

Earnings Call

October 21st, 2022

3Q22

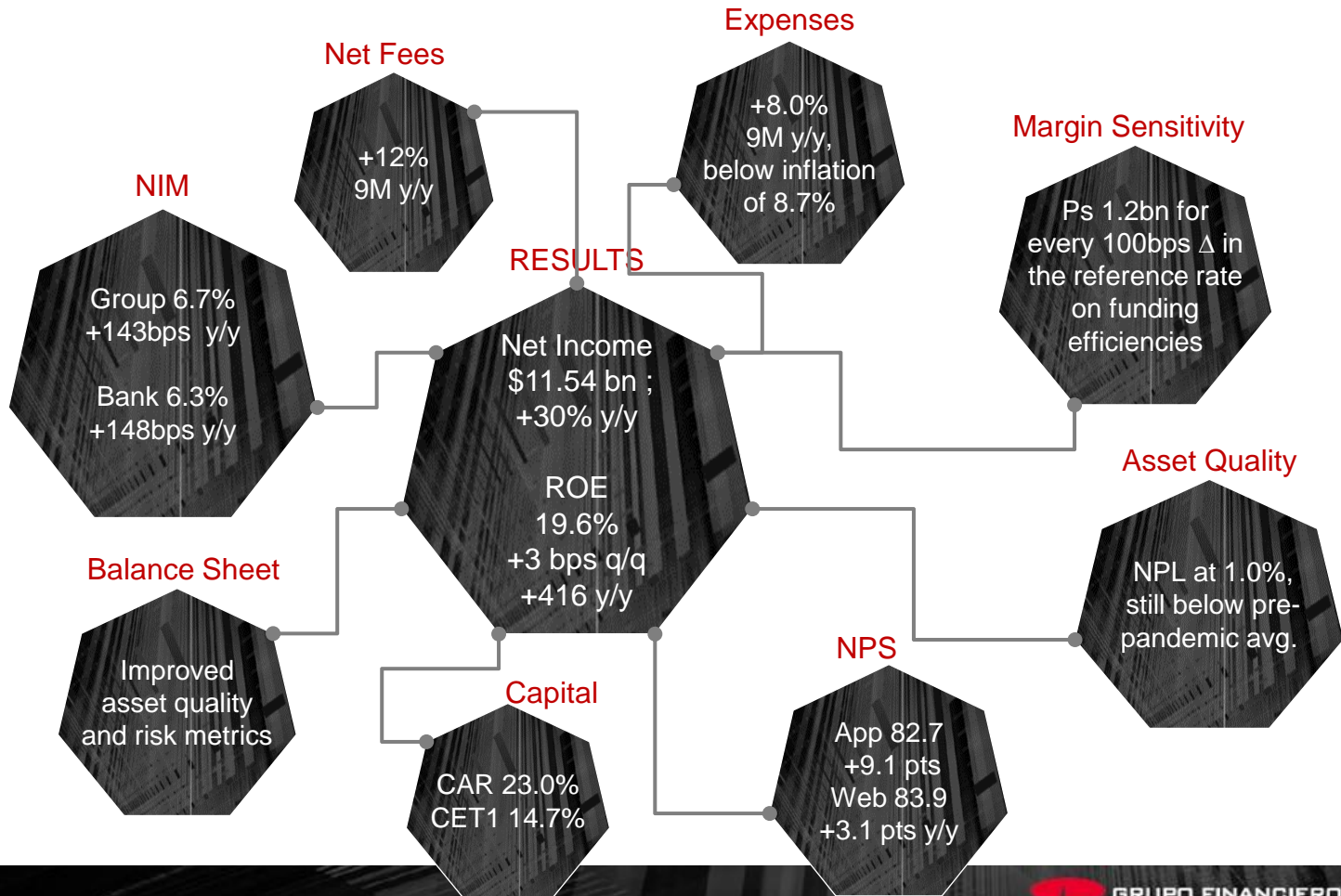
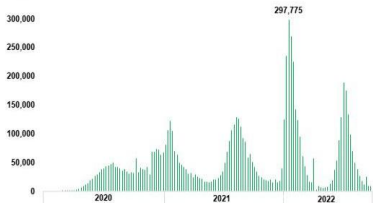
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Solid performance with sequential improvements

COVID-19
End of fifth wave,
with low impact in
hospitalization and fatalities

of Cases per week

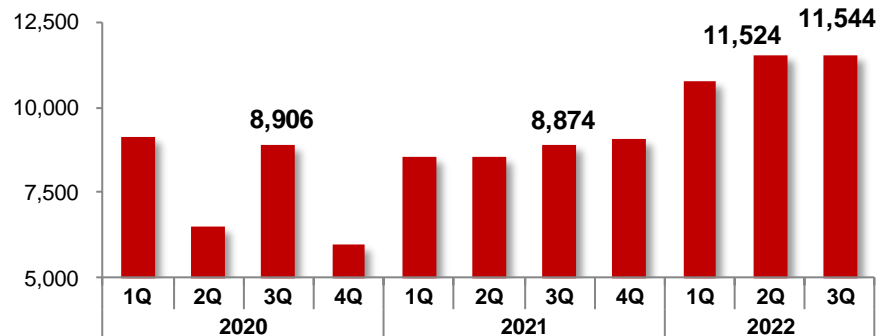


Resilient results

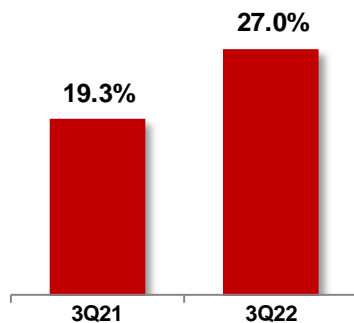
- Net Income +30% 9M y/y and flat sequentially on:
 - Robust NII, +13% q/q, +26% 9M y/y.
 - Non-interest Income decreased (164%) q/q.
- Profitability at good levels:
 - ROE at 19.6%, +3bps q/q, +416bps y/y.
 - ROA at 2.3%, +1bp q/q, +42bps y/y.

