



Earnings Call

3Q24

October 30th, 2024

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Results based on growth and quality

NIM

3Q24
Group **6.5%**
+17bps y/y

Banorte Bank **6.7%**
+21bps y/y

Margin Sensitivity

Decreasing to Ps 36 million
for every 100bps
 Δ in the reference rate
(local currency balance sheet)

Net Fees

+7% q/q, +29% y/y
9M24 +20% y/y

Loan Book

+3% q/q, +11% y/y;
retail +11%, commercial +10%,
corporate +24% and government loans +2% y/y

RESULTS

Net Income Ps 14.2 bn,
+2% q/q, +7% y/y
9M24 +8% y/y

ROE **22.9%**,
(38bps) q/q, +140bps y/y
9M24 +150bps y/y

Asset Quality

NPLs 1.0%
(1bps) q/q

CoR 1.6%
(16bps) q/q

Capital

CAR 19.2%
CET1 13.9%

* The methodology to calculate financial ratios changed to comply with CNBV requirements. Therefore, ratios in this presentation were recalculated for 2023 and 2024.

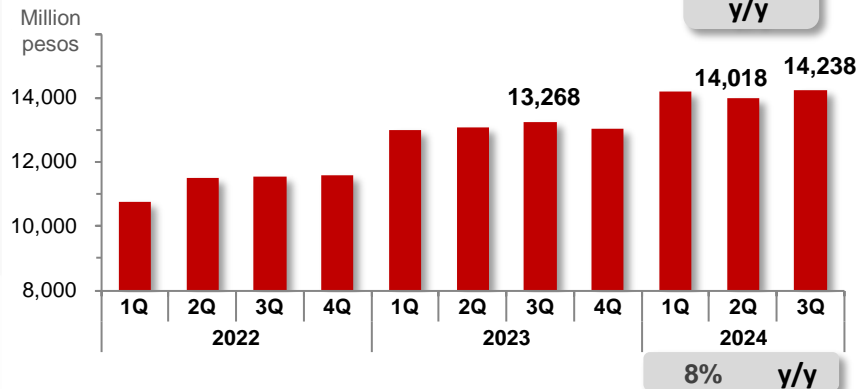
Sound profitability

■ Net Income for the quarter +2% q/q and +7% y/y;
9M24 +8% y/y

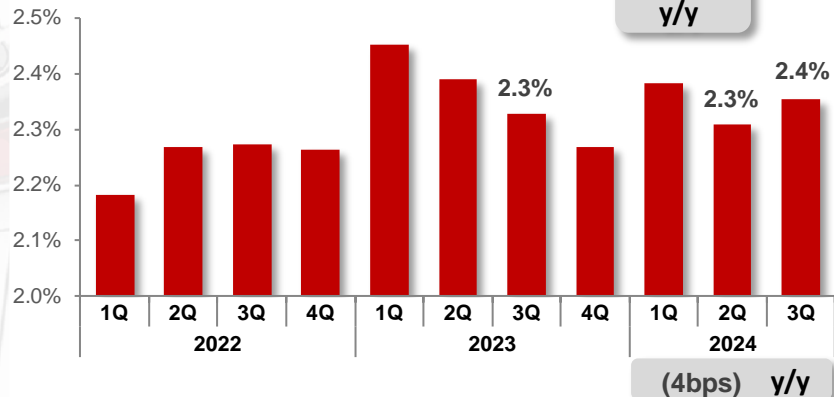
■ Higher profitability levels:

- ROE at 22.9%, +140bps y/y;
9M24 22.7%, +150bps y/y
- ROA at 2.4%, +3bps y/y;
9M24 2.3%, (4bps) y/y

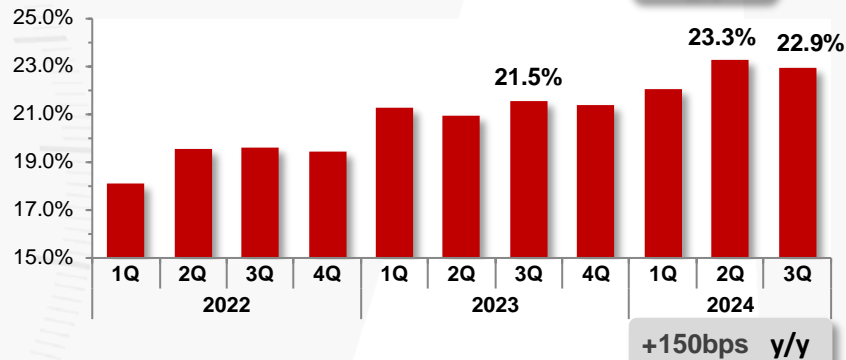
Net Income



ROA



ROE



Subsidiaries' Net Income and ROE

■ Sound business diversification:

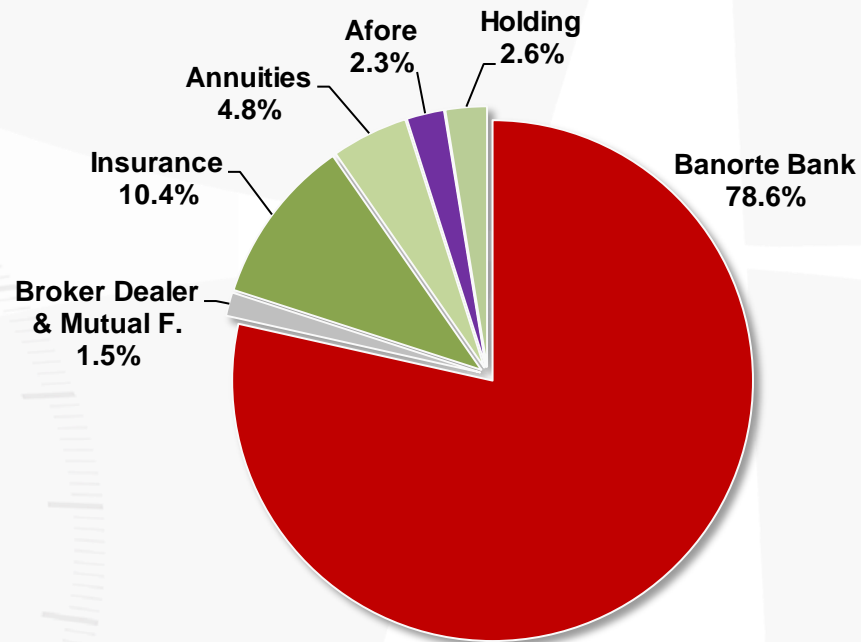
- Banorte Bank +7% y/y; 9M24 +7% y/y, ROE +29.5%
- Broker dealer & mutual funds 9M24 +29% y/y
- Insurance 9M24 +28% y/y
- Annuities 9M24 +17 y/y
- Afore 9M24 +25% y/y

Net Income by Subsidiary

Million pesos	3Q24	q/q	y/y	9M24	y/y	ROE 9M24
Banorte Bank	11,566	0%	7%	33,369	7%	29.5%
Broker Dealer & Mutual F.	324	230%	109%	622	29%	18.4%
Insurance	1,024	(7%)	24%	4,410	28%	58.2%
Annuities	710	11%	9%	2,021	17%	23.0%
Afore	382	30%	85%	991	25%	11.3%
BAP (Holding)	1	(70%)	(51%)	3	(93%)	
Warehousing, Leasing & Factoring	171	(17%)	(46%)	613	11%	
Bineo	(247)	N.A.	N.A.	(657)	N.A.	
Holding & Ixe Servicios	308	(21%)	8%	1,092	(8%)	
GFNorte	14,238	2%	7%	42,464	8%	22.7%

