid loan balance is classified as stage 1 as follows:

- Loans with single amortization at maturity of principal and interest that accumulate from 0 to 29 calendar days after payment overdue.
- In the case of loans with a single amortization of principal at maturity, but with periodic interest payments, when they accumulate between 0 and 29 days after payment overdue of principal, or between 0 and 30 days after payment overdue in interest payments.
- Commercial loans whose amortization of principal and interest have been agreed in partial periodic payments, when the first amortization is 0 to 30 calendar days after payment overdue, in the case of consumer credits when they accumulate zero arrears or the equivalent of 1 arrears or less.

The unpaid loan balance is classified as stage 2 as follows:

- In the case of commercial loans with a single amortization of principal at maturity, but with periodic interest payments, when interest accumulates from 31 to 89 calendar days after payment overdue.
- Loans whose amortization of principal and interest have been agreed in partial periodic payments, when they are 31 to 89 calendar days after payment overdue in their amortizations, in the case of consumer loans when they accumulate more than 1 arrears or the equivalent of 3 arrears or less.

The unpaid loan balance is classified as stage 3 as follows:

- Loans with single amortization at maturity of principal and interest, 30 calendar days after maturity occurs



- In the case of loans with a single amortization of principal at maturity, but with periodic interest payments, the total principal and interest at 30 and 90 calendar days after payment overdue, respectively.
- Loans whose amortization of principal and interest have been agreed in partial periodic payments, 90 calendar days after payment overdue in their amortizations, in the case of consumer loans when they accumulate more than 3 arrears or 90 or more days after payment overdue in their payments, whichever comes first.
- In the case of revolving loans, when payment has not been made for two periods or they are 90 or more days after payment overdue, in the case of consumer loans when they accumulate more than 3 arrears or 90 or more days in arrears in their payments.
- In the case of overdrafts in customer checking accounts, they are considered as a stage 3 portfolio at the time the overdraft occurs.

Interest is recognized and accrued as income when earned. The accrual of interest income is suspended when loans are transferred to stage 3.

The commissions collected for the initial granting, restructuring and renewal of loans, interest collected in advance, as well as the loss from renegotiation, are recorded as a deferred credit, which is amortized against the results of the year as interest income, under the effective interest method, through the application of the effective interest rate, during the life of the credit, except those originating from credit cards that are recognized directly in results.

Annual credit card fees, whether the first annual charge or subsequent of a renewal, are recorded as a deferred credit and amortized over a 12-month period against the year's results in the commission and fee income line item.

The costs and expenses associated with the initial granting, restructuring and renewal of a loan, as well as the profit from renegotiation, are stated as a deferred charge, which is amortized against the results of the year as interest income, under the effective interest method, through the application of the effective interest rate, during the life of the credit, except those originating from credit cards that are recognized directly in results.

When a loan is considered to have stage 3 credit risk, the balance pending amortization of transaction costs, as well as commissions charged for the initial granting, restructuring and renewal of credits, and interest collected in advance are recognized in results and, if applicable, the effect of the profit or loss in renegotiation pending amortization against the results of the year.

The restructured or renewed loans that have been transferred to the next immediate risk stage, until the moment in which there is evidence of sustained payment, which is considered when the Financial Group receives the collection without delay and in its entirety of three consecutive amortizations, in the case of loans with amortizations that cover between 61 and 90 days, the payment of two amortizations, or, the collection of an exhibition in the cases in which the amortization covers periods greater than 90 days.

The restructured credits are renewed with single payment of principal at maturity, regardless of whether the payment of interests is periodic or at maturity, it is considered that there is sustained payment of credit when, The accredited has covered at least 20% of the original amount of the loan at the time of the restructuring or renewal, Or, has covered the amount of accrued interest in accordance with the scheme of payments by restructuring or renewal for a period of 90 days and this period has passed.

When a loan is restructured in stage 1 or 2 and remains in one of those stages, the effect of renegotiation is determined as follows:

- a) The book value of the loan is determined, which corresponds to the amortized cost at the date of the renegotiation,
- b) The new future cash flows are determined on the partially restructured or renewed amount, discounted at the original effective interest rate,
- c) The difference between the book value and the cash flows determined in subparagraph b) above is determined and recognized as a deferred charge or credit against the profit or loss from loan portfolio renegotiation in the statement of comprehensive income.

The determination of profit or loss from renegotiation is not applicable to credit cards, or to credits with stage 3 credit risk.



If the Financial Group renews a loan, it is considered that there is a new loan, therefore the previous loan is canceled in the event of a total renewal.

Accrued interest during the period in which the loan was included in stage 3 is recognized as income when collected.

The recognition of interest income is renewed when the portfolio is no longer considered stage 3, which occurs when the outstanding balances, including the principal, interest and any other item, are paid in full.

Restructured loans are those whose terms have been modified due to the borrowers' financial difficulties, and it was decided to grant them a concession. Such modifications may include reductions in the interest rate, debt discount or term extensions.

The Financial Group regularly evaluates whether a stage 3 loan should remain in the statement of financial position or be written off. Such write-offs are done by canceling the outstanding loan balance against the allowance for loan losses. The Financial Group may opt to eliminate from its assets those stage 3 loans that are 100% provisioned according to the following parameters:

- Commercial loans – Must be classified in stage 3 loans, with an E risk rating, 100% reserved, unsecured by any fund.
- Consumer loans – 180 days or more overdue.
- Mortgage loans – 450 days or more overdue.

Write-offs and discounts, that is, the amount forgiven for the payment of the loan partially or totally, is recorded with a charge to allowance for credit risks. In the event that the amount of these exceeds the balance of the estimate associated with the loan, estimates are made up to the amount of the difference.

When the balance of the allowance for credit risks exceeds the amount required under the Provisions, the differential is canceled in the period in which said excesses occur, against the results of the year, affecting the allowance for loan losses.

Allowance for loan losses

As of January 1, 2022, regulatory modifications of the Commission entered into force, regarding the classification and registration of the loan portfolio (Accounting Criterion B-6) for the implementation of the MFRS C-16 (IFRS 9), modifications to the standard methodologies for rating and calculating allowance for loan losses, recalibration of the standard methodologies for calculating the probability of default of the commercial portfolio and changes in the requirements to certify internal models and methodologies for calculating capital requirements for credit risk and estimate of preventive reserves.

Within these modifications, loans are classified into three "Stages" based on their risk: those cataloged within Stage 1 are considered to have no significant increase in credit risk, Stage 2 are considered those that have a significant increase in credit risk, but without objective evidence of impairment. Stage 3 classifies those loans where there is objective evidence of impairment. With the above description, for loans classified in Stage 1 and 3, the expected loss was calculated over a 12-month time horizon, while for those loans classified in Stage 2, expected losses were recognized throughout the life of the loan.

Among the most relevant regulatory changes in standard portfolio rating methodologies and in the requirements to certify internal models and methodologies, the following stand out:



Standard methodology

- All portfolios
 - In loans classified as Stage 2, allowances are estimated considering the higher of the expected loss with a 12-month horizon or the expected loss considering the remaining term of the loan.
- Commercial loans
 - The methodologies for determining the Probabilities of Default of all types of borrowers (Governments loans, Financial Holding Companies and Business with Sales of less than 14 million udis) are replaced.
 - The methodology for determining the percentage of reserves in loans granted to Investment Projects with their own source of payment is modified, where in addition to the cash flow, a series of qualitative factors specific to each type of project are evaluated.
 - The Severity of the Loss of unsecured credits is modified to differentiate the factor according to the type of borrower, and additionally, the evolution of said Severity of the Loss of credits classified in Stage 3 is modified, which will gradually increase to reach 100% in a period of 36 months after its classification in Stage 3.
 - The formulas for estimating the Exposure at Default in committed lines of credit are adjusted.
 - In certain exposures, Rebuttal of Stage 2 is allowed when the borrower's delay event is due to an operational issue, a quantitative and qualitative analysis is carried out, and it is also approved by a collegiate body.

In the event of impairment in the credit quality of the borrower, in certain exposures the deterioration to a Stage of higher risk is allowed after a quantitative and qualitative analysis, and that is also approved by a collegiate body.

Internal models

In October 2016, the Board of Directors approved the implementation plan for the internal models for calculating reserves and capital requirements for all modelable portfolios, which was sent to the Commission that same year. Pursuant to this implementation plan, the models for the Credit Card, Business and Personal Automotive portfolios were certified.

At the end of 2018, the Commission released the project to migrate standard and internal methodologies under the IFRS 9 approach, but it was not until March 2020 that the definitive rules for Internal Methodologies on the Official Gazette of the Federation (DOF). reserves based on MFRS C-16 (IFRS 9), effective as of January 2021, however, derived from the Covid-19 pandemic, the Commission issued a statement in April 2020, indicating that the rule would be effective as of January 2022.

Due to the foregoing, the Financial Group adhered to the new regulation and adopted the Internal Reserve Methodologies based on MFRS C-16, requesting in April 2021 the CPR and the Board of Directors, the approval of the new Implementation Plan (Capital and Reserves), which was authorized by the Commission in January 2022 through Official Letter No. 111-2/852/2022.

Therefore, as of January 2022, when the MFRS C-16 (IFRS 9) standard came into force, it is being used to calculate preventive reserves for credit risks, both in the Standard Approach and in the Internal Models. Consequently, for the Internal Models there will be estimates for the risk parameters under two approaches: IRB for calculating the capital requirement and IMFRS9 for calculating reserves:

- The approach for equity will maintain long-term estimates under Annex 15 of the CUB2.
- The approach for reserves captures current behaviors and with a prospective approach (future macroeconomic environment), under Annex 15 Bis of the CUB. In addition, the new methodology indicates that the portfolio must be classified into 3 risk stages, being necessary for stage 2 a reserve calculation for the remaining term.



Given the new guidelines of the CUB on Internal Models, the Commission will only issue an official letter of approval for the use of the methodology for the Calculation of Equity, for a maximum period of 18 months. The use of the internal reserve methodology is authorized by the Board of Directors with the support of the Technical Evaluation made by the Independent Evaluator that guarantees compliance with the model under the standards established in Annex 15 Bis. It should be noted that the Technical Evaluation Report is sent to the Commission for its review, the validity of this model is also for a maximum period of 18 months.

Advanced Internal Model for Credit Card

On November 15, 2017, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for Credit Card (TDC) qualification for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official 111-3/706/2017). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months. (Official Letter 111-2/272/2021) and the Board of Directors authorized the use of the reserve methodology based on MFRS C-16 at its meeting held on October 21, 2021. The maximum period of use of the reserve model is also for 18 months.

These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience, and have been applied as of February 2018 (with January figures). The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI)
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

Advanced Internal Model for Individual Auto Loan

On November 25, 2019, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for the qualification of Individuals Auto Loans (Auto PF) for the constitution of regulatory reserves and capital for credit risk with a focus advanced (Official 111/678/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on September 29, 2022, the Commission (Official 111-2/272/2021) granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months, and the Board of Directors authorized the use of the reserve methodology based on MFRS-C16 at its meeting on July 21, 2022. The maximum period of use of the reserve model also is for 18 months.

These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI)
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.



Basic Internal Model for Business

The Financial Group obtained on November 30, 2018 from the Commission the approval for the use of the Internal Model for business for the constitution of reserves and regulatory capital requirement for credit risk with a basic approach (Official Letter 111-3/1472/ 2018) in Banorte, and on March 1, 2019 for AyF (Oficios 111-1/160/2019 and 111-1/161/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months. for Banorte (Official 111-2/269/2021) and AyF (Official 111-2/267/2021). Likewise, the Board of Directors authorized the use of the reserve methodology based on MFRS C16 at its meeting held on October 21, 2021 for Banorte and on October 20, 2021 for AyF. The maximum period of use of the reservation model is also for 18 months.

The positions subject to those qualification are Business Entities (other than federal entities, municipalities and financial entities) and individuals with business activity, both with annual sales greater than or equal to 14 million UDIs.

The Internal Model improves comprehensive credit risk management, estimating risk parameters through the Institution's experience, and has been applied as of February 2019 (with figures as of January) at Banorte; and as of March 2019 (with figures as of February) in AyF. The authorized parameter under the Basic Internal Model of Companies is:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.

Acquired collection rights

Are represented by the acquisition cost of the various packages of credit assets acquired by the Financial Group and are valued at amortized cost through the effective interest method with the effective interest rate.

For purposes of recognition of effective interest, the effective interest rate of the collection rights may be adjusted periodically in order to recognize variations in the estimated cash flows to be received.

The collection rights acquired by the Financial Group are considered as financial instruments receivable with high credit risk (stage 3), and cannot be transferred to another stage for any subsequent effect.

Impairment of credit assets.- The Financial Group performs an evaluation of the expected cash flows periodically during the term of the collection rights, discounts them based on the effective interest rate of each portfolio in accordance with the provisions of the MFRS C-16, in the event that, based on events and information, it is determined that said discounted cash flows will decrease, it constitutes an estimate for irrecoverability or difficult collection against the results of the year, for the amount by which said discounted cash flows are less to the book value of the account receivable.

Premium receivables

This balance represents the premiums pending collection on the statement of financial position date. Pursuant to the provisions of the General Law of Institutions and Mutual Insurance Companies (the Law) and the Mexican National Insurance Commission CNSF, premiums over 45 days old should be cancelled against the year's earnings including, if applicable, the technical reserves, acquisition cost and relative reinsurance granted, and should not be considered in the coverage of technical reserves.

Based on the internal policy approved by the CEO, where it establishes that the policies will be protected based on the payment agreement on the 2025 and 2024, premiums older than 45 days that have not been paid amount to approximately Ps. 80 and Ps. 112, respectively, excluding maturities of less than 45 days and even receipts that were not yet in force on the indicated date, a situation that arises when considering the total debit balance of the policy if it has at least one receipt older than 45 days, as well as debts in charge of dependencies and entities of the federal public administration, amount to which the net unearned premium, commissions and corresponding reinsurance must be reduced to determine its net effect on results. Said amount was not computed for the coverage of technical reserves.



Reinsurance

According to the rules of the CNSF, a portion of the insurance contracted by the Financial Group is ceded in reinsurance to other insurance or reinsurance companies. Therefore they are part of both the premiums and the casualty rate cost.

Other accounts receivable and payable

The Financial Group performs a study to quantify the different future events that could affect the amount in accounts receivable over 90 days and thus determine the percentage of non-recoverability in order to calculate its allowance for doubtful accounts, as per the provisions. The remaining balance of accounts receivable is reserved at 90 calendar days from the initial recognition.

The balances of asset and liability settlement accounts represent transactions involving the sale and purchase of currency and securities, recorded when entered into and are settled within 48 hours.

The investment projects' balances represent financing to investment projects' trusts (especially in the development of social housing). The Financial Group acknowledges a yield from the trust financing disposal, which is related to the construction project's progress compliance and/or sale as stated in each trust's agreement. Failure to meet the construction project's progress and/or sale as stipulated in the agreement, the Financial Group stops recording the funding yield.

To assess investment projects, each project's expected value is determined according to the expected flow of the sale of investment project's potential inventory or that of a portfolio of investment projects of the Financial Group based on the current business plan.

The impairment of investment projects will be determined based on the projection of cash flows to be recovered discounted at present value using a corresponding interest rate, in accordance with the policy mentioned in note 5.

Merchandise inventory

This is comprised mainly of finished goods and is restated to the lower of replacement cost or market. Cost of sales, included in "Other Operating Income (expenses)" in the Consolidated Income Statements is restated using the replacement cost at the time of the sale.

Impairment of the value of long-lived assets and their disposal

The Financial Group has established guidelines to identify and, if applicable, record losses derived from the impairment or decrease in value of long-lived tangible or intangible assets, including goodwill.

Foreclosed assets, net

Foreclosed property or property received as payments in kind are recorded at the lower of their cost or fair value minus the strictly necessary costs and expenses disbursed in the foreclosure. Cost is determined as the forced-sale value established by the judge upon foreclosure or, in the case of payments in kind, the price agreed between the parties involved.

The recognition of the awarded asset will be the lower between the gross book value of the asset that gave rise to the award (without deducting the reserve), and the net realizable value of the assets received, when the entity's intention is to sell said assets. to recover the amount to be collected. The net realizable value is the estimated amount of what you expect to receive from the sale of the asset less disposal costs.

When the gross value of the asset or the accrued or past due amortizations leading to the foreclosure, is higher than the foreclosed property, the difference is recorded in the period's results under "Other operating income (expenses)".

When the value of the asset or the accrued or past due amortizations leading to the foreclosure, estimates, is lower than the foreclosed property, its value is adjusted to the asset's value.



The carrying value is only modified when there is evidence that the fair value is lower than the recorded carrying value. Reductions in the carrying value of the loan are recorded in the current earnings as they occur.

The provisions applicable to the new valuation methodology for the allowance for loan losses mentioned above define the valuation methodology for reserves related to either foreclosed property or those assets received as payment in kind, establishing that additional quarterly provisions must be created to recognize the potential decrease in value over time of property awarded under legal proceedings, out-of-court or received as payment in kind and the investments in financial instruments received as foreclosed goods or payment in kind, based on the following guidelines:

I. In the case of collection rights and movable property, the provisions referenced in the preceding paragraph must be treated as follows:

Movable property reserves	
Time elapsed as of award date or receipt as payment in kind (months)	Reserve percentage
Up to 6	-%
More than 6 and up to 12	10%
More than 12 and up to 18	20%
More than 18 and up to 24	45%
More than 24 and up to 30	60%
More than 30	100%

The amount of the reserves to be created will be the result of applying the reserve percentage determined under the preceding table to the value of collection rights or foreclosed property, received as payment in kind or awarded in a court proceeding.

II. Investments in financial instruments must be valued in accordance with the provisions of the MFRS C-2 or MFRS C-20, using annual audited financial statements and monthly financial information of the issuer.

Following the valuation of foreclosed assets or those received as payment in kind, the reserves resulting from applying the percentages established in the table of Section I above to the estimated value, must be created.

III. In the case of real estate property, provisions must be created as follows:

Real estate property reserves	
Time elapsed as of award date or receipt as payment in kind (months)	Reserve percentage
Up to 12	-%
More than 12 and up to 24	10%
More than 24 and up to 30	15%
More than 30 and up to 36	25%
More than 36 and up to 42	30%
More than 42 and up to 48	35%
More than 48 and up to 54	40%
More than 54 and up to 60	50%
More than 60	100%

The amount of the reserves to be created will be the result of applying the reserve percentage determined under the preceding table to the awarded value of the property based on the accounting criteria. Furthermore, when problems are identified regarding the realization of the value of the foreclosed property, the Financial Group records additional reserves based on management's best estimates. On December 31, 2025 and 2024, there were no reserves other than those created by the percentage applied based on the accounting criteria that could indicate realization problems with the values of the foreclosed properties.

If appraisals subsequent to the foreclosure or payment in kind result in the recording of a decrease in the value of the collection rights, securities, movable or real estate property, the reserve percentages contained in the preceding table can be applied to the adjusted value.



Property, furniture and equipment

Property, furniture and equipment are recorded at acquisition cost. The balances of acquisitions made up to December 31, 2007 are restated using factors derived from the value of the UDI of that date.

Depreciation is calculated using the straight-line method based on the useful lives of the assets as estimated by independent appraisers.

Lease right of use assets / Lease liability

Asset for rights of use.

It represents the initial valuation amount of the lease liability, plus the lease payments made in advance, plus the initial direct costs incurred. Subsequently, the right-of-use asset is depreciated monthly in accordance with MFRS C-6 during the life of the lease.

Lease liability.

It represents the present value of future lease payments. Future payments are discounted using a risk-free rate, which is maintained until the end of the lease. The subsequent valuation of the lease liability is at amortized cost.

Permanent stock investments

The Financial Group recognizes its investments in associated companies where it has significant influence but not control using the equity method, based on the book values shown in the most recent financial statements of such entities.

Income taxes

Income tax (ISR) is recorded in the year it is incurred. Deferred income taxes are calculated by applying the corresponding tax rate to the applicable temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. The deferred income tax assets are recorded only when there is a high probability of recovery.

The net effect of the aforementioned items is presented in the Consolidated Statement of Financial Position under the "Deferred Income taxes, net" line.

Intangible assets

Intangible assets are recognized in the Consolidated Statement of Financial Position provided they are identifiable and generate future economic benefits that are controlled by the Financial Group. The amortizable amount of the intangible asset is assigned on a systematic basis during its estimated useful life. Intangible assets with indefinite lives are not amortized and their value is subject to the annual impairment tests.

Goodwill

The Financial Group records goodwill when the total fair value of the acquisition cost and the Non-controlling interest is greater than the fair value of the net assets of the acquired business, pursuant to MFRS B-7, "Business acquisitions." As goodwill is considered an intangible asset with an indefinite life, it is subject to impairment tests at least annually according to MFRS C-15, "Impairment in the value of long-lasting assets and their disposal." No indicators of impairment of goodwill have been identified as of December 31, 2025 and 2024.

Deposits

Liabilities derived from deposits, including promissory notes settled at maturity, are recorded at their funding or placement cost plus accrued interest, determined according to the number of days elapsed at each monthly close, which are charged against results when accrued as an interest expense.



Interbank and other loans

These loans are recorded based on the contractual value, recognizing the interest in the year's earnings as accrued. The Financial Group records in this item the direct loans obtained from domestic and foreign banks, loans obtained through bids with Banco de Mexico and development funds' financing. Furthermore, this includes discounted loan portfolios from funds provided by banks specializing in financing economic, productive or development activities.

Technical reserves

According to the Commission, all technical reserves must be audited by independent actuaries on a yearly basis. On February 10, 2026 and February 11, 2025, the actuaries have confirmed that in their opinion, the amounts of the reserves recorded by the Financial Group as of December 31, 2025 and 2024, respectively, are reasonably acceptable based on its liabilities, and are within the parameters that the actuarial practice indicates and comply with the criteria considered by the authorities in the matter.

Technical reserves are constituted pursuant to the terms set forth by the Law, as well as to the provisions issued by the CNSF. To value the technical reserves, the Insurance Company used the valuation methods of the provisions set forth in Chapter 5, "Technical Reserves" in the CUSF published in the Official Gazette on December 19, 2014.

1) Unexpired risk reserve:

In terms of the provisions of section I of article 217 of the LISF, the unexpired risk reserve is intended to cover the expected value of future liabilities arising from the payment of claims, benefits, guaranteed securities, dividends, acquisition and administrative costs, as well as any future liability arising from insurance contracts.

The unexpired risk reserve will include the amount of premiums issued in advance, understanding that a premium issued in advance is when it is issued on a date prior to the effective date of the policy to which said premium corresponds.

The reserve for insurance operations is determined in accordance with actuarial formulas, considering the characteristics of policies in force, reviewed and approved by the Commission.

The unexpired risk reserve is valued in accordance with the following:

I. The amount of the unexpired risk reserve shall be equal to the sum of the best estimate and a risk margin, which shall be calculated separately.

II. The best estimate will be equal to the expected value of the future flows of liabilities, understood as the weighted average probability of these flows, considering the time value of money based on the risk-free market interest rate curves for each currency or monetary unit provided by the price provider with which they maintain a contract.

III. The calculation of the best estimate shall be based on timely, reliable, homogeneous and sufficient information as well as realistic assumptions and shall be made using actuarial methods and statistical techniques based on the application of the actuarial practice standards referred to in Chapter 5.17 of the CUSF. For these purposes, when an Insurance Institution or Mutual Society does not have reliable, homogeneous and sufficient information of its own, it must use the corresponding market information.

IV. The projection of future flows used in the calculation of the best estimate will consider the total of gross revenues and expenses (without deducting Reinsurance Recoveries), which are necessary to meet the obligations of the insurance and reinsurance contracts throughout their period of validity, as well as other liabilities that the Insurance Institution or *Sociedad Mutualista* assumes in relation to them.



V. The future income flows will be determined as the best estimate of the expected value of the future income that the Insurance Institution or *Sociedad Mutualista* will have for premiums that, according to the payment method established in the contracts that are in force at the time of valuation, will mature in the future time of validity of such contracts, as well as recoveries and adjustments of less than the estimates of claims. Future premiums for these effects will not be considered as premiums due and unpaid at the time of valuation, or the fractional payments that are accounted for under the concept of debtor for the premium.

VI. Future outflows will be determined as the best estimate of the expected value of future payments and expenses to be incurred by the Insurance Institution or *Sociedad Mutualista* as a result of claims and adjustments of having more derivatives vs. the risks covered, dividend payments, redemptions, administrative and acquisition costs for contracts in force at the time of valuation. Future outflows must also consider all other payments to the insured and beneficiaries, as well as the expenses that the Insurance Institution or *Sociedad Mutualista* will incur in order to meet the obligations of the insurance and reinsurance contracts, as well as the effect of the exchange rate and inflation, including that relating to expenses and claims.

VII. In the constitution and valuation of the unexpired risk reserve, the amount of the guaranteed assets, as well as the possible options for the insured or beneficiary included in the insurance contracts, should be considered. Any hypothesis used by the Insurance Institution or *Sociedad Mutualista* with respect to the likelihood that the insured or beneficiaries will exercise the contractual options, including those related to resolution, termination and redemption, must be realistic and based on timely, reliable, homogeneous and sufficient information. The assumptions must consider, explicitly or implicitly, the consequences that future changes in financial and other conditions may have on the exercise of such options;

VIII. The risk margin will be calculated in accordance with the provisions of Chapter 5.4 of the CUSF.

IX. In the valuation and constitution of unexpired risk reserves, the liabilities should be segmented into homogeneous risk groups.

X. The short-term and long-term liabilities should be segmented in the valuation and constitution of the unexpired risk reserve so that the Institutions maintain an adequate balance in the investments of resources in the short and long term, and these hold are coherent with the nature of the liabilities to which they are related, and

XI. Processes and procedures should be established to ensure that the best estimate, as well as the assumptions underlying its calculation, is periodically compared with its previous experience. When such a comparison reveals a systematic deviation between the experience and the best estimate, the Insurance Institution or *Sociedad Mutualista* shall make the necessary adjustments to the actuarial methods or assumptions used. For these purposes, it will be understood that there is a systematic deviation when, in a given class or type of insurance, it is observed that the best estimate of the obligations differs by a reasonable amount from the actual value that the liabilities have attained, in a number of times such that, by statistical criteria, it is determined that such number of times exceeds the maximum number of times that such estimate could have been deferred. The methodology for the estimation of Reinsurance Recovery should be included as part of the actuarial method.

2) Contractual obligations:

a) Claims and expirations - Claims for life, accidents, health and damage are recorded as soon as they are reported. Life insurance claims are based on the insured sums. Accident, illness and damage claims are adjusted based on the estimate of the amount of the obligations, and, at the same time, the pay back is recorded in the ceded reinsurance. Expirations are payments for expired endowments set forth in the insurance contract.

b) Unreported claims – This reserve is intended for recognizing the amount of actual claims not yet reported to the Financial Group. The estimate is based on prior years' casualty rate, adjusting the actuarial calculations on a quarterly basis, pursuant to the methodology approved by the cap.5.4 CNSF.

c) Dividends on policies - This reserve is determined based on actuarial studies, considering the casualty rate. The dividends are established in the insurance contract.

d) Insurance funds under management - These are the dividends on policies earned by the insured and withheld by the Financial Group to manage, as established in the insurance contract.



e) Security premiums - They are the amounts of segmented collections on the policies.

3) Catastrophic reserve:

The reserve for catastrophic risks is intended to cover the Financial Group's obligations assumed under insurance policies for earthquakes or other catastrophic risks. This reserve is increased as per the bases and percentages established by the CNSF. CNSF authorization is required to release this reserve.

4) Special Technical Reserve

In the operation of insurance that, due to its nature, special characteristics or lack of experience, experimental rates are used, the Insurance Institutions and Mutual Societies must constitute, by indication or prior authorization of the Commission, a technical reserve special for use of experimental rates.

Provisions

Provisions are recognized when the Financial Group has a current obligation resulting from a past event and is likely to result in the use of economic resources and can be reasonably estimated.

Employee benefits labor obligations

According to Mexican Federal Labor Law, the Financial Group has obligations derived from severance payments and seniority premiums payable to employees that cease to render their services under certain circumstances.

Defined benefit plan

The Financial Group records a liability for seniority premiums, pensions and post-retirement medical services as incurred based on calculations by independent actuaries using the projected unit credit method, using nominal interest rates. Accordingly, this recognizes the liability whose present value will cover the obligation from benefits projected to the estimated retirement date of the Holding overall employees, as well as the obligation related to retired personnel.

At the end of December 2025 and 2024, actuarial (earning) / losses were generated in all benefits, these amounts are integrated into the other comprehensive income account and will be recycled to results during the future working life of the workers according to the benefit.

The Financial Group applies the provision of MFRS D-3 related to the recognition of the liability for severance payments for reasons other than restructuring, which is recorded using the projected unit credit method based on calculations by independent actuaries.

Defined contribution plan

As of January 2001, the Holding Company provided defined contribution pension plan in place. The participating employees are those hired as of this date as well as those hired prior to such date that enrolled voluntarily. The pension plan is invested in a fund, which is included in "Other assets".

Employees who were hired prior to January 1, 2001 and who decided to enroll voluntarily in the defined contribution pension plan received a contribution from the Financial Group for prior services equivalent to the actuarial benefit accrued in their previous defined benefit plan that was cancelled. The initial contribution was made from the plan assets that had been established for the original defined benefit plan and participants were immediately assigned 50% of such amount with the remaining 50% to be assigned over 10 years.

The initial payment to the defined contribution plan for past services was financed with funds established originally for the defined benefit plan as a result of the early termination of its obligations and recognized in accordance with the provision guidelines.

The labor obligations derived from the defined contribution pension plan do not require an actuarial valuation as established in MFRS D-3, because the cost of this plan is equivalent to the Financial Group's contributions made to the plan's participants.



Provisions for PTU are recorded in the results of the year in which they are incurred as administrative expenses. The Financial Group determines employee statutory profit sharing based on the criteria established in the guidelines set forth by the Mexican Constitution.

Foreign currency conversion

Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate at the close of each period. The exchange rate used to establish Mexican peso equivalence is the FIX exchange rate published by Banco de México. Foreign exchange fluctuations are recorded in the results of operations.

Interest from outstanding subordinated debentures

Accrued interest from outstanding subordinated debentures is recognized as it is accrued and translated according to the exchange rate in effect at each monthly close.

Transfer of financial assets

The Financial Group can act as the assignor or assignee, as applicable, in this type of transactions. Moreover the Financial Group evaluates whether or not to retain the risks and benefits associated with the asset property to determine whether or not there was a transfer of property in a transaction. In transactions involving the transfer of ownership in financial assets, the assignor yields control and substantially transfers all the risks and benefits over such assets. Therefore, the assignor derecognizes such assets and records the consideration received from the transaction. Conversely, the assignee recognizes such financial assets and the transfer consideration in its accounting records.

Share-based payments

The Financial Group grants stock options to key officers through different payment schemes based on stocks. The Financial Group has established trusts to manage the plans and contributes the necessary funds so that shares can be purchased directly from the market at the initiation of each plan.

The Financial Group records its stock option plans according to the guidelines of MFRS D-8, "Share-based payments." The compensation expense is recorded at fair value as of the date the stock options are granted. Pursuant to MFRS D-8 and given that the Financial Group grants its own stock options, the Financial Group records the expense as if the plan were payable in cash. This expense is then restated at a fair value in each reporting period as per the provisions known on such date.

In accordance with MFRS D-8 and given that the Holding Company grants shares of the Financial Group, the Holding Company recognizes the expense as a capital contribution by the Financial Group.

Memorandum accounts

Memorandum accounts are used to record assets or commitments that are not part of the Financial Group's general statement of financial position, as no rights are acquired on the assets and such commitments are not acknowledged as liabilities until they materialize, respectively. The accumulated amounts in the memorandum accounts have only been subject to audit tests when their information is derived from an accounting record. The memorandum accounts not audited are indicated in each case:

- Contingent assets and liabilities:

It records the amount of economic penalties imposed by the administrative or judicial authorities until such payments are made, as a motion for revocation has been filed. It also records the exposure to risk line item for its participation in the Expanded Use Electronic Payments System.



Loan commitments:

The balance represents the amount of the letters of credit granted by the Financial Group that are considered as irrevocable commercial loans not disposed by the borrowers. It includes the lines of credit granted to clients that were not disposed.

- **Assets in trust or mandate:**

For the assets in trust, the value of the goods is recorded and any information related to their individual administration is recorded independently. For assets under mandate, the declared value of the assets, subject to the mandates executed by the Financial Group is recorded.

- **Assets in custody or under management:**

This account records the movement of others' assets and securities that are received in custody or are to be managed by the Financial Group.

- **Collateral received:**

The balance represents all the collateral received in securities repurchase agreement operations when the Financial Group is the buyer.

- **Collateral received and sold or given as a pledge:**

The balance represents all the collateral received in securities repurchase agreements when the Financial Group is acting as the buyer, and which in turn are sold by the Financial Group acting as the seller.

Main subsidiaries' income recognition

Banorte

- Income from cash and cash equivalents, financial instruments, repurchasing operations, hedging transactions and loan interest is recorded as income when accrued.
- The fees charged for the initial granting, restructuring and renewal of loans will be recorded as a deferred credit, which will be amortized as interest income.
- Securities purchase-sales results are recorded when performed.
- Permanent stock investments in affiliates are originally recorded at their acquisition cost and are valued using the equity method based on the last available financial statements.

Casa de Bolsa Banorte

- Recognition of income from services, financial advisory and securities intermediation fees and commissions generated by customer securities' operations are recorded as they are performed.
- Income from financial advisory is recorded when accrued as per the contract.
- Securities intermediation results are recorded when performed.
- Income and expenses - are recorded as generated or accrued as per the relative contracts.
- Share dividends - share dividends are recorded at zero value in investments; therefore they only affect the results when the shares are sold.
- Permanent stock investments in affiliates – they are originally recorded at their acquisition cost and are valued using the equity method based on the last available financial statements.



Arrendadora y Factor Banorte

- Credit from financial leasing operations, net – financial leasing operations are recorded as direct financing, wherein the account receivable is the total amount of the settled rents, and potential profit is the difference between such amount and the cost of the leased properties. Net financed capital is recorded on the Consolidated Statement of financial position, deducting the total of rents from the potential profit.
- Loans from operating leasing operations – represent company assets given to a third party for the latter's temporary use and enjoyment for a given term equal to or over six months. The operating leasing contract rents are recorded as revenues when accrued.
- Loans from factoring operations, net – funded or non-funded factoring is recorded as follows:
 - Ceded portfolio – the amount is recorded in loan portfolios, minus the difference between loans and the financed amount.
 - Profit from acquired documents (interest) - calculated in advance, per month completed and upon maturity, recorded in factoring, and both are applied to results when accrued.
- Recognition of income – interest from leasing and financial factoring is recognized as income when accrued; however the accumulation of interest is suspended whenever the uncollected interest and/or total loan is transferred to past-due loans. Accrued, normal and past-due interest during the period the loan is considered past-due is recognized as income when collected.
- Profits to be realized from financial leasing are recognized as income when accrued. The final value of the good in financial leasing is recognized as income when purchased.
- The fees for credit opening in leasing and factor operations are recognized as income as accrued.

Banorte Ahorro y Previsión (Seguros y Pensiones)

Income from premiums – Recognized as follows:

- The premium revenue for group and collective life insurance is recorded in income as the segmented payment receipt is issued, deducting the premiums ceded in reinsurance.
- Premium revenue for accidents, health and damage is recorded in terms of the policies contracted in the year, even though their term is for over one year, deducting the premiums ceded in reinsurance.
- The rights on premiums are recognized in the income at the time of issuance except for the policies that the Insurer agrees with the insured, where the right policy is fractioned in each of the receipts in this scheme, the right policy is recognized in income as it accrues. Revenue from surcharges on policyholders is recognized in income at the time of accrual and the unearned portion is recorded as deferred credits.
- Premium income is recorded at the time premiums are settled.

6 - CASH AND CASH EQUIVALENTS

As of December 31, 2025 and 2024, cash and cash equivalents are as follows:

	2025	2024
Cash	Ps. 30,488	Ps. 31,362
Banks	69,730	67,289
Other cash equivalents	77	53
	Ps. 100,295	Ps. 98,704



"Banks" is represented by cash in Mexican pesos and US dollars converted at the exchange rate issued by Banco de México of Ps. 18.0080 and Ps. 20.8829 as of December 31, 2025 and 2024, respectively, and is made up as follows:

	Mexican pesos		USD		Total	
	2025	2024	2025	2024	2025	2024
Call money	Ps. 9,000	Ps. 6,573	Ps. -	Ps. -	Ps. 9,000	Ps. 6,573
Deposits with foreign credit institutions	-	-	12,881	11,605	12,881	11,605
Domestic banks	1,900	2,233	-	3,840	1,900	6,073
Banco de México	44,411	40,522	1,538	2,516	45,949	43,038
	Ps. 55,311	Ps. 49,328	Ps. 14,419	Ps. 17,961	Ps. 69,730	Ps. 67,289

In June 2014, Banco de Mexico issued Circular 9/2014, which establishes banking institutions' obligation to constitute a new monetary regulation deposit, and modifies the interest rate such deposits pay. As of December 31, 2025 and 2024, the Financial Group had made monetary regulation deposits of 25,965 and Ps. 25,985, respectively.

As of December 31, 2025 and 2024, the total sum of restricted cash and cash equivalents is de Ps. 34,965 and Ps. 32,558, respectively. This includes monetary regulation deposits, futures placed in the domestic and foreign market, call money and contracted transactions pending liquidation in 24 and 48 hours.

The exchange rates used for the conversion of gold and silver coins (Centenarios and Troy ounces, respectively) was Ps. Ps. 1,952.77 and Ps. 1,367.91, per unit, respectively, in 2025; and Ps. 1,346.96 and Ps. 683.97, per unit, respectively, in 2024.

As of December 31, 2025 and 2024, "Other cash equivalents" includes:

	2025	2024
Minted metals in gold and silver	Ps. 69	Ps. 38
Cashable checks received, pending payment at a 3-day term	-	-
Remittances	8	15
	Ps. 77	Ps. 53

7 - INVESTMENTS IN SECURITIES

a. Trading financial instruments

As of December 31, 2025 and 2024, trading securities are as follows:

	2025			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government Values	Ps. 344,178	Ps. 4,107	Ps. 387	Ps. 348,672
No restriction	31,716	1,632	516	33,864
Bungs F	3,574	5	6	3,585
M Bonds	2,479	6	(14)	2,471
BPA	(1,082)	-	1	(1,081)
Government Stock Certificates	94	1	3	98
Used Stock Certificates	2,414	58	111	2,583
Cetes	19,224	1,497	265	20,986
Government Eurobonds	2,828	55	112	2,995
Udibonos	1,921	7	30	1,958
Treasury Bills	214	3	-	217
Treasury Notes	50	-	2	52
With restriction	312,462	2,475	(129)	314,808
Bungs D	239	-	-	239
Bungs F	53,274	39	(14)	53,299
M Bonds	14,854	283	25	15,162
BPA	232,424	2,133	(32)	234,525
Government Stock Certificates	3,899	10	2	3,911
Cetes	2,865	-	11	2,876



	2025			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Udibonos	4,907	10	(121)	4,796
Bank Securities	39,280	74	(1)	39,353
No restriction	10,212	7	2	10,221
Bank Acceptances	7	-	-	7
Development Banking Stock Certificates	(112)	-	-	(112)
Bank Stock Certificates	20	-	-	20
Certificates of Deposit	2,376	7	-	2,383
Other bank securities	34	-	1	35
Promissory notes	7,887	-	-	7,887
With restriction	29,068	67	(3)	29,132
Development Banking Stock Certificates	10,778	23	(5)	10,796
Bank Stock Certificates	8,929	26	1	8,956
Certificates of Deposit	8,249	14	-	8,263
Other bank securities	1,112	4	1	1,117
Private Securities	42,734	9	5,362	48,105
No restriction	42,385	9	5,362	47,756
Corporate Stock Certificates	514	6	4	524
Private Eurobonds	133	3	2	138
Fibers	2	-	-	2
Actions	3,048	-	1,145	4,193
Shares Investment Companies	38,688	-	4,211	42,899
With restriction	349	-	-	349
Actions	349	-	-	349
	Ps. 426,192	Ps. 4,190	Ps. 5,748	Ps. 436,130

	2024			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government securities	Ps. 333,534	Ps. 3,802	Ps. 114	Ps. 337,450
Not restricted	30,500	266	(237)	30,529
F Bonds	3,405	10	(2)	3,413
M Bonds	9,001	60	(202)	8,859
CEBUR – Government	10	-	1	11
CEBUR – Udizados	493	12	12	517
Cetes	16,416	178	10	16,604
Eurobonds	780	4	(47)	737
Udibonos	328	2	(9)	321
Treasury Notes	67	-	-	67
Restricted	303,034	3,536	351	306,921
D Bonds	18,597	59	14	18,670
F Bonds	50,288	282	12	50,582
M Bonds	6,856	120	(44)	6,932
BPA	222,743	3,075	366	226,184
CEBUR – Government	1,008	-	1	1,009
Cetes	3,307	-	3	3,310
Udibonos	235	-	(1)	234
Bank securities	31,415	79	2	31,496
Not restricted	8,055	-	(1)	8,054
Bank Acceptances	6	-	-	6
CEBUR – development bank	(115)	-	-	(115)
CEBUR – bank	12	-	-	12
CEDES	186	-	-	186
Other bank securities	371	-	(1)	370
Promissory Notes	7,595	-	-	7,595
Restricted	23,360	79	3	23,442
CEBUR – development bank	9,106	27	2	9,135
CEBUR – bank	6,224	26	-	6,250
CEDES	6,343	20	-	6,363
Other bank securities	1,526	6	1	1,533
Promissory Notes	161	-	-	161
Private securities	28,737	8	3,081	31,826
Not restricted	27,933	8	3,079	31,020



	2024			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
CEBUR – corporate	374	7	(1)	380
Eurobonds	43	1	-	44
Shares	1,767	-	1,138	2,905
Acciones Sociedades de Inversión	25,749	-	1,942	27,691
Restricted	804	-	2	806
Shares	804	-	2	806
	Ps. 393,686	Ps. 3,889	Ps. 3,197	Ps. 400,772

During 2025 and 2024, the Financial Group recognized under “Brokerage revenues” gain and loss of Ps. 2,935 and Ps. 1,345, respectively, for the fair value valuation of these instruments.

As of December 31, 2025 and 2024, there are Ps. 344,289 and Ps. 331,169, respectively, in restricted trading securities associated mainly with repurchase operations.



b. Financial instruments to collect or sell

As of December 31, 2025 and 2024, financial instruments to collect or sell are as follows:

	2025			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government Values	149,033	1,772	476	151,281
No restriction	56,478	550	295	57,323
M Bonds	7,604	170	175	7,949
BPA	(159)	-	-	(159)
BREMs	7,778	20	-	7,798
Government Stock Certificates	755	2	(74)	683
Used Stock Certificates	121	1	208	330
Cetes	5,585	-	-	5,585
Government Eurobonds	22,903	314	(157)	23,060
Udibonos	11,891	43	143	12,077
With restriction	92,555	1,222	181	93,958
M Bonds	17,026	319	348	17,693
BPA	38,644	665	12	39,321
Government Stock Certificates	895	6	-	901
Cetes	18,868	-	13	18,881
Government Eurobonds	17,122	232	(192)	17,162
Bank Securities	32,557	141	(158)	32,540
No restriction	19,762	104	(160)	19,706
Development Banking Stock Certificates	4,324	36	(156)	4,204
Bank Stock Certificates	4,710	40	10	4,760
Certificates of Deposit	6,337	6	-	6,343
Other bank securities	3,828	22	(14)	3,836
Promissory notes	563	-	-	563
With restriction	12,795	37	2	12,834
Development Banking Stock Certificates	1,098	2	-	1,100
Bank Stock Certificates	11,047	35	2	11,084
Other bank securities	650	-	-	650
Private Securities	16,108	137	(564)	15,681
No restriction	13,403	130	(524)	13,009
Corporate Stock Certificates	11,803	115	(605)	11,313
Municipal Stock Certificates	818	11	69	898
Private Eurobonds	782	4	12	798
With restriction	2,705	7	(40)	2,672
Corporate Stock Certificates	200	1	-	201
Municipal Stock Certificates	2,505	6	(40)	2,471
	Ps. 197,698	Ps. 2,050	(Ps. 246)	Ps. 199,502



	2024			Book value
	Acquisition cost	Accrued interest	Valuation increase (decrease)	
Government securities	Ps. 151,270	Ps. 2,306	(Ps. 2,457)	Ps. 151,119
Not restricted	45,920	516	(1,067)	45,369
M Bonds	9,189	179	(109)	9,259
BREMs	7,778	26	-	7,804
CEBUR – Government	733	2	(123)	612
CEBUR – Udizados	102	1	183	286
Cetes	1,419	46	-	1,465
Eurobonds - Government	14,874	198	(747)	14,325
Udibonos	11,825	64	(271)	11,618
Restricted	105,350	1,790	(1,390)	105,750
D Bonds	2,998	4	1	3,003
M Bonds	12,193	149	(302)	12,040
BPA	52,870	1,204	126	54,200
CEBUR – Government	393	4	(5)	392
Cetes	3,649	-	5	3,654
Eurobonds - Government	29,732	420	(1,128)	29,024
Udibonos	3,515	9	(87)	3,437
Bank securities	27,603	178	(417)	27,364
Not restricted	14,126	122	(422)	13,826
CEBUR – development bank	4,201	61	(323)	3,939
CEBUR – bank	3,066	27	(43)	3,050
CEDES	1,896	9	(12)	1,893
Other bank securities	3,869	25	(44)	3,850
Promissory Notes	1,094	-	-	1,094
Restricted	13,477	56	5	13,538
CEBUR – development bank	3,298	10	(1)	3,307
CEBUR – bank	10,179	46	6	10,231
Private securities	23,117	465	(986)	22,596
Not restricted	18,414	414	(929)	17,899
CEBUR – corporate	10,628	193	(784)	10,037
CEBUR – Municipality	848	11	1	860
Eurobonos	6,938	210	(146)	7,002
Restricted	4,703	51	(57)	4,697
CEBUR – corporate	662	3	-	665
CEBUR – Municipality	2,513	8	(4)	2,517
Eurobonos	1,528	40	(53)	1,515
	Ps. 201,990	Ps. 2,949	(Ps. 3,860)	Ps. 201,079

As of December 31, 2025 and 2024, there are Ps. 109,464 and Ps. 123,983, respectively, in restricted securities available for sale, mainly associated with securities repurchasing transactions.

As of December 31, 2025 and 2024, the balance of BREMSR amounted 77,783,110 securities acquired in May 2016, these BREMs were initially classified in the category of Financial Instruments to collect or sell their business model corresponds to collecting contractual cash flows for principal and interest collections, or to sell them in case of changes in the Institution's liquidity strategy. A portion of these securities serves as a hedged item in a cash flow hedge relationship, which is detailed in note number 9.

c. Financial instruments to collect principal and interest

As of December 31, 2025 and 2024, financial instruments to collect principal and interest are as follows:



Medium and long-term debt securities:

	2025		
	Acquisition cost	Accrued interest	Book value
Government Values	Ps. 375,739	Ps. 2,427	Ps. 378,166
No restriction	312,878	1,734	314,612
M Bonds	925	6	931
Government Stock Certificates	2,108	29	2,137
Used Stock Certificates	86	1	87
Special Cetes	36	455	491
Government Eurobonds	30,052	409	30,461
Udibonos	277,872	801	278,673
Treasury Notes	1,799	33	1,832
With restriction	62,861	693	63,554
M Bonds	15,460	126	15,586
Government Eurobonds	46,094	563	46,657
Udibonos	1,307	4	1,311
Bank Securities	1,053	22	1,075
No restriction	1,053	22	1,075
Bank Stock Certificates	1,053	22	1,075
Private Securities	6,952	896	7,848
No restriction	4,697	890	5,587
BORHIS Stock Certificates	2	-	2
Corporate Stock Certificates	985	834	1,819
Municipal Stock Certificates	1,945	39	1,984
Private Eurobonds	700	17	717
Other private titles	1,065	-	1,065
With restriction	2,255	6	2,261
Municipal Stock Certificates	2,255	6	2,261
	Ps. 383,744	Ps. 3,345	Ps. 387,089

	2024		
	Acquisition cost	Accrued interest	Book value
Government securities	Ps. 361,458	Ps. 2,325	Ps. 363,783
Not restricted	305,196	1,781	306,977
M Bonds	926	6	932
CEBUR – Government	2,027	28	2,055
CEBUR – Udizados	126	2	128
Cetes	1,890	-	1,890
CETES – Specials	36	440	476
Eurobonds - Government	40,852	559	41,411
Udibonos	257,255	708	257,963
Treasury Notes	2,084	38	2,122
Restricted	56,262	544	56,806
M Bonds	15,480	121	15,601
CEBUR – Municipality	39,616	420	40,036
Udibonos	1,166	3	1,169
Bank securities	1,040	21	1,061
Not restricted	1,040	21	1,061
CEBUR – Bank	1,040	21	1,061
Private securities	8,666	1,236	9,902
Not restricted	6,401	1,227	7,628
CEBUR – BORHIS	2	-	2
CEBUR – corporate	2,636	1,171	3,807
CEBUR – Municipality	1,989	39	2,028
Eurobonos	700	17	717
Other private securities	1,074	-	1,074
Restricted	2,265	9	2,274
CEBUR – Municipality	2,265	9	2,274
	Ps. 371,164	Ps. 3,582	Ps. 374,746

As of December 31, 2025 and 2024, there are Ps. 65,815 and Ps. 59,080, respectively, in restricted trading securities associated mainly with repurchasing operations.



As of December 31, 2025, the maturities of the securities (expressed at their acquisition cost), are as follows:

	More than one year and up to 5 years	More than 5 and up to 10 years old	More than 10 years	Total
Government Values	Ps. 36,028	Ps. 59,375	Ps. 282,762	Ps. 378,165
No restriction	17,035	16,125	281,451	314,611
M Bonds	246	685	-	931
Government Stock Certificates	-	1,905	232	2,137
Used Stock Certificates	59	28	-	87
Special Cetes	491	-	-	491
Government Eurobonds	14,407	13,507	2,547	30,461
Udibonos	-	-	278,672	278,672
Treasury Notes	1,832	-	-	1,832
With restriction	18,993	43,250	1,311	63,554
M Bonds	12,601	2,984	-	15,585
Government Eurobonds	6,392	40,266	-	46,658
Udibonos	-	-	1,311	1,311
Bank Securities	1,076	-	-	1,076
No restriction	1,076	-	-	1,076
Bank Stock Certificates	1,076	-	-	1,076
Private Securities	506	1,905	5,437	7,848
No restriction	506	1,905	3,176	5,587
BORHIS Stock Certificates	-	-	2	2
Corporate Stock Certificates	506	123	1,189	1,818
Municipal Stock Certificates	-	-	1,985	1,985
Private Eurobonds	-	717	-	717
Other private titles	-	1,065	-	1,065
With restriction	-	-	2,261	2,261
Municipal Stock Certificates	-	-	2,261	2,261
	Ps. 37,610	Ps. 61,280	Ps. 288,199	Ps. 387,089

Some of the investments in securities are given as collateral in derivative transactions without any restriction; therefore, the receiver has the right to trade them and offer them as collateral.

During the year ended December 31, 2025 and 2024, the Financial Group did not carry out sales of financial instruments to collect principal and interest.

Financial instruments impairment

For impairment testing purposes, government and corporate bonds are considered to have low credit risk as the counterparties to these investments have a minimum credit rating of BBB. Consequently, for the purposes of evaluating these financial assets for impairment, the expected loss is measured by an amount equal to 12-month ECL.

When determining the ECL for these assets, the Financial Group's management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the bonds and debentures obtained economic reports, reports from financial analysts and considering various external sources of real and forecast economic information, as appropriate, when estimating the probability of default of each of these financial assets within their respective loss assessment time horizon, as well as the loss in case of default in each case.



The following table shows the movement in expected credit losses that has been recognized for financial assets:

	<u>12 months expected credit losses</u>		<u>Permanent expected credit losses and impairment credit</u>		Total
	Financial Instruments to collect or sell	Financial instruments to collect principal and interest	Financial Instruments to collect or sell	Financial instruments to collect principal and interest	
Adoption as of January 1, 2024	Ps. 46	Ps. -	Ps. 498	Ps. 84	Ps. 628
Increase in the estimate of loss caused by new financial assets recorded in the period	3	-	11	-	14
Decrease in the estimate caused by the derecognition of financial assets recorded in the period	(13)	-	-	(8)	(21)
Balances as of December 31, 2024	Ps. 36	Ps. -	Ps. 509	Ps. 76	Ps. 621
Increase in the estimate of loss caused by new financial assets recorded in the period	-	-	461	-	461
Decrease in the estimate caused by the derecognition of financial assets recorded in the period	(35)	-	(125)	(75)	(235)
Balances as of December 31, 2025	Ps. 1	Ps. -	Ps. 845	Ps. 1	Ps. 847

d. Collateral

The fair value of the collateral given in derivative transactions as of December 31, 2025 and 2024, is as follows:

2025			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 254	Ps. 460	Ps. 38
	Ps. 254	Ps. 460	Ps. 38
2024			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 931	Ps. 829	Ps. 38
	Ps. 931	Ps. 829	Ps. 38

The fair value of the collaterals received in derivative operations as of December 31, 2025 and 2024, is made up as follows:

2025			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 4,000	Ps. 398	Ps. -
	Ps. 4,000	Ps. 398	Ps. -
2024			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 7,550	Ps. 113	Ps. -
	Ps. 7,550	Ps. 113	Ps. -



The Holding Company has no securities received as collateral as of December 31, 2025 and 2024

As of December 2025 and 2024, interest income is as follows:

Concept	2025	2024
Trading Financial Instrument	Ps. 44,520	Ps. 47,557
Financial Instruments to collect or sell	13,457	19,549
Financial instruments to collect principal and interest	5,714	5,198
	Ps. 63,691	Ps. 72,304

8 - CREDITOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS

As of December 31, 2025 and 2024, creditor and debtor balances under repurchase agreements are as follows:

Acting as seller of securities

Instrument	2025		2024	
	Repurchase agreement from debtors	Received, sold collateral in repurchase	Repurchase agreement from debtors	Received, sold collateral in repurchase
Federal Government Stock Certificates	Ps. -	Ps. 3,322	Ps. -	Ps. 1,078
Cetes with Tax	1,500	-	-	2,773
Development Bank Stock Certificates	-	5,188	-	8,336
Bonos del Gob Fed UMS (Fix)	-	-	-	-
IPAB Bonds	-	8,314	-	1,995
IPAB Bonds Quarterly	569	34,160	382	12,334
Semi-annual IPAB bonds	431	5,263	-	8,720
Bungs F	450	-	79	-
Bungs D	-	-	2,541	-
Bonds of the Gov. Fed. Fixed Rate	-	-	1,000	3,499
Udibonos	-	-	-	361
Government Titles	2,950	56,247	4,002	39,096
Bank Stock Certificates	-	8,009	-	8,807
Certificates of Deposit (Fix)	-	-	-	3,880
Securities of Multilateral Financial Organizations	-	493	-	433
Bank securities	-	8,502	-	13,120
Municipal Stock Certificates	-	24	-	26
Corporate Stock Certificates	-	-	-	462
Segregated Stock Certificates	-	-	-	-
Private Securities	-	24	-	488
	Ps. 2,950	Ps. 64,773	Ps. 4,002	Ps. 52,704

With the Financial Group acting as the vendor, accrued interest were charged to the results of operations as of December 31, 2025 and 2024 for Ps. 7,128 and Ps. 8,580, respectively, which is presented in the "Interest Expenses heading."

During 2025 and 2024, the period of repurchase transactions carried out by the Financial Group in its capacity as vendor ranged in term from 1 day to 28 days.

As of December 31, 2025, there are no securities delivered as collateral in repo transactions that represent a transfer of ownership, the collateral received is for a total of Ps. 207,460, and as of December 31, 2024, the collateral delivered is Ps. 52,708 and the collateral received is Ps. 212,285.



The creditor and debtor balances under repurchase agreements are as follows:

Reported (Liability)

Instrument	2025	2024
Government Short-Term Stock Certificates	Ps. 176	Ps. -
Federal Government Stock Certificates	1,298	323
Cetes with Tax	21,405	1,832
Development Bank Stock Certificates	6,491	4,105
Bonos del Gob Fed UMS (Fix)	47,693	50,725
IPAB Bonds	52,933	61,769
IPAB Bonds Quarterly	105,530	131,153
Semi-annual IPAB bonds	63,848	61,930
Bungs D	184	21,591
Bungs F	51,576	48,331
Bonds of the Gov. Fed. Fixed Rate	46,190	31,454
Udibonos	4,199	2,945
Government Values	401,523	416,158
Bank Stock Certificates	12,016	7,688
Certificates of Deposit (Fix)	8,263	2,483
PRLV	-	-
Securities of Multilateral Financial Organizations	1,275	1,096
Bank securities	21,555	11,267
Short-term CEBUR	-	-
Municipal Stock Certificates	5,019	5,085
Corporate Stock Certificates	26,049	26,928
Eurobono	-	4
Private Securities	31,068	32,017
	Ps. 454,145	Ps. 459,442

With the Financial Group acting as the purchaser, accrued interest charged to the results of operations as of December 31, 2025 and 2024 were Ps. 46,883 and Ps. 59,124, respectively, which are presented in the "Interest Income" Heading.

During 2025, repurchase transactions carried out by the Financial Group in its capacity as purchaser ranged in term from 1 day to 9 years.

9 - DERIVATIVE FINANCIAL INSTRUMENTS

Transactions carried out by the Financial Group involving derivatives correspond mainly to futures, swaps and options contracts. These transactions are done to hedge various risks and for trading purposes.

The Financial Group has evaluated the effectiveness of derivatives' transactions for hedging purposes and has concluded that they are highly effective.



As of December 31, 2025 and 2024, positions in derivative financial instruments are as follows:

Asset position	2025	2024
Forwards		
Foreign currency forwards	Ps. 134	Ps. 280
Options		
Interest rate options	339	647
Shares options	81	369
Foreign currency options	1	6
Swaps		
Interest rate swaps	7,323	13,940
Foreign currency swaps	7,389	5,839
Credit swaps	14	45
Total trading	Ps. 15,281	Ps. 21,126
Swaps		
Foreign currency swaps	1,657	199
Interest rate swaps	1,345	805
Total hedging	3,002	1,004
Total position	Ps. 18,283	Ps. 22,130
Liability position	2025	2024
Forwards		
Foreign currency forwards	Ps. 218	Ps. 376
Options		
Interest rate options	244	605
Foreign currency options	71	352
Share options	-	3
Swaps		
Interest rate swaps	3,124	8,330
Foreign currency swaps	4,577	12,432
Credit swaps	49	32
Total trading	8,283	22,130
Swaps		
Interest rate swaps	-	1,407
Foreign currency swaps	13	2,391
Total hedging	13	3,798
Total position	Ps. 8,296	Ps. 25,928

Trading instruments:

As of December 31, 2025 and 2024, the trading derivative financial instruments are classified by fair value and the result of the period.

Trading	Book value	Valuation
Forward	(Ps. 84)	(Ps. 13)
Options	105	275
Foreign Currency Swaps	4,200	(2,016)
Interest Rate Swaps	2,812	(1,166)
Credit Swaps	(35)	49

The effect of credit risk of the derivatives portfolio in the 2025 and 2024 period amounts to Ps. 305 and Ps. 209, respectively.



An analysis of undiscounted trading cash flows as of December 31, 2025 is broken down below.

Instrument	Currency	1 year	1 to 5 years	5 to 10 years	More than 10 years
Interest Rate Swap	MXN	9	(129)	(11)	5
Interest Rate Swap	USD	3,237	1,942	1,417	-
Foreign Currency Swap	MXN	(47)	8	7	-
Foreign Currency Swap	USD	(10)	(15)	-	-

As of December 31, 2025, the items hedged by type of hedge and risk are detailed.

Instrument	Book value		Item
	Asset	Liability	
Interest Rate Swaps (Forecast Fund)	50	1,395	Liability
Interest Rate Swaps (DRM)	199	62	Asset
Interest Rate Swaps (Loans)	197	-	Asset
Foreign Currency Swap (EUR Assets)	588	951	Liability
Foreign Currency Swap (GBP Assets)	-	15	Asset
Foreign Currency Swap (USD Assets)	20	1,424	Asset

As of December 31, 2025 and 2024, OCI movements to results from cash flow hedges are detailed.

Instrument	2025	2024
Interest Rate Swaps (Forecast Fund)	Ps. 669	Ps. 935
Interest Rate Swaps (DRM)	(904)	(565)
Foreign Currency Swap (ME Asset)	(458)	(722)

The instruments operated and their main underlying instruments are as follows:

Forwards	Options	Interest Rate Swaps	CCS
Fx-USD	Fx-USD	TIIIE 28	TIIIE 28
Fx-EUR	TIIIE 28	TIIIE 91	TIIIE 91
Fx-CAD	TIIIE 91	CETES 91	Libor
Fx-CHF	Libor	Libor SOFR	Euribor

The risk management policies and internal control procedures for managing risks inherent to derivatives are described in Note 36.

Transactions carried out for hedging purposes have maturities from 2025 to 2043 and are intended to mitigate the financial risk derived from long-term loans offered by the Financial Group at fixed nominal rates, as well as the exchange rate risk generated by market instruments in the Financial Group's portfolio.

As of December 31, 2025 and 2024, the collateral was comprised mainly of cash. Their fair value is shown in Note 7 d).

During 2025 and 2024, the net earnings from the valuation and realization of derivative financial instruments were (Ps. 2,871) and Ps. 1,450, respectively.

The net amount of estimated gains or losses originated by from transactions or events recorded within Comprehensive Income as of December 31, 2025 and 2024 and that are expected to be reclassified to results within the next 12 months amounts to Ps. 312 and (Ps. 131), respectively.

As of December 31, 2025 and 2024, the main positions hedged by the Financial Group and the derivatives designated to hedge such positions are:



Cash flow hedging:

- Forecast funding using TIE rate Caps and Interest Rate Swaps.
- Cash flow hedge of Banxico's monetary regulation deposits (DRM) using TIE interest rate swaps.
- Recorded assets and liabilities in foreign currency using Cross Currency Swaps.

As of December 31, 2025, there are 83 hedge files. The hedge effectiveness is presented below.

Type of Hedge	% Effectiveness	Ineffective portion in results
Monetary Regulation Deposits	100.00%	Ps. 0
UDI Issuance	100.00%	Ps. 0
EUR-denominated assets valued	100.00%	Ps. 0
GBP-denominated assets valued	100.00%	Ps. 0
Valued USD-denominated assets	100.00%	Ps. 0
USD Wallet	100.23%	Ps. 5

The ineffectiveness of credit portfolio hedging is due to the difference in flow dates between the hedging instrument and the hedged item.

As of December 31, 2025, the hedge notionals are presented:

Hedge	Type	Asset Notional	Currency	Liability Notional	Currency	Hedge
Liability hedge	Rate and Currency Swaps	107	UDI	700	MXN	Liability hedge
Financial Instrument Hedging	Rate and Currency Swaps	13,743	MXN	412	USD	Financial Instrument Hedging
Financial Instrument Hedging	Rate and Currency Swaps	13,743	MXN	264	EUR	Financial Instrument Hedging
Currency regulation deposit hedging	Rate Swaps	19,550	MXN	19,550	MXN	Currency regulation deposit hedging
Loan portfolio hedge	Rate Swaps	1,289	USD	1,289	USD	Loan portfolio hedge

The following are the Financial Group's hedged cash flows as of December 31, 2025 and 2024, expected to occur and affect earnings:

Concept	More than 3			
	Up to 3 months	months and up to 1 year	More than 1 and up to 5 years	More than 5 years
Forecast funding				
Monetary regulation deposits	Ps. 429	Ps. 1,370	Ps. 4,840	Ps. 1,644
UDI	13	13	93	-
Assets denominated in EUR	130	408	1,420	449
Assets denominated in GBP	192	559	1,997	663
Assets denominated in USD	12	38	108	49
	Ps. 776	Ps. 2,388	Ps. 8,458	Ps. 2,805

The fair value of the instruments designated as cash flows hedging, which is recognized in comprehensive income within stockholders' equity as of December 31, 2025 and 2024, amounts to Ps. 2,355 and (Ps. 765), respectively. Likewise, the amount that was reclassified from stockholders' equity to results amounts to (Ps. 150) and (Ps. 25), respectively.

Trading derivatives and hedging derivatives: the loan risk is minimized through means of contractual compensation agreements, in which asset and liability derivatives with the same counterparty are settled for their net balance. Similarly, there may be other types of collateral such as credit lines, depending on the counterparty's solvency and the nature of the transaction.



The following table shows the cash flows hedging valuation balance:

Balance	Valuation of cash flows hedging instruments	Net change in period	Reclassified to income
Balance, December 31, 2019	(Ps. 1,275)	Ps. 3,726	(Ps. 71)
Balance, December 31, 2020	Ps. 448	Ps. 1,723	(Ps. 266)
Balance, December 31, 2021	(Ps. 2,257)	(Ps. 2,705)	(Ps. 193)
Balance, December 31, 2022	(Ps. 869)	Ps. 1,388	(Ps. 300)
Balance, December 31, 2023	Ps. 61	Ps. 930	Ps. 133
Balance, December 31, 2024	(Ps. 765)	Ps. 826	(Ps. 25)
Balance, December 31, 2025	Ps. 2,355	Ps. 3,120	(Ps. 150)

The balances pending recycling of the OCI accounts for derivatives to which hedge accounting is no longer applied and the hedged item is still expected to affect results increases from (352) in December 2024 to (693) in December 2025.

The amount recycled from OCI to net profit and loss is presented under the heading "Income from Intermediation" within the Comprehensive Income Statement.

The economic relationship between the hedged item and the hedging instrument is described below.

For hedge of liabilities, subordinated debentures, assets denominated in foreign currency:

Hedge	Use of hedge instrument	Economic relationship	Hedge ratio
Liabilities denominated in foreign currency and UDI	Agreement of a currency swap (Cross-Currency Swap) to fix the interest and principal in pesos in a fixed rate liability denominated in foreign currency or UDI	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ol style="list-style-type: none"> Any increase in the exchange rate does not affect the Entity since when contracting the currency swap a fixed amount is received in foreign currency, and a fixed amount of interest is paid in pesos, which synthetically converts the hedged item in a Eurobond at a fixed rate in pesos. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. 	1:1
Assets denominated in foreign currency	Agreement of a currency swap (Cross-Currency Swap) to fix the interest and principal in pesos in an eurobond at fixed rate denominated in foreign currency	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ol style="list-style-type: none"> Any increase in the exchange rate does not affect the Entity since when contracting the currency swap a fixed amount is paid in foreign currency, and a fixed amount of interest is received in pesos, which synthetically converts the hedged item into a eurobond at a fixed rate in pesos. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. The execution of the prepayment clause has a very low probability of occurrence, so the economic relationship is not affected. 	1:1



		An economic relationship is considered to cease to exist if the Issuer invokes the Issuer's optional redemption clause during the term of the hedging relationship, since this would lead to the disappearance of the hedged item. For this purpose, a monthly monitoring will be carried out regarding the existence of the official notification by the Issuer to execute the optional redemption clause.	
Monetary regulation deposits	Agreement of a portfolio of interest rate swaps (Interest-Rate Swap) to fix the interest of an DRM and/or BREM a variable rate denominated in pesos.	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ol style="list-style-type: none"> 1. Any increase in the interest rate does not affect the Entity since when contracting the interest rate swap a variable interest amount is paid and a fixed interest amount is received, which synthetically converts the hedged item into a DRM or BREM at a fixed rate. 2. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. 	70-99%
Promissory notes with yield payable at maturity	Agreement of a portfolio of interest rate swaps (Interest-Rate Swap) to fix the interest on future issues of promissory notes with yield payable at maturity (PRLV) issued by the Treasury at a variable rate denominated in pesos.	It is considered that there is a clear economic relationship between the hedged item and the hedging instruments since: <ol style="list-style-type: none"> 1. Any increase in the interest rate does not affect the Entity since when contracting interest rate swaps a fixed amount of interest is paid, and a variable amount of interest is received, which synthetically converts the hedged item into a fixed rate liabilities. 2. Given that the Entity's strategy is to cover less than 100% of all promissory notes to be issued, economic ineffectiveness is not expected. 	70%-95%

10 – EXPECTED CREDIT LOSS

The Financial Group has a methodology to determine the expected credit loss based on the issuer's rating, the characteristics of the instrument, as well as the sector to which it belongs. Once these characteristics are determined, the exposure is estimated at the instrument level as amortized cost and a probability of default and severity of loss are assigned.

Default is defined as the event where the issuer does not perform the obligations to which it subscribed when issuing the instrument in a timely manner. The same definition of default is considered for each instrument.

For financial instruments that have come to maturity and the principal and interest have not been fully collected, the internal policy is periodic monitoring by the business area that acquired said instrument with respect to its possible recovery given the resolutions legal within the commercial bankruptcy or the liquidation process of the issuer.



The expected credit loss of the IFCPI is calculated by the product of the probability of default, the severity of the loss and the exposure, depending on the stage in which it is located:

Stage 1: Financial Instruments with low credit risk. They are those for which their credit risk has not increased significantly from their initial recognition to the date of the financial statements. The Financial Instruments in this Stage must have a long-term rating greater than or equal to BBB+, or mxA-2 in the case of being a short-term instrument, both ratings on a local scale. The ECL estimate at this stage will be carried out over a period of one year.

Stage 2 – Financial Instrument with a significant increase in credit risk. They are those that have shown a significant increase in credit risk from their initial recognition to the date of the financial statements. The Financial Instruments in this Stage must have a rating greater than or equal to B- and up to BBB in long-term instruments, greater than or equal to mxB and up to mxA-3 in short-term instruments. The ECL estimate at this stage will be made for the entire life of the Financial Instrument.

Stage 3 – Financial Instruments with high credit risk. They are those with credit deterioration because one or more events have occurred that have a detrimental impact on the future cash flows of the Financial Instruments. The Financial Instruments in this Stage must have a rating less than or equal to CCC+ in long-term instruments or mxC in short-term instruments. The ECL estimate at this stage will be made for the entire life of the Financial Instrument.

The probability of default is obtained through a transition matrix published by Standard and Poor's (S&P), which considers various scenarios according to past events, current conditions and economic forecasts, considering different and numerous institutions in the study.

The severity of the loss is established based on article 2 bis 73 of the Provisions, where a level of 45% is handled for instruments in stage 1 and stage 2, while for instruments in stage 3 the maximum between 45% and the difference between the unit and the quotient of the market value between the purchase price of the instrument.

The exposure is the amortized cost of the instrument at the calculation date.

During the current period there was no change in the techniques and assumptions used to determine the expected credit loss.

As of December 31, 2025 and 2024, there is the following exposure by instrument:

Classification	2025						2024					
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
Government	Ps.	378,164	Ps.	-	Ps.	-	Ps.	363,783	Ps.		Ps.	
Bank		729		-		-		714				
Private		7,005		1,189		1		7,942		2,306	1	
Total	Ps.	385,898	Ps.	1,189	Ps.	1	Ps.	372,439	Ps.	2,306	Ps.	1

The expected credit loss classified by stages as of December 31, 2025 and 2024 is as follows:

Stage 1

Classification	2025	2024
Government	Ps. -	Ps. -
Banking	-	-
Private	-	-
Total	Ps. -	Ps. -

Stage 2

Classification	2025	2024
Government	Ps. -	Ps. -
Banking	-	-
Private	-	74
Total	Ps. -	Ps. 74



Stage 3

Classification	2025	2024
Government	Ps. -	Ps. -
Banking	-	-
Private	1	1
Total	Ps. 1	Ps. 1

Of the expected credit loss of stage 3 instruments, the amount is broken down into:

	2025	2024
Instruments that migrated to stage 3	Ps. -	Ps. -
Instruments that already existed in stage 3	1	1
Total	Ps. 1	Ps. 1

As of December 31, 2025 and 2024, there were no renegotiations or modifications in the financial instruments to collect principal and interest.

11 - LOAN PORTFOLIO

Loan portfolio management

The objectives of Credit Risk Management are described in Note 40.

Credit portfolio analysis

As of December 31, 2025 and 2024, the loan portfolio by loan type is as follows:

	2025			Total
	Stage 1	Stage 2	Stage 3	
Trade credits				
Denominated in pesos				
Commercial	Ps. 353,433	Ps. 3,244	Ps. 8,621	Ps. 365,298
Discounted portfolio	5,011	10	-	5,021
Denominated in USD				
Commercial	140,198	4	233	140,435
Discounted portfolio	1,755	-	-	1,755
Loans to financial institutions	48,645	-	77	48,722
Consumer loans				
Credit card	76,781	1,142	2,797	80,720
Other consumer goods	158,833	2,351	3,098	164,282
Housing loans				
Denominated in pesos	288,204	4,174	3,010	295,388
Denominated in UDIS	21	6	2	29
Loans to government entities	184,812	204	-	185,016
Total loan portfolio	Ps. 1,257,693	Ps. 11,135	Ps. 17,838	Ps. 1,286,666



	2024			
	Stage 1	Stage 2	Stage 3	Total
Trade credits				
Denominated in pesos				
Commercial	Ps. 338,312	Ps. 1,588	Ps. 3,482	Ps. 343,382
Discounted portfolio	5,329	2	-	5,331
Denominated in USD				
Commercial	133,054	55	571	133,680
Discounted portfolio	1,620	-	-	1,620
Loans to financial institutions	39,171	-	136	39,307
Consumer loans				
Credit card	67,496	949	2,158	70,603
Other consumer goods	133,258	2,203	2,677	138,138
Housing loans				
Denominated in pesos	269,183	3,474	2,095	274,752
Denominated in UDIS	28	8	2	38
Loans to government entities	183,594	332	4	183,930
Total loan portfolio	Ps. 1,171,045	Ps. 8,611	Ps. 11,125	Ps. 1,190,781

Restructured loans

The restructured loans that modified their terms and rates are shown below:

	2025		
	Stage 1	Stage 2	Stage 3
Commercial loans			
Business loans	Ps. 52,460	Ps. 1,897	Ps. 307
Consumer loans	1,004	118	2,171
Mortgage loans	1,604	18	178
	Ps. 55,068	Ps. 2,033	Ps. 2,656

	2024		
	Stage 1	Stage 2	Stage 3
Commercial loans			
Business loans	Ps. 48,538	Ps. 253	Ps. 875
Consumer loans	882	92	1,934
Mortgage loans	172	17	92
	Ps. 49,592	Ps. 362	Ps. 2,901

As of December 31, 2025, the Stage 3 portfolio past-due loans showed the following periods of delinquency:

	From 1 to 180 days	From 181 to 365 days	From 366 days to 2 years	More than 2 years	Total
Commercial loans	Ps. 1,208	Ps. 5,918	Ps. 1,100	Ps. 705	Ps. 8,931
Consumer loans	2,855	3,040	-	1	5,896
Mortgage loans	1,022	1,961	15	13	3,011
	Ps. 5,085	Ps. 10,919	Ps. 1,115	Ps. 719	Ps. 17,838



As of December 31, 2024, the Stage 3 portfolio past-due loans showed the following periods of delinquency:

	From 1 to 180 days	From 181 to 365 days	From 366 days to 2 years	More than 2 years	Total
Commercial loans	Ps. 1,160	Ps. 1,204	Ps. 688	Ps. 555	Ps. 3,607
Consumer loans	2,708	2,485	570	1	5,764
Mortgage loans	904	810	27	13	1,754
	Ps. 4,772	Ps. 4,499	Ps. 1,285	Ps. 569	Ps. 11,125

Past due loan movements for the years ended on December 31, 2025 and 2024 are shown below:

	2025	2024
Balance at the beginning of the year	Ps. 11,122	Ps. 10,890
Liquidations	(9,909)	(7,018)
Write-offs*	(20,733)	(19,818)
Renewals	(52)	(22)
Discounts	(324)	1,636
Foreclosures	-	-
Transfers to portfolio stage 1 and 2	(6,086)	(5,028)
Transfers from portfolio stage 1 and 2	44,052	30,282
Fluctuation from foreign exchange rate	83	204
Sales loans	(315)	(1)
Year-end balance	Ps. 17,838	Ps. 11,125

* Corresponds to 100% hedged loans.

As of December 31, 2025, the balance of deferred loan origination fees was Ps. 2,698 and the amount recorded in results was Ps. 2,057. Furthermore, the deferred balance of costs and expenses associated with initial loan originations was Ps. 7,408, and the amount recorded in results was Ps. 3,408.

As of December 31, 2024, the balance of deferred loan origination fees was Ps. 2,520 and the amount recorded in results was Ps. 1,927. Furthermore, the deferred balance of costs and expenses associated with initial loan originations was Ps. 6,104, and the amount recorded in results was Ps. 3,124.

The average term in which the deferred balance of commissions and costs and expenses will be recognized is equivalent to the average term of the portfolio balances.

The collected fees and costs are presented net in the line item of "Deferred credits and advance collections" within the Consolidated Statement of financial positions as well as in Interest Income and Interest Expenses, respectively, in the Consolidated income statements.

During the year ended December 31, 2025 and 2024, the balance of written off loans that had been fully reserved as past due was Ps. 20,887 and Ps. 18,182, respectively.

During the years ended December 31, 2025 and 2024, revenues from recoveries of previously written-off loan portfolios were Ps. 2,645 y Ps. 2,589, respectively.

The loans granted per economic sectors as of December 31, 2025 and 2024 is shown below:

	2025		2024	
	Amount	Concentration percentage	Amount	Concentration percentage
Private (companies and individuals)	Ps. 512,509	39.83%	Ps. 484,013	40.64%
Financial institutions	48,722	3.79%	39,307	3.30%
Credit card and consumer	245,001	19.04%	208,741	17.53%
Mortgage	295,418	22.96%	274,790	23.08%
Government loans	185,016	14.38%	183,930	15.45%
	Ps. 1,286,666	100.00%	Ps. 1,190,781	100.00%



Policies and procedures for granting loans

The granting, control and recovery of loans are regulated by the Financial Group's Credit Manual, which has been authorized by the Board of Directors. Accordingly, administrative portfolio control is performed in the following areas:

- I. Business Areas (includes Corporate, Commercial, Business, Governmental and Consumer Banking), primarily through the branch network.
- II. Operations Areas
- III. General Comprehensive Risk Management
- IV. Recovery Management

Similarly, the Financial Group has manuals establishing the policies and procedures to be utilized for credit risk management purposes.

The structure of the credit management process is based on the following stages:

- a) Product design
- b) Promotion
- c) Evaluation
- d) Formalization
- e) Operation
- f) Administration
- g) Recovery

Procedures have also been implemented to ensure that stage 3 loans are timely transferred and recorded in the accounting, and those loans with recovery problems are properly and promptly identified.

12 - LOANS RESTRUCTURED IN UDIS

As of December 31, 2025 and 2024, the Financial Group has no mortgage loans restructured in UDIS.

Early termination of mortgage loan borrower support programs

On June 30, 2010, the Federal Government through the SHCP and Banking Institutions signed an agreement for the early termination of the mortgage loan debtors support programs (*Final Point* and *UDIS trusts*) (the Agreement); consequently as of January 1, 2011, the Financial Group absorbed its part of the early discount granted to mortgage loan debtors participating in the program.

The Agreement established a series of obligations for the Federal Government payable in 5 annual amortizations with a due date of June 1, 2015 which is when the last payment of Ps. 29 was received. Such payment included the monthly financial cost from the day immediately following the cut-off date and up to closing of the month immediately preceding the due date.

As of December 31, 2025, the remaining balance of SPECIAL CETES not repurchased by the Federal Government is Ps. 492 with maturities in 2027.

13 - ALLOWANCE FOR LOAN LOSSES

The Financial Group's portfolio classification, which serves as the basis for recording the allowance for loan losses, is detailed below:



2025							
Risk category	Required allowances for losses						
	Loan portfolio	Companies	Government	Financial institution	Consumer portfolio	Mortgage portfolio	Total
				s' loans			
Risk A1	Ps. 1,158,828	Ps. 1,187	Ps. 816	Ps. 78	Ps. 1,288	Ps. 185	Ps. 3,554
Risk A2	36,970	131	36	14	624	18	823
Risk B1	64,166	99	61	-	1,684	53	1,897
Risk B2	14,162	15	-	-	716	24	755
Risk B3	15,760	129	1	-	684	20	834
Risk C1	19,581	358	-	2	1,004	184	1,548
Risk C2	13,634	90	20	-	2,432	190	2,732
Risk D	9,950	612	-	1	1,601	667	2,881
Risk E	13,053	3,457	-	68	5,131	59	8,715
Unclassified	(896)						
BAP loan portfolio	4,228						
Deferred items	4,033						
	Ps. 1,353,469	Ps. 6,078	Ps. 934	Ps. 163	Ps. 15,164	Ps. 1,400	Ps. 23,739
Recorded allowance	-	-	-	-	-	-	24,097
BAP allowances	-	-	-	-	-	-	342
Supplement	-	-	-	-	-	-	Ps. 16

2024							
Risk category	Required allowances for losses						
	Loan portfolio	Companies	Government	Financial institution	Consumer portfolio	Mortgage portfolio	Total
				s' loans			
Risk A1	Ps. 1,095,486	Ps. 1,192	Ps. 864	Ps. 77	Ps. 1,132	Ps. 209	Ps. 3,474
Risk A2	30,149	73	42	0	492	46	653
Risk B1	45,707	19	54	0	1,342	31	1,446
Risk B2	19,871	27	5	0	817	43	892
Risk B3	14,418	84	1	12	693	8	798
Risk C1	16,822	74	0	1	927	236	1,238
Risk C2	17,198	127	40	0	2,446	244	2,857
Risk D	8,337	722	0	7	1,252	422	2,403
Risk E	8,143	1,149	0	85	4,454	80	5,768
Unclassified	(1,180)	-	-	-	-	-	-
BAP loan portfolio	3,812	-	-	-	-	-	-
Deferred items	3,132	-	-	-	-	-	-
	Ps. 1,261,895	Ps. 3,467	Ps. 1,006	Ps. 182	Ps. 13,555	Ps. 1,319	Ps. 19,529
Recorded allowance	-	-	-	-	-	-	20,434
BAP allowances	-	-	-	-	-	-	312
Supplement	-	-	-	-	-	-	Ps. 593

The reserve complement is in accordance with the provisions of the general provisions applicable to credit institutions.



