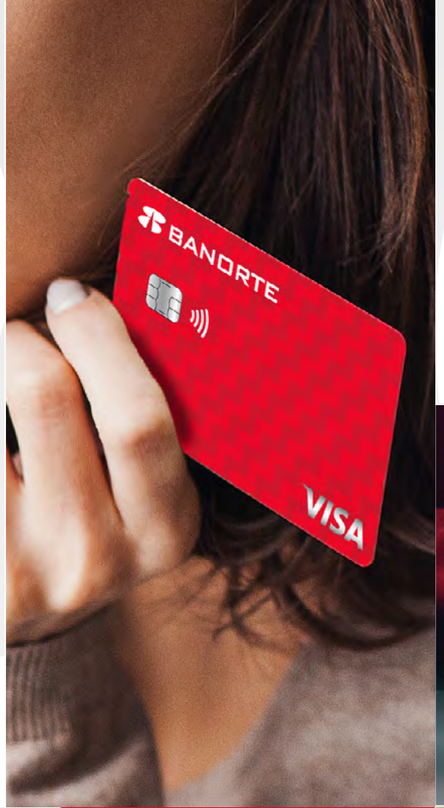
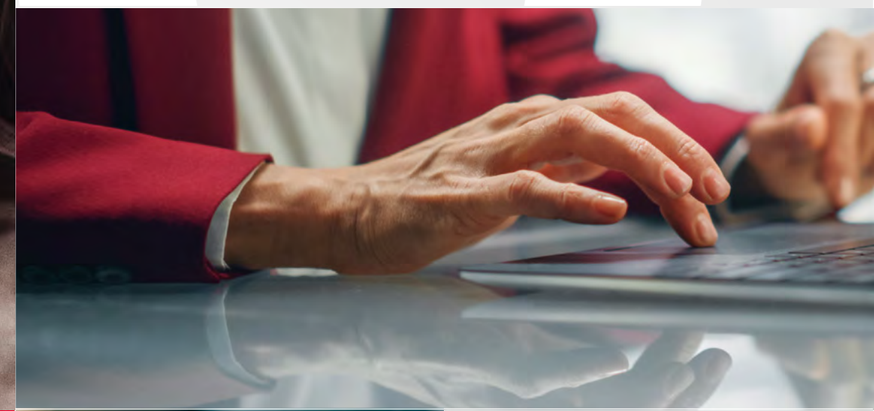
GRUPO FINANCIERO BANORTE





BUILDING THE FUTURE WE ENVISION

2022 ANNUAL REPORT

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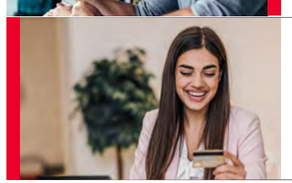

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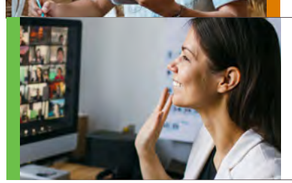

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Today, things happen so fast that the future is just around the corner. We are working in the present to solve the challenges that allow us to move towards a **BETTER FUTURE.**

In a digital world—due to the combination of innovation and human talent—we will seize opportunities to make the world more sustainable. At Banorte, we are...

BUILDING THE FUTURE
WE ENVISION

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-22

To our stakeholders,

2022 was a very challenging year. We are still facing the aftermath of the pandemic—which particularly impacted supply chains—geopolitical instability, significant inflationary pressures that led central banks to increase interest rates at a rapid ppace, and fears about a potential global recession in 2023.

Despite this challenging scenario, Mexico and Banorte succeeded. Mexico exceeded growth expectations, sharply increased foreign direct investment, and strengthened its trade relationship with the US.

At Banorte, we work hard to continue building the future we envision.

OUR INSTITUTION IS BECOMING THE BEST FINANCIAL INSTITUTION NATIONWIDE FOR OUR CUSTOMERS, EMPLOYEES, INVESTORS, AND THE COMMUNITY

I want to share some thoughts on 2022 and how we are building our future.

BUILDING A DIGITAL FUTURE

The reason for our transformation is readily apparent. Each of the areas in our group (Banco, Afore, Seguros, Pensiones, Casa de Bolsa, Operadora de Fondos y subsidiarias) strive to fully support Mexican families and companies that need us, as well as to promote Mexico's much needed infrastructure and development.

We are determined to radically change our way of thinking and our banking operations to achieve our mission. The world is headed toward digitalization, and the pandemic accelerated it even more. **Last year we focused on our "1,2,3 Strategy" to be the best financial institution in the digital world by the end of 2023.**

Our transformation has been fueled by the improvement of each process, creating fully-digital products, and investing in our technological infrastructure.

This evolution has also led us to form alliances with technology giants—Apple, Google, Amazon, IBM, and Rappi, among others, and to rethink our channels.

Our clients and stakeholders are at the core of our philosophy—by listening to them we transform our processes.

WE ARE EVOLVING DAILY TO BECOME THE FINANCIAL INSTITUTION OF THE NEW... DIGITAL FUTURE

BUILDING A SUSTAINABLE FUTURE

Being a cutting-edge institution means caring about our footprint on the planet.

As a financial institution, we are here t**o serve and help Mexican families make their dreams come true.** Our social responsibility is to truly transform communities, and we can do so.

Social responsibility means undertaking actions but always considering our stakeholders and spreading enthusiasm to customers, suppliers, employees, and investors, to follow this path together. This also implies **being a responsible bank contributing to economic and social development and preserving the environment.**

We are deeply committed to, and are signatories of, the Women's Empowerment Principles, the Ten Principles of the United Nations Global Compact, the Net-Zero Banking Alliance, and the UNEP-FI Principles for Responsible Banking.

Newsweek named us the **"most socially responsible bank in the world,"** based on an analysis of 750 banks in 35 countries, after surveying 45,000 bank users.

2023: OUR VISION FOR BANORTE.

2023 will surely be a year with a worldwide recession risk, but it will also provide opportunities for Mexico. Geopolitical conflicts, inflation, and the effects of the pandemic will be additional hurdles to overcome.

Despite the impact of these factors in Mexico, the strengths of our economy—nearshoring, macroeconomic stability, exports, remittances, domestic consumption—will continue to attract investment.

2023 will also be a year of digital transition worldwide—and we will be focused on our mission to become the best financial institution in Mexico in a digital world.

We aim **to achieve hyper-personalization using the latest technologies** and in the most humane way possible. Therefore, clients will keep being at the core of our mission.

We have made significant progress together, but there is still more to do. In 2023 there will be a boom in sustainability policies. Therefore, I picture a financial institution with greater social responsibility and better corporate governance, supporting clean energy and women and vulnerable groups in the projects they undertake.

We will continue to be "The Strong Bank of Mexico"—a sector leader.

LOOKING FORWARD, I SEE A DYNAMIC, YOUNG, EFFICIENT, RESILIENT, INNOVATIVE, AND CUTTING-EDGE INSTITUTION COMMITTED TO ITS CLIENTS

In conclusion, I see Banorte competing on the same footing with every financial institution in the world… and winning.

As a local financial institution, our main competitive edge is making decisions right here; we can understand the needs of our customers better since we know the reality in each region of our country.

We will keep promoting development for a better future, supporting Mexican families and companies to make them more robust daily. We can accomplish this only together.

Thank you.

Carlos Hank González
Chairman of the Board of Directors,
Grupo Financiero Banorte

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

GRI 2-22

2022 HAS BEEN A YEAR OF RECOVERY AND NORMALIZATION OF OUR OPERATIONS

Recovery was a recurring theme for Banorte in 2022. Although we cannot entirely leave the adverse effects of the pandemic behind us, we have seen an apparent recovery in economic activity and, fortunately, fewer COVID-19 hospitalizations and deaths.

We concluded another year of work in a hybrid scheme, achieving excellent results for the well-being of our employees and their families. We promoted talent retention and attraction while maintaining high productivity.

The recovery of economic activity resulted in **growth in our loan portfolio, mainly in the mortgage,** consumer, and commercial sectors. Thus, we doubled down on our commitment to the development of Mexican families and companies.

Portfolio quality remained stable, even exceeding our initial expectations, thanks to the coordinated effort of our commercial, risk, and asset recovery teams.

The recovery was also seen in our insurance business, thanks to the low accident rate in the life and healthcare portfolios, after less impact from the effects of COVID-19 in Mexico.

OUR CUSTOMERS WILL CONTINUE TO BE OUR PRIORITY IN EVERYTHING WE DO

WE MAINTAINED A ROBUST LEVEL OF CAPITAL IN THE BANK, THUS PROTECTING OUR BALANCE SHEET AGAINST ADVERSITY

Through our multidisciplinary scheme called "cell-based" working, customers are at the center of all the projects we undertake. We are committed to improving our customers' experience. Thus, we measure our progress through the **Net Promoter Score** and improve it daily regardless of the channel through which customers interact with Banorte.

Committed to our goal of becoming the best player in digital banking in Mexico, we continue with the transformation of Banorte. **Today, in only a few minutes, we can have our customers digitally sign up for checking accounts, credit cards, and payroll loans,** among other products. In this sense, we will also continue to forge alliances to boost our innovation for the benefit of our customers.

In 2022, we started our origination strategy through hyper-personalization, seeking to differentiate and customize our offerings to customers using analytical tools based on their behavior and particular profiles. We will apply this same approach to **Bineo—the new digital bank of Grupo Financiero Banorte** about to be launched.

Bineo, besides providing innovative, efficient, and secure digital banking, will allow us to increase financial inclusion in Mexico, managing to serve sectors previously beyond the reach of our traditional banking.

We took the first important step towards decarbonizing the loan portfolio, quantifying the emissions of the most carbon-intensive sectors, and **establishing medium- and long-term decarbonization goals,** thus fulfilling important commitments with the Net Zero Banking Alliance and the Principles of Responsible Banking, among others.

As to our social cornerstone, at the end of 2021 we established a subcommittee to monitor the implementation of projects toward greater diversity, equity, and inclusion among our employees.

As for governance, another female director has joined, taking a further step towards aligning our Board of Directors with our institution's strategy while promoting equity from our highest governance body.

In 2022, with greater certainty of the economy's recovery and solid evidence of our portfolio quality, we completed the distribution of dividends that we had delayed due to the pandemic. We will continue our search for alternatives to potentially maximize the return to our shareholders and investors.

I want to thank our investors and shareholders for their trust, our clients for allowing us to help them with their plans and projects, and our employees for their unwavering commitment to achieving our goals. Thank you all for being part of the great Banorte family.

Let's continue striving to build the future we envision.

Marcos Ramírez Miguel
Chief Executive Officer, Grupo Financiero Banorte

MISSION, VISION, AND VALUES

GRI 2-1, 2-2, 2-6

Our leadership is based on values through which we fulfill our mission and thus continue generating value for our stakeholders.

We always act according to the principles of integrity, trust, and loyalty, with full respect and recognition of the intrinsic value of the human being. GFNorte prohibits discrimination based on gender, age, religion, race, social or ethnic origin, physical disability, nationality, sexual preference, family responsibilities, marital status, or any other condition that might provide a motive for discrimination. Any individual who feels the need to defend or exercise their rights when they feel they have been violated can do so with full respect for the institution, its staff, and the work we do here.

MISSION

To inspire trust and generate financial strength for our customers.

VISION

To be a great ally to grow strong with Mexico.

VALUES

- **Respect:** Being aware of our own innate values and honoring the inherent importance of human rights of individuals and society.
- **Loyalty:** A sense of commitment to the well-being of others, with strong feelings of attachment, fidelity, and respect inspired by the people or groups with whom we interact.
- **Innovation:** The effort to achieve something for ourselves or with the assistance of others; a powerful transformative force has carried humanity to the highest levels of development and civilization.
- **Responsibility:** The ability to own our actions without being forced to act; a guarantee that we will keep the promises made, inspiring trust, reciprocity, and peace of mind.
- **Solidarity:** Mutual responsibility between two or more people enables us to commit to others' causes in times of need.

OUR BANK EVOLVES WITH EACH CHALLENGE AND OPPORTUNITY TO MOVE TOWARDS A MORE SUSTAINABLE FUTURE. WE ARE MEXICO'S STRONG BANK

CORPORATE STRUCTURE

GRI 2-1

We operate under a universal banking model, with various products and services through our subsidiaries, owning a substantial stake in each. That is how we promote our clients' projects to build the future we envision.

GRUPO FINANCIERO BANORTE

- **ALMACENADORA BANORTE** 99.99%
- **ARRENDADORA Y FACTOR BANORTE*** 99.90%
- **BANCO MERCANTIL DEL NORTE** 98.26%
- **BANCO BINEO** 99.99%
- **CASA DE BOLSA BANORTE** 99.99%
- **OPERADORA DE FONDOS BANORTE** 99.99%
  - **FONDOS DE INVERSIÓN**
- **BANORTE AHORRO Y PREVISIÓN** 99.99%
  - **SEGUROS BANORTE** 99.99%
    - **BANORTE FUTURO** 98.22%
      - **AFORE XXI BANORTE** 50%
  - **PENSIONES BANORTE** 99.99%

WE ARE MEXICO'S STRONG BANK. OUR LEADERSHIP IS BASED ON THE MOST DIVERSIFIED BUSINESS

* On July 1, 2020, Sólida merged with Arrendadora y Factor Banorte changing its name to Arrendadora y Factor Banorte

MAIN ACTIVITIES AND PRODUCTS/SERVICES OF EACH COMPANY

GRI 2-1, 2-6

Segments	Sectors and Activities	Products/Services	Coverage
Retail Banking	Personal SMEs Preferred State and municipal governments	Checking and deposit accounts Credit and debit cards Mortgage, car, payroll, and personal loans SME loans Payroll accounts Car, home, life, and SME insurance in several modalities	National
SME Banking	Legal entities Individuals with business activities Tax Incorporation Regime (TIR)	Checking solutions: current investment and debit accounts. Financial solutions: SME loans and business credit cards. Technological solutions: online banking, POS, and payroll services. Business insurance solutions: car, home, and employee insurance	National
Wholesale Banking			
Business and Corporate Banking	Multinational companies Mexican and foreign companies Medium-sized companies	Structured loans Syndicated loans Acquisition funding Investment plans Cash management for collection, trustees, payroll, checking accounts, and lines of credit	National and International
Transactional Banking	Corporate and business clients Financial institutions Federal government	Online banking Collection and payments Acquirer Payroll Cash management and reconciliation services Foreign currency purchase/sale Management of surpluses and liquidity services Financial coverage and insurance	National

Segments	Sectors and Activities	Products/Services	Coverage
Federal Government Banking	Federal State Municipal Decentralized organizations Social security institutions Unions Public trusts	Checking accounts Loans Cash handling services Payroll services Comprehensive advice on public finance management to improve collection and make spending more efficient Financial diagnoses to design appropriate debt payment profiles	National
International Banking	Corporate Institutional SMEs Foreign financial institutions	Import and export letters of credit Documentary collections Bank guarantees Standby letters of credit Letter of credit financing Import and export foreign trade financing Foreign trade structured financing with the export credit agencies and/or multilateral organization guarantee Discounts on import bills of exchange Import bank guarantee International wire transfer services Remittances through Uniteller	National and International
Savings and Social Security Sector:			
Afore XXI Banorte **Seguros Banorte** **Pensiones Banorte**	AFORE Insured Pensioners	Retirement account management Life, car, home, and medical insurance	National
Stock Market Trading Sector			
Casa de Bolsa Banorte **Operadora de Fondos Banorte**	Equity Banking Trading Strategy Asset Management Investments	Brokerage services Financial advice Structuring and management of portfolios Asset Management Investment Banking Sale of mutual funds and debt and capital instruments	National
SOFOM and Auxiliary Credit Sector			
Arrendadora y Factor Banorte **Almacenadora Banorte**	Factoring to direct collection customers Factoring to delegated collection customers Supplier factoring International factoring	Leasing and factoring services Storage services Inventory management Logistics Marketing	National

BANORTE AT A GLANCE 2022

JANUARY

World Finance granted us the **Best Retail Bank** award due to our growth trajectory, which led us to position ourselves as one of the major institutions in Mexico due to our credit portfolio and assets.

We were nominated in **Bloomberg's Gender-Equality Index** for the sixth consecutive year.

FEBRUARY

For the first time, we were included in the **Sustainability Yearbook 2022**, formed by the best-assessed companies in sustainability.

WE LAUNCHED AUTOESTRENE VERDE, a credit exclusively for acquiring hybrid and electric vehicles; thus, we support green financing, decarbonization, and climate change.

The **Chicago Stock Exchange** recognized **Afore XXI Banorte** as a referent in Latin America due to the implementation of the best practices in the market and the observation of international rules.

MARCH

Best Workplaces recognized us as the second-best company to work in Mexico and the first one with more than 20,000 employees.

We received recognition as a **Socially Responsible Company** (ESR) for the twelfth consecutive year.

APRIL

The magazine **Global Finance** named Banorte as one of the best banks in Mexico for SMEs because we cover and better know the specialized needs of these companies in their markets.

The Americas Most Innovative Bankers Award of Fintech Americas recognized us in the product or service innovation category.

FXC Intelligence—a financial data company—named Uniteller, a subsidiary of Banorte, one of the best 100 global companies in international payments.

MAY

We received the **PCI-DSS certification** from the Security Standards Council of the Payment Cards Industry for our digital banking.

We joined the **financial inclusion campaign for refugees** promoted by ACNUR through the Enlace Digital account.

MSCI ratified the **"AA" rating** due to our performance on sustainability.

We launched, together with **PNUD**, a budgetary and public finances program for sustainable development, providing training to states and municipalities.

JUNE

Afore XXI Banorte and Operadora de Fondos Banorte will promote sustainable investment criteria issued by the **International Sustainability Standards Board**.

JULY

We were recognized by the publication **World Finance** with the prizes of Best Consumer and Corporate Governance Bank in Mexico for the second consecutive year.

BANORTE, TOP 5 OF THE BEST CAPITALIZED BANKS OF LATIN AMERICA. The Banker included us in the **Top 1000 World Banks 2022**, rating it as the Mexican financial group better capitalized in the country. It is part of the **Top 5 of Latin America**.

AUGUST

BANORTE WAS AWARDED AS THE BEST FINANCIAL TEAM IN MEXICO: INSTITUTIONAL INVESTOR. The Institutional Investor magazine recognized us as the **Most Honored Company of Mexico** in its "Latin America Executive Team" ranking.

We joined the **"Target Gender Equality" initiative of Global Compact Mexico**, a program that promotes corporate success and companies' sustainability.

Fitch Ratings rated Banorte Recovery of Assets with the maximum rating as **Special Credit Financial Assets Manager 'AAFC1**.

SEPTEMBER

We launched **BanorTec**, our first financial **digital ecosystem** created for the university community of the Tec.

OCTOBER

The publication Newsweek in its international edition, recognized us as **the most socially responsible bank worldwide**, positioning us first in its ranking.

We participated in the **National Financial Education Week** organized by the CONDUSEF.

NOVEMBER

We launched a new manner to become a customer of Banorte from a mobile device in a secure manner, and **we were pioneers in Mexico in the verification of identity from our mobile banking app**.

DECEMBER

We **allied with the Lazarillo app** to offer accessible attention to persons visually impaired.

We were recognized as **"Bank of the Year 2022"** in Mexico by The Banker magazine due to our strategy in digital transformation and our vision to place our customers at the center of our design of products and services.

We received the **Best Infrastructure Financing of the Year in Mexico Award** due to the Mante Ocampo Tula expressway project by the Latinafinance publication.

UNESCO AND FUNDACION BANORTE EXECUTE AN ALLIANCE TO STRENGTHEN SOCIAL INCLUSION IN MEXICO. Fundación Banorte allied with UNESCO to strengthen its social inclusion programs in Mexico.

MILESTONES BY SUBSIDIARY/COMPANY

- First position in managed balance, commission income, net income, and net income over managed assets.
- **World Finance**: Best Pension Fund in Mexico for the eighth time.
- **The only Afore with the broadest certification** to operate derivatives.
- XXI Banorte is still the only Afore evaluated in Mexico with a position **among the six best LatAm signatories** evaluated by UNPRI.
- First Afore with **gender equity programs**.
- The management of the Afore Mutual Funds obtains a **Morningstar** award—bronze rating.
- Maintains **Socially Responsible Company** (ESR) recognition.
- The Afore is a signatory of the **Principles of Responsible Investment**. It has adopted the Code of Professional Conduct for Investors.
- It was awarded first place in ESG Practices **Awards by ALAS20 Responsible** Investments.
- Afore with **greater cost efficiency** (total expenses/ commission income).
- It ranked as the Afore with the **third highest productivity level per advisor.**
- As for long-term returns (36 and 60 months and from current management), AXIB ranks in the 2nd quartile—**more efficient risk consumption** than its main competitors.
- Recognition as a **Great Place to Work** certified organization.

- According to AMIS statistics, as of 3Q22, Seguros Banorte was ranked as the **seventh company with the highest insurance premium placement** in the sector, improving one position vs. the previous year, reaching 4.8%.
- In terms of income, **it ranked 4th place** in the sector.
- The **Embedded Insurance** strategy was launched, facilitating insurance cross-checking.
- **The digital platform was started to bring the insurance company closer to the client**, monitoring their needs throughout the product's life, from consulting their policy information to the follow-up and closing of any claim based on an assertive and digital service experience.
- At the end of 2022, sales of the Banca Seguros hotline continued with the upward growth trend in loan-related products and through branches, call centers, and alternative channels, **attaining annual increases of 22%, 14%, and 9%**, respectively.
- At the end of the year, the **AutoEstrene** car insurance offering was complemented with the additional customizable coverage option, which customers accepted well. The **Green Loan** was promoted, which grants better credit and insurance conditions.
- In this year, the **first earthquake parametric** insurance program in Mexico was placed.

- In 2022, Pensiones Banorte kept leading the annuities attraction market, **obtaining 46% of the resolutions auctioned by the Institutes** at a lower cost of attraction.
- With **Ps. 222.8 billion at the end of 2022**, Pensiones Banorte has the largest managed reserves in the Mexican insurance sector.
- To offer services with a self-management approach, we focus on exploiting our technological capabilities. In 2Q22, a program was launched to forward service calls to the **chatbox**. As a result, **38% of the services are already taken** as of December. It is available through three operating channels: WhatsApp, the website, and the Pensiones Banorte app.
- The registration of new pensioners is carried out via the **mobile office** (tablets); thus, clients can be served at their homes, reducing the number of customer service offices.
- At the end of the year, **96% of the portfolio of pensioners have a remote-voice signature** as a means of biometric survival verification.
- **70% of clients** access the pensioner loan benefits through our digital channels (PBD loan, ATM, and app).
- In 2022, Pensiones Banorte was ranked the **third profit-generating subsidiary within the financial institution**, only surpassed by Banco Mercantil del Norte and Seguros Banorte.

OPERATING FINANCIAL INDICATORS AND ESG CRITERIA BY SUBSIDIARY

BANK

	2021	2022	Δ22-21(%)
Total revenue	82,240	99,531	**21%**
Net Income	26,086	34,549	**32%**
ROE	18.7%	24.6%	**5.9 pp**
No. of customers	11,072,056	11,501,983	**5%**
Market position	2nd	2nd	

Figures in millions of pesos.
Figures at the end of 2022.
Ps. 4.07 bn in the sustainable Corporate Banking and Commercial Banking portfolio.
Ps. 3.60 bn of the renewable and clean energy sectors portfolio.
Seven sustainability-related syndicated loans totaling Ps. 13.78 billion.
Two energy and renewable efficiency credits and an active portfolio for Ps. 9.6 million with Ecocrédito Pyme.
579 Autoestrene Verde loans with a value of Ps. 356 million.
23 projects under the SEMS evaluation, the Performance Standards, and the Equator. Principles representing a Ps. 19.97 billion funding.

SEGUROS BANORTE

	2021	2022	Δ22-21(%)
Premium revenue	23,411	24,653	**5%**
Total operating revenue	4,371	7,081	**62%**
Net Income	4,022	4,781	**19%**
ROE	15.4%	20.7%	**5.3 pp**
No. of customers	9,810,275	10,634,896	**8.41%**
Market position	7th in profits and 8th in premiums	4th in profits and 7th in premiums	

Figures in millions of pesos.
Figures at the end of 2022.
218,075 risks covered by hydrometeorological insurance with insurable assets of Ps. 891.32 billion, total risk retention of Ps. 85.29 billion, and net premiums of Ps. 795 million.
Five parametric insurance policies with coverage against hurricanes with net premiums of Ps. 52 million.

PENSIONES BANORTE

	2021	2022	Δ22-21(%)
Premium revenue	22,649	18,733	**(17%)**
Total operating revenue	3,369	4,401	**31%**
Net Income	2,007	2,733	**36%**
ROE	27.0%	28.4%	**1.44 pp**
No. of customers	184,728	195,983	**6.09%**
Market position	1st	1st	

Figures in millions of pesos.

AFORE XXI BANORTE

	2021	2022	Δ22-21(%)
Total revenue	7,835	5,555	**(29%)**
Net Income	3,909	1,604	**(59%)**
ROE	15.9%	6.7%	**(9.1 pp)**
No. of customers	7,860,442	7,736,362	**(1.58%)**
Market position	1st	1st	

Figures in millions of pesos.
Figures at the end of 2022.
96% of ESG analysis coverage in assets making up the responsible investment portfolio—20% more than the previous year
121 ESG risk-related commitments on 20 issuers making up the portfolio
Participation in 195 sessions between general meetings and technical committees
Ps. 22.76 billion investment in sustainable thematic bonds
Ps. 8.54 billion investment in sustainable Exchanged Traded Funds (ETFs)
Ps. 22.83 billion investment in sustainable alternative instruments

STOCK MARKET/TRADING SECTOR (CASA DE BOLSA AND OPERADORA DE FONDOS)

	2021	2022	Δ22-21(%)
Interest revenue	14,391	23,016	**60%**
Net interest income	1,847	2,175	**18%**
Net Income	1,621	1,649	**2%**
ROE	23.3%	22.9%	**(0.4 pp)**
No. of clients (no. of national and foreign accounts)	20,724	20,730	**1%**
Market position	13th	13th	

Figures in millions of pesos.
Figures at the end of 2022.
78% of ESG analysis coverage of assets under management (AUM), 28% more than the percentage of the Responsible Investment Policy
Ps. 1.09 billion of assets under management (AUM) is the total market value of the NTESEL responsible investment fund
Ps. 1.48 billion of assets under management (AUM) of the NTEESG fund having an ESG rating of 7.44 points
Ps. 4.11 billion of assets under management (AUM) invested in labeled bonds and ETFs contributing to sustainable development

ARRENDADORA Y FACTOR

	2021	2022	Δ22-21(%)
Interest revenue	2,414	2,849	**18%**
Net interest income	988	687	**(30%)**
Net Income	669	598	**(11%)**
ROE	7.0%	6.0%	**(1.1 pp)**
No. of customers	1,050	997	**(5%)**
Market position	2nd	1st	

Figures in millions of pesos.

COMPREHENSIVE RISK MANAGEMENT

GRI 2-12, 2-13, 201-2
SASB FN-CB-550a.2, FN-IB-550a.2

In 2022, GFNorte prioritized a comprehensive and prospective approach to risk management, which helped us to achieve our objectives with a conservative risk profile. Risk management is a cornerstone to making strategic decisions, complying with the regulatory framework, and maintaining the strength GFNorte has. In addition to anticipating, managing, and mitigating the main risks to which the institution is exposed, we collaborate with the other areas on value initiatives creating a positive impact on the institution's profitability.

Despite the tremendous global and domestic uncertainty and the sharp hikes in interest rates and inflation experienced in 2022, GFNorte managed to have an effective management of the principal risk and capital indicators, ensuring the bank's solvency and stability, which in turn allowed the implementation of business strategies for sustainable growth.

Aware of the most relevant financial risks, GFNorte has made progress in identifying emerging risks, clarifying them, and allowing their management. This progress prevents and mitigates risks that could jeopardize the group's performance.

CORPORATE GOVERNANCE OF RISK MANAGEMENT

RISK MANAGEMENT STRUCTURE

Grupo Financiero Banorte has a solid governance framework supported by a well-defined governance structure, three lines of defense, and a rigorous regulatory and legal compliance standard.

In our corporate governance model, the Board of Directors is the highest risk management body responsible for determining the limits on risk appetite. To fulfill these duties, the Risk Policies Committee authorizes risk management models, policies, limits, and the creation, goals, members, and functioning of the committees that support the Chief Executive officer. The Comprehensive Risk Management Unit is in charge of managing and monitoring them.

It is essential for GFNorte that the members of the Board of Directors are up-to-date and make informed decisions with adequate knowledge. Therefore, risk training is essential. In 2022, some training courses were given, including topics such as the risks of the electricity sector, risks in digital banking, and trends and challenges of the global financial sector.

We update our risk manuals, incorporating new models, risks, and policies to facilitate the development of the business areas in the different strategic and innovation initiatives, complying with relevant regulations and laws.

The aforementioned corporate governance structure is summarized in a model of three lines of defense for appropriately managing and controlling risks. This scheme allows all the group's employees to identify, escalate, and manage risks.

PARTICIPATION OF THE BOARD OF DIRECTORS IN THE IDENTIFICATION AND MONITORING OF RISKS

Aimed at comprehensive risk management, we closely monitor each of the main risks—credit risk, market risk, balance sheet risk, counterparty risk, operational risk, cybersecurity risk, reputational risk, strategic risk, business risk, as well as ESG risk. We have a Risk Map featuring the leading indicators classified for each essential risk and their respective limits and tolerance levels. Having this map facilitates quantitative monitoring through a traffic light system.

BOARD OF DIRECTORS

SENIOR MANAGEMENT

AUDIT AND CORPORATE PRACTICES COMMITTEE

1st Line of Defense

Identify, measure, control, supervise, and report risks arising from our operations.

- Business Processes
- Products and Services
- Facilities
- Systems and Applications
- Suppliers
- Administrative and accounting processes

The business units and administrative departments execute strategic plans and propose any policy changes for approval of the related corporate bodies, ensuring that their activities are consistent with the organizational objectives.

2nd Line of Defense

Analyzes and monitors the comprehensive risk management of the 1st line. It also helps implement policies, processes, and controls to attain institutional objectives.

- Administration and risks
- Internal comptrollership
- Legal
- Chief Information Security Officer (CISO)

3rd Line of Defense

Oversees compliance with internal and external regulatory frameworks.

- Audit

According to its annual program, the internal audit assesses the risk management and credit process systems and the controls set in the processes to ensure compliance with the internal and external regulatory framework.

COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

Since its inception, GFNorte has shown an institutional resilience that is due—to a large extent—to our solid risk management culture at all levels of the organization.

The group's decisions aim to maximize the risk-return ratio and **support informed decision-making to achieve the strategic goals** of asset quality, profitability, liquidity, and solvency.

GFNorte's risk culture is based on the following principles:

GFNORTE RISK CULTURE

We Are All Risk Managers

We promote our employees' proactive participation in risk identification, escalation, and management. Our operational, technological, psychosocial, credit, market, and fraud risk reporting channels make it easier for all employees to fulfill their role as the first line of defense. For example, through our Governance, Risk, and Compliance (GRC) platform, all employees report their relevant identified risks, monitoring them until their mitigation. This feedback triggers process improvements by implementing control measures based on what is reported.

Communication and Continuous Training

Our Board of Directors and senior management members communicate the importance of robust risk culture. In this regard, we have reinforced **internal training** for risk management, including the content of risk management, prevention, and mitigation for all our staff.

Risk Anticipation

We monitor the economic and business environment to anticipate future risks and incorporate market trends into our models, tools, processes, and policies to prevent and mitigate risks. We communicate closely with our clients to identify their needs and problems, preventing potential breaches.

Risk and Return-Based Compensation

Risk management criteria are targeted into the employees' evaluation and compensation to maximize the risk-return ratio. To attain this, we link the risk indicators' formal **measurement with the performance evaluation process and promotion and compensation of staff.** Our Remuneration System establishes these incentives, where the evaluation criteria are established mainly for senior management, consistent with reasonable risk-taking. We also have implemented a performance evaluation system where employees and their immediate superiors set operational, safety, and career development goals. Performance is evaluated under specific metrics, as well as professional skills and credentials, according to the profile of each position.

Prospective Vision

We always maintain a future vision in line with the new business trends in the risk management strategy and the evaluation of policies and models. For a **continuous improvement of products and processes,** we update our methodologies and tools following the best practices to estimate the future behavior of our assets and create scenarios to make strategic decisions.

Innovation

At GFNorte, we know the fast development of risk management and new banking ways. Therefore, we must remain at the forefront of new products, channels, technologies, and risk implications. **Technological innovation is crucial to identify, measure, and control risks properly** in the face of technological change and new products and segments of the digital market. These innovation products undergo a formal project evaluation process, including identifying and measuring risks determined by the relevant areas.

Multidisciplinary Participation

Joint decision-making through multidisciplinary committees and teams strengthens GFNorte's perspective to identify and control risks. Risks are continuously monitored, and mitigation strategies or actions are planned and executed consensually with all the areas involved.

We are still operating through a cell-based collaboration scheme, i.e., multidisciplinary teams assigned a specific task, such as improving a process or developing a new product. This collaboration scheme allows us to react instantly to changing environments involving risks in our operations and strategies or execute an existing credit prevention or mitigation plan.

AT GFNORTE, WE MAINTAIN A CONSERVATIVE RISK PROFILE, BUT WE HAVE A PERSPECTIVE OF VALUE CREATION

OUR DESIRED RISK PROFILE

We establish general and specific guidelines throughout the group to monitor our desired risk profile. We also have a follow-up and formal escalation process in case of any deviation from our desired risk profile. **We have developed critical quantitative indicators by type of risk for our group and its subsidiaries.** Such indicators are sensitive to the material risks we are exposed to and can be used as critical financial health indicators. The Board of Directors review and ratify them yearly; they can also be used as guidelines for defining and implementing strategies and objectives.

Medium-low **RISK PROFILE**

A DIVERSIFIED PORTFOLIO approach based on the risk-return-opportunity ratio

CORPORATE STRUCTURE based on autonomous and self-sufficient subsidiaries

STABLE financial results

GLOBAL VISION of all types of risk

INCENTIVES AND COMPENSATION aligned with the desired risk profile

INDEPENDENT RISK management

TECHNOLOGICAL INNOVATION

Comprehensive **ESG STRATEGY**

AAA minimum long-term **LOCAL RATING**

QUALITY AND GROWTH of productive and non-productive assets

ZERO TOLERANCE for risks related to an infringement of law or regulations

THE CAPACITY TO GENERATE STABLE AND RECURRING results dividends

COMPREHENSIVE RISK MANAGEMENT

We focus on identifying and regulating the leading emerging risks that may represent potential threats to the business, clients, employees, and GFNorte's strategy.

THE DEFINITION AND CLASSIFICATION OF POTENTIAL RISKS LEAD TO BETTER MANAGEMENT AND MITIGATION BASED ON THE NATURE OF EACH TYPE OF RISK

COMPREHENSIVE RISK MANAGEMENT

MAIN RISKS		EMERGING RISKS
Credit Risk	Reputational risk	Climate risk
Market risk	Strategic risk	Nature-related risk
Balance sheet risk	Business risk	Epidemiological risk
Counterparty risk	ESG risk	Risk of new technologies
Operational risk	Socio-environmental risk in financing	
Cybersecurity risk		

MAIN RISKS

CREDIT RISK

The potential loss after a borrower or counterparty fails to pay the amount they owe, including any collaterals. It represents a risk for the performance of our company and the strategic plan.

In 2022, we had effective credit risk management. To achieve this, we adjusted policies, monitored vital indicators, and collaboratively implemented advanced action and containment measures with the participation of the Business, Recovery, Legal, and Credit Risk Management departments.

We follow a proactive strategy for diversifying our loan portfolio and creditworthiness by setting limits and maximum amounts on exposure and concentration in different groups or segments. This strategy is based on the placement made by qualified Credit Committees and is consolidated in the multidisciplinary monitoring of all the responsible departments.

In 2022, the performing portfolio grew +12%, thanks to a record **expansion in consumer (+15%), commercial (+13%), and governance (+11%) portfolios.** Within the consumer portfolio, the medium-high double-digit expansion stands out for all products: **payroll (+22%), automotive (+16%), credit card (+14%), and mortgage (+13%).**

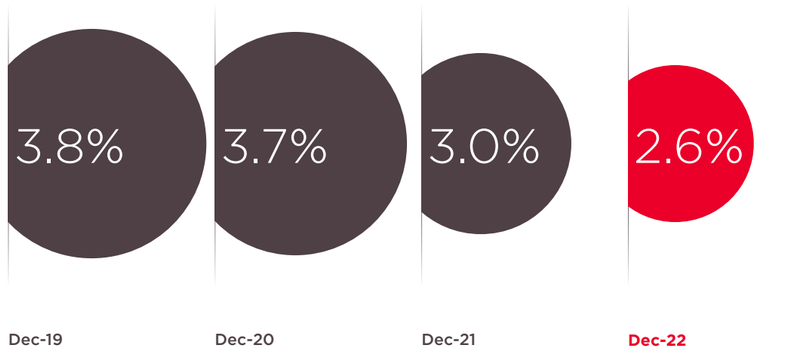
+12%
growth of the current portfolio

THROUGHOUT THE YEAR, SIGNIFICANT GROWTH IN THE PORTFOLIO WAS ACHIEVED, MAINLY IN THE FINANCIAL, TOURISM, TRADING, AND MANUFACTURING SERVICE SECTORS

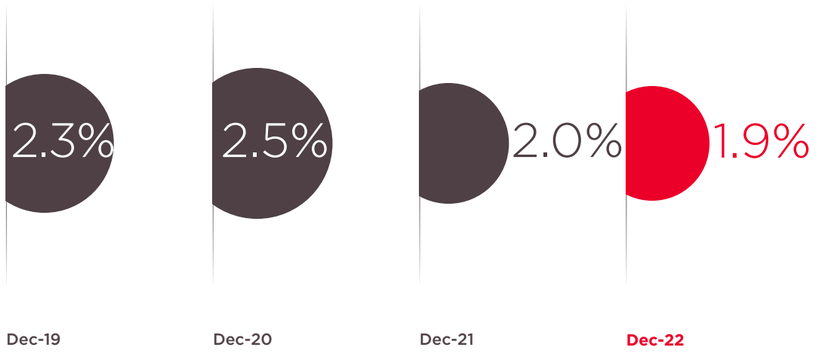
The 2022 key credit risk indicators have shown creditworthiness. The stage 3 portfolio index in December 2022 was 1.1%, a little higher than the 0.9% of December 2021, mainly due to increases in the stage 3 commercial and payroll portfolio. The Adjusted NPL closed at 2.6%, showing a reduction vs. 3.0% last year. In 2022, the coverage ratio closed at 179%, showing a reduction of -28pp vs. last year, mainly due to increases in stage 3 commercial portfolio. The Total Portfolio Reserves Indicator ended the year at 1.9% annually, with a reduction mainly due to the COVID-19 and (governance portfolio) reserve release entries. The **cost of risk has been slightly reduced compared to the previous year (from 1.38% to 1.35%),** supported by a growth of the current portfolio in a more significant proportion than the reserve requirements.

STAGE 3 PORTFOLIO INDEX

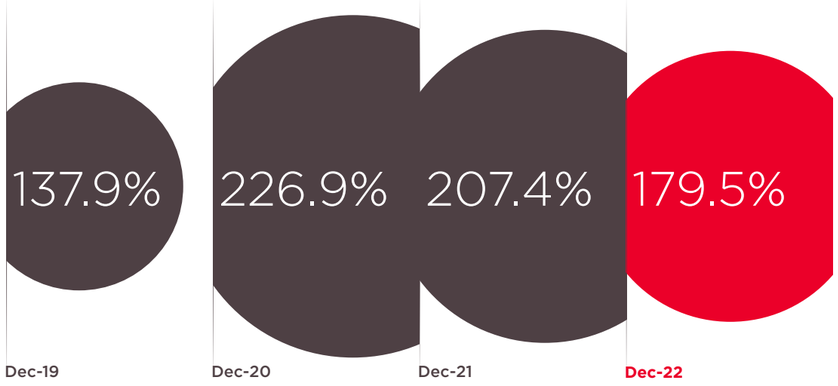
ADJUSTED NPL



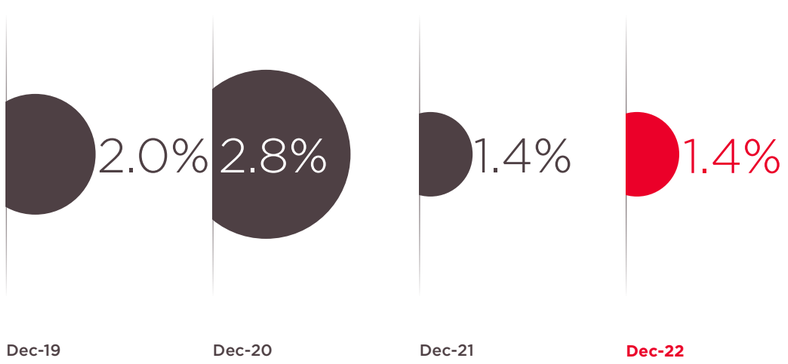
RESERVES / TOTAL PORTFOLIO



COVERAGE RATIO



COST OF RISK



AS OF JANUARY 2022, NEW ACCOUNTING CRITERIA WERE ADDED TO THE MEXICAN FINANCIAL SYSTEM WITH THE IMPLEMENTATION OF IFRS 9, THUS STANDARDIZING MEXICAN AND (IFRS) INTERNATIONAL CRITERIA WITH CHANGES IN THE PRIMARY CREDIT INDICATORS

The classification of credits in stages—with significant collaborative work between the Risk Management and Business departments—has facilitated the identification of incremental risks at the individual and portfolio levels, maintaining the quality of the group's assets.

MARKET RISK

The volatility in revenues due to changes in market conditions represents a risk for GFNorte, influencing the valuation of positions in lending or borrowing operations or those that generate contingent liabilities, such as interest rates, spreads, exchange rates, price indexes, etc.

At GFNorte, market risk is managed according to a series of fundamental pillars:

01 The use of models and methodologies such as potential loss, commonly known as **expected shortfall**

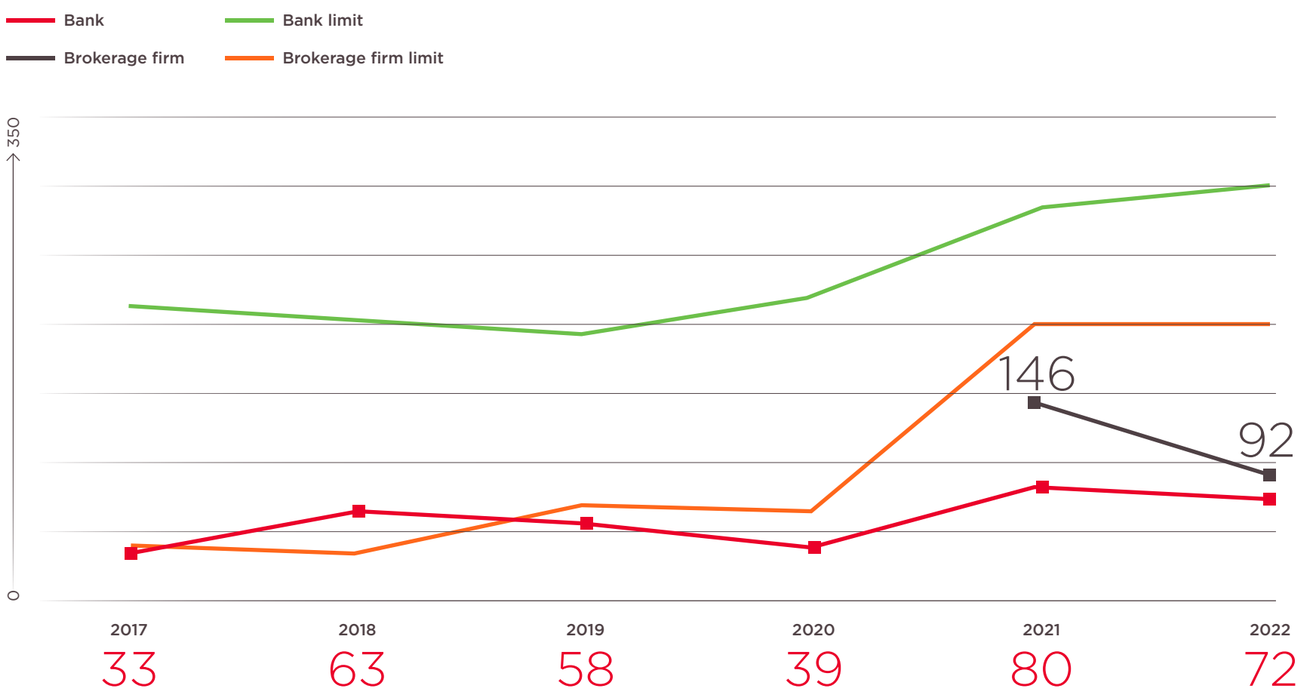
02 **Backtesting**

03 Sensitivity analysis and **stress testing**

These are used to measure the risk of products and portfolios of instruments listed on the financial markets. We also began valuing derivative instruments using OIS and collateral-adjusted curves, following international standards, including adopting Risk-Free Rates for products and curves.

Risk management is also supported by policies and manuals that establish how market risk limits are to be imposed and tracked, how risk metrics are to be disclosed, and how to monitor them against the established limits. The chart below shows the trend in the expected shortfall indicator for the bank and the brokerage firm:

POTENTIAL LOSS INDICATOR



In 2023, we will introduce a new suite of market risk provisions called Fundamental Review of the Trading Book (FRTB), consistent with Basel IV and compliant with new rules and standards for managing market risk.

STILL, STABLE CAPITAL AND LIQUIDITY POSITIONS ARE CRITICAL ELEMENTS FOR THE GROUP

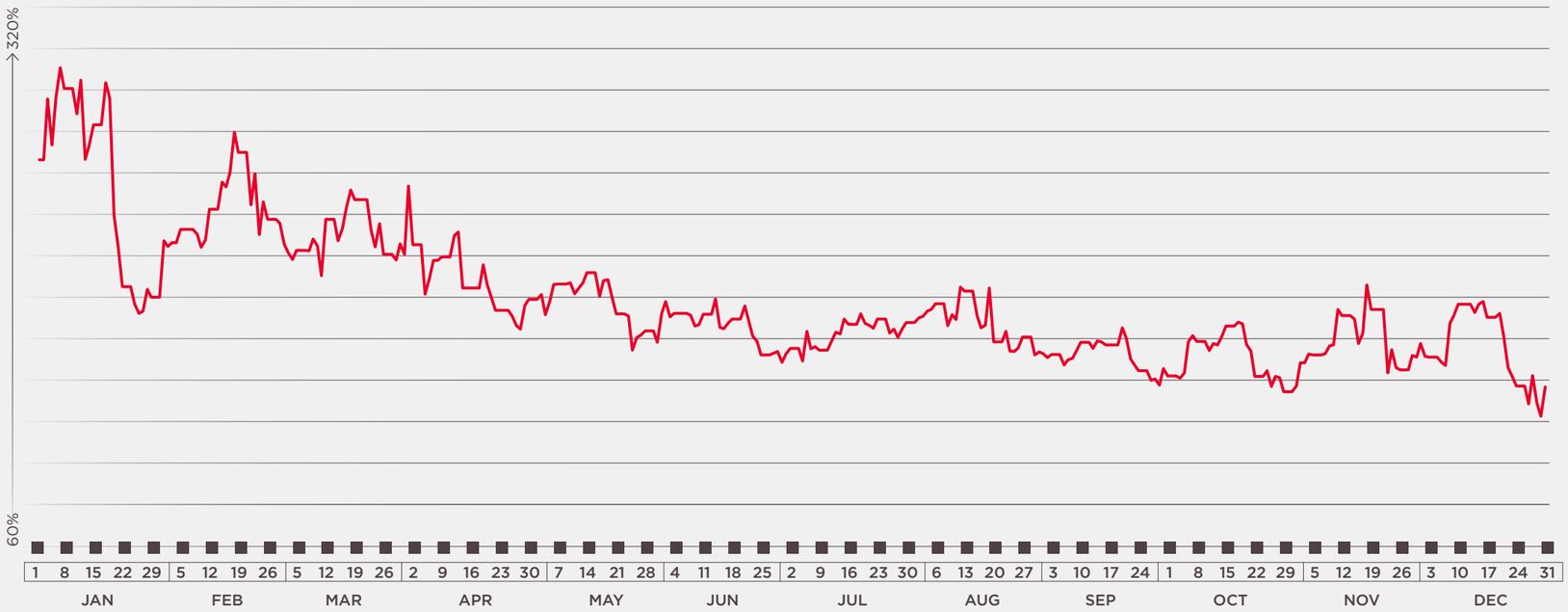
BALANCE SHEET RISK

Balance sheet risk includes liquidity and interest rate risks in a company's balance sheet.

We are governed by indicators aligned with local regulations and international best practices to manage the institution's liquidity needs proactively. In the regulatory sphere, the primary tracking indicator is the Liquidity Coverage Ratio (LCR), a short-term indicator, and the Net Stable Funding Ratio (NSFR), a long-term indicator.

For purposes of the exchange risk of the institution, the calculation of the indicators related to the Regime for Admission of Liabilities and Investment in foreign currency is conducted, as well as for the Regime of Exchange Risk Position for Multiple Banks. These regimes consider limits and requirements on the exchange position established by Banco de México.

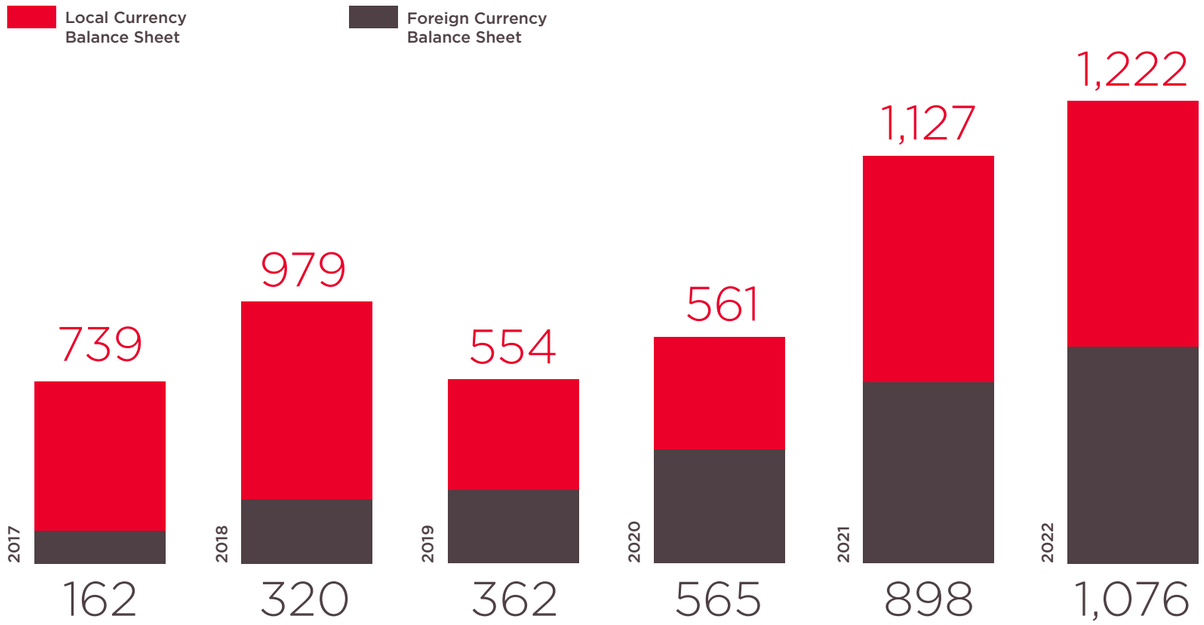
LIQUIDITY COVERAGE RATIO 2022



Interest-rate risk in the balance sheet is tracked via a margin sensitivity exercise for balances in both domestic and foreign currency.

Margin sensitivity is calculated monthly and weekly with current data and monthly for short- and long-term projections based on budget and expected growth in the balance sheet.

NET INTEREST INCOME SENSITIVITY PER 100 BPS IN RATE CHANGE



IN 2023, WE WILL INTRODUCE A NEW SUITE OF MARKET RISK PROVISIONS CALLED INTEREST RATE RISK IN THE BANKING BOOK (IRRBB), CONSISTENT WITH BASEL IV AND COMPLIANT WITH NEW RULES AND STANDARDS FOR MANAGING MARKET RISK

COUNTERPARTY RISK

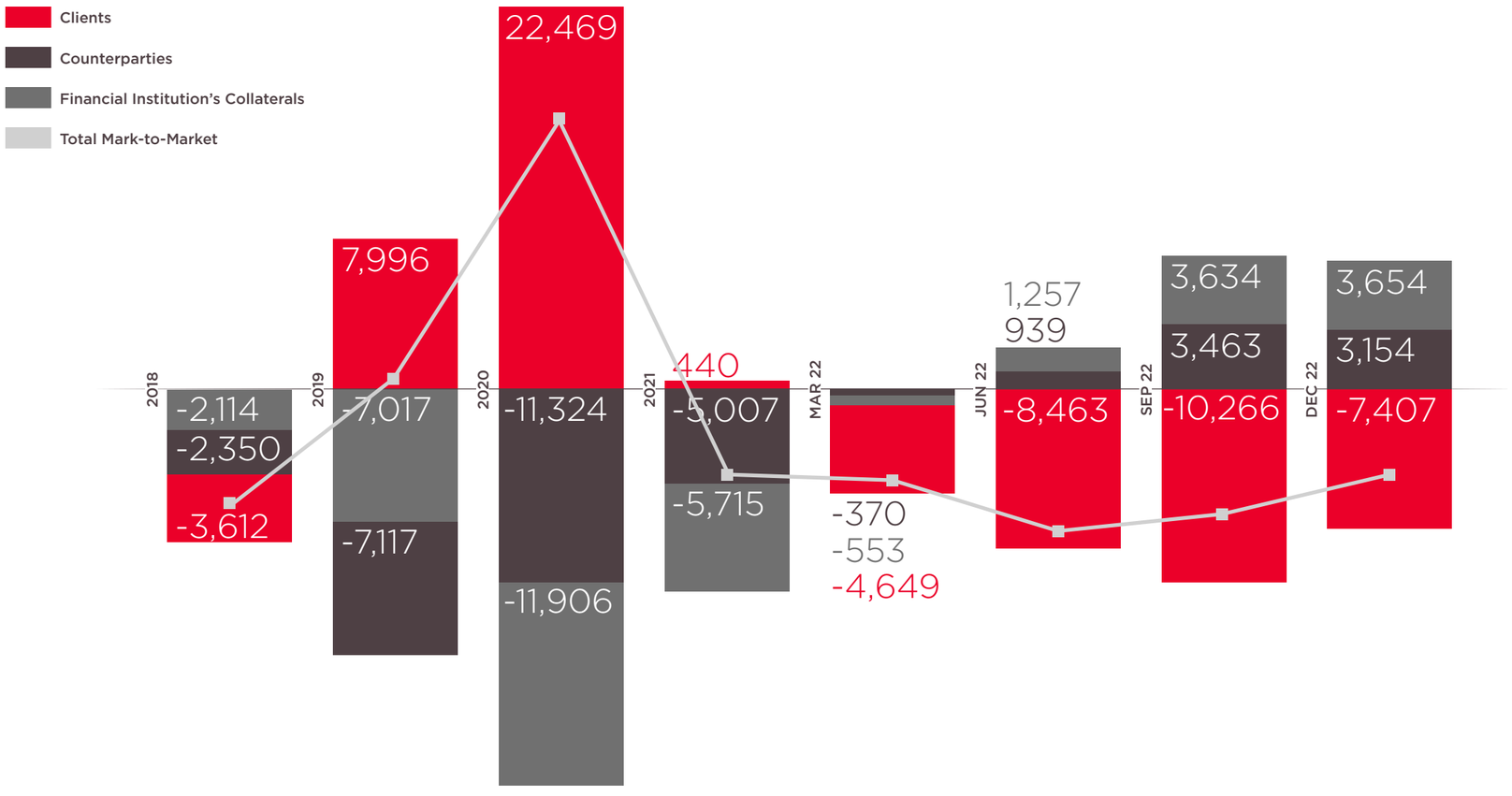
The counterparty risk management at GFNorte aims to identify, measure, monitor, control, and disclose the risk associated with potential default in financial market transactions, including tracking its counterparties and clients.

Counterparty risk is quantified through metrics such as market valuation, potential exposure, and expected exposure.

Then, the information regarding the exposure and other vital indicators is reported to the Risk Policies Committee, the CEO, and the heads of the trading and treasury desks, on a daily, monthly, and quarterly basis to evaluate the potential risks of the group in the financial markets and define or modify the necessary strategies for its prevention or mitigation.

The graph below shows the trend in the market value of the clients' and counterparties' portfolios, as well as the balance in collateral:

MARKET VALUATION



As part of our comprehensive counterparty risk management, the Derivatives Committee evaluates and approves the derivatives' proposed transactions with clients exclusively for hedging purposes. To complement the risk measurement, we assist the treasury in managing the Credit Valuation Adjustment (CVA) and the Funding Valuation Adjustment (FVA), including the likelihood of default.

IN 2023, WE PLAN TO IMPLEMENT THE SA-CCR MODEL TO CALCULATE THE CAPITAL REQUIREMENT IN DERIVATIVES DUE TO COUNTERPARTY RISK

CAPITAL MEASUREMENT AND ADJUSTMENT

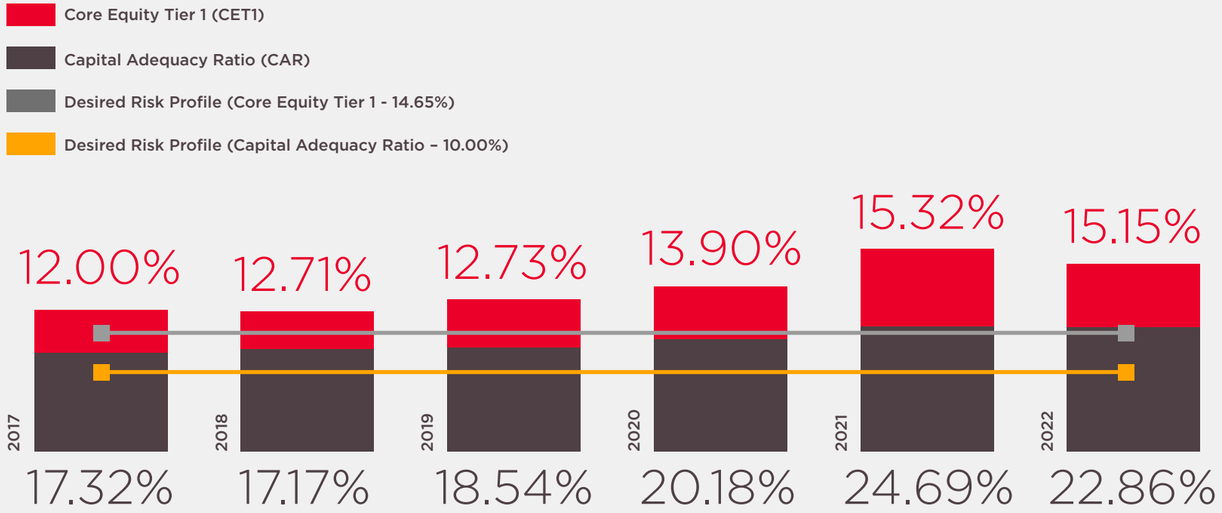
In managing the institution's solvency, we perform the monthly capital calculations required under local regulation and international standards and a series of monthly projections to analyze potential deviations in the desired risk profile and market expectations regarding these indexes.

Our budget projections also include long-term solvency indicators. These short- and long-term projections guide the actions of senior management in terms of the efficient use of capital, including the dividend plan.

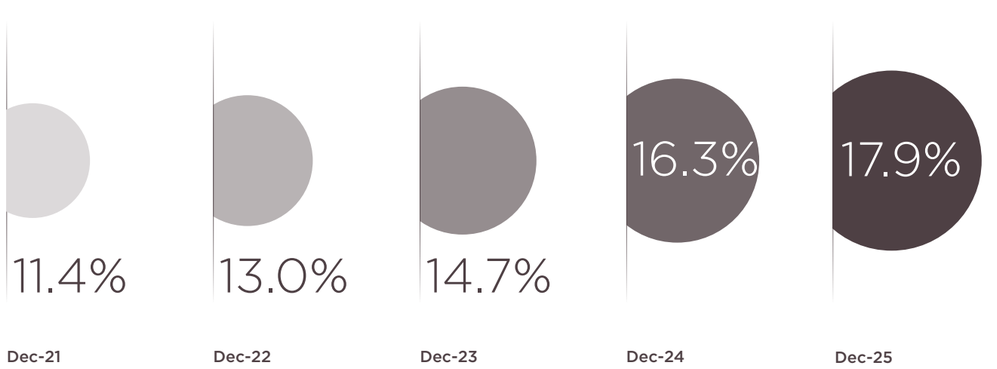
New rules soon to take effect on banks' Total Loss Absorbing Capacity (TLAC) are incorporated into current levels of early alerts, internal limits, and Capital Adequacy Ratio (CAR) projections. Based on the institution's current capital structure, we do not foresee any difficulties in meeting the required level of that indicator in the future.

In this regard, and under the new TLAC rule, the minimum Capital Adequacy Ratio (ICAP) levels the bank must maintain starting in December 2022—which will rise by 162.5bp a year after that for a period of four years—are shown in the table below:

DESIRED RISK PROFILE



MINIMUM CAPITAL ADEQUACY RATIO (CAR)



We are currently awaiting the publication of a series of regulatory changes that will significantly impact our capitalization levels, such as the entry into force of new accounting rules applicable to this institution, among others.

REGULATORY AND INTERNAL STRESS TESTING

Annually, GFNorte participates in the Capital Adequacy Assessment under regulatory and internal scenarios to achieve optimal regulatory compliance and best practices in the industry and fulfill our pledge to shareholders and investors to guarantee the institution's solvency and plan for annual dividends. This exercise serves as the basis for planning and analysis of the bank's dividend capacity and the minimum capital levels necessary, which inform the desired risk profile and internal limits for these indicators.

CONTINGENCY PLANNING

Aware of the pace with which the environment changes and the new emerging risks that could threaten the operation and continuity of the business, at GFNorte, we have contingency plans for events involving liquidity (liquidity funding plan) and solvency (solvency plan), as a preventive measure in case of any emergency:

Defining indicators and levels for early alerts to identify possible liquidity or solvency crises.

Action plans for various levels of solvency or liquidity crisis, including the persons responsible and the possible impact of those actions on the institution's indicators.

Internal and external communication plans for maintaining the stability of the institution and the market.

These plans are updated and submitted each year to the Board of Directors and the authorities for their authorization and/or comments to keep them in force in the face of new potential threats.

IMPAIRMENT OF FINANCIAL INSTRUMENTS

In 2022, we implemented 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 instrument exposure is estimated as amortized cost, and a probability of default and loss severity is assigned.

The expected credit loss of the IFCPIs (in Spanish) is calculated by the probability of default, the severity of the loss, and the exposure, depending on the current stage.

The probability of default is obtained through a transition matrix that contemplates various scenarios according to past events, current conditions, and economic forecasts with different institutions.

STAGE 01

FINANCIAL INSTRUMENTS WITH LOW CREDIT RISK

Their credit risk has remained relatively high from their initial recognition to the date of the financial statements.

STAGE 02

FINANCIAL INSTRUMENTS WITH A SIGNIFICANT INCREASE IN CREDIT RISK

They have a significant increase in credit risk from their initial recognition to the date of the financial statements.

STAGE 03

FINANCIAL INSTRUMENTS WITH HIGH CREDIT RISK

They are credit impaired because one or more events have had a detrimental impact on the future cash flows of financial instruments.

OPERATIONAL RISK

The loss is due to a deviation or failure of processes, personnel, or internal systems or due to external events—a latent risk in our day-to-day operations due to its potential to impact compliance with institutional objectives. It includes technological, cybersecurity, and legal risks crucial to financial sector operations.

In 2022, as the cases of COVID-19 decreased, we returned to our premises gradually and according to security protocols to guarantee the integrity of our staff and operation. COVID-19 continues to be a relevant operational risk for our organization. It has been tackled as a priority, reducing the concentration of personnel in **our facilities through rotating shifts and remote work.** We supplied sanitary and hygiene support and supplies to all personnel and customer service offices. With this, we had to adapt to new hybrid and remote work forms, revealing new risks relating to cybersecurity and technological platforms. Therefore, we have prioritized the implementation of control measures focused on preventing cyberattacks.

We manage operational risks through constant staff training and the **Governance, Risk, and Compliance (GRC)** tool. In addition to operational risk management, this platform covers internal control and information security applications to manage these risks comprehensively and with a common taxonomy.

The GRC tool supports risk mitigation, providing prompt and efficient information through dashboards and reports to the management and operational levels, optimizing and automating processes, and ensuring the traceability of data and indicators.

In 2022, all GFNorte employees, especially **risk managers,** were trained in operational risk management. Each employee participates with the commitment to report any risk or conflict of interest to their respective department's Process and Management Controller for adequate control and mitigation.