* ROTE 9M24: Banorte Bank 33.4%, Afore 38.0%

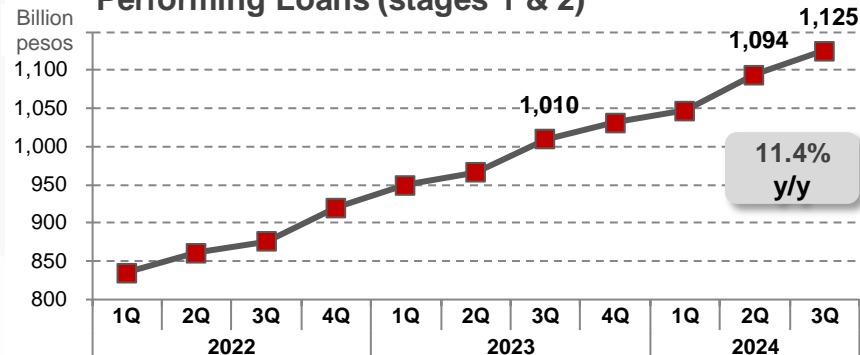
Net Income by Subsidiary 9M24



Loan book growth with sound asset quality

- Emphasis on our analytical ability to select customers
- Portfolio stages 1 & 2 growing +2.8% sequentially and +11.4% y/y
- Expansion in commercial and corporate portfolios:
 - Commercial loans +9.7%
 - Corporate loans +23.6%
 - Government loans +2.4% on prepayments

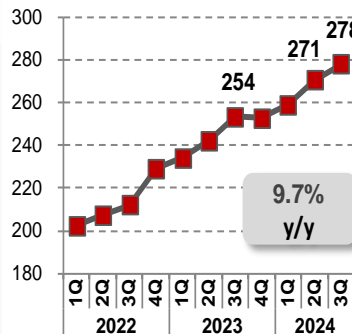
Performing Loans (stages 1 & 2)



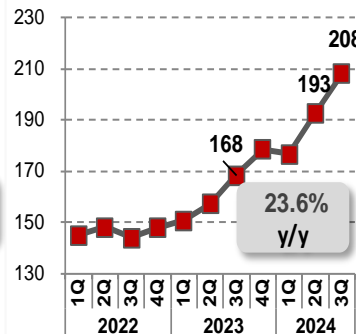
Performing Loans (stages 1 & 2)

Million pesos	3Q24	q/q	y/y
Commercial	278,067	2.8%	9.7%
Corporate	208,079	8.0%	23.6%
Government	175,733	(3.5%)	2.4%
Mortgage	266,770	2.0%	7.2%
Auto	49,808	6.0%	22.6%
Credit Card	64,742	6.3%	25.8%
Payroll*	82,138	3.3%	8.7%
Consumer Loans	463,458	3.2%	11.3%
Total Loans (stages 1 & 2)	1,125,337	2.8%	11.4%
ExGovernment	949,604	4.1%	13.3%

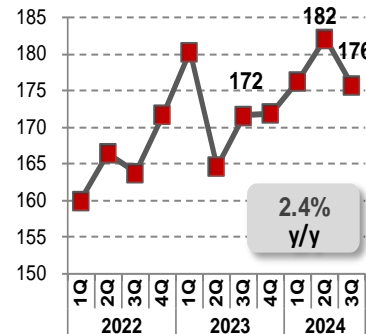
Commercial



Corporate



Government



Performing loans = IFRS (Stage 1 + Stage 2)

Loan book growth with sound asset quality

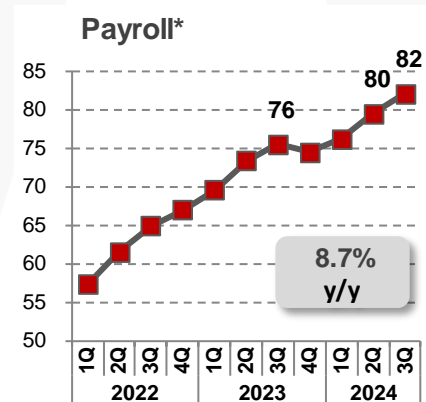
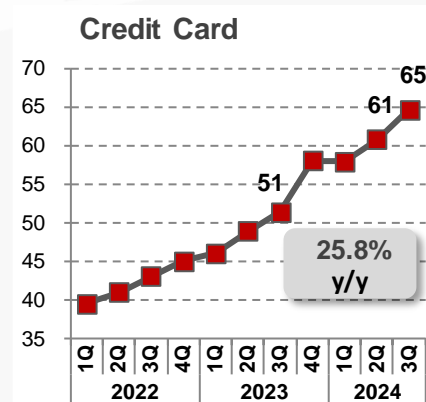
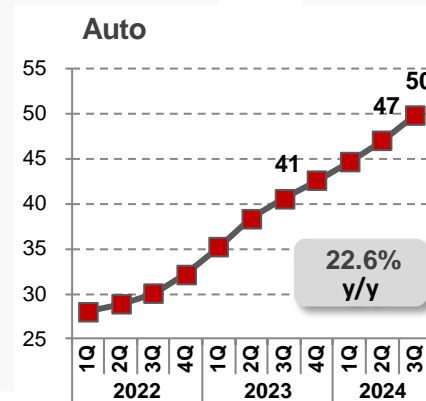
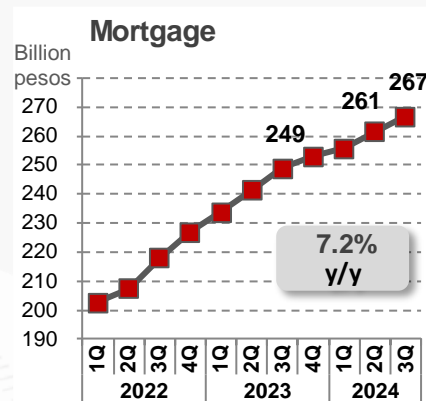
- Emphasis on our analytical ability to select customers
- Expansion in the consumer portfolio +11.3% y/y
- Annual growth across all consumer products:
 - Mortgage +7.2%
 - Auto +22.6%
 - Credit card +25.8%
 - Payroll +8.7%

Performing Loans (stages 1 & 2)

Million pesos	3Q24	q/q	y/y
Commercial	278,067	2.8%	9.7%
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ExGovernment

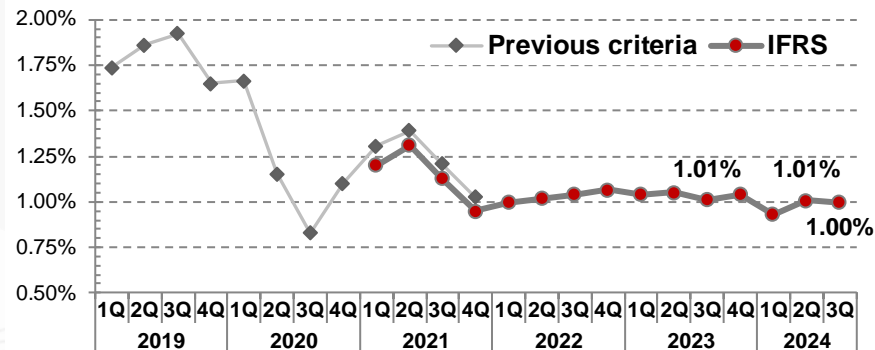
*Includes Personal Loans



Healthy loan portfolio

- Consistent sound asset quality, NPL 1.0%
- NPL ratio continues well below expectations
- No negative signs in sector or geographic trends