As of December 31, 2025 and 2024, the provisions to cover 100% of the rating base for loan portfolios includes Ps. 37,084 and Ps. 34,880, respectively, for Guarantees Granted and Credit Commitments, which are recorded in memorandum accounts.

Additionally, it includes Ps. 21,459 and Ps. 19,439 were also added for loans to related parties consolidated by the Parent Company.

The estimated allowance for loan losses is determined based on portfolio balances at those dates.

As of December 31, 2025 and 2024, the allowance for loan losses represents 135% and 181%, respectively, of the stage 3 portfolio.

The estimated allowance includes the classification of loans granted in foreign currency, which are evaluated at the exchange rate in effect as of December 31, 2025 and 2024.

According to the current regulation, as of December 31, 2025 and 2024, the Holding rated under the regulatory methodologies based on expected losses the commercial portfolios (except loans for investment projects with their own source of payment, Companies with sales greater than 14 million udis and Companies with sales less than 14 million udis) and non-revolving consumer portfolio (except automotive loans to individuals)..

The Holding uses internal methodologies authorized by the Commission according to the following: for the Revolving Consumer portfolio since January 2018, for the commercial portfolio of borrowers with sales or income greater than or equal to 14 million udis, since January 2019, and for the Auto (Individuals) portfolio since January 2020, for the Mortgage portfolio as of July 2023 and for the commercial portfolio of borrowers with sales or revenues of less than 14 million udis as of August 2024.

Below are shown for each type of portfolio, the exposure to default, probability of breach of contract, and severity of the loss as of December 31, 2025:

Type of portfolio	Exposure to Default	Weighted Probability of Non-compliance	Weighted Severity of Loss
Commercial*	637,606	2.0%	33.0%
Mortgage	295,418	1.9%	24.4%
Non-revolving consumer	164,409	6.4%	67.9%
Revolving Consumer loan	102,352	10.0%	77.9%

* Loans to financial intermediaries and loan intended for investment projects having their own source of payment are not included.

Movements in allowance for loan losses

An analysis of the movements in allowance for loan losses is detailed below:

	2025	2024
Balance at the beginning of the year	Ps. 20,434	Ps. 19,857
Increase charged to results	26,401	22,158
Discounts and write-offs	(22,583)	(21,766)
Rebates granted to housing debtors	(67)	(55)
Others	(88)	240
Year-end balance	Ps. 24,097	Ps. 20,434

14- ACQUIRED COLLECTION RIGHTS, NET

The balance of acquired collection rights (net) as of December 31, 2025 and 2024 was Ps. 796 and Ps. 876, they are valued at amortized cost based on the effective interest method in accordance with MFRS C-20.

As of December 31, 2025 and 2024, recognized income amounted to Ps. 615 and Ps. 714 and amortization to Ps. 76 and Ps. 155, respectively.



The Financial Group performs an analysis based on events or information to estimate the amount of expected cash flows to determine the estimated rate of return used in applying the valuation method for the amortization of the accounts receivable. If based on historical or current events information, the analysis demonstrates that the future cash flows discounted at the original rate of return (effective interest rate) will decrease to the degree that they will not cover the book value, it will constitute an estimate for non-recoverability or difficult collection against the year's results for the amount that such discounted cash flows are lower than the book value of the accounts receivable.

Assets different from cash that the Financial Group has received as part of portfolio collection or recovery have been mainly in real estate property.

The main feature considered for segmenting acquired portfolios has been the type of loan.

15 – DEBTORS OF INSURANCE AND SURETY COMPANIES

This item is made up as follows:

	2025	2024
Maritime and transportation	Ps. 45	Ps. 19
Automobile	2,735	2,405
Various	1,092	1,072
Accidents and health	1,003	915
Life	1,158	1,140
Pensions	194	68
	6,227	5,619
Federal public administration agencies' indebtedness	94	-
	Ps. 6,321	Ps. 5,619

16 – AMOUNTS RECOVERABLE BY REINSURANCE AND COUNTER-GUARANTEE

This item is made up as follows:

	2025	2024
Insurance and surety entities	Ps. 3,030	Ps. 2,064
Reinsurers' participation for pending claims	2,755	2,447
Reinsurers' participation for current risk	676	572
Other participations	279	629
Preemptive credit risk assessment of Foreign Reinsurers	(3)	(2)
Estimate for punishments	(53)	(49)
	Ps. 6,684	Ps. 5,661

17 - OTHER ACCOUNTS RECEIVABLE, NET

The balance of other accounts receivable as of December 31, 2025 and 2024 is integrated as follows:

	2025	2024
Loans to officers and employees	Ps. 4,171	Ps. 3,739
Debtors from liquidation settlements	24,323	26,156
Debtors from cash collateral	5,357	15,065
Real estate property portfolios	369	379
Sundry debtors in Mexican pesos	9,742	9,198
Sundry debtors in foreign currency	174	436
Others	1,383	1,641
	45,519	56,614
Allowance for doubtful accounts	(470)	(385)
	Ps. 45,049	Ps. 56,229

Loans to officers and employees mature within 3 to 30 years and accrue an interest rate from TIIE +0.6% to TIIE +1 %.



18 - FORECLOSED ASSETS, NET

As of December 31, 2025 and 2024, the foreclosed assets balance is as follows:

	2025	2024
Moveable property	Ps. 571	Ps. 112
Real estate property	6,359	6,417
Goods pledged for sale	119	241
	7,049	6,770
Allowance for losses on foreclosed assets	(57)	(49)
Allowance for losses on foreclosed real estate assets	(2,345)	(2,091)
Allowance for losses on assets pledged for sale	-	(30)
	(2,402)	(2,170)
	Ps. 4,647	Ps. 4,600

19 - PROPERTY, FURNITURE AND EQUIPMENT, NET

As of December 31, 2025 and 2024, the property, furniture and equipment balance is as follows:

	2025	2024
Furniture and equipment	Ps. 22,295	Ps. 20,519
Property intended for offices	19,935	18,827
Installation costs	20,899	16,904
	63,129	56,250
Less - Accumulated depreciation and amortization	(27,845)	(24,337)
	Ps. 35,284	Ps. 31,913

Depreciation recorded in the results of 2025 and 2024 was Ps. 4,494 and Ps. 4,198, respectively.

The average estimated useful lives of the Financial Group's assets subject to depreciation are listed below:

	Useful Life
Furniture and equipment	From 4 to 10 years
Property intended for offices	From 4 to 99 years
Installation costs	10 years

20 - ASSETS RIGHTS OF USE OF ASSETS AND LEASE LIABILITY

The Financial Group leases computer equipment, furniture and equipment and real estate, agreed upon in previous years.

The asset balance of the right-of-use as of December 31, 2025 and 2024 is as follows

	2025	2024
Real estate	Ps. 4,399	Ps. 4,328
Computer equipment	126	112
	Ps. 4,525	Ps. 4,440

As of December 31, 2025 and 2024, the lease liability is made up as follows:

Analysis of Maturity - Undiscounted Contractual Cash Flows

	2025	2024
From zero to five years	Ps. 2,848	Ps. 2,132
From more than five to ten	1,707	229
Ten years and more	162	2,216
	Ps. 4,717	Ps. 4,577



The depreciation expense of asset right-of-use recognized in results as of December 31, 2025 and 2024, was Ps. 1,252 and Ps. 1,311, respectively.

The interest expense of the lease liability recognized in results as of December 31, 2025 and 2024, was Ps. 404 and Ps. 386, respectively.

Lease payments made in 2025 and 2024 were Ps. 1,551 and Ps. 1,626, respectively.

21 - PERMANENT STOCK INVESTMENTS

Investments in non-consolidated companies and associated companies are valued according to the equity method, as detailed below:

	Share %	2025	2024
Afore XXI-Banorte, S.A. de C.V.	50%	Ps. 14,151	Ps. 13,911
McN Investments Ltd	4.95%	1,008	1,008
Controladora PROSA, S.A. de C.V.	19.73%	278	374
Sociedades de Inversión Ixe Fondos	Several	160	146
F-741723 - Valle de San Pedro	20.00%	27	27
Fondo Chiapas, S.A. de C.V.	12.09%	24	19
Capital I CI-3, S.A.P.I. de C.V.	50.00%	7	6
Others	Several	103	138
		15,758	Ps. 15,629

The Financial Group exercises significant influence over its affiliates valued under the equity method through its representation in the board of directors or equivalent management body, as well as through significant intercompany transactions.

The relevant activities of the Afore are directed by both the Financial Group and the Mexican Institute of Social Security [*Instituto Mexicano del Seguro Social*], with equal rights and responsibilities. Therefore the Financial Group has no control over such entity and does not consolidate it.

22 - DEFERRED TAXES, NET

The tax reported by the Financial Group is calculated based on the current taxable result of the year and enacted tax regulations. However, due to temporary differences between how income and expenses are recognized for accounting and tax purposes, as well as the differences between the accounting and tax statement of financial position accounts, As of December 31, 2025 and 2024, the Financial Group has recognized a net deferred tax for Ps. 3,437 and Ps. 5,245, respectively, and it is made up as follows:

	2025		2024	
	Temporary Differences	Deferred Effect	Temporary Differences	Deferred Effect
<u>Temporary Differences - Assets</u>				
Allowance for loan losses	Ps. 2,060	Ps. 618	Ps. 1,842	Ps. 552
Tax loss carryforwards	208	62	2,740	822
Surplus allowances for credit risks over the net tax limit	23,339	7,323	19,452	6,135
Excess of tax over book value of foreclosed and fixed assets	367	135	1,140	368
PTU	1,861	558	1,497	449
Fees collected in advance	3,890	1,167	3,733	1,120
Financial instruments valuation	181	54	3,631	1,089
Deferred from the IXE purchase method	155	47	67	20
Accounting provisions	8,454	2,536	7,240	2,172
Other assets	348	104	581	174
Total assets	Ps. 40,863	Ps. 12,604	Ps. 41,923	Ps. 12,901



Temporary Differences - Liabilities

Excess of tax over book value of foreclosed and fixed assets and expected payments	1,306	392	1,500	450
Acquisition of Portfolios	1,016	305	1,108	333
Capitalizable projects' expenses	21,953	6,586	21,804	6,541
Financial instruments valuation	4,938	1,482	-	-
Advance contributions to the pension fund	279	84	4	1
Intangible assets	906	272	954	286
-Deferred from the IXE purchase method			-	-
Other liabilities	161	46	152	45
Total Liabilities	Ps. 30,559	Ps. 9,167	Ps. 25,522	Ps. 7,656
Deferred tax, net		Ps. 3,437		Ps. 5,245

As explained in Note 33, the applicable income tax rate is 30% for 2025 and 2024 and later years.

At December 31, 2025, the tax loss carry forwards prescription is as follows:

Due date	Amount
2029	Ps. 259
2030	198
2031	93
2032	79
2033	37
2034	342
	Ps. 1,008

Banorte USA's deferred tax assets and liabilities are determined using the liability method. According to this method, the net asset or liability of deferred taxes is determined based on the tax effects of temporary differences between the book and tax base of assets and liabilities. Due to the consolidation of Banorte USA, as of December 31, 2025 and 2024, a net amount of Ps. 43 was added to deferred taxes determined at a rate of 21% as per the tax law of the USA.

23 - ADVANCE PAYMENTS AND OTHER ASSETS, NET

The balance of advanced payments and other assets as of December 31, 2025 and 2024 is as follows:

	2025	2024
Payments to be amortized	Ps. 2,393	Ps. 1,505
Various taxes	4,023	4,278
Advances to suppliers	3,588	3,861
Other assets	3,946	4,447
	Ps. 13,950	Ps. 14,091

24 - GOODWILL

As of December 31, 2025 and 2024 goodwill is as follows:

	2025	2024
Originated by the merger with Grupo Financiero Interacciones, S.A.B. de C.V.	Ps. 14,070	Ps. 14,070
Originated by the merger with Ixe Grupo Financiero, S.A.B. de C.V.	11,259	11,258
Originated by the merger with Banorte-Ixe Tarjetas, S.A. de C.V., SOFOM, ER	1,005	1,005
Originated by the merger with Uniteller Financial Services	383	433
Originated by the merger with Tarjetas del Futuro, S.A.P.I. de C.V. (TDF)	-	147
Originated by the merger with More Payment Evolution	761	1,154
	27,478	Ps. 28,067



* Includes Ps. 727 of the goodwill generated by the acquisition of Banorte-Ixe Tarjetas and Ps. 278 that this entity had registered at the time of the acquisition.

As mentioned in Note 5, goodwill is not amortized since 2007 and since then is subject to annual impairment tests. No impairment to goodwill value was detected as of December 31, 2025 and 2024.

25 - DEPOSITS

Liquidity coefficient

The “Investment regime for transactions in foreign currency and conditions to be fulfilled during the term of transactions in such currency”, designed for credit institutions by Banco de México, establishes the mechanism for determining the liquidity coefficient of liabilities denominated in foreign currency.

In accordance with the aforementioned regime, during 2025 and 2024 the Holding generated an average monthly liquidity requirement of Ps. 1,488,717 and 964,178 thousand USD, respectively, and maintained an average investment in liquid assets of 7,189,547 and 5,324,763 thousand USD, having on average an excess of Ps. 5,700,831- and 4,360,584 thousand USD, respectively.

Deposits

The liabilities derived from core deposits are made up as follows:

	2025	2024
Demand deposits		
Non-interest bearing checking accounts:		
Cash deposits	Ps. 480,137	Ps. 424,998
Checking accounts in US dollars for individual residents on the Mexican border	4,244	4,767
Demand deposits accounts	12,945	13,086
Interest bearing checking accounts:		
Other bank checking deposit	287,232	253,503
Checking accounts in US dollars for individual residents on the Mexican border	2,354	2,360
Demand deposits accounts	26,227	23,467
	813,139	722,181
Time deposits		
General public:		
Fixed-term deposits	26,692	27,237
Retail time deposits	355,011	334,349
Promissory note with interest payable at maturity PRLV primary market for individuals	135	85
Promissory note with interest payable at maturity PRLV primary market for institutions	113	114
Provision for interest	1,481	1,899
	383,432	363,684
Money market:		
Over the counter promissory notes	5,841	1,795
	5,841	1,795
	389,273	365,479
Senior debt	35,057	41,831
Global account of deposits without movement	4,538	4,009
	Ps. 1,242,007	Ps. 1,133,500

The funding rates which the Financial Group uses as reference are: a) for Mexican pesos, Interbank Interest Rate (TIIE), Average Cost of Funds (CCP) and; b) for foreign currency, the London Interbank Offered Rate (LIBOR).

These liabilities incur interest depending on the type of instrument and average balance held in the investments. The average interest rates and their currency of reference are shown below:



Immediately due and payable deposits:

Foreign exchange	2025				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Mexican pesos and UDIS	2.52%	2.34%	1.93%	1.74%	2.99%	2.89%	2.85%	2.67%
Foreign currency	1.82%	1.81%	1.66%	1.47%	1.72%	2.00%	1.72%	1.54%

Time deposits:

Foreign exchange	2025				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<u>General public</u>								
Mexican pesos and UDIS	7.72%	6.86%	6.05%	5.70%	8.96%	8.81%	8.74%	8.22%
Foreign currency	3.12%	2.20%	2.42%	1.69%	3.02%	2.47%	3.27%	3.56%
Money market	9.24%	8.23%	7.29%	6.86%	10.07%	10.77%	10.50%	10.32%

As of December 31, 2025 and 2024, the terms set for these deposits are as follows:

	2025			Total
	From 1 to 179 days	From 6 to 12 months	More than 1 year	
General public				
Fixed-term deposits	Ps. 23,932	Ps. 1,485	Ps. 1,275	Ps. 26,692
Retail time deposits	340,345	14,351	315	355,011
Promissory note with interest payable at maturity PRLV primary market for individuals	133	1	1	135
Promissory note with interest payable at maturity PRLV primary market for entities	97	14	2	113
Provision for interest	1,177	292	12	1,481
	365,684	16,143	1,605	383,432
Money market:				
Over the counter promissory notes	-	-	5,841	5,841
	-	-	5,841	5,841
Senior debt issued	35,057	-	-	35,057
Global account of deposits without movements	4,538	-	-	4,538
	Ps. 405,279	Ps. 16,143	Ps. 7,446	Ps. 428,868

	2024			Total
	From 1 to 179 days	From 6 to 12 months	More than 1 year	
General public				
Fixed-term deposits	Ps. 21,866	Ps. 1,242	Ps. 4,129	Ps. 27,237
Retail time deposits	323,543	10,559	247	334,349
Promissory note with interest payable at maturity PRLV primary market for individuals	85	-	-	85
Promissory note with interest payable at maturity PRLV primary market for entities	100	11	3	114
Provision for interest	1,656	231	12	1,899
	347,250	12,043	4,391	363,684
Money market:				
Over the counter promissory notes	-	-	1,795	1,795
	-	-	1,795	1,795
Senior debt issued	41,831	-	-	41,831
Global account of deposits without movements	4,009	-	-	4,009
	Ps. 393,090	Ps. 12,043	Ps. 6,186	Ps. 411,319



26 - INTERBANK AND OTHER LOANS

The loans received from other banks as of December 31, 2025 and 2024 is as follows:

	Mexican pesos		Denominated in USD		Total	
	2025	2024	2025	2024	2025	2024
Short-term:						
Commercial banking	Ps. 11,557	Ps. 1,530	-	Ps. -	Ps. 11,557	Ps. 1,530
Development banking	1,503	1,943	-	-	1,503	1,943
Public trusts	13,431	13,837	478	4,744	13,909	18,581
Provision for interest	127	117	3	25	130	142
	26,618	17,427	481	4,769	27,099	22,196
Long-term:						
Commercial banking	467	-	40	3,836	507	3,836
Development banking	-	-	-	-	-	-
Public trusts	8,495	7,273	1,228	1,756	9,723	9,029
	8,962	7,273	1,268	5,592	10,230	12,865
	Ps. 35,580	Ps. 24,700	Ps. 1,749	Ps. 10,361	Ps. 37,329	Ps. 35,061

These liabilities incur interest depending on the type of instrument and average balance of the loans.

The average interest rates are shown below:

Foreign exchange	2025				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<u>Call money</u>								
Mexican pesos and UDIS	-%	-%	-%	-%	-%	-%	-%	-%
<u>Other bank loans</u>								
Mexican pesos and UDIS	9.19%	8.56%	8.20%	7.85%	9.68%	9.92%	9.84%	9.43%
Foreign currency	4.85%	4.82%	4.40%	4.42%	5.00%	5.47%	5.90%	5.19%

27 - TECHNICAL RESERVES

Technical reserves are made as follows:

	2025	2024
Current risk:		
Life	Ps. 334,593	Ps. 292,877
Accidents and health	2,865	2,779
Damages	5,178	4,360
	Ps. 342,636	300,016
Contractual obligations:		
Claims and expirations	8,150	7,434
Unreported claims	6,827	6,565
Dividends on policies	106	173
Insurance funds under management	80	82
Security premiums	3	87
	15,166	14,341
Contingency:		
Catastrophic risk	853	1,119
Contingencies	5,438	5,055
Special	1,409	1,196
	7,700	7,370
	Ps. 365,502	Ps. 321,727

Seguros Banorte's technical reserves were ruled by Actuary Ana Maria Ramírez Lozano, member of the company called KPMG Cárdenas Dosal, S.C.

The technical reserves of Pensiones Banorte were ruled by Actuary Rocío Gomez Reyes, member of the company called Willis Towers Watson Consultores México, S. de R.L. of C.V.



28 - SUNDRY CREDITORS AND OTHER PAYABLES

The item of sundry creditors and other payables as of December 31, 2025 and 2024 is made up as follows:

	2025	2024
Cashier and certified checks and other negotiable instruments	Ps. 3,632	Ps. 7,170
Provisions for other obligations	7,672	8,842
Others	18,416	16,515
	Ps. 29,720	Ps. 32,527

29 - EMPLOYEE BENEFIT LIABILITY

As of December 31, 2025 and 2024 it is integrated as follows:

	2025	2024
Direct short-term and other benefits	Ps. 6,596	Ps. 6,815
Post-employment benefits	6,846	5,464
Termination Benefits	443	367
	Ps. 13,885	Ps. 12,646

The Holding recognizes the liabilities for pension plans and seniority premiums using the "Projected Unit Credit Method", which considers the benefits accrued at the date of the Consolidated Statement of financial positions and the benefits generated during the year.

The amount of current and projected benefits as of December 31, 2025 and 2024, related to the Defined Benefit Pension Plan, seniority premiums and retiree medical coverage, determined by independent actuaries, is analyzed below:

	2025			Total
	Pension plan	Seniority premiums	Medical services	
Projected benefit obligation (PBO)	(Ps. 1,708)	(Ps. 5,528)	(1,144)	(8,380)
Fund market value	676	676	182	1,534
Fund status	(Ps. 1,032)	(Ps. 4,852)	(962)	(6,846)
Unrecognized prior service cost	-	-	-	-
Unrecognized actuarial losses	-	-	-	-
Net projected liability	(Ps. 1,032)	(Ps. 4,852)	(Ps. 962)	(Ps. 6,846)

	2024			Total
	Pension plan	Seniority premiums	Medical services	
Projected benefit obligation (PBO)	(Ps. 1,732)	(Ps. 4,626)	(Ps. 921)	(Ps. 7,279)
Fund market value	666	947	202	1,815
Fund status	(1,066)	(3,679)	(719)	(5,464)
Unrecognized prior service cost	-	-	-	-
Unrecognized actuarial losses	-	-	-	-
Net projected liability	(Ps. 1,066)	(Ps. 3,679)	(Ps. 719)	(Ps. 5,464)

As of December 31, 2025 and 2024, a separate fund amounting to Ps. 128 and Ps. 101 has been set aside to meet the above-mentioned obligations, in accordance with MFRS D-3 and is recorded under "Other assets".



As of December 31, 2025 and 2024, the net periodic pension cost is as follows:

	2025	2024
Service cost	(Ps. 268)	Ps. 166
Interest cost	800	644
Expected return on plan assets	(180)	(227)
Amortizations of unrecognized items:		
Profits (actuarial losses)	347	132
Net periodic pension cost	Ps. 699	Ps. 715

The rates used in the calculation of the projected benefit obligation and return on plan assets as of December 31, 2025 and 2024, are shown below:

Concept	2025 Nominal	2024 Nominal
Discount rate	10.50%	11.25%
Rate of wage increase	4.75%	4.75%
Long-term inflation rate	3.50%	3.50%
Expected long-term rate of return on plan assets	3.50%	3.50%

The liability for severance indemnities due to causes other than organization restructuring, which was also determined by independent actuaries, is comprised as follows:

Concept	2025	2024
Defined and projected benefit obligations	(Ps. 433)	(Ps. 367)
Net projected liability	(Ps. 433)	(Ps. 367)

The net periodic pension cost is as follows:

Concept	2025	2024
Service cost	Ps. 50	Ps. 52
Interest cost	(13)	(13)
Net periodic pension cost	Ps. 37	Ps. 39

Pursuant to the law, the Financial Group makes payments equivalent to 2% of its workers' salary to the contribution plan defined for the retirement saving fund established by law. The expense for this concept was Ps. 135 in 2025 and Ps. 295 in 2024.

The balance of the employee retirement obligations presented in this Note refers to the Holding's Defined Benefit Pension Plan for those employees who remain enrolled.

The labor obligations derived from the Defined Contribution Pension Plan do not require an actuarial valuation as established in MFRS D-3, because the cost of this plan is equivalent to the Financial Group's contributions made to the plan's participants. This pension plan is invested in a fund as of December 31, 2025 and 2024, equivalent to Ps. 128 and Ps. 110, respectively, which is recorded under "Other assets" and is equivalent to the recorded plan liability.

As of December 31, 2025 and 2024, the PTU provision was Ps. 1,621 and Ps. 1,546, respectively.



30 - FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES

As of December 31, 2025 and 2024, the subordinated debentures in circulation are as follows:

	2025	2024
Non-preferred, perpetual, non-cumulative subordinated notes with first 10-year repurchase option date NC10 Notes denominated in USD, with an interest rate of 7.625%. D2 BANOE 91 99999 **	Ps. 9,904	Ps. 11,486
Preferred subordinated bonds not eligible to be converted into D8_BNR1031_575C share capital (previously BANOC36 311004) due October 2031, denominated in USD, with an interest rate of 5.75% payable semi-annually and amortizing the principal at maturity.	1,333	1,546
Non-preferred, perpetual, non-cumulative subordinated notes with first 10-year repurchase option date NC10 Notes denominated in USD, with an interest rate of 7.50%. D8_BANP_75C (formerly D2 BANOB 48 99999)	9,004	10,441
Non-preferred, perpetual, non-cumulative subordinated notes with first 10-year repurchase option date NC10 Notes denominated in USD, with an interest rate of 8.375%. D2 BANOC 21 99999**	9,004	10,441
Non-preferred, perpetual, non-cumulative subordinated notes with first repurchase option date after 5 years NC5 Notes denominated in USD, with an interest rate of 5.875%. D2 BANOA 99 99999 **	9,004	10,441
Non-preferred, perpetual, non-cumulative subordinated notes with first repurchase option date after 10 years NC10 Notes denominated in USD, with an interest rate of 6.625%. D2 BANOB 72 99999 **	9,904	11,486
Non-preferred, perpetual, non-cumulative subordinated notes with first repurchase option date at 6.5 years NC6.5 Notes denominated in USD, with an interest rate of 8.375%. D2 BANOD06 999999	13,506	15,662
Non-preferred, perpetual, non-cumulative subordinated notes with first 10-year repurchase option date NC10.5 Notes denominated in USD, with an interest rate of 8.75%. D2_BANOE88 999999	13,506	15,662
Accrued interest payable	19	22
Issuance and placement costs	(200)	(259)
	Ps. 74,984	Ps. 86,928

** Issuance recorded in liabilities and the interest generated by the notes is payable against the results of previous years, given the characteristic established in the obligations to pay the returns at the discretion of the issuer, it is considered a component of equity.

Expenses related to these issuances are amortized based on the effective interest rate during the issuance term. The amount charged to results for amortization amounted to Ps. 59 and Ps. 63 in 2025 and 2024, respectively.

31 - TRANSACTIONS AND BALANCES WITH NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

Pursuant to Article 73 Bis of the LIC, the loans granted by Banking Institutions to related parties may not exceed 35% of the basic part of its net capital.

For the year ended December 31, 2025 and 2024, the amount of the loans granted to related parties were as follows:

Institution granting the loan	2025	% over the limit	2024	% over the limit
Banco Mercantil del Norte, S.A.	Ps. 26,326	11.6%	Ps. 32,469	17.1%

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



32 - INFORMATION BY SEGMENT

The main operations and balances per concept and/or business segment in the Statement of financial position and the Income Statement are comprised as follows:

a. Interest and fees income is made up as follows:

	2025		
	Interest	Fees	Total
	MXP	MXP	MXP
Cash and cash equivalents	Ps. 5,365	Ps. -	Ps. 5,365
Margin securities	(115)	-	(115)
Investment in securities	63,864	-	63,864
Securities repurchasing and loans	7,392	-	7,392
Hedging transactions	165,412	-	165,412
Commercial loans	70,561	698	71,259
Mortgage loans	27,143	807	27,950
Consumer loans	52,374	551	52,925
Others	10,986	-	10,986
	Ps. 402,982	Ps. 2,056	Ps. 405,038

	2024		
	Interest	Fees	Total
	MXP	MXP	MXP
Cash and cash equivalents	Ps. 8,127	Ps. -	Ps. 8,127
Margin securities	(471)	-	(471)
Investment in securities	72,392	-	72,392
Securities repurchasing and loans	9,058	-	9,058
Hedging transactions	151,717	-	151,717
Commercial loans	77,363	570	77,933
Mortgage loans	24,675	833	25,508
Consumer loans	46,857	525	47,382
Others	12,959	-	12,959
	Ps. 402,677	Ps. 1,928	Ps. 404,605

b. The balances by service sector of the Financial Group, without considering the eliminations relative to the consolidation of the financial statements, are as follows:

	2025	2024
Banking sector:		
Net income	Ps. 47,320	Ps. 43,873
Stockholders' equity	151,429	150,826
Total portfolio	1,254,014	1,162,108
Stage 3 loan portfolio	17,354	10,576
Allowance for loan losses	(23,339)	(19,671)
Total net assets	1,959,747	1,834,184
Brokerage sector:		
Net income	1,472	959
Stockholders' equity	5,644	4,743
Portfolio balance	1,699,635	1,425,818
Total net assets	217,245	260,857
Long term saving sector*		
Net income	11,129	9,714
Stockholders' equity	41,513	36,834
Total net assets *	423,677	373,465



	2025	2024
SOFOM Sector and Auxiliary Credit Organizations:		
Net income	Ps. 1,266	Ps. 1,023
Stockholders' equity	15,702	14,424
Total portfolio	54,111	48,113
Stage 3 loan portfolio	485	550
Allowance for loan losses	(416)	(451)
Total net assets	69,327	60,684
Grupo Financiero Banorte (Financial Group)		
Net income	58,788	56,188
Stockholders' equity	248,979	249,299
Total assets	248,994	249,357

*For sector comparisons, Afore XXI Banorte's results are shown at 100% in this table. As of the fourth quarter of 2016, results are reported in Seguros Banorte in 50% through participation method.

c. The trading results is as follows:

	2025	2024
Trading results:		
Spot foreign currency and metal	(Ps. 11,385)	Ps. 14,616
Derivative financial instruments	7,984	(8,317)
Investments in securities	2,709	1,351
Valuation	(692)	7,650
Purchase-sales result, net		
Spot foreign currency and metal	6,566	(4,445)
Derivative financial instruments	149	(153)
Investments in securities	2,870	1,932
Purchase and Sale	9,585	(2,666)
Total trading results	Ps. 8,893	Ps. 4,984

d. The loan portfolio in stage 1 and 2 grouped by economic sector and geographical location, is as follows

Economic sector	2025	%	2024	%
Agriculture	Ps. 11,554	0.9%	Ps. 13,339	1.1%
Commerce	150,043	11.8%	145,197	12.3%
Construction	49,457	3.9%	41,900	3.6%
Manufacturing	54,001	4.3%	53,588	4.5%
Mining	1,306	0.1%	2,056	0.2%
Services	46,616	3.7%	50,131	4.2%
Financial and real estate services	139,315	11.0%	116,173	9.8%
Transportation	52,934	4.2%	50,930	4.3%
Government	185,016	14.6%	183,927	15.6%
Mortgage	292,405	23.0%	272,692	23.1%
Credit card	77,924	6.1%	68,445	5.8%
Other consumer loans	161,183	12.7%	135,461	11.5%
Leasing	30,289	2.4%	30,267	2.6%
Factoring	16,785	1.3%	15,550	1.3%
	Ps. 1,268,828	100.00%	Ps. 1,179,656	100.0%



e. The stage 3 loan portfolio, grouped by economic sector and geographical location, is as follows

Economic Sector	2025	%	2024	%
Agriculture	534	3.0%	Ps. 483	4.3%
Commerce	1,514	8.5%	1,437	12.9%
Construction	78	0.4%	184	1.7%
Manufacturing	429	2.4%	667	6.0%
Mining	33	0.2%	31	0.3%
Services	5,184	29.1%	270	2.4%
Financial and real estate services	463	2.6%	391	3.5%
Transportation	211	1.2%	179	1.6%
Government	-	0.0%	4	0.0%
Mortgage	3,013	16.9%	2,097	18.8%
Credit card	2,797	15.7%	2,158	19.4%
Other consumer loans	3,098	17.4%	2,679	24.1%
Leasing	233	1.3%	256	2.3%
Factoring	251	1.4%	289	2.6%
	Ps. 17,838	100.0%	Ps. 11,125	100.0%

f. Deposit accounts grouped by product and geographical location are as follows:

Product	2025							
	Geographical location							Total
	Monterrey	Mexico City	West	Northwest	South-east	Treasury and other	Foreign	
Non-interest bearing checking accounts	Ps. 110,675	Ps. 182,871	Ps. 44,769	Ps. 64,386	Ps. 71,745	Ps. 2,827	Ps. -	Ps. 477,273
Interest-bearing checking accounts	26,071	139,052	17,532	13,677	43,022	1,928	-	241,282
Current account Ps. and pre-established	886	1,908	463	553	606	122	-	4,538
Non-interest bearing demand deposits, USD	9,064	9,460	2,204	13,416	2,275	-	-	36,419
Interest bearing demand deposits, USD	18,228	26,582	2,670	7,817	2,871	-	-	58,168
Retail time deposits	86,782	138,072	34,736	39,246	51,053	1,619	-	351,508
Time deposits, USD	110	260	110	718	69	3	-	1,270
Customers money market	15,795	10,329	2,307	988	1,156	78	-	30,653
Financial intermediaries	-	-	-	-	-	38,114	2,782	40,896
Total deposits	Ps. 267,611	Ps. 508,534	Ps. 104,791	Ps. 140,801	Ps. 172,797	Ps. 44,691	Ps. 2,782	Ps. 1,242,007

Product	2024							
	Geographical location							Total
	Monterrey	Mexico City	West	Northwest	South-east	Treasury and other	Foreign	
Non-interest bearing checking accounts	Ps. 98,028	Ps. 159,952	Ps. 39,536	Ps. 58,887	Ps. 61,484	Ps. 2,501	Ps. -	Ps. 420,388
Interest-bearing checking accounts	27,551	108,124	13,136	15,988	39,091	318	-	204,208
Current account Ps. and pre-established	812	1,683	390	514	540	70	-	4,009
Non-interest bearing demand deposits, USD	10,136	10,147	2,309	15,251	1,971	-	-	39,814
Interest bearing demand deposits, USD	20,154	23,172	3,349	7,684	3,410	-	-	57,769
Retail time deposits	78,068	120,580	32,037	34,820	45,252	892	-	311,649
Time deposits, USD	469	3,365	28	259	15	10	-	4,146
Customers money market	25,655	12,874	4,133	3,067	1,975	187	-	47,891
Financial intermediaries	-	-	-	-	-	40,390	3,236	43,626
Total deposits	Ps. 260,873	Ps. 439,897	Ps. 94,918	Ps. 136,470	Ps. 153,738	Ps. 44,368	Ps. 3,236	Ps. 1,133,500



33 - INCOME TAXES

The Financial Group is subject to Income Tax (ISR).

ISR

Pursuant to the ISR Law the rate for 2024 was 30% and will continue at the same rate for subsequent years.

Reconciliation of the accounting and tax result

The main items that affected the determination of the Financial Group's fiscal result were the annual adjustment for inflation, the deduction in the exercise of the write-offs of the loan portfolio and the valuation of financial instruments.

Reconciliation of the ISR legal rate and the effective rate expressed as a percentage of the income before ISR and PTU is:

	2025	2024
Legal rate	30%	30%
Tax inflation	(1%)	(1%)
Accounting deductions non-tax	2%	1%
Non-cumulative recoveries	(1%)	(1%)
Interest on debentures	(1%)	(2%)
Other entries	(2%)	(1%)
Effective rate	27%	26%

34 - DISCLOSURE OF FAIR VALUE

The level of the fair value hierarchy is determined based on the input data and the valuation methodologies used, and is divided into:

- Level 1: are those instruments whose input data are quoted prices, stock market closing prices, facts or position in active markets. These data represent reliable evidence for the determination of fair value without the need to be adjusted.
- Level 2: when the price or input data used to calculate the fair value is that of an instrument similar to the valued one. Also included are those instruments that, despite the existence of quoted prices in the market, do not have transactions on the valuation date or that such transactions are not of a considerable volume.
- Level 3: these are financial instruments whose fair value was calculated using input data that are not available in the market or that are not observable.

As of December 31, 2025 and 2024, the Financial Group determined the fair values of its assets and liabilities, as well as the amount corresponding to each fair value hierarchy level classification as shown in the following table:

Assets	2025	Level 1	Level 2	Level 3	2024	Level 1	Level 2	Level 3
Derivatives – Trading								
Forwards	Ps. 134	Ps. -	Ps. 134	Ps. -	Ps. 280	Ps. -	Ps. 280	Ps. -
Options	421	-	421	-	1,022	-	1,022	-
Swaps	14,726	-	14,726	-	19,824	-	19,824	-
Derivatives – Hedge								
Swaps	3,002	-	3,002	-	1,004	-	1,004	-
Investment in securities								
Trading financial instrument	436,130	237,566	197,985	579	400,773	178,526	221,581	666
Financial Instruments to Collect or Sell	199,501	97,228	102,154	119	201,079	100,074	100,911	94
Total assets	Ps.653,914	Ps.334,794	Ps.318,422	Ps. 698	Ps.623,982	Ps.278,600	Ps.344,622	Ps. 760
Liabilities	2025	Level 1	Level 2	Level 3	2024	Level 1	Level 2	Level 3
Derivatives – Trading								
Forwards	Ps. 218	Ps. -	Ps. 218	Ps. -	Ps. 376	Ps. -	Ps. 376	Ps. -
Options	316	-	316	-	960	-	960	-
Swaps	7,749	-	7,749	-	20,793	-	20,793	-
Derivatives – Hedge								
Swaps	13	-	13	-	3,798	-	3,798	-
Total liabilities	Ps. 8,296	Ps. -	Ps.8,296	Ps. -	Ps.25,927	Ps. -	Ps.25,927	Ps. -



- **Input data and valuation techniques for assets and liabilities classified as level 2 and level 3**

The following table shows the valuation techniques and the observable and unobservable input data used to determine the fair value of those assets and liabilities classified as level 2 and level 3, as well as the figures corresponding to December 31, 2025 and 2024:

Asset

Concept	2025		2024		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
Derivatives – Trading	Ps. 15,387	Ps. -	Ps. 21,273	Ps. -			
Forwards	134	-	279	-			
Currency	134	-	279	-	Net present value	<u>Net present value:</u> - Spot exchange rate - Forward points - Market interest rates	
Options	423	-	1,027	-			
Interest rate	340	-	652	-	Black Model Normal/Lognormal	<u>Black Normal/Lognormal model:</u> - Market interest rates - Embedded volatility	
Index	1	-	6	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot exchange rate - Market interest rates - Embedded volatility - Dividends	
Currency	82	-	369	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot exchange rate - Market interest rates - Forward points - Embedded volatility FX	
Swaps	14,830	-	19,967	-			
Interest rate	7,417	-	14,073	-	Net Present Value	<u>Net present value:</u> - Market interest rates	
Currency	7,398	-	5,849	-	Net Present Value	<u>Net present value:</u> - Market interest rates - Spot exchange rate - Forward points	
Credit	15	-	45	-	Default Intensity Model	<u>Default intensity model:</u> - Market interest rates - Market credit spread - Recovery rate	
Derivatives – Hedge	3,003	-	1,010	-			
Swaps	3,003	-	1,010	-			
Interest rate	1,657	-	201	-	Net Present Value	<u>Net present value:</u> - Market interest rates	
Currency	1,346	-	809	-	Net Present Value	<u>Net present value:</u> - Market interest rates - Spot exchange rate - Forward points	



Concept	2025		2024		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
XVA	(Ps. 106)	Ps. -	(Ps. 152)	Ps. -			
Forwards	-	-	1	-	<u>Probability of Default:</u>	- Market credit spread	- Synthetic credit spread
Options	(1)	-	(4)	-	- <u>Default Intensity</u>	- Market loss severity	- Historical values
Swaps – Trading	(104)	-	(143)	-	- <u>Model</u>	- Interest rate volatility	- Correlations between market variables
Swaps – Hedge	(1)	-	(6)	-	<u>Synthetic credit spread:</u>	- Market interest rates	
					- Global CDS data regression model	- Spot exchange rate	
						- Forward points	
						- Embedded volatility	
					<u>Expositions:</u>		
					- Hull-White Model		
					- Black-Scholes Model		
					- CIR Model		

Concept	2025	2024	2025	2024	Valuation methodology	Observable input data	Non-observable input data
Investment in securities	Ps.300,139	Ps. 698	Ps. 322,492	Ps. 760			
Trading financial instrument	197,985	579	221,581	666			
Bank	32,290	-	29,588	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Weighted bank funding rate	
Government	165,204	-	191,644	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Exchange rate	
Private	491	579	349	666	Basket price of financial assets and liabilities	<u>Last observable price:</u> - Last share price	<u>Basket price of financial assets and liabilities:</u> - Acquired financial assets - Administrative and placement expenses - Adjustment for rights decreed that affect the shareholding structure
					Last observable price	<u>Value in books:</u> - Valuation to the millionth	
					Value in books	<u>Comparable multiples method:</u> - Exchange rate - Market value	
					Comparable Multiples Method		
					Value relative to similar issues	<u>Value with respect to similar emissions:</u> - Price of the similar instrument	<u>Value in books:</u> - Book value at valuation date - Last observed price of the share - Book value at the date of the last observed price
							<u>Comparable multiples method:</u> - Control premium - Liquidity discount - Company value

Concept	2025		2024		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
Financial Instruments to Collect or Sell	Ps.102,154	Ps. 119	Ps. 100,911	Ps. 94			
Bank	31,484	-	22,299	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Weighted bank funding rate	
Government	55,544	-	60,593	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day	
Private	15,126	119	18,019	94	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day	
					Reiner-Rubinstein Cash or Nothing	- Exchange rate	
						<u>Reiner-Rubinstein Cash or Nothing:</u> - Market bank interest rate - Implied volatility	
Total	Ps.318,423	Ps. 698	Ps. 344,623	Ps. 760			



Liabilities

Concept	Level 2	Level 3	Level 2	Level 3	Valuation methodology	Observable input data	Non-observable input data
Derivatives – Trading	Ps. 8,415	Ps. -	Ps. 22,610	Ps. -			
Forwards	218	-	376	-			
Currency	218	-	376	-	Net present value	<u>Net Present Value:</u> - Spot exchange rate - Forward points - Market interest rates	
Options	317	-	971	-			
Interest rate	245	-	616	-	Normal Black Model /NormalLog	<u>Black Normal/Lognormal model:</u> - Market interest rates - Implied volatility	
Index	-	-	3	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot price of the index - Market interest rates - Implied volatility	
Currency	72	-	352	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot exchange rate - Market interest rates - Forward Points - Implied FX Volatility	
Swaps	7,880	-	21,263	-			
Interest rate	3,234	-	8,725	-	Net Present Value	<u>Net Present Value:</u> - Market interest rates	
Currency	4,596	-	12,506	-	Net Present Value	<u>Present Value:</u> - Market interest rates - Spot exchange rate - Forward Points	
Credit	50	-	32	-	Default intensity model	<u>Default intensity model:</u> - Market interest rates - Market Credit Spread - Recovery rate	
Derivatives – Hedge	Ps. 16	Ps. -	Ps. 3,803	Ps. -			
Swaps	16	-	3,803	-			
Interest rate	(6)	-	1,409	-	Net Present Value	<u>Net Present Value:</u> - Market interest rates	
Currency	22	-	2,394	-	Net Present Value	<u>Net Present Value:</u> - Market interest rates - Spot exchange rate - Forward Points	
XVA	(Ps. 135)	Ps. -	(Ps. 487)	Ps. -			
Forwards	-	-	-	-	<u>Probability of default:</u>	- Market credit spread - Severity of market loss	- Synthetic credit spread
Options	(1)	-	(12)	-	- Default intensity model	- Volatility of interest rates	- Historical values
Swaps – Trading	(131)	-	(469)	-		- Market interest rates	- Correlations between market variables
Swaps – Hedge	(3)	-	(6)	-	<u>Synthetic credit spread:</u> - Global CDS data regression model	- Spot exchange rate - Forward points - Implied volatility	
					<u>Exhibitions:</u> - Hull-White model - Black-Scholes model - IRC model		
Total	Ps. 8,296	Ps. -	Ps. 25,926	Ps. -			

- Transfers of amounts between classifications of level 1 and level 2 of the determination of fair value

The conditions to recognize the transfer from level 1 to level 2 will be considered in accordance with the instrument:

Investments in securities

When there are no facts or positions for the operations, and the price is determined through the movement of the price of similar instruments, the price of the previous period is considered, there is no market information on the instrument, no fact is presented for the amount minimum required, some theoretical adjustment is made to the surcharge or the instrument changes range, it is considered that there is a transfer to level 2 of the hierarchy.



Derivative financial instruments

In the case of derivatives, the prices of derivatives quoted on derivatives exchanges through clearing houses are considered as level 1 of the hierarchy. Therefore, if there is no information in the market and the price is estimated or the last observable price is taken, the transfer to level 2 of the fair value hierarchy will be recognized.

During the fiscal year as of December 31, 2025, the following transfers were made between Level 1 and Level 2 of the fair value hierarchy within the assets and liabilities held by the Financial Group:

Transfers between tiers	Of: To:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Financial Instruments to tradable		Ps.58,686	Ps. -	Ps.45,950	Ps. -	Ps. -	Ps. -
Bank		503	-	2,743	-	-	-
Government		58,182	-	43,203	-	-	-
Private		-	-	4	-	-	-
Financial Instruments to Collect or Sell		7,320	-	2,177	-	-	-
Bank		3,186	-	166	-	-	-
Government		4,134	-	2,011	-	-	-
Private		-	-	-	-	-	-
Total		Ps.66,006	Ps. -	Ps.48,127	Ps. -	Ps. -	Ps. -

- Description of valuation techniques for assets and liabilities classified as level 3

As of December 31, 2025, the Financial Group maintains investments in financial instruments classified as collect and sell, negotiable financial instruments and derivative financial instruments classified as level 3, whose valuation techniques are described below:

Investments in securities

The recorded fair value of investments in financial instruments and their fair value hierarchy is obtained from the vector of prices of the Integral Price Provider (PiP). The valuation techniques used for those instruments classified as level 3 of the fair value hierarchy are as follows:

- Net present value: the flows are projected based on the characteristics of the instrument, discounting them with a market discount rate.
- Last observable price: if there is no price on the valuation date, the last price issued will be maintained until there is a publication by an independent appraiser, a corporate event or a change in the information reported by the Entity.
- Price of basket of financial assets and liabilities: the net value between the Entity's financial assets and liabilities is considered, dividing the result by the number of titles issued.
- Book value: when a share has not operated or been suspended for more than 20 days, will be considered it's book value. Depending on the case, the corresponding method will be applied:
 - *Without operation*: the last price determined will be taken between the book value on the date the last price was determined, multiplied by the book value on the valuation date.
 - *Suspended*: if the Entity delivered its financial information in the last 4 quarters, a percentage of the book value will be taken based on the time that the shares have been suspended. Time will be considered in quarters, taking 75% of the value if the shares have been suspended for a quarter, 50% of the value if they have been suspended for two quarters, 25% if they have been suspended for three quarters and 10% if they have been suspended for 4 quarters. If you did not provide your financial information, there are two options: (1) if you updated your financial information, 10% of the book value will be considered as fair value of the share; (2) if you did not update your financial information, the share will be valued at one millionth (0.000001).
- Comparable multiples method: based on market information, the last transaction carried out is obtained. Said value is adjusted by means of a discount for lack of control and a discount for illiquidity, which are obtained as follows:



- *Discount for lack of control*: first, the control premium is determined based on comparable companies, to later infer the discount for lack of control.
- *Illiquidity discount*: comparable companies are considered, from which the ratio of the company's market value and sales in the last 12 months of each one is obtained. An average of these ratios is obtained and multiplied by the Financial Group's estimated income for the last 12 months to obtain the enterprise value. With said enterprise value, income and cash figures, said discount is obtained using the Damodaran formula.
- Value with respect to similar issues: the price of the share will be considered with another series, ordinary participation certificates or ADRs (American Depositary Receipts), in that order of priority, obtaining a fair value based on the latest facts of the instrument of reference in the market.
- Prepayment method: the auction price issued by the title is considered by obtaining a yield rate based on market rates to estimate the future flows of the bond based on payments (amortizations) made historically.

Likewise, the movements for the determination of fair value classified in level 3 as of December 31, 2025 and 2024 are disclosed:

Concepts	2025	2024
Initial balance	Ps. 760	Ps. 659
Change in profit and loss recognized in the income statement	(87)	92
Change in profit and loss recognized in OCI	25	9
Transfers to/from Level 3	-	-
Final balance	Ps. 698	Ps. 760

35 - STOCKHOLDERS' EQUITY

The Financial Group's shareholders' common stock is comprised as follows:

Paid-in Capital	Number of shares with a nominal value of Ps. 3.50	
	2025	2024
"O" Series	2,776,579,302	2,787,371,397

Paid-in Capital	Historical Amounts	
	2025	2024
"O" Series	Ps. 9,718	Ps. 9,756
Restatement in Mexican pesos through December 2007	4,956	4,955
	Ps. 14,674	Ps. 14,711

Restrictions on profits

The distribution of stockholders' equity, except restated paid-in capital and retained tax earnings, will be subject to income tax on dividends payable by the Financial Group at the effective rate. Any tax paid on such distribution may be credited against that year's income tax paid on dividends and the two immediate fiscal years following such payment, charged against that year's tax and the provisional payments made.

The dividends paid derived from the profits generated as of January 1, 2014 to individuals residing in Mexico and abroad are subject to additional 10% ISR which will be withheld by the Financial Group.

The following are prior years' results that may be subject to withheld ISR for up to 10% on the paid-out dividends:



Year	Amount that may be subject to withholding	Amount not subject to withholding
Retained earnings until December 2013	Ps. -	Ps. 39,303
Net income 2014	50,407	-
Net income 2015	62,860	-
Net income 2016	68,492	-
Net income 2017	71,294	-
Net income 2018	76,550	-
Net income 2019	90,084	-
Net income 2020	118,773	-
Net income 2021	130,076	-
Net income 2022	145,218	-
Net income 2023	155,928	-
Net income 2024	170,319	-
Net income 2025	158,337	-

As of December 31, 2025 and 2024 the stockholders' equity tax account balances are as follows:

	2025	2024
Capital contribution account	Ps. 110,792	Ps. 209,716
CUFIN as of 2014	61,532	163,612
Total	Ps. 172,324	Ps. 373,328

The Financial Group's net profit is subject to the requirement of transferring at least 5% of each year's net income to the legal reserve until the reserve equals 20% of capital stock at par value. The legal reserve may not be distributed to the stockholders during the life of the Financial Group, except in the form of a stock dividend. As of December 31, 2025 and 2024, the legal reserve is Ps. 3,000 and represents 20% of paid-in capital.

Share-based payments

The Financial Group grants stock options to key officers through different payment schemes based on stocks. The Financial Group has established trusts to manage the plans and contributes the necessary funds so that shares can be purchased directly from the market at the initiation of each plan.

The Financial Group records its stock option plans according to the guidelines of MFRS D-8, "Share-based payments". The compensation expense is recorded at fair value as of the date the stock options are granted. The MFRS D-8 guidelines stipulate that the fair value determined at the beginning is not revalued at a later date.

During 2025 and 2024, the Financial Group recorded Ps. 1,192 and Ps. 1,204 in Non-interest expense compensation for share-based payments against the paid-in capital, respectively.

As of December 31, 2025 and 2024, the shares that the holding company has assigned to its executives through the different payment plans with shares that it has structured and that are pending exercise are 18,077,292 and 4,931,665, respectively. The weighted average exercise price of the plans during 2025 and 2024 is Ps. 123.3728 and PS. 85.4711 pesos per share, respectively.

During 2025 and 2024, 8,707,905 and 8,455,159 shares were operated, respectively.



Anex I-O
Disclosure of information related to capitalization
(Not audited)

Capitalization ratio (information corresponding to Banco Banorte, figures in millions of pesos)

The principal purpose of these disclosures is to meet the directives by the Central Bank of Mexico (Banxico) directives on public disclosures under the Basel III framework.

This document comprises of the bank's capital and risk management disclosures as of December 31st 2025. During 2021, Banorte was designated as a Locally Systemic Important Bank of II Degree, fo which it must comply with a capital buffer of 0.90 pp. With the latter, **the total capital ratio has a minimum required level of 11.40% as of December 2019.**

The bank's total capital ratio as of December 31st 2025 was 20.06% when considering its total risk (market, credit and operational) and 27.94% when considering only credit risk, with both exceeding the minimum regulatory requirements. As such, the institution has a Level I classification level regarding the total capital ratio required by CNBV.

I. Composition of Capital

Table I.1

Reference	Common Tier 1 (CET1) capital: instruments and reserves	Amount
1	Common stock that qualifies for Tier 1 common stock plus its corresponding premium	19,270
2	Results from previous years	69,354
3	Other elements of integral utility (and other reservations)	63,234
4	Capital subject to phase-out of Tier 1 common equity (only applicable for non-equity-linked companies)	Not applicable
5	Common Shares Issued by Third-Party Holding Subsidiaries (Amount Allowed in Tier 1 Common Stock)	Not applicable
6	Tier 1 common capital before regulatory adjustments	151,858
Tier 1 Common Capital: Regulatory Adjustments		
7	Prudential valuation adjustment	Not applicable
8	Goodwill (net of any deferred income taxes payable)	1,005
9	Other intangibles other than mortgage service fees (net of their corresponding deferred income taxes charged)	6,491
10 (conservative)	Deferred income taxes in favor that depend on future gains excluding those that are derived from temporary differences (net of deferred income taxes charged)	-
11	Valuation profit or loss on cash flow hedging instruments	1,065
12	Reserves to be established	-
13	Benefits on the remainder in securitization operations	-
14	Gains and losses arising from changes in the company's credit rating on liabilities measured at fair value	Not applicable
15	Defined Benefit Pension Plan	(3,817)



16 (conservative)	Investments in treasury shares	-
17 (conservative)	Reciprocal investments in common equity	-
18 (conservative)	Investments in the capital of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not hold more than 10% of the issued share capital (amount exceeding the 10% threshold)	-
19 (conservative)	Significant investments in common shares of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the Institution holds more than 10% of the issued share capital (amount exceeding the 10% threshold)	4,443
20 (conservative)	Mortgage servicing fees (amount exceeding the 10% threshold)	-
21	Deferred income taxes in favor of temporary differences (amount exceeding the 10% threshold, net of deferred taxes charged)	-
22	Amount exceeding the 15% threshold	Not applicable
23	Of which: Significant investments where the institution owns more than 10% in common stock of financial institutions	Not applicable
24	Of which: Mortgage servicing fees	Not applicable
25	Of which: Deferred income taxes in favor derived from temporary differences	Not applicable
26	Repealed	
A	Of which: Other elements of integral utility (and other reserves)	(31)
B	Of which: Investments in subordinated debt.	-
C	Of which: Profit or increase in the value of assets due to the acquisition of securitization positions (Organizing Institutions)	-
D	Of which: Investments in multilateral organizations	-
E	Of which: Investments in related companies	-
F	Of which: Venture Capital Investments	-
G	Of which: Investments in mutual funds	-
H	Of which: Financing for the acquisition of treasury shares	-
I	Of which: Operations that contravene the provisions	-
J	Of which: Deferred charges and advance payments	5,760
K	Of which: Positions in First Loss Schemes	-
L	Of which: Employee Participation in Deferred Earnings	-
M	Of which: Relevant Related Persons	-
N	Of which: Defined Benefit Pension Plan	-
O	Repealed	



27	Regulatory adjustments that apply to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions	-
28	Total regulatory adjustments to Tier 1 common capital	19,313
29	Common Tier 1 (CET1) capital	131,945
Additional Tier 1 Capital: Instruments		
30	Directly issued instruments that qualify as Additional Tier 1 capital, plus its premium	78,833
31	Of which: Classified as capital under the applicable accounting criteria	-
32	Of which: Classified as liabilities under the applicable accounting criteria	Not applicable
33	Directly issued equity instruments subject to phase-out of additional Tier 1 capital	-
34	Additional Tier 1 instruments issued and Tier 1 common equity instruments not included in line 5 that were issued by third-party holding subsidiaries (amount allowed under Additional Tier 1)	Not applicable
35	Of which: Instruments issued by subsidiaries subject to phase-out	Not applicable
36	Additional Tier 1 capital before regulatory adjustments	78,833
Additional Tier 1 Capital: Regulatory Adjustments		
37 (conservative)	Investments in own Additional Tier 1 capital instruments	Not applicable
38 (conservative)	Investments in reciprocal shares in Additional Tier 1 capital instruments	Not applicable
39 (conservative)	Investments in the capital of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not hold more than 10% of the issued share capital (amount exceeding the 10% threshold)	Not applicable
40 (conservative)	Significant investments in the capital of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the Institution holds more than 10% of the issued share capital	Not applicable
41	National regulatory adjustments	-
42	Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	Not applicable
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 Capital (AT1)	78,833
45	Tier 1 capital (T1 = CET1 + AT1)	205,777
Tier 2 capital: instruments and reserves		
46	Directly issued instruments that qualify as Tier 2 capital, plus its premium	1,333
47	Directly issued equity instruments subject to tier 2 phase-out	-



48	Tier 2 instruments and Tier 1 common equity instruments and Additional Tier 1 capital not included in lines 5 or 34, which have been issued by third-party holding subsidiaries (amount allowed in Tier 2 supplementary capital)	Not applicable
49	Of which: Instruments issued by subsidiaries subject to phase-out	Not applicable
50 (conservative)	Reservations	2,881
51	Tier 2 capital before regulatory adjustments	4,214
Tier 2 Capital: Regulatory Adjustments		
52 (conservative)	Investments in own Tier 2 instruments	Not applicable
53 (conservative)	Reciprocal investments in Tier 2 equity instruments	Not applicable
54 (conservative)	Investments in the capital of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the institution does not hold more than 10% of the issued share capital (amount exceeding the 10% threshold)	Not applicable
55 (conservative)	Significant investments in the capital of banks, financial institutions and insurers outside the scope of regulatory consolidation, net of eligible short positions, where the Institution holds more than 10% of the issued share capital	Not applicable
56	National regulatory adjustments	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 Capital (T2)	4,214
59	Capital total (TC = T1 + T2)	209,991
60	Total risk-weighted assets	1,046,648
Capital ratios and supplements		
61	Tier 1 Common Capital (as a percentage of total risk-weighted assets)	12.61%
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	19.66%
63	Capital Total (as a percentage of total risk-weighted assets)	20.06%
64	Specific institutional supplement (at least it should consist of: the Common Tier 1 capital requirement plus the capital conservation buffer, plus the countercyclical buffer, plus the D-SIB buffer; expressed as the percentage of total risk-weighted assets)	7.90%
65	Of which: Capital Conservation Supplement	2.50%
66	Of which: Specific bank countercyclical supplement	Not applicable
67	Of which: Local Systemically Important Banks Supplement (D-SIB)	0.90%
68	Tier 1 common capital available to cover supplements (as a percentage of total risk-weighted assets)	4.70%



National minimums (if different from Basel 3)		
69	CET 1 National Minimum Ratio (if it differs from the minimum set by Basel 3)	Not applicable
70	National T1 Minimum Ratio (if it differs from the minimum set by Basel 3)	Not applicable
71	National Minimum CT Ratio (if it differs from the minimum set by Basel 3)	Not applicable
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial institutions	Not applicable
73	Significant investments in common shares of financial institutions	Not applicable
74	Mortgage servicing fees (net of deferred income taxes charged)	Not applicable
75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes charged)	7,554
Limits applicable to the inclusion of reserves in Tier 2 capital		
76 (conservative)	Reserves eligible for inclusion in Tier 2 capital in respect of exposures subject to the standardised methodology (prior to the application of the limit)	2,881
77 (conservative)	Limit on the inclusion of provisions in Tier 2 capital under the standardised methodology	5,518
78	Reserves eligible for inclusion in Tier 2 capital in respect of exposures subject to credit risk (prior to the application of the limit)	-
79	Limit on the inclusion of reserves in Tier 2 capital under the internal ratings methodology	2,369
Equity instruments subject to phase-out (applicable only between 1 January 2018 and 1 January 2022)		
80	Current limit of CET1 instruments subject to phase-out	Not applicable
81	Amount excluded from CET1 due to the limit (excess over the limit after redemptions and maturities)	Not applicable
82	Current limit of AT1 instruments subject to phase-out	-
83	Amount excluded from AT1 due to limit (excess over limit after amortizations and maturities)	-
84	Current limit of T2 instruments subject to phase-out	-
85	Amount excluded from T2 due to the limit (excess over the limit after amortizations and maturities)	-



II. Ratio of Equity to Balance Sheet

Table II.1

<u>Balance sheet figures</u>		
Balance sheet item references	Balance sheet items	Amount presented in the balance sheet
	Asset	1,966,230
BG1	Availability	98,350
BG2	Margin Accounts	3,989
BG3	Investments in securities	465,820
BG4	Repo debtors	64,773
BG5	Securities lending	-
BG6	Derivatives	18,277
BG7	Valuation adjustments for hedging financial assets	-
BG8	Total credit portfolio (net)	1,213,562
BG9	Benefits to be received in securitization operations	3,679
BG10	Other accounts receivable (net)	37,860
BG11	Foreclosed assets (net)	4,562
BG12	Real estate, furniture and equipment (net)	27,853
BG13	Permanent investments	5,166
BG14	Long-Duration Assets Available for Sale	668
BG15	Deferred taxes and OCTs (net)	2,304
BG16	Other assets	19,367
	Liability	1,814,127
BG17	Traditional Capital	1,262,939
BG18	Interbank and other agency lending	8,122
BG19	Repo creditors	319,395
BG20	Securities lending	-
BG21	Collateral sold or given as collateral	64,773
BG22	Derivatives	8,398
BG23	Valuation adjustments for hedges of financial liabilities	-
BG24	Obligations in securitization operations	-
BG25	Other accounts payable	56,341
BG26	Subordinated bonds outstanding	74,984
BG27	Deferred taxes and OCTs (net)	18,189
BG28	Deferred credits and advance collections	985
	Stockholders' equity	152,103
BG29	Capital contributed	19,270
BG30	Capital Earned	132,833
	Memorandum accounts	2,473,444
BG31	Guarantees granted	-
BG32	Contingent assets and liabilities	14
BG33	Credit Commitments	521,526
BG34	Trust or mandate assets	365,481
BG35	Federal Government Financial Agent	0
BG36	Assets in custody or administration	766,011
BG37	Collateral received by the entity	240,900
BG38	Collateral received and sold or given as collateral by the entity	64,768
BG39	Investment banking transactions on behalf of third parties (net)	0
BG40	Uncollected accrued interest arising from past-due credit portfolio	597
BG41	Other Registration Accounts	514,145



Table II.2

Regulatory concepts considered for the calculation of the components of Net Capital

Identifier	Regulatory concepts considered for the calculation of the components of Net Capital	Reference to the capital integration disclosure format in section I of this Annex	Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the components of Net Capital	Reference(s) of the balance sheet item and amount related to the regulatory concept considered for the calculation of the Net Capital from the aforementioned reference
1	Goodwill	8	1,005	BG16: 1,005 (Goodwill)
2	Other Intangibles	9	6,491	BG16: 6,491 (Other Intangibles)
3	Deferred Profit Tax (in Favor) from Tax Losses and Credits	10	-	
4	Benefits on the remainder in securitization operations	13	-	BG9: 0 (Profits Receivable in Securitization Operations)
5	Defined benefit pension plan investments without unrestricted and unlimited access	15	-	
6	Investments in the institution's own shares	16	-	
7	Reciprocal investments in common equity	17	-	
8	Direct investments in the capital of financial institutions where the institution does not hold more than 10% of the issued share capital	18	-	
9	Indirect investments in the capital of financial institutions where the institution does not hold more than 10% of the issued share capital	18	-	
10	Direct investments in the capital of financial institutions where the institution holds more than 10% of the issued share capital	19	-	
11	Indirect investments in the capital of financial institutions where the institution holds more than 10% of the issued share capital	19	4,443	BG13: 4,443 (Permanent Investments)
12	Taxes on deferred earnings (in favor) from temporary differences	21	Not applicable	
13	Reserves recognized as complementary capital	50	2,881	BG16: 2,881 (Reserves)
14	Investments in subordinated debt	26 – B	-	



15	Investments in multilateral organizations	26 – D	-	
16	Investments in related companies	26 – E	-	
17	Venture Capital Investments	26 – F	-	
18	Investments in investment funds	26 – G	-	
19	Financing for the acquisition of treasury shares	26 – H	-	
20	Deferred Charges and Advance Payments	26 – J	-	
21	Employee share of deferred (net) profits	26 – T	-	
22	Defined Benefit Pension Plan Investments	26 – N	-	
23	Investments in clearing houses	26 - P	-	
24				
24	Deferred Profit Tax (payable) associated with goodwill	8	1,005	BG16: 1.005 (Goodwill)
25	Deferred Income Taxes (payable) associated with other intangibles	9	6,491	BG16: 6,491 (Other Intangibles)
26	Defined benefit pension plan liabilities without unrestricted and unlimited access	15	-	
27	Deferred Earnings (Charge) Taxes Associated with the Defined Benefit Pension Plan	15	-	
28	Deferred income taxes (payable) associated with other taxes other than those mentioned above	21	-	
29	Subordinated obligations amount that complies with Schedule 1-R	31	-	
30	Subordinated obligations subject to transitory nature that count as basic capital 2	33	-	
31	Subordinated obligations amount that comply with Schedule 1-S	46	-	
32	Subordinated obligations subject to transitory nature that count as complementary capital	47	1,333	BG26: 1.333 (Subordinated bonds outstanding)
33	Deferred Earnings Taxes (Charged) Associated with Deferred Charges and Advance Payments	26 – J	-	
34				
34	Contributed capital that complies with Schedule 1-Q	1	19,270	BG29; 19,270 (Capital Contributed)



35	Profit from previous years	2	69,354	BG30; 69,354 (Earned Capital)
36	Valuation Profit or Loss on Cash Flow Hedge Instruments	3	1,065	BG30; 1,065 (Earned Capital)
37	Other items of earned capital other than those above	3	62,369	BG30; 62,369 (Earned Capital)
38	Contributed capital that complies with Schedule 1-R	31	-	
39	Schedule 1-S compliant contributed capital	46	-	
40	Profit or loss on cash flow hedging instruments of items not recorded at fair value	3, 11	1,065	BG30; 1,065 (Earned Capital)
41	Cumulative effect per conversion	3, 26 – A	-	BG30; 0 (Capital Earned)
42	Profit or loss on holdings of non-cash assets	3, 26 - A	-	
43	Positions in First Loss Schemes	26 – K	-	
44	Reserves to be established	12	-	
45	Profit or increase in the value of assets due to the acquisition of securitization positions (Originator Institutions)	26 – C	-	
46	Transactions that contravene the provisions	26 – I	-	
47	Transactions with Relevant Related Persons	26 – M	-	
48	Repealed		-	



III. Total risk-weighted assets

Table III.1

Positions exposed to market risk by risk factor

Concept	Amount of equivalent positions	Capital requirement
Transactions in national currency with a nominal rate	107,122	8,570
Transactions with debt securities in national currency with a surcharge and a revisable rate	11,054	884
Transactions in national currency with a real rate or denominated in UDI's or UMA's	7,101	568
Operations in national currency with a rate of return referring to the growth of the General Minimum Wage	-	-
Positions in UDI's, UMA's or with performance referred to the INPC	56	5
Positions in national currency with a rate of return referring to the growth of the general minimum wage	-	-
Foreign currency transactions with a nominal rate	16,893	1,351
Positions in foreign currency or with exchange rate indexed yield	2,402	192
Positions in shares or with yields indexed to the price of a stock or group of shares	4,688	375
Items in Goods	-	-



Table III.2
Weighted assets subject to credit risk by risk group

Concept	Risk-weighted assets	Capital requirement
Group I-A (0% weighted)	-	-
Group I-A (weighted at 10%)	-	-
Group I-A (20% weighted)	-	-
Group I-B (weighted 2%)	1,013	81
Group I-B (weighted at 4.0%)	-	-
Group III (weighted at 20%)	23,138	1,851
Group III (weighted at 23%)	-	-
Group III (weighted at 57.5%)	325	26
Group III (100% weighted)	9,119	730
Group III (weighted at 115%)	-	-
Group III (weighted at 120%)	-	-
Group III (weighted at 138%)	-	-
Group III (150% weighted)	3	0
Group III (weighted at 172.5%)	-	-
Group IV (0% weighted)	-	-
Group IV (weighted at 20%)	4,327	346
Group V (weighted at 10%)	-	-
Group V (weighted at 20%)	16,971	1,358
Group V (50% weighted)	4,890	391
Group V (weighted at 115%)	-	-
Group V (weighted at 150%)	17,588	1,407
Grupo VI (weighted at 20%)	43,258	3,461



Grupo VI (weighted at 50%)	36,892	2,951
Grupo VI (weighted at 75%)	120,425	9,634
Grupo VI (weighted at 100%)	154,193	12,335
Grupo VI (weighted at 120%)	-	-
Grupo VI (weighted at 150%)	-	-
Grupo VI (weighted at 172.5%)	-	-
Group VII_A (weighted at 10%)	-	-
Group VII_A (weighted 11.5%)	-	-
Group VII_A (20% weighted)	5,561	445
Group VII_A (weighted at 23%)	-	-
Group VII_A (50% weighted)	129	10
Group VII_A (57.5% weighted)	-	-
Group VII_A (100% weighted)	116,755	9,340
Group VII_A (115% weighted)	-	-
Group VII_A (120% weighted)	1,208	97
Group VII_A (weighted 138%)	-	-
Group VII_A (150% weighted)	1	0
Group VII_A (weighted at 172.5%)	-	-
Group VII_B (0% weighted)	-	-
Group VII_B (20% weighted)	10,314	825
Group VII_B (weighted 23%)	-	-
Group VII_B (50% weighted)	938	75
Group VII_B (weighted at 57.5%)	-	-
Group VII_B (100% weighted)	87,220	6,978
Group VII_B (weighted 115%)	-	-



Group VII_B (120% weighted)	-	-
Group VII_B (weighted 138%)	-	-
Group VII_B (150% weighted)	-	-
Group VII_B (weighted at 172.5%)	-	-
Group VIII (weighted at 115%)	5,939	475
Group VIII (weighted at 150%)	2,438	195
Group IX (100% weighted)	71,663	5,733
Group IX (weighted at 115%)	-	-
Group X (1250% weighted)	-	-
Securitizations with Risk Grade 1 (weighted at 20%)	15,605	1,248
Risk Grade 2 securitizations (50% weighted)	477	38
Securitizations with Risk Grade 3 (100% weighted)	1,069	85
Securitizations with Risk Grade 4 (weighted at 350%)	-	-
Securitizations with Risk Grade 4, 5, or Non-Qualified (weighted at 1250%)	105	8
Risk Grade 1 Resecuritizations (weighted at 40%)	-	-
Risk Grade 2 resecuritizations (100% weighted)	-	-
Risk Grade 3 resecuritizations (weighted at 225%)	-	-
Risk Grade 4 resecuritizations (weighted at 650%)	-	-
Resecuritizations with Risk Grade 4, 5 or Non-Qualified (weighted at 1250%)	-	-



Table III.3

Weighted assets subject to operational risk

Method used	Risk-weighted assets	Capital requirement
Business Indicator Method	145,393	11,631

1/ The Institution shall indicate, if applicable, the transitional nature chosen in accordance with the RESOLUTION amending the General Provisions applicable to credit institutions published in the Official Gazette of the Federation on July 29, 2016.

Average of the market and credit risk requirement over the last 36 months	Average positive annual net income for the last 36 months
67,214	107,215



IV. Characteristics of the securities that are part of the Net Capital

Reference	Features	D8 BNRP 7625C (formerly D2 BANOE91 999999)
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP14008AE91
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 550,000,000 (Five hundred and fifty million dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	06/07/2017
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	10/01/2028
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	Write-Down Clause	No
31	Conditions for diminution in value	N.A.
32	Degree of Value Decline	N.A.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes



37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.
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Reference	Features	D8_BNR1031_575C (formerly D2 BANOC36 311004)
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP14008AC36
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Complementary Capital
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 500,000,000 (Five Hundred Million Dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	04/10/2016
12	Instrument term	Expiration
13	Expiration Date	04/10/2031
14	Prepayment Clause	Yes
15	First prepayment date	Anytime before the due date
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	Write-Down Clause	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.



34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D8 BANP 75C (antes D2 BANO48 0999999)
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1400MAB48
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 500,000,000 (Five Hundred Million Dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	27/06/2019
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	27/06/2029
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes



31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D2 BANOC21 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1400MAC21
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 500,000,000 (Five Hundred Million Dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	14/07/2020
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	14/10/2030
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles



28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D2 BANOB72 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1401KAB72
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 550,000,000 (Five hundred and fifty million dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	24/11/2021
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	24/01/2032
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles



24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D2 BANO99 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1401KAA99
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 500,000,000 (Five Hundred Million Dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	24/11/2021
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	24/01/2027
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes



20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D2 BANOE88 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	US05971PAE88
3	Legal framework	New York Laws
	<i>Regulatory treatment</i>	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 750,000,000 (Seven hundred and fifty million dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	20/11/2024
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	20/05/2031
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date



	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	8.75%
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Features	D2 BANOD06 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	US05971PAD06
3	Legal framework	New York Laws
	<i>Regulatory treatment</i>	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. 750,000,000 (Seven hundred and fifty million dollars 00/100 USD)
9	Nominal value of the instrument	U.S. 1,000.00 (One thousand dollars 00/100 USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	20/11/2024
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	20/05/2031
15 A	Regulatory or tax events	Yes



15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	<i>Yields/dividends</i>	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	8.375%
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	No convertibles
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N.A.
27	Type of convertibility of the instrument	No convertibles
28	Type of convertibility financial instrument	N.A.
29	Instrument issuer	N.A.
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N.A.
34	Mechanism of decrease in time value	N.A.
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.



V. Capital Management

In accordance with current regulations and the requirements of the CNBV, Banorte carries out an annual Capital Adequacy Assessment exercise, which considers the risks to which the Institution is exposed, as well as its main vulnerabilities that may test its solvency, through an exercise of financial projections with adverse macroeconomic scenarios. In addition, in order to manage capital, a weekly monitoring analysis of the requirements of risk positions and simulations of operations or strategies carried out by the different business areas is carried out in order to know the capital requirements of each of them.

1. The identification, measurement, surveillance, control and mitigation of the risks to which the Institution is exposed.

The Capital Adequacy Assessment recognises the impact of Credit, Market and Operational Risk on the calculation of capital requirements, while analysing the evolution of Liquidity and Solvency Risk in the results of the years. In particular, the following points are recognized:

- **Credit Risk.** The composition of the total portfolio, its composition in the market, its stage 3 portfolio index per portfolio, management and monitoring policies, as well as the applicable regulation are recognized.
- **Market Risk.** It is recognized that the intermediation of financial instruments (securities and derivatives) is limited to the products approved by the Risk Policy Committee, and that the operation is delimited by market risk limits proposed by the UAIR and agreed with the business area, adhering to the guidelines issued for this purpose by the corresponding authorities.

2. The way in which the financial reports reveal and reflect the risks referred to in the preceding paragraph.

In the macroeconomic scenarios developed by an independent area and used to carry out the Capital Adequacy Assessment under Internal Scenarios, the evolution of credit risk is incorporated through the effects of these scenarios on the factors of probability of default and severity of loss, aligned with these scenarios. Finally, the year includes the monitoring of the Solvency and Liquidity Risk Profile for the current period, as well as a prospective Desired Risk Profile for the projection period incorporated in the year.

3. The identification, measurement, monitoring, control and mitigation of potential risks in the face of stress scenarios that may compromise the adequacy of the Institution's capital and liquidity, considering the structure of the balance sheet and the composition of the assets in the stress scenarios considered.

During the development of the Capital Adequacy Assessment, the way in which Credit, Market, Operational, Liquidity and Solvency Risks are impacted throughout the year is analyzed in a timely manner. Specifically, these impacts are analysed as follows:

- **Credit Risk.** The following are analyzed: (1) the effect of the factors of probability of default and severity of loss derived from each macroeconomic scenario on the institution's reserves and cost of risk; (2) the evolution of the capitalization requirement for credit risk under the various scenarios for each portfolio; (3) The results obtained between the capitalization requirement and the growth of the portfolio with respect to the 2008 crisis are contrasted.
- **Market Risk.** The analysis considers: (1) a market shock to the income statements of the trading portfolio for adverse scenarios; (2) the effect of the evolution of the balance sheet derived from the economic scenarios on the capital requirement for market risk; (3) the results obtained between the capitalization requirement and the results by intermediation with respect to the 2008 crisis are contrasted.
- **Operational Risk.** The impact of the methodology of the Business Indicator Method is considered under the parameters corresponding to the macroeconomic scenarios.
- **Liquidity Risk.** It is analyzed from the point of view of the evolution of the balance sheet in the regulatory indicators Liquidity Coverage Ratio and Net Stable Funding Ratio under each of the scenarios, contrasting the results with respect to the authorized Desired Risk Profile.
- **Solvency Risk.** The effect of macroeconomic scenarios on the institution's solvency indicators is analyzed through the following processes: (1) evolution of total risk-subject assets, considering the methodologies referred to in the previous scenarios; (2) the effect of macroeconomic scenarios on the institution's performance (and therefore capital levels).



- 4. The ability to obtain resources and continue operating in a stressful scenario, in which the adequacy of the Institution's capital is compromised without the need to fail to comply with the minimums established in these provisions.

Within the exercise of the last Capital Adequacy Assessment, mitigation actions derived from the solid levels of capital and liquidity of the Institution are not considered, which do not require additional capitalization plans. However, in the event that it requires the taking of contingent actions to maintain solvency and liquidity levels, Banorte has a Contingency Plan that contains a series of applicable actions to recover the corresponding solvency and liquidity levels. The actions included in the Contingency Plan range from monitoring and follow-up of internal and regulatory indicators of solvency and liquidity, communication processes inside and outside the institution that guarantee the transparency of the actions carried out, management strategies for attracting and using alternative sources of funding, and selling positions, to the sale of non-productive assets. The actions taken depend on the scenario under which the Contingency Plan is activated.

Results and Conclusions of the Capital Adequacy Assessment

In the latest Capital Adequacy Assessment, the minimum levels expected within the year (regulatory minimums for regulatory scenarios and prospective desired risk profile for internal scenarios) are complied with for all scenarios and periods. Considering the above, mitigation actions derived from the solid levels of capital and liquidity are not considered, so they do not require additional capitalization plans.

