

Earnings Call



1Q24

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NIM

Group 6.5%
+1bps q/q
(14bps) y/y

Banorte Bank 6.4%
(18bps) q/q
(15bps) y/y

Margin Sensitivity

Decreasing to Ps 375 million
for every 100bps
 Δ in the reference rate
(local currency balance sheet)

Net Fees

+7% q/q
+14% y/y

Loan Book

+1% q/q , +10% y/y
Moderate growth in retail & commercial
+13% y/y ex-Gov Loans

RESULTS

Net Income
Ps 14.2 bn,
+9% q/q, +9% y/y

ROE
22.2%,
+134bps q/q, +78bps y/y

Asset Quality

NPLs 0.9%
(11bps) q/q

CoR 1.8%
+46bps q/q

Capital

CAR 21.3%
CET1 15.5%

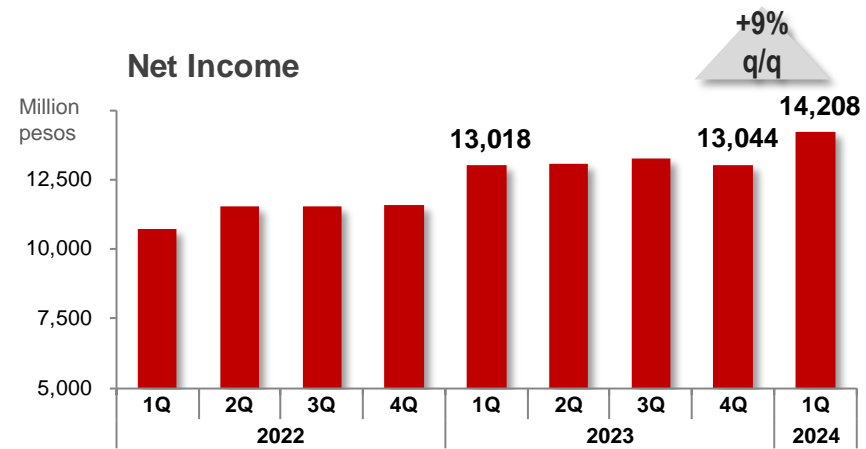
Sound profitability

■ Net Income for the quarter +9% q/q and y/y

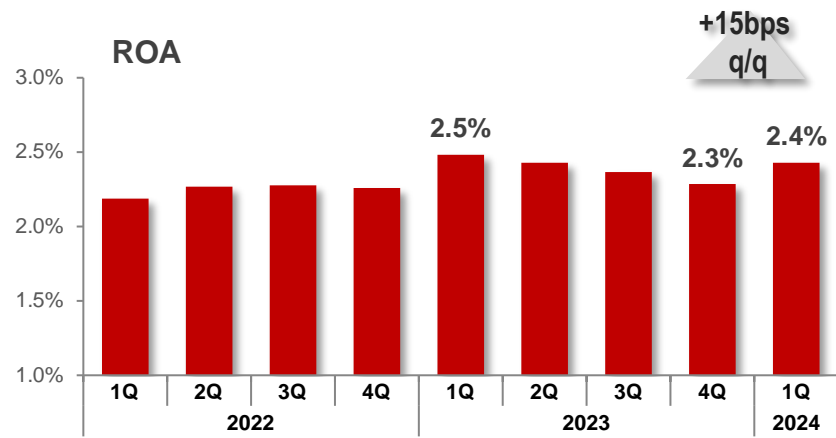
■ Higher profitability levels:

- ROE at 22.2%, +134bps q/q
- ROA at 2.4%, +15bps q/q

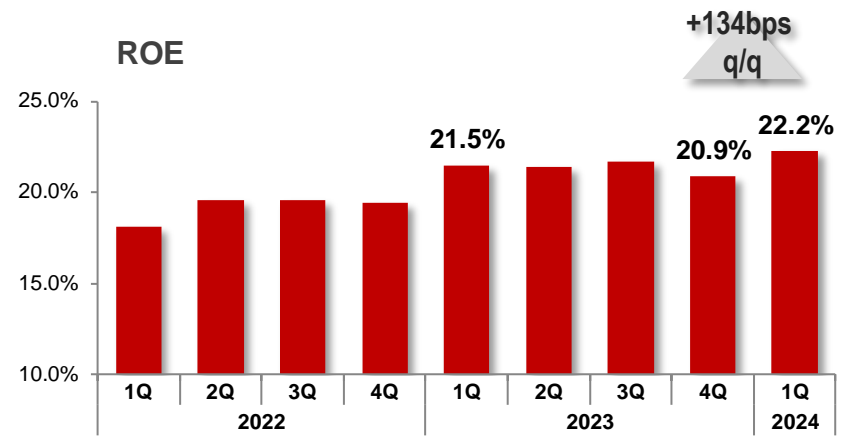
Net Income



ROA



ROE



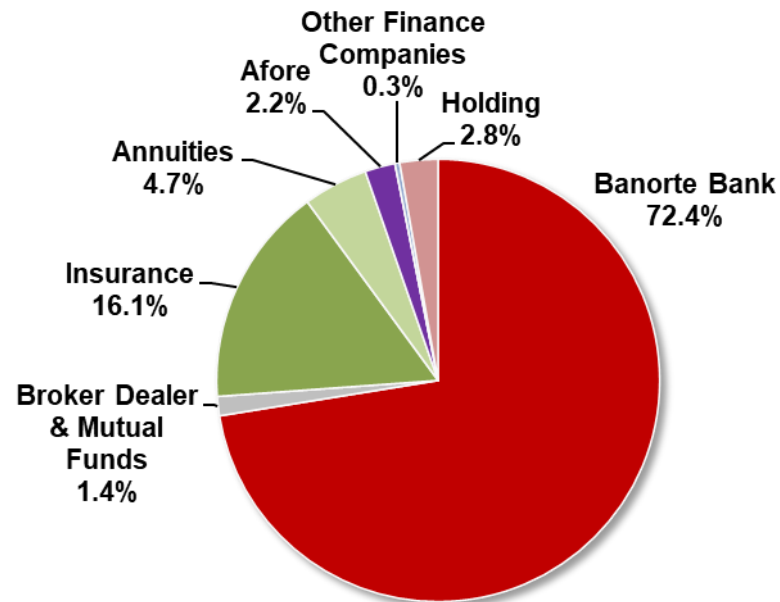
Sound business diversification:

- Banorte Bank +2% y/y, ROE 26.4%
- Insurance +65% y/y
- Annuities +14% y/y
- Afore +7% y/y

Net Income by Subsidiary

Million pesos	1Q24	q/q	y/y	ROE 1Q24
Banorte Bank	10,292	2%	2%	26.4%
Broker Dealer & Mutual F.	200	(25%)	125%	17.5%
Insurance	2,288	130%	65%	91.8%
Annuities	670	(10%)	14%	23.5%
Pension Funds (Afore)	314	(23%)	7%	10.7%
BAP (Holding)	0	(75%)	(99%)	
Leasing, Factoring and Warehousing	236	46%	154%	
Bineo	(188)	n.a.	n.a.	
Other Finance Companies	48	(74%)	(56%)	
Holding	395	7%	0%	
GFNorte	14,208	9%	9%	22.2%

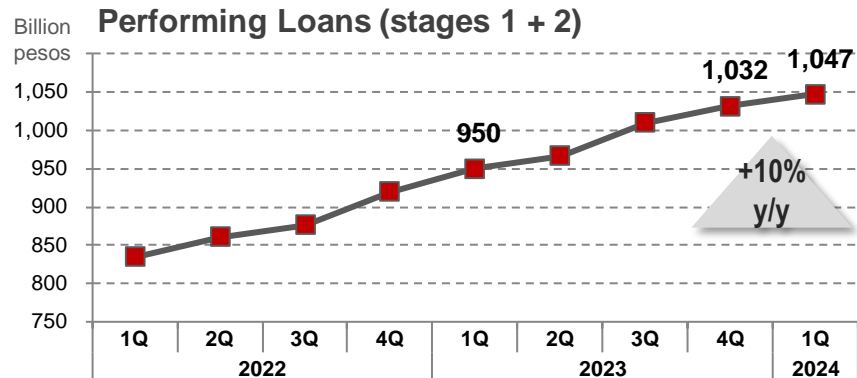
Net Income by Subsidiary 1Q24



* ROTE 1Q24: Banorte Bank 29.9%, Afore 35.3%.