NPL Ratio



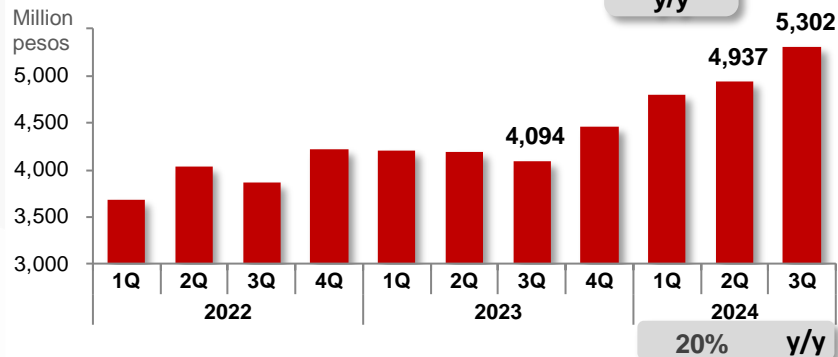
Non-performing Loans Ratio

	3Q19	4Q20	4Q21	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Credit Card	6.0%	7.8%	2.3%	2.4%	2.4%	2.7%	2.7%	3.3%	2.8%	2.8%	3.1%
Payroll	3.4%	2.7%	2.5%	3.2%	2.8%	3.2%	3.2%	3.4%	2.7%	2.7%	2.7%
Auto	1.0%	0.6%	0.8%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.5%	0.6%
Mortgage	1.1%	0.9%	1.0%	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%
Commercial	2.5%	1.2%	1.6%	1.8%	1.8%	1.6%	1.5%	1.4%	1.3%	1.6%	1.6%
SME	6.6%	2.0%	1.8%	1.1%	1.0%	1.0%	1.0%	1.1%	1.3%	1.4%	1.5%
Commercial ex-SME	1.5%	1.0%	1.5%	1.9%	1.9%	1.7%	1.6%	1.5%	1.3%	1.7%	1.6%
Corporate	2.8%	0.1%	0.0%	0.3%	0.3%	0.3%	0.1%	0.1%	0.1%	0.2%	0.1%
Government	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total GFNorte	1.9%	1.1%	1.0%	1.1%	1.0%	1.1%	1.0%	1.0%	0.9%	1.0%	1.0%

Core Banking Fees keep growing

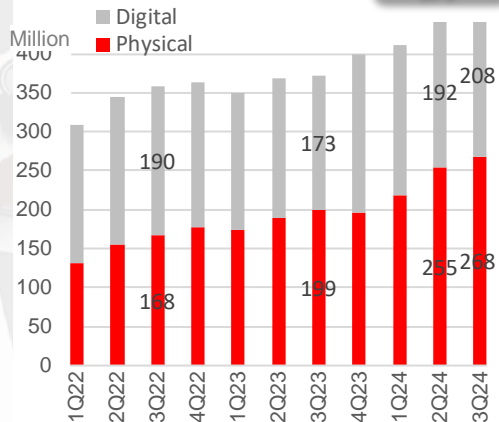
- Net fees +7% q/q, +29% y/y; 9M24 +20% y/y, double-digit growth across all lines of business: banking, brokerage house, mutual funds.
- Core banking fees +4% q/q, +19% y/y; 9M24 +15% y/y
- POS transactions +28% y/y; +51% y/y in mobile monetary transactions

Net Fees



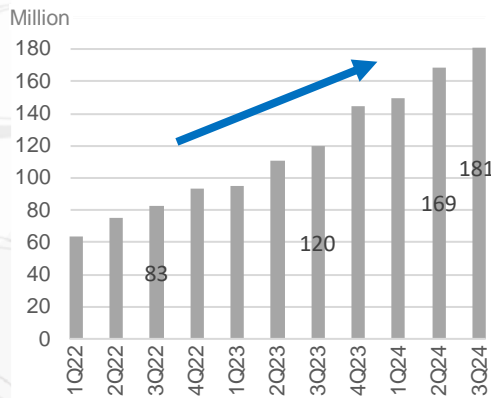
POS Transactions

28% y/y

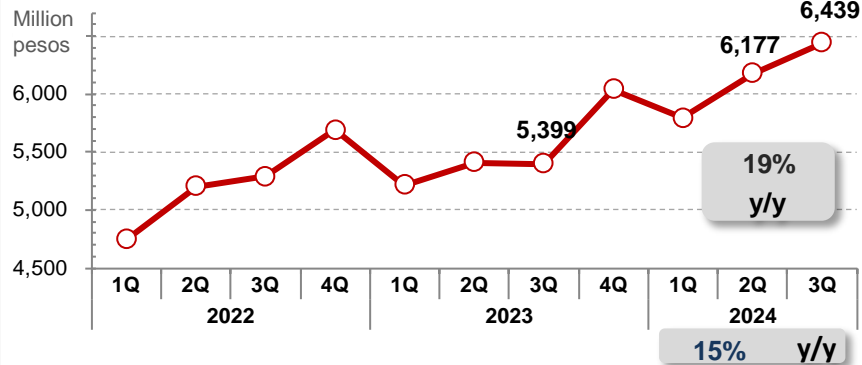


Mobile Monetary Transaction

51% y/y



Core Banking Fees



A Customer-centric bank in minutes

a Bank in Minutes

DIGITAL

HUMAN-DIGITAL



New claim
4 min
Time to Market



Mobile payroll loan
3 min



Digital advanced payroll
3 min



Opening a digital enlase account
5 min



ATM Withdrawal
0.05 min



Opening a new account on Tablet
5 min



Portability Tablet
3 min



Opening account in branches
9 min



Digital wallet
3 min



Digital fund
4 min



Mobile credit card
3 min



Payroll Loan Tablet
3 min



Instant credit card Tablet
3 min



Instant credit card Branch
5 min



Payroll portability
3 min



Digital promissory note
2 min



Mobile credit card
3 min



Opening payroll account Tablet
5 min



Card purchase at Correspondent
3 min



Accounts & savings
3 min



Mobile insurance purchase
4 min



Digital remittances collection
2 min



Investment account opening
4 min



Insurance purchase Tablet
4 min



Withdrawal without card in ATM
2 min



Credit card auto-pay
3 min



Maya mobile service
0.05 min



Digital auto loan
4 min



Digital card
5 min



Tipped sale POS
2 min



Card replacement
5 min



Remittances collection in Branch
4 min



WhatsApp turn
0.1 min

Sustainability Updates



Environmental



Social



Governance



Sustainable Business

- **TNFD:** Initial assessment of 3 **sectors in our portfolio:** infrastructure, food & beverage, and extracts & minerals processing.
- Completion of Carbon Disclosure Project “**CDP**” **Questionnaire** for the fifth consecutive year.
- **+1,700 beneficiaries** of our **Financial Education Program** for clients.
- Participation in the **17th National Financial Education Week:**
 - 8 conferences
 - 3 stands
 - +2,700 visitors
- Our **2023 annual report** received **GOLD** award by LACP Awards for its design, content and depth.
- Banorte’s 2024 **Corporate Sustainability Assessment CSA** report obtained **67pts**, +1pt above 2023.
- **Green auto loans: “Autoestrene Verde”:** YTD Placement: ~**Ps 1bn pesos**; Estimated emissions reduction: **1,067.27 tCO2e***
- **Loans for Women Entrepreneurs “Mujeres Empresarias”:** YTD Placement: **Ps 548MM.**

** Emissions’ reduction data is available for only 30% of the total hybrid/electric fleet.*



Financial Highlights

Sustained & profitable organic expansion

Balance Sheet

Continuous optimization
of the
Balance Sheet

ROE

Group
22.9%, +140bps y/y
Banorte Bank
31.1%, +228bps y/y

Transformation

Ongoing transformation
of the Group and its subsidiaries,
with important focus on bineo and
the JV with Rappi

NIM

Group
6.5%, +77bps q/q
Banorte Bank
6.7%, +31bps q/q

Expenses

Efficient expense control

Cost to Income
35.5%

Capital

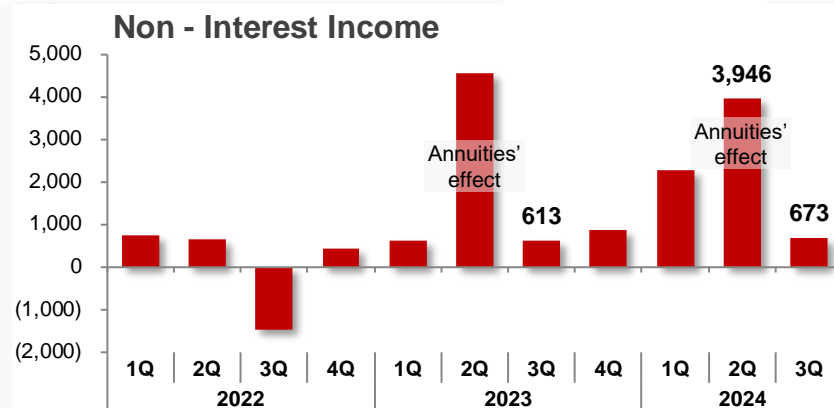
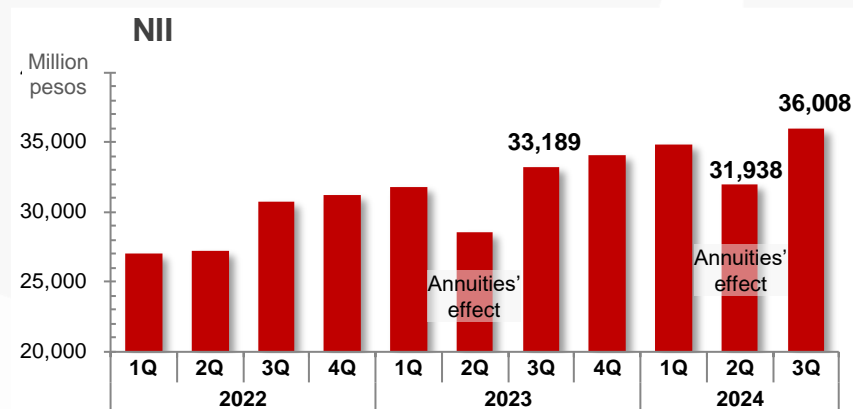
CAR 19.2%
CET1 13.9%