VI. Weights involved in the calculation of the Countercyclical Capital Supplement of the Institutions.

Institution's Countercyclical Capital Supplement	
72.48 million	
Jurisdiction	Weighting Factor
Germany	0.00%
Saudi Arabia	0.00%
Argentina	0.00%
Australia	0.00%
Belgium	0.00%
Brazil	0.00%
Canada	0.00%
China	0.00%
Spain	0.00%
United States	0.00%
France	0.00%
Netherlands	0.00%
Hong Kong	1.25%
India	0.00%
Indonesia	0.00%
Italy	0.00%
Japan	0.00%
Korea	0.00%
Luxembourg	0.00%
Mexico	0.00%
United Kingdom	0.00%
Russia	0.00%
Singapore	0.00%
South Africa	0.00%
Sweden	2.00%
Switzerland	0.00%
Türkiye	0.00%
Other jurisdictions other than the above	0.00%



VII. Main indicators associated with the Net Capital Supplement for local systemically important institutions.

Table VII.1

Reference	CATEGORY	a	b	c	d	e
		T	T-1	T-2	T-3	T-4
1	Amount of the Net Capital Supplement referred to in the last paragraph of Article 2 Bis 5 of these provisions	72,617	53,861	54,211	54,204	34,966
1a	Not applicable					
2	Total Risk-Weighted Assets (APSRT) according to the amount recorded in row 60 of Table I.1 of this annex	1,046,648	1,030,926	1,017,833	1,015,569	1,025,490
3	Capital Supplement as a Percentage of APSRTs (%)	6.94%	5.22%	5.33%	5.34%	3.41%
3a	Not applicable					
4	Total exposures associated with the Leverage Ratio in accordance with row 21 of Table I.1 of Appendix 1-O Bis of these Provisions	1,936,455	1,915,049	1,927,516	1,927,271	1,864,836
5	Supplement to Net Capital as a percentage of total exposures associated with the Leverage Ratio (%)	3.75%	2.81%	2.81%	2.81%	1.88%
5a	Not applicable					
6a	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same level of priority of payments (i.e. pari passu), relative to instruments that are excluded by statute from being converted into ordinary shares or on whose amount the remission or forgiveness of the debt and its accessories in favor of the institution would operate, in a resolution process?	NO	NO	NO	NO	NO
6b	As part of the amount of the Net Capital Supplement, are there any equity instruments that are at the same level of priority of payments (i.e. pari passu), in relation to instruments that, in accordance with the General Provisions Applicable to Credit Institutions, are excluded from being converted into ordinary shares or on whose amount the debt and its accessories would be remitted or forgiven in favor of the institution, in a resolution process?	NO	NO	NO	NO	NO
6c	In the event that the assumption contained in row 6b is updated, what is the share (%) of the amount of the equity instruments considered in the net capital supplement, relative to the amount of the equity instruments issued that comply with the with the aforementioned priority of payments?	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable



Table VII.2.1

		a
		Amounts
Net Capital Supplement Regulatory Capital Items and Adjustments		
1	Capital Fundamental	131,945
2	Non-Fundamental Core Capital before adjustments to the Net Capital Supplement	73,833
3	Ineligible Non-Fundamental Core Capital, as a Supplement to Net Capital, issued by the institution held by third parties	-
4	Other settings	-
5	Eligible Non-Core Capital Instruments for Net Capital Supplement	73,833
6	Complementary Capital, before Net Capital Supplement adjustments	4,214
7	Amortized portion of complementary capital instruments, where the remaining maturity > 1 year	-
8	Non-eligible supplemental capital, such as Supplement to Net Capital issued by the institution held by third parties	-
9	Other settings	2,881
10	Eligible Complementary Capital Instruments, according to the rules for the Total Loss Absorption Supplement	1,333
11	Supplement to Net Capital arising from regulatory capital	207,110
Items of Supplement to Net Capital of Non-Regulatory Capital		
12	External Net Capital Supplement instruments issued directly by the bank and subordinated to excluded liabilities	-
13	External Net Capital Supplement instruments issued directly by the bank which are not subordinated to excluded liabilities, but which meet all other requirements of the Net Capital Supplement term sheet	-
14	Of which: Eligible amount of Net Capital Supplement, after applying the upper limits.	-
15	External Net Capital Supplement instruments issued by financing vehicles, before 1 January 2022	-
16	Eligible ex-ante commitments to recapitalize a local systemically important institution in resolution	-
17	Supplement to Net Capital arising from non-regulatory capital instruments before adjustments	-
Non-regulatory capital items of Net Capital Supplement: adjustments		
18	Net Capital Supplement Before Deductions	207,110
19	Deductions from exposures that apply to accounts eligible for Net Capital Supplement (not applicable to a local systemically important institution with a single point of entry).	-
20	Deductions for investments in other eligible Net Capital Supplement liabilities	-
21	Other adjustments to the Net Capital Supplement	-
22	Net Capital Supplement After Deductions	207,110
Risk-Weighted Assets (RWA) and Leverage Exposure Measure for Net Capital Supplement Purposes		
23	Total Risk-Weighted Assets (APSRT) in accordance with the amount recorded in row 60 of Table I.1 of this annex adjusted as permitted under the Net Capital Supplement regime	1,046,648
24	Total exposures associated with the Leverage Ratio in accordance with row 21 of Table I.1 of Annex 1-O Bis to these provisions	1,936,455
Indicators Net Capital Supplement and Supplements		
25	Net Capital Supplement (as a percentage of adjusted APSRTs as allowed under the Net Capital Supplement regime)	19.79%
26	Net Capital Supplement (as a percentage of leverage exposure)	10.70%
27	Fundamental Capital (as a percentage of APSRT) available after meeting the minimum capital and Net Capital Supplement requirements	4.70%
28	Bank-specific supplement requirements (capital conservation supplement plus countercyclical capital supplement requirement plus net capital supplement requirements, expressed as percentage of APSRT)	9.44%
29	Of which: Capital Conservation Supplement Requirement	2.50%
30	Of which: Requirement for bank-specific countercyclical capital supplement	0%
31	Of which: Requirement for supplement to net capital	6.94%



Annex 1-O Bis (millions of pesos)

DISCLOSURE OF LEVERAGE RATIO INFORMATION

December 2025 (Q4)

I. Integration of the main sources of leverage

TABLE I.1

STANDARDIZED DISCLOSURE FORMAT FOR LEVERAGE RATIO		
REFERENCE	CATEGORY	AMOUNT
1	Balance sheet items (excluding derivative financial instruments and repo and securities lending (SFT) transactions, but including collateral received as collateral and recorded on the balance sheet)	1,883,179
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	(20,188)
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFTs, sum of lines 1 and 2)	1,862,991
4	Present replacement cost associated with <i>all</i> transactions in derivative financial instruments (net of the variation margin in eligible cash)	12,757
5	Amounts of additional factors for potential future exposure, associated with all transactions in derivative financial instruments	10,516
6	Increase for Collateral contributed in transactions with derivative financial instruments when such collateral is derecognized from the balance sheet in accordance with the operational accounting framework	Not Applicable
7	(Deductions from accounts receivable for margin of change in cash contributed in transactions with derivative financial instruments)	(7,282)
8	(Exposure for transactions in derivative financial instruments on behalf of clients, in which the settlement partner does not provide its guarantee in the event of non-compliance with the obligations of the Central Counterparty)	Not Applicable
9	Adjusted effective notional amount of the credit derivative financial instruments subscribed	Not Applicable
10	(Offsets made to the adjusted effective notional of the credit derivative financial instruments subscribed and deductions of the additional factors for the credit derivative financial instruments subscribed)	Not Applicable
11	Total exposures to derivative financial instruments (sum of lines 4 to 10)	15,991
12	Gross SFT assets (without clearing recognition), after accounting transaction adjustments for sales	64,774
13	(SFT Accounts Payable and Receivable Cleared)	(64,774)
14	SFT Counterparty Risk Exposure	4,459
15	Exposures by SFT acting on behalf of third parties	-



16	Total exposures from securities financing transactions (sum of lines 12 to 15)	4,459
17	Off-balance sheet exposure (gross notional)	521,526
18	(Adjustments for conversion to credit equivalents)	(468,512)
19	Off-balance sheet items (sum of lines 17 and 18)	53,014
20	Tier 1 Capital	205,777
21	Total exposures (sum of lines 3, 11, 16 and 19)	1,936,455
22	Basel III leverage ratio	10.63%



**TABLE I.2
NOTES TO STANDARDIZED DISCLOSURE FORMAT FOR LEVERAGE RATIO**

REFERENCE	EXPLANATION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities (less the assets presented in said balance sheet for: 1) transactions with derivative financial instruments, 2) repo transactions and 3) securities lending.
2	Amount of the deductions from the basic capital established in paragraphs b) to r) of section I, of Article 2 Bis 6 of these provisions. The amount must be recorded with a negative sign.
3	Sum of lines 1 and 2
4	Present replacement cost (CR) of transactions with derivative financial instruments, as set forth in Annex 1-L of these provisions, less partial cash settlements (cash variation margin) <i>received</i> , provided that the following conditions are met:
	a) In the case of counterparties other than the clearing houses indicated in the second paragraph of Article 2 Bis 12 a, the cash received must be available to the Institution.
	b) The market valuation of the operation is carried out daily and the cash received is exchanged with the same frequency.
	c) The cash received as well as the transaction with the derivative instrument, are denominated in the same currency.
	(d) The amount exchanged of the variation margin in cash is at least the amount necessary to cover the market value considering the threshold and the minimum amount transferred agreed in the corresponding framework contract.
	(e) The framework agreement with the counterparty should consider both the transaction and the variation margin, and should explicitly stipulate that liquidation, in the event of default, bankruptcy, restructuring or insolvency, of either party, shall be carried out after clearing the transactions and shall consider the cash variation margins received.
	In any case, the maximum amount of cash variation margins received that may be considered will be the one that corresponds to the positive value of the current replacement cost of each counterparty.
5	Additional factor in accordance with Annex 1-L of these provisions, for transactions with derivative financial instruments. In addition, in the case of credit derivative financial instruments in which credit protection is provided, the conversion value to credit risk must be included in accordance with Article 2 Bis 22 of these provisions.
	In no case may the financial collateral that the Institution has received be used to reduce the amount of the Additional Factor reported in this line.
6	Not applicable. The accounting framework does not allow the derecognition of assets delivered as collateral.
7	Amount of cash variation <i>margins delivered</i> in transactions with derivative financial instruments that meet the conditions indicated in line 4 to subtract the cash variation margins received. The amount must be recorded with a negative sign.
8	Not applicable.
9	Not applicable. The exposure considered for solvency framework purposes in transactions with credit derivative financial instruments in which credit protection is provided corresponds to 100 per cent of the amount effectively guaranteed in the transactions in question. This exhibition is considered in line 5.
10	Not applicable. The exposure considered for solvency framework purposes in transactions with credit derivative financial instruments in which credit protection is provided corresponds to 100 per cent of the amount effectively guaranteed in the transactions in question. This exhibition is considered in line 5.
11	Sum of lines 4 to 10



12	Amount of assets recorded in the balance sheet (accounts receivable recorded in the accounts) of repo and securities lending operations. The amount shall not consider any compensation in accordance with the Accounting Criteria.
13	Positive amount resulting from deducting accounts payable from accounts receivable generated by repo and securities lending transactions, on own account, with the same counterparty, and provided that the following conditions are met:
	a) The corresponding transactions have the same settlement date.
	b) It has the right to settle the operations at any time.
	c) The transactions are settled in the same system and there are settlement mechanisms or arrangements (lines or guarantees) that allow the settlement to be carried out at the end of the day on which it is decided to settle.
	d) Any problem related to the settlement of the flows of collateral in the form of securities does not hinder the settlement of accounts payable and receivable in cash.
	The amount must be recorded with a negative sign.
14	Conversion value to credit risk of repo and securities lending transactions on own account, in accordance with Article 2 Bis 22 of these provisions when there is no framework netting agreement. And in accordance with Article 2 Bis 37 when such a contract exists. This is without considering the adjustments for admissible collateral that are applied to the collateral in the capitalization framework.
15	In the case of repo and securities lending transactions on behalf of third parties, in which the Institution provides a guarantee to its customers in the event of the counterparty's default, the amount to be recorded is the positive difference between the value of the security or cash that the customer has delivered and the value of the guarantee that the borrower has provided.
	In addition, if the Institution can dispose of the collateral delivered by its customers, on its own account, the amount equivalent to the value of the securities and/or cash delivered by the customer to the Institution.
16	Sum of lines 12 to 15
17	Amounts of credit commitments recognized in suspense accounts in accordance with the Accounting Criteria.
18	Amounts of the reductions in the value of the credit commitments recognized in suspense accounts for applying the conversion factors to credit risk established in Title One Bis of these provisions, considering that the minimum conversion factor to credit risk is 10% (for those cases in which the conversion factor is 0%).
	The amount must be recorded with a negative sign.
19	Sum of lines 17 and 18
20	Basic Capital calculated in accordance with Article 2 Bis 6 of these provisions.
21	Sum of lines 3, 11, 16 and 19
22	Leverage Ratio. Ratio of line 20 to line 21.



I. **Comparison between total assets and adjusted assets**

TABLE II.1

COMPARISON OF TOTAL ASSETS AND ADJUSTED ASSETS

REFERENCE	DESCRIPTION	AMOUNT
1	Total assets	1,966,229
2	Adjustment for investments in the capital of banking, financial, insurance or commercial entities that are consolidated for accounting purposes, but are outside the scope of regulatory consolidation	(20,188)
3	Adjustment for trust assets recognized on the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	Not Applicable
4	Adjustment for derivative financial instruments	(2,285)
5	Adjustment for repo and securities lending transactions[1]	(60,314)
6	Adjustment for Recognized Line Items in Memorandum Accounts	53,013
7	Other settings	-
8	Exposure of the leverage ratio	1,936,455

[1] In which the value of the transaction is that of the market valuation of the operations and are generally subject to margin agreements.



TABLE II.2**NOTES TO THE COMPARISON OF TOTAL ASSETS AND ADJUSTED ASSETS**

REFERENCE	DESCRIPTION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities
2	Amount of the deductions from the basic capital contained in subsections b), d), e), f), g), h), i), j) and l) of section I, of Article 2 Bis 6 of these provisions. The amount must be recorded with a negative sign.
3	Not applicable. The scope of application is over the Institution without consolidating subsidiaries or special purpose entities.
4	Amount equivalent to the difference between the figure contained in row 11 of Table I.1 and the figure presented in transactions with derivative financial instruments contained in the Institution's balance sheet. The amount must be recorded with the sign resulting from the difference indicated, i.e. it may be positive or negative.
5	Amount equivalent to the difference between the figure contained in row 16 of Table I.1 and the figure presented for repo and securities lending transactions contained in the Institution's balance sheet. The amount must be recorded with the sign resulting from the difference indicated, i.e. it may be positive or negative.
6	Amount recorded in row 19 of Table I.1. The amount must be recorded with a positive sign.
7	Amount of the deductions from the basic capital contained in subsections c), k), m), n), p), q) and r) of section I, of Article 2 Bis 6 of these provisions. The amount must be recorded with a negative sign.
8	Sum of lines 1 to 7, which must coincide with line 21 of Table I.1.

II. Reconciliation between total assets and on-balance sheet exposure**TABLE III.1****RECONCILIATION BETWEEN TOTAL ASSETS AND ON-BALANCE SHEET EXPOSURE**

REFERENCE	CONCEPT	AMOUNT
1	Total assets	1,966,229
2	Transactions in derivative financial instruments	(18,277)
3	Repo transactions and securities loans	(64,773)
4	Trust assets recognized on the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	Not Applicable
5	Exhibitions within the Balance Sheet	1,883,179



TABLE III.2**NOTES TO THE RECONCILIATION BETWEEN TOTAL ASSETS AND EXPOSURE WITHIN THE BALANCE SHEET**

REFERENCE	DESCRIPTION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities.
2	The amount corresponding to transactions in derivative financial instruments presented in the assets of the latest financial statements.
	The amount must be recorded with a negative sign.
3	The amount corresponding to the repo and securities lending operations presented in the assets of the latest financial statements.
	The amount must be recorded with a negative sign.
4	Not applicable. The scope of application is over the Institution without consolidating subsidiaries or special purpose entities.
5	Sum of lines 1 to 4, which must coincide with line 1 of Table I.1

III. Main causes of the most important variations in the elements (numerator and denominator) of the Leverage Ratio**TABLE IV.1****MAIN CAUSES OF THE MOST IMPORTANT VARIATIONS IN THE ELEMENTS (NUMERATOR AND DENOMINATOR) OF THE LEVERAGE RATIO**

CONCEPT/TRIMESTER	SEPTEMBER '25	DECEMBER '25	VARIATION (%)
Basic Capital	227,851	205,777	(9.688%)
Adjusted Assets	1,915,049	1,936,455	1.118%
Leverage Ratio	11.90%	10.63%	(10.702%)



ANNEX 1-O BIS 1 BANORTE (millions of pesos)

**DISCLOSURE OF INFORMATION RELATING TO THE CALCULATION OF THE CAPITAL
REQUIREMENT FOR OPERATIONAL RISK**

December 2025 Report

SECTION I

MINIMUM CAPITAL REQUIREMENT FOR OPERATIONAL RISK

Reference	Description	a
1	Business Indicator (CIN) component	10,733.03
2	Internal Loss Multiplier (MPI)	1.08
3	Capital Requirement for Operational Risk	11,631.44
4	Assets subject to Operational Risk	145,393.00

SECTION II

BUSINESS INDICATOR AND SUBCOMPONENTS

Reference	IN and its subcomponents	a	b	c
		j=3	j=2	j=1
1	Interest, Lease and Dividend Component (CIAD)	35,383.70		
1a	Interest Income	202,432.99	209,416.42	191,477.55
1b	Interest Expense	86,956.93	103,130.01	91,594.77
1c	Productive Assets	1,571,662.12		
1d	Dividend Income	30.66	16.73	16.51
2	Services Component (CS)	39,555.92		
2a	Commissions and Fees Charged	40,214.57	37,785.51	33,135.04
2b	Commissions and Fees Paid	18,808.99	18,717.67	16,347.77
2c	Other Income from the Operation	2,259.71	3,459.421	1,813.497
2d	Other Operating Expenses	1,069.94	587.45	1,309.73
3	Financial Component (CF)	2,679.67		
3a	Profit from Sale	4,068.41	1,911.36	2,059.23
4	Business Indicator (IN)	77,619.28		



SECTION II

BUSINESS INDICATOR AND SUBCOMPONENTS

Reference	IN and its subcomponents	a	b	c
		j=3	j=2	j=1
5	Business Indicator (CIN) component	10,733.03		

SECTION III

HISTORIC LOSSES

Ref	Description	a	b	c	d	e	f	g	H	i	j	k
		j=10	j=9	j=8	j=7	j=6	j=5	j=4	j=3	j=2	j=1	Average 10 years
A. Losses												
1	Total Net Loss Amount Recoveries (considering exclusions)	672,304.58	694,652.00	739,026.53	731,406.52	907,231.04	875,766.27	1,355,984.29	1,781,140.37	984,021.41	596,118.07	933,765.11
2	Total number of losses	464,972	395,528	263,348	190,144	204,183	240,949	233,841	233,334	150,737	74,159	245,120
3	Total Amount of Excluded Losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total Amount of Net Losses, Recoveries and Exclusions	672,304.58	694,652.00	739,026.53	731,406.52	907,231.04	875,766.27	1,355,984.29	1,781,140.37	984,021.41	596,118.07	933,765.11
B. Details of the calculation of capital by Operational Risk												
11	Are losses used to calculate MPI? (Yes/No)	Yes										
12	If reference 11 is answered "No", is the exclusion due to the failure to have a loss database that has been constituted in compliance with the provisions of Annexes 1-D Bis and 12-A of these provisions? (Yes/No)	Not applicable										



36 - FOREIGN CURRENCY POSITION

As of December 31, 2025 and 2024, the Financial Group holds certain assets and liabilities in foreign currency, mainly US dollars, converted to the exchange rate issued by Banco de México Ps. 18.0080 and Ps. 20.8829, respectively, per USD 1.00, as shown below:

	Thousands of US dollars	
	2025	2024
Assets	25,797,847	24,114,565
Liabilities	25,573,112	24,008,682
Net liability position in US dollars	224,735	105,882
Net liability position in Mexican pesos	Ps. 4,047	Ps. 2,211

37 - POSITION IN UDIS

As of December 31, 2025 and 2024, the Financial Group holds certain assets and liabilities denominated in UDIS, converted to Mexican pesos based on the current conversion factor of Ps. 8.665387 and Ps. 8.340909, respectively, per UDI, as shown below:

	Thousands of UDIS	
	2025	2024
Assets	2,528,872	2,286,592
Liabilities	1,508,373	1,507,863
Net asset (liability) position in UDIS	1,020,499	778,729
Net asset (liability) position in Mexican pesos	Ps. 8,843	Ps. 6,495

38 - EARNINGS PER SHARE

Earnings per share are the result of dividing the net income by the weighted average of the Financial Group's shares in circulation during the year.

Earnings per share for the years ended December 31, 2025 and 2024 are shown below:

	2025			2024
	Net Income	Weighted share average	Earnings per share	Earnings per share
Net income per share	Ps. 58,788	2,828,074,237	20.7874	Ps. 19.7197

39 - RISK MANAGEMENT (unaudited)

Authorized bodies

In order to properly manage the Holder's Risks, the Board of Directors of the Holding Company established the Risk Policies Committee (CPR) in 1997, whose purpose is to manage the risks to which the Holding Company is exposed, as well as to ensure that the execution of operations adheres to the objectives, policies and procedures for risk management.

The RPC also monitors the overall risk limits for risk exposure approved by the Board of Directors, in addition to approving the specific risk limits for exposure to the different types of risk.

The CPR is made up of proprietary members of the Board of Directors, the Chief Executive Officer of the Financial Group, the General Directors of the Group's entities and the General Manager of Comprehensive Risk Management, in addition to the General Director of Audit, the latter participating with voice but without vote.



For the proper performance of its purpose, the CPR performs, among others, the following functions:

1. To propose for approval by the Board of Directors:
 - The objectives, guidelines and policies for comprehensive risk management.
 - Global limits for risk exposure.
 - The mechanisms for the implementation of corrective actions.
 - Special cases or circumstances in which both global and specific limits may be exceeded.
2. Approve and review at least once a year:
 - The specific limits for discretionary risks, as well as the tolerance levels for non-discretionary risks.
 - The methodology and procedures for identifying, measuring, monitoring, limiting, controlling, reporting and disclosing the different types of risk to which the Holding Company is exposed.
 - The models, parameters and scenarios used to carry out the assessment, measurement and control of the risks proposed by the unit for comprehensive risk management.
3. Pass:
 - The methodologies for the identification, valuation, measurement and control of the risks of the new operations, products and services that the Holding Company intends to offer to the market.
 - The corrective actions proposed by the unit for comprehensive risk management.
 - Manuals for comprehensive risk management.
 - The technical evaluation of the aspects of Integrated Risk Management.
4. Appoint and remove the head of the unit for comprehensive risk management, which is ratified by the Board of Directors.
5. Report to the Board, at least quarterly, on the exposure to risk and its possible negative effects, as well as the monitoring of tolerance limits and levels.
6. Inform the Council about the corrective actions implemented.

40 - COMPREHENSIVE RISK MANAGEMENT UNIT (UAIR) (unaudited)

The Risk Management function in the Holding Company is a fundamental pillar for the determination and execution of the Institution's strategic planning. The Group's risk management and policies are aligned with compliance with regulation and market best practices.

1. COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

The Framework for Integrated Risk Management, which integrates objectives, guidelines, policies and procedures, has among its main objectives:

- Provide the different business areas with clear rules that help to minimize risks and ensure that they are within the parameters established and approved by the Board of Directors and the Risk Policy Committee (CPR).
- Establish mechanisms to follow up on risk-taking within the Holding Company with robust systems and processes.
- Verify compliance with the Desired Risk Profile.
- Calculate and monitor the Holding Company's capital, under normal and adverse scenarios, in order to cover unexpected losses due to market movements, credit failures and operational risks.
- Implement identification, valuation and management models for the different types of risks.
- Establish portfolio optimization and credit portfolio management procedures.
- Update and follow up on the Contingency Plan to restore the level of capital and liquidity in case of adverse events.



1.1. Risk Management Structure and Corporate Governance

In relation to the structure and organization of the function for Integrated Risk Management, the Board of Directors is responsible for authorizing the general policies and strategies, as well as:

- The Desired Risk Profile for the Holding Company.
- The Framework for Comprehensive Risk Management and the Contingency Financing Plan.
- The Risk Exposure Limits, the Risk Tolerance Levels and the mechanisms for carrying out corrective actions.
- The Contingency Plan.
- The Results of the Supervisory and Internal Scenarios of Resource Adequacy.

The Board of Directors has designated the Risk Policy Committee (CPR) as the body responsible for managing the risks to which the Financial Group is exposed, as well as ensuring that the conduct of operations is in accordance with the objectives, policies and procedures for Risk Management.

The objective and integration of the CPR can be reviewed in Note 39.

Likewise, the Balance Sheet Management Committee (ALCO) analyzes, monitors and makes decisions in relation to the rate and currency risk on the balance sheet, the financial margin, liquidity and net capital.

The Unit for Comprehensive Risk Management (UAIR) is in charge of the General Directorate of Risk and Credit Management (DGARC) and includes among its functions identifying, measuring, monitoring, limiting, controlling, reporting and disclosing the different types of risk to which the Holding Company is exposed.

The DGARC reports to the CPR, complying with the regulations regarding its independence with respect to the Business areas.

1.2. Key Risks and Emerging Risks

The Framework for Comprehensive Risk Management has strategies to identify and regulate the main and emerging risks, which represent potential threats to the business, customers, employees, and to the Holding Company's strategy. The definition and classification of potential risks allows for better management and mitigation of these, according to the nature of each type of risk.

The Holding Company has solid methodologies to manage quantifiable risks such as Credit Risk, Counterparty Risk, Concentration Risk, Market Risk, Liquidity Risk, Operational Risk, and Sustainability Risk.

1. Credit Risk: volatility of income as a result of the constitution of reserves due to impairment of loans and potential losses due to non-payment by a borrower or counterparty.
2. Counterparty Risk: the risk related to potential default in financial market transactions.
3. Concentration Risk: potential loss attributed to high and disproportionate exposure to particular risk factors within the same category or between different risk categories.
4. Market Risk: volatility of income due to changes in market conditions, which affect the valuation of positions for active or passive operations or those causing contingent liabilities, such as: interest rates, surcharges, exchange rates, price indices, etc.
5. Liquidity Risk: potential loss due to the impossibility of renewing liabilities or contracting others under normal conditions for the Holding Company, due to the early or forced sale of assets at unusual discounts to meet its obligations.



6. Operational Risk: loss resulting from a lack of adequacy or failure of processes, personnel, internal systems or external events. This definition includes Technological Risk and Legal Risk. Technological Risk includes potential losses due to damages, interruption, alteration or failures arising from the use of or reliance on hardware, software, systems, applications, networks and any other information distribution channel, while Legal Risk involves potential loss due to penalties arising from non-compliance with legal and administrative provisions or the issuance of unappealable unfavorable judicial decisions in relation to the operations that the company has not been subject to appeal. The Holding Company carries out.
7. Sustainability Risk: probability that dangerous environmental, social or governance events or conditions will occur and generate adverse impacts on the institution and/or the environment and communities.

On the other hand, with regard to Non-Quantifiable Risks, the Holding Company has objectives defined in the Risk Management Manual to:

8. Reputational Risk: potential loss in the development of the Institution's activity caused by the deterioration in the perception that the different stakeholders, both internal and external, have about its solvency and viability. Likewise, the deterioration of the image of the Institution due to failures or internal or external events incompatible with corporate values.
9. Strategic Risk: potential loss due to failures or deficiencies in decision-making, in the implementation of procedures and actions to carry out the Institution's business model and strategies, as well as due to ignorance about the risks to which it is exposed due to the development of its business activity and that affect the expected results of its strategic plan.
10. Business Risk: potential loss or impact on profitability attributable to the inherent characteristics of the business and changes in the economic cycle or environment in which the Institution operates.

Emerging Risks are new risks that arise as a result of change in economic, political, social, cultural, natural, and even technological processes. They are characterized by a recent increase in the probability of occurrence and exposure to them, therefore, their prompt identification is necessary to be able to implement effective and timely measures. Its potential for damage or loss is not yet fully known, arising from a new or evolving hazard, which may result in significant new exposure for the Holding Company.

1. Epidemiological Risk: It is the probability that a disease in a given population will escalate to the level of an epidemic or pandemic, generating adverse impacts on the Institution, financing, health and the community. It is expressed through various epidemiological indicators, the analysis of which allows for the generation of preparedness and response plans.
2. New Technology Risk: Risks associated with the implementation of new technologies that could materialize in economic losses for the institution. They arise from new vulnerabilities, technical threats, potential economic fraud, crimes against intellectual property, threats to information privacy, cyberbullying, among others.
3. Disinformation Risk: It is the possible materialization of the loss or impact on results attributable to the erosion of the confidence of the market, customers and employees in the institution, as well as the interruption in the operation directly caused by disinformation; which is considered as false, misleading or erroneous information that intentionally or unintentionally may cause uncertainty or doubt among individuals or institutions.
4. Tariff Risk: It arises when there are modifications in tariff schemes, such as tariff increases, elimination of trade preferences, or new regulations that impact the cost of importing/exporting goods. These changes can be the result of political decisions, trade negotiations, or international conflicts.

At the Holding Company, the identification and documentation of new risks is a continuous task, strengthening and consolidating the Comprehensive Risk Management Framework considering the vision of Sustainability and new emerging risks.



1.3. Risk Management Culture at the Holding Company

The Holding Company's Risk Management culture permeates holistically to all levels of the organization. The Group's decisions are based on maximizing the risk-return ratio, favoring informed decision-making to achieve the strategic objectives of asset quality, profitability, liquidity and solvency.

The Holding Company's risk culture is made up of the following principles:

- **We are all risk managers:** The proactive participation of the Group's employees is promoted for the identification, escalation and management of risks. The reporting channels for operational, technological, psychosocial, credit, market, and fraud risks make it easier for employees in all areas to fulfill their role as the first line of defense. Through the Governance, Risk and Compliance (GRC) platform, employees from the different areas report their respective identified risks. This feedback triggers improvements in processes by implementing control measures based on what has been reported.
- **Risk anticipation:** We monitor the economic and business environment with the aim of anticipating future risks, and incorporate market trends into our models, tools, processes and policies to prevent and mitigate risks. Likewise, close communication is maintained with customers to identify their needs and problems, preventing potential breaches.
- **Forward-looking view:** A forward-looking view is maintained by considering new business trends in the risk management strategy and the calibration of policies and models. For continuous improvement of products and processes, methodologies and tools are updated, in accordance with best practices, which makes it possible to estimate the future behavior of assets and generate scenarios that help the business to make strategic decisions.
- **Multidisciplinary participation:** Joint decision-making through Committees and multidisciplinary teams enriches the Holding Company's panorama of identifying opportunities and containing risks. Risks are continuously monitored and mitigation strategies or actions are planned and executed in a consensual manner among all areas involved. Likewise, it continues to operate through a collaborative scheme of cell-based work, which refers to multidisciplinary teams that are assigned a specific task, such as improving or correcting a process, the development of a new product, among others. This collaboration scheme allows you to react instantly to changing environments that could generate risks in operations and strategies, or execute a prevention or mitigation plan for an existing credit.
- **Communication and continuous training:** Members of the Board of Directors and senior management communicate the importance of a strong Risk Culture throughout the Group. Along the same lines, we have reinforced internal training regarding Risk Management, including content for risk management, prevention and mitigation for our executives and employees who work in the different areas of the Group.
- **Compensation based on risk and performance:** Risk management criteria are incorporated into the evaluation and compensation of employees, so that the risk-return ratio is maximized. To do this, we link the formal measurement of risk indicators with the process of evaluating the performance of employees, promotion and compensation. These incentives are established in our Remuneration System where the evaluation criteria are reflected, mainly for senior management, consistent with reasonable risk-taking. In addition to this, we have a performance evaluation system where employees, together with their immediate boss, establish operational, safety, and career development goals. Performance is evaluated considering specific metrics, as well as professional skills and competencies according to the profile of each position.



- **Innovation:** At The Holding Company we are aware of the speed with which risk management evolves along with the new ways of banking; for this reason it is of vital importance to stay ahead of the curve in relation to new products, channels, technologies and their implications from the point of view of risks. Technological innovation is vital to be able to continue to identify, measure and control risks correctly in the face of technological change and new products and segments of the digital market. These innovation products go through a formal project evaluation process that includes the identification and measurement of the different risks involved, as determined by the areas involved.

1.3.1. Desired Risk Profile

In order to monitor the Desired Risk Profile, general and specific guidelines are established at the group level and there are follow-up and formal escalation processes in the event of any deviation from said profile. In addition, key quantitative indicators are assigned by type of risk for the Holding Company and its subsidiaries, which are sensitive to the material risks to which it is exposed and which can function as key indicators of financial health. These indicators are reviewed and ratified at least once a year by the Board of Directors and serve as a guideline for the definition and implementation of strategies and objectives.

2. CREDIT RISK

It refers to the risk that customers, issuers or counterparties will not meet their payment obligations. Therefore, the correct management of the portfolio is essential to maintain the credit quality of the portfolio.

The objectives of Credit Risk Management at the Holding Company are:

- Comply with the Desired Risk Profile defined by the Group's Board of Directors.
- Improve the quality, diversification and composition of the financing portfolio to optimize the risk-return ratio.
- Provide Senior Management with reliable and timely information to support decision-making regarding financing.
- Provide the Business Areas with clear and sufficient tools to support the placement and monitoring of financing.
- Support the creation of economic value for shareholders through efficient Credit Risk Management.
- Define and keep updated the regulatory framework for Credit Risk Management.
- Comply with the information requirements regarding Credit Risk Management before the authorities.
- Carry out Risk Management in accordance with best practices, implementing models, methodologies, procedures and systems based on the main advances at an international level.
- Measure the vulnerability of the Institution to extreme conditions, and consider these results for decision-making.

The policies for the management, coverage and mitigation of Credit Risk in the Holding Company are:

- Granting and Administration of Consumer Credit in accordance with best market practices through Parametric Models that allow risk to be identified, losses to be minimized and to increase the placement of quality credit.
- Granting and Administration of Credit to Companies and other entities, in accordance with best market practices, through a credit strategy that includes Target Markets and Risk Acceptance Criteria, identifying and managing risk through Portfolio Rating and Early Warning methodologies.
- Monitoring and control of the quality of credits by means of a Credit Rating System, which indicates the treatment and general actions that derive from defined situations, as well as the areas or officials responsible for such actions.
- Surveillance and control of Credit Risk through Global and Specific Limits, portfolio classification policies and Credit Risk models at the portfolio level that allow the identification of expected loss and unexpected loss at a specific confidence level.
- Information and disclosure of Credit Risk to the risk-taking areas, the CPR, the Board of Directors, the Financial Authorities and the Investing Public.
- Definition of powers in the taking of Credit Risks for the institution.

In order to comply with the objectives and policies, a series of strategies and procedures have been defined that cover origination, analysis, approval, administration, monitoring, recovery and collection.



2.1. Scope, Nature and Methodologies of Credit Risk

Risk Management is supported by a framework of policies and manuals, which establish the implementation and monitoring of Credit Risk limits, hedging and mitigation and compensation strategies, the disclosure of the referred risk metrics, as well as their monitoring with respect to the established limits. These policies detail, among others: the characteristics, capacity, legal aspects, implementation issues and degree of coverage that must be considered for the coverage when compensating or mitigating the risk. Likewise, the enforcement of guarantees is contemplated as a risk compensation mechanism whenever there is an unremedied default by the debtors.

The DGARC is supported by various Credit Risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are backed up continuously, following institutional procedures in terms of computer security.

As part of the strategies and processes to monitor the continued effectiveness of hedges or mitigants, there are limits for Credit Risk, which are monitored on an ongoing basis, and there are established procedures so that excesses and their causes are documented and the corresponding corrective actions are implemented to return to acceptable risk levels.

Key risk indicators are disclosed through monthly reports to the CPR and through a daily report to the main executives in the institution about credit defaults by customers that could potentiate Credit Risk.

2.1.1. Individual Credit Risk

The Holding Company segments Credit Risk into two large groups: Retail and Wholesale.

The individual Credit Risk for the Retail portfolio is identified, measured and controlled by means of a parametric system (scoring) that includes models for each of the SME and Consumer products (mortgage, automotive, payroll, personal and credit card).

The individual risk for the Wholesale portfolio is identified, measured and controlled through the Target Markets, the Risk Acceptance Criteria, the Early Warnings and the New Banorte Internal Risk Rating (NCIR Banorte), which are tools that are part of the Holder's Credit Strategy and support the estimation of risk levels.

The Target Markets are categories of economic activity for each region in which the Holding Company has an interest in participating in the placement of credit. Its definition is supported by economic studies and analysis of the portfolio's behavior, as well as by the opinion of experts.

The Risk Acceptance Criteria are parameters that describe the different types of risks identified by each industry, allowing estimating the risk involved in granting a loan to a customer according to the economic activity they carry out. The types of risk considered in the Risk Acceptance Criteria are Financial, Operational, Market, Company Life Cycle, Legal and Regulatory Risk, as well as credit experience and quality of management.

Early Warnings are a set of criteria based on information and indicators of borrowers and their environment that have been established as a mechanism to prevent and identify in a timely manner the probable deterioration in the credit portfolio, allowing action through preventive actions that mitigate Credit Risk.

The Banorte NCIR is a debtor rating methodology that evaluates quantitative and qualitative criteria to determine its credit quality and is applied to Commercial portfolio equal to or greater than an amount equivalent in national currency to four million investment units as of the rating date, or accredited with annual sales or revenues greater than or equal to 14 million investment units (only in the case of Companies).



2.1.2. Portfolio Credit Risk

The Holding Company has designed a Credit Risk methodology for the portfolio that directly considers the balance of each of the loans as the exposure of the credit portfolio, while for the portfolio of financial instruments it considers the present value of the instruments and their future flows. Because exposure is sensitive to changes in the market, it is possible to make sensitivity estimates using models with different economic scenarios.

The Credit Risk methodology developed allows us to know the exposure of all credit portfolios in the total portfolio of the Holding Company, allowing us to monitor the levels of risk concentration by risk ratings, geographical regions, economic activities, currencies and type of product in order to know the profile of the portfolio and take actions to guide it towards diversification where the risk-return relationship is optimized.

In addition to the exposure, the methodology considers the probability of default, the level of recovery associated with each client and the modelling of borrowers based on the Merton model. The probability of default is the probability that a borrower defaults on its debt obligation to the institution in accordance with the terms and conditions originally agreed upon; and is based on the transition matrices that the Holding Company estimates based on the migration of borrowers to different risk rating levels. The recovery rate is the percentage of the total exposure that is expected to be recovered in the event that the borrower defaults. The modelling of borrowers based on Merton's model is based on associating the future behaviour of the borrower with the credit and market factors on which it has been determined, by means of statistical techniques, on which their "credit health" depends.

The main results are the expected loss and the unexpected loss over a one-year horizon. The expected loss is defined as the average of the distribution of losses in the credit portfolio, which estimates the average loss that would be expected in the following year due to default or variations in the credit quality of borrowers. Unexpected loss is an indicator of loss under extreme scenarios, and is measured as the difference between the maximum loss given the distribution of losses, at a specific confidence level, which in the case of the Holding Company is 99.85% based on Expected Shortfall, and the expected loss.

The results obtained are used as a tool for better decision-making in the granting of loans and in the diversification of the portfolio, in accordance with the strategy of the Holding Company. The individual risk identification tools and the Credit Risk methodology of the portfolio are reviewed and updated periodically in order to strengthen them.

2.1.3. Credit Risk of Financial Instruments

Credit Risk Management of financial instruments is based on a robust policy framework for the origination, analysis, authorization, and administration processes of financial instruments.

Origination policies define the types of financial instruments eligible for trading, as well as how to assess the credit quality of different types of issuers and counterparties. Credit quality is assigned through a rating that can be obtained with an internal methodology, through evaluations by external rating agencies or a combination of both. In addition, maximum operating parameters have been defined depending on the type of issuer or counterparty, rating and type of operation.

The Credit Committee is the highest body empowered to authorize lines of operation with financial instruments for clients and counterparties in accordance with the authorization policies. The request for authorization is submitted by the business area and the areas involved in the operation with all the relevant information to be analyzed by the Committee and if deemed appropriate, to issue its authorization. However, counterparty lines (mainly to financial institutions) that meet certain criteria can be approved using a parametric model authorized by the CPR.

In the specific case of Derivative contracts, and in line with best practices, a potential exposure methodology is used for the calculation of lines, which are analyzed and approved within the Credit Committee and are monitored on a daily basis and reported monthly to the CPR. where an analysis of the guarantees behind derivatives transactions is also presented, both by clients and financial counterparties.



The minimum power to authorize lines for Derivatives with clients is vested in the corresponding Credit Committee according to its territory (where appropriate, facilities approved by the CPR may apply). For these transactions, the use of Derivatives lines with margin calls should be favoured to mitigate the risk posed by the potential exposure of the derivatives transactions.

The concentration of credit risk with financial instruments is managed on an ongoing basis at the individual level, establishing and monitoring maximum operating parameters for each counterparty or issuer depending on its rating and the type of operation. At the portfolio level, there are risk diversification policies at the level of economic groups and internal groups. In addition, concentration is monitored by type of counterparty or issuer, size of financial institutions and the region in which they operate, so that adequate diversification is achieved and unwanted concentrations are avoided.

The measurement of Credit Risk is carried out through the rating associated with the issuer, issuance or counterparty, which is assigned a degree of risk measured based on two elements:

- 1) The probability of default of the issuer, issue or counterparty, which is expressed as a percentage between 0% and 100% where the better rating or lower the differential of the instrument's rate compared to that of an equivalent government bond, the lower the probability of default and vice versa.
- 2) The severity of the loss that would be incurred with respect to the total of the operation in the event of a default, expressed as a percentage between 0% and 100% where the better the guarantees or credit structure, the lower the severity of the loss and vice versa. In order to mitigate Credit Risk and reduce the severity of the loss in the event of default, ISDA contracts and netting agreements have been signed with the counterparties, which contemplate the implementation of credit lines and use of collateral to mitigate the loss in the event of default.

2.2. Credit Risk Exposure

As of 4Q25, the total amount of gross exposures subject to the Standard Method and the Internal Models (Advanced Internal Model for Credit Cards, Mortgage, Automotive, Individuals and Companies with Sales or Revenues of less than 14 million UDIS, and Basic Internal Model for Companies with Sales or Revenues greater than or equal to 14 million UDIS) for the calculation of the Capital Ratio is as follows:

Gross Exposures (Balances) subject to the Standard Method and/or Internal Models** (Millions of pesos)	Banorte	Arrendadora y Factor*	Portfolio Total
States or Municipalities	96,460	204	96,664
Decentralized Agencies of the Federal, State and Municipal Government, and State Productive Enterprises	41,283	6,349	47,632
Projects with Own Source of Payment	111,416	0	111,416
Financial Institutions	69,160	1,020	70,181
Credit Card	5,587	0	5,587
Non-revolving consumption	93,643	1	93,644
Total Portfolio Subject to the Standardised Approach	417,550	7,574	425,123
Commercial	251,035	44,750	295,786
Annual Revenue or Sales >= 14 MM UDIS	251,035	44,750	295,786
Decentralized Agencies of the Federal, State and Municipal Government with annual income or sales >= 14 MM UDIS	18,653	0	18,653
Total Portfolio Subject to the Basic Internal Model	269,689	44,750	314,439
Commercial	103,520	1,787	105,307
Annual Revenues or Sales < 14 MM UDIS	103,520	1,787	105,307
Non-revolving consumption (automotive)	70,637	0	70,637
Credit Card	75,133	0	75,133
Mortgage	295,418	0	295,418
Total Portfolio Subject to the Advanced Internal Model	544,708	1,787	546,495
Eliminations and Accounting Records			(21,459)
Deferred Departures	4,038	(5)	4,033
BAP Sector Portfolios			4,228
Fid. Bursa GEM			22,067
Ungraded			0
Total Portfolio with BAP and PD			1,294,927

* Does not include Pure Lease.

** The Exhibit does not include Letters of Credit and includes accounting adjustments.



For operations subject to Credit Risk, the Institution uses external ratings issued by the agencies S&P, Moody's, Fitch, HR Ratings, Verum, DBRS Ratings Mexico and A.M. Best Latin America. Only ratings issued by rating agencies are considered and are not assigned based on comparable assets.

2.2.1. Credit Portfolio

The Holding Company's loan portfolio with Credit Risk as of 4Q25 registered a gross exposure (total balance) of Ps. 1,294,927 million, showing a quarterly increase of Ps. 70,483 million, 5.8% and a growth of Ps. 97,201 million in the year 8.1%.

The variations by product of the total portfolio of the Holding Company are:

Product/Segment (Millions of pesos)	Total Portfolio			Var. vs 3Q25		Var. vs 4Q24	
	4Q24	3Q25	4Q25	Ps	%	Ps	%
Government	183,931	155,490	185,016	29,526	19.0%	1,085	0.6%
Commercial	302,344	311,306	321,340	10,034	3.2%	18,996	6.3%
Mortgage	274,789	290,406	295,418	5,012	1.7%	20,629	7.5%
Corporate	220,976	223,862	239,891	16,029	7.2%	18,915	8.6%
Payroll	84,647	92,377	93,704	1,327	1.4%	9,057	10.7%
Card	70,603	77,591	80,721	3,130	4.0%	10,117	14.3%
Automotive	53,491	65,584	70,576	4,992	7.6%	17,085	31.9%
Total Portfolio	1,190,782	1,216,617	1,286,666	70,049	5.8%	95,884	8.1%
Deferred Departures	3,132	3,714	4,033	319	8.6%	902	28.8%
BAP Portfolio	3,812	4,113	4,228	115	2.8%	416	10.9%
Total Portfolio with BAP and PD	1,197,726	1,224,444	1,294,927	70,483	5.8%	97,201	8.1%

The Portfolio Stages 1 and 2 is Ps. 1,268,827; while the Stage 3 Portfolio is Ps. 17,839.

Subsidiary (Millions of pesos)	Portfolio		Total Portfolio	Reservations Totals
	Stage 1 and 2	Stage 3		
Banorte*	1,193,134	17,354	1,210,487	23,197
Arrendadora y Factor	53,626	485	54,112	416
Fid. Bursa GEM	22,067		22,067	121
Accounting Records				21
Total Portfolio	1,268,827	17,839	1,286,666	23,755
Deferred Departures			4,033	
BAP Portfolio			4,228	342
Total Portfolio with BAP and PD			1,294,927	24,097

* Banorte's total portfolio includes write-offs for Ps. 21,459 million.

Total reserves of Ps. 24,097 million include rating reserves of Ps. 23,755 million, and accounting records (reserves for Letters of Credit, revaluations and BAP sector reserves) of Ps. 342 million.



The Stage 1 and 2 and Stage 3 loan portfolios grouped by sector and subsidiary are detailed in the following two tables:

Sector (Millions of pesos)	Portfolio		Total Portfolio	Booking		Punishment s 4Q25	Days** Expired
	Stage 1 and 2	Stage 3		4Q25	Var. vs 3Q25		
Services*	189,241	4,813	194,054	3,427	511	111	447
Government	185,016		185,016	935	92		2,587
Trade	84,354	1,358	85,712	1,103	- 119	224	387
Hotels & Restaurants	73,659	182	73,841	200	-27	14	535
Manufacturing	70,226	501	70,726	429	-25	70	414
Top 5 Sectors	602,496	6,853	609,349	6,095	432	419	
Other Sectors	134,820	2,078	136,897	1,075	7	47	
Housing	292,405	3,013	295,418	1,400	46	0	
Consumption	239,106	5,895	245,001	15,164	1,192	4,107	
Cards of the Future					- 1,755	364	
Accounting Records				21			
Total Portfolio	1,268,827	17,839	1,286,666	23,755	- 79	4,937	
Deferred Departures			4,033				
BAP Portfolio			4,228	342			
Total Portfolio with BAP and PD			1,294,927	24,097			

* Services includes Financial, Real Estate and Other Services.

** Days in arrears of the overdue portfolio.

Sector/Subsidiary (Millions of pesos)	Banorte*	AyF	Fid. Bursa GEM	Total Portfolio
Services**	183,479	10,575		194,054
Government	156,396	6,553	22,067	185,016
Trade	77,778	7,934		85,712
Hotels & Restaurants	73,780	61		73,841
Manufacturing	54,430	16,297		70,726
Top 5 Sectors	545,863	41,420	22,067	609,349
Rest	664,624	12,692		677,317
Total Portfolio	1,210,487	54,112	22,067	1,286,666
Deferred Departures				4,033
BAP Portfolio				4,228
Total Portfolio with BAP and PD				1,294,927

* Banorte's total portfolio includes write-offs for Ps. 21,459 million.

** Services includes Financial and Real Estate Services.

The Holding current and overdue loan portfolio as of 4Q25 grouped by state and subsidiary are detailed in the following table:

State (Millions of pesos)	Portfolio		Portfolio Total*	Reservatio ns Totals
	Stage 1 and 2	Stage 3		
1 Mexico City	347,787	6,917	354,704	6,141
2 Nuevo León	224,034	1,429	225,464	2,813
3 Jalisco	88,774	738	89,511	1,354
4 State of Mexico	83,278	1,259	84,537	2,031
5 Sinaloa	48,861	444	49,305	643
6 Quintana Roo	43,880	178	44,059	363
7 Baja California Norte	37,376	474	37,850	762
8 Chihuahua	35,683	571	36,253	802
9 Tamaulipas	33,680	630	34,310	965
10 Coahuila	31,968	437	32,405	752
Top 10	975,322	13,077	988,399	16,624
Other States	293,505	4,762	298,267	7,472
Total Portfolio	1,268,827	17,839	1,286,666	24,097
Deferred Departures				4,033
BAP Portfolio				4,228



Total Portfolio with BAP and PD**1,294,927**

* Banorte's total portfolio includes write-offs for Ps. 21,459 million.

The Holding Stage 1 and 2 and Stage 3 loan portfolio as of 4Q25 grouped by remaining term is detailed below:

Remaining Term (Millions of pesos)	Portfolio		Total Portfolio*	Reservations Totals
	Stage 1 and 2	Stage 3		
0 - 1 years	233,648	4,705	238,354	9,932
1 - 5 years	400,848	4,455	405,303	8,471
5 - 10 years	142,451	1,572	144,023	725
> 10 years	416,186	6,621	422,807	4,069
Banorte*	1,193,134	17,354	1,210,487	23,197
Arrendadora y Factor	53,626	485	54,112	416
Fid. Bursa GEM	22,067		22,067	121
Accounting Records				21
Total Portfolio	1,268,827	17,839	1,286,666	23,755
Deferred Departures			4,033	
BAP Portfolio			4,228	342
Total Portfolio with BAP and PD			1,294,927	24,097

* Banorte's total portfolio includes write-offs for Ps. 21,459 million.

2.2.2. Exposure to Financial Instruments

As of 4Q25, the exposure to Credit Risk of Investments in Securities for Banco Mercantil del Norte is Ps. 460,501 million, of which 99.9% has a rating greater than or equal to AA-(mex) on a local scale, placing them in investment grade and where the 3 main issuers other than the Federal Government, Parastatals and National Financial Institutions represent 17% of the Basic Capital as of September 2025. Additionally, the exposure of investments with the same issuer other than the Federal Government that represent a concentration greater than or equal to 5% of the Net Capital as of September 2025 are rated AAA(mex) and are composed of (*term in weighted average, amount in millions of pesos and annualized yield to maturity in weighted average*): securitized portfolio certificates to state governments (BANORCB Trust 4907 or Fid. Bursa GEM) 22-year for Ps. 25,840 at 7.8%.

In the case of derivatives transactions, the exposure of the 3 main counterparties other than the Federal Government, Parastatals and National Financial Institutions represents 2% of the Basic Capital as of September 2025.

As for Casa de Bolsa Banorte, the exposure to Credit Risk of Investments in Securities is Ps. 206,528 million, of which 100% has a rating greater than or equal to AA-(mex) on a local scale, which places them in investment grade and the 3 main issuers other than the Federal Government, Parastatals and National Financial Institutions represent 71% of Stockholders' Equity as of September of 2025. Additionally, the exposure of investments with the same issuer other than the Federal Government that represent a concentration greater than or equal to 5% of stockholders' equity as of September 2025 are rated greater than or equal to AA-(mex) and are composed of (*term in weighted average, amount in millions of pesos and annualized yield to maturity in weighted average*): BBVA Mexico 1-year and 11-month stock certificates for Ps. 5,785 at 7.4%; Banco Santander Mexico 11-month stock certificates for Ps. 4,558 at 7.4%; 21-year and 9-month government stock certificates for Ps. 2,376 at 7.8%; Scotiabank Inverlat stock certificates for 1 year and 7 months for Ps. 2,302 at 7.4%; FEFA stock certificates for 1 year and 10 months for Ps. 2,283 at 7.4%; BANCOMEXT stock certificates for 1 year and 6 months for Ps. 1,912 at 7.4%; BANOBRAS stock certificates for 1 year and 1 month for Ps. 1,858 at 7.4%; certificates of deposit and stock certificates of Banco Invex for 1 year and 2 months for Ps. 1,461 at 7.8%; NAFIN stock certificates at 1 year and 1 month for Ps. 1,405 at 7.3%; CABEI bonds for 1 year and 6 months for Ps. 1,116 at 7.5%; Banco Compartamos' stock certificates for 1 year and 10 months for Ps. 1,077 at 7.8%; HSBC Mexico stock certificates for 1 year and 4 months for Ps. 1,002 at 7.5%; Banco Actinver stock certificates for 1 year and 2 months for Ps. 802 at 8.1%; FONACOT stock certificates for 2 years and 5 months for Ps. 683 at 7.7%; stock certificates of Sociedad Hipotecaria Federal at 1 year and 3 months for Ps. 630 at 7.4%; and CFE stock certificates for 1 year and 6 months for Ps. 269 at 7.6%.



In the case of derivatives transactions, the exposure of the 3 main counterparties other than the Federal Government, Parastatals and National Financial Institutions, represents 2% of stockholders' equity as of September 2025.

For Arrendadora y Factor Banorte, there is no exposure in Investments in Securities or Derivatives.

The counterparty risk exposure of transactions with derivative financial instruments for Banorte is presented below, as well as the netting effect and mitigation of exposure based on the aggregate of the guarantees related to the transactions entered into (includes transactions with Banco de México and does not include transactions settled through central counterparties).

Banorte Position (MTM in millions of pesos)	4Q25	Average 4Q25
Forwards	23	26
FX Swap	(114)	(21)
FX	(1)	0
Options	177	19
Interest Rate Swap (IRS)	3,002	3,557
Cross Currency Swap (CCIRS)	4,195	3,948
Credit Default Swaps (CDS)	(35)	(35)
Total	7,247	7,494
Positive fair value (Positive Market Value)	9,771	10,055
Net Effect*	2,524	2,561
Warranties Delivered (-) / Received (+)		
Cash Values	5,315	4,622
Total	5,315	4,622

*The difference between the positive market value (excluding the net of the positions) and the market value of the portfolio. Transactions settled in the Clearing House are not included because they do not have counterparty risk.

The following table presents the current exposure (MTM) and potential future exposure levels at the end of the quarter and on average during the quarter, respectively, for Banorte.

Banorte (Millions of pesos)	Potential Risk		Current Risk	
	4Q25	Average 4Q25	4Q25	Average 4Q25
Counterparts				
Financial				
FWD				
FX SWAP	599	692	(130)	(32)
FX				
OPTIONS	410	329	96	(55)
RATE SWAP	505	539	898	926
CCS	1,118	1,170	4,088	3,847
CDS	263	186	(35)	(35)
Total	2,895	2,916	4,917	4,651
Customers (Non-Financial)	4Q25	Average 4Q25	4Q25	Average 4Q25
FWD	59	41	39	37
OPTIONS	228	246	81	74
RATE SWAP	3,147	3,589	2,104	2,631
CCS	201	201	107	101
Total	3,635	4,077	2,331	2,843



Based on the conditions established within the contracts for the operation of derivative financial instruments, exposure tolerance levels are considered, depending on the rating maintained by the entities involved in the transaction. The following table presents the amount of guarantees to be delivered in the event of deterioration due to downgrading of the institution. It is worth mentioning that with most of the counterparties, it has migrated to a zero threshold, so the guarantees to be delivered do not depend on the credit rating, but are due to market movements.

The following table details the market value according to the rating ranges for the counterparties of the portfolio of the traded derivatives products.

Banorte Rating Interval (Millions of pesos)	MTM 4Q25	Average 4Q25
AAA/AA-		
A+/A-	4,882	4,715
BBB+/BBB-	478	655
BB+/BB-	1,073	1,247
B+/B-	0	(0)
CCC/C		
SC	814	1,077
Total	7,247	7,694

The counterparty risk exposure of transactions with Derivatives financial instruments for brokerage houses is presented below, as well as the netting effect and mitigation of exposure based on the aggregate of the guarantees related to the transactions entered into (including operations with Banco de México. It does not include transactions settled through central counterparties).

Brokerage House Position (MTM) (Millions of pesos)	4Q25	Average 4Q25
Forwards		
FX Swaps		
FX		
Options		
Interest Rate Swap (IRS)	115	118
Cross Currency Swap (CCIRS)		
Credit Default Swaps (CDS)		
Total	115	118
Positive fair value (Positive Market Value)	292	244
Net Effect*	177	126
Warranties Delivered (-) / Received (+)		
Cash		
Values		
Total	0	0

*The difference between the positive market value (excluding the net of the positions) and the market value of the portfolio. Transactions settled in the Clearing House are not included because they do not have counterparty risk.

The following table presents the current exposure levels (MTM) and potential future exposure at the end of the quarter and on average during the quarter, respectively, for Casa de Bolsa.

Brokerage House (Millions of pesos)	Potential Risk		Current Risk (MTM)	
	4Q25	Average 4Q25	4Q25	Average 4Q25
Counterparts				
Financial				
FWD				
FX SWAP				
FX				
OPTIONS			(3)	(4)
RATE SWAP	368	32	199	110
CCS				
CDS				
Total	368	321	196	106
Counterparts	4Q25	Average 4Q25	4Q25	Average 4Q25



Non-Financial				
FWD				
OPTIONS	4	3	3	4
RATE SWAP	216	272	(83)	8
CCS				
Total	220	275	(80)	12

Based on the conditions established within the contracts for the operation of derivative financial instruments, exposure tolerance levels are considered, depending on the rating maintained by the entities involved in the transaction. The following table presents the amount of guarantees to be delivered in the event of deterioration due to downgrading of the institution. It is worth mentioning that with most of the counterparties, the threshold has been migrated to zero, so the guarantees to be delivered do not depend on the credit rating, but are due to market movements:

The following table details the market value (MTM) according to the rating ranges for the counterparties of the portfolio of the traded derivative products.

Brokerage House Rating (Millions of pesos)	MTM 4Q25	Average 4Q25
AAA/AA-		
A+/A-		
BBB+/BBB-	195	107
BB+/BB-		
B+/B-		
CCC/C		
SC	(80)	12
Total	115	119

2.3. Credit Guarantee

Guarantees represent the second source of credit recovery, when the coverage of the same via the preponderant activity of the applicant is compromised. Warranties can be real or personal.

The main types of security rights are as follows:

- Civil Mortgage
- Industrial Mortgage
- Ordinary Pledge
- Pledge without Transfer of Possession
- Pledge/Pledge Bond
- Pledge Bond
- Stock Surety
- Stock Pledge
- Administration and Payment Trust
- Development Funds

In the case of physical assets granted as collateral, the Institution has policies and processes to follow up and carry out periodic inspection visits to ascertain the existence, legitimacy, value and quality of the guarantees that were accepted as alternative support for the credit. On the other hand, when the collateral is securities, there are policies and processes in place to monitor the market valuation of the collateral and require additional collateral if necessary.



The following is the credit portfolio covered by type of collateral:

Type of Warranty (Millions of pesos)	4Q25			
	Banorte	Banorte Savings and Forecasting	Arrendadora y Factor**	Total*
Total Portfolio	1,258,051	4,228	54,107	1,294,927
Portfolio Covered by Collateral Type				
Financial collateral	79,810			79,810
Non-Financial Collateral	689,131		9,655	698,786
Pari Passu	56,988			56,988
First Losses	3,948			3,948
Personal Guarantees	71,177		7,129	78,306
Total Portfolio Covered	901,054	0	16,784	917,838

* Total Credit Portfolio includes eliminations and accounting records for Ps. 21,459.

** AyF's portfolio does not include pure leasing.

2.4. Expected Losses

As of 4Q25, Banco Mercantil del Norte's total backlog is Ps. 1,235,984 million. The expected loss represents 1.9% and the unexpected loss 3.5%, both with respect to the total portfolio. The average expected loss represents 1.9% of the October-December 2025 period.

As for Casa de Bolsa Banorte, the credit exposure of investments is Ps. 206,821 million and the expected loss represents 0.005% of this exposure. The average expected loss represents 0.006% of the October-December 2025 period.

The total portfolio of Arrendadora y Factor, including pure leasing, is Ps. 59,394 million. The expected loss represents 0.7% and the unexpected loss 3.9%, both with respect to the total portfolio. The average expected loss represents 0.7% of the October-December 2025 period.

2.5. Internal Models

In October 2016, the Board of Directors approved the implementation plan for the internal models for the calculation of reserves and capital requirements for all modelable portfolios, which was sent to the CNBV that same year. In accordance with this implementation plan, the models for the Credit Card, Business and Automotive Individual portfolios were certified.

At the end of 2018, the CNBV released the project to migrate standard and internal methodologies under the IFRS 9 approach, but it was not until March 2020 that the definitive rule for the Internal Methodologies of reserves based on NIF C-16 (IFRS 9) was published in the DOF (Official Gazette of the Federation), effective as of January 2021. However, as a result of the Covid-19 pandemic, the CNBV issued a statement in April 2020, indicating that the rule would be effective as of January 2022.

Therefore, the Holding Company adhered to the new regulation and adopted the Internal Methodologies for reserves based on NIF C-16, requesting in April 2021 the CPR and the Board of Directors, the approval of the Implementation Plan (Capital and Reserves), which was authorized by the CNBV in January 2022 through Official Letter No. 111-2/852/2022.

Therefore, as of January 2022, when the NIF C16 (IFRS 9) standard came into force¹, it is being used for the calculation of preventive reserves for credit risks, both in the Standard Approach and in the Internal Models. Consequently, for the Internal Models, estimates for the risk parameters will be obtained under two approaches: IRB for capital requirement calculation and IFRS 9 for reserve calculation:

¹ IFRS9 = International Financial Reporting Standards 9, IRB = Internal Rate Based Models



- The equity approach will maintain long-term estimates ("Through the Cycle" (TTC), under Annex 15 of the CUB.²
- The focus on reserves captures current behaviors ("Point in Time", PIT) and with a prospective approach (future macroeconomic environment), under Annex 15 Bis of the CUB. In addition, the new methodology indicates that the portfolio must be classified into 3 risk stages, with a reserve calculation for the remaining term (LifeTime) being necessary for stage 2.

Given the new guidelines of the CUB on Internal Models, the National Banking and Securities Commission (CNBV) will only issue an official letter of approval for the use of the methodology for the Calculation of Capital, for a maximum period of 18 months. The use of the internal reserves methodology is authorized by Banorte's Board of Directors and by the Board of Arrendadora y Factor Banorte, as appropriate, with the support of the Technical Evaluation made by the Independent Evaluator that endorses compliance with the model under the standards established in Annex 15 Bis. It should be noted that the Technical Evaluation Report is sent to the CNBV for review, the validity of this model is also for a maximum period of 18 months.

Under the aforementioned standards, on July 27, 2023, the CNBV approved the Model Based on Internal Ratings for the calculation of Capital for the Mortgage portfolio and on April 20, 2023, the Board of Directors approved the Internal Reserve Methodology based on NIF C16.

Subsequently, on August 30, 2024, CNBV approved for the first time the Model Based on Internal Ratings for the calculation of Capital of Small and Medium-sized Enterprises (SMEs) for Banorte and on September 30, 2024 for AyF and the Board of Directors at its meeting on January 17, 2024 approved the Internal Reserve Methodology based on NIF C16 for Banorte and on January 16, 2024 for AyF.

All portfolios continued to be approved in accordance with the Implementation Plan under these new standards.

2.5.1. Advanced In-House Credit Card Model

On November 15, 2017, the Holding Company obtained approval from the National Banking and Securities Commission (CNBV) for the use of Internal Credit Card Rating Models (IM) for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official Letter 111-3/706/2017). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on July 4, 2024, the CNBV granted authorization for the use of the MI for the calculation of capital requirements for the authorized period in accordance with the corresponding official letter (Official Letter 111-2/1269/2024) and the Board of Directors authorized the use of the reserve methodology based on NIF C16 in its session of April 16, 2024.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

² Single Circular of Banks



The following table shows the Credit Card Portfolio subject to the Advanced Internal Model classified by risk grades of the Internal Model as of 4Q25:

Revolving Consumer Portfolio under Advanced Internal Model												Millions of Pesos
MI Risk Grade*	Accounting Balance	Exposure to Non-Compliance (EI)**			Severity of Loss			EI-weighted IP			Unwilling Commitments	Exposure to non-compliance Weighted average by position
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		
1	5,147	5,147	0.02		63.87%	62.07%		0.44%	0.44%		22,399	23%
2	6,852	6,852	0.02		64.93%	62.07%		0.76%	0.76%		26,491	23%
3	9,185	9,184	0.42		65.63%	63.19%		1.39%	1.39%		33,589	31%
4	8,476	8,476	0.25		67.21%	65.30%		1.96%	1.95%		22,737	23%
5	6,365	6,364	1.22		67.90%	65.81%		2.80%	2.78%		13,093	25%
6	6,815	6,810	5.1		69.35%	65.98%		3.94%	3.90%		9,484	23%
7	6,973	6,962	11		70.93%	68.67%		5.41%	5.36%		7,596	22%
8	8,239	8,224	15		72.51%	70.07%		8.06%	8.13%		6,668	20%
9	7,464	7,414	50		74.74%	69.99%		13.48%	13.4%		2,795	19%
10	7,222	6,381	841		76.33%	77.71%		36.78%	36.7%		628	17%
11	2,395			2,395			83.0%			100.0%	-71	0%
Total Portfolio	75,133	71,814	924.2	2,395	69.2%	77.13%	83.0%	6.98%	34.4%	100.0%	145,409	22%

* The scale of risk degrees corresponds to the Advanced Internal Model.

** EI balances include both potential risk and drawn-down balance.

The following table will show the difference between the expected and observed loss resulting from the Advanced Internal Credit Card Model as of 4Q24:

Backtesting				
Portfolio	Expected Loss Internal Models*	Observed Loss*	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC
Credit Card	5,989	5,736	-253.4001408	104%
Total Portfolio	5,989	5,736	-253.4001408	104%

* Expected and Observed Loss is equal to the average of the last 12 months

2.5.2. Advanced Internal Model for Automotive Individual

On November 25, 2019, the Holding Company obtained approval from the National Banking and Securities Commission for the use of Internal Models (MI) for the rating of Automotive Individuals (Auto PF) for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official Letter 111/678/2019). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on September 1, 2025, the CNBV (Official Letter 111-4/12665/2025) granted authorization for the use of the MI only for the calculation of capital requirements for the period authorized in the aforementioned official letter and the Board of Directors authorized the use of the reserve methodology based on NIF-C16 in its session of July 22, 2025.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.



The following table shows the Portfolio of Automotive Individuals subject to the Advanced Internal Model classified by risk grades of the Internal Model as of 4Q25:

Automotive Portfolio Individual under Advanced Internal Model										Millions of Pesos
MI Risk Grade*	Accounting Balance			Exposure to Non-Compliance			Severity of Loss			Exposure-weighted IP
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
1	12,360	0.88		12,360	0.88		46.47%	43.83%		0.17%
2	18,279	0.96		18,279	0.96		54.11%	42.79%		0.35%
3	10,416	1		10,416	1		53.69%	53.13%		0.58%
4	8,119	2.20		8,119	2.20		56.56%	49.62%		0.78%
5	8,235	8.98		8,235	8.98		54.80%	54.57%		1.29%
6	5,526	9.61		5,526	9.61		54.39%	52.74%		1.96%
7	5,319	73		5,319	73		54.01%	51.85%		5.13%
8	1,398	517		1,398	517		54.08%	52.51%		29.28%
9			371			371			53.30%	100.00%
Total Portfolio	69,652	613.2	371	69,652	613.2	371	428.12%	401.04%	53.30%	2.31%

* The scale of risk degrees corresponds to the Advanced Internal Model.

The following table shows the difference between the expected and observed loss resulting from the Advanced Internal Model for Automotive Individuals as of 4Q24:

Backtesting				
Portfolio	Expected Loss Internal Models*	Observed Loss	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC
Automotive Individual	733	646	-87	113%
Total Portfolio	733	646	-87	113%

* Information as of December 2024

2.5.3. Advanced In-House Model for Mortgage Portfolio

On July 27, 2023, the Holding Company obtained approval from the National Banking and Securities Commission for the use of the Model based on Internal Ratings with an Advanced Approach to calculate the capital requirement in the Mortgage portfolio (Official Letter 111-2/1628/2023), this authorization being for the period authorized in the corresponding official letter. Likewise, authorization was obtained from the Board of Directors for the use of the reserve methodology based on NIF-C16 at its meeting on April 20, 2023. Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on February 21, 2025, the CNBV (Official Letter 111-4/12606/2025) granted authorization for the use of the MI only for the calculation of capital requirements and the Board of Directors authorized the use of the reserve methodology based on NIF-C16 at its meeting on January 28, 2025.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.



The following table shows the Mortgage Portfolio subject to the Advanced Internal Model classified by risk grades of the Internal Model as of 4Q25:

Mortgage Portfolio under Advanced Internal Model										Millions of Pesos
MI Risk Grade*	Accounting Balance*			Exposure to Non-Compliance			Severity of Loss			Exposure-weighted IP
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
1	34,745	55		34,745	55		19.42%	16.93%		0.02%
2	66,340	3		66,340	3		21.88%	21.15%		0.06%
3	80,827	5		80,827	5		22.13%	22.73%		0.15%
4	56,275	18		56,275	18		22.39%	23.08%		0.42%
5	28,682	29		28,682	29		22.39%	24.95%		1.09%
6	12,705	74		12,705	74		20.52%	16.75%		2.91%
7	5,808	1,350		5,808	1,350		20.06%	18.28%		8.65%
8	1,731	2,579		1,731	2,579		19.60%	19.21%		20.98%
9	26	5		26	5		25.90%	25.90%		49.24%
10			2,760			2,760			20.71%	100.00%
Total Portfolio	287,139	4,118	2,760	287,139	4,118	2,760	194.2%	188.9%	20.71%	1.83%

*The Accounting Balance does not include the Co-participated Portfolio for Ps. 1,401 million.

The following table shows the difference between the expected and observed loss resulting from the Advanced Internal Model for Mortgage Portfolio as of 4Q24:

Backtesting				
Portfolio	Expected Loss Internal Models*	Observed Loss	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC
Mortgage	830	1,145	316	138%
Total Portfolio	830	1,145	316	138%

* Expected and Observed Loss is equal to the average of the last 12 months

2.5.4. Basic Internal Model for Companies

On November 27, 2018, the Holding Company obtained approval from the National Banking and Securities Commission for the use of the Internal Business Model for the constitution of regulatory reserves and capital requirements for credit risk with a basic approach (Official Letter 111-3/1472/2018) in Banco Mercantil del Norte, and on February 26, 2019 for Arrendadora y Factor Banorte (Official Letters 111-1/160/2019). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on July 4, 2024, the CNBV granted authorization for the use of the MI only for the calculation of capital requirements for the period authorized in the corresponding official letter for Banco Mercantil del Norte (Official Letter 111-2/1267/2024) and on July 19, 2024 for Arrendadora y Factor Banorte (Official Letter 111-2/1273/2024). Likewise, the Board of Directors authorized the use of the reserve methodology based on NIF C16 at its meeting on April 16, 2024 for Banco Mercantil del Norte and on April 12, 2024 for Arrendadora y Factor Banorte.

The positions subject to this classification are those of legal entity clients (other than states, municipalities and financial institutions) and individuals with business activity, both with annual sales greater than or equal to 14 million UDIs.

The Internal Model improves the comprehensive management of credit risk, estimating the risk parameters through the experience of the Institution, and have been applied as of February 2019 (with figures as of January) in Banco Mercantil del Norte; and as of March 2019 (with figures as of February) in Arrendadora y Factor Banorte. The parameter authorized under the Basic Internal Business Model is:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each accredited student, a score is obtained, which is mapped to a master grading scale.



The following tables show the portfolio subject to the Internal Business Model classified by stage and degree of risk as of 4Q25:

Commercial Portfolio under the Basic Internal Business Model			
Grupo Financiero Banorte			
Portfolio Stage 1			
	<i>Millions of pesos</i>		
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP
1	120,939	121,377	0.05%
2	116,312	117,757	0.08%
3	61,408	61,610	0.48%
4	23,372	23,397	0.93%
5	13,467	13,467	1.00%
6	1,425	1,425	4.81%
7	426	426	8.68%
8	56	56	21.73%
9	685	685	11.00%
Total	338,089	340,200	0.29%

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted PI" column could not be monotonic across risk levels because there may be operations that have guarantees which influence the probability of final default (PI) of operations.

Commercial Portfolio under the Basic Internal Business Model			
Grupo Financiero Banorte			
Stage 2 Portfolio			
	<i>Millions of pesos</i>		
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP
1	0.1	0.1	0.03%
2	2	2	0.05%
3	28	28	0.52%
4	65	65	1.03%
5	114	114	0.01%
6	0.4	0.4	1.03%
7			
8	1,206	1,206	22.13%
9			
Total	1,416	1,416	18.90%

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted PI" column could not be monotonic across risk levels because there may be operations that have guarantees which influence the probability of final default (PI) of operations.

Commercial Portfolio under the Basic Internal Business Model			
Grupo Financiero Banorte			
Portfolio Stage 3			
	<i>Millions of pesos</i>		
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP
Stage 3	1,488	1,488	87.33%
Total	1,488	1,488	87.33%

* EI balances include both potential risk and drawn-down balance. "EI-Weighted IP" May Not Be 100% because there may be operations that have personal guarantees, which influence the probability of final default (PI) of the operations.



Commercial Portfolio under the Basic Internal Business Model				<i>Millions of pesos</i>
Grupo Financiero Banorte				
Total Portfolio				
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP	
1	120,939	121,377	0.05%	
2	116,314	117,760	0.08%	
3	61,436	61,638	0.48%	
4	23,436	23,461	0.93%	
5	13,581	13,581	0.99%	
6	1,425	1,425	4.81%	
7	426	426	8.68%	
8	1,262	1,262	22.11%	
9	685	685	11.00%	
Stage 3	1,488	1,488	87.33%	
Total	340,993	343,104	0.75%	

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted PI" column could not be monotonic across risk levels because there may be operations that have guarantees which influence the probability of final default (PI) of operations.

Below is the breakdown of risk exposure and expected loss by subsidiary as of 4Q25:

Commercial Portfolio under the Basic Internal Business Model				<i>Millions of pesos</i>
Subsidiary	Accounting Balance*	Exposure to Non-Compliance (EI)**	Expected Loss	
Banco Mercantil del Norte	296,099	298,210	857	
Arrendadora y Factor Banorte	44,894	44,894	280	
Total Portfolio*	340,993	343,104	1,138	

* The balances include Letters of Credit for Ps. 26,401 million, and exclude accounting adjustments for Ps. 9 million in Banorte and Ps. 144 million in Arrendadora y Factor Banorte.

** EI balances include both potential risk and drawn-down balance.

The following table shows the difference between the expected loss that was estimated by the Internal Business Model and the actual loss observed in the following 12 months. Since this model was recently authorized, the estimated results during the parallel run period are shown:

Backtesting				<i>Millions of pesos</i>
Period	Expected Loss Internal Models	Observed Loss	% Coverage (Expected Loss / Observed Loss)	
4Q24	1,060	86	1,238%	

2.5.5. Advanced In-House Model for SME Portfolio

On August 30, 2024, the Holding Company obtained authorization from the National Banking and Securities Commission for the use of the MI for the calculation of capital requirements for a period of 12 months for Banco Mercantil del Norte (Official Letter 111-2/1240/2024) and on September 30, 2024 for Arrendadora y Factor Banorte (Official Letter 111-2/1295/2024). Likewise, the Board of Directors authorized the use of the reserve methodology based on NIF C16 at its meeting on January 17, 2024 for Banco Mercantil del Norte and on January 16, 2024 for Arrendadora y Factor Banorte. Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on July 31, 2025, the CNBV granted authorization for the use of the MI only for the calculation of capital requirements for the period authorized in the corresponding official letter for Banco Mercantil del Norte (Official Letter 111-4/12657/2025) and on July 29, 2025 for Arrendadora y Factor Banorte (111-4/12655/2025). Likewise, the Board of Directors authorized the use of the reserve methodology based on NIF C16 at its meeting on April 22, 2025 for Banco Mercantil del Norte and on April 21, 2025 for Arrendadora y Factor Banorte.



The positions subject to this classification are those of clients who are legal entities (other than states, municipalities and financial institutions) and individuals with business activity, both with annual sales of less than 14 million UDIs.

The Internal Model improves the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The parameters authorized under the Advanced Internal Model of SMEs are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

The following tables show the Portfolio subject to the Advanced Internal SME Model classified by stage and degree of risk:

Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Portfolio Stage 1					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP	Weighted SP	
1	53,141	53,191	0.94%	40.20%	
2	36,386	36,405	2.16%	32.19%	
3	7,621	7,625	3.87%	34.60%	
4	2,053	2,055	9.24%	38.42%	
5	2,063	2,064	15.61%	30.86%	
6	1,004	1,005	16.94%	39.35%	
7	532	532	32.98%	35.12%	
8	100	100	40.31%	41.93%	
Total	102,900	102,977	2.41%	36.68%	

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted IP" column may not be monotonic across risk levels because there may be transactions that have personal guarantees, which influence the probability of final default (PI) of the transactions.

Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Stage 2 Portfolio					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP	Weighted SP	
1	5	5	0.88%	44.89%	
2	21	21	2.29%	43.35%	
3	84	85	4.30%	25.39%	
4	22	23	8.70%	45.46%	
5	18	18	9.99%	47.60%	
6	270	270	16.20%	41.99%	
7	682	682	25.78%	43.50%	
8	261	261	31.09%	42.91%	
Total	1,364	1,365	22.62%	42.06%	

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted IP" column may not be monotonic across the levels of risk due to the fact that there may be operations that have personal guarantees, which influence the probability of final default (PI) of operations.

Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Portfolio Stage 3					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP	Weighted SP	
Stage 3	2,805	2,807	88.57%	50.33%	
Total	2,805	2,807	88.57%	50.33%	

* EI balances include both potential risk and drawn-down balance. "EI-Weighted IP" may not be 100% because they may there are operations that have personal guarantees, which influence the probability of default (PI) of the operations.



Commercial Portfolio under Advanced Internal SME Model				Millions of pesos	
Grupo Financiero Banorte					
Total Portfolio					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	EI-weighted IP	Weighted SP	
1	53,147	53,196	0.94%	40.20%	
2	36,407	36,426	2.16%	32.20%	
3	7,705	7,710	3.87%	34.50%	
4	2,075	2,078	9.23%	38.49%	
5	2,081	2,082	15.56%	31.00%	
6	1,275	1,275	16.78%	39.91%	
7	1,214	1,214	28.93%	39.83%	
8	361	361	33.65%	42.64%	
Stage 3	2,805	2,807	88.57%	50.33%	
Total	107,069	107,149	4.92%	37.11%	

* EI balances include both potential risk and drawn-down balance. The "EI-Weighted PI" column may not be monotonic across of the levels of risk due to the fact that there may be operations that have personal guarantees, which influence the probability of final default (PI) of operations.

Below is the breakdown of risk exposure and expected loss by subsidiary as of 4Q25:

Commercial Portfolio under Advanced Internal SME Model				Millions of pesos
Subsidiary	Accounting Balance*	Exposure to Non-Compliance (EI)**	Expected Loss	
Banco Mercantil del Norte	105,282	105,361	2,005	
Arrendadora y Factor Banorte	1,787	1,787	77	
Total Portfolio*	107,069	107,149	2,082	

* The balances include Letters of Credit for Ps. 1,142 million.

** EI balances include both potential risk and drawn-down balance.

The following table shows the difference between the expected loss that was estimated by the Advanced Internal SME Model and the actual loss observed in the following 12 months. Since this model was recently authorized, the estimated results during the parallel run period are shown:

Backtesting			Millions of pesos
Period	Expected Loss Internal Models	Observed Loss	% Coverage (Expected Loss / Observed Loss)
4Q24	1,751	1,751	100%

2.6. Risk Diversification

In December 2005, the CNBV issued the "General Provisions Applicable to Credit Institutions in the Matter of Risk Diversification", which require institutions to carry out an analysis of the borrowers and/or financing they hold to determine the amount of their "Common Risk". Likewise, the institutions must have the necessary information and documentation to verify that a person or group of people represent a common risk in accordance with the assumptions referred to in the aforementioned rules.



In compliance with the rules of risk diversification in active and passive operations, the following information corresponding to **Banco Mercantil del Norte** is shown:

Basic Capital as of September 2025 (Millions of pesos)	227,851
I. Large Exposures (Groups and Clients whose combined exposure represents more than 10% of core capital):	
Number of Groups and Customers	3
Total Exposure of Groups and Customers as a Whole	84,874
% to core capital	37%
II. Maximum amount of financing with the 4 largest debtors and common risk groups	92,078

In compliance with the rules for risk diversification in active and passive operations, the following information is shown corresponding to **Arrendadora y Factor Banorte**:

Basic Capital as of September 2025 (Millions of pesos)	12,654
I. Large Exposures (Groups and Clients whose combined exposure represents more than 10% of core capital):	
Number of Groups and Customers	9
Total Exposure of Groups and Customers as a Whole	21,134
% to core capital	167%
II. Maximum amount of financing with the 4 largest debtors and common risk groups	9,583

3. MARKET RISK (Bank and Brokerage House)

The objectives of Market Risk in the Holding Company are:

- Comply with the Desired Risk Profile defined by the Group's Board of Directors.
- Maintain adequate monitoring of Market Risk.
- To keep Senior Management adequately informed in a timely manner.
- Quantify through the use of various methodologies, the exposure to Market Risk.
- Define the maximum levels of risk that the Institution is willing to maintain.
- Measure the vulnerability of the Institution to extreme market conditions and consider these results for decision-making.

The Market Risk policies at the Holding Company are:

- New products subject to market risk must be evaluated and approved through the guidelines for new products approved by the Risk Policy Committee.
- The Board is the body empowered to approve global limits and market risk appetite metrics, as well as modifications to the above.
- The Risk Policy Committee is the body empowered to approve specific models, methodologies and limits, as well as modifications to the previous ones.
- Market risk models will be validated by an area independent of the one that develops and manages them.
- Market risk inputs and models will be validated in accordance with a policy duly approved by the Risk Policy Committee.