Net Income

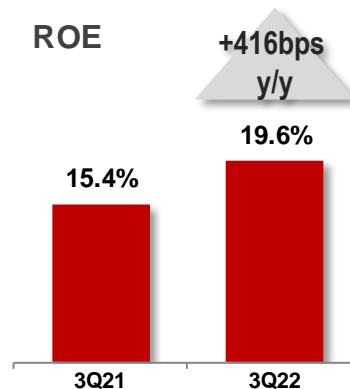
Million pesos



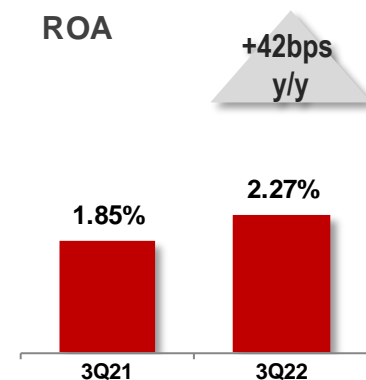
ROE of the Bank



ROE



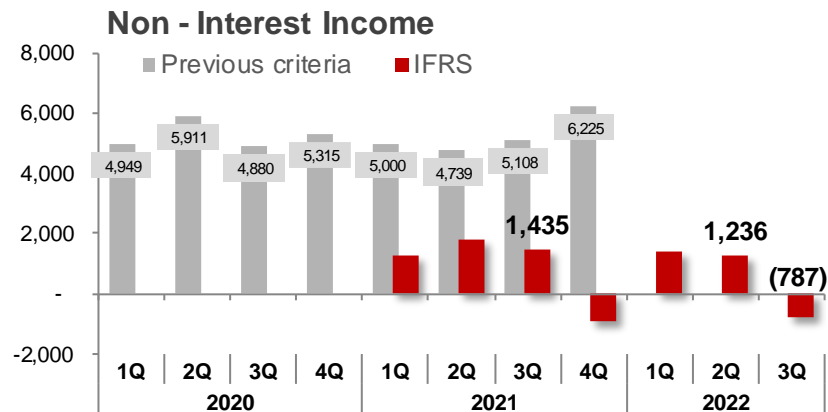
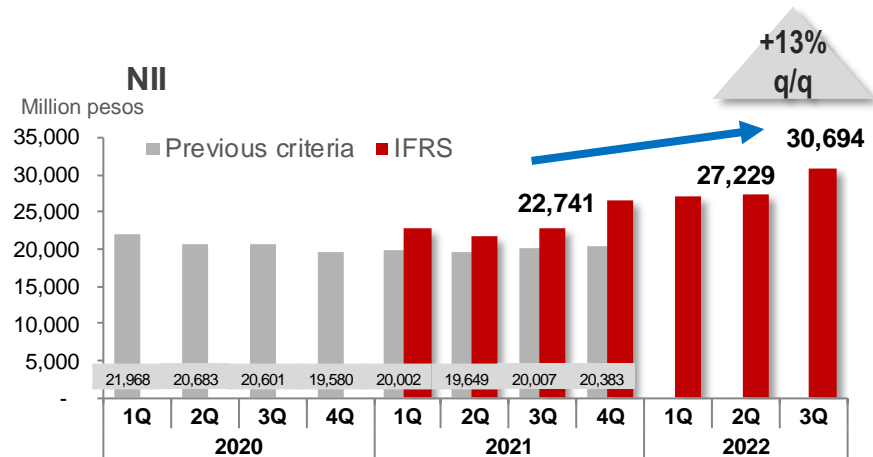
ROA



Net Interest and Non-Interest Income

- NII with significant expansion +13% q/q, +35% y/y.
- Non-interest Income decreased (164%) q/q, on:
 - Annuities' technical reserves of +Ps 1.3bn but compensated in NII.
 - Other operating expenses.
- Net Service Fees +12% 9M y/y.
- Trading +13% 9M y/y.

Million pesos	3Q22	q/q	y/y	9M22	y/y
NII Loans/Deposits	19,005	8%	18%	53,534	14%
NII Repos	4,162	15%	84%	11,431	74%
NII Valorization Adjust	(1)	96%	99%	112	146%
NII Insurance	541	16%	126%	1,401	59%
NII Annuities	6,987	25%	62%	18,457	39%
NII	30,694	13%	35%	84,934	26%
Net Service Fees	4,216	(2%)	11%	12,539	12%
Premium Income Ins & Ann	9,361	4%	(9%)	34,084	(1%)
Tech. Reserves Ins. & Ann.	6,983	23%	(1%)	24,367	6%
Cost of Acq. Ins. Op.	300	(3%)	1%	1,076	25%
Claims Ins. & Ann. (Net)	6,516	(1%)	6%	19,905	5%
Trading Income	777	(9%)	(34%)	3,009	13%
Other Income (expenses)	(1,343)	(331%)	(292%)	(2,449)	(275%)
Non-Interest Income	(787)	(164%)	(155%)	1,835	(59%)
Total Revenues	29,907	5%	24%	86,769	21%

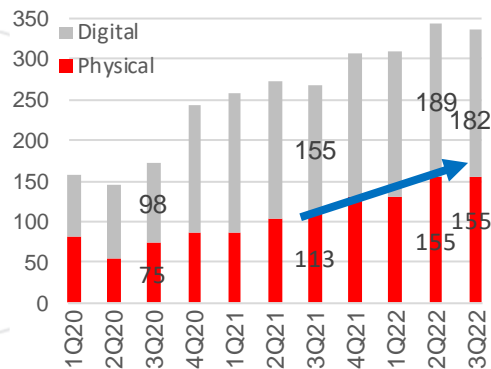


Core Banking Fees quite above pre-pandemic levels and continuously growing

- Net Fees +12% 9M y/y on economic recovery.
- Core banking fees +2% q/q, and +23% 9M y/y;
 - Electronic banking services +31% 9M y/y.
- Digital transactions leading annual growth, +34% in POS, +59% in mobile monetary transactions.