Under the new regulations, in 2023, we will adopt the new Business Indicator method for calculating the capital requirement for operational risk based on three aspects:

01 **Global interest, services, and financial components**

02 **Loss multiplier**

03 **Requirement aspect based on the size of the business**

CYBERSECURITY RISK

Our digital transformation is based on new information technologies, which pose new operational and cyber risks. Technological transition risks can result in failures hindering services, potential regulatory consequences, and information security risks. These risks affect GFNorte's digital transformation strategy, including strategic partnerships in the industry and Digital Banking.

In 2022, with a preventive approach, the Integrity Committee and the Cyber Risk Subcommittee met regularly to monitor the central mitigation systems, plans, and programs such as:

01 **Data Security Management System (DSMS)**

02 **Information Security Master Plan (PDSI, in Spanish)**

03 **Zero-Trust Security Program**

04 **Awareness-Building and Training Program for All Employees**

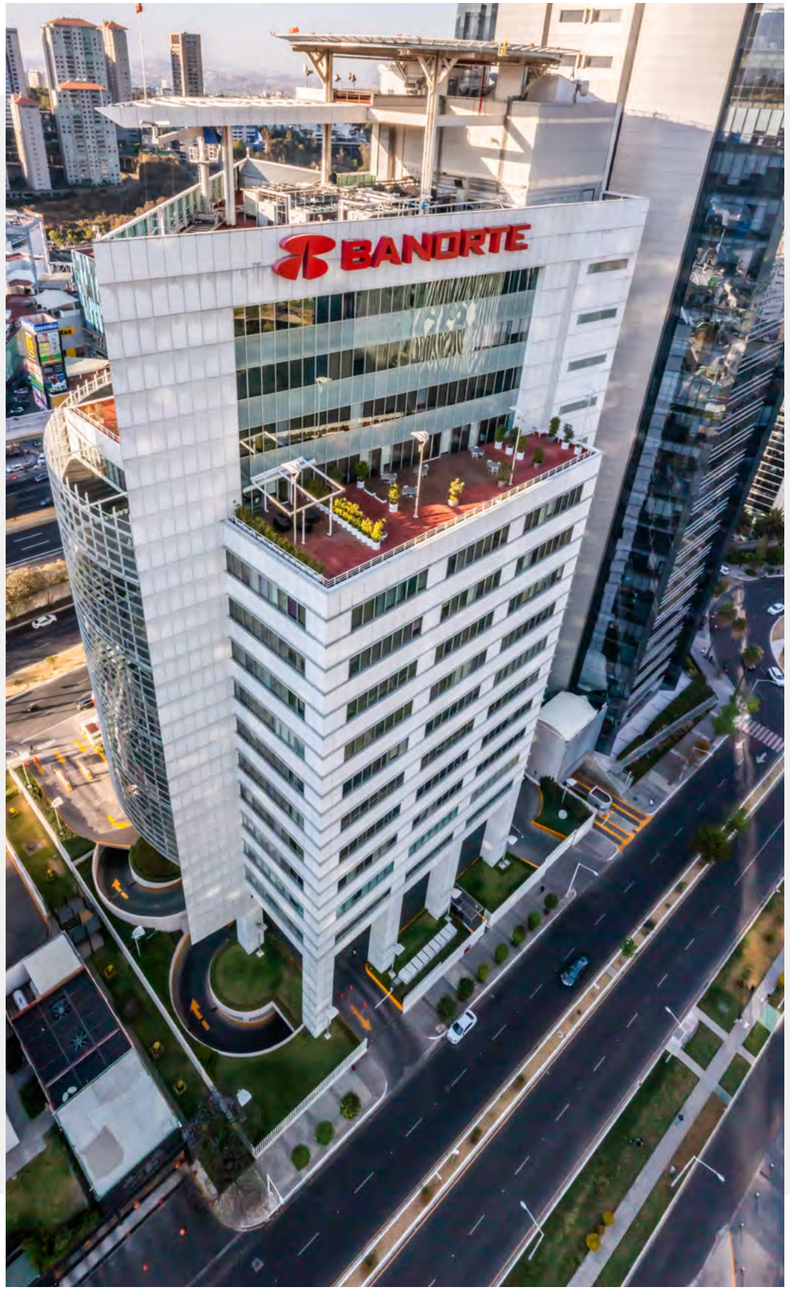
Also, this year, thanks to the timely collaboration of various control areas, we earned various certifications: **The NYCE personal data protection certification, the ISO/IEC 27001:2013 certification, the PCI-DSS certification, and CNBV authorization to execute opening agreements.**

IN 2023, AS PART OF THE DIGITALIZATION STRATEGY, WE WILL CONTINUE TO MONITOR THE INTERNAL SYSTEMS, PLANS, AND PROGRAMS, IMPROVING THE COMPREHENSIVE AND SYSTEMATIC MANAGEMENT OF CYBER RISKS AT GFNORTE

REPUTATIONAL RISK

Reputation plays a vital role for GFNorte. A good corporate image boosts trust among the main stakeholders, reinforcing the security, strength, competitiveness, and value of the group's business.

REPUTATIONAL RISK IS THE POTENTIAL LOSS IN THE DEVELOPMENT OF THE INSTITUTION'S ACTIVITY CAUSED BY THE DETERIORATION IN THE INTERNAL AND EXTERNAL STAKEHOLDERS' PERCEPTION OF ITS SOLVENCY AND FINANCIAL HEALTH



Because of its nature, reputation is an intangible asset that is not easily quantifiable and manageable. We have implemented predefined communication strategies to mitigate this risk to deal with potential events affecting the institute's reputation. We also have developed prevention strategies for all institutional behaviors that may negatively affect the interests of the different parties involved in the group's solvency and financial health.

At GFNorte, we foster a culture of respect among our employees and towards our clients, investors, and other stakeholders. Our commitment is to maintain high standards of business conduct with zero tolerance for any violation of ethical standards or codes of conduct. We are aware of the growing social and environmental expectations our stakeholders have placed in our institution; thus, we work daily to exceed them and fulfill our commitment to the community.

STRATEGIC RISK

This is the risk of potential losses resulting from failures or deficiencies in decision-making, in implementing procedures and actions to apply the institution's business model and strategies, and from a lack of awareness of the risks it faces. The strategic risk underlies the different areas and activities of the group. This is why it is related to the other types of risk that the institution must manage effectively, and the participation of all the key areas is essential for its management.

Strategic risk is managed and mitigated through solid corporate governance and a well-defined strategic plan and goals, a budget planning and execution process monitoring the strategic plan and internal key indicators and external commitments, analysis, planning, and prompt execution of mergers and acquisitions, joint ventures, and strategic alliances, as well as applying best practices in all projects.

This risk is mitigated with succession plans for senior management and talent management, risk identification and mitigation controls, strategies for ensuring asset quality and profitability, capital and balance sheet strategic management, projections of adverse scenarios and emergencies, and communication mechanisms and dissemination of the strategic plan.

We are resilient and adapt to changes, work schemes, market opportunities, and new technological and clients' behavioral trends.

Our vision of anticipation and adaptation pervades from the Board of Directors to the operational areas of the institution.

THANKS TO OUR PROSPECTIVE, COLLABORATIVE, AND INNOVATIVE CULTURE, WE CAN MAKE TIMELY STRATEGY ADJUSTMENTS AND REDUCE STRATEGIC RISKS

BUSINESS RISK

This risk is defined as the potential loss or impact on profitability attributable to the inherent nature of the business and changes in the economic cycle or climate within which it operates. A timely business risk management is crucial in preventing threats and ensuring GFNorte's resilience, continuity, and leading edge in the market. This risk is managed through a flexible, innovative approach that enables us to overcome the challenges faced by the group.

It is managed and mitigated through solid corporate governance, continuous assessment of the environment, innovation, a diversified business mix, evaluation of inorganic growth opportunities, asset quality and profitability strategies, internal and external control management, and investment to identify and mitigate risks, collaborative cells, and emergency plans and strategies for adverse scenarios.

ALL OUR EMPLOYEES ARE ESSENTIAL FOR THE OPERATION AND CONTINUITY OF OUR BUSINESS. THEREFORE, THE BETTER WE GUARANTEE COMPLIANCE WITH INDIVIDUAL RESPONSIBILITIES, THE BETTER WE REINFORCE COMPLIANCE WITH THE GROUP'S BUSINESS GOALS

ESG RISK

Sustainability is a guiding principle for the global development and evolution of the financial sector. Therefore, we integrate environmental, social, and governance (ESG) factors into our operations for our business objectives while preventing reputational, legal, and market risks, protecting nature, and promoting social development. We create value and contribute to constructing Mexico's resilient and prosperous future.

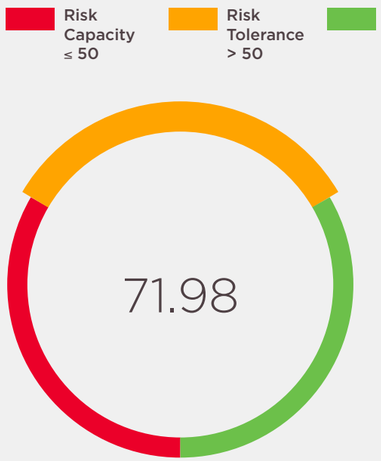
As a responsible bank, we have implemented an ESG sustainability strategy under a materiality and transparency approach. Managing ESG risks helps us define our priorities in financial practice and achieve our business goals, creating value responsibly and transparently.

SUSTAINABILITY SCORE

To internally evaluate our ESG performance, we developed a sustainability score applicable to the bank to detect risks and areas of improvement and identify ESG opportunities for the institution.

The methodology involves selecting the material indicators corresponding to each ESG pillar, which are assigned certain risk thresholds. It also incorporates external ESG (S&P Global, MSCI, FTSE RUSSELL, SUSTAINALYTICS) ratings to arrive at an overall Sustainability Score (based 70% on the internal evaluation and 30% on the external ratings). The results are presented to the Risk Policies Committee and the Sustainability Committee each year.

SUSTAINABILITY SCORE



In our 2022 Sustainability Score assessment, we obtained a rating of 71.98 points (on a scale of 0 to 100), 0.94 points better than the previous year, which is within the appropriate range of risk tolerance.*

*Sustainability Score threshold: Risk appetite>=80, 80>Risk tolerance>50, Risk capacity<=50

UPDATE PROCESS

Methodological Review
Analysis of the indicators counted in the score to determine which remain helpful and which should be eliminated.

Information Evaluation
The information was checked for coherency, completeness, consistency, and correction of measurements.

Improvements in the Score
Some adjustments were made to weighting the categories within the Banorte sustainability score pursuant to the S&P's 2022 Corporate Sustainability Assessment (CSA).

Compilation of Information
Information was compiled as of December 2021 from areas in charge of tracking and managing indicators.

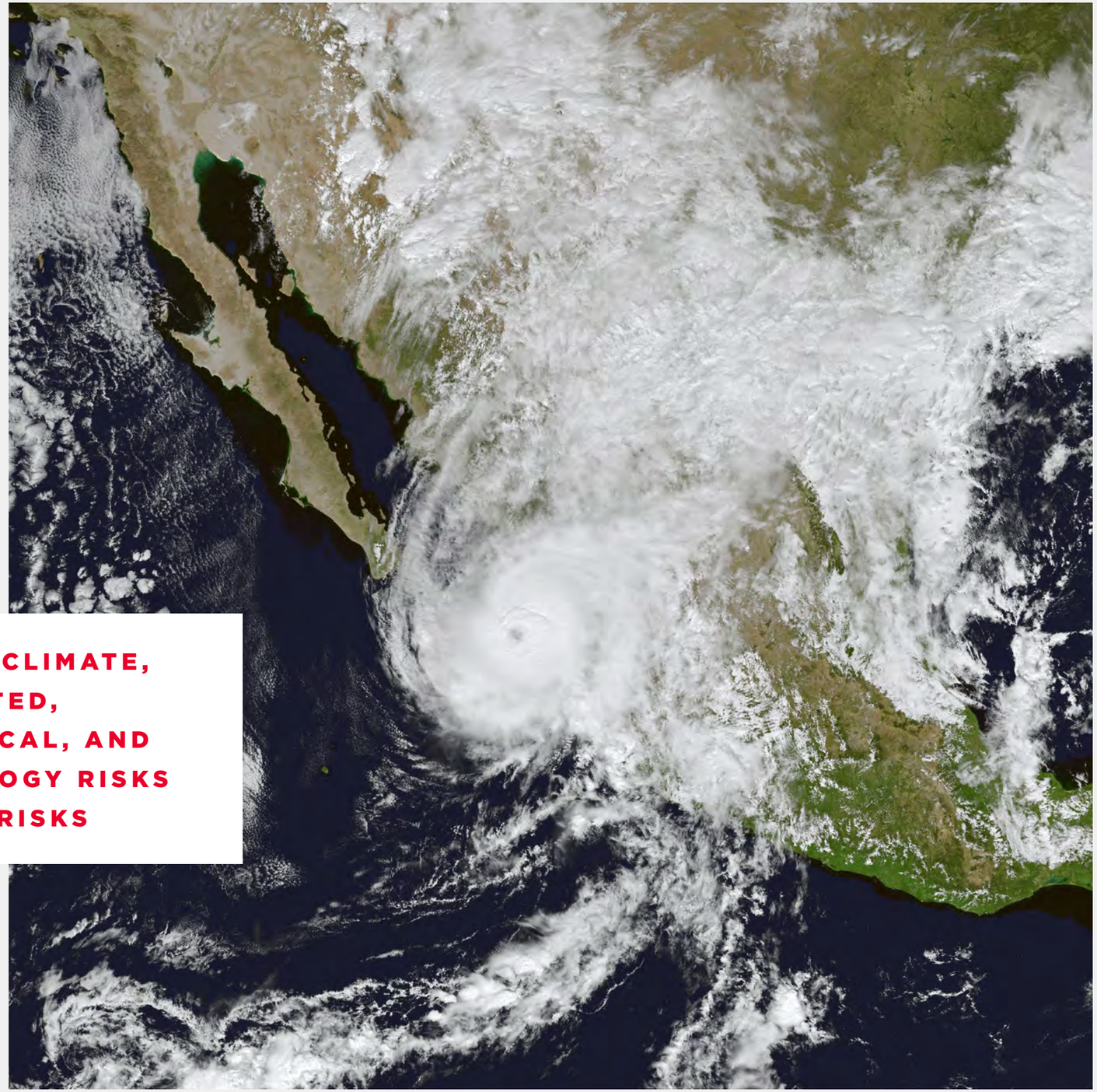
Definition of Thresholds
With the responsible areas, risk thresholds were defined with a forward-looking vision, ensuring they aligned with standards, commitments, and best domestic and international practices.

Sustainability Index
A score was assigned to each pillar, and improvements and areas of opportunities were analyzed, which resulted in the Overall Sustainability Index.

EMERGING RISKS

These risks correspond to new risks for changes in economic, political, social, cultural, natural, and even technological processes. They are characterized by the increase in the number of hazards they represent and the probability of their exposure. For this reason, their prompt identification is necessary to implement effective and timely measures.

The potential impact of emerging risks becomes significant in the long term, i.e., in the short term, the consequences are just starting. However, the future effects could significantly affect the institution's operations, even implying adapting business models and strategies.



WE CONSIDER CLIMATE, NATURE-RELATED, EPIDEMIOLOGICAL, AND NEW TECHNOLOGY RISKS AS EMERGING RISKS

CLIMATE RISK

Risks related to the physical impact of climate change and the transition to a low-carbon economy have a potential temporary or permanent effect on the institution, its funding, client activities, and communities.

Climate change is one of the most significant environmental risks the world faces today. Physical and transition risks have a substantial, unequal, eventual, or permanent impact on nature, society, and the economy. The world needs urgent and science-based collective initiatives to mitigate climate change effects to achieve a resilient, fair, sustainable, and prosperous future.

GFNorte recognizes the financial sector's responsibility to respond to this crisis, and we join the call to action, reaffirming our commitment to global efforts to limit global warming to 1.5 degrees Celsius and to elevate our climate ambition right in this decade to achieve net-zero greenhouse gas emissions by 2050 together with our employees, clients, and investors.

CLIMATE RISK AND ITS RELEVANCE ARE MATERIAL ISSUES FOR OUR BUSINESS; THUS, THEY ARE THE BOARD'S TOP PRIORITIES

To improve our corporate governance, initiatives are proposed by the Sustainability Committee, approved by the Audit and Corporate Practices Committee, implemented by our Climate Change Working Group, and supervised by the Risk Policies Committee.

The group's climate strategy is based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and on the guidelines defined by global initiatives of which we are signatories. We follow the six pillars:

01 **Governance**

02 **Strategy**

03 **Risk management**

04 **Metrics and targets**

05 **Stakeholders**

06 **Transparency**

GFNORTE'S CLIMATE STRATEGY

Governance	Develop policies, processes, and work groups on climate change to support decision-making by governance bodies and ensure that these permeate the entire organization	**CDP** **TCFD** **PRB** **PRI**
Strategy	Guarantee the group's resilience to the effects of climate change and accelerate the transition to a low-carbon economy	**CDP** **TCFD** **PRB** **PRI**
Risk Management	Analyze risks and impacts relating to climate, nature, and society, and identify opportunities under possible future scenarios	**CDP** **TCFD** **EP** **PRB** **PRI** **TNFD**
Metrics and Targets	Measure the direct and indirect impact on the group from climate change and define decarbonization targets based on science and sustainable finance	**CDP** **TCFD** **SBT** **NZBA** **PRB** **PRI**
Stakeholders	Participate actively with clients, regulatory bodies, and other stakeholders to encourage climate action	**CDP** **EP** **PBR** **PRI**
Transparency	Publicize the group's commitments and actions regarding climate change	**CDP** **EP** **TCFD** **PRB** **SBT** **PRI** **NZBA**

TCFD: Task Force on Climate-related Financial Disclosures; CDP: Carbon Disclosure Project; SBTi: Science Based Targets; NZBA: Net-Zero Banking Alliance; PRB: Principles for Responsible Banking; EP: Equator Principles; PRI: Principles for Responsible Investment; TCFD: Task Force on Nature-Related Financial Disclosures.

THE CLIMATE STRATEGY MUST BE DYNAMIC OVER TIME AND THEN MOVE GRADUALLY TOWARDS CONSOLIDATING A RESILIENT AND LOW-EMISSION ECONOMY

In 2022, the strategy focused on quantifying emissions financed by the Banorte portfolio, defining decarbonization goals in priority sectors, and analyzing physical and transition risks through developing climate scenarios and stress testing.

APPROACH 2022 OF GFNORTE'S CLIMATE STRATEGY

Quantification of financed emissions

Definition of decarbonization goals

Analysis of physical and transition risks

ANALYSIS OF PHYSICAL AND TRANSITION RISKS

PHYSICAL RISKS

They are associated with climate change, increasing the frequency of extreme weather events. They are classified into acute risks (caused by natural disasters) and chronic risks (caused by long-term changes in weather patterns). Geographical location is essential to measure physical risks correctly; this is why we conduct the following exercises:

01 **Historical analysis of hydrometeorological risks** (bottom-up approach) for the classification of the states of Mexico according to their level of risk and frequency and severity of acute events in the last 20 years that could affect our branches and (temporary lodging and mortgage) real estate portfolios.

02 **Historical analysis of cyclones** (bottom-up approach) for a more accurate evaluation (zip code location) of the mortgage portfolio guarantees and the impact of their monetary value due to tropical cyclones observed in the last 70 years.

To complement the previous analyses, an exercise was conducted with climate scenarios at different temperature increases by 2050 (up to 2 degrees Celsius considering current averages), and impacts were estimated with pilot stress testing.

These scenarios help to understand possible future climate change situations in an orderly and coherent way. Potential losses and the institution's resilience in adverse scenarios can be estimated with stress testing. We consider the relationship between temperature and the severity and frequency of hydrometeorological events in the scenarios to estimate the impact on our direct operations and the aforementioned portfolios. We also consider the impact of cyclones on mortgage guarantees in scenarios related to those of the **Intergovernmental Panel on Climate Change** (IPCC).

We included a climate scenario in the capital adequacy test (top-down approach) with acute physical risks and a short-term time horizon (3 years) affecting the macroeconomic variables used in such an exercise.

As a conclusion of the physical risk climate stress pilot testing conducted, it was determined that the institution's capital is sufficient to absorb the additional losses that would be obtained if the aforementioned scenarios occurred.

TRANSITION RISKS

These risks would involve significant political, legal, technological, and market changes to address mitigation and adaptation requirements related to climate change. They would affect nearly all economic sectors, but differently. The sectors that generate the most greenhouse gas emissions would face the most significant difficulties in the energy transition. As these risks have not yet occurred, no historical data exists to measure them. Consequently, specific economic models, risk factors, and sensitivities are applied, which are interrelated with climate scenarios such as those of the **Network for the Greening of the Financial System** (NGFS).

Due to the relevance of the oil and gas sector in Mexico as part of the energy sector and its derivatives, and considering its importance within Banorte's portfolio, the first stress testing associated with transition risks was conducted in this sector with 2030 and 2050 climate targets and current policies, delayed transition, and Net-Zero scenarios.

It was concluded that, in the medium and long term, the expected loss (maintaining the current exposure) could be of medium, medium-high, or high impact on the different economic activities of the oil and gas sector, depending on the nature and speed of the changes. However, the resulting magnitude of the expected loss impacted by the transition risks of the oil and gas sector could be absorbed by the institution's capital in the short and medium term.

Our second climate risks and opportunities report, prepared under the TCFD recommendations, describes the above process in detail click **here**.

Please refer to page **201** of the Environmental Management section for the results of the estimation of direct (scope 1), indirect (scope 2), and financed (scope 3) emissions, as well as the reduction goals.

NATURE-RELATED RISK

GFNorte understands that the loss of biodiversity, scarcity of natural resources, and alteration of ecosystems are all risks that could compromise the subsistence of all economic activities, therefore, jeopardizing customer financing. The most vulnerable companies to these risks are those highly dependent on nature and create the most significant impacts on the quantity or quality of natural assets.

We know we cannot face climate and social risks without protecting the environment. Therefore, it is urgent that we, as funding, investment, and insurance services providers, galvanize action toward an economy that generates positive impacts on nature for our operations and those of our customers.

Since 2012, nature-related risks have been incorporated into traditional risk management by implementing the Social and Environmental Risk Management System (SEMS). However, in 2021, the dependency and impact approach was incorporated into our **Natural Capital Policy**. We began the risk classification process in the Risk Manual considering the initial guidelines of the Taskforce on Nature-related Financial Disclosures (TNFD).

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

The TNFD is a global initiative aiming to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks, which aims to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

The TNFD was formally launched in June 2021 under the direction of Elizabeth Maruma Mrema, executive secretary of the United Nations Convention on Biological Diversity (CBD), and David Craig, CEO of Refinitiv and leader of the Data and Analysis Division of the London Stock Exchange Group (LSEG).

It is a market-led, science-backed initiative comprising 40 members, divided equally among financial institutions and corporates in developed and emerging markets. A diverse group of stakeholders, including governments, regulators, multilaterals, financial and commercial consortia, NGOs, groups of experts, and research organizations, informs the TNFD.

GFNORTE HAS BEEN A MEMBER OF TNFD SINCE 2020, WHEN IT PARTICIPATED IN THE INFORMAL WORKING GROUP

In 2021, the Group joined the membership of financial institutions taking part in discussions on the initiative's scope, guidelines, and metrics that will contribute to achieving the objectives. The framework is in the development process for its launch in September 2023—version v0.4 is published for consultation on the TNFD portal.

EPIDEMIOLOGICAL RISK

It is defined as the probability that a disease in a given population escalates to an epidemic or pandemic, adversely impacting the institution, financing, health, and community. Due to its significant increase in importance after the global impact of the COVID-19 pandemic and the potential threat of future similar or more aggressive pandemics, GFNorte classifies this risk as an emerging risk.

We consider human health and well-being a priority in the face of any socioeconomic activity, as any problem of this type directly affects social development, as well as the profitability and resilience of companies. The risks related to pathologies causing severe diseases for a significant population scope—to the degree of epidemics or pandemics—are a risk factor regarding our strategy. As for the threat of new COVID-19 cases and its variants or other potential diseases, epidemiological risk management aims to prevent and mitigate the effects of potential health crises on the business operation and performance and protect the employees.

Among those primarily responsible for epidemiological risk management are **the Crisis Management Team, the Recovery and Continuity Committee, the Risk Policies Committee, the HR and Medical Service Management Executive Department, the Board of Directors, the Senior Management,** and the Support Committees for the Board of Directors.

We manage and mitigate epidemiological risk through strong corporate governance, the Business Continuity Plan (BCP), the Comprehensive Health System, the Crisis Management Committee, the disclosure of relevant information to stakeholders, technological adaptation, timely identification and controlling of non-performing loans, and monitoring of risk indicators.

RISK OF NEW TECHNOLOGIES

As for the launch of our Digital Bank in 2023 at GFNorte, we are correctly preparing to manage the digital risks posed by the new business models. However, we are aware of the speed of technological change and the complexity of managing its inherent risks. Therefore, we classify the risk of new technologies as an emerging risk considering their relevance in the immediate future and our business's long-term continuity.

We recognize risks that could cause economic losses for our institution associated with implementing new technologies. Some potential impacts include new vulnerabilities, technical threats, potential economic fraud, intellectual property crimes, information privacy threats, or cyberbullying.

WITH THIS FRAMEWORK AND OUR EMPLOYEES' AND CLIENTS' SUPPORT, IT WILL BE POSSIBLE TO PREVENT AND MANAGE PRESENT AND FUTURE THREATS

STRATEGY

– Trends in Banking

– Macroeconomic Climate

– Strategy 1,2,3

– Value Creation Model

– ESG Ratings

SDG

1 2 4 5 7
8 9 10 12 13
15 16 17

BUILDING THE FUTURE CREATING VALUE

In this new era of financial services, we are ready for the next stage of digital banking. We have devised an **ambitious strategy to transform ourselves through hyper-personalized services** and a value creation model that places sustainability at the core of business to move us toward a better future.

400
North American companies interested in relocating to Mexico

Plan 1,2,3
aiming to make us the number one institution for banking in a digital world

64/100
in Dow Jones Sustainability Index MILA

BANKING TRENDS

CHALLENGES AND OPPORTUNITIES FOR BANKING IN MEXICO

In recent years, the financial sector has experienced a significant transformation worldwide, generated by technological progress, a tremendous boost from the digital economy, changes in consumer patterns, and new demographic, environmental, and regulatory paradigms. Furthermore, the coronavirus aggravated many of these changes by bringing a series of push shocks of grand proportions. Mexico has not been the exception in this evolutionary process in banking. Therefore, the sector companies have undergone several transformations to modify their value proposition.

Some of the most critical challenges arose from the arrival of new stakeholders in the market from other industries (e.g., the technology sector), which have attempted to use their characteristics and competitive advantages to offer disruptive services, thus modifying the banking business. From an evolutionary point of view, this situation has become a significant challenge for companies that still need to transform their value proposition and have been threatened by the arrival of *bigtechs* or even the emergence of *fintechs*. However, for companies such as Banorte, where we have made tremendous changes in processes and a significant investment in technology, this new paradigm has become **an excellent opportunity to make a different offer of services in favor of our customers and stakeholders.**

A PHILOSOPHY CENTERED ON THE CUSTOMER, TOGETHER WITH THE ADOPTION OF HIGH-IMPACT DIGITAL PROCESSES, ALLOWED US TO CONTINUE TAKING ADVANTAGE AND CAPITALIZING ON THE NEW CONDITIONS OF THE MARKET

To compete, most banks would have to adopt inter-industrial platforms to satisfy customers' needs in new forms characterized by greater speed, safety, ease of use, and efficiency. According to a study by *McKinsey**, a global consulting firm, in September of 2022, there were 274 Fintech Unicorns with a valuation in the market exceeding USD 1 billion, in whole, compared with only 25 companies in 2017. This situation illustrates the necessary change that the industry is experiencing.

In September 2022, there were

274

Fintech Unicorns with a valuation in the market that, on the whole, exceeded USD 1 billion

*McKinsey Quarterly (Diciembre 2022) - The Future of Banks: A $20 Trillion Breakup Opportunity.

The future of banking, both globally and in Mexico, will also be shaped by sustainability aspects. The importance of ESG policies (environment, social, and governance) is understood from a transversal aspect through financial institutions and all sectors of the economy. Based on the Paris Agreements and the most recent commentaries of COP27 in Egypt, sustainability topics must be dealt with from aspects of responsibility in investments and a different form—and much more holistic—to conduct risk management.

Apart from the prior aspects, the future of banking will also be shaped by other changes of paradigms, among them the demographic change that has also brought a change in consumption patterns. Other relevant challenges derive from cybersecurity, a topic broadly discussed in international forums (e.g., the World Economic Forum, annual meetings of the IMF, and the World Bank, among others). We in Banorte are also aware of the crucial changes in trends worldwide and their impact on the financial sector.

WE MAINTAIN OUR COMMITMENT, MOVING FORWARD FIRMLY AND WITH CONVICTION, HAND IN HAND WITH OUR EMPLOYEES, CUSTOMERS, AND THE COMMUNITY SURROUNDING US TO BUILD A BETTER MEXICO

MACROECONOMIC CLIMATE

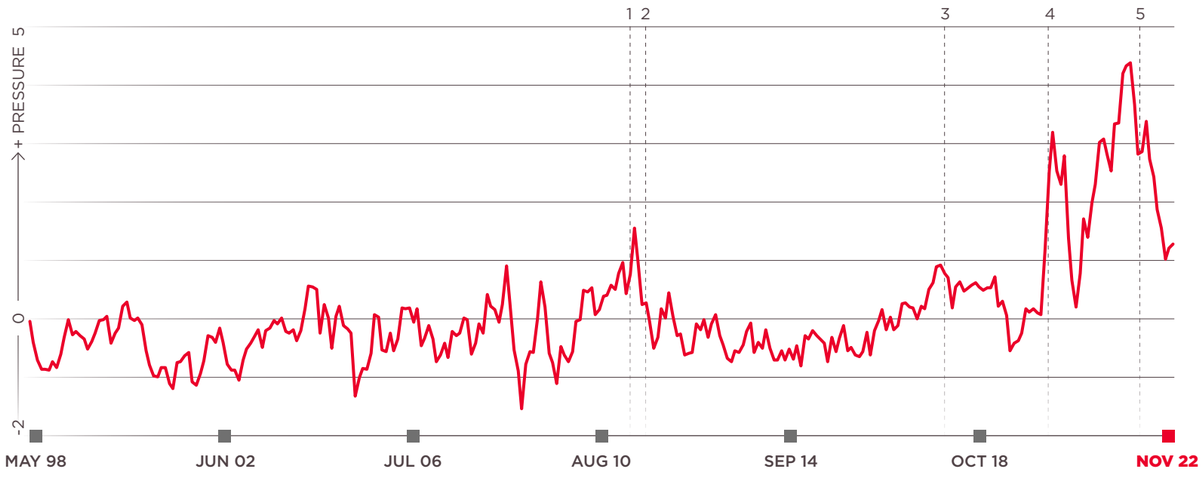
MEXICO MAY BE ABLE BETTER TO NAVIGATE THE GLOBAL RECESSION AND OTHER CHALLENGES OF 2023

2022 was characterized by significant challenges, which effects could prevail in 2023. The world faced critical inflationary pressures, not observed for several decades, which forced central banks to raise interest rates aggressively. This has increased the risks of a potential global recession during the next quarters. Likewise, geopolitical factors like the Ukraine conflict clouded the global economic scenario. On top of this, the supply chain continued to be affected by the war in Ukraine and the aftereffects of COVID-19.

According to the Global Supply Chain Pressure Index of the Bank of the Federal Reserve of New York, disruptions in the latter reached their peak in April. From that month on, the progress in vaccination campaigns, the adjustment of the population to cohabit with the virus, and the moderation in prices—in fuels, foods, logistics, and transportation, among others—suggest that the worse is over. However, some stress prevails in countries that are key in the global production of goods and international trade, such as China. This is mainly due to the problems caused due to the Zero-COVID strategy and the recent rebound in contagions after the relaxation of such measures in an attempt to boost growth.

GLOBAL SUPPLY CHAIN PRESSURE INDEX*
STANDARD DEVIATIONS

1. Earthquake in Japan
2. Floods in Thailand
3. US-China Conflicts
4. Start of the COVID19 Pandemic
5. Russian invasion of Ukraine



Note: The index is formed by a series of metrics, such as the *Baltic Dry Index, Harpex Index* and BLS transport prices, which purpose is to provide a broader scenario of the potential interruptions that affect global supply chains. Values higher than zero indicate more significant pressures than the historical average.
Source: Banorte, with data from the New York Fed.

Economic challenges in the world will be significant in 2023. The recession will probably be heterogeneous among the countries, with more significant risks in Europe than in the United States. Along these lines, the International Monetary Fund (IMF) anticipates a deceleration in global economic growth and even the risk of a "stagflation" (high inflation and stagnant growth). In 2023, an advance of 2.9% is estimated, less than 3.4% in 2022, and the historical average of 3.8% between 2000 and 2019. According to the IMF, the risk balance to the global outlook remains skewed to the downside despite some positive surprises at the end of last year.

As a result, we expect the GDP growth to decelerate to 1.5% from 3.1% in 2022. Concerning inflation, the reduction will decline gradually. After ending in 7.8% in the last year, we estimate a decline to 4.8% at the end of 2023, even above the upper part of the variability range of the central bank at 4%. Because of the above, Banco de México will keep alert and cautious. However, after accumulated increases of 6.5 percentage points in the reference rate from June 2021 to last December, the restrictive cycle will probably end in 2023 with a rate of 11.75%. A more relaxed policy could begin by 2024.

4.8%

of the estimated decrease in inflation at the end of 2023

THE TIGHT MONETARY AND FINANCIAL CONDITIONS WOULD AFFECT THE AGGREGATED DEMAND, AIDING IN THE GRADUAL REDUCTION OF INFLATION

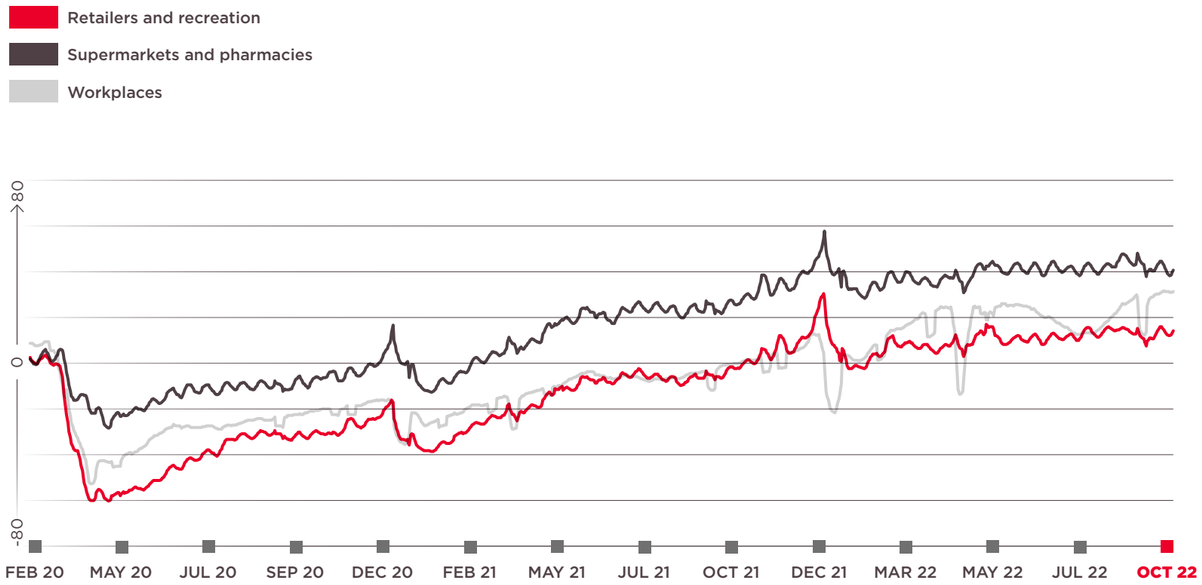
Among the main risks is the possibility of a miscalibration of monetary, fiscal, and financial policies in an environment of economic fragility and signs of market stress. However, given the differentiated nature and impact of shocks, it is likely to be a wide divergence in performance among countries. Because Mexico has a small and open economy, it will only be with these challenges.

THE TAX POLICY WILL CONTINUE TO BE MANAGED RESPONSIBLY AND WILL CONTINUE TO VEST IN MEXICO A COMPETITIVE ADVANTAGE IN TERMS OF MACROECONOMIC STABILITY

The above contrasts with some countries experiencing marked financial stress due to their high levels of indebtedness, such as Sri Lanka, Pakistan, and a series of African countries, regarding which there have been increasing calls for greater international cooperation.

On the positive side, **last year, the recovery of the economic activity in Mexico was a mild surprise,** with greater strength than that expected in domestic demand –above all, consumption– and resilience of the external –in particular, from the United States. Part of this boost came from the normalization after the initial shock of the pandemic, recalling that 4Q19 was the last period without any effects. Notably, the Mexican economy recovered all losses associated with COVID-19 through 3Q22. In turn, this **lead toward the increasing creation of employment, and profits of the wage mass,** aiding in counteracting the impact on the actual income available due to high inflation.

MOBILITY TRENDS IN MEXICO
% TO THE REFERENCE LEVEL*

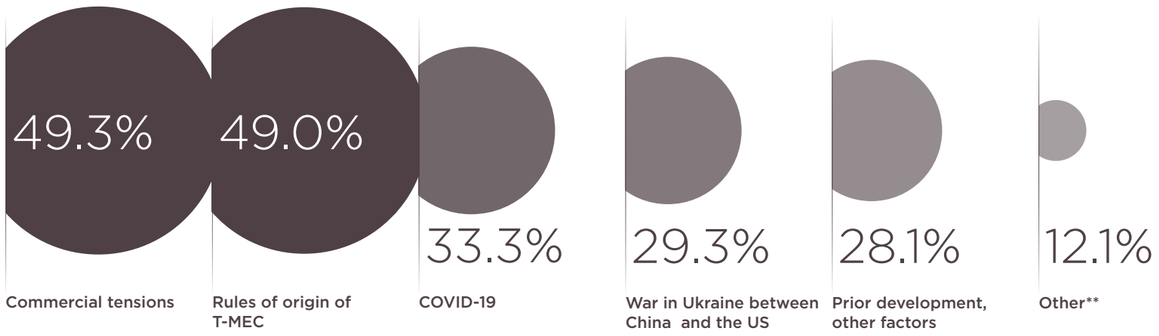


* Note: Last update: Oct 15, 2022. According to Google, the reference level represents 'a normal value' on that day of the week and between 5 weeks from January 3 to February 6, 2020. Reference levels do not consider seasonality. Source: Banorte, with Google data.

Even in this climate, opportunities are still present. For Mexico, the trend that has gained much momentum is nearshoring. This refers to the relocation of production towards the nearest places of consumption to strengthen regional channels. According to the monthly Survey of Regional Economic Activity of Banco de México, in the month of July 2022, 16% of the companies consulted with over 100 workers at the domestic level have had a benefit in their production, sales and/or investment during the last twelve months due to this phenomenon. This may be due to a more significant direct foreign investment, greater demand of the companies established in the United States, those that moved their operations to Mexico, or other Mexican companies that were indirectly bolstered.

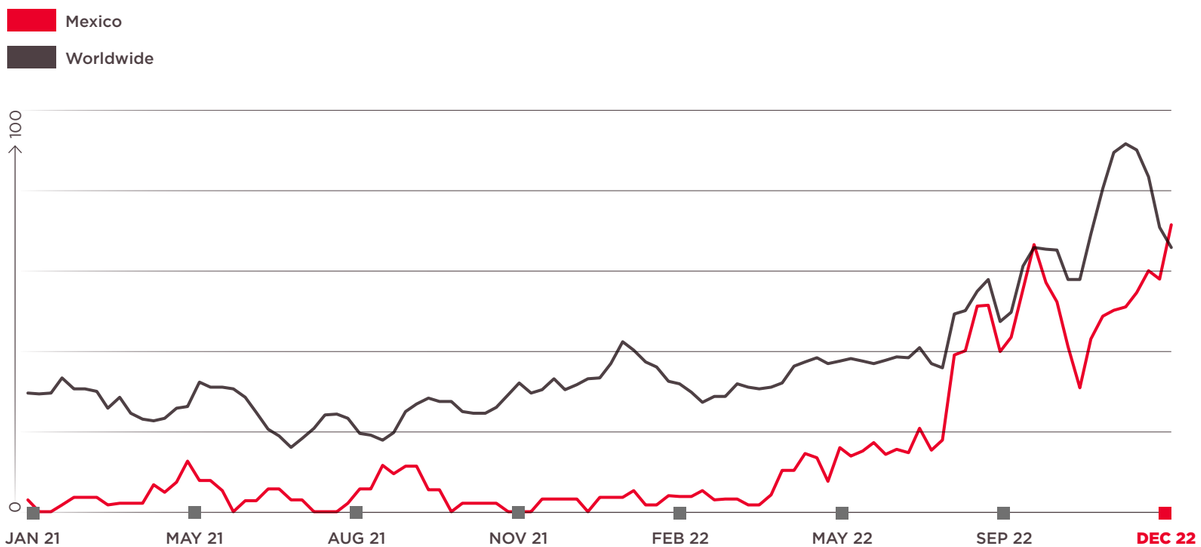
Even though the central bank warns of high uncertainty and that it will soon dimension its impact, it estimates that a growth near 2.0% could be observed in national production, with installed capacity, and of 1.5% of investment in new plants in 2023. The effect would be greater among manufacturing companies, reaching 3.4% and 3.1%, respectively. Likewise, the Minister of Economy, Raquel Buenrostro, affirmed that over 400 companies in North America are interested in carrying out a relocation process from Asia to Mexico. Some factors that explain this intense eagerness include our geographical proximity with the United States, the tensions between the latter and China, the existence of the T-MEC, the COVID-19 pandemic, and the abundant and qualified labor, among others.

REASONS FOR FOREIGN COMPANIES TO RELOCATE THEIR OPERATIONS IN MEXICO*
PERCENTAGE OF COMPANIES



* Preparation with information on the question: "In your opinion, what factor or factors would you attribute the arrival of a greater amount of foreign companies to Mexico seeking to benefit from the proximity with the United States?" of the Program of Surveys conducted by Banco de México between June 27 and July 21, 2022.
** Development before the pandemic and commercial war, as other factors. Source: Banco de México, Report on Regional Economies, April - June 2022.

A SEARCH OF THE TERM *'NEARSHORING'* IN GOOGLE TRENDS
STANDARDIZED INDEX FROM 0 TO 100*, MOBILE AVERAGE OF FOUR WEEKS



* Note: The figures reflect the search interest made by Google users daily and in weekly frequency. A value of 100 indicates the maximum popularity of the term.
Source: Banorte, with Google data.

Geopolitical events will continue to bear on the minds of decision-makers. In our country, the elections for governors of the States of Coahuila and the State of Mexico on June 4 stand out, with the voting of 27 representatives of the state Congress in the first case. Investors will also be on the watch of the evolution and eventual solution of conflicts within the framework of the T-MEC, including the energy sector. In Latin America, there will be presidential elections in Paraguay (Abril), Guatemala (June), and Argentina (October).

Also, a series of general elections in several African countries, the unstable social situation in Burma, and the potential escalation of tensions in Taiwan and North Korea are considered, to mention a few of the most outstanding areas of concern. In Grupo Financiero Banorte, our commitment to Mexico cannot be waived. **We will continue to work with dedication and effort to boost the growth and welfare of the population** by acting as influential allies of our shareholders, customers, stakeholders, and community as a whole. We are convinced that the strengths of our country, people, and employees are essential to continue achieving great success. **The global economic climate will continue to pose challenges and new opportunities.** Along these lines, we will continue innovating and evolving daily to provide speedier, safer, more competitive, and more responsible financial solutions to the environment and the evolution of our society. We are confident that, working together, we will achieve our goals, successfully satisfying the needs of our customers in an environment where change is the only constant. In this manner, we will create the future we envision.

STRATEGY 1,2,3

SUCCESSOR OF THE SUCCESSFUL PLAN VISION 20|20

In 2014, we developed the Strategic Plan Vision 20|20 to become the best financial group for our customers, investors, and employees.

Thanks to revolutionary technology and cultural transformation, we fulfilled all our goals, even one year before expected. As a result of the global pandemic, in 2021, we presented a medium-term strategy, **Plan 1, 2, 3** (effective until 2023), which shares its vision with the initial plan, consisting in being the best financial group for our customers, investors, and employees, with a mission equally ambitious, that we are sure we will be able to fulfill: being #1 for banking in a digital world, maintaining the leadership in profitability and sustainability, based on the following pillars.

PLAN 1, 2, 3: TO BE #1 FOR BANKING IN A DIGITAL WORLD

01

TO ACCELERATE THE TRANSFORMATION OF BANORTE

In GFNorte, digitalization is the how and why of the customer experience—an end-to-end seamless experience in all channels and interactions to surpass their expectations.

In 2021, we launched a **new version of our mobile banking app, Banorte Móvil**, enabling us to free up capacity in our physical channels; with this, our employees can devote more time and effort to creating added value, materialized through the initiative of **A Bank in Minutes**. This initiative consists of offering a **whole range of products through our mobile app**, minimizing the processing time, and improving the customer's experience as the primary metric and objective.

In this regard, we launched an initiative for branches whose role is essential to reach the goal of Plan 1, 2, 3. We have facilitated to these branches the means necessary to manage themselves as **multidisciplinary cells, owners of their market**, and to contribute, in the most efficient manner, to the performance of specific actions, hand in hand with all our business areas.

Likewise, reintroducing our ultimate aim of exceeding the expectations of our customs, some years ago, we established **hyper-personalization** as our banner in this quest.

02

SEEKING ASSOCIATIONS/ALLIANCES TO ASSIST OUR CUSTOMERS DAILY

In GFNorte, we know that the entrance of digital players has changed the industry's rules. Currently, the competition is focused on the customers' screen time. The differentiating factor is, and will continue to be, the data gathering and management to convert them into information to customize the offer.

In line with our **digital transformation process**, and as an essential matter, we have promoted collaboration with teams of experts that boost the modernization of our technology infrastructure.

We include the following among the alliances we have forged:

Strategic alliance with Google Cloud, aimed to catalyze the transformation, leveraging its technology to make the bank's technology environment more sophisticated—including apps, infrastructure, and databases—and strengthening our cybersecurity system.

Strategic alliance with Rappi, through which we aim to maximize the information on consumption habits and the daily activities of our customers to develop a new generation of financial services within a super app, presenting our customers' personalized offers.

Strategic alliance with Payclip, an aggregator that enables the access of banking products and services to SMEs in Mexico through innovations in payment methods based on technology solutions.

Alliance with *Tecnologico de Monterrey*, consisting of an ecosystem promoting a cashless operation in all its campuses, facilitating the financial operation of products and services for students, teachers, and employees of the TEC, based on a mobile app.

Strategic commercial alliance with TuHabi, the Spanish-speaking PropTech which, through its digital OS Platform of residential real properties, bolstered by data management technology, enables consumers of the real estate sector in Mexico and Latin America to purchase and sell properties with higher efficiency, security, and experience in the process.

03

CREATION OF A DIGITAL BANK

The third pillar of the strategy is creating a fully-digital bank that promotes a differentiated culture based on an adaptable architecture and with cloud-based services for the operation of processes dynamically and flexibly. We must highlight in this pillar the structure of variable cost, which implies zero branches, and the leverage of non-strategic supporting areas in Banorte's structure.

The development of the digital bank—authorized by the National Banking and Securities Commission, with the favorable opinion of Banco de México for its constitution— will allow us to remain current and competitive in the market, consolidating our leadership position in the Mexican market. Furthermore, it allows us to share cost-efficiencies with our customers through **reward programs, accumulating points, and benefits in opening and annual fees.**

THE CUSTOMER'S EXPERIENCE REPRESENTS THE CENTRAL PILLAR OF THIS DIGITAL INITIATIVE

Using analytics and artificial intelligence will allow us to create a business and service model based on the emotions of our customers. The ultra-personalization component of our offer will not only endow us with assertiveness. Still, it will allow us to develop differentiated products adapted to customers' changing needs, allowing us to be one step forward at all times in the detection and attention of needs.

ESG: THE KEY TO ACHIEVING A MULTIDIMENSIONAL CHANGE

For several years now, the concept of sustainability integrated into the business has become increasingly crucial to GFNorte, reflected in our growing presence in environmental, social, and governance indexes and initiatives.

Despite the progress, there is still a long way to go to convert sustainability into a generator of added value for the future. To this end, we have **aligned the ESG Strategy with Plan 1, 2, 3** to permeate such strategy throughout the business model of Banorte and promote it from the highest level of the organization.

VISION OF THE ESG STRATEGY

Sustainability is a crucial leverage in the decision-making process to accelerate the growth and differentiating factor in the industry worldwide.

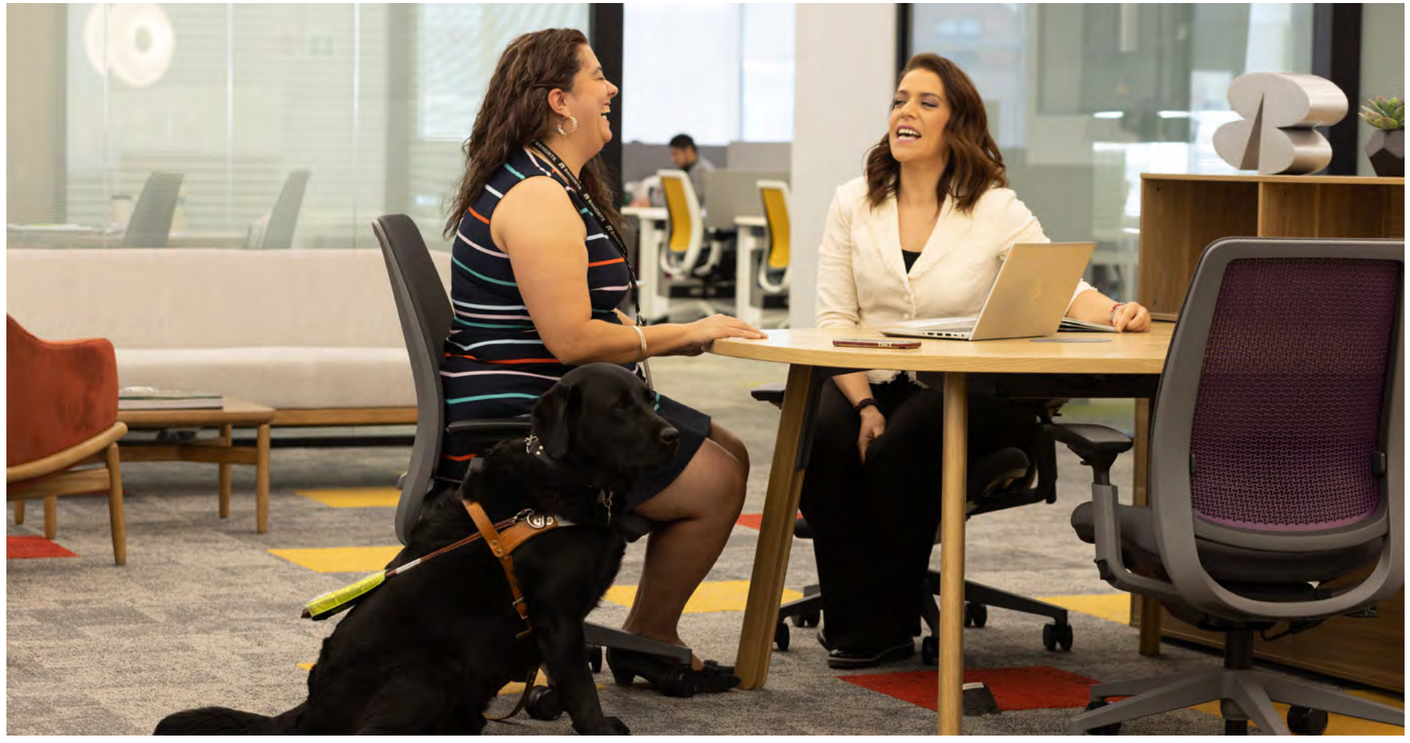
Strategic Actions

- The implementation of best practices in matters of **Diversity, Equity, and Inclusion** through the Inclusion and Gender Equity Committee.

Development of sustainable products that:

- Contribute to decarbonizing the portfolio per the market's changing needs.
- Increase the growth in the market share, focused on profitability.
- Implement a working map to establish actions allowing the achievement of specific goals for each General Division in environmental, social, and corporate governance matters.
- Create guidelines allowing the establishment of the compensation criteria in actions for Managing Directors based on achieving ESG goals.

IN BANORTE, WE ARE CONVINCED THAT THE STRATEGIC ALIGNMENT THROUGHOUT THE ORGANIZATION WILL CONVERT THE ESG STRATEGY INTO A GROWTH LEVER FOR THE FINANCIAL GROUP, ALLOWING IT TO ADD VALUE TO THE FINANCIAL ECOSYSTEM IN THE LONG TERM AND MAKE THE WORLD A MORE SUSTAINABLE PLACE



VALUE CREATION BUSINESS MODEL

CAPITALS

FINANCIAL
Funds available in the company for operation from prior income and supplemental funding sources used.

TECHNOLOGY AND INFRASTRUCTURE
Material resources required for the operation available in an accumulative manner due to the capital allocated in each fiscal year to CAPEX. Integrates the value of work centers, the infrastructure they contain, and the hardware.

MANUFACTURE
Value of products and services offered to customers in the different businesses developed by the financial group.

INTELLECTUAL
Integrates the value of the knowledge available in the company on the business and operation, including processes, products, and services; it also integrates the software.

HUMAN
Team capabilities available, including the number of employees, the time of activity, and the capabilities developed (their own and supplemented by the training offered by the company) (the techniques are integrated into the intellectual capital).

SOCIAL
Value of the trust deposited by authorities, social organizations, and citizenship. Obtained by responsibly exercising the activity, but also with the social investment measures allocated to different critical matters of the country. Integrates the performance of Fundación Banorte.

ENVIRONMENT
Integra los recursos naturales
Integrates the natural resources necessary for the operation, such as consumables and the natural environment necessary to cushion the environmental impact of the company's activities, in line with the ecological footprint concept.

CONSUMABLES

FINANCIAL
- Interest, premiums, fees, and rates
- Intermediation income
- Other operating income
- Funding available

TECHNOLOGY AND INFRASTRUCTURE
- Service Network
- Equipment of branches; terminals of correspondent offices
- Datacenters and other corporate infrastructure
- Relationship with suppliers

MANUFACTURE
- Funding products
- Credit products
- Customers' investments
- Insurance policies and coverages
- Other financial products and services
- Relationship models with customers
- Monitoring of customer satisfaction

INTELLECTUAL
- Payment systems
- Other software
- Management and self-regulation systems
- Trademarks

HUMAN
- Staff/team and time allocated
- Education and development of capabilities
- Welfare measures
- Commitment with employees
- Relationship with external allies in the operation

SOCIAL
- Fundación Banorte
- Volunteer Work
- Inclusion products
- Guild participation

ENVIRONMENT
- Energy consumption
- Water consumption and fungible resources
- Products with environmental purpose

KPI

FINANCIAL
- CAR: **22.9%**
- CET1: **15.2%**
- Total revenue: **Ps. 268.63 bn**
- Tax Rate: **24% - 26% (Guidance 2023)**

TECHNOLOGY AND INFRASTRUCTURE
- Number of points making up the network: **1,154 branches, 9,938 ATMs, 19,559 correspondents**
- Investment in Capex: **Ps. 14.53 bn**
- Information security certifications: **ISO 27001 and PCI Standards**
- Investment in technology: **Ps. 7.48 bn**

MANUFACTURE
- Number of work cells: **1,297**
- Satisfaction measurement schemes: **Net Promoter Score (NPS)**

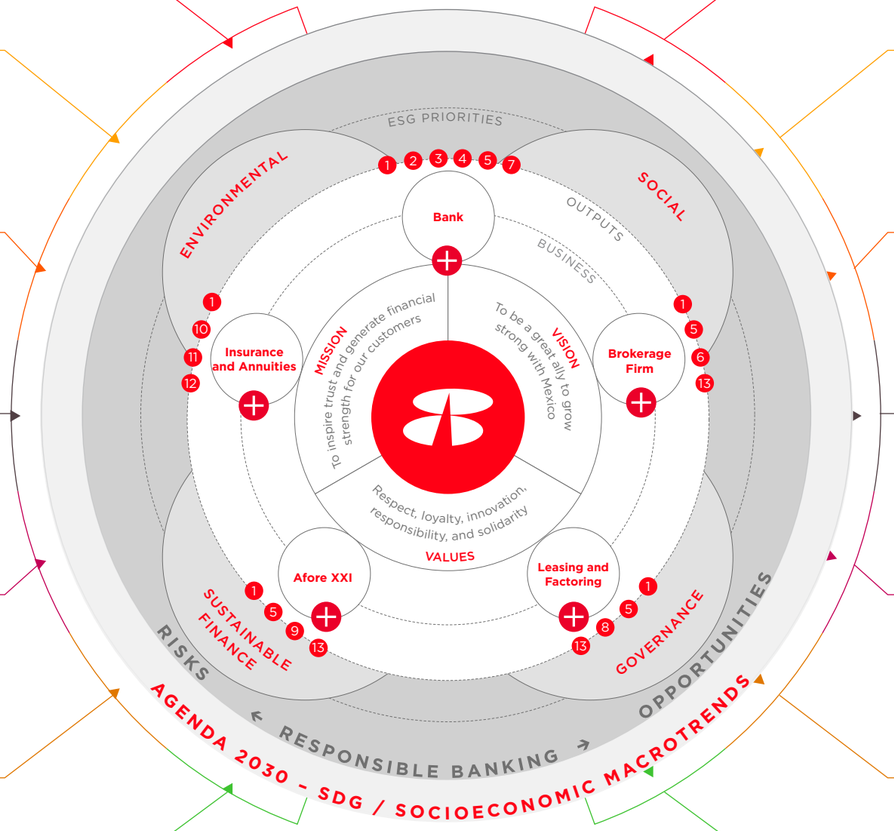
INTELLECTUAL
- Processes and quality certifications: **PCI-DSS, NYCE, ISO/IEC 27001:2013**
- Available systems and system agreements: **Google, AT&T, Mexico's national football team, Marriott, United, Rappi, CLIP, ITESM, PayPal, Radiopolis**
- Investment in I+D: **Ps. 72.47 million**

HUMAN
- Investment in training: **Ps. 185.14 mn**
- Workforce size: **30,590 employees**
- Investment in employee safety and health: **Ps. 136.37 mn**
- Wellness programs: **Portal Salud, Bienestar Banorte, Banorte Contigo, Work flexibility** (only 40% of employees)
- Correspondents: **19,559**

SOCIAL
- Funds raised by Fundación Banorte: **Ps. 140.65 mn**
- Number of partnerships for the development of social programs: **10**
- Employees with volunteer activities: **1,387**
- Financial inclusion products: **Apoyo Banorte, Banorte Fácil , Enlace Digital , Suma Menores , Mujer Banorte**

ENVIRONMENT
- Sustainable products: **Sustainable portfolio, Sustainability-related syndicated loans, SME Eco-loan, Autoestrene Verde, Hydrometeorological Insurance, Parametric Insurance**
- Subscribed environmental commitments: **Alianza para la Acción, Climática Ciudad de México, AMEBIN, CDP, Climate Action 100+, Consejo Consultivo de Finanzas Verdes, Natural Capital Finance Alliance, Net Zero Banking Alliance, PRI, Equator Principles, TCFD, TNFD, UNEP-FI**
- Energy use intensity (GJ/employee): **16.6**

BUSINESS MODEL



OUTCOMES

FINANCIAL
- Net income: **Ps. 45.41 bn +30% y/y**
- CAR: **22.9**
- NIM Group: **6.6% +58bps y/y**
- ROE: **19.4% +396bps y/y**
- NPL: **1.1%**
- Share value: **139.91**

TECHNOLOGY AND INFRASTRUCTURE
- Time for opening an account in the branch: **9 min.**
- National suppliers: **95%**
- Incidents related to customer information: **0**

MANUFACTURE
- NPS Customer Satisfaction: **75.3**
- Variation in the total number of customers (Δ22-21):
  Bank: **5%**
  Insurance: **8.41%**
  Annuities: **6.09%**
  Afore: **-1.58%**

INTELLECTUAL
- Activation of credit card in digital channels: **26%**
- Reduction of the response time of transactions in digital channels: **2 days**
- Mobile app users: **4,736,437**

HUMAN
- Promotions: **7,362**
- Women in middle and senior management: **23.8%**
- Women in the workforce: **51.5%**
- Environment results (average of 6 dimensions): **91.8%**
- Absenteeism rate index: **0.98% at the bank**

SOCIAL
- Inclusion product customers:
  Apoyo Banorte **1,575,927 accounts**
  Banorte Fácil **102,413 accounts**
  Enlace Digital **210,479 accounts**
  Suma Menores **147,931 accounts**
  Mujer Banorte **185,796 accounts**
- Beneficiaries of financial education initiatives: **1,950**
- Direct beneficiaries of Fundación Banorte: **90,652**
- Indirect beneficiaries of Fundación Banorte: **143,119**

ENVIRONMENT
- Sustainable portfolio value: **Ps. 4.07 bn** (Corporate and Commercial Banking)
- Climate portfolio value: **Ps. 3.60 bn** (Corporate and Commercial Banking)
- Hydrometeorological phenomena policies: **Ps. 795 mn**
- GHG emissions intensity (tCO_2e/employee): **1.9**
- Portfolio with measured emissions: **44.2%**

IMPACT

FINANCIAL
- Soundness in accounting balance
- Facilitates the availability of our funds and the access to capital of different nature
- Generates trust among shareholders, the remaining investors, and other capital suppliers
- Guarantees the operation in time, and the effects in the rest of the capitals

TECHNOLOGY AND INFRASTRUCTURE
- Operation of channels to serve customers
- Facilitates the performance of employees, supplementing the software integrated into the intellectual capital

MANUFACTURE
- Impacts derived from the use of products and services, including the availability of resources through savings and financing. Possibility of dealing with personal and/or corporate needs – economic and social development
- Quality in the experience of customers, integrated with the rest of the capitals

INTELLECTUAL
- Efficiency in operation. Scalability in processes
- Potential of technology through software solutions while integrating employees
- Greater scope in coverage, thanks to remote channels – supplementing the infrastructure capital
- Known trademark associated with strength

HUMAN
- Talent to develop the activities of the financial group, including relationships with customers
- Development of capabilities and professional growth of employees
- Welfare of employees
- Commitment reflected in productivity

SOCIAL
- Good-neighbor role and trust from society
- Attention to the needs of the country, with different impacts depending on these subjects
- Financial inclusion and business development with products for specific groups of people with access gaps

ENVIRONMENT
- Efficient use of resources, reduction in the generation of GHG emissions and wastes
- Environment awareness of employees and other stakeholders
- Promotion of environmentally friendly practices of customers, facilitating the undertaking of the necessary investments

SDG

- FINANCIAL: 8, 9
- TECHNOLOGY AND INFRASTRUCTURE: 9
- MANUFACTURE: 1, 2, 8, 9, 10
- INTELLECTUAL: 4, 9, 16
- HUMAN: 4, 5, 8, 16
- SOCIAL: 5, 10, 17
- ENVIRONMENT: 7, 12, 13, 15

S

- FINANCIAL: Investors, Customers, Employees, Guild authorities of the sector, Suppliers, Media, OSC, Community, Government entities
- TECHNOLOGY AND INFRASTRUCTURE: Customers, Employees, Suppliers
- MANUFACTURE: Investors, Customers, Guild authorities of the sector, Suppliers, Media, OSC, Community, Government entities
- INTELLECTUAL: Investors, Customers, Employees, Guild authorities of the sector, Suppliers, Media, OSC, Community, Government entities
- HUMAN: Employees, Suppliers, Media
- SOCIAL: Customers, Suppliers, Community
- ENVIRONMENT: Investors, Customers, Guild authorities of the sector, Suppliers, Media, OSC, Community, Government entities

ESG PRIORITIES

Environment
We implement initiatives to mitigate the environmental impact of our operations through the efficient use of resources and a culture of environmental care inside and outside the institution.

Social
We implement diverse social programs to improve the quality of life of our employees and the communities we are part of.

Governance
We have a series of principles and rules allowing the proper operation of the governing bodies of the institution, which are supplemented with solid risk management, and an efficient decision-making process.

Sustainable Finance
We incorporate the ESG factors into the risk assessment of our portfolios and the offer of products and services to contribute to sustainable development.