3.1. Scope, Methodologies and Reporting of Market Risk

Market Risk Management is managed through a series of fundamental pillars, including the use of models and methodologies such as *expected shortfall*, *Backtesting*, *Sensitivity Analysis* and *Stress Testing*), all used to measure the risk of products and portfolios of instruments listed on the financial markets. During the month of January 2019, Banorte implemented the calculation of the potential loss, thus replacing the calculation of VaR. Likewise, the valuation of the Derivatives instruments was implemented using RFR curves and collateral-adjusted curves following international standards.



Similarly, risk management is supported by a framework of policies and manuals, which establish the implementation and monitoring of Market Risk limits, the disclosure of the referred risk metrics and their monitoring with respect to the established limits. These policies detail, among others: the characteristics, capacity, legal aspects, implementation issues and degree of coverage that must be considered when compensating or mitigating the risk.

Market Risk Management is supported by various risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are continuously backed up following institutional procedures in terms of computer security.

Key risk indicators are disclosed through monthly reports to the CPR and through a daily report to the main executives in the institution related to the taking of Market Risk positions.

3.2. Market Risk Exposure

The exposure to Market Risk of the Institution's portfolios of financial instruments is quantified through the methodology called "*Expected Shortfall*", which is determined as the average of the losses once the Value at Risk (VaR) is exceeded.

The potential loss model is based on a one-day time horizon and is based on a non-parametric historical simulation with a 97.5% confidence level and 500 historical observations on risk factors plus a stress scenario. It also considers all financial instrument positions (money market, treasury, capital, exchanges, and derivatives) classified as trading, both on and off the balance sheet.

The average potential loss for 4Q25 of the Bank's portfolio is Ps. 405.7 million, (Ps. 196.2 million higher than the average potential loss of the previous quarter).

The result shown represents that the Bank's potential loss, with a confidence level of 97.5%, is on average Ps. 405.7 million.

Potential Loss (Millions of pesos)	Average 4Q25
Total Potential Loss	405.7
Capital Neto	209,991.4
Potential Loss/Net Capital	0.19%

The potential loss due to risk factor behaved during 4Q25 as follows:

Risk Factor (Millions of pesos)	4Q25	Average 4Q25
Fees	471.3	403.9
Surcharges	60.1	56.8
FX	96.0	40.9
Others	16.4	24.0
Diversification Effect	(234.2)	(119.9)
Total Potential Loss of the Bank	409.6	405.7

Risk Factor (Millions of pesos)	4Q25	Average 4Q25
Fees	460.0	399.1
Surcharges	56.2	53.0
FX	(77.5)	(28.1)
Others	(29.1)	(18.2)
Total Potential Loss of the Bank	409.6	405.7



Risk Factor	4Q25
Fees	98%
Surcharges	13%
FX	(7%)
Others	(4%)

3.2.1. Sensitivity Analysis and Testing under Extreme Conditions

In addition to the potential loss and in order to strengthen the risk analysis, Banorte conducts tests under extreme conditions, also known as *Stress Testing*. The foregoing, presented monthly to the CPR and its main objective is to obtain the impact on the institution's positions given important movements in risk factors.

3.2.2. Backtesting Banorte

In order to validate the effectiveness and accuracy of the potential loss, the Backtesting analysis is submitted to the CPR monthly. Through this analysis, it is possible to compare the observed gains and losses with respect to the estimated Potential Loss and, if necessary, make pertinent adjustments to the estimator.

3.2.3. Potential Loss at Casa de Bolsa Banorte

The average potential loss for 4Q25 of the portfolio is Ps. 171.9 million (Ps. 19.4 million higher than the average potential loss of the previous quarter).

The result shown represents that the potential loss of the brokerage house, with a confidence level of 97.5%, is on average Ps. 171.9 million.

Potential Loss (Millions of pesos)	Average 4Q25
Total Potential Loss	171.9
Capital Neto	4,257.7
Potential Loss/Net Capital	4.04%

The potential loss due to risk factor of the portfolio of instruments described for Casa de Bolsa Banorte behaved during 4Q25 as follows:

Risk Factor (Millions of pesos)	4Q25	Average 4Q25
Fees	103.4	109.9
Surcharges	64.4	68.1
FX	0.7	0.7
Others	0.0	0.0
Diversification Effect	(6.6)	(6.8)
Total Potential Loss of Casa de Bolsa Banorte	161.9	171.9

The potential loss at the end of 4Q25 corresponds to Ps. 161.9 million.

The potential loss by risk factor is determined by simulating 500 historical scenarios plus a stress scenario, grouping instruments by their main risk factor. Importantly, all positions classified as trading positions were taken into account, excluding the hold-to-maturity and available-for-sale position.

The concentration by Market Risk Factor is mainly in interest rates.

3.2.4. Sensitivity Analysis and Testing under Extreme Conditions.

In addition to the Potential Loss, and in order to strengthen the risk analysis, Casa de Bolsa Banorte performs the analysis by applying tests under extreme conditions, also known as *Stress Testing*. The foregoing, presented monthly to the CPR and its main objective is to obtain the impact on the institution's positions given important movements in risk factors.



3.2.5. Backtesting Casa de Bolsa Banorte

In order to validate the effectiveness and accuracy of the Potential Loss, the Backtesting analysis is submitted monthly to the CPR. Through this analysis it is possible to compare the observed gains and losses with respect to the estimated Potential Loss and, if necessary, the pertinent adjustments will be made to the estimator.

4. BALANCE SHEET AND LIQUIDITY RISK

The objectives of Balance Sheet Risk and Liquidity in the Holding Company are:

- Comply with the Desired Risk Profile defined by the Group's Board of Directors.
- Adequately monitor Balance Sheet Risk and Liquidity.
- Quantify through the use of various methodologies, the exposure to Balance Sheet and Liquidity Risk.
- Measure the vulnerability of the Institution to extreme market conditions and that these results are considered for decision-making.
- To keep Senior Management adequately informed in a timely manner about exposure to Balance Sheet and Liquidity Risk and any deviation from the limits and risk profile.
- Follow up on the institution's coverage policy and review it at least annually.
- Maintain a sufficient level of eligible Liquid Assets to guarantee the liquidity of the Institution even under stress conditions.

The Liquidity Risk policies in the Holding Company include:

- The establishment of Global and Specific Limits for Balance Sheet Risk Management and Liquidity.
- The measurement and monitoring of Balance Sheet and Liquidity Risk.
- The information and disclosure of Liquidity Risk to the risk-taking areas, the CPR, the Board of Directors, the Financial Authorities and the Investing Public.

4.1 Methodologies and Exposure to Liquidity Risk

Balance Sheet and Liquidity Risk is managed through key indicators, such as the Liquidity Coverage Ratio (LCR), reprice and liquidity gaps, as well as stress tests. This is based on a framework of policies and manuals, including a contingency financing plan and a contingency plan for the preservation of solvency and liquidity. Similarly, it is complemented by the monitoring of Desired Risk Profile limits and levels on the Balance Sheet Risk and Liquidity metrics in question. The disclosure of the metrics and indicators referred to and their compliance with the limits and the Desired Risk Profile established is made through monthly reports to the CPR, weekly reports to the capital and liquidity management group and quarterly to the Board of Directors.

4.2 Financing Profile and Strategy

The composition and evolution of the bank's funding during 4Q25 is shown below:

Anchor Source <i>(Millions of pesos)</i>	3Q25	4Q25	Var vs. 3Q25
Demand Deposits			
National Currency ⁽¹⁾	672,895	746,537	10.9%
Foreign Currency ⁽¹⁾	87,442	94,825	8.4%
Demand Deposits	760,337	841,362	10.7%
Time Deposits – Window			
National Currency ⁽²⁾	342,771	351,538	2.6%
Foreign Currency	2,599	1,269	-51.2%
Window Capture	1,105,707	1,194,169	8.0%
Money Table			
National Currency ⁽³⁾	35,000	36,495	4.3%
Foreign Currency ⁽³⁾	32,011	32,275	0.8%
Comprehensive Deposits Banking Sector	1,172,717	1,262,939	7.7%

1. Includes balance of the Global Deposit Account without Movement.
2. Includes eliminations between subsidiaries
3. Money Desk and Time Deposits



4.3 Liquidity Coverage Ratio

The LCR quantifies Liquidity Risk through the ratio between Liquid Assets and Net Cash Outflows, in the next 30 days, under assumptions of a regulatory stress scenario.

The LCR is an indicator regulated by Mexican regulation that should be interpreted as the Institution's liquidity sufficiency to cover its short-term obligations, under an extreme scenario, making use only of its highest quality Liquid Assets.

The following tables present the average evolution of the components of the LCR in 4Q25.

LCR Components (Millions of pesos)	Consolidated Calculation	
	Unweighted Amount (Average)	Weighted Amount (Average)
ELIGIBLE LIQUID ASSETS		
1 Total Eligible Liquid Assets	NA	181,714
CASH OUTFLOWS		
2 Unsecured Retail Financing	671,340	38,931
3 Stable financing	564,060	28,203
4 Less stable funding	107,280	10,728
5 Unsecured wholesale financing	398,927	68,407
6 Operational Deposits	375,310	52,959
7 Non-operational deposits	22,468	14,300
8 Unsecured debt	1,148	1,148
9 Guaranteed wholesale financing	295,122	26,996
10 Additional Requirements:	555,791	40,733
11 Outflows related to derivative financial instruments and other collateral requirements	10,566	8,739
12 Loss-related outflows from debt instrument financing		
13 Lines of credit and liquidity	545,226	31,994
14 Other contractual financing obligations	2,404	892
15 Other contingent funding obligations		
16 TOTAL CASH OUTFLOWS	NA	175,960
CASH INFLOWS		
17 Cash inflows from secured transactions	95,569	11,581
18 Cash inflows from unsecured transactions	69,413	47,797
19 Other cash inflows	4,106	4,106
20 TOTAL CASH INFLOWS	NA	63,484
		Adjusted Amount
21 TOTAL ELIGIBLE LIQUID ASSETS	NA	181,714
22 TOTAL NET CASH OUTFLOWS	NA	112,476
23 LIQUIDITY COVERAGE RATIO	NA	162.35%



LCR Components (Millions of pesos)	Individual Calculation	
	Unweighted Amount (Average)	Weighted Amount (Average)
ELIGIBLE LIQUID ASSETS		
1 Total Eligible Liquid Assets	NA	181,714
CASH OUTFLOWS		
2 Unsecured Retail Financing	671,340	38,931
3 Stable financing	564,060	28,203
4 Less stable funding	107,280	10,728
5 Unsecured wholesale financing	393,852	63,713
6 Operational Deposits	375,310	52,959
7 Non-operational deposits	17,393	9,606
8 Unsecured debt	1,148	1,148
9 Guaranteed wholesale financing	295,122	26,996
10 Additional Requirements:	488,950	37,266
11 Outflows related to derivative financial instruments and other collateral requirements	10,566	8,739
12 Loss-related outflows from debt instrument financing	0	0
13 Lines of credit and liquidity	478,384	28,527
14 Other contractual financing obligations	2,404	892
15 Other contingent funding obligations	0	0
16 TOTAL CASH OUTFLOWS	NA	167,798
CASH INFLOWS		
17 Cash inflows from secured transactions	95,569	11,581
18 Cash inflows from unsecured transactions	72,667	51,590
19 Other cash inflows	4,106	4,106
20 TOTAL CASH INFLOWS	172,342	67,277
		Adjusted Amount
21 TOTAL ELIGIBLE LIQUID ASSETS	NA	181,714
22 TOTAL NET CASH OUTFLOWS	NA	100,522
23 LIQUIDITY COVERAGE RATIO	NA	182.02%

During 4Q25, an average consolidated LCR of the 92 days of the quarter of 162.35% and an average individual CCL of the 92 days of the quarter of 182.02% were observed, with a consolidated LCR at the end of 4Q25 of 143.00%, and an individual CCL at the end of 150.69%, which was above the Desired Risk Profile and the regulatory minimum established in current regulations. The above results indicate that Banorte is in a position to meet all of its short-term obligations in a crisis scenario³.

4.4 Evolution of the Components of the LCR

The evolution of the components of the Liquidity Coverage Ratio between the end of 3Q25 and the end of 4Q25 is presented in the table below.

LCR Component (Millions of pesos)	3Q25	4Q25	Var vs. 3Q25
Liquid Assets	183,796	179,562	(2.3%)
Cash Inflows	72,798	60,895	(16.3%)
Cash Outflows	199,584	186,466	(6.6%)

³ The information on the Liquidity Coverage Ratio is preliminary and is subject to validation by Banco de México.



The Liquid Assets that are computed for the LCR of Banco and Sofomes between the end of 3Q25 and the end of 4Q25 are distributed as follows:

Asset Type <i>(Millions of pesos)</i>	3Q25	4Q25	Var vs. 3Q25
Total	183,796	179,562	(2.3%)
Level I	177,829	174,986	(1.6%)
Level II	5,967	4,576	(23.3%)
Level II A	5,231	4,576	(12.5%)
Level II B	736	0	(100.0%)

4.5 Main Causes of LCR Results

The changes in the Liquidity Coverage Ratio between 3Q25 and 4Q25 are due to the maturity of short-term issuances of Ps. 1,630 million and the payment of dividends to Grupo Financiero Banorte for Ps. 25,300 million pesos.

It should be noted that Banorte has not used the Permanent Liquidity Facilities or the Extraordinary Facilities of Banco de México during 4Q25.

4.6 Exposure to Derivative Instruments and Possible Margin Calls

Banorte applies the regulatory criteria for the determination of potential cash outflows from derivatives. At the end of 4Q25, the following can be observed:

Cash Outflows from Derivatives <i>(Millions of pesos)</i>	3Q25	4Q25	Var vs. 3Q25
Net outflow at market value and by potential exposure	6,962	6,826	(2.0%)
Cash Outflows due to Downgrade of 3 Notches in Credit Rating	0	0	0.0%

The above measurement indicates that potential outflows from derivatives could represent a liquidity requirement of up to Ps. 6,826 million.

4.7 Net Stable Funding Ratio (CFEN)

The CFEN is an indicator that should be interpreted as the proportion between the Stable Financing Available, made up of own and external resources that are considered reliable in a time horizon; and Required Stable Financing, consisting of liquidity, asset maturities and off-balance sheet positions.



The following tables present the average evolution of the components of the CFEN in 4Q25:

CFEN (Millions of Pesos)		Consolidated Figures					Weighted amount
		Unweighted amount by residual term					
		No expiration	< 6 months	From 6 months to < 1 year	>1 year		
Elements of the Amount of Stable Financing Available							
1	Capital:	236,745	0	0	0	236,745	
2	<i>Fundamental capital and non-fundamental basic capital.</i>	236,745	0	0	0	236,745	
3	<i>Other capital instruments.</i>	0	0	0	0	0	
4	Retail Deposits:	0	770,460	2,606	265	728,198	
5	<i>Stable deposits.</i>	0	641,717	1,743	187	611,475	
6	<i>Less stable deposits.</i>	0	128,743	863	78	116,723	
7	Wholesale Financing:	0	710,206	18,063	96,877	433,379	
8	<i>Operational deposits.</i>	0	74,547	0	0	37,273	
9	<i>Other wholesale financing.</i>	0	635,659	18,063	96,877	396,106	
10	Interdependent liabilities	0	573	246	6,833	0	
11	Other liabilities:	21,465		34,564		16,472	
12	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio</i>	ON				ON	
13	<i>All liabilities and own funds not included in the above categories.</i>	21,465	2,975	30,236	1,354	16,472	
14	Total Amount of Stable Financing Available	ON	ON	ON	ON	1,414,793	
Elements of the Stable Funding Amount Required							
15	Total liquid assets eligible for the purposes of the Net Stable Funding Ratio.	ON	ON	ON	ON	95,462	
16	Deposits in other financial institutions for operational purposes.	0	2,530	0	0	1,265	
17	Current loans and securities:	0	308,970	106,639	820,577	841,603	
18	<i>Guaranteed financing granted to financial institutions with eligible Tier I liquid assets.</i>	0	30,665	0	0	3,067	
19	<i>Financing granted to financial institutions secured with eligible liquid assets other than Level I, and financing granted to unsecured financial institutions.</i>	0	40,549	20,739	18,133	34,585	
20	<i>Financing granted to counterparties other than financial institutions, which:</i>	0	178,129	79,469	510,547	541,711	
21	<i>They have a credit risk weighting of less than or equal to 35% according to the Basel II Standard Method for credit risk.</i>	0	26,198	4,865	105,265	83,954	
22	<i>Housing Loans (in stages 1 and 2), of which:</i>	0	7,486	5,503	276,225	209,460	
23	<i>They have a credit risk weighting of less than or equal to 35% according to the Standard Method established in the Provisions.</i>	0	3,925	2,489	159,131	106,642	
24	<i>Debt securities and shares other than Eligible Liquid Assets (which are not in default).</i>	0	52,142	927	15,672	52,782	
25	<i>Interdependent assets.</i>	0	573	246	6,833	0	
26	Other Assets:	52,745		1,081,312		111,840	
27	<i>Physically traded commodities, including gold.</i>	26	ON	ON	ON	22	
28	<i>Initial margin granted on transactions in derivative financial instruments and contributions to the loss-absorbing fund of central counterparties</i>	ON		0		0	
29	<i>Derivative assets for purposes of the Net Stable Funding Ratio.</i>	ON		26,172		8,723	
30	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio before deduction for the change in initial margin</i>	ON		473,751		1,008	
31	<i>All assets and operations not included in the above categories.</i>	52,719	569,670	0	11,719	102,087	
32	Off-balance sheet transactions.	ON		579,422		28,971	
33	Total Amount of Stable Financing Required.	ON	ON	ON	ON	1,079,141	
34	Net Stable Financing Ratio (%).	ON	ON	ON	ON	131.12%	



CFEN		Individual Figures				
		Unweighted amount by residual term				Weighted amount
		(Millions of pesos)	No expiration	< 6 months	From 6 months to < 1 year	
Elements of the Stable Financing Amount Available						
1	Capital:	236,745	0	0	0	236,745
2	<i>Fundamental capital and non-fundamental basic capital.</i>	236,745	0	0	0	236,745
3	<i>Other capital instruments.</i>	0	0	0	0	0
4	Retail Deposits:	0	770,460	2,606	265	728,198
5	<i>Stable deposits.</i>	0	641,717	1,743	187	611,475
6	<i>Less stable deposits.</i>	0	128,743	863	78	116,723
7	Wholesale Financing:	0	702,786	9,841	85,671	417,604
8	<i>Operational deposits.</i>	0	74,547	0	0	37,273
9	<i>Other wholesale financing.</i>	0	628,239	9,841	85,671	380,331
10	Interdependent liabilities	0	573	246	6,833	0
11	Other liabilities:	21,465		34,564		16,472
12	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio</i>	ON				ON
13	<i>All liabilities and own funds not included in the above categories.</i>	21,465	2,975	30,236	1,354	16,472
14	Total Amount of Stable Financing Available	ON	ON	ON	ON	1,399,018
Elements of the Stable Financing Required						
15	Total liquid assets eligible for the purposes of the Net Stable Funding Ratio.	ON	ON	ON	ON	95,462
16	Deposits in other financial institutions for operational purposes.	0	2,530	0	0	1,265
17	Current loans and securities:	0	304,641	108,142	802,317	822,485
18	<i>Guaranteed financing granted to financial institutions with eligible Tier I liquid assets.</i>	0	30,665	0	0	3,067
19	<i>Financing granted to financial institutions secured with eligible liquid assets other than Level I, and financing granted to unsecured financial institutions.</i>	0	48,259	26,452	21,565	42,029
20	<i>Financing granted to counterparties other than financial institutions, which:</i>	0	166,089	75,260	488,855	515,148
21	<i>They have a credit risk weighting of less than or equal to 35% according to the Basel II Standard Method for credit risk.</i>	0	26,198	4,865	105,265	83,954
22	<i>Housing Loans (in stages 1 and 2), of which:</i>	0	7,486	5,503	276,225	209,460
23	<i>They have a credit risk weighting of less than or equal to 35% according to the Standard Method established in the Provisions.</i>	0	3,925	2,489	159,131	106,642
24	<i>Debt securities and shares other than Eligible Liquid Assets (which are not in default).</i>	0	52,142	927	15,672	52,782
25	<i>Interdependent assets.</i>	0	573	246	6,833	0
26	Other Assets:	52,745		1,134,031		111,840
27	<i>Physically traded commodities, including gold.</i>	26	ON	ON	ON	22
28	<i>Initial margin granted on transactions in derivative financial instruments and contributions to the loss-absorbing fund of central counterparties</i>	ON		0		0
29	<i>Derivative assets for purposes of the Net Stable Funding Ratio.</i>	ON		26,172		8,723
30	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio before deduction for the change in initial margin</i>	ON		473,751		1,008
31	<i>All assets and operations not included in the above categories.</i>	52,719	569,670	0	11,719	102,087
32	Off-balance sheet transactions.	ON		513,497		25,675
33	Total Amount of Stable Financing Required.	ON	ON	ON	ON	1,056,727
34	Net Stable Financing Ratio (%).	ON	ON	ON	ON	132.40%



During 4Q25, an average consolidated CFEN for the 92 days of the quarter of 131.12% was observed and an average individual CFEN for the 92 days of the quarter of 132.40%, with a consolidated CFEN at the end of 4Q25 of 130.02%, which was above the Desired Risk Profile and the regulatory minimum established in current regulations. The above results indicate that Banorte maintains a stable financing profile in relation to the composition of its off-balance sheet assets and operations.

4.8 Evolution of the Components of the CFEN

The evolution of the components of the Net Stable Funding Coefficient between the end of 3Q25 and the end of 4Q25 is presented in the following table:

	3Q25			4Q25			Variation		
	Stable Anchoring Available	Stable Anchoring Required	CFEN	Stable Anchoring Available	Stable Anchoring Required	CFEN	Stable Anchoring Available	Stable Anchoring Required	CFEN
< 6 months	1,300,287	271,727		1,293,879	262,306		-0.5%	-3.47%	
From 6 months to < 1 year	22,193	51,417		23,540	55,698		6.1%	8.3%	
>1 year	100,021	748,478	132.74%	97,530	770,263	130.02%	-2.5%	2.9%	-2.05%

4.9 Main Causes of CFEN Results

The institution's solid Net Stable Funding Ratio levels are mainly due to: (1) the institution's solid capitalization levels, reinforced by a strong long-term funding structure derived from subordinated debt issuances; (2) the stability of customer deposits, which allow the natural coverage of the active balance sheet with high-quality liabilities.

4.10 Foreign Currency Liquidity Risk

For the quantification and monitoring of the Liquidity Risk, the criteria established by Banco de México for the preparation of the Liquidity Ratio, in foreign currency, are used for the dollar portfolio.

The Liquidity Ratio in foreign currency should be interpreted as the institution's ability to cover its liquidity mismatches with liquid assets in foreign currency.

4.11 Liquidity Gaps

As part of the Bank's liquidity analysis, the liquidity gaps resulting from the Institution's 30-day active and passive obligations are analyzed. Under this scheme, it is monitored at the Bank level, with the following results for 4Q25.

Concept (Millions of pesos)	3Q25	4Q25	Var vs. 3Q25
One-month cumulative gap	7,648	-16,141	-311.0%
Liquid Assets	182,804	175,007	-4.3%

The mismatch between the inputs and outputs (gaps) for the next 30 days is covered with liquid assets. Additionally, a more granular breakdown of liquidity gaps is presented, as follows for 4Q25:

Concept (Millions of pesos)	1 day	7 days	1 month	3 months	6 months	12 months
Natural Gap	-7,421	287	-9,006	50,290	51,544	75,972
Cumulative Gap	-7,421	-7,134	-16,141	34,149	85,693	161,665



4.12 Testing under extreme liquidity conditions

As part of the management of Liquidity Risk management, Banorte conducts tests under extreme liquidity conditions with internal scenarios to evaluate the adequacy of the bank's liquidity under adverse conditions both in the environment and due to intrinsic conditions of the bank. For these purposes, a total of 9 scenarios have been considered, based on 3 sources of risk (systemic, idiosyncratic and combined) with 3 levels of severity each (moderate, medium and severe).

4.13 Contingency Financing Plan

In order to have comprehensive practices in liquidity management, and to guarantee its operation in adverse liquidity situations, Banorte has implemented a contingency financing plan that incorporates elements to identify possible liquidity problems and defines the alternative sources of funding available to deal with contingencies.

4.14 Balance Sheet Risk

Interest rate risk consists of estimating the impact on the financial margin. The financial margin is the difference between the income generated by interest and the costs associated with liabilities with financial costs (interest expense). Depending on the structure of the balance sheet, movements in interest rates can have positive or negative impacts on the scenarios of rising or falling rates.

Because the financial margin obeys the flow structure of assets and liabilities on the balance sheet, the model used to estimate this metric is a reprice gap model. All assets and liabilities are allocated in different bands depending on their nature of re-price and/or maturity structure. Once the reprice structure is in place, the impact of each band on the indicator can be calculated.

4.14.1. Financial Margin Sensitivity

Financial margin sensitivity is a static metric that considers the twelve-month budget exercise, i.e., only bands less than one year are impacted by the different movements of interest rates. The assumptions are:

- It considers the re-valuation effects of all financial assets and liabilities in the balance sheet.
- The monitoring of the negotiation book is kept separately.
- It considers the behavior of all balance sheet models (e.g., mortgage prepayment, and deposit survival).
- The balance sheet is considered static and constant over time, i.e., it does not consider organic growth, movements in the rate structure, or changes in the product mix or strategies.



The following table shows the Sensitivity of the Financial Margin for Banco Banorte.

Margin Sensitivity <i>(Millions of pesos)</i>	3Q25	4Q25	Var vs. 3Q25
Balance in National Currency	70	418	497.1%
Foreign Currency Balance	729	739	1.4%

During 4Q25, the sensitivity of the balance sheet in national currency to a variation of 100 bps in national rates went from Ps. 70 million in 3Q25 to Ps. 418 million. On the other hand, the sensitivity of the foreign currency balance sheet to a variation of 100 bps in foreign rates goes from Ps. 729 million to Ps. 739 million. It is important to note that Financial Markets positions immunize, through intermediation results, the impact of lower rates on the Balance Sheet. Financial Instruments for Receivable and Sale (previously Available for Sale) at the end of 4Q25 amounted to Ps. 188,862 million, and on average during 4Q25 to Ps. 175,803 million.

4.14.2. Economic value of capital

The economic value of capital is a long-term metric that contrasts the difference in the present value of assets and the present value of liabilities, under different interest rate scenarios. This metric also considers the results of all the internal models on the behavior of the balance sheet, previously mentioned for sensitivity to the financial margin.

The following table shows the economic value of capital for Banco Banorte, in a scenario of +100 bps in parallel.

Economic Value of Capital <i>(PBS)</i>	4Q25
Widespread increase	66

4.15. Subsidiaries

The Balance Sheet and Liquidity Risk Management processes of the Bank and its Sofomes are centralized in the General Directorate of Risk and Credit Management of the Holding Company. To monitor the liquidity of the Sofomes, analyses of the structural behavior of the balance sheet are carried out, as well as the diversification of the Funding. Additionally, liquidity gap analysis is carried out. Specifically, for the Brokerage House, the regulatory liquidity requirements are followed.

The following table presents the composition of the gap indicators of the Bank's subsidiaries and Sofomes at the end of 4Q25.

Liquidity Indicator <i>(Millions of pesos)</i>	Casa de Bolsa Banorte	Arrendadora y Factor
One-month cumulative gap	4,915	-6,456
Liquid Assets	5,334	42

5. OPERATIONAL RISK

Operational Risk is defined as the potential loss due to failures or deficiencies in internal controls, errors in the processing and storage of operations or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft (this definition includes Technological and Legal Risk).

The objectives of Operational Risk Management are:

- Enable and support the organization to achieve its institutional objectives through the prevention and management of operational risks.
- Ensure that existing operational risks and required controls are properly identified, assessed, and aligned with the risk strategy established by the organization.



- Ensure that operational risks are properly quantified to enable the adequate allocation of capital by Operational Risk.

Pillars in Operational Risk Management

5.1. Policies, objectives and guidelines

As part of the institutional regulations, the policies, objectives, guidelines, methodologies and areas responsible for Operational Risk Management are documented.

The Operational Risk Directorate maintains close communication and coordination with the Regulatory Audit Directorate, in order to promote effective Internal Control in which procedures and adequate controls are established to mitigate Operational Risk within the processes, monitoring compliance with them through the Internal Audit Department.

The Regulatory Comptroller's Office, as part of the Internal Control System, carries out the following activities related to risk mitigation:

- Validation of internal control.
- Administration and control of institutional regulations.
- Monitoring of the internal control of the operational processes through the reports of control indicators, reported by the process controllers of the different areas.
- Administration of the Anti-Money Laundering process.
- Control and monitoring of regulatory provisions.
- Analysis and evaluation of operational processes and projects with the participation of the directors responsible for each process, in order to ensure adequate internal control.

5.2. Quantitative and Qualitative Measurement Tools

5.2.1. Operating Loss Database

For the registration of operational loss events, there is a system that allows the central areas providing information to record these events directly and online, which are classified by Event Type according to the following categories:

Internal Fraud: Losses derived from any type of action aimed at defrauding, misappropriating assets or circumventing regulations, laws or company policies (excluding diversity/discrimination events) in which at least one party internal to the company is involved.

External Fraud: Losses derived from some type of action aimed at defrauding, misappropriating goods or circumventing the legislation, by a third party.

Labour Relations and Safety in the Workplace: Losses arising from actions incompatible with labour legislation or agreements, on health or safety at work, on the payment of claims for personal injury, or on cases related to diversity/discrimination.

Customers, Products and Business Practices: Losses arising from the inadvertent or negligent breach of a professional obligation to particular customers (including fiduciary and adequacy requirements), or from the nature or design of a product.

External Events: Losses arising from damage or harm to material assets as a result of natural disasters or other events.

Business Incidents and System Failures: Losses derived from business incidents and system failures.

Process Execution, Delivery, and Management: Losses arising from errors in the processing of operations or in the management of processes, as well as from relationships with business counterparties and suppliers.



This historical database allows us to have statistics on the operational events in which the institution has incurred in order to determine the trends, frequency, impact and distribution they present.

5.2.2. Database of Legal and Fiscal Contingencies

For the registration and follow-up of judicial, administrative and fiscal matters that may lead to the issuance of unfavorable resolutions that cannot be appealed, the system called "Monitoring System of Legal Risk Matters" (SMARL) was developed internally. This system allows the central areas that provide information to register these events directly and online, which are classified by company, sector and legal matter, among others.

As part of the management of Legal Risk in the Holding Company, an estimate of the Legal and Fiscal Contingencies is made by the lawyers who handle the cases, determining the degree of risk of each matter based on an internal methodology. This allows the creation of the necessary Accounting Reserves within a certain period of time (depending on the duration of the demand), in order to deal with these Contingencies.

5.3. Management Model

The companies of the Holding Company have defined objectives, which are achieved through different plans, programs and projects. The fulfillment of these objectives can be affected by the presence of operational risks, which is why it is necessary to have a methodology to manage them within the organization, so Operational Risk management is now an institutional policy defined and supported by Senior Management.

To carry out Operational Risk Management, it is essential to identify each of the operational risks involved in the processes in order to be able to analyze them in an appropriate way. In this sense, currently the risks identified, by the Regulatory Comptroller's Office with the support of the Process Comptrollers, are registered and managed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) and defining tolerance levels where appropriate.

5.4. Capital Requirement Calculation

In accordance with the Operational Risk Capitalization Rules in force, in the case of Banorte, the institution has adopted the Business Indicator Method, which is calculated and periodically reported to the authority.

5.5. Information & Reporting

The information generated by the Databases and by the Management Model is processed periodically in order to report to the Risk Policy Committee and the Board of Directors the main operational events detected, trends, identified risks and their mitigation strategies. Additionally, the status of the main initiatives in terms of Operational Risk mitigation implemented by the different areas of the organization is reported.

5.6. Technology Risk

Technology Risk is defined as the potential loss for damage, interruption, alteration, or failure arising from the use of or reliance on hardware, software, systems, applications, networks, and any other information distribution channel in the provision of banking services to customers. This risk is an inherent part of Operational Risk, so its management is carried out jointly with the entire organization.

To address the Operational Risk related to the integrity of information, the Operational Risk Committee has been created whose objectives are to align information security and control efforts under the prevention approach, define new strategies, policies, processes or procedures and seek to solve computer security problems that affect or may affect the Institutional assets.

The functions established by the CNBV in the area of Technological Risk Management are carried out by the Institution under the guidelines established by institutional regulations and the Operational Risk Committee.



To face the Operational Risk caused by high-impact external events, there is a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) based on a synchronous data replication scheme, in an alternate data center. With the above, the backup and recovery of the main critical applications of the institution is covered, in case of any relevant operational event.

5.7. Legal Risk

Legal Risk is defined in our Institution as the potential loss due to non-compliance with applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the operations that the Institution carries out.

It is essential to measure Legal Risk as an inherent part of Operational Risk to understand and estimate its impact. Therefore, the legal issues that result in real operating losses of the SMARL system are subsequently recorded in the operational events database, according to a predefined taxonomy.

Based on the statistics of ongoing legal matters and actual loss events, it is possible to identify specific legal or operational risks, which are analyzed in order to eliminate or mitigate them, seeking to reduce or limit their future occurrence or impact.

5.8. Money Laundering Risk (AML) and Terrorist Financing (TF)

Given that the risk of money laundering and terrorist financing is one of the most relevant Operational Risks in our institution, strict monitoring of the transactionality of customer accounts is maintained for the timely detection of possible operations that, due to their characteristics, could be related to some type of crime.

Foreign International Terrorist Organizations (OTI's)

The designation of some Mexican drug cartels as international terrorist organizations (OTIs) in early 2025 significantly prioritizes this risk and that is why our organization is adapting to this new environment, through adjustments in risk models.

At the Holding Company, we have regulatory compliance mechanisms and controls that allow us to fully comply with the robust and extensive Mexican regulations on the matter. As it is a relevant and transforming risk, we are continuously reviewing our processes, as well as investing in governance structures, human resources, training and awareness, also emphasizing the reinforcement of the Sanctions Program that allow us not only to comply with local regulation but even to go further in the surveillance and supervision of our clients' operations.

6. SECURITIZATIONS CARRIED OUT BY THE HOLDING COMPANY

The main objective of the securitization operations carried out by the Institution is to transfer the risks and rewards of certain financial assets in its own position to third parties. Likewise, for the institution it represents a source of alternative funding.

The Holding Company has carried out the following securitization:

- On October 11, 2006, Fincasa Hipotecaria (Fincasa), currently merged with Banorte, entered into an irrevocable trust agreement for the issuance of stock certificates No. 563, with issuer code FCASACB, whose underlying asset is mortgage loans originated and assigned by Fincasa.
- On December 5, 2023, Banorte entered into irrevocable trust agreement No. 4907 for the issuance of stock certificates with the issuer symbol BANORCB. The issuance of the stock certificates by the trust took place on December 21, 2023, these are backed by credits to governments, states and municipalities, all originated and assigned by Banorte.



The institution is not responsible for the risks assumed or retained with respect to the assets of the trusts, its only responsibility is in relation to the fulfillment of the obligations that are expressly provided for in the trust agreement and in the management contract. However, with respect to the BANORCB 23 securitization, the risks assumed and retained by the trust are relevant given the participation in the stock certificates.

The Institution is responsible for ensuring that each of the assigned receivables meets the eligibility criteria at the time of the respective assignment. If the trustee, common representative, or financial guarantor identifies any ineligible credit, Banorte may be required to replace such credit or, if such replacement is not possible, payment of the "ineligible unreplaced credit" in question. If Banorte identifies any ineligible credit, it must notify it and replace it or make the corresponding payment.

There are no predetermined policies for the issuance of securitizations by the Board of Directors of the Institution, authorization to originate any new issuance would be requested when required.

The Institution does not participate in the securitization of positions of third parties.

There are several risk factors that can affect the assets of securitization trusts. If these risks materialize, the payment to the holders of the stock certificates could be adversely affected. The main risks to which these financial instruments are exposed are: Credit Risk, Market Risk, Liquidity Risk and Operational Risk, which have been detailed in previous sections.

To monitor the credit quality of the credit risk exposure of financial instruments originating from securitized assets, the Institution calculates the expected loss with a time horizon of one year, while to monitor the Market Risk exposure it calculates the value at risk over a time horizon of one day and with a confidence level of 99%. for such instruments.

In the securitizations carried out, in which Banco Mercantil del Norte participates, it is the settlor and trustee of the trusts. In addition, the Institution also performs administrator functions in each of the trusts.

On the other hand, the Institution also acts as an investor by acquiring securities of the stock certificates issued by the trusts constituted for securitizations. As of 4Q25, the Holding Company has in its own position the following securities and amounts of the securitizations carried out by the same Institution:

Securitization (Millions of pesos)	Banorte		Insurance		Total	
	Titles	Amount	Titles	Amount	Titles	Amount
91_BANORCB_23	270,000,000	25,840			270,000,000	25,840
97_FCASACB_06U						

The proportion of securities held by the Holding Company in its own position is shown below, in relation to the total number of securities issued for each series as of 4Q25:

Securitization (Millions of pesos)	Securities issued	Banorte	Insurance	Total The Holding Company	Total Customers
91_BANORCB_23	270,000,000	100.0%	0.0%	100.0%	
97_FCASACB_06U	1,351,386				100.0%

Below are the ratings assigned by each rating agency at the end of the quarter for each stock certificate issued by the aforementioned trusts:

Securitization	Standard & Poor's		Fitch Ratings		Moody's		HR Ratings		Verum		Best		DBRS	
	National	Global	National	Global	National	Global	National	Global	National	Global	National	Global	National	Global
91_BANORCB_23							HRAAA		AAA/M					
97_FCASACB_06U	mxBB		CCC (mex)											



As of 4Q25, the amounts of the underlying assets of the securitization are:

Securitization (Millions of pesos)	Amount		
	Current	Expired	Total
91_BANORCB_23	Ps. 22,054	Ps. 0	Ps. 22,054
97_FCASACB_06U	Ps. 33	Ps. 97	Ps. 130

The maintained exposure of securitizations carried out, broken down by Credit Risk weight, is shown below:

Concept (Millions of pesos)	Exhibition	Capital requirement
Securitizations with Risk Grade 1	25,840	925
Securitizations with Risk Grade 2		
Securitizations with Risk Grade 3		
Securitizations with Risk Grade 4		
Securitizations with Risk Grade 5.1 to 5.4		
Securitizations with Risk Grade 5.5 to 5.9		

There is no securitization position recorded in suspense accounts and no securitization positions held are deducted from fundamental capital.

The securitizations of trusts 563 and 4907 have early amortization clauses. The Institution has not securitized revolving operations or resecuritizations during the quarter.

6.1 Accounting policies applied

The securitization operations carried out by the Institution were recognized in accordance with the provisions of Financial Reporting Standard C-14 *Transfer and deregistration of financial assets*. With regard to the securitization of BORHIS, it was concluded that, despite retaining the contractual rights to receive the cash flows from the financial assets, it assumes a contractual obligation to pay such cash flows to a third party. In addition, in the analysis of the transfer of these assets, it was concluded that the entity transfers substantially all the risks and rewards inherent in the ownership of the financial assets.

The recognition of the profit on sales is in accordance with the provisions of paragraph 43.1.1 of NIF C-14, which states:

- a) Derecognition of transferred financial assets at the last carrying amount;
- b) Recognize the consideration received in the transaction;
- c) Recognize in the results of the year the gain or loss, for the difference between the carrying amount of the financial assets derecognized and the sum of (i) the consideration received (recognized at fair value) and (ii) the effect (gain or loss) from accumulated valuation that may have been recognized in stockholders' equity.

With respect to the GEM securitization, it was concluded that the Entity did not make a sale to a third party, as it does not transfer substantially all the risks and benefits inherent in the transferred assets. For this reason, these assets are not derecognized at the consolidated level.

Both securitizations issued instruments known as certificates in favor of the Institution, as holders of the rights in the last place under the trust contract. These certificates give the right to receive a percentage of the distributions and in general to the corresponding proportion of the remainder that may be in the trust assets after the total payment of the stock certificates. The valuation of the certificates is based on the net present value method of the expected remaining cash flows over the life of the securitization. The remaining cash flow is the sum of the cash flow to be received from the securitized loan portfolio, less the cash flow payable from the stock certificates, less the monthly expense for administration and maintenance, less any increase in principal or interest reserve, if any. At the end of the year, the record generated by the securitization FCASACB 06U has a fair value of zero, given that it does not include receiving remaining cash flows. On the other hand, the evidence generated by the BANORCB 23 securitization has a fair value of 3,857 million pesos, which is only recognized in the accounts of Banco Banorte (individual). At the consolidated Banco Banorte level, this record is eliminated as part of the consolidation entries.



The remaining flows are discounted with the B1 bank curve, which takes into account the Credit Risk of the trusts. Among the most important assumptions in the valuation of the GEM certificate are the following:

- a) Default: The credit reserve of the securitized loans is considered in accordance with the CNBV's rating methodology to reflect the risk of default on principal and/or interest payments of the securitized portfolio.
- b) Prepayment: In the event of the existence of prepayments, the notional of the portfolio is adjusted to update the future cash flows to be discounted.
- c) Portfolio term: All contractual payments of principal and interest at each payment date of each of the securitized assets are considered.
- d) Portfolio interest rate: The contractual rates of each of the securitized assets are considered. In the case of variable interest rates, forward rates are estimated based on the TIIE28 curve at the valuation date.
- e) General Account: The present value of the remaining flows is added with the amount of cash or cash equivalents deposited in the general account, collection account and, where appropriate, in the expense reserve, interest and principal accounts, since, in the event of full payment of the stock certificates, these assets would be distributed to the holders of the certificate.

With regard to the policies for the recognition of obligations on the balance sheet of the agreements that may require financial support from the Institution for the securitization of assets, it is necessary that all the amounts owed under the stock certificates of the different securitizations in force will be paid out of the assets of the trust. In the event that, for any reason, the liquid resources of the trust's assets are not sufficient to pay in full the amounts owed under the stock certificates, the holders shall not have the right to claim payment from the Institution, the trustee, the common representative, the placement intermediary, the guarantor or guarantors, as the case may be, or anyone. The stock certificates have not been guaranteed or guaranteed by any of the persons participating in the issuance of the certificates, so none of them is obliged to make payments to the holders, with the exception, in the case of the trustee, of the payments that they have to make to the trust estate in accordance with the provisions of the trust agreement.

7. STOCK POSITION

As of 4Q25, the shareholding position in Banco Mercantil del Norte is equivalent to Ps. 770.62 million, with accumulated capital gain of Ps. 392 million.

During the fourth quarter of the year, losses were recorded on the purchase and sale of securities in the amount of (Ps. 5.9 million).

The capital requirement for Market Risk was Ps. 375.07 million.

Institution	Type of Quote	Classification Accountant	Treatment Capitalization	Value Market 4Q25	Capital gains / Disability Acum.	Usefulness / Loss Sales / Purchases
Banorte	Public Contribution	Negotiation	Market Risk	2.26	-50.6	5.9
Banorte	Public Contribution	Negotiation	Capital deduction	225.8	125.2	-
Banorte	No Public Listing	Negotiation	Market Risk	542.54	317.4	-
Banorte	No Public Listing	Negotiation	Market and Credit	0.0	0.0	-
Total				770.6	392.0	5.9

As of 4Q25, the equity position in Casa de Bolsa Banorte is equivalent to Ps. 529.7 million, with accumulated capital gains of Ps. 295.5 million

During the fourth quarter of the year, gains were recorded from the purchase and sale of securities in the amount of Ps. 0.3 million.



The capital requirement for Market Risk was Ps. 158.4 million.

Institution	Type of Quote	Classification Accountant	Treatment Capitalization	Value Market 4Q25	Capital gains / Disability Acum.	Usefulness / Loss Sales / Purchases
Casa de Bolsa Banorte	Public Contribution	Negotiation	Market Risk	529.7	295.5	0.3
			Total	529.7	295.5	0.3

41 - MEMORANDUM ACCOUNTS (unaudited)

	2025	2024
Operations on behalf of third parties		
Banks customers (current accounts)	Ps. 18	Ps. 21
Settlement of customer transactions	1,282	(150)
Customer securities received in custody	1,237,750	1,059,245
Customer repurchase agreements	207,625	Ps. 250,325
Collateral pledged on account of clients	207,460	250,038
Collateral delivered as guarantee on behalf of clients	-	104
Managed trusts	188	265
Investment banking transactions on account of third parties, (net)	383,802	336,778
	Ps. 2,038,125	Ps. 1,896,626
Proprietary transactions		
Contingent assets and liabilities	Ps. 14	Ps. 30
Assets in trust or under mandate	365,481	348,837
Managed assets in custody	844,455	734,276
Shares on custody or guarantee	50,187	49,442
Credit commitments	589,641	572,012
Collateral received	249,168	212,285
Collateral received and sold or given as a pledge	64,768	52,708
Deposits of assets	5,978	3,823
Interest accrued but not charged of stage 3	642	457
Other registration accounts	582,704	726,121
	2,753,038	Ps. 2,699,991

42 - COMMITMENTS

As of December 31, 2025 and 2024, the Financial Group had the following contingent obligations and commitments:

- Other contingent obligations and opening of credits totaling Ps. 589,641 and Ps. 572,012, respectively, which are recorded in memorandum accounts.

43 - CONTINGENCIES

As of December 31, 2025, there are lawsuits filed against the Financial Group in civil and business court cases; however, the Financial Group attorneys consider that the claims filed are unsubstantiated and, in the event of an adverse ruling, they would not significantly impact the Financial Group consolidated financial position. As of December 31, 2025, the Financial Group has recorded a reserve for contentious matters of Ps. 2,453 (Ps. 1,069 in 2024).



44 - PREVENTIVE MECHANISM FOR SAVINGS' PROTECTION

The objective of the Institute for the Protection of Bank Savings (IPAB) is to protect the deposits of small customers and thereby contribute to maintain the financial system's stability and the proper functioning of the payments systems.

According to the Law of Bank Savings Protection (LPAB), the IPAB manages a bank savings protection system that guarantees the payment of bank deposits or loans or credits to Full Service Banking Institution up to an amount equivalent to 400 thousand UDIS per individual or business entity, regardless of the number or type of such obligations in the customer's favor and charged to a single bank.

On July 30, 2007, general rules were issued for addressing joint accounts or those in which there is more than one account holder, referred to in art. 14 of the LPAB, as well as the rules banks must observe for classifying information relative to transactions associated with guaranteed obligations.

The IPAB plays a major role in the implementation of the LPAB resolutions methods and the Law of Credit Institutions (LIC) as timely and adequate mechanisms for salvaging and liquidating Full Service Banking Institutions in financial trouble that may affect their solvency. The purpose is to provide maximum protection to the public while minimizing the negative impact that salvaging an institution may have on others in the banking system.

During 2025 and 2024, the amount of contributions to the IPAB payable by the Holding for fees amounted to Ps. 5,107 and Ps. 4,740, respectively.

45 - NEW ACCOUNTING GUIDELINES

As of December 31, 2025, the CINIF promulgated the following New Standards and Improvements to the NIFs and new NIFs

a. New rules

NIF B-1, *Basis for the preparation of financial statements* – previously, NIF B-1 focused solely on the treatment of accounting changes and corrections of errors. As part of its modifications, its scope is expanded and its objective is redefined. Consequently, the standard becomes the particular NIF that establishes the fundamental requirements for the preparation and presentation of financial statements, adopting a new name: "Bases for the preparation of financial statements".

b. Improvements to the NIF that generate accounting changes

NIF B-11.- *Disposition of long-term assets and discontinued operations* - Specifies that the affected flows will be presented in the statement of cash flows for the current period, without reformulating previous comparisons. It also indicates the disclosures that must be presented in the current period and for all previous periods that are presented in a comparative manner related to the breakdowns of the effects of discontinued operations in the statement of comprehensive income.

NIF C-10.- *Derivative financial instruments and hedging relationships* - Clarifies that contracts for goods for own use should be considered derivative financial instruments only in cases in which the entity, in its initial valuation, irrevocably designates them as valued at fair value with an effect on net profit or loss to eliminate or significantly reduce a valuation inconsistency "accounting mismatch" that would arise in the event of non-recognition this Agreement at fair value.

It clarifies that, in individual statements, financial instruments contracted with third parties independent of the reporting entity (either the consolidated group or the individual entity) may be classified as hedging instruments. Risk mitigation or transformation is considered to exist only if the risk is transferred to a party external to the reporting entity.



c. Improvements to the NIF that do not generate accounting changes

Improvements to NIF A-1, *Conceptual Framework of Financial Reporting Standards*.- clarifies that earned capital is made up of accumulated earnings, including those retained in capital reserves, accumulated losses and, where applicable, other accumulated comprehensive income.

These rules come into force for financial years beginning on or after 1 January 2026, and their early application is allowed, provided that they are applied together.

* * * * *



**Grupo Financiero Banorte,
S.A.B. de C.V. and Subsidiaries**

Consolidated Financial Statements
for the Years Ended December 31,
2024 and 2023, and Independent
Auditors' Report Dated February 28,
2025



Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries

Independent Auditors' Report and Consolidated Financial Statements as of December 31, 2024 and 2023

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Independent Auditors' Report to the Board of Directors and Stockholders of Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Grupo Financiero Banorte, S.A.B. of C.V. and Subsidiaries (the Holding), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Holding as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the accounting criteria established by the National Banking and Securities Commission (the Commission) through the "General Provisions applicable to Holding Companies of Financial Groups subject to the Supervision of the National Banking and Securities Commission "(the Accounting Criteria).

Basis of opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professionals Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code with the IMCP Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The accompanying consolidated financial statements, where required, present unaudited financial information within their Notes, which is required in the Provisions established by the Commission.

The accompanying consolidated financial statement have been translated into English for the convenience of users.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below are the key audit matters which should be communicated in our report.

- **Allowance for loan losses (See Notes 5 and 13 to the consolidated financial statements)**

The methodology for calculating allowance for loan losses requires that the expected loss be evaluated in accordance with the Accounting Standards issued by the National Banking and Securities Commission (the Commission). This expected loss considers 3 credit risk factors that are (i) the probability of default, (ii) the severity of the loss and (iii) the exposure to non-compliance.



To carry out the above identification, said rules establish a method, which considers a series of qualitative and quantitative factors, such as: 1) in consumer loans: payment behavior, potential losses and credit risk; 2) in mortgage loans: delinquency periods, possibility of non-payment and net potential losses of the guarantees received; and 3) in commercial credits: evaluation of the ability to repay the credit, financial risk, payment history, as well as the corresponding guarantees.

It has been considered a key audit matter due to the importance of the book value of the loan portfolio and its corresponding allowance for loan losses, and because the process for determining the estimate requires considering the completeness and accuracy of the information.

Our audit procedures to cover this key audit issue included:

- a) Test the design and implementation, and operational effectiveness of the relevant controls regarding the valuation of allowance for loan losses of the Holding.
- b) Reperformance the valuation on a sample of credits, considering the risk factors and the source of information used to carry out this calculation. In addition, we review the source of information used to determine and update each of the risk factors in the calculation.
- c) Our tests were developed with the involvement of our team of credit risk specialists, who ensured that the models to determine the preventive estimates used by the Holding were in accordance with the stipulated and authorized models (so it corresponds to the internal models) by the Commission.
- d) We validate the correct presentation and disclosure in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report

Management is responsible for the other information. The other information will include the information that will be incorporated in the annual report that the Holding Company is required to prepare in accordance with Article 33, Section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and Other Participants in the Securities Market in Mexico and the Instructions that accompany those Provisions. The annual report is expected to be available for our reading after the date of this audit report.

Our opinion of the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, we will issue the statement regarding the reading of the annual report, as required by Article 33, Section I, subsection b) numeral 1.2. of the aforementioned Provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Accounting Standards issued by the Commission and the internal control that management deems necessary to enable the preparation of consolidated financial statements free of material misstatement, due to fraud or error.

In preparing of the consolidated financial statements, management is responsible for assessing the Holding's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Holding's consolidated financial reporting process.⁴



Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding to cease to continue as a going concern.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Holding to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S.C.

Affiliate of a Member of Deloitte Touche Tohmatsu Limited



C.P.C. Fernando Noguera

Registration in the General Administration
Of Federal Tax Audit No. 13204
Monterrey, Nuevo León, México

February 28, 2025



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 and 2023
(In millions of Mexican pesos)

ASSETS	2024	2023
CASH AND CASH EQUIVALENTS	Ps. 98,704	Ps. 100,230
MARGIN SECURITIES (DERIVATIVE FINANCIAL INSTRUMENTS)	3,998	4,918
INVESTMENTS IN SECURITIES		
Trading Financial Instrument	400,772	335,756
Financial Instruments to collect or sell	201,079	222,018
Financial instruments to collect principal and interest	374,746	338,578
	976,597	896,352
DEBTOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS	4,002	41,606
DERIVATIVE FINANCIAL INSTRUMENTS		
For trading purposes	21,126	28,957
For hedging purposes	1,004	4,442
	22,130	33,399
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1		
Commercial loans		
Business loans	478,315	404,688
Financial institution's loans	39,171	25,470
Government loans	183,594	171,537
Consumer loans	200,754	172,328
Mortgage loans		
Medium and residential	267,837	248,257
Low-income housing	1	2
Loans acquired from INFONAVIT or FOVISSSTE	1,373	1,618
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1	1,171,045	1,023,900
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2		
Commercial loans		
Business loans	1,645	1,406
Government loans	332	424
Consumer loans	3,152	2,936
Mortgage loans		
Medium and residential	3,407	3,193
Loans acquired from INFONAVIT or FOVISSSTE	75	68
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2	8,611	8,027
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3		
Commercial loans		
Business loans	4,053	3,759
Financial institutions' loans	136	123
Government loans	4	11
Consumer loans	4,835	4,820
Mortgage loans		
Medium and residential	1,754	1,831
Loans acquired from INFONAVIT or FOVISSSTE	343	346
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3	11,125	10,890
LOAN PORTFOLIO	1,190,781	1,042,817
(Plus/Minus) DEFERRED ITEMS	3,132	2,386
(Minus) ALLOWANCE FOR LOAN LOSSES	(20,122)	(19,603)
LOAN PORTFOLIO OF INSURANCE AND BOND	3,812	3,503
(Minus) ALLOWANCE FOR LOAN LOSSES	(312)	(254)
LOAN PORTFOLIO OF INSURANCE AND BOND, (NET)	3,500	3,249
ACQUIRED COLLECTION RIGHTS, (NET)	876	1,094
TOTAL LOAN PORTFOLIO, (NET)	1,178,167	1,029,943
DEBTORS OF INSURANCE AND SURETY COMPANIES	5,619	4,660
AMOUNTS RECOVERABLE BY REINSURANCE AND COUNTER-GUARANTEE, (NET)	5,661	5,773
OTHER ACCOUNTS RECEIVABLE, (NET)	56,229	44,932
MERCHANDISE INVENTORY	1,219	938
FORECLOSED ASSETS, (NET)	4,600	4,881
ADVANCE PAYMENTS AND OTHER ASSETS, (NET)	14,091	13,183
PROPERTY, FURNITURE AND EQUIPMENT, (NET)	31,913	30,551
LEASE RIGHT OF USE ASSETS, (NET)	4,440	3,903
PERMANENT STOCK INVESTMENTS	15,629	15,495
DEFERRED INCOME TAX ASSETS, (NET)	5,245	
INTANGIBLE ASSETS, (NET)	14,898	17,270
GOODWILL	28,067	26,825
TOTAL ASSETS	Ps. 2,471,209	Ps. 2,274,859



LIABILITIES AND STOCKHOLDERS' EQUITY	2024	2023
DEPOSITS		
Demand deposits	Ps. 722,181	Ps. 678,923
Time deposits		
General public	363,684	332,098
Money market	1,795	8,098
Senior debt issued	41,831	33,643
Global account of deposits without movements	4,009	3,656
	1,133,500	1,056,418
INTERBANK AND OTHER LOANS		
Short-term loans	22,196	25,731
Long-term loans	12,865	7,411
	35,061	33,142
TECHNICAL RESERVES	321,727	288,892
CREDITOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS	459,442	381,012
COLLATERAL SOLD OR PLEDGED		
Repurchase or resale agreements (creditor balance)	52,704	88,145
DERIVATIVE FINANCIAL INSTRUMENTS		
For trading purposes	22,130	21,534
For hedging purposes	3,798	2,259
	25,928	23,793
ACCOUNTS PAYABLE TO REINSURERS, net	3,018	2,379
LEASE LIABILITY	4,577	3,947
OTHER ACCOUNTS PAYABLES		
Creditors from settlements of transactions	30,746	13,148
Creditors from collaterals received in cash	9,903	19,747
Contributions payable	3,719	2,707
Sundry creditors and other payables	32,527	37,037
	76,895	72,639
FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITY		
Subordinated debentures	86,928	55,421
INCOME TAX LIABILITIES	9,130	6,933
EMPLOYEE BENEFIT LIABILITY	12,646	11,399
DEFERRED CREDITS AND ADVANCED COLLECTIONS	1,225	1,534
TOTAL LIABILITIES	Ps. 2,222,781	Ps. 2,025,654



STOCKHOLDERS' EQUITY		
PAID-IN CAPITAL		
Common stock	14,711	14,988
Additional paid-in capital	48,161	47,648
	62,872	62,636
EARNED CAPITAL		
Capital reserves	22,236	33,885
Retained earnings from prior years	170,319	155,928
Other comprehensive income		
Result from valuation of securities to collect or sell	(3,240)	(1,411)
Result from valuation of instruments for cash flow hedging	(866)	181
Defined remeasurements for employees benefits	(2,805)	(1,947)
Result from valuation of reserve for unexpired risks variations in rates	428	189
Cumulative Translation Adjustment	465	(108)
	186,537	186,717
CONTROLLING INTEREST	249,409	249,353
NON-CONTROLLING INTEREST	(981)	(148)
TOTAL STOCKHOLDERS' EQUITY	248,428	249,205
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	Ps. 2,471,209	Ps. 2,274,859

"These statements of financial position were formulated in accordance with the accounting criteria for controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law Regulating the Financial Groups, of general and obligatory observance, applied in a consistent manner, reflecting the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are capable of being consolidated up to the aforementioned date, which they were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

As of December 31, 2024, the stockholders' equity amounts to Ps. 9,756.

The accompanying Consolidated Statements of financial positions have been approved by the Board of Directors in accordance with the responsibility assigned to them.

"The attached Notes are an integral part of these consolidated financial statements."

Act. José Marcos Ramírez Miguel
CEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(In millions of mexican pesos)

	2024	2023
Interest income	Ps. 405,433	Ps. 375,497
Interest expense	(266,073)	(248,015)
NET INTEREST INCOME	139,360	127,482
Allowance for loan losses	(19,536)	(15,942)
NET INTEREST INCOME AFTER ALLOWANCE FOR LOAN LOSSES	119,824	111,540
Commission and fee income	41,260	35,073
Commission and fee expense	(20,956)	(18,119)
Premium revenue, (net)	55,293	48,259
Increase in technical reserves	(33,318)	(28,288)
Net cost for insurance and bond operations	(1,898)	(1,735)
Casualty rate, claims and other contractual obligations, net	(33,498)	(29,222)
Brokerage revenues	4,983	3,913
Other operating income (expenses)	(3,447)	(3,278)
Non-interest expense	(54,625)	(48,582)
OPERATING INCOME	73,618	69,561
Equity in earnings of unconsolidated subsidiaries and associated companies	1,713	1,413
INCOME BEFORE INCOME TAX	75,331	70,974
Current income tax	(19,127)	(17,832)
INCOME BEFORE DISCONTINUED OPERATIONS	56,204	53,142
NET INCOME	Ps. 56,204	Ps. 53,142
Other comprehensive income:		
Financial instruments to collect or sell valuation	(1,783)	1,417
Result from valuation of instruments for cash flow hedging	(1,047)	1,725
Defined remeasurements for employees benefits	(858)	(81)
Result from valuation of reserve for unexpired risks variations in rates	239	(7)
Cumulative Translation Adjustment	573	(192)
	(2,876)	2,862
RESULTADO INTEGRAL	Ps. 53,328	Ps. 56,004
Attributable net income to:		
Controlling interest	56,188	52,418
Non-controlling interest	16	724
	Ps. 56,204	Ps. 53,142
Attributable comprehensive income to:		
Controlling interest	53,358	55,230
Non-controlling interest	(30)	774
	Ps. 53,328	Ps. 56,004
Earnings per ordinary share	Ps. 19.720	Ps. 18.311

"These consolidated comprehensive income statements were formulated in accordance with the accounting criteria for the controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law Regulating the Financial Groups, of general and obligatory observance, applied in a consistent manner, reflecting all the income and expenses derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are susceptible to consolidation, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

The accompanying comprehensive income statements have been approved by the Board of Directors in accordance with the responsibility assigned to them.

The attached notes are an integral part of these consolidated income statements.

Act. José Marcos Ramírez Miguel
CEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(In millions of Mexican pesos)

	PAID-IN CAPITAL		OTHER CAPITAL			
	Common Stock	Additional paid-in capital	Capital reserves	Retained earnings from prior years	Result from valuation of securities to collect and sell	Result from valuation of instruments for cash flow hedging
Balances, December 31, 2022	Ps. 14,955	Ps. 48,440	Ps. 33,342	Ps. 145,218	(Ps. 2,783)	(Ps. 1,544)
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	33	304	543	53	-	-
Dividends Decreed by the Ordinary General Assembly of Shareholders on June 23 and October 5, 2023	-	-	-	(37,704)	-	-
Transfer of shares between entities under common control	-	(1,141)	-	-	-	-
Total transactions approved by stockholders	33	(837)	543	(37,651)	-	-
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	45	-	(69)	(45)	-
Interest on subordinated debentures	-	-	-	(3,988)	-	-
Total	-	45	-	(4,057)	(45)	-
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	52,418	-	-
OTHER COMPREHENSIVE INCOME:						
Financial instruments to collect or sell valuation	-	-	-	-	1,417	-
Cumulative Translation Adjustment	-	-	-	-	-	-
Result from valuation of instruments for cash flow hedging	-	-	-	-	-	1,725
Defined remeasurements for employees benefits	-	-	-	-	-	-
Result from valuation of reserve for unexpired risks variations in rates	-	-	-	-	-	-
Total	-	-	-	52,418	1,417	1,725
Non-controlling interest	-	-	-	-	-	-
Balances, December 31, 2023	Ps. 14,988	Ps. 47,648	Ps. 33,885	Ps. 155,928	(Ps. 1,411)	Ps. 181
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	(277)	455	(11,649)	-	-	-
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 29 and December 9, 2024	-	-	-	(35,938)	-	-
Total transactions approved by stockholders	(277)	455	(11,649)	(35,938)	-	-
RESERVES TRANSACTION:						
Release of reserve for the repurchase of shares	-	-	-	-	-	-
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	58	-	(1,992)	(46)	-
Interest on subordinated debentures	-	-	-	(3,867)	-	-
Total	-	58	-	(5,859)	(46)	-
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	56,188	-	-
OTHER COMPREHENSIVE INCOME:						
Financial instruments to collect or sell valuation	-	-	-	-	(1,783)	-
Cumulative Translation Adjustment	-	-	-	-	-	-
Result from valuation of instruments for cash flow hedging	-	-	-	-	-	(1,047)
Defined remeasurements for employees benefits	-	-	-	-	-	-
Result from valuation of reserve for unexpired risks variations in rates	-	-	-	-	-	-
Total	-	-	-	56,188	(1,783)	(1,047)
Non-controlling interest	-	-	-	-	-	-
Balances, December 31, 2023	Ps. 14,711	Ps. 48,161	Ps. 22,236	Ps. 170,319	(Ps. 3,240)	(Ps. 866)

"These consolidated statements of changes in consolidated stockholders' equity were formulated in accordance with the accounting criteria for holding and subholding companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law to Regulate Financial Groups, of general and mandatory observance, applied consistently, reflecting all movements in the stockholders' equity accounts derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are likely to be consolidated, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of changes in consolidated stockholders' equity were approved by the Board of Directors under the responsibility of the executives who sign it."

The attached notes are an integral part of these consolidated statements of changes in stockholders' equity.



	OTHER CAPITAL					
	Defined remeasurements for employees benefits	Result in the valuation of unexpired risk reserves due to changes in rates	Cumulative foreign currency translation adjustment	Total Controlling interest	Total Non-controlling interest	Total stockholders' equity
Balances, December 31, 2022	(Ps. 1,866)	Ps. 196	Ps. 84	Ps. 236,042	Ps. 2,989	Ps. 239,031
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	-	-	-	933	-	933
Dividends Decreed by the Ordinary General Assembly of Shareholders on June 23 and October 5, 2023	-	-	-	(37,704)	-	(37,704)
Transfer of shares between entities under common control	-	-	-	(1,141)	-	(1,141)
Total transactions approved by stockholders	-	-	-	(37,912)	-	(37,912)
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	-	-	(69)	-	(69)
Interest on subordinated debentures	-	-	-	(3,988)	-	(3,988)
Total	-	-	-	(4,057)	-	(4,057)
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	52,418	724	53,142
OTHER COMPREHENSIVE INCOME:						
Financial instruments to collect or sell valuation	-	-	-	1,417	-	1,417
Cumulative Translation Adjustment	-	-	(192)	(192)	-	(192)
Result from valuation of instruments for cash flow hedging	-	-	-	1,725	-	1,725
Defined remeasurements for employees benefits	(81)	-	-	(81)	-	(81)
Result from valuation of reserve for unexpired risks variations in rates	-	(7)	-	(7)	-	(7)
Total	(81)	(7)	(192)	55,280	724	56,004
Non-controlling interest	-	-	-	-	(3,861)	(3,861)
Balances, December 31, 2023	(Ps. 1,947)	Ps. 189	(Ps. 108)	Ps. 249,353	(Ps. 148)	Ps. 249,205
TRANSACTIONS APPROVED BY STOCKHOLDERS:						
Share repurchase for executive shares' plan payable in equity instruments	-	-	-	(11,471)	-	(11,471)
Dividends Decreed by the Ordinary General Assembly of Shareholders on April 29 and December 9, 2024	-	-	-	(35,938)	-	(35,938)
Total transactions approved by stockholders	-	-	-	(47,409)	-	(47,409)
OTHER STOCKHOLDERS' TRANSACTIONS:						
Effect of subsidiaries, affiliates and mutual funds	-	-	-	(1,980)	-	(1,980)
Interest on subordinated debentures	-	-	-	(3,867)	-	(3,867)
Total	-	-	-	(5,847)	-	(5,847)
COMPREHENSIVE INCOME:						
Comprehensive income	-	-	-	56,188	16	56,204
OTHER COMPREHENSIVE INCOME:						
Financial instruments to collect or sell valuation	-	-	-	(1,783)	-	(1,783)
Cumulative Translation Adjustment	-	-	573	573	-	573
Result from valuation of instruments for cash flow hedging	-	-	-	(1,047)	-	(1,047)
Defined remeasurements for employees benefits	(858)	-	-	(858)	-	(858)
Result from valuation of reserve for unexpired risks variations in rates	-	239	-	239	-	239
Total	(858)	239	573	53,312	16	53,328
Non-controlling interest	-	-	-	-	(849)	(849)
Balances, December 31, 2023	(Ps. 2,805)	Ps. 428	Ps. 465	Ps. \$249,409	(Ps. 981)	Ps. 248,428

Act. José Marcos Ramírez Miguel
GEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(In millions of Mexican pesos)

	2024	2023
Operating activities		
Income before income tax	Ps. 75,331	Ps. 70,974
Adjustments for items associated with investing activities		
Depreciation of property, furniture and equipment	4,198	3,685
Amortization of intangible assets	1,053	800
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,713)	(1,413)
Adjustments for items associated with financing activities		
Interest associated with interbank and other loans	3,483	3,214
Interest associated with financial instruments that qualify as liability	3,814	2,530
	10,835	8,816
Changes in operating activities:		
Changes in margin accounts (derivative financial instruments)	920	560
Changes in investments in securities (net)	(81,891)	(82,540)
Changes in debtor balances under repurchase and resale agreements (net)	37,603	(18,779)
Changes in derivative financial instruments (asset)	7,831	6,744
Change in loan portfolio (net)	(148,443)	(111,664)
Changes in acquired collection rights (net)	218	(440)
Changes in debtors of insurance and surety companies	(959)	(700)
Changes in reinsurance and surety agencies (net)	112	(372)
Changes in merchandise inventory	(281)	37
Change in other accounts receivables	(11,559)	(1,834)
Change in foreclosed assets	281	(1,920)
Change in deposits	77,083	159,226
Change in technical reserves	32,835	29,731
Change in interbank and other loans	(1,563)	(7,277)
Change in creditor balances under repurchase and sale agreements	78,429	11,773
Collateral sold or pledged	(35,440)	15,583
Change in liability position of derivative financial instruments (liability)	596	(7,586)
Changes in reinsurance and surety agencies (net) (liability)	640	650
Change in hedging instruments related to operations	3,929	(2,560)
Change in assets / liabilities for employees benefits	1,247	1,848
Change in other account payable	1,508	3,497
Income tax payment	(21,179)	(21,855)
Net cash flows provided by (used in) operating activity	28,083	51,912
INVESTING ACTIVITIES:		
Payments for acquisition of property, furniture and equipment	(8,272)	(9,064)
Proceeds on disposal of property, furniture and equipment	2,905	3,940
Payment on acquisitions of subsidiaries and associated companies	(3)	(94)
Proceeds for cash dividends	1,400	954
Net cash flows provided by (used in) investment activity	(3,970)	(4,264)
FINANCING ACTIVITIES:		
Leasing liability paid	(767)	(362)
Payments associated with financial instruments that qualify as equity	(3,867)	(3,988)
Dividends paid	(35,938)	(37,704)
Repurchase of shares	(12,674)	-
Payments associated with financial instruments that qualify as liability	27,693	(13,090)
Interest of leasing paid	(387)	(379)
Net cash flow provided by (used in) financing activity	(25,940)	(55,523)
Net decrease in cash and cash equivalents	(1,827)	(7,875)
Effects from changes in the value of cash and cash equivalents	301	(149)
Cash and cash equivalents at the beginning of the year	100,230	108,254
Cash and cash equivalents at the end of the year	Ps. 98,704	Ps. 100,230

"These consolidated cash flow statements were formulated in accordance with the accounting criteria for the controlling and sub-controlling companies, issued by the Supervisory Commissions, based on the provisions of Articles 91, 92, 94 and 101 of the Law for Regulate the Financial Groups, of general and mandatory observance, applied consistently, reflecting the cash inflows and cash outflows derived from the operations carried out by the Holding and the financial entities and other companies that are part of the Financial Group that are capable of being consolidated, during the aforementioned period, which were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions".

The attached notes are an integral part of these consolidated cash flow statements.

Act. José Marcos Ramírez Miguel
CEO

Eng. Rafael Arana de la Garza
Managing Director - COO, Administration and Finance

C.P. Isaías Velázquez González
Managing Director – Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director – Controller

C.P.C. Mayra Nelly López López
Deputy Managing Director – Accounting



GRUPO FINANCIERO BANORTE, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(In millions of Mexican pesos, except exchange rates and Note 33)

1 – ACTIVITY AND REGULATORY ENVIRONMENT

Grupo Financiero Banorte, S.A.B. de C.V. and Subsidiaries (the Financial Group or Holding) are authorized by Mexico's Ministry of Finance and Public Credit (SHCP) to operate as a Financial Group under the form and terms established by the Law Regulating Financial Groups, subject to the supervision and monitoring of the National Banking and Securities Commission (the Commission). Its main activities consist of acquiring and managing entities engaged in the financial services industry and supervising their activities, as defined in the above-mentioned law. The Financial Group is regulated, depending on its activities, by the Commission, the Mexican National Insurance and Bonding Commission (CNSF) (the Commissions), the Mexican Central Bank (Banco de México) and other applicable laws and regulations.

The main activity of its subsidiaries is the execution of financial operations such as the provision of services of commercial banking, brokerage, leasing, financial factoring, warehousing services in general, pensions, life and damage insurance, as well as disposal, management, collection and negotiation, in any form, with credit rights.

The main regulating aspect compels the Financial Group to maintain a minimum capitalization ratio for market and loan risks, to meet certain acceptance limits for deposits, obligations and other types of funding that may be denominated in foreign currency, as well as to establish the minimum limits for paid-in capital and capital reserves. The Financial Group complies satisfactorily with all of the above as of December 31, 2024.

By legal requirements, the Financial Group has unlimited liability for the obligations assumed and losses incurred by each of its subsidiaries.

The powers of the Commission, in its capacity as regulator of the Financial Group and its subsidiaries, include reviewing the financial information and requesting modifications to such information.

The Financial Group performs its activities throughout Mexico and until March 2017, the United States of America.

The Financial Group's consolidated financial statements have been approved by the Board of Directors at its January 28, 2025 meeting in accordance with the responsibility assigned to this Organ.

2 – SIGNIFICANT EVENTS DURING THE YEAR

Issuance of bank stock certificates

On February 15, 2024, Banco Mercantil del Norte, S. A., Institución de Banca Múltiple (Banorte) placed the amount of Ps. 13,063 through the issuance of bank stock certificates, in three different issuances, under the recurring issuer program for up to Ps. 70,000 or its equivalent in Investment Units ("UDIs"), or any foreign currency, authorized on December 15, 2023 by the Commission.

The characteristics of the issuances are the following:

- BANORTE 24X for an amount of Ps. 4,172 for a term of 4 years and TIIE rate plus spread of 0.33%.
- BANORTE 24-2X for an amount of Ps. 3,642 for a term of 7 years a fixed rate of 9.74%.
- BANORTE 24UX for an amount of UDIs 648 (equivalent to Ps. 5,249) for a term of 10 years and fix rate of 4.90%.



Amortization of structured bank bonds BANORTE 3-23

On March 21, 2024, Banorte exercised the right to fully redeem the BANORTE 3-23 bank stock certificates, issued on April 12, 2023, the amount of the amortization was Ps. 202.

Amortization of BANORTE 23-6 bank stock certificates

On July 5, 2024, Banorte exercised the right to fully redeem the BANORTE 23-6 bank stock certificates, issued on November 9, 2023, the amortization amount was Ps. 10,000. Issuance expenses of Ps. 2 were also amortized against results.

Acquisition of More Payment Evolution

On August 13, 2024, Uniteller Financial Services, Inc. (UniTeller) completed the acquisition of More Payment Evolution (More). The acquisition price was USD 59 million and resulted in a goodwill of USD 55 million.

Amortization of subordinated obligations BANO64

On September 27, 2024, Banorte exercised the right to fully amortize the preferred subordinated obligations that cannot be converted into shares BANO64, issued on June 27, 2019, the amortization amount was USD 600 million. Issuance expenses of Ps. 9 were also amortized against results.

Issuance of capital notes (Tier 1) for USD 1,500 million (Subordinated Notes)

On November 20, 2024, the Institution successfully concluded the issuance of Perpetual, Non-Preferred, Non-Convertible Capital Notes (Tier 1) for a global amount of US\$1,500 million.

The issuance of the Capital Notes (Tier 1) was carried out in two series:

- NC6.5 Notes PERP for \$750 million US dollars, prepayable in the sixth year and a half, with a coupon rate of 8.375% and;
- NC6.5 Notes PERP for \$750 million US dollars, prepayable in the sixth year and a half, with a coupon rate of 8.375%.

The ratings given to both series by the rating agencies Moody's and S&P were Ba2 and BB-, respectively. It should be noted that the Subordinated Notes issued comply with the Basel III regulation.

The proceeds from the issue will be used for general corporate purposes.

Amortization of BANORTE 23-6 bank stock certificates

On December 10, 2024, the Institution exercised the right to fully redeem the BANORTE 23-6 bank stock certificates, issued on August 28, 2024, the amortization amount was Ps. 3,000.

3 – BASIS OF PRESENTATION

Presentation of consolidated financial statements

The consolidated financial statements as of December 31, 2024 and 2023, which are accompanied, have been prepared by Management assuming that the Holding will continue to operate as a going concern due to the uncertainty and duration of the pandemic in accordance with the accounting criteria established by the Commission.

Monetary unit of the consolidated financial statements

The consolidated financial statements and notes for the years ended as of December 31, 2024 and 2023 include balances and transactions in Mexican pesos of purchasing power of such dates.



As of December 31, 2024 and 2023, the registration currency and functional currency of the Parent Company is the Mexican peso.

Recognition of the effects of inflation in financial consolidated information

Inflation recognition is done pursuant to MFRS B-10, "Inflation Effects," which considers two types of economic environments: a) inflationary, when the accumulated inflation of the three previous years is 26% or over, in which case the inflation effects must be acknowledged; b) non-inflationary, when in the same period inflation is less than 26%; in this case the effects of inflation should not be recorded in the consolidated financial statements.

The cumulative Mexican inflation over the three years prior to 2024 and 2023 was 20.83% and 19.50%, respectively. Therefore, the Mexican economy is considered as non-inflationary. However, assets, liabilities and stockholders' equity as of December 31, 2024 and 2023 include the restatement effects recorded up through December 31, 2007. The cumulative Mexican inflation over the three years including the year ended December 31, 2024 was 17.34%.

The Mexican inflation rates for the years ended December 31, 2024 and 2023 were 4.50% and 4.38%, respectively.

Going concern

The consolidated financial statements have been prepared by Management on the assumption that the Holding Company will continue to operate as a going concern.

Consolidation of financial statements

The accompanying consolidated financial statements include those of Grupo Financiero Banorte, S.A.B. de C.V. and its subsidiaries mentioned below. All significant intercompany balances and transactions have been eliminated in consolidation.

As of December 31, 2024 and 2023, the Grupo Financiero Banorte S.A.B. de C.V.'s consolidated subsidiaries and its equity ownership is as follows:

Entity	2024	2023
Banco Mercantil del Norte, S.A. y Subsidiarias (Banorte)	98.26%	98.26%
Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, ER y Subsidiarias (AyF)*	99.92%	99.90%
Almacenadora Banorte, S.A. de C.V. y Subsidiaria	99.99%	99.99%
Banorte Ahorro y Previsión, S.A. de C.V. y Subsidiarias	99.99%	99.99%
Casa de Bolsa Banorte, S.A. de C.V. y Subsidiaria	99.99%	99.99%
Operadora de Fondos Banorte, S.A. de C.V.	99.99%	99.99%
Banco Bineo, S.A. de C.V., Institución de Banca Múltiple	99.99%	99.99%

Equity investments in mutual funds and investments in associated companies are valued under the equity method according to the accounting principles established by the Commission.

* The permanent investment in AyF includes the participation in the Trusts created in conjunction with GEO, URBI and HOMEX, constituted for the construction of real estate developments (the Trusts). As of December 31, 2024 and 2023, AyF consolidated the financial statements of said trusts.

Conversion of financial statements of foreign subsidiary

In order to consolidate the financial statements of Banorte Financial Services, INC., they are first adjusted to the recording and functional currency (U.S. dollar) to conform to the accounting criteria established by the Commission. The financial statements are then converted to the reporting currency (Mexican pesos) according to the following methodology:

Foreign operations whose recording and functional currency are one and the same convert their financial statements using the following exchange rates for the year-end rate for assets and liabilities (20.8829 for 2024), historical rate for non-monetary assets and liabilities as well as stockholders' equity, and the weighted average rate of the period for income, costs and expenses (18.3378 for 2024). The conversion effects are presented in the Institution's stockholders' equity.



Comprehensive Income

This is the change in stockholders' equity during the year, for items other than distributions and activity in contributed common stock, and is comprised of the net income of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in stockholders' equity and do not affect the Consolidated Income Statements, in accordance with the accounting practices established by the Commission. In 2024 and 2023, comprehensive income includes the net income of the year, the result from valuation of securities to collect and sell; the effect of subsidiaries, affiliates and mutual funds; the cumulative conversion effect; remeasurements for employee benefits; Interest on subordinated debentures, Commission special accounting criteria and the result from valuation of cash flow hedging instruments.

4 – CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES FOR THE ESTIMATION OF UNCERTAINTIES

In applying the Financial Group's accounting policies, which are described in note 5, management must make judgments, estimates and assumptions about the book values of assets and liabilities in the consolidated financial statements. Estimates and relative assumptions are based on experience and other factors considered relevant. Actual results could differ from these estimates.

Estimates and assumptions are reviewed on a regular basis. Changes to accounting estimates are recognized in the period in which the change is made and future periods if the change affects both the current period and subsequent periods.

a. Critical judgments when applying accounting policies

Below are critical judgments, apart from those involving estimates, made by management during the process of applying the Financial Group's accounting policies and that have a significant effect on the consolidated financial statements.