POS Transactions

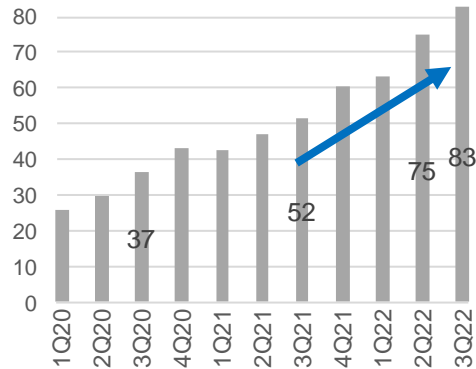
Millions



+34%
3Q y/y

Mobile Monetary Transaction

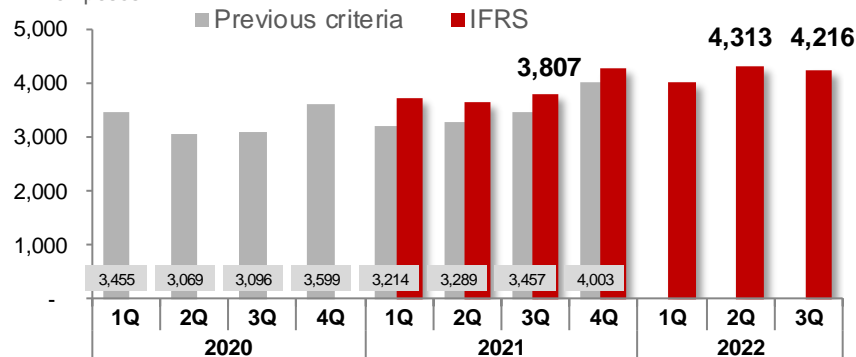
Millions



+59%
3Q y/y

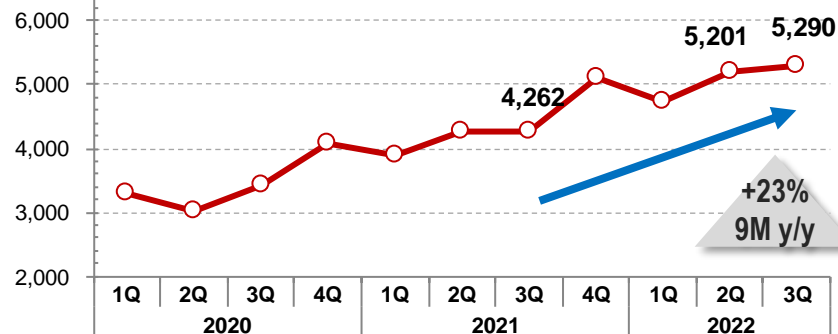
Net Fees

Million pesos



+12%
9M y/y

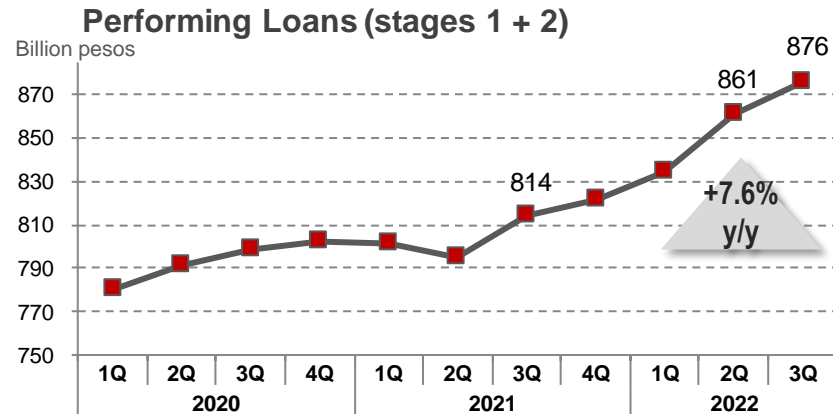
Total Core Banking



+23%
9M y/y

Growth across the loan portfolio

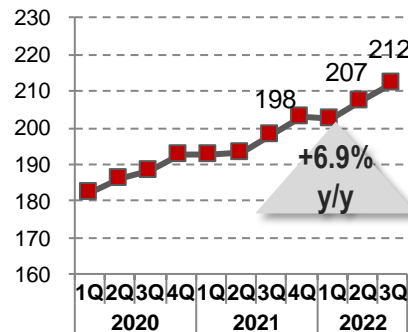
- Performing portfolio (stages 1 + 2) grew +7.6% y/y.
- Solid quarterly expansion in commercial loans.
- The commercial teams were strengthened.



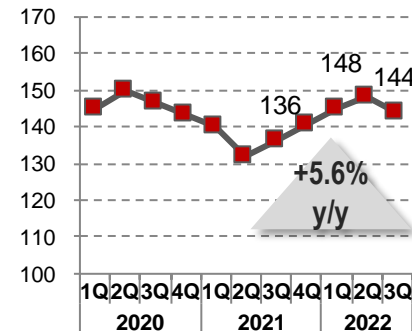
Performing Loans (stages 1 + 2)

	3Q22	q/q	y/y
Commercial	212,036	2.3%	6.9%
Corporate	144,045	(2.7%)	5.6%
Government	163,788	(1.6%)	1.5%
Mortgage	218,039	5.1%	10.2%
Auto	30,018	4.0%	7.5%
Credit card	43,145	5.1%	15.0%
Payroll	64,970	5.5%	18.9%
Consumer Loans	356,172	5.1%	12.1%
Stages 1 + 2 Loans	876,040	1.8%	7.6%

Commercial



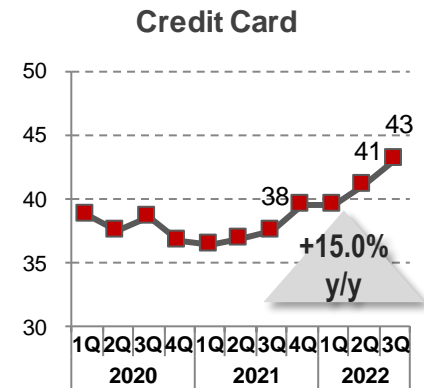
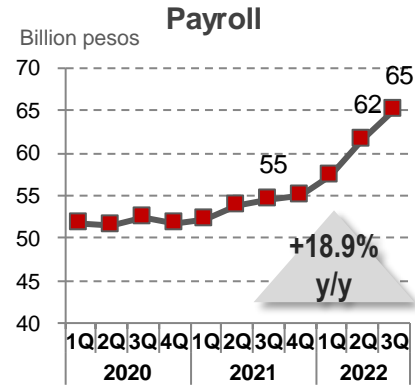
Corporate



Performing loans = IFRS (Stage 1 + Stage 2)

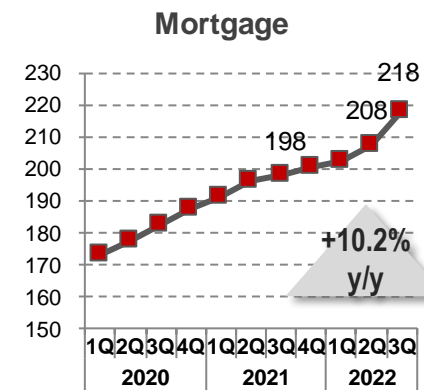
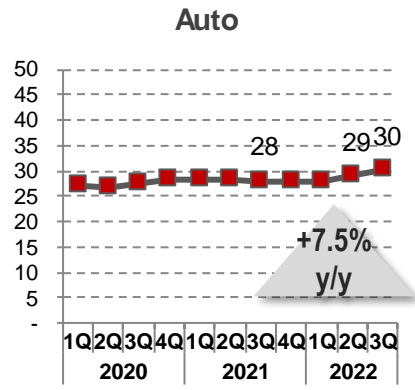
Growth across the complete consumer portfolio

- Record expansion in the consumer portfolio, +12.1% y/y.
- All consumer loans with sustained quarterly expansion.
- Annually, only auto loans with high single-digit growth.
- Credit card and payroll loans boosting with strong momentum.



Performing Loans (stages 1 + 2)

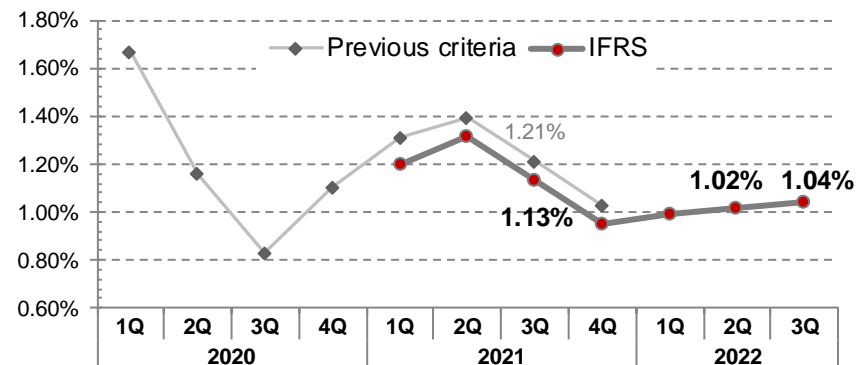
	3Q22	q/q	y/y
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Healthy Loan Portfolio

- Resilient asset quality, only +2 bps sequentially.
- NPL ratio continues well below expectations.
- No particular signs of sectoral or geographic trends.