Loan book growth with sound asset quality

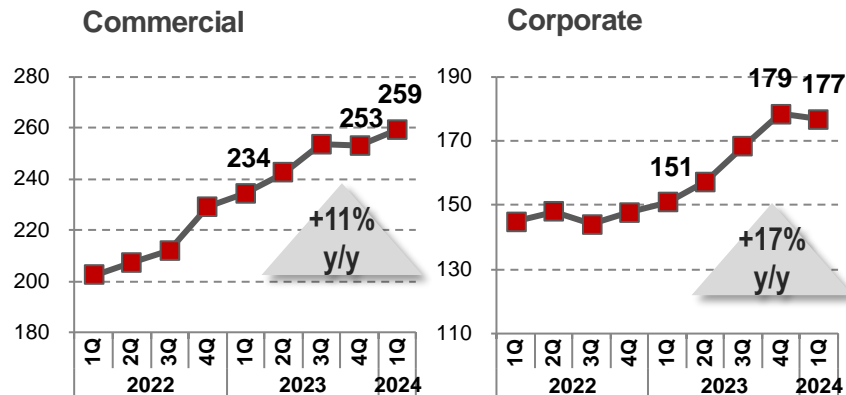
- **Emphasis on our analytical ability to select customers**
- **Portfolio stages 1 & 2 growing +1% sequentially and +10% y/y**
- **Double-digit annual expansion in commercial and corporate portfolio:**
 - Commercial loans +11%
 - Corporate loans +17%
- **Government loans down (2%)**



Performing Loans (stages 1 + 2)

Million pesos	1Q24	q/q	y/y
Commercial	259,132	2.4%	10.7%
Corporate	176,827	(1.0%)	17.2%
Government	176,417	2.6%	(2.2%)
Mortgage	255,760	1.0%	9.3%
Auto	44,625	4.7%	26.8%
Credit Card	58,022	(0.2%)	25.8%
Payroll*	76,285	2.4%	9.5%
Consumer Loans	434,691	1.5%	13.0%
Stages 1 & 2 Loans	1,047,067	1.5%	10.2%
Ex-government	870,650	1.2%	13.1%

*Includes Personal Loans for Ps 1.1 billion



Performing loans = IFRS (Stage 1 & Stage 2)

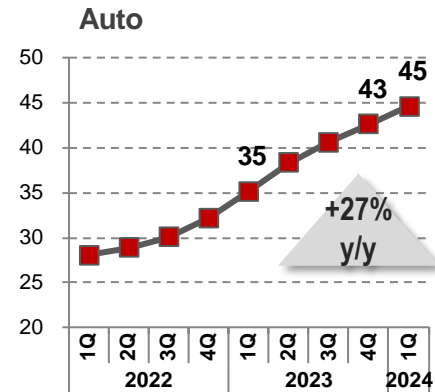
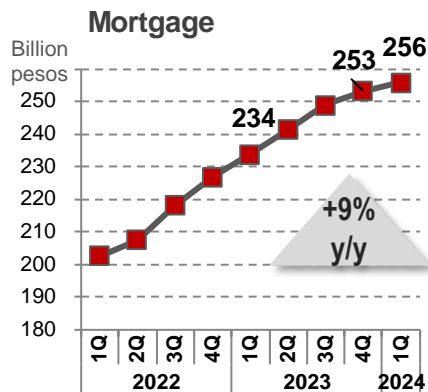
Loan book growth with sound asset quality

■ **Emphasis on our analytical ability to select customers**

■ **Moderate expansion in the consumer portfolio, +13% y/y**

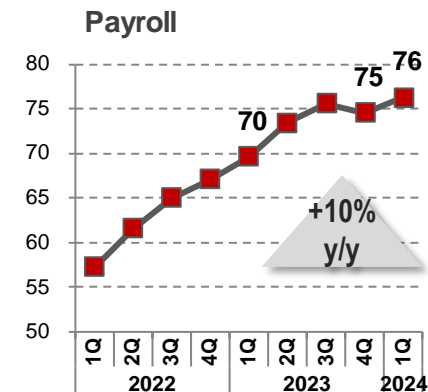
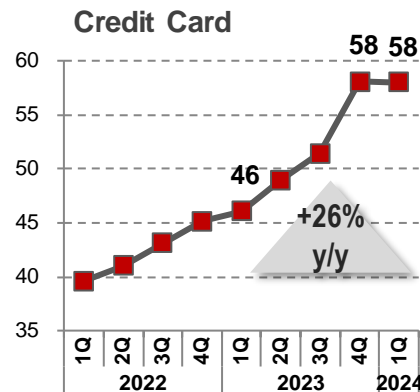
■ **Annual growth across all consumer products:**

- Mortgage +9%
- Auto +27%
- Credit card +26%
- Payroll +10%



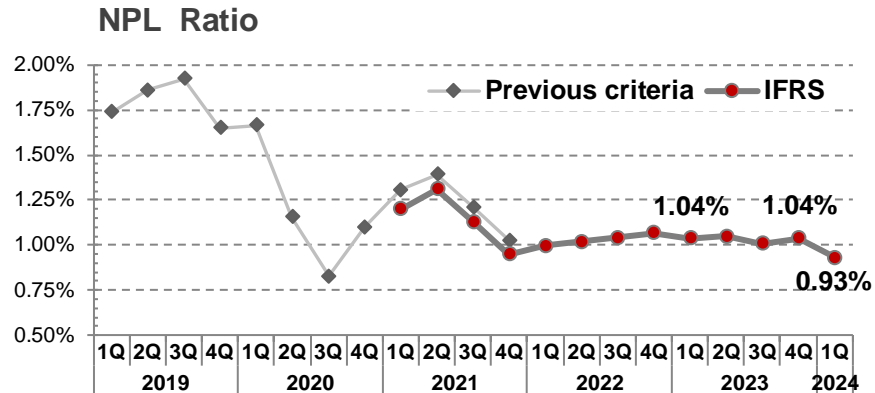
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*Includes Personal Loans for Ps 1.1 billion

- Consistently sound asset quality, NPL improves to 0.93%
- NPL ratio continues well below expectations
- No negative signs in sector or geographic trends



Non-performing Loans Ratio

	3Q19	4Q20	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Credit Card	6.0%	7.8%	2.3%	2.2%	2.2%	2.2%	2.4%	2.4%	2.7%	2.7%	3.3%	2.8%
Payroll	3.4%	2.7%	2.5%	2.4%	2.7%	2.8%	3.2%	2.8%	3.2%	3.2%	3.4%	2.7%
Auto	1.0%	0.6%	0.8%	0.7%	0.6%	0.7%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%
Mortgage	1.1%	0.9%	1.0%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%
Commercial	2.5%	1.2%	1.6%	1.7%	1.6%	1.7%	1.8%	1.8%	1.6%	1.5%	1.4%	1.3%
SME	6.6%	2.0%	1.8%	1.7%	1.6%	1.4%	1.1%	1.0%	1.0%	1.0%	1.1%	1.3%
Commercial ex-SME	1.5%	1.0%	1.5%	1.7%	1.6%	1.8%	1.9%	1.9%	1.7%	1.6%	1.5%	1.3%
Corporate	2.8%	0.1%	0.0%	0.3%	0.5%	0.4%	0.3%	0.3%	0.3%	0.1%	0.1%	0.1%
Government	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total GFNorte	1.9%	1.1%	0.9%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%

- On the right track to reach a 90-point NPS score. Voice to value from diligently reviewing every process that could improve customer experience:

- processes / services / systems
- products
- branch-administration, contingency, others



1Q24



Banorte Móvil App



83.9

+4.1 pts
y/y



WEB



83.8

-0.3 pts
y/y



Branches



82.1

+6.0 pts
y/y



ATM



77.7

+5.4 pts
y/y

As evidenced in our 2023 Annual Report, there is a continuous evolution in our sustainability strategy.