OUTPUTS

1. Portfolio under custody
2. Total portfolio
3. Credits
4. Combined index
5. Nonperforming loan portfolio index
6. Coverage index
7. Accident rate index
8. Income
9. Net interest income
10. Net premium income
11. Market positioning
12. ROE
13. SIEFORE

SDG

1 2 3 4 5 6
7 8 9 10 11 12
13 14 15 16 17

STAKEHOLDERS

Investors, Customers, Employees, Guild authorities of the sector, Suppliers, Media, OSC, Community, Government entities

ESG RATINGS

Different rating agencies and data suppliers worldwide constantly assess our performance in Environmental, Social, and Governance (ESG) factors to issue ratings and related opinions. We understand that standing out with good outcomes coincides with the attraction and maintenance of institutional investors interested in esg subjects.

These assessments represent a frame of reference for best practices of the sector and support the definition of our plan for continuous improvement.

THE OUTCOME REFLECTS OUR EFFORTS IN THE FACE OF EACH ONE OF THE ESG FACTORS AND OUR LEVEL OF TRANSPARENCY

Rating Agency	2020	2021	2022	Adhesion to Indexes
S&P Global – CSA	62 / 100	63 / 100	**64 / 100**	Dow Jones Sustainability Index MILA
MSCI	AA	AA	**AA**	143 sustainability indexes, ESG, SRI, or by subject
FTSE Russell	3.7 / 5	3.3 / 5	**3.7 / 5**	FTSE4Good Emerging Index FTSE4Good Emerging Latin American Index FTSE4Good BIVA
Moody´s – VE (1)	44 / 100	41 / 100	**41 / 100**	Vigeo-Eiris Best EM Performers Ranking

(1) Vigeo-Eiris (VE) assess the ESG performance biannually.

Data Provider	2020	2021	2022
CDP(1)	A-	B	**B**
Bloomberg (2)	44.2 / 100	53.0 / 100	**57.5 / 100**
Refinitiv	A	A-	**A**

(1) CDP only assesses aspects related to climate change, forests, and water.
(2) Bloomberg only assesses the transparency of ESG data. Due to changes in the assessment methodology of the supplier, the figures for 2021 and back differ from those previously published.

– Responsible Banking Approach

– Main Areas of UNEP FI Potential Impact

– Main ESG Products and Services, per Subsidiary

– Social and Environmental Credit Risk Assessment

– Responsible Investment

– Thematic Issuance

LOOKING AT
RESPONSIBLE BANKING

BUILDING THE FUTURE

PROMOTING

DEVELOPMENT

SDG

1 3 4 5 7
8 9 10 12 13

GRI

2-12, 201-2, FS2, FS5, FS7, FS8, FS9, FS10, FS11

SASB

FN-AC-410a1, FN-AC-410a2, FN-AC-410a3 , FN-CB-410a2, FN-IB-410a2, FN-IB-410a3

The responsible banking approach is a significant component of our value creation model. It is present in the development of products and services and the financing and investment based on ESG factors.

Ps. 3.61 bn
in climate portfolio

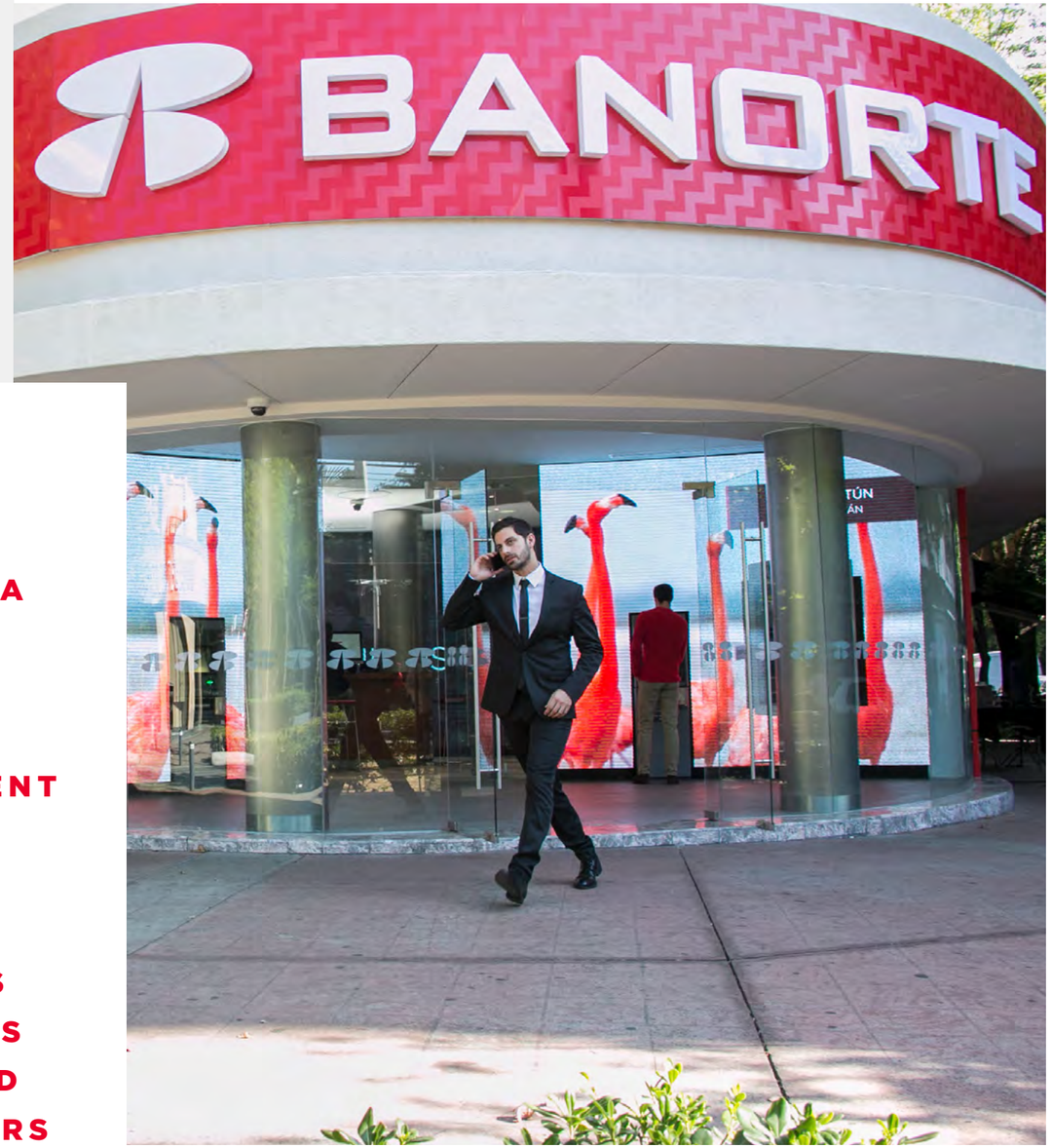
Ps. 891.3 bn
of insurable assets for hydrometeorological insurance

Ps. 19.9 bn
in financing for projects under the SEMS evaluation

RESPONSIBLE BANKING APPROACH

At Banorte, we actively contribute to the role of banking as a creator of opportunities for Mexico's economic and social development and the preservation of the environment.

WE PROVIDE VARIOUS PRODUCTS AND SERVICES THAT—IN ADDITION TO SATISFYING OUR CUSTOMERS' NEEDS—COMPLY WITH ESG CRITERIA THAT BOOST THEIR ABILITY TO BE MORE SUSTAINABLE. WE INCORPORATE THESE CRITERIA IN OUR RISK ANALYSIS AND INVESTMENT PORTFOLIO. THEREFORE, THE RESPONSIBLE BANKING APPROACH IS A SIGNIFICANT COMPONENT OF OUR VALUE CREATION MODEL. IT IS PRESENT IN DEVELOPING PRODUCTS AND SERVICES AND FINANCING AND INVESTMENT BASED ON ESG FACTORS



MAIN AREAS OF UNEP FI POTENTIAL IMPACT

In 2022, we conducted the third impact analysis exercise through the Portfolio Impact Tool developed by the United Nations Environment Programme Finance Initiative (UNEP FI). This tool uses the Holistic Impact Analysis Methodology, a process for understanding and managing real-potential and positive-negative impacts across the entire spectrum of environmental, social, and economic issues, considering the context of the regions in which the bank operates.

The methodology provides a resource map to trace relevant indicators for the various areas of impact and a point scale on the level of necessity of each by country, depending on the nature, content and geographic scope of their financing portfolios.

GFNORTE USED THE TOOL TO STUDY ITS CORPORATE BANKING AND COMMERCIAL BANKING PORTFOLIOS AS OF THE YEAR'S END, ACCOUNTING FOR 41% OF THE BANORTE PORTFOLIO

ANALYSIS OF THE IMPACT OF GFNORTE'S CORPORATE AND COMMERCIAL PORTFOLIO

	Corporate Banking	Commercial Banking
Representative industry groups	• Real-estate • Manufacturing • Transportation	• Retail • Construction • Real-estate
Significant positive impacts	• Mobility and development • Resource efficiency/ security • Economic convergence • Housing • Climate (renewable energies)	• Mobility and development • Resource efficiency/ security • Culture and heritage • Healthy and inclusive economies • Housing
Significant negative impacts	• Climate • Resource efficiency/ security • Waste • Water availability • Integrity and safety of people	• Climate • Resource efficiency/ security • Waste • Cultural heritage • Water availability
Mexico's priority impact areas	• Climate • Waste • Water • Economic convergence • Resource efficiency/security	

Through the Portfolio Impact Tool, we identified the financing sectors with the most significant positive and negative impacts as well as Mexico's priority impact areas. For Corporate Banking and Commercial Banking, the real-estate sector has the most significant positive impacts on mobility and development, efficiency and security of resources, as well as housing. Likewise, this sector negatively impacts climate, waste, and water availability in line with Mexico's priorities.

In 2023, GFNorte will update the impact analysis with the new tool published in November 2022 to set a benchmarking and then define goals to help mitigate negative impacts and maximize positive impacts involving our business areas.

For more information visit our **Principles of Responsible Banking** report.

MAIN ESG PRODUCTS AND SERVICES, PER SUBSIDIARY

GRI FS7, FS8

AS PART OF OUR COMMITMENT TO RESPONSIBLE BANKING, OUR PRODUCTS AND SERVICES PROVIDED TO CLIENTS THROUGH OUR SUBSIDIARIES CREATE A POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

CORPORATE AND COMMERCIAL BANKING

SUSTAINABLE PORTFOLIO

We aim to contribute to the global objectives allowing us to achieve sustainable development. We are confident that there are great opportunities in financing activities that positively impact society and nature. This is why we work so that our loan portfolio includes more and more projects that benefit Mexico's economic prosperity, respect for human rights, and climate change mitigation.

At the end of 2022, our sustainable portfolio in Corporate Banking and Commercial Banking was estimated at Ps. 4.07 billion, allocated to projects related to the generation of energy from renewable and clean sources, sustainable construction, wastewater treatment, as well as the reuse, recycling, and final destination of solid waste such as metals and plastics.

Despite current uncertainty over energy industry legislation, we recognize the importance of wind and solar energy to achieve a low-carbon economy. We remain committed to our renewable and clean energy clients, who contributed approximately Ps. 3.61 billion to our climate portfolio.

$4.07 billion
sustainable portfolio in Corporate Banking and Commercial Banking

$3.61 billion
climate portfolio

SUSTAINABILITY-RELATED SYNDICATED LOANS

As part of the products we offer in Wholesale Banking, we have ESG-syndicated loans within the financing conditions. During 2022, we participated, and in some cases, we have been leaders in seven syndicated loans, where the assets placed by Banorte total Ps. 13.80 billion at the end of 2022. These loans consider the exchange of information, the implementation of initiatives for continuous improvement, the definition of performance indicators, and compliance with said indicators according to several ESG factors, such as eco-efficiency, carbon footprint, circular economy, ESG certifications, human rights, diversity, equity and inclusion, and corporate governance. The foregoing reinforces the group's interest in creating synergies with our peers to promote and strengthen sustainable financing.

$13.80 billion
syndicated loans

SME ECO-LOANS

In 2018, we joined the **Green SME programs of Nacional Financiera** (Nafin) to promote financing for SMEs to operate with energy efficiency or renewable energy through the **Eco-Loan Energy Efficiency** and **the Interconnected Solar Cell Systems programs.**

The Eco-Loan Energy Efficiency program is focused on acquiring or replacing equipment and covering its installation expenses with new and more efficient technologies or improving production with the same energy expenditure. The Interconnected Solar Cell Systems program promotes financing for acquiring and installing solar systems under the distributed clean energy scheme.

As of December 2022, the Solar Cell Systems program had a balance of Ps. 9.6 million of the active portfolio, reaffirming our commitment to green financing in the SME segment.

To learn more about our **SME Loan program**, please **click here**

To learn more about our **Círculo Pyme program**, please **click here**

CONSUMER BANKING

AUTOESTRENE VERDE

Transportation is crucial for cities to mitigate their greenhouse gas (GHG) emissions and for countries to comply with international commitments. In Mexico, transportation represents the second source of GHG emissions, and private cars release 80% of these emissions.

The electrification of the transportation sector is critical to decarbonizing the economy and promoting the right to a healthy environment. Therefore, many countries have adopted electric mobility as part of their strategies to fight climate change.

In April 2022, according to Mexico's electric mobility objectives, **GFNorte launched Autoestrene Verde,** a product created for hybrid and electric vehicle financing. This product became a market leader quickly, adding to the bank's portfolio a value of Ps. 356 million.

Ps. 356 mn
in Autoestrene Verde portfolio

BANORTE TOTAL REWARDS

In 2022, customers and employees redeemed their loyalty points in the portfolio of **Products with a Cause** in partnership with:

- Amextra
- Laura Torres
- Ascalapha
- Maka México
- Bamboo Life
- Reforestamos México
- Conexión Ancestral
- Sonríe México
- Greenhug Industries
- Totally Bamboo
- Hilo de Nube

These Mexican companies make sustainable products to benefit the community and the environment.

INSURANCE

HYDROMETEOROLOGICAL INSURANCE

Our insurance subsidiary, Seguros Banorte, offers catastrophic coverage for weather-related phenomena, helping clients mitigate the physical risks of climate change, like hurricanes, flooding, storm surges, tsunamis, and hail, among others. This type of insurance is available for homes, retail, and industrial properties.

In 2022, we covered 218,075 risks throughout the country, including the zones with the most significant exposure to hurricanes—the Yucatán peninsula, the Gulf of Mexico, and the Pacific Coast. The insurable assets declared in these policies totaled Ps. 891.33 billion, with total risk retention of Ps. 85.30 billion and net premiums of Ps. 795 million.

PARAMETRIC INSURANCE

Seguros Banorte offers a parametric insurance policy with coverage against hurricanes. The parametric triggers of payment depend on the trajectory and speed of the wind—scaled at 100, 130, and 160 knots—which determines the maximum parametric payout. Parameters are graded according to the official records of the National Hurricane Center at the National Oceanic and Atmospheric Administration (NHC-NOAA).

In the event of a claim that includes any predefined parameters, our commitment is to make payment within 72 hours, regardless of whether or not there was any impact in the insured zone. This guarantees that infrastructure and natural capital impacts in the defined area can be addressed quickly.

In 2022, we are celebrating three years of serving the private and government sectors with this type of coverage. We issued five policies in various states of Mexico, with net premiums of Ps. 52 million.

Ps. 795 mn
in net hydrometeorological insurance premium

Ps. 52 mn
in net parametric insurance premium

SOCIAL AND ENVIRONMENTAL CREDIT RISK ASSESSMENT

GRI 2-12, 201-2, FS2, FS3, FS5, FS9, FS10, FS11
SASB FN-IB-410a.3, FN-CB-410a.2, FN-IB-410a.2

At GFNorte, we consider social and environmental risks as an essential part of our business strategy. Both people and nature must be at the center of decision-making. A strong culture of risk prevention, mitigation, and compensation may face present and future global threats such as climate change, loss of biodiversity, or pandemics.

Since 2012, we have implemented a **Social and Environmental Risk Management System (SEMS)** to identify, categorize, evaluate, and monitor the risks involved in Corporate, Commercial, and Infrastructure Banking financing. The SEMS is an integral part of the bank's credit process. It is based on the Equator Principles and the Performance Standards of the International Finance Corporation (IFC).

In the analysis, we identify the potential risk of the financings and apply our exclusion list. According to the magnitude of the impacts and their possibility of mitigation, we classify risks as follows: category A (high risk), category B (medium risk), and category C (low risk). Then, we choose the credits to be evaluated based on their compliance with national legislation and global standards according to their destination, amount of financing, and sector.

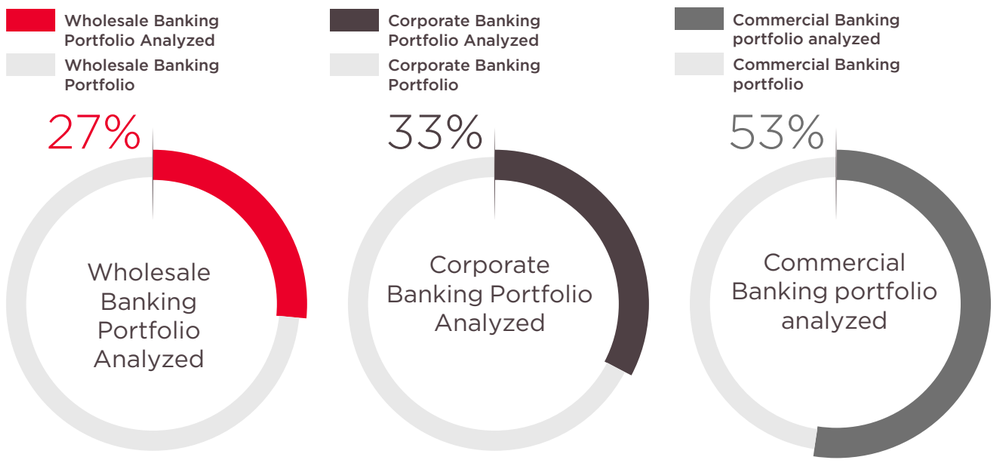
We screen investment projects, working capital, and/or bridge loans in sensitive sectors . Loans higher than USD 10 million are evaluated under the Equator Principles, loans between USD 1 million and USD 10 million under the IFC Performance Standards, and loans lower than USD 1 million through internal SEMS assessment. Finally, we manage the projects by participating in the Credit Committees, advising our clients, making on-site visits, and monitoring controversial issues.

The SEMS oversees the Social and Environmental Risk team, which reports to the Sustainability and Investor Relations Department. This team is made up of experts in the field. At the end of 2022, the team **strengthened its capacity, adding talent and experience in science, research, industry, and technology.** Thus, we confirmed our commitment to expanding the scope of the system, adopting tools, and automating processes.

[1] Sectors of industrial activity that may cause adverse environmental and social impacts in sensitive areas such as protected natural areas, indigenous communities, archaeological sites, etc. At GFNorte, we consider oil & gas, energy, agriculture, tourism, construction, and forestry as sensitive sectors.

2022 SEMS Results

Identification



Evaluation

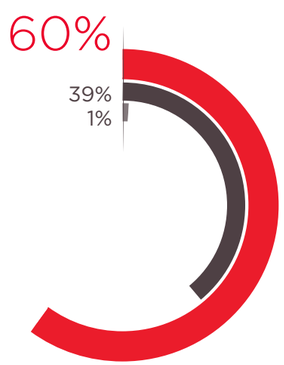
Evaluation Framework	Category A	Category B	Category C	Total
Equator Principles	1	17	1	**19**
Performance standards	0	4	0	**4**
SEMS evaluation	0	0	0	**0**

We evaluated 23 projects in the agricultural, construction, infrastructure, tourism, and oil & gas industries, representing Ps. 19.97 billion in financing.

We also analyzed 294 lower-impact loans managed through the IFC Industry-Specific Environmental, Health, and Safety Guidelines. The most representative sectors with which we share best global practices are oil & gas, construction, manufacturing, and agribusiness, and other sectors such as mining, energy, and waste, to a lesser extent.

Categorization

Low Medium High



More than half of the loans we grant were classified as low-risk, i.e., the risks they pose are non-existent, minimal, or mitigable.

Management

After the pandemic in which visiting projects was impossible, in 2022, we resumed face-to-face service to our clients. We visited eight construction and tourism projects.

Every month, we monitored the reputational exposure of 82 projects, of which only one project involved medium-risk disputes that were successfully justified and mitigated.

As of 2022, the **SEMS has been operating for ten years. We are ratifying our commitment to sustainable** financing, developing projects under rigorous social and environmental practices, and engaging with our clients. Below is a summary of the SEMS performance.

31,119
Credits analyzed

2,940
Loans managed through IFC industry health, safety, and environmental guidelines

53
On-site visits

75
Due diligence under the IFC Performance Standards and the SEMS Assessment framework

113
Equator Principles due diligence

Our stakeholders can communicate with us at **sems@banorte.com.**

SEMS: 10 YEARS AT A GLANCE

2012
- Creation of the SEMS
- Adherence to the Equator Principles

2014
- Creation of the Social and Environmental Risk Area

2015
- Integration of the SEMS processes in the Credit Manual

2016
- Start of reputational risk monitoring
- Start of visits to projects

2018
- Creation of the internal Green Taxonomy (phase 1)

2019
- Creation of the Social and Environmental, and Natural Capital Risk Policy

2020
- Participation in Credit Committees with the right to speak
- Sustainable portfolio quantification

2021
- Incorporation of the social-environmental, climate, and nature-related risk in the Risk Manual

2022
- Strengthening of the SEMS team
- Start of SEMS automation

RESPONSIBLE INVESTMENT

GRI FS-5, FS-10
SASB FN-AC-410a1, FN-AC-410a2, FN-AC-410a3, FN-IB-410a3

We are aware of the relevance of ESG factors as risks or opportunities inherent in the portfolios managed by our institution; thus, it is essential to integrate them into investment decision-making as part of our fiduciary duty to our clients. We promote the consolidation of a resilient, fair, and sustainable economic environment for society in the long term.

In 2017, we became the first Mexican financial institution to sign the United Nations Principles for Responsible Investment (PRI). In late 2020, we added two business lines independently, given the nature of their operations: **Afore XXI Banorte, as an asset holder, and Operadora de Fondos Banorte, as an asset manager.**

AFORE XXI BANORTE

At Afore XXI Banorte, we understand the importance of including ESG factors in investment decision-making processes and engagement practices with financed companies.

Our sustainable investment strategy was implemented based on two essential purposes:

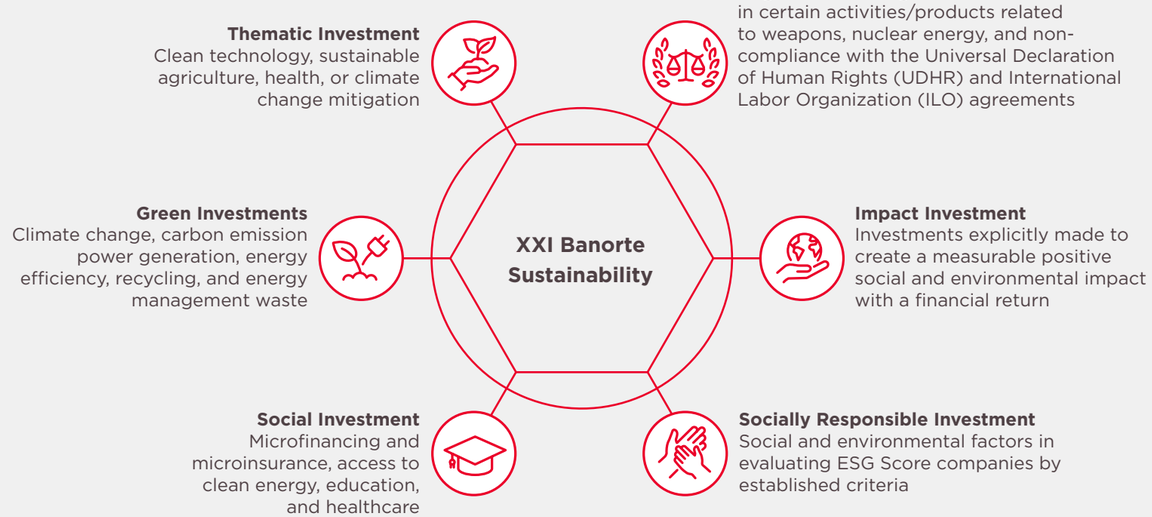
01 Offering the best returns to our affiliates by maximizing the replacement rate.

02 Fulfill our responsibility to Mexicans by investing in projects that benefit society and the environment in line with the best internationally responsible investment practices.

In addition, our holistic-approach strategy considers ESG factors—from screening investments or promoted projects to portfolio construction. It combines financial and non-financial results, complementing traditional financial analysis and portfolio construction methodologies.

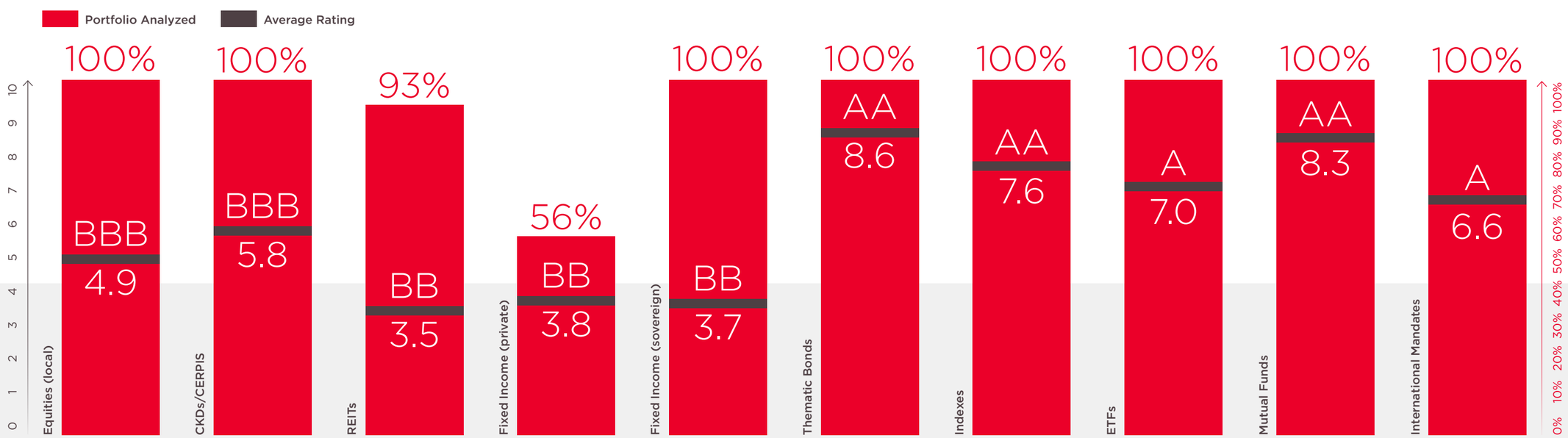
ESG INVESTMENT APPROACH

The responsible investment strategies of the portfolio are shown below:



ESG ANALYSIS

At the end of 2022, with this methodology—in addition to the information provided by the internationally renowned rating agency—we reached coverage of 96% of the assets mentioned above, an **increase of 20% vs. to the previous year in relative terms.**



ACTIVE ENGAGEMENT STRATEGY

Our engagement entails a dialogue with the financed companies in the portfolio. The objective of this strategy is to improve the environmental, social, and governance performance of companies by joining activism and exercising our right to vote and jointly collaborate through:

- **Climate Action 100+**
- **AMAFORE Responsible Investment Subcommittee**
- **Mexican Green Finance Advisory Board (SASB/TCFD)**
- **Portfolio's sustainable goals in line with the Paris agreement**

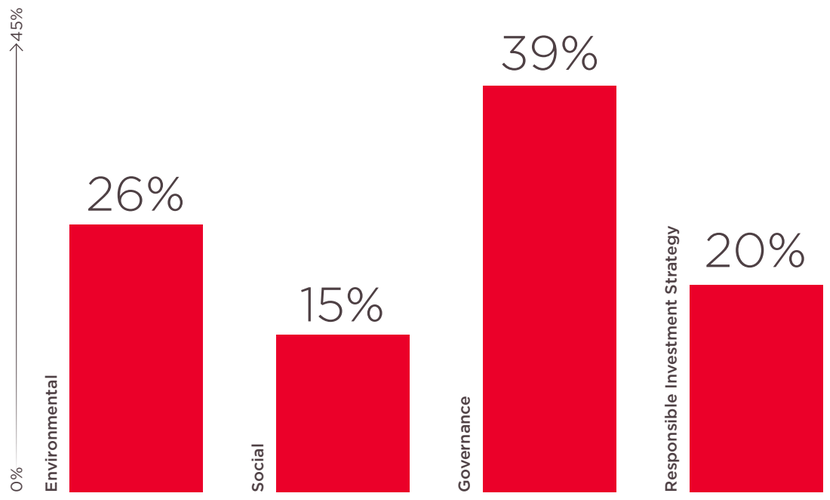
The general objectives of our strategy are:

- Promote and develop ESG factor/risk integration and management practices within the processes of promoted companies or portfolio projects.
- Disclosure and standardization of ESG information.

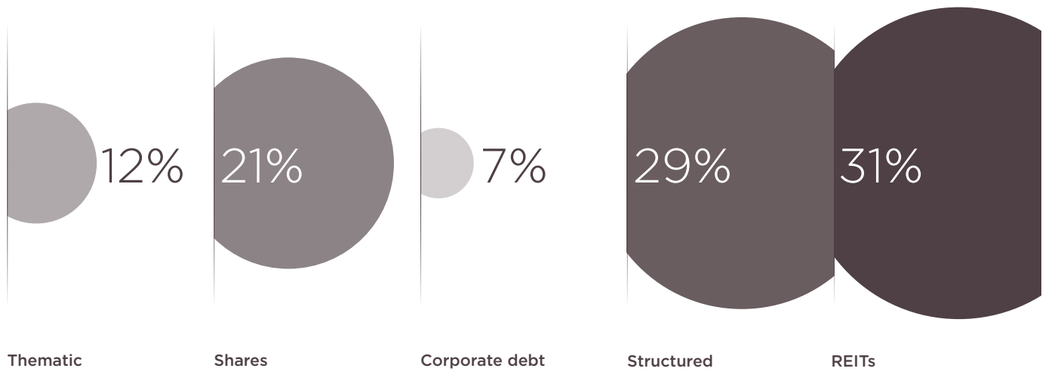
The specific objective of engagement activity is to reach a joint objective to monitor the impact and the implemented improvements or, where appropriate, the lack of them.

At the end of December 2022, as a result of active engagement, we set 121 commitments related to ESG on 20 issuers of the portfolio:

DISTRIBUTION OF ENGAGEMENT BY ESG PILLAR

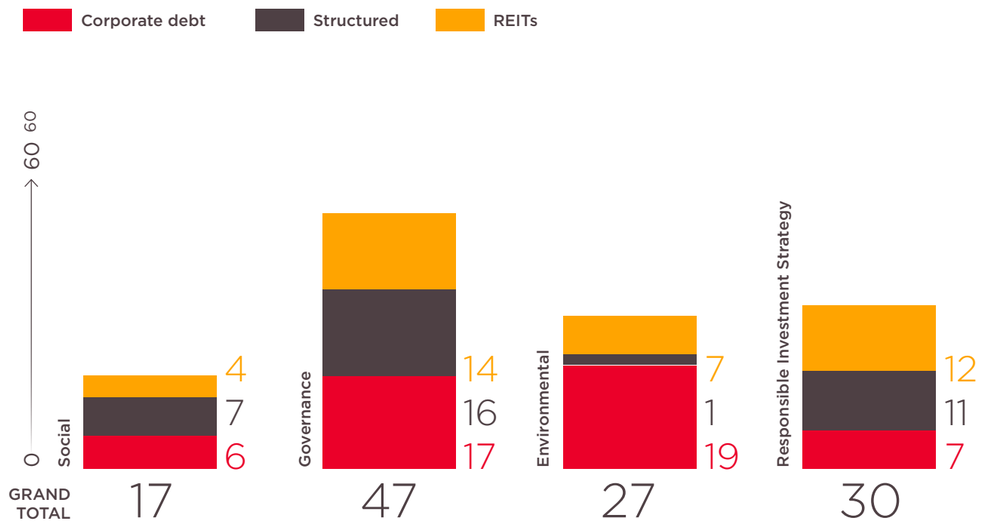


DISTRIBUTION BY ASSET CLASS

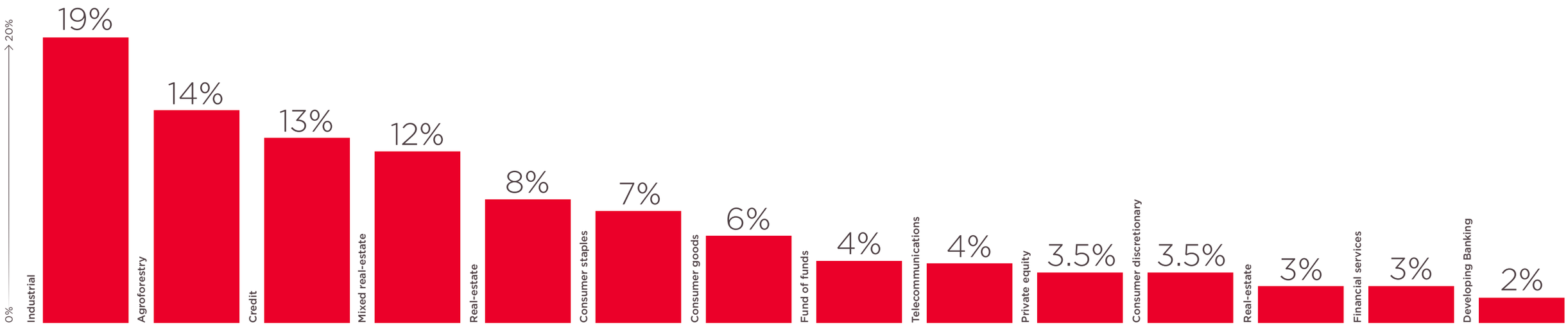


Of the total commitments, the distribution by pillar is as follows:

ESG TOPICS BY ASSET CLASS

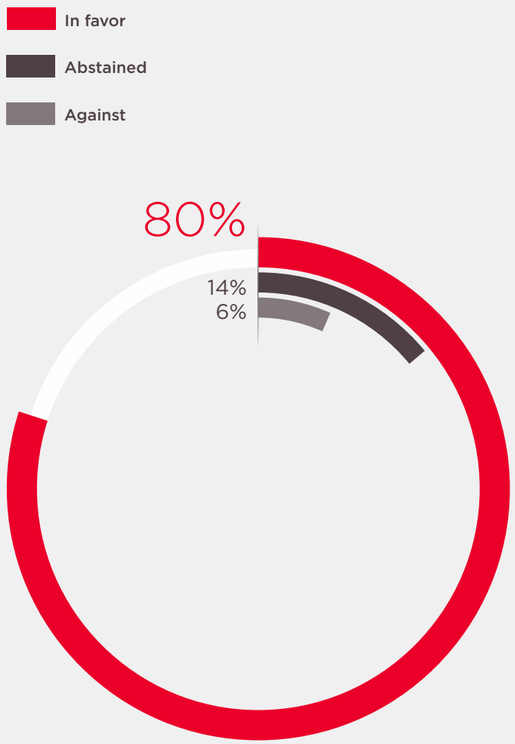


DISTRIBUTION OF COMMITMENTS BY SECTOR



VOTING STATISTICS

In 2022, Afore XXI Banorte participated in 195 sessions of general meetings and technical committees, voting as follows:



$8.55 bn
Sustainable Exchanged Traded Funds (ETFs)

PROMOTION OF RESPONSIBLE INVESTMENT

Through the Mexican Association of Afores (AMAFORE), we head the Responsible Investment Subcommittee, whose general objective is to be a common front in interpreting and adopting ESG factors and climate change issues.

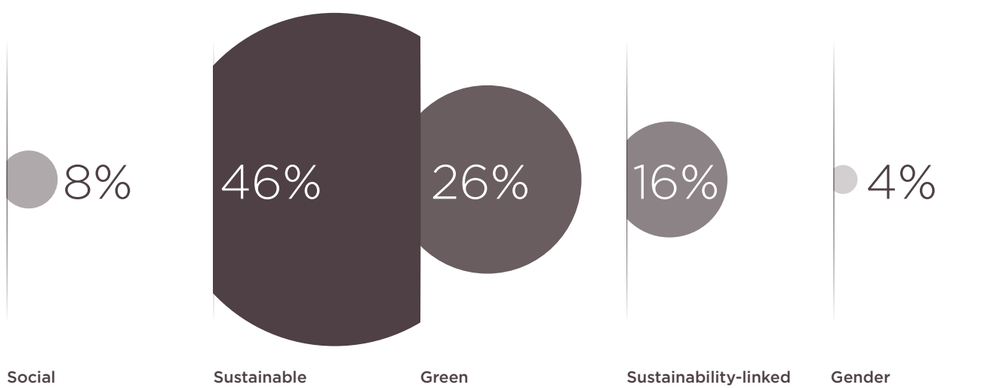
In 2022, such a subcommittee promoted the standardization of the ESG information requirement at the union level; today, public issuers of equity, fixed income, and REITs prepared a standardized questionnaire to report compliance with responsible investment criteria in the companies we invest in.

THEMATIC INVESTMENT

GRI FS-11
SASB FN-AC-410a.1

In 2022, Afore XXI Banorte's investments in sustainable financial instruments amounted to Ps. 22.76 billion in thematic bonds, Ps. 8.55 billion in Sustainable Exchanged Traded Funds (ETFs), and Ps. 22.83 billion in alternative instruments.

TYPES OF THEMATIC BONDS BY WEIGHTING



Green, social, gender, and sustainable bonds

The funds of these issuances are used entirely for projects that contribute to improving environmental conditions and promoting Mexico's social development. Some categories to which these funds are allocated:

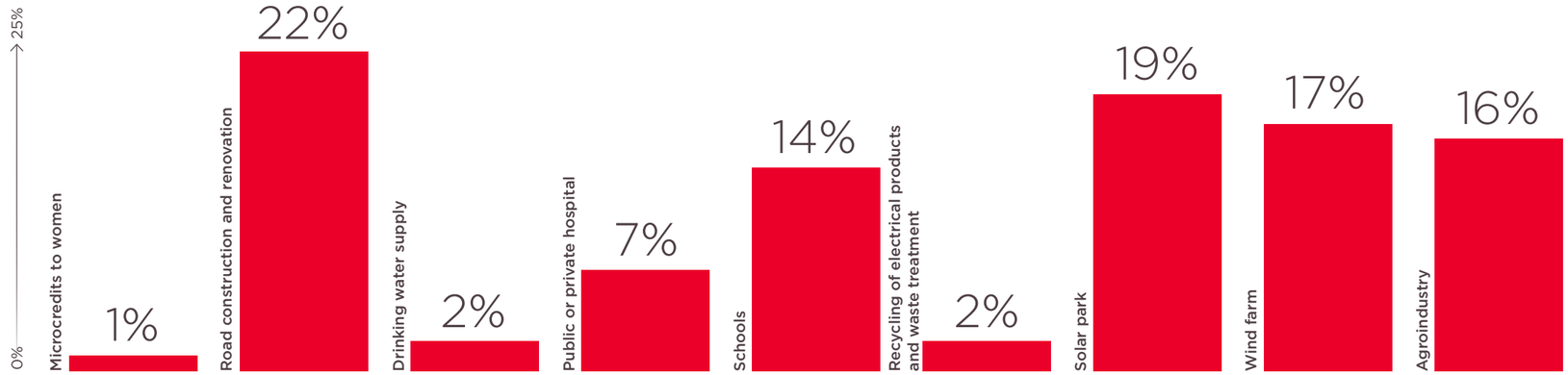
- Basic infrastructure—benefiting underprivileged people and those in extreme poverty
- Sustainable water and wastewater management
- Utility infrastructure
- Pollution prevention and control
- Natural disaster recovery
- Adaptation to climate change
- Sustainable transport
- Socioeconomic progress and empowerment
- Green buildings
- Access to essential financial services
- Renewable energy and energy efficiency projects
- SME and job creation support

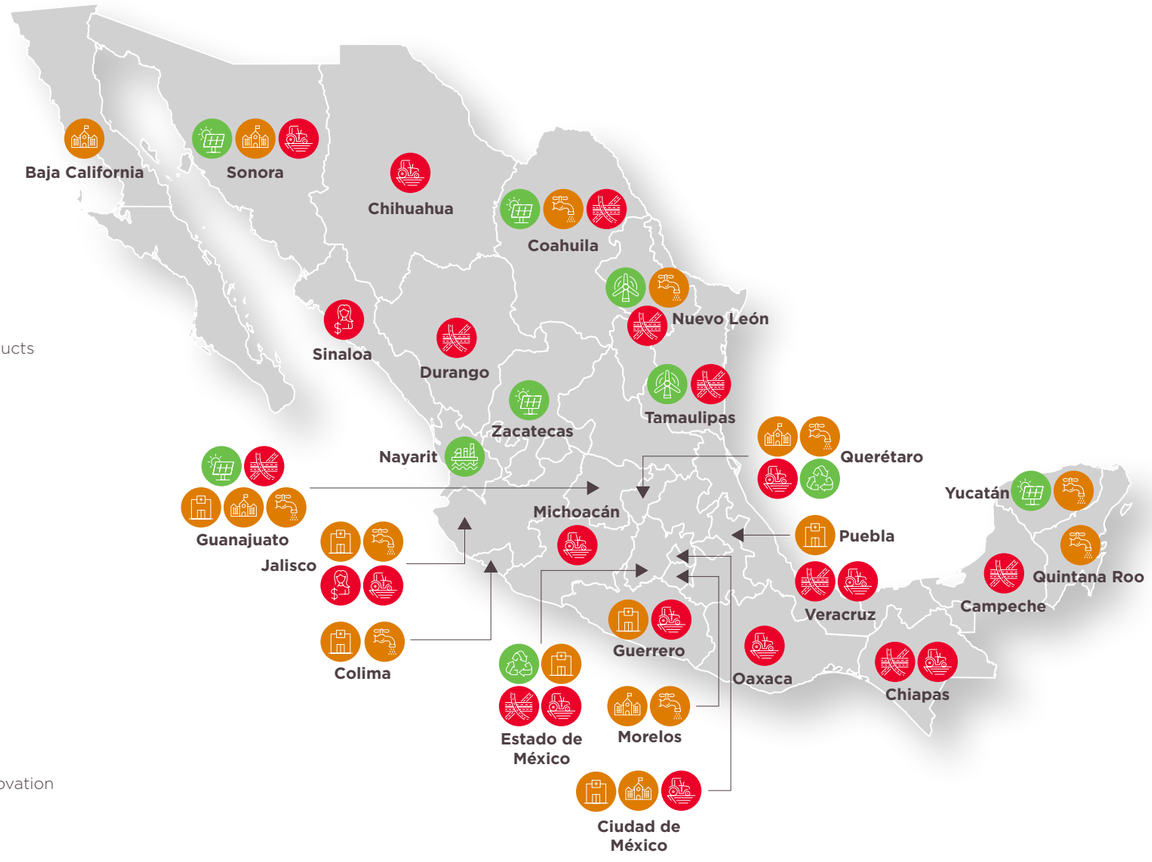
Sustainability Bonds

We participated in the market with the first sustainability bonds, seeking companies to define environmental, social, and governance (ESG) objectives. These bonuses are directly linked to a key indicator. The issuer of these bonds has relevant and material indicators aligned with the business strategy. Such indicators are measurable with a consistent and verifiable baseline methodology.

Structured Products

About 10%[2] of the Afore XXI Banorte portfolio features projects directly impacting the SDGs throughout Mexico. This is possible through investments in renewable energy generation parks, agro-industrial production fields, health & education centers, and women's empowerment programs.





Environmental

- Wind farm
- Solar park
- Recycling of electrical products
- Hydropower plant

Social

- Public/private hospital
- School
- Drinking water supply

Economic

- Microcredits to women
- Road construction and renovation
- Agroindustry

[2] Percentage considering the real possession of the assets.

Our women-focused investments are impact investments that directly contribute to the following **Sustainable Development Goals (SDGs)** approved by the UN in 2015 and the 2030 Agenda.

WE HEREBY REASSERT OUR POSITION TOWARDS SUSTAINABLE DEVELOPMENT AS WE ARE ACTIVE INVESTORS IN FINANCIAL INSTRUMENTS CREATING POSITIVE IMPACTS ON SOCIETY AND THE ENVIRONMENT

2022 SUSTAINABLE FINANCING RESULTS

CLIMATE CHANGE

Through investment in "sustainable" electrical energy production, we generated

~137 kMW

MW per year, equivalent to 3.3% of the installed energy capacity nationwide

NATURAL RESOURCES

We have achieved savings of

419 billion

liters of water, benefiting over 935,000 Mexican

SOCIAL AND ECONOMIC IMPACT

We helped build

9,017 km

of highways and paved roads, equivalent to 5% of the National Road Network

We invested in farmers that generated

17,065 metric tons

of food harvested for human consumption, capable of feeding an average of 4,250 families in one year

We helped create

3.5 million

direct and indirect jobs in Mexico, an equivalent of 6% of the country's economically active population

AFORE XXI Banorte —pursuant to its fiduciary duty and the internal responsible investment policies and guidelines— contributes directly to promoting the development of projects, businesses, and investments that foster gender equality and empower women. Through these investments, we support women based on a perspective of inclusive financing, equitable and quality education, healthy life, and the development of the female workforce.

DIVERSITY AND INCLUSION/GENERATION OF JOBS

Through the companies we finance, over

521,000

jobs for women have been created nationwide

Education and Training

- We have invested more than **Ps.3.27 million in educational** centers that provide education for women and tools to improve their professional development skills.
- Through our development capital asset managers (CKDs), **over 50,356 women have had access to quality primary, technical, professional, and higher education** provided by educational institutions nationwide.
- Through our investments, we promote access to inclusive, equitable, and quality education. In 2022, **1,945 women received educational scholarships** in different grades to complete or continue their studies.
- Several financial **education, entrepreneurship, and leadership training courses have been given to more than 1,493 women,** promoting gender equality and empowering women.

Women Entrepreneurs

- Through our thematic investments, we invested **Ps. 87 million** in women entrepreneur projects, promoting empowerment at home.

In all, we have invested more than

Ps. 4.29 bn

in different women's projects and through different vehicles

Financing for Women

- We have invested **over Ps. 358 million in financial institutions** that grant loans to working women from agricultural communities without access to funding.
- Through our development capital asset managers (CKDs), **loans have been granted to more than 2,123,695 women in rural and urban communities,** promoting their economic growth and businesses. The average amount of these credits amounts to **Ps. 1.45 billion, benefiting 20 states of Mexico.**
- We have thematic investments whose main objective is the destination of funds with a gender approach. **Through social bonds, we contribute by providing loans in productive or investment projects for micro, small, and medium-sized enterprises (MSMEs),** family businesses, associations, and organizations of women producers with exclusive participation or led by women of the agricultural, forestry, fishing, and rural sectors.

Healthcare

- We have **invested over Ps. 468 million in Mexican institutions** providing women with high-quality healthcare.

Participation of women in government bodies and senior management

- **We joined the 30% Club initiative to keep promoting female leadership.** This program is associated with the Sustainable Development Goals (SDGs), which establish that women's equality and empowerment are essential in every inclusive and sustainable development dimension. Afore XXI Banorte is based on values and principles to manage initiatives that promote gender equity. Through this initiative, **we aim at a proportion of at least 30% women representation in all senior management positions** in the Afore and our portfolio companies.
- We encouraged the inclusion of women in governance bodies of around 39 publicly traded Mexican companies and more than 40 development capital asset managers (CKDs), **resulting in the participation of 58% and 41% of women on the boards of these institutions in Mexico.**
- **58% of our investments** in public issuers have women on their boards.
- **34% of our investments in development capital asset managers (CKDs)** have at least a 30% of women in senior management positions.
- **71% of our issuers** have women within their highest governance body

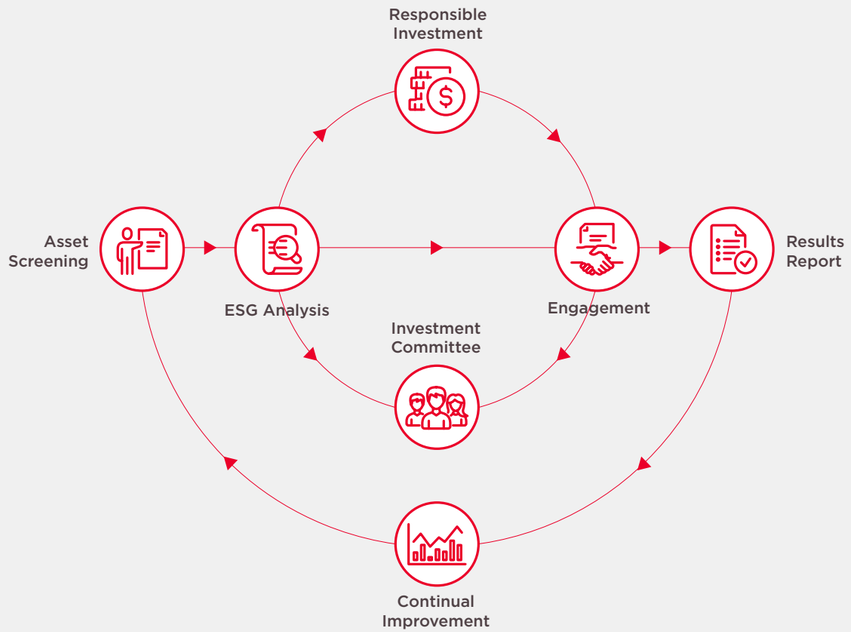
OPERADORA DE FONDOS BANORTE

At Operadora de Fondos Banorte, we have a Responsible Investment Policy setting the guidelines for incorporating ESG factors in managing investment portfolios. This policy is based on the agreements and initiatives to which Mexico and the subsidiary are committed, as well as the current applicable national legal framework and GFNorte's internal regulations. The ESG analysis procedures and engagement measures complement it.

For further information about the **Responsible Investment Policy of Operadora de Fondos, click here.**

Compliance with such policy can be verified through the **Executive Department of Sustainability** and **Responsible Investment and the Deputy Department of Asset Management.** The results of its implementation are submitted at least twice a year to the Asset Management Committee.

RESPONSIBLE INVESTMENT PROCESS OF FUNDS



WE ASSESS THE PERFORMANCE AND TRANSPARENCY OF THE MOST RELEVANT ESG FACTORS FOR EACH ISSUER INCLUDED IN THE SCOPE THROUGH AN IN-HOUSE METHODOLOGY AND OUR INDUSTRY MATERIALITY MATRIX

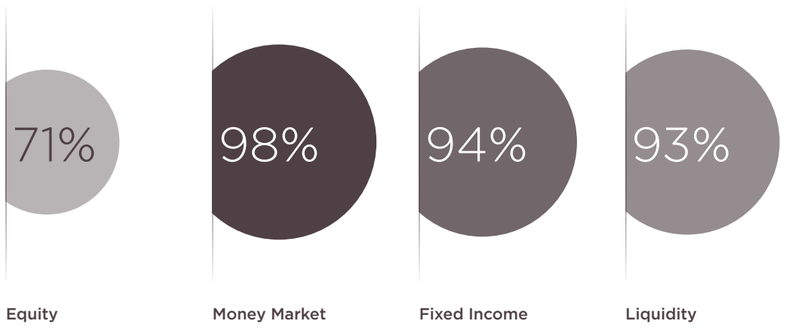
This methodology is aligned with the GRI and SASB Standards and the CDP questionnaire on climate change aspects. It is mainly fed with data from public sources and an external ESG data provider.

We assess the reputational risk of each issuer through an algorithm integrating the disputes of the relevant issuer and its exposure in the media. In 2022, we expanded the scope to new industries, having a broader portfolio coverage.

We adapted the methodology to analyze sovereign issuers. Since 2020, we have assessed the ESG performance of the countries that make up **the Latin-American Integrated Market (MILA): Mexico, Peru, Chile, and Colombia.**

In 2022, the ESG analysis coverage reached 79% of assets under management (AUM) in-house and managed by Operadora de Fondos. This figure exceeds the 50% that we define in our Responsible Investment Policy, according to the minimum requirements of the PRI initiative.

% ANALYZED BY ASSET CLASS



Mutual funds and ETFs are not analyzed.

The results of the evaluations of each issuer are used to assign an ESG performance rating of the in-house managed equity funds (NTESEL, NTEIPC+, and NTERT). Then they are submitted to the **Asset Management Committee.**

Fund	NTESEL	NTEIPC+	Benchmark (S&P/BMV IPC)
ESG Rating	60.7	61.0	58.5

NOTE: Ratings were obtained using a weighted average of each issuer's ESG ratings and their exposure in the funds. Therefore, ratings may vary over time. For issuers not assessed through the in-house methodology, ESG ratings from an external data provider with a comparable methodology were used. The NTERT fund is not comparable vs. the S&P/BMV IPC.

As Carbon Disclosure Project (CDP) investor signatories, we actively participate in the collective engagement campaigns promoted by such initiative—the Non-Disclosure Campaign (NDC) and the Science Based Targets (SBT).

NDC

This campaign aims to encourage companies to report their actions vs. climate change, deforestation, and water stress through its CDP questionnaires. For the third consecutive year, **Banorte was responsible for involving 19 Mexican companies,** of which 26% submitted the relevant CDP questionnaires.

SBT INITIATIVE

The Science Based Targets initiative (SBTi) comprises 220 financial institutions representing USD 29.3 trillion in assets and 98 multinational companies. The initiative's goal is to encourage 1,000 of the most **carbon-intensive companies globally to adopt SBT methodologies** for setting GHG emissions reduction targets. Of the SBT universe, **48 are Latin American companies, and 10 are Mexican** companies in which we have positions.

IN 2023, WE WILL FOCUS ON INDIVIDUAL ENGAGEMENT WITH ISSUERS. WE HAVE IDENTIFIED AREAS OF OPPORTUNITY REGARDING ESG DATA DISCLOSURE, QUALITY, AND ASPECTS RELATED TO CLIMATE CHANGE AND CORPORATE SUSTAINABILITY STRATEGY

Responsible invesment implementation is reflected in our NTESEL fund, which has an ESG integration strategy. The fund uses internal and external ESG data as part of the factors used in the quantitative models for asset allocation in the portfolio´s optimization. At the end of 2022, the fund´s total market value was Ps. 1.09 billion in AUM.

Since 2021, in collaboration with Franklin Templeton, we launched our NTEESG fund, which uses a positive screening strategy and comprises issuers who follow the best global ESG practices according to a highly prestigious ESG external data provider. The fund meets this subsidiary's Responsible Investment Policy guidelines and is integrated into the multi-asset strategies of its products.

With an ESG rating of 7.44 points, according to the manager's rating, the NTEESG fund is 2.5% higher than the immediate prior year's score and remains higher than the benchmark index. The fund closed the year with Ps. 1.48 billion assets under management (AUM).

Ps. 1.48 bn
in AUM of accumulated total market value (NTEESG Fund)

Ps. 4.11 bn
in AUM invested in labeled bonds and exchange-traded funds (ETFs)

We have also prepared a list of economic activities and countries ruled from the investment universe of Operadora de Fondos based on the exclusion lists of the International Finance Corporation (IFC). These lists are part of the Responsible Investment Policy and are updated every two years.

We make thematic investments in financial instruments contributing to sustainable development. This is evidenced by the Ps. 4.11 million AUMs invested in bonds and ETFs labeled at the end of 2022.

Instrument	Amount invested (Ps. mn)
Green bonds	$241
Social bonds	$437
Gender bonds	$291
Sustainable bonds	$2,593
Sustainability-linked bonds	$408
Thematic ETFs	$138

THEMATIC ISSUANCE

PLACEMENT OF LABELED BONDS

In 2022, participated as lead underwriter in 15 thematic bond tranches for five different issuers: Bancomext, Nafin, Banco Compartamos, the State of Mexico (the first for a subnational government), and the Mexican Federal Electricity Commission for a total of Ps. 41.82 billion, in which the bid-to-cover ratio averaged 1.6x.

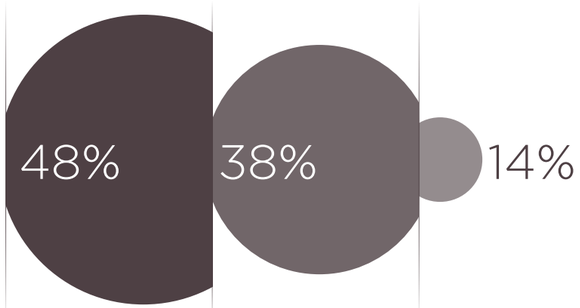
Ps. 41.82 billion
in 15 thematic bond tranches

										Local scale				
Issuer	**Ticker**	**Type of Bond**	**Sector**	**(Ps. mn)**	**Format**	**Rate/ spread**	**Issue Date**	**Term (years)**	**Bid-to-cover**	**S&P**	**Moody's**	**Fitch**	**HR**	**SPO**
Bancomext (1)	BACMEXT 22X	Sustainable	Developing Banking	3,000	TIIE+	-0.07%	Mar-22	3.0	1.4		AAA	AAA		ISS
	BACMEXT 22-2X	Sustainable	Developing Banking	3,000	TIIE+	-0.05%	Mar-22	5.0	1.3		AAA	AAA		ISS
	BACMEXT 22-3X	Sustainable	Developing Banking	4,000	Fija	8.70%	Mar-22	10.0	2.0		AAA	AAA		ISS
	BACMEXT 22X (Reap)	Sustainable	Developing Banking	1,985	TIIE+	-0.05%	Jul-22	2.7	1.3		AAA	AAA		ISS
	BACMEXT 22-2X (Reap)	Sustainable	Developing Banking	1,100	TIIE+	-0.03%	Jul-22	4.7	1.0		AAA	AAA		ISS
	BACMEXT 22-3X (Reap)	Sustainable	Developing Banking	4,115	Fija	9.02%	Jul-22	9.7	1.0		AAA	AAA		ISS
Nafin (1)	NAFR 22S	Social	Developing Banking	5,023	TIIE+	0.00%	Aug-22	3.0	1.4	AAA		AAA	AAA	Sus
	NAFR 22-2S	Social	Developing Banking	1,007	TIIE+	0.01%	Aug-22	5.0	1.9	AAA		AAA	AAA	Sus
	NAFR 22S	Social	Developing Banking	3,274	Fija	9.04%	Aug-22	10.0	1.7	AAA		AAA	AAA	Sus
Compartamos	COMART 22S	Social	Commercial Banking	2,500	TIIE+	0.60%	Aug-22	4.0	1.5	AA		AA		Sus
Edo. de México	EDOMEX 22X	Sustainable	States	2,890	Fija	11.56%	Sep-22	15.0	1.3			AAA	AAA	Sus
CFE (1)	CFE 22S	Social	Energy	2,908	TIIE+	0.48%	Nov-22	3.5	2.4		AAA	AAA		Sus
	CFE 22-2S	Social	Energy	1,333	Fija	10.82%	Nov-22	8.0	2.9		AAA	AAA		Sus
	CFE 22UV	Green	Energy	2,459	UDIs	6.30%	Nov-22	10.3	1.3		AAA	AAA		Sus
	CFE 22-2UV	Green	Energy	3,230	UDIs	6.72%	Nov-22	20.0	1.9		AAA	AAA		Sus
			TOTAL	**41,824**					**1.6**					

(1)
Issued under communicating vessels scheme

Issuance labeled as sustainable bonds represented 48% (Ps. 20.09 billion) of the total; social bonds 38% (Ps. 16.05 billion); and green bonds 14% (Ps. 5.69 billion).

BREAKDOWN BY TYPE OF BOND



All issues had a favorable report of the reference framework from a Second Party Opinion (SPO).

In addition to the sales process, **we work with our clients to meet the expectations of institutional investors,** such as answering ESG questionnaires, obtaining SPO reports, channeling Annual Sustainability Reports, incorporating ESG factors in corporate presentations, and identifying improvements—making issues more attractive.

SUSTAINABLE BOND FRAMEWORK

In 2022, we launched the sustainable bond framework in line with the Sustainability Bond Guidelines (SBG) issued by the International Capital Market Association (ICMA). This framework aims to finance or refinance eligible projects under the green and social categories set out in the document pursuant to the Green Bond Principles (GBP) and the Social Bond Principles (SBP), respectively. The framework has a favorable SPO by Sustainalytics.

For further information about our **sustainable bond framework, click here**

CORPORATE GOVERNANCE

– Board of Directors

– Regional and Local Boards

– Senior Management

– Sustainability Committee

GRI
2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 2-20, 405-1

SASB
FN-IB-330a.1, FN-AC-330a.1

BUILDING THE FUTURE WITH A SOLID AND RELIABLE MANAGEMENT

Our corporate governance is based on the **best international practices and strictly complies with current legislation**. We act with integrity, responsibility, and transparency, building and transmitting trust to stakeholders for better decision-making.

64%
are independent members

7%
are female members

98%
quorum in Board meetings

CORPORATE GOVERNANCE

Banorte is Mexico's Strong Bank, not just because of its reputation and excellence in financial services but because it applies the best corporate governance and sustainability practices, **which has earned us the recognition of Mexican and international organizations.**

Our Internal Control System ensures that we have a set of mechanisms and internal controls that permit us to state in all confidence that GFNorte and its financial subsidiaries conform to applicable regulations and also apply methodologies that make it possible to verify their compliance. On the other hand, the Audit and Corporate Practices Committee keeps the Board informed of the status of this system at GFNorte and its financial subsidiaries as well as other corporations it controls, including any irregularities detected.

GFNorte pays special attention to internal control over its transactions, from the origination, processing, and disclosure of accounting and financial information to relationships with investors, customers, and suppliers and compliance with applicable regulations.

The Code of Conduct establishes the guidelines that must be followed by board members, officers, and employees in the course of their activities and businesses; it also mandates stewardship of natural resources in the communities where we are present, and if these resources are in any way depleted, it provides for means of replacing them and/or mitigating the environmental damage.

Banorte is aware of the fundamental role we must play in transitioning toward a fair economy, efficient in its use of resources and low-carbon. Therefore, our Chairman of the Board has expressed the GFNorte's solid commitment to (environmental, social, and corporate governance) sustainability, emphasizing climate change combat and other environmental and social problems we face, participating in various forums and focusing on the Financial Group's sustainability strategy on five aspects:

01 **Climate change**

02 **Sustainable products**

03 **Financial education**

04 **Ethics, accountability, and diversity**

05 **Equity and inclusion**

THIS IS REFLECTED IN HOW WE OPERATE AND DO BUSINESS: SUSTAINABILITY IS PART OF OUR DNA

BOARD OF DIRECTORS

GRI 2-10, 2-15, 2-19, 2-20

The Board of Directors is the highest governing body of Grupo Financiero Banorte, charged with taking the actions necessary to ensure that our objectives, values, and strategy correspond to what can be expected of sound corporate governance while safeguarding the interests of shareholders, customers, employees, suppliers, and communities.

GFNorte's Board of Directors, working with the Chief Executive Officer, each in its sphere of competence, manages the group and its financial firms. **One of the primary duties of the Board of Directors is to establish general strategies for the financial institution and specific strategies for managing, directing, and executing the business of the Holding Company,** financial firms, and sub-holdings that belong to it.

To guarantee that our shareholders' interests are protected, the Board of Directors is made up primarily of independent members so that decisions can be made autonomously and possible conflicts of interest avoided. Accordingly, GFNorte's corporate bylaws establish that the Board should consist of at least 50% independent members under best corporate practices, above the regulatory minimum of 25%. Today, 64% of the Board's members qualify as independent.

The Board of Directors meets on a quarterly basis, or more often when necessary in extraordinary cases, when called by the Chairman of the Board, 25% of the regular members, or the Chairman of the Audit and Corporate Practices Committee.

The general ordinary shareholders' meeting of April 22, 2022, approved compensation for regular board members and their alternates, if any, for every meeting they attend, in the amount of two Ps. 50 gold coins, commonly known as "centenarios," at their listed value on the date of each session.