NPL Ratio



Non-performing Loans Ratio

	Previous Criteria		IFRS				
	3Q21	4Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Credit Card	3.9%	3.3%	2.7%	2.3%	2.2%	2.2%	2.2%
Payroll	2.6%	2.6%	2.4%	2.5%	2.4%	2.7%	2.8%
Auto	0.9%	0.8%	0.9%	0.8%	0.7%	0.6%	0.7%
Mortgage	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%
Commercial	1.9%	1.6%	1.9%	1.6%	1.7%	1.6%	1.7%
SME	2.5%	1.8%	2.5%	1.8%	1.7%	1.6%	1.4%
Commercial ex-SME	1.8%	1.5%	1.8%	1.5%	1.7%	1.6%	1.8%
Corporate	0.4%	0.0%	0.4%	0.0%	0.3%	0.5%	0.4%
Government	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Total GFNorte	1.2%	1.0%	1.1%	0.9%	1.0%	1.0%	1.0%

Subsidiaries Net Income and ROE

Business diversification, a lever in challenging times:

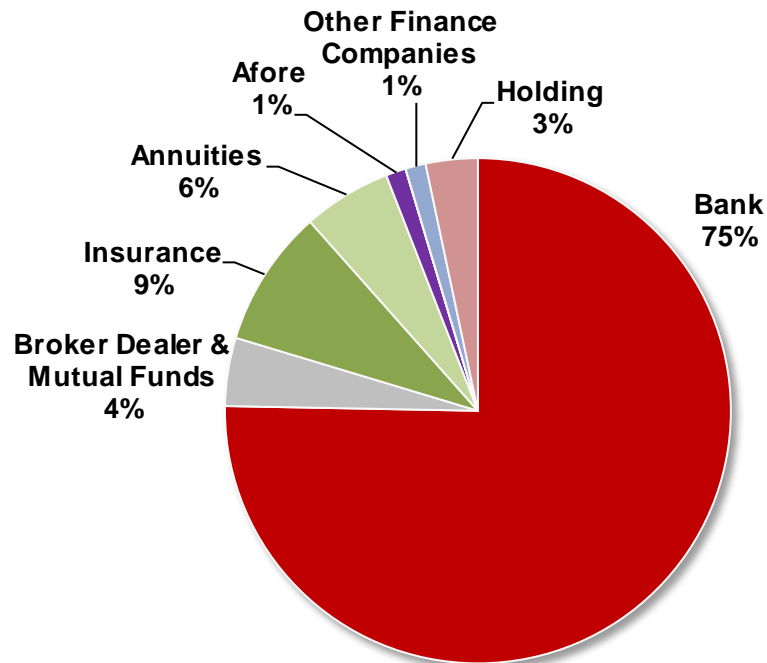
- Bank (5%) q/q, and +34% 9M y/y, solid growth in NII.
- Insurance up +4% q/q, and +81% 9M y/y, gradually reducing impacts from **COVID-19 related claims**.
- Annuities +68% q/q, on +15% growth in premium income.
- Afore +80% sequentially. But impacted by the well-known effects of the regulatory cap in fees and valuation.

Net Income by Subsidiary

Million pesos	3Q22	q/q	y/y	9M22	y/y	ROE 9M22
Bank	8,758	(5%)	31%	25,469	34%	24.8%
Broker Dealer & Mutual F.	262	(15%)	(35%)	1,477	13%	26.0%
Insurance	889	4%	175%	2,973	81%	54.3%
Annuities	876	68%	86%	1,908	31%	27.5%
Pension Funds (Afore)	178	80%	(61%)	432	(67%)	4.9%
Other Finance Comp.	65	(73%)	(69%)	437	(21%)	
Holding	516	78%	80%	1,124	61%	
GFNorte	11,544	0%	30%	33,816	30%	19.0%

* ROTE 9M22: Bank 30.4%, Afore 16.8%

Net Income by Subsidiary
9M22



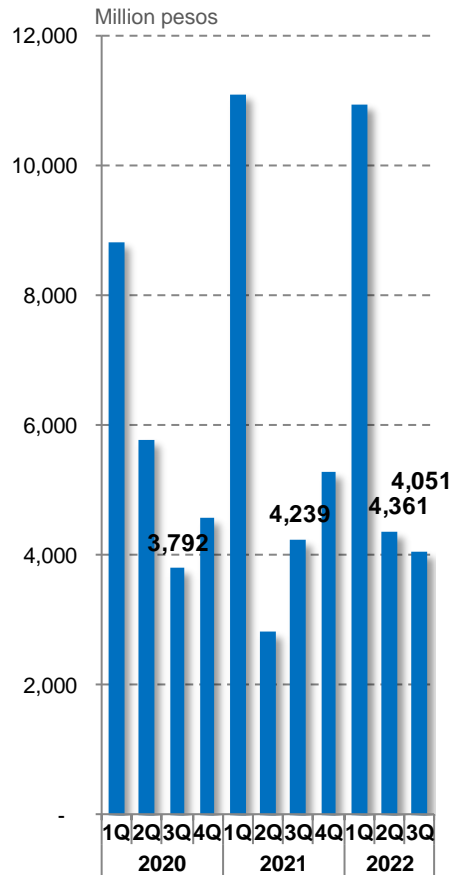
Insurance business steadily improving

Operating Income increased +5% sequentially and +76% 9M y/y.

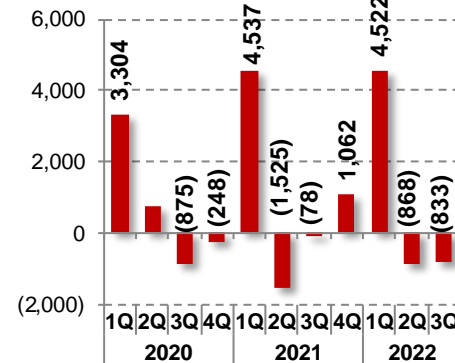
Claims below (5%) q/q. Normalization continues for COVID-related claims (health, life & auto).

(Million Pesos)	3Q22	Change		9M22	y/y
		q/q	y/y		
Interest Income (Net)	543	16%	127%	1,404	59%
Premium Income (Net)	4,051	(7%)	(4%)	19,353	7%
Net Increase in Tech. Reserves	(833)	4%	(971%)	2,821	(4%)
Cost of Acq. from Insur. Oper.	597	2%	8%	1,916	15%
Claims	3,469	(5%)	(3%)	11,133	(6%)
Securities-Realized Gains	115	228%	(23%)	(54)	(132%)
Other Operating Income	(21)	(109%)	(110%)	432	(36%)
Non-Interest Expense	239	(46%)	(29%)	1,162	6%
Operating Income	1,216	5%	164%	4,100	76%

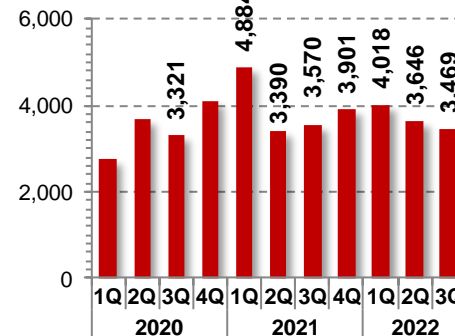
Retained Insurance Premiums



Technical Reserves



Damages & Claims



Ongoing digital evolution

RappiCard: keeps growing in cards and billing

703k

Issued
cards

667k

Cards with at
least one
purchase

61%

Of cardholders
with a credit line
above Ps 5,000

1,768M¹

Average
monthly billing

70%

Monthly active
users

78%

Of users under
36 years old



Source: JV Banorte Rappi, as of Sept. 30, 2022

1. Average 3Q22



ENVIRONMENTAL

- Participation in the **CDP** Climate Change **2022** Questionnaire



SOCIAL

- Grupo Financiero Banorte was recognized as the **most socially responsible bank in the world** by **Newsweek** magazine and global data firm **Statista**
- Banorte joins "**Meta Igualdad de Género Pacto Mundial México**", a program that promotes business success and sustainability in companies