Environmental

- Assessment of short- and medium-term projects to reduce Scope 1 and Scope 2 emissions for the group.
- Publication of third annual TCFD Report, focusing on climate-related impact quantification for our branch network, mortgage, real estate, and hotel portfolios.



Social

- +200 beneficiaries of our Financial Education Program for clients during 1Q24.
- Banorte was recognized as one of the top 5 “Great Places to Work for Women in Mexico”.



Governance

- GFNorte released its 2023 Integrated Annual Report, incorporating recommendations from investors and relevant stakeholders.
- As an additional tool for our stakeholders, we published a supporting document to our Annual Report, disclosing '21-'23 progress in relevant indicators.
- For third year in a row, Banorte obtained "AA" rating for MSCI highlighting our strength in Privacy & Data security.



Sustainable Business

- February 15th, First Sustainable Bond Issuance for an amount of \$13.1 bn pesos, strengthening the sustainable financing capabilities for our clients.

Financial Highlights

Balance Sheet

**Shielded
Balance Sheet from
rates cycles**

ROE

**Group
22.2%, +134bps q/q**
**Banorte Bank
26.4%, (7bps) q/q**

Transformation

Continuous transformation
of Banorte to become a digital
bank with branches, and the
ongoing evolution of **bineo** and
the JV with Rappi

NIM

**Group
6.5%, +1bps q/q**
**Bank
6.4%, (18bps) q/q**

Expenses

Efficient expense control

**Cost to Income
breaking the 34% level
33.99%, (49bps) y/y**

Capital

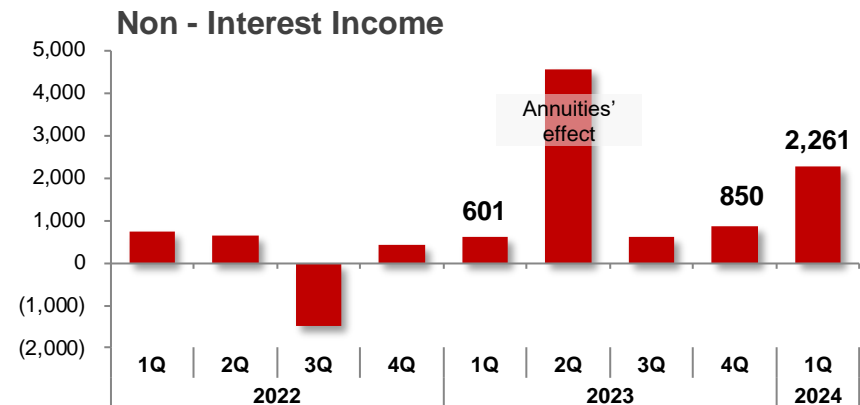
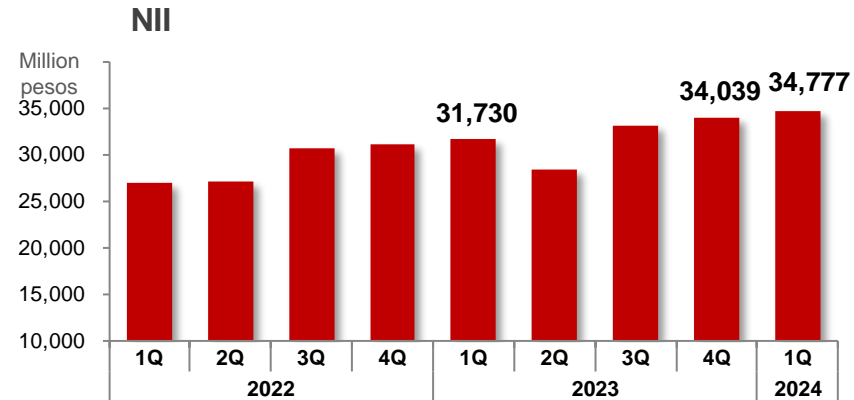
CAR 21.3%

CET1 15.5%

Net Interest and Non-Interest Income growing

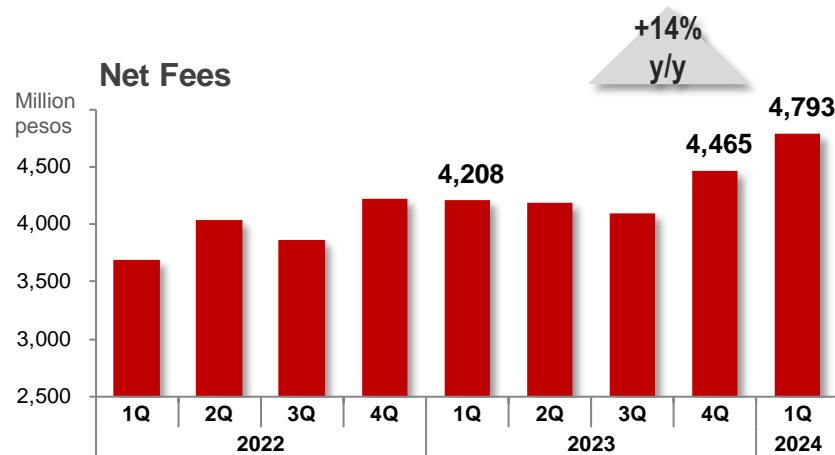
- **NII +2% q/q, +10% y/y**
- **NII Loans/Deposits +1% q/q**
- **Non-Interest Income:**
 - **Sequential net fees +7%, +14% y/y**
 - **Premium income +30% y/y**
 - **Claims +19% y/y**

Million pesos	1Q24	q/q	y/y
NII Loans/Deposits	21,752	1%	1%
NII Repos	5,510	1%	57%
NII Valorization Adjust	(189)	(343%)	11%
NII Insurance	929	14%	21%
NII Annuities	6,774	12%	10%
NII	34,777	2%	10%
Net Service Fees	4,793	7%	14%
Premium Income	18,231	62%	30%
Tech. Reserves Annuities	5,482	19%	(13%)
Tech. Reserves Insurance	6,708	131%	102%
Cost of Acquisition Insurance	959	118%	2%
Claims	7,817	4%	19%
Trading Income	1,034	(18%)	151%
Other Income	(830)	(23%)	7%
Non - Interest Income	2,261	166%	276%
Total Revenues	37,038	6%	15%



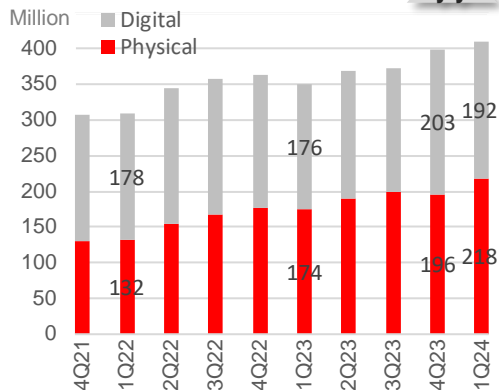
Core Banking Fees keep growing

- Net fees +7% q/q, +14% y/y
- Core banking fees +11% y/y, sequential down (4%) driven by seasonality
- POS transactions +17% y/y; +58% y/y in mobile monetary transactions