- *Business model evaluation*

The classification and evaluation of financial assets depend on the result of the SPPI tests (only principal and interest payments) and the business model test. The Financial Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular objective. This task includes judgments that reflect all relevant evidence including how the performance of the assets is evaluated and how their performance is measured, the risks that affect the performance of the assets and how the assets are managed and how the managers of the assets are compensated. The Financial Group monitors the financial assets evaluated at amortized cost and at fair value through other comprehensive income that were derecognized before their maturity, to understand the reason for their derecognition and if the reasons are consistent with the objective of the business for which assets are held. Monitoring is part of the Holding Company's ongoing assessment of whether the business model for the remaining financial assets is appropriate and if it is not appropriate, whether there has been a change in the business model and a prospective change should be made to those assets. These changes were not necessary during the periods presented

- *Significant increase in credit risk*

As explained in note 5, ECP (expected credit loss) is measured as an allocation equal to 12 months of the total expected loss for stage 1 assets, the total life of the total expected loss for stage 2 or 3 assets. An asset is moved to stage 2 when the credit risk has increased significantly since initial recognition. MFRS C-16 "Impairment of financial instruments" does not define what constitutes a significant increase in credit risk. In assessing whether credit risk has significantly increased, the Financial Group considers prospective quantitative and qualitative information.



- *Technical reserves*

The current risk reserve is determined as the sum of the best estimate and a risk margin, where the best estimate will be equal to the expected value of future flows of obligations, understood as the probability-weighted average of those flows, considering the time value of money based on the market risk-free interest rate curves for each currency or monetary unit provided by the price provider. The amount of the reserve for unfulfilled obligations is determined as the sum of the best estimate and a risk margin, where the best estimate will be the amount that corresponds to each of the known obligations at the time of valuation. As indicated in note 5 to the consolidated financial statements, the Financial Group annually reports on its technical reserves by independent actuaries.

b. Key sources of uncertainty in estimates

Key forward-looking assumptions and other key sources of uncertainty in estimates at the end of the period, which have a significant risk of resulting in significant adjustments to the carrying amounts of assets and liabilities during the coming year, are explained below.

Discount rate used to determine the book value of the defined benefit obligation

The determination of the benefits of the borrowed obligations depends on some assumptions, which include the selection of the discount rate. The discount rate is set by reference to the market return at the end of the period in corporate bonds. Significant assumptions need to be made when setting the criteria for the bonds and must be included in the yield curve. The most important criteria to consider for bond selection include the current size of corporate bonds, quality, and identification of exclusionary guidelines.

5 – SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Holding are in conformity with practices prescribed by the Commission through issued accounting standards and other applicable laws, which require Management to make certain estimates and use certain assumptions to determine the valuation of certain items included in the consolidated financial statements and make the required disclosures therein. Even though they may differ in their final effect, management considers the estimates and assumptions to have been adequate under the current circumstances.

Pursuant to accounting criteria A-1, "Basic Framework of the Accounting Criteria Applicable to Banking Institutions", prescribed by the Commission, the Institutions' accounting will adhere to Mexican Financial Reporting Standards, (MFRS or individually referred to as Normas de Informacion Financiera (MFRSs)) defined by the Mexican Board of Financial Reporting Standards (previously the Mexican Board for Research and Development of Financial Reporting Standards (CIMFRS)), except when the Commission deems it necessary to apply a specific accounting standard or Circular, considering the fact that financial institutions perform specialized operations.

Explanation for translation into English

The accompanying consolidated financial statements have been translated from Spanish into English for the convenience of users. These consolidated financial statements are presented on the basis of accounting practices prescribed by the Commission. Certain accounting practices applied by the Institution may not conform to Mexican Financial Reporting Standards ("MFRS") or other accounting principles generally accepted outside of Mexico.

Arithmetical translation of the consolidated financial statements from Mexican pesos into United States of America (U.S.) dollars for the year ended December 31, 2024

The consolidated financial statements are stated in millions of Mexican pesos ("Ps.") the currency of the country in which the Institution is incorporated and has its principal operations. The translations of Mexican pesos into U.S. dollars ("USPs. ") are included solely for the convenience of the readers and have been made at the rate of Ps. 20.8829 per one U.S. dollar on December 31, 2024, as issued by Banco de México. Such translation should not be construed as representations that the Mexican peso amounts have been, could have been, or could in the future, be converted into U.S. dollars at this rate or at any other rate, if at all.



Changes in accounting policies

Improvements to the NIF 2024 – The following improvements were issued with entry into force as of January 1, 2024, that do not generate accounting changes.

NIF C-10.- converges with the provisions of IFRS 9, Financial Instruments; therefore, in the case of a of a foreign currency risk, a non-derivative financial instrument denominated in that currency may be designated as a hedging instrument, provided that it is not an equity instrument for which an entity has chosen to present at fair value in Other Comprehensive Income in accordance with IFRS C-2.

NIF B-17, Determination of fair value; NIF C-2, Investment in financial instruments; NIF C-16, Impairment of financial instruments receivable; NIF C-20, Financial instruments receivable principal and interest; INIF 24, Recognition of the effect of the application of the new reference interest rates - In terms of NIF C-2, An entity will classify financial assets based on its business model, among others, as instruments financial receivables or to be sold (IFCV). The term "financial instruments for collection or sale" is replaced by the term "financial instruments to collect and sell" because the main purpose of these must be obtain a profit from its sale, which will be carried out when the optimal market conditions are met, and meanwhile, collect contractual cash flows; that is, they have to collect and sell.

Special accounting treatment of the support programs granted by the Holding Company derived from Hurricane Otis

Given the negative impact generated by the hydrometeorological phenomenon with severe impact in the state of Guerrero, Mexico, the Holding Company has determined to support its clients by implementing various support programs that will be applicable to all clients located in the aforementioned state. and subscribe to the program from October 24, 2023 until April 30, 2024, in accordance with the following:

Credit card:

- The support consists of maintain interests from the October 2023 cutoff and recommence interests in May 2024. This applied to the entire State of Guerrero. The accounts that were included were accounts with up to 2 payments due as of October 24, 2023.

Non-revolving consumer credit, housing credit and Pymes

- The support consists of a 6-month deferral without capitalization of interests, during which no payment of capital or interest is required and the term is extended by 6 months. Those credits are considered for all clients domiciled in the State of Guerrero, whose credit risk corresponds to stage 1 and stage 2 as of October 24, 2023.

By virtue of the above, on October 27, 2023, through official letter P307/2023, the Commission issued the Special Accounting Criteria, applicable to credit institutions for the period from October 24, 2023 to April 30, 2024, according to the following:

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

Additionally, the credits subject to the special accounting criterion were not considered as restructured in accordance with the provisions of paragraph 35 of Criterion B-6, nor were they reported as overdue credits before to the credit information institutions.



The amounts that would have been recorded and presented both in the statement of financial position and in the statement of comprehensive income by type of portfolio, if the special accounting criteria had not been applied, as well as the details of the concepts and amounts by type of portfolio, for which the accounting impact has been made due to the application of the special accounting criterion as of December 31, 2024, are shown below:

Concept	Balances with special accounting criteria	Effects on portfolio and allowance	Balances without special accounting criteria
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1			
Commercial loans	Ps. 701,080	Ps. -	Ps. 701,080
Consumer loans	200,754	(1,019)	199,735
Mortgage loans	269,211	(1,739)	267,472
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 1	1,171,045	(2,758)	1,168,287
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2			
Commercial loans	1,977	(2)	1,975
Consumer loans	3,152	-	3,152
Mortgage loans	3,482	(2)	3,480
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 2	8,611	(4)	8,607
LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3			
Commercial loans	4,193	2	4,195
Consumer loans	4,835	1,019	5,854
Mortgage loans	2,097	1,741	3,838
TOTAL LOAN PORTAFOLIO WITH CREDIT RISK STAGE 3	11,125	2,762	13,887
LOAN PORTFOLIO	1,190,781	-	1,190,781
(+/-) DEFERRED ITEMS	3,132		3,132
(Minus) ALLOWANCE FOR LOAN LOSSES	20,122	3,103	23,225
LOAN PORTFOLIO OF INSURANCE AND BOND	3,812	-	3,812
(Minus) ALLOWANCE FOR LOAN LOSSES	(312)	-	(312)
LOAN PORTFOLIO OF INSURANCE AND BOND	3,500	-	3,500
ACQUIRED COLLECTION RIGHTS, (NET)	876	-	876
LOAN PORTFOLIO	1,178,167	(3,103)	1,175,064
TOTAL ASSETS	2,471,209	(3,103)	2,468,106
Allowance for loan losses (Net income)	19,536	3,103	22,639
NET INCOME	56,204	(3,103)	53,101
TOTAL STOCKHOLDERS' EQUITY	248,428	(3,103)	245,325
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	Ps. 2,471,209	(Ps. 3,103)	Ps. 2,468,106

As of December 31, 2024, the balance of credits subject to support program is Ps. 2,916.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset in such a way that the debit or credit balance is presented in the statement of financial position, as appropriate, if and only if there is the contractual right to offset recognized imports, and the intention to settle the net amount, or to realize the asset and cancel the liability, simultaneously.

Recording of operations

Transactions with securities and repurchase agreements, among others, for its own account or for the account of third parties, are recorded on the date they are agreed, regardless of the date of their settlement.



Financial instruments valuation

To determine the fair value of the positions in financial instruments, both its own and those of third parties, the Financial Group uses the prices, rates and other market information provided by a price provider authorized by the Commission, except for what refers to the operations with futures, which are valued with the market prices determined by the clearing house of the stock exchange in which they are operated.

Cash and cash equivalents

Cash and cash equivalents are stated and valued at nominal value, except for precious metal coins, which are stated at fair value at the end of the period. Cash and cash equivalents available in foreign currency are valued at the closing of the day exchange rate published by Banco de México at the Consolidated statement of financial position.

Margin securities

Margin securities on cash in transactions with derivative financial instruments in recognized markets are recorded at nominal value.

The cash is intended to ensure the compliance with the obligations corresponding to derivatives held in recognized markets and correspond to the initial margin, to partial or total settlements, additional contributions or withdrawals, returns generated by the account itself, as well as commissions that correspond to charge in the validity of the corresponding contracts.

Partial or total settlements deposited and withdrawn by the clearing house due to fluctuations in the prices of derivatives must be recognized within the margin account, affecting as a counterpart a specific account that may be of a debtor or creditor nature, and that It will reflect the effects of the derivative valuation prior to its liquidation. The counterpart of a debtor or creditor nature will represent an advance received, or, a financing granted by the clearing house prior to the liquidation of the derivative.

The amount of margin accounts granted and received in cash in derivative transactions not carried out in recognized markets or exchanges will be presented under other accounts receivable, while the account payable generated by the receipt of cash collateral It will be presented in other accounts payable.

Collaterals granted in such operations, other than restricted cash must remain in the same area from which they originate. The payable account, which represents the obligation of the assignee to return to the transferor the collateral other than cash that has been sold must be presented in the statement of financial position, on collaterals sold or given as collateral. The amount of the collateral other than cash on which the right to sell or give as guarantee has been granted shall be presented in memorandum accounts in a specific item.

As of December 31, 2024 and 2023, the Financial Group maintained standardized derivative and future operations, so cash collateral (cash margin calls) were recognized to ensure compliance with the obligations corresponding to the operations held in markets recognized for the purpose to mitigate the default risk.

Investments in securities

Business model

Pursuant to MFRS C-2, the Financial Group determined a business model consistent with the management of its investments in financial instruments, in order to classify them properly. The business model is based on the way in which financial instruments are managed to generate cash flows for the Financial Group when carrying out its activities and not on a particular intention to hold an instrument.

The Financial Group's business model is determined at a level that reflects how the groups of financial instruments are managed as a whole to achieve a business objective and not based on management's intentions regarding a particular instrument.



The business model for managing financial instruments is based on facts and not on intention. It is typically observable through the activities carried out to achieve the business objective and judgment is applied to determine the business model, since it is not based on a single factor or activity, therefore all the evidence available at the time is considered to do the evaluation.

Derived from the analysis that the Financial Group carried out to determine the business model, financial instruments are classified as follows:

a) financial instruments to collect principal and interest (IFCPI), whose objective is to collect the contractual cash flows and the terms of the contract consider cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount payment. Due to the above, the IFCPI has loan characteristics and are managed based on its contractual performance. These instruments are valued after their initial recognition at their amortized cost, as established in MFRS C-20.

b) financial instruments to collect or sell (IFCV), the objective is to obtain a possible profit in their sale when it is convenient or to collect the contractual cash flows to obtain a profit for the contractual interest that they generate. These instruments are valued at their fair value through Other Comprehensive Income (OCI); or

c) trading financial instrument (IFN), which are all those investments in financial instruments that do not have the characteristics mentioned in the two previous paragraphs, and are made up of debt or capital financial instruments, whose objective is to obtain a profit between the purchase price and the sale price and not to collect principal and interest, that is, its administration is based on the market risks of said instruments, which are valued at their fair value through results.

For the application of the business model, the Financial Group performs SPPI tests (Only payments of principal and interest) to the investments in financial instruments, which consist of testing whether the recovery of the flows is represented only by concept of principal and interest.

Trading financial instruments

Trading financial instruments are securities owned by the Financial Group, acquired with the intention of selling them for a profit derived from the price differences in short-term purchase and sale operations made by the Financial Group as a market participant.

At the time of the acquisition they are initially recorded at fair value, which may include either a discount or premium.

These securities (including both capital and accrued interest) are stated at fair value, which is determined by the price vendor contracted by the Financial Group.

The trading financial instruments valuation result is recorded in the results of the period.

Financial instruments to collect or sell

Financial instruments to collect or sell are debt or equity securities that are neither classified as trading nor held to maturity, therefore they represent a residual category, which means that, they are purchased with an intention different from trading or collect principal and interest.

They are valued in the same way as trading financial instruments, but with unrealized gains and losses recognized in other comprehensive income in consolidated stockholders' equity.

Financial instruments to collect principal and interest

Financial instruments to collect principal and interest consist of debt instruments whose payments are fixed or can be determined with a set maturity, which are acquired with the intent and capability to hold them to maturity.

They are initially recorded at fair value and valued at amortized cost, which means that the amortization of the premium or discount (included in the fair value at which they were initially recorded), is part of the earned interest.



The provisions of paragraph 41.1.1 numeral 4 of MFRS C-20 regarding the use of the market rate as the effective interest rate in the valuation of the financial instrument to collect principal and interest when both rates are substantially different are not applicable.

The option to irrevocably designate a financial instrument to collect principal and interest upon initial recognition, to be subsequently valued at fair value with effect on net income referred to in paragraph 41.3.4 of MFRS C-20, is not applicable.

General valuation standards

Upon the sale of trading financial instruments, the valuation result previously recorded in the year's results is reclassified as part of the gain or loss on the sale. Similarly, upon the sale of financial instruments to collect or sell, the cumulative valuation result recorded in other comprehensive income in stockholders' equity is reclassified as part of the gain or loss on the sale.

Accrued interest on debt instruments is determined using the effective interest method and is recorded in the corresponding category of investments in securities and in the year's results.

Dividends on equity instruments are recorded in the corresponding category of investments in securities and in the year's results when the right to receive such dividends is established.

The foreign exchange gain or loss on investments in securities denominated in foreign currency is recorded in the year's results.

In the event of reclassifications under section 44 of MFRS C-2 among the different categories of investments in financial instruments, they may be made due to changes in the business model, which must be reported in writing to the Commission within the 10 business days following the authorization issued for such purposes by the Risk Committee, detailing the change in the business model that justifies them.

If securities to collect principal and interest are reclassified as securities to collect and sell, the corresponding valuation result on the reclassification date is recorded in other comprehensive income within stockholders' equity.

In the case of debt instruments reclassified from securities to collect and sell to securities to collect principal and interest, the valuation result on the transfer date continues to be reported in stockholders' equity, and it is amortized based on such instrument's remaining life.

Regarding authorized reclassifications from trading financial instruments to any other category, the valuation result on the reclassification date is already acknowledged in the year's results.

An impairment loss on a security is recorded against the year's results if there is objective evidence of such impairment as a result of one or more events, occurring after the initial recording of the security, that have had an impact on the estimated future cash flows that can be reliably determined. The effect of recording the impairment of securities is shown in Note 7.

A previously recorded impairment loss is reversed against the year's results if, in a later period, the amount of the loss decreases and such decrease is objectively associated with an event occurring after the impairment was recorded.

The Financial Group periodically assesses whether its financial instruments to be collected or sold and its financial instruments to be collected principal and interest present impairment under the expected credit loss method (PCE), in accordance with MFRS C-16, considering the credit risk of them. The PCEs are estimated based on all possible default events in the entire life of the IFCVs and IFCPI.

The PCE are the losses accrued in the IFCV and IFCPI that can be evidenced later in view of their probability of default and their severity of loss. Therefore, its recognition begins from the time the IFC is generated, since there is already a risk of uncollectibility, even if it is minimal at that time.



The Financial Group evaluates the PCE on the IFCV and IFCPI considering the following:

- a) The PCE are not the losses verified at the date of the financial statements, but the losses accrued in the IFCV and IFCPI that could be evidenced later in view of their probability of default and their severity of loss. Therefore, its recognition begins when the IFCV and IFCPI are generated, since there is already a risk of uncollectibility, even if it is minimal at that time.
- b) The time value of money; and
- c) Reasonable and supported information that is available without any undue effort or cost at the date of analysis, about past events, current conditions and forecasts of future economic conditions.

In accordance with MFRS C-16, the Financial Group determines the stage of default of IFCV and IFCPI as follows:

Stage 1: They are all those for which their risk of default has not increased significantly since their initial recognition, up to the date of the financial statements. The Probability of Default (PI) is determined at 12 months

Stage 2: Includes those that have already shown a significant increase in credit risk from their initial recognition to the date of the financial statements. The PI is determined by the total term.

Stage 3: They are those for which one or more events have occurred that have a detrimental impact on future cash flows. The IP considered for these investments is 100%.

Based on the identification of the three stages of default described, the amount of the allowance for PCE is determined. For this, the following steps are applied

- 1) The investments with non-compliance of each of the three previous stages are determined, considering the IP applicable to each stage
- 2) Based on the severity of loss (SP), the recoverable amount (MR) of the defaulted investments is determined, valuing the cash flows that are estimated to be recovered at their present value, with the original effective interest rate; and
- 3) The recoverable amount is compared against the defaulted portfolio determined in step 1 above.

The PCE allowance is recognized in the income statement at the time it is determined.

Customer repurchase agreements (repos)

This is a transaction through which the purchaser acquires ownership of credit securities for a sum of money and is obliged to transfer the property of another amount of securities of the same kind to the seller of the securities within the agreed term and in exchange for the same price plus a premium. The purchaser keeps the premium unless agreed otherwise.

Repurchase transactions are recorded according to their economic substance, which is financing with collateral, through which the Financial Group, acting as the purchaser, provides cash as financing in exchange for financial assets as guarantee in case of non-compliance.

On the repurchase agreement transaction contract date, the Financial Group, acting as the seller, records the cash inflow, or else a settlement debtor account as well as a payable account at its fair value, initially at the agreed price, which represents the obligation to reimburse the cash to the purchaser. The account payable is subsequently valued over the term of the repurchase agreement at amortized cost by recognizing the interest from the repurchase agreement in the year's results using the effective interest method.

As to the collateral granted, the Financial Group reclassifies the financial asset in the Consolidated statement of financial position as restricted and values it according to the criteria mentioned earlier in this note until the maturity of the repurchase agreement.



The Financial Group, acting as the purchaser, on the repurchase transaction contract date records cash and cash equivalents or a creditor settlement account, with an account receivable at its fair value, initially at the agreed price, which represents the right to recover the cash that was delivered. The receivable is subsequently valued over the life of the repurchase agreement at amortized cost by recognizing the repurchase agreement interest in the year's results using the effective interest method.

As to the collateral received, the Financial Group records it in off statement of financial position memorandum accounts until the repurchase agreement's maturity, following the guidelines of Circular B-9, "Asset Custody and Management", issued by the Commission.

When the Financial Group sells the collateral or delivers it as a guarantee, the proceeds from the transaction are recognized, as well as an account payable for the obligation to return the collateral to the reported (initially measured at the agreed price), which is valued, to the case of its sale at fair value or, in the event that it is given as collateral in another repurchase agreement, at its amortized cost (any difference between the price received and the value of the account payable is recognized in the results of the year). For presentation purposes, said account can be offset with the account receivable "Repo debtors" in accordance with the provisions of MFRS B-12.

Derivative financial instruments

The Financial Group is authorized to perform two types of transactions involving derivative financial instruments:

Transactions to hedge the Financial Group's open risk position: Such transactions involve purchasing or selling derivative financial instruments to mitigate the risk resulting from one or a group of given transactions.

Transactions for trading purposes: The Financial Group enters into such transactions as a market participant for reasons other than to hedge its exposed position.

Transactions with derivative financial instruments are presented in assets or liabilities, as applicable, under the heading "Derivative financial instruments", separating derivatives for trading purposes from those for hedging purposes.

When entering into transactions involving derivative financial instruments, the Financial Group's internal policies and norms require an assessment and if necessary, determination of different risk exposures for each counterparty in the financial system that have been authorized by Banco de México to enter into these types of transactions. Regarding corporate customers, a preauthorized credit line by the National Credit Committee must be granted or liquid guarantees must be given through a securitized collateral contract before entering into these types of transactions. Medium and small sized companies and individuals must provide liquid guarantees established in securitized collateral contracts with this type of transactions.

The recognition or cancellation of assets and/or liabilities resulting from transactions involving derivative financial instruments occurs when these transactions are entered into, regardless of the respective settlement or delivery date of the goods.

Forward and futures contracts

Forward and futures contracts with trading purposes establish an obligation to buy or sell a financial asset or an underlying at a future date in the quantity, quality and prices pre-established in the contract. Future contracts are recorded initially by the Financial Group in the Consolidated statement of financial positions as an asset and a liability at fair value, which represents the price agreed in the contract in order to acknowledge the right and obligation of receiving and/or delivering the underlying, as well as the right and obligation of receiving and/or delivering the cash equivalent to the underlying, object of the contract.

The derivatives are presented in a specific item of the assets or liability depending on whether their fair value (as a consequence of the rights and/or obligations it establishes) corresponds to the debtor balance or creditor balance. Such debtor or creditor balances in the Consolidated statement of financial positions are offset when the Financial Group has the contractual right to offset the stated amount, the intention of liquidating the net amount or to realize the asset and cancel the liability simultaneously.



In the case of transactions for trading purposes, their balance represents the difference between the fair value of the contract and the established "forward" price.

Option contracts

Through paying a premium, options contracts grant the right but not the obligation to buy or sell a financial asset or underlying instrument at a given price within an established term.

Options are divided into: options to buy (calls) and options to sell (puts). Both can be used as trading or hedging instruments.

Options can be executed on a specific date or within a certain period of time. The price is agreed in the option and may be exercised at the discretion of the buyer. The instrument used to establish the price is the reference or underlying value.

The premium is the price the holder pays to the issuer for the option rights.

The holder of a call option has the right, but not the obligation, to purchase from the issuer a certain financial asset or underlying instrument at a fixed price (transaction price) within a certain term.

The holder of a put option has the right, but not the obligation, to sell a certain financial asset or underlying instrument at a fixed price (transaction price) within a certain term.

The Financial Group records the option premium as an asset or liability at the transaction date. The fluctuations resulting from market valuation of the option's premium are recorded by affecting the Consolidated Income Statement in the account "Trading results" and the corresponding Consolidated statement of financial position account.

Swaps

These are two-party contracts through which a bilateral obligation is established to exchange a series of cash flows for a certain period on pre-set dates at a nominal or reference value.

They are recorded at fair value which corresponds to the net amount between the asset and liability portion for the rights and obligations agreed upon; they are subsequently valued at fair value using the present value of the future flows to receive or grant according to the projections for future implicit applicable rates, discounting the market rate on the valuation date with yield curves given by the price provider. The result of such valuation is recorded in the year's results.

Management's risk policy regarding hedging contracts is to protect the Financial Group's Consolidated Statement of financial positions and to anticipate interest and exchange rate fluctuations, thereby protecting the stockholders' equity.

For hedging derivatives, the Financial Group applies the fair value and cash flow hedging methods and the accumulated compensation method to measure effectiveness. Such methods are approved by current accounting standards. In case ineffective hedges are detected, they are recorded in the year's results.

The Financial Group documents hedging transactions from the date on which the derivatives are designated as coverage. The documentation is carried out by drawing up a file for each operation, leaving the evidence as required in NIF C-10 "Derivative Financial Instruments and Hedging Relationships" (NIF C-10), which sets out the conditions for the use of hedge accounting.



Accordingly, the Financial Group documents its cash flow's hedging transactions based on the following guidelines:

- a. The effective portion of the hedging instrument's gain or loss is recorded as a component of other comprehensive income in stockholders' equity using an asset or liability account called "derivative financial instruments" with an offsetting account in liquid assets or liabilities. The portion determined as ineffective is measured through retrospective testing, and when it results in over-hedging, it is immediately recognized in the period's results under "Trading results".
- b. The effective hedging component recognized in stockholders' equity associated with the hedged item is adjusted to equal the lowest (in absolute terms) of:
 - i. The accumulated gain or loss of the hedging instrument from its inception.
 - ii. The accumulated change in fair value (present value) of the hedged expected future cash flows from the beginning of the transaction.

Valuation techniques

Since the derivatives used by the Financial Group are considered as conventional ("Plain Vanilla") standard valuation models contained in the derivative transaction systems and the Financial Group's risk management are used.

All of the valuation methods that the Financial Group uses result in fair value of the transactions and are periodically adjusted. Furthermore, they are audited by internal and external auditors as well as by the financial authorities.

Valuation of the positions is done on a daily basis and a price provider generates the input used by the transaction and risk management systems. The price provider generates these valuations based on daily market conditions.

The valuation methods are based on the principles accepted and commonly used by the market. As of 31 December 2024, and 2023, derivatives are valued using the Present Value of Flows method, with the exception of the options. This method consists of estimating the future flows of derivatives, using the difference between the level of and the forward curves of the market at the valuation date, and then discount these flows and bring them to present value. The options are evaluated under the Black and Scholes method, which, in addition to the value The present of the flows involves the volatility and probability of occurrence for the calculation of the premium. Once the market value of the option is obtained, it is compared against the original premium accrued on the date of the valuation.

Cancellation of hedging accounting

A cash flow hedging relation is cancelled when:

1. The hedging instrument expires or is sold, terminated or enforced;
2. The hedging fails to meet the requirements of documentation, evaluation and effectiveness measuring;
3. The projected transaction is not expected to occur;
4. The hedging designation is revoked.

For cases 1 and 2, the profit or loss recorded in net income stays in that account until the projected transactions occurs. For case 3, the profit or loss recorded in net income should be immediately restated in results; and for case 4, if the hedging is on a projected transaction, the loss or profit stated in net income should stay in that account until the projected transactions is realized. Otherwise, it should be immediately restated in results.

A fair value hedging relation is canceled when:

1. The hedging instrument expires or is sold, terminated or enforced;
2. The hedging fails to meet the requirements of documentation, evaluation and effectiveness measuring;
3. The hedging designation is revoked.



Any adjustment to the result from the valuation adjustment of the hedged item attributable to the covered risk, should be amortized in the period's results. The amortization begins as soon as the adjustment turns up, and under no circumstance after the hedged item is no longer adjusted due to changes in the fair value attributable to the risk covered. The adjustment should be amortized in full on the due date of the hedged item.

Operation strategies

Trading

The Financial Group participates in the derivatives market with trading purposes, and the risk exposures generated are computed within its overall VaR limit.

The trading strategy is submitted on a weekly basis to the Financial Group's Treasury Committee, which analyzes the current risks and takes any necessary decisions.

The trading strategy is carried out according to market levels and expectations, maximizing the circumstances to obtain a benefit by trading, margin and volatility. Each trading strategy is submitted to the Treasury Committee on a weekly basis for its consideration. The Risk Policies Committee analyzes the risks and then decides accordingly.

Hedging

The hedging strategy is determined annually and when market conditions require it. Hedging strategies are submitted to the Risk Policies Committee.

Hedging transactions comply with the applicable norm set forth in NIF C-10. This implies among other things that the effectiveness of the coverage be evaluated both prospectively (prior to its agreement) and in a prospective manner retrospectively (after its agreement). These tests must be performed on a monthly basis.

The hedging strategy is determined annually and each time the market conditions require. Hedges are used to reduce foreign exchange risks, through both, exchange rate forwards and currency swaps, as well as interest rates by means of interest rate swaps. This is done with the purpose of setting the rates paid on debt issued by the Financial Group, thereby ensuring the debt servicing, as well as to make investments that generate greater value for the customers. The main strategy is to ensure that the Financial Group's future income and expenses are covered, maximizing its profitability.

Hedging derivatives can be restated whole or partially due to hedging inefficiencies, maturity or sale of primary position.

Contingencies

To enter the derivatives market, the Financial Group is bound by agreement to deliver its financial information in a timely manner and to abide by the applicable laws, regulations and provisions, as well as to provide written notice to the affected parties in case that an event arises that could be considered as early termination, which could lead to a credit contingency. These include the following: bankruptcy filing, payment suspension, restructuring, intervention, liquidation, dissolution or other similar judicial or extra-judicial proceedings that affect the Financial Group; if the statements stipulated in the contract are incorrect; the Financial Group's failure to fulfill its obligations and/or payments; breach of contract; the Financial Group's consolidates or merges with another entity thereby transferring a substantial portion of its assets; failure to provide the guarantees that were agreed in the event of noncompliance with obligations or if such guarantees expired or diminished in value; the Financial Group's falls into insolvency, lower credit quality or illegality due to changes in the tax or legal legislation; the existence of a ruling, proceeding or embargo against the Financial Group that could substantially affect its ability to fulfill its obligations in a timely manner; or general noncompliance with obligations. Each ground for early termination is subject to the counter-party's consideration to determine its importance and substantiality regarding the Financial Group's ability to comply.



As of December 31, 2024 and 2023, there have been no contingency situations.

Embedded derivatives

Embedded derivatives are those contract components that do not intend to explicitly originate a derivative financial instrument but rather that the implicit risks generated or hedged by those components differ in their economic and risk features from those of the contract, and therefore display a behavior and features similar to those of a common derivative.

Identified embedded derivatives are separated from the host contract for valuation purposes and are treated as a derivative when they meet the features outlined in NIF C-10, unless the embedded derivative is denominated in a currency commonly used for the purchase and sale of non-financial items in the economic environment where the transaction takes place. The main embedded derivatives recognized by the Financial Group prior to January 2011 are from service and leasing contracts established in US dollars.

Loan portfolio

Business model

In accordance with criterion B-6 "Loan Portfolio", the Financial Group has implemented a business model in accordance with the provisions of MFRS C-2 based on the administration and management of the loan portfolio to generate cash flows, with this business model the Financial Group determines whether the cash flows will come from obtaining contractual cash flows, from the sale of the credit portfolio, or from both.

The business model to administer and manage the loan portfolio is a matter of facts, not an intention or statement. It is typically observable through the activities carried out to achieve the business objective and judgment is applied to determine the business model, since it is not based on a single factor or activity, therefore all the evidence available at the time is considered to do the evaluation.

The loan portfolio is recognized if the objective of the business model is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount payment, in this case the portfolio is valued at amortized cost in accordance with criterion B-6, if the above is not met, it is valued in accordance with the provisions of MFRS C-2.

Loans or loan portfolios previously evaluated, whose contractual conditions are modified and in the case of new products, are submitted to the SPPI tests and are authorized by the Credit Committee of the Financial Group, it is also communicated in writing to the Commission within the 10 calendar days prior to its application, stating in detail the justification for its classification within the business model for collection of principal and interest, to negotiate or to collect or sell.

The Financial Group evaluates periodically the business model, in accordance with its established policies for the classification of the portfolio based on the business model. The aforementioned policies are duly documented.

Loan portfolio represents the balance of the amounts actually delivered to borrowers plus accrued interest not collected, less interest collected in advance. The allowance for loan losses is presented by deducting the balances of the portfolio. Transaction costs and commissions charged at the beginning of the loan are recognized separately as a deferred charge or credit, and are presented net in deferred items, as part of the loan portfolio.

Interest collected in advance is recognized as a deferred credit and is presented net of the loan portfolio that originated it.

The unpaid loan balance is classified as stage 1 as follows:

- Loans with single amortization at maturity of principal and interest that accumulate from 0 to 29 calendar days after payment overdue.
- In the case of loans with a single amortization of principal at maturity, but with periodic interest payments, when they accumulate between 0 and 29 days after payment overdue of principal, or between 0 and 30 days after payment overdue in interest payments.



- Commercial loans whose amortization of principal and interest have been agreed in partial periodic payments, when the first amortization is 0 to 30 calendar days after payment overdue, in the case of consumer credits when they accumulate zero arrears or the equivalent of 1 arrears or less.

The unpaid loan balance is classified as stage 2 as follows:

- In the case of commercial loans with a single amortization of principal at maturity, but with periodic interest payments, when interest accumulates from 31 to 89 calendar days after payment overdue.
- Loans whose amortization of principal and interest have been agreed in partial periodic payments, when they are 31 to 89 calendar days after payment overdue in their amortizations, in the case of consumer loans when they accumulate more than 1 arrears or the equivalent of 3 arrears or less.

The unpaid loan balance is classified as stage 3 as follows:

- Loans with single amortization at maturity of principal and interest, 30 calendar days after maturity occurs
- In the case of loans with a single amortization of principal at maturity, but with periodic interest payments, the total principal and interest at 30 and 90 calendar days after payment overdue, respectively.
- Loans whose amortization of principal and interest have been agreed in partial periodic payments, 90 calendar days after payment overdue in their amortizations, in the case of consumer loans when they accumulate more than 3 arrears or 90 or more days after payment overdue in their payments, whichever comes first.
- In the case of revolving loans, when payment has not been made for two periods or they are 90 or more days after payment overdue, in the case of consumer loans when they accumulate more than 3 arrears or 90 or more days in arrears in their payments.
- In the case of overdrafts in customer checking accounts, they are considered as a stage 3 portfolio at the time the overdraft occurs.

Interest is recognized and accrued as income when earned. The accrual of interest income is suspended when loans are transferred to stage 3.

The commissions collected for the initial granting, restructuring and renewal of loans, interest collected in advance, as well as the loss from renegotiation, are recorded as a deferred credit, which is amortized against the results of the year as interest income, under the effective interest method, through the application of the effective interest rate, during the life of the credit, except those originating from credit cards that are recognized directly in results.

Annual credit card fees, whether the first annual charge or subsequent of a renewal, are recorded as a deferred credit and amortized over a 12-month period against the year's results in the commission and fee income line item.

The costs and expenses associated with the initial granting, restructuring and renewal of a loan, as well as the profit from renegotiation, are stated as a deferred charge, which is amortized against the results of the year as interest income, under the effective interest method, through the application of the effective interest rate, during the life of the credit, except those originating from credit cards that are recognized directly in results.

When a loan is considered to have stage 3 credit risk, the balance pending amortization of transaction costs, as well as commissions charged for the initial granting, restructuring and renewal of credits, and interest collected in advance are recognized in results and, if applicable, the effect of the profit or loss in renegotiation pending amortization against the results of the year.

The restructured or renewed loans that have been transferred to the next immediate risk stage, until the moment in which there is evidence of sustained payment, which is considered when the Financial Group receives the collection without delay and in its entirety of three consecutive amortizations, in the case of loans with amortizations that cover between 61 and 90 days, the payment of two amortizations, or, the collection of an exhibition in the cases in which the amortization covers periods greater than 90 days.

The restructured credits are renewed with single payment of principal at maturity, regardless of whether the payment of interests is periodic or at maturity, it is considered that there is sustained payment of credit when, The accredited has covered at least 20%t of the original amount of the loan at the time of the restructuring or renewal, Or, has covered the amount of accrued interest in accordance with the scheme of payments by restructuring or renewal for a period of 90 days and this period has passed.



When a loan is restructured in stage 1 or 2 and remains in one of those stages, the effect of renegotiation is determined as follows:

- a) The book value of the loan is determined, which corresponds to the amortized cost at the date of the renegotiation,
- b) The new future cash flows are determined on the partially restructured or renewed amount, discounted at the original effective interest rate,
- c) The difference between the book value and the cash flows determined in subparagraph b) above is determined and recognized as a deferred charge or credit against the profit or loss from loan portfolio renegotiation in the statement of comprehensive income.

The determination of profit or loss from renegotiation is not applicable to credit cards, or to credits with stage 3 credit risk.

If the Financial Group renews a loan, it is considered that there is a new loan, therefore the previous loan is canceled in the event of a total renewal.

Accrued interest during the period in which the loan was included in stage 3 is recognized as income when collected.

The recognition of interest income is renewed when the portfolio is no longer considered stage 3, which occurs when the outstanding balances, including the principal, interest and any other item, are paid in full.

Restructured loans are those whose terms have been modified due to the borrowers' financial difficulties, and it was decided to grant them a concession. Such modifications may include reductions in the interest rate, debt discount or term extensions.

The Financial Group regularly evaluates whether a stage 3 loan should remain in the statement of financial position or be written off. Such write-offs are done by canceling the outstanding loan balance against the allowance for loan losses. The Financial Group may opt to eliminate from its assets those stage 3 loans that are 100% provisioned according to the following parameters:

- Commercial loans – Must be classified in stage 3 loans, with an E risk rating, 100% reserved, unsecured by any fund.
- Consumer loans – 180 days or more overdue.
- Mortgage loans – 270 days or more overdue.

Write-offs and discounts, that is, the amount forgiven for the payment of the loan partially or totally, is recorded with a charge to allowance for credit risks. In the event that the amount of these exceeds the balance of the estimate associated with the loan, estimates are made up to the amount of the difference.

When the balance of the allowance for credit risks exceeds the amount required under the Provisions, the differential is canceled in the period in which said excesses occur, against the results of the year, affecting the allowance for loan losses.

Allowance for loan losses

As of January 1, 2022, regulatory modifications of the Commission entered into force, regarding the classification and registration of the loan portfolio (Accounting Criterion B-6) for the implementation of the MFRS C-16 (IFRS 9), modifications to the standard methodologies for rating and calculating allowance for loan losses, recalibration of the standard methodologies for calculating the probability of default of the commercial portfolio and changes in the requirements to certify internal models and methodologies for calculating capital requirements for credit risk and estimate of preventive reserves.



Within these modifications, loans are classified into three "Stages" based on their risk: those cataloged within Stage 1 are considered to have no significant increase in credit risk, Stage 2 are considered those that have a significant increase in credit risk, but without objective evidence of impairment. Stage 3 classifies those loans where there is objective evidence of impairment. With the above description, for loans classified in Stage 1 and 3, the expected loss was calculated over a 12-month time horizon, while for those loans classified in Stage 2, expected losses were recognized throughout the life of the loan.

Among the most relevant regulatory changes in standard portfolio rating methodologies and in the requirements to certify internal models and methodologies, the following stand out:

Standar methodology

- All portfolios
 - In loans classified as Stage 2, allowances are estimated considering the higher of the expected loss with a 12-month horizon or the expected loss considering the remaining term of the loan.
- Comercial loans
 - The methodologies for determining the Probabilities of Default of all types of borrowers (Governments loans, Financial Holding Companies and Business with Sales of less than 14 million udis) are replaced.
 - The methodology for determining the percentage of reserves in loans granted to Investment Projects with their own source of payment is modified, where in addition to the cash flow, a series of qualitative factors specific to each type of project are evaluated.
 - The Severity of the Loss of unsecured credits is modified to differentiate the factor according to the type of borrower, and additionally, the evolution of said Severity of the Loss of credits classified in Stage 3 is modified, which will gradually increase to reach 100% in a period of 36 months after its classification in Stage 3
 - The formulas for estimating the Exposure at Default in committed lines of credit are adjusted
 - In certain exposures, Rebuttal of Stage 2 is allowed when the borrower's delay event is due to an operational issue, a quantitative and qualitative analysis is carried out, and it is also approved by a collegiate body.

In the event of impairment in the credit quality of the borrower, in certain exposures the deterioration to a Stage of higher risk is allowed after a quantitative and qualitative analysis, and that is also approved by a collegiate body.

Internal models

In October 2016, the Board of Directors approved the implementation plan for the internal models for calculating reserves and capital requirements for all modelable portfolios, which was sent to the Commission that same year. Pursuant to this implementation plan, the models for the Credit Card, Business and Personal Automotive portfolios were certified.

At the end of 2018, the Commission released the project to migrate standard and internal methodologies under the IFRS 9 approach, but it was not until March 2020 that the definitive rules for Internal Methodologies on the Official Gazette of the Federation (DOF). reserves based on MFRS C-16 (IFRS 9), effective as of January 2021, however, derived from the Covid-19 pandemic, the Commission issued a statement in April 2020, indicating that the rule would be effective as of January 2022.

Due to the foregoing, the Financial Group adhered to the new regulation and adopted the Internal Reserve Methodologies based on MFRS C-16, requesting in April 2021 the CPR and the Board of Directors, the approval of the new Implementation Plan (Capital and Reserves), which was authorized by the Commission in January 2022 through Official Letter No. 111-2/852/2022.



Therefore, as of January 2022, when the MFRS C-16 (IFRS 9) standard came into force, it is being used to calculate preventive reserves for credit risks, both in the Standard Approach and in the Internal Models. Consequently, for the Internal Models there will be estimates for the risk parameters under two approaches: IRB for calculating the capital requirement and IMFRS9 for calculating reserves:

- The approach for equity will maintain long-term estimates under Annex 15 of the CUB2.
- The approach for reserves captures current behaviors and with a prospective approach (future macroeconomic environment), under Annex 15 Bis of the CUB. In addition, the new methodology indicates that the portfolio must be classified into 3 risk stages, being necessary for stage 2 a reserve calculation for the remaining term.

Given the new guidelines of the CUB on Internal Models, the Commission will only issue an official letter of approval for the use of the methodology for the Calculation of Equity, for a maximum period of 18 months. The use of the internal reserve methodology is authorized by the Board of Directors with the support of the Technical Evaluation made by the Independent Evaluator that guarantees compliance with the model under the standards established in Annex 15 Bis. It should be noted that the Technical Evaluation Report is sent to the Commission for its review, the validity of this model is also for a maximum period of 18 months.

Advanced Internal Model for Credit Card

On November 15, 2017, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for Credit Card (TDC) qualification for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official 111-3/706/2017). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months. (Official Letter 111-2/272/2021) and the Board of Directors authorized the use of the reserve methodology based on MFRS C-16 at its meeting held on October 21, 2021. The maximum period of use of the reserve model is also for 18 months.

These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience, and have been applied as of February 2018 (with January figures). The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI)
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

Advanced Internal Model for Individual Auto Loan

On November 25, 2019, the Financial Group obtained approval from the Commission for the use of Internal Models (IM) for the qualification of Individuals Auto Loans (Auto PF) for the constitution of regulatory reserves and capital for credit risk with a focus advanced (Official 111/678/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on September 29, 2022, the Commission (Official 111-2/272/2021) granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months, and the Board of Directors authorized the use of the reserve methodology based on MFRS-C16 at its meeting on July 21, 2022. The maximum period of use of the reserve model also is for 18 months.



These internal models improve comprehensive credit risk management, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.
- Loss severity (SP). Measures the intensity of the loss at default expressed as a percentage of the Exposure at Default (EI)
- Exposure at Default (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

Basic Internal Model for Business

The Financial Group obtained on November 30, 2018 from the Commission the approval for the use of the Internal Model for business for the constitution of reserves and regulatory capital requirement for credit risk with a basic approach (Official Letter 111-3/1472/ 2018) in Banorte, and on March 1, 2019 for AyF (Oficios 111-1/160/2019 and 111-1/161/2019). Every year, the Internal Models are recalibrated, and the certification is obtained again, and given that, on December 17, 2021, the Commission granted authorization for the use of the MI only for the calculation of capital requirements for a maximum period of 18 months. for Banorte (Official 111-2/269/2021) and AyF (Official 111-2/267/2021). Likewise, the Board of Directors authorized the use of the reserve methodology based on MFRS C16 at its meeting held on October 21, 2021 for Banorte and on October 20, 2021 for AyF. The maximum period of use of the reservation model is also for 18 months.

The positions subject to those qualification are Business Entities (other than federal entities, municipalities and financial entities) and individuals with business activity, both with annual sales greater than or equal to 14 million UDIs.

The Internal Model improves comprehensive credit risk management, estimating risk parameters through the Institution's experience, and has been applied as of February 2019 (with figures as of January) at Banorte; and as of March 2019 (with figures as of February) in AyF. The authorized parameter under the Basic Internal Model of Companies is:

- Probability of default (PI). Indicates the probability that a borrower defaults on his contractual obligations in the following twelve months with respect to the month of qualification. A score is obtained for each credit, which is mapped to a Master rating scale.

Acquired collection rights

Are represented by the acquisition cost of the various packages of credit assets acquired by the Financial Group and are valued at amortized cost through the effective interest method with the effective interest rate.

For purposes of recognition of effective interest, the effective interest rate of the collection rights may be adjusted periodically in order to recognize variations in the estimated cash flows to be received.

The collection rights acquired by the Financial Group are considered as financial instruments receivable with high credit risk (stage 3), and cannot be transferred to another stage for any subsequent effect.

Impairment of credit assets.- The Financial Group performs an evaluation of the expected cash flows periodically during the term of the collection rights, discounts them based on the effective interest rate of each portfolio in accordance with the provisions of the MFRS C-16, in the event that, based on events and information, it is determined that said discounted cash flows will decrease, it constitutes an estimate for irrecoverability or difficult collection against the results of the year, for the amount by which said discounted cash flows are less to the book value of the account receivable.



Premium receivables

This balance represents the premiums pending collection on the statement of financial position date. Pursuant to the provisions of the General Law of Institutions and Mutual Insurance Companies (the Law) and the Mexican National Insurance Commission CNSF, premiums over 45 days old should be cancelled against the year's earnings including, if applicable, the technical reserves, acquisition cost and relative reinsurance granted, and should not be considered in the coverage of technical reserves.

Based on the internal policy approved by the CEO, where it establishes that the policies will be protected based on the payment agreement on the 2024 and 2023, premiums older than 45 days that have not been paid amount to approximately Ps. 112 and Ps. 217, respectively, excluding maturities of less than 45 days and even receipts that were not yet in force on the indicated date, a situation that arises when considering the total debit balance of the policy if it has at least one receipt older than 45 days, as well as debts in charge of dependencies and entities of the federal public administration, amount to which the net unearned premium, commissions and corresponding reinsurance must be reduced to determine its net effect on results. Said amount was not computed for the coverage of technical reserves.

Reinsurance

According to the rules of the CNSF, a portion of the insurance contracted by the Financial Group is ceded in reinsurance to other insurance or reinsurance companies. Therefore they are part of both the premiums and the casualty rate cost.

Other accounts receivable and payable

The Financial Group performs a study to quantify the different future events that could affect the amount in accounts receivable over 90 days and thus determine the percentage of non-recoverability in order to calculate its allowance for doubtful accounts, as per the provisions. The remaining balance of accounts receivable is reserved at 90 calendar days from the initial recognition.

The balances of asset and liability settlement accounts represent transactions involving the sale and purchase of currency and securities, recorded when entered into and are settled within 48 hours.

The investment projects' balances represent financing to investment projects' trusts (especially in the development of social housing). The Financial Group acknowledges a yield from the trust financing disposal, which is related to the construction project's progress compliance and/or sale as stated in each trust's agreement. Failure to meet the construction project's progress and/or sale as stipulated in the agreement, the Financial Group stops recording the funding yield.

To assess investment projects, each project's expected value is determined according to the expected flow of the sale of investment project's potential inventory or that of a portfolio of investment projects of the Financial Group based on the current business plan.

The impairment of investment projects will be determined based on the projection of cash flows to be recovered discounted at present value using a corresponding interest rate, in accordance with the policy mentioned in note 5.

Merchandise inventory

This is comprised mainly of finished goods and is restated to the lower of replacement cost or market. Cost of sales, included in "Other Operating Income (expenses)" in the Consolidated Income Statements is restated using the replacement cost at the time of the sale.

Impairment of the value of long-lived assets and their disposal

The Financial Group has established guidelines to identify and, if applicable, record losses derived from the impairment or decrease in value of long-lived tangible or intangible assets, including goodwill.



Foreclosed assets, net

Foreclosed property or property received as payments in kind are recorded at the lower of their cost or fair value minus the strictly necessary costs and expenses disbursed in the foreclosure. Cost is determined as the forced-sale value established by the judge upon foreclosure or, in the case of payments in kind, the price agreed between the parties involved.

The recognition of the awarded asset will be the lower between the gross book value of the asset that gave rise to the award (without deducting the reserve), and the net realizable value of the assets received, when the entity's intention is to sell said assets. to recover the amount to be collected. The net realizable value is the estimated amount of what you expect to receive from the sale of the asset less disposal costs.

When the gross value of the asset or the accrued or past due amortizations leading to the foreclosure, is higher than the foreclosed property, the difference is recorded in the period's results under "Other operating income (expenses)".

When the value of the asset or the accrued or past due amortizations leading to the foreclosure, estimates, is lower than the foreclosed property, its value is adjusted to the asset's value.

The carrying value is only modified when there is evidence that the fair value is lower than the recorded carrying value. Reductions in the carrying value of the loan are recorded in the current earnings as they occur.

The provisions applicable to the new valuation methodology for the allowance for loan losses mentioned above define the valuation methodology for reserves related to either foreclosed property or those assets received as payment in kind, establishing that additional quarterly provisions must be created to recognize the potential decrease in value over time of property awarded under legal proceedings, out-of-court or received as payment in kind and the investments in financial instruments received as foreclosed goods or payment in kind, based on the following guidelines:

I. In the case of collection rights and movable property, the provisions referenced in the preceding paragraph must be treated as follows:

Movable property reserves	
Time elapsed as of award date or receipt as payment in kind (months)	Reserve percentage
Up to 6	-%
More than 6 and up to 12	10%
More than 12 and up to 18	20%
More than 18 and up to 24	45%
More than 24 and up to 30	60%
More than 30	100%

The amount of the reserves to be created will be the result of applying the reserve percentage determined under the preceding table to the value of collection rights or foreclosed property, received as payment in kind or awarded in a court proceeding.

II. Investments in financial instruments must be valued in accordance with the provisions of the MFRS C-2 or MFRS C-20, using annual audited financial statements and monthly financial information of the issuer.

Following the valuation of foreclosed assets or those received as payment in kind, the reserves resulting from applying the percentages established in the table of Section I above to the estimated value, must be created.



III. In the case of real estate property, provisions must be created as follows:

Real estate property reserves	
Time elapsed as of award date or receipt as payment in kind (months)	Reserve percentage
Up to 12	-%
More than 12 and up to 24	10%
More than 24 and up to 30	15%
More than 30 and up to 36	25%
More than 36 and up to 42	30%
More than 42 and up to 48	35%
More than 48 and up to 54	40%
More than 54 and up to 60	50%
More than 60	100%

The amount of the reserves to be created will be the result of applying the reserve percentage determined under the preceding table to the awarded value of the property based on the accounting criteria. Furthermore, when problems are identified regarding the realization of the value of the foreclosed property, the Financial Group records additional reserves based on management's best estimates. On December 31, 2024 and 2023, there were no reserves other than those created by the percentage applied based on the accounting criteria that could indicate realization problems with the values of the foreclosed properties.

If appraisals subsequent to the foreclosure or payment in kind result in the recording of a decrease in the value of the collection rights, securities, movable or real estate property, the reserve percentages contained in the preceding table can be applied to the adjusted value.

Property, furniture and equipment

Property, furniture and equipment are recorded at acquisition cost. The balances of acquisitions made up to December 31, 2007 are restated using factors derived from the value of the UDI of that date.

Depreciation is calculated using the straight-line method based on the useful lives of the assets as estimated by independent appraisers.

Lease right of use assets / Lease liability

Asset for rights of use.

It represents the initial valuation amount of the lease liability, plus the lease payments made in advance, plus the initial direct costs incurred. Subsequently, the right-of-use asset is depreciated monthly in accordance with MFRS C-6 during the life of the lease.

Lease liability.

It represents the present value of future lease payments. Future payments are discounted using a risk-free rate, which is maintained until the end of the lease. The subsequent valuation of the lease liability is at amortized cost.

Permanent stock investments

The Financial Group recognizes its investments in associated companies where it has significant influence but not control using the equity method, based on the book values shown in the most recent financial statements of such entities.

Income taxes

Income tax (ISR) is recorded in the year it is incurred. Deferred income taxes are calculated by applying the corresponding tax rate to the applicable temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. The deferred income tax assets are recorded only when there is a high probability of recovery.



The net effect of the aforementioned items is presented in the Consolidated Statement of Financial Position under the "Deferred Income taxes, net" line.

Intangible assets

Intangible assets are recognized in the Consolidated Statement of Financial Position provided they are identifiable and generate future economic benefits that are controlled by the Financial Group. The amortizable amount of the intangible asset is assigned on a systematic basis during its estimated useful life. Intangible assets with indefinite lives are not amortized and their value is subject to the annual impairment tests.

Goodwill

The Financial Group records goodwill when the total fair value of the acquisition cost and the Non-controlling interest is greater than the fair value of the net assets of the acquired business, pursuant to MFRS B-7, "Business acquisitions." As goodwill is considered an intangible asset with an indefinite life, it is subject to impairment tests at least annually according to MFRS C-15, "Impairment in the value of long-lasting assets and their disposal." No indicators of impairment of goodwill have been identified as of December 31, 2024 and 2023.

Deposits

Liabilities derived from deposits, including promissory notes settled at maturity, are recorded at their funding or placement cost plus accrued interest, determined according to the number of days elapsed at each monthly close, which are charged against results when accrued as an interest expense.

Interbank and other loans

These loans are recorded based on the contractual value, recognizing the interest in the year's earnings as accrued. The Financial Group records in this item the direct loans obtained from domestic and foreign banks, loans obtained through bids with Banco de Mexico and development funds' financing. Furthermore, this includes discounted loan portfolios from funds provided by banks specializing in financing economic, productive or development activities.

Technical reserves

According to the Commission, all technical reserves must be audited by independent actuaries on a yearly basis. On February 9, 2024 and February 10, 2023, the actuaries have confirmed that in their opinion, the amounts of the reserves recorded by the Financial Group as of December 31, 2024 and 2023, respectively, are reasonably acceptable based on its liabilities, and are within the parameters that the actuarial practice indicates and comply with the criteria considered by the authorities in the matter.

Technical reserves are constituted pursuant to the terms set forth by the Law, as well as to the provisions issued by the CNSF. To value the technical reserves, the Insurance Company used the valuation methods of the provisions set forth in Chapter 5, "Technical Reserves" in the CUSF published in the Official Gazette on December 19, 2014.

1) Unexpired risk reserve:

In terms of the provisions of section I of article 217 of the LISF, the unexpired risk reserve is intended to cover the expected value of future liabilities arising from the payment of claims, benefits, guaranteed securities, dividends, acquisition and administrative costs, as well as any future liability arising from insurance contracts.

The unexpired risk reserve will include the amount of premiums issued in advance, understanding that a premium issued in advance is when it is issued on a date prior to the effective date of the policy to which said premium corresponds.

The reserve for insurance operations is determined in accordance with actuarial formulas, considering the characteristics of policies in force, reviewed and approved by the Commission.



The unexpired risk reserve is valued in accordance with the following:

I. The amount of the unexpired risk reserve shall be equal to the sum of the best estimate and a risk margin, which shall be calculated separately.

II. The best estimate will be equal to the expected value of the future flows of liabilities, understood as the weighted average probability of these flows, considering the time value of money based on the risk-free market interest rate curves for each currency or monetary unit provided by the price provider with which they maintain a contract.

III. The calculation of the best estimate shall be based on timely, reliable, homogeneous and sufficient information as well as realistic assumptions and shall be made using actuarial methods and statistical techniques based on the application of the actuarial practice standards referred to in Chapter 5.17 of the CUSF. For these purposes, when an Insurance Institution or Mutual Society does not have reliable, homogeneous and sufficient information of its own, it must use the corresponding market information.

IV. The projection of future flows used in the calculation of the best estimate will consider the total of gross revenues and expenses (without deducting Reinsurance Recoveries), which are necessary to meet the obligations of the insurance and reinsurance contracts throughout their period of validity, as well as other liabilities that the Insurance Institution or *Sociedad Mutualista* assumes in relation to them.

V. The future income flows will be determined as the best estimate of the expected value of the future income that the Insurance Institution or *Sociedad Mutualista* will have for premiums that, according to the payment method established in the contracts that are in force at the time of valuation, will mature in the future time of validity of such contracts, as well as recoveries and adjustments of less than the estimates of claims. Future premiums for these effects will not be considered as premiums due and unpaid at the time of valuation, or the fractional payments that are accounted for under the concept of debtor for the premium.

VI. Future outflows will be determined as the best estimate of the expected value of future payments and expenses to be incurred by the Insurance Institution or *Sociedad Mutualista* as a result of claims and adjustments of having more derivatives vs. the risks covered, dividend payments, redemptions, administrative and acquisition costs for contracts in force at the time of valuation. Future outflows must also consider all other payments to the insured and beneficiaries, as well as the expenses that the Insurance Institution or *Sociedad Mutualista* will incur in order to meet the obligations of the insurance and reinsurance contracts, as well as the effect of the exchange rate and inflation, including that relating to expenses and claims.

VII. In the constitution and valuation of the unexpired risk reserve, the amount of the guaranteed assets, as well as the possible options for the insured or beneficiary included in the insurance contracts, should be considered. Any hypothesis used by the Insurance Institution or *Sociedad Mutualista* with respect to the likelihood that the insured or beneficiaries will exercise the contractual options, including those related to resolution, termination and redemption, must be realistic and based on timely, reliable, homogeneous and sufficient information. The assumptions must consider, explicitly or implicitly, the consequences that future changes in financial and other conditions may have on the exercise of such options;

VIII. The risk margin will be calculated in accordance with the provisions of Chapter 5.4 of the CUSF.

IX. In the valuation and constitution of unexpired risk reserves, the liabilities should be segmented into homogeneous risk groups.

X. The short-term and long-term liabilities should be segmented in the valuation and constitution of the unexpired risk reserve so that the Institutions maintain an adequate balance in the investments of resources in the short and long term, and these hold are coherent with the nature of the liabilities to which they are related, and



XI. Processes and procedures should be established to ensure that the best estimate, as well as the assumptions underlying its calculation, is periodically compared with its previous experience. When such a comparison reveals a systematic deviation between the experience and the best estimate, the Insurance Institution or *Sociedad Mutualista* shall make the necessary adjustments to the actuarial methods or assumptions used. For these purposes, it will be understood that there is a systematic deviation when, in a given class or type of insurance, it is observed that the best estimate of the obligations differs by a reasonable amount from the actual value that the liabilities have attained, in a number of times Such that, by statistical criteria, it is determined that such number of times exceeds the maximum number of times that such estimate could have been deferred. The methodology for the estimation of Reinsurance Recovery should be included as part of the actuarial method.

2) Contractual obligations:

a) Claims and expirations - Claims for life, accidents, health and damage are recorded as soon as they are reported. Life insurance claims are based on the insured sums. Accident, illness and damage claims are adjusted based on the estimate of the amount of the obligations, and, at the same time, the pay back is recorded in the ceded reinsurance. Expirations are payments for expired endowments set forth in the insurance contract.

b) Unreported claims – This reserve is intended for recognizing the amount of actual claims not yet reported to the Financial Group. The estimate is based on prior years' casualty rate, adjusting the actuarial calculations on a quarterly basis, pursuant to the methodology approved by the cap.5.4 CNSF.

c) Dividends on policies - This reserve is determined based on actuarial studies, considering the casualty rate. The dividends are established in the insurance contract.

d) Insurance funds under management - These are the dividends on policies earned by the insured and withheld by the Financial Group to manage, as established in the insurance contract.

e) Security premiums - They are the amounts of segmented collections on the policies.

3) Catastrophic reserve:

The reserve for catastrophic risks is intended to cover the Financial Group's obligations assumed under insurance policies for earthquakes or other catastrophic risks. This reserve is increased as per the bases and percentages established by the CNSF. CNSF authorization is required to release this reserve.

4) Special Technical Reserve

In the operation of insurance that, due to its nature, special characteristics or lack of experience, experimental rates are used, the Insurance Institutions and Mutual Societies must constitute, by indication or prior authorization of the Commission, a technical reserve special for use of experimental rates.

Provisions

Provisions are recognized when the Financial Group has a current obligation resulting from a past event and is likely to result in the use of economic resources and can be reasonably estimated.

Employee benefits labor obligations

According to Mexican Federal Labor Law, the Financial Group has obligations derived from severance payments and seniority premiums payable to employees that cease to render their services under certain circumstances.

Defined benefit plan

The Financial Group records a liability for seniority premiums, pensions and post-retirement medical services as incurred based on calculations by independent actuaries using the projected unit credit method, using nominal interest rates. Accordingly, this recognizes the liability whose present value will cover the obligation from benefits projected to the estimated retirement date of the Holding overall employees, as well as the obligation related to retired personnel.



At the end of December 2024 and 2023, actuarial (earning) / losses were generated in all benefits, these amounts are integrated into the other comprehensive income account and will be recycled to results during the future working life of the workers according to the benefit.

The Financial Group applies the provision of MFRS D-3 related to the recognition of the liability for severance payments for reasons other than restructuring, which is recorded using the projected unit credit method based on calculations by independent actuaries.

Defined contribution plan

As of January 2001, the Holding provided defined contribution pension plan in place. The participating employees are those hired as of this date as well as those hired prior to such date that enrolled voluntarily. The pension plan is invested in a fund, which is included in "Other assets".

Employees who were hired prior to January 1, 2001 and who decided to enroll voluntarily in the defined contribution pension plan received a contribution from the Financial Group for prior services equivalent to the actuarial benefit accrued in their previous defined benefit plan that was cancelled. The initial contribution was made from the plan assets that had been established for the original defined benefit plan and participants were immediately assigned 50% of such amount with the remaining 50% to be assigned over 10 years.

The initial payment to the defined contribution plan for past services was financed with funds established originally for the defined benefit plan as a result of the early termination of its obligations and recognized in accordance with the provision guidelines.

The labor obligations derived from the defined contribution pension plan do not require an actuarial valuation as established in MFRS D-3, because the cost of this plan is equivalent to the Financial Group's contributions made to the plan's participants.

Provisions for PTU are recorded in the results of the year in which they are incurred as administrative expenses. The Financial Group determines employee statutory profit sharing based on the criteria established in the guidelines set forth by the Mexican Constitution.

Foreign currency conversion

Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate at the close of each period. The exchange rate used to establish Mexican peso equivalence is the FIX exchange rate published by Banco de México. Foreign exchange fluctuations are recorded in the results of operations.

Interest from outstanding subordinated debentures

Accrued interest from outstanding subordinated debentures is recognized as it is accrued and translated according to the exchange rate in effect at each monthly close.

Transfer of financial assets

The Financial Group can act as the assignor or assignee, as applicable, in this type of transactions. Moreover the Financial Group evaluates whether or not to retain the risks and benefits associated with the asset property to determine whether or not there was a transfer of property in a transaction. In transactions involving the transfer of ownership in financial assets, the assignor yields control and substantially transfers all the risks and benefits over such assets. Therefore, the assignor derecognizes such assets and records the consideration received from the transaction. Conversely, the assignee recognizes such financial assets and the transfer consideration in its accounting records.



Share-based payments

The Financial Group grants stock options to key officers through different payment schemes based on stocks. The Financial Group has established trusts to manage the plans and contributes the necessary funds so that shares can be purchased directly from the market at the initiation of each plan.

The Financial Group records its stock option plans according to the guidelines of MFRS D-8, "Share-based payments." The compensation expense is recorded at fair value as of the date the stock options are granted. Pursuant to MFRS D-8 and given that the Financial Group grants its own stock options, the Financial Group records the expense as if the plan were payable in cash. This expense is then restated at a fair value in each reporting period as per the provisions known on such date.

In accordance with MFRS D-8 and given that the Holding Company grants shares of the Financial Group, the Holding Company recognizes the expense as a capital contribution by the Financial Group.

Memorandum accounts

Memorandum accounts are used to record assets or commitments that are not part of the Financial Group's general statement of financial position, as no rights are acquired on the assets and such commitments are not acknowledged as liabilities until they materialize, respectively. The accumulated amounts in the memorandum accounts have only been subject to audit tests when their information is derived from an accounting record. The memorandum accounts not audited are indicated in each case:

- Contingent assets and liabilities:

It records the amount of economic penalties imposed by the administrative or judicial authorities until such payments are made, as a motion for revocation has been filed. It also records the exposure to risk line item for its participation in the Expanded Use Electronic Payments System.

- Loan commitments:

The balance represents the amount of the letters of credit granted by the Financial Group that are considered as irrevocable commercial loans not disposed by the borrowers. It includes the lines of credit granted to clients that were not disposed.

- Assets in trust or mandate:

For the assets in trust, the value of the goods is recorded and any information related to their individual administration is recorded independently. For assets under mandate, the declared value of the assets, subject to the mandates executed by the Financial Group is recorded.

- Assets in custody or under management:

This account records the movement of others' assets and securities that are received in custody or are to be managed by the Financial Group.

- Collateral received:

The balance represents all the collateral received in securities repurchase agreement operations when the Financial Group is the buyer.

- Collateral received and sold or given as a pledge:

The balance represents all the collateral received in securities repurchase agreements when the Financial Group is acting as the buyer, and which in turn are sold by the Financial Group acting as the seller.



Main subsidiaries' income recognition

Banorte

- Income from cash and cash equivalents, financial instruments, repurchasing operations, hedging transactions and loan interest is recorded as income when accrued.
- The fees charged for the initial granting, restructuring and renewal of loans will be recorded as a deferred credit, which will be amortized as interest income.
- Securities purchase-sales results are recorded when performed.
- Permanent stock investments in affiliates are originally recorded at their acquisition cost and are valued using the equity method based on the last available financial statements.

Casa de Bolsa Banorte

- Recognition of income from services, financial advisory and securities intermediation fees and commissions generated by customer securities' operations are recorded as they are performed.
- Income from financial advisory is recorded when accrued as per the contract.
- Securities intermediation results are recorded when performed.
- Income and expenses - are recorded as generated or accrued as per the relative contracts.
- Share dividends - share dividends are recorded at zero value in investments; therefore they only affect the results when the shares are sold.
- Permanent stock investments in affiliates – they are originally recorded at their acquisition cost and are valued using the equity method based on the last available financial statements.

Arrendadora y Factor Banorte

- Credit from financial leasing operations, net – financial leasing operations are recorded as direct financing, wherein the account receivable is the total amount of the settled rents, and potential profit is the difference between such amount and the cost of the leased properties. Net financed capital is recorded on the Consolidated Statement of financial position, deducting the total of rents from the potential profit.
- Loans from operating leasing operations – represent company assets given to a third party for the latter's temporary use and enjoyment for a given term equal to or over six months. The operating leasing contract rents are recorded as revenues when accrued.
- Loans from factoring operations, net – funded or non-funded factoring is recorded as follows:
 - Ceded portfolio – the amount is recorded in loan portfolios, minus the difference between loans and the financed amount.
 - Profit from acquired documents (interest) - calculated in advance, per month completed and upon maturity, recorded in factoring, and both are applied to results when accrued.
- Recognition of income – interest from leasing and financial factoring is recognized as income when accrued; however the accumulation of interest is suspended whenever the uncollected interest and/or total loan is transferred to past-due loans. Accrued, normal and past-due interest during the period the loan is considered past-due is recognized as income when collected.
- Profits to be realized from financial leasing are recognized as income when accrued. The final value of the good in financial leasing is recognized as income when purchased.
- The fees for credit opening in leasing and factoring operations are recognized as income as accrued.



Banorte Ahorro y Previsión (Seguros y Pensiones)

Income from premiums – Recognized as follows:

- The premium revenue for group and collective life insurance is recorded in income as the segmented payment receipt is issued, deducting the premiums ceded in reinsurance.
- Premium revenue for accidents, health and damage is recorded in terms of the policies contracted in the year, even though their term is for over one year, deducting the premiums ceded in reinsurance.
- The rights on premiums are recognized in the income at the time of issuance except for the policies that the Insurer agrees with the insured, where the right policy is fractioned in each of the receipts in this scheme, the right policy is recognized in income as it accrues. Revenue from surcharges on policyholders is recognized in income at the time of accrual and the unearned portion is recorded as deferred credits.
- Premium income is recorded at the time premiums are settled.

6 - CASH AND CASH EQUIVALENTS

As of December 31, 2024 and 2023, cash and cash equivalents are as follows:

	2024	2023
Cash	Ps. 31,362	Ps. 29,566
Banks	67,289	70,632
Other cash equivalents	53	32
	Ps. 98,704	Ps. 100,230

"Banks" is represented by cash in Mexican pesos and US dollars converted at the exchange rate issued by Banco de México of Ps. 20.8829 and Ps. 16.9666 as of December 31, 2024 and 2023, respectively, and is made up as follows:

	Mexican pesos		USD		Total	
	2024	2023	2024	2023	2024	2023
Call money	Ps. 6,573	Ps. 26,474	Ps. -	Ps. -	Ps. 6,573	Ps. 26,474
Deposits with foreign credit institutions	-	-	11,605	12,662	11,605	12,662
Domestic banks	2,233	2,310	3,840	-	6,073	2,310
Banco de México	40,522	29,186	2,516	-	43,038	29,186
	Ps. 49,328	Ps.57,970	Ps. 17,961	Ps. 12,662	Ps. 67,289	Ps. 70,632

In June 2014, Banco de Mexico issued Circular 9/2014, which establishes banking institutions' obligation to constitute a new monetary regulation deposit, and modifies the interest rate such deposits pay. As of December 31, 2024 and 2023, the Financial Group had made monetary regulation deposits of Ps. 25,985 and Ps. 25,980, respectively.

As of December 31, 2024 and 2023, the total sum of restricted cash and cash equivalents is de Ps. 32,558 and Ps. 52,454, respectively. This includes monetary regulation deposits, futures placed in the domestic and foreign market, call money and contracted transactions pending liquidation in 24 and 48 hours.

The exchange rates used for the conversion of gold and silver coins (Centenarios and Troy ounces, respectively) was Ps. 1,346.96 and Ps. 683.97, per unit, respectively, in 2024; and Ps. 864.879 and Ps. 453.26, per unit, respectively, in 2023.

As of December 31, 2024 and 2023, "Other cash equivalents" includes:

	2024	2023
Minted metals in gold and silver	Ps. 38	Ps. 10
Cashable checks received, pending payment at a 3-day term	-	3
Remittances	15	19
	Ps. 53	Ps. 32



7 - INVESTMENTS IN SECURITIES

a. Trading financial instruments

As of December 31, 2024 and 2023, trading securities are as follows:

	2024			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government securities	Ps. 333,534	Ps. 3,802	Ps. 114	Ps. 337,450
Not restricted	30,500	266	(237)	30,529
F Bonds	3,405	10	(2)	3,413
M Bonds	9,001	60	(202)	8,859
CEBUR – Government	10	-	1	11
CEBUR – Udizados	493	12	12	517
Cetes	16,416	178	10	16,604
Eurobonds	780	4	(47)	737
Udibonos	328	2	(9)	321
Treasury Notes	67	-	-	67
Restricted	303,034	3,536	351	306,921
D Bonds	18,597	59	14	18,670
F Bonds	50,288	282	12	50,582
M Bonds	6,856	120	(44)	6,932
BPA	222,743	3,075	366	226,184
CEBUR – Government	1,008	-	1	1,009
Cetes	3,307	-	3	3,310
Udibonos	235	-	(1)	234
Bank securities	31,415	79	2	31,496
Not restricted	8,055	-	(1)	8,054
Bank Acceptances	6	-	-	6
CEBUR – development bank	(115)	-	-	(115)
CEBUR – bank	12	-	-	12
CEDES	186	-	-	186
Other bank securities	371	-	(1)	370
Promissory Notes	7,595	-	-	7,595
Restricted	23,360	79	3	23,442
CEBUR – development bank	9,106	27	2	9,135
CEBUR – bank	6,224	26	-	6,250
CEDES	6,343	20	-	6,363
Other bank securities	1,526	6	1	1,533
Promissory Notes	161	-	-	161
Private securities	28,737	8	3,081	31,826
Not restricted	27,933	8	3,079	31,020
CEBUR – corporate	374	7	(1)	380
Eurobonds	43	1	-	44
Shares	1,767	-	1,138	2,905
Acciones Sociedades de Inversión	25,749	-	1,942	27,691
Restricted	804	-	2	806
Shares	804	-	2	806
	Ps. 393,686	Ps. 3,889	Ps. 3,197	Ps. 400,772



	2023			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government securities	Ps. 285,142	Ps. 3,533	Ps. 668	Ps. 289,343
Not restricted	26,656	307	310	27,273
F Bonds	68	-	-	68
M Bonds	5,357	36	190	5,583
BPA	7	-	-	7
CEBUR – Government	11	-	2	13
Cetes	14,137	247	11	14,395
Eurobonds	59	1	(10)	50
Udibonos	6,814	22	117	6,953
Treasury Bills	195	1	-	196
Treasury Notes	8	-	-	8
Restricted	258,486	3,226	358	262,070
D Bonds	27,087	91	18	27,196
F Bonds	43,827	225	29	44,081
M Bonds	3,453	29	58	3,540
BPA	180,749	2,875	242	183,866
CEBUR – Government	1,317	6	1	1,324
Cetes	1,565	-	(3)	1,562
Udibonos	488	-	13	501
Bank securities	26,580	106	2	26,688
Not restricted	4,450	3	-	4,453
Bank Acceptances	5	-	-	5
CEBUR – development bank	6	-	-	6
CEBUR – bank	8	-	-	8
CEDES	102	-	-	102
Other bank securities	66	-	-	66
Promissory Notes	4,263	3	-	4,266
Restricted	22,130	103	2	22,235
CEBUR – development bank	8,117	22	1	8,140
CEBUR – bank	1,632	11	1	1,644
CEDES	10,824	67	-	10,891
Other bank securities	1,058	3	-	1,061
Promissory Notes	499	-	-	499
Private securities	17,341	12	2,372	19,725
Not restricted	14,935	12	2,378	17,325
Shares	(1,111)	-	971	(140)
Investment funds	15,460	-	1,417	16,877
CEBUR – corporate	536	11	(8)	539
Eurobonds	50	1	(2)	49
Restricted	2,406	-	(6)	2,400
Shares	2,406	-	(6)	2,400
	Ps. 329,063	Ps. 3,651	Ps. 3,042	Ps. 335,756

During 2024 and 2023, the Financial Group recognized under “Brokerage revenues” gain and loss of Ps. 1,345 and Ps. 2,108, respectively, for the fair value valuation of these instruments.

As of December 31, 2024 and 2023, there are Ps. 331,169 and Ps. 286,705, respectively, in restricted trading securities associated mainly with repurchase operations.



b. Financial instruments to collect or sell

As of December 31, 2024 and 2023, financial instruments to collect or sell are as follows:

	2024			Book value
	Acquisition cost	Accrued interest	Valuation increase (decrease)	
Government securities	Ps. 151,270	Ps. 2,306	(Ps. 2,457)	Ps. 151,119
Not restricted	45,920	516	(1,067)	45,369
M Bonds	9,189	179	(109)	9,259
BREMs	7,778	26	-	7,804
CEBUR – Government	733	2	(123)	612
CEBUR – Udizados	102	1	183	286
Cetes	1,419	46	-	1,465
Eurobonds - Government	14,874	198	(747)	14,325
Udibonos	11,825	64	(271)	11,618
Restricted	105,350	1,790	(1,390)	105,750
D Bonds	2,998	4	1	3,003
M Bonds	12,193	149	(302)	12,040
BPA	52,870	1,204	126	54,200
CEBUR – Government	393	4	(5)	392
Cetes	3,649	-	5	3,654
Eurobonds - Government	29,732	420	(1,128)	29,024
Udibonos	3,515	9	(87)	3,437
Bank securities	27,603	178	(417)	27,364
Not restricted	14,126	122	(422)	13,826
CEBUR – development bank	4,201	61	(323)	3,939
CEBUR – bank	3,066	27	(43)	3,050
CEDES	1,896	9	(12)	1,893
Other bank securities	3,869	25	(44)	3,850
Promissory Notes	1,094	-	-	1,094
Restricted	13,477	56	5	13,538
CEBUR – development bank	3,298	10	(1)	3,307
CEBUR – bank	10,179	46	6	10,231
Private securities	23,117	465	(986)	22,596
Not restricted	18,414	414	(929)	17,899
CEBUR – corporate	10,628	193	(784)	10,037
CEBUR – Municipality	848	11	1	860
Eurobonos	6,938	210	(146)	7,002
Restricted	4,703	51	(57)	4,697
CEBUR – corporate	662	3	-	665
CEBUR – Municipality	2,513	8	(4)	2,517
Eurobonos	1,528	40	(53)	1,515
	Ps. 201,990	Ps. 2,949	(Ps. 3,860)	Ps. 201,079



	2023			
	Acquisition cost	Accrued interest	Valuation increase (decrease)	Book value
Government securities	Ps. 162,947	Ps. 3,131	(Ps. 484)	Ps. 165,594
Not restricted	42,691	605	31	43,327
M Bonds	7,663	183	159	8,005
BREMs	7,778	24	-	7,802
CEBUR – Government	809	2	(71)	740
CEBUR – Udizados	102	1	184	287
Cetes	3,022	4	(2)	3,024
Eurobonds - Government	8,103	186	(356)	7,933
Udibonos	2,585	8	57	2,650
Treasury Bills	1,670	-	(5)	1,665
Treasury Notes	10,959	197	65	11,221
Restricted	120,256	2,526	(515)	122,267
D Bonds	3,042	3	3	3,048
M Bonds	9,019	84	205	9,308
BPA	79,597	2,080	76	81,753
CEBUR – Government	1,666	10	(7)	1,669
Eurobonds - Government	24,311	343	(786)	23,868
Udibonos	2,621	6	(6)	2,621
Bank securities	36,923	246	(178)	36,991
Not restricted	24,642	181	(188)	24,635
CEBUR – development bank	2,834	29	(212)	2,651
CEBUR – bank	2,747	20	(18)	2,749
CEDES	15,119	120	(12)	15,227
Other bank securities	2,070	12	54	2,136
Promissory Notes	1,872	-	-	1,872
Restricted	12,281	65	10	12,356
CEBUR – development bank	3,133	24	(3)	3,154
CEBUR – bank	9,148	41	13	9,202
Private securities	20,186	375	(1,128)	19,433
Not restricted	15,389	327	(1,006)	14,710
CEBUR – BORHIS	77	-	(77)	-
CEBUR – corporate	6,447	92	(755)	5,784
CEBUR – Municipality	874	12	67	953
Eurobonos	7,991	223	(241)	7,973
Restricted	4,797	48	(122)	4,723
CEBUR – corporate	951	4	3	958
CEBUR – Municipality	2,520	9	(12)	2,517
Eurobonos	1,326	35	(113)	1,248
	Ps. 220,056	Ps. 3,752	(Ps. 1,790)	Ps. 222,018

As of December 31, 2024 and 2023, there are Ps. 123,983 and Ps. 139,346, respectively, in restricted securities available for sale, mainly associated with securities repurchasing transactions.

As of December 31, 2024 and 2023, the balance of BREMSR amounted 77,783,110 securities acquired in May 2016, these BREMs were initially classified in the category of Financial Instruments to collect or sell their business model corresponds to collecting contractual cash flows for principal and interest collections, or to sell them in case of changes in the Institution's liquidity strategy. A portion of these securities serves as a hedged item in a cash flow hedge relationship, which is detailed in note number 9.



c. Financial instruments to collect principal and interest

As of December 31, 2024 and 2023, financial instruments to collect principal and interest are as follows:

Medium and long-term debt securities:

	2024		
	Acquisition cost	Accrued interest	Book value
Government securities	Ps. 361,458	Ps. 2,325	Ps. 363,783
Not restricted	305,196	1,781	306,977
M Bonds	926	6	932
CEBUR – Government	2,027	28	2,055
CEBUR – Udizados	126	2	128
Cetes	1,890	-	1,890
CETES – Specials	36	440	476
Eurobonds - Government	40,852	559	41,411
Udibonos	257,255	708	257,963
Treasury Notes	2,084	38	2,122
Restricted	56,262	544	56,806
M Bonds	15,480	121	15,601
CEBUR – Municipality	39,616	420	40,036
Udibonos	1,166	3	1,169
Bank securities	1,040	21	1,061
Not restricted	1,040	21	1,061
CEBUR – Bank	1,040	21	1,061
Private securities	8,666	1,236	9,902
Not restricted	6,401	1,227	7,628
CEBUR – BORHIS	2	-	2
CEBUR – corporate	2,636	1,171	3,807
CEBUR – Municipality	1,989	39	2,028
Eurobonos	700	17	717
Other private securities	1,074	-	1,074
Restricted	2,265	9	2,274
CEBUR – Municipality	2,265	9	2,274
	Ps. 371,164	Ps. 3,582	Ps. 374,746



	2023		
	Acquisition cost	Accrued interest	Book value
Government securities	Ps. 321,483	Ps. 1,745	Ps. 323,228
Not restricted	291,665	1,522	293,187
F Bonds	2,000	15	2,015
M Bonds	927	6	933
CEBUR – Government	1,956	26	1,982
CEBUR – Udizados	136	2	138
Cetes	3,987	-	3,987
CETES – Specials	36	426	462
Eurobonds - Government	35,838	372	36,210
Udibonos	236,837	593	237,430
Treasury Notes	9,948	82	10,030
Restricted	29,818	223	30,041
M Bonds	15,498	115	15,613
CEBUR – Municipality	2	-	2
Eurobonds - Government	14,147	108	14,255
Udibonos	171	-	171
Bank securities	996	20	1,016
Not restricted	996	20	1,016
CEBUR – Bank	996	20	1,016
Private securities	13,193	1,141	14,334
Not restricted	10,571	1,131	11,702
CEBUR – BORHIS	2	-	2
CEBUR – corporate	3,161	1,058	4,219
CEBUR – Municipality	2,009	40	2,049
Eurobonos	4,700	33	4,733
Other private securities	699	-	699
Restricted	2,622	10	2,632
CEBUR – Municipality	2,622	10	2,632
	Ps. 335,672	Ps. 2,906	Ps. 338,578

As of December 31, 2024 and 2023, there are Ps. 59,080 and Ps. 32,673, respectively, in restricted trading securities associated mainly with repurchasing operations.