GOVERNANCE

- Recognized as the **"Most Honored Company"** in **México** in the "Latin America Executive Team" ranking by **Institutional Investor**
- Recognition in the **Google Customer Awards** in the Financial Services 2021 category by **Google Cloud**
- **The Banker** included Banorte as one of the **Top 1000 World Banks 2022**, ranking us as the best capitalized Mexican financial group in the country
- NPS 3Q22: 75*
 - ▲ 5.90 vs 3Q21
 - ▲ 0.30 vs 2Q22
- Grupo Financiero Banorte receives authorization to constitute a new **Digital Bank**
- Banorte obtained a total score of **64** in the **S&P Global Corporate Sustainability Assessment** (+1 vs 2021)
- First session of the **Sustainability Committee 2022**:
 - ESG goals' approval
 - Initiatives' monitoring



*For 3Q22, the Banorte Integral NPS also includes digital channels and strategic segments.

Financial Highlights

Delivering amidst macroeconomic uncertainty

Balance Sheet

Shielded Balance Sheet to benefit from rates cycle

NIM

Group NIM: 6.7%
Bank NIM: 6.3%;
On cost of funds & NII sensitivity

Expenses

Efficient control at institutional level;
below inflation

Capital

CAR 23.0%
CET1 14.7%

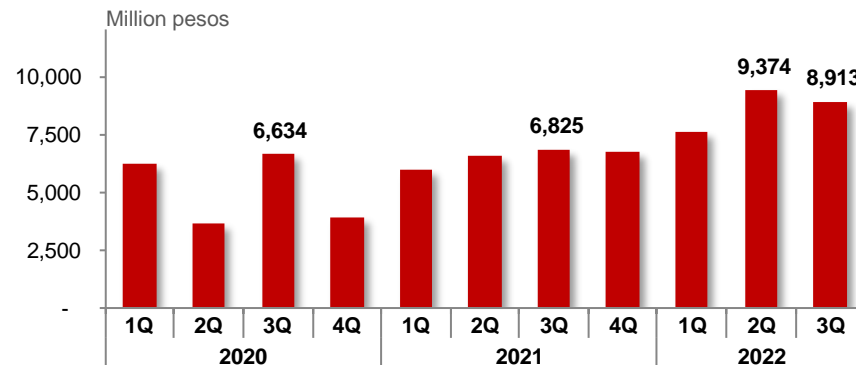
Digital

Digital Transformation, **Digital Bank**, and JV with Rappi, the main pillars of Banorte's strategy

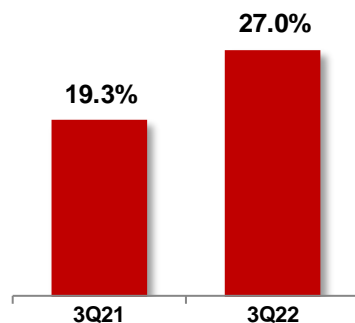
Resilient results, particularly at the bank level

- NII of the Bank growing +9% sequentially and +30% y/y.
- NIM with quarterly expansion to 6.3%, +71bps sequentially.
- Net Income down (5%) q/q (on lower trading income and other operating income), but significantly higher +34% 9M y/y.
- ROE of the Bank at 27.0%, strong annual expansion fueled by better NII.