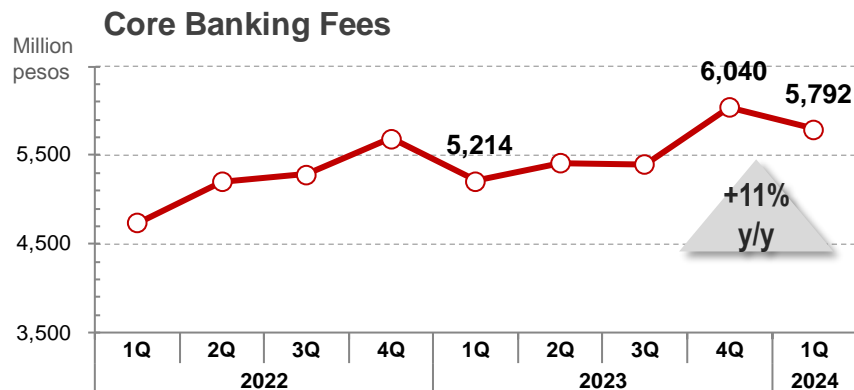
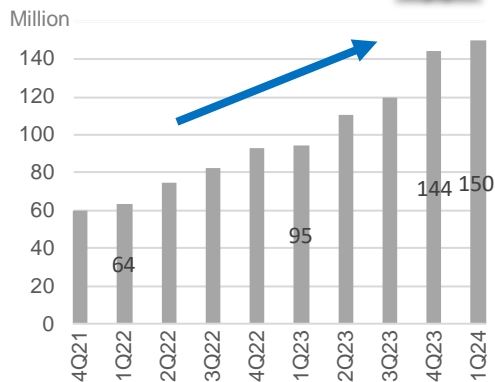
POS Transactions

+17% y/y



Mobile Monetary Transaction

+58% y/y



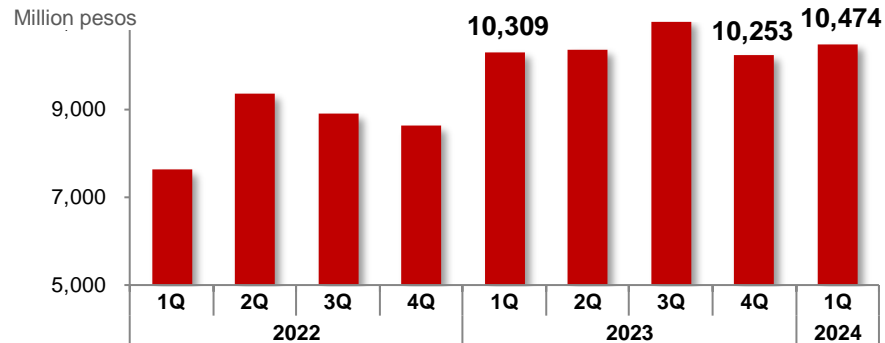
Ongoing profitability at Banorte Bank

■ Banorte's Net Income grew +2% q/q and y/y

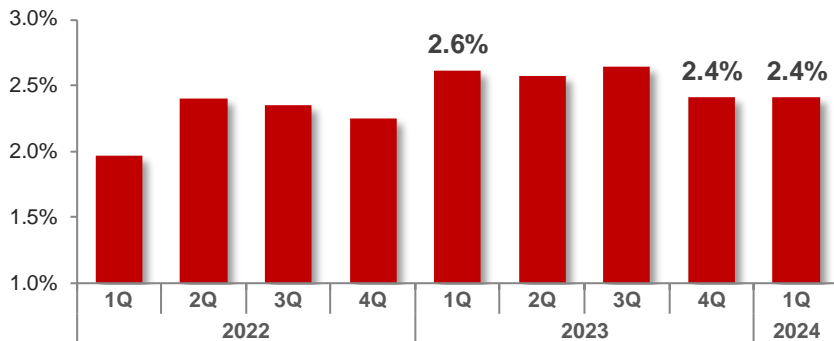
■ ROE at 26.4%

■ ROA at 2.4%

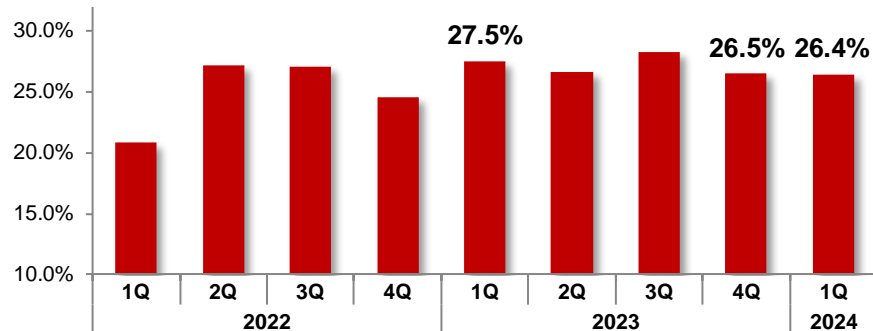
Net Income of Banorte Bank



ROA of Banorte Bank



ROE of Banorte Bank



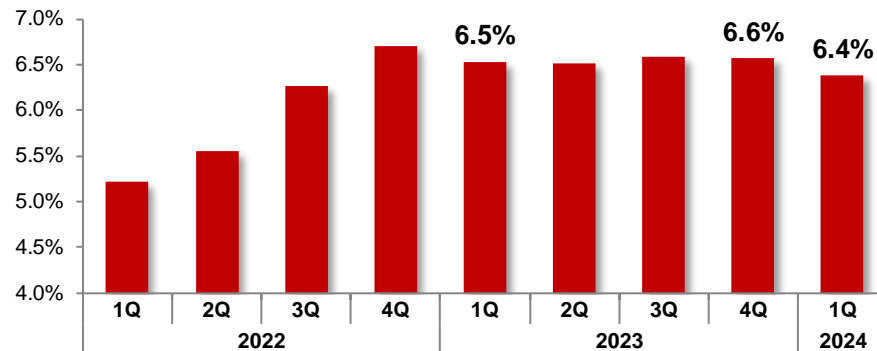
Sound evolution of core banking indicators

■ NIM of Banorte Bank at 6.4%, (18bps) q/q given higher growth in average earning assets +2.0%, than in IIN (0.9%)