STRUCTURE OF THE BOARD OF DIRECTORS

GRI 2-9, 2-11

The Board of Directors has the following members:

10 years

Average seniority of board members

CARLOS HANK GONZÁLEZ
Mexican, 50 years old

Chairman of the Board

Years on the board: **8 years**
other board memberships: **3**
Participation as Director in another Company: **0**

JUAN ANTONIO GONZÁLEZ MORENO
Mexican, 65 years old

Regular member

Years on the board: **18 años**
other board memberships: **1**
Issuing Department: **1**

DAVID JUAN VILLARREAL MONTEMAYOR
Mexican, 74 years old

Regular member

Years on the board: **29 años**
other board memberships: **0**
Issuing Department: **0**

JOSÉ MARCOS RAMÍREZ MIGUEL
Mexican, 59 years old

Regular member

Years on the board: **11 años**
other board memberships: **1**
Issuing Department: **1**

CARLOS DE LA ISLA CORRY
Mexican, 59 years old

Regular member

Years on the board: **6 años**
other board memberships: **0**
Issuing Department: **0**

EVERARDO ELIZONDO ALMAGUER
Mexican, 79 years old

Independent member

Years on the board: **12 años**
other board memberships: **3**
Issuing Department: **0**

ALICIA ALEJANDRA LEBRIJA HIRSHFELD
Mexican, 55 years old

Independent member

Years on the board: **1 año**
other board memberships: **1**
Issuing Department: **0**

JOSÉ ANTONIO CHEDRAUI EGUÍA
Mexican, 56 years old

Independent member

Years on the board: **7 años**
other board memberships: **1**
Issuing Department: **1**

CLEMENTE ISMAEL REYES RETANA VALDÉS
Mexican, 61 years old

Independent member

Years on the board: **5 años**
other board memberships: **2**
Issuing Department: **0**

ALFREDO ELÍAS AYUB
Mexican, 72 years old

Independent member

Years on the board: **10 años**
other board memberships: **1**
Issuing Department: **0**

ADRIÁN SADA CUEVA
Mexican, 47 years old

Independent member

Years on the board: **9 años**
other board memberships: **3**
Issuing Department: **1**

DAVID PEÑALOZA ALANÍS
Mexican, 49 years old

Independent member

Years on the board: **3 años**
other board memberships: **1**
Issuing Department: **1**

ALFONSO DE ANGOITIA NORIEGA
Mexican, 60 years old

Independent member

Years on the board: **7 años**
other board memberships: **3**
Issuing Department: **1**

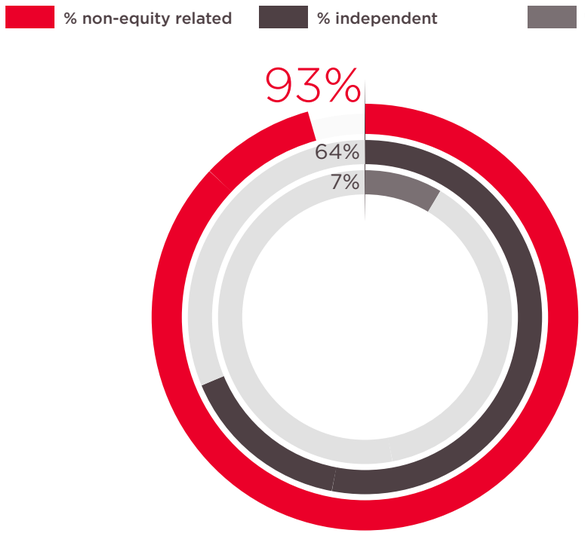
THOMAS STANLEY HEATHER RODRÍGUEZ
Mexican, 68 years old

Independent member

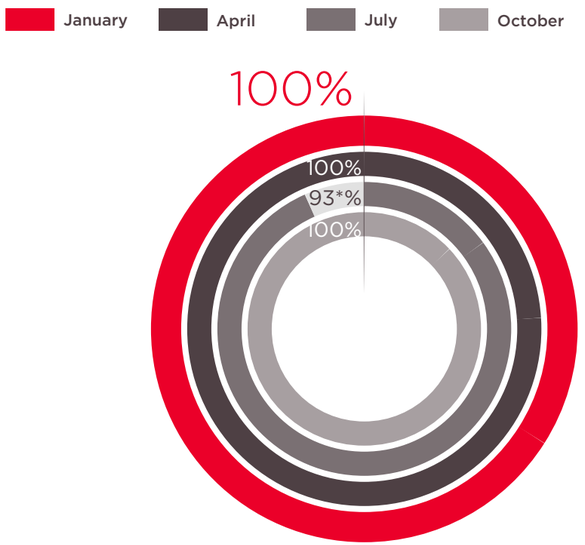
Years on the board: **6 años**
other board memberships: **2**
Issuing Department: **0**

To learn more about our Board of Directors click here.
The number of other board memberships does not include GFNorte.
Data as of December 31, 2022.

PERCENTAGE OF EXECUTIVES, NON-EQUITY RELATED, AND INDEPENDENT MEMBERS



ATTENDANCE AT BOARD OF DIRECTORS MEETINGS IN 2022



*Absence of Mr. Thomas S. Heather Rodríguez to a Board meeting.

MATRIX OF BOARD OF DIRECTORS SKILLS AND EXPERTISE

GRI 2-17, 2-18

Board members must meet minimum regulatory requirements and not be prohibited from holding the position under any of the limitations mentioned in the Law to Regulate Financial Groups (Ley para Regular las Agrupaciones Financieras) and the Securities Market Act (Ley del Mercado de Valores). Furthermore, in all cases, board members must possess recognized technical expertise, honorability, a satisfactory credit record, and extensive knowledge and experience in finance, law, or administration.

Moreover, the Nominating Committee, which has the purpose of guaranteeing an appropriate balance between knowledge, skills, qualifications, diversity, and experience among board members, designed a matrix of skills and expertise that shows the alignment of the combined capacities of the board members to consistently oversee the group's strategic goals and its various business lines.

At the beginning of 2023, we conducted an exercise consisting in rating the Board members' experience regarding specific skills in financial services provided by the financial group entities: Capital Markets, Corporate Banking, Retail and Commercial Banking, Government Banking, States & Municipalities, Private Banking, and Digital Banking. Other relevant skills were identified because of their relation to the supervision of our financial institution's businesses: Risk Management, Accounting & Auditing, Internal Control, Other Financial Branches, Strategy, IT and Cybersecurity, Human Resources and Compensation, Institutional Relations, Legal & Compliance, Regulatory Experience, Public Policy & Governance, ESG, Business Management, Corporate Governance, and International Market Experience. Under the advice of Morrow Sodali, a leading global consulting firm, each director carried out a self-evaluation process based on their level of experience regarding their responsibilities, achievements, or milestones reached, recognitions, certificates, or diplomas, with the following results:

MATRIX OF BOARD OF DIRECTORS SKILLS AND EXPERTISE

■ Expert
● Highly experienced
▲ Some experience
✓ Another experience

	Consejeros propietarios													
	Carlos Hank González	**Juan Antonio González Moreno**	**David Juan Villareal Montemayor**	**José Marcos Ramírez Miguel**	**Carlos de la Isla Corry**	**Everardo Elizondo Almaguer**	**Alicia Alejandra Lebrija Hirschfeld**	**Clemente Ismael Reyes Retana Valdés**	**Alfredo Elías Ayub**	**Adrián Sadá Cueva**	**David Peñaloza Alanís**	**José Antonio Chedraui Eguía**	**Alfonso de Angoitia Noriega**	**Thomas Stanley Heather Rodríguez**
Banking experience														
Capital Markets	■	▲	▲	■	●	■	▲	■			▲	▲	●	■
Corporate	■	▲	▲	■	●		▲	■			▲	▲	●	■
Retail	■	▲	▲	■	●		●	●			▲		▲	▲
Government	■	▲	▲	■	●		▲	▲			▲		▲	▲
Private	■	▲	▲	■	●		▲	■			▲		▲	▲
Digital and Fintech	▲	▲	▲	▲	▲		▲	▲			▲	▲	▲	▲
Other Relevant Skills														
Risk Management	▲	●	▲	●	■		●	■	■	■	▲	●	■	■
Audit and Internal Control	▲	▲	▲	▲	▲			■	■	●	■	●	■	▲
Finance	▲			▲	▲			■			▲		■	▲
Strategy	■	■	●	■	●	■	●	●	■	■	■	■	■	■
IT and Cybersecurity	▲	▲	▲	▲	▲		▲	●		▲		●	●	▲
HR Compensation	●	▲	▲	●	▲	●	●	●	■	■	▲	■	■	▲
HR Institutional	■	●	▲	●	▲		■	●	■	■	●	■	■	■
Legal and Compliance	▲	▲		▲	●			▲	■		▲	▲	■	■
Public – Regulatory	■	▲		▲	▲	■		▲	■	▲	▲			
ESG/Sustainability	■	▲	▲	●	▲		■	▲	■	■	▲	▲	●	●
Another experience														
Business Management	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Boards of Directors	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
National Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International Experience	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Profile														
Gender	M	M	M	M	M	M	F	M	M	M	M	M	M	M
Independent						✓	✓	✓	✓	✓	✓	✓	✓	✓

OTHER BOARD MEMBERSHIPS

In selecting candidates to serve on GFNorte's Board, the Nominating Committee makes an effort to ensure the active participation of all members in the Board meetings. For that reason, it permits Board members to sit on the boards of directors of other companies, provided their commitment and dedication to GFNorte are not affected. Under this rule, when a Board member is also a director on the board of a related company, they are considered to be a member of just one board.

BOARD DIVERSITY AND INCLUSION

GRI 2-10, 405-1
SASB FN-IB-330a.1, FN-AC-330a.1

For many years, GFNorte has had the policy to promote equality between men and women at all levels of the organization. One of the duties of the Nominating Committee is to promote dignity, equity, inclusion, and diversity in the composition of the Board of Directors, seeking a combination of genders, experiences, and skills necessary to lead the group's administration and strategy and to have various perspectives to enrich decision-making.

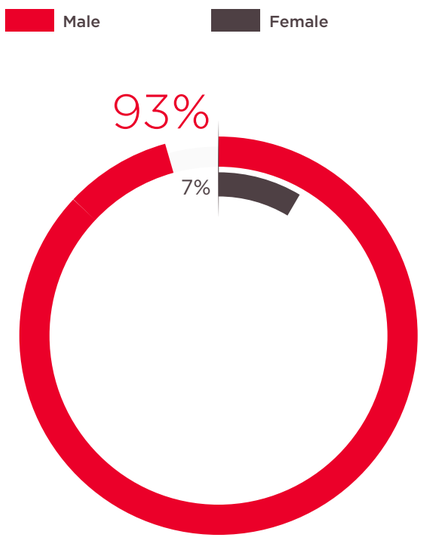
According to the shareholders' commitment to improve the Board's gender diversity and maintain its independence, on March 31, 2022, it was established that in the next Annual Ordinary General Shareholders' Meeting to take place in April 2023, the appointment of a woman to the Board would be proposed.

The selection and compensation of board members and the conditions for discharging their duties are established solely based on their merit and capacities toward the position. Also, although our institution promotes non-discrimination of culture, race, or gender, recruitment policies have been bolstered to prevent obstacles to selecting the best candidates according to their skills and contributions.

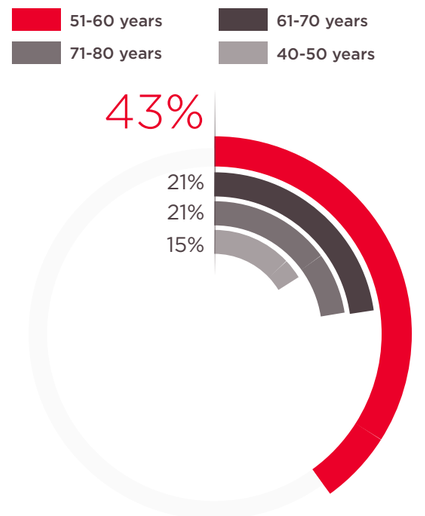
Before Board members are sworn in and begin work, GFNorte checks that each meets the requirements established in the corporate bylaws, the Securities Market Act and the Law to Regulate Financial Groups.

FOLLOWING THE GROUP'S CORPORATE BYLAWS, A GENERAL BALANCE AMONG BOARD MEMBERS WILL BE SOUGHT, CLASSIFYING THEM BY GROUPS BETWEEN FORTY AND FIFTY YEARS OF AGE, BETWEEN FIFTY AND SIXTY, AND SIXTY AND OLDER

BOARD OF DIRECTORS BY GENDER APPOINTED IN THE ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING AS OF APRIL 22, 2022



BOARD OF DIRECTORS BY AGE RANGE APPOINTED IN THE ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING DATED APRIL 22, 2022



BOARD MEMBER TRAINING

In 2022, the Board members that participate in the Risk Policies Committee and the Audit and Corporate Practices Committee took several courses on Risk Management with the following topics: a) Risks in the Electricity Sector; b) Risks in Digital Banking; and c) Risks on Trends and Challenges in the Global Financial Sector. These courses aimed to improve the directors' knowledge of risk management in these specific sectors.

Also, during the year, directors take a money-laundering prevention course and, in the case of new board members, an onboarding course.

SUPPORT COMMITTEES FOR THE BOARD OF DIRECTORS

GRI 2-9

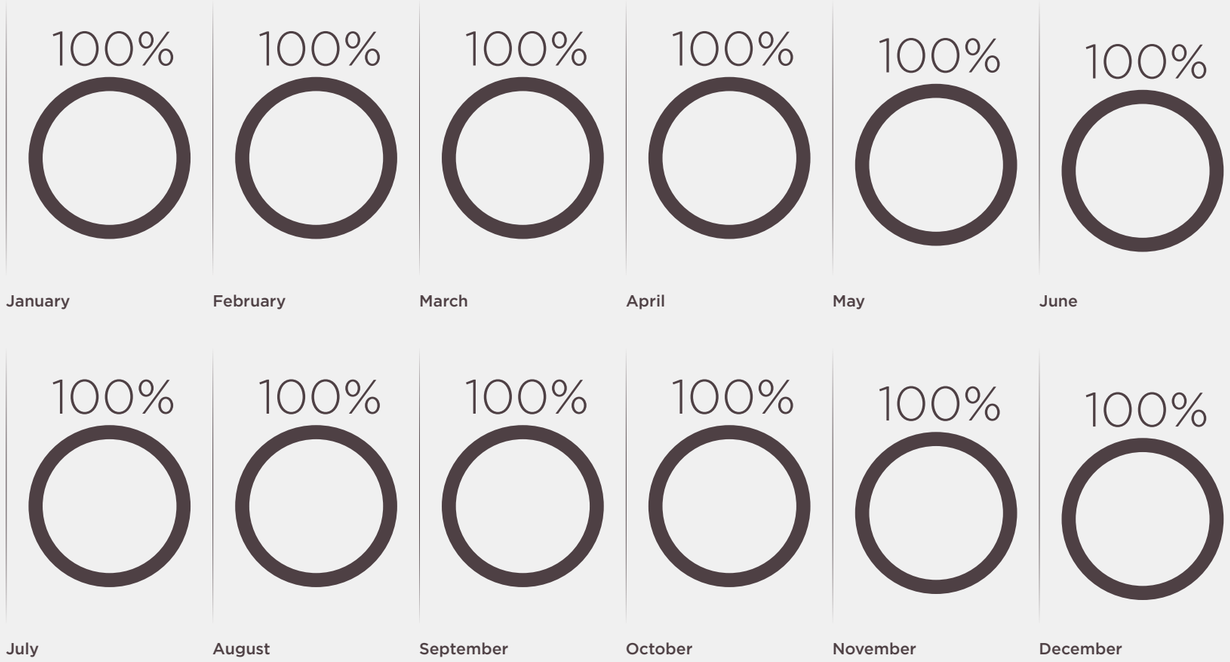
The support committees are made up of independent members of the Board and, in some cases, by executives of the institution itself or related board members, in keeping with the applicable regulations.

CORPORATE PRACTICES AND AUDIT COMMITTEE

Ordinary meetings 12 times a year; extraordinary meetings as necessary

Member	Type	Position	Committee Member Since	Executive	Non-executive
Thomas S. Heather Rodríguez	Independent member	**Chairman**	April 2016		✓
Everardo Elizondo Almaguer	Independent member	**Member**	April 2021		✓
Clemente I. Reyes Retana Valdés	Independent member	**Member**	April 2017		✓
Alicia A. Lebrija Hirschfeld	Independent member	**Member**	April 2022		✓
Diego Martínez Rueda-Chapital	Independent alternate	**Member**	April 2021		✓

ATTENDANCE AT AUDIT AND CORPORATE PRACTICES COMMITTEE MEETINGS IN 2022

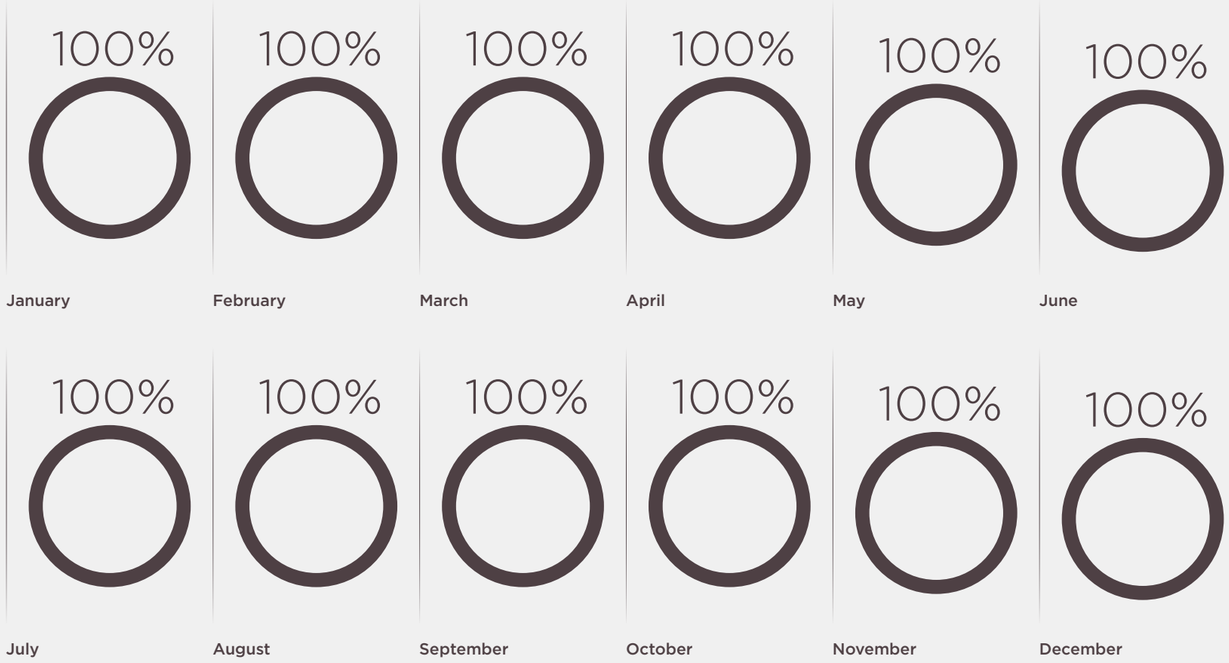


RISK POLICIES COMMITTEE

Ordinary meetings 12 times a year;
one extraordinary meeting

Member	Type	Position	Committee Member Since	Executive	Non-executive
Carlos de la Isla Corry	Regular member	**Chairman**	April 2019		✓
Clemente I. Reyes Retana Valdés	Independent member	**Member**	April 2019		✓
Everardo Elizondo Almaguer	Independent member	**Member**	October 2010		✓
Thomas S. Heather Rodríguez	Independent member	**Member**	April 2016		✓
Diego Martínez Rueda-Chapital	Independent alternate	**Member**	April 2021		✓
José Marcos Ramírez Miguel	CEO, GFNorte	**Member**	November 2014	✓	
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit/ Comprehensive Risk Management Unit	**Member**	April 2019	✓	

ATTENDANCE AT RISK POLICIES COMMITTEE MEETINGS IN 2022

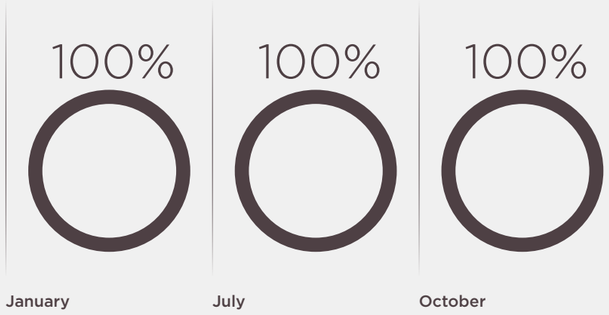


HUMAN RESOURCES COMMITTEE

Meets four times a year

Member	Type	Position	Committee Member Since	Executive	Non-executive
Everardo Elizondo Almaguer	Independent member	**Chairman**	January 2011		✓
Thomas S. Heather Rodríguez	Independent member	**Member**	April 2020		✓
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit	**Member**	April 2020	✓	
Javier Beltrán Cantú	Chief Administrator and Human Relations Officer	**Member**	April 2016	✓	
Rafael Arana de la Garza	Chief Financial and Operating Officer	**Member**	April 2016	✓	
Isaías Velázquez González	Chief Audit Executive	**Guest**	April 2016	✓	

ATTENDANCE AT HUMAN RESOURCES COMMITTEE MEETINGS IN 2022



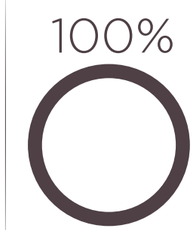
*The meeting was not held in April as there were no issues to discuss then. This was entered accordingly in the minutes of that date.

NOMINATING COMMITTEE

Meets at least once a year or when called by its Chairman.

Member	Type	Position	Committee Member Since	Executive	Non-executive
Carlos Hank González	Regular member	**Chairman**	November 2014		✓
Juan Antonio González Moreno	Regular member	**Member**	November 2014		✓
José Marcos Ramírez Miguel	Regular member	**Member**	November 2014	✓	
Everardo Elizondo Almaguer	Independent member	**Member**	January 2015		✓
Alfonso de Angoitia Noriega	Independent member	**Member**	July 2016		✓
José Antonio Chedraui Eguía	Independent member	**Member**	July 2016		✓
Thomas S. Heather Rodríguez	Independent member	**Member**	July 2016		✓

ATTENDANCE AT NOMINATING COMMITTEE MEETINGS IN 2022



March

REGIONAL AND LOCAL BOARDS

The Regional Boards were created in 2011 to provide opinions and advice to the Chairman of the Board and the Chief Executive Officer of GFNorte regarding key aspects and opportunities in various regions of the country. They also serve as channels for communication with the rest of the business community, creating ties for developing sustainability-related projects.

They meet twice a year or whenever called by the Chairman of the Board of Directors of GFNorte. In their meetings, members debate Mexico's current economic and social issues; discuss topics relating to the institution's activities in that zone and weigh opinions on products and/or services that best meet market needs, always prioritizing dialogue.

In 2022, the Regional Boards comprised 285 entrepreneurs and persons from 29 states of Mexico from nine different economic sectors. Participation of women in the boards is still promoted, at present, 9% of the total percentage.

On the other hand, the Local Boards—created to complement the purpose of the Regional Boards geographically—comprise 764 members from various business segments and are present in the 32 states of Mexico.

With the COVID-19 health emergency still present in 2022, we decided to keep Regional Boards meetings virtual with the members of the 33 Local Boards for the first time. There were two meetings, the first one on April 27 and the second on October 31, with the participation of the speakers Leonardo Curzio and Luis Miguel González, respectively.

By the end of the year, with lower COVID-19 infections and considering local meetings with a lower quorum, the face-to-face sessions of the Local Boards were reactivated in October and November in Aguascalientes, Chiapas, Michoacán, Morelos-Guerrero, Puebla-Tlaxcala, Querétaro, Tabasco, Veracruz, and Zacatecas.

IN 2023, THESE ACTIONS WILL PERMANENTLY BE FOCUSED ON HAVING FEEDBACK FROM THE REGIONAL AND LOCAL DIRECTORS TO CONTINUE BUILDING THE FUTURE WE ENVISION

COMPOSITION OF REGIONAL AND LOCAL BOARDS

6 Regional Boards

29 States | 52 Cities

285 board members

260 | 25

Average age: 58 years

33 Local Boards

32 States | 106 Cities

764 board members

709 | 55

Average age: 58 years

9 Economic sectors:

1. Agriculture
2. Trade
3. Communications and Transport
4. Construction
5. Education
6. Manufacturing
7. Mining and Steel
8. Services
9. Financial Services

SENIOR MANAGEMENT

Grupo Financiero Banorte Senior Officers	
Name	**Title**
José Marcos Ramírez Miguel	Chief Executive Officer
José Armando Rodal Espinosa	Managing Director, Wholesale Banking
Mario Alberto Barraza Barrón	Managing Director, Retail Banking
Fernando Solís Soberón	Managing Director, Product, and Segment Development
Carlos Eduardo Martínez González	Managing Director, Government Banking
José Francisco Martha González	Managing Director, Digital Businesses
Rafael Arana de la Garza	Chief Operating Officer & Chief Financial Officer
Gerardo Salazar Viezca	Managing Director, Risk Management and Credit
Javier Beltrán Cantú	Chief Administrative Officer
Héctor Ávila Flores	Chief Legal Officer
Isaías Velázquez González	Chief Audit Executive

EXECUTIVE COMPENSATION

Banorte's corporate solid governance oversees the compensation of the executive group, emphasizing competitiveness, retention, and alignment with the interests of our investors.

Compensation levels are determined according to the market research provided by renowned and prestigious consulting global firms Willis Tower Watson and Korn Ferry. The benchmarking considers both financial institutions and other sector entities with Banorte's similar sizes and management.

The compensation structure of the relevant executives of the group is shown in the following chart. The following items were considered within the paramount compliance KPIs:

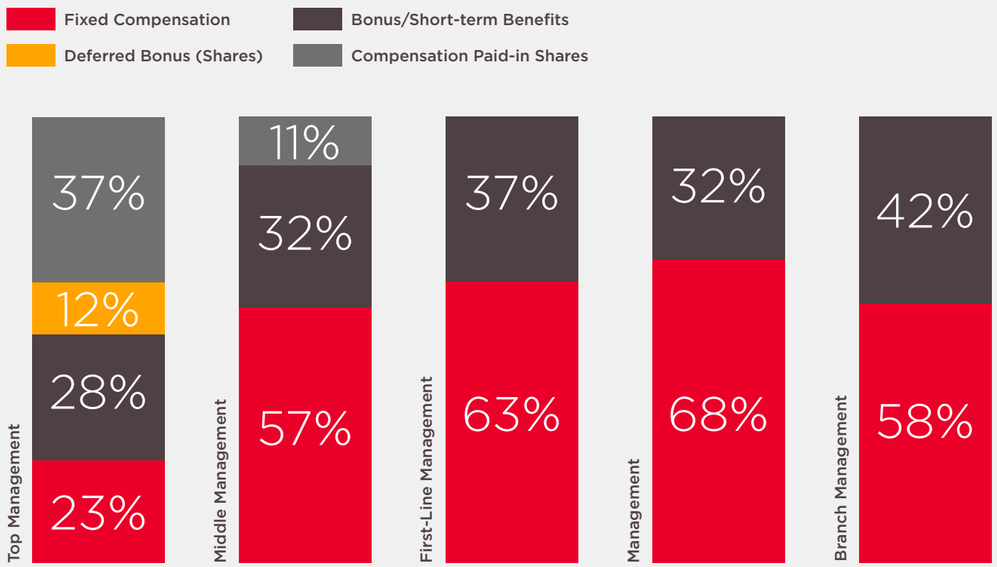
01 **Compliance with the strategic plan**

02 **Net Income**

03 **ROE**

04 **Efficiency ratio**

EXECUTIVE COMPENSATION MIX | GRI 2-19, 2-20



The Human Resources Committee approves the delivery of deferred bonuses and assigning retention and performance plans in shares.

Also, this committee oversees compliance with the policies and procedures of the Compensation System so that when measuring the performance of executives, the current and potential risks inherent to each employee's role are considered. (Credit, Market, and Regulatory/Operational Risks)

SENIOR MANAGEMENT COMPENSATION

GFNorte's compensation system is based on the duties, policies, and procedures established by the institution. Employees' fixed and variable compensation is determined based on their performance and the achievement of institutional goals.

The Compensation System, whose main objective is to ensure the evaluation of risks and results over a reasonable period of time, includes the CEO of GFNorte, four managing directors in charge of the business areas, 16 deputy managing directors in charge of risk-taking areas, and eight territorial directors.

As part of our long-term compensation policy with a retention perspective, we have implemented a unique share plan for executives. They can be eligible for such a plan based on their role, experience, and contribution with a minimum share of 0.5 times the salary.

As part of the compensation strategy, the annual bonus is subject to at least GFNorte's 80% compliance with its annual profit goal. Payment of this bonus also depends on how well within budget each business unit ends the year and each employee's performance evaluation. The adjustment in the deferred portion of the bonus depends on the evaluation by the **Compensation Committee.**

The **Compensation System** defers a portion of the variable bonus over time.

Payment of the deferred percentage depends on achieving a **specific point score in the evaluation** corresponding to credit and market risk, the highest weighted components, and regulatory compliance.

If the employee does not achieve the required point score, only a portion of the deferred payment is released. **This is a case-by-case evaluation according to the Compensation System.**

Before variable compensation is paid out, it is adjusted according to the criteria described in the preceding point. Once the variable compensation is paid out, no further return on the previous adjustments is possible.

Short-term variable compensation is paid in cash; **long-term variable compensation is paid in Grupo Financiero Banorte shares,** which are paid primarily to senior management.

KEY FIGURES ON THE COMPENSATION SYSTEM

31

employees received compensation during the year

1 severance payment representing 0.03492% of the balance of the Direct Short-Term Benefits Account

The total amount of extraordinary compensation pending payment represents 0.52371% of the balance of the Direct Short-Term Benefits Account

The total amount of compensation earned and paid out represents 4.45258% of the balance of the Direct Short-Term Benefits Account

Transferred compensation represents 0.52371%, and non-transferred 2.81690%, of the balance of the Direct Short-Term Benefits Account

Fixed compensation represents 1.11197% and variable compensation 3.34061% of the balance of the Direct Short-Term Benefits Account

The amount of extraordinary compensation paid in cash represent 0.97222%, and shares 2.36839%, of the balance of the Direct Short-Term Benefits Account

One of the main strategies within the organization is to promote a culture of equity, diversity, and inclusion by creating the **Subcommittee on Diversity**.

WHOSE PRIMARY PURPOSE IS TO ENSURE THE IMPLEMENTATION OF PRACTICES AND POLICIES TO ENSURE EQUAL CONDITIONS WITHOUT DISCRIMINATION

SUSTAINABILITY COMMITTEE

GRI 2-12, 2-13

The objective of the Sustainability Committee is to define the group's sustainability strategy, align it with corporate objectives, and implement it through environmental, social, and governance (ESG) factors by the strategic departments.

The Sustainability Committee reports to the Risk Policies Committee, which reports to the Board of Directors.

STRUCTURE OF THE GFNORTE SUSTAINABILITY COMMITTEE

Board of Directors

Risk Policy Committee

Sustainability Committee

Among the duties of the Sustainability Committee is to promote the incorporation of ESG factors as an integral part of the institutional processes and that business decisions always consider any potential adverse environmental and social impacts. It also promotes the best corporate governance practices at all times, emphasizing transparency in accountability. This committee oversees the implementation of the Subcommittee on Diversity, Equity, and Inclusion projects.

MEMBERS OF THE SUSTAINABILITY COMMITTEE

- Managing Director, Investor Relations, Corporate Development, ESG
- Chief Administrative Officer
- Managing Director, Wholesale Banking
- Managing Director, Risk and Credit
- Managing Director, Government Banking
- Managing Director, Wholesale Banking
- Managing Director, Product Development
- Managing Director, Digital Businesses
- Chief Legal Officer
- Chief Audit Executive
- Deputy Managing Director, Comptroller
- Deputy Managing Director, Communication and Public Affairs
- Managing Director, Sustainability

The Sustainability Committee meets twice a year[1]. In 2022, it brought up priority issues, such as improving the sustainability strategy, defining goals, ESG performance, climate change, diversity, financial inclusion, and sustainable financing issues, among others.

SUSTAINABILITY COMMITTEE MEETINGS IN 2022

Meeting	Topics Discussed	Attendance
1	• Sustainability Committee • ESG strategy • ESG goals • Our commitments • Subcommittee on Diversity, Equity, and Inclusion • Government Banking, States, and Municipalities	**100%**
2	• Follow up on the agreements of the first meeting • Sustainability Committee Update • ESG Results 2021 • Sustainability Strategy • Climate commitment • Sustainable financing • Subcommittee on Diversity, Equity, and Inclusion • Collaboration with the Risk Department • Financial inclusion with UNHCR	**84.6%**

[1] From 2023, the Sustainability Committee will meet three times a year to provide specific follow-up to several initiatives incorporated in 2022.

- Code of Conduct
- Money-laundering and Terrorism Financing Prevention
- Anti-corruption
- Economic Competition
- Responsible Marketing
- Data Privacy
- Tax Transparency

SDG

8 16

GRI

2-16, 2-23, 2-24, 2-25, 2-26, 205-1, 205-2, 205-3, 207-1, 207-2, 207-3, 406-1, 417-1, 417-2, 418-1, FS15

SASB

FN-CF-220a.1, FN-CF-220a.2, FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.2, FN-CF-230a.3 FN-CB-510a.1, FN-CB-510a.2, FN-IB-510a.2, FN-IB-510a.1, FN-IB-510b.3, FN-IB-510b.4, FN-AC-510a.1, FN-AC-510a.2, FN-AC-510a.3

CORPORATE ETHICS

BUILDING THE FUTURE WITH ETHICS AND TRANSPARENCY

At Banorte, **we always strive to work according to the law**, which we complement through our codes and policies, thus adopting the best practices in ethics and integrity.

99.7%
of the staff has passed the Code of Conduct onboarding course

27,798
employees trained in the prevention of money laundering and terrorism financing

0
data leaks reported in 2022

CODE OF CONDUCT

GRI 2-23, 2-24, 2-25
SASB FN-IB-510b.4

Our Code of Conduct consists of a general framework with continuously adapted guidelines. **Every year we update our code to broaden its content**, its topics ranging from the general market situation to daily experiences and consumer trends.

It contains principles based on one ironclad rule: **"Doing business in good faith, in a sincere and law-abiding manner."** All GFNorte members must fully comply with it to maintain our reputation as a dynamic, serious, and above-board institution.

The issues covered by the Code of Conduct are, among others, conflicts of interest, information confidentiality, management of resources, conduct with customers, relations with competitors, suppliers, and authorities, interpersonal relations and relations with the community, and employee complaints and grievances.

According to the regulations governing how GFNorte's companies do business, we review the Code of Conduct each year to ensure that it remains current and addresses current issues and the strategies defined by the Board of Directors. This can serve as a guide for the actions of all employees.

Proposed changes to the Code are submitted to the **Audit and Corporate Practices Committee** and after that presented to the Board of Directors for authorization.

Once the Board approves changes to the document, **employees are notified** of the modifications through distribution of a regulatory bulletin.

The Code of Conduct is available for consultation **on the Institutional Compliance portal and our website.**

Every year, an exercise is carried out institutionwide with the support of the HR technological platform; thereby, our staff is informed about the main changes to the Code of Conduct. We urge our staff to view the entire document on the Compliance platform and ratify their commitment to acting daily in a manner consistent with the Code of Conduct.

CODE OF CONDUCT TRAINING AND EVALUATION

To continue reinforcing the culture of honesty and responsibility, all employees and managers must know and comply with the Code of Conduct.

In addition, the Code is included in the training material for new hires—who must sign their knowledge and adherence commitment as part of the onboarding process—and those already working in GFNorte's companies. This program has generally been met with solid acceptance by personnel, 99.7% of whom have passed the required course.

The efforts and performance of **GFNorte officers and employees are continually evaluated** by their superiors, with the support of the HR area. The Human Resources Committee evaluates the work of certain officers subject to performance-based compensation. This evaluation includes not only the activities they carry out in the performance of their assigned duties but their compliance with the Code of Conduct as well.

The Internal Audit department reviews each audited area independently, according to its annual work plan, in which some personnel fills out a questionnaire regarding their knowledge of the Code of Conduct. Internal Audit, as part of its report, confirms the results, which are generally positive.

Jointly, GFNorte officers and employees must also participate, depending on their responsibilities, with these audits, providing the required information fully and promptly and offering auditors the facilities needed to complete the task. They are also obligated to assist in correcting any irregularities detected and to cooperate in official investigations, which may be led by internal or external personnel, into possible breaches of the Code of Conduct.

A CONTINUOUS TRAINING PROGRAM FOCUSES ON LEARNING AND APPLYING THE CODE OF CONDUCT

99.7%

of whom have passed the required course in 2022

ETHICSPOINT WHISTLEBLOWING CHANNEL

GRI 2-16, 2-25, 2-26, 406-1
SASB FN-CB-510a.2, FN-IB-510a.2, FN-AC-510a.2

We have a whistleblowing channel called EthicsPoint that allows **any GFNorte employee, officer, or board member to report breaches of the Code of Conduct** or internal or external regulations. Although the system is installed in the institutional intranet and can be accessed from the supplier website (Navex Global), the information received through this channel resides outside the group's technological environment.

This channel attends, indistinctly, both anonymous and identified reports. We respect anonymity and ensure that the whistleblower is not subjected to reprisals.

Reports are emailed to members of the Audit Committee, the Chief Controller and Audit Officers, and an Administrator. They are classified into Human Resources (HR) and Internal Control (IC) issues. A status report is provided to the Audit Committee twice yearly.

Substantiated reports are sanctioned with reprimands, relocation, suspension without pay, or termination of the labor relationship, as the case may be.

01

REPORT SENT AND RECEIVED

- Reporting party inputs report and attaches any evidence.
- Administrator and recipients receive a notification email.

02

ANALYSIS AND CLASSIFICATION

- Administrator reviews content and classifies the report as HR or IC.
- If there is sufficient information, the report is forwarded for investigation; if not, more data is requested.

03

INTERACTION WITH THE REPORTING PARTY

- Administrator asks the reporting party for evidence that supports the claim.

04

FORWARDED FOR INVESTIGATION

- HR issues are forwarded to the Human Resources area; internal control matters are investigated by the Controller or Audit area.

05

INVESTIGATION

- Investigations are conducted by analyzing transactions and images, interviews, and workplace environment surveys.

06

NOTIFICATION OF RESULTS

- When the investigation is concluded, the Supervisor of the party on whom the report was filed and the Administrator of the whistleblower's channel is informed of the results.

07

CORRECTIVE MEASURES

- The Human Relations (HR) area, supported by the required areas, applies sanctions according to the internal labor regulation, code of conduct, and other internal rules.

08

REPORT CLOSED

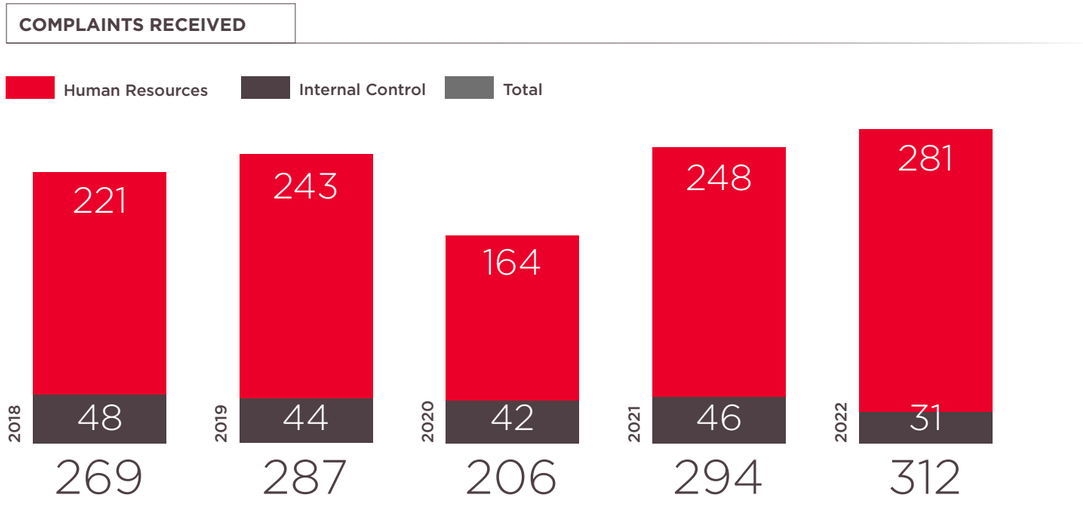
- The administrator inputs the result of the investigation into the system, notifies the reporting party of the resolution and closes the report.

On average, we receive 270 reports annually; 84% are classified as HR issues and 16% as Internal Control issues.

In 2022, we received 312 reports through the EthicsPoint channel; 281 were classified as HR issues and 31% as IC issues. The volume of HR reports grows 13% as the tool is widely announced to the staff.

There was evidence to investigate in 146 reports (47%) vs. 53% in 2021.

79 reports resulted in reprimand through an administrative memorandum, a commitment letter to improve management, and terminations for unacceptable conduct at GFNorte.



Item	HR 2022	CI 2022	Total 2022	%
Complaints Received	281	31	312	**100.00%**
Collecting information	-	-	-	**0.0%**
In progress	5	1	6	**1.90%**
Complaints closed	276	30	306	**98.10%**
Insufficient information	153	7	160	**51.29%**
Investigation results	123	23	146	**46.81%**
Dismissed	59	8	67	**21.48%**
Substantiated	64	15	79	**25.33%**
Fired	11	8	19	**6.10%**
Relocated	5	-	5	**1.60%**
Suspended without pay	5	-	5	**1.60%**
Reprimand	42	7	49	**15.71%**
Training and others	1	-	1	**0.32%**

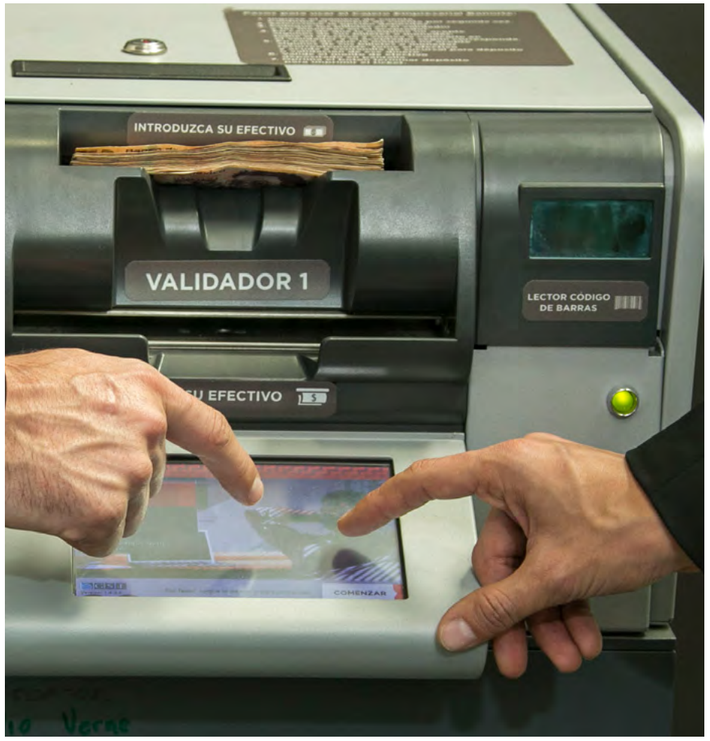
MONEY-LAUNDERING AND TERRORISM FINANCING PREVENTION

GRI 205-2, 205-3

The Board of Directors conducts an oversight process through the corporate governance bodies appointed by the Board itself to review and evaluate the aspects of inspection and control.

THE AUDIT AND CORPORATE PRACTICES COMMITTEE made up of independent members of the Board of Directors, carries out these duties, informs the Board of the result of its quarterly reviews, and issues an opinion on the functioning of the group's Internal Control System.

THE COMPTROLLER'S OFFICE, which is responsible for various compliance programs, including those regarding the prevention of money laundering, terrorism financing, and the proliferation of weapons of mass destruction, as well as the Anti-corruption policy, draws up a quarterly report for the Audit and Corporate Practices Committee regarding the activities carried out.



As for money laundering and terrorism financing, each year, the result of applying the Risk Assessment Model is submitted to the Audit and Corporate Practices Committee, the Risk Policies Committee, and the Board of Directors. This model determines the level of money-laundering and terrorism financing risk to which the institution is exposed because of its products, the geographies in which it is present, and the type of clients it serves, combining this with the controls we have developed to mitigate such risks.

The Risk Policies Committee also reports annually to the Board on the design and implementation of the Risk Assessment Model and any changes made. This model incorporates a classification of customers' degree of risk (high, medium, or low) about exposure to money laundering and terrorism financing.

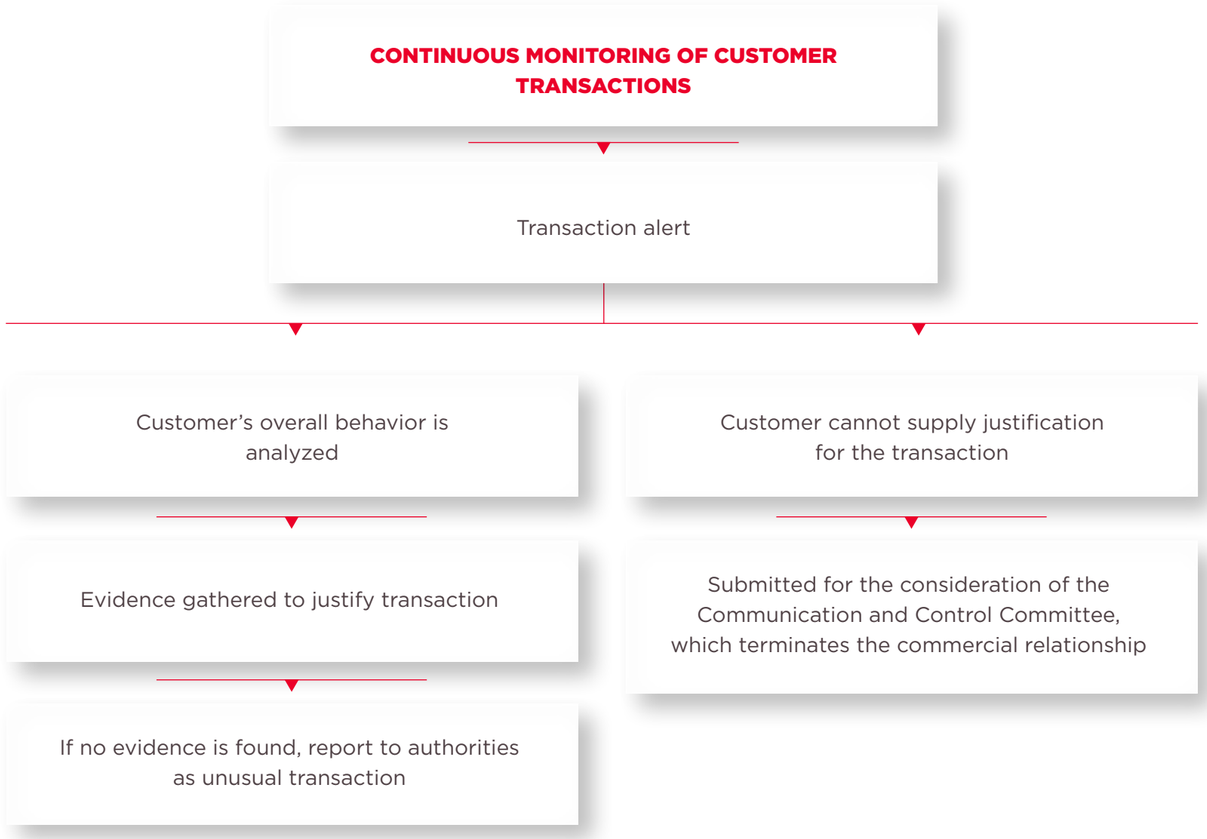
Banorte has a designated area to prevent transactions using illegally obtained resources—**the Compliance Department**, which is part of the Controller's Office. This department is responsible for monitoring and ensuring compliance with the established measures. To do so, it has policies, procedures, systems, and controls to mitigate the risk of such transactions.

It also has a control structure through **the Commercial Controller's Office**, which supports it in the physical and documentary review of transactions and files in each branch and customer service module.

There is also a unique system for monitoring transactions and comparing them against the transactional profile of each customer. When one of the established parameters is exceeded, a transactional alert is generated, and then it is analyzed and reviewed by the compliance team in coordination with the Commercial Department.

We have also developed a **model for rating** all customers according to their degree of risk, which is applied at the start of the commercial relationship. When a customer is rated medium or high risk, an expanded questionnaire is applied to request further information about their activities and the origin and use of their resources. Their transactions are monitored more strictly.

We have a strategy of continuous improvement that includes the support of external consultants every three years, immediate attention, and implementation of recommendations that arise from participation in industry-wide meetings or seminars given by specialized personnel, as well as the observations of the Internal Audit Department or regulators in their annual review.



TRAINING IN THE PREVENTION OF MONEY-LAUNDERING AND TERRORISM FINANCING

We have created an annual training program with the **Mexican Bankers' Association**.

It includes employees, officers, senior management, and Board members.

The course includes an **evaluation that each person must pass** and corrective measures to ensure it is complied with.

We have six officers in charge of **Regulatory Compliance**, certified by the National Banking and Securities Commission as specialists in preventing illegal transactions.

Compliance staff **participates in international seminars on the prevention** of money laundering and terrorism financing, as well as various internal training programs in these areas.

27,798
employees trained in 2022

MONEY-LAUNDERING PREVENTION PROGRAM

As part of our money laundering and terrorism financing prevention program, we presented to the authorities various regulatory reports on unusual, relevant, or internal transactions that merited concern. We also presented the operating reports on international fund transfers, cash dollar deposits and purchases, and transactions relating to issuing and cashing cashier's checks.

WE REPORT 600 UNUSUAL TRANSACTIONS ON AVERAGE TO THE AUTHORITIES EACH YEAR

The information is stored during the life of the account or contract with the customer and for no less than ten years after that.

Our **policy on customer identification and knowledge —contained in the Compliance Manual—** includes a specific section on the obligation to identify and apply the strictest monitoring to transactions by politically exposed persons.

BANORTE'S POLICY INCLUDES NOT PARTICIPATING IN TRANSACTIONS WITH PEOPLE OPERATING IN HIGH-RISK JURISDICTIONS

The Controller's Office has a specialized team for **monitoring transactions** by politically exposed persons.

Monitors whether transactional behavior corresponds reasonably to the duties, levels, and responsibilities of politically exposed persons and persons in high-risk jurisdictions.

We have policies, controls, and systems that prohibit transactions related to high-risk jurisdictions defined as such by the authorities, such as the ***Grupo de Acción Financiera Internacional (GAFI)*** or the Financial Action Task Force (FATF) and the **Office of Foreign Assets Control (OFAC)**. We exhaustively monitor and review all transactions made by politically exposed persons that involve jurisdictions considered tax havens.

Through the **Compliance Department**—composed of 103 people—we directly monitor customer transactions depending on their risk, administer the policy, and prepare regulatory reports.

We also have teams that indirectly participate in and support this process, for example, process controllers that cover this issue in their reviews, e.g., the Commercial, Legal, Internal Audit and Operations teams, and others.

IN-PERSON CUSTOMER DUE DILIGENCE

We carry out **client verification** based on documents, data, or information from independent, reliable sources, identification of final beneficiaries, or continuous due diligence in commercial relations.

When opening a commercial relationship with a new customer, we prepare an identification file, which includes data and documents by which we can know them, as well as the origin and destination of their resources and how they will use the account. The documents we compile are official identification—corroborated with the agencies that issue it—proof of address, deeds of incorporation, tax identification certificates, and population registry code (CURP).

In the case of corporations, we also identify the actual owner (final beneficiary) and the company's stock structure and corporate organization.

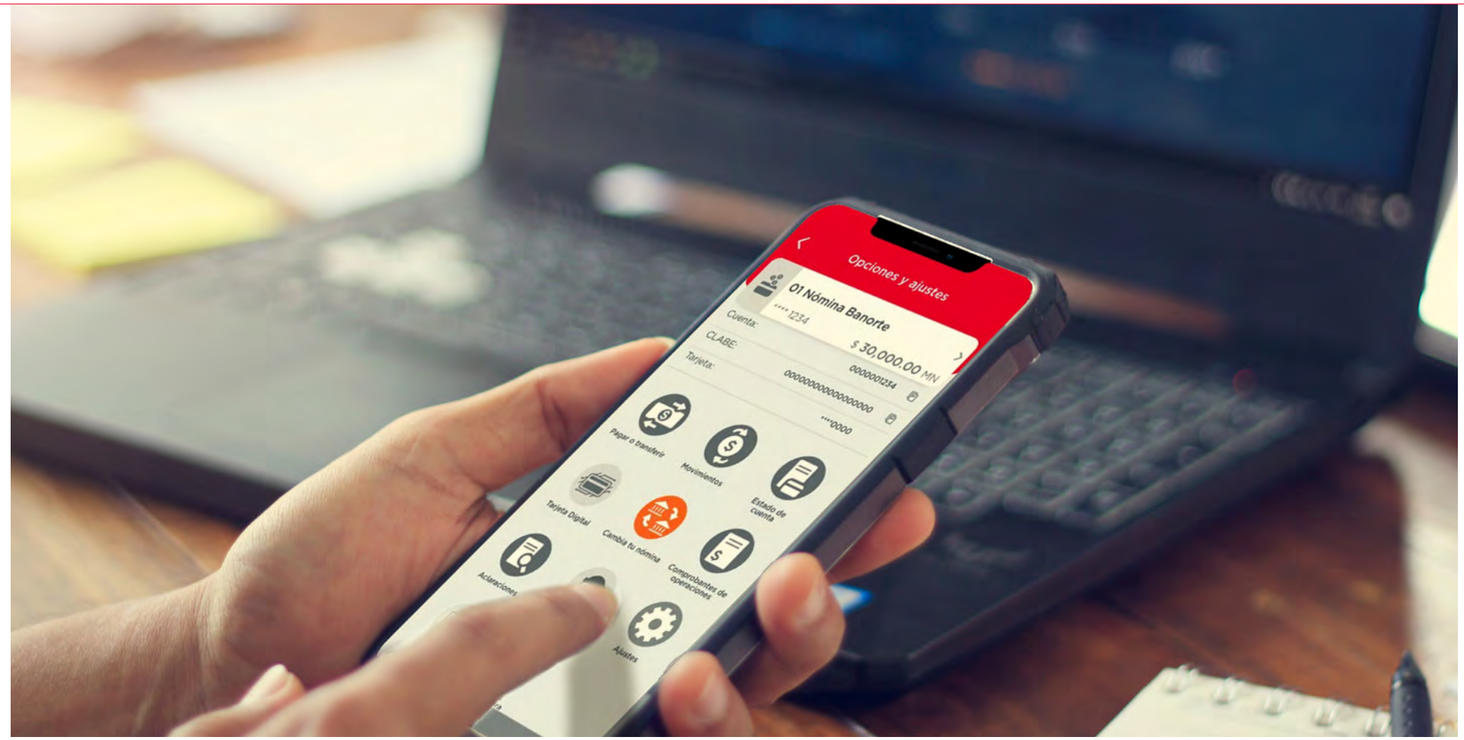
Suppose a customer is rated medium or high risk. In that case, an expanded questionnaire is applied to request further information to determine their main activity and the origin and destination of their funds. We also track their transactions more closely.

DISTANCE CUSTOMER DUE DILIGENCE

We carry out the **certification of the documents submitted** and independent contact with the customer by the bank.

To identify clients considered politically exposed persons, we have acquired the **"Who's Who"** and ***"Bridger Insight"*** tools, which provide up-to-date databases. We cross-reference these against the database of our customers.

This year, we implemented distance modes for account opening and contract signing and have obtained the necessary approval from the **National Banking and Securities Commission**. This will be carried out under current regulations.



01

Banorte has an **in-house bureau** that monitors formal lists of known or suspected terrorists issued by the competent authorities with jurisdiction over the relevant financial institution. These include various sanctions lists, such as the OFAC list, the list of 1267 and 1373 rulings on terrorism by the **United Nations Security Council**, and the list of blocked persons, among others.

02

Before beginning the relationship, these documents are reviewed to ensure that no one appearing in these lists is accepted as a customer. We also use the **Bridger Insight** system, which contains various sanctions lists by authorities of different countries relating to terrorism, which also serves as a tool for background checking before opening accounts or entering into contracts or transactions.

03

The **Internal Audit Department** evaluates compliance with regulatory measures on avoiding transactions with illegal resources or terrorism financing each year. Its review covers the period from January to December. When the review is completed, it prepares a report on the results and submits it to the regulatory agency, which is the National Banking and Securities Commission. The Commission also conducts regular inspection visits to evaluate compliance with money laundering and terrorism financing prevention measures. These visits are not scheduled with any particular frequency and depend instead on the degree of risk each institution presents.

ANTI-CORRUPTION

GRI 205-1

At Banorte, we established an **Anti-corruption Policy** whose main objective is to define the measures for preventing corruption in the course of business and operations by any of our various financial institutions, as well as in any other cases that may arise, to investigate and sanction them. Our Anti-Corruption Policy is part of a series of key governance documents on internal control. It generally covers the following aspects:

01 Corruption

02 Prohibitions in matters of human and material resources

03 Use of information

04 Donations

05 Doing business

06 Bribery and influence-peddling

07 Prevention, monitoring, and oversight

This policy also serves as a primary tool for GFNorte personnel to deal with situations in their activities that may place them in any of the situations described therein. In case of any questions or concerns, the Controller's Office can guide them on how to proceed in keeping with institutional guidelines.

According to the policy, the Internal Audit Department must inform the Audit and Corporate Practices Committee of any corruption that comes to their notice during their activities. To support this Committee, the Internal Audit Department conducts an overall review of the compliance program on money laundering and terrorism financing prevention, which includes reviews of database integrity, completeness of the data and documents contained in the customer identification files, and policy updates, among others.

To keep the policy updated with the current climate, various management areas work together every year on a review, submitting their adjustments or ratifying the current content with the Audit and Corporate Practices Committee for subsequent presentation to the Board of Directors for its consideration.

The **Department of Communication and Public Affairs** is responsible for creating communication programs that stress to employees the importance of acting with integrity and explaining the tools and channels available for combating corruption when they become aware of it. Among these channels is the anonymous whistleblower system called EthicsPoint.

The **Controller's Office** is responsible for communicating the Anti-Corruption Policy to employees and outside parties through regulatory newsletters and posting it on the Institutional Compliance website and at **www.banorte.com**.

3,992
employees trained in anti-corruption

ECONOMIC COMPETITION

SASB FN-CB-510a.1, FN-AC-510a.1, FN-IB-510b.3, FN-IB-510a.1

WE KNOW THE IMPORTANCE OF ECONOMIC COMPETITION AS A VALUE CREATOR TO BECOME A KEY PLAYER IN THE MEXICAN FINANCIAL INDUSTRY

We are determined to compete openly and wish to continue doing so. Therefore, we promote free competition, respect laws on this matter, and prohibit any practice that might be considered anti-competitive.

Our Economic Competition Policy establishes a series of measures intended to promote, protect, and guarantee economic competition and to prevent and investigate, when necessary, monopolistic practices, illegal concentrations, and barriers to free competition, as well as restrictions on the efficient functioning of the free market that may result from decisions or agreements made by GFNorte officers.

The Control areas that make up the second line of defense in the Internal Control System (Legal, Risks, and Controller, with the support of process and management controllers), each in the sphere of its responsibilities, assist in detecting risk, implementing controls and updating regulations as necessary to reinforce the Economic Competition Policy and, when needed, disclose incidents.

These areas will also be responsible for reporting to the Operational Risk department any event they may detect involving acts that damage, limit, or impede economic competition, regardless of whether or not that action has resulted in a fine or sanction by the authorities.

As part of monitoring the efficiency of compliance with Economic Competition Policies, we consider managing the risks that may be identified regarding anti-competitive practices and informing the appropriate Corporate Governance bodies of the results and remediation plans. Furthermore, the reputational risk of participating in anti-competitive practices will be managed according to institutional policies and guidelines.

The **Chief Administrative Officer** is responsible for developing and deploying training programs for officers and employees regarding the Economic Competition Policy.

We develop different **personal training programs**, and in the case of high-level executives, the training is carried out in conjunction with the Mexican Bankers' Association.

We provide courses for the **Business and Product** areas that cover situations and practices considered anti-competitive and their possible consequences.

Some courses are focused on **Control** areas, addressing ways to identify practices of this type.

The **Department of Communication and Public Affairs** is responsible for creating communication programs that stress to officers and employees the importance of acting with integrity and for explaining the channels to inform the actions that could be identified and that are related to anti-competitive practices so that the corresponding control areas may investigate, analyze, and implement corrective measures.

The **Controller's Office** is responsible for communicating the Anti-Corruption Policy and its amendments through regulatory newsletters and posting it on the Institutional Compliance website for a permanent consultation.

2,048
employees trained in 2022

In 2022, there were no monetary implications resulting from anti-competitive practices.

RESPONSIBLE MARKETING

GRI 417-1, 417-2, FS15
SASB FN-AC-270a.3

THE HIGHEST ETHICAL STANDARDS GOVERN OUR PRODUCT AND SERVICE SALES PRACTICES. THE INFORMATION WE PROVIDE IS ALWAYS TRANSPARENT AND CLEAR. THEREFORE, WE ARE THE BANK THAT OUR CLIENTS TRUST

PRODUCT APPROVAL PROCEDURES

We have a **Policy on the Evaluation and Approval of New Products or Services**, through which we review that the launch of a new product or service or its modification is aligned with its guidelines. A new product or service is defined as one not currently offered or marketed in any distribution channel aimed at current or prospective GFNorte clients.

Any business area with an initiative for developing and implementing a new product or service, or modifying an existing one, should submit it for the **consideration of the appropriate GFNorte governance bodies**.

All proposals should include an analysis and opinion by the **Controller and Risk offices** to determine whether operation, registry, and authorization functions are duly segregated.

The following must be done: i) check that there is no conflict of interest in the activity, ii) identify the inclusion of physical and local security for implementation when a technological plan is required, iii) compliance with internal and external regulations, iv) evaluate the risks involved and the existence of controls to mitigate them, v) in general, issue an opinion and provide recommendations as appropriate.

If the project is approved, the actions necessary to set it in motion must be managed. These should include not only the technical aspects but also the drafting of rules on the applicable technical, economic, and operating characteristics, as well as training of the people involved.

PRODUCT OFFERING

Our Code of Conduct establishes that officers and employees who provide information on the products or services must do so exclusively through institutional communication channels. They must also ensure the information is truthful, verifiable, and free of any potentially confusing or misleading data regarding the product or service's characteristics. The following should be avoided:

- Steering clients toward products or services they do not need merely because they may be profitable for GFNorte.
- Failing to include the possible risks or inconvenience to the client within the detailed product or service description.
- Making false or misleading comparisons with equivalent products or services offered.

The above is also covered in various internal regulations. One of the most representative regulations is the **General Investment Services Guidelines** (sales practices), which contains policies on evaluating and determining clients' investment profiles; determining the profile of financial products; the reasonability of recommendations to clients; the parameters for the conduct of promoters who supply investment services; and measures to avoid conflicts of interest. All of this is intended to ensure that each client receives the financial product or service that corresponds to their specific needs and level of market knowledge, supported by institutional tools consistent with official regulations.

DATA PRIVACY

GRI 418-1
SASB FN-CF-220a.1, FN-CF-220a.2, FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.2, FN-CF-230a.3

POLICY ON PERSONAL DATA PROTECTION

We have a Policy on Personal Data Protection that applies to all of the group's subsidiaries. This policy outlines the duties and obligations of each employee, especially those whose activities involve collecting, analyzing, processing, storing, or consulting sensitive personal data about the bank's customers.

This policy was created in response to new regulations on personal data protection in Mexico. It has been updated several times based on the best practices recommended by external consultants and the authorities.

We also have a **Personal Data Management System Policy**, which describes our internal strategy for dealing with security risks, threats to our computer systems, and incidents that may compromise the confidentiality, integrity, or availability of personal data, and for complying with the applicable regulations. This policy is part of our effort to obtain certification for our personal data management processes.

PERSONAL DATA PROTECTION COMMITTEE

As part of our commitment to protecting personal data, in October 2017, we created a **Personal Data Protection Committee** comprising an interdisciplinary group of representatives from various areas. Its objective is to analyze, evaluate, predict risk, and issue resolutions on protecting personal data through the planning, monitoring, and reviewing of policies, procedures, strategies, and actions for continuous improvement in this area. It works to build a culture of personal data protection, seeking to prioritize the interests of those to whom the data belong and their privacy, in addition to internal rules and external regulations.

0
data leaks reported in 2022

RESPONDING TO OFFICIAL REQUESTS

Official requests from the authorities are received as formal notices or instructions, with due justification and grounds by the competent regulators and/or by court order, pursuant to Mexican law. Such requests are handled by the Legal area in the appropriate time and form, in coordination with the Regulatory Provisions Control Area.

BECAUSE OF BANORTE'S REMARKABLE MATURITY IN DATA PROTECTION, WE CAN MUCH MORE QUICKLY AND EFFICIENTLY HANDLE SUCH REQUESTS FROM THE AUTHORITIES

In 2022, no fines were ruled by the INAI.

DATA PRIVACY MECHANISMS

PRIVACY NOTICE

GFNorte protects personal data as mandated in the **Federal Law on Protection of Personal Data in Possession of Private Parties** *(Ley Federal de Protección de Datos Personales en Posesión de los Particulares)* **and its Regulations**. Our priority is the owners of personal data, their privacy, and their trust. Therefore, we protect this data by continuously reviewing our physical and digital information security processes. We make our privacy notices available at all times to personal data owners on our websites, and these are updated as required by the business and to comply with applicable regulations.

A refusal to allow the use of one's data for secondary purposes shall not be grounds for denying the services and/or products to that person when applying to or signing contracts with Banorte. If someone does not wish their data to be used for secondary purposes, they can communicate this through the media indicated in the privacy notice. Personal data are stored for the periods established in the provisions that apply to financial institutions in Mexico.

PERSONAL DATA PROTECTION CULTURE

We promote a data protection culture through annual training, regular awareness-building programs for our employees, and sanctions against those who violate the law.