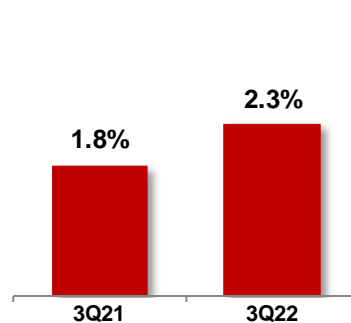
Net Income of the Bank



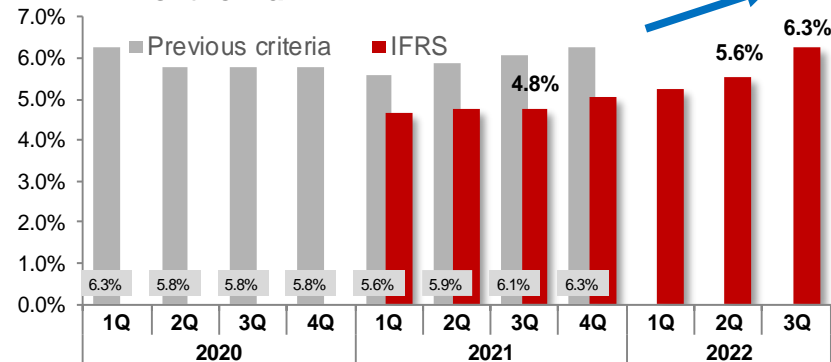
ROE of the Bank



ROA of the Bank



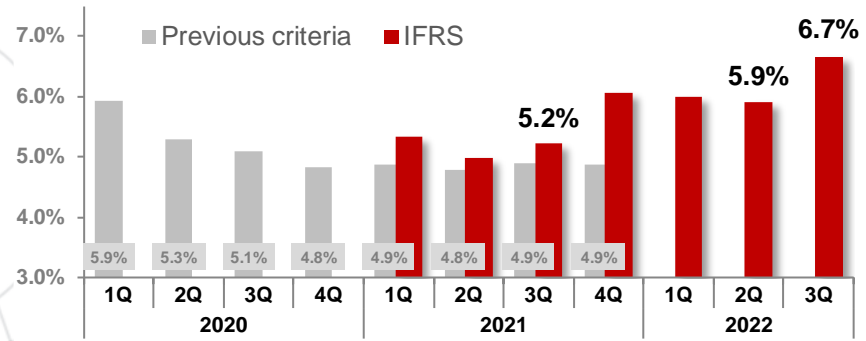
NIM of the Bank



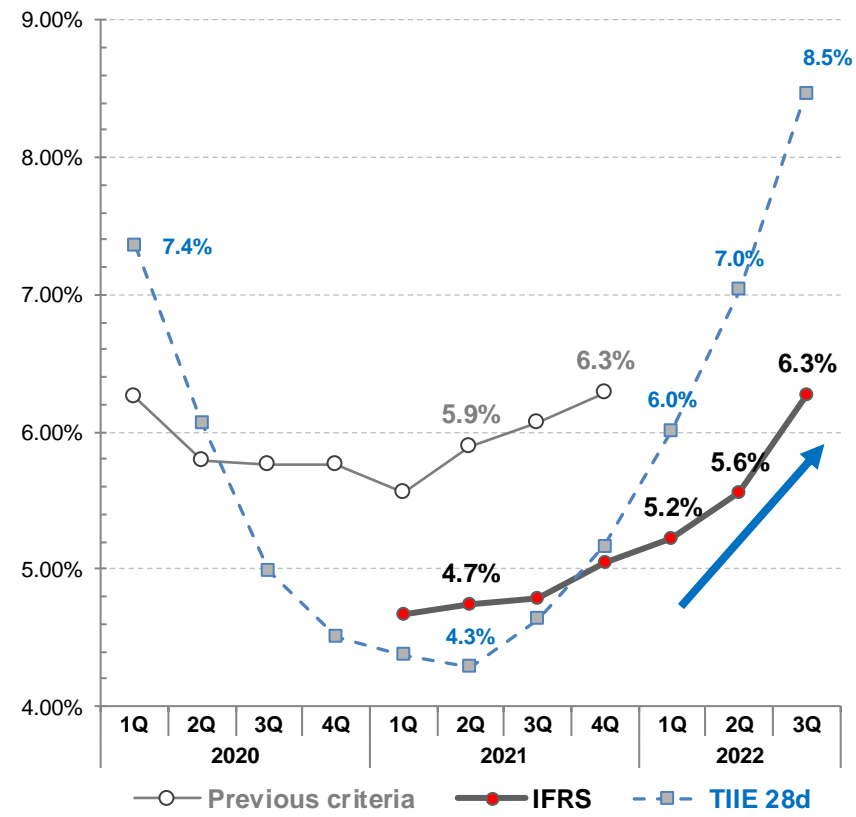
NIM expansion

- NIM expansion on good portfolio mix and growth, efficient cost of funds and margin sensitivity to rates.
- Effects from the latest hikes are still pending.
- Group's NIM at 6.7%, +74bps sequentially.

NIM of the Group



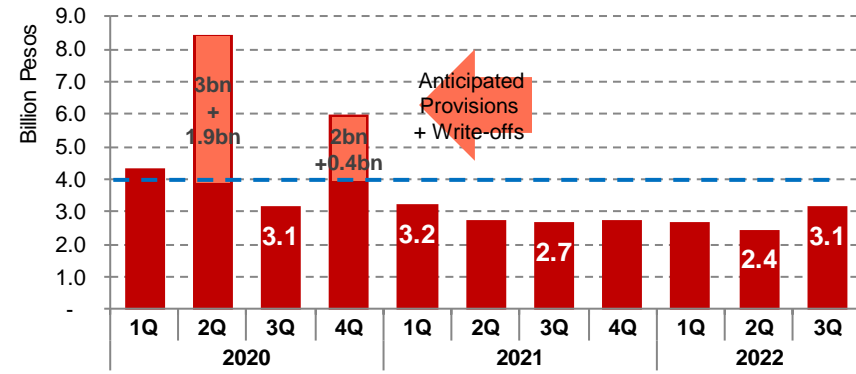
NIM of the Bank



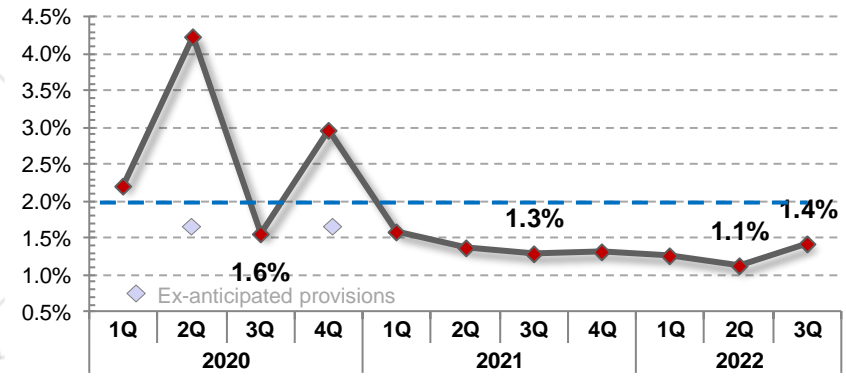
Better than expected Asset quality

- Shielded balance sheet, with remaining Ps 1.0bn in excess provisions.
- Write-off rate at 0.37%, below its normal operating level.
- Cost of risk uptick on isolated cases.

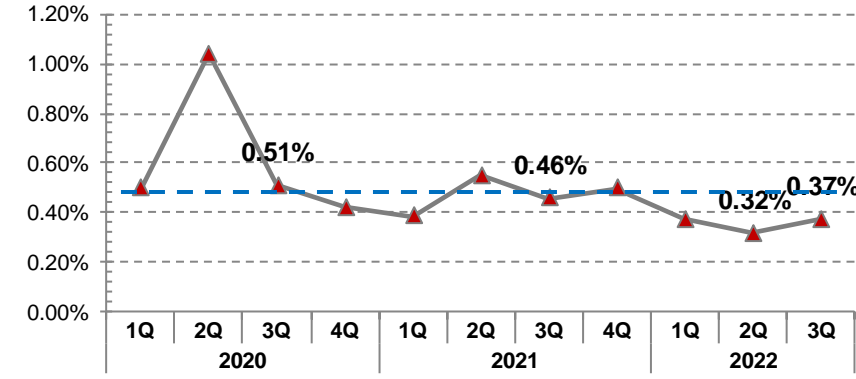
Credit Provisions



Cost of Risk



Write-Off Rate

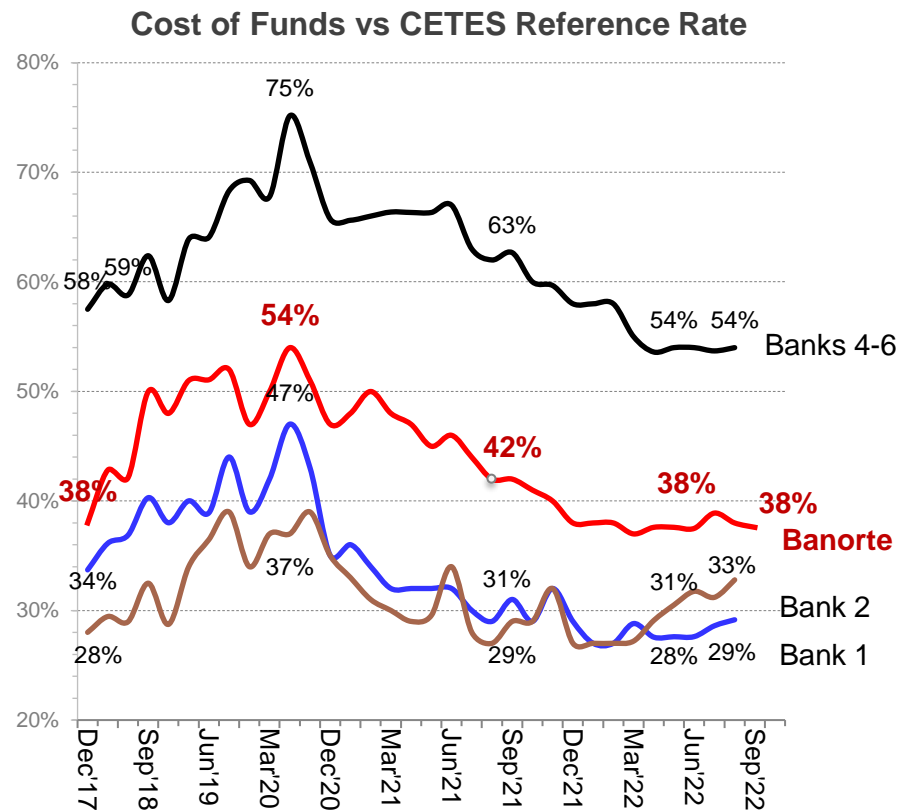


Funding Cost trending in the right direction

Cost of funds steady at 37.6% of CETES, improving significantly since the peak in June 2020.