■ NII +8% y/y

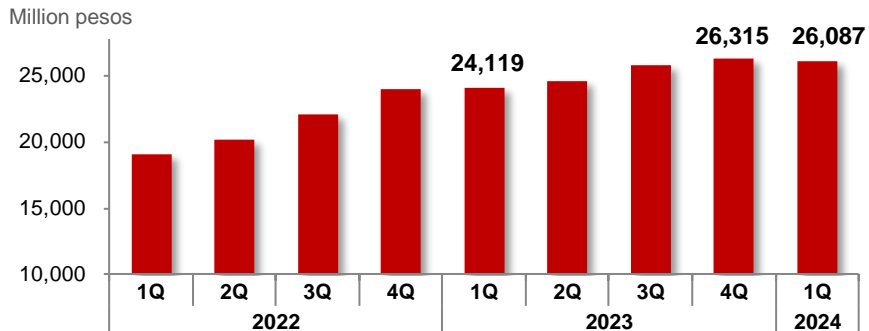
■ Net fees +9% q/q, +12% y/y

NIM of Banorte Bank



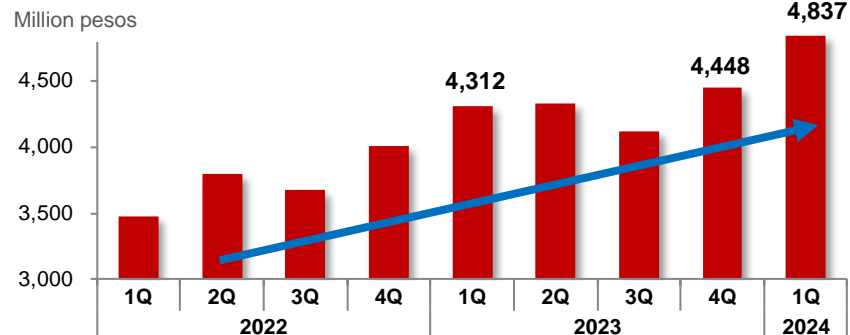
NII of Banorte Bank

+8%
y/y

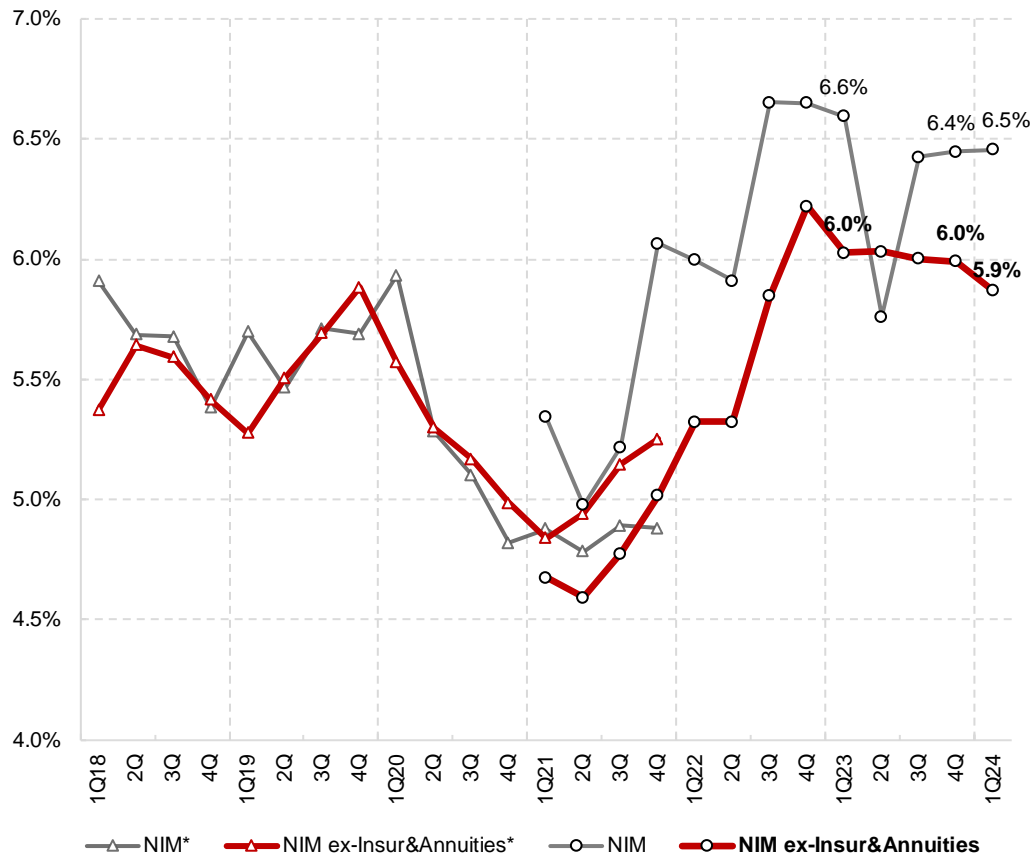


Net Fees of Banorte Bank

+9%
q/q



- NIM of the Group up to 6.5%
- Managerial NIM or NIM ex-Insur&Annuities down to 5.9%, (12bps) q/q given higher growth in average earning assets +2.0% than in IIN +0.9%
- IFRS adoption in 2022 has added volatility to the annuities and insurance contributions to the margin
- The exclusion of annuities and insurance provide a better, more stable ratio

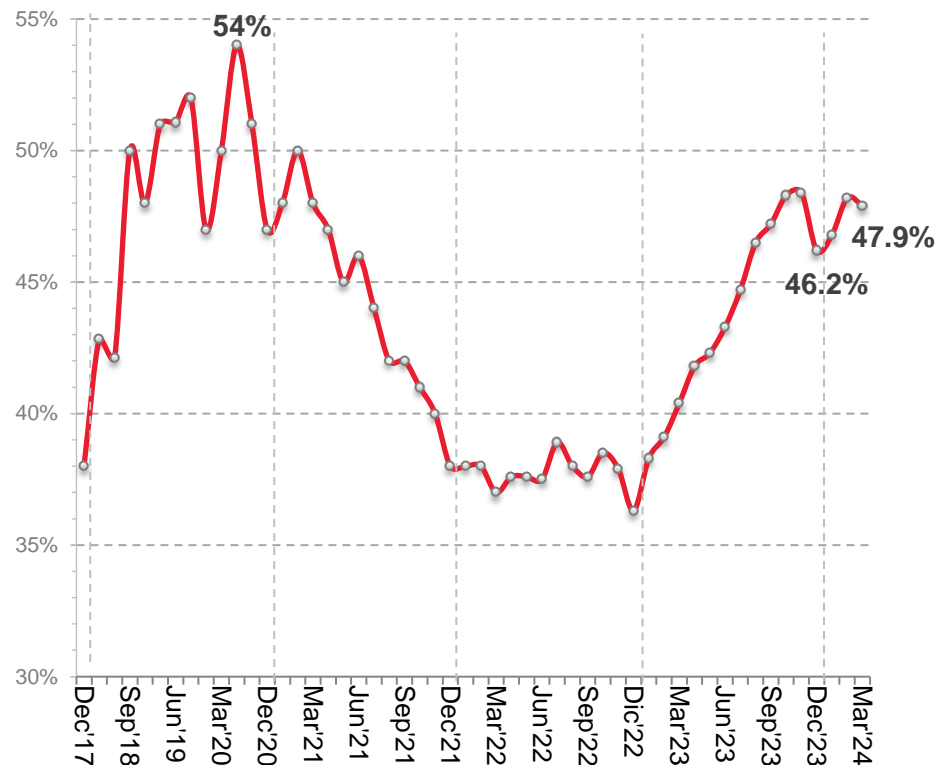


*Previous Criteria

- Control for the cost of funds trend, improving mix
- Non-interest-bearing demand deposits (3%) q/q on seasonality, +6% y/y
- Time deposits +7% q/q, +33% y/y
- Contraction of money market deposits (18%) q/q

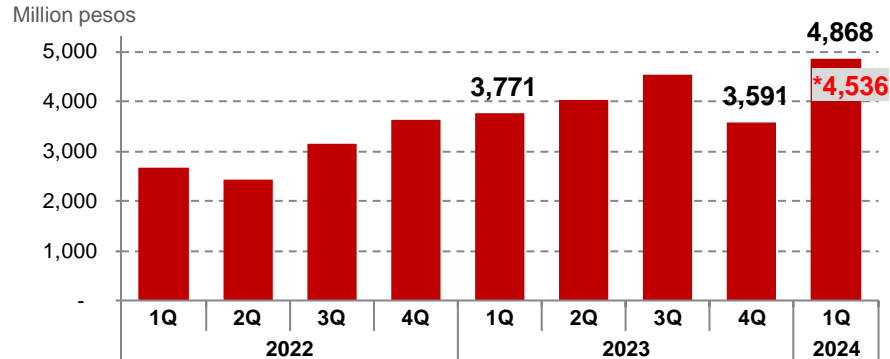
(Million Pesos)	1Q24	Change	
		4Q23	1Q23
Non-Interest-Bearing Demand Deposits	414,213	(3%)	6%
Interest Bearing Demand Deposits	287,292	10%	30%
Global Account of Deposits Without Movements	3,623	(1%)	12%
Total Demand Deposits	705,128	2%	15%
Time Deposits – Retail	291,012	7%	33%
Core Deposits	996,140	4%	20%
Money Market and Credit Notes Issued	90,636	(18%)	(15%)
Total Bank Deposits	1,086,776	1%	16%