* The methodology to calculate financial ratios changed to comply with CNBV requirements.
Therefore, ratios in this presentation were recalculated for 2023 and 2024.

Net Interest and Non-Interest Income growing

- **NII +13% q/q** (normalized from 2Q annuities effect), **9M24 +10% y/y**
- **NII Loans/Deposits +4% q/q**
- **Non-Interest Income, 9M24 +20% y/y:**
 - **Net fees +7% q/q, +29% y/y, 9M24 +20% y/y**
 - **Premium income 9M24 +18% y/y, with contained claims 9M24 +15% y/y**

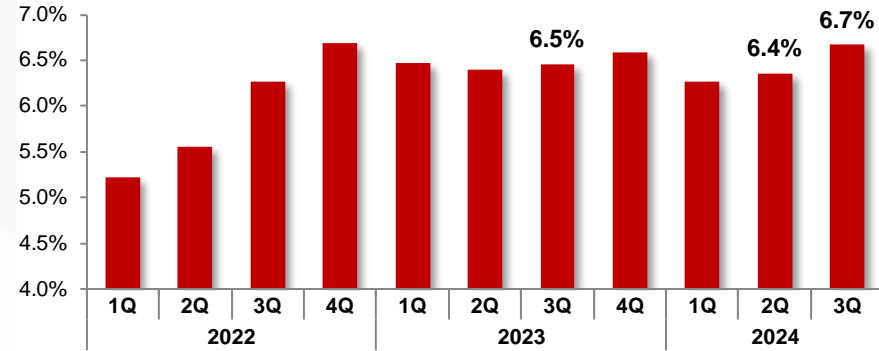
Million pesos	3Q24	q/q	y/y	9M24	y/y
NII Loans/Deposits	23,469	4%	10%	67,743	5%
NII Repos	4,903	0%	(10%)	15,292	18%
NII Valorization Adjustment	168	(70%)	618%	548	353%
NII Insurance	902	(1%)	3%	2,746	13%
NII Annuities	6,565	115%	16%	16,394	17%
NII	36,008	13%	8%	102,723	10%
Net Service Fees	5,302	7%	29%	15,031	20%
Premium Income	11,381	(18%)	7%	43,572	18%
Tech. Reserves Annuities	6,002	48%	1%	15,549	10%
Tech. Reserves Insurance	1,655	(38%)	104%	11,016	65%
Cost of Acquisition Insurance	219	47%	26%	1,327	2%
Claims	8,604	1%	15%	24,948	15%
Trading Income	1,500	44%	41%	3,573	35%
Other Income	(1,029)	(72%)	(43%)	(2,456)	6%
Non - Interest Income	673	(83%)	10%	6,880	20%
Total Revenues	36,681	2%	9%	109,603	10%



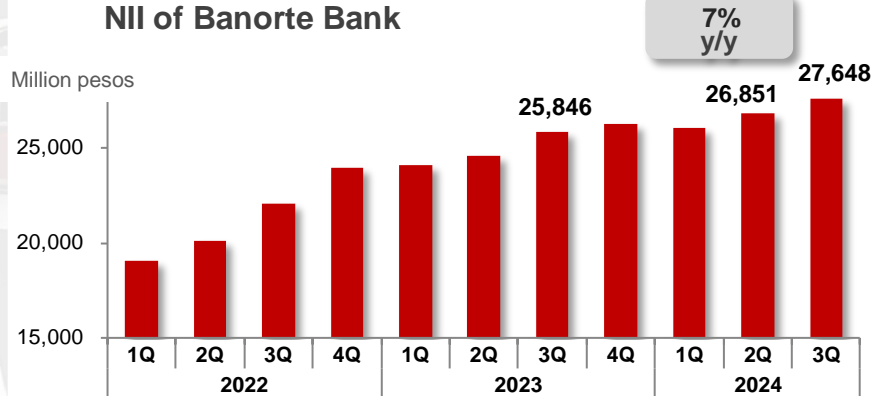
Sound evolution of core banking ratios

- NIM of Banorte Bank 6.7%, record high
- NII +3% q/q, +7% y/y; 9M24 +8% y/y
- Net fees +3% q/q, +25% y/y; 9M24 +17% y/y

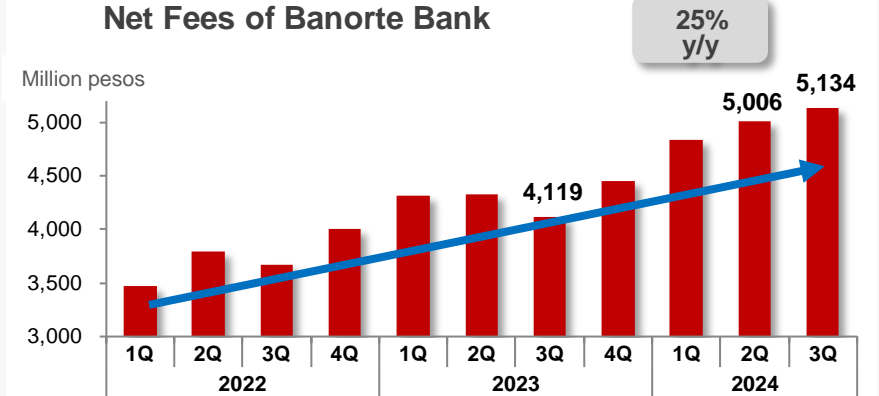
NIM of Banorte Bank



NII of Banorte Bank



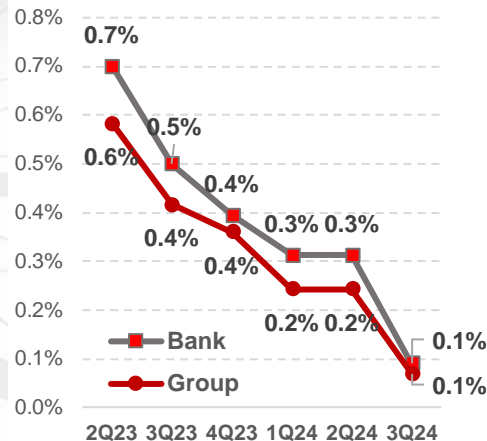
Net Fees of Banorte Bank



Net Interest Income sensitivity evolution

- Dynamic risk management hedging
- Focus on stable low-cost liabilities
- Active ALCO
- Organic growth of fixed rate portfolio
- Shielded balance sheet from rate cycles