We are a member of the **INAI Allies** program focused on building a data protection culture. This program encourages and supports personal data protection training in organizations and companies with the Federal Institute for Access to Public Information and Data Protection (INAI).

On September 30, 2021, Banco Mercantil del Norte obtained certification in personal data protection for Personal Data Management Systems from Normalización y Certificación NYCE, S.C. (NYCE), (certificate no.: REA.EA.01.2015.-01/15-NYCE-CPDP-070) Personal Data Management System, having met the requirements established in the Federal Law on Protection of Personal Data in Possession of Private Parties (Ley Federal de Protección de Datos Personales en Posesión de los Particulares), its Regulations, and Self-regulatory Parameters on this matter. The bank was awarded a full-scope certificate, which includes all areas participating in its Personal Data Protection Committee and its call centers, data centers, and branches. The certificate is effective until September 2023.

An inspection review was performed in 2022, and the maintenance of such an NYCE certificate was confirmed.

In 2022, the information of 835,542 account holders was not used for secondary purposes—7% of the total vs. 3% in 2021.

WE UNDERSCORE OUR HIGHEST PRIORITY TO PROTECTING OUR CUSTOMERS' DATA

835,542

account holders was not used for secondary purposes —7% of the total vs. 3% in 2021

TAX TRANSPARENCY

GRI 207-1, 207-2, 207-3

Committed to transparency in all its tax obligations, GFNorte's fiscal strategy is embedded in our corporate governance system, which establishes the policies, principles, and values guiding us. This system extends to all of the institution's personnel, which means compliance is paramount to us.

We have various tax risk control procedures to ensure we comply with all our tax obligations. Our head tax counsel regularly contacts government agencies to stay informed about the primary tax issues and adopt measures to manage tax risk.

01 **Actively working** to comply with tax obligations in keeping with current regulations.

02 **Adapting** to the new digital environment.

03 **Constant, clear, and transparent disclosure** on tax matters with our various stakeholders

Provisions for income tax and employee profit-sharing are entered into the results as they accumulate. The deferred tax is calculated based on financial projections and is recognized by applying the rate corresponding to temporary differences between the book and tax values of assets and liabilities. It also includes the benefits of tax-loss carryovers from previous years and some tax credits. A deferred tax asset is recognized only when there is a strong possibility of recovery. The effect of all these entries is presented on a net basis in the balance sheet under "Deferred taxes and profit-sharing, net."

According to the Mexican Income Tax Law (Ley del ISR), our income tax rate for 2021, 2022, and subsequent years is 30%.

The reconciliation of the legal income tax rate and the effective rate expressed as a percentage of profit before income tax is as follows:

	2021	2022
Legal tax	30%	**30%**
Tax inflation	(4%)	**(3%)**
Non-tax book deductions	2%	**1%**
Other entries	(3%)	**(2%)**
Effective tax rate	**23%**	**26%**

FINANCIAL CAPITAL

– Main Financial Results Table

– Credit Exposure by Industry

– Stock Structure

– Funding Received Multilaterals or Others

SDGs

8 9

SASB

FN-CB-410a.1

BUILDING THE FUTURE WITH A SOLID AND SUSTAINABLE BANKING

Despite an uncertain macroeconomic climate, **in 2022, we maintained a clear growth path** in most of our business lines.

30%
increase in net income, reaching Ps. 45.41 bn

Ps. 3,214.06 bn
Assets Under Management

19.19%
return on equity (ROE)

MAIN FINANCIAL RESULTS TABLE

By the end of the year, GFNorte maintained a clear growth path in most of its business lines, despite operating in a macroeconomic climate with different peaks of uncertainty throughout the year, low expectations for economic growth, inflationary pressures, restrictive monetary policies, and a complex international climate. GFNorte ended the year with a net result of Ps. 45.4 billion, 30% higher than 2021, backed by a solid credit demand. The consumer portfolio posted a hefty growth fueled by Mexico's growing economic activity and the net interest margin (NIM) from the rate-hike cycle and active balance sheet management. Portfolio quality exceeded expectations throughout the year, remaining below the historical average.

Non-interest expense grew 9% but was impacted by extraordinary expenses incurred in 4Q22, aligned with the strategy of improving the commercial sales force in different areas of Mexico and with the accelerated amortization of different technology projects and assets. Regardless of the aforementioned effects, expenses remained below inflation levels, highlighting efficient expense management at the institutional level.

Our insurance business shows a recovery trend with a solid premium origination and fewer COVID-19-related claims.

GFNORTE MAINTAINS AN APPROPRIATE LEVEL OF LOAN RESERVES AND CAPITAL ADEQUACY, BUTTRESSING OUR BALANCE SHEET FOR 2023

Data highlights are below:

Data Highlights	2020	2021	2022*
Balance Sheet			
Assets under management	2,975,753	3,144,794	**3,214,060**
Total loan portfolio	811,070	829,338	**929,854**
Total assets	1,787,904	1,850,879	**2,070,072**
Total deposits	821,712	799,025	**897,192**
Shareholders' equity	225,103	237,239	**239,033**
Banorte capital adequacy ratio (%)	20.18%	24.69%	**22.86%**
Capital Adequacy Ratio			
Delinquency rate (formerly NPL ratio) (%)	1.10%	1.03%	**1.07%**
Coverage ratio (%)	223.98%	191.07%	**179.47%**
Cost of risk (%)	2.75%	1.39%	**1.36%**
Net Income	**30,508**	**35,048**	**45,408**
Profitability			
Return on equity (ROE) (%)	14.78%	15.32%	**19.19%**
Return on assets (ROA) (%)	1.76%	1.94%	**2.26%**
Net interest margin (%)	5.30%	4.85%	**6.32%**
Efficiency index (%)	41.40%	45.43%	**38.05%**

Figures in millions of pesos.
*Since 2022, the Mexican financial system has adopted new accounting rules based on the International Financial Reporting Standards (IFRS). Therefore, the 2022 data is not comparable with the 2020 and 2021 data.
For further information, please visit: https://investors.banorte.com/-/media/Files/B/Banorte-IR/financial-information/quarterly-results/en/2022/q4/4Q22.pdf

CREDIT EXPOSURE BY INDUSTRY

SASB FN-CB-410a.1

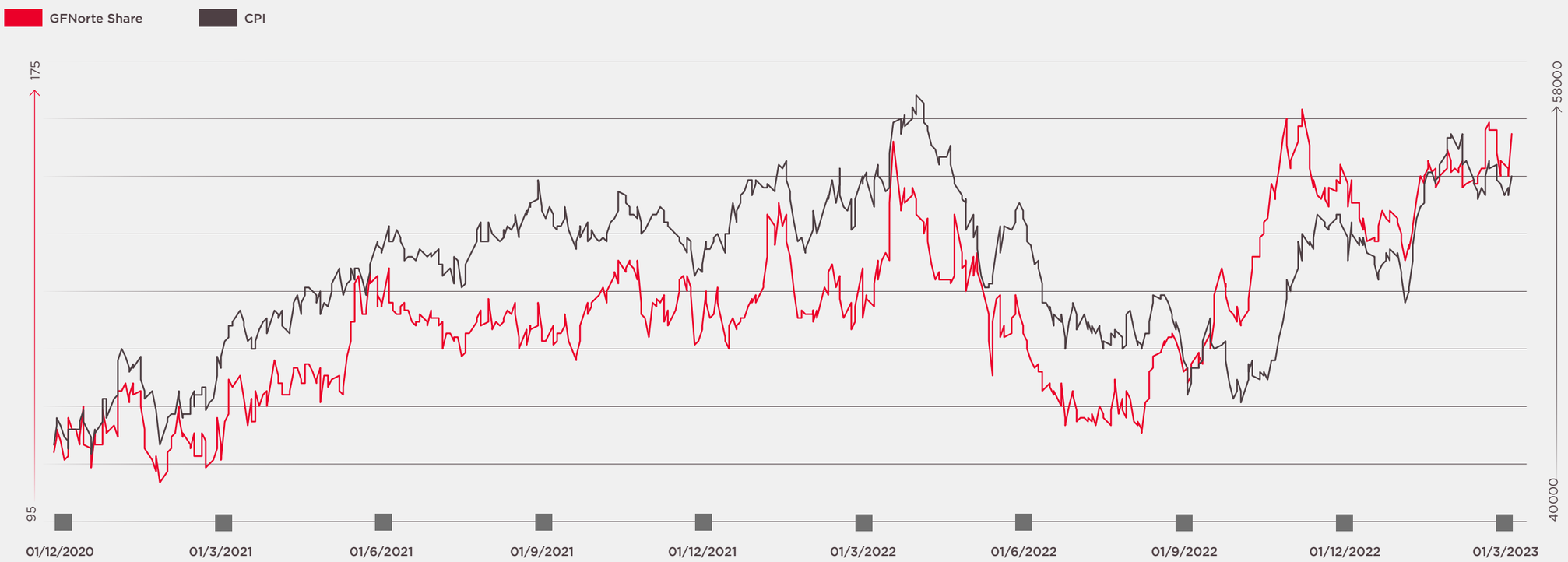
Using Banco de Mexico's catalog as a reference, the following table lists the ten subsectors where we have the most credit exposure. The scope includes the bank's business, commercial, and corporate portfolio.

	Subsector	Industry	Number of Borrowers	Total Portfolio (1+2+3)	Stage 3 Portfolio
1	531	Real estate services	**704**	52,659	128
2	721	Temporary lodging services	**261**	43,946	168
3	488	Transportation-related services	**171**	27,441	6
4	522	Institutions offering non-market credit and financial intermediation	**92**	24,618	-
5	236	Building	**574**	22,220	237
6	541	Professional, scientific, and technical services	**2,990**	20,116	557
7	237	Construction of civil engineering works	**330**	16,932	33
8	431 y 461	Wholesale trade in dry goods, food, beverages, ice and tobacco, and retail trade in dry goods, food, beverages, ice and tobacco	**1,568**	11,284	180
9	462	Retail trade in supermarkets and department stores	**888**	11,251	14
10	327	Manufacture of products based on non-metallic minerals	**154**	10,772	2
			7,732	241,239	1,325
		OTHERS	**18,650**	108,739	2,401
		TOTAL	**26,382**	349,978	3,727

December 2022.
Figures in millions of pesos.
The concentration of our portfolio in these ten industries represents 69% of the business portfolio (excluding the government).
As of January 2022, new accounting criteria were added to the Mexican financial system with the implementation of IFRS 9, thus standardizing Mexican and (IFRS) international criteria, with changes in the portfolio classification by stages.

GFNORTE SHARES

RELATIVE PERFORMANCE. GFNORTE VS. CPI



STOCK STRUCTURE

OUR SHAREHOLDERS

GFNorte has a globally diversified shareholder base with different investment profiles and objectives. Our goal is to design strategies that maximize the return on their investment according to the interests of each group. We achieve this goal by delivering solid earnings growth and maintaining attractive dividend payout ratios while ensuring the strength of our capital adequacy.

In 2022, after attaining an economic recovery and a stable portfolio quality, the 2019 and 2020 pending dividend payout was resumed. Also, according to our dividend policy, the 2021 dividend payout was carried out in May.

Shareholder Indicators	2020*	2021	2022
Shares outstanding at the end of the year (millions)	2,883.46	2,883.46	**2,883.46**
Average trading volume (shares)	8,471,064	6,268,801	**7,543,821**
Average value traded[1]	727.78	773.73	**1,023.95**
Highest quote[2]	117.12	140.11	**166.33**
Lowest quote[2]	59.07	101.6	**110.2**
Stock price[2]	109.93	133.02	**139.91**
Book value per share[2]	77.07	81.23	**81.86**
Diluted earnings per share[2]	10.7	12.25	**15.89**
Market cap[1]	316,978	383,557	**403,424**
Dividends per share[2]	-	5.81	**11.89**
Dividends paid*	-	16,759	**34,283**
Dividend yield	-	4.76%	**8.71%**

[1] Figures in millions of pesos.
[2] Figures in pesos.
* Dividens were retained in 2020, according to CNBV recommendations related to COVID-19 pandemic.

Continuing our program of GFNorte Level 1 American Depositary Receipts (ADRS) (GBOOY), where each ADR represents five shares, we closed the year with 7,163,582 ADRs outstanding—a 15.5% decrease compared to the previous year.

During the year, we constantly communicated with our analysts and investors base to collect and consider their prominent opinions and concerns and thus to act promptly to adapt our strategy.

Below is the communication activity that was maintained with our leading analysts and investors in 2022:

1,398
equity and fixed-income investors were contacted

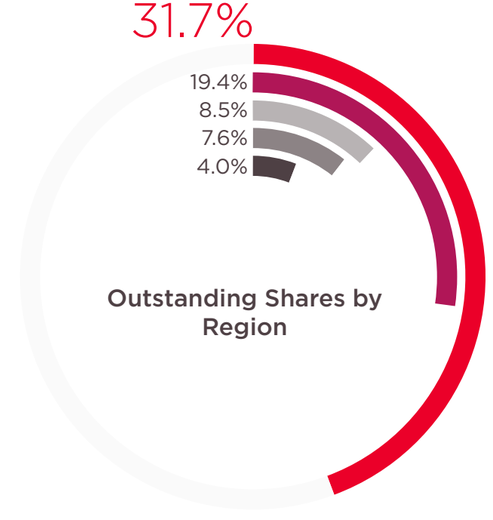
229
(face-to-face and online) conferences and meetings with investors

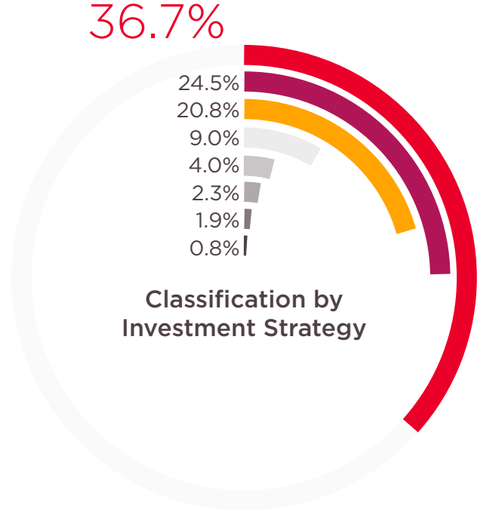
62%
of shareholding contacted in the year

The main concerns of our investors and analysts are described below:

- Macroeconomic climate and impact of a potential recession in the US.
- Nearshoring impact on Mexico's growth and potential opportunities for Banorte.
- Net interest income (NII) sensitivity to the benchmark rate hikes in Mexico.
- Expectations of credit activity and asset quality considering the inflation rate levels that prevailed during the year.
- Alternatives for capital optimization and return to investors.
- Banorte's digitalization strategy, the trend of strategic alliances with Rappi and Google, and the implications of the launch of the digital bank.
- Potential changes in the competitive scene caused by the sale and new management of Citibanamex.
- Communication for customers explaining the Net Zero benefits.

Our shareholding base is diversified into different investment regions and profiles:





FUNDS RECEIVED FROM OTHER INSTITUTIONS AND MULTILATERAL ORGANIZATIONS

Source of Funding	Banco Banorte	Arrendadora y Factor	Almacenadora	Total GFNorte
Demand Deposits	-	-	-	**-**
Call Money	-	-	-	**-**
Development Banking	-	-	-	**-**
Trusts	-	-	-	**-**
Short term	7,181	14,952	274	**22,407**
Interbank Loans	12	597	274	**884**
Development Banking	2,706	14,354	-	**17,060**
Trusts	4,462	-	-	**4,462**
Long term	7,641	7,157	-	**14,798**
Interbank Loans	2,439	5,666	-	**8,105**
Development Banking	-	1,491	-	**1,491**
Trusts	5,203	-	-	**5,203**
Total	**14,822**	**22,108**	**274**	**37,205**

Figures in millions of pesos

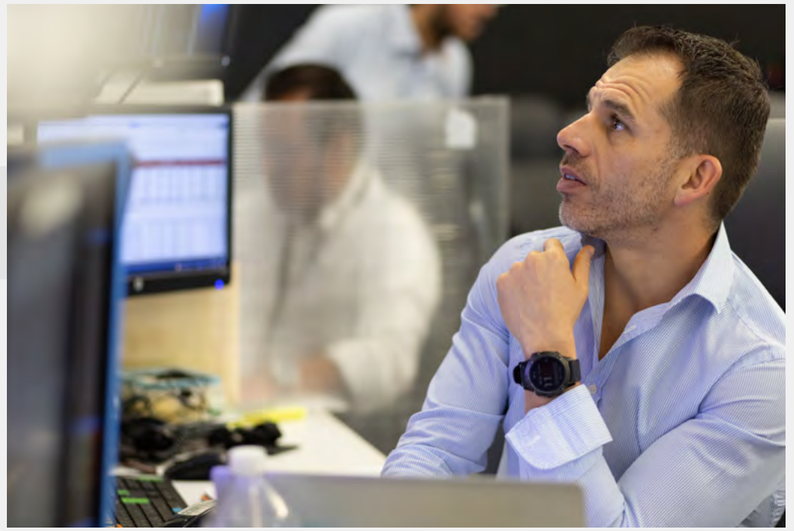
AS OF DECEMBER 2022, GRUPO FINANCIERO BANORTE HAD RECEIVED FUNDS FOR PS. 37.21 BN

There were short- and long-term liabilities received and no immediate demand loans.

Funds received at Banco Banorte are mainly Developing Banking funds: Banco Nacional de Comercio Exterior, S.N.C. (Bancomext) and Nacional Financiera, S.N.C. (NAFIN) and Public Trusts: Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI), Fideicomisos Instituidos en Relación con la Agricultura (FIRA), Fideicomiso Fondo Especial de Asistencia Técnica y Garantía para Créditos Agropecuarios (FEGA), and Fondo Nacional de Garantías de los Sectores Agropecuario, Forestal, Pesquero y Rural (FONAGA), as part of the support programs for the relevant, productive sector.

Funds received at Arrendadora y Factor Banorte are mainly Developing Banking funds: Banco Nacional de Comercio Exterior, S.N.C. (Bancomext) and Nacional Financiera, S.N.C. (NAFIN) as part of the support programs and Productive Chains, and funds received from Full-Service Banking for Leasing and Factoring transactions.

For further information on **GFNorte's Audited Financial Statements**, please **here**.



TECHNOLOGY AND INFRASTRUCTURE
CAPITAL

– Strategy and Course

– Payment Methods and Channels

– Accelerating Digitalization

– Information Security

BUILDING THE FUTURE AIMING FOR INNOVATION

In an already digital world, we at Banorte are **still innovating and adapting to clients' needs** to build a new era of financial services. We are in a transformation process to remain the best bank in Mexico.

SDG
9

GRI
2-6

SASB
FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.2, FN-CF-230a.3

81.1 NPS
in Mobile Banking
vs. 70.2 in 2021

5.5 million
digital customers
vs. 4.6 million in 2021

+400
cybersecurity projects

STRATEGY AND COURSE

At Banorte, we are convinced that the future represents dreams, projects, and opportunities for something better. Therefore, we strive to design and build the future we envision—the future that our customers envision.

Our actions to achieve that future are based on two concepts—transformation and progress—through solutions, systems, processes, and products that facilitate our customers' interaction to meet their financial needs best.

We prioritize the experience of our customers according to three pillars:

01 **CUSTOMER**
LISTEN AND ACT accordingly

02 **PERSONALIZATION**
I DECIDE WHAT I WANT. Each customer has their interests and needs

03 **DIGITALIZATION**
RIGHT HERE, RIGHT NOW. Agile communication and execution with immediate results

This is how we remain committed to offering the best banking products and services in Mexico.

MARKET

ACQUIRING BUSINESS

1st PLACE
IN TRANSACTIONS

2nd PLACE
IN TERMINALS

4th PLACE
IN AFFILIATE MERCHANTS

CREDIT CARDS

4th PLACE
IN PORTFOLIO

THE CREATION AND IMPLEMENTATION OF NEW SOLUTIONS FOR CREDIT AND DEBIT CARD COLLECTIONS IS PART OF BANORTE'S CONTINUOUS DEVELOPMENT

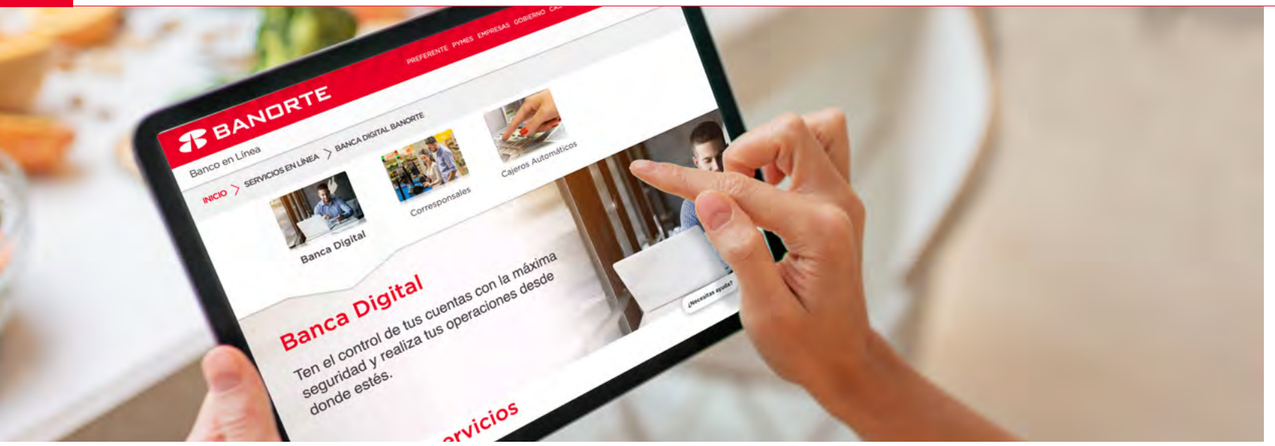
STRATEGIC CLARITY

We prioritize our customers' experience to maximize our benefits through these instruments and their availability.

In 2022, Banorte's Acquiring and Issuer businesses evolved positively, remaining consistent with the strategy we have developed in recent years, where personalization and digitalization are an essential part of our efforts. The strategy has resulted in the growth of our portfolios.

One of the principal axes for developing the Acquiring business is technological infrastructure with a continuous improvement in the institution's payment engine, which is still **breaking historical records in the volume of transactions processed**—over 197 million in one month (+8% vs. 2021).

197 million
transactions processed in one month (+8% vs. 2021)



PERSONALIZATION STRATEGY

Personalization strategies are moving forward in multiple ways as part of the new business model framework. We have taken a significant step to serve new segments through strategic alliances, creating a disruptive value offering. The launch of our **Mexican National Soccer Team** debit and credit cards is an example of the above, positioning Banorte with attractive benefits in the sports segment. Another relevant example is the ecosystem created for the ITESM (Monterrey Institute of Technology and Higher Education), **BanorTec**, from which customizable B2P and P2P solutions are enabled, allowing us to serve the education segment and even others to create cashless communities.

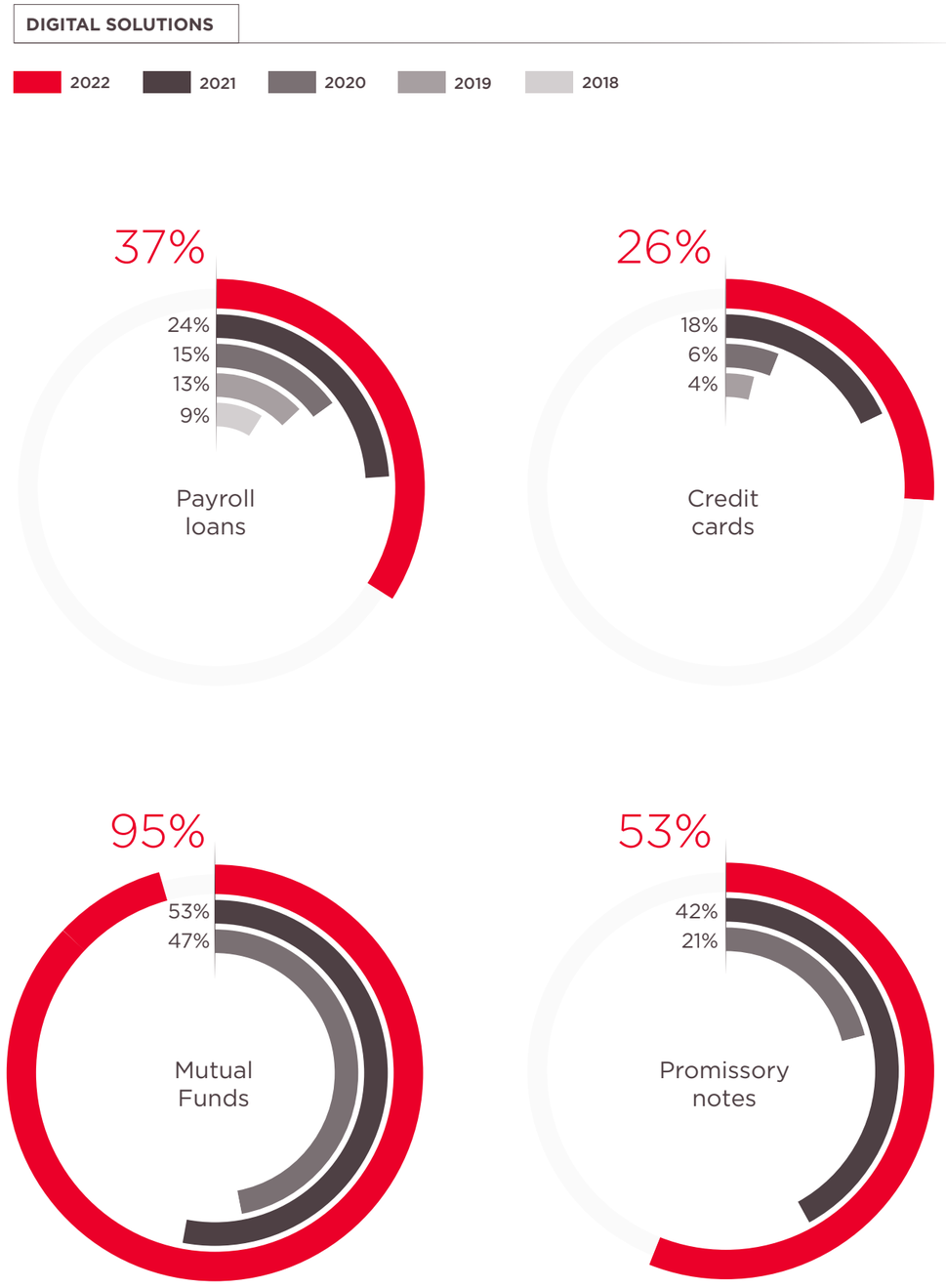
We bring customized configuration possibilities to our loyalty programs across our portfolio. The **Banorte Total Rewards** program is the loyalty platform that allows our customers to decide if they want to redeem their points on trips or products or pay for transactions at selected points of sale. Also, thanks to our co-branded credit cards, customers can access the United Airlines and Marriott International loyalty programs.

We managed to get **more than 700,000 customers to register on the Tarjeta Favorita portal**. Through this portal, our customers can learn about the different card promotions and activate them, follow up on the benefits, and make inquiries, if necessary.

DIGITAL SOLUTIONS

As for the digital services available to our payment method customers, in 2022, we maintained a leadership position in the market. We promoted the sale of products through **Digital Banking** via the **Contrata** sales module, which has allowed us to become the "**Bank in Minutes**." This sales module is available in mobile and online banking, where customers can acquire a Credit Card (either a primary or an additional card), a promissory note, a mutual fund, a payroll loan, a personal property or comprehensive protection insurance, or request a payroll advance.

IN 2022, THE SALE OF PRODUCTS THROUGH DIGITAL MEDIA ACHIEVED 47% ENGAGEMENT, AND 560,000 PRODUCTS WERE ACQUIRED DIGITALLY



In line with these alternatives in the acquiring process, for Acquiring business products, we have implemented service mechanisms such as the Acquiring business chatbot to establish a service channel for new and existing customers with products and services information and guidance for monitoring the most relevant incidents.

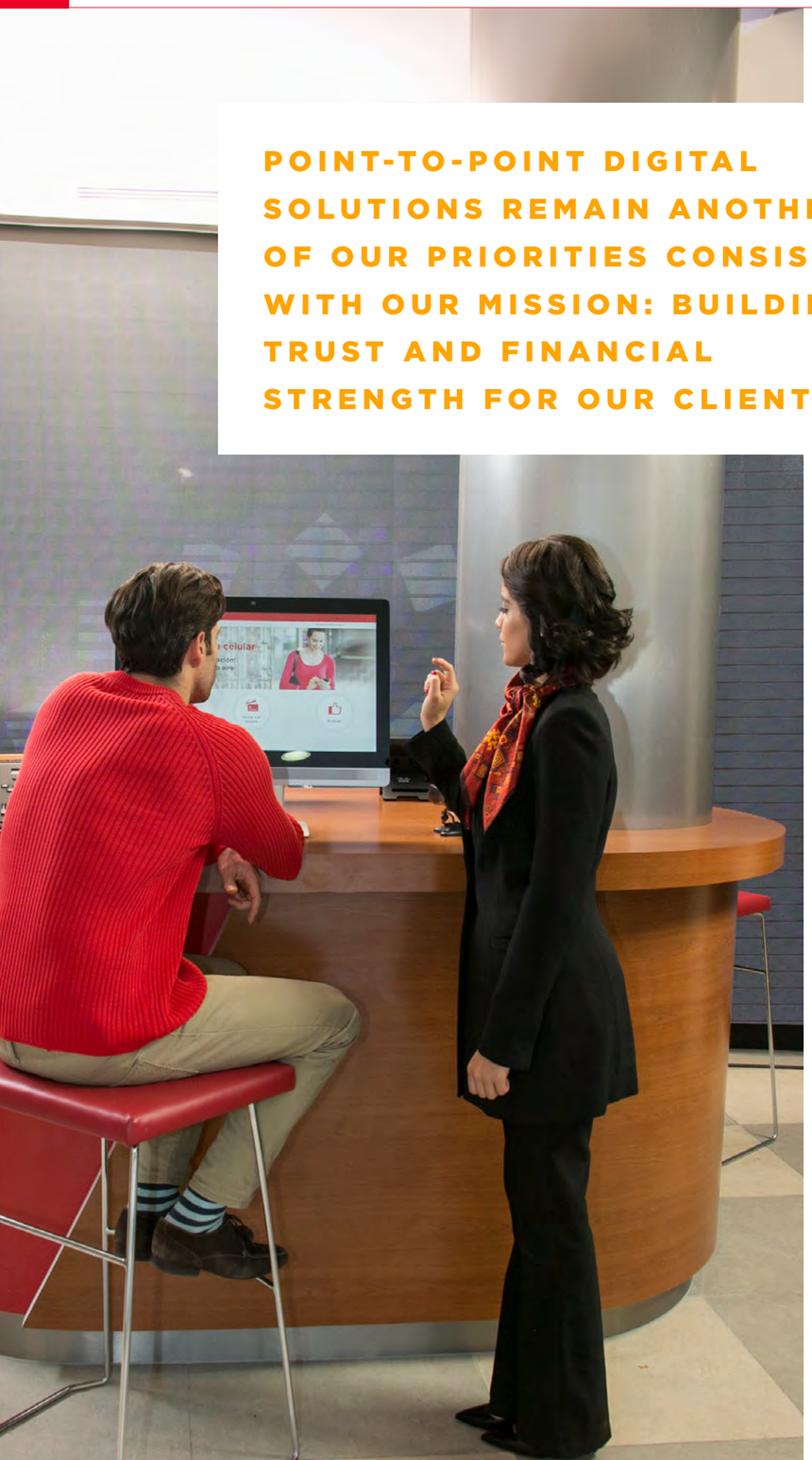
As for the daily use of our cards, we strengthened our position of having cards with the best usage campaigns. Now customers can use Google Pay for their transactions, and the Tarjeta Favorita portal is more robust. These improvements were made while upholding our mobile tool's card functionalities leadership.

THE CREDIT CARD PORTFOLIO GREW 14.3%, BEING CONSISTENT WITH THE BANK'S RISK APPETITE AND CONSIDERING THE PROFILE OF OUR CARDHOLDERS AND THE ECONOMIC ENVIRONMENT

MULTI-COLLECTION SYSTEM

With the Multi-collection system, our Acquiring business clients can **manage their channels for payment method acceptance**, create transaction reports, and administer users, to mention just the most important functionalities. Likewise, we have effectively responded to market needs by promoting the **Payment Link solution** —now businesses can generate single-use URLs (Uniform Resource Locator—web address) by any electronic media, including the leading social media, and develop the product through a secure channel via the ***3D Secure 2.0 standard.***

Lastly, we are still maintaining the desired quality in our assets, which is a vital part of the strategy. Segmentation into large groups of clients facilitates personalization. It accurately identifies the needs of our clients, whether obtaining a credit card, a credit extension, special promotions, support to make payments, or providing them with payment tools.



POINT-TO-POINT DIGITAL SOLUTIONS REMAIN ANOTHER OF OUR PRIORITIES CONSISTENT WITH OUR MISSION: BUILDING TRUST AND FINANCIAL STRENGTH FOR OUR CLIENTS

PROJECT SEGMENTATION

Our project portfolio is divided into three areas:

		2021	2022
01	**OPERATING THE BANK** Projects that allow us to tend to regulatory and security requirements and technological and operating risks, as well as corrective and evolutionary maintenance in our current systems.	34%	**35%**
02	**CHANGING THE BANK** Projects that keep how we manage and evolve our operations updated through cutting-edge technology.	44%	**42%**
03	**TRANSFORMING THE BANK** Projects that seek continuously to reinvent banking through digital technology solutions.	22%	**23%**
		TOTAL 100%	TOTAL **100%**

PAYMENT METHODS AND CHANNELS

GRI 2-6

CUSTOMER EXPERIENCE IS OUR GUIDING PRINCIPLE. ACCORDING TO THIS VISION, PERSONALIZATION, AVAILABILITY, AND DIGITALIZATION SHAPE OUR BIGGEST ACHIEVEMENTS

The new generation debit product we launched in 2021 is now a benchmark in the market. In 2022, over 1.3 million Universal Debit cards were linked to an account, and almost **100,000 cards** have been obtained at our affiliated merchants. The aggregate billing with these Universal Debit cards totaled almost Ps. 22 billion during the year.

As a result of our alliance with the Mexican Soccer Federation, we launched a Mexican National Soccer Team payroll card with almost **2.4 million cards issued**. The card has several transactional benefits not expected in payroll cards, allowing the extraordinary placement of payment methods.

In September 2022, we launched the Mexican National Soccer Team credit card. This card is positioning us in the sports segment. Its loyalty program has been specifically designed for this segment—placement for this product totals almost 15,000 accounts, the best initial growth we have seen during a launch.

The new cards are added to our portfolio of products, i.e., the first step in our personalization strategy so that each customer can select the card that best meets their needs and preferences. Thanks to our alliance with United Airlines and Marriott International, our products for the travel segment grew significantly in the number of cards and portfolios.

Our credit and debit value proposition depend substantially on the type of campaigns and promotions that we offer. Customers have a better experience thanks to the ease of identifying and activating relevant promotions and the fact that benefits are still obtained through usage goals and not randomly.

The number of **credit cards with billing grew 16%** vs. last year, which helped us achieve a 27% increase in total billing. Credit card-not-present billing accounted for 41% of total billing, growing 20% over 2021, a significant percentage considering that physical stores continue in a post-pandemic solid recovery. As for **debit cards, total billing grew 18%** over last year. Card-not-present billing grew 13%, accounting for 23% of total billing.

1.3 million
Universal Debit cards linked to an account

Ps. 22 billion
of aggregate billing with Universal Debit card

We have had an excellent card portfolio performance, and, without a doubt, a portion of this growth has been achieved thanks to our modernized infrastructure. We are still ranked **ranked second in the number of ATMs nationwide**. We completed the modernization of 87% of the ATM network. Thus, availability remained at 95.05%, **serving an average of 10.4 million customers and users monthly**. The placement strategy will continue to prioritize the locations where our customers operate.

On the other hand, in the Acquiring business portfolio, the product was extended nationwide to 111,857 affiliations (+12% vs. 2021), which can participate in card-present solutions as well as remote ones. We reached record levels in e-commerce sales, achieving a **cumulative growth in total sales of 25%** vs. 2021. This has positioned Banorte as the 56th largest Acquirer in the world according to the Largest Merchant Acquirers Worldwide report, climbing nine notches from the 2021 ranking, and coming in ninth in Latin America, one notch higher than in 2021, both published by the Nilson Report.

Also, as part of the comprehensive service and the best experience for our customers, we have implemented ***Switch E-Global***. This is a competitive advantage in the acquiring market, as we are the only Acquirer that works with two of the largest clearinghouses in Mexico. This ensures the continuity of the operation of our affiliated merchants in the event of a contingency in any of the clearinghouses.

And finally, the component that gives our customers freedom and flexibility—the personal digital banking, which was consolidated in 2022. The penetration of digital customers continues to increase, showing that this is neither a trend nor the result of a need but rather a new culture and a demand from our customers. **Our digital database of customers** conducting mobile or online banking transactions grew from 4.6 to 5.5 million, accounting for a growth of 20% vs. 2021. The number of transactions customers conduct through these channels shows that fear and distrust barriers have been overcome and that customers are satisfied with their use, as they can conduct more than 180 transactions. In 2022, customers made 2.7 billion transactions through digital media, accounting for a 14% growth over 2021.

The first step of the digital banking approach was meeting the needs of our current customers, i.e., once the customers have opened their accounts in Banorte, they can operate them on a self-service basis, as if they had the bank in their hands. 2022 brought progress for the institution since not-yet customers could successfully become customers directly from their smartphones in addition to fulfilling this task. Through the **Banorte Móvil app**, any person of legal age with a valid ID can go through a verification process and open their account and digital banking in less than ten minutes. Therefore, anyone can open an account, regardless of location, time, or impediment to going to a branch. Since the launch of this new service in October 2022, **more than 25,000 account openings have been made under this new scheme.**

Mobile Banking
NPS 81.1
vs. NPS de 70.2 2021

(Industry) Mobile App NPS has grown from 46 in 4Q21 to
58 in 3Q22

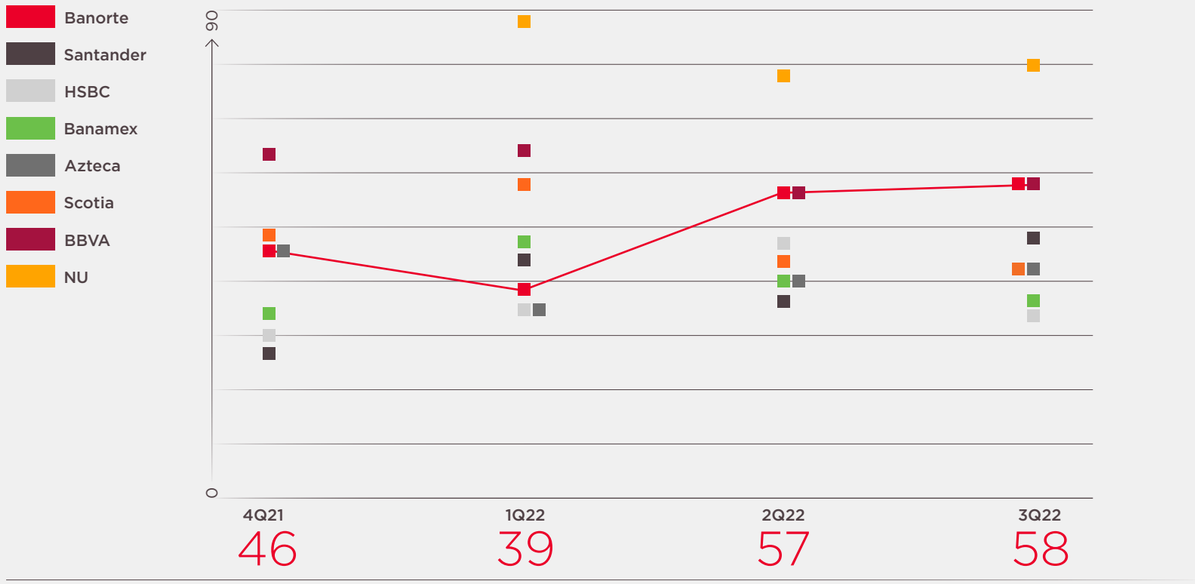
71.2 NPS ATM
(+3.8 points vs. 2021)

111,857
affiliations of Acquiring business portfolio (+12% vs. 2021)

5.5 million
digital customers vs. 4.6 million in 2021 (20% vs. 2021)

2.7 billion
digital transactions by digital media (14% vs. 2021)

MOBILE APP NPS



ACCELERATING DIGITALIZATION

We are still investing and have a solid approach to developing digital functionalities for our products. Since 2021 customers **can conduct practically any credit card transaction through digital media**, and in 2022 we focused on improving the customer experience in each process.

We placed 113,000 new card accounts through our digital self-service channels, accounting for **26% of the total credit card placement and a 46%** increase vs. 2021. Integrating multi-channel components has resulted in a uniform and consistent experience for our customers, regardless of their chosen channel at the beginning of their application process.

Through the **Contrata** origination platform, we placed 280,000 accounts, 97% with immediate card issuance that the customer activates and keeps.

The use of our digital cards is still growing; the percentage of card-not-present **total billing grew from 9% to 13% for credit cards and from 4% to 8% for debit cards.**

As for our digital card functionalities, we added Google Pay to our customers' payment methods; Banorte is one of the few card issuers that offer **Apple Pay and Google Pay services.**

113,000
new credit card accounts from self-service channels

280,000
credit card accounts from the Contrata platform

If our cards are ready with these wallets, we are also ready in our Acquiring business terminals. Through this secure and accessible means, users can make **contactless payments** from their *Android* and *WearOS* devices with Banorte credit and debit cards.

E-COMMERCE IN MEXICO IS THE SECOND MOST SIGNIFICANT ONLINE MARKET IN LATIN AMERICA. BANORTE HAS PERFORMED WELL IN THIS AREA, WITH A 13% GROWTH IN E-COMMERCE AFFILIATIONS.

Under this digital approach, we enabled **VISA tokenization** services to offer secure processes to Banorte's Acquiring business customers. We offer new payment experiences to cardholders by storing payment information for future **one-click** purchases and compliance with the PCI-DSS (Payment Card Industry Data Security Standard) regulations.

Financial innovations have been **comprehensive solutions to increase financial inclusion**, offer banking access, and expand markets. As part of our institutional mission, we have strengthened strategic alliances with *fintech*, aggregators, and integrators, attracting and retaining high-value clients.

An excellent example of solid alliances is ***RappiCard*** (a joint venture of Grupo Financiero Banorte and RappiCard). At the end of November 2022, it accumulated 754,000 credit cards in Mexico with a **portfolio of Ps. 4.1 billion**.

The most relevant fact of this financial product, with a life span of fewer than two years, is the great satisfaction of its users. The net promoter score (NPS) of the (would you recommend this product to a family member or friend?) question asked to users totals 80 percentage points—the highest level in the financial industry. Several aspects of this **fully digital product** keep customers very satisfied, especially the ease of use and personalized attention that all customers receive from personal advisors.

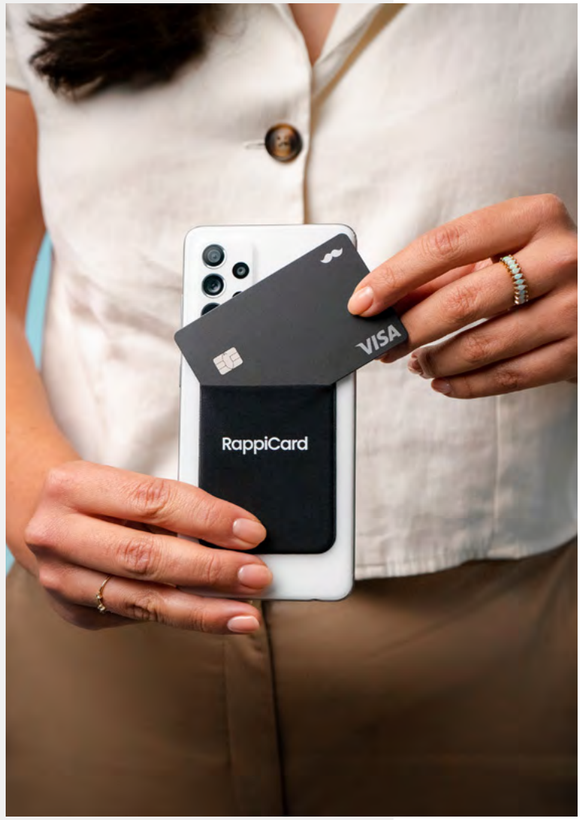
RappiCard is a product that young customers love as they were born in a digital world. As this is a financial product embedded within the Rappi super-app, it has a meager acquisition cost. Considering its high level of security, over 72% of its cardholders make digital transactions, while 75% of customers are under 35 years of age. Since its recent launch, youngsters have been using this financial product due to its quick application process (only two minutes), significant and immediate benefits than those offered by competing cards within the segment, no annual payment, personalized service, and relevant commercial deals for customers to enhance their financial possibilities.

754,000

***RappiCard* credit cards**

+72%

of *RappiCard* cardholders make digital transactions



Other alliances also contemplate creating products vertically serving specific industries, such as hospitality or gas stations, with specific functionalities and more efficient operations. For example, the incorporation of massive registrations for aggregators and the integration of affiliated merchants through APIs (application programming interfaces) in e-commerce.

As for specific industries and segments, we must talk about **digital banking**. As part of our vision of being the number one Mexican financial institution for banking in a digital world, we will soon launch a **new fully digital mobile app-based bank**.

AT THE END OF THE SECOND QUARTER OF 2022, ONE OF THE MOST IMPORTANT MILESTONES WAS REACHED: THE CNBV (NATIONAL BANKING AND SECURITIES COMMISSION) AUTHORIZED US TO BE INCORPORATED AS THE FIRST DIGITAL BANK IN MEXICO

2022 was a critical year for constructing the technological architecture and the commercial, service, and operational models according to the design of our value proposition's products, services, and benefits. As for the bank's operation, the policies and guidelines were defined, the manuals were prepared, and the Corporate Governance bodies were appointed.

We will continue working hand in hand with the Mexican financial authorities to comply with the regulatory process to start operations in 2023. We will transform the banking business in Mexico, keeping customers at the core and focusing on the simplicity of services.

This is possible if we focus resources on changing and transforming banking, ensuring the systems' regulatory, security, and stability compliance to operate normally and with all our channels available.

The consistency and maturity of the development areas have caused the iCEV (Value Delivery Fulfillment Index) to reach 94% of on-time deliveries in 2022, as planned and without production failures, and a total of 1,197 value deliveries.

ICEV

+1ppts

vs. 2021

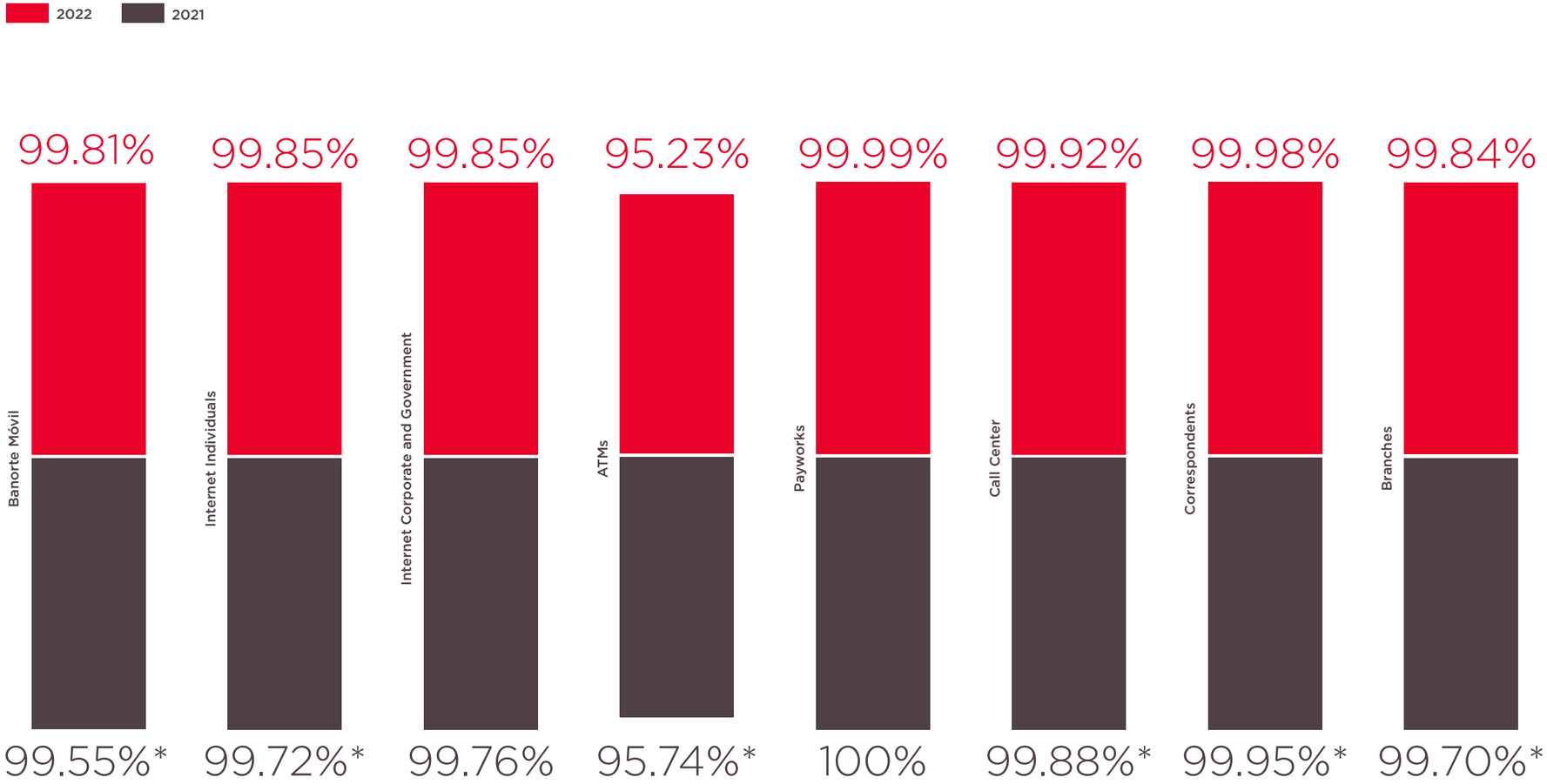
Value Deliveries

+14%

+14% vs. 2021

This results from 2.7 million hours of development with greater efficiency and reuse of components, considering that the average cost of each value delivery was reduced by 12%.

AVAILABILITY OF CHANNELS



* This figure is updated at the end of 2021

Among the main projects completed in the year were:

Improvements in Product Opening Processes
We contributed to indicators such as cost improvement, automated processes, cross-selling, and more complete point-to-point processes. We also use these products in other channels, promoting remote origination and, especially, customer satisfaction, managing to reduce processes from 11 to 9 minutes.

Banorte Móvil App Redesign
We improved the customer experience, making it a fast, steady, easy-to-use app. We implemented new services such as Maya, Banorte's virtual assistant, for estimated savings in aggregate spending (2021-2024) of Ps. 64.6 million.

Brokerage Firm derivatives and new products
Their purpose is to offer more sophisticated products than those offered today by competitors.

Implementation of ATM Multi-vendor Solution
We implemented the infrastructure and software base for ATMs with user-friendly screens, improving security processes, MAC monitoring, and flows through the service-oriented architecture (SOA) approach.

Personalization of the Customer Products
We reduced development and maintenance costs related to product settings and operation, product package management, and the fees associated with such packages above the standard fees defined in legacy systems. We also increased the customer base due to fee segmentation.

Containers
The financial services of the future are based on container architecture principles, Continuous Integration/Continuous Deployment (CI/CD), and cloud-native (CloudNative) services.

We successfully deployed 19 apps in production environments with excellent results in resource consumption and response times (up to 40% of computing resources were optimized in two critical path services). We reduced the implementation/deployment times to environments from days to only minutes, optimized the production change cycle from 12 to 2 days (time to market), and reduced the time to provide project infrastructure from months to minutes.

Strategic Alliance with Google Cloud
In 2022, we took advantage of Grupo Financiero Banorte's alliance with Google Cloud to exploit its tools' potential for solving business needs for our customers' personalization. We improved the institution's information security. With Google Cloud's help, we created the Cloud Enabling Center (*Centro de Habilitación de la Nube*) to facilitate, promote, and leverage cloud projects in an agile and continuous improvement framework.

SAP on Google Cloud
In January 2022, Banorte enabled the environments for migrating the functionality of SAP modules and management processes, the institutional ERP, to the new SAP S/4HANA version using Google Cloud computing technology: Compute Engine.

With this project, Banorte participated in and won the Google Cloud Customer Awards in the Financial Services category of 2021. Innovative thinking and digital transformation through Google Cloud products and solutions allowed us to migrate these systems from our infrastructure to Google's cloud in just a few months.

Apigee
We continue to use Apigee, the Google Cloud API management system. With this system, we can safely share information that our business requires in an orderly fashion. We have deployed various services, such as the ATM inquiry API or the Visa Consumer Authentication Service (VCAS), which received an average of over 11 million calls in 2022.

Personalization MVP with Google Cloud
With Google Cloud's data storage and AI model execution tools in Python, we will test an ecosystem to initially execute three important Banorte models—mortgage abandonment, product propensity, and total abandonment.

This ecosystem will support different technological solutions for such modules to solve business needs in the coming years. These solutions will be related to the hyper-personalization experience that we seek at GFNorte, and we will be able to make faster decisions based on our customers' information.

Google Culture
Google helped us take the lead on projects created in, or moved to, the cloud and set the guidelines and patterns to start defining a cloud governance model.

The Cloud Enabling Center was created by a multidisciplinary team whose mission is to accelerate Banorte's digital transformation, guiding the Business, Technology, and Operations areas for cloud adoption and promoting dynamic work, helping to achieve the goal of being the number one bank in the digital world.

Virtual machines on GCP with GCVE and landing zone
Google Cloud VMware Engine was used to migrate on-premise development environment virtual machines from different business areas to the Google cloud.

This effort led to the creation of a landing zone—a technological scheme that protects the resources created in the Google cloud with which multiple workloads can be deployed safely and in a scalable way, complying with design patterns, best practices, and standards defined by our specialists.

Information Security
With Chronicle, we can accelerate investigations of security incidents, improving the analysis quality by incorporating searches on petabytes.

WE IMPLEMENTED VIRUSTOTAL, WHICH SCANS SUSPICIOUS ITEMS WITH MORE THAN 70 ANTIVIRUS SCANNERS, ALLOWING US TO ANALYZE URLS, REVIEW SECURITY REPORTS, SEARCH FOR MALICIOUS FILES, AND ANALYZE DOMAINS AND IP ADDRESSES.

INFRASTRUCTURE

We started some research to locate our data center complex seeking security, continuity, and growth capacity for Banorte's current and future demands. According to various analyses, we decided to house the **new processing rooms in the City of Querétaro**, a world-class data center.

The project is based on three main areas:

01 **DATA CENTERS**

02 **TOP-FLIGHT COMMUNICATIONS** ensuring service connectivity at all times

03 **A WAVE-FOCUS SERVICE MIGRATION PROCESS**, a key strategy in a controlled and practical transition to a new operating model

To conduct a wave-focus migration process is of great importance, as **we are migrating critical and very complex service data centers operating fully: banking, brokerage firm, insurance, and the leasing subsidiary of each company of the financial institution** with a minimum or null impact to the operation and, most importantly, our clients.

THE FIRST TWO PHASES—DATA CENTERS AND COMMUNICATIONS—CONCLUDED IN DECEMBER 2022. IN 2023 WE WILL COMPLETE OUR MIGRATION OF SERVICES TO OUR NEW HOME (QUERÉTARO), INCLUDING ALL SYSTEMS, EQUIPMENT, AND OPERATION.

INFORMATION SECURITY

SASB FN-CB-230a.1, FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.2, FN-CF-230a.3

Our extensive portfolio of information security policies and procedures **consolidates our security strategy**, incorporating external regulations and best practices. These policies are authorized by the bank's Control and Audit areas, including the Chief Information Security Officer (CISO) and the Integrity Committee.

In 2022, we defined a new operation model, CTIR (Cyber Threat & Incident Response), for the attention of threats. **This model is based on the organization's main** challenges—digitalization, growth of cyber threats, distribution of processes, and automation. It allows the integration of advanced tools for detecting threats in specific points: cyber-fraud, servers, networks, authentication, and data.

We reviewed the proposed model with state-of-the-art consultants and manufacturers to obtain their feedback to protect the scope and depth of the model.

AT BANORTE, WE PROTECT OUR CUSTOMERS' DATA AND THE INFORMATION GENERATED IN TRANSACTIONS

33

folios of own information security projects managed

346

projects participated in 2022

INFORMATION SECURITY GOVERNANCE

Various internal and external audits are attended annually to review controls and ensure the integrity of the information in the financial statements, including visits by the CNBV and Banxico. **Approximately 80 reviews were attended to this year promptly, delivering over 2,000 information requirements**.

We have managed 33 folios of our information security projects and fulfilled 99% of the value deliveries (128) stated in each project.

Today, we have a Security Services Delivery Program. **Its objective is to ensure an actual definition and application of controls to mitigate project risk through an efficient process** process and by reinforcing the roles and responsibilities of the areas and persons involved.

Every project in the Technology area is categorized and classified for attention within the Security Services Delivery Program run by the Executive Department of Data Security. In 2022, a total of 346 projects were covered by this program.

ISO 27001 AND PCI STANDARDS

In 2022, we managed to maintain the ISO 27001 certification of our Data Security Management System (DSMS), **to remain in alignment with the information security international standard**, with the scope of the following certificate:

01 Critical data assets of our online banking and mobile banking services and apps, our payment method platform, local interbank transfer platforms, personal data archives, and databases authorized by senior management.

02 Operation of the SI Service Delivery process and Incident Response Team (IRT), including their critical assets.

03 Joint management by the business areas of GFNorte and the Technology Department of Cyber-fraud Risk in ATMs, Online Banking, and Card-not-present Transactions.

We also **obtained PCI DSS recertification** for the acquirer process and digital banking channels' first PCI DSS certification.

Likewise, we migrated to the new PCI DSS v4.0 version for all certified channels. We completed the gap analysis of the contact center in preparation for its first certification cycle.

OPERATING MODELS

To improve our day-to-day operations, we pursue standardization, continuous improvement, and automation of our security processes. With this in mind, we designed a customized method of operating models that includes the area's most essential processes, services, resources, technologies, work teams, tools, and indicators of this department's most relevant security services.

WE EVALUATE EXISTING PROCESSES, identifying areas of opportunity in aspects such as design, efficiency, the definition of responsibilities, and performance indicators.

WE BUILD THE MODEL, considering the improvements identified through standardized artifacts such as high-level diagrams, data flow charts, and RASCI, KPI, and SLA matrices, among others.

WE THEN DEFINE THE EXECUTION PLAN, including indicators by which we can monitor the behavior and, if necessary, improve execution or alerts in the event of non-compliance with the established goals.

We also work to expedite processes and execution; to do this, we aligned some operating models to an Agile methodology based on the "scrum" framework.

THIS YEAR, WE HAVE CREATED 51 OPERATING MODELS, INCLUDING 14 FROM THE CTIR. WE REVIEWED THE KPIS AND REDUCED THEM FROM 105 TO 68 OPERATING MODELS. 43 OF THESE ARE COMPOSITE KPIS

APPLICATION SECURITY AND ACCESS CONTROL

In the Vulnerability Management Program, we provide detailed instructions on analyzing and conducting vulnerability tests of the technological infrastructure that supports critical applications. It covers four groups:

01 Regulated applications.

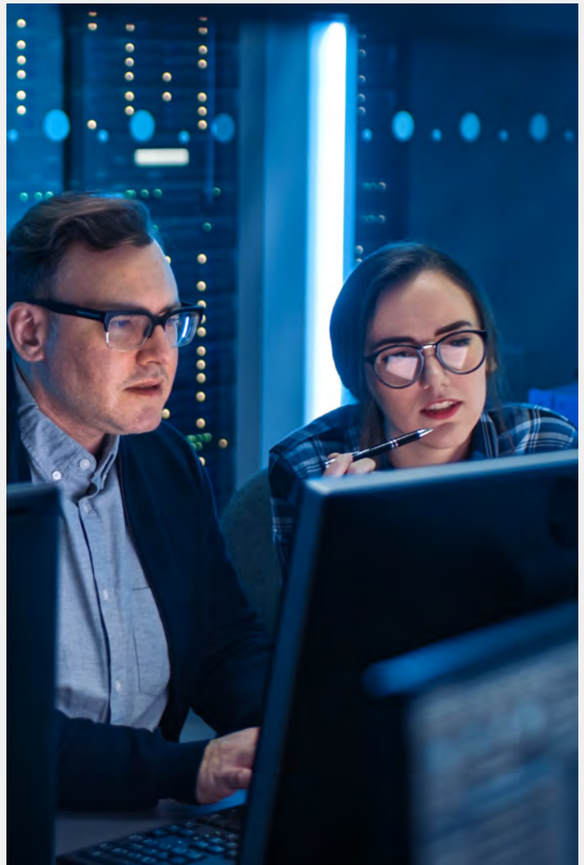
02 Applications within the scope of the BIA (business impact analysis).

03 Critical infrastructure.

04 Other requirements (servers that support an operating process).

This program complies with an internal methodology for measuring vulnerability to risk based on frequency and severity.

The monitoring of the execution of this program is aligned with the evaluation of the KRI0016 indicator - "Critical vulnerabilities pending correction and detected in vulnerability analyses," established in the Sole Banks Circular Letter (*Circular Única de Bancos*) and is reported to senior management. According to the results, **we can obtain supporting materials and resources for reducing risk indicators.**



Vulnerability Management:

In 2022,

27

intrusion tests were run by a qualified external consultant, and 12 were internal tests

We reviewed over

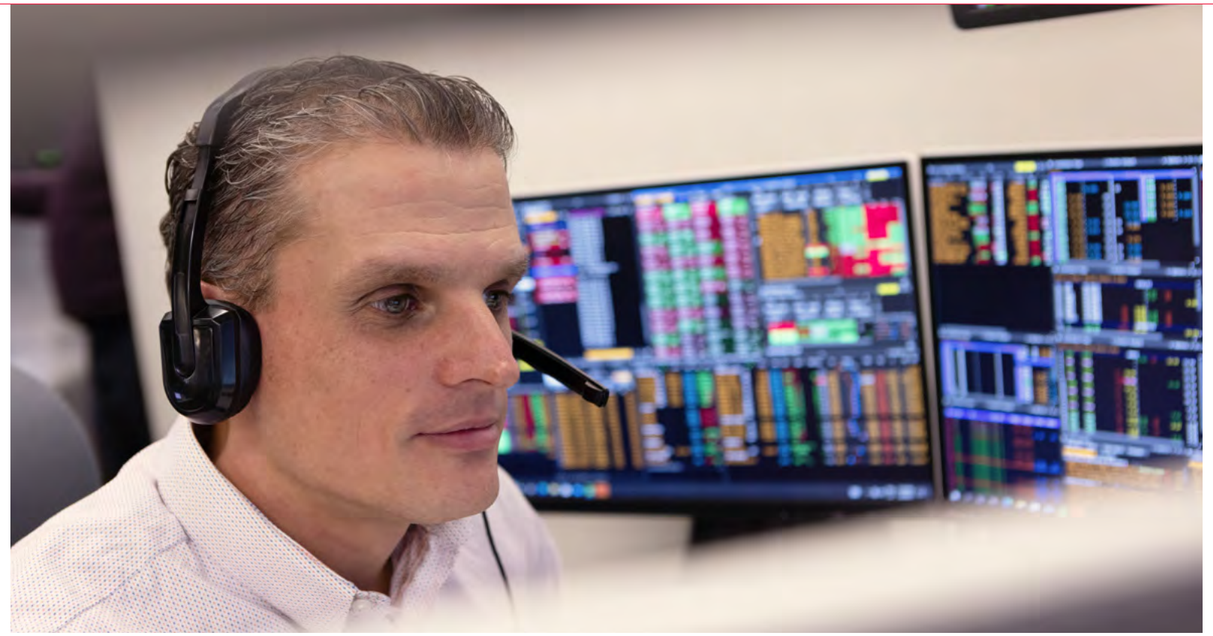
159

code-level applications with black-box and white-box scans

We conducted monthly platform scans of

224

applications, encompassing over 1,000 servers in all the bank's environments



BORDER PATROL
(REVIEW OF SECURITY CONTROLS ON SERVERS THAT ARE RELEASED TO PRODUCTION)

This service aims to **identify applicable security risks and controls in new services involving the production of information technologies** by tracking change controls related to the creation of new servers verifying compliance in the implementation of a security baseline setup, vulnerability review, the installation and configuration of integrity agents, anti-malware, and the connection of operating system logs for event monitoring.

We improved our security tools by vulnerability scanning solutions from container architectures and code scanning in Pipeline CI/CD ecosystems to support the new development schemes under DEVSECOPS.