Cost of Funds vs CETES Reference Rate

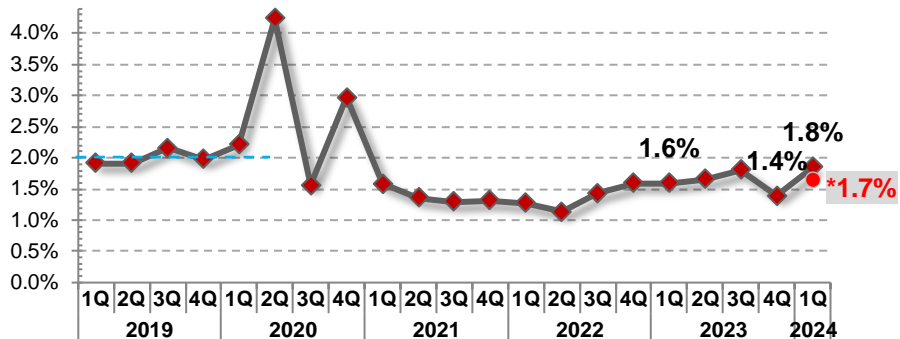


- Credit provisions up +36% q/q, +29% y/y given credit volume & mix, and the incorporation of Tarjetas del Futuro; ex-TDF up +30% q/q
- Cost of risk to 1.8%, 1.7% ex-TDF
- Write-off rate at 0.49%, 0.45% ex-TDF

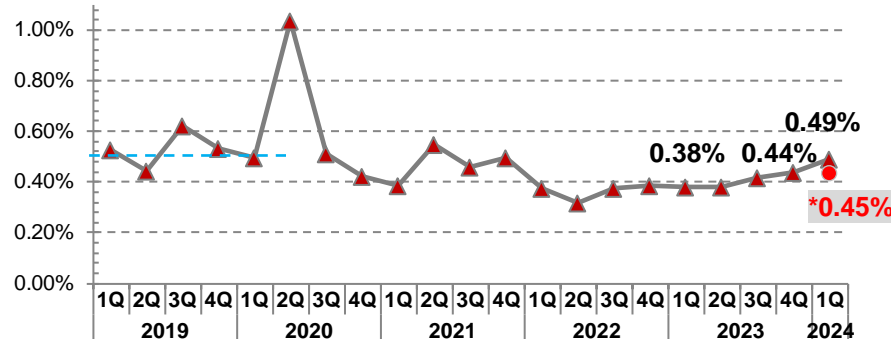
Credit Provisions



Cost of Risk



Write-Off Rate

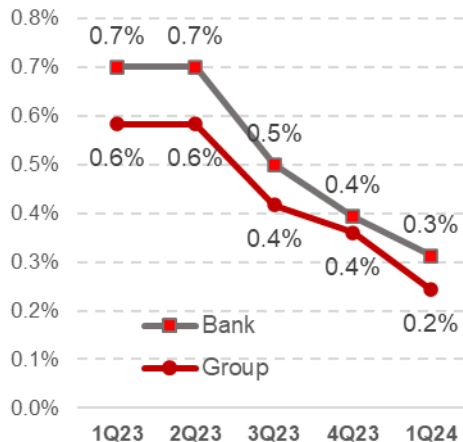


*ex-Tarjetas del Futuro (Rappi)

Net Interest Income sensitivity evolution

- Dynamic risk management hedging
- Focus on stable low-cost liabilities
- Active ALCO
- Organic growth of fixed rate portfolio
- A well-prepared asset & liability management strategy to anticipate the imminent easing cycle

Local Sensitivity / NII



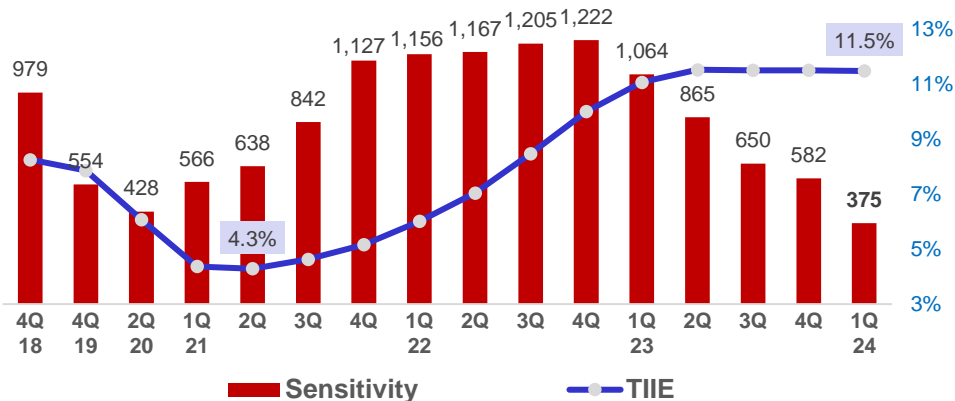
* Expected indicators in each quarter

• Expected sensitivity reduction to ~\$350M, amounting to only ~0.2% in the groups' NII

• In Foreign currency, a ~\$650M, implies ~0.5% in NII

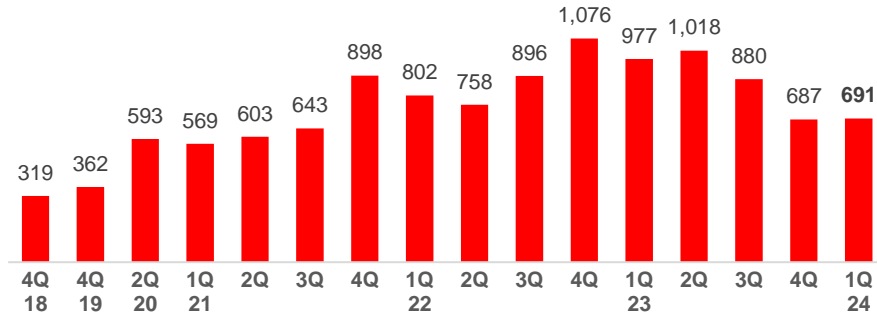
Bank's NII Sensitivity per 100bps change in rate - Local Currency Balance Sheet