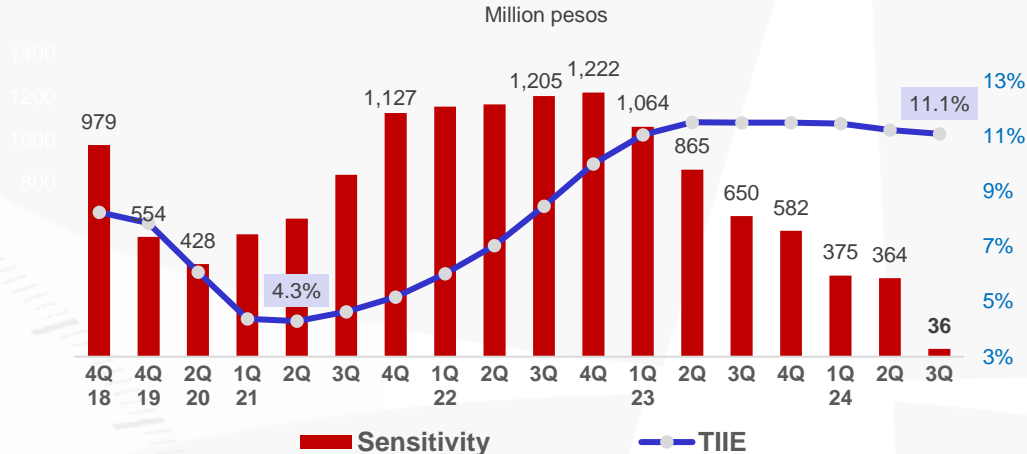
Local Sensitivity / NII
Expected indicators in each quarter



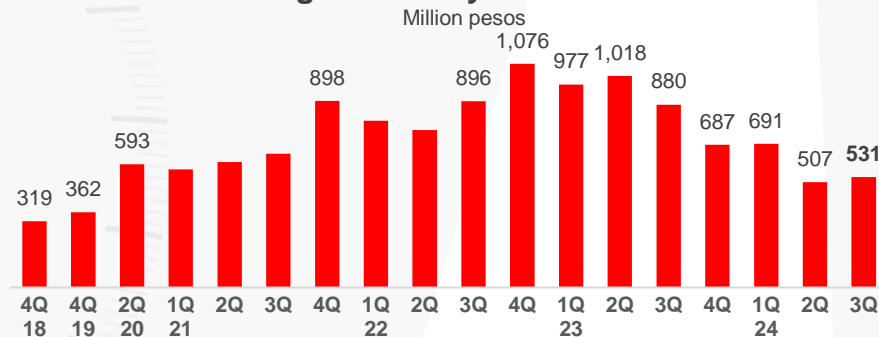
• Expected sensitivity to be maintained around ~\$100M, amounting to only ~0.1% in the groups' NII

• In Foreign currency, a ~\$500M, implies ~0.3% in NII

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



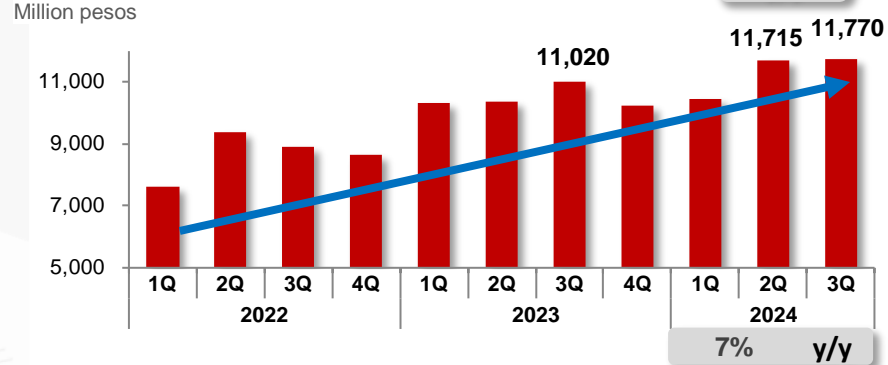
Foreign Currency Balance Sheet



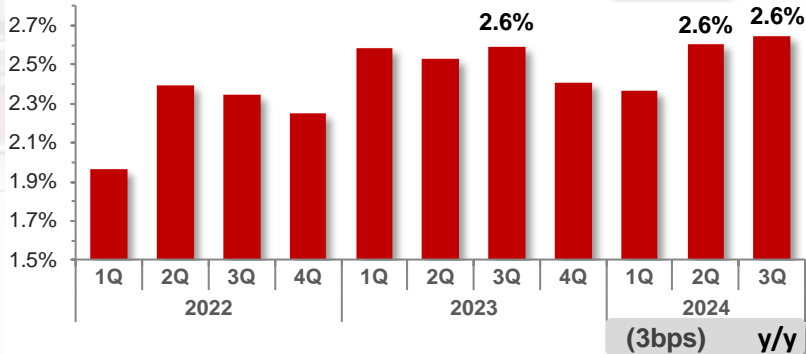
Ongoing profitability at Banorte Bank

- Banorte's Net Income +7% y/y; 9M24 +7% y/y
- ROE at 31.1%, +228bps y/y; 9M24 29.5%, +180bps annual expansion
- ROA at 2.6%, +6bps y/y; 9M24 2.5%, (3bps) y/y

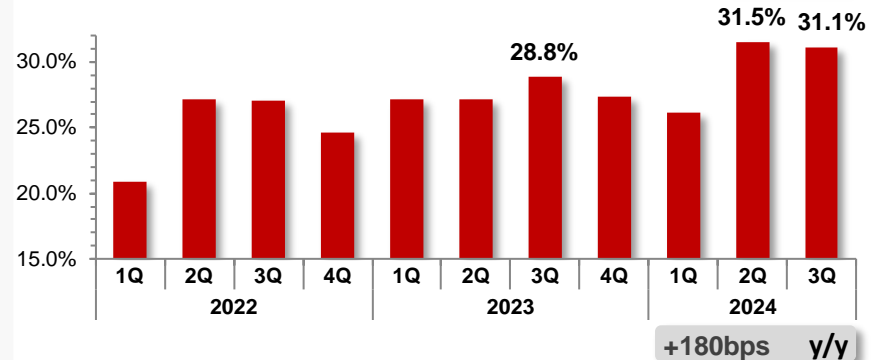
Net Income of Banorte Bank



ROA of Banorte Bank

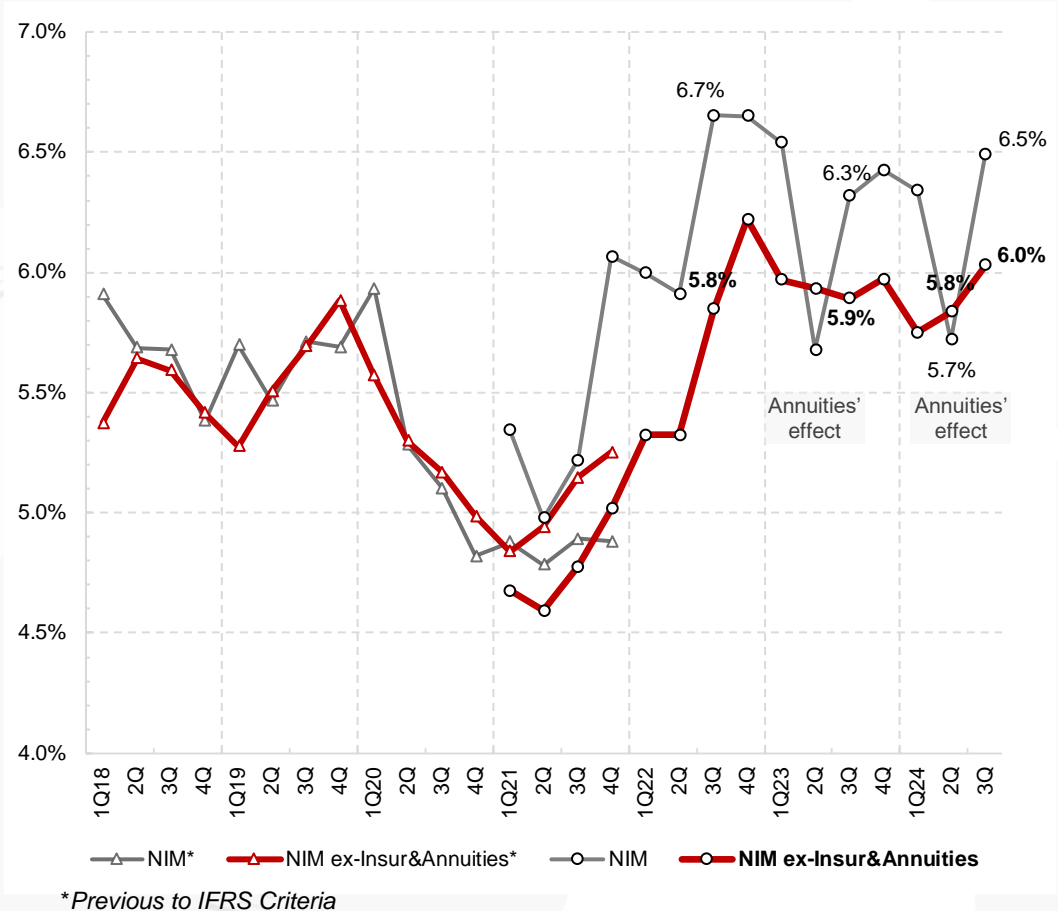


ROE of Banorte Bank



Managerial NIM

- NIM of the Group up to 6.5%
- Managerial NIM or NIM ex-Insur&Annuities 6.0% +19bps q/q
- 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