IN 2022, AROUND 480 SERVERS WERE EXAMINED AND VALIDATED IN THE PLATFORM'S BORDER PATROL PROCESS AND OVER 8,000 SCANS FROM NEW APPLICATIONS AND MAINTENANCE

INFORMATION SECURITY SERVICE DESK (MESSI, IN SPANISH)

This year, for efficiency purposes and to automate routine tasks, a self-service password management tool was deployed for platform users in branches that required changing or unlocking their authentication credentials. **We also implemented a chatbot for the ten most-demanded services**. With this, we estimate to reduce more than 900 monthly calls. We enabled the human chat to attend multiple services provided by the MESSI, with an average of 808 monthly chatting sessions.

We estimate to reduce
900
monthly calls by implementing a chatbot

808
chatting sessions on average by human chatting

INFORMATION SECURITY OPERATIONS MANAGEMENT

Here are some 2022 improvements in information security operations management:

ATM Security

To reinforce security, this year, we have renewed all the infrastructure of ATM and POS transactions. We have state-of-the-art equipment with new capabilities and functionalities to strengthen security and deliver a seamless service. With this, we can support new encryption mechanisms to improve security. We have incorporated a CMDB (Configuration Management Database) with the necessary information for more efficient management and reduced service times.

Perimeter Security

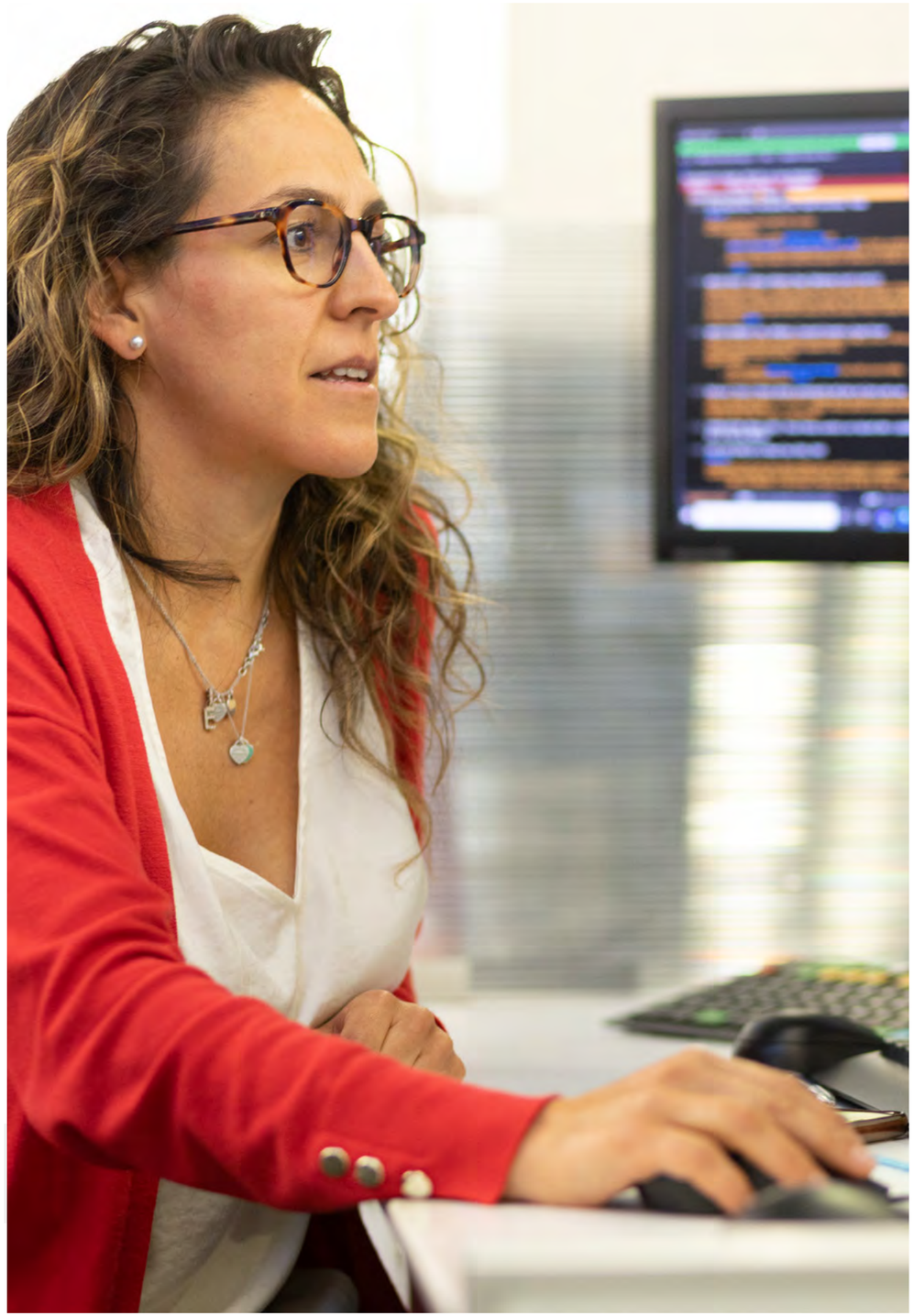
This year, we have improved the security of our applications, incorporating reputation filtering and bot detection mechanisms. We have also created micro-perimeters to protect and improve network traffic visibility.

We have incorporated new cloud features for better protection against attacks. Additionally, we have implemented new technologies—machine learning and artificial intelligence—into our equipment to identify attack patterns and respond immediately.

Security Event Monitoring

This year, our Security Operations Center (SOC) began evolving towards an attack prevention-oriented scheme and operating model with automation, incident response technologies, and anti-threat equipment.

We have introduced real-time big data analytics capabilities through Google technologies and platforms to help identify indicators of compromise and respond to threats promptly.



CYBER CRISIS

One of the main objectives of this program is to strengthen the crisis response capacity of Banorte and its subsidiaries' teams. To this end, we conducted 15 cyber drills throughout the year, including some regulatory cyber drills. These drills involved various scenarios for local and global risks, such as ransomware, social engineering attacks, supply chain attacks, and denial-of-service, among others. This is how we can identify and implement improvements, strengthen our security controls, and be better prepared to deal with a real cyber crisis.

Toward the same end, we have created action protocols with strategic areas of the bank to ensure a coordinated response by the various teams.

At least 12 training sessions are given annually to members of the various cyber-crisis teams for continuous training in incident response management.

We also continued our collaboration with critical manufacturers and suppliers. In 2022, 12 firms were added to this effort, with which we reached agreements and collaboration strategies in cyber-crisis scenarios with 67 suppliers.

Safe Breach
We conducted 14 adversary simulation exercises to identify risks and improvements to technology platforms. These exercises simulate an attack based on threat actors' strategies, techniques and procedures.

400
projects

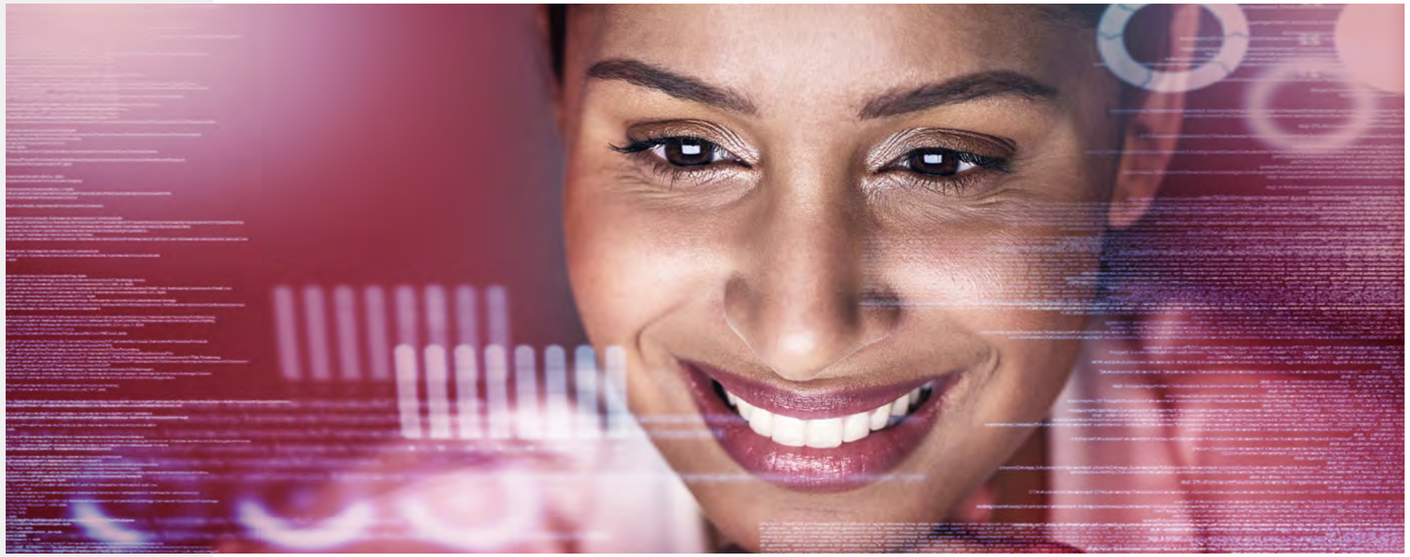
154
security architectures

IT SECURITY ARCHITECTURE AND PROTECTION

We took part in more than 400 projects and released 154 security architectures. We designed the Executive Department of Data Security service model and an initial inventory of services. We also documented 105 technologies and 250 security functionalities.

Data Center Migration
We consulted the migration strategy of 105 security technologies. We mapped the applications with databases, servers, and security controls to ensure complete coverage and operational continuity before, during, and after the migration.

Identity Management Platform
We updated the GFNorte identity management platforms and published authentication and authorization standards in the cloud.



MANUFACTURING AND INTELLECTUAL CAPITAL

- Customer Experience
- Service Channels
- Digital Transformation of the Experience
- Monitoring of Customer Satisfaction
- Relation with Suppliers

SDGs

1 2 4 8 9 10 16

GRI

2-6, 204-1, 308-1, 414-1, 416-1, 416-2, FS13

BUILDING THE FUTURE WITH FINANCIAL PRODUCTS FOR ALL

Our bank experiences a constant transformation to adapt to the needs of our customers. We use all the knowledge we generate through innovation and technology to create the best experience today and in the future.

+9,000
ATMs

+26 points
of NPS growth

95%
of domestic suppliers

CUSTOMER EXPERIENCE AND INNOVATION

Banorte has a solid path, where we continuously consider our improvement process for our customers. We maintain a clear vision as a bank that integrates technology and innovation, and—above all—the human factor: staying close to each of our customers and being sensitive to them, with a clear perspective of their needs.

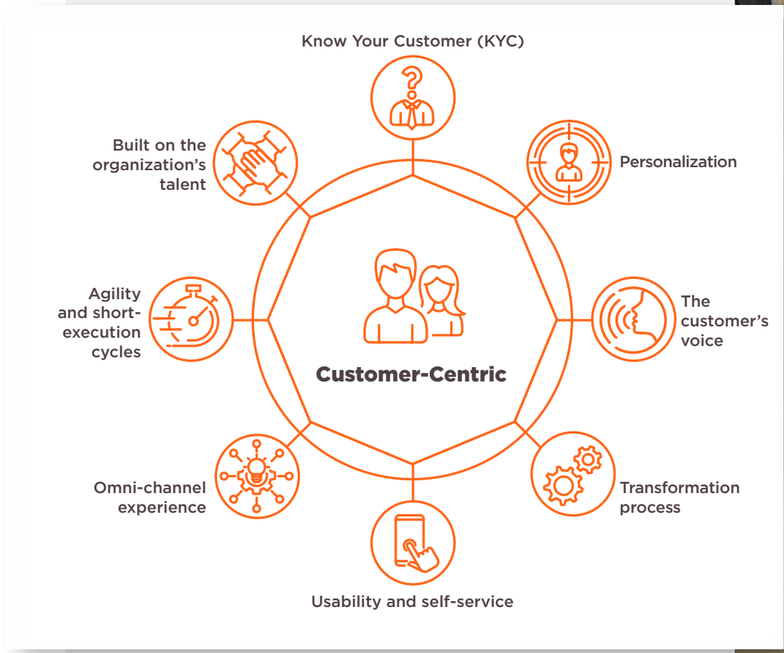
Our organization has learned to listen to our customers, placing them at the center of our design, transformation, and innovation.

About five years now, we started a technological overhaul that would enable us to focus on our customers by unifying platforms, data, and processes, to create personalized experiences, and reutilizing the technology infrastructure to create a bank in minutes with omnichannel experiences.

Through surveys and studies, our system allows the detection to deepen our KYC, their needs, and expectations. We have 14 listening programs through diverse channels, such as branches, automatic teller machines, contact centers, and Mobile Banking, in all our products and most of our services, adding to our proximity with our customers and constantly transforming our processes.

CUSTOMER-CENTRIC

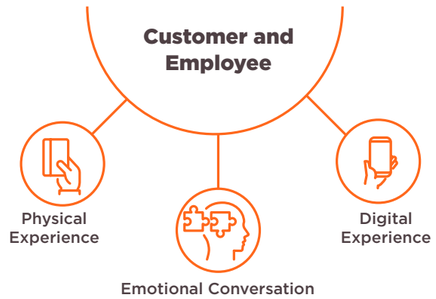
We continue working to create the future we envision, and the customer has always been our core axis. Through our customers, we get to know their needs and aim to create unforgettable moments for them during their experience through the financial services we offer. Our connection with them creates significant relationships and opens us to the constant innovation we experience.



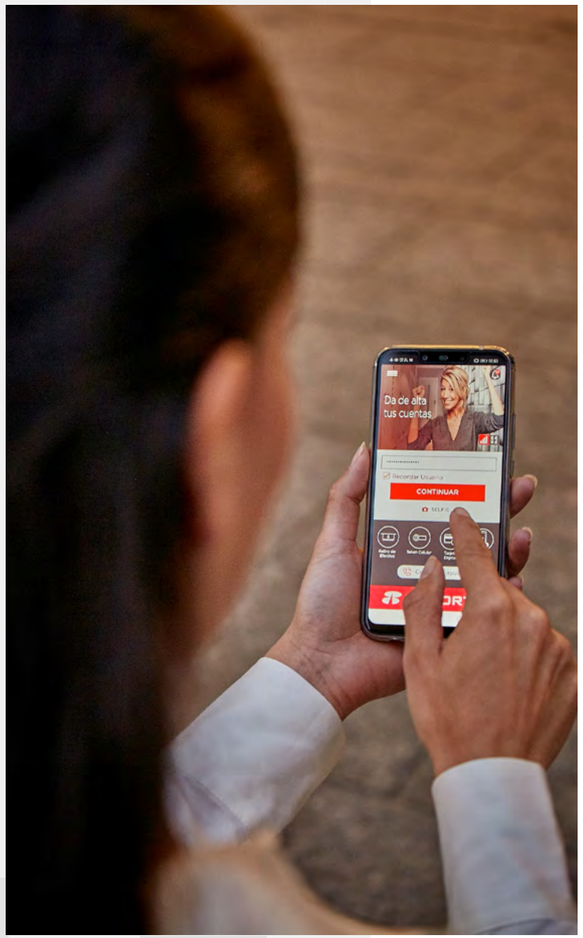
TRANSFORMATION MODEL

The transformation model has developed a connection with customers, forging closer and more emotional ties. Each point of interaction translates into trust and security, both for customers and employees.

Building trust in every interaction with Banorte



...orchestrating the customer's **Overall Experience**



BANK IN MINUTES

We continue to innovate experiences through Bank in Minutes, a program through which we move the organization where the customer wishes to be serviced, reducing waiting times so that they carry out their transactions more expeditiously and securely.

.05 min
- MAYA Response

.2 min
- WhatsApp Turn

1 min
- CC+Móvil Deposit Clarification

2 min
- Mobile Check Deposit
- Mobile Clarification
- Mobile Payroll Credit

3 min
- Mobile TDC
- Digital Payroll Down Payment
- Mobile and Tablet Portability
- Universal Card Purchase
- ATM withdrawal of cash without a card

4 min
- Mobile Funds

5 min
- Tablet Payroll Credit
- Immediate CC
- Migration table and mobile accounts
- In-branch customer reorigination
- Digital promissory note
- Digital opening link
- Mobile insurance purchase

6 min
- In-branch card replacement

9 min
- In-branch account opening

SERVICE CHANNELS

GRI FS13

To provide services to our more than 11.5 million banking customers, we offer a wide network, which includes:

1,154
branches

19,559
correspondents

9,938
ATMs

167,148
point-of-sale terminals

WE ARE MEXICO'S SECOND LARGEST ATM NETWORK, WITH OVER 9,900 AND THE MODERNIZATION OF 87% OF THE ATM BASE

Thanks to our network of allies, the correspondents are bringing financial services closer to our customers, with more than 19,000 contact points throughout the country, with extended hours.

Our customers can obtain a debit card through the correspondents 365 days a year without going to a branch. We are pioneers in this process, making us maintain the customers' preferences.

Channel	2020	2021	2022
Branches	1,193	1,151	**1,154**
Transactions (millions)	123	130	**133**
Automatic teller machines	9,387	9,668	**9,938**
Transactions (millions)	645	620	**665**
Correspondents	16,984	18,425	**19,559**
Transactions (millions)	22	22	**22**
Online-Number of active customers *	3,669,281	4,983,165	**5,577,613**
Transactions (millions)	799	818	**711**
Mobile Banking-Customers served	2,946,732	4,775,766	**4,736,437**
Transactions (millions)	1,085	2,078	**2,562**
Point-of-sale terminals (POS)	159,780	154,443	**167,148**
Transactions (millions)	717	1,105	**1,375**
Billing (million pesos)	$402,822.00	$580,724.00	**$767,887.00**
Contact center—calls received (millions)	84	57	**55**

* Web, Mobile, BEM, BEP, Banorte Connection, Peper, Apoyos Banorte

The coverage of municipalities through our branches and correspondents is shown below:

	Number of Offices	Municipalities Covered	Percentage of Municipalities Covered
Banorte branch network	1,154	332	13.40%
Banorte correspondent network	19,559	1,722	69.60%
Correspondents located in municipalities that do not have Banorte branches	5,558	1,393	56.30%
Correspondents located in municipalities that do not have Banorte branches or branches of other banks	218	135	5.40%

Total municipalities in Mexico: 2,457. Source: www.inegi.gob.mx

Municipal coverage of banking infrastructure of the country. Source: Marco geoestadístico - Catálogo único de claves de áreas geoestadísticas estatales, municipales y localidades (inegi.org.mx)

WE TRANSFORM PHYSICAL EXPERIENCES

The transformation of processes and permanent improvement has generated a growth of over 28 points in the NPS, which is reflected in a decrease in the emotion of fear and disgust.

We are committed to making responsible use of resources. This year, we have saved 222 tons of paper thanks to initiatives such as the digital receipt. In addition, this change has benefited the cleanliness of ATM spaces.

The Contact Center is a channel that transforms our customers' experiences during a call. The improvement of processes is reflected in a growth of over 24 points in the NPS, where the following stand out:

- **REDUCTION** of clarifications
- **MIGRATION** of transactions to digital channels
- **RESOLUTION** of 83% of first-contact calls
- **ATTENTION** through new channels, such as video calls

Thanks to our network of allies, the correspondents, **we are taking financial services closer to our customers, with over 19,000 contact points** throughout the country, with extended hours.

OUR CUSTOMERS CAN OBTAIN A DEBIT CARD THROUGH CORRESPONDENTS 365 DAYS A YEAR WITHOUT GOING TO A BRANCH. WE ARE PIONEERS IN THIS PROCESS, WHICH HAS GREATLY SURPRISED OUR CUSTOMERS

The closeness and immediacy that our customers in Banorte value in correspondents are reflected in 79 NPS points.

The reduced time to open a checking account from 25 to 2 days is an example of innovation reflected in the NPS growth of 94 points.

Thanks to the voices of the branch network, we implemented the NPS-Internal Service program, which measures the NPS of areas providing support to the branch network daily; the NPS results from a profound and permanent transformation in our processes.

Employees are our main asset; for this reason, we also listen to their voices. The pride of belonging to a solid bank focused on the customer-employee experience places our **eNPS** (Employee Net Promoter Score) **above 80**.

2
days to open a Checking Account

+80
NPS points

DIGITAL TRANSFORMATION OF THE EXPERIENCE

We have reinvented ourselves, showing dynamism, leadership, and innovation, building the bank our customers deserve. Working together, we have generated results that make a difference in banking services with the perfect human, human/digital, and digital combination.

HUMAN/DIGITAL EXPERIENCES

Thanks to our work in cells, this year, we managed to transform relevant experiences for our customers, such as:

Goodbye Lines, Hello WhatsApp!

We created the Goodbye Lines, Hello WhatsApp! Service with innovative, simple, and intuitive processes; we also offer our customers the option of scheduling an appointment and planning their visit to the branch.

In 2022, we served 53 million shifts, generating a great customer experience leveraged by the new WiFi service in 93% of our branches. Therefore, our branch experience is placed in 85 NPS, 10 points above traditional branch experience.

Digital Modules

To permanently listen to our customers, we have installed digital modules inside the branches to be used for our customers that do not have electronic banking or that require advice, with services such as:

- Transfers among accounts
- Payment of services and credit cards
- Balance inquiry
- Printouts of account statements

In this way, executives' time is freed up to 30%. We have gone from 70 modules in 2017 to 1,140 modules in 2022.

Withdrawal of Cash Without a Card

This functionality, where the reference is generated from Banorte Móvil, has improved how customers access their resources more securely inside ATMs; the NPS for this mobile transaction is 84.

Time for Opening an Account in the Branch

The opening of accounts in Banorte is 100% digital. It is carried out in only 9 minutes, without a handwritten signature, printouts, or digitalization, and the digital contracts are sent to the customers' email. This has dramatically impacted the business, moving from one to two daily openings per branch.

Digital Payroll Portability

Mobility is critical to the growth of our business, and thanks to the implementation of simplified and 100% digital processes via tablets, we go where our customers need us. In just four minutes, hand in hand with commercial strategies, we have gone from 1.8 to 10 payroll portabilities per month, with excellent customer satisfaction.

DIGITAL EXPERIENCES

Derived from the constant transformation of our Mobile Banking, we currently have more than 5.3 million active customers. More than 220 million transactions are processed monthly, with over 175 services: inquiries, transfers, payment of services, payroll portability, and more.

In addition, we are pioneers in securely contracting digital products without conflicts and in minutes within mobile banking through the Contract module. This is reflected in the NPS above 80 every month. The continuous evolution and innovation in Mobile Banking have allowed us to create experiences in minutes, as in the case of the digital payroll credit, in which customers enjoy their payroll credit in just two minutes from the first allocation.

We are the first Mexican bank with an investment fund contracted and operated 100% digitally. Implementing only four steps and a great innovation such as profiler, purchasing, and selling funds has become one of the best digital experiences for our customers. Also, customers who are individuals with business activity can have this experience.

One of the recent innovations is the authentication of identity, based on real-time artificial intelligence, protecting our customers from identity theft when they contract 100% digital products and services.

With 135 services and innovations, such as contracting mobile banking for individuals with business activity and the drawdown of revolving credits that same day using electronic banking, we have achieved extraordinary experiences for SME customers.

In transactional banking, we have implemented 60 initiatives of great value for customers in payments, collection, payroll, investments, derivatives, and markets. The Banorte Intelligent Treasury stands out, a unique platform in Mexico, which allows customers to know their financial position, and obtain short and long-term projections, thanks to the use of artificial intelligence in our processes.

The chatbot for Acquiring customers is the channel to serve new and existing customers, providing information on Acquiring products and services and guidance on the most relevant incidents.

As prevention and to take care of our customers, we work to improve the impact on customers of charges not recognized; we improve our clarification processes in the contact center, generating a positive impact on the customer experience with the immediate deposit, even during the same call. 83% of clarifications are solved in less than two days. Thanks to omnichannel services, customers can make clarifications from their mobile banking in minutes, regardless of where they are.

DERIVED FROM SOLID PROCESSES AND TECHNOLOGICAL IMPROVEMENTS, WE ARE THE FIRST BANK OFFERING SERVICE GUARANTEES IN PROCESSES OF UNAUTHORIZED CHARGES, ENSURING DEPOSIT IN THE ESTABLISHED TIME

WORK CELLS

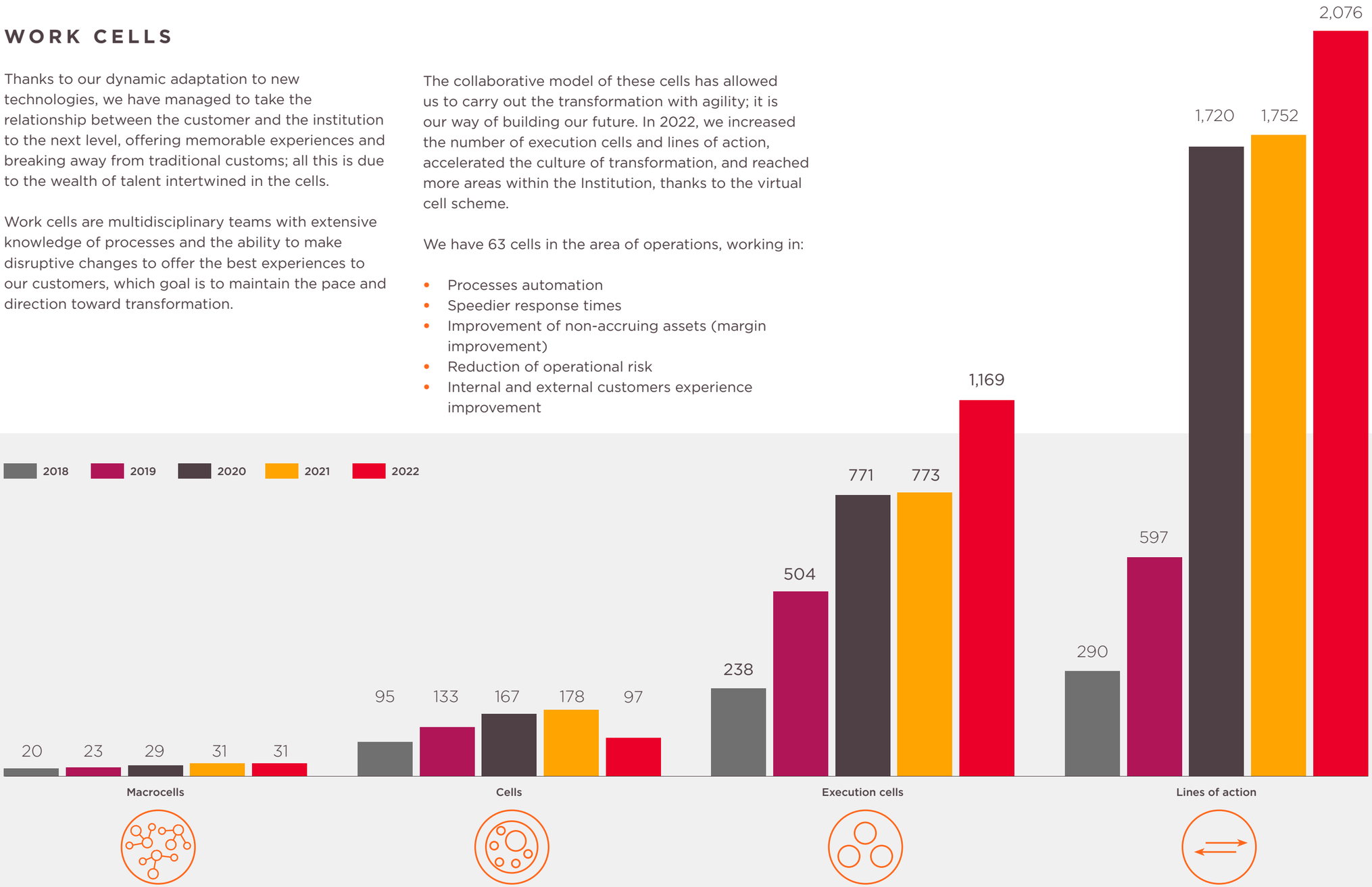
Thanks to our dynamic adaptation to new technologies, we have managed to take the relationship between the customer and the institution to the next level, offering memorable experiences and breaking away from traditional customs; all this is due to the wealth of talent intertwined in the cells.

Work cells are multidisciplinary teams with extensive knowledge of processes and the ability to make disruptive changes to offer the best experiences to our customers, which goal is to maintain the pace and direction toward transformation.

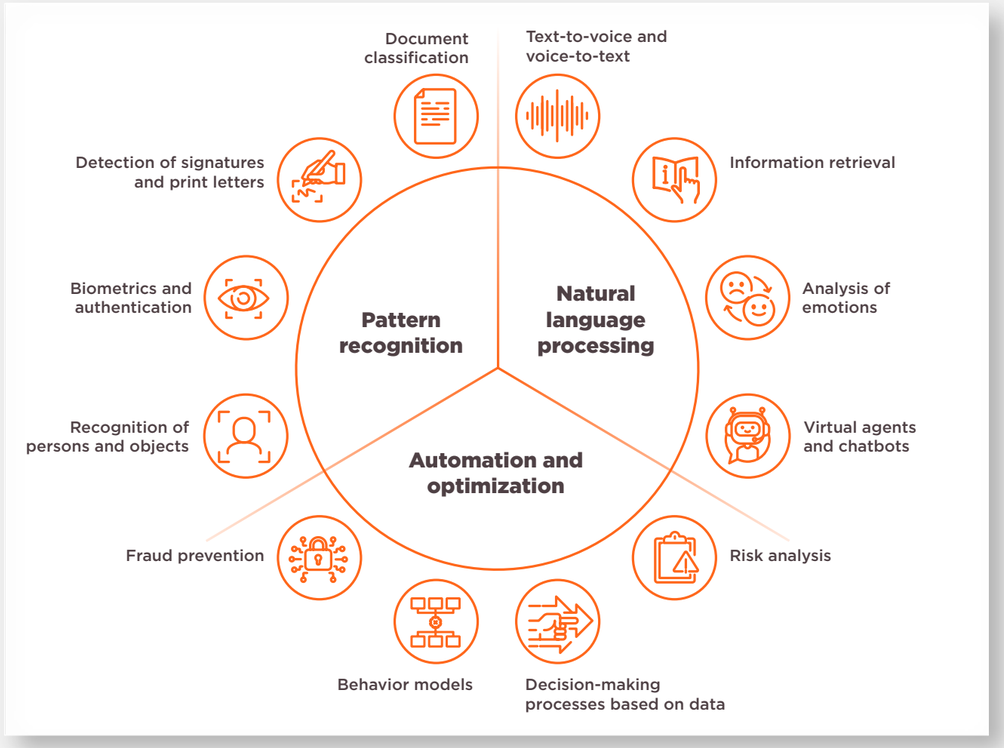
The collaborative model of these cells has allowed us to carry out the transformation with agility; it is our way of building our future. In 2022, we increased the number of execution cells and lines of action, accelerated the culture of transformation, and reached more areas within the Institution, thanks to the virtual cell scheme.

We have 63 cells in the area of operations, working in:

- Processes automation
- Speedier response times
- Improvement of non-accruing assets (margin improvement)
- Reduction of operational risk
- Internal and external customers experience improvement



ARTIFICIAL INTELLIGENCE AND NEW TECHNOLOGY



We are the first bank to have a virtual assistant in digital channels, not only concerning information matters but with the execution of monetary transactions; for this, we were recognized worldwide as one of the most innovative banks in Artificial Intelligence.

Our **avatar Maya** was born on our path to innovation with state-of-the-art technologies and autonomous and emotionally responsive animation. **Maya allowed us 83% of use by our customers and 91% of solutions in the first contact**.

Thanks to this transformation, we have developed skills that empower human talent and, at the same time, capabilities that allow us to have a stable technological and process backbone. This makes us agile, secure, adaptable, flexible, collaborative, and innovative.

IN BANORTE, WE HAVE DEVELOPED ARTIFICIAL INTELLIGENCE CAPABILITIES, AND NEW TECHNOLOGY, WHICH HAVE BOOSTED THE ENHANCEMENT OF EXPERIENCES AND THE EFFICIENCY OF PROCESSES, ALLOWING US TO DEVELOP DIFFERENT STRATEGIES THAT ALLOW US TO DEVELOP DIFFERENT STRATEGIES THAT WILL LEAD US TO FULFILL OUR 123 VISION

ANALYTICS

En GFNorte, through our Analytics Department, we focused our efforts during 2022 on promoting the hyper-personalization strategy, which allows us to understand better and serve the needs of each of our customers, providing personalized experiences that strengthen our value relationship. This hyper-personalization is based on extensive KYC needs, which has been deepened using three main aspects as a basis:

01 **DEVELOPMENT** of micro-segmentations to characterize the relationship of value and its potential growth.

02 **USE** new models based on artificial intelligence to predict trends in the acquisition and use of products and transactional patterns.

03 **THE IMPLEMENTATION** of experimental pilots allows the generation of information and causal models used for feedback, as well as the possibility of testing diverse strategies and offers to understand better how to meet our customers' needs.

Coordination is vital in the achievement of this objective. To this effect, in collaboration with several areas of the bank, we are working to orchestrate and integrate advanced analytics, artificial intelligence, technology, risk, and profitability tools, as well as processes to manage campaigns and customers' experiences. This allows us to test and implement new strategies, which boost the generation of added value for customers.

The cited integration is based on our data and technological infrastructure, as well as operationalization processes of machine learning solutions ***(Machine Learning Operations or MLOps)***, which was one of our work pillars throughout the year. ***MLOps*** allows us to insert micro-segmentations and predictive models of customer behavior or needs into business flows and automated decision-making processes. This enables us to achieve a better profile of our customers to get ahead of the offer of value presented to them and achieve dynamic communication to listen to them, serve their financial needs, and learn from their feedback. The profiling is available for the different business lines and the branch network.

Furthermore, hyper-personalization, and the infrastructure generated for individual customers, have been essential in its expansion to customers that are legal entities, which understanding also involves the development of new KYC dimensions, such as their economic context and competition with other financial institutions.

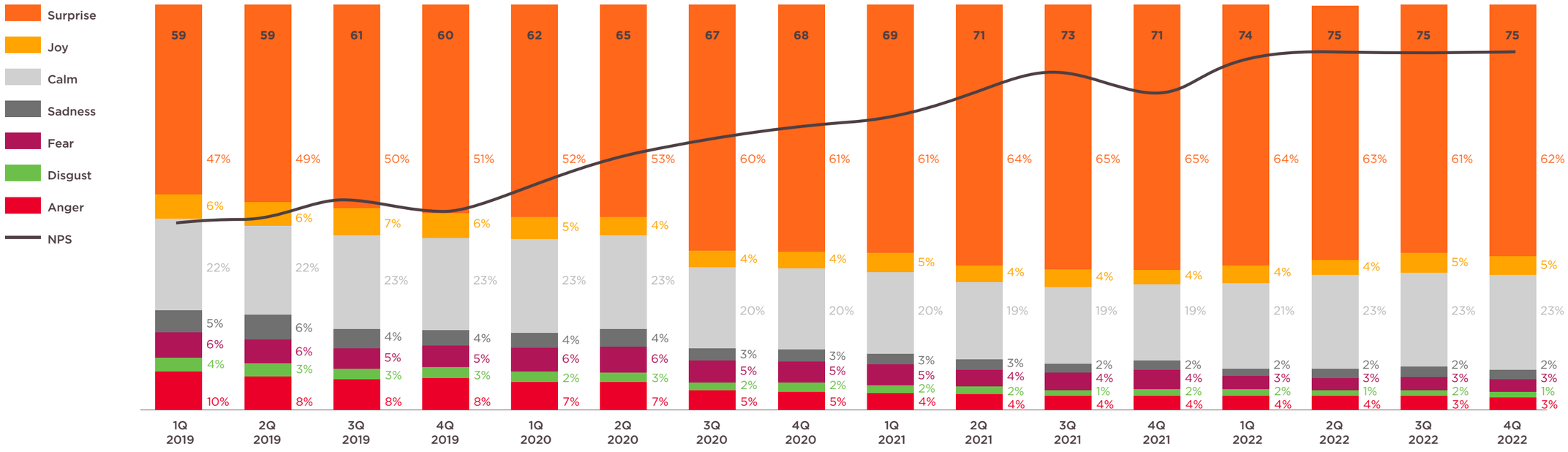
Another pillar was centered on the continuous and dynamic experimentation that allows, through the direct information generated by the behavior of customers, the creation of causal models, giving feedback to them, and informing them on their decision-making process. This way, the strategies are adjusted to be more personalized and precise. Moreover, this manner of working allows the generation of controlled environments in pilot programs, which makes it easier to test diverse, innovative strategies in different segments of customers, providing the bank with the information necessary to expand its offer model adequately, enhancing the added value that Banorte generates for its customers.

MONITORING OF CUSTOMER SATISFACTION

GRI 416-1, 416-2

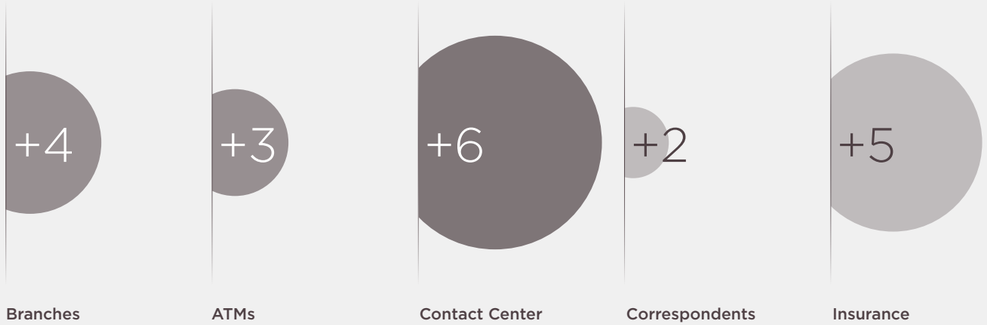
The permanent transformation of our processes in branches and the service model implemented by over 13,000 employees in recent years has given rise to a growth of more than 26 points in the NPS. Furthermore, Banorte branches have positioned themselves among the best in attention and service in the financial sector.

WE WORK TO OFFER OUR CUSTOMERS THE BEST EXPERIENCE. WE MEASURE THEIR SATISFACTION THROUGH THE NET PROMOTER SCORE (NPS)



This shows a growing relationship of trust in digital and physical experiences; this is the integral NPS of Banorte, which has grown to 25 points since real-time listening was implemented throughout all customer contact points with the bank. In 2022, the main service channels were above 75 NPS, and the strategic segments were above 78 NPS points.

GROWTH OF CHANNELS NPS
(2021 VS. 2022)



Branches | ATMs | Contact Center | Correspondents | Insurance

BxI | BEM | BEP | Mobile App

BANORTE NPS OF STRATEGIC SEGMENTS
(2021 VS. 2022)

Preferred | SMEs | Other segments | Corporations

RELATION WITH SUPPLIERS

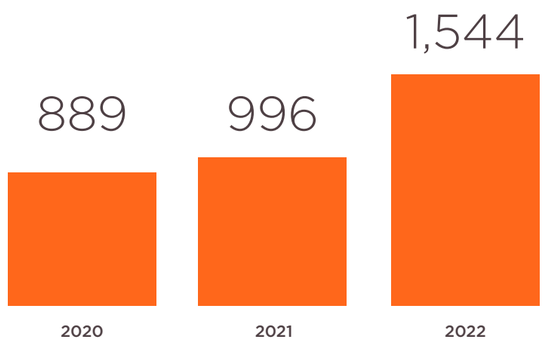
GRI 2-6, 204-1, 308-1, 414-1

Our suppliers are our strategic business allies. To this end, we seek to maintain solid and long-term relations with them.

We endeavor that most of our suppliers are domestic suppliers to contribute to the local economy and generate jobs in our country.

Since 2012, all of our supplier contracts have included a clause stating that they recognize and apply the ten United Nations Global Compact principles. They must also complete a questionnaire that covers the criteria established in the Guide to responsible supply chain management: toward sustainable business inside and beyond company walls. This enables us to detect the risk of failing to abide by the applicable law.

NUMBER OF SUPPLIERS



OF 1,544 SUPPLIERS AT THE END OF 2022, 95% ARE DOMESTIC

76% OF THE NEW SUPPLIERS HAVE ESG EVALUATION

HUMAN CAPITAL

BUILDING THE FUTURE WITH TOP TALENT

- Labor Demographics
- Diversity, Equity and Inclusion
- Talent Integration and Retention
- Training and Performance Evaluation
- Culture and Work Climate
- Wellness, Health and Safety
- Compensation

SDGs

4 5 8 16

GRI

2-7, 2-8, 2-19, 2-20, 2-30, 201-3, 401-1,401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, FS4

SASB

FN-IB-330a.1, FN-CF-270a.1

In a highly defiant scenario, our main challenge consists of consolidating a positive and responsible leadership that cares for the employees' well-being, generates the ideal conditions for their best performance, and continues to **create the future we envision as an organization**.

24%
of women in management positions

51.5%
of women in the workface

24.93%
overall turnover rate

LABOR DEMOGRAPHICS

GRI 2-7, 2-8, 405-1

We are experiencing a moment of permanent change and great uncertainty, characterized by a volatile environment and the arrival of disruptive technologies that have speedily changed customers' relationships, expectations, and needs concerning the bank. In 2022, our key priority to face this scenario, and taking into consideration the perspective of talent, has been to aid in creating a flexible and resilient organization in the face of challenges.

Talent is also evolving, and with it, its needs and priorities. Now, more than ever, employees value flexibility, work-life balance, and mutual trust in their organization. In line with this, we find ourselves with segmented talent, at least four generations living together within the organization, and with different types of priorities, depending on the stage of their lives.

We know that attracting and retaining technological and strategic profiles and generating favorable conditions for this talent to thrive is an essential competitive advantage.

DEVELOPING LEADERSHIP IS REQUIRED TO MAKE AWARENESS AND GENERATE COMMITMENT IN EMPLOYEES ORIENTED TO RESULTS, POSITIVELY IMPACTING THE BUSINESS

This is the way we were conformed in 2022.

DISTRIBUTION BY GENDER

51.5%
Women

48.5%
Men

WORKFORCE BY AGE RANGE AND GENDER

Age range	2021			2022		
	Women	Men	Total 2021	Women	Men	Total 2022
<30 years	5,572	5,083	10,655	**5,639**	**4,981**	**10,620**
30-50 years	8,790	7,967	16,757	**8,737**	**8,018**	**16,755**
>50 years	1,370	1,885	3,255	**1,366**	**1,849**	**3,215**
Total	15,732	14,935	30,667	**15,742**	**14,848**	**30,590**

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo), Afore XXI Banorte, and Insurance and Annuities.

WORKFORCE BY GENDER AND CATEGORY

Category	2021			2022		
	Women	Men	Grand total	Women	Men	Grand total
Director	152	547	699	**183**	**573**	**756**
Middle management	3,642	4,569	8,211	**3,749**	**4,689**	**8,438**
Operating staff	11,938	9,819	21,757	**11,810**	**9,586**	**21,396**
Total	15,732	14,935	30,667	**15,742**	**14,848**	**30,590**
				51.5%	**48.5%**	

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo), Afore XXI Banorte, and Insurance and Annuities.

UNION

GRI 2-30

Banco Mercantil del Norte has a collective bargaining agreement that covers all the obligations of labor and management and regulates Banorte's relations in the institution. This agreement was first signed with the National Union of Banorte Workers in 1992 and is reviewed yearly for salary changes and every two years for other clauses. The National Union is an independent union formed by employees of the same institution, duly recognized and registered with the labor authorities. Its General Secretary is Jose Carlos Torres Garcia.

Total Employees	Unionized Employees	Percentage of Unionized Employees
26,455	8,346	31.5%

Bank employees

DIVERSITY, EQUALITY, AND INCLUSION

GRI 405-2
SASB FN-IB-330a.1

Grupo Financiero Banorte is convinced that experiencing a diverse, inclusive culture is the key to developing talent and ensuring that differences are valued. We are constantly looking for ways to innovate, be competitive in the market, positively impact our teams, and build a workplace environment where our differences enrich us.

In 2022, we defined the pillars of the DEI project, which are:

01

GENDER EQUALITY
Focused on addressing the issue of equal opportunities between men and women. Its main purpose is to focus on the efforts of teamwork and the continuing adoption of best practices and an equal culture in terms of gender by the organization.

02

EMPLOYEES LIVING WITH SOME DISABILITY
Its purpose is to establish initiatives and actions focused on integrating employees that live with a disability in different roles.

03

EMPLOYEES WITH DIFFERENT SEXUAL ORIENTATION AND GENDER IDENTITIES
Focused on promoting a culture of inclusion and respect towards sexual diversity and gender within Banorte. It aims to position the bank as an inclusive company within the LGBTI+ community.

04

ETHNIC AND RACIAL APPROACH
Its strategy is focused on promoting the inclusion of diverse people in ethnic-racial terms, especially in locations where this aspect is critical.

In Banorte, we have a set of practices and initiatives to identify and provide equal opportunities to the diverse groups in our staff and to recognize, value, and respect their contributions. Through the Diversity, Equality, and Inclusion Strategy, we have created a culture that promotes innovation, growth, and the competitiveness of our diverse staff.

THE DIVERSITY, EQUALITY, AND INCLUSION SUBCOMMITTEE, WHICH MET THREE TIMES IN 2022, FOLLOWED UP ON THE INITIATIVES BRINGING US CLOSER TO GENERATING AN INCLUSIVE CULTURE

We form part of the Diversity and Inclusion Committee of the Association of Banks of Mexico, which purpose is to standardize the metrics, processes, procedures, and initiatives, at the union level, in terms of diversity and inclusion; we also participate in joint work groups with the Business Advisory Council.

INTERNAL INITIATIVES FOR GENDER EQUALITY

During the year, initiatives were conducted to promote gender equality and provide positive experiences of personal and professional development. These initiatives consisted of the following:

A diagnosis was carried out on gender equality nationwide, in the sector, and Banorte. The main findings were:

- In Mexico, **52% of the population are women; of the economically active population**, they only represent 41%. The leading causes of job abandonment are marriage, pregnancy, or family responsibilities.
- **In the financial sector, the participation of women is 40%**, and a gender gap is visualized in managerial positions where, on average, there is a representation of 26%.
- In Banorte, **our entire staff comprises 51% women**. We identified our most significant gap in managerial positions, representing 23%. The wage gap in Banorte was also analyzed, positioned at -3.6% for women vs. men. Even though it is low, we will continue reinforcing our salary administration processes, allowing us to improve this figure.

11 inclusive management workshops were taught to the management team, which participated in 71%. Some of the topics reviewed were: the definition of behaviors of an inclusive leader, the identification of unconscious biases, micro-aggressions, and the impact of diversity in the business.

Our efforts in favor of gender equality were recognized in international indices, such as the Bloomberg Gender-Equality Index and the Corporate Sustainability Assessment (CSA) of Standard & Poor's (S&P); additionally, we received the PAR Aequales 2022 recognition, and we participated in the diagnosis of female leadership in the sector by the Ministry of Finance.

In the subcommittee, the diversity, equality, and inclusion indicators were defined, which will allow us to monitor progress on these issues:

Indicator		2021		2022	
		Women	Men	Women	Men
% of gender equality in the workforce	Director	22%	78%	**24%**	**76%**
	Sub-Director	38%	62%	**39%**	**61%**
	Manager	48%	52%	**48%**	**52%**
% of promotions (annual)	Director	38%	62%	**43%**	**57%**
	Sub-Director	42%	58%	**44%**	**56%**
	Manager	52%	48%	**48%**	**52%**
Equal payment in similar roles (salary gap)	Director	(7.3%)		**(9.3%)**	
	Sub-Director	(3.9%)		**(4.0%)**	
	Manager	(3.1%)		**(2.5%)**	
% of women returning to work after their maternity leave		93.7% (179 of 191)		**94.3% (315 of 334)**	
% of women who resign due to gender issues		1.8% of total discharges		**1.4% of total discharges**	
Level of participation in media and networks		Low		**Low**	
% of participation of the leadership in DEI issues		0%		**71% participation in the workshop**	
Solutions to complaints, allegations, and/or reports on harassment and/or gender discrimination (focused on the victim and actions of the subcommittee)		4 cases		**6 cases**	

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo)

We have implemented an inclusive recruitment workshop for all the Human Resources members, which aims to raise awareness on the role and the importance of attracting the best talent from an inclusive approach, notwithstanding their gender, disability, racial-ethnic origin, sexual orientation, and political ideology.

We conduct focus groups with deputy directors and directors to find out their perspectives on issues of professional development, discrimination, culture, and value proposal with a gender perspective. With the results obtained in focus groups, the actions and the key communication messages were defined to reinforce these issues.

In executive recruitment processes, prompt monitoring was implemented to present at least one woman in all shortlists; it was ensured that the selection panels were diverse to reduce biased decisions.

We carry out workshops focused on women, named "**Promoting female leadership**," to raise awareness of the essential capacities and behaviors that lead them to success and improve their leadership capacity. 140 directors and sub-directors participated in these workshops in the different areas of the bank.

IN THESE WORKSHOPS, 140 DIRECTORS AND SUB-DIRECTORS PARTICIPATE FROM DIFFERENT AREAS OF THE BANK

The "Welcome HOLA" induction sessions incorporated the topic of diversity, equality, and inclusion. From the beginning, the purpose and the main actions were shared with new employees.

Endeavoring to raise awareness throughout the organization with the **Banorte Contigo** program, three sessions were held with the participation of thousands of employees, teaching topics such as:

Introduction to Diversity and Inclusion

Observation of Biases in Action

Sorority: from Concepts to Action

We commemorated International Women's Day, through four talks during the month of March, with the participation of women who are leaders in Banorte and external women leaders as speakers.

The inclusive language was implemented in all internal communication messages, promoting an inclusive culture.

During the year, through the General Division of Risk and Credit Management, we carried out two initiatives addressed to our employees, intending to provide them with positive experiences for their personal and professional development.

These initiatives consisted of the following:

Executive Woman Mini-Magazine
Twelve monthly issues were published, covering topics like professional and personal development, leadership, and emotional intelligence, as well as tips on healthy habits.

Stories that Inspire
We organized one group lecture given by five of our senior women executives. They shared their personal and professional experiences that brought them to their current positions. This allowed us to get to know them better from these two principles. Hence the name of the lectures, as they aim to inspire us to continue growing, both in our jobs and personal lives.

The Division of Digital Businesses Development and the Technology Division contributed to different gender equality initiatives, among the most important are:

Commemorating Women's Month

- **Virtual Board**: To recognize women in management, in March, we called on all employees to stick messages of recognition to the female staff for something they have learned or admire from them on post-it notes on a virtual blackboard. Over 160 recognitions were posted.
- **Panel Discussion**: From the Virtual Board activity, we identified women who obtained more recognition and invited them to a discussion panel so that they could share their experiences, learnings, and opinions with the rest of the employees. The purpose of the session was to listen to them and find out which of their qualities were recognized, apart from learning their perspective on different issues, such as work-life balance, professional development, and the support network that provides strength to women.
- **Virtual Coffee Sessions**: We hold monthly virtual coffee sessions to meet different employees and seek better team integration; in March, a female management leader led the sessions.
- **Special Insignia**: In our recognition system, the special insignia for the Woman you Admire was launched, where any executive employee may award the badge to female employees. 805 insignias were awarded.

Awareness of Breast Cancer

In October, the iEn octubre nos vestimos de rosa! campaign was conducted to celebrate the Breast Cancer Awareness Month. The following were the main activities:

- All communications from the Division of Technology and Digital Businesses Development included breast cancer awareness.
- Design, dissemination, and use of wallpaper to be used in Teams.
- Initiative where all employees wear a pink garment on Wednesday, October 19 (International Day Against Breast Cancer).
- Synergy with the Health Management team for the dissemination regarding the performance of mammograms to eligible candidates (men and women) and communicating relevant information to employees so that they can know the risks of breast cancer, as well as preventive actions.

Women in the Digital World

We relaunched this initiative, consisting of a workgroup, from which the following activities emerged:

- Invitation and creation of the first group, made up of 36 women.
- First session of Women in the Digital World, with the participation of 29 employees
- Presentation and incorporation of the participants.
- Transparency in the demographic data of employees: percentage of women by division, position, age, and gender.
- Statement of the group's objective: encourage and promote the development and training of women, professionally and personally, at middle-operating management levels.
- Definition of next steps—topics of interest and ways to work.

EXTERNAL INITIATIVES OF GENDER EQUALITY

TARGET GENDER EQUALITY, TGE

We were selected to participate in the second generation of Mexican companies committed to the Gender Equality Goal, an initiative created by the Global Compact and UN Women. This program aims to accelerate and support companies in establishing and fulfilling ambitious corporate goals concerning the representation and leadership of women in business.

GENDER EQUALITY INDEX BLOOMBERG

For the sixth consecutive year, we entered the Bloomberg Gender-Equality Index. Said index measures gender equality in five pillars: female leadership and talent flow; equality and parity in gender salary; inclusive culture; policies against sexual harassment; and the Pro Mujer brand.

TALENT ATTRACTION AND RETENTION

In Banorte, we seek to offer our customers a unique experience; to this end, this experience has to be lived from within. We have identified that employees' experiences have a fundamental value to spreading our culture of service, and this experience begins even before the contract is signed. In 2022, we displayed a series of efforts at crucial moments in the journey of employees, from the first interactions as candidates renewing and reinforcing the strength of our employer brand.

AN ELEMENT THAT HAS CHARACTERIZED THE BANK'S WORKFORCE IS THE PRIDE OF FORMING PART OF THIS ORGANIZATION; PEOPLE VALUE BEING PART OF A 100% MEXICAN, PROSPEROUS, AND STABLE COMPANY

EMPLOYER BRAND—OUR BUSINESS CARD FOR TALENT

To attract the best talent, being there from the beginning of their professional aspirations is essential, creating memorable experiences at crucial moments. Our programs are designed not only to awaken the interest of potential talent but also to consistently disseminate the values of the financial group, which has managed to reinvent itself and understands the challenges that motivate new generations.

YOUNG TALENT PROGRAM

More than any other, young talent needs to practice the classroom's teachings. Banorte knows this, so in 2022, it invited 75 undergraduate and engineering students from the country's prominent universities to participate in active projects of different bank divisions. This initiative has become one of the primary sources to attract talent.

Interns by gender

38
Women

37
Men

50%
ITESM students

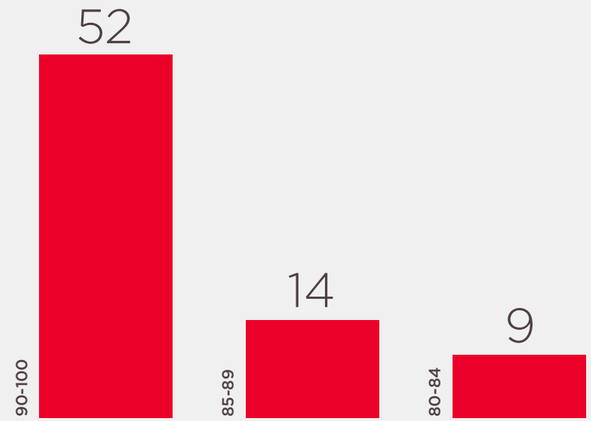
50%
other universities

INTERN GENERAL OVERVIEW

PARTICIPATING UNIVERSITIES

ITESM*	EBC*	UANL*	Others
38	7	4	26

GPAS



COMPLETION YEAR

2021	2022	2023	2024
1	39	22	13

PARTICIPATING DEGREES

Law	Marketing	Engineering	Actuarial Science	Finance
2	9	19	8	46

PARTICIPATING CITIES

Mexico City	Guadalajara	León	Mérida	Tijuana	Monterrey
36	3	1	3	1	28

PARTICIPATING DEPARTMENTS

Business Development	Legal	Commercial Banking	Audit	Risk and Credit	Administration	Product Development	Finance and Operations	Wholesale Banking
2	2	2	1	12	5	10	16	22

* Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) Escuela Bancaria Comercial (EBC) Universidad Autónoma de Nuevo León (UANL)

AGREEMENTS WITH UNIVERSITIES

From the training of future talent in the most prestigious institutions, we want to be present and understand their priorities to create a comfortable work environment. In turn, we want to share the industry's fundamental challenges with them so that academic theory may become relevant during their training.

In 2022, an academic collaboration agreement was signed with ITESM and TEC Milenio to give rise to student professional development initiatives and serve as the link for hiring new talent at GFNorte.

The main initiatives are:

Banorte Lectures

Banorte executives shared their knowledge and experience in the classroom, furthering students' education and showing them the great experience of becoming part of the big family of Banorte. This year, **16 lectures were given to more than 320 students**.

Professional Internships

In Banorte, we value the contribution of the new generations and show them that the fresh approach of their vision, and their new knowledge, supplement the solid experience of those who built the bank's reputation. In 2022, **we incorporated 38 ITESM students, almost 50% of our Young Talent program interns**.

HackMty 2022

Recruiting cutting-edge technological profiles and new functions such as data scientists is prioritized in an increasingly digital world. These profiles seek flexible and open work environments, where trial and error are encouraged, and a notorious practice of the pioneers of innovation in different industries. They also value environments that apply to collaborative work and horizontal and agile structures. Banorte evolves in this direction and shows it by participating in the HackMTY 2022 event, organized by Tec de Monterrey, posing the Digital Banking challenge "Engagement with Young People."

National Finance Congress

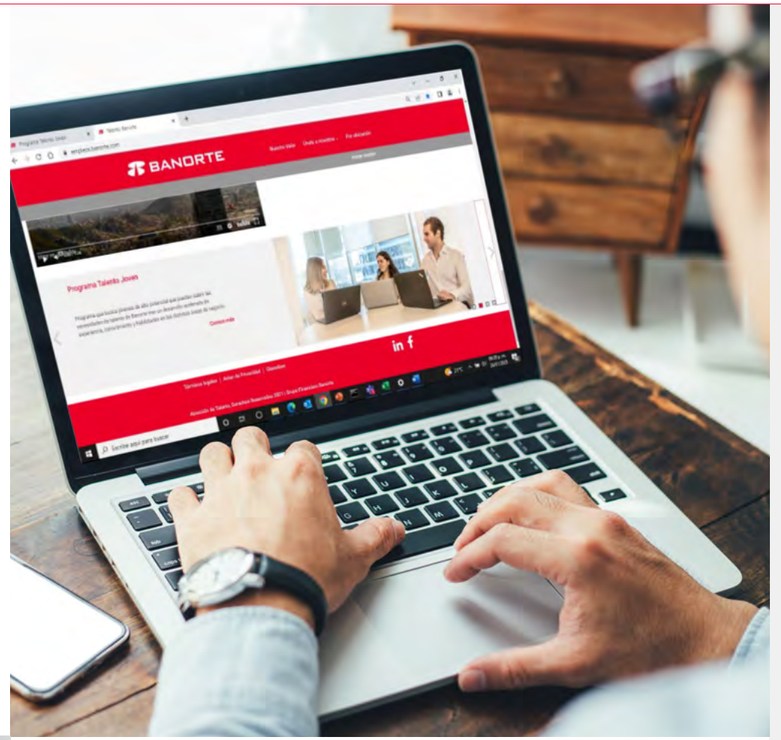
Banorte was invited as the primary sponsor of the first edition of the congress, organized by the Society of Students of the Finance Degree of the *Instituto de Estudios Superiores de Monterrey* (ITESM) held at the EGADE Business School. During the event, we participated in areas such as Banorte Recruitment and Selection and Talent Attraction, which provided attendees with information about the current vacancies and the experience of working in the strongest bank in Mexico.

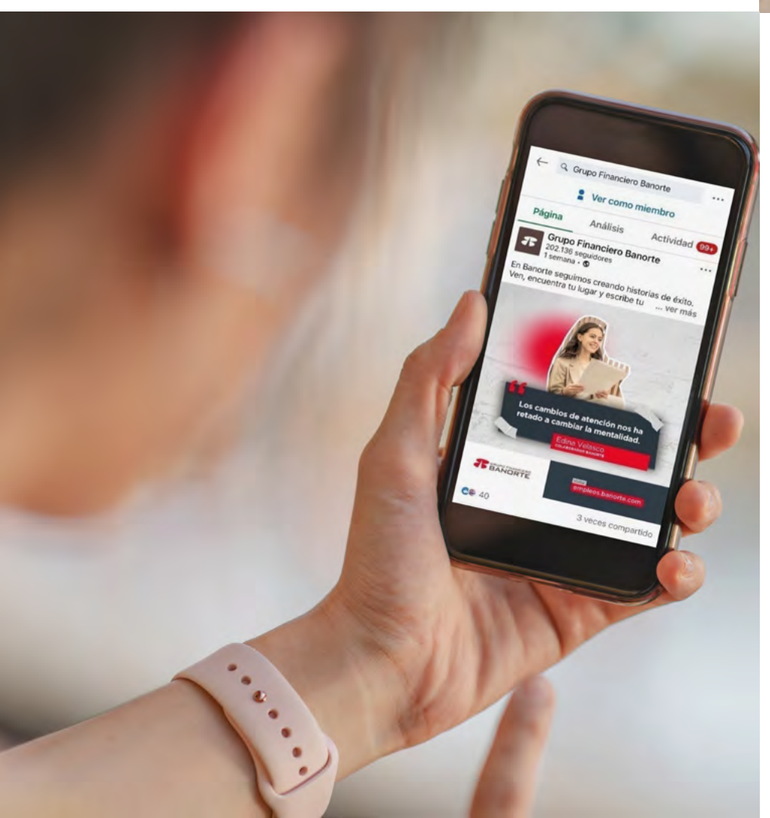
We also have an agreement with other universities, such as Anahuac University. The purpose of this agreement is to encourage the participation of students in doing their internship in Banorte. To this end, we participate by giving lectures in their classrooms.

IN 2022, WE GAVE THE "THE IDEAL CANDIDATE" LECTURE

BANORTE TALENT PLATFORM

Our digital revolution is also evident in our communication with talent. We acquired the necessary know-how in the design of conversion routes from social media, **reaching a total of 611,093 visits to the talent platform and 22,075 subscriptions from candidates**.





SOCIAL MEDIA

Several successful content strategies were implemented, and **10,753 new followers on Facebook** were added in the year, with **68,935 and 200,697 followers on LinkedIn**, the leading professional platform.

JOB FAIRS

In 2022, we participated in 14 job fairs—six face-to-face and eight virtual events. They were organized in the leading universities of Mexico, such as Tec de Monterrey, Universidad Iberoamericana, UP*, ITAM*, UNAM*, and UANL*, among others.

ORGANIC GROWTH PLAN

Our operations increase daily, and the priority is maintaining excellent personalized service continuity. To this end, we implemented an organic growth plan in 2022, adding 798 new members::

620
in in SME banking

178
in Wholesale Banking

IMPLEMENTATION OF THE TALENT RENEWAL EXERCISE

The habits of our consumers change in a world that is increasingly connected. To serve them, we need specialized talent with digital DNA. Throughout the year, we implemented an exercise to renew the talent extended to 545 employees, 2% of the general staff.

REINFORCING OF SALES FORCE

Our sales force plays an essential role in the perspectives of growth of the group. To face a highly competitive environment, we must be present at key points and moments to contact our customers. To this end, we have reinforced our work team in point-of-sale terminals with specialized profiles and a transactional service approach, adding 100 new promoters.

* Universidad Panamericana (UP) Instituto Tecnológico Autónomo de México (ITAM) Universidad Nacional Autónoma de México (UNAM) Universidad Autónoma de Nuevo León (UANL)

TALENT INTEGRATION AND RETENTION

GRI 401-1

Quickly incorporating new employees is essential to make their arrival at the bank easier, introduce them to our internal culture, and guarantee operations maintenance in areas where their incorporation is required.

To make their arrival as warm and effective as possible, we offer sessions we call: Hello! in which they are welcomed and segmented by the nature of their duties.

Through real-time virtual and face-to-face sessions, we welcomed 7,659 employees in 2022, with information from different internal experts on mission, vision and values, financial information, value chain, organizational structure, Afore, Banorte Móvil, and proposal of value, among others.

The coverage by generation, as well as the hiring by gender, are shown below:

COVERAGE BY GENDER AND GENERATIONS 2022

Gender	Baby boomers		Generación X		Millenials		Centennials		Total
Levels	External	Internal	External	Internal	External	Internal	External	Internal	
Director	-	1	19	28	10	35	-	-	64
Sub-Director	-	3	35	79	102	272	11	27	381
Manager	-	4	81	116	409	761	219	188	1,069
Operating staff	11	15	280	222	1,795	2,930	4,029	4,190	7,357
Total	**11**	**23**	**415**	**445**	**2,316**	**3,998**	**4,259**	**4,405**	**8,871**

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo) (without subsidiaries).

7,659
new employees

NUMBER OF HIRES

Subsidiary	2021		2022	
	Women	**Men**	**Women**	**Men**
Bank	2,730	2,940	**3,316**	**3,679**
Afore XXI Banorte	581	468	**175**	**191**
Insurance and Annuities	19	27	**130**	**168**
Total	3,330	3,435	**3,621**	**4,038**

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo)

TURNOVER RATE

Thanks to a healthy turnover rate, the strength of our employer brand is evident. Although in 2022, the labor market consolidated its post-pandemic recovery, the annualized turnover due to voluntary resignation at the bank was 14.9%, one of the lowest and most stable in the financial sector. Apart from the positive impact that this generates in terms of operating expenses and productivity, it also reflects a high level of commitment in terms of organizational culture.