Million pesos



Foreign Currency Balance Sheet

Million pesos

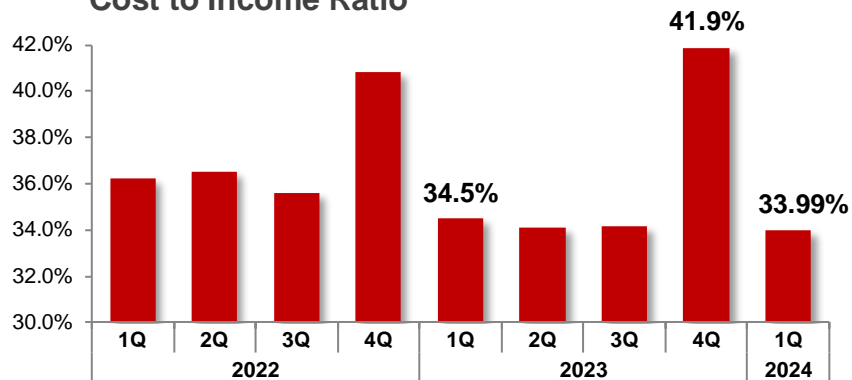


Expenses, control & paving the road for the future

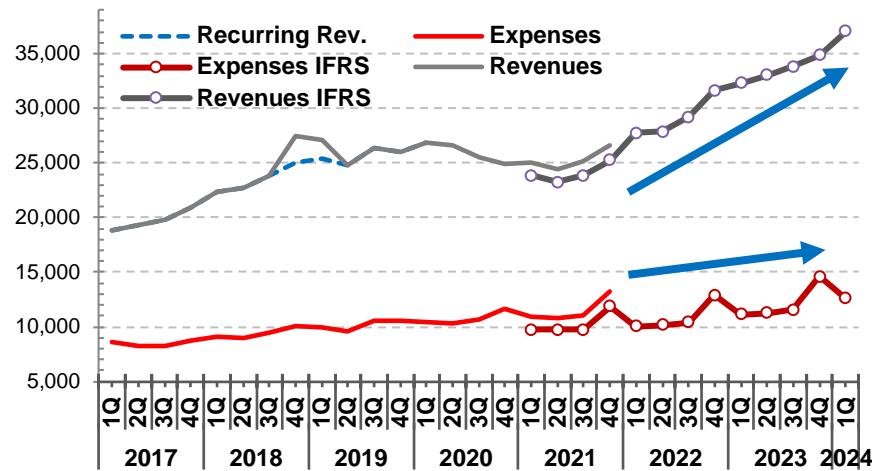
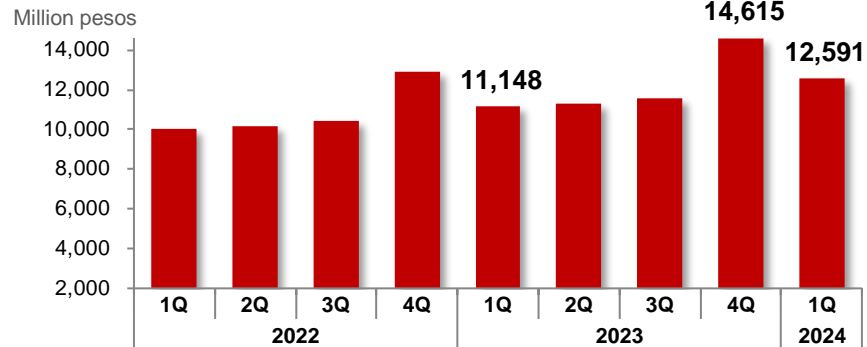
■ Expenses (14%) q/q, +13% y/y; ex-bineo & TDF +8% y/y