Cost of Funds

■ Cost of fund control; improving mix

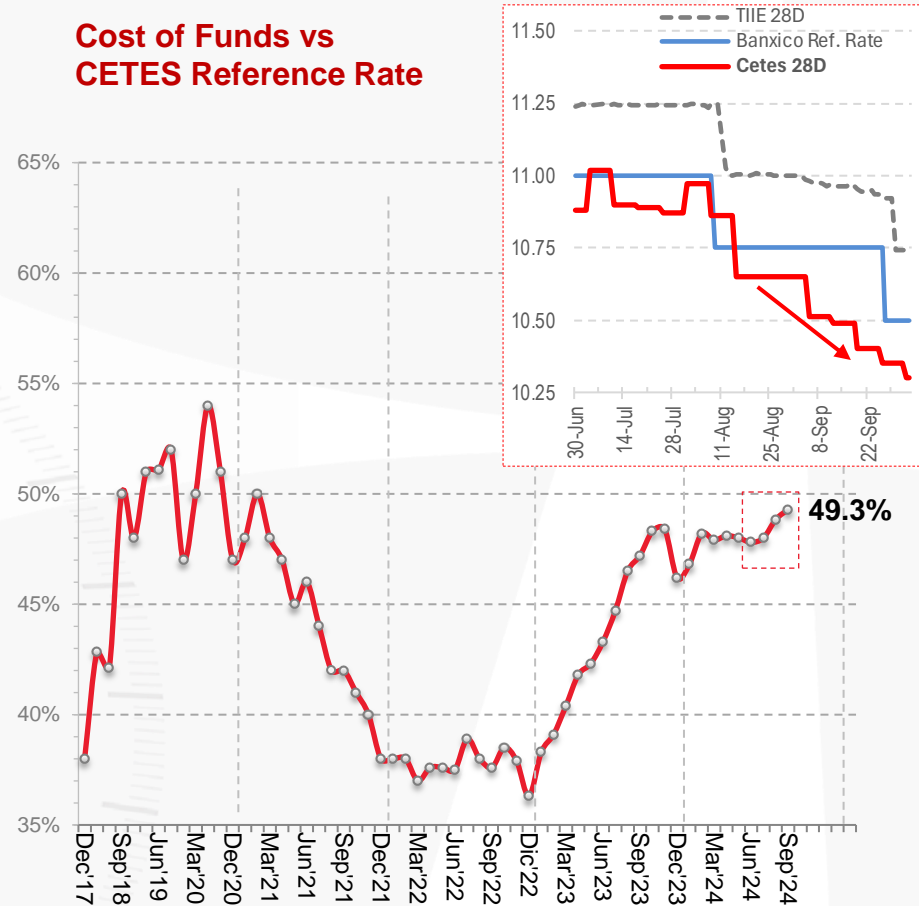
- Ratio temporarily affected by the timing of the Cetes downward move

■ Non-interest-bearing demand deposits +8% y/y

■ Time deposits +3% q/q, +20% y/y

(Million Pesos)	3Q24	Change	
		q/q	y/y
Non-Interest-Bearing Demand Deposits	414,735	(1%)	8%
Interest-Bearing Demand Deposits	296,498	2%	0%
Global Account of Deposits w/o Movements	3,923	4%	13%
Total Demand Deposits	715,156	0%	4%
Time Deposits – Retail	313,652	3%	20%
Core Deposits	1,028,808	1%	9%
Money Market and Credit Notes Issued	113,594	12%	18%
Total Bank Deposits	1,142,402	2%	10%

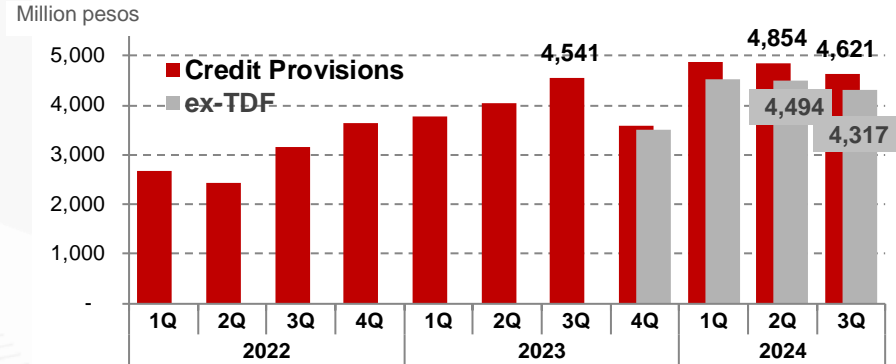
Cost of Funds vs CETES Reference Rate



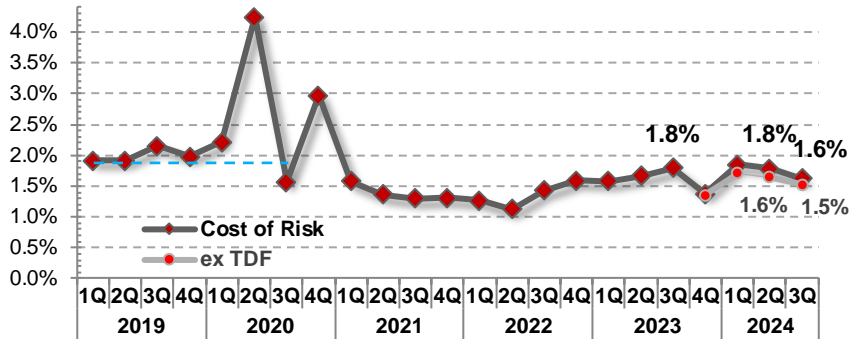
Resilient asset quality

- Credit provisions down (5%) q/q, 9M24 +16% y/y driven by credit volume & mix, and the incorporation of Tarjetas del Futuro (TDF); ex-TDF (5%) y/y
- Cost of risk to 1.6%; 1.5% ex-TDF
- Write-off rate at 0.44%, 0.41% ex-TDF