As of December 31, 2023, the maturities of the securities (expressed at their acquisition cost), are as follows:

	More than one and up to 5 years	More and 5 and up to 10 years	More than 10 years	Total
Government securities	Ps. 40,269	Ps. 56,631	Ps. 266,884	Ps. 363,784
Not restricted	27,657	13,606	265,715	306,978
M Bonds	246	686	-	932
CEBUR – Government	-	-	2,055	2,055
CEBUR – Udizados	74	53	-	127
Cetes	1,890	-	-	1,890
CETES – Specials	476	-	-	476
Eurobonds - Government	20,462	12,867	8,083	41,412
Udibonos	2,387	-	255,577	257,964
Treasury Notes	2,122	-	-	2,122
Restricted	12,612	43,025	1,169	56,806
M Bonds	12,612	2,989	-	15,601
CEBUR – Municipality	-	40,036	-	40,036
Udibonos	-	-	1,169	1,169
Bank securities	1,061	-	-	1,061
Not restricted	1,061	-	-	1,061
CEBUR – Bank	1,061	-	-	1,061
Private securities	2,555	1,920	5,426	9,901
Not restricted	2,555	1,920	3,152	7,627
CEBUR – BORHIS	-	-	2	2
CEBUR – corporate	2,555	130	1,122	3,807
CEBUR – Municipality	-	-	2,028	2,028
Eurobonos	-	717	-	717
Other private securities	-	1,073	-	1,073
Restricted	-	-	2,274	2,274.00
CEBUR – Municipality	-	-	2,274	2,274
	Ps. 43,885	Ps. 58,551	Ps. 272,310	Ps. 374,746

Some of the investments in securities are given as collateral in derivative transactions without any restriction; therefore, the receiver has the right to trade them and offer them as collateral.

During the year ended December 31, 2024 and 2023, the Financial Group did not carry out sales of financial instruments to collect principal and interest.

Financial instruments impairment

For impairment testing purposes, government and corporate bonds are considered to have low credit risk as the counterparties to these investments have a minimum credit rating of BBB. Consequently, for the purposes of evaluating these financial assets for impairment, the expected loss is measured by an amount equal to 12-month PCE.

When determining the PCE for these assets, the Financial Group's management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the bonds and debentures obtained economic reports, reports from financial analysts and considering various external sources of real and forecast economic information, as appropriate, when estimating the probability of default of each of these financial assets within their respective loss assessment time horizon, as well as the loss in case of default in each case.



The following table shows the movement in expected credit losses that has been recognized for financial assets:

	<u>12 months expected credit losses</u>		<u>Permanent expected credit losses and impairment credit</u>		Total
	<u>Financial Instruments to collect or sell</u>	<u>Financial instruments to collect principal and interest</u>	<u>Financial Instruments to collect or sell</u>	<u>Financial instruments to collect principal and interest</u>	
Adoption as of January 1, 2023	Ps. 121	Ps. 59	Ps. 363	Ps. 293	Ps. 837
Increase in the estimate of loss caused by new financial assets recorded in the period	6	-	149	-	155
Decrease in the estimate caused by the derecognition of financial assets recorded in the period	(81)	(59)	(15)	(209)	(364)
Balances as of December 31, 2023	Ps. 46	Ps. -	Ps. 498	Ps. 84	Ps. 628
Increase in the estimate of loss caused by new financial assets recorded in the period	3	-	11	-	14
Decrease in the estimate caused by the derecognition of financial assets recorded in the period	(13)	-	-	(8)	(21)
Balances as of December 31, 2024	Ps. 36	Ps. -	Ps. 509	Ps. 76	Ps. 621

d. Collateral

The fair value of the collateral given in derivative transactions as of December 31, 2024 and 2023, is as follows:

2024			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 931	Ps. 829	Ps. 38
	Ps. 931	Ps. 829	Ps. 38

2023			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 1,145	Ps. 771	Ps. 38
	Ps. 1,145	Ps. 771	Ps. 38

The fair value of the collaterals received in derivative operations as of December 31, 2024 and 2023, is made up as follows:

2023			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 7,550	Ps. 113	Ps. -
	Ps. 7,550	Ps. 113	Ps. -



2023			
Fair value in millions			
Type of collateral:	Pesos	USD	EUR
Cash	Ps. 10,890	Ps. 522	Ps. -
	Ps. 10,890	Ps. 522	Ps. -

The Holding Company has no securities received as collateral as of December 31, 2024 and 2023

As of December 2024 and 2023, interest income is as follows:

Concept	2024	2023
Trading Financial Instrument	Ps. 47,557	Ps. 41,747
Financial Instruments to collect or sell	19,549	18,839
Financial instruments to collect principal and interest	5,198	4,895
	Ps. 72,304	Ps. 65,481

8 - CREDITOR BALANCES UNDER REPURCHASE AND RESALE AGREEMENTS

As of December 31, 2024 and 2023, creditor and debtor balances under repurchase agreements are as follows:

Acting as seller of securities

Instrument	2024		2023	
	Repurchase agreement from debtors	Received, sold collateral in repurchase	Repurchase agreement from debtors	Received, sold collateral in repurchase
CEBUR – Government	Ps. -	Ps. 1,078	Ps. 3,002	Ps. 5,020
CETES	-	2,773	234	100
CEBUR – Development Bank	-	8,336	-	6,120
UMS (Fix) Bondes - Government	-	-	-	-
IPAB Bonds 28	-	1,995	500	3,924
IPAB Bonds 91	382	12,334	5,901	20,074
IPAB Bonds 182	-	8,720	-	5,385
F Bonds	79	-	28,099	31,999
D Bonds	2,541	-	457	1,005
Government Bonds (Fix)	1,000	3,499	1,912	2,088
Udibons	-	361	-	-
Government securities	4,002	39,096	40,105	75,715
CEBUR – Bank	-	8,807	-	3,311
CEDES (Fix)	-	3,880	-	6,843
Multilateral Financial Organizations	-	433	-	347
Bank securities	-	13,120	-	10,501
CEBUR Municipality	-	26	-	141
CEBUR Corporate	-	462	-	287
EBUR Udis	-	-	1,501	1,501
Private securities	-	488	1,501	1,929
	Ps. 4,002	Ps. 52,704	Ps. 41,606	Ps. 88,145

With the Financial Group acting as the vendor, accrued interest were charged to the results of operations as of December 31, 2024 and 2023 for Ps. 8,580 and Ps. 9,925, respectively, which is presented in the “Interest Expenses heading.”

During 2024 and 2023, the period of repurchase transactions carried out by the Financial Group in its capacity as vendor ranged in term from 1 day to 7 years.

As of December 31, 2024, the amount of the delivered and received securities as collateral in repurchase transactions that represent a transfer of ownership, amount to Ps. 52,708 and Ps. 212,285, respectively, and as of December 31, 2023, the collaterals delivered was Ps. 235,218 and the collaterals received was Ps. 88,155.



Acting as securities purchaser

Instrument	2024	2023
CEBUR – Government	Ps. 323	Ps. 967
CETES	1,832	1,564
CEBUR – Development Bank	4,105	5,174
UMS (Fix) Bondes - Government	50,725	29,324
IPAB Bonds 28	61,769	36,884
IPAB Bonds 91	131,153	125,792
IPAB Bonds 182	61,930	72,744
D Bonds	21,591	27,890
F Bonds	48,331	36,174
Government Bonds (Fix)	31,454	23,312
Udibonds	2,945	2,747
Government securities	416,158	362,572
CEBUR – Bank	7,688	7,540
CEDES (Fix)	2,483	4,055
PRLV	-	499
Multilateral Financial Organizations	1,096	713
Bank securities	11,267	12,807
CEBUR Short term	-	5,633
CEBUR Municipality	5,085	-
CEBUR Corp	26,928	-
Eurobond	4	-
Private securities	32,017	5,633
	Ps. 459,442	Ps. 381,012

With the Financial Group acting as the purchaser, accrued interest charged to the results of operations as of December 31, 2024 and 2023 were Ps. 59,124 y Ps. 54,834, respectively, which are presented in the “Interest Income” Heading.

During 2024, repurchase transactions carried out by the Financial Group in its capacity as purchaser ranged in term from 1 day to 10 years.

9 - DERIVATIVE FINANCIAL INSTRUMENTS

Transactions carried out by the Financial Group involving derivatives correspond mainly to futures, swaps and options contracts. These transactions are done to hedge various risks and for trading purposes.

The Financial Group has evaluated the effectiveness of derivatives' transactions for hedging purposes and has concluded that they are highly effective.

As of December 31, 2024 and 2023, positions in derivative financial instruments are as follows:

Asset position	2024	2023
Forwards		
Foreign currency forwards	Ps. 280	Ps. 939
Options		
Interest rate options	647	910
Shares options	369	81
Foreign currency options	6	14
Swaps		
Interest rate swaps	13,940	18,464
Foreign currency swaps	5,839	8,547
Credit swaps	45	2
Total trading	Ps. 21,126	Ps. 28,957
Swaps		
Foreign currency swaps	199	3,701
Interest rate swaps	805	741
Total hedging	1,004	4,442
Total position	Ps. 22,130	Ps. 33,399



Liability position	2024	2023
Forwards		
Foreign currency forwards	Ps. 376	Ps. 731
Options		
Interest rate options	605	943
Foreign currency options	352	87
Share options	3	-
Swaps		
Interest rate swaps	8,330	11,995
Foreign currency swaps	12,432	7,765
Credit swaps	32	13
Total trading	22,130	21,534
Swaps		
Interest rate swaps	1,407	1,151
Foreign currency swaps	2,391	1,108
Total hedging	3,798	2,259
Total position	Ps. 25,928	Ps. 23,793

Trading instruments:

As of December 31, 2024 and 2023, the trading derivative financial instruments are classified by fair value and the result of the period.

Trading	Book value	Valuation
Forward	(Ps. 97)	(Ps. 20)
Options	62	240
Foreign Currency Swaps	(6,593)	2,434
Interest Rate Swaps	5,610	(1,230)
Credit Swaps	14	25

The effect of credit risk of the derivatives portfolio in the 2024 and 2023 period amounts to Ps 209 and Ps. 289, respectively.

An analysis of undiscounted trading cash flows as of December 31, 2024 is broken down below.

Instrument	Currency	1 year	1 to 5 years	5 to 10 years	More than 10 years
Interest Rate Swap	MXN	(16)	4,408	1,507	(41)
Interest Rate Swap	USD	-	(95)	(30)	(2)
Foreign Currency Swap	MXN	-	483	(1,303)	101
Foreign Currency Swap	USD	-	(61)	3	1
Foreign Currency Swap	EUR	-	(23)	(5)	-

As of December 31, 2024, the items hedged by type of coverage and risk are detailed.

Instrument	Book value		Item
	Asset	Liability	
Interest Rate Swaps (Forecast Fund)	50	1,395	Liability
Interest Rate Swaps (DRM)	199	62	Asset
Interest Rate Swaps (Loans)	197	-	Asset
Foreign Currency Swap (UDI Liability)	588	951	Liability
Foreign Currency Swap (EUR Assets)	-	15	Asset
Foreign Currency Swap (GBP Assets)	20	1,424	Asset
Foreign Currency Swap (USD Assets)	50	1,395	Asset



As of December 31, 2024 and 2023, OCI movements to results from cash flow hedges are detailed.

Instrument	2024	2023
Interest Rate Swaps (Forecast Fund)	Ps. 935	Ps. 1,205
Interest Rate Swaps (DRM)	(565)	9
Foreign Currency Swap (ME Asset)	(722)	(986)

The instruments operated and their main underlying instruments are as follows

Forwards	Options	Interest Rate Swaps	CCS
Fx-USD	Fx-USD	TIIE 28	TIIE 28
Fx-EUR	TIIE 28	TIIE 91	TIIE 91
Fx-CAD	TIIE 91	CETES 91	Libor
Fx-CHF	Libor	Libor SOFR	Euribor

The risk management policies and internal control procedures for managing risks inherent to derivatives are described in Note 36.

Transactions carried out for hedging purposes have maturities from 2025 to 2043 and are intended to mitigate the financial risk derived from long-term loans offered by the Financial Group at fixed nominal rates, as well as the exchange rate risk generated by market instruments in the Financial Group's portfolio.

As of December 31, 2024 and 2023, the collateral was comprised mainly of cash. Their fair value is shown in Note 7 d).

During 2024 and 2023, the net earnings from the valuation and realization of derivative financial instruments were Ps. 1,450 and Ps. 593, respectively.

The net amount of estimated gains or losses originated by from transactions or events recorded within Comprehensive Income as of December 31, 2024 and 2023 and that are expected to be reclassified to results within the next 12 months amounts to (Ps. 131) and Ps. 15, respectively.

As of December 31, 2024 and 2023, the main positions hedged by the Financial Group and the derivatives designated to hedge such positions are:

Cash flow hedging:

- Forecast funding using TIIE rate Caps and Interest Rate Swaps.
- Cash flow hedge of Banxico's monetary regulation deposits (DRM) using TIIE interest rate swaps.
- Recorded assets and liabilities in foreign currency using Cross Currency Swaps.

As of December 31, 2024, there are 81 coverage files. All hedging relationships are effective as they meet the effectiveness requirements of MFRS C-10 "There is no over-hedging in any of the derivatives; therefore, as of December 31, 2023, there are no ineffective portions that cause market value recognition that need to be recognized in the Holding Company's results."

The following are the Financial Group's hedged cash flows as of December 31, 2024 and 2023, expected to occur and affect earnings:

Concept	More than 3			
	Up to 3 months	months and up to 1 year	More than 1 and up to 5 years	More than 5 years
Forecast funding	Ps. 670	Ps. 1,988	Ps. 7,752	Ps. 2,170
Monetary regulation deposits	12	12	85	19
UDI	169	412	1,539	553
Assets denominated in EUR	14	39	-	-
Assets denominated in GBP	241	743	650	201
Assets denominated in USD	17	50	154	52
	Ps. 1,123	Ps. 3,244	Ps. 10,180	Ps. 2,995



The fair value of the instruments designated as cash flows hedging, which is recognized in comprehensive income within stockholders' equity as of December 31, 2024 and 2023, amounts to (Ps. 765) and Ps. 61, respectively. Likewise, the amount that was reclassified from stockholders' equity to results amounts to (Ps. 25) and Ps. 133, respectively.

Trading derivatives and hedging derivatives: the loan risk is minimized through means of contractual compensation agreements, in which asset and liability derivatives with the same counterparty are settled for their net balance. Similarly, there may be other types of collateral such as credit lines, depending on the counterparty's solvency and the nature of the transaction.

The following table shows the cash flows hedging valuation balance:

Balance	Valuation of cash flows hedging instruments	Net change in period	Reclassified to income
Balance, December 31, 2019	(Ps. 1,275)	Ps. 3,726	(Ps. 71)
Balance, December 31, 2020	Ps. 448	Ps. 1,723	(Ps. 266)
Balance, December 31, 2021	(Ps. 2,257)	(Ps. 2,705)	(Ps. 193)
Balance, December 31, 2022	(Ps. 869)	Ps. 1,388	(Ps. 300)
Balance, December 31, 2023	Ps. 61	Ps. 930	Ps. 133
Balance, December 31, 2024	(Ps. 765)	Ps. 826	(Ps. 25)

The economic relationship between the hedged item and the hedging instrument is described below.

For hedge of liabilities, subordinated debentures, assets denominated in foreign currency:

Hedge	Use of hedge instrument	Economic relationship	Coverage ratio
Liabilities denominated in foreign currency and UDI	Agreement of a currency swap (Cross-Currency Swap) to fix the interest and principal in pesos in a fixed rate liability denominated in foreign currency or UDI	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ul style="list-style-type: none"> 1. Any increase in the exchange rate does not affect the Entity since when contracting the currency swap a fixed amount is received in foreign currency, and a fixed amount of interest is paid in pesos, which synthetically converts the hedged item in a Eurobond at a fixed rate in pesos. 2. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. 	1:1
Assets denominated in foreign currency	Agreement of a currency swap (Cross-Currency Swap) to fix the interest and principal in pesos in an eurobond at fixed rate denominated in foreign currency	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ul style="list-style-type: none"> 1. Any increase in the exchange rate does not affect the Entity since when contracting the currency swap a fixed amount is paid in foreign currency, and a fixed amount of interest is received in pesos, which synthetically converts the hedged item into a eurobond at a fixed rate in pesos. 2. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. 3. The execution of the prepayment clause has a very low probability of occurrence, so the economic relationship is not affected. 	1:1



		An economic relationship is considered to cease to exist if the Issuer invokes the Issuer's optional redemption clause during the term of the hedging relationship, since this would lead to the disappearance of the hedged item. For this purpose, a monthly monitoring will be carried out regarding the existence of the official notification by the Issuer to execute the optional redemption clause.	
Monetary regulation deposits	Agreement of a portfolio of interest rate swaps (Interest-Rate Swap) to fix the interest of an DRM and/or BREM a variable rate denominated in pesos.	It is considered that there is a clear economic relationship between the hedged item and the hedging instrument since: <ol style="list-style-type: none"> 1. Any increase in the interest rate does not affect the Entity since when contracting the interest rate swap a variable interest amount is paid and a fixed interest amount is received, which synthetically converts the hedged item into a DRM or BREM at a fixed rate. 2. Since the critical terms of the hedged item and the hedging instrument are aligned, economic ineffectiveness is not expected. 	70-99%
Promissory notes with yield payable at maturity	Agreement of a portfolio of interest rate swaps (Interest-Rate Swap) to fix the interest on future issues of promissory notes with yield payable at maturity (PRLV) issued by the Treasury at a variable rate denominated in pesos.	It is considered that there is a clear economic relationship between the hedged item and the hedging instruments since: <ol style="list-style-type: none"> 1. Any increase in the interest rate does not affect the Entity since when contracting interest rate swaps a fixed amount of interest is paid, and a variable amount of interest is received, which synthetically converts the hedged item into a fixed rate liabilities. 2. Given that the Entity's strategy is to cover less than 100% of all promissory notes to be issued, economic ineffectiveness is not expected. 	70%-95%

10 – EXPECTED CREDIT LOSS

The Financial Group has a methodology to determine the expected credit loss based on the issuer's rating, the characteristics of the instrument, as well as the sector to which it belongs. Once these characteristics are determined, the exposure is estimated at the instrument level as amortized cost and a probability of default and severity of loss are assigned.

Default is defined as the event where the issuer does not perform the obligations to which it subscribed when issuing the instrument in a timely manner. The same definition of default is considered for each instrument.

For financial instruments that have come to maturity and the principal and interest have not been fully collected, the internal policy is periodic monitoring by the business area that acquired said instrument with respect to its possible recovery given the resolutions legal within the commercial bankruptcy or the liquidation process of the issuer.



The expected credit loss of the IFCPI is calculated by the product of the probability of default, the severity of the loss and the exposure, depending on the stage in which it is located:

Stage 1: Financial Instruments with low credit risk. They are those for which their credit risk has not increased significantly from their initial recognition to the date of the financial statements. The Financial Instruments in this Stage must have a long-term rating greater than or equal to BBB+, or mxA-2 in the case of being a short-term instrument, both ratings on a local scale. The PCE estimate at this stage will be carried out over a period of one year.

Stage 2 – Financial Instrument with a significant increase in credit risk. They are those that have shown a significant increase in credit risk from their initial recognition to the date of the financial statements. The Financial Instruments in this Stage must have a rating greater than or equal to B- and up to BBB in long-term instruments, greater than or equal to mxB and up to mxA-3 in short-term instruments. The PCE estimate at this stage will be made for the entire life of the Financial Instrument.

Stage 3 – Financial Instruments with high credit risk. They are those with credit deterioration because one or more events have occurred that have a detrimental impact on the future cash flows of the Financial Instruments. The Financial Instruments in this Stage must have a rating less than or equal to CCC+ in long-term instruments or mxC in short-term instruments. The PCE estimate at this stage will be made for the entire life of the Financial Instrument.

The probability of default is obtained through a transition matrix published by Standard and Poor's (S&P), which considers various scenarios according to past events, current conditions and economic forecasts, considering different and numerous institutions in the study.

The severity of the loss is established based on article 2 bis 73 of the Provisions, where a level of 45% is handled for instruments in stage 1 and stage 2, while for instruments in stage 3 the maximum between 45% and the difference between the unit and the quotient of the market value between the purchase price of the instrument.

The exposure is the amortized cost of the instrument at the calculation date.

During the current period there was no change in the techniques and assumptions used to determine the expected credit loss.

As of December 31, 2024 and 2023, there is the following exposure by instrument:

Classification	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Government	Ps. 363,783	Ps.	Ps.	Ps. 323,228	Ps. -	Ps. -
Bank	714			669	-	-
Private	7,942	2,306	1	12,463	2,217	1
Total	Ps. 372,439	Ps. 2,306	Ps. 1	Ps. 336,360	Ps. 2,217	Ps. 1

The expected credit loss classified by stages as of December 31, 2024 and 2023 is as follows:

Stage 1

Classification	2024	2023
Government	Ps. -	Ps. -
Bank	-	-
Private	-	-
Total	Ps. -	Ps. -

Stage 2

Classification	2024	2023
Government	Ps. -	Ps. -
Bank	-	-
Private	74	164
Total	Ps. 74	Ps. 164



Stage 3

Classification	2024	2023
Government	Ps. -	Ps. -
Bank	-	-
Private	1	1
Total	Ps. 1	Ps. 1

Of the expected credit loss of stage 3 instruments, the amount is broken down into:

	2024	2023
Instruments that migrated to stage 3	Ps. -	Ps. -
Instruments that already existed in stage 3	1	-
Total	Ps. 1	Ps. -

As of December 31, 2024 and 2023, there were no renegotiations or modifications in the financial instruments to collect principal and interest.

11 - LOAN PORTFOLIO

Loan portfolio management

The objectives of Credit Risk Management in the Financial Group are:

- Comply with the Risk Appetite defined by the Board of Directors.
- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk- reward ratio.
- Provide Executive Management with reliable, timely information to assist decision making regarding funding.
- Provide Business Areas with clear and sufficient tools to support and monitor funding placement.
- Create economic value for shareholders through an efficient Credit Risk Management.
- Define and update the regulatory framework for the Credit Risk Management.
- Comply with the information requirements that the authorities establish regarding Credit Risk Management.
- Perform Risk Management in accordance with the best practices, implementing models, methodologies, procedures and systems based on best practices worldwide.
- Measure Institution's vulnerability to extreme conditions and consider those results for decisions making.

The Credit Risk Management policies in the Financial Group are applicable to:

- Grant and Manage Retail Credit Risk according to best market practices through Parametric Models aimed to identify risk, minimize losses and increase loan origination with quality.
- Grant and Manage Wholesale Loans to companies and other entities, according to best market practices through a credit strategy including Target Markets and Risk Acceptance Criteria, identifying and managing risk through Loan Rating and Early Warnings methodologies.
- Monitor and control asset quality through Loan Classification System which provides treatment and general actions for defined situations, as well as departments or officers responsible for carrying out such actions.
- Surveillance and Control through Global and Specific Limits, loan rating policies, and Portfolio Credit Risk models that identify expected and unexpected losses at specific confidence levels.
- Inform and disclose Credit Risks to risk taking areas, CPR, Board of Directors, Financial Authorities and Investors.
- Define faculties for Credit Risks taking at Institution.

In order to comply with objectives and policies, a series of strategies and procedures have been defined including origination, analysis, approval, management, monitoring, recovery and collections.



Credit portfolio analysis

As of December 31, 2024 and 2023, the loan portfolio by loan type is as follows:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in domestic currency				
Commercial	Ps. 338,312	Ps. 1,588	Ps. 3,482	Ps. 343,382
Rediscounted portfolio	5,329	2	-	5,331
Denominated in USD				
Commercial	133,054	55	571	133,680
Rediscounted portfolio	1,620	-	-	1,620
Loans to financial institutions	39,171	-	136	39,307
Consumer loans				
Credit card	67,496	949	2,158	70,603
Other consumer loans	133,258	2,203	2,677	138,138
Mortgage loans				
Denominated in domestic currency	269,183	3,474	2,095	274,752
Denominated in UDIS	28	8	2	38
Government loans	183,594	332	4	183,930
Total loan portfolio	Ps. 1,171,045	Ps. 8,611	Ps. 11,125	Ps. 1,190,781

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in domestic currency				
Commercial	Ps. 309,639	Ps. 1,269	Ps. 3,334	Ps. 314,242
Rediscounted portfolio	5,535	122	-	5,657
Denominated in USD				
Commercial	88,319	15	425	88,759
Rediscounted portfolio	1,195	-	-	1,195
Loans to financial institutions	25,471	-	123	25,594
Consumer loans				
Credit card	57,166	973	1,968	60,107
Other consumer loans	115,161	1,962	2,852	119,975
Mortgage loans				
Denominated in domestic currency	249,841	3,250	2,175	255,266
Denominated in UDIS	36	12	2	50
Government loans	171,537	424	11	171,972
Total loan portfolio	Ps. 1,023,900	Ps. 8,027	Ps. 10,890	Ps. 1,042,817

Restructured loans

The restructured loans that modified their terms and rates are shown below:

	2024		
	Stage 1	Stage 2	Stage 3
Commercial loans			
Business loans	Ps. 48,538	Ps. 253	Ps. 875
Consumer loans	882	92	1,934
Mortgage loans	172	17	92
	Ps. 49,592	Ps. 362	Ps. 2,901



	2023		
	Stage 1	Stage 2	Stage 3
Commercial loans			
Business loans	Ps. 28,239	Ps. 206	Ps. 359
Consumer loans	20	5	958
Mortgage loans	129	17	110
	Ps. 28,388	Ps. 228	Ps. 1,427

As of December 31, 2024, the Stage 3 portfolio past-due loans showed the following periods of delinquency:

	From 1 to 180 days	From 181 to 365 days	From 366 days to 2 years	More than 2 years	Total
Commercial loans	Ps. 1,160	Ps. 1,204	Ps. 688	Ps. 555	Ps. 3,607
Consumer loans	2,708	2,485	570	1	5,764
Mortgage loans	904	810	27	13	1,754
	Ps. 4,772	Ps. 4,499	Ps. 1,285	Ps. 569	Ps. 11,125

As of December 31, 2023, the Stage 3 portfolio past-due loans showed the following periods of delinquency:

	From 1 to 180 days	From 181 to 365 days	From 366 days to 2 years	More than 2 years	Total
Commercial loans	Ps. 1,040	Ps. 450	Ps. 707	Ps. 819	Ps. 3,016
Consumer loans	2,791	372	2,533	1	5,697
Mortgage loans	909	909	13	346	2,177
	Ps. 4,740	Ps. 1,731	Ps. 3,253	Ps. 1,166	Ps. 10,890

Past due loan movements for the years ended on December 31, 2024 and 2023 are shown below:

	2024	2023
Balance at the beginning of the year	Ps. 10,890	Ps. 9,973
Liquidations	(7,018)	(7,932)
Write-offs*	(19,818)	(15,896)
Renewals	(22)	(101)
Discounts	1,636	1,309
Foreclosures	-	(30)
Transfers to portfolio stage 1 and 2	(5,028)	(4,129)
Transfers from portfolio stage 1 and 2	30,282	27,236
Fluctuation from foreign exchange rate	204	153
Sales loans	(1)	307
Year-end balance	Ps. 11,125	Ps. 10,890

* Corresponds to 100% hedged loans.

As of December 31, 2024, the balance of deferred loan origination fees was Ps. 2,520 and the amount recorded in results was Ps. 1,927. Furthermore, the deferred balance of costs and expenses associated with initial loan originations was Ps. 6,104, and the amount recorded in results was Ps. 3,124.

As of December 31, 2023, the balance of deferred loan origination fees was Ps. 2,596 and the amount recorded in results was Ps. 1,688. Furthermore, the deferred balance of costs and expenses associated with initial loan originations was Ps. 5,371, and the amount recorded in results was Ps. 2,432.

The average term in which the deferred balance of commissions and costs and expenses will be recognized is equivalent to the average term of the portfolio balances.



The collected fees and costs are presented net in the line item of “Deferred credits and advance collections” within the Consolidated Statement of financial positions as well as in Interest Income and Interest Expenses, respectively, in the Consolidated income statements.

During the year ended December 31, 2024 and 2023, the balance of written off loans that had been fully reserved as past due was Ps. 18,182 and Ps. 16,292, respectively.

During the years ended December 31, 2024 and 2023, revenues from recoveries of previously written-off loan portfolios were Ps. 2,589 y Ps. 3,360, respectively.

The loans granted per economic sectors as of December 31, 2024 and 2023 is shown below:

	2024		2023	
	Amount	Concentration percentage	Amount	Concentration percentage
Private (companies and individuals)	Ps. 484,013	40.64%	Ps. 409,853	39.30%
Financial institutions	39,307	3.30%	25,594	2.45%
Credit card and consumer	208,741	17.53%	180,082	17.27%
Mortgage	274,790	23.08%	255,316	24.48%
Government loans	183,930	15.45%	171,972	16.50%
	Ps.			
	1,190,781	100.00%	Ps. 1,042,817	100.00%

Policies and procedures for granting loans

The granting, control and recovery of loans are regulated by the Financial Group's Credit Manual, which has been authorized by the Board of Directors. Accordingly, administrative portfolio control is performed in the following areas:

- I. Business Areas (includes Corporate, Commercial, Business, Governmental and Consumer Banking), primarily through the branch network.
- II. Operations Areas
- III. General Comprehensive Risk Management
- IV. Recovery Management

Similarly, the Financial Group has manuals establishing the policies and procedures to be utilized for credit risk management purposes.

The structure of the credit management process is based on the following stages:

- a) Product design
- b) Promotion
- c) Evaluation
- d) Formalization
- e) Operation
- f) Administration
- g) Recovery

Procedures have also been implemented to ensure that stage 3 loans are timely transferred and recorded in the accounting, and those loans with recovery problems are properly and promptly identified.

12 - LOANS RESTRUCTURED IN UDIS

As of December 31, 2024 and 2023, the Financial Group has no mortgage loans restructured in UDIS.

Early termination of mortgage loan borrower support programs

On June 30, 2010, the Federal Government through the SHCP and Banking Institutions signed an agreement for the early termination of the mortgage loan debtors support programs (*Final Point* and *UDIS trusts*) (the Agreement); consequently as of January 1, 2011, the Financial Group absorbed its part of the early discount granted to mortgage loan debtors participating in the program.



The Agreement established a series of obligations for the Federal Government payable in 5 annual amortizations with a due date of June 1, 2015 which is when the last payment of Ps. 29 was received. Such payment included the monthly financial cost from the day immediately following the cut-off date and up to closing of the month immediately preceding the due date.

As of December 31, 2024, the remaining balance of SPECIAL CETES not repurchased by the Federal Government is Ps. 478 with maturities in 2027.

13 - ALLOWANCE FOR LOAN LOSSES

The Financial Group's portfolio classification, which serves as the basis for recording the allowance for loan losses, is detailed below:

Risk category	2024						
	Required allowances for losses						
	Loan portfolio	Companies	Government	Financial institutions' loans	Consumer portfolio	Mortgage portfolio	Total
Risk A1	Ps. 1,095,486	Ps.1,192	Ps.864	Ps.77	Ps.1,132	Ps.209	Ps.3,474
Risk A2	30,149	73	42	0	492	46	653
Risk B1	45,707	19	54	0	1,342	31	1,446
Risk B2	19,871	27	5	0	817	43	892
Risk B3	14,418	84	1	12	693	8	798
Risk C1	16,822	74	0	1	927	236	1,238
Risk C2	17,198	127	40	0	2,446	244	2,857
Risk D	8,337	722	0	7	1,252	422	2,403
Risk E	8,143	1,149	0	85	4,454	80	5,768
Unclassified	(1,180)	-	-	-	-	-	-
BAP loan portfolio	3,812	-	-	-	-	-	-
Deferred items	3,132	-	-	-	-	-	-
	Ps. 1,261,895	Ps. 3,467	Ps. 1,006	Ps. 182	Ps. 13,555	Ps. 1,319	Ps. 19,529
Recorded allowance	-	-	-	-	-	-	20,434
BAP allowances	-	-	-	-	-	-	312
Supplement	-	-	-	-	-	-	Ps. 593

Risk category	2023						
	Required allowances for losses						
	Loan portfolio	Companies	Government	Financial institutions' loans	Consumer portfolio	Mortgage portfolio	Total
Risk A1	Ps. 946,536	Ps. 1,236	Ps. 837	Ps. 69	Ps. 806	Ps. 201	Ps. 3,149
Risk A2	32,302	138	13	-	399	46	596
Risk B1	37,755	70	4	-	1,065	23	1,162
Risk B2	22,225	25	-	-	955	37	1,017
Risk B3	13,346	69	1	-	651	6	727
Risk C1	16,121	65	-	-	764	212	1,041
Risk C2	13,364	98	62	-	1,225	235	1,620
Risk D	9,746	517	-	5	2,228	416	3,166
Risk E	9,095	1,950	4	34	4,492	76	6,556
Unclassified	(1,318)	-	-	-	-	-	-
BAP loan portfolio	3,503	-	-	-	-	-	-
Deferred items	2,386	-	-	-	-	-	-
	Ps. 1,105,061	Ps. 4,168	Ps. 921	Ps. 108	Ps. 12,585	Ps. 1,252	Ps. 19,034
Recorded allowance	-	-	-	-	-	-	19,857
BAP allowances	-	-	-	-	-	-	254
Supplement	-	-	-	-	-	-	Ps. 569

The reserve complement is in accordance with the provisions of the general provisions applicable to credit institutions.

As of December 31, 2024 and 2023, the provisions to cover 100% of the rating base for loan portfolios includes Ps. 34,880 and Ps. 19,157, respectively, for Guarantees Granted and Credit Commitments, which are recorded in memorandum accounts. Ps. 19,439 y Ps. 18,835 were also added for loans to related parties consolidated by the Parent Company.



The estimated allowance for loan losses is determined based on portfolio balances at those dates.

As of December 31, 2024 and 2023, the allowance for loan losses represents 181% and 180%, respectively, of the past-due portfolio.

The estimated allowance includes the classification of loans granted in foreign currency, which are evaluated at the exchange rate in effect as of December 31, 2024 and 2023.

According to the current regulation, as of December 31, 2024 and 2023, the Institution rated under the regulatory methodologies based on expected losses the commercial portfolios (except credits destined to investment projects with own payment source), Mortgage portfolio and non-revolving consumer portfolio (except auto credits to individuals).

The Financial Group uses internal methodologies authorized by the Commission according to the following: for the Revolving Consumer portfolio since January 2018, for the commercial portfolio of borrowers with sales or income greater than or equal to 14 million udis, since January 2019, and for the Auto (Individuals) portfolio since January 2020.

Below are shown for each type of portfolio, the exposure to default, probability of breach of contract, and severity of the loss.

Type of portfolio	Exposure to Default	Weighted Probability of Non-compliance	Weighted Severity of Loss
Commercial*	599,733	1.9%	33.7%
Mortgage	274,789	2.4%	19.9%
Non-revolving consumer	138,116	7.2%	68.5%
Revolving Consumer loan	83,399	9.4%	77.8%

* Loans to financial intermediaries and loan intended for investment projects having their own source of payment are not included.

Movements in allowance for loan losses

An analysis of the movements in allowance for loan losses is detailed below:

	2024	2023
Balance at the beginning of the year	Ps. 19,857	Ps. 17,899
Increase charged to results	22,158	19,764
Discounts and write-offs	(21,766)	(17,696)
Rebates granted to housing debtors	(55)	(31)
Others	240	(79)
Year-end balance	Ps. 20,434	Ps. 19,857

14- ACQUIRED COLLECTION RIGHTS, NET

The balance of acquired collection rights (net) as of December 31, 2024 and 2023 was Ps. 876 and Ps. 1,094, they are valued at amortized cost based on the effective interest method in accordance with MFRS C-20.

As of December 31, 2024, recognized income amounted to Ps. 714 and Ps. 519 and amortization to Ps. 155 and Ps. 110, respectively.

The Financial Group performs an analysis based on events or information to estimate the amount of expected cash flows to determine the estimated rate of return used in applying the valuation method for the amortization of the accounts receivable. If based on historical or current events information, the analysis demonstrates that the future cash flows discounted at the original rate of return (effective interest rate) will decrease to the degree that they will not cover the book value, it will constitute an estimate for non-recoverability or difficult collection against the year's results for the amount that such discounted cash flows are lower than the book value of the accounts receivable.



Assets different from cash that the Financial Group has received as part of portfolio collection or recovery have been mainly in real estate property.

The main feature considered for segmenting acquired portfolios has been the type of loan.

15 – DEBTORS OF INSURANCE AND SURETY COMPANIES

This item is made up as follows:

	2024	2023
Maritime and transportation	Ps. 19	Ps. 30
Automobile	2,405	1,920
Various	1,072	812
Accidents and health	915	849
Life	1,140	873
Pensions	68	85
	5,619	4,569
Federal public administration agencies' indebtedness	-	91
	Ps. 5,619	Ps. 4,660

16 – AMOUNTS RECOVERABLE BY REINSURANCE AND COUNTER-GUARANTEE

This item is made up as follows:

	2024	2023
Insurance and surety entities	Ps. 2,064	Ps. 1,978
Reinsurers' participation for pending claims	2,447	3,088
Reinsurers' participation for current risk	572	389
Other participations	629	365
Preemptive credit risk assessment of Foreign Reinsurers		
Foreing	(2)	(3)
Estimate for punishments	(49)	(44)
	Ps. 5,661	Ps. 5,773

17 - OTHER ACCOUNTS RECEIVABLE, NET

This item is made up as follows:

	2024	2023
Loans to officers and employees	Ps. 3,739	Ps. 3,562
Debtors from liquidation settlements	26,156	22,231
Debtors from cash collateral	15,065	10,015
Real estate property portfolios	379	397
Sundry debtors in Mexican pesos	9,198	7,107
Sundry debtors in foreign currency	436	1,007
Others	1,641	1,037
	56,614	45,356
Allowance for doubtful accounts	(385)	(424)
	Ps. 56,229	Ps. 44,932

Loans to officers and employees mature within 3 to 30 years and accrue an interest rate from TIIE +0.6% to TIIE +1 %.



18 - FORECLOSED ASSETS, NET

As of December 31, 2024 and 2023, the foreclosed assets balance is as follows:

	2024	2023
Moveable property	Ps. 112	Ps. 2,303
Real estate property	6,417	4,598
Goods pledged for sale	241	143
	6,770	7,044
Allowance for losses on foreclosed assets	(49)	(83)
Allowance for losses on foreclosed real estate assets	(2,091)	(2,036)
Allowance for losses on assets pledged for sale	(30)	(44)
	(2,170)	(2,163)
	Ps. 4,600	Ps. 4,881

19 - PROPERTY, FURNITURE AND EQUIPMENT, NET

As of December 31, 2024 and 2023, the property, furniture and equipment balance is as follows:

	2024	2023
Furniture and equipment	Ps. 20,519	Ps. 19,818
Property intended for offices	18,827	17,990
Installation costs	16,904	15,024
	56,250	52,832
Less - Accumulated depreciation and amortization	(24,337)	(22,281)
	Ps. 31,913	Ps. 30,551

Depreciation recorded in the results of 2024 and 2023 was Ps. 4,198 and Ps. 3,685, respectively.

The average estimated useful lives of the Financial Group's assets subject to depreciation are listed below:

	Useful Life
Furniture and equipment	From 4 to 10 years
Property intended for offices	From 4 to 99 years
Installation costs	10 years

20 – ASSETS RIGHTS OF USE OF ASSETS AND LEASE LIABILITY

The Financial Group leases computer equipment, furniture and equipment and real estate, agreed upon in previous years.

The asset balance of the right-of-use as of December 31, 2024 and 2023 is as follows

	2024	2023
Computer equipment	Ps. 4,328	Ps. 3,876
Real estate	112	27
	Ps. 4,440	Ps. 3,903



As of December 31, 2024 and 2023, the lease liability is made up as follows:

Analysis of Maturity - Undiscounted Contractual Cash Flows

	2024	2023
From zero to five years	Ps. 2,132	Ps. 129
From more than five to ten	229	2,057
Ten years and more	2,216	1,761
	Ps. 4,577	Ps. 3,947

The depreciation expense of asset right-of-use recognized in results as of December 31, 2024 and 2023, was Ps. 1,311 and Ps. 924, respectively.

The interest expense of the lease liability recognized in results as of December 31, 2024 and 2023, was Ps. 386 and Ps. 379, respectively.

Lease payments made in 2024 and 2023 were Ps. 1,626 and Ps. 1,453, respectively.

21 - PERMANENT STOCK INVESTMENTS

Investments in non-consolidated companies and associated companies are valued according to the equity method, as detailed below:

	Share %	2024	2023
Afore XXI-Banorte, S.A. de C.V.	50%	Ps. 13,911	Ps. 13,762
McN Investments Ltd	4.95%	1,008	1,008
Controladora PROSA, S.A. de C.V.	19.73%	374	431
Sociedades de Inversión Ixe Fondos	Several	146	126
F-741723 - Valle de San Pedro	20.00%	27	27
Fondo Chiapas, S.A. de C.V.	12.09%	19	18
Capital I CI-3, S.A.P.I. de C.V.	50.00%	6	7
Others	Several	138	116
		Ps. 15,629	Ps. 15,495

The Financial Group exercises significant influence over its affiliates valued under the equity method through its representation in the board of directors or equivalent management body, as well as through significant intercompany transactions.

The relevant activities of the Afore are directed by both the Financial Group and the Mexican Institute of Social Security [*Instituto Mexicano del Seguro Social*], with equal rights and responsibilities. Therefore the Financial Group has no control over such entity and does not consolidate it.



22 - DEFERRED TAXES, NET

The tax reported by the Financial Group is calculated based on the current taxable result of the year and enacted tax regulations. However, due to temporary differences between how income and expenses are recognized for accounting and tax purposes, as well as the differences between the accounting and tax statement of financial position accounts, As of December 31, 2024 and 2023, the Financial Group has recognized a net deferred tax for Ps. 5,245 and (Ps. 1,838), respectively, and it is made up as follows:

	2024		2023	
	Temporary Differences	Deferred Effect	Temporary Differences	Deferred Effect
<u>Temporary Differences - Assets</u>				
Allowance for loan losses	Ps. 1,842	Ps. 552	Ps. 1,924	Ps. 577
Tax loss carryforwards	2,740	822	1,022	307
Surplus allowances for credit risks over the net tax limit	19,452	6,135	17,440	5,232
Excess of tax over book value of foreclosed and fixed assets	1,140	368	3,512	1,073
PTU	1,497	449	1,309	393
Fees collected in advance	3,733	1,120	4,149	1,245
Financial instruments valuation	3,631	1,089	-	-
Deferred from the IXE purchase method	67	20	-	-
Accounting provisions	7,240	2,172	6,176	1,853
Other assets	581	174	303	91
Total assets	Ps. 41,923	Ps. 12,901	Ps. 35,835	Ps. 10,771
<u>Temporary Differences - Liabilities</u>				
Excess of tax over book value of foreclosed and fixed assets and expected payments	1,500	450	Ps. 1,139	Ps. 342
Adquisition of Portafolios	1,108	333	1,339	402
Capitalizable projects' expenses	21,804	6,541	23,624	7,087
Financial instruments valuation	-	-	14,629	4,404
Advance contributions to the pension fund	4	1	5	2
Intangible assets	954	286	1,002	301
Deferred from the IXE purchase method	-	-	21	6
Other liabilities	152	45	214	65
Total Liabilities	Ps. 25,522	Ps. 7,656	Ps. 41,973	Ps. 12,609
Deferred tax, net		Ps. 5,245		(Ps. 1,838)

As explained in Note 33, the applicable income tax rate is 30% for 2024 and 2023 and later years.

At December 31, 2024, the tax loss carry forwards prescription is as follows:

Due date	Amount
2029	Ps. 255
2030	218
2031	297
2032	285
2033	424
2034	1,261
	Ps. 2,740



Banorte USA's deferred tax assets and liabilities are determined using the liability method. According to this method, the net asset or liability of deferred taxes is determined based on the tax effects of temporary differences between the book and tax base of assets and liabilities. Due to the consolidation of Banorte USA, as of December 31, 2024 and 2023, a net amount of Ps. 43 was added to deferred taxes determined at a rate of 21% as per the tax law of the USA.

23 - ADVANCE PAYMENTS AND OTHER ASSETS, NET

The balance of advanced payments and other assets as of December 31, 2024 and 2023 is as follows:

	2024	2023
Payments to be amortized	Ps. 1,505	Ps. 1,195
Various taxes	4,278	4,285
Advances to suppliers	3,861	2,773
Other assets	4,447	4,930
	Ps. 14,091	Ps. 13,183

24 – GOODWILL

As of December 31, 2024 and 2023 goodwill is as follows:

	2024	2023
Originated by the merger with Grupo Financiero Interacciones, S.A.B. de C.V.	Ps. 14,070	Ps. 14,070
Originated by the merger with Ixe Grupo Financiero, S.A.B. de C.V.	11,258	11,258
Originated by the merger with Banorte-Ixe Tarjetas, S.A. de C.V., SOFOM, ER	1,005	1,005
Originated by the merger with Uniteller Financial Services	433	345
Originated by the merger with Tarjetas del Futuro, S.A.P.I. de C.V. (TDF)	147	147
Originated by the merger with More Payment Evolution	1,154	-
	Ps. 28,067	Ps. 26,825

* Includes Ps. 727 of the goodwill generated by the acquisition of Banorte-Ixe Tarjetas and Ps. 278 that this entity had registered at the time of the acquisition.

As mentioned in Note 5, goodwill is not amortized since 2007 and since then is subject to annual impairment tests. No impairment to goodwill value was detected as of December 31, 2024 and 2023.

25 - DEPOSITS

Liquidity coefficient

The "Investment regime for transactions in foreign currency and conditions to be fulfilled during the term of transactions in such currency", designed for credit institutions by Banco de México, establishes the mechanism for determining the liquidity coefficient of liabilities denominated in foreign currency.

In accordance with the aforementioned regime, during 2024 and 2023 the Holding Company generated an average monthly liquidity requirement of 964,178 and 705,119 thousand USD, respectively, and maintained an average investment in liquid assets of 5,324,763 and 5,448,614 thousand USD, having on average an excess of 4,360,584 and 4,743,495 thousand USD, respectively.



Deposits

The liabilities derived from core deposits are made up as follows:

	2024	2023
Demand deposits		
Non-interest bearing checking accounts:		
Cash deposits	Ps. 424,998	Ps, 408,257
Checking accounts in US dollars for individual residents on the Mexican border	4,767	4,417
Demand deposits accounts	13,086	12,238
Interest bearing checking accounts:		
Other bank checking deposit	253,503	237,593
Checking accounts in US dollars for individual residents on the Mexican border	2,360	2,297
Demand deposits accounts	23,467	14,121
	722,181	678,923
Time deposits		
General public:		
Fixed-term deposits	27,237	25,588
Retail time deposits	334,349	304,429
Promissory note with interest payable at maturity PRLV primary market for individuals	85	87
Promissory note with interest payable at maturity PRLV primary market for institutions	114	148
Provision for interest	1,899	1,846
	363,684	332,098
Money market:		
Over the counter promissory notes	1,795	8,098
	1,795	8,098
	365,479	340,196
Senior debt	41,831	33,643
Global account of deposits without movement	4,009	3,656
	Ps. 1,133,500	Ps. 1,056,418

The funding rates which the Financial Group uses as reference are: a) for Mexican pesos, Interbank Interest Rate (TIIE), Average Cost of Funds (CCP) and; b) for foreign currency, the London Interbank Offered Rate (LIBOR).

These liabilities incur interest depending on the type of instrument and average balance held in the investments. The average interest rates and their currency of reference are shown below:

Immediately due and payable deposits:

Foreign exchange	2024				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Mexican pesos and UDIS	2.99%	2.89%	2.85%	2.67%	2.07%	2.58%	3.11%	3.06%
Foreign currency	1.72%	2.00%	1.72%	1.54%	0.74%	1.29%	1.75%	1.68%

Time deposits:

Foreign exchange	2024				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
General public								
Mexican pesos and UDIS	8.96%	8.81%	8.74%	8.22%	7.65%	8.38%	8.54%	8.72%
Foreign currency	3.02%	2.47%	3.27%	3.56%	0.51%	0.53%	1.72%	2.96%
Money market	10.07%	10.77%	10.50%	10.32%	10.12%	10.76%	10.65%	10.67%



As of December 31, 2024 and 2023, the terms set for these deposits are as follows:

	2024			Total
	From 1 to 179 days	From 6 to 12 months	More than 1 year	
General public				
Fixed-term deposits	Ps. 21,866	Ps. 1,242	Ps. 4,129	Ps. 27,237
Retail time deposits	323,543	10,559	247	334,349
Promissory note with interest payable at maturity PRLV primary market for individuals	85	-	-	85
Promissory note with interest payable at maturity PRLV primary market for entities	100	11	3	114
Provision for interest	1,656	231	12	1,899
	347,250	12,043	4,391	363,684
Money market:				
Over the counter promissory notes	-	-	1,795	1,795
	-	-	1,795	1,795
Senior debt issued	41,831	-	-	41,831
Global account of deposits without movements	4,009	-	-	4,009
	Ps. 393,090	Ps. 12,043	Ps. 6,186	Ps. 411,319

	2023			Total
	From 1 to 179 days	From 6 to 12 months	More than 1 year	
General public				
Fixed-term deposits	Ps. 20,154	Ps. 915	Ps. 4,519	Ps. 25,588
Retail time deposits	292,208	11,957	264	304,429
Promissory note with interest payable at maturity PRLV primary market for individuals	84	1	2	87
Promissory note with interest payable at maturity PRLV primary market for entities	135	10	3	148
Provision for interest	1,525	309	12	1,846
	314,106	13,192	4,800	332,098
Money market:				
Over the counter promissory notes	-	-	8,098	8,098
	-	-	8,098	8,098
Senior debt issued	33,643	-	-	33,643
Global account of deposits without movements	3,656	-	-	3,656
	Ps. 351,405	Ps. 13,192	Ps. 12,898	Ps. 377,495

26 - INTERBANK AND OTHER LOANS

The loans received from other banks as of December 31, 2024 and 2023 is as follows:

	Mexican pesos		Denominated in USD		Total	
	2024	2023	2024	2023	2024	2023
Short-term:						
Commercial banking	Ps. 1,530	Ps. 3,836	Ps. -	Ps. 416	Ps. 1,530	Ps. 4,252
Development banking	1,943	17,736	-	558	1,943	18,294
Public trusts	13,837	2,842	4,744	298	18,581	3,140
Provision for interest	117	37	25	8	142	45
	17,427	24,451	4,769	1,280	22,196	25,731
Long-term:						
Commercial banking	-	648	3,836	182	3,836	830
Development banking	-	1,845	-	152	-	1,997
Public trusts	7,273	3,829	1,756	755	9,029	4,584
	7,273	6,322	5,592	1,089	12,865	7,411
	Ps. 24,700	Ps. 30,773	Ps. 10,361	Ps. 2,369	Ps. 35,061	Ps. 33,142



These liabilities incur interest depending on the type of instrument and average balance of the loans.

The average interest rates are shown below:

Foreign exchange	2024				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<u>Call money</u>								
Mexican pesos and UDIS	-%	-%	-%	-%	-%	-%	-%	-%
<u>Other bank loans</u>								
Mexican pesos and UDIS	9.68%	9.92%	9.84%	9.43%	10.06%	10.21%	9.69%	9.38%
Foreign currency	5.00%	5.47%	5.90%	5.19%	4.76%	5.22%	5.32%	4.82%

27 - TECHNICAL RESERVES

Technical reserves are made as follows:

	2024	2023
Current risk:		
Life	Ps. 292,877	Ps. 261,254
Accidents and health	2,779	2,550
Damages	4,360	3,470
	300,016	267,274
Contractual obligations:		
Claims and expirations	7,434	7,613
Unreported claims	6,565	6,039
Dividends on policies	173	402
Insurance funds under management	82	79
Security premiums	87	347
	14,341	14,480
Contingency:		
Catastrophic risk	1,119	1,281
Contingencies	5,055	4,671
Special	1,196	1,186
	7,370	7,138
	Ps. 321,727	Ps. 288,892

Seguros Banorte's technical reserves were ruled by Actuary Ana Maria Ramírez Lozano, member of the company called KPMG Cárdenas Dosal, S.C.

The technical reserves of Pensiones Banorte were ruled by Actuary Rocío Gomez Reyes, member of the company called Willis Towers Watson Consultores México, S. de R.L. of C.V.

28 - SUNDRY CREDITORS AND OTHER PAYABLES

The item of sundry creditors and other payables as of December 31, 2024 and 2023 is made up as follows:

	2024	2023
Cashier and certified checks and other negotiable instruments	Ps. 7,170	Ps. 5,273
Provisions for other obligations	8,842	6,966
Others	16,515	24,798
	Ps. 32,527	Ps. 37,037



29 - EMPLOYEE BENEFIT LIABILITY

As of December 31, 2024 and 2023 it is integrated as follows:

	2024	2023
Direct short-term and other benefits	\$6,815	\$7,163
Post-employment benefits	5,464	3,906
Termination Benefits	367	330
	\$12,646	\$11,399

The Holding recognizes the liabilities for pension plans and seniority premiums using the "Projected Unit Credit Method", which considers the benefits accrued at the date of the Consolidated Statement of financial positions and the benefits generated during the year.

The amount of current and projected benefits as of December 31, 2024 and 2023, related to the Defined Benefit Pension Plan, seniority premiums and retiree medical coverage, determined by independent actuaries, is analyzed below:

	2024			Total
	Pension plan	Seniority premiums	Medical services	
Projected benefit obligation (PBO)	(Ps. 1,732)	(Ps. 4,626)	(Ps. 921)	(Ps. 7,279)
Fund market value	666	947	202	1,815
Fund status	(1,066)	(3,679)	(719)	(5,464)
Unrecognized prior service cost	-	-	-	-
Unrecognized actuarial losses	-	-	-	-
Net projected liability	(Ps. 1,066)	(Ps. 3,679)	(Ps. 719)	(Ps. 5,464)

	2023			Total
	Pension plan	Seniority premiums	Medical services	
Projected benefit obligation (PBO)	(Ps. 1,745)	(Ps. 810)	(Ps. 3,666)	(Ps. 6,221)
Fund market value	724	290	1,301	2,315
Fund status	(1,021)	(520)	(2,365)	(3,906)
Unrecognized prior service cost	-	-	-	-
Unrecognized actuarial losses	-	-	-	-
Net projected liability	(Ps. 1,021)	(Ps. 520)	(Ps. 2,365)	(Ps. 3,906)

As of December 31, 2024 and 2023, a separate fund amounting to Ps. 101 and Ps. 127 has been set aside to meet the above-mentioned obligations, in accordance with MFRS D-3 and is recorded under "Other assets".

As of December 31, 2024 and 2023, the net periodic pension cost is as follows:

	2024	2023
Service cost	Ps. 166	Ps. 128
Interest cost	644	569
Expected return on plan assets	(227)	(238)
Amortizations of unrecognized items:		
Profits (actuarial losses)	132	115
Net periodic pension cost	Ps. 715	Ps. 574



The rates used in the calculation of the projected benefit obligation and return on plan assets as of December 31, 2024 and 2023, are shown below:

Concept	2024 Nominal	2023 Nominal
Discount rate	11.25%	10.75%
Rate of wage increase	4.75%	4.50%
Long-term inflation rate	3.50%	3.50%
Expected long-term rate of return on plan assets	3.50%	3.50%

The liability for severance indemnities due to causes other than organization restructuring, which was also determined by independent actuaries, is comprised as follows:

Concept	2024	2023
Defined and projected benefit obligations	(Ps. 367)	(Ps. 330)
Net projected liability	(Ps. 367)	(Ps. 330)

The net periodic pension cost is as follows:

Concept	2024	2023
Service cost	Ps. 52	Ps. 69
Interest cost	(13)	8
Net periodic pension cost	Ps. 39	Ps. 77

Pursuant to the law, the Financial Group makes payments equivalent to 2% of its workers' salary to the contribution plan defined for the retirement saving fund established by law. The expense for this concept was Ps. 295 2024 and Ps. 230 2023.

The balance of the employee retirement obligations presented in this Note refers to the Holding's Defined Benefit Pension Plan for those employees who remain enrolled.

The labor obligations derived from the Defined Contribution Pension Plan do not require an actuarial valuation as established in MFRS D-3, because the cost of this plan is equivalent to the Financial Group's contributions made to the plan's participants. This pension plan is invested in a fund as of December 31, 2024 and 2023, equivalent to Ps. 110 and Ps. 101, respectively, which is recorded under "Other assets" and is equivalent to the recorded plan liability.

As of December 31, 2024 and 2023, the PTU provision was Ps. 1,546 and Ps. 1,394, respectively.



30 - SUBORDINATED DEBENTURES

As of December 31, 2024 and 2023, the subordinated debentures in circulation are as follows:

	2023	2023
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable BANOE91 999999 C10 Notes denominated in USD, with an interest rate of 7.625%. **	Ps. 11,486	Ps. 9,332
Preferred subordinated obligations not susceptible to be converted into share capital BANOC36 311004 with maturity in October 2031, denominated in USD, with an interest rate of 5.75% payable semiannually and amortizing the capital at maturity.	1,546	1,380
Non-preferred subordinated obligations, non-preferent, perpetual, non-cumulative 5 years callable NC5 Notes denominated in USD, with an interest rate of 6.750%**	-	10,180
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable NC10 Notes denominated in USD, with an interest rate of 7.50%**	10,441	8,483
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable NC10 Notes denominated in USD, with an interest rate of 8.375%.	10,441	8,483
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 5 years callable NC10 Notes denominated in USD, with an interest rate of 5.875%.	10,441	8,483
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable NC10 Notes denominated in USD, with an interest rate of 6.625%.	11,486	9,332
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable D2_BANOD06_999999 Notes denominated in USD, with an interest rate of 8.375%.	15,662	-
Non-preferred subordinated obligations, non preferent, perpetual, non-cumulative 10 years callable D2_ BANOE88_999999 Notes denominated in USD, with an interest rate of 8.75%.	15,662	-
Accrued interest.	22	19
Issuance and placement expenses.	(259)	(271)
	Ps. 86,928	Ps. 55,421

** Issuance recorded in liabilities and the interest generated by the notes is payable against the results of previous years, given the characteristic established in the obligations to pay the returns at the discretion of the issuer, it is considered a component of equity.

Expenses related to these issuances are amortized based on the effective interest rate during the issuance term. The amount charged to results for amortization amounted to Ps 63 and Ps. 67 in 2024 and 2023, respectively.

31 - TRANSACTIONS AND BALANCES WITH NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

Pursuant to Article 73 Bis of the LIC, the loans granted by Banking Institutions to related parties may not exceed 35% of the basic part of its net capital.

For the year ended December 31, 2024 and 2023, the amount of the loans granted to related parties were as follows:

Institution granting the loan	2024	% over the limit	2023	% over the limit
Banco Mercantil del Norte, S.A.	Ps. 32,469	17.1%	Ps. 22,105	11.2%

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



32 - INFORMATION BY SEGMENT

The main operations and balances per concept and/or business segment in the Statement of financial position and the Income Statement are comprised as follows:

a. Interest and fees income is made up as follows:

	2024		
	Interest	Fees	Total
	MXP	MXP	MXP
Cash and cash equivalents	Ps. 8,127	Ps. -	Ps. 8,127
Margin securities	(471)	-	(471)
Investment in securities	72,392	-	72,392
Securities repurchasing and loans	9,058	-	9,058
Hedging transactions	151,717	-	151,717
Commercial loans	76,379	570	76,949
Mortgage loans	24,675	833	25,508
Consumer loans	48,669	524	49,193
Others	12,960	-	12,960
	Ps. 403,506	Ps. 1,927	Ps. 405,433

	2023		
	Interest	Fees	Total
	MXP	MXP	MXP
Cash and cash equivalents	Ps. 7,342	Ps. -	Ps. 7,342
Margin securities	(618)	-	(618)
Investment in securities	65,550	-	65,550
Securities repurchasing and loans	10,399	-	10,399
Hedging transactions	146,812	-	146,812
Commercial loans	69,794	421	70,215
Mortgage loans	22,166	822	22,988
Consumer loans	41,565	444	42,009
Others	10,800	-	10,800
	Ps. 373,810	Ps. 1,687	Ps. 375,497

b. The balances by service sector of the Financial Group, without considering the eliminations relative to the consolidation of the financial statements, are as follows:

	2024	2023
Banking sector:		
Net income	Ps. 43,873	Ps. 41,946
Stockholders' equity	150,826	150,966
Total portfolio	1,162,108	1,017,106
Stage 3 loan portfolio	10,576	10,006
Allowance for loan losses	(19,671)	(18,749)
Total net assets	1,834,184	1,682,493
Brokerage sector:		
Net income	959	751
Stockholders' equity	4,743	4,475
Portfolio balance	1,425,818	1,161,116
Total net assets	260,857	250,929
Long term saving sector*		
Net income	9,714	8,155
Stockholders' equity	36,834	36,052
Total net assets *	373,465	336,777



	2024	2023
Other finance companies' sector:		
Net income	1,023	779
Stockholders' equity	14,424	13,929
Total portfolio	48,113	44,546
Stage 3 loan portfolio	550	885
Allowance for loan losses	(451)	(854)
Total net assets	60,684	59,086
Grupo Financiero Banorte (Financial Group)		
Net income	56,188	52,422
Stockholders' equity	249,299	249,242
Total assets	249,357	249,338

*For sector comparisons, Afore XXI Banorte's results are shown at 100% in this table. As of the fourth quarter of 2016, results are reported in Seguros Banorte in 50% through participation method.

c. The trading results is as follows:

	2024	2023
Trading results:		
Spot foreign currency and metal	Ps. 14,615	(Ps. 7,009)
Derivative financial instruments	(8,317)	546
Investments in securities	1,351	1,562
Valuation	7,649	(4,901)
Purchase-sales result, net		
Spot foreign currency and metal	(4,445)	7,895
Derivative financial instruments	(153)	48
Investments in securities	1,932	871
Purchase and Sale	(2,666)	8,814
Total trading results	Ps. 4,983	Ps. 3,913

d. The loan portfolio in stage 1 and 2 grouped by economic sector and geographical location, is as follows

Economic sector	2024	%	2022	%
Agriculture	Ps. 13,339	1.1%	Ps. 11,570	1.1%
Commerce	145,197	12.3%	105,597	10.2%
Construction	41,900	3.6%	37,259	3.6%
Manufacturing	53,588	4.5%	48,548	4.7%
Mining	2,056	0.2%	1,842	0.2%
Services	50,131	4.2%	57,186	5.5%
Financial and real estate services	116,173	9.8%	86,185	8.4%
Transportation	50,930	4.3%	47,645	4.6%
Government	183,927	15.6%	171,961	16.7%
Mortgage	272,692	23.1%	253,138	24.5%
Credit card	68,445	5.8%	58,137	5.6%
Other consumer loans	135,461	11.5%	117,125	11.4%
Leasing	30,267	2.6%	23,815	2.3%
Factoring	15,550	1.3%	11,919	1.2%
	Ps. 1,179,656	100.0%	Ps. 1,031,927	100.00%



e. The stage 3 loan portfolio, grouped by economic sector and geographical location, is as follows

Economic Sector	2024	%	2023	%
	Ps.		Ps. 312	2.9%
Agriculture	483	4.3%		
Commerce	1,437	12.9%	1,086	10.0%
Construction	184	1.7%	276	2.5%
Manufacturing	667	6.0%	631	5.8%
Mining	31	0.3%	30	0.3%
Services	270	2.4%	356	3.3%
Financial and real estate services	391	3.5%	248	2.3%
Transportation	179	1.6%	63	0.6%
Government	4	0.0%	11	0.1%
Mortgage	2,097	18.8%	2,177	20.0%
Credit card	2,158	19.4%	1,968	18.1%
Other consumer loans	2,679	24.1%	2,852	26.2%
Leasing	256	2.3%	212	1.9%
Factoring	289	2.6%	668	6.1%
	Ps.		Ps. 10,890	100.00%
	11,125	100.0%		

f. Deposit accounts grouped by product and geographical location are as follows:

Producto	2024							
	Geographical location							Total
	Monterrey	Mexico City	West	Northwest	South-east	Treasury and other	Foreign	
Non-interest bearing checking accounts	Ps. 98,028	Ps. 159,952	Ps. 39,536	Ps. 58,887	Ps. 61,484	Ps. 2,501	Ps. -	Ps. 420,388
Interest-bearing checking accounts	27,551	108,124	13,136	15,988	39,091	318	-	204,208
Current account Ps. and pre-established	812	1,683	390	514	540	70	-	4,009
Non-interest bearing demand deposits, USD	10,136	10,147	2,309	15,251	1,971	-	-	39,814
Interest bearing demand deposits, USD	20,154	23,172	3,349	7,684	3,410	-	-	57,769
Retail time deposits	78,068	120,580	32,037	34,820	45,252	892	-	311,649
Time deposits, USD	469	3,365	28	259	15	10	-	4,146
Customers money market	25,655	12,874	4,133	3,067	1,975	187	-	47,891
Financial intermediaries	-	-	-	-	-	40,390	3,236	43,626
Total deposits	Ps. 260,873	Ps. 439,897	Ps. 94,918	Ps. 136,470	Ps. 153,738	Ps. 44,368	Ps. 3,236	Ps. 1,133,500



Producto	2023							
	Geographical location							
	Monterrey	Mexico City	West	Northwest	South-east	Treasury and other	Foreign	Total
Non-interest bearing checking accounts	Ps. 89,825	Ps. 150,477	Ps. 37,562	Ps. 53,807	Ps. 58,730	Ps. 2,304	Ps. -	Ps. 392,705
Interest-bearing checking accounts	19,812	126,164	12,545	14,677	40,867	1,663	-	215,726
Current account Ps. and pre-established	754	1,533	359	486	498	25	-	3,656
Non-interest bearing demand deposits, USD	7,771	7,569	2,188	12,056	2,625	(3)	-	32,207
Interest bearing demand deposits, USD	12,205	15,545	1,382	6,497	2,658	(1)	-	38,286
Retail time deposits	66,953	106,563	26,694	29,892	38,423	186	-	268,712
Time deposits, USD	154	3,858	22	425	31	6	-	4,495
Customers money market	19,934	16,829	5,305	3,507	3,069	170	-	48,815
Financial intermediaries	-	-	-	-	-	49,172	2,644	51,816
Total deposits	Ps. 217,408	Ps. 428,538	Ps. 86,057	Ps. 121,347	Ps. 146,901	Ps. 53,522	Ps. 2,644	Ps. 1,056,418

33 - INCOME TAXES

The Financial Group is subject to Income Tax (ISR).

ISR

Pursuant to the ISR Law the rate for 2024 was 30% and will continue at the same rate for subsequent years.

Reconciliation of the accounting and tax result

The main items that affected the determination of the Financial Group's fiscal result were the annual adjustment for inflation, the deduction in the exercise of the write-offs of the loan portfolio and the valuation of financial instruments.

Reconciliation of the ISR legal rate and the effective rate expressed as a percentage of the income before ISR and PTU is:

	2024	2023
Legal rate	30%	30%
Tax inflation	(1%)	(1%)
Accounting deductions non-tax	1%	1%
Non-cumulative recoveries	(1%)	(1%)
Interest oddebentures	(2%)	(2%)
Other entriers	(1%)	(1%)
Effective rate	26%	26%



34 - DISCLOSURE OF FAIR VALUE

The level of the fair value hierarchy is determined based on the input data and the valuation methodologies used, and is divided into:

- Level 1: are those instruments whose input data are quoted prices, stock market closing prices, facts or position in active markets. These data represent reliable evidence for the determination of fair value without the need to be adjusted.
- Level 2: when the price or input data used to calculate the fair value is that of an instrument similar to the valued one. Also included are those instruments that, despite the existence of quoted prices in the market, do not have transactions on the valuation date or that such transactions are not of a considerable volume.
- Level 3: these are financial instruments whose fair value was calculated using input data that are not available in the market or that are not observable.

As of December 31, 2024 and 2023, the Financial Group determined the fair values of its assets and liabilities, as well as the amount corresponding to each fair value hierarchy level classification as shown in the following table:

Activos	2024	Level 1	Level 2	Level 3	2023	Level 1	Level 2	Level 3
Derivatives – Trading								
Forwards	Ps. 280	Ps. -	Ps. 280	Ps. -	Ps. 939	Ps. -	Ps. 939	Ps. -
Options	1,022	-	1,022	-	998	-	998	-
Swaps	19,824	-	19,824	-	26,854	-	26,854	-
Derivatives – Hedge								
Swaps	1,004	-	1,004	-	4,442	-	4,442	-
Investment in securities								
Trading financial instrument	400,773	178,526	221,581	666	109,121	24,327	84,250	544
Financial Instruments to Collect or Sell	201,079	100,074	100,911	94	161,048	74,310	86,678	60
Total assets	Ps. 623,982	Ps. 278,600	Ps. 344,622	Ps. 760	Ps. 303,402	Ps. 98,637	Ps. 204,161	Ps. 604
Pasivos	2024	Level 1	Level 2	Level 3	2023	Level 1	Level 2	Level 3
Derivatives – Trading								
Forwards	Ps. 376	Ps. -	Ps. 376	Ps. -	Ps. 731	Ps. -	Ps. 731	Ps. -
Options	960	-	960	-	1,024	-	1,024	-
Swaps	20,793	-	20,793	-	19,733	-	19,733	-
Derivatives – Hedge								
Swaps	3,798	-	3,798	-	2,259	-	2,259	-
Total liabilities	Ps. 25,927	Ps. -	Ps. 25,927	Ps. -	Ps. 23,747	Ps. -	Ps. 23,747	Ps. -

- Input data and valuation techniques for assets and liabilities classified as level 2 and level 3



The following table shows the valuation techniques and the observable and unobservable input data used to determine the fair value of those assets and liabilities classified as level 2 and level 3, as well as the figures corresponding to December 31, 2024 and 2023:

Asset

Concept	2024		2023		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
Derivatives – Trading	Ps. 21,273	Ps. -	Ps. 28,926	Ps. -			
Forwards	279	-	939	-			
Currency	279	-	939	-	Net present value	<u>Net present value:</u> - Spot exchange rate - Forward points - Market interest rates	
Options	1,027	-	1,003	-			
Interest rate	652	-	908	-	Black Model Normal/Lognormal	<u>Black Normal/Lognormal model:</u> - Market interest rates - Embedded volatility	
Index	6	-	14	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot exchange rate - Market interest rates - Embedded volatility	
Currency	369	-	81	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Dividends - Spot exchange rate - Market interest rates - Forward points - Embedded volatility FX	
Swaps	19,967	-	26,984	-			
Interest rate	14,073	-	18,426	-	Net Present Value	<u>Net present value:</u> - Market interest rates	
Currency	5,849	-	8,556	-	Net Present Value	<u>Net present value:</u> - Market interest rates - Spot exchange rate - Forward points	
Credit	45	-	2	-	Default Intensity Model	<u>Default intensity model:</u> - Market interest rates - Market credit spread - Recovery rate	
Derivatives – Hedge	1,010		4,444				
Swaps	1,010	-	4,444	-			
Interest rate	201	-	742	-	Net Present Value	<u>Valor Presente Neto:</u> - Market interest rates	
Currency	809	-	3,702	-	Net Present Value	<u>Valor Presente Neto:</u> - Market interest rates - Spot exchange rate - Forward points	



Concept	2024		2023		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
XVA	(Ps. 152)	Ps. -	(Ps. 137)	Ps. -			
Forwards	1	-	-	-	<u>Probability of Default:</u>	- Market credit spread	- Synthetic credit spread
Options	(4)	-	(5)	-	- <u>Default Intensity</u>	- Market loss severity	- Historical values
Swaps – Trading	(143)	-	(130)	-	- Model	- Interest rate volatility	- Correlations between market variables
Swaps – Hedge	(6)	-	(2)	-	<u>Synthetic credit spread:</u>	- Market interest rates	
					- Global CDS data regression model	- Spot exchange rate	
						- Forward points	
						- Embedded volatility	
					<u>Exposiciones:</u>		
					<u>Exposiciones:</u>		
					- Hull-White Model		
					- Black-Scholes Model		
					- CIR Model		

Concept	2024		2023		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
Investment in securities	Ps. 322,492	Ps. 760	Ps. 170,928	Ps. 604			
Trading financial instrument	221,581	666	84,250	544			
Bank	29,588	-	5,564	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Weighted bank funding rate	
Government	191,644	-	78,686	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Exchange rate	
Private	349	666	-	544	Basket price of financial assets and liabilities	<u>Last observable price:</u> - Last share price	<u>Basket price of financial assets and liabilities:</u> - Acquired financial assets - Administrative and placement expenses - Adjustment for rights decreed that affect the shareholding structure
					Last observable price	<u>Value in books:</u> - Valuation to the millionth	
					Value in books	<u>Comparable multiples method:</u> - Exchange rate - Market value	
					Comparable Multiples Method		
					Value relative to similar issues	<u>Value with respect to similar emissions:</u> - Price of the similar instrument	<u>Value in books:</u> - Book value at valuation date - Last observed price of the share - Book value at the date of the last observed price
							<u>Comparable multiples method:</u> - Control premium - Liquidity discount - Company value

Concept	2024		2023		Valuation methodology	Observable input data	Non-observable input data
	Level 2	Level 3	Level 2	Level 3			
Financial Instruments to Collect or Sell	Ps. 100,911	Ps. 94	Ps. 86,678	Ps. 60			
Bank	22,299	-	26,152	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day - Weighted bank funding rate	
Government	60,593	-	51,180	-	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day	
Private	18,019	94	9,346	60	Net present value	<u>Net Present Value:</u> - Market rate on the valuation day	
					Reiner-Rubinstein Cash or Nothing	- Exchange rate	
						<u>Reiner-Rubinstein Cash or Nothing:</u> - Market bank interest rate - Implied volatility	
Total	Ps. 344,623	Ps. 760	Ps. 204,161	Ps. 604			



Liabilities

Concept	Level 2	Level 3	Level 2	Level 3	Valuation methodology	Observable input data	Non-observable input data
Derivatives – Trading	Ps. 22,610	Ps. -	Ps. 21,687	Ps. -			
Forwards	376	-	730	-			
Currency	376	-	730	-	Net present value	<u>Net Present Value:</u> - Spot exchange rate - Forward points - Market interest rates	
Options	971	-	1,045	-			
Interest rate	616	-	958	-	Normal Black Model /NormalLog	<u>Black Normal/Lognormal model:</u> - Market interest rates - Implied volatility	
Index	3	-	-	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot price of the index - Market interest rates - Implied volatility - Dividends	
Currency	352	-	87	-	Black-Scholes Model	<u>Black-Scholes model:</u> - Spot exchange rate - Market interest rates - Forward Points - Implied FX Volatility	
Swaps	21,263	-	19,912	-			
Interest rate	8,725	-	12,128	-	Net Present Value	<u>Net Present Value:</u> - Market interest rates	
Currency	12,506	-	7,771	-	Net Present Value	<u>Present Value:</u> - Market interest rates - Spot exchange rate - Forward Points	
Credit	32	-	13	-	Default intensity model	<u>Default intensity model:</u> - Market interest rates - Market Credit Spread - Recovery rate	
Derivatives – Hedge	Ps. 3,803	Ps. -	Ps. 2,277	Ps. -			
Swaps	3,803	-	2,277	-			
Interest rate	1,409	-	1,152	-	Valor Presente Neto	<u>Net Present Value:</u> - Market interest rates	
Currency	2,394	-	1,125	-	Valor Presente Neto	<u>Net Present Value:</u> - Market interest rates - Spot exchange rate - Forward Points	
XVA	(Ps. 487)	Ps. -	(Ps. 215)	Ps. -			
Forwards	-	-	1	-	<u>Probability of default:</u>	- Market credit spread - Severity of market loss	- Synthetic credit spread
Options	(12)	-	(21)	-	- Default intensity model	- Volatility of interest rates - Market interest rates	- Historical values
Swaps – Trading	(469)	-	(178)	-		- Spot exchange rate	- Correlations
Swaps – Hedge	(6)	-	(17)	-	<u>Synthetic credit spread:</u> - Global CDS data regression model	- Forward points - Implied volatility	between market variables
					<u>Exhibitions:</u> - Hull-White model - Black-Scholes model - IRC model		
Total	Ps. 25,926	Ps. -	Ps. 23,749	Ps. -			

- **Transfers of amounts between classifications of level 1 and level 2 of the determination of fair value**

The conditions to recognize the transfer from level 1 to level 2 will be considered in accordance with the instrument:

Investments in securities

When there are no facts or positions for the operations, and the price is determined through the movement of the price of similar instruments, the price of the previous period is considered, there is no market information on the instrument, no fact is presented for the amount minimum required, some theoretical adjustment is made to the surcharge or the instrument changes range, it is considered that there is a transfer to level 2 of the hierarchy.

Derivative financial instruments

In the case of derivatives, the prices of derivatives quoted on derivatives exchanges through clearing houses are considered as level 1 of the hierarchy. Therefore, if there is no information in the market and the price is estimated or the last observable price is taken, the transfer to level 2 of the fair value hierarchy will be recognized.



During the fiscal year to December 31, 2024 and 2023, no transfers were made between Level 1 and Level 2 of the fair value hierarchy within the assets and liabilities held by the Financial Group.

Transfers between tiers	Of:	Level 1		Level 2		Level 3	
	To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Financial Instruments to tradable		Ps. 1,333	Ps. -	58,560	Ps. -	Ps. -	Ps. -
Bank		-	-	633	-	-	-
Government		1,328	-	57,912	-	-	-
Private		5	-	15	-	-	-
Financial Instruments to Collect or Sell		4,261	-	5,455	-	-	-
Bank		-	-	881	-	-	-
Government		752	-	4,449	-	-	-
Private		3,869	-	125	-	-	-
Total		Ps. 5,954	Ps. -	Ps. 64,015	Ps. -	Ps. -	Ps. -

- Description of valuation techniques for assets and liabilities classified as level 3

As of December 31, 2023, the Financial Group maintains investments in financial instruments classified as collect and sell, negotiable financial instruments and derivative financial instruments classified as level 3, whose valuation techniques are described below:

Investments in securities

The recorded fair value of investments in financial instruments and their fair value hierarchy is obtained from the vector of prices of the Integral Price Provider (PiP). The valuation techniques used for those instruments classified as level 3 of the fair value hierarchy are as follows:

- Net present value: the flows are projected based on the characteristics of the instrument, discounting them with a market discount rate.
- Last observable price: if there is no price on the valuation date, the last price issued will be maintained until there is a publication by an independent appraiser, a corporate event or a change in the information reported by the Entity.
- Price of basket of financial assets and liabilities: the net value between the Entity's financial assets and liabilities is considered, dividing the result by the number of titles issued.
- Book value: when a share has not operated or been suspended for more than 20 days, will be considered its book value. Depending on the case, the corresponding method will be applied:
 - *Without operation*: the last price determined will be taken between the book value on the date the last price was determined, multiplied by the book value on the valuation date.
 - *Suspended*: if the Entity delivered its financial information in the last 4 quarters, a percentage of the book value will be taken based on the time that the shares have been suspended. Time will be considered in quarters, taking 75% of the value if the shares have been suspended for a quarter, 50% of the value if they have been suspended for two quarters, 25% if they have been suspended for three quarters and 10% if they have been suspended for 4 quarters. If you did not provide your financial information, there are two options: (1) if you updated your financial information, 10% of the book value will be considered as fair value of the share; (2) if you did not update your financial information, the share will be valued at one millionth (0.000001).



- Comparable multiples method: based on market information, the last transaction carried out is obtained. Said value is adjusted by means of a discount for lack of control and a discount for illiquidity, which are obtained as follows:
 - *Discount for lack of control*: first, the control premium is determined based on comparable companies, to later infer the discount for lack of control.
 - *Illiquidity discount*: comparable companies are considered, from which the ratio of the company's market value and sales in the last 12 months of each one is obtained. An average of these ratios is obtained and multiplied by the Financial Group's estimated income for the last 12 months to obtain the enterprise value. With said enterprise value, income and cash figures, said discount is obtained using the Damodaran formula.
- Value with respect to similar issues: the price of the share will be considered with another series, ordinary participation certificates or ADRs (American Depositary Receipts), in that order of priority, obtaining a fair value based on the latest facts of the instrument of reference in the market.
- Prepayment method: the auction price issued by the title is considered by obtaining a yield rate based on market rates to estimate the future flows of the bond based on payments (amortizations) made historically.