■ Cost to income breaking the 34% level to 33.99% (49bps) y/y

Cost to Income Ratio

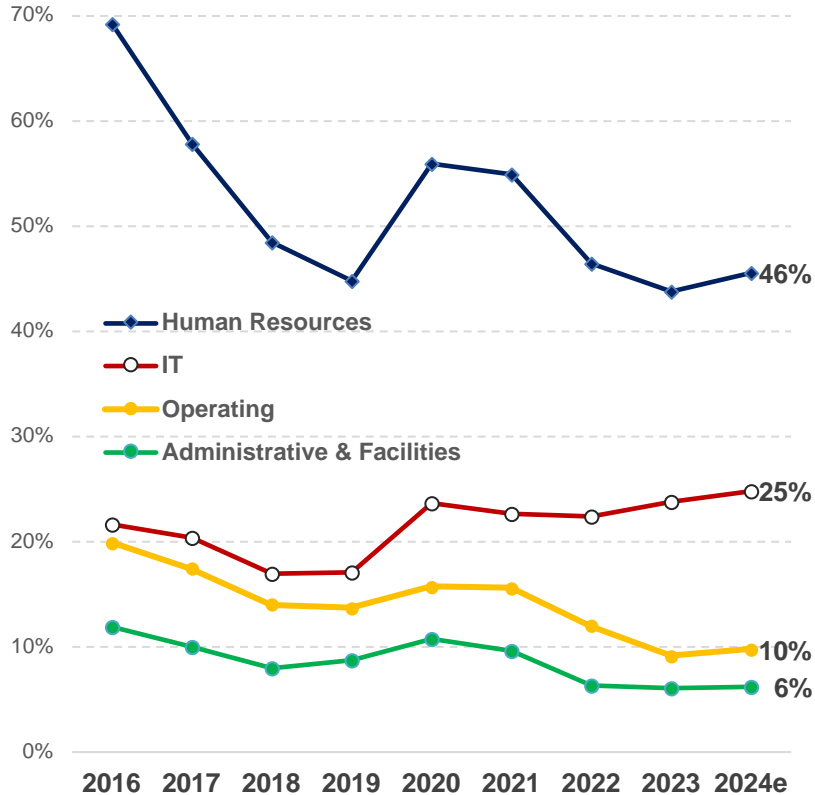


Non-Interest Expenses

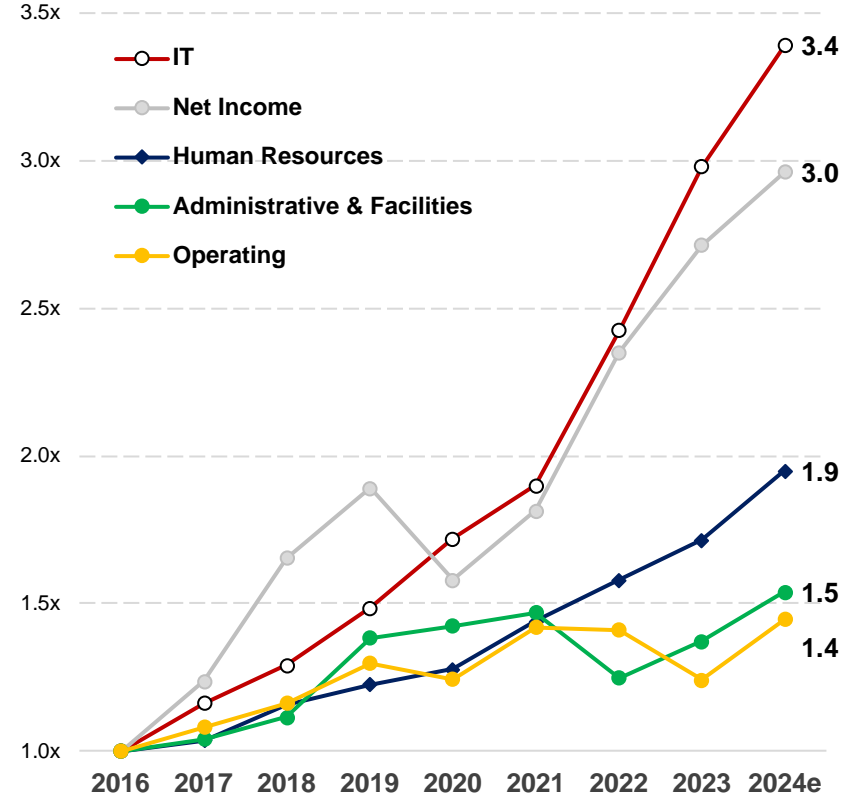


Historical expenses by category

Expenses / Net Income

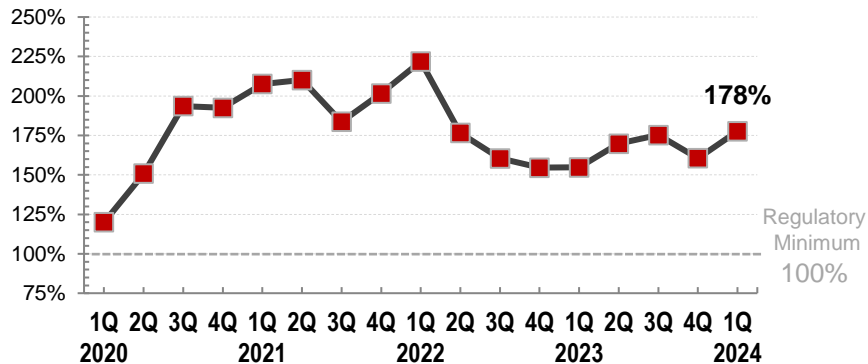


Historical growth by category



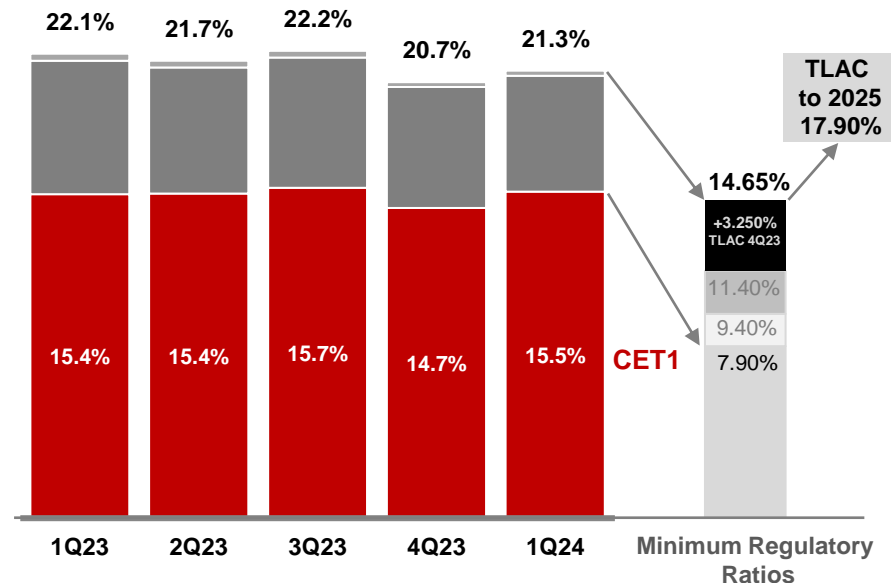
- Strong CAR and CET1, well above regulatory requirements
- CET1 still above management's optimal range, even after full dividend distribution
- Unlevered Capital
- Liquidity exceeds minimum regulatory requirements,
 - Average LCR at 178%, NSFR at 133%
- Deposits, 98% are sticky
- HTM Unrealized Losses → (41bps) on Capital

Average Liquidity Coverage Ratio LCR (%)

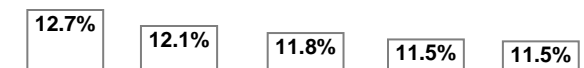


Capital Adequacy Ratio (CAR)

Basel III



Leverage Ratio





2018-2019

2020

1-2-3 Plan

Multi-channel Bank

Already a digital bank with branches, mobile banking, bank in minutes, NPS (App: 83.9)



We are here!

Continuous evolution of the digital portfolio



2020

Dec'23

Rapid Growth

Control

Market Fit & Value proposition

Profitability and break-even point*

* monthly basis



2022

Feb '24

Building the core & team

100% Digital

Regulatory, Launch & Onboarding

Building awareness basic offer

- ✓ Bineo Accounts: Total (N4), Ligera (N2)
- ✓ Digital card, Physical Debit card
- ✓ Pockets for savings
- ✓ Garmin Pay, Bill payments
- ✓ Personal Loan

We are here!
Initial Operations

- Find the scale and limits of a fully digital platform
- Stabilizing production environments

2H24

Building Scale & full value proposition

- Payroll portability, Payroll loans
- Savings interest rate, PFM
- Credit Card, Mortgage
- Remittances, Insurance
- Loyalty program
- Cash-in network

Appendix

	2024 Guidance
Loan Growth	10% – 12%
NIM	6.1% – 6.4%
NIM of Bank	6.3% – 6.5%
Recurring Expense Growth	6.0% - 7.0%
Total Expense Growth*	13.0% – 14.0%
Efficiency	36.0% – 37.0%
Cost of Risk	1.8% – 2.1%
Tax Rate	25% – 27%
Net Income	56.8 – 58.2 bn
ROE 2024	21.0% – 22.0%
ROE of the Bank	27.5% – 29.0%
ROA 2024	2.3% – 2.4%
Macro Estimates for 2024	
GDP	2.1% – 2.7%
Inflation Rate	4.0% – 5.0%
Banxico's Reference Rate (Avg.)	~10.60%

* Includes organic growth, bineo and JV Rappi (no material impact in Net Income)

	Vs. Total Loans 1Q24
Oil Industry*	3.1%
Electricity Companies*	2.9%
Construction & Real Estate	
Housing	1.3%
Commercial	1.0%
Others	1.4%
Malls	1.5%
Tourism	4.6%
Restaurants	0.3%
Airports	0.01%

- Including traditional, clean energy and suppliers

	Vs. Total Loans
SMEs • 74% Nafin / Bancomext guaranteed loans, 47% of SME book	4.9%
Dollar denominated	11.7%

Social and Environmental Risk Management System

Wholesale Banking Portfolio Analyzed

11.59%



10.87% Non-sustainable analyzed portfolio
0.49% Sustainable
0.23% Climate-related

During 1Q24:
987 Analyzed loans
112 loans with IFC recommendations
12 Due diligences
1 on-site visits
19 Credit Committees

Corporate Banking Portfolio Analyzed

21.74%

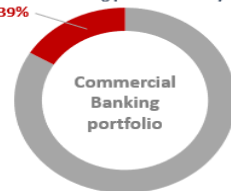


20.52% Non-sustainable analyzed portfolio
0.42% Sustainable
0.8% Climate-related

In 1Q24:
6 projects evaluated under the Equator Principles framework, 5 categorized as high risk (A) and 1 medium risk (B)

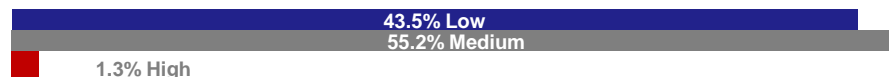
Commercial Banking portfolio analyzed

16.39%



15.27% Non-sustainable analyzed portfolio
1.12% Sustainable
0% Climate-related

Risk level of the analyzed portfolio:



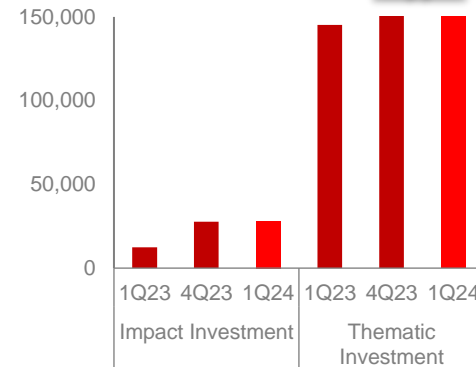
More than 98% of the analyzed loans were classified as Low and Medium risks, which means minimal or mitigatable impacts.

Responsible Investment

AFORE XXI Banorte

- Assets with ESG criteria 9%
- 19% of the structured instruments' portfolio has **impact investments** with direct contribution to SDGs

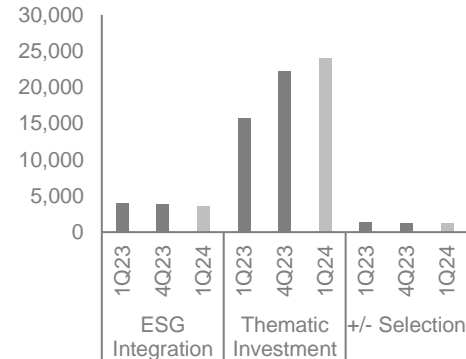
*FN-AC-410a.1



Operadora de Fondos Banorte

- Issuance of **ESG Opinion** on **6 thematic** Fixed Income instruments
- Assets with ESG criteria 9.51%
- Thematic bonds, +987 MDP q/q

*FN-AC-410a.1



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

20

Earnings Call

1Q24

24