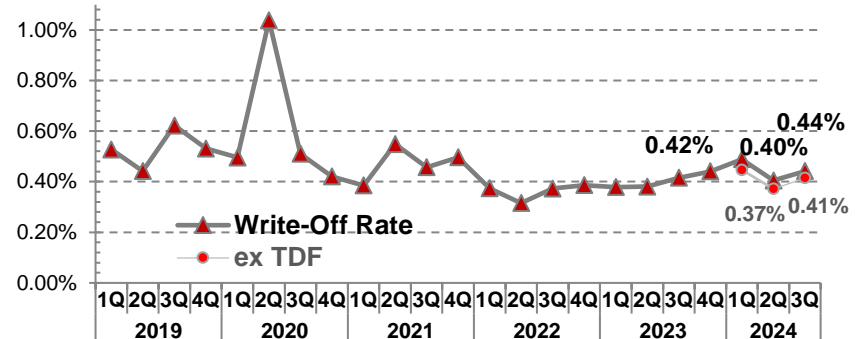
Credit Provisions



Cost of Risk



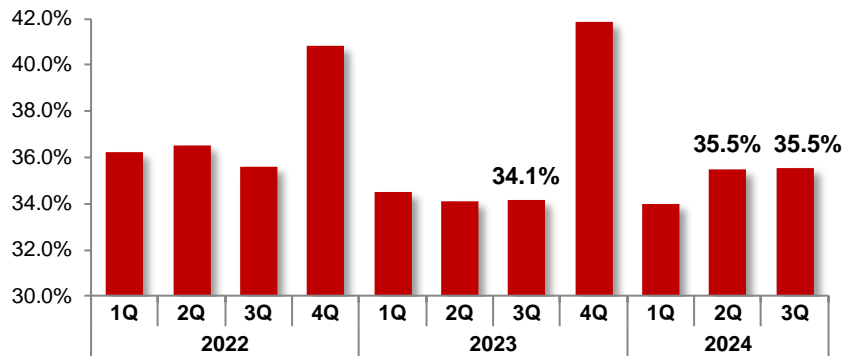
Write-Off Rate



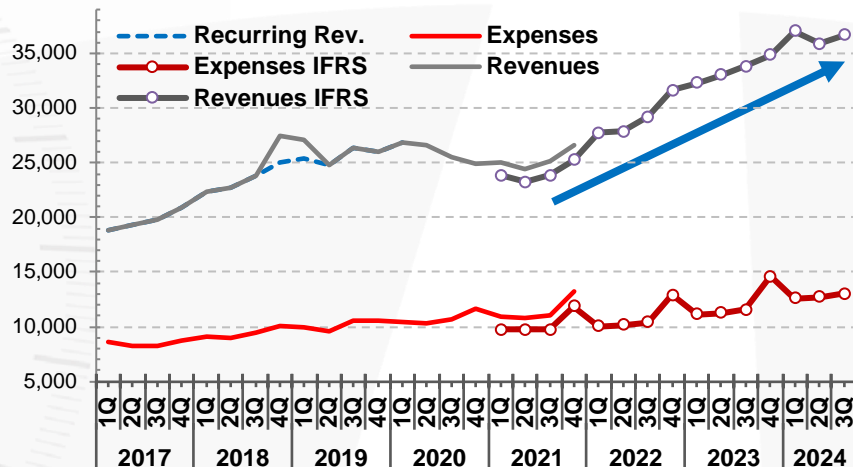
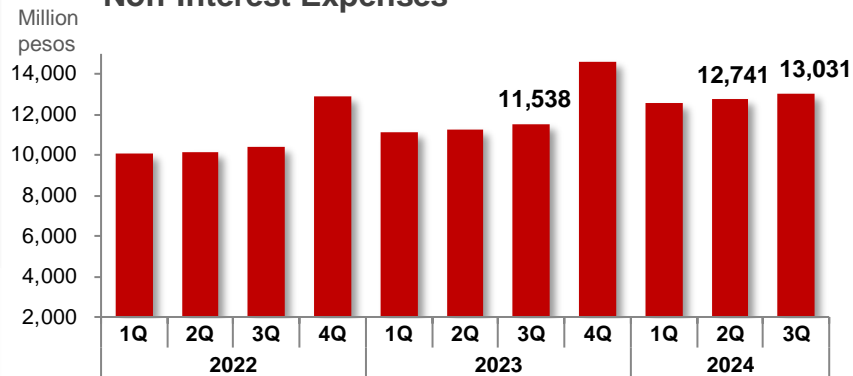
Optimizing expenses & paving the road for the future

- Revenues +2% q/q, 9M24 +10% y/y
- Expenses +2% q/q, 9M24 +13% y/y
 - Shared services initiative already in full implementation
- Cost to income 35.5%

Cost to Income Ratio



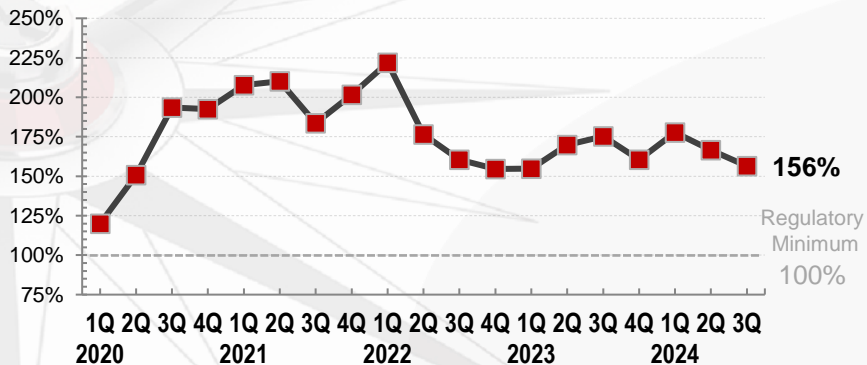
Non-Interest Expenses



Bank's regulatory capital & liquidity ratios

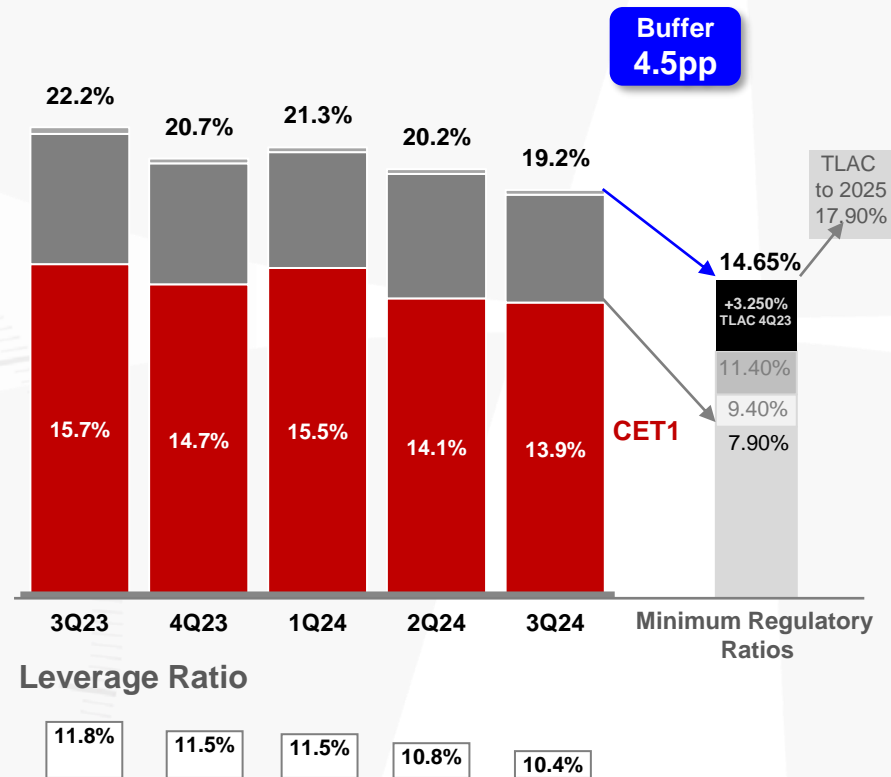
- Strong CAR and CET1, well above regulatory requirements, even after the latest AT1 call
- CET1 converging towards management's optimal range
- Unlevered Capital
- Liquidity exceeds minimum regulatory requirements,
 - Average LCR at 156%
- Deposits, 99% are sticky
- HTM Unrealized Losses → (36bps) on Capital

Average Liquidity Coverage Ratio LCR (%)



Capital Adequacy Ratio (CAR)

Basel III



2024 Guidance

	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	1.7% - 1.9%
Tax Rate	25% – 27%
Net Income	56.0 – 56.8 bn**
ROE 2024	21.5% – 22.5%
ROE of the Bank	27.5% – 29.0%
ROA 2024	2.3% – 2.4%
Macro Estimates for 2024	
GDP	1.1% – 1.5%
Inflation Rate	4.0% – 5.0%
Banxico's Reference Rate (Avg.)	10.0% year-end

* Includes organic growth, bineo and JV Rappi (no material impact in Net Income). ** Adjusted Net Income for share buyback's forgone interest on cash.