Likewise, the movements for the determination of fair value classified in level 3 as of December 31, 2024 and 2023 are disclosed:

Concepts	2023	2022
Initial balance	Ps. Ps. 659	Ps. 926
Change in profit and loss recognized in the income statement	92	(90)
Change in profit and loss recognized in OCI	9	(177)
Transfers to/from Level 3	-	-
Final balance	Ps. 760	Ps. 659

35 - STOCKHOLDERS' EQUITY

The Financial Group's shareholders' common stock is comprised as follows:

Paid-in Capital	Number of shares with a nominal value of Ps. 3.50	
	2024	2023
"O" Series	2,787,371,397	2,866,416,238

Paid-in Capital	Historical Amounts	
	2024	2023
"O" Series	Ps. 9,756	Ps. 10,032
Restatement in Mexican pesos through December 2007	4,955	4,956
	Ps. 14,711	Ps. 14,988

Restrictions on profits

The distribution of stockholders' equity, except restated paid-in capital and retained tax earnings, will be subject to income tax on dividends payable by the Financial Group at the effective rate. Any tax paid on such distribution may be credited against that year's income tax paid on dividends and the two immediate fiscal years following such payment, charged against that year's tax and the provisional payments made.

The dividends paid derived from the profits generated as of January 1, 2014 to individuals residing in Mexico and abroad are subject to additional 10% ISR which will be withheld by the Financial Group.



The following are prior years' results that may be subject to withheld ISR for up to 10% on the paid-out dividends:

Year	Amount that may be subject to withholding	Amount not subject to withholding
Retained earnings until December 2013	Ps. -	Ps. 39,303
Net income 2014	50,407	-
Net income 2015	62,860	-
Net income 2016	68,492	-
Net income 2017	71,294	-
Net income 2018	76,550	-
Net income 2019	90,084	-
Net income 2020	118,773	-
Net income 2021	130,076	-
Net income 2022	145,218	-
Net income 2023	155,928	-
Net income 2024	170,319	-

As of December 31, 2024 and 2023 the stockholders' equity tax account balances are as follows:

	2024	2023
Capital contribution account	Ps. 209,716	Ps. 198,159
CUFIN as of 2014	163,612	154,605
Total	Ps. 373,328	Ps. 352,764

The Financial Group's net profit is subject to the requirement of transferring at least 5% of each year's net income to the legal reserve until the reserve equals 20% of capital stock at par value. The legal reserve may not be distributed to the stockholders during the life of the Financial Group, except in the form of a stock dividend. As of December 31, 2024 and 2023, the legal reserve is Ps. 3,000 and represents 20% of paid-in capital.

Share-based payments

The Financial Group grants stock options to key officers through different payment schemes based on stocks. The Financial Group has established trusts to manage the plans and contributes the necessary funds so that shares can be purchased directly from the market at the initiation of each plan.

The Financial Group records its stock option plans according to the guidelines of MFRS D-8, "Share-based payments". The compensation expense is recorded at fair value as of the date the stock options are granted. The MFRS D-8 guidelines stipulate that the fair value determined at the beginning is not revalued at a later date.

During 2024 and 2023, the Financial Group recorded Ps. 1,204 and Ps. 1,011 in Non-interest expense compensation for share-based payments against the paid-in capital, respectively.

As of December 31, 2024 and 2023, the shares that the holding company has assigned to its executives through the different payment plans with shares that it has structured and that are pending exercise are 4,931,665 and 17,040,356, respectively. The weighted average exercise price of the plans during 2024 and 2023 is Ps. 85.4711 and PS. 81.1441pesos per share, respectively.

During 2024 and 2023, 8,455,159 and 9,741,680 shares were operated, respectively.

Anex I-O
Disclosure of information related to capitalization
(Not audited)

Capitalization ratio (information corresponding to Banco Banorte, figures in millions of pesos)

The principal purpose of these disclosures is to meet the directives by the Central Bank of Mexico (Banxico) directives on public disclosures under the Basel III framework.



This document comprises of the bank's capital and risk management disclosures as of December 31st 2024. During 2021, Banorte was designated as a Locally Systemic Important Bank of II Degree, for which it must comply with a capital buffer of 0.90 pp. With the latter, the total capital ratio has a minimum required level of 11.40% as of December 2019.

The bank's total capital ratio as of December 31st 2024 was 21.78% when considering its total risk (market, credit and operational) and 31.28% when considering only credit risk, with both exceeding the minimum regulatory requirements. As such, the institution has a Level I classification level regarding the total capital ratio required by CNBV.

I. Composition of Capital

Table I.1

Ref	Common Equity Tier 1 capital: instruments and reserves	Million MXN
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	24,499
2	Retained earnings	69,427
3	Accumulated other comprehensive income (and other reserves)	57,473
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	N/A
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N/A
6	Common Equity Tier 1 capital before regulatory adjustments	151,399
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	N/A
8	Goodwill (net of related tax liability)	1,151
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	7,833
10 (conservative)	Deferred tax assets excluding those arising from temporary differences (net of related tax liability)	-
11	Cash flow hedge reserve	(883)
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	N/A
15	Defined benefit pension fund net assets (net of related tax liability)	(2,849)
16 (conservative)	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17 (conservative)	Reciprocal cross holdings in common equity	-
18 (conservative)	Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)	-
19 (conservative)	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	3,986
20 (conservative)	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	N/A
23	of which: significant investments in the common stock of financials	N/A



24	of which: mortgage servicing rights	N/A
25	of which: deferred tax assets arising from temporary differences	N/A
26	Derogated	
A	of which: Accumulated other comprehensive income (and other reserves)	348
B	of which: Investments in subordinated debt	-
C	of which: Securitisation gain on sale	-
D	of which: Investments in multilateral organizations	-
E	of which: Investments in related parties	-
F	of which: Investments in capital risk	-
G	of which: Investments in fund investments	-
H	of which: Own shares acquisition funding	-
I	of which: Contravening depositions operations	-
J	of which: Deferred liabilities and advances	4,862
K	of which: First loss positions	-
L	of which: Deferred profit sharing	-
M	of which: Relevant related parties	-
N	of which: Defined benefit pension fund net assets	-
O	Derogated	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
28	Total regulatory adjustments to Common Equity Tier 1	15,889
29	Common Equity Tier 1 capital (CET1)	135,509
	Additional Tier 1 capital: instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	85,620
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	N/A
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	N/A
35	of which: instruments issued by subsidiaries subject to phase out	N/A
36	Additional Tier 1 capital before regulatory adjustments	85,620
	Additional Tier 1 capital: regulatory adjustments	
37 (conservative)	Investments in own Additional Tier 1 instruments	N/A
38 (conservative)	Reciprocal cross holdings in Additional Tier 1 instruments	N/A
39 (conservative)	Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)	N/A
40 (conservative)	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	N/A
41	Other deductions from Tier 1 capital	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	N/A
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	85,620
45	Tier 1 capital (T1 = CET1 + AT1)	221,129
	Tier 2 capital: instruments and provisions	



46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1,546
47	Directly issued capital instruments subject to phase out from Tier 2	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	N/A
49	of which: instruments issued by subsidiaries subject to phase out	N/A
50	Provisions	647
51	Tier 2 capital before regulatory adjustments	2,193
	Tier 2 capital: regulatory adjustments	
52 (conservative)	Investments in own Tier 2 instruments	N/A
53 (conservative)	Reciprocal cross holdings in Tier 2 instruments	N/A
54 (conservative)	Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)	N/A
55 (conservative)	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	N/A
56	Other deductions from Tier 2 capital	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	2,193
59	Total capital (TC = T1 + T2)	223,322
60	Total risk-weighted assets	1,025,490
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	13.21%
62	Tier 1 (as percentage of risk-weighted assets)	21.56%
63	Total capital (as percentage of risk-weighted assets)	21.78%
64	Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus DSIB buffer requirement expressed as a percentage of risk-weighted assets)	7%
65	of which: capital conservation buffer requirement	2.50%
66	of which: bank specific countercyclical buffer requirement	N/A
67	of which: G-SIB buffer requirement	0.90%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	5.31%
	National minima (where different from Basel III)	
69	Common Equity Tier 1 minimum ratio	N/A
70	Tier 1 minimum ratio	N/A
71	Total capital minimum ratio	N/A
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financials	N/A
73	Significant investments in the common stock of financials	N/A
74	Mortgage servicing rights (net of related tax liability)	N/A
75	Deferred tax assets arising from temporary differences (net of related tax liability)	8,601
	Applicable caps on the inclusion of provisions in Tier 2	
76 (conservative)	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	647



77 (conservative)	Cap on inclusion of provisions in Tier 2 under standardised approach	5,293
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings- based approach (prior to application of cap)	-
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	2,257
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	N/A
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-



II. Reconciliation of Regulatory Capital

Table II.1
Balance Sheet

Reference	Balance Sheet	Million MXN
	Assets	1,835,253
BG1	Cash and due from banks	96,454
BG2	Margin accounts	3,998
BG3	Investment in securities	423,890
BG4	Debtor balance in repo trans	52,600
BG5	Securities lending	-
BG6	Transactions with derivatives	22,123
BG7	Valuation adjustments for asset coverage	-
BG8	Net loan portfolio	1,123,314
BG9	Benef. receivab. securization transactions	3,855
BG10	Sundry debtors & other accs rec, net	47,963
BG11	Foreclosed assets, net	4,533
BG12	Real estate, furniture & equipment, net	26,593
BG13	Investment in subsidiaries	5,144
BG14	Long-term assets held for sale	-
BG15	Deferred taxes, net	3,160
BG16	Other assets	21,625
	Liabilities	1,682,963
BG17	Deposits	1,152,379
BG18	Due to banks & correspondents	13,064
BG19	Creditor balance in repo trans, net	270,428
BG20	Securities' loans	-
BG21	Total collateral sold	52,600
BG22	Transactions with Derivatives	26,034
BG23	Valuation adjustments for financial liability coverage	-
BG24	Obligations in securitization transactions	-
BG25	Other Payable Accounts	63,368
BG26	Subordinated non convertible debt	86,928
BG27	Deferred taxes, net	17,088
BG28	Deferred credits	1,074
	Equity	152,290
BG29	Paid-in capital	24,499
BG30	Earned capital	127,791
	Memorandum Accounts	2,419,226
BG31	Endorsement guarantees granted	-
BG32	Contingent assets & liabilities	62
BG33	Loan obligations	508,937
BG34	Properties in trusts and warrant	339,632
BG35	Government secs of the corp under custody	-
BG36	Properties in custody or management	708,520
BG37	Collateral received	190,755
BG38	Collateral received or sold	45,888
BG39	Investment banking transactions for third parties, net	-
BG40	Uncollected accrued interest from past due loans	403
BG41	Miscellaneous accounts	625,027



Table II.2
Net Capital Components

Id	Net Capital Components	Section I Reference	Amount	Reference and amount in balance sheet
	Asset			
1	Goodwill	8	1,151	BG16: 1,151 (Goodwill)
2	Other Intangibles	9	7,833	BG16: 7,833 (Other Intangibles)
3	Income tax deferred (in favor) from losses and tax credits	10	-	
4	Benefits over the remainder in operations Securitization	13	-	BG9: 0 (Securitisation gain on sale)
5	Investments of the Pensions for defined benefits without unrestricted access and limitless	15	-	
6	Stock Investments of the institution itself	16	-	
7	Reciprocal investments in ordinary capital	17	-	
8	Direct investments in the capital of entities financial institutions where the institution does not possess more than 10% of the capital social issued	18	-	
9	Indirect investments in the capital of financial institutions where the institution does not owns more than 10% of the Issued share capital	18	-	
10	Direct investments in the capital of entities financial institutions where the institution owns more of 10% of the capital social issued	19	-	
11	Indirect investments in the capital of financial institutions where the institution owns more than 10% of the Issued share capital	19	3,986	BG13: 3,986 (Investment in subsidiaries)
12	Income taxes deferred (in favor) from Temporal differences	21	N/A	
13	Recognized reserves as capital complementary	50	647	BG16: 647 (Reserves)
14	Investments in subordinated debt	26 - B	-	
15	Investments in multilateral organizations	26 - D	-	
16	Investments in related companies	26 - E	-	
17	Venture Capital Investments	26 - F	-	
18	Investments in investment funds	26 - G	-	
19	Financing for the acquisition of treasury shares	26 - H	-	
20	Deferred Charges and Advance Payments	26 - J	-	
21	Employee share of deferred (net) profits	26 - L	-	
22	Defined Benefit Pension Plan Investments	26 - N	-	
23	Investments in clearing houses	26 - P	-	
	Liability			
24	Deferred Profit Tax (payable) associated with goodwill	8	1,151	BG16: 1,151 (Goodwill)
25	Deferred Income Taxes (payable) associated with other intangibles	9	7,833	BG16: 7,833 (Other Intangibles)



26	Defined benefit pension plan liabilities without unrestricted and unlimited access	15	-	
27	Deferred Earnings (Charge) Taxes Associated with the Defined Benefit Pension Plan	15	-	
28	Deferred income taxes (payable) associated with other taxes other than those mentioned above	21	-	
29	Subordinated obligations amount that complies with Schedule 1-R	31	-	
30	Subordinated obligations subject to transitory nature that count as basic capital 2	33	-	
31	Subordinated obligations amount that comply with Schedule 1-S	46	-	
32	Subordinated obligations subject to transitory nature that count as complementary capital	47	1,546	BG26: 1,546 (Subordinated bonds outstanding)
33	Deferred Earnings Taxes (Charged) Associated with Deferred Charges and Advance Payments	26 - J	-	
	Equity			
34	Contributed capital that complies with Schedule 1-Q	1	24,499	BG29; 24,499 (Paid- in capital)
35	Profit from previous years	2	69,427	BG30; 69,427 (Earned Capital)
36	Valuation Profit or Loss on Cash Flow Hedge Instruments	3	(883)	BG30; (883) (Earned Capital)
37	Other items of earned capital other than those above	3	58,357	BG30; 58,357 (Earned capital)
38	Contributed capital that complies with Schedule 1-R	31	-	
39	Schedule 1-S compliant contributed capital	46	-	
40	Profit or loss on cash flow hedging instruments of items not recorded at fair value	3, 11	(883)	BG30; (883) (Earned capital)
41	Cumulative effect per conversion	3, 26 - A	-	BG30; 0 (Earned Capital)
42	Profit or loss on holdings of non-cash assets	3, 26 - A	-	
	Memorandum Accounts			
43	Positions in First Loss Schemes	26 - K	-	
	Regulatory concepts not considered in balance sheet			
44	Reserves to be established	12	-	
45	Profit or increase in the value of assets due to the acquisition of securitization positions (Originator Institutions)	26 - C	-	
46	Transactions that contravene the provisions	26 - I	-	
47	Transactions with Relevant Related Persons	26 - M	-	
48	Derogated	26 - O, 41, 56	-	



III. Total Risk Weighted Assets

Table III.1
Market Risk Exposures

Concept	Exposures	Capital Requirement
Transactions in national currency with a nominal rate	139,089	11,127
Transactions with debt securities in national currency with a surcharge and a revisable rate	9,192	735
Transactions in national currency with a real rate or denominated in UDI's or UMA's	4,965	397
Operations in national currency with a rate of return referring to the growth of the General Minimum Wage	-	-
Positions in UDI's, UMA's or with performance referred to the INPC	50	4
Positions in national currency with a rate of return referring to the growth of the general minimum wage	-	-
Foreign currency transactions with a nominal rate	11,468	917
Positions in foreign currency or with exchange rate indexed yield	4,437	355
Positions in shares or with yields indexed to the price of a stock or group of shares	8,297	369
Items in Goods	-	-

Table III.2
Credit Risk Weighted Assets by Group

Concept	RWA	Capital Requirement
Group I-A (0%)	-	-
Group I-A (10%)	-	-
Group I-A (20%)	-	-
Group I-B (2%)	1,034	83
Group I-B (4%)	-	-
Group III (20%)	17,907	1,433
Group III (23%)	-	-
Group III (57.5%)	480	38
Group III (100%)	17,247	1,380
Group III (115%)	83	7
Group III (120%)	-	-
Group III (138%)	-	-
Group III (150%)	-	-
Group III (172.5%)	-	-



Group IV (0%)	-	-
Group IV (20%)	8,097	648
Group V (10%)	-	-
Group V (20%)	13,537	1,083
Group V (50%)	2,020	162
Group V (115%)	2,202	176
Group V (150%)	21,039	1,683
Group VI (20%)	36,765	2,941
Group VI (50%)	37,687	3,015
Group VI (75%)	106,723	8,538
Group VI (100%)	162,343	12,987
Group VI (120%)	-	-
Group VI (150%)	-	-
Group VI (172.5%)	-	-
Group VII_A (10%)	-	-
Group VII_A (11.5%)	-	-
Group VII_A (20%)	5,361	429
Group VII_A (23%)	-	-
Group VII_A (50%)	209	17
Group VII_A (57.5%)	-	-
Group VII_A (100%)	98,133	7,851
Group VII_A (115%)	-	-
Group VII_A (120%)	-	-
Group VII_A (138%)	-	-
Group VII_A (150%)	1	-
Group VII_A (172.5%)	-	-
Group VII_B (0%)	-	-
Group VII_B (20%)	14,308	1,145
Group VII_B (23%)	-	-



Group VII_B (50%)	922	74
Group VII_B (57.5%)	-	-
Group VII_B (100%)	81,016	6,481
Group VII_B (115%)	-	-
Group VII_B (120%)	-	-
Group VII_B (138%)	-	-
Group VII_B (150%)	-	-
Group VII_B (172.5%)	-	-
Group VIII (115%)	2,235	179
Group VIII (150%)	2,127	170
Group IX (100%)	65,729	5,258
Group IX (115%)	-	-
Group X (1250%)	-	-
Securitisations (20%)	15,466	1,237
Securitisations (50%)	355	28
Securitisations (100%)	843	67
Securitisations (350%)	-	-
Securitisations (1250%)	105	8
Securitisations (40%)	-	-
Securitisations (100%)	-	-
Securitisations (225%)	-	-
Securitisations (650%)	-	-
Securitisations (1250%)	-	-



Table III.3
Operational Risk Weighted Assets

Approach	RWA	Capital Requirement
Business Indicator Method	133,668	10,693

1/ The Institution shall indicate, if applicable, the transitional nature chosen in accordance with the RESOLUTION amending the General Provisions applicable to credit institutions published in the Official Gazette of the Federation on July 29, 2016.

Market and credit risk requirements average from past 36 months	Annual positive earnings average from past 36 months
63,729	97,182

IV. Main features of regulatory capital instruments

Ref	Feature	D2 BANOE91 999999
1	Emitter	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Group Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP14008AE91
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 550,000,000 (Five Hundred and Fifty Million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One Thousand USD)
9A	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	04/10/2017
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	Anytime before the due date
15A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	IRUSDOLibor
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A



25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	Non-convertible
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Yes
32	If write-down, full or partial	7%
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non preferred subordinated debt
36	Non-compliant transitioned features	Yes
37	If yes, specify non-compliant features	30 day default coupon, default on maturity date, bankruptcy

Ref	Feature	D2 BANOC36 311004
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Group Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP14008AC36
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Complementary Capital
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S.Ps. 550,000,000 (Five hundred fifty million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One thousand USD)
9A	Currency of instrument	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Original date of issuance	04/10/2016
12	Perpetual or dated	Expiration
13	Original maturity date	04/10/2031
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Anytime before the due date
15A	Regulatory or fiscal events	Yes
15B	Liquidation price in advance	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent call dates, if applicable	Anytime before the due date
	Yields/dividends	



17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSDOLibor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	Write-down feature	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Ref	Feature	D2 BANOB48 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Group Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1400MAB48
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N.A.
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 500,000,000 (Five hundred million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One thousand USD)
9 ^a	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	27/06/2019
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	27/06/2029
15 ^a	Regulatory or fiscal events	Yes
15B	Liquidation price in advance	Nominal Value plus accrued interest not paid at the early repayment date



16	Subsequent call dates, if applicable	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N.A.
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	Write-Down Clause	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Characteristics	D2 BANOC21 0999999
1	Emitter	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1400MAC21
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 500,000,000 (Five hundred million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One thousand USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	14/07/2021
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	27/06/2029



15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Characteristics	D2 BANOB72 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1401KAB72
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 550,000,000 (Five Hundred and Fifty Million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One Thousand USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	24/11/2021



12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	24/01/2027
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Characteristics	D2 BANO99 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	USP1401KAA99
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 500,000,000 (Five hundred million USD)



9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One thousand USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	24/11/2021
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	24/01/2027
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	IRUSD0Libor
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.



Reference	Characteristics	D2 BANOE88 0999999
1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	US05971PAE88
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 750,000,000 (Seven Hundred and Fifty Million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One Thousand USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	20/11/2024
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	20/05/2031
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	8.75%
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	<i>Write-Down Clause</i>	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.

Reference	Characteristics	D2 BANOD06 0999999
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1	Issuer	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte.
2	ISIN, CUSIP, or Bloomberg identifier	US05971PAD06
3	Legal framework	New York Laws
	Regulatory treatment	
4	Transient Capital Level	Capital in the Fundamental
5	Non-transitory capital level	N/A
6	Instrument Level	Credit institution without consolidating subsidiaries
7	Instrument Type	Subordinated Obligation
8	Amount recognized in the regulatory capital	U.S. Ps. 750,000,000 (Seven Hundred and Fifty Million USD)
9	Nominal value of the instrument	U.S. Ps. 1,000.00 (One Thousand USD)
9th	Instrument currency	USD Dollar
10	Accounting classification	Liabilities at amortized cost
11	Date of issue	20/11/2024
12	Instrument term	Expiration
13	Expiration Date	Perpetual
14	Prepayment Clause	Yes
15	First prepayment date	20/05/2031
15 A	Regulatory or tax events	Yes
15B	Settlement price of the prepayment clause	Nominal Value plus accrued interest not paid at the early repayment date
16	Subsequent prepayment dates	Anytime before the due date
	Yields/dividends	
17	Yield/dividend type	Fixed
18	Interest Rate/Dividend	8.375%
19	Dividend cancellation clause	Yes
20	Discretion in payment	Discretionary
21	Interest increase clause	No
22	Yield/dividends	Not cumulative
23	Instrument convertibility	Non-convertible
24	Convertibility conditions	N/A
25	Degree of convertibility	Not Susceptible to Conversion to Shares
26	Conversion rate	N/A
27	Type of convertibility of the instrument	Non-convertible
28	Type of convertibility financial instrument	N/A
29	Instrument issuer	N/A
30	Write-Down Clause	Yes
31	Conditions for diminution in value	Yes
32	Degree of Value Decline	7%.
33	Temporality of the decline in value	N/A
34	Mechanism of decrease in time value	N/A
35	Subordination position in the event of liquidation	Non-Preferred Subordinated Bonds
36	Characteristics of non-compliance	Yes
37	Description of non-compliance characteristics	Failure to pay interest within 30 days, failure to pay principal on the due date, bankruptcy or bankruptcy.



V. Capital Management

In accordance with current regulations and the requirements of the CNBV, Banorte carries out an annual Capital Adequacy Assessment exercise, which considers the risks to which the Institution is exposed, as well as its main vulnerabilities that may test its solvency, through an exercise of financial projections with adverse macroeconomic scenarios. In addition, in order to manage capital, a weekly monitoring analysis of the requirements of risk positions and simulations of operations or strategies carried out by the different business areas is carried out in order to know the capital requirements of each of them.

1. The identification, measurement, surveillance, control and mitigation of the risks to which the Institution is exposed.

The Capital Adequacy Assessment recognises the impact of Credit, Market and Operational Risk on the calculation of capital requirements, while analysing the evolution of Liquidity and Solvency Risk in the results of the years. In particular, the following points are recognized:

- **Credit Risk.** The composition of the total portfolio, its composition in the market, its stage 3 portfolio index per portfolio, management and monitoring policies, as well as the applicable regulation are recognized.
- **Market Risk.** It is recognized that the intermediation of financial instruments (securities and derivatives) is limited to the products approved by the Risk Policy Committee, and that the operation is delimited by market risk limits proposed by the UAIR and agreed with the business area, adhering to the guidelines issued for this purpose by the corresponding authorities.

2. The way in which the financial reports reveal and reflect the risks referred to in the preceding paragraph.

In the macroeconomic scenarios developed by an independent area and used to carry out the Capital Adequacy Assessment under Internal Scenarios, the evolution of credit risk is incorporated through the effects of these scenarios on the factors of probability of default and severity of loss, aligned with these scenarios. Finally, the year includes the monitoring of the Solvency and Liquidity Risk Profile for the current period, as well as a prospective Desired Risk Profile for the projection period incorporated in the year.

3. The identification, measurement, monitoring, control and mitigation of potential risks in the face of stress scenarios that may compromise the adequacy of the Institution's capital and liquidity, considering the structure of the balance sheet and the composition of the assets in the stress scenarios considered.

During the development of the Capital Adequacy Assessment, the way in which Credit, Market, Operational, Liquidity and Solvency Risks are impacted throughout the year is analyzed in a timely manner. Specifically, these impacts are analysed as follows:

Credit Risk. The following are analyzed: (1) the effect of the factors of probability of default and severity of loss derived from each macroeconomic scenario on the institution's reserves and cost of risk; (2) the evolution of the capitalization requirement for credit risk under the various scenarios for each portfolio; (3) The results obtained between the capitalization requirement and the growth of the portfolio with respect to the 2008 crisis are contrasted.

- **Market Risk.** The analysis considers: (1) a market shock to the income statements of the trading portfolio for adverse scenarios; (2) the effect of the evolution of the balance sheet derived from the economic scenarios on the capital requirement for market risk; (3) the results obtained between the capitalization requirement and the results by intermediation with respect to the 2008 crisis are contrasted.
- **Operational Risk.** The impact of the methodology of the Business Indicator Method is considered under the parameters corresponding to the macroeconomic scenarios.
- **Liquidity Risk.** It is analyzed from the point of view of the evolution of the balance sheet in the regulatory indicators Liquidity Coverage Ratio and Net Stable Funding Ratio under each of the scenarios, contrasting the results with respect to the authorized Desired Risk Profile.
- **Solvency Risk.** The effect of macroeconomic scenarios on the institution's solvency indicators is analyzed through the following processes: (1) evolution of total risk-subject assets, considering the methodologies referred to in the previous scenarios; (2) the effect of macroeconomic scenarios on the institution's performance (and therefore capital levels).



4. The ability to obtain resources and continue operating in a stressful scenario, in which the adequacy of the Institution's capital is compromised without the need to fail to comply with the minimums established in these provisions.

Within the 2023-2025 Capital Adequacy Assessment exercise, mitigation actions derived from the Institution's solid capital and liquidity levels are not considered, which do not require additional capitalization plans. However, in the event that it requires the taking of contingent actions to maintain solvency and liquidity levels, Banorte has a Contingency Plan that contains a series of applicable actions to recover the corresponding solvency and liquidity levels. The actions included in the Contingency Plan range from monitoring and follow-up of internal and regulatory indicators of solvency and liquidity, communication processes inside and outside the institution that guarantee the transparency of the actions carried out, management strategies for attracting and using alternative sources of funding, and selling positions, to the sale of non-productive assets. The actions taken depend on the scenario under which the Contingency Plan is activated.

Results and Conclusions of the 2023-2025 Capital Adequacy Assessment

The 2023-2025 Capital Adequacy Assessment complies with the minimum levels expected within the year (regulatory minimums for regulatory scenarios and prospective desired risk profile for internal scenarios) for all scenarios and periods. Considering the above, mitigation actions derived from the solid levels of capital and liquidity are not considered, so they do not require additional capitalization plans.

VI. Weights involved in the calculation of the Countercyclical Capital Supplement of the Institutions

Institution's Countercyclical Capital Supplement	
69.96 millions	
Country	Factor
Germany	0.00%
Saudi Arabia	0.00%
Argentina	0.00%
Australia	0.00%
Belgium	0.00%
Brazil	0.00%
Canada	0.00%
China	0.00%
Spain	0.00%
USA	0.00%
France	0.00%
Netherlands	0.00%
Hong Kong	1.25%
India	0.00%
Indonesia	0.00%
Italy	0.00%
Japan	0.00%
South Korea	0.00%
Luxembourg	0.00%
Mexico	0.00%
United Kingdom	0.00%
Russia	0.00%
Singapour	0.00%
South Africa	0.00%
Sweden	0.00%
Switzerland	2.00%
Turkey	0.00%
Others jurisdictions other than the above	0.00%



VII. Main indicators related to the Total Loss-Absorbing Capacity for Locally Systemic Important Bank.

Table VII.1

Reference	Concept	a	b	c	d	e
		T	T-1	T-2	T-3	T-4
1	Amount of the Net Capital Supplement referred to in the last paragraph of Article 2 Bis 5 of these provisions	34,966	34,172	34,459	33,135	15,762
1a	N/A					
2	Total Risk-Weighted Assets (APSRT) according to the amount recorded in row 60 of Table I.1 of this annex	1,025,490	997,350	988,484	962,796	946,593
3	Capital Supplement as a Percentage of APSRTs (%)	3.41%	3.43%	3.49%	3.44%	1.67%
3a	N/A					
4	Total exposures associated with the Leverage Ratio in accordance with row 21 of Table I.1 of Appendix 1-O Bis of these Provisions	1,864,836	1,822,486	1,837,797	1,767,190	1,681,264
5	Supplement to Net Capital as a percentage of total exposures associated with the Leverage Ratio (%)	1.88%	1.88%	1.88%	1.88%	0.94%
5a	Not applicable					
6a	As part of the amount of the Net Capital Supplement, are there equity instruments that are at the same level of priority of payments (i.e. pari passu), relative to instruments that are excluded by statute from being converted into ordinary shares or on whose amount the remission or forgiveness of the debt and its accessories in favor of the institution would operate, in a resolution process?	NO	NO	NO	NO	NO
6b	As part of the amount of the Net Capital Supplement, are there any equity instruments that are at the same level of priority of payments (i.e. pari passu), in relation to instruments that, in accordance with the General Provisions Applicable to Credit Institutions, are excluded from being converted into ordinary shares or on whose amount the debt and its accessories would be remitted or forgiven in favor of the institution, in a resolution process?	NO	NO	NO	NO	NO
6c	In the event that the assumption contained in row 6b is updated, what is the share (%) of the amount of the equity instruments considered in the net capital supplement, relative to the amount of the equity instruments issued that comply with the with the aforementioned priority of payments?	N/A	N/A	N/A	N/A	N/A



Table VII.2.1

		Amounts
Net Capital Supplement Regulatory Capital Items and Adjustments		
1	Capital Fundamental	135,509
2	Non-Fundamental Core Capital before adjustments to the Net Capital Supplement	85,620
3	Ineligible Non-Fundamental Core Capital, as a Supplement to Net Capital, issued by the institution held by third parties	-
4	Other adjustments	-
5	Eligible Non-Core Capital Instruments for Net Capital Supplement	85,620
6	Complementary Capital, before Net Capital Supplement adjustments	2,193
7	Amortized portion of complementary capital instruments, where the remaining maturity > 1 year	-
8	Non-eligible supplemental capital, such as Supplement to Net Capital issued by the institution held by third parties	-
9	Other adjustments	647
10	Eligible Complementary Capital Instruments, according to the rules for the Total Loss Absorption Supplement	1,546
11	Supplement to Net Capital arising from regulatory capital	222,675
Items of Supplement to Net Capital of Non-Regulatory Capital		
12	External Net Capital Supplement instruments issued directly by the bank and subordinated to excluded liabilities	-
13	External Net Capital Supplement instruments issued directly by the bank which are not subordinated to excluded liabilities, but which meet all other requirements of the Net Capital Supplement term sheet	-
14	Of which: Eligible amount of Net Capital Supplement, after applying the upper limits.	-
15	External Net Capital Supplement instruments issued by financing vehicles, before 1 January 2022	-
16	Eligible ex-ante commitments to recapitalize a local systemically important institution in resolution	-
17	Supplement to Net Capital arising from non-regulatory capital instruments before adjustments	-
Non-regulatory capital items of Net Capital Supplement: adjustments		
18	Net Capital Supplement Before Deductions	222,675
19	Deductions from exposures that apply to accounts eligible for Net Capital Supplement (not applicable to a local systemically important institution with a single point of entry).	-
20	Deductions for investments in other eligible Net Capital Supplement liabilities	-
21	Other adjustments to the Net Capital Supplement	-
22	Net Capital Supplement After Deductions	222,675
Risk-Weighted Assets (RWA) and Leverage Exposure Measure for Net Capital Supplement Purposes		
23	Total Risk-Weighted Assets (APSRT) in accordance with the amount recorded in row 60 of Table I.1 of this annex adjusted as permitted under the Net Capital Supplement regime	1,025,490
24	Total exposures associated with the Leverage Ratio in accordance with row 21 of Table I.1 of Annex 1-O Bis to these provisions	1,864,836
Indicators Net Capital Supplement and Supplements		
25	Net Capital Supplement (as a percentage of adjusted APSRTs as allowed under the Net Capital Supplement regime)	21.71%
26	Net Capital Supplement (as a percentage of leverage exposure)	11.94%
27	Fundamental Capital (as a percentage of APSRT) available after meeting the minimum capital and Net Capital Supplement requirements	5.31%
28	Bank-specific supplement requirements (capital conservation supplement plus countercyclical capital supplement requirement plus net capital supplement requirements, expressed as percentage of APSRT)	5.91%
29	Of which: Capital Conservation Supplement Requirement	2.50%
30	Of which: Requirement for bank-specific countercyclical capital supplement	-%
31	Of which: Requirement for supplement to net capital	3.41%



Annex 1-O Bis (millions of pesos)

LEVERAGE RATIO DISCLOSURE REQUIREMENTS

I. Integration of the principal sources of Leverage

TABLE I.1

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE		
REFERENCE	CONCEPT	AMOUNT
On-Balance Sheet Exposure		
1	Balance sheet items (excluding derivative financial instruments and repo and securities lending (SFT) transactions, but including collateral received as collateral and recorded on the balance sheet)	1,760,530
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	(16,433)
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFTs, sum of lines 1 and 2)	1,744,097
Exposures to derivative financial instruments		
4	Present replacement cost associated with <i>all</i> transactions in derivative financial instruments (net of the variation margin in eligible cash)	10,357
5	Amounts of additional factors for potential future exposure, associated with all transactions in derivative financial instruments	9,099
6	Increase for Collateral contributed in transactions with derivative financial instruments when such collateral is derecognized from the balance sheet in accordance with the operational accounting framework	N/A
7	(Deductions from accounts receivable for margin of change in cash contributed in transactions with derivative financial instruments)	(3,789)
8	(Exposure for transactions in derivative financial instruments on behalf of clients, in which the settlement partner does not provide its guarantee in the event of non-compliance with the obligations of the Central Counterparty)	N/A
9	Adjusted effective notional amount of the credit derivative financial instruments subscribed	N/A
10	(Offsets made to the adjusted effective notional of the credit derivative financial instruments subscribed and deductions of the additional factors for the credit derivative financial instruments subscribed)	N/A
11	Total exposures to derivative financial instruments (sum of lines 4 to 10)	15,667
Securities financing transaction exposures		
12	Gross SFT assets (without clearing recognition), after accounting transaction adjustments for sales	52,600
13	(SFT Accounts Payable and Receivable Cleared)	(52,496)
14	SFT Counterparty Risk Exposure	32,659
15	Exposures by SFT acting on behalf of third parties	-
16	Total exposures from securities financing transactions (sum of lines 12 to 15)	32,762



Other off-balance sheet exposures		
17	Off-balance sheet exposure (gross notional)	507,447
18	(Adjustments for conversion to credit equivalents)	(435,138)
19	Off-balance sheet items (sum of lines 17 and 18)	72,309
Capital and Total Exposures		
20	Tier 1 capital	221,129
21	Total Exposures (sum of lines 3, 11, 16 and 19)	1,864,836
Leverage Ratio		
22	Basel III leverage ratio	11.86%

**TABLE I.2
NOTES TO STANDARDIZED DISCLOSURE FORMAT FOR LEVERAGE RATIO**

REFERENCE	EXPLANATION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities (less the assets presented in said balance sheet for: 1) transactions with derivative financial instruments, 2) repo transactions and 3) securities lending.
2	Amount of the deductions from the basic capital established in paragraphs b) to r) of section I, of Article 2 Bis 6 of these provisions. The amount must be recorded with a negative sign.
3	Sum of lines 1 and 2
4	Present replacement cost (CR) of transactions with derivative financial instruments, as set forth in Annex 1-L of these provisions, less partial cash settlements (cash variation margin) <i>received</i> , provided that the following conditions are met: a) In the case of counterparties other than the clearing houses indicated in the second paragraph of Article 2 Bis 12 a, the cash received must be available to the Institution. b) The market valuation of the operation is carried out daily and the cash received is exchanged with the same frequency. c) The cash received as well as the transaction with the derivative instrument, are denominated in the same currency. d) The amount exchanged of the variation margin in cash is at least the amount necessary to cover the market value considering the threshold and the minimum amount transferred agreed in the corresponding framework contract. e) The framework agreement with the counterparty should consider both the transaction and the variation margin, and should explicitly stipulate that liquidation, in the event of default, bankruptcy, restructuring or insolvency, of either party, shall be carried out after clearing the transactions and shall consider the cash variation margins received. In any case, the maximum amount of cash variation margins received that may be considered will be the one that corresponds to the positive value of the current replacement cost of each counterparty.
5	Additional factor in accordance with Annex 1-L of these provisions, for transactions with derivative financial instruments. In addition, in the case of credit derivative financial instruments in which credit protection is provided, the conversion value to credit risk must be included in accordance with Article 2 Bis 22 of these provisions. In no case may the financial collateral that the Institution has received be used to reduce the amount of the Additional Factor reported in this line.
6	Not applicable. The accounting framework does not allow the derecognition of assets delivered as collateral.
7	Amount of cash variation <i>margins delivered</i> in transactions with derivative financial instruments that meet the conditions indicated in line 4 to subtract the cash variation margins received. The amount must be recorded with a negative sign.
8	Not applicable.



9	Not applicable. The exposure considered for solvency framework purposes in transactions with credit derivative financial instruments in which credit protection is provided corresponds to 100 per cent of the amount effectively guaranteed in the transactions in question. This exhibition is considered in line 5.
10	Not applicable. The exposure considered for solvency framework purposes in transactions with credit derivative financial instruments in which credit protection is provided corresponds to 100 per cent of the amount effectively guaranteed in the transactions in question. This exhibition is considered in line 5.
11	Sum of lines 4 to 10
12	Amount of assets recorded in the balance sheet (accounts receivable recorded in the accounts) of repo and securities lending operations. The amount shall not consider any compensation in accordance with the Accounting Criteria.
13	Positive amount resulting from deducting accounts payable from accounts receivable generated by repo and securities lending transactions, on own account, with the same counterparty, and provided that the following conditions are met:
	a) The corresponding transactions have the same settlement date.
	b) It has the right to settle the operations at any time.
	c) The transactions are settled in the same system and there are settlement mechanisms or arrangements (lines or guarantees) that allow the settlement to be carried out at the end of the day on which it is decided to settle.
	d) Any problem related to the settlement of the flows of collateral in the form of securities does not hinder the settlement of accounts payable and receivable in cash. The amount must be recorded with a negative sign.
14	Conversion value to credit risk of repo and securities lending transactions on own account, in accordance with Article 2 Bis 22 of these provisions when there is no framework netting agreement. And in accordance with Article 2 Bis 37 when such a contract exists. This is without considering the adjustments for admissible collateral that are applied to the collateral in the capitalization framework.
15	In the case of repo and securities lending transactions on behalf of third parties, in which the Institution provides a guarantee to its customers in the event of the counterparty's default, the amount to be recorded is the positive difference between the value of the security or cash that the customer has delivered and the value of the guarantee that the borrower has provided.
	In addition, if the Institution can dispose of the collateral delivered by its customers, on its own account, the amount equivalent to the value of the securities and/or cash delivered by the customer to the Institution.
16	Sum of lines 12 to 15
17	Amounts of credit commitments recognized in suspense accounts in accordance with the Accounting Criteria.
18	Amounts of the reductions in the value of the credit commitments recognized in suspense accounts for applying the conversion factors to credit risk established in Title One Bis of these provisions, considering that the minimum conversion factor to credit risk is 10% (for those cases in which the conversion factor is 0%).
	The amount must be recorded with a negative sign.
19	Sum of lines 17 and 18
20	Basic Capital calculated in accordance with Article 2 Bis 6 of these provisions.
21	Sum of lines 3, 11, 16 and 19
22	Leverage Ratio. Ratio of line 20 to line 21.



II. Comparison between total assets and adjusted assets

TABLE II.1

COMPARISON OF TOTAL ASSETS AND ADJUSTED ASSETS

REFERENCE	CONCEPT	AMOUNT
1	Total assets	1,835,253
2	Adjustment for investments in the capital of banking, financial, insurance or commercial entities that are consolidated for accounting purposes, but are outside the scope of regulatory consolidation	(16,433)
3	Adjustment for trust assets recognized on the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	Not Applicable
4	Adjustment for derivative financial instruments	(6,455)
5	Adjustment for repo and securities lending transactions[1]	(19,799)
6	Adjustment for Recognized Line Items in Memorandum Accounts	72,308
7	Other settings	-
8	Exposure of the leverage ratio	1,864,874

[1] In which the value of the transaction is that of the market valuation of the operations and are generally subject to margin agreements.

TABLA II.2

NOTES TO THE COMPARISON OF TOTAL ASSETS AND ADJUSTED ASSETS

REFERENCE	DESCRIPTION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities
2	Amount of the deductions from the basic capital contained in subsections b), d), e), f), g), h), i), j) and l) of section I, of Article 2 Bis 6 of these provisions.
3	The amount must be recorded with a negative sign.
4	Not applicable. The scope of application is over the Institution without consolidating subsidiaries or special purpose entities.
5	Amount equivalent to the difference between the figure contained in row 11 of Table I.1 and the figure presented in transactions with derivative financial instruments contained in the Institution's balance sheet.
6	The amount must be recorded with the sign resulting from the difference indicated, i.e. it may be positive or negative.
7	Amount equivalent to the difference between the figure contained in row 16 of Table I.1 and the figure presented for repo and securities lending transactions contained in the Institution's balance sheet.
8	The amount must be recorded with the sign resulting from the difference indicated, i.e. it may be positive or negative.



III. Reconciliation between total assets and on-balance sheet exposure

TABLA III.1

CONCILIATION BETWEEN TOTAL ASSETS AND ON BALANCE SHEET EXPOSURE

REFERENCE	CONCEPT	AMOUNT
1	Total assets	1,835,253
2	Transactions in derivative financial instruments	(22,123)
3	Repo transactions and securities loans	(52,599)
4	Trust assets recognized on the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	N/A
5	Exhibitions within the Balance Sheet	1,760,530

TABLA III.2

NOTES TO CONCILIATION BETWEEN TOTAL ASSETS AND ON BALANCE SHEET EXPOSURE

REFERENCE	DESCRIPTION
1	Total assets of the Institution without consolidating subsidiaries or special purpose entities.
2	The amount corresponding to transactions in derivative financial instruments presented in the assets of the latest financial statements. The amount must be recorded with a negative sign.
3	The amount corresponding to the repo and securities lending operations presented in the assets of the latest financial statements. The amount must be recorded with a negative sign.
4	Not applicable. The scope of application is over the Institution without consolidating subsidiaries or special purpose entities.
5	Sum of lines 1 to 4, which must coincide with line 1 of Table I.1

IV. Main causes of the most important variations in the elements (numerator and denominator) of the Leverage Ratio

TABLE IV.1

MAIN CAUSES OF THE MOST IMPORTANT VARIATIONS IN THE ELEMENTS (NUMERATOR AND DENOMINATOR) OF THE LEVERAGE RATIO

CONCEPT/TRIMESTER	SEPTEMBER '24	DECEMBER '24	VARIATION (%)
Basic Capital	189,539	221,129	16.667%
Adjusted Assets	1,822,486	1,864,836	2.324%
Leverage Ratio	10.40%	11.86%	14.038%



ANNEX 1-O BIS 1 BANORTE (million pesos)

DISCLOSURE OF INFORMATION RELATING TO THE CALCULATION OF THE CAPITAL REQUIREMENT FOR OPERATIONAL RISK

Report december 2024

SECTION I

MINIMUM CAPITAL REQUIREMENT FOR OPERATIONAL RISK

Reference	Description	a
1	Business Indicator (CIN) component	9,629.07
2	Internal Loss Multiplier (MPI)	1.11
3	Capital Requirement for Operational Risk	10,693.43
4	Assets subject to Operational Risk	133,667.82

SECTION II

BUSINESS INDICATOR AND SUBCOMPONENTS

Reference	BI and subcomponents	a	b	c
		j=3	j=2	j=1
1	Interest, Lease and Dividend Component (CIAD)	31,840.32		
1a	Interest Income	209,416.42	191,477.55	137,956.04
1b	Interest Expense	103,130.01	91,594.77	52,580.00
1c	Productive Assets	1,414,378.91		
1d	Dividend Income	16.73	16.51	17.14
2	Services Component (CS)	35,819.95		
2a	Commissions and Fees Charged	37,785.51	33,135.04	29,718.72
2b	Commissions and Fees Paid	18,717.67	16,347.77	13,778.68
2c	Other Income from the Operation	3,459.42	1,813.50	1,547.67
2d	Other Operating Expenses	587.45	1,309.73	1,458.83
3	Financial Component (CF)	2,372.16		
3a	Profit from Sale	1,911.36	2,059.23	3,145.90
4	Business Indicator (IN)	70,032.43		
5	Business Indicator (CIN) component	9,629.07		



SECTION III

HISTORIC LOSSES

Ref	Description	a	b	c	d	and	f	g	h	i	j	k
		j=10	j=9	j=8	j=7	j=6	j=5	j=4	j=3	j=2	j=1	Average 10 years
A. Losses												
1	Total Net Loss Amount Recoveries (considering exclusions)	702,498.21	739,000.97	731,406.52	907,231.04	875,766.27	1,355,984.29	1,781,140.37	984,021.41	596,118.07	389,681.95	906,284.91
2	Total number of losses	391,031	263,348	190,144	204,183	240,949	233,841	233,334	150,737	74,159	45,414	202,714
3	Total Amount of Excluded Losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total Amount of Net Losses, Recoveries and Exclusions	702,498.21	739,000.97	731,406.52	907,231.04	875,766.27	1,355,984.29	1,781,140.37	984,021.41	596,118.07	389,681.95	906,284.91
B. Details of the calculation of capital by Operational Risk												
11	Are losses used to calculate MPI? (Yes/No)	Yes										
12	If reference 11 is answered "No", is the exclusion due to the failure to have a loss database that has been constituted in compliance with the provisions of Annexes 1-D Bis and 12-A of these provisions? (Yes/No)	Not applicable										

36 - FOREIGN CURRENCY POSITION

As of December 31, 2024 and 2023, the Financial Group holds certain assets and liabilities in foreign currency, mainly US dollars, converted to the exchange rate issued by Banco de México Ps. 20.8829 and Ps. 16.9666, respectively, per USD 1.00, as shown below:

	Thousands of US dollars	
	2024	2023
Assets	24,114,565	22,125,813
Liabilities	24,008,682	22,020,124
Net liability position in US dollars	105,882	105,689
Net liability position in Mexican pesos	Ps. 2,211	Ps. 1,793



37 - POSITION IN UDIS

As of December 31, 2024 and 2023, the Financial Group holds certain assets and liabilities denominated in UDIS, converted to Mexican pesos based on the current conversion factor of Ps. 8.340909 and Ps 7.981602, respectively, per UDI, as shown below:

	Thousands of UDIS	
	2024	2023
Assets	2,286,592	814,763
Liabilities	1,507,863	762,044
Net asset (liability) position in UDIS	778,729	52,719
Net asset (liability) position in Mexican pesos	Ps. 6,495	Ps. 421

38 - EARNINGS PER SHARE

Earnings per share are the result of dividing the net income by the weighted average of the Financial Group's shares in circulation during the year.

Earnings per share for the years ended December 31, 2024 and 2023 are shown below:

	2024			2023
	Net Income	Weighted share average	Earnings per share	Earnings per share
Net income per share	Ps. 56,188	2,849,342,960	Ps. 19.7197	Ps. 18.3109

39 - RISK MANAGEMENT (unaudited)

Authorized bodies

In order to properly manage the Holder's Risks, the Board of Directors of the Holding Company established the Risk Policies Committee (CPR) in 1997, whose purpose is to manage the risks to which the Holding Company is exposed, as well as to ensure that the execution of operations adheres to the objectives, policies and procedures for risk management.

The RPC also monitors the overall risk limits for risk exposure approved by the Board of Directors, in addition to approving the specific risk limits for exposure to the different types of risk.

The CPR is made up of proprietary members of the Board of Directors, the Chief Executive Officer of the Financial Group, the General Directors of the Group's entities and the General Manager of Comprehensive Risk Management, in addition to the General Director of Audit, the latter participating with voice but without vote.

For the adequate performance of its objective, the CPR plays, among others, the following functions:

1. Propose for approval by the Board of Directors:

- The objectives, guidelines and policies for overall risk management.
- The global limits for risk exposure.
- The mechanisms for the implementation of corrective actions.
- The cases or special circumstances which may exceed the overall limits as much as the specifics.

2. Approve and review at least once a year:

- Specific limits for discretionary risks and the risk tolerance levels for non-discretionary.
- The methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risk to which the Financial Group is exposed to.
- The models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the unit for comprehensive risk management.



3. Approve:

- The methodologies for the identification, valuation, measurement and control of risks of new business, products and services that the holding intends to offer to the market.
- The corrective actions proposed by the drive for comprehensive risk management.
- Manuals for comprehensive risk management.
- The technical evaluation aspects of risk management.

4. Appoint and remove the unit responsible for overall risk management, it is ratified by the Board.

5. Report to the Board at least quarterly, the risk exposure and its possible negative effects and follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

40 - COMPREHENSIVE RISK MANAGEMENT UNIT (UAIR) (unaudited)

The Risk Management function in the Holding Company is a fundamental pillar for the determination and execution of the Institution's strategic planning. The Group's risk management and policies are aligned with compliance with regulation and market best practices.

1. COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

The Framework for Integrated Risk Management, which integrates objectives, guidelines, policies and procedures, has among its main objectives:

- Provide the different business areas with clear rules that help to minimize risks and ensure that they are within the parameters established and approved by the Board of Directors and the Risk Policy Committee (CPR).
- Establish mechanisms to follow up on risk-taking within Tenedora with robust systems and processes.
- Verify compliance with the Desired Risk Profile.
- Calculate and monitor the capital of the Holding Company's subsidiaries, under normal and adverse scenarios, in order to cover unexpected losses due to market movements, credit failures and operational risks.
- Implement identification, valuation and management models for the different types of risks.
- Establish portfolio optimization and credit portfolio management procedures.
- Update and follow up on the Contingency Plan to restore the level of capital and liquidity in case of adverse events.

1.1. Risk Management Structure and Corporate Governance

In relation to the structure and organization of the function for Integrated Risk Management, the Board of Directors is responsible for authorizing the general policies and strategies, as well as:

- The Desired Risk Profile for the Holding Company.
- The Framework for Comprehensive Risk Management and the Contingency Financing Plan.
- The Risk Exposure Limits, the Risk Tolerance Levels and the mechanisms for carrying out corrective actions.
- The Contingency Plan.
- The Results of the Supervisory and Internal Scenarios of Resource Adequacy.

The Board of Directors has designated the Risk Policy Committee (CPR) as the body responsible for managing the risks to which the Financial Group is exposed, as well as ensuring that the conduct of operations is in accordance with the objectives, policies and procedures for Risk Management.

For its part, the CPR also monitors the global risk exposure limits approved by the Board of Directors, in addition to approving the specific limits for exposure to the different types of risk.



The CPR is made up of full and alternate members of the Board of Directors, the Chief Executive Officer of the Financial Group, the General Directors of the Group's Entities and the General Manager of Risk and Credit Management, in addition to the Chief Audit Officer, with the latter participating with voice but without vote.

Likewise, the Balance Sheet Management Committee (ALCO) analyzes, monitors and makes decisions in relation to rate and currency risk on the balance sheet, financial margin, liquidity and net capital.

The Unit for Comprehensive Risk Management (UAIR) is in charge of the General Directorate of Risk and Credit Management (DGARC) and includes among its functions identifying, measuring, monitoring, limiting, controlling, reporting and disclosing the different types of risk to which the Holding Company is exposed.

The DGARC reports to the CPR, complying with the regulations regarding its independence with respect to the Business areas.

1.2. Key Risks and Emerging Risks

The Comprehensive Risk Management Framework has strategies to identify and regulate the main and emerging risks, which represent potential threats to the business, customers, employees, and to La Tenedora's strategy. The definition and classification of potential risks allows for better management and mitigation of these, according to the nature of each type of risk.

The Holding Company has solid methodologies to manage quantifiable risks such as Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Concentration Risk and Counterparty Risk.

1. Credit Risk: volatility of income as a result of the constitution of reserves due to impairment of loans and potential losses due to non-payment by a borrower or counterparty.
2. Market Risk: volatility of income due to changes in market conditions, which affect the valuation of positions for active or passive operations or those causing contingent liabilities, such as: interest rates, surcharges, exchange rates, price indices, etc.
3. Liquidity Risk: potential loss due to the impossibility of renewing liabilities or contracting others under normal conditions for The Holding Company, due to the early or forced sale of assets at unusual discounts to meet its obligations.
4. Operational Risk: loss resulting from a lack of adequacy or failure of processes, personnel, internal systems or external events. This definition includes Technological Risk and Legal Risk. Technological Risk includes potential losses due to damages, interruption, alteration or failures arising from the use of or reliance on hardware, software, systems, applications, networks and any other information distribution channel, while Legal Risk involves potential loss due to penalties arising from non-compliance with legal and administrative provisions or the issuance of unappealable unfavorable judicial decisions in relation to the operations that the Holding Company carries out.
5. Concentration Risk: potential loss attributed to high and disproportionate exposure to particular risk factors within the same category or between different risk categories.
6. Sustainability Risk: probability that dangerous environmental, social or governance events or conditions will occur and generate adverse impacts on the institution and/or the environment and communities.

On the other hand, with regard to Non-Quantifiable Risks, the Holding Company has objectives defined in the Risk Management Manual to:

7. Reputational Risk: potential loss in the development of the Institution's activity caused by the deterioration in the perception that the different stakeholders, both internal and external, have about its solvency and viability. Likewise, the deterioration of the image of the Institution due to failures or internal or external events incompatible with corporate values.



8. **Strategic Risk:** potential loss due to failures or deficiencies in decision-making, in the implementation of procedures and actions to carry out the Institution's business model and strategies, as well as due to ignorance about the risks to which it is exposed due to the development of its business activity and that affect the expected results of its strategic plan.
9. **Business Risk:** potential loss or impact on profitability attributable to the inherent characteristics of the business and changes in the economic cycle or environment in which the Institution operates.

Emerging Risks are new risks that arise as a result of change in economic, political, social, cultural, natural, and even technological processes. They are characterized by a recent increase in the probability of occurrence and exposure to them, therefore, their prompt identification is necessary to be able to implement effective and timely measures. Its potential for damage or loss is not yet fully known, arising from a new or evolving hazard, which may result in significant new exposure for the Holding Company.

1. **Epidemiological Risk:** It is the probability that a disease in a given population will escalate to the level of an epidemic or pandemic, generating adverse impacts on the Institution, financing, health and the community. It is expressed through various epidemiological indicators, the analysis of which allows for the generation of preparedness and response plans.
2. **New Technology Risk:** risks associated with the implementation of new technologies that could materialize in economic losses for the institution. They arise from new vulnerabilities, technical threats, potential economic fraud, crimes against intellectual property, threats to information privacy, cyberbullying, among others.

At the Holding Company, the identification and documentation of new risks is a continuous task, strengthening and consolidating the Comprehensive Risk Management Framework considering the vision of Sustainability and new emerging risks.

1.3. Risk Management Culture at the Holding Company

La Tenedora's Risk Management culture permeates holistically to all levels of the organization. The Group's decisions are based on maximizing the risk-return ratio, favoring informed decision-making to achieve the strategic objectives of asset quality, profitability, liquidity and solvency.

The Holding Company's risk culture is made up of the following principles:

- **We are all risk managers:** The proactive participation of the Group's employees is promoted for the identification, escalation and management of risks. The reporting channels for operational, technological, psychosocial, credit, market, and fraud risks make it easier for employees in all areas to fulfill their role as the first line of defense. Through the Governance, Risk and Compliance (GRC) platform, employees from the different areas report their respective identified risks. This feedback triggers improvements in processes by implementing control measures based on what has been reported.
- **Risk anticipation:** We monitor the economic and business environment with the aim of anticipating future risks, and incorporate market trends into our models, tools, processes and policies to prevent and mitigate risks. Likewise, close communication is maintained with customers to identify their needs and problems, preventing potential breaches.
- **Forward-looking view:** A forward-looking view is maintained by considering new business trends in the risk management strategy and the calibration of policies and models. For continuous improvement of products and processes, methodologies and tools are updated, in accordance with best practices, which makes it possible to estimate the future behavior of assets and generate scenarios that help the business to make strategic decisions.



- **Multidisciplinary participation:** Joint decision-making through Committees and multidisciplinary teams enriches the Holding Company's panorama of identifying opportunities and containing risks. Risks are continuously monitored and mitigation strategies or actions are planned and executed in a consensual manner among all areas involved. Likewise, it continues to operate through a collaborative scheme of cell-based work, which refers to multidisciplinary teams that are assigned a specific task, such as improving or correcting a process, the development of a new product, among others. This collaboration scheme allows you to react instantly to changing environments that could generate risks in operations and strategies, or execute a prevention or mitigation plan for an existing credit.
- **Communication and continuous training:** Members of the Board of Directors and senior management communicate the importance of a strong Risk Culture throughout the Group. Along the same lines, we have reinforced internal training regarding Risk Management, including content for risk management, prevention, and mitigation for our executives and employees who work in the different areas.
- **Compensation based on risk and performance:** Risk management criteria are incorporated into the evaluation and compensation of employees, so that the risk-return ratio is maximized. To do this, we link the formal measurement of risk indicators with the process of evaluating the performance of employees, promotion and compensation. These incentives are established in our Remuneration System where the evaluation criteria are reflected, mainly for senior management, consistent with reasonable risk-taking. In addition to this, we have a performance evaluation system where employees, together with their immediate boss, establish operational, safety, and career development goals. Performance is evaluated considering specific metrics, as well as professional skills and competencies according to the profile of each position.
- **Innovation:** At Tenedora we are aware of the speed with which risk management evolves along with the new ways of banking; for this reason it is of vital importance to stay ahead of the curve in relation to new products, channels, technologies and their implications from the point of view of risks. Technological innovation is vital to be able to continue to identify, measure and control risks correctly in the face of technological change and new products and segments of the digital market. These innovation products go through a formal project evaluation process that includes the identification and measurement of the different risks involved, as determined by the areas involved.

1.3.1. Desired Risk Profile

In order to monitor the Desired Risk Profile, general and specific guidelines are established at the group level and there are follow-up and formal escalation processes in the event of any deviation from said profile. In addition, key quantitative indicators are assigned by type of risk for the Holding Company and its subsidiaries, which are sensitive to the material risks to which it is exposed and which can function as key indicators of financial health. These indicators are reviewed and ratified once a year by the Board of Directors and serve as a guideline for the definition and implementation of strategies and objectives.

2. CREDIT RISK

It refers to the risk that customers, issuers or counterparties will not meet their payment obligations. That is why the correct management of the portfolio is essential to maintain the credit quality of the portfolio.

The objectives of Credit Risk Management at the Holding Company are:

- Comply with the Desired Risk Profile defined by the Board of Directors.
- Improve the quality, diversification and composition of the financing portfolio to optimize the risk-return ratio.
- Provide Senior Management with reliable and timely information to support decision-making regarding financing.
- Provide the Business Areas with clear and sufficient tools to support the placement and monitoring of financing.
- Support the creation of economic value for shareholders through efficient Credit Risk Management.
- Define and keep updated the regulatory framework for Credit Risk Management.
- Comply with the information requirements regarding Credit Risk Management before the authorities.
- Carry out Risk Management in accordance with best practices, implementing models, methodologies, procedures and systems based on the main advances at an international level.
- Measure the vulnerability of the Institution to extreme conditions, and consider these results for decision-making.



The policies for the management, coverage and mitigation of Credit Risk in the Holding Company are:

- Granting and Administration of Consumer Credit in accordance with best market practices through Parametric Models that allow risk to be identified, losses to be minimized and to increase the placement of quality credit.
- Granting and Administration of Credit to Companies and other entities, in accordance with best market practices, through a credit strategy that includes Target Markets and Risk Acceptance Criteria, identifying and managing risk through Portfolio Rating and Early Warning methodologies.
- Monitoring and control of the quality of credits by means of a Credit Rating System, which indicates the treatment and general actions that derive from defined situations, as well as the areas or officials responsible for such actions.
- Surveillance and control of Credit Risk through Global and Specific Limits, portfolio classification policies and Credit Risk models at the portfolio level that allow the identification of expected loss and unexpected loss at a specific confidence level.
- Information and disclosure of Credit Risk to the risk-taking areas, the CPR, the Board of Directors, the Financial Authorities and the Investing Public.
- Definition of powers in the taking of Credit Risks for the institution.

In order to comply with the objectives and policies, a series of strategies and procedures have been defined that cover origination, analysis, approval, administration, monitoring, recovery and collection.

2.1. Scope, Nature and Methodologies of Credit Risk

Risk Management is supported by a framework of policies and manuals, which establish the implementation and monitoring of Credit Risk limits, hedging and mitigation and compensation strategies, the disclosure of the referred risk metrics, as well as their monitoring with respect to the established limits. These policies detail, among others: the characteristics, capacity, legal aspects, implementation issues and degree of coverage that must be considered for the coverage when compensating or mitigating the risk. Likewise, the enforcement of guarantees is contemplated as a risk compensation mechanism whenever there is an unremedied default by the debtors.

The DGARC is supported by various Credit Risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are backed up continuously, following institutional procedures in terms of computer security.

As part of the strategies and processes to monitor the continued effectiveness of hedges or mitigants, there are limits for Credit Risk, which are monitored on an ongoing basis, and there are established procedures so that excesses and their causes are documented and the corresponding corrective actions are implemented to return to acceptable risk levels.

Key risk indicators are disclosed through monthly reports to the CPR and through a daily report to the main executives in the institution about credit defaults by customers that could potentiate Credit Risk.

2.1.1. Individual Credit Risk

The Holding Company segments Credit Risk into two large groups: Retail and Wholesale.

The individual Credit Risk for the Retail portfolio is identified, measured and controlled by means of a parametric system (scoring) that includes models for each of the SME and Consumer products (mortgage, automotive, payroll, personal and credit card).

The individual risk for the Wholesale portfolio is identified, measured and controlled through the Target Markets, the Risk Acceptance Criteria, the Early Warnings and the New Banorte Internal Risk Rating (NCIR Banorte), which are tools that are part of the Holder's Credit Strategy and support the estimation of risk levels.

The Target Markets are categories of economic activity for each region in which the Holding Company has an interest in participating in the placement of credit. Its definition is supported by economic studies and analysis of the portfolio's behavior, as well as by the opinion of experts.



The Risk Acceptance Criteria are parameters that describe the different types of risks identified by each industry, allowing estimating the risk involved in granting a loan to a customer according to the economic activity they carry out. The types of risk considered in the Risk Acceptance Criteria are Financial, Operational, Market, Company Life Cycle, Legal and Regulatory Risk, as well as credit experience and quality of management.

Early Warnings are a set of criteria based on information and indicators of borrowers and their environment that have been established as a mechanism to prevent and identify in a timely manner the probable deterioration in the credit portfolio, allowing action through preventive actions that mitigate Credit Risk.

The Banorte NCIR is a debtor rating methodology that evaluates quantitative and qualitative criteria to determine its credit quality and is applied to Commercial portfolio equal to or greater than an amount equivalent in national currency to four million investment units as of the rating date, or accredited with annual sales or revenues greater than or equal to 14 million investment units (only in the case of Companies).

2.1.2. Portfolio Credit Risk

The Holding Company has designed a Credit Risk methodology for the portfolio that directly considers the balance of each of the loans as the exposure of the credit portfolio, while for the portfolio of financial instruments it considers the present value of the instruments and their future flows. Because exposure is sensitive to changes in the market, it is possible to make sensitivity estimates using models with different economic scenarios.

The Credit Risk methodology developed allows us to know the exposure of all credit portfolios in the total portfolio of the Holding Company, allowing us to monitor the levels of risk concentration by risk ratings, geographical regions, economic activities, currencies and type of product in order to know the profile of the portfolio and take actions to guide it towards diversification where the risk-return relationship is optimized.

In addition to the exposure, the methodology considers the probability of default, the level of recovery associated with each client and the modelling of borrowers based on the Merton model. The probability of default is the probability that a borrower defaults on its debt obligation to the institution in accordance with the terms and conditions originally agreed upon; and is based on the transition matrices that the Holding Company estimates based on the migration of borrowers to different risk rating levels. The recovery rate is the percentage of the total exposure that is expected to be recovered in the event that the borrower defaults. The modelling of borrowers based on Merton's model is based on associating the future behaviour of the borrower with the credit and market factors on which it has been determined, by means of statistical techniques, on which their "credit health" depends.

The main results are the expected loss and the unexpected loss over a one-year horizon. The expected loss is defined as the average of the distribution of losses in the credit portfolio, which estimates the average loss that would be expected in the following year due to default or variations in the credit quality of borrowers. Unexpected loss is an indicator of loss under extreme scenarios, and is measured as the difference between the maximum loss given the distribution of losses, at a specific confidence level, which in the case of the Holding Company as of June 2021, is 99.85% based on Expected Shortfall (previously it was 99.95% based on VaR), and the expected loss.

The results obtained are used as a tool for better decision-making in the granting of loans and in the diversification of the portfolio, in accordance with the strategy of the Holding Company. The individual risk identification tools and the Credit Risk methodology of the portfolio are reviewed and updated periodically in order to strengthen them.

2.1.3. Credit Risk of Financial Instruments

Credit Risk Management of financial instruments is based on a robust policy framework for the origination, analysis, authorization, and administration processes of financial instruments.

Origination policies define the types of financial instruments eligible for trading, as well as how to assess the credit quality of different types of issuers and counterparties. Credit quality is assigned through a rating that can be obtained with an internal methodology, through evaluations by external rating agencies or a combination of both. In addition, maximum operating parameters have been defined depending on the type of issuer or counterparty, rating and type of operation.



The Credit Committee is the highest body empowered to authorize lines of operation with financial instruments for clients and counterparties in accordance with the authorization policies. The request for authorization is submitted by the business area and the areas involved in the operation with all the relevant information to be analyzed by the Committee and if deemed appropriate, to issue its authorization. However, counterparty lines (mainly to financial institutions) that meet certain criteria can be approved using a parametric model authorized by the CPR.

In the specific case of Derivative contracts, and in line with best practices, a potential exposure methodology is used for the calculation of lines, which are analyzed and approved within the Credit Committee and are monitored on a daily basis and reported monthly to the CPR. where an analysis of the guarantees behind derivatives transactions is also presented, both by clients and financial counterparties.

The minimum power to authorize lines for Derivatives with clients is of the corresponding Credit Committee according to their territory (where appropriate, facilities approved by the CPR may apply). For these transactions, the use of Derivatives lines with margin calls should be favoured to mitigate the risk posed by the potential exposure of the derivatives transactions.

To determine the lines with adverse correlation (Wrong Way Risk (WWR)), an adjustment in potential exposure is considered.

The concentration of credit risk with financial instruments is managed on an ongoing basis at the individual level, establishing and monitoring maximum operating parameters for each counterparty or issuer depending on its rating and the type of operation. At the portfolio level, there are risk diversification policies at the level of economic groups and internal groups. In addition, concentration is monitored by type of counterparty or issuer, size of financial institutions and the region in which they operate, so that adequate diversification is achieved and unwanted concentrations are avoided.

The measurement of Credit Risk is carried out through the rating associated with the issuer, issuance or counterparty, which is assigned a degree of risk measured based on two elements:

- 1) The probability of default of the issuer, issue or counterparty, which is expressed as a percentage between 0% and 100% where the better rating or lower the differential of the instrument's rate compared to that of an equivalent government bond, the lower the probability of default and vice versa.
- 2) The severity of the loss that would be incurred with respect to the total of the operation in the event of a default, expressed as a percentage between 0% and 100% where the better the guarantees or credit structure, the lower the severity of the loss and vice versa. In order to mitigate Credit Risk and reduce the severity of the loss in the event of default, ISDA contracts and netting agreements have been signed with the counterparties, which contemplate the implementation of credit lines and use of collateral to mitigate the loss in the event of default.



2.2. Credit Risk Exposure

As of 4Q24, the total amount of gross exposures subject to the Standard Approach and the Internal Models (Advanced Internal Model for Credit Cards, Mortgage, Automotive, Individuals and Companies with Sales or Revenues of less than 14 million UDIS, and Basic Internal Model for Companies with Sales or Revenues greater than or equal to 14 million UDIS) for the calculation of the Capital Ratio is as follows:

Gross Exposures (Balances) subject to the Standard Method and/or Internal Models** <i>(Millions of pesos)</i>	Banorte	Lessor and Factor*	Wallet Total
States or Municipalities	82,631	333	82,963
Decentralized Agencies of the Federal, State and Municipal Government, and State Productive Enterprises	57,738	1,417	59,155
Projects with Own Source of Payment	111,619	-	111,619
Financial Institutions	57,480	1,265	58,745
Non-revolving consumption	84,637	-	84,637
Total Portfolio Subject to the Standardised Approach	394,106	3,015	397,121
Commercial	243,909	42,186	286,095
Annual Revenue or Sales >= 14 MM UDIS	243,909	42,186	286,095
Decentralized Agencies of the Federal, State and Municipal Government with annual income or sales >= 14 MM UDIS	13,003	-	13,003
Total Portfolio Subject to the Basic Internal Model	256,911	42,186	299,097
Commercial	93,236	2,911	96,147
Annual Revenues or Sales < 14 MM UDIS	93,236	2,911	96,147
Non-revolving consumption (automotive)	53,455	-	53,455
Credit Card	64,963	-	64,963
Mortgage	274,789	-	274,789
Total Portfolio Subject to the Advanced Internal Model	486,443	2,911	489,354
Eliminations and Accounting Records			(29,287)
Deferred Departures	3,192	(60)	3,132
BAP Sector Portfolios	3,812	-	3,812
Cards of the Future			5,640
Fid. Bursa GEM			28,810
Bineo			47
Ungraded			-
Total Portfolio with BAP and PD			1,197,726

* Does not include Pure Lease.

** The Exhibit does not include Letters of Credit and includes accounting adjustments.

For operations subject to Credit Risk, the Institution uses external ratings issued by the agencies S&P, Moody's, Fitch, HR Ratings, Verum, DBRS Ratings Mexico and A.M. Best Latin America. Only ratings issued by rating agencies are considered and are not assigned based on comparable assets.

2.2.1. Credit Portfolio

The Holding Company's loan portfolio with Credit Risk as of 4Q24 registered a gross exposure (total balance) of Ps 1,197,726 million, showing a quarterly growth of Ps 54,334 million, 4.8% and a growth of Ps 149,020 million in the year 14.2%.



The variations by product of La Tenedora's total portfolio are:

Product/Segment (Millions of pesos)	Total Portfolio			Var. vs 3T24		Var. vs 4T23	
	4T23	3T24	4T24	Ps	%	Ps	%
Government	171,972	175,739	183,931	8,192	4.7%	11,959	7.0%
Commercial	256,719	282,578	302,344	19,766	7.0%	45,624	17.8%
Mortgage	255,315	268,808	274,789	5,981	2.2%	19,474	7.6%
Corporate	178,727	208,302	220,976	12,674	6.1%	42,249	23.6%
Payroll	77,108	84,392	84,647	256	0.3%	7,539	9.8%
Card	60,105	66,780	70,603	3,823	5.7%	10,498	17.5%
Automotive	42,870	50,087	53,491	3,404	6.8%	10,620	24.8%
Total Portfolio	1,042,817	1,136,685	1,190,782	54,096	4.8%	147,965	14.2%
Deferred Departures	2,386	2,950	3,132	182	6.2%	745	31.2%
BAP Portfolio	3,503	3,756	3,812	56	1.5%	309	8.8%
Total Portfolio with BAP and PD	1,048,706	1,143,392	1,197,726	54,334	4.8%	149,020	14.2%

The Stage 1 and 2 Portfolio is Ps 1,179,656; while the Stage 3 Portfolio is Ps 11,125.

Subsidiary (Millions of pesos)	Wallet		Total Portfolio	Reserves Total
	Stage 1 and 2	Step 3		
Banorte*	1,097,950	10,223	1,108,173	18,206
Cards of the Future	5,298	342	5,640	1,282
Leasing and Factoring	47,563	550	48,112	451
Bineo	36	11	47	13
Fid. Bursa GEM	28,810	-	28,810	162
Accounting Records	-	-	-	8
Total Portfolio	1,179,656	11,125	1,190,782	20,122
Deferred Departures			3,132	
BAP Portfolio			3,812	312
Total Portfolio with BAP and PD			1,197,726	20,434

* Banorte's total backlog includes eliminations of (Ps 29,287) million.

Total reserves of Ps 20,434 million include rating reserves of Ps 20,122 million, and accounting records (reserves for Letters of Credit, revaluations and BAP sector reserves) of Ps 312 million.



The Stage 1 and 2 and Stage 3 loan portfolios grouped by sector and subsidiary are detailed in the following two tables:

Sector (Millions of pesos)	Wallet		Total Portfolio	Reservation		Punishme nts 4T24	Days** Defeated
	Stage 1 and 2	Step 3		4T24	Var. vs 3T24		
Government	183,927	4	183,931	1,006	8	-	-
Services*	169,713	686	170,400	956	(30)	120	539
Commerce	82,774	1,483	84,257	1,093	(4)	113	252
Factory	69,539	172	69,711	216	12	3	241
Hotels & Restaurants	64,911	806	65,717	480	(432)	466	537
Top 5 Sectors	570,864	3,151	574,015	3,752	(445)	703	
Other Sectors	132,194	1,042	133,236	882	(13)	22	
Housing	272,692	2,097	274,789	1,319	58	545	
Consumption	198,573	4,482	203,055	12,866	570	3,706	
Cards of the Future	5,298	342	5,640	1,282	72	297	
Bineo	36	11	47	13	6	3	
Accounting Records			-	8			
Total Portfolio	1,179,656	11,125	1,190,782	20,122	247	5,276	
Deferred Departures			3,132				
BAP Portfolio			3,812	312			
Total Portfolio with BAP and PD			1,197,726	20,434			

* Services includes Financial, Real Estate and Other Services.

** Days in arrears of the overdue portfolio.

Sector/Subsidiary (Millions of pesos)	Banorte*	Cards of the Future	AyF	Bineo	Fid. Bursa GEM	Total Portfolio
Government	153,372		1,749		28,810	183,931
Services**	158,381		12,019			170,400
Commerce	76,995		7,262			84,257
Factory	69,640		71			69,711
Hotels & Restaurants	54,255		11,461			65,717
Top 5 Sectors	512,642	-	32,563	-	28,810	574,015
Remainder	595,530	5,640	15,550	47	-	616,766
Total Portfolio	1,108,173	5,640	48,112	47	28,810	1,190,782
Deferred Departures						3,132
BAP Portfolio						3,812
Total Portfolio with BAP and PD						1,197,726

* Banorte's total backlog includes eliminations of (Ps 29,287) million.

** Services includes Financial and Real Estate Services.



The Holder's current and overdue loan portfolio as of 4Q24 grouped by state and subsidiary are detailed in the following table:

State (Millions of pesos)	Wallet		Wallet Total*	Reserves Total
	Stage 1 and 2	Step 3		
1 Mexico City	344,761	1,664	346,425	3,398
2 Nuevo León	193,965	1,033	194,997	2,386
3 State of Mexico	78,867	914	79,780	1,807
4 Jalisco	78,366	741	79,106	1,141
5 Sinaloa	47,725	460	48,185	565
6 Baja California Norte	35,552	417	35,970	682
7 Quintana Roo	35,195	133	35,328	322
8 Tamaulipas	31,425	535	31,960	857
9 Chihuahua	30,719	454	31,173	657
10 Coahuila	29,891	402	30,294	707
Top 10	906,467	6,752	913,219	12,522
Other States	267,856	4,021	271,877	6,616
Cards of the Future	5,298	342	5,640	1,282
Bineo	36	11	47	13
Total Portfolio	1,179,656	11,125	1,190,782	20,434
Deferred Departures			3,132	
BAP Portfolio			3,812	
Total Portfolio with BAP and PD			1,197,726	

* Banorte's total backlog includes eliminations of (Ps 29,287) million.

The Holding Company's Stage 1 and 2 and Stage 3 loan portfolio as of 4Q24 grouped by remaining term is detailed below:

Remaining Term (Millions of pesos)	Wallet		Total Portfolio*	Reserves Total
	Stage 1 and 2	Step 3		
0 - 1 years	230,708	3,733	234,441	7,871
1 - 5 years	367,159	3,805	370,963	7,896
5 - 10 years	108,154	798	108,952	592
> 10 years	391,929	1,887	393,816	1,846
Banorte*	1,097,950	10,223	1,108,173	18,206
Cards of the Future	5,298	342	5,640	1,282
Bineo	36	11	47	13
Leasing and Factoring	47,563	550	48,112	451
Fid. Bursa GEM	28,810	-	28,810	162
Accounting Records	-	-	-	-
Total Portfolio	1,179,656	11,125	1,190,782	20,122
Deferred Departures			3,132	
BAP Portfolio			3,812	312
Total Portfolio with BAP and PD			1,197,726	20,434

* Banorte's total backlog includes eliminations of (Ps 29,287) million.



2.2.2. Exposure to Financial Instruments

As of 4Q24, the exposure to Credit Risk of Investments in Securities for Banco Mercantil del Norte is Ps 411,233 million, of which 98.2% have a rating greater than or equal to AA-(mex) on a local scale, placing them in investment grade and where the 3 main issuers other than the Federal Government, Parastatals and National Financial Institutions represent 20%% of Basic Capital as of September 2024. Additionally, the exposure of investments with the same issuer other than the Federal Government that represent a concentration greater than or equal to 5% of the Net Capital as of September 2024 are rated AAA(mex) and are composed of (*weighted average term, amount in millions of pesos and annualized yield to maturity weighted average*): securitized portfolio certificates to state governments (BANORCB Trust 4907 o Fid. Bursa GEM) at 23 years for Ps 26,695 at 10.6%.

In the case of Derivatives transactions, the exposure of the three main counterparties other than the Federal Government, Parastatals and National Financial Institutions represents 4% of the Basic Capital as of September 2024.

As for Casa de Bolsa Banorte, the exposure to Credit Risk of Investments in Securities is Ps 250,394 million, of which 100% has a rating greater than or equal to AA(mex) on a local scale, which places them in investment grade and the 3 main issuers other than the Federal Government, Parastatals and National Financial Institutions represent 95% of Stockholders' Equity as of September 2024. Additionally, the exposure of investments with the same issuer other than the Federal Government that represent a concentration greater than or equal to 5% of stockholders' equity as of September 2024 are rated greater than or equal to AA(mex) and are composed of (*term in weighted average, amount in millions of pesos and annualized yield to maturity in weighted average*): BBVA Mexico 2-year, 1-month stock certificates for Ps 6,025 at 10.4%; Banco Santander Mexico 1-year and 11-month stock certificates for Ps 4,666 at 10.4%; HSBC Mexico 10-month certificates of deposit and stock certificates for Ps 3,000 at 10.3%; BANOBRAS 1-year and 6-month certificates of deposit and certificates for Ps 2,910 at 10.3%; 2-year BANCOMEXT stock certificates for Ps 2,625 at 10.3%; 22-year and 9-month government certificates for Ps 2,415 at 10.5%; Scotiabank Inverlat 1-year and 2-month certificates of deposit and certificates for Ps 2,311 at 10.3%%; Banco Invex 6-month certificates of deposit for Ps 2,207 at 10.7%; 1-year, 9-month NAFIN certificates of deposit for Ps 2,057 at 10.4%; Banco Compartamos 2-year, 5-month certificates of deposit for Ps 1,271 at 10.7%; 7-month Banco Sabadell Mexico certificates of deposit for Ps 1,145 to 10.5%; CABEI bonds to 2 years and 6 months for Ps 1,129 to 10.4%; Banco Actinver stock certificates to 2 years and 2 months for Ps 804 to 11.0%; FEFA stock certificates to 1 year and 6 months for Ps 708 to 10.4%; stock certificates of Sociedad Hipotecaria Federal to 2 years and 3 months for Ps 631 to 10.4%; stock certificates of Grupo Aeroportuario del Pacífico to 1 monthly for Ps 462 at 10.4%; and FONACOT stock certificates for 1 year and 5 months for Ps 301 at 10.5%.