Successful strategy at branch network and digital channels to increase deposits.

Demand deposits represent 73% of total core deposits.



Source: Banxico, data as September 2022.

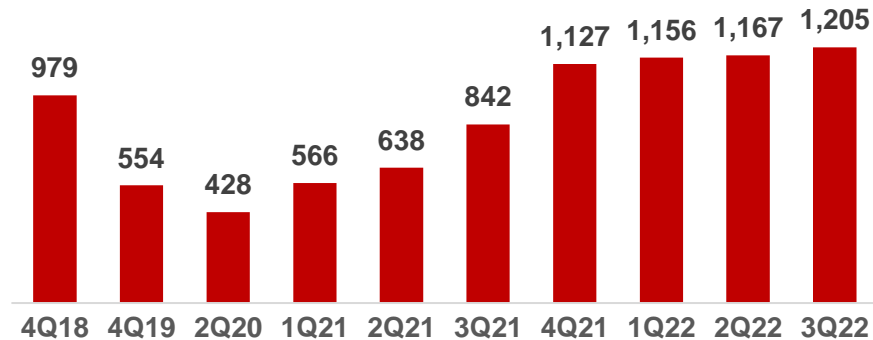
Margin sensitivity evolution

- Dynamic risk management hedges.
- Focus on stable low-cost liabilities.
- Active ALCO.
- Organic growth of floating rate portfolio.

Margin Sensitivity – 100 bps on NII

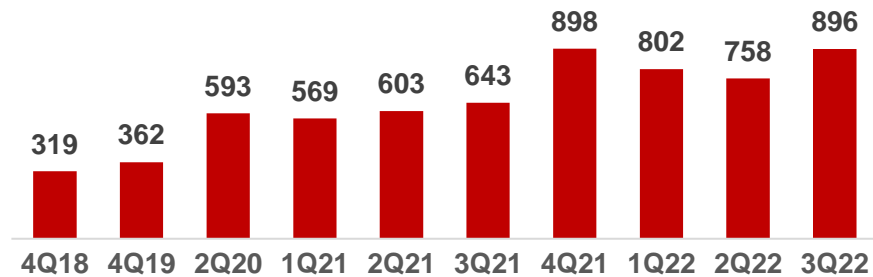
Local Currency Balance Sheet

Million pesos



Foreign Currency Balance Sheet

Million pesos

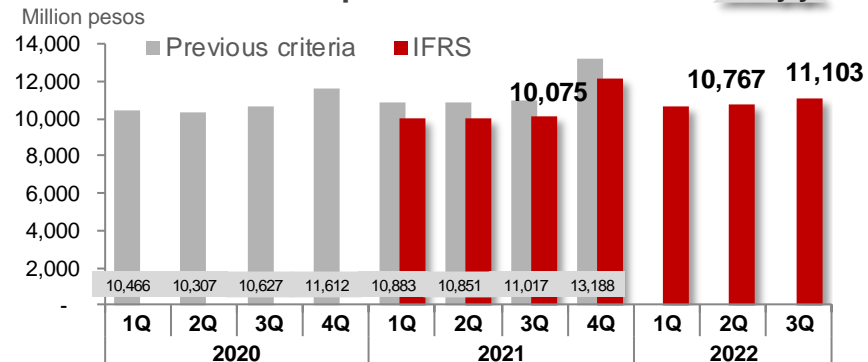


Expenses

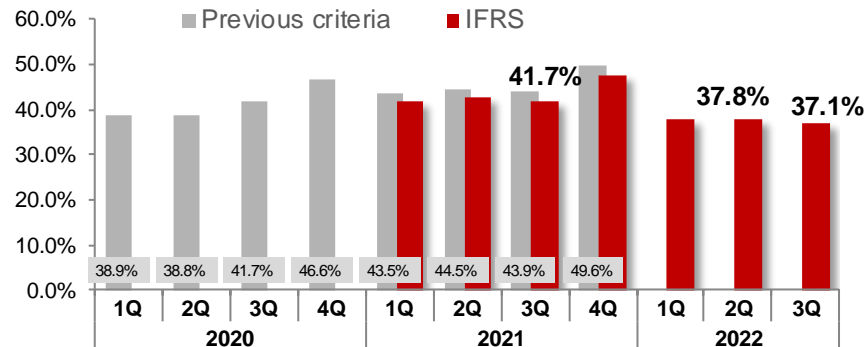
- +8.0% 9M y/y, contained below inflation of 8.7%.
- Cost to income ratio improving (70bps) q/q, and (455bps) y/y.

	3Q22	q/q	y/y	9M22	y/y
Personnel	4,510	6%	2%	13,104	1%
Professional Fees	929	2%	12%	2,641	7%
Administrative and Promotional	2,116	18%	19%	5,768	8%
Rents, Deprec. & Amortization	2,336	(4%)	10%	7,171	12%
Other Taxes	613	22%	15%	1,647	4%
Employee Profit Sharing (PTU)	394	2%	172%	1,165	158%
Other expenses	205	(57%)	(19%)	1,086	12%
Non-Interest Expenses	11,103	3%	10%	32,581	8.0%