Appendix

Selected industry exposures

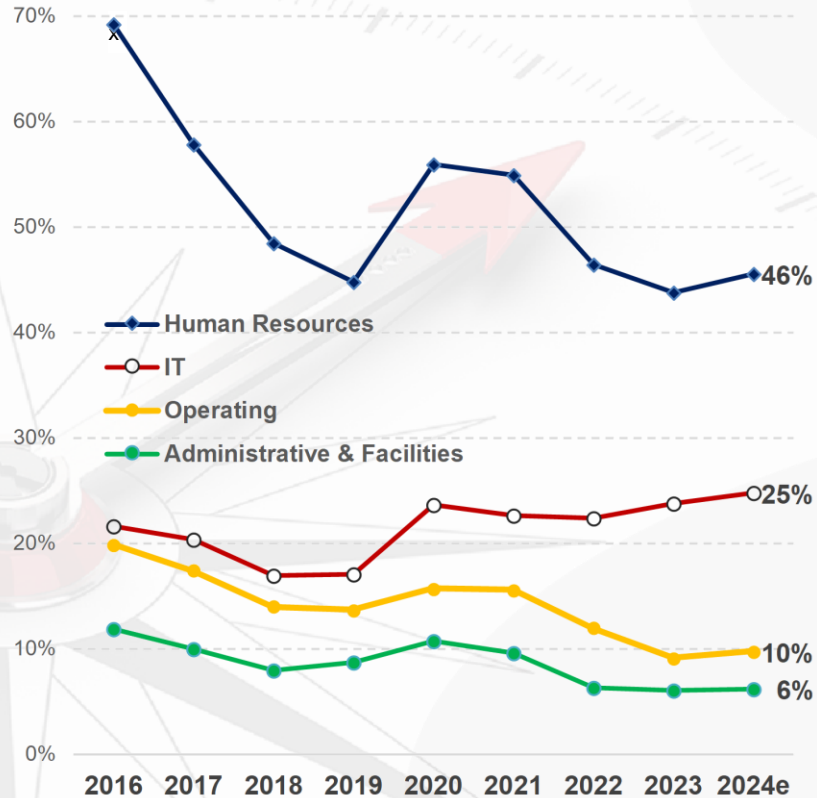
	Vs. Total Loans 3Q24
Oil Industry*	3.5%
Electricity Companies*	2.1%
Construction & Real Estate	
Housing	1.4%
Commercial	0.9%
Others	1.3%
Malls	1.4%
Tourism	5.5%
Restaurants	0.3%
Airports	0.01%

- Including traditional, clean energy and suppliers

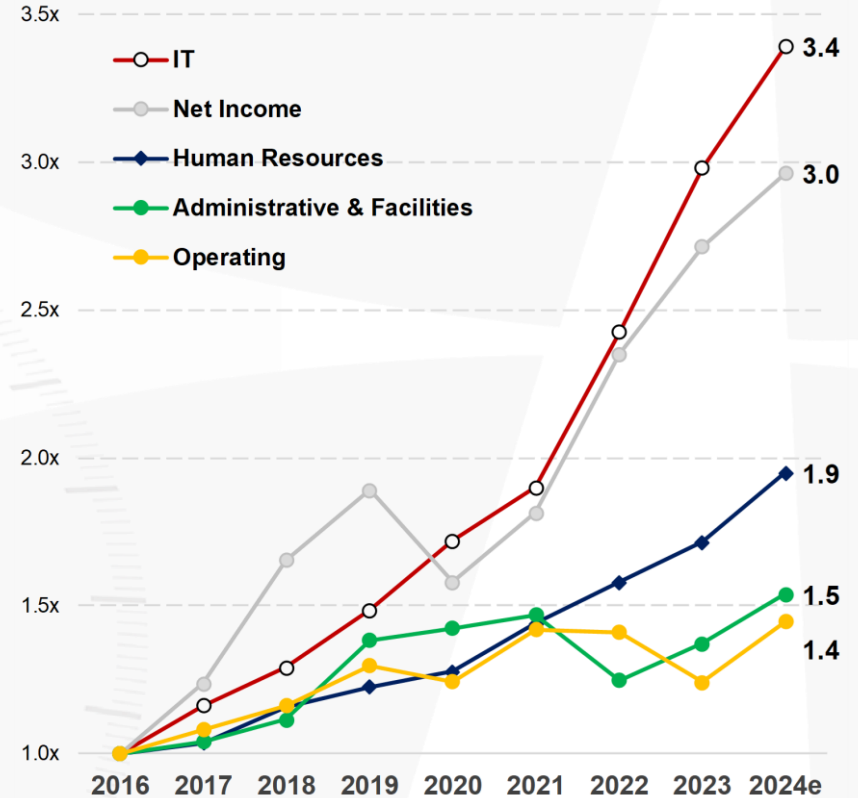
	Vs. Total Loans
SMEs • 67% Nafin / Bancomext guaranteed loans, 43% of SME book	5.0%
Dollar denominated	14.3%

Historical expenses by category

Expenses / Net Income



Historical growth by category



Sustainable business

Social and Environmental Risk Management System

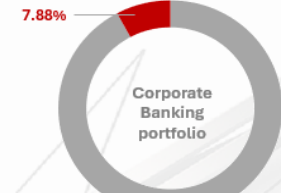
Wholesale Banking Portfolio analyzed



5.42% Non-sustainable analyzed portfolio
1.97% Sustainable
0.09% Climate-related

During 3Q24:
546 Analyzed loans
68 loans with IFC recommendations
5 Due diligences
17 Credit Committees

Corporate Banking Portfolio analyzed



7.34% Non-sustainable analyzed portfolio
0.49% Sustainable
0.05% Climate-related

In 3Q24:
5 projects were evaluated:

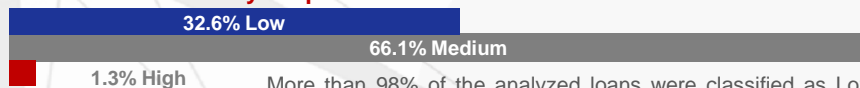
- 4 under the Equator's Principles framework and 1 under IFC Performance Standards, all categorized with medium socio-environmental risk (B)

Commercial Banking portfolio analyzed



9.44% Non-sustainable analyzed portfolio
5.48% Sustainable
0.22% Climate-related

Risk level of the analyzed portfolio:



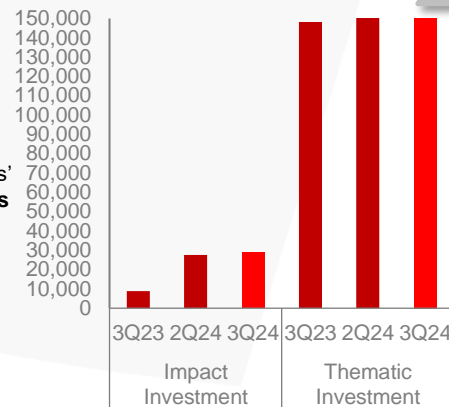
More than 98% of the analyzed loans were classified as Low and Medium risks, which means minimal or mitigatable impacts.

Responsible Investment

AFORE XXI Banorte

- Assets with ESG criteria 3%
- 18% of the structured instruments' portfolio has **impact investments** with direct contribution to **SDGs**

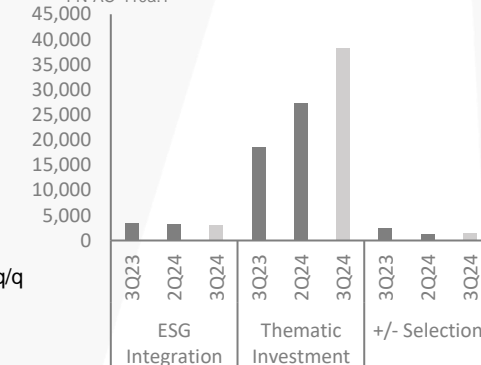
*FN-AC-410a.1



Operadora de Fondos Banorte

- ESG annual evaluation of 100% **thematic Fixed Income instruments** in our portfolio.
- Assets with ESG criteria 12%
- Thematic ETF's, +\$9,520 MDP q/q

*FN-AC-410a.1





Earnings Call

3Q24

October 30th, 2024