There is no exposure of Derivatives other than to the Federal Government, Parastatals and National Financial Institutions.

For Arrendadora and Factor Banorte, there is no exposure in Investments in Securities or Derivatives.

The counterparty risk exposure of transactions with derivative financial instruments for Banorte is presented below, as well as the netting effect and mitigation of exposure based on the aggregate of the guarantees related to the transactions entered into (includes transactions with Banco de México and does not include transactions settled through central counterparties).



Banorte Position (Millions of pesos)	4T24	Average 4Q24
Forwards	(151)	(117)
FX Swap	(37)	(80)
FX	(11)	3
Options	56	40
Interest Rate Swap (IRS)	(1,725)	(1,240)
Cross Currency Swap (CCIRS)	(8,294)	(6,814)
Credit Default Swaps (CDS)	13	2
Total	(10,150)	(8,238)
Positive fair value (Positive Market Value)	3,722	4,631
Net Effect*	13,872	12,837
Warranties Delivered (-) / Received (+)		
Effective Values	(4,138)	(4,647)
Total	(4,138)	(4,647)

*The difference between the positive market value (excluding the net of the positions) and the market value of the portfolio.

Transactions settled in the Clearing House are not included because they do not have counterparty risk.

The following table shows the current exposure levels and potential future exposure at the end of the quarter and on average during the quarter, respectively, for Banorte.

Banorte (Millions of pesos)	Potential Risk		Current Risk	
	4T24	Average 4Q24	4T24	Average 4Q24
Counterparts				
Financial				
FWD				
FX SWAP	3,124	2,817	(88)	(99)
FX				
OPTIONS	5,124	4,928	321	323
RATE SWAP	6,990	6,619	836	1,241
CCS	2,419	2,566	(8,010)	(6,571)
CDS	356	156	13	2
Total	2,131	2,837	(6,928)	(5,135)
Clients				
(Non-Financial)				
FWD	16	13	(110)	(95)
OPTIONS	131	166	(266)	(283)
RATE SWAP	1,248	1,429	(2,561)	(2,482)
CCS	399	380	(285)	(244)
Total	1,765	1,945	(3,222)	(3,103)



Based on the conditions established within the contracts for the operation of derivative financial instruments, exposure tolerance levels are considered, depending on the rating maintained by the entities involved in the transaction. The following table presents the amount of guarantees to be delivered in the event of deterioration due to downgrading of the institution. It is worth mentioning that with most of the counterparties, the threshold has been migrated to zero, so the guarantees to be delivered do not depend on the credit rating, but are due to market movements:

Banorte Net Cash Outflows (Millions of pesos)	4T24	Average 4Q24
Cash Out with 1-Step Downgrade	-	-
Cash Out with 2-Step Downgrade	-	-
Cash Out with 3-Step Downgrade	-	-

The following table details the market value according to the rating ranges for the counterparties of the portfolio of the traded derivatives products.

Banorte Grading Interval (Millions of pesos)	MtM 4T24	Average 4Q24
AAA/AA-	-	-
A+/A-	(6,654)	(5,430)
BBB+/BBB-	118	614
BB+/BB-	(133)	(111)
B+/B-	-	(23)
CCC/C	-	-
SC	(3,481)	(3,288)
Total	(10,150)	(8,238)

The counterparty risk exposure of transactions with Derivatives financial instruments for brokerage houses is presented below, as well as the netting effect and mitigation of exposure based on the aggregate of the guarantees related to the transactions entered into (including operations with Banco de México. It does not include transactions settled through central counterparties).

Brokerage House Position (Millions of pesos)	4T24	Average 4Q24
Forwards	-	-
FX Swaps	-	-
FX	-	-
Options	-	-
Interest Rate Swap (IRS)	127	128
Cross Currency Swap (CCIRS)	-	-
Credit Default Swaps (CDS)	-	-
Total	127	128
Positive fair value (Positive Market Value)	785	726
Net Effect*	658	599
Warranties Delivered (-) / Received (+)		
Effective Values	-	-
Total	-	-

*The difference between the positive market value (excluding the net of the positions) and the market value of the portfolio.

Transactions settled in the Clearing House are not included because they do not have counterparty risk.



The following table presents the current exposure levels and potential future exposure at the end of the quarter and on average during the quarter, respectively, for Casa de Bolsa.

Brokerage House (Millions of pesos)	Potential Risk		Current Risk	
	4T24	Average 4Q24	4T24	Average 4Q24
Counterparts Financial				
FWD				
FX SWAP	-	-	-	-
FX				
OPTIONS	-	-	(14)	(13)
RATE SWAP	800	738	800	739
CCS	-	-	-	-
CDS	-	-	-	-
Total	800	738	785	726
Counterparts Non-Financial				
FWD				
OPTIONS	13	10	14	13
RATE SWAP	113	140	(673)	(611)
CCS	-	-	-	-
Total	126	150	(658)	(599)

Based on the conditions established within the contracts for the operation of derivative financial instruments, exposure tolerance levels are considered, depending on the rating maintained by the entities involved in the transaction. The following table presents the amount of guarantees to be delivered in the event of deterioration due to downgrading of the institution. It is worth mentioning that with most of the counterparties, the threshold has been migrated to zero, so the guarantees to be delivered do not depend on the credit rating, but are due to market movements:

Brokerage House Net Cash Outflows (Millions of pesos)	4T24	Average 4Q24
Cash Out with 1-Step Downgrade	-	-
Cash Out with 2-Step Downgrade	-	-
Cash Out with 3-Step Downgrade	-	-

The following table details the market value according to the rating ranges for the counterparties of the portfolio of the traded derivatives products.

Brokerage House Grading Interval (Millions of pesos)	MtM 4T24	Average 4Q24
AAA/AA-	-	-
A+/A-	-	-
BBB+/BBB-	785	726
BB+/BB-	-	-
B+/B-	-	-
CCC/C	-	-
SC	(658)	(599)
Total	127	128



2.3. Credit Guarantee

Guarantees represent the second source of credit recovery, when the coverage of the same via the preponderant activity of the applicant is compromised. Warranties can be real or personal.

The main types of security rights are as follows:

- Civil Mortgage
- Industrial Mortgage
- Ordinary Pledge
- Pledge without Transfer of Possession
- Pledge/Pledge Bond
- Pledge Bond
- Stock Surety
- Stock Pledge
- Administration and Payment Trust
- Development Funds

In the case of physical assets granted as collateral, the Institution has policies and processes to follow up and carry out periodic inspection visits to ascertain the existence, legitimacy, value and quality of the guarantees that were accepted as alternative support for the credit. On the other hand, when the guarantees are securities, there are policies and processes in place to monitor the market valuation of the securities and require additional guarantees if necessary.

The following is the credit portfolio covered by type of collateral:

Type of Warranty (Millions of pesos)	4T24				Total*
	Banorte	Banorte Savings and Forecasting	Bineo	Lessor and Factor**	
Total Portfolio	1,165,253	3,812	47	48,053	1,197,726
Portfolio Covered by Collateral Type					
Financial collateral	69,520	-	-	-	69,520
Non-Financial Collateral	637,329	-	-	9,828	647,157
Pari Passu	53,565	-	-	-	53,565
First Losses	4,402	-	-	-	4,402
Personal Guarantees	61,899	-	-	9,020	70,919
Total Portfolio Covered	826,715	-	-	18,848	845,563

*Total Credit Portfolio includes eliminations and accounting records for (Ps 19,439).

** AyF's portfolio does not include pure leasing.

2.4. Expected Losses

As of 4Q24, Banco Mercantil del Norte's total backlog is Ps 1,140,652 million. The expected loss represents 1.6% and unexpected loss 3%.4% both with respect to the total portfolio. The average of the expected loss represents 1.6% of the period October – December 2024.

As for Casa de Bolsa Banorte, the credit exposure of the investments is Ps 251,194 million and the expected loss represents 0.004% of this exposure. The average of the expected loss is 0.004% of the period October – December 2024.

The total portfolio of Lessor and Factor, including pure leasing, is Ps 51,032 million. The expected loss represents 0.9% and the unexpected loss represents 1.5% both with respect to the total portfolio. The average expected loss represents 0.9% of the October-December 2024 period.



2.5. Internal Models

In October 2016, the Board of Directors approved the implementation plan for the internal models for the calculation of reserves and capital requirements for all modelable portfolios, which was sent to the CNBV that same year. In accordance with this implementation plan, the models for the Credit Card, Business and Automotive Individual portfolios were certified.

At the end of 2018, the CNBV released the project to migrate standard and internal methodologies under the IFRS9 approach, but it was not until March 2020 that the definitive rule for the Internal Methodologies of reserves based on NIF C-16 (IFRS9) was published in the DOF (Official Gazette of the Federation), effective as of January 2021. However, as a result of the Covid-19 pandemic, the CNBV issued a statement in April 2020, indicating that the rule would be effective as of January 2022.

Therefore, the Holding Company adhered to the new regulation and adopted the Internal Methodologies for reserves based on NIF C-16, requesting in April 2021 the CPR and the Board of Directors to approve the Implementation Plan (Capital and Reserves), which was authorized by the CNBV in January 2022 through Official Letter No. 111-2/852/2022.

Therefore, as of January 2022, when the NIF C16 (IFRS9) standard came into force¹, it is being used for the calculation of preventive reserves for credit risks, both in the Standard Approach and in the Internal Models. Consequently, for the Internal Models, estimates for the risk parameters will be obtained under two approaches: IRB for capital requirement calculation and IFRS9 for reserve calculation:

- The equity approach will maintain long-term estimates ("Through the Cycle" (TTC), under Annex 15 of the CUB.²
- The focus on reserves captures current behaviors ("Point in Time", PIT) and with a prospective approach (future macroeconomic environment), under Annex 15 Bis of the CUB. In addition, the new methodology indicates that the portfolio must be classified into 3 risk stages, with a reserve calculation for the remaining term (LifeTime) being necessary for stage 2.

Given the new guidelines of the CUB on Internal Models, the National Banking and Securities Commission (CNBV) will only issue an official letter of approval for the use of the methodology for the Calculation of Capital, for a maximum period of 18 months. The use of the internal reserves methodology is authorized by Banorte's Board of Directors and by the Board of Lessor and Factor Banorte, as appropriate, with the support of the Technical Evaluation made by the Independent Evaluator that endorses compliance with the model under the standards established in Annex 15 Bis. It should be noted that the Technical Evaluation Report is sent to the CNBV for review, the validity of this model is also for a maximum period of 18 months.

2.5.1. Advanced In-House Credit Card Model

On November 15, 2017, the Holding Company obtained approval from the National Banking and Securities Commission (CNBV) for the use of Internal Credit Card Rating Models (IM) for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official Letter 111-3/706/2017). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on July 4, 2024, the CNBV granted authorization for the use of the MI for the calculation of capital requirements for the period authorized according to the corresponding official letter (Official Letter 111-2/1269/2024) and the Governing Body authorized the use of the reserve methodology based on IFRS C16 at its meeting on 16 April 2024.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.

¹ IFRS9 = International Financial Reporting Standards 9, IRB = Internal Rate Based Models

² Single Circular of Banks



- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

The following table shows the Credit Card Portfolio subject to the Advanced Internal Model classified by risk grades of the Internal Model as of 4Q24:

Revolving Consumer Portfolio under Advanced Internal Model											Millions of Pesos	
MI Risk Grade*	Accounting Balance	Exposure to Non-Compliance (EI)**			Severity of Loss			PI weighted by EI			Unwilling Commitments	Exposure to non-compliance Weighted average by position
		Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3		
1	2,928	3,968	0.00	-	63.7%	62.1%		0.4%	0.4%		16,726	26%
2	5,592	7,288	0.00	-	64.8%	62.1%		0.8%	0.8%		23,000	23%
3	7,602	10,964	0.05	-	65.7%	63.1%		1.4%	1.4%		27,881	31%
4	8,634	11,114	0.15	-	67.1%	66.3%		2.0%	2.0%		21,811	22%
5	5,697	7,438	0.49	-	68.3%	63.5%		2.8%	2.8%		10,441	23%
6	6,361	8,139	1	-	69.4%	63.4%		3.9%	3.9%		8,068	22%
7	6,240	7,904	1	-	71.4%	64.4%		5.4%	5.4%		5,401	21%
8	7,458	9,270	4	-	73.0%	65.8%		8.0%	8.0%		5,311	20%
9	6,376	7,890	26	-	74.9%	69.0%		13.4%	13.4%		2,030	19%
10	6,259	6,859	717	-	76.6%	77.8%		36.8%	36.8%		597	17%
11	1,816	-	-	1,816			83.3%			100.0%	(1)	0%
Total Portfolio	64,963	80,835	749	1,816	69.4%	77.3%	83.3%	7.1%	35.7%	100.0%	121,266	22%

* The scale of risk degrees corresponds to the Advanced Internal Model.

** EI balances include both potential risk and drawn-down balance.

The following table will show the difference between the expected and observed loss resulting from the Advanced Internal Credit Card Model as of 4Q23:

Backtesting					
Wallet	Expected Loss Internal Models*	Observed Loss	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC	
Credit Card		5,291	5,020	(271)	105%
Total Portfolio		5,291	5,020	(271)	105%

*Information as of December 2023. Note: Expected and Observed Loss is equal to the average of the last 12 months



2.5.2. Advanced Internal Model for Automotive Individual

On November 25, 2019, the Holding Company obtained approval from the National Banking and Securities Commission for the use of Internal Models (MI) for the rating of Automotive Individuals (Auto PF) for the constitution of regulatory reserves and capital for credit risk with an advanced approach (Official Letter 111/678/2019). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on August 23, 2024, the CNBV (Official Letter 111-2/1280/2024) granted authorization for the use of the MI only for the calculation of capital requirements for a period of 13 months, and the Board of Directors authorized the use of the reserve methodology based on IFRS-C16 at its meeting on January 17, 2024.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

The following table shows the Portfolio of Automotive Individuals subject to the Advanced Internal Model classified by risk grades of the Internal Model as of 4Q24:

Automotive Portfolio Individual under Advanced Internal Model										Millions of Pesos
MI Risk Grade*	Accounting Balance			Exposure to Non-Compliance			Severity of Loss			Exposure-weighted IP
	Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3	
1	2,908	-	-	2,908	-	-	58.53%			0.21%
2	8,449	-	-	8,449	-	-	67.57%			0.35%
3	12,848	0.1	-	12,848	0.1	-	54.56%	49.42%		0.53%
4	11,939	0.02	-	11,939	0.02	-	57.94%	49.42%		0.74%
5	7,335	0.2	-	7,335	0.2	-	58.45%	57.76%		1.01%
6	3,902	0.7	-	3,902	0.7	-	61.02%	72.59%		1.73%
7	2,783	11	-	2,783	11	-	54.49%	49.67%		3.93%
8	2,569	420	-	2,569	420	-	56.04%	56.86%		18.25%
9	-	-	290	-	-	290			59.12%	100.00%
Total Portfolio	52,732	433	290	52,732	433	290	58.11%	56.64%	59.12%	2.39%

* The scale of risk degrees corresponds to the Advanced Internal Model.

The following table shows the difference between the expected and observed loss resulting from the Advanced Internal Model for Automotive Individuals as of 4Q23:

Backtesting				
Wallet	Expected Loss Internal Models*	Observed Loss	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC
Automotive Individual	616	508	(108)	110%
Total Portfolio	616	508	(108)	110%

* Information as of December 2023



2.5.3. Advanced In-House Model for Mortgage Portfolio

On July 27, 2023, the Holding Company obtained approval from the National Banking and Securities Commission for the use of the Model based on Internal Ratings with an Advanced Approach to calculate the capital requirement in the Mortgage portfolio (Official Letter 111-2/1628/2023), this authorization being for the period authorized in the corresponding official letter. Likewise, authorization was obtained from the Board of Directors for the use of the reserve methodology based on NIF-C16 at its meeting on April 20, 2023.

These internal models improve the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The aforementioned parameters are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

The following table shows the Mortgage Portfolio subject to the Advanced Internal Model classified by risk grades of the 4Q24 Internal Model:

Mortgage Portfolio under Advanced Internal Model										Millions of Pesos
MI Risk Grade*	Accounting Balance*			Exposure to Non-Compliance			Severity of Loss			Exposure-weighted IP
	Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3	Stage 1	Step 2	Step 3	
1	83,402	80	-	83,402	80	-	14.37 %	13.15 %		0.09%
2	76,751	-	-	76,751	-	-	16.41 %			0.28%
3	62,526	-	-	62,526	-	-	17.12 %			0.69%
4	19,614	0.4	-	19,614	0.4	-	18.31 %	19.19 %		1.58%
5	14,202	2	-	14,202	2	-	17.26 %	31.55 %		3.39%
6	2,266	77	-	2,266	77	-	12.30 %	12.30 %		7.06%
7	4,929	381	-	4,929	381	-	18.50 %	18.78 %		11.48%
8	4,148	2,867	-	4,148	2,867	-	14.58 %	15.20 %		30.39%
9	-	-	1,754	-	-	1,754			16.23 %	100.00%
Total Portfolio	267,838	3,407	1,754	267,838	3,407	1,754	15.81 %	15.24 %	16.23 %	2.26%

*The Accounting Balance does not include the Co-participated Portfolio for Ps 2,114 million



The following table shows the difference between the expected and observed loss resulting from the Advanced Internal Model for Mortgage Portfolio as of 4Q23:

Backtesting				
Wallet	Expected Loss Internal Models*	Observed Loss	Ps Difference (Observed Loss – Expected Loss)	% Coverage PNC
Mortgage	1,099	1,068	(31)	103%
Total Portfolio	1,099	1,068	(31)	103%

* Information as of December 2023. Note: Expected and Observed Loss is equal to the average of the last 12 months

2.5.4. Basic Internal Model for Companies

On November 30, 2018, the Holding Company obtained approval from the National Banking and Securities Commission for the use of the Internal Business Model for the constitution of regulatory reserves and capital requirements for credit risk with a basic approach (Official Letter 111-3/1472/2018) in Banco Mercantil del Norte, and on February 26, 2019 for Arrendadora and Factor Banorte (Official Letters 111-1/160/2019). Periodically (as indicated in the regulation), the Internal Models are recalibrated, and the certification is obtained again, and given that, on July 4, 2024, the CNBV granted authorization for the use of the MI only for the calculation of capital requirements for the period authorized in the corresponding official letter for Banco Mercantil del Norte (Official Letter 111-2/1267/2024) and on July 19, 2024. 2024 for Lessor and Factor Banorte (Official Letter 111-2/1273/2024). Likewise, the Board of Directors authorized the use of the reserve methodology based on NIF C16 at its meeting on April 16, 2024 for Banco Mercantil del Norte and on April 12, 2024 for Arrendadora and Factor Banorte.

The positions subject to this classification are those of legal entity clients (other than states, municipalities and financial institutions) and individuals with business activity, both with annual sales greater than or equal to 14 million UDIs.

The Internal Model improves the comprehensive management of credit risk, estimating the risk parameters through the experience of the Institution, and have been applied as of February 2019 (with figures as of January) in Banco Mercantil del Norte; and as of March 2019 (with figures as of February) in Arrendadora and Factor Banorte. The parameter authorized under the Basic Internal Business Model is:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each accredited student, a score is obtained, which is mapped to a master grading scale.

The following tables show the portfolio subject to the Internal Business Model classified by stage and degree of risk as of 4Q24

Commercial Portfolio under the Basic Internal Business Model				<i>Millions of pesos</i>
Grupo Financiero Banorte				
Portfolio Stage 1				
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	
1	116,878	117,586	0.04%	
2	104,888	105,436	0.09%	
3	54,701	55,022	0.47%	
4	29,193	29,618	0.93%	
5	10,492	10,492	0.95%	
6	1,193	1,193	3.50%	
7	1,928	1,928	10.65%	
8	366	366	17.04%	
9	21	21	43.51%	
Total	319,660	321,663	0.34%	

* EI balances include both potential risk and drawn-down balance.



Commercial Portfolio under the Basic Internal Business Model Grupo Financiero Banorte Stage 2 Portfolio				Millions of pesos
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	
1	0.4	0.4	0.03%	
2	0.003	0.003	0.06%	
3	18	18	0.52%	
4	231	231	1.03%	
5	27	27	2.22%	
6				
7	27	27	10.69%	
8	219	219	29.49%	
9	30	30	15.49%	
Total	552	552	13.63%	

* EI balances include both potential risk and drawn-down balance.

Commercial Portfolio under the Basic Internal Business Model Grupo Financiero Banorte Portfolio Stage 3				Millions of pesos
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	
Step 3	1,669	1,669	94.11%	
Total	1,669	1,669	94.11%	

* EI balances include both potential risk and drawn-down balance.

Commercial Portfolio under the Basic Internal Business Model Grupo Financiero Banorte Total Portfolio				Millions of pesos
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	
1	116,879	117,586	0.04%	
2	104,888	105,436	0.09%	
3	54,718	55,040	0.47%	
4	29,424	29,849	0.94%	
5	10,519	10,519	0.96%	
6	1,193	1,193	3.50%	
7	1,955	1,955	10.65%	
8	586	586	21.71%	
9	51	51	27.16%	
Step 3	1,669	1,669	94.11%	
Total	321,881	323,884	0.85%	

* EI balances include both potential risk and drawn-down balance.

Below is the breakdown of risk exposure and expected loss by subsidiary:

Commercial Portfolio under the Basic Internal Business Model				Millions of pesos
Subsidiary	Accounting Balance*	Exposure to Non-Compliance (EI)**	Expected Loss	
Banco Mercantil del Norte	279,476	281,479	822	
Lessor and Factor Banorte	42,405	42,405	238	
Total Portfolio*	321,881	323,884	1,060	

* The balances include Letters of Credit for Ps 22,560 million, and exclude accounting adjustments for Ps 5 million in Banorte and Ps 219 million in Arrendadora and Factor Banorte.

** EI balances include both potential risk and drawn-down balance.



The following table shows the difference between the expected loss that was estimated by the Internal Business Model and the actual loss observed in the following 12 months. Since this model was recently authorized, the estimated results during the parallel run period are shown:

Backtesting			Millions of pesos
Period	Expected Loss Internal Models	Observed Loss	% Coverage (Expected Loss / Observed Loss)
4Q23	983	516	190%

2.5.5. Advanced In-House Model for SME Portfolio

On August 30, 2024, the Holding Company obtained authorization from the National Banking and Securities Commission for the use of the MI for the calculation of capital requirements for a period of 12 months for Banco Mercantil del Norte (Official Letter 111-2/1240/2024) and on September 30, 2024 for Lessor and Factor Banorte (Official Letter 111-2/1295/2024). Likewise, the Board of Directors authorized the use of the reserve methodology based on NIF C16 at its meeting on January 17, 2024 for Banco Mercantil del Norte and on January 16, 2024 for Arrendadora and Factor Banorte.

The positions subject to this classification are those of clients who are legal entities (other than states, municipalities and financial institutions) and individuals with business activity, both with annual sales of less than 14 million UDIs.

The Internal Model improves the comprehensive management of credit risk, estimating risk parameters through the Institution's experience. The parameters authorized under the Advanced Internal Model of SMEs are:

- Probability of Default (PI). It indicates the probability that a borrower will fail to comply with its contractual obligations in the twelve months following the qualification month. For each credit a score is obtained, which is mapped to a Master Grading scale.
- Severity of Loss (SP). Measures the intensity of loss in default expressed as a percentage of Exposure to Default (EI).
- Exposure to Non-Compliance (EI). It is the amount of the debt at the time of default on a loan, considering a horizon of the following 12 months with respect to the month of qualification.

The following tables show the Portfolio subject to the Advanced Internal SME Model classified by stage and degree of risk:

Commercial Portfolio under Advanced Internal SME Model				
Grupo Financiero Banorte				
Portfolio Stage 1				
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	Weighted SP
1	56,545	56,545	0.96%	30.80%
2	26,919	26,971	1.93%	27.80%
3	6,364	6,364	3.06%	28.35%
4	1,760	1,760	9.58%	29.48%
5	1,355	1,355	11.56%	29.05%
6	556	556	18.04%	35.17%
7	378	378	20.64%	35.16%
8	94	94	31.00%	34.95%
Total	93,970	94,023	1.90%	29.78%

* EI balances include both potential risk and drawn-down balance.



Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Stage 2 Portfolio					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	Weighted SP	
1	10	10	1.03%	35.80%	
2	69	69	1.94%	32.65%	
3	17	17	2.98%	32.73%	
4	20	20	6.29%	34.03%	
5	59	59	12.88%	57.89%	
6	293	293	19.68%	52.72%	
7	486	486	28.03%	53.98%	
8	245	245	36.49%	54.91%	
Total	1,199	1,199	24.52%	52.03%	

* EI balances include both potential risk and drawn-down balance.

Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Portfolio Stage 3					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	Weighted SP	
Step 3	2,447	2,447	92.11%	52.68%	
Total	2,447	2,447	92.11%	52.68%	

* EI balances include both potential risk and drawn-down balance.

Commercial Portfolio under Advanced Internal SME Model					<i>Millions of pesos</i>
Grupo Financiero Banorte					
Total Portfolio					
Risk Level	Accounting Balance	Exposure to Non-Compliance (EI)*	PI weighted by EI	Weighted SP	
1	56,556	56,556	0.96%	30.80%	
2	26,988	27,041	1.93%	27.82%	
3	6,380	6,380	3.06%	28.36%	
4	1,780	1,780	9.54%	29.54%	
5	1,413	1,413	11.62%	30.25%	
6	849	849	18.61%	41.23%	
7	864	864	24.79%	45.75%	
8	338	338	34.97%	49.39%	
Step 3	2,447	2,447	92.11%	52.68%	
Total	97,617	97,669	4.44%	30.64%	

* EI balances include both potential risk and drawn-down balance.

Below is the breakdown of risk exposure and expected loss by subsidiary:

Commercial Portfolio under Advanced Internal SME Model				<i>Millions of pesos</i>
Subsidiary	Accounting Balance*	Exposure to Non-Compliance (EI)**	Expected Loss	
Banco Mercantil del Norte	94,705	94,758	1,597	
Lessor and Factor Banorte	2,911	2,911	154	
Total Portfolio*	97,617	97,669	1,751	

* The balances include Letters of Credit for Ps 717 million.

** EI balances include both potential risk and drawn-down balance.



The following table shows the difference between the expected loss that was estimated by the Advanced Internal SME Model and the actual loss observed in the following 12 months. Since this model was recently authorized, the estimated results during the parallel run period are shown:

Backtesting			Millions of pesos
Period	Expected Loss Internal Models	Observed Loss	% Coverage (Expected Loss / Observed Loss)
4Q23	2,218	1,517	146%

2.6. Risk Diversification

In December 2005, the CNBV issued the "General Provisions Applicable to Credit Institutions in the Matter of Risk Diversification", which require institutions to carry out an analysis of the borrowers and/or financing they hold to determine the amount of their "Common Risk". Likewise, the institutions must have the necessary information and documentation to verify that a person or group of people represent a common risk in accordance with the assumptions referred to in the aforementioned rules.

In compliance with the rules of risk diversification in active and passive operations, the following information corresponding to **Banco Mercantil del Norte** is shown:

Basic Capital as of September 2024 (Millions of pesos)	189,539
I. Large Exposures (Groups and Clients whose combined exposure represents more than 10% of core capital):	
Number of Groups and Customers	5
Total Exposure of Groups and Customers as a Whole	136,852
% to core capital	72%
II. Maximum amount of financing with the 4 largest debtors and common risk groups	102,951

In compliance with the rules for risk diversification in active and passive operations, the following information is shown corresponding to **Lessor and Factor Banorte**:

Stockholders' equity as of September 2024 (Millions of pesos)	13,607
I. Large Exposures (Groups and Clients whose combined exposure represents more than 10% of stockholders' equity):	
Number of Groups and Customers	8
Total Exposure of Groups and Customers as a Whole	15,417
% of stockholders' equity	113%
II. Maximum amount of financing with the 4 largest debtors and common risk groups	9,122

3. MARKET RISK (Bank and Brokerage House)

The objectives of Market Risk at La Tenedora are:

- Comply with the Desired Risk Profile defined by the Group's Board of Directors.
- Maintain adequate monitoring of Market Risk.
- To keep Senior Management adequately informed in a timely manner.
- Quantify through the use of various methodologies, the exposure to Market Risk.
- Define the maximum levels of risk that the Institution is willing to maintain.
- Measure the vulnerability of the Institution to extreme market conditions and consider these results for decision-making.



The Market Risk policies at La Tenedora are:

- New products subject to market risk must be evaluated and approved through the guidelines for new products approved by the Risk Policy Committee.
- The Board is the body empowered to approve global limits and market risk appetite metrics, as well as modifications to the above.
- The Risk Policy Committee is the body empowered to approve specific models, methodologies and limits, as well as modifications to the previous ones.
- Market risk models will be validated by an area independent of the one that develops and manages them.
- Market risk inputs and models will be validated in accordance with a policy duly approved by the Risk Policy Committee.

3.1. Scope, Methodologies and Reporting of Market Risk

Market Risk Management is managed through a series of fundamental pillars, including the use of models and methodologies such as *expected shortfall*, *Backtesting*, *Sensitivity Analysis* and *Stress Testing*, all used to measure the risk of products and portfolios of instruments listed on the financial markets. During the month of January 2019, Banorte implemented the calculation of the potential loss, thus replacing the calculation of VaR. Likewise, the valuation of Derivatives instruments was implemented using RFR curves and collateral-adjusted curves following international standards for currencies other than pesos; during 2024, the methodology was changed to RFR curves in pesos, in line with the prohibition of the use of the TIIE rate by Banco de México..

Similarly, risk management is supported by a framework of policies and manuals, which establish the implementation and monitoring of Market Risk limits, the disclosure of the referred risk metrics and their monitoring with respect to the established limits. These policies detail, among others: the characteristics, capacity, legal aspects, implementation issues and degree of coverage that must be considered when compensating or mitigating the risk.

Market Risk Management is supported by various risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are continuously backed up following institutional procedures in terms of computer security.

Key risk indicators are disclosed through monthly reports to the CPR and through a daily report to the main executives in the institution related to the taking of Market Risk positions.

3.2. Market Risk Exposure

The exposure to Market Risk of the Institution's portfolios of financial instruments is quantified through the methodology called "*Expected Shortfall*", which is determined as the average of the losses once the Value at Risk (VaR) is exceeded.

The potential loss model is based on a one-day time horizon and is based on a non-parametric historical simulation with a 97.5% confidence level and 500 historical observations on risk factors plus a stress scenario. It also considers all financial instrument positions (money market, treasury, capital, exchanges, and derivatives) classified as trading, both on and off the balance sheet.

The average potential loss for 4Q24 of the Bank's portfolio is Ps 68.7 million, (Ps 97.3 million lower than the average potential loss of the previous quarter).

The result shown represents that the Bank's potential loss, with a confidence level of 97.5%, is on average Ps 68.7 million.

Potential Loss (Millions of pesos)	Average 4Q24
Total Potential Loss	68.7
Capital Neto	223,322.0
Potential Loss/Net Capital	0.03%



The potential loss by risk factor behaved during 4Q24 as follows:

Risk Factor <i>(Millions of pesos)</i>	4Q24	Average 4Q24
Domestic Taxes	49.7	58.1
Foreign Fees	26.9	37.3
Surcharges	30.2	37.4
FX	26.8	12.8
Other	23.1	28.6
Diversification Effect	(95.6)	(105.4)
Total Potential Loss of the Bank	61.2	68.7

The potential loss at the end of 4Q24 corresponds to Ps 61.2 million. The contribution to the potential loss for each risk factor is:

Risk Factor <i>(Millions of pesos)</i>	4T24	Average 4Q24
Domestic Taxes	48.7	52.4
Foreign Fees	1.2	10.2
Surcharges	1.0	0.9
FX	11.6	4.5
Other	(1.3)	0.7
Total Potential Loss of the Bank	61.2	68.7

The potential loss by risk factor is determined by simulating 500 historical scenarios plus a stress scenario, grouping instruments by their main risk factor. Importantly, all positions classified as trading positions were taken into account, excluding the hold-to-maturity and available-for-sale position.

The average concentration by market risk factor without considering the diversification effect is:

Risk Factor	4Q24
Rates	91%
Surcharges	1%
FX	6%
Other	1%

3.2.1. Sensitivity Analysis and Testing under Extreme Conditions

In addition to the potential loss and in order to strengthen the risk analysis, Banorte conducts tests under extreme conditions, also known as *Stress Testing*. The foregoing, presented monthly to the CPR and its main objective is to obtain the impact on the institution's positions given important movements in risk factors.



3.2.2. Backtesting Banorte

In order to validate the effectiveness and accuracy of the potential loss, the Backtesting analysis is submitted to the CPR monthly. Through this analysis, it is possible to compare the observed gains and losses with respect to the estimated Potential Loss and, if necessary, make pertinent adjustments to the estimator.

3.2.3. Potential Loss at Casa de Bolsa Banorte

The portfolio's average potential loss for 4Q24 is Ps 165.5 million (Ps 41.6 million higher than the average potential loss for the previous quarter).

The result shown represents that the potential loss of the Brokerage House, with a confidence level of 97.5%, is on average Ps 165.5 million.

Potential Loss <i>(Millions of pesos)</i>	Average 4T24
Total Potential Loss	165.5
Capital Neto	3,541
Potential Loss/Net Capital	4.67%

The potential loss due to risk factor of the portfolio of instruments described for Casa de Bolsa Banorte behaved during 4Q24 as follows:

Risk Factor <i>(Millions of pesos)</i>	4Q24	Average 4Q24
Domestic Taxes	101.7	93.0
Foreign Fees	0.4	0.4
Surcharges	93.0	88.1
FX	0.0	0.2
Other	0.0	0.0
Diversification Effect	(17.3)	(16.3)
Total Potential Loss of Casa de Bolsa Banorte	177.8	165.5

The potential loss at the end of 4Q24 corresponds to Ps 177.8 million.

The potential loss by risk factor is determined by simulating 500 historical scenarios plus a stress scenario, grouping instruments by their main risk factor. Importantly, all positions classified as trading positions were taken into account, excluding the hold-to-maturity and available-for-sale position.

The concentration by Market Risk Factor is mainly in interest rates.

3.2.4. Sensitivity Analysis and Testing under Extreme Conditions.

In addition to the Potential Loss, and in order to strengthen the risk analysis, Casa de Bolsa Banorte performs the analysis by applying tests under extreme conditions, also known as *Stress Testing*. The foregoing, presented monthly to the CPR and its main objective is to obtain the impact on the institution's positions given important movements in risk factors.



3.2.5. Backtesting Casa de Bolsa Banorte

In order to validate the effectiveness and accuracy of the Potential Loss, the Backtesting analysis is submitted monthly to the CPR. Through this analysis it is possible to compare the observed gains and losses with respect to the estimated Potential Loss and, if necessary, the pertinent adjustments will be made to the estimator.

4. BALANCE SHEET AND LIQUIDITY RISK

The objectives of Balance Sheet Risk and Liquidity in the Holding Company are:

- Comply with the Desired Risk Profile defined by the Group's Board of Directors.
- Adequately monitor Balance Sheet Risk and Liquidity.
- Quantify through the use of various methodologies, the exposure to Balance Sheet and Liquidity Risk.
- Measure the vulnerability of the Institution to extreme market conditions and that these results are considered for decision-making.
- To keep Senior Management adequately informed in a timely manner about exposure to Balance Sheet and Liquidity Risk and any deviation from the limits and risk profile.
- Follow up on the institution's coverage policy and review it at least annually.
- Maintain a sufficient level of eligible Liquid Assets to guarantee the liquidity of the Institution even under stress conditions.

The Liquidity Risk policies in the Holding Company are:

- Establishment of Global and Specific Limits for Balance Sheet Risk Management and Liquidity.
- Measurement and monitoring of Balance Sheet and Liquidity Risk.
- Information and disclosure of Liquidity Risk to risk-taking areas, the CPR, the Board of Directors, the Financial Authorities and the Investing Public.

4.1. Scope, Methodologies and Reporting of Balance Sheet and Liquidity Risk

Balance Sheet and Liquidity Risk is managed through a series of fundamental pillars, among which the use of key indicators, such as the Liquidity Coverage Ratio (LCC), reprice and liquidity gaps, as well as stress tests, can be highlighted. This is based on a framework of policies and manuals, including a contingency financing plan and a contingency plan for the preservation of solvency and liquidity. Similarly, it is complemented by the monitoring of Desired Risk Profile limits and levels on the Balance Sheet Risk and Liquidity metrics in question. The disclosure of the aforementioned metrics and indicators and their compliance with the limits and the Desired Risk Profile established is carried out through monthly reports to the CPR, weekly reports to the Balance Sheet Management Committee and quarterly reports to the Board of Directors.

Balance Sheet and Liquidity Risk management is supported by various risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are continuously backed up following institutional procedures in terms of computer security.



4.2. Financing Profile and Strategy

The composition and evolution of the bank's funding during the quarter is shown in the following table:

Anchor Source <i>(Millions of pesos)</i>	3Q24	4Q24	Var vs. 3Q24
Demand Deposits			
National Currency ⁽¹⁾	629,907	647,454	2.8%
Foreign Currency ⁽¹⁾	87,052	97,845	12.4%
Demand Deposits	716,960	745,299	4.0%
Time Deposits – Window			
National Currency ⁽²⁾	307,402	311,661	1.4%
Foreign currency	6,250	4,144	-33.7%
Window Capture	1,030,612	1,061,104	3.0%
Money Table			
National Currency ⁽³⁾	62,544	50,673	-19.0%
Foreign Currency ⁽³⁾	48,769	40,602	-16.7%
Comprehensive Deposits Banking Sector	1,141,925	1,152,379	0.9%

1. Includes balance of the Global Deposit Account without Movement.
2. Includes eliminations between subsidiaries
3. Money Desk and Time Deposits

4.3. Liquidity Coverage Ratio (LCC)

The CCL allows quantifying Liquidity Risk through the relationship between Liquid Assets and Net Cash Outflows, in the next 30 days, under assumptions of a regulatory stress scenario.

The LCC is an indicator that should be interpreted as the Institution's liquidity sufficiency to cover its short-term obligations, under an extreme scenario, using only its highest quality Liquid Assets.



The following tables present the average evolution of the components of the LCC in 4Q24.

CCL Components (Millions of pesos)	Consolidated Calculation	
	Unweighted Amount (Average)	Weighted Amount (Average)
ELIGIBLE LIQUID ASSETS		
1 Total Eligible Liquid Assets	Not applicable	184,204
CASH OUTFLOWS		
2 Unsecured Retail Financing	605,899	41,261
3 Stable financing	386,570	19,329
4 Less stable funding	219,329	21,933
5 Unsecured wholesale financing	390,233	97,439
6 Operational Deposits	369,774	85,496
7 Non-operational deposits	15,147	6,631
8 Unsecured debt	5,312	5,312
9 Guaranteed wholesale financing	272,188	25,689
10 Additional Requirements:	552,069	41,827
11 Outflows related to derivative financial instruments and other collateral requirements	19,142	11,088
12 Loss-related outflows from debt instrument financing	-	-
13 Lines of credit and liquidity	532,927	30,740
14 Other contractual financing obligations	1,560	377
15 Other contingent funding obligations	-	-
16 TOTAL CASH OUTFLOWS	Not applicable	206,593
CASH INFLOWS		
17 Cash inflows from secured transactions	98,860	11,143
18 Cash inflows from unsecured transactions	111,674	75,002
19 Other cash inflows	7,058	7,058
20 TOTAL CASH INFLOWS	217,592	93,203
		Adjusted Amount
21 TOTAL ELIGIBLE LIQUID ASSETS	Not applicable	184,204
22 TOTAL NET CASH OUTFLOWS	Not applicable	113,390
23 LIQUIDITY COVERAGE RATIO	Not applicable	164.15%



CCL Components (Millions of pesos)	Individual Calculation	
	Unweighted Amount (Average)	Weighted Amount (Average)
ELIGIBLE LIQUID ASSETS		
1 Total Eligible Liquid Assets	Not applicable	184,204
CASH OUTFLOWS		
2 Unsecured Retail Financing	605,899	41,261
3 Stable financing	386,570	19,329
4 Less stable funding	219,329	21,933
5 Unsecured wholesale financing	382,136	94,016
6 Operational Deposits	369,774	85,496
7 Non-operational deposits	7,050	3,208
8 Unsecured debt	5,312	5,312
9 Guaranteed wholesale financing	272,188	25,689
10 Additional Requirements:	491,552	38,698
11 Outflows related to derivative financial instruments and other collateral requirements	19,142	11,088
12 Loss-related outflows from debt instrument financing	-	-
13 Lines of credit and liquidity	472,409	27,610
14 Other contractual financing obligations	1,560	377
15 Other contingent funding obligations	-	-
16 TOTAL CASH OUTFLOWS	Not applicable	200,041
CASH INFLOWS		
17 Cash inflows from secured transactions	98,860	11,143
18 Cash inflows from unsecured transactions	110,174	78,072
19 Other cash inflows	7,058	7,058
20 TOTAL CASH INFLOWS	216,092	96,273
Adjusted Amount		
21 TOTAL ELIGIBLE LIQUID ASSETS	Not applicable	184,204
22 TOTAL NET CASH OUTFLOWS	Not applicable	103,768
23 LIQUIDITY COVERAGE RATIO	Not applicable	180.07%

During 4Q24, a 92-day average consolidated QC of 164.15% and an average 92-day individual QC of 180.07% were observed, with a consolidated QC at the end of 4Q24 of 145.18%, and an individual QC at the end of the quarter of 152.81% above the Desired Risk Profile and the regulatory minimum established in current regulations. The above results indicate that Banorte is in a position to meet all of its short-term obligations in a crisis scenario³.

4.4. Evolution of the Components of the CCL

The evolution of the components of the Liquidity Coverage Ratio between the end of 3Q24 and the end of 4Q24 is presented in the table below.

Componente CCL (Millions of pesos)	3T24	4T24	Var vs. 3T24
Liquid Assets	187,676	181,736	(3.2%)
Cash Inflows	73,082	71,125	(2.7%)
Cash Outflows	205,452	196,309	(4.5%)

³ The information on the Liquidity Coverage Ratio is preliminary and is subject to validation by Banco de México.



The Liquid Assets that are computed for the CCL of the Bank and Sofomes between the end of 3Q24 and the end of 4Q24 are distributed as follows:

Asset Type <i>(Millions of pesos)</i>	3T24	4T24	Var vs. 3T24
Total	187,676	181,736	(3.2%)
Level I	179,697	100,695	(44.0%)
Level II	7,979	7,820	(2.0%)
Level II A	5,598	5,423	(3.1%)
Level II B	2,381	2,397	0.7%

4.5. Main Causes of CCL Results

The variations in the Liquidity Coverage Ratio between 3Q24 and 4Q24 are due to the maturity of an issue of the institution for Ps. 4,400 million, the effect of the dividend payment to Banco a Grupo Financiero, and the issuance of two Perpetual Capital Notes (Tier 1) for Ps. 30,484 million.

It should be noted that Banorte has not used the Permanent Liquidity Facilities of Banco de México.

4.6. Exposure to Derivative Instruments and Possible Margin Calls

Banorte applies the regulatory criteria for the determination of potential cash outflows from derivatives. At the end of 4Q24, the following can be observed:

Cash Outflows from Derivatives <i>(Millions of pesos)</i>	3T24	4T24	Var vs. 3T24
Net outflow at market value and by potential exposure	6,962	6,962	0.0%
Cash Outflows due to Downgrade of 3 Notches in Credit Rating	-	-	0.0%

The above measurement indicates that potential outflows from derivatives could represent a liquidity requirement of up to Ps 6,962 million.

4.7. Net Stable Funding Ratio (CFEN)

The CFEN is an indicator that should be interpreted as the proportion between the Stable Financing Available, made up of own and external resources that are considered reliable in a time horizon; and Required Stable Financing, consisting of liquidity, asset maturities and off-balance sheet positions.



The following tables present the average evolution of the components of the CFEN in 4Q24:

CFEN (Millions of Pesos)		Consolidated Figures				
		Unweighted amount by residual term				Weighted amount
		No expiration	< 6 months	From 6 months to < 1 year	>1 year	
Elements of the Amount of Stable Financing Available						
1	Capital:	228,812	-	-	-	228,812
2	<i>Fundamental capital and non-fundamental basic capital.</i>	228,812	-	-	-	228,812
3	<i>Other capital instruments.</i>	-	-	-	-	-
4	Retail Deposits:	-	693,276	2,265	449	647,490
5	<i>Stable deposits.</i>	-	420,502	576	155	400,179
6	<i>Less stable deposits.</i>	-	272,774	1,690	294	247,311
7	Wholesale Financing:	-	653,282	3,328	115,079	424,327
8	<i>Operational deposits.</i>	-	52,625	-	-	26,312
9	<i>Other wholesale financing.</i>	-	600,657	3,328	115,079	398,014
10	Interdependent liabilities	-	954	291	6,916	-
11	Other liabilities:	35,847	-	26,492	-	12,618
12	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio</i>	Not applicable	-	-	-	Not applicable
13	<i>All liabilities and own funds not included in the above categories.</i>	35,847	2,780	22,189	1,523	12,618
14	Total Amount of Stable Financing Available	Not applicable	Not applicable	Not applicable	Not applicable	1,313,247
Elements of the Stable Funding Amount Required						
15	Total liquid assets eligible for the purposes of the Net Stable Funding Ratio.	Not applicable	Not applicable	Not applicable	Not applicable	97,298
16	Deposits in other financial institutions for operational purposes.	-	2,098	-	-	1,049
17	Current loans and securities:	-	402,098	83,749	657,172	746,144
18	<i>Guaranteed financing granted to financial institutions with eligible Tier I liquid assets.</i>	-	46,888	589	-	4,984
19	<i>Financing granted to financial institutions secured with eligible liquid assets other than Level I, and financing granted to unsecured financial institutions.</i>	-	33,850	15,176	4,593	17,259
20	<i>Financing granted to counterparties other than financial institutions, which:</i>	-	270,507	60,474	392,564	490,763
21	<i>They have a credit risk weighting of less than or equal to 35% according to the Basel II Standard Method for credit risk.</i>	-	102,611	4,069	42,036	80,663
22	<i>Housing Loans (in stages 1 and 2), of which:</i>	-	8,179	5,362	247,466	191,885
23	<i>They have a credit risk weighting of less than or equal to 35% according to the Standard Method established in the Provisions.</i>	-	3,697	2,029	126,162	84,868
24	<i>Debt securities and shares other than Eligible Liquid Assets (which are not in default).</i>	-	42,673	2,147	12,549	41,254
25	<i>Interdependent assets.</i>	-	954	291	6,916	-
26	Other Assets:	51,142	-	695,507	-	118,633
27	<i>Physically traded commodities, including gold.</i>	3	Not applicable	Not applicable	Not applicable	3
28	<i>Initial margin granted on transactions in derivative financial instruments and</i>	Not applicable	-	-	-	-



	<i>contributions to the loss-absorbing fund of central counterparties</i>					
29	<i>Derivative assets for purposes of the Net Stable Funding Ratio.</i>	Not applicable		25,248		6,615
30	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio before deduction for the change in initial margin</i>	Not applicable		500,476		1,244
31	<i>All assets and operations not included in the above categories.</i>	51,139	158,838	-	10,944	110,771
32	Off-balance sheet transactions.	Not applicable		564,036		28,202
33	Total Amount of Stable Financing Required.	Not applicable	Not applicable	Not applicable	Not applicable	991,325
34	Net Stable Financing Ratio (%).	Not applicable	Not applicable	Not applicable	Not applicable	132.47%



CFEN		Individual Figures				
(Millions of pesos)		Unweighted amount by residual term				Weighted amount
		No expiration	< 6 months	From 6 months to < 1 year	>1 year	
Elements of the Stable Financing Amount Available						
1	Capital:	228,812	-	-	-	228,812
2	<i>Fundamental capital and non-fundamental basic capital.</i>	228,812	-	-	-	228,812
3	<i>Other capital instruments.</i>	-	-	-	-	-
4	Retail Deposits:	-	693,276	2,265	449	647,490
5	<i>Stable deposits.</i>	-	420,502	576	155	400,179
6	<i>Less stable deposits.</i>	-	272,774	1,690	294	247,311
7	Wholesale Financing:	-	637,878	2,570	107,670	409,279
8	<i>Operational deposits.</i>	-	52,625	-	-	26,312
9	<i>Other wholesale financing.</i>	-	585,253	2,570	107,670	382,966
10	Interdependent liabilities	-	954	291	6,916	-
11	Other liabilities:	35,847		26,492		12,618
12	<i>Derivatives liabilities for purposes of the Net Stable Funding Ratio</i>	Not applicable		-		Not applicable
13	<i>All liabilities and own funds not included in the above categories.</i>	35,847	2,780	22,189	1,523	12,618
14	Total Amount of Stable Financing Available	Not applicable	Not applicable	Not applicable	Not applicable	1,298,200
Elements of the Stable Financing Required						
15	Total liquid assets eligible for the purposes of the Net Stable Funding Ratio.	Not applicable	Not applicable	Not applicable	Not applicable	97,298
16	Deposits in other financial institutions for operational purposes.	-	2,098	-	-	1,049
17	Current loans and securities:	-	391,242	80,005	646,255	727,072
18	<i>Guaranteed financing granted to financial institutions with eligible Tier I liquid assets.</i>	-	46,888	589	-	4,984
19	<i>Financing granted to financial institutions secured with eligible liquid assets other than Level I, and financing granted to unsecured financial institutions.</i>	-	43,613	15,679	10,760	25,141
20	<i>Financing granted to counterparties other than financial institutions, which:</i>	-	249,887	56,228	375,480	463,808
21	<i>They have a credit risk weighting of less than or equal to 35% according to the Basel II Standard Method for credit risk.</i>	-	102,611	4,069	42,036	80,663
22	<i>Housing Loans (in stages 1 and 2), of which:</i>	-	8,179	5,362	247,466	191,885
23	<i>They have a credit risk weighting of less than or equal to 35% according to the Standard Method established in the Provisions.</i>	-	3,697	2,029	126,162	84,868
24	<i>Debt securities and shares other than Eligible Liquid Assets (which are not in default).</i>	-	42,673	2,147	12,549	41,254
25	<i>Interdependent assets.</i>	-	954	291	6,916	-
26	Other Assets:	51,142		746,645		118,633



27	Physically traded commodities, including gold.	3	Not applicable	Not applicable	Not applicable	3
28	Initial margin granted on transactions in derivative financial instruments and contributions to the loss-absorbing fund of central counterparties	Not applicable		-		-
29	Derivative assets for purposes of the Net Stable Funding Ratio.	Not applicable		25,248		6,615
30	Derivatives liabilities for purposes of the Net Stable Funding Ratio before deduction for the change in initial margin	Not applicable		500,476		1,244
31	All assets and operations not included in the above categories.	51,139	158,838	-	10,944	110,771
32	Off-balance sheet transactions.	Not applicable		509,012		25,451
33	Total Amount of Stable Financing Required.	Not applicable	Not applicable	Not applicable	Not applicable	969,502
34	Net Stable Financing Ratio (%).	Not applicable	Not applicable	Not applicable	Not applicable	133.90%

During 4Q24, an average consolidated CFEN for the 92 days of the quarter of 132.47% was observed and an average individual CFEN of the 92 days of the quarter of 133.99%, with CFEN consolidated at the end of 4Q24 of 132.47%, placing it above the Desired Risk Profile and the regulatory minimum established in current regulations. The above results indicate that Banorte maintains a stable financing profile in relation to the composition of its off-balance sheet assets and operations.

4.8. Evolution of the Components of the CFEN

The evolution of the components of the Net Stable Funding Coefficient between the end of 3Q24 and the end of 4Q24 is presented in the following table:

	3T24			4T24			Variation		
	Stable Anchoring Available	Stable Anchoring Required	CFEN	Stable Anchoring Available	Stable Anchoring Required	CFEN	Stable Anchoring Available	Stable Anchoring Required	CFEN
< 6 months	1,151,558	317,297		1,193,609	311,701		3.7%	(1.8%)	
From 6 months to < 1 year	14,181	40,029		15,109	48,630		6.5%	21.5%	
>1 year	111,557	607,437	132.39%	112,871	637,352	132.47%	1.2%	4.9%	0.05%

4.9. Main Causes of CFEN Results

The institution's solid Net Stable Funding Ratio levels are mainly due to: (1) the institution's solid capitalization levels, reinforced by a strong long-term funding structure derived from subordinated debt issuances; (2) the stability of customer deposits, which allow the natural coverage of the active balance sheet with high-quality liabilities.

4.10. Foreign Currency Liquidity Risk

For the quantification and monitoring of the Liquidity Risk, the criteria established by Banco de México for the preparation of the Liquidity Ratio, in foreign currency, are used for the dollar portfolio.

The Liquidity Ratio in foreign currency should be interpreted as the institution's ability to cover its liquidity mismatches with liquid assets, both in foreign currency.



4.11. Liquidity Gaps

As part of the Bank's liquidity analysis, the liquidity gaps resulting from the Institution's 30-day active and passive obligations are analyzed. Under this scheme, it is monitored at the Bank level, with the following results for 4Q24.

Concept (Millions of pesos)	3T24	4T24	Var vs. 3T24
One-month cumulative gap	(6,350)	(21,029)	+231.2%
Liquid Assets	185,266	177,060	(4.4%)

The mismatch between the inputs and outputs (gaps) for the next 30 days is covered with liquid assets. Additionally, a more granular breakdown of liquidity gaps is presented, as follows for 4Q24:

Concept (Millions of pesos)	1 day	7 days	1 month	3 months	6 months	12 months
Natural Gap	(3,043)	(11,121)	(6,865)	64,209	44,460	93,595
Cumulative Gap	(3,043)	(14,160)	(21,029)	43,180	87,640	181,235

4.12. Testing under extreme liquidity conditions

As part of the management of Liquidity Risk management, Banorte conducts tests under extreme liquidity conditions with internal scenarios to evaluate the adequacy of the bank's liquidity under adverse conditions both in the environment and due to intrinsic conditions of the bank. For these purposes, a total of 9 scenarios have been considered, based on 3 sources of risk (systemic, idiosyncratic and combined) with 3 levels of severity each (moderate, medium and severe).

4.13. Contingency Financing Plan

In order to have comprehensive practices in liquidity management, and to guarantee its operation in adverse liquidity situations, Banorte has implemented a contingency financing plan that incorporates elements to identify possible liquidity problems and defines the alternative sources of funding available to deal with contingencies.

4.14. Balance Sheet Risk

Interest rate risk consists of estimating the impact on the financial margin. The financial margin is the difference between the income generated by interest and the costs associated with liabilities with financial costs (interest expense). Depending on the structure of the balance sheet, movements in interest rates can have positive or negative impacts on the scenarios of rising or falling rates.

Because the financial margin obeys the flow structure of assets and liabilities on the balance sheet, the model used to estimate this metric is a repriced gap model. All assets and liabilities are allocated in different bands depending on their nature of re-price and/or maturity structure. Once the repriced structure is in place, the impact of each band on the indicator can be calculated.

4.14.1. Financial Margin Sensitivity

Financial margin sensitivity is a static metric that considers the twelve-month budget exercise, i.e., only bands less than one year are impacted by the different movements of interest rates. The assumptions are:

- It considers the re-valuation effects of all financial assets and liabilities in the balance sheet.
- The monitoring of the negotiation book is kept separately.
- It considers the behavior of all balance sheet models (e.g., mortgage prepayment, and deposit survival).
- The balance sheet is considered static and constant over time, i.e., it does not consider organic growth, movements in the rate structure, or changes in the product mix or strategies.



The following table shows the Sensitivity of the Financial Margin for Banco Banorte.

Margin Sensitivity <i>(Millions of pesos)</i>	3Q24	4Q24	Var vs. 3Q24
Balance in National Currency	36	90	+150.0%
Foreign Currency Balance	531	687	+29.4%

During 4Q24, the sensitivity of the balance sheet in national currency to a variation of 100 bps in national rates went from Ps 36 million in 3Q24 to Ps 90 million. On the other hand, the sensitivity of the foreign currency balance sheet to a variation of 100 bps in foreign rates goes from Ps 531 million to Ps 687 million. It is important to note that Financial Markets positions immunize, through intermediation results, the impact of lower rates on the Balance Sheet. Financial Instruments for Receivable and Sale (previously Available for Sale) at the end of 4Q24 amounted to Ps 182,594 million, and on average during 4Q24 to Ps 180,574 million.

4.14.2. Economic Value of Capital

The economic value of capital is a long-term metric that contrasts the difference in the present value of assets and the present value of liabilities, under different interest rate scenarios. This metric also considers the results of all the internal models on the behavior of the balance sheet, previously mentioned for sensitivity to the financial margin.

The following table shows the economic value of capital for Banco Banorte, in a scenario of +100 bps in parallel.

Economic Value of Capital <i>(Pbs)</i>	4Q24
Overall Increase +100bp	178

4.15. Subsidiaries

The Balance Sheet and Liquidity Risk Management processes of the Bank and its Sofomes are centralized in the General Directorate of Risk and Credit Management of La Tenedora. To monitor the liquidity of the Sofomes, analyses of the structural behavior of the balance sheet are carried out, as well as the diversification of the Funding. Additionally, liquidity gap analysis is carried out. Specifically, for the Brokerage House, the regulatory liquidity requirements are followed.

The following table presents the composition of the gap indicators of the Bank's subsidiaries and Sofomes at the end of 4Q24.

Liquidity Indicator <i>(Millions of pesos)</i>	Casa de Bolsa Banorte	Lessor and Factor
One-month cumulative gap	4,017	(11,217)
Liquid Assets	4,286	78

5. OPERATIONAL RISK

The Holding Company has a formal Operational Risk area that reports directly to the General Directorate of Risk and Credit Management.

Operational Risk is defined as the potential loss due to failures or deficiencies in internal controls, errors in the processing and storage of operations or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft (this definition includes Technological and Legal Risk).



The objectives of Operational Risk Management are:

- a) Enable and support the organization to achieve its institutional objectives through the prevention and management of operational risks,
- b) Ensure that existing operational risks and required controls are duly identified, assessed and aligned with the risk strategy established by the organization
- c) Ensure that operational risks are duly quantified to enable the adequate allocation of capital by Operational Risk.

5.1. Policies, objectives and guidelines

As part of the institutional regulations, the policies, objectives, guidelines, methodologies and areas responsible for Operational Risk Management are documented, for its management, coverage and mitigation.

The Operational Risk Directorate maintains close communication and coordination with the Regulatory Audit Directorate, in order to promote effective Internal Control in which procedures and adequate controls are established to mitigate Operational Risk within the processes, monitoring compliance with them through the Internal Audit Department.

The Regulatory Comptroller's Office, as part of the Internal Control System, carries out the following activities related to risk mitigation:

- a) Validation of internal control.
- b) Administration and control of institutional regulations.
- c) Monitoring of the internal control of the operational processes through the reports of control indicators, reported by the process controllers of the different areas.
- d) Administration of the Anti-Money Laundering process.
- e) Control and monitoring of regulatory provisions.
- f) Analysis and evaluation of operational processes and projects with the participation of the directors responsible for each process, in order to ensure adequate internal control.

5.2. Quantitative and Qualitative Measurement Tools

5.2.1. Operating Loss Database

For the registration of operational loss events, there is a system that allows the central areas providing information to record these events directly and online, which are classified by Event Type according to the following categories:

Internal Fraud: Losses derived from any type of action aimed at defrauding, misappropriating assets or circumventing regulations, laws or company policies (excluding diversity/discrimination events) in which at least one party internal to the company is involved.

External Fraud: Losses derived from some type of action aimed at defrauding, misappropriating goods or circumventing the legislation, by a third party.

Labour Relations and Safety in the Workplace: Losses arising from actions incompatible with labour legislation or agreements, on health or safety at work, on the payment of claims for personal injury, or on cases related to diversity/discrimination.

Customers, Products and Business Practices: Losses arising from the inadvertent or negligent breach of a professional obligation to particular customers (including fiduciary and adequacy requirements), or from the nature or design of a product.

External Events: Losses arising from damage or harm to material assets as a result of natural disasters or other events.

Business Incidents and System Failures: Losses derived from business incidents and system failures.

Process Execution, Delivery, and Management: Losses arising from errors in the processing of operations or in the management of processes, as well as from relationships with business counterparties and suppliers.



This Historical Database allows us to have statistics on the operational events in which the institution has incurred in order to determine the trends, frequency, impact and distribution they present.

5.2.2. Database of Legal and Fiscal Contingencies

For the registration and follow-up of judicial, administrative and fiscal matters that may lead to the issuance of unfavorable resolutions that cannot be appealed, the system called "Monitoring System of Legal Risk Matters" (SMARL) was developed internally. This system allows the central areas that provide information to register these events directly and online, which are classified by company, sector and legal matter, among others.

As part of the management of Legal Risk in La Tenedora, an estimate of the Legal and Fiscal Contingencies is made by the lawyers who handle the cases, determining the degree of risk of each matter based on an internal methodology. This allows the creation of the necessary Accounting Reserves within a certain period of time (depending on the duration of the demand), in order to deal with these Contingencies.

5.3. Management Model

La Tenedora's companies have defined objectives, which are achieved through different plans, programs and projects. The fulfillment of these objectives can be affected by the presence of operational risks, which is why it is necessary to have a methodology to manage them within the organization, so Operational Risk management is now an institutional policy defined and supported by Senior Management.

To carry out Operational Risk Management, it is essential to identify each of the operational risks involved in the processes in order to be able to analyze them in an appropriate way. In this sense, currently the risks identified, by the Regulatory Comptroller's Office with the support of the Process Comptrollers, are registered and managed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) and defining tolerance levels where appropriate.

5.4. Capital Requirement Calculation

In accordance with the Operational Risk Capitalization Rules in force, in the case of Banorte, the institution has adopted the Business Indicator Method, which is calculated and periodically reported to the authority.

5.5. Information, Measurement and Reporting Systems of Operational Risk

Operational Risk Management is supported by various risk information and measurement systems, which comply with regulatory standards and are aligned with the best international practices in Risk Management. It is worth mentioning that the information contained in the risk systems, as well as the reports they generate, are continuously backed up following institutional procedures in terms of computer security.

The information generated by the Databases and by the Management Model is processed periodically in order to report to the CPR and the Board of Directors the main operational events detected, trends, identified risks and their mitigation strategies. Additionally, the status of the main initiatives in terms of Operational Risk mitigation implemented by the different areas of the organization is reported.

5.6. Technology Risk

Technology Risk is defined as the potential loss for damage, interruption, alteration, or failure arising from the use of or reliance on hardware, software, systems, applications, networks, and any other information distribution channel in the provision of banking services to customers. This risk is an inherent part of Operational Risk, so its management is carried out jointly with the entire organization.

To address the Operational Risk related to the integrity of information, the Operational Risk Committee has been created whose objectives are to align information security and control efforts under the prevention approach, define new strategies, policies, processes or procedures and seek to solve computer security problems that affect or may affect the Institutional assets.

The functions established by the CNBV in the area of Technological Risk Management are carried out by the Institution under the guidelines established by institutional regulations and the Operational Risk Committee.



To face the Operational Risk caused by high-impact external events, there is a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) based on a synchronous data replication scheme, in an alternate data center. With the above, the backup and recovery of the main critical applications of the institution is covered, in case of any relevant operational event.

5.7. Legal Risk

Legal Risk is defined as the potential loss due to non-compliance with applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the operations carried out by the institution.

It is essential to measure Legal Risk as an inherent part of Operational Risk to understand and estimate its impact. Therefore, the legal issues that result in real operating losses of the SMARL system are subsequently recorded in the operational events database, according to a predefined taxonomy.

Based on the statistics of ongoing legal matters and actual loss events, it is possible to identify specific legal or operational risks, which are analyzed in order to eliminate or mitigate them, seeking to reduce or limit their future occurrence or impact.

6. SECURITIZATIONS CARRIED OUT BY THE HOLDING COMPANY

The main objective of the securitization operations carried out by the Institution is to transfer the risks and rewards of certain financial assets in its own position to third parties. Likewise, for the institution it represents a source of alternative funding.

The Holding Company has carried out the following securitization:

- On October 11, 2006, Fincasa Hipotecaria (Fincasa), currently merged with Banorte, entered into an irrevocable trust agreement for the issuance of stock certificates No. 563, with issuer code FCASACB, whose underlying asset is mortgage loans originated and assigned by Fincasa.
- On December 5, 2023, Banorte entered into irrevocable trust agreement No. 4907 for the issuance of stock certificates with the issuer symbol BANORCB. The issuance of the stock certificates by the trust took place on December 21, 2023, these are backed by credits to governments, states and municipalities, all originated and assigned by Banorte.

The institution is not responsible for the risks assumed or retained with respect to the assets of the trusts, its only responsibility is in relation to the fulfillment of the obligations that are expressly provided for in the trust agreement and in the management contract. However, with respect to the BANORCB 23 securitization, the risks assumed and retained by the trust are relevant given the participation in the stock certificates.

The Institution is responsible for ensuring that each of the assigned receivables meets the eligibility criteria at the time of the respective assignment. If the trustee, common representative, or financial guarantor identifies any ineligible credit, Banorte may be required to replace such credit or, if such replacement is not possible, payment of the "ineligible unreplaced credit" in question. If Banorte identifies any ineligible credit, it must notify it and replace it or make the corresponding payment.

There are no predetermined policies for the issuance of securitizations by the Board of Directors of the Institution, authorization to originate any new issuance would be requested when required.

The Institution does not participate in the securitization of positions of third parties.

There are several risk factors that can affect the assets of securitization trusts. If these risks materialize, the payment to the holders of the stock certificates could be adversely affected. The main risks to which these financial instruments are exposed are: Credit Risk, Market Risk, Liquidity Risk and Operational Risk, which have been detailed in previous sections.



To monitor the credit quality of the credit risk exposure of financial instruments originating from securitized assets, the Institution calculates the expected loss with a time horizon of one year, while to monitor the Market Risk exposure it calculates the value at risk over a time horizon of one day and with a confidence level of 99%. for such instruments.

In the securitizations carried out, in which Banco Mercantil del Norte participates, it is the settlor and trustee of the trusts. In addition, the Institution also performs administrator functions in each of the trusts.

On the other hand, the Institution also acts as an investor by acquiring securities of the stock certificates issued by the trusts constituted for securitizations. As of 4Q24, The Holding Company has in its own position the following securities and amounts of the securitizations carried out by the same Institution:

Securitization (Millions of pesos)	Banorte		Insurance		Total	
	Titles	Amount	Titles	Amount	Titles	Amount
91_BANORCB_23	270,000,000	26,695	-	-	270,000,000	26,695
97_FCASACB_06U	-	-	-	-	-	-

Below is the proportion of securities held in GFNorte's own position, in relation to the total number of securities issued by each series:

Securitization (Millions of pesos)	Securities issued	Banorte	Insurance	Total The Fork	Total Customers
91_BANORCB_23	270,000,000	100.0%	0.0%	100.0%	0.0%
97_FCASACB_06U	1,351,386	0.0%	0.0%	0.0%	100.0%

Below are the ratings assigned by each rating agency at the end of the quarter for each stock certificate issued by the aforementioned trusts:

Securitization	Standard & Poor's		Fitch Ratings		Moody's		HR Ratings		Verum		Best		DBRS	
	National	Global	National	Global	National	Global	National	Global	National	Global	National	Global	National	Global
91_BANORCB_23							HRAA A		AAA/ M					
97_FCASACB_06U	mxBB		CCC (mex)											

As of 4Q24, the amounts of the underlying assets of the securitization are:

Securitization (Millions of pesos)	Amount		
	In effect	Defeated	Total
91_BANORCB_23	Ps 28,785	Ps -	Ps 28,785
97_FCASACB_06U	Ps 41	Ps 96	Ps 137

The maintained exposure of securitizations carried out, broken down by Credit Risk weight, is shown below:

Concept (Millions of pesos)	Exposition	Capital requirement
Securitizations with Risk Grade 1	26,695	957
Securitizations with Risk Grade 2	-	-
Securitizations with Risk Grade 3	-	-
Securitizations with Risk Grade 4	-	-
Securitizations with Risk Grade 5.1 to 5.4	-	-
Securitizations with Risk Grade 5.5 to 5.9	-	-



There is no securitization position recorded in suspense accounts and no securitization positions held are deducted from fundamental capital.

The securitizations of trusts 563 and 4907 have early amortization clauses. The Institution has not securitized revolving transactions or resecuritizations during the quarter

6.1 Accounting policies applied

The securitization operations carried out by the Institution were recognized in accordance with the provisions of Financial Reporting Standard C-14 *Transfer and deregistration of financial assets*. With regard to the securitization of BORHIS, it was concluded that despite retaining the contractual rights to receive the cash flows from the financial assets, it assumes a contractual obligation to pay such cash flows to a third party. In addition, in the analysis of the transfer of these assets, it was concluded that the entity transfers substantially all the risks and rewards inherent in the ownership of the financial assets.

The recognition of the profit on sales is in accordance with the provisions of paragraph 43.1.1 of NIF C-14, which states:

- a) Derecognition of transferred financial assets at the last carrying amount;
- b) Recognize the consideration received in the transaction;
- c) Recognize in the results of the year the gain or loss, for the difference between the carrying amount of the financial assets derecognized and the sum of (i) the consideration received (recognized at fair value) and (ii) the effect (gain or loss) from accumulated valuation that may have been recognized in stockholders' equity.

With respect to the GEM securitization, it was concluded that the Entity did not make a sale to a third party, as it does not transfer substantially all the risks and benefits inherent in the transferred assets. For this reason, these assets are not derecognized at the consolidated level.

Both securitizations issued instruments known as certificates in favor of the Institution, as holders of the rights in the last place under the trust contract. These certificates give the right to receive a percentage of the distributions and in general to the corresponding proportion of the remainder that may be in the trust assets after the total payment of the stock certificates. The valuation of the certificates is based on the net present value method of the expected remaining cash flows over the life of the securitization. The remaining cash flow is the sum of the cash flow to be received from the securitized loan portfolio, less the cash flow payable from the stock certificates, less the monthly expense for administration and maintenance, less any increase in principal or interest reserve, if any. At the end of the year, the record generated by the securitization FCASACB 06U has a fair value of zero, given that it does not include receiving remaining cash flows. On the other hand, the evidence generated by the BANORCB 23 securitization has a fair value of 3,857 million pesos, which is only recognized in the accounts of Banco Banorte (individual). At the consolidated Banco Banorte level, this record is eliminated as part of the consolidation entries.

The remaining flows are discounted with the B1 bank curve, which takes into account the Credit Risk of the trusts. Among the most important assumptions in the valuation of the GEM certificate are the following:

- a) Default: The credit reserve of the securitized loans is considered in accordance with the CNBV's rating methodology to reflect the risk of default on principal and/or interest payments of the securitized portfolio.
- b) Prepayment: In the event of the existence of prepayments, the notional of the portfolio is adjusted to update the future cash flows to be discounted.
- c) Portfolio term: All contractual payments of principal and interest at each payment date of each of the securitized assets are considered.
- d) Portfolio interest rate: The contractual rates of each of the securitized assets are considered. In the case of variable interest rates, forward rates are estimated based on the TIIE28 curve at the valuation date.
- e) General Account: The present value of the remaining flows is added with the amount of cash or cash equivalents deposited in the general account, collection account and, where appropriate, in the expense reserve, interest and principal accounts, since, in the event of full payment of the stock certificates, these assets would be distributed to the holders of the certificate.



With respect to the policies for the recognition of obligations on the balance sheet of the agreements that may require financial support from the Institution for the securitization of assets, it is necessary that all the amounts owed under the stock certificates of the different securitizations in force, will be paid out of the assets of the trust. In the event that, for any reason, the liquid resources of the trust's assets are not sufficient to pay in full the amounts owed under the stock certificates, the holders shall not have the right to claim payment from the Institution, the trustee, the common representative, the placement intermediary, the guarantor or guarantors, as the case may be, or anyone. The stock certificates have not been guaranteed or guaranteed by any of the persons participating in the issuance of the same, so none of them is obliged to make payments to the holders, except, in the case of the trustee, the payments that have to be made by the trust assets in accordance with the provisions of the trust agreement.

7. STOCK POSITION

As of 4Q24, the shareholding position in Banco Mercantil del Norte is equivalent to Ps 1,705 million, with a capital gain of Ps 451.5 million accumulated.

During the fourth quarter of the year, no gains were recorded from the purchase and sale of securities.

The capital requirement for Market Risk was Ps 663.78 million.

Institution	Type of Quote	Classification Accountant	Treatment Capitalization	Value Market 4Q24	Surplus value/ Minusvalía Acum.	Usefulness/ Loss Sales / Purchases
Banorte	Public Contribution	Negotiation	Market Risk	872.7	(55.2)	-
Banorte	Public Contribution	Negotiation	Capital deduction	203.5	102.8	-
Banorte	No Public Listing	Negotiation	Market Risk	629.1	403.9	-
Banorte	No Public Listing	Negotiation	Market and Credit Risk	0.0	0.0	-
			Total	1,705.3	451.5	-

As of 4Q24, the equity position in Casa de Bolsa Banorte is equivalent to Ps 549.6 million, with a capital gain of Ps 241.2 million accumulated

During the fourth quarter of the year, gains were recorded from the purchase and sale of securities in the amount of Ps 3.6 million.

The capital requirement for Market Risk was Ps 164.5 million.

Institution	Type of Quote	Classification Accountant	Treatment Capitalization	Value Market 4Q24	Surplus value/ Disability Acum.	Usefulness/ Loss Sales / Purchases
Casa de Bolsa Banorte	Public Contribution	Negotiation	Market Risk	549.6	241.2	3.6
			Total	549.6	241.2	3.6



41 - MEMORANDUM ACCOUNTS (unaudited)

	2024	2023
Operations on behalf of third parties		
Banks customers (current accounts)	Ps. 21	Ps. 13
Settlement of customer transactions	(150)	(53)
Customer securities received in custody	1,059,245	873,526
Customer repurchase agreements	Ps. 250,325	246,140
Collateral pledged on account of clients	250,038	240,997
Collateral delivered as guarantee on behalf of clients	104	5,050
Managed trusts	265	246
Investment banking transactions on account of third parties, (net)	336,778	322,821
	Ps. 1,896,626	Ps. 1,688,740
Proprietary transactions		
Contingent assets and liabilities	Ps. 30	Ps. 29
Assets in trust or under mandate	348,837	312,660
Managed assets in custody	734,276	623,956
Shares on custody or guarantee	49,442	45,542
Credit commitments	572,012	453,193
Collateral received	212,285	235,218
Collateral received and sold or given as a pledge	52,708	88,155
Deposits of assets	3,823	3,706
Interest accrued but not charged of stage 3	457	410
Other registration accounts	726,121	655,197
	Ps. 2,699,991	Ps. 2,418,066

42 - COMMITMENTS

As of December 31, 2024 and 2023, the Financial Group had the following contingent obligations and commitments:

Other contingent obligations and opening of credits totaling Ps. 572,012 and Ps. 453,193, respectively, which are recorded in memorandum accounts.

43 - CONTINGENCIES

As of December 31, 2024, there are lawsuits filed against the Financial Group in civil and business court cases; however, the Financial Group attorneys consider that the claims filed are unsubstantiated and, in the event of an adverse ruling, they would not significantly impact the Financial Group consolidated financial position. As of December 31, 2024, the Financial Group has recorded a reserve for contentious matters of Ps. 1,069 (Ps. 1,915 in 2023).

44 - PREVENTIVE MECHANISM FOR SAVINGS' PROTECTION

The objective of the Institute for the Protection of Bank Savings (IPAB) is to protect the deposits of small customers and thereby contribute to maintain the financial system's stability and the proper functioning of the payments systems.

According to the Law of Bank Savings Protection (LPAB), the IPAB manages a bank savings protection system that guarantees the payment of bank deposits or loans or credits to Full Service Banking Institution up to an amount equivalent to 400 thousand UDIS per individual or business entity, regardless of the number or type of such obligations in the customer's favor and charged to a single bank.

On July 30, 2007, general rules were issued for addressing joint accounts or those in which there is more than one account holder, referred to in art. 14 of the LPAB, as well as the rules banks must observe for classifying information relative to transactions associated with guaranteed obligations.



The IPAB plays a major role in the implementation of the LPAB resolutions methods and the Law of Credit Institutions (LIC) as timely and adequate mechanisms for salvaging and liquidating Full Service Banking Institutions in financial trouble that may affect their solvency. The purpose is to provide maximum protection to the public while minimizing the negative impact that salvaging an institution may have on others in the banking system.

During 2024 and 2023, the amount of contributions to the IPAB payable by Banorte for fees amounted to Ps. 4,740 and Ps. 4,292, respectively.

45 – LATER EVENTS

On February 12, 2025, Bineo completed the capitalization of the contributions for future capital increases that the Holding Company had made during 2024 for Ps. 1,050.

45 - NEW ACCOUNTING GUIDELINES

As of December 31, 2024, the CINIF has promulgated the following NIFs and Improvements to the NIFs that could have an impact on the financial statements of the Parent Company.

a. Improvements to the NIFs that generate accounting changes

NIF B-14, Earnings per share – its scope was modified so that it is applicable only to entities that have capital instruments listed or to be listed on a stock exchange.

NIF B-15, Conversion of foreign currencies – the applicable regulations on what an entity must do when on the date of conversion of foreign currencies it is determined that a certain currency is not exchangeable are included.

NIF C-3, Accounts receivable – the requirement to present an item with the amount of bonuses, discounts and returns is eliminated.

NIF C-6, Property, plant and equipment – eliminates the special depreciation method of the standard, which was based on using average depreciation rates on a group of unimportant assets.

NIF C-19, Financial instruments payable – certain requirements are added to derecognize a financial liability when payment is made in cash using an electronic payment system. Additionally, it incorporates information disclosure requirements that allow users of financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of financial instruments (this requirement comes into effect for fiscal years beginning on or after January 1, 2026).

NIF C-20, Financial instruments to collect principal and interest – disclosures are added for financial instruments linked to contingent events (this requirement comes into effect for fiscal years beginning on or after January 1, 2026).

NIF D-1, Income from contracts with clients – clarifies that when an entity issues contracts that in economic substance are similar to an insurance contract, it must apply NIF D-1 provided that the entity is a service provider and meets specific requirements.

These rules will be effective for fiscal years beginning on or after 1 January 2025, except where a different date has been indicated and early application is permitted.

b. Improvements to the IFRS that do not generate accounting changes

IFRS A-1, Conceptual Framework for Financial Reporting Standards – Various modifications were made for consistency between the IFRS and the Sustainability Reporting Standards and to require disclosures of significant risks due to environmental, social or governance issues that may have an effect on the financial statements.



Clarifications were made to clarify how other comprehensive income (OCI) is recycled, considering that the recycling of OCI to the comprehensive income statement must be proportional to the realization of the item that gave rise to it.

IFRS B-1, Accounting changes and correction of errors – clarifications are made for consistency with the definition of “reclassification”.

IFRS B-5, Financial information by segments – it is clarified that the standard is applicable to Public Interest Entities (PIEs) that have financial instruments listed or to be listed on a stock exchange.

IFRS B-17, Determination of fair value – indicates the information that must be disclosed.

NIF C-2, Investments in financial instruments – modifications were made for purposes of consistency with the definition of “concentration”.

NIF C-6, Property, Plant and Equipment – the disclosure of the amount of accumulated and estimated investment for the completion of construction in progress was eliminated.

NIF C-8, Intangible Assets – requires that in all cases an analysis be made of whether an acquired intangible asset meets the criteria for its recognition.

NIF C-9, Provisions, Contingencies and Commitments – a description of the costs to be considered in determining the costs of onerous contracts was added.

NIF C-10, Derivative Financial Instruments and Hedging Relationships – clarifies, in an introductory paragraph, that NIF C-10 has an additional criterion to those indicated in International Financial Reporting Standard 9, Financial Instruments, as a requirement to determine the effectiveness of a hedging relationship.

NIF C-15, Impairment of long-lived assets – it is clarified that the discount rate to be used in projections of future cash flows should not exceed the average long-term growth rate for the products or industries, as well as for the country or countries in which the entity operates and for the market in which the asset is used, unless a higher growth rate can be justified.

NIF C-19, Financial instruments payable – clarifications were made to clarify that accounts payable, whose term exceeds one year, must be valued at their amortized cost, considering the value of money over time.

NIF C-20, Financial instruments to be collected and sold – modifications were made for purposes of consistency with the definition of “concentration”

NIF D-8, Share-based payments – the necessary clarifications were made to clarify the recognition of taxes withheld from a third party for a share-based payment, not only when it is an employee.

These standards come into effect for fiscal years beginning on or after January 1, 2025, allowing early application.

a. Sustainability Reporting Standards (SRS).

SRS A-1 establishes the basis for the development of specific SRS and their application in the preparation and disclosure of an entity's sustainability information, and also establishes the quality requirements that this information must meet.

SRS B-1 requires determining and disclosing Core Sustainability Indicators (CSI). CSIs are a starting point for identifying risks and opportunities related to sustainability and, consequently, implementing the necessary infrastructure in the entity to manage them and establish best sustainability practices, as well as to provide information that meets the needs of users.

These standards come into force for fiscal years beginning on or after January 1, 2025, allowing early application, provided they are applied jointly.