Non-Interest Expenses



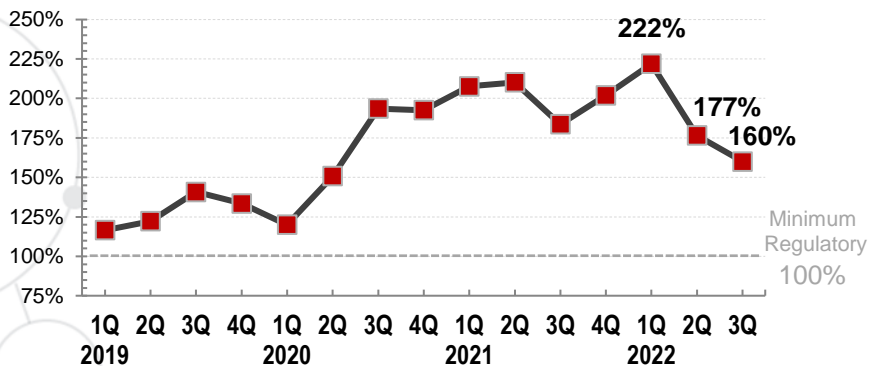
Cost to Income Ratio



Bank's regulatory capital ratio & liquidity

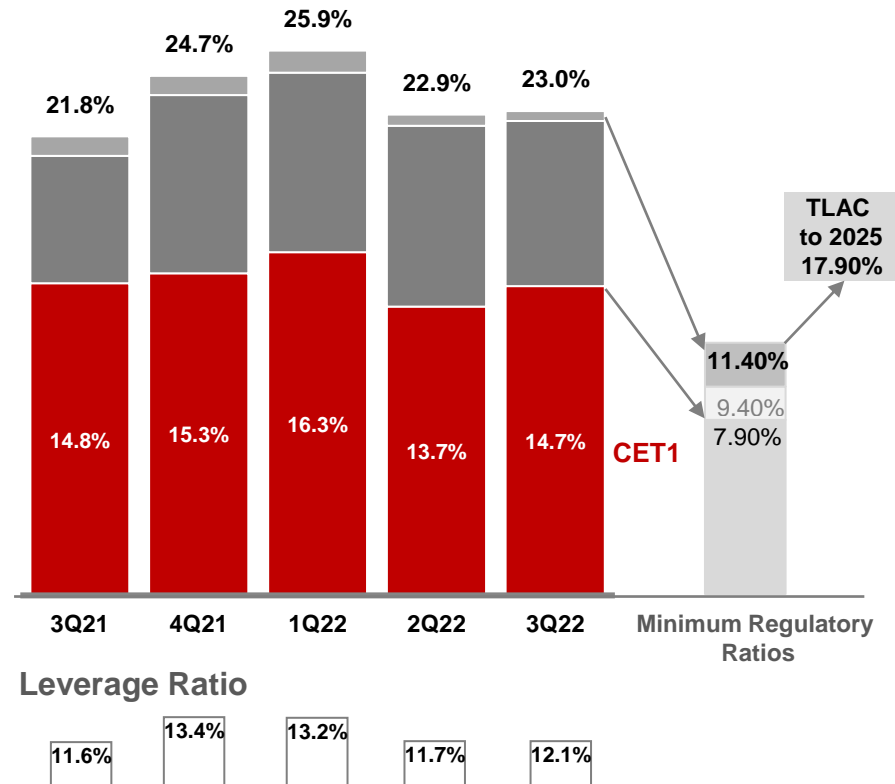
- Strong CAR and CET1, well above regulatory requirements.
- CET1 still above management's optimal range, even after full dividends are distributed.
- Unlevered Capital.
- Liquidity coverage ratio far exceeds minimum regulatory requirements.

Liquidity Coverage Ratio CCL (%)



Capital Adequacy Ratio (CAR)

Basel III



	Previous	Update
Loan Growth	5% – 7%	7% – 9%
NIM expansion	25 – 35 bps	85 – 100 bps
NIM of Bank expansion	50 – 70 bps	100 – 115 bps
Expense Growth	7.0% – 7.6%	7.9% – 8.4%
Efficiency	38.9% – 39.7%	37.5% – 38.5%
Cost of Risk	1.4% – 1.7%	1.3% – 1.5%
Tax Rate	25% – 26%	25% – 26%
Net Income	40.5 – 42.0 bn	44.0 – 45.4 bn
ROE 2022	17.5% – 18.5%	18.7% – 19.2%
ROA 2022	2.0% – 2.2%	2.2% – 2.3%

Appendix

Selected industry exposures

	Vs. Total Loans 3Q22
Oil Industry*	4.6%
Electricity Companies*	3.8%
Construction & Real Estate	
Housing	1.3%
Commercial	1.9%
Others	1.2%
Malls	1.9%
Tourism	4.5%
Restaurants	0.2%
Airports	0.0%

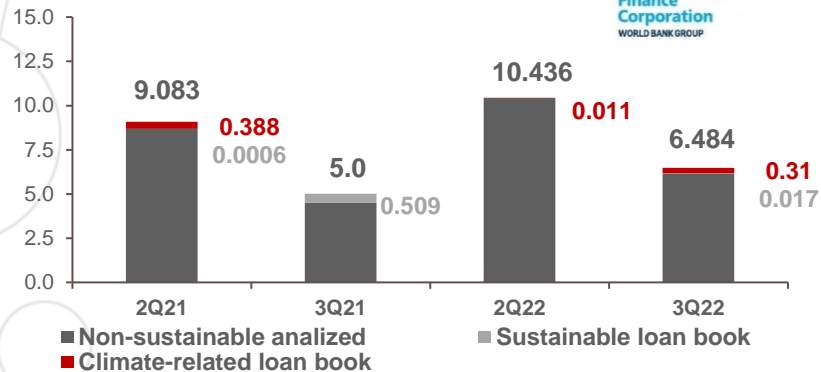
- *Including traditional, clean energy and suppliers*

SMEs	4.5%
Dollar denominated	12.4%

Sustainable Finance

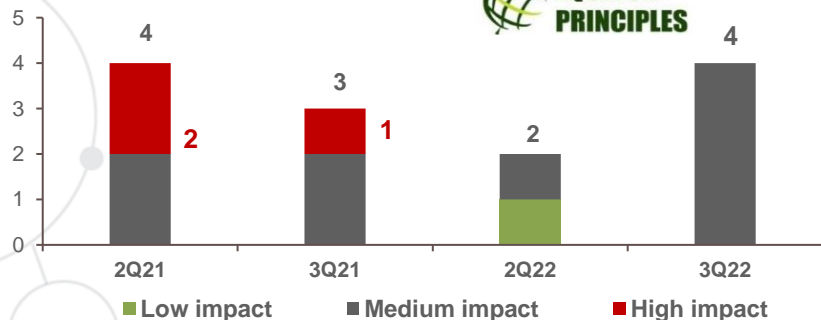
Loan book evaluation

% of wholesale banking loan book



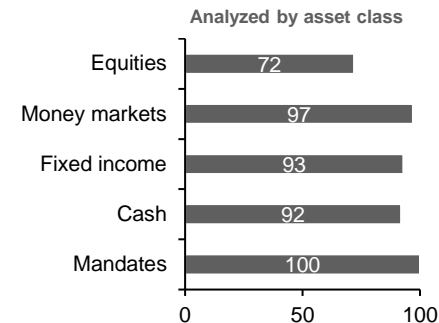
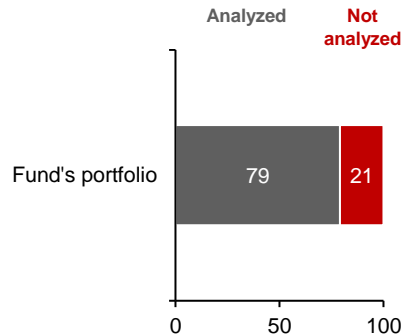
Loan book evaluation under Equator Principles

Number of analyzed projects



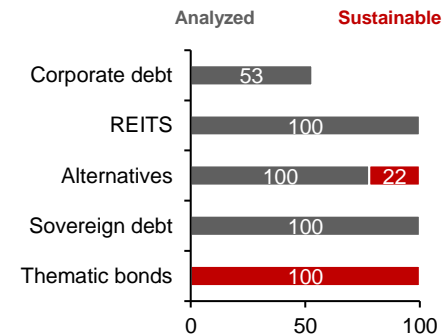
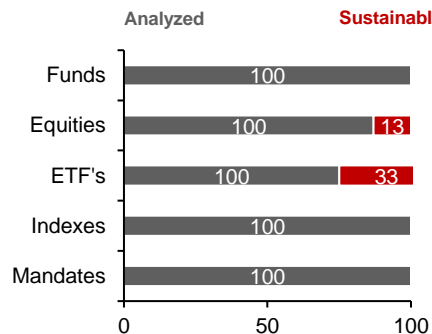
Responsible Investments – Mutual Funds

% share of total analyzed AUM by instrument



Responsible Investments – Pension Funds

% share of total analyzed AUM by instrument



Earnings Call

October 21st, 2022

3Q22