This low turnover level results from a consistent communication effort and implementation of programs to strengthen the work culture based on life balance, flexibility, work environment, diversity, equality, and inclusion. We have shown our employees that parity in development, training, and compensation in all hierarchical levels of the institution are priorities for senior management.

Due to the nature of their duties, we have observed a higher turnover level between the Contact Center executives and the promoters of the specialized sales force. To remedy this, we have emphasized developing growth opportunities for these groups in other areas of the institution.

TURNOVER RATE

Subsidiary	2021			2022		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Bank	16%	19%	18%	**21%**	**27%**	**24%**
Afore XXI Banorte	27%	29%	28%	**45%**	**51%**	**47%**
Insurance and Annuities	3.61%	4.06%	3.87%	**11.95%**	**18.31%**	**15%**

TALENT DEVELOPMENT

LEADERSHIP FOR FUTURE

For Banorte, it is essential to develop responsible leaders capable of understanding the new priorities of employees in the post-pandemic context and positively impacting the business through trust and commitment. Leaders who manage to align them around a shared vision of the future, thus promoting digital transformation and innovation as part of the Banorte culture.

TALENT ASSESSMENTS HAVE BEEN CARRIED OUT AT EXECUTIVE LEVELS TO STRENGTHEN THIS ROLE IN THE LEADERS, IDENTIFYING STRENGTHS AND DEVELOPMENT OPPORTUNITIES FOR OUR BUSINESS CONTINUITY

Even though at some levels, 100% of the assessments still needed to be concluded (due to internal promotions and the incorporation of new executive profiles), this year, we made significant progress in a process that will continue. We will continue to focus on identifying key bank talent.

These talent assessments contrast the bank's leaders against the profile of Banorte Leader, developed with a perspective regarding the strategy and future business challenges, and take into account the practices and trends of high-performance organizations to create a corporate talent pool.

The Banorte Leader profile includes personality traits and skills that provide a holistic vision of the characteristics required for success in their leadership role.

These assessments allow the bank's leaders to identify their main strengths and the areas they can develop, to establish action plans focused on the areas detected for their development.

In 2023, we will promote the development of leaders through training plans, allowing them to get increasingly closer to the Banorte Leader profile.

MAPPING OF KEY TALENT AND DEVELOPMENT OF SUCCESSION PLANS

We carried out talent mapping and sessions to identify the potential successors for managerial positions. For the talent we have identified that fulfills the required potential, we have designed succession plans that allow us to prepare them for their succession in leadership positions within the bank.

The integration of technology, and our analytical capacity, allows us to identify key talent more precisely, drive our transformation, and ensure the smooth evolution of our human capital.

41%
of directors were identified as a talent pool through Talent Review in 2022

100%
of the senior management with a confirmed talent pool (DGAs/DEs)

100%
of the DGAs have a defined development plan

74%
DGAs have identified a successor

LEADERSHIP PROGRAMS

Training our leaders is essential to transform the bank. Thus, we are committed to giving specialized and continuous programs focused on skills identified as key skills for the following years in outstanding institutions.

Position Level	Programs	Participants 2022
Executive Directors	Leadership in Transformation, Innovation, and Agility - IPADE	**95**
	Executive Coaching	**7**
Area Directors	People Division – IPADE	**99**
	Strategic Approach – IPADE	**41**
	Digital Executive Program – ISDI	**92**
	Executive Coaching	**37**
Sub-Directors	Leadership and Online Companies – ICAMI	**181**
	Transformational Leadership – Harvard	**138**
	Digital Disruption Program – ISDI	**90**
	Executive Coaching and Women's Leadership Coaching	**23**
Managers	Managerial Skills LIVE – ITESM	**780**
	Digital Transformation Program – ISDI	**92**
	Coaching for Professional Career and Key Talent	**13**

TRAINING AND PERFORMANCE EVALUATION

GRI 404-1, 404-2, 404-3, FS4

The new current continues to show us that change is constant. The ability to adapt quickly has become essential, as well as the permanent learning to face new challenges that demand speed, innovation, and assertiveness. This new context makes us rethink how we develop our talent, seeking greater proactivity and proposing a new paradigm of continuous, interactive, more practical, and personalized learning.

TRAINING 2022

Average Training Hours 2022	Bank		Insurance and Annuities		Afore XXI Banorte	
	Women	Men	Women	Men	Women	Men
Senior Management	43	40	16	21	22	21
Middle Management	44	45	36	28	132	81
Operating Staff	40	39	26	24	108	102

Investment in Training (bn)	2022
Leadership Techniques	$120.11
AMIB Certifications	$13.76
Regulatory Topics	$13.89
Digital Platforms	$15.56
Scholarships	$21.82
Total	$185.14

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo).
Figures in millions of pesos.

Development Programs 2022		
Training Topics	Number of Employees	Number of courses
Leadership Skills	3,143	6,714
Executive Skills	116	116
Total	3,259	6,830

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo).

Training in Sustainability and Risk Management 2022			
Topic	Target Audience	Number of Employees	Hours of Training
Corporate business induction and credit	Business and Corporate Banking and Credit	304	304
Retos y oportunidades para la EIA y sostenibilidad de proyectos e inversiones en México	Champions de sustentabilidad, Subgrupo de riesgos y sustentabilidad	59	265
Awareness-building and Communication			
Monthly communiqués on cases of social and environmental risk and essential events	Sustainability Champions	107	9
		107	9
		129	11
			11
ARSA Training			
Sustainable Finance MX22 (Finanzas Sostenibles MX22)	ARSA	2	40
Risk Management Virtual Symposium	ARSA	5	100
Workshop on climate scenarios and their application in the analysis of financial risks	ARSA	2	32
		Total hours	781.0

IMPLEMENTATION OF THE NEW SKILLS MODEL

Driving business transformation involves turning abstract concepts like customer focus, agility, and innovation into concrete, observable, and measurable behaviors. To this end, we redesigned and implemented a new skills model based on the needs of talent required to meet our digital transformation goals.

The new model includes a set of digital skills aligned with the bank's digital strategy and groups the necessary skills so that employees may execute the digital behaviors expected from them.

Group of digital skills

- **Digital insight**
- **Leader of virtual teams**
- **Hyper-collaboration**
- **Digital communication**

THESE SKILLS ARE EVALUATED BY JOB LEVEL AND THROUGH OUR CORPORATE PERFORMANCE EVALUATION PROCESS

Percentage of Employees Who Received a Performance Evaluation by Job Category and Gender 2022

	Bank		Insurance and Annuities		Afore XXI Banorte	
	Women	Men	Women	Men	Women	Men
Senior Management	96%	86%	100%	89%	100%	100%
Middle Management	96%	98%	70%	64%	90%	100%
Operating Staff	77%	73%	81%	83%	100%	100%

STRENGTHENING OF SCHOOLS FOR CORE BUSINESS AREAS (DGA TRANSACTIONAL BANKING AND DG RISKS AND CREDIT)

To give rise to new learning habits, it is necessary to make our content more attractive, practical, and personalized according to the different needs of the different business areas. Based on this, in 2022, two schools have been designed and implemented:

WHOLESALE SCHOOL

- Aligned with the strategic projects of the business, the Wholesale Banking School was also implemented, which offers specialized study plans for each duty of the employees within the business, corporate, and transactional banking.
- Its offer includes over 100 hours of content on various topics focused on business operations, such as credit and finance, service model, processes and systems, or products and services. It also has specialized courses in portfolio recovery, restructuring and financing, and evaluation of investment projects.

+600

employees were trained in 2022

CREDIT AND RISK SCHOOL

- It benefits the employees of the specialized areas of our institution. Its main objective is specialized training in issues of credit and risk analysis processes, and advanced analysis tools or systems, among others.

490

employees were trained in 2022

MERITOCRACY, DRIVER OF GROWTH

In Banorte, we believe in equal opportunities and talent evaluation as the decisive promotion criterion. To take advantage of internal talent, a series of actions have been carried out to promote meritocracy in filling vacancies.

Among them, the Make Your Talent Visible initiative was implemented, which includes sessions in which good practices for using the SuccessFactors platform are shared with employees, as well as tips for preparing resumes or increasing the chances of success in internal interviews.

AS A RESULT OF THESE ACTIONS, WE HAD 8,871 RELOCATIONS, OF WHICH 7,362 WERE PROMOTIONS AND 1,509 WERE HORIZONTAL RELOCATIONS, BUT ALL OF THEM REPRESENT A DEVELOPMENT FOR EMPLOYEES

INTERNAL AND EXTERNAL COVERAGE

Type of position	Staff				
		Internal		External	
	No.	No.	%	No.	%
Director	93	64	69%	29	31%
Sub-Director	455	312	69%	143	31%
Manager	1,553	937	60%	616	40%
Operating staff	2,253	1,235	55%	1,018	45%
Total	**4,354**	**2,548**	**59%**	**1,806**	**42%**

Type of position	Branch				
		Internal		External	
	No.	No.	%	No.	%
Sub-Director	74	69	93%	5	7%
Manager	137	131	96%	6	4%
Operating staff	4,814	3,121	65%	1,693	35%
Total	**5,025**	**3,321**	**66%**	**1,704**	**34%**

Type of position	Specialized Sales Force Personnel				
		Internal		External	
	No.	No.	%	No.	%
Manager	88	1	1%	87	99%
Operating staff	1,193	253	21%	940	79%
TOTAL	**1,281**	**254**	**20%**	**1,027**	**80%**

Type of position	Contact Center				
		Internal		External	
	No.	No.	%	No.	%
Operating staff	**7,090**	**4,626**	**65%**	**2,464**	**35%**

INTERNAL ALLOCATIONS BY POSITION AND GENDER CATEGORY

The internal relocation data reflects an adequate balance between the different positions and the distribution by gender.

IN 2023, WE WILL CONTINUE TO PROMOTE TALENT RELOCATION WHILE MAINTAINING EQUALITY IN PROMOTIONS

INTERNAL PROMOTIONS 2022

Category	Women	Men	Grand Total
Director	26	38	**64**
Sub-Director	159	222	**381**
Manager	545	524	**1,069**
Operating staff	3,822	3,535	**7,357**
Grand Total	4,552	4,319	**8,871**

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo)

CULTURE AND WORK CLIMATE

CULTURE IS VITAL IN PROVIDING FLEXIBILITY TO THE ORGANIZATION, ALLOWING IT TO EVOLVE ACCORDING TO EXTERNAL AND INTERNAL DEMANDS

Implementing a more horizontal leadership, which provides greater autonomy and response capacity in teams, requires promoting a digital culture based on trust, accountability, effective network collaboration, and a positive vision of people.

In turn, the post-pandemic moment has pushed us to be more aware and open as an organization. The environment demands a culture that takes advantage of the diversity of talent and promotes inclusion and flexibility that employees value as a relevant priority for them and their families.

BANORTE CONTIGO

For the third year, the Banorte Contigo program has established itself as an internal referent to strengthen our culture and provide employees with tools, methodologies, and valuable information on self-management, leadership, productivity, motivation, and life balance.

9,624
attendees in 43 real-time sessions

Among the most valued characteristics of the Banorte Contigo program by employees are the usefulness of contents, the expertise of speakers, and the proximity with which the topics are addressed. The sessions with the most outstanding participation relate to health issues, self-management, and motivation.

ORGANIZATIONAL SURVEYS AND PULSE-TAKING

An essential part of continuing to evolve and consolidate achievements in a changing environment is to listen continuously to our employees. For this reason, in 2022, we carried out two global studies: the workplace environment and culture survey and the NOM-035-STPS-2018 survey on psychosocial risk prevention. The latter was applied for the second time in compliance with the indications of the standard.

MONTHLY PULSE-TAKING

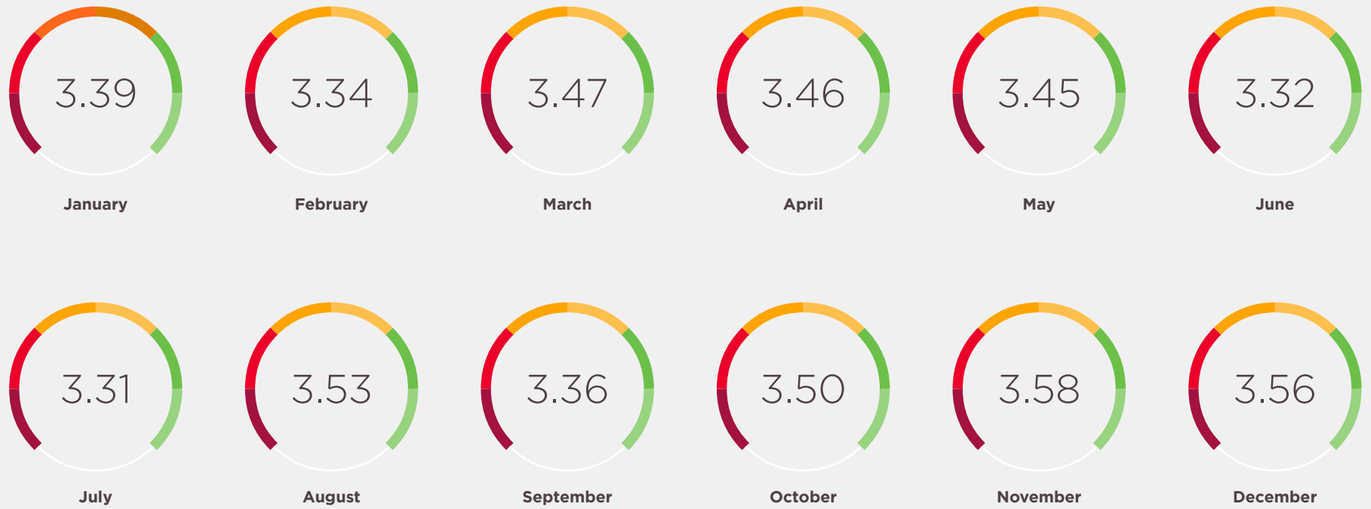
Organizational pulse-taking lets us detect situations or factors affecting well-being and potential obstacles to achieving objectives and design interventions according to the identified needs.

In 2022, we continued by monitoring the state of mind of Banorte employees each month, incorporating two new elements in this survey: burnout and work commitment.

Monitoring their general state regarding burnout and chronic stress is crucial to generate measures focused on care and prevention.

In general, a positive indicator was maintained. In the cases where there were low peaks in the results, it coincided with the surge of the 5th wave of COVID-19 and the beginning of the school vacation season—two elements that can represent a source of stress.

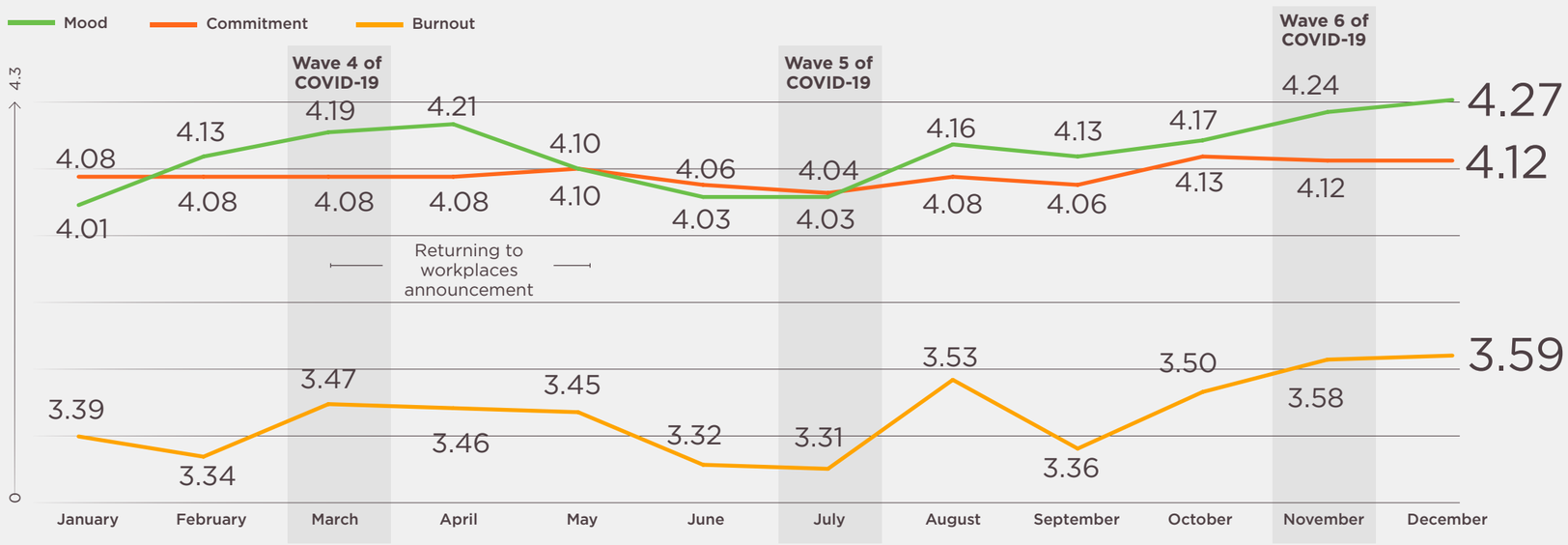
The development of burnout in 2022 is shown below, and its results were evaluated on a scale from 1 to 5, with 5 being the optimal state.



As for commitment indicators, the results show an optimal and stable level since May, when our measure began. Employees constantly express their pride in working with Banorte and their commitment to the organization in different forums and surveys.

Concerning their mood (which we have measured since 2020 to identify the potential effects of confinement), in 2022, we saw an evolution of improvement, and we noticed that the main concerns of people had changed.

MONTHLY PULSE-TAKING CHART



WORKPLACE ENVIRONMENT AND CULTURE SURVEY

The workplace environment and culture survey allowed us to find out the perception of employees about their work environment and the culture lived in Banorte through eleven dimensions on the following topics:

01 **Motivation**
Inner state that drives us to conclude our work and persistence in achieving objectives.

02 **Pride**
Identification of the organization and its goals.

03 **Adaptability**
Ability of the work area to respond quickly and effectively to changes with the least possible stress.

04 **Organizational Effectiveness**
Establish practices for defining, supervising, and fulfilling objectives.

05 **Leadership of the Area**
Leaders' support, relationship, and communication with the area.

06 **Permanence**
The intention to remain in the bank.

The results of the 2022 survey were positive, stating that employees have a high level of general satisfaction with the workplace environment and culture in the Bank. There is a very positive inner perception, which helps position Banorte as an employer committed to the well-being of its personnel.

FAVORABILITY BY DIMENSIONS AT BANK LEVEL

Pride

95.0%

Work Effectiveness

95.0%

Intention of Permanence

93.0%

Motivation

91.0%

Leadership of the Area

89.0%

Adoption

88.0%

THE DIMENSION OF PRIDE IS ONE OF THE HIGHEST IN MOST OF THE SURVEYS WE CONDUCT, AND IS POSITIVELY LINKED TO THE WORK COMMITMENT INDICATOR. IN CONCLUSION, WE HAVE A GREAT TEAM, THAT IS PROUD AND COMMITTED TO BANORTE

NOM-035-STPS-2018 SURVEY

To maintain a favorable organizational environment that promotes well-being among employees, in adherence to the Policy on Psychosocial Risks at Work, as of June 29, 2022, the biannual exercise was carried out to identify and analyze the psychosocial risk factors of our institution, as well as to evaluate the favorable organizational environment.

The objective of this survey is to identify and analyze psychosocial risk factors, as well as to evaluate the organizational environment in the bank's work centers in compliance with NOM-035-STPS-2018.

Our goal is to maintain medium or low risk, which we successfully achieved, with an overall result of low-risk levels in terms of psychosocial risks, and a favorable work environment.

During the year, a course on NOM-035-STPS-2018 was given at the Afore department, where 96% of the personnel was trained. In the year, the NOM-035-STPS-2018 microsite was launched on the portal for Banorte's employees. This microsite allows the factors of psychosocial risk can be disclosed through digital content.

Results on the Evaluation of Psychosocial Risks and Favorable Organizational Environment

	2020	2022
Surveys conducted	8,698	**17,019**
Participation percentage	35%	**68%**
General outcome	Low Risk	**Low Risk**

The survey is conducted every two years

THE SAMPLE TO CALCULATE THE PERCENTAGES WAS TAKEN BASED ON THE NATIONAL STAFF, AND 24,903 EMPLOYEES WERE SELECTED

Participation 2022 by Gender

52%
Women in 2022
48% in 2020

48%
men in 2022
52% in 2020

INTERVENTIONS TO IMPROVE THE ORGANIZATIONAL ENVIRONMENT

Interventions to improve the organizational environment are based on a supporting scheme to improve aspects of the workplace environment that could hinder working within a team. We address issues that directly affect talent turnover, productivity, and the commitment of work teams to promote leadership and collaboration styles in line with the bank's culture.

These interventions are carried out through an agile and effective work model, starting with a diagnosis, and derived from such diagnosis, we carry out work and ideation sessions, where we guide teams to generate improvement plans for the opportunities detected. Finally, they are accompanied by the implementation of said improvements

FURTHERMORE, IN 2022, WE CONTINUED MONITORING TEAMS ALREADY SHOWING SOME IMPROVEMENT, AND WE CONTINUED TO WORK WITH AREAS THAT REQUIRE SOME SUPPORT REGARDING THE WORKPLACE ENVIRONMENT

This year, we worked in two critical areas of Banorte, and thanks to the findings obtained, we worked together with the teams, establishing the following specific actions:

Define and promote internal practices that promote a work-life balance.

Plans to maintain **constant and effective communication** within teams.

Periodic sessions to **clarify the roles and goals of the team** to promote the results of the area.

Collaboration agreements between the areas so that the information may flow better.

WELLNESS, HEALTH, AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Our employees' and their family's well-being and health have become a clear priority for them in this post-pandemic time. For this reason, we have carried out hygiene and prevention actions regarding healthcare at all times:

(2022) COVID-19 Actions

- We continued with our contingency and business continuity plan in the face of the pandemic; all the guidelines indicated by the federal, state, and local authorities were established to comply with the regulations issued.
- The health personnel continued to perform duties such as installing health screening checkpoints and random tests in corporate offices and branches by medical services. We continued with the protocol established for COVID-19 in symptomatic employees or when they had contact with someone infected.
- Some works were carried out in permanent committees, from senior management to operating levels entrusted with the planning strategies, their execution, and control. The committees met according to an established calendar: operating and strategic (weekly sessions), recovery and business continuity (monthly), senior management (bi-weekly), and CAPS, by request.
- The purchase of 49 thousand rapid antigen tests was made to detect COVID-19 cases nationwide.
- We were given continuous advice from a group of epidemiologist experts, closing with ordinary work session 122, plus 25 extraordinary sessions. 17 webinars were held, 5 at a national level, with a team of epidemiologists, and 12 more with internal staff, integrating and guiding the best health practices to employees of Grupo Financiero Banorte.
- "Alarm" indicators were established according to the behavior of the pandemic, which allowed us to take early measures to protect employees and their families.
- The video consultation program was permanently established.
- The Post-COVID program was established, which consisted of monitoring the confirmed cases of this disease to detect sequelae or complications and monitor and control them. Of the universe studied, there was a participation of 40% of those whose disease was confirmed; the patients who were hospitalized were given priority, of which only four employees have significant sequelae, but not secondary to COVID, and are due to their comorbidities. Currently, these employees are working under medical supervision.
- In the area of mental health, an initiative was carried out to enhance psychological care for employees and their beneficiaries as a result of the effects of COVID.
- Concerning the IMSS NEW NORMAL program, 1,331 Badges were obtained, which allows us to consider that 100% of our workplaces have complied with the standards established by the Federal Government in the field of COVID.
- The vaccination registration program has been followed promptly, covering 92% of employees with the complete basic scheme. Regarding the reinforcement of the vaccine, it has reached 50% of the population and 32% with a second reinforcement.

Other Actions

- On October 24, we started the influenza vaccination campaign, the first banking institution to implement this program, insofar as the remaining banks started a couple of weeks later. This strategy allowed us to purchase the vaccine in time, reaching 12,130 doses of quadrivalent vaccine applied nationwide for employees and family members, favoring the ends of age ranges and people with comorbidity.
- Rapid tests were purchased for the timely detection of influenza because we found ourselves immersed in a syndemic period (COVID-19 and influenza) towards the last quarter of the year.
- A SISBOT virtual assistant was created within the health portal—a tool that helps employees consult the most relevant medical issues from any device in a practical, straightforward way and at any time.
- The projects for two Primary Medical Care Units were presented and approved, to be opened in 2023: one in Mexico City and one more in Nuevo Leon, which will provide exclusive healthcare to employees and their beneficiaries, as it is provided in the State of Nuevo Leon unit, which was opened four years ago.
- Three high-tech 4D ultrasounds were acquired to equip our Medical Units, which are already in operation in Nuevo Leon.
- The Quality Bureau program continued, a tool used to measure the performance and compliance with quality standards in the service of the different health providers; for this purpose, more suppliers have been incorporated into this program.
- Regarding the Safe and Healthy Work Environments program (ELSSA Program of the IMSS), the necessary manuals and documents were created, which accredited us with the corresponding badges for 681 branches in 4 lines of inspection. This program is optional but quite convenient for our institution because it allows us to work in safe conditions for employees and customers.
- We participated in the project to update the Tables of Occupational Diseases of the Ministry of Labor and Social Welfare; said work involved coordinating work teams from different institutions of the CCE, COPARMEX, and CONCAMIN organizations. In this first phase, 25 certificates were analyzed. This work will continue throughout 2023.

ABSENTEEISM RATE

Regarding the monitoring of absenteeism indicators, in 2022, a slight increase was observed due to the pandemic.

Subsidiary	2020	2021	2022
Bank	2.81%	0.85%	**0.98%**
Afore	1.38%	0.07%	**0.79%**
Insurance and Annuities	0.08 cases/days of absenteeism	1.03%	**1.03%**

WORKPLACE FLEXIBILITY

Flexibility has become a critical factor in adapting to a changing environment and maintaining growth and results sustainably over time.

This year, we successfully consolidated our new work schemes, flexibly maintaining the work pace and productivity. We learned to work with remote, hybrid, and in-person teams. In this way, we continued to care for ourselves, knowing that we could now collaborate and be close in different ways to experience the bank's culture, notwithstanding the distance.

We maintained an adequate balance between the schemes we monitored throughout the year. We had 5,142 employees in a flexible scheme who expressed their commitment and gratitude to Banorte for this benefit through the bank's different feedback mechanisms.

5,124
employees work in a flexible scheme

REMUNERATION

GRI 2-19, 2-20, 201-3, 401-2, 405-2
SASB FN-CF-270a.1

Our total compensation philosophy guarantees the group's ability to attract and retain talent in all organizational roles. We constantly supervise the competitiveness of our compensations, looking after the cost structure and the trends of stakeholders.

The services and benefits offer short- and long-term savings, wealth development, and retirement planning for our employees.

We believe in meritocracy and constantly seek to align individual efforts with the financial group's strategic, tactical, and operational objectives through our short-term variable compensation schemes.

All of our variable compensation programs have been adapted to the nature and responsibility of each role within the organization and consider any of the following measurement parameters: business profitability, net profit of the group, income generated by fees or service premiums, the volume of customer attraction or placement of products, non-performing loan ratio, NPS, operational efficiency indicators, loan portfolio growth, as well as an individual performance evaluation according to annual objectives and behaviors in line with the group's leadership model.

DIAGRAM OF THE COMPENSATION STRUCTURE BY ORGANIZATIONAL ROLE

Term for Full Receipt of Total Compensation

Medium-term (3yrs) ↑ Short-term (monthly)

Organizational Role		Fixed Compensation	Variable Compensation		Cash / Economic incentives	Stock Plan	Benefits
Strategic	CEO	• Salary • Mandatory annual bonus • Vacation bonus • Savings Fund • Grocery vouchers (only for operating staff)	Employee profit-sharing	Annual performance bonus	Not eligible	All group eligible	• Vacations • Loan access • Fitness Club subsidy • Social Security subsidy • Retirement plan • Medical Service • Life Insurance • Funeral expense assistance
	Adjunct CEO						
Tactical	Executive Director				Regional Directors and Relationship Managers in Wholesale and SME banking	High Potential and High Performers	
	Area Director						
Operating staff	Sub-Director / Manager				Commercial Banking, Recovery, and Call Center	Not eligible	
	Operating staff			Productivity Bonus			
	Commercial Operating Staff			Sales bonus			

COMPENSATION

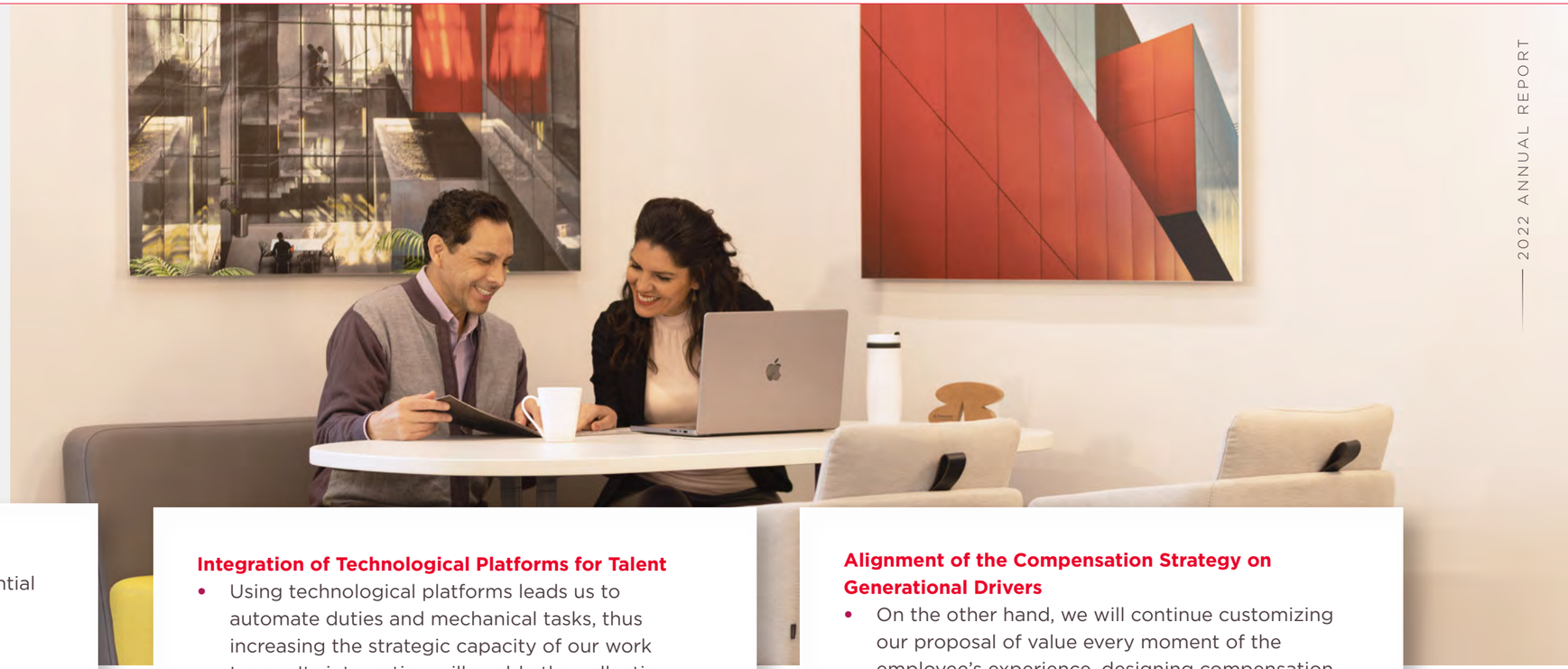
	2021	2022
Senior Management	4,069	4,458
Employees	4,069	3,021

Bank Information (Casa de Bolsa, OP. Fondos, AyF, Almacenadora and Bineo)
Figures in millions of pesos.

Average Balance by Job Category and Gender 2022

	Bank			Insurance and Annuities			Afore XXI Banorte		
	Women	**Men**	**Ratio**	**Women**	**Men**	**Ratio**	**Women**	**Men**	**Ratio**
Senior Management	135,962	149,824	1.102	173,096	214,110	1.237	147,382	168,754	1.145
Middle Management	35,478	38,715	1.091	37,267	40,997	1.1	73,389	83,169	1.133
Operating Staff	14,467	14,191	0.981	15,575	15,388	0.988	19,332	22,810	1.18

Figures in thousand of pesos.



OUTLOOKS FOR 2023

Efficiency in Organizational Expenses

- Optimizing and maximizing resources is essential for our organization to achieve its business objectives and believe in sustained growth.
- In Human Resources, digital transformation has also implied the operational efficiency of processes that make employee attention and service more agile. This promotes the decision-making process to make operating expenses more efficient and predict talent development and performance success patterns.

Integration of Technological Platforms for Talent

- Using technological platforms leads us to automate duties and mechanical tasks, thus increasing the strategic capacity of our work teams. Its integration will enable the collection and crossing of data, the prime source of our business intelligence.

Alignment of the Compensation Strategy on Generational Drivers

- On the other hand, we will continue customizing our proposal of value every moment of the employee's experience, designing compensation services and attributes based on the specific needs of each psychographic segment and its generational factors.

Establishment of Performance Evaluation through Crossed Objectives

- The work cells have facilitated the generation of innovative solutions, and a competitive time to market, at the level of the current situation. They have also proven to be an incentive for employees, who find that they are an opportunity to contribute to the growth of an agile and innovative organization. The integration of crossed objectives within the performance evaluation aims to consolidate horizontal work schemes and to integrate a relevant incentive into work processes to continue breaking down silos in the organization.

Tracking of Succession Plans

- Finally, our current tools, combined with the expertise of our specialists, allow us to effectively track succession plans, identifying the best profiles, their preparation needs, the risk, and the time necessary to guarantee a smooth, timely, and efficient relocation of duties.

– Financial Inclusion

– Financial Education

– Government States and Municipalities

– Corporate Volunteer Corps

– Fundación Banorte

– Corporate Communication and Public Affairs

SOCIAL
CAPITAL

BUILDING THE FUTURE

BY SUPPORTING

OUR COMMUNITY

SDGs

5 10 17

GRI

203-1, 203-2, 413-1, FS6, FS14, FS16

SASB

FN-CB-240a.3, FN-CB-240a.4

With our activity as a financial institution, **we create value to positively impact people**, addressing funds towards social initiatives that help them envision a better future for themselves, their families, communities, and Mexico.

1,575,927
Apoyos Banorte beneficiaries

+20,200
SMEs supported during 2022 with a total portfolio of approximately Ps. 40.53 bn in credit

1,236
housing actions in 15 states in Mexico

FINANCIAL INCLUSION

GRI FS14
SASB FN-CB-240a.3

We promote financial inclusion so more people can access financial products and services that meet their daily needs. This is how we can help people to keep creating better opportunities.

We constantly launch **innovative products** so that more and more Mexicans can easily access banking services daily.

PRODUCTS AND SERVICES THAT PROMOTE FINANCIAL INCLUSION

We have undergone a transformation process to provide personalized and online products and services, making banking access easier for our clients.

Product	Description	Beneficiaries (number of accounts)
Apoyos Banorte*	This account is part of the Bienestar program, supporting Mexico's most vulnerable populations through a deposit account and debit card that make it easier to access their money. This product is offered only for social programs that pay out money to their beneficiaries.	**1,575,927**
Banorte Fácil	An attractive option for anyone who wants to access the banking world and its benefits through a basic peso deposit account.	**102,413**
Enlace Digital	A 100% digital account that can be opened in just five minutes from any device with Internet access, with no annual membership fee or minimum opening amount. This account can be used for banking anytime and anywhere through Banorte Móvil. **Banorte and UNHCR Collaboration** Banorte and UNHCR (United Nations High Commissioner for Refugees) joined forces to help refugees have access to the Mexican financial system through the Enlace Digital account and receive the payroll payment for their first formal job. "The Enlace Digital account is an instrument that promotes Mexico's formal economy. Opening an account is the first step to encourage savings, ensure the financial security, and access credit products, improving refugees' quality of life." Giovanni Lepri, ACNUR Representative, Mexico	**210,479**
Suma Menores*	Once activated, the account can receive deposits at any branch and through Online Banking, and money can be withdrawn at any of our network of ATMs. The account earns interest on a minimum monthly balance of Ps. 500. * Can only be opened by the child's parent.	**147,931**
Mujer Banorte	This is the only account that offers a package of benefits and services designed exclusively for women, giving them security and peace of mind. **Exclusive benefits:** • Mujer Banorte assistance • Women's health insurance • Accidental death insurance • 20% discount on TEC de Monterrey certificate courses **Account benefits:** • Inversión Vista • Blindaje Banorte • Debit card • Banorte Total Rewards points • And others...	**185,796**
Universal Debit Card**	One of the most practical and straightforward cards on the market. Clients can obtain, replace or renew their card immediately at any of our affiliated merchants without going to the branch. Its primary goals are to offer greater security and a better customer experience, guaranteeing permanent access to a payment method while taking the pressure off our branches, particularly during the pandemic. The card has contactless payment technology and invisible security elements (no CVV2 or expiration date printed). This payment method can be associated 24/7 with various deposit or savings accounts through Banorte Móvil or online banorte.com/midebito.	**Since its launch in August 2021, more than 1.4 million cards have been linked to an account.**

Figures at the end of December 2022.

*Number of accounts for first-time banking clients (under 18 years of age and over 65).

** The universe for this section includes accounts in the following portfolios: Banorte Fácil, Enlace Digital, and Nómina 2, considering the criteria for first-time banking clients (under 18 years of age and over 65)

REMITTANCES

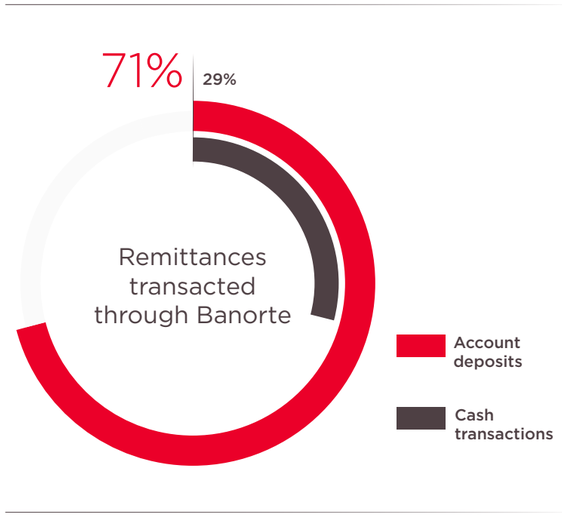
Mexico is a middle-income country that receives the most remittances from abroad. We know the huge opportunity to use this service to bring financial products and services to unbanked people.

Because of their positive economic and social impact on families and communities, remittances from workers are one of the **keys to achieving the UN's Sustainable Development Goals**.

Banxico estimated that, in 2022, over USD 58.5 billion were received from family remittances in Mexico. This past year, out of the total value transacted in remittances, 71% were deposited into Banorte accounts, and 29% of transactions were cashed at bank branches where the user does not have an account with us. Two out of three remittances are paid **to Banorte account holders**. The new accounts in which remittances are deposited grew by 21%.

At least seven out of ten customers receiving family remittances in a Banorte account manage their funds through our mobile banking app, while three out of ten customers have a Banorte loan or credit card.

To strengthen self-service alternatives, we successfully launched the ATM remittance collection button at our branches, enabling customers to deposit a cash collection transaction into a Banorte account in a few minutes. With this digital option, we benefited more than 39,000 people by avoiding waiting in long lines and improving their Banorte experience.



REMITTANCES HELP ACHIEVE FINANCIAL INCLUSION GOALS WHILE ALLOWING US TO IMPROVE THE OVERALL CUSTOMER EXPERIENCE

CORRESPONDENTS

Correspondents are a vital ally in achieving our financial inclusion objectives. Their main objective is to provide our clients with access to financial services through more than 19,000 points of service with extended office hours.

At these affiliated points of service, customers can make cash withdrawals, account deposits, credit card payments, and utility payments without traveling long distances and at a low cost.

In addition to our new services—such as opening a digital account through online banking and cardless cash withdrawal—correspondents are a strategic ally for financial inclusion, as they combine digital services with physical correspondent premises, delivering cards and cash in rural and hard-to-reach areas.

Through the following services, we also promote inclusion within our channels:

Initiative	Description	Disadvantaged Group Served
Lazarillo App	An app designed for the visually impaired to know the geolocation of our branches, correspondents, and ATMs and request a numbered turn for branch service.	**Visually impaired people**
Special waiting areas	Implementation of unique spots in branches for pregnant women, people with disabilities, and the elderly.	**Pregnant women, people with disabilities, and the elderly**
Wi-Fi in branches	Implementation of branches' Wi-Fi for our clients and users to browse Banorte sites at no cost.	**People without Internet access**

SUPPORT FOR SMES

GRI FS6, FS14

At Banorte, we understand the importance of SMEs for their contribution to Mexican economic growth. With this in mind, we promote SME development and offer them appropriate financing that meets their needs.

Throughout the year, we supported over 20,200 SMEs with a total portfolio of approximately Ps. 40.53 billion in loans.

Under a new quality-based market conquest strategy, we increased our annual placement by 25%, **ranging from Ps. 21.08 billion to Ps. 26.35 billion, placing, on average, 80% with low risk**.

56%
of the portfolio was placed at a fixed rate

Average line of credit
Ps. 2.26 mn

+20,200
SMEs supported during 2022

77%
of the portfolio consists of straight loans

Increase from 22% to
29%
of IWBA* borrowers

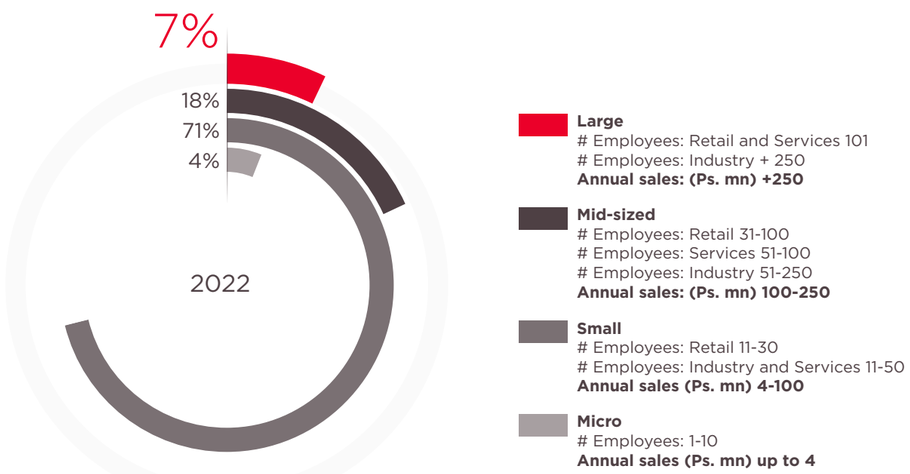
AS OF DECEMBER 2022, THE STAGE 3 RATIO (FORMERLY NPL RATIO) WAS 1.11%, CURRENTLY THE BEST IN THE MARKET

32%
of IWBA* borrowers are women business owners

1.4
loans per customer

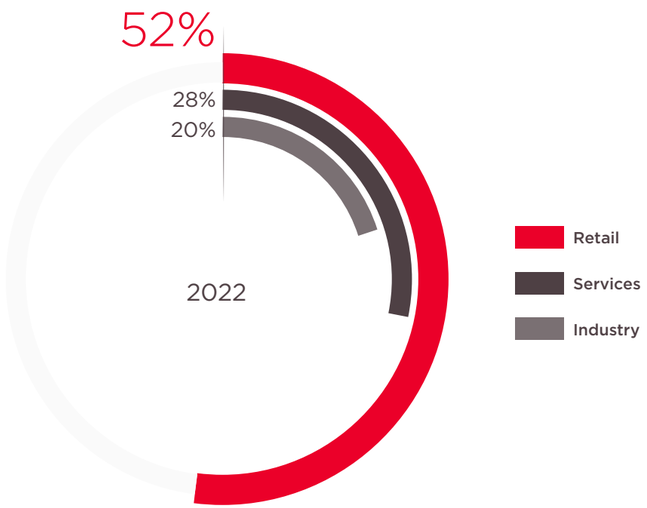
*Individuals with Business Activities

BREAKDOWN OF TOTAL AMOUNT PLACED BY COMPANY SIZE

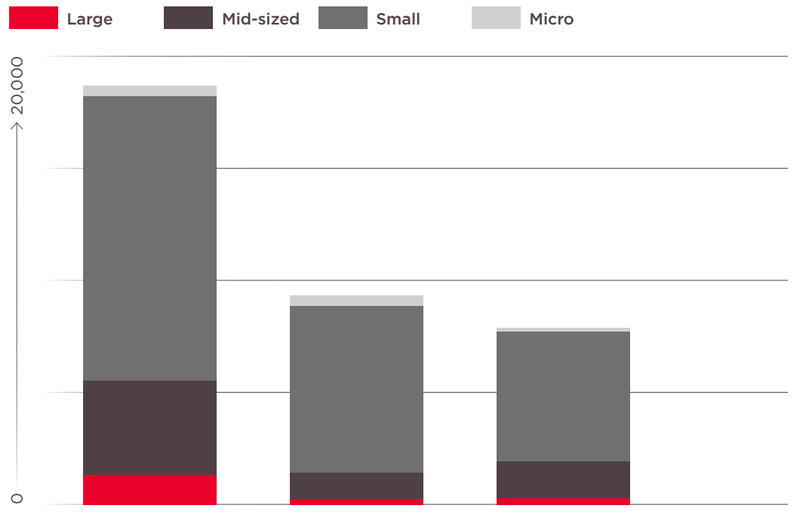


Size	2021	2022
Large	6%	**7%**
Mid-sized	20%	**18%**
Small	71%	**71%**
Micro	3%	**4%**

BREAKDOWN OF TOTAL LOANS BY SECTOR



TOTAL LOANS BY SECTOR — SECTOR AND COMPANY SIZE



Sector	2021	2022
Retail	51%	**52%**
Services	26%	**28%**
Industry	21%	**20%**
Others	2%	

DEVELOPMENT BANKING

Development Banking plays an essential role in the economy, **facilitating access to credit for small and mid-sized enterprises**. Our involvement in this business has allowed us to enter other market niches and promote specific segments of the economy by sharing risk with the government development bank.

79%
of SME loans have a development bank guarantee (22,498 out of 28,451 loans)

Banorte used
38%
of the resources allocated for the development banking

We are the 2nd largest bank in the country in terms of participation in the programs:

TRADITIONAL
Ps. 19.64 bn

PROMOTION + STATES
Ps. 4.02 bn

(18% more than in 2021); in total, 1% below the leader and 38% more than the consolidated placement of the rest of the participating banks.

SUPPLY CHAIN FINANCING (CREDISUMINISTROS):
Ps. 19 mn

Banorte has the highest approval rating in the programs:

IMPULSO NAFIN + STATES
54%

PROGRAMS

SPECIAL PROJECTS BY REGION

We extended 2,525 loans totaling Ps. 5.64 billion in financing for specific destinations to promote activities that included:

2,525
loans for special projects

- Industry and state promotion
- Electrical and electronics
- Women's inclusion
- Youth inclusion
- Molds, die cutting, and machining
- Leather and footwear
- Foreign trade
- Industry-based programs
- Tourism and hospitality
- Construction
- Automotive
- Foreign banks
- Supply chain financing (Credisuministros)

ECO-LOANS (NAFIN)

An eco-loan is a loan to finance energy efficiency or renewable energy projects, acquire or replace equipment, and cover installation expenses. Two loans of this type have been placed, totaling a little over Ps. 9.6 million.

Program	Loans	%
Eco-Loan	0	0%
Solar Cell Systems	2	100%
TOTAL	**2**	**100%**

Nacional Financiera has notified Commercial Banking of the temporary closure of the green programs to conduct a reengineering and relaunch in 2023.

MICROSUPPORT

This program is a financing scheme for clients registered under the Tax Incorporation Regime (TIR) as part of the SME Development program. The activities of this program last year are summed up as follows:

	Number of loans	Total Amount
TIR Programs[a)] Repecos[b)]	44	Ps. 10 mn

[a)] Tax Incorporation Regime
[b)] Small Taxpayers Regime

PRODUCTS

We have products that adapt to the needs of every small or mid-sized business and help them cover the needs of their operating cycle, from traditional financing, credit cards, or sales advances to help them improve cash flow or buy fixed assets. That way, the company can focus on growing its business.

	Crediactivo		Businesses and Companies (Revolving Line)	Microsupport	Sales Advance	Business Credit Card
	Straight Loan	**Current Account**				
Amounts	Between Ps. 200,000 and Ps. 7 mn for micro and small businesses. Between Ps. 7 mn and Ps. 24 mn for small and mid-sized businesses.		Up to Ps. 3 mn in a revolving loan. For SMEs that need to use a card.	Between Ps. 30,000 and Ps. 300,000 in a straight loan. For persons registered in the tax incorporation regime (TIR).	Between Ps. 25,000 and Ps. 1.5 mn in straight loans. For SMEs that bill with Banorte POS.	Up to Ps. 300,000 credit card limit . For SMEs that need to separate their expenses and tax benefits.
Purpose	Permanent working capital and capital expenditures.	Temporary working capital for treasury needs.	Temporary working capital for treasury needs.	Permanent working capital.	Temporary working capital for treasury needs.	For payment of utilities, travel expenses, furniture & equipment, and petty cash.

THE SME PORTFOLIO POSTED PS. PS. 40.53 BN, I.E., A GROWTH OF 7.8% VS. AS OF DECEMBER 2021. CONSIDERING THE MARKET GROWS ANNUALLY BY 5.1%, WE ARE THE 2ND BANK WITH THE HIGHEST GROWTH

Our stage 3 ratio (formerly non-performing loan ratio) closed the year at 1.11%, with an increase of -78 bp vs. December 21, considerably lower than for the banking system, which posted 3.9%.

Initiative	SME Banorte	Banking System
Performing loans	98.81%	96.1%
Non-performing loans	1.11%	3.9%
Total balance	**$40,531**	**$409,217**
YoY growth	**8%**	**6.1%**

Figures in millions of pesos.

FINANCIAL EDUCATION

GRI FS16
SASB FN-CB-240a.4

Undoubtedly, developing the financial skills of individuals is a cornerstone for economic growth, not only for themselves but for the economy as a whole.

For this reason, at Banorte, we have implemented **initiatives for people to acquire basic knowledge and skills to manage their funds better** and increase and protect their assets through the proper and responsible use of financial products and services.

During the year, various business areas took part in this initiative, impacting thousands of Mexicans.

The workshops focused on the following:

Initiative	No. of Workshops	Beneficiaries
Financial Habits Seminar	10	**799**
Personal Finance Workshop	11	**272**

FINANCIAL HABITS SEMINAR

We identified the growing need of our payroll clients for money management education. Thus, in this 3rd edition, we offered the Financial Habits Seminar with more robust content, more participants, and a higher level of specialization.

The Financial Habits Seminar is **part of a long-term strategy to increase the financial health of our payroll clients**. The objective is to create knowledge and promote self-learning that can be improved as we generate more valuable and more technical content.

Over 800 payroll clients from the Government, States and Municipalities, Transactional, Federal Government, and SME segments were registered—433% more than in the 2021 edition.

When completing each activity in the workbook, ten challenges were posed to each participant, consisting of **reflection exercises to acquire skills for financial decision-making in the future**. There were 486 participants in these activities.

The goal for 2023 is to maximize this effort and increase the audience significantly with a deeper focus on improving habits and self-knowledge of personal strengths to achieve long-term financial goals.

UNLOCK YOUR SAVINGS CAMPAIGN

We are convinced that we can help our employees manage their finances today for a successful future. Therefore, as investment specialists at Administración de Activos Banorte, **we designed a pilot program promoting an internal communication campaign for employees**. Such a campaign consists of educational communications on the importance of saving for excellent financial health, how to avoid losing the purchasing value of money, and how to convert savings into investment through Fondos Banorte.

In 2022, the first stage was implemented through the Banorte newsletters and Yammer, Banorte's official social network. This stage was designed with sequential steps and basic concepts to understand how to set an amount to save and the significant value obtained when investing it. Online mutual fund trading was promoted via the Banorte app. In this way, **we can contribute to the financial education of our coworkers and the use of digital tools to design a positive future for each of them**.

The second stage will be launched by 2023, consisting of videos with a similar intention and advisory content to achieve their financial goals. The idea is to continue designing the path to meet their future goals with solid finances and knowing the benefit of paying the low commissions that we offer them for being employees of the group. They will become ambassadors of Fondos de Inversión Banorte with their coworkers, friends, and family; thus, the financial education campaign could also be for them.

SYNERGY WITH CONDUSEF

Following the annual agreement with Condusef to distribute information on financial education to various stakeholders, we continue to strengthen the following channels:

YAMMER

SOCIAL MEDIA

EXCLUSIVE WEBSITE where said contents are shared monthly: **CONDUSEF (banorte.com)**

Among the topics covered were:

- Advice for Your Pocketbook
- Educate Your Wallet
- Financial Education at Your Institution
- Financial Education Stories
- Financial Education Trainers

NATIONAL FINANCIAL EDUCATION WEEK

Like every year, we participated in the National Financial Education Week, during which various public and private organizations joined efforts to support financial awareness for Mexican citizens.

This year the event was once again held online, and our activities included the following:

A virtual stand with the institutional image and links to the communication channels for customers and the general public.

A virtual game where users drive a racing car to collect coins, read financial tips, and avoid obstacles on the road.

Six master lectures given by directors of various areas of the group.

6
volunteers

844
beneficiaries

6
hours of volunteer time

GOVERNMENT STATES AND MUNICIPALITIES

STATE AND MUNICIPAL GOVERNMENT PROGRAMS

To build the future we envision, we establish partnerships with sub-national governments to develop initiatives that help create financial opportunities and, therefore, improve Mexican citizens' well-being and quality of life.

BUDGETING AND PUBLIC FINANCE PROGRAM FOR SUSTAINABLE DEVELOPMENT

To help subnational governments guide their budgeting to the 2030 Agenda and the Sustainable Development Goals (SDGs), we collaborated with the United Nations Program United Nations for Development (UNDP) through our Banca de Gobierno, Estados y Municipios department.

Through this partnership, **states and municipalities can adopt Results-Based Budgeting (RBB) tools and financing schemes for productive public investment** within the financial discipline law framework.

The activities promoted thereof will allow state and municipal governments to translate national priorities into local actions, promoting the implementation of the public policies of the 2030 Agenda.

Consequently, the communities' context, challenges, and opportunities will be considered to set priorities and government commitments, prioritizing bottom-up and locally-based sustainable development solutions with a subnational public finance approach.

This initiative aligns with Banorte's commitment to **being the leading bank providing financial products and services to the governments of Mexico's states and municipalities** with tools to help them boost their capacities and support their public functions.

In 2022, the first training day consisted of five sessions by the UNDP, Banorte, and the Ministry of Finance and Public Credit *(Secretaría de Hacienda y Crédito Público)* (SHCP) to make awareness of officials in charge of income, expenses, and state and local public works.

WE TRAINED APPROXIMATELY 600 STATE AND MUNICIPAL TAX OFFICIALS

As part of our partnership, we will continue with activities in 2023, such as:

PUBLICATION OF A METHODOLOGY GUIDE to implementing RBB through a 2030 Agenda and 17 SDG approach to issue recommendations for subnational governments to adopt the best national and international practices.

SUPPORTING SUBNATIONAL GOVERNMENT OFFICIALS in charge of programming, budgeting, and public funding processes to develop technical skills for the practical use of this guide.

INTERCOLLEGIATE PROGRAM IN PUBLIC FINANCE AND PROFESSIONAL DEVELOPMENT

We are very committed to Mexico, especially its young students. Thus, through the Government Banking and Infrastructure department, we created the Public Finance and Professional Development Intercollegiate Program addressed to national public university students.

This program **supports the training of young college students —future leaders of Mexico and the public sector—** through public administration and finance workshops, with a subnational government approach, and given by Banorte Government Banking officials. Financial institution managers and prestigious guest lecturers from public administration lecture some professional mentoring sessions.

In the first generation of this program, 16 public universities participated and —after a strict selection process— **more than 250 young outstanding senior students** from Economics, Public Administration and Finance, Political Science, and Law faculties. As it is an online program, students nationwide could take the course without geographical barriers. It is a five-month program adapted to the semester calendars of the universities. The ultimate goal is to integrate students —who have met all the requirements— to experience Banorte and its Banca de Gobierno, Estados y Municipios.

The sessions were divided into three:

9
technical workshops on public administration and finance

4
mentoring sessions with executives and special guest lecturers

1
advice session on job recruitment and selection

There are two practical analysis challenges: calculating funding ceilings and setting up an innovation initiative for the public sector of the students' states. As students worked in these challenges, they could delve into the day-to-day of the subnational public administration and Banorte's Government Banking business.

Our Recruiting Talent team took a session on preparing a successful résumé, facing a job interview, and being a good candidate for the financial sector.

In the end, **a certificate of participation was awarded to the 104 best students in the program** who met all the requirements. In January 2023, the most outstanding students in the program will start working in Banorte. Now, they are studying at Universidad Autónoma de Nuevo León, Universidad Veracruzana, and Universidad Autónoma del Estado de Hidalgo.

CORPORATE VOLUNTEER CORPS

Thanks to our employees' selfless work and enthusiasm, at Banorte, we have created a culture of volunteering for the social development of the communities we serve.

Through our corporate volunteer program, "Yo Soy Voluntario Banorte," we participate in activities that generate value for our stakeholders.

We work through three lines of action:

01

COMMUNITY

All initiatives that directly benefit communities, through activities like diversity and inclusion, through an industry-wide volunteer effort with the Mexican Bankers' Association (ABM) and Fundación Banorte.

The Office of the Chief Business Development Officer and the Deputy Chief Technology officer called upon their 1,369 employees to participate in their two campaigns:

- **Tapitas 2022:** Our employees collected different plastic caps (from beverages, soft drinks, water jugs, oils, fabric softeners, cosmetics, medications, and others), collecting more than 638 kilos of caps, which were donated to Banco de Tapitas. This support is equivalent to 21 doses of methotrexate (chemotherapy) for children with cancer.

- **Kilos de amor:** We called on our employees to donate products in kind, benefiting "Yolia" and "Casa de las Mercedes" group homes (Mexico City) and "Un corazón grande para servir" community kitchen (Nuevo León), contributing with 1,680 essential products.

- **As part of our commitment to the ABM**, we joined the volunteer effort with an economic contribution used to buy supplies from Fundación Quiera AC.

02

ENVIRONMENT

Employees volunteer for activities aimed at reducing our environmental impact.

- To help care for the environment, Mexico City's employees and Fundación Banorte collected recycled food cartons to be used as roofs and installed on houses in Morelos in February 2023.

03

SPECIALIZED VOLUNTEER WORK

Our employees volunteer their time for workshops and lectures, mainly on financial education topics, to various groups of the general public. To contribute to environmental protection and financial education, some workshops were offered with Fundación Banorte

To contribute to environmental protection and financial education, five workshops were offered with Fundación Banorte.

FUNDACIÓN BANORTE

GRI 203-1, 203-2, 413-1

We are the social force of Grupo Financiero Banorte, through which we reciprocate our country for the trust they have placed in us. We seek to build strong families and a future full of opportunities for them.

We contribute positively to Mexico's vulnerable sectors and regions through our programs and initiatives, specifically with a housing, education, and development approach.

WE CONDUCT INITIATIVES ADDRESSING THE LOW-INCOME OR VULNERABLE EXTERNAL AND INTERNAL COMMUNITIES—OUR GROUP'S EMPLOYEES AND DIRECT FAMILY MEMBERS

EXTERNAL COMMUNITY PROGRAMS

HOUSING CONSTRUCTION

Through this program —under a partnership with other nonprofits and, sometimes, with the state, municipal, or federal governments— we build, refurbish, or expand houses to access home utilities or reduce the lack of space. The objective is that low-income families can live in decent homes.

In 2022, we had the following results:

1,236
housing actions in 15 states in Mexico

PARTNER ORGANIZATION

Habitat for Humanity, Mexico

Chihuahua
Nayarit
Chiapas
Baja California
Sonora
Guerrero
Guanajuato
Veracruz
Michoacán
The State of Mexico
Tlaxcala

846
housing actions

Corazón Urbano

Nayarit
Sinaloa
Jalisco
Colima

324
housing actions

PYMO

Morelos

66
housing actions

To improve people's quality of life and access to home utilities, 206 sustainable accessories were installed in some construction projects according to the family's needs. The accessories included biodigesters, water collectors, ecological stoves, cisterns, and solar heaters. With this initiative, we benefited approximately 824 people.

ADDITIONAL SUPPORT FOR CONSTRUCTION

As part of the housing program, we make efforts that complement the construction, such as social support, community organization and educational development, and sustainability culture.

This year we achieved the following progress:

- **Social Support:** Participatory design is essential for this program. Therefore, the partner organization designs and executes the housing project with the family. Beneficiaries supervise and are aware of the progress. As part of the social support, workshops are given on topics such as the right to housing, financial education, and healthy housing. In 2022, Habitat for Humanity gave 40 workshops to 682 housing program beneficiaries, with 88 hours devoted to this activity.

- **We conducted supervision and follow-up visits** to the housing projects, with 232 hours of fieldwork and closeness to the community.

BANORTE ADOPTS A COMMUNITY

This program was created in 2017 after the September 7 and 19 earthquakes to help Mexican citizens affected by natural disasters.

At the end of 2022, we approved the implementation of a project in two of the adopted communities for their opinion of the project design. Six assessment visits were made to both communities, equivalent to 18 hours of work. These visits will conclude during the first semester of 2023. Over 1,500 families will be benefited through the following initiatives:

- Construction of an indoor soccer field and refurbishment of toilets at a sports center in Joquicingo (State of Mexico).

- Construction of a classroom and toilets in the digital high school of Santa Cruz
- Cuauhtomatitla (Puebla).

Currently, we are in the process of regulating the Banorte Disaster Management Protocol. This document establishes institutional responsibilities and duties for participating areas to develop support campaigns for populations affected by a natural disaster or emergency and to put reconstruction or restoration projects in place in the aftermath.

We supported the rehabilitation of water wells to benefit the inhabitants of Pochutla, Oaxaca, after being hit by Hurricane Agatha.

We also donated food supply kits to 4,538 families from the towns most affected by Hurricane Roslyn on the Nayarit coast.

STRONG YOUTH

We supported improving the social and emotional skills of boys, girls, adolescents, and primary caregivers to help strengthen the social fabric and promote the development of marginalized communities.

Through this project, in 2022, we benefited 375 people in the Solidaridad district in Oaxaca and Lomas de la Esperanza district in Tijuana. Previously, Fundación Banorte built houses in these communities.

During 45 weeks, four core topics were addressed—literacy skills; healthy eating, hygiene, and physical activities; mental health; and citizen participation, through:

160
face-to-face sessions

4
community activities (one per core topic)

2
focus groups

We also donated 100 school kits to children who participated in the literacy core topic.

GROWING FROM HOPE

In partnership with Un Kilo de Ayuda, this project aims to contribute to food security and reduce malnutrition and anemia in children aged 0-5 years, including pregnant women. The objective is to attain early and adequate child development and strengthen parenting skills in Mexico.

In August 2022, **we started supporting 1,920 children and pregnant women from 13 communities in Chiapas and the State of Mexico**. We anthropometrically monitored their physical development for six months by measuring their weight and height and through capillary hemoglobin tests to detect anemia, loving parenting practices, and counseling.

The results are shown below:

7,680
food supply kits donated

771
malnourished children over six months of age treated with micronutrients

410
children with anemia treated with iron salts

4
community capacity-building workshops given to primary caregivers in anemia, child neurodevelopment, early childhood intervention, emotional rescue, and monitoring of high-risk children

2
follow-up visits to the project

SPECIAL CAUSES

We support philanthropic actions to help solve problems affecting communities where we serve, following up on any concerns of our employees, senior management, or trade association causes.

In 2022, we supported the following causes:

- We supported a program to improve the situation of homeless children and adolescents. We also supported a scholarship program for low-income high school or college students and a program for young disabled people to receive job training and achieve self-sufficiency.

- We provided low-income people and people with intellectual disabilities with healthcare and medical treatment. We provided children with cancer and their families with food supply kits every month. We equipped an area of the Hospital Infantil de México Federico Gómez with medical bed chairs. We promoted the most significant events that have taken place during the 100th years of history of the Escuela de Salud Pública de México.

- We supported the refurbishment of Mexico City's Natural History Museum. We brought cultural and entertainment programs to marginalized communities. In Nuevo León, we encouraged citizen participation and the accountability of elected officials. We supported the acquisition of special equipment for the firefighters of Nuevo León to perform their heroic work.

ATM CAMPAIGNS

We conducted three fundraising campaigns at our ATMs.

01

Housing Construction with Habitat

- Total raised: Ps. 9.9 mn
- 456 housing actions in Chiapas, Sonora, Chihuahua, and Nayarit

02

Digital Inclusion with Save the Children

- Total raised: Ps. 10.9 mn

03

Treatment of Children with Cancer with Casa de la Amistad

- Total raised: Ps. 11.1 mn

MEDIA CLASSROOMS WITH ÚNETE

In partnership with Únete, we supported a project to provide public schools with technology, train teachers in a mentoring program to create new learning strategies for students, **help reduce school dropout rates**, and improve education through teamwork.

So far, we have equipped five media classrooms benefiting 1,600 students. 100 teachers are being trained to create new learning strategies.

Also, 16 media classrooms are being equipped in Chihuahua, Guanajuato, Jalisco, Veracruz, Colima, the State of Mexico, and Sinaloa, benefiting approximately 3,200 students and 160 teachers.

Nine schools were visited to supervise the classroom equipment and learn about the experience of students and teachers.

BUILDING COMMUNITIES WITH WIXARICA ART

This project supports the social and economic well-being of three indigenous communities in Nayarit: La Moderna, Zapote de Picachos, and Zitakua, by empowering women emotionally and economically by **promoting Wixarika art through its technical and practical skills training to position their products regionally and nationally**.

This project has benefited 77 women directly, serving 153 children, young people, and men from the community in different activities and impacting 161 families.

WE VISITED THE COMMUNITIES, MET THE WORKING GROUPS, AND ATTENDED THE WORKSHOPS

THIS PROJECT PROMOTES WOMEN'S ECONOMIC AND SOCIAL EMPOWERMENT BASED ON PRODUCTIVE ACTIVITY SO THAT THEY CAN LATER START A GROUP COMPANY

EMPOWERING WOMEN

Being empowered positively impacts women's self-esteem, decision-making, and social and family recognition, which facilitates earning and managing money.

In partnership with EduCampo, we have trained 153 women from the State of Mexico, of which 68 are still active in the chicken and turkey production project.

We visited to meet the work groups and attend the workshops.

PROFESSIONALIZE YOUR TALENTS

The objective of this project, in partnership with Fundación Origen, that **they can develop skills that can help them earn money and obtain training and certification** for apparel designers and manufacturers, beauticians, manicurists, pastry chefs, bakers, international and Mexican cuisine cooks, IT technicians, plumbers, electricians, etc.

We visited to meet the work groups and attend the graduation.

This year, in the state of Oaxaca

225

people graduated in different trades

HELPING OTHERS

We invited GFNorte employees to this program and support children's and nursing homes on certain holidays.

In 2022, we brought toys and clothes to 23 homes with 2,750 children. We also benefited five nursing homes with 300 older adults.

Fundación Banorte´s team visited a nursing home during a Christmas celebration (posada) and gave people gifts.

INTERNAL COMMUNITY PROGRAMS

A THOUSAND DREAMS TO FULFILL

We promoted the education of young students for the development of their skills to help them stay in school and complete their education, improve their academic performance, and increase their school motivation, thereby helping them stay in school and complete their education.

In 2022, we offered ten months of financial aid to 1,756 children whose parents work at GFNorte and who were studying from primary school through college. With this, we contributed to their school education.

We offered them three types of scholarships:

01 **Academic:** recognizes high-performing students.

02 **Special Education:** aimed at students with a medical diagnosis of disability or giftedness.

03 **Stipends:** for children of employees earning less than a certain amount a month.

We also offer educational courses and programs that complement the school training of our beneficiaries. This year:

- We supported five Banorte employees and five children of employees who have not completed their high school studies with a full scholarship to study online through Prepanet and obtain their high school completion certificate.
- We launched a call for entries to “Leaders of Tomorrow” among 190 children of employees to be recipients of a full tuition scholarship to study a college degree at Tec de Monterrey.
- We funded the Emotional Strengthening & Life Skills program for 61 middle school and high school students, complemented by a workshop for parents, with the participation of 17 employees.
- We forwarded the following calls to 520 high school and college scholarship recipients:
  - › Tech Challenge to improve skills in data science and web development.
  - › English Challenge to promote the learning of the English language. Today, 57 children of employees are enrolled in the program.
  - › RISE offers educational support to enroll at national and international universities.

Our partners to conduct this project are Fundación Nemi, Tec de Monterrey, Centro Laboral de México, and Bécalos-Fundación Televisa.

BANORTE FORCE

We provide complementary support for specialized medical treatment (not covered by the medical service provided by the company) and preventive healthcare. We promote solidarity among coworkers when facing difficult health situations that affect Banorte families. Employees' donations fund this program through a biweekly discount via payroll and a match-funding by Fundación Banorte.

To increase the impact and support granted, this year, **we incorporated a reward scheme for our donors through visual, auditory, and breast cancer preventive health campaigns**, including talks on the early detection of diseases or health care, diagnostic studies, and the provision of glasses and hearing aids.

In 2002, in partnership with the Banorte Comprehensive Health System, Save The Children Mexico, Fundación Ver Bien para Aprender Mejor, Fundación MVS Radio, FUCAM, and Salud Digna we achieved:

1,858

employees donated to the program

3

online preventive health talks were given by medical specialists, attended by 537 employees from various states of Mexico

3

special health cases supported with:

- The acquisition of a valve and surgery to decompress the brain of Samuel—the husband of one of our employees—after being diagnosed with Hakim Adams Syndrome. secondary to pituitary adenoma
- The treatment of Luca—the son of one of our employees—who was diagnosed with severe complications in the digestive system at birth.
- Pediatric treatment for developmental therapies for Erick—the son of one of our employees—diagnosed with resistance to growth hormone, affecting the development of his organs and risking his health.

12

face-to-face preventive health sessions at Mexico City and Monterrey administrative buildings for the early detection of diseases, achieving:

- 408 diagnostic studies (optometry, audiometry, and mammography).
- 182 medical accessories delivered (glasses and hearing aids).
- 189 redeemable coupons in partnered laboratories distributed among donors for audiometry, mammography, breast ultrasound, and 139 glasses delivered.

WE SUPPORTED 863 LOW-INCOME PEOPLE RECEIVING HEALTHCARE SERVICES THROUGH NGOS AND BENEFITED FROM THE FOLLOWING: MEDICAL AND PSYCHOLOGICAL CARE FOR PEOPLE WITH INTELLECTUAL DISABILITIES, TREATMENT FOR CHILDREN WITH CANCER, GLASSES FOR CHILDREN LIVING IN MARGINALIZED COMMUNITIES

CORPORATE COMMUNICATION AND PUBLIC AFFAIRS

GFNorte's corporate communication promotes institutional vision, reputation protection, and business strategies implementation.

Throughout 2022 we designed and implemented comprehensive communication strategies that promoted Vision 123 among our main internal and external stakeholders. We had 28,493 media hits, with a rate equivalence of Ps. 1.18 billion—an increase of 107% vs. 2021. In the media, we highlighted our digital transformation and our ESG leadership.

OUR PATH TOWARDS VISION 123

Our digital positioning strategy is divided into three aspects:

01 **Promoting** key corporate ads

02 **Supporting** our daily operational transformation

03 **Celebrating** team accomplishments

In 2022, we announced seven significant milestones in our digital transformation simultaneously for internal and external audiences—the launch of BanorTec (the mobile banking designed for the Tec de Monterrey community), the incorporation of Incode technology (a user can become a Banorte customer signing up through their smartphone), the incorporation of the Google Wallet as a means of payment, and the launching of Maya (Banorte's virtual assistant).

These ads appeared simultaneously in the media, the group's institutional social media, and internal communication, **ensuring consistency in Banorte's narrative**.

Employees are critical players in the transformation of the group. We involve employees in our communication process with ongoing campaigns **promoting change, such as the campaign we launched to disseminate the branch cell program**. We also launched a dedicated multi-channel campaign to **celebrate the team's achievements on our way to Vision 123**.

This year we were awarded by three organizations for our communication performance:

Newsweek — Most Socially Responsible Financial Institution Worldwide.

Institutional Investor — Best Crisis Management COVID-19 in Mexico

PREMIO AMCO 2022 CREADOS PARA HACER HISTORIA — AMCO 2022 Award to our Norte Económico podcast.

PUBLIC AFFAIRS

The understanding and adequate management of public affairs are increasingly necessary for companies. The public agenda is an increasingly decisive factor in business. Our objective is to offer a competitive advantage to the institution to take advantage of opportunities and mitigate risks.

The Public Affairs Department is focused on understanding the environment and having key actors **set prominent and pertinent positions to build bridges with relevant actors and promote and create programs** consistent with the narrative of the institution.

We provide permanent monitoring of the public agenda through our different innovative strategies for senior management and our government and commercial banking.

This year we informed the organization promptly by delivering more than 600 analysis reports and alerts on political, social, legislative, and electoral issues.

TRADE ASSOCIATIONS ATTENTION TO LEGISLATIVE ISSUES

Since 2021, we have chaired the Mexican Bankers' Association's Communication and Legislative Liaison Commission. The Public Affairs Department followed up on 19 initiatives impacting the banking sector, and our group and over 200 were monitored. On the other hand, through trade associations, we could participate in the legislative process of some of these associations.

WE MANAGED TO CONVEY OUR KEY MESSAGE OF THE YEAR: DIGITAL TRANSFORMATION

By posting over 120 public messages and content on social media, we contributed to ensuring that the narratives of senior management and different areas were aligned with the guiding themes of the year: digital transformation, social commitment, and sustainability.

INSTITUTIONALIZATION OF BANORTE ADOPTS A COMMUNITY

We institutionalized the Banorte Adopts a Community Disaster Management Program in collaboration with Fundación Banorte. This program began in 2017 as a comprehensive and concrete response to support Mexican citizens affected by the earthquakes of September 7 and 19. With strategic partners, Adopt a Community benefited over 32,000 people, 650 homes, social infrastructure works, and over 28,000 comprehensive health, culture, education, and food actions in seven states of Mexico. Thanks to the institutionalization of this program, we attained that the successful Community Support model was established as a practice of the financial institution in the event of a disaster.

ENVIRONMENTAL CAPITAL

- Environmental Management
- Energy
- Greenhouse Gas (GHG) Emissions
- Waste Management
- Water
- Biodiversity

BUILDING THE FUTURE REDUCING OUR FOOTPRINT

SDGs

7 12 13 15

GRI

2-23, 301-1, 302-1, 302-3, 302-4, 302-5, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 306-1, 306-2, 306-3, 306-4

In Banorte, we are committed to our efficient operations **operations to reduce our direct environmental impact** and, thus, contribute to a more sustainable world in the present and the future.

16.6 GJ
energy consumption per employee

1.9
intensity of tCO_2e emissions per employee

391
tons of waste sent for recycling

ENVIRONMENTAL MANAGEMENT

GRI 2-23

Our **Environmental Policy** establishes the environmental objectives and principles GFNorte while considering the national and international regulatory frameworks, the global initiatives to which we are signatories, and the commitments acquired in environmental matters.

In a supplementary manner, we have an environmental impact matrix that allows us to manage 128 operational aspects associated with six current or emerging risks, including the applicable environmental regulations for Banorte. It should be noted that no fines were received for regulatory breaches in environmental matters during 2022.

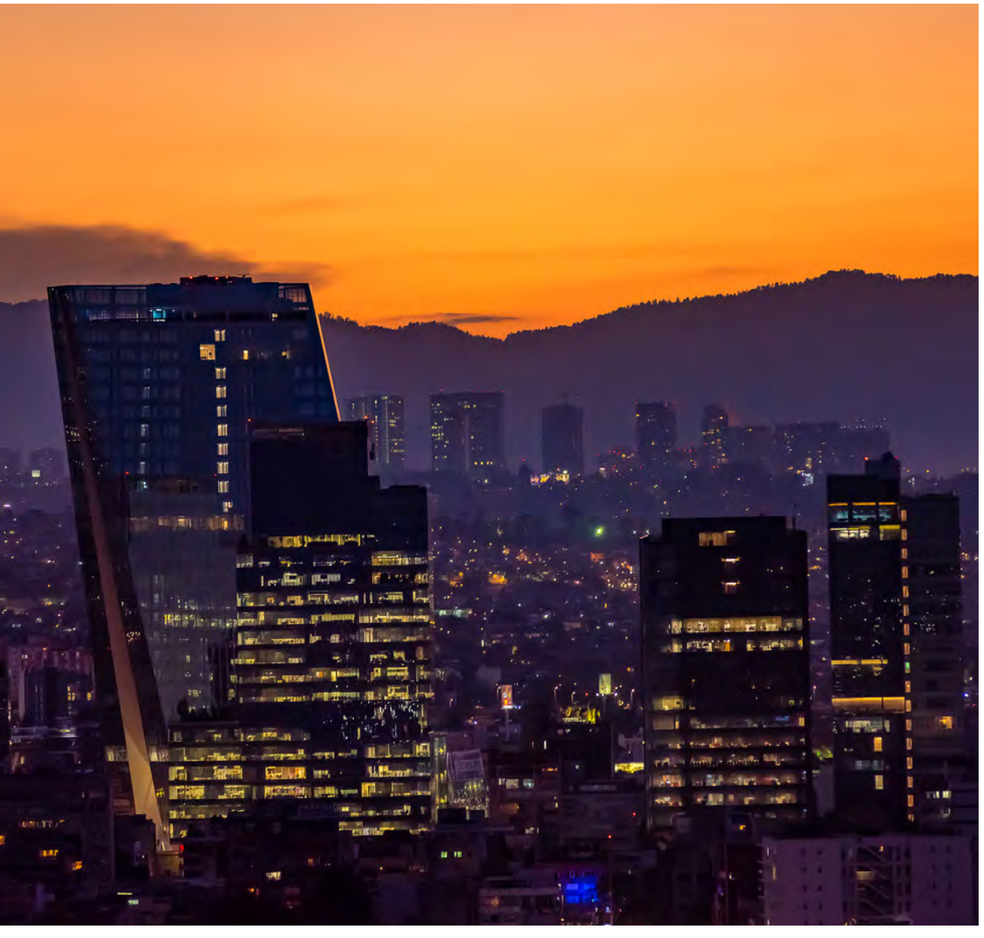
To consult the **Environmental Policy of GFNorte** visit **here**.

WE HAVE SET AMBITIOUS GOALS TO REDUCE OUR ENERGY CONSUMPTION AND GHG EMISSIONS, AS WELL AS CARRY OUT PROPER WASTE AND WATER MANAGEMENT

ENERGY

GRI 302-1, 302-3, 302-4, 302-5

Electric power is our primary energy source; thus, we endeavor to implement **initiatives to aid us in operating more efficiently**.



TOTAL ENERGY CONSUMPTION

Year	2020	2021	2022	Δ22-21
Metric	**GJ**	**GJ**	**GJ**	**%**
Natural gas	11.9	2.0	-	**(100.0%)**
Diesel	3422.6	669.4	1,166.2	**74.2%**
LP Gas	910.2	770.0	542.8	**(29.5%)**
Gasoline	43,637.6	36,879.5	34,326.7	**(6.9%)**
Electricity	461,727.4	459,290.30	471,623.80	**2.7%**
Total GJ	509697.9	497,611.20	507,659.6	**2.0%**
GJ by employee	17.0	16.0	16.6	**3.9%**
GJ per Ps. mn of net income	16.7	14.2	11.2	**(21.1%)**
Employee scope	100%	100%	100%	

Figures in millions of pesos.
Figures at the end of December 2022.

To calculate the energy of fuel consumption, the calorific powers published in the document List of fuels and their 2023 calorific values were used, which will be considered in the identification of users with a high consumption pattern, as well as factors to determine the equivalences in terms of equivalent oil barrels, issued by the National Commission for the Efficient Use of Energy (CONUEE, in Spanish).

Gasoline consumption refers to utility vehicles and mobile emergency power plants; diesel consumption to emergency plants and utility vehicles; and LP gas for forklifts.

Gasoline consumption in utility vehicles of the Leasing and Factoring Company, and the Warehousing Company, were estimated based on monthly expenses and the national average price per type of fuel published by the Energy Regulatory Commission (CRE, its initials in Spanish).

Regarding the calculation of emission intensities, 30,590 employees were considered, including full-time employees, fee-based employees, and other professional service providers, and Ps. 45.41 billion of net profit.

In 2022, we vacated the only building that used natural gas for heating at the Afore XXI Banorte subsidiary.

ENERGY-EFFICIENCY INITIATIVES

In 2022, returning to work at the offices under different working models and the economic reactivation implied returning to pre-pandemic energy consumption levels, especially for electricity and diesel. However, we implemented energy efficiency initiatives to control its use.

RENOVATION OF AC EQUIPMENT

We implemented a technology renovation program for the air conditioning equipment, which consists of substituting equipment near obsolescence with more energy-efficient technologies that use ecological gases. The scope was 70 properties, including administrative buildings and branches, of which 33 reflected a **decrease of 97,096 kWh, equivalent to 42.2 tCO_2e, and savings of Ps. 281,319** as of their installation.

97,096 kWh
decreased

IMPROVEMENT IN DATA CENTERS

In the data center of the Tlalpan I building, we rearranged the electrical wiring in the servers' racks, and insulating material was installed in the chamber conditioning plenum to **increase thermal efficiency**. Likewise, the battery banks of uninterrupted electric power supply units (UPS) were replaced, which **guarantees a greater availability of regulated energy** for this center.

RENOVATION OF ELECTRIC POWER PLANTS

We substituted two emergency electric power generation plants with greater efficiency plants, and thus, **approximately 1,064 liters of diesel ceased to be consumed** due to preventive maintenance and tests, estimating potential savings of **Ps. 24,600 in operating costs, and a reduction of almost three tCO_2e**.

1,064 liters
of diesel ceased to be consumed

AUTOMATIC SHUTDOWN OF EQUIPMENT

Our automatic computer shutdown program outside working hours allowed us to cease the consumption of approximately 609,200 kWh during the year, translating into **265 tCO_2e avoided and savings of Ps. 88.36 billion.**

609,200 kWh
ceased to be consumed

GREENHOUSE GAS (GHG) EMISSIONS

GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6

We control and monitor our direct and indirect GHG emissions, which allows us to establish strategies to achieve our objectives and reduce them.

We must have traceable, reliable, and consistent information. Thus, annually, we verify our GHG emissions inventory through two external auditors, one accredited by the SEMARNAT, pursuant to the applicable regulation.

Coupled with the 2.3% increase in energy use vs. 2021 (influenced mainly by electricity use), the national electrical emission factor also increased by 2.8% for the same period, resulting in a 5.2% increase in total emissions A1 and A2. All our electricity comes from the national electricity grid, accounting for 94.1% of A1 and A2 emissions.

GHG EMISSIONS - SCOPE 1 AND SCOPE 2

Year	2020	2021	2022	Δ22-21
Metric	**tCO_2e**	**tCO_2e**	**tCO2e**	**%**
Natural gas (A1)	0.7	0.1	-	**(100.0%)**
Diesel (A1)	255.4	49.8	86.7	**74%**
LP gas (A1)	58.6	50.0	35.2	**(29.5%)**
Gasoline (A1)	3,147.10	2,659.70	2,475.6	**(6.9%)**
Electricity (A2)	63,339.50	53,966.60	56,987.90	**5.6%**
Total tCO_2e (A1 + A2)	66,801.20	56,726.3	59,585.5	**5.0%**
tCO_2e per employee	2.2	1.8	1.9	**7.0%**
tCO_2e per Ps. mn of net income	2.2	1.6	1.3	**(19.0%)**
Employee scope	100%	100%	100%	

Figures in millions of pesos.
Figures at the end of December 2022.

In calculating scope 1 emissions, the factors published by the Ministry of Environment and Natural Resources (SEMARNAT, its initials in Spanish) were used in the Agreement that establishes the technical characteristics and the formulas to apply methodologies for the calculation of gas emissions or greenhouse compounds.

For the calculation of scope 2, the national electrical emission factor 2022, issued by the CRE, was used.

For the emission intensity calculation, 30,590 employees were considered, including full-time employees, fee-based employees, and other professional service providers, and a net profit of Ps. 45.41 billion.

GHG EMISSIONS - SCOPE 3

GHG Category Protocol	Description	Sources	tCO2e	Employee scope
1	Purchase of goods and services	Printed advertising, consultancy services, and refilling of cooling gases	6,757	**95%**
2	Capital goods	Purchase of office equipment	828	**87%**
3	Activities related to energy and fuels (not included in scopes 1 and 2)	Transmission and distribution of electricity (T&D) and of well to tank (WTT) fuels	10,065	**100%**
4	“Upstream” transport and distribution	Correspondence mail, pouch shipments, and other internal shipments	1,336	**87%**
5	Wastes generated in operations	Wastes sent to recycling and municipal landfills	180	**35%**
6	Corporate travels	Flights related to labor affairs	262	**100%**
8	“Downstream” transport and distribution	Shipments abroad, delivery of credit cards, and mailing of account statements	723	**87%**

Figures in millions of pesos
Figures at the end of December 2022.

To calculate categories 1, 2, 4, and 8, the method based on expenses and the factors provided by the United States Environmental Protection Agency (EPA US) were used in the Supply Chain GHG Emission Factors for US Commodities and Industries (v1.1.1) document. The recently published factors correspond to 2018; thus, they were updated according to the inflation recorded for the period and the exchange rate at the end of 2022.

To calculate category 3, the method based on fuels was used, and the factors provided by the Department of the Environment, Food and Rural Affairs (DEFRA) in the Conversion factors 2020: full set document.

To calculate category 5, the method based on the type of waste was used, and for category 6, the method based on distance. Both categories used the factors provided by the US EPA in the document Emission Factors for Greenhouse Gas Inventories 2022.

FINANCED EMISSIONS

Category 15 of the **GHG Protocol** on financed emissions has great relevance for the sector in which we operate due to our role in allocating capital to different economic activities and the carbon emissions proportional to the use of these resources.

To this effect, we became signatories of the **Partnership for Carbon Accounting Financials** (PCAF) initiative at the beginning of 2022 to quantify and disclose financed emissions in a standardized manner and establish a route to comply with our decarbonization commitments. Furthermore, this initiative enables the development of capacities, offers technical support, and promotes collaboration between financial stakeholders.

BANK

In 2022, we carried out the first exercise to quantify financed emissions of priority sectors that, on average, represent **50.1% of the credit portfolio and 1.91% of the financial instruments** n the bank's balance sheet.

INANCED EMISSIONS - SCOPE 3

Asset Class	Absolute emissions (tCO_2e)	Economic Intensity	Data Quality (DQ)	Scope
Project Finance				
Power Generation	1.84	0.001	3.00	**88%**
Other Projects	344,213	12.87	4.97	**45%**
Corporate and business credits				
Oil and Gas	1,740,181	26.91	2.86	**100%**
Power Generation	528,404	181.39	3.00	**100%**
Real estate and temporary lodging services	28,812	4.04	4.29	**100%**
Agriculture and stockbreeding	1,089,502	148.57	4.03	**100%**
Aluminum	20,253	28.73	4.00	**100%**
Coal	1,214	80.90	4.00	**100%**
Cement	897,713	227.82	2.14	**100%**
Iron and steel	43,881	54.52	4.00	**100%**
Transportation-related services	29,603	7.98	4.02	**100%**
Building	117,324	26.02	4.09	**60%**
Other sectors	619,524	23.97	4.00	**14%**
Personal loans				
Mortgages	184,674	1.02	4.27	**100%**
Financial instruments				
Shares	1,025	20.15	1.03	**62%**
Corporate bonds	118,351	47.43	1.00	**91%**

Economic intensities are the CO_2 emitted per investment volume (gCO_2e/Ps). They are calculated considering the sector's financed emissions divided by the income weighted by the corresponding allotment factor (or balances, in the case of DQ5).

The financed emissions of investment projects were quantified similarly to corporate credits. However, we used the information specific to the project rather than the customers'. If such information is unavailable, the PCAF for investment projects was used, which differs from corporate credit ones.

We considered scopes 1, 2, and 3 through the PCAF intensities in all cases where it was possible. Taking this into account, the improvement in the data quality could be carried out by obtaining information specific to customers, e.g., the emissions reported or the physical activity of the company (short-term goal).

The coverage for long-term loans (greater than one year) is 63%, including all sectors analyzed.

ASSET MANAGER

As part of the analysis of ESG factors carried out in Operadora de Fondos, we quantified GHG emissions Scope 3 for the Fund Manager subsidiary with mutual funds in the PCAF methodology and with the information provided by an ESG Data supplier.

FUNDED EMISSIONS - SCOPE 3

Financial Instruments	Absolute emissions (tCO_2e)	Intensity of emissions	Scope
Shares	57,303	4.67	**84%**
Corporate bonds	7,496	0.61	**61%**
Sovereign bonds	1,557,426	3.41	**100%**

In line with the PCAF methodology, green bonds, sustainable bonds, and products derived from the calculation of financed emissions of corporate bonds are omitted.

The quantification of financed emissions of shares and corporate bonds only considers emissions scope 1 and scope 2 of the issuers included in the year. The intensity of emissions is defined as the amount of CO_2 emitted per investment volume (gCO_2e/Ps). It is calculated considering the sum of financed emissions of the financial instrument divided by the total AUM of the portfolio.

The consumption emissions of Mexico were used to quantify financed emissions of sovereign bonds. The intensity of emissions refers to the amount of CO_2 emitted per gross domestic product based on the purchasing power parity (tCO_2e/PPP adjusted GDP).

To learn more about the methodology for calculating financed emissions, please **click here**.

GHG EMISSION REDUCTION TARGETS

During 2022, we adjusted our Scope 1 and 2 emission reduction targets according to the absolute emission contraction methodology of the **Science Based Targets initiative** (SBTi). The target consists of an annual reduction rate under the temperature increase scenario of 1.5°C and has 100% coverage of scope 1 and scope 2 emissions.

In addition, we defined the targets to reduce financed emissions for the oil and gas, power generation, real estate, temporary lodging, and mortgage sectors. Depending on the sector, the SBTi methodologies and the **Net-Zero Banking Alliance** (NZBA) guidelines were used to define the targets. The coverage includes 44.2% of the credit portfolio of Banorte.

The targets are subject to adjustments insofar that there are still in the process of being validated by the initiatives. The most recent version may be found at **here**.

WASTE MANAGEMENT

GRI 301-1, 306-1, 306-2, 306-3, 306-4

IN BANORTE, WE CARRY OUT PROPER WASTE MANAGEMENT, WHICH IMPLIES REDUCING THE USE OF MATERIALS, MAINLY PAPER, AND THE RECOVERY, REUSE, AND/OR RECYCLING OF WASTE GENERATED

WASTE GENERATED

Year	2020	2021	2022	Δ22-21
Metric	**Ton**	**Ton**	**Ton**	**%**
Tons sent to recycling	1,232	509	391	**(23%)**
Tons sent to municipal landfills	1,344	1,196	332.36	**(72%)**
Total tons	2,576	1,705	722.93	**(58%)**
Percentage of recycled waste	47.8%	29.8%	54.03%	
Employee scope	45.7%	48.3%	35.0%	

The following assumptions are applicable after three years.

With the measurements made by the waste separation program, we estimate the waste generated within the administrative buildings based on the indicator of kilograms per employee. This indicator is extrapolated to seven administrative buildings by assuming a similar behavior.

RECYCLING INITIATIVES

We have implemented a waste separation program in six administrative buildings that house the highest concentration of people. Since its implementation in 2019, the program has allowed us to estimate the amount that the bank generates, as well as to channel a portion of the waste to authorized suppliers for its recycling.

In 2022, we accumulated 391 tons of waste sent for recycling.

391 tons
of waste sent for recycling

In addition, the databases are reviewed annually to select the physical documents that must be purged as dead files[1]. They are subsequently sent for destruction and recycling by a supplier certified by SEMARNAT, which guarantees the proper treatment of the information and disposal of paper.

By 2022, the dead file amounted to **382 tons of paper, and Ps. 1.65 million** were recovered from its sale for recycling.

Likewise, 38 tons, corresponding to ATMs, point-of-sale terminals, laptops, PCs, and obsolete air conditioners, were collected and submitted to a process of selection, separation, dismantling, destruction, and/or recovery of equipment and components that could be reused. This electronic waste was managed through a **supplier certified by SEMARNAT, generating an economic benefit for Ps. 2.5 million**.

As for the communities where we operate, we have **allied with BioBox**. Each PET bottle, aluminum can, or coffee capsule collected from the machines may be exchanged for credit for public transport or donated to social causes. In 2022, **the total collection was 379.3 kg of waste from 17 machines** located in Mexico City.

[1] According to the regulation, the dead file should be kept for 12 years from date of its creation, for tax and accounting purposes; there was a legal amendment that reduced the custody time to 10 years.

PAPER REDUCTION INITIATIVES

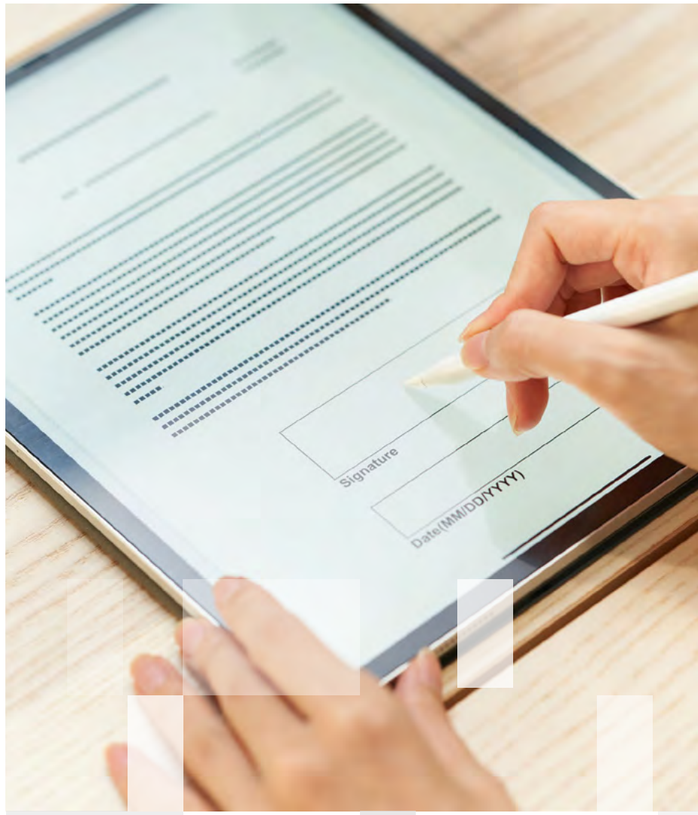
One of the side effects of the bank's digital transformation is the reduction in paper use. This is supplemented by a series of initiatives that have been implemented to eliminate the dependency on paper, including:

ORIGINA
By optimizing the number of pages of contract formats. Savings of 75.9 tons of paper and Ps. 3.99 million.

PAPERCUT
By controlling printouts in multifunctional printers in administrative buildings. Savings of 2.9 tons of paper, and Ps. 80,592.

AUTOMATIC TELLER MACHINES
By eliminating printed receipts in automatic teller machines. Savings of 52 tons of paper and Ps. 1.25 million.

MOBILE ADJUSTER
Digital attention in case of claims by customers of Seguros Banorte. Savings of 7.3 tons of paper and Ps. 200,542.



WATER

GRI 303-5

WE VALUE WATER AS AN ESSENTIAL NATURAL RESOURCE IN LIFE AND AS A BOOSTER OF ECONOMIC DEVELOPMENT. FOR THIS REASON, WE MONITOR OUR CONSUMPTION TO USE IT RATIONALLY AND ESTABLISH MEASURES TO REDUCE ITS USE

WATER CONSUMPTION

Year	2020	2021	2022	Δ22-21
Metric	**m³**	**m³**	**m³**	**(%)**
Water	509,599	673,596	954,778	**41.7%**
m³ by employee	17.0	21.9	31.2	**42%**
Employee scope	100%	100%	100%	

Figures at the end of December 2022.

To calculate the water footprint, we use the water flow volume account of the branches per city multiplied by the average price per liter corresponding to each city. Likewise, we add the number of liters of water consumed in administrative buildings with the highest concentration of employees, including subsidiaries.

For the calculation of m³ per employee, 30,590 employees were considered, including full-time, fee-based employees and other providers of professional services.

In 2022, we started implementing a **water consumption monitoring system** in Banorte's most representative administrative buildings, where flow and level meters were installed in different points of interest to establish water consumption more precisely and detect areas of opportunity for its reduction.

Furthermore, in 2022, the program to substitute dry urinals was extended to the Reforma 383 building, replacing 44 pieces of equipment to generate an approximate reduction of **7,216 m³ in water consumed**. The program comprises six administrative buildings, whose scope is 35% of the total employees of the group.

BIODIVERSITY

As part of our contribution to preserving biodiversity, we have a **green rooftop**.

Our green rooftop project, located in the Roberto Gonzalez Barrera Contact Center in Monterrey, Nuevo Leon, represents our commitment to the sustainable use of urban spaces. It has 1,750 m^2 of a landscaped area of gardens; the rooftop holds 68 Mexican plants, including Crassulaceae and cactuses, sedums, and agaves, from the biome where it is located, **16 of them classified under environmental protection standard NOM-059-SEMARNAT-2010**.

WITH THE GREEN ROOFTOP, WE PROMOTE SUSTAINABILITY BY PRESERVING THE FLORA OF MEXICAN DESERTS, CLEANSING TOXIC CHEMICALS FOR THE ENVIRONMENT, SAVING WATER, AND THERMAL INSULATION INSIDE THE BUILDING.

1,750 m^2
of a landscaped area of gardens

68
Mexican plants holded

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5, 2-14

Through the 2022 Annual Report of Grupo Financiero Banorte, we report our performance regarding the environmental, social, and governance (ESG) factors from January 1 to December 31, 2022.

ITS CONTENT IS ALIGNED WITH OUR VALUE CREATION MODEL ACCORDING TO SEVEN CAPITALS: FINANCIAL, TECHNOLOGY AND INFRASTRUCTURE, MANUFACTURING, INTELLECTUAL, HUMAN, SOCIAL, AND ENVIRONMENTAL CAPITALS, AS WELL AS FOUR ESG PRIORITIES: ENVIRONMENTAL, SOCIAL, GOVERNANCE, AND SUSTAINABLE FINANCES

The reported information includes the operations of **Grupo Financiero Banorte (GFNorte: BMV: GFNORTEO; OTCQX; GBOOY; LATIBEX: XNOR)** and does not include information from other entities.

Some indicators included in our report have received a limited scope review by an independent third party.

THE REPORT

It incorporates the International Integrated Reporting Council (IIRC) framework to present financial and non-financial information allowing us to assess our ability to create value in the short, medium, and long term.

It has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. These standards respond to social and environmental materiality and are intended for a broad public.

It reports the Sustainability Accounting Standards Board (SASB) standards for the following sectors: Commercial Banks, Consumer Finance, Investment Banking & Brokerage, and Asset Management & Custody Activities. SASB standards address financial materiality and respond to information requirements, especially from investors.

It is in line with our commitment as signatories to the **Principles of Responsible Banking (PBR) of the United Nations Environment Programme Finance Initiative (UNEP FI)**, a framework to ensure that our strategy and operations align with the Sustainable Development Development Goals and the Paris Climate Agreement.

It deals with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations based on a framework of guidelines to inform investors about the management of climate change-related risks and opportunities.

It incorporates the progress in adopting the **Taskforce on Nature-related Financial Disclosures** (TNFD) recommendations, allowing a nature-related risk and impact assessment.

It includes a summary of our **Natural Capital Protocol Report,** through which we identify, measure, and value business impacts and dependencies on natural capital.

It reports our contribution to the **Sustainable Development Goals (SDGs)**—a UN global roadmap to address society's grand challenges.

It is our **Global Compact Communication on Progress (CoP).** We report on progress through the implementation of its ten principles.

HOW TO READ THIS REPORT

At the beginning of each chapter, the reader can find a reference to the **GRI and SASB Standards contents and the SDGs** to which they respond.

The Appendices contain the specific indices of the **GRI and SASB** reporting standards and frameworks, as well as a summary of our progress regarding the **PBR, the Natural Capital Protocol, TNFD, TCFD, SDGs, and the Principles of the Global Compact**.

The 2022 Annual Report and 2022 Financial Statements of Grupo Financiero Banorte are available in the following versions:

Informe Anual (Español)

Estados Financieros (Español)

Annual Report (English)

Financial Statements (English)

ESG MANAGEMENT

ENVIRONMENTAL

Indicator	2022	Indicator	2022
Total energy consumption (GJ)	**507,660**	Value of active portfolio SME Eco-loans (Ps. mn)	**9.6**
GJ per Ps. bn of net income	**11.2**	Value of Autoestrene Verde loans (Ps. mn)	**356**
Energy use intensity (GJ/employee)	**16.6**	Risks covered by hydrometeorological insurance	**218,075**
GHG emissions intensity (tCO2e/ employee)	**1.90**	Value of parametric insurance policies with coverage against hurricanes with net premiums (Ps. mn)	**52**
Total GHG emissions A1 + A2 (tCO2e)	**59,586**	Credit portfolio with measured emissions (%)	**50.1**
Decrease due to renewal of AC equipment (kWh)	**97,096**	Investment portfolio with measured emissions (%)	**44.2**
Diesel saved by the renovation of power plants (l)	**1,064**	Projects under the SEMS evaluation, the Performance Standards, and the Equator Principles	**23**
Savings by automatic shutdown of equipment (kWh)	**609,200**	Financing value of projects under the SEMS evaluation (Ps. bn)	**19.97**
Waste sent for recycling (tons)	**391**	ESG analysis coverage in assets of the Afore responsible investment portfolio (%)	**96**
Percentage of recycled waste (%)	**54**	Investment in sustainable thematic bonds Afore (Ps. bn)	**22.76**
Economic benefit of electronic waste management (Ps. mn)	**2.5**	Investment in ETFs Afore XXI Banorte (Ps. bn)	**8.54**
Water consumption (m3 per employee)	**31.2**	ESG analysis coverage in AUM Stock Market/Trading Sector (%)	**79**
Green rooftops (m2)	**1,750**	Value of the NTESEL responsible investment fund in the AUM Stock Market/ Trading Sector (Ps. bn)	**1.09**
Sustainable portfolio value (balance or delivered) (Ps. bn)	**4.07**	Value of the NTEESG fund in the AUM Stock Market/Trading Sector (Ps. bn)	**1.48**
Climate portfolio value (balance or delivered) (Ps. bn)	**3.60**	Investment in ETFs Stock Market/Trading sector and thematic bonds (Ps. bn)	**4.11**
Value of sustainability-related syndicated loans (Ps. bn)	**13,785.85**		

SOCIAL

Indicator	2022	Indicator	2022
Talent		**Customers**	
Workforce size	**30,590**	**Banking customers by segment**	
Women in the workforce (%)	**51.5**	Preferred	**593,113**
Women in management positions (%)	**34**	SMEs	**414,177**
Women in middle and senior management (%)	**23.8**	Personnel	**10,445,023**
Women returning to work after maternity leave (%)	**94.3**	Legal Entity	**28,271**
Investment in employee safety and health (Ps. mn)	**136.37**	Individual	**21,339**
New employees	**7,659**	**Customers by subsidiary**	
Internal promotions	**8,871**	Bank (mn)	**11.5**
Absenteeism rate (%)	**0.98**	Seguros Banorte	**10,634,896**
Total turnover rate (%)	**24.93**	Pensiones Banorte	**195,983**
Unionized employees (%)	**31.5**	Afore XXI Banorte	**7,736,362**
Investment in training (Ps. mn)	**185.14**	Stock Market/Trading Sector	**20,724**
		Leasing and Factoring subsidiary	**997**
		Banorte Fácil customers	**102,413**
		Enlace Digital customers	**210,479**

SOCIAL

Indicator	2022
Customers	
NPS banking segments	
Increase in preferred (NPS) (%)	**3**
Increase in SMEs (NPS) (%)	**4**
Increase in legal entities (NPS) (%)	**3**
Increase in other segments (NPS) (%)	**5**
Points making up the network	
Branches	**1,154**
ATMs	**9,938**
Correspondents	**19,559**
Transactions processed in a month (mn)	**197**
Universal debit cards linked to an account (mn)	**1.3**
Credit card origination in digital channels (%)	**26**
Origination of payroll loans in digital channels (%)	**37**
Digital customers (mn)	**5.5**
Digital card billing (%)	**13**
ATM availability (%)	**95.05**
Reduction in the response time of transactions in digital channels (days)	**2**
Time for opening an account in Enlace Digital (min)	**5**
Card replacement time in the branch (min)	**6**
Time for opening an account at the branch (min)	**9**
Chatting sessions, on average, by human chatting	**808**
Mobile app users	**4,736,437**
Incidents related to customer information	**0**
Cybersecurity projects	**400**

Indicator	2022
Financial Inclusion	
SMEs benefited per loan granted	**20,000**
Beneficiaries of financial education initiatives	**1,950**
Growth in family remittances (%)	**21**
Loans for special projects	**2,525**
Microsupport loans	**44**
Community	
Employees in volunteer activities	**1,387**
Funds raised by Fundación Banorte (Ps. mn)	**140.6**
Number of partnerships for the development of social programs (Fundación Banorte)	**10**
Direct beneficiaries of Fundación Banorte	**90, 652**
Indirect beneficiaries of Fundación Banorte	**143,119**
Suppliers	
Spending on suppliers (Ps. mn)	**656.9**
Suppliers	**1,544**
National suppliers (%)	**95**

CORPORATE GOVERNANCE

Indicator	2022
Corporate Governance	
Independent board members (%)	**64**
Regional board members	**285**
Local board members	**764**
Board meeting quorum (%)	**98**
Average seniority of board members (years)	**10**
Attendance at Audit and Corporate Practices Committee meetings (%)	**100**
Attendance at Risk Policies Committee meetings (%)	**100**
Attendance at Human Resources Committee meetings (%)	**100**
Attendance at Nominating Committee meetings (%)	**100**
Digital card billing (%)	**13**

Indicator	2022
Corporate Ethics	
Employees trained in the prevention of money laundering and terrorism financing	**27,798**
Employees trained in fair economic competition	**2,048**
Passing percentage for the Code of Conduct onboarding course (%)	**99.7**
Data breaches	**0**
Reports received	**312**

RELATIONSHIP WITH STAKEHOLDERS

GRI 2-29

Our relationship with all our stakeholders is critical to maximizing the results of operations and thus continuing to create value holistically.

We understand stakeholders as the group of people or organizations directly or indirectly impacted by our activities and who can influence their development.

We foster long-term relationships through open dialogues with our internal and external stakeholders. We have specific communication channels for each stakeholder; therefore, we can know their expectations and strengthen bonds of trust with them.

Frequency of stakeholder interaction:

Annual | Regular | Constant

Stakeholder	Value Proposition	Communication Channels		Responsible Area(s)
Investors	We promote good practices in transparency and financial and ESG communication. Investors were interested in investing due to our excellent business growth management.	Quarterly Reports Investor Website "Norte Económico" Podcast Annual Report Newsletters	Conferences E-mail Annual Results Shareholders' Meeting Website	Investor Relations and Corporate Governance
Clients	We offer high-quality products and services that meet the requirements of each client through practical, ethical, and responsible advice. We promote better communication by incorporating technological and digital solutions. We also promote the incorporation of sustainable practices.	Branch Network Banorte Móvil UNE Media Advertising Banortel	Website Social Media "Norte Económico" Podcast Satisfaction Surveys	Commercial Area, Marketing, Specialized Queries and Claims Unit
Employees	We promote a culture that reflects our principles and values, ensuring equal opportunities for all. We create development and growth opportunities by building highly competitive profiles. One of our priorities is ensuring our employees' overall wellness, health, and safety.	Institutional Website Banorte News Collaborative Tools: *Skype/Microsoft Teams* BanorTV/Aldea Solutions EthicsPoint Hotline Human Capital Development Course (Corporate WhatsApp)	Yammer E-mail Banorte Support Line Weekly COVID-19 Update AsisMed App Union Magazine Organizational Climate Survey Collaborative Intranet	Human Resources
Government Agencies	We promote a culture of regulatory compliance with applicable laws, always safeguarding the rights of our clients and stakeholders.	Website Participation in Forums E-mail Contact Numbers	Committees Online Meetings Face-to-face Meetings	Sustainability and Responsible Investment and Fundación Banorte
Industry Authorities and Trade Associations	We actively promote an ESG management agenda prioritizing relevant banking sector issues.	Contact Numbers Website Social Media	Online Meetings and Visits Meetings and Site Visits E-mail	Communication and Public Affairs
Community	We always seek the social development of our community through inclusion and financial education. We also promote investment initiatives benefiting the community through donations, volunteer efforts, and other programs.	Contact Numbers Website Social Media Community Visits	Meetings and Site Visits Corporate Volunteering E-mail	Sustainability and Responsible Investment and Fundación Banorte
Media	We constantly report on the performance of our business while creating a culture of financial education.	E-mail Public Tenders Online Meetings and Visits	Meetings and Site Visits Contact Numbers	Communication and Institutional Relations
Suppliers	We build solid relationships, emphasizing that both parties benefit through commitment and compliance with quality criteria.	Online Meetings and Visits Meetings and Site Visits	E-mail Contact Numbers Public Tenders	Sourcing and Expense Control
Nonprofits	We strengthen our partnerships to continue offering social investment and other environmental opportunities related to our line of business. We seek to promote education and financial inclusion.	Website Social Media	E-mail Contact Numbers	Sustainability and Responsible Investment and Fundación Banorte

PARTNERSHIPS AND COMMITMENTS

GRI 2-28

We build national and international strategic partnerships to meet our sustainability and responsible banking commitment.

We work with associations, committees, and working groups and support the most representative initiatives, frameworks, indices, and standards in the industry and the sustainability field.

COLLABORATION AMONG COMPANIES, GOVERNMENT, AND SOCIETY LEADS US TO BUILD THE FUTURE WE ENVISION

International Partnerships and Commitments

Bloomberg Gender Equality Index		Net-Zero Banking Alliance	
CDP		PRI Principles for Responsible Investment	
Climate Action 100+		Principios para el Empoderamiento de las Mujeres	Principles for Women's Empowerment
Equator Principles		SASB	
FTSE4Good		TCFD Task Force on Climate-Related Financial Disclosures	
Global Reporting Initiative		TNFD	
Index Americas		UNEP FI Principles for Responsible Banking	
MILA		United Nations Global Compact	UN Global Compact
Natural Capital Finance Alliance		VigeoEiris	

National Partnerships and Commitments

ABM Asociación de Bancos de México		CONDUSEF	
Alianza para la Acción Climática Ciudad de México		CCFV Consejo Consultivo de Finanzas Verdes	
AMEBIN Alianza Mexicana de Biodiversidad y Negocios		IPC Sustentable	
AMIB		UN Women	
Bolsa Mexicana		30% Club Growth Through Diversity	

MATERIALITY ANALYSIS

GRI 3-1, 3-2

Materiality is an essential component for the definition of the sustainability strategy since it allows the detection of environmental, social, and economic risks, which in turn triggers the alignment of the organization's strategy to the factors of most significant impact and interest; generate action plans and performance indicators and report and communicate progress in ESG based on the relevant topics that make up the matrix.

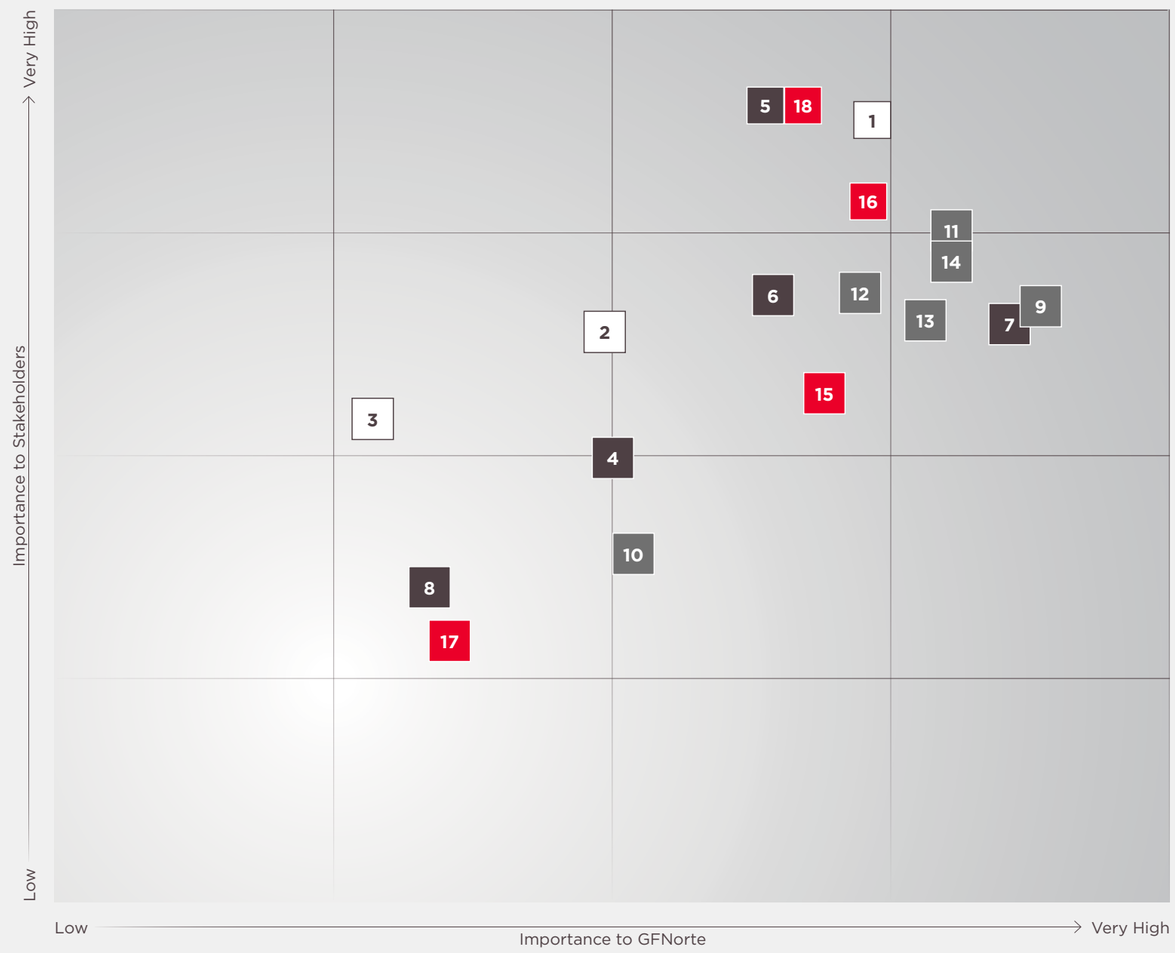
Currently, the materiality developed in 2020 is in force. However, according to the best practices, after two years, we are updating the materiality based on the double (impact and financial) materiality methodology and the perspective of our leaders and stakeholders to establish the 2023-2025 sustainability strategy.

MATERIAL ISSUES

We identified 18 material issues distributed in the four pillars of our Sustainability Model.

For further information on the materiality analysis process, please see **Materiality – Grupo Financiero Banorte**. Likewise, we correlated our material topics with the SDGs and the Principles of Responsible Banking to clarify how our initiatives contribute.

To learn more about the correlation between material topics and SDG/PRI, please see **banorte.com**



	Pillar	Material Issue
1	A	Climate Change
2	A	Operational Eco-efficiency
3	A	Environmental Culture
4	S	Human Rights
5	S	Education and Inclusion
6	S	Diversity and Inclusion
7	S	Human Capital
8	S	Corporate Citizenship
9	G	Corporate Governance
10	G	Stakeholder Relations
11	G	Ethics and Accountability
12	G	Risk Management
13	G	Technology and Innovation
14	G	Information Security
15	FS	Management of Social and Environmental Risks in Financing
16	FS	Responsible Investment
17	FS	Sustainable Insurance
18	FS	Sustainable Financial Products

HUMAN RIGHTS DUE DILIGENCE

At Banorte, the value and importance of human rights are essential. Our **Human Rights Policy** embodies this commitment, which includes the regulatory framework and the necessary guidelines to respect human rights when dealing with our employees, clients, suppliers, communities, and other stakeholders.

We conduct our activities in strict compliance with the applicable legislation. We also adhere to international human rights guidelines, such as:

- **The International Bill of Human Rights**
- **International Covenant on Civil Rights and its two protocols**
- **International Covenant on Economic, Social, and Cultural Rights**
- **Statement of the International Labor Organization**
- **United Nations Guiding Principles on Business and Human Rights (UNGPs)**
- **The ten principles of the United Nations Global Compact**
- **Equator Principles**

Our operations are subject to human rights impact on a framework of a due diligence process based on the **OECD Due Diligence Guidance for Responsible Business Conduct**.

Steps	How We Put It into Practice	Additional Information in the Report
1. Incorporate responsible business conduct into management policies and systems	We stick to our mission, vision, and values, as well as to the behavior guidelines for our employees and their relationship with clients, suppliers, community, and other stakeholders established in: • Code of Conduct • Sustainability Committee • Environmental Policy • Social Policy • Social and Environmental Risk Policy • Responsible Investment Policy • Natural Capital Policy • Psychosocial Risk Policy	Corporate Ethics Social and Environmental Credit Risk Assessment Responsible Investment Work Climate
2. Identify and evaluate negative impacts on operations, supply chains, and business relationships	We manage our EthicsPoint reporting channel efficiently—a whistleblowing platform where employees can safely and promptly report unethical behavior or activities concerns. Banorte is constantly communicating with its clients, investors, and other stakeholders through different communication channels to promote feedback and identify areas of opportunity in our activities. Some cases are identified through internal and external audit processes. All contracts with suppliers include a clause that ensures knowing and applying the ten principles of the UN Global Compact. We also train them on ethical issues through our Banorte Sustainability Academy.	Corporate Ethics Risk Management Suppliers Relations
3. Stop, prevent, or mitigate adverse impacts	Reports are emailed to members of the Audit Committee, the Chief Controller and Audit Officers, and an Administrator. The corresponding area applies sanctions according to the internal labor regulation, code of conduct, and other internal rules. Investigations are conducted by analyzing transactions and images, interviews, and workplace environment surveys. We identify ESG risks and areas of improvement through a Sustainability Score based on the selection of material indicators corresponding to each ESG pillar, providing relevant information regarding human rights. We have implemented a Social and Environmental Risk Management System (SEMS) to manage social risks in the financing since it provides us with climate change and environmental information.	Corporate Governance Corporate Ethics Social and Environmental Credit Risk Assessment
4. Monitoring implementation and results	A status report is provided to the Audit Committee twice yearly. This committee supervises the implementation of the different initiatives to monitor risks. The results of the Sustainability Score are presented annually to the Risk Policies Committee (CPR) for follow-up. As part of the SEMS management phase, we monitor the reputational exposure of the projects we evaluate under the Equator Principles; they were classified into the high and medium risk categories. The results of such monitoring are reported to the Operational Risk area.	Corporate Ethics Risk Management Social and Environmental Credit Risk Assessment
5. Report on how impacts are addressed	In our annual report, we publicly inform about the annual management, including violations related to human rights. We maintain a good relationship with our stakeholders. We have mechanisms implemented to respond to their particular concerns. We have developed this appendix about our actions in more detail for the first time.	Annual Report Stakeholder Relations
6. Fix or help fix the impact when applicable	Due to our compliance with the legislation and our preventive management process, we have no significant cases of violation of human rights.	Corporate Ethics Work Climate

PROGRESS ON THE PRINCIPLES OF THE GLOBAL COMPACT

Since 2011, as signatories to the Global Compact, **we have been committed to its ten principles,** being accountable for our performance in each principle to promote sustainable development in the areas of human rights, labor standards, the environment, and anti-corruption.

Principle	Commitment	(Reported) Performance
1. Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights Policy Social Policy Code of Conduct Anti-Corruption Policy Social and Environmental Risk Policy	Corporate Ethics Social and Environmental Credit Risk Assessment Human Rights Due Diligence
2. Businesses should make sure that they are not complicit in human rights abuses	Human Rights Policy Social Policy Supplier Questionnaire Anti-Corruption Policy	Corporate Ethics Suppliers Relations Human Rights Due Diligence
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Union Internal Human Resources Policies	Corporate Ethics Labor Demographics
4. Businesses should uphold the elimination of all forms of forced and compulsory labor	Human Rights Policy Social Policy Code of Conduct	Corporate Ethics Human Rights Due Diligence
5. Businesses should uphold the effective abolition of child labor	Human Rights Policy Social Policy Code of Conduct Internal Human Resources Policies	Corporate Ethics Human Rights Due Diligence
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	Human Rights Policy Social Policy Code of Conduct Internal Human Resources Policies	Corporate Ethics Diversity, Equity, and Inclusion Human Rights Due Diligence
7. Businesses should support a precautionary approach to environmental challenges	Environmental Policy Natural Capital Policy Social and Environmental Risk Policy	Social and Environmental Credit Risk Assessment Responsible Investment Environmental Capital Our Path towards the Management and Disclosure of Nature-related Risks
8. Businesses should undertake initiatives to promote greater environmental responsibility	Environmental Policy Natural Capital Policy	Social and Environmental Credit Risk Assessment Responsible Investment Environmental Capital Our Path towards the Management and Disclosure of Nature-related Risks
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	Environmental Policy	Environmental Capital Our Path towards the Management and Disclosure of Nature-related Risks
10. Businesses should work against corruption in all its forms, including extortion and bribery	Anti-Corruption Policy	Anti-Corruption

OUR PATH TOWARDS THE MANAGEMENT AND DISCLOSURE OF NATURE-RELATED RISKS

WHY DO WE CARE ABOUT NATURE?

- Nowadays, over half of the world's GDP depends on nature (USD 44 trillion). However, environmental degradation and biodiversity loss are happening faster than ever, increasingly impacting the global economy and finances.
- Loss of biodiversity and ecosystem collapse are among the top five risks for the next ten years.
  - 83% of wild mammals and 50% of plants around the globe have died out.
  - 75% of the land-based environment and about 66% of the marine environment have been significantly altered.
- We are signatories to several global agreements that impact us as a Mexican financial institution.

UNITED NATIONS CONFERENCE ON CLIMATE CHANGE COP15 KUNMING-MONTREAL AGREEMENT

- A historic agreement was reached to guide global action on nature through 2030, and the Global Biodiversity Framework (GBF) was created.
- The GBF consists of four overarching global goals to protect nature and 23 action targets to be taken immediately and thoroughly met by 2030.

SOME GLOBAL COMMITMENTS

- Halting human-induced extinction of endangered species and, by 2050, reducing the rate and risk of extinction for all species by one-tenth.
- Using and managing biological diversity in a sustainable fashion, making awareness of nature's contributions to people, such as ecosystem functions and services, are valued, maintained, and improved.
- Ensuring the fair and equitable sharing of benefits from using genetic resources and digital sequence information on genetic resources.
- Adequate means of implementation to fully implement the Framework and make them equitably accessible to all people—especially developing countries and Small Island Developing States.

SOME COMMITMENTS FROM MEXICO

- Integrating biodiversity criteria in the productive sectors.
- Doubling the current proportion of protected natural areas (11%).
- Ratifying international agreements.

WHAT HAVE WE DONE AT GFNORTE?

Here is a timeline with the group's most relevant nature-related actions from 2019.

2019
- Implementation of the Natural Capital Protocol
- **Multi-capital Assessment**

2020
- Diagnosis for the integration of nature-related risks
- Leading environmental and social risks in Mexico's agriculture sector
- TNFD Informal Working Group Co-Chairs

2021
- Formal TNFD members, along with 40 global institutions

2022
- Members of the working groups that are defining the TNFD

2023
- Launching of the final TNFD version in September

WHAT ARE OUR NEXT STEPS?

IMPLEMENTATION OF THE TNFD FRAMEWORK
In 2023, we will implement the strategic plan to apply the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Some of our next steps will be:

01 **Integration of the work team**

02 **Work team's technical training**

03 **Analysis of the portfolio's exposure to natural risks according to the double impact materiality approach**

04 **Review/acquisition of tools**

05 **Creation of collaboration partnerships**

IMPORTANT CONCEPTS AND DEFINITIONS

WHAT IS TNFD?

It is a new global initiative aiming to deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and its business and operation model. It seeks to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

THE INITIATIVE IS BASED ON THE FOLLOWING PRINCIPLES:

- Market usability
- Science-based
- Nature-related risks
- Purpose-driven
- Integrated and adaptive
- Climate-nature nexus
- Globally inclusive

WHAT IS THE PCN?

It is the first integrated global framework for companies to measure and value the positive and negative impacts their operations cause on natural capital, as well as how they depend on it. Therefore, it supports strategic decision-making.

It was launched in 2016 by the Natural Capital Coalition. In Mexico, its adoption was promoted through the Mexican Alliance for Biodiversity and Business (AMEBIN, in Spanish), of which we are founding members. We were one of the five pioneering companies applying the Natural Capital Protocol in Mexico.

GRI CONTENT INDEX

BANORTE HAS PREPARED THIS REPORT IN ACCORDANCE WITH THE GRI STANDARDS FOR THE PERIOD BETWEEN JANUARY 1 AND DECEMBER 31, 2022

Section	Content	Description	Omission	Page/s	Verification
GRI 1: Foundation 2021	**It is applied extensively throughout the report.**				
GRI 2: General Disclosures 2021					
The organization and its reporting practices	**GRI 2-1**	Organizational details		11, 12	
	GRI 2-2	Entities included in the organization's sustainability reporting		208	
	GRI 2-3	Reporting period, frequency and contact point		208	
	GRI 2-4	Restatements of information		208	
	GRI 2-5	External assurance		208	
Activities and workers	**GRI 2-6**	Activities, value chain, and other business relationships		12, 145	
	GRI 2-7	Employees		147	
	GRI 2-8	Workers who are not employees		147	
Governance	**GRI 2-9**	Governance structure and composition		78, 82	**x**
	GRI 2-10	Nominating and selection of the highest governance body		77, 81	
	GRI 2-11	Chair of the highest governance body		78	
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts		17,58,89	
	GRI 2-13	Delegation of responsibility for managing impacts		17,89	
	GRI 2-14	Role of the highest governance body in sustainability reporting		208	
	GRI 2-15	Conflicts of interest		77 See mechanisms for prevention and management f conflicts of interest in the Code of Conduct: https://investors.banorte.com/en/governance/policies-and-documents Additionally, in accordance with Articles 64, 64 Bis, and 64 Bis 1 and the General Rules for Financial Groups and their financial entities, financial institutions must avoid conflicts of interest between them and their respective business units. The Audit and Corporate Practices Committees of the financial institutions, where appropriate, shall implement a system to prevent conflicts of interest and shall ensure at all times that functions are consistent with the strategies and goals of these financial institutions, taking preventive and corrective measures to remedy any deficiency detected within a reasonable time, addressing the characteristics of such measures. GFNorte limits itself to reporting on conflicts of interest; these are addressed internally.	**x**
	GRI 2-16	Communication of critical concerns		93 Critical concerns are communicated in Shareholders' meetings. For further information, please visit: https://investors.banorte.com/en/governance/shareholders-meetings	
	GRI 2-17	Collective knowledge of highest governance body		79	
	GRI 2-18	Evaluation of the performance of the highest governance body		79	
	GRI 2-19	Remuneration policies		77,87, 172	
	GRI 2-20	Process to determine remuneration		77,87, 172	

Section	Content	Description	Omission	Page/s	Verification
	GRI 2-21	Annual total compensation ratio		The ratio of the senior management salaries to salaries earned by the rest of our workforce is 7.85 times the base salary. This is calculated by grouping the various management levels and obtaining an average compensation, then grouping the various levels of the rest of our employees and obtaining an average for their compensation. The average for the management group is then divided by the average for the rest of the employees, to arrive at the indicator.	
Strategy, policies, and practices	**GRI 2-22**	Statement on sustainable development strategy		4,6	
	GRI 2-23	Policy commitments		91, 198 View the policies: https://investors.banorte.com/en/sustainability/resources/policies-and-procedures	
	GRI 2-24	Embedding policy commitments		91 View Internal Control Goals and Guidelines at: https://investors.banorte.com/-/media/Files/B/Banorte-IR/documents/policies-and-documents/en/Internal%20Control%20System_VF.pdf	
	GRI 2-25	Processes to remediate negative impacts		93	
	GRI 2-26	Mechanisms for seeking advice and raising concerns		93	x
	GRI 2-27	Compliance with laws and regulations		As of the close of 2022 no significant cases of noncompliance with the laws and regulations applicable to GFNorte had been reported. A significant case is defined as one in which the corresponding sanction is equal to or greater than Ps. 100 million.	x
	GRI 2-28	Membership associations		212	
Stakeholder engagement	**GRI 2-29**	Approach to stakeholder engagement		213	x
	GRI 2-30	Collective bargaining agreements		148	
GRI 3: Material Topics 2021					
	GRI 3-1	Guidance to determine material topics		213 See the most recent materiality exercise at: https://investors.banorte.com/en/sustainability/sustainability-strategy/materiality	
	GRI 3-2	List of material topics		215 See the most recent materiality exercise at: https://investors.banorte.com/en/sustainability/sustainability-strategy/materiality	x
	GRI 3-3	Management of material topics	It is answered throughout the report, see the following table.		
GRI 200 Economic standards					
GRI 201: ECONOMIC PERFORMANCE 2016	**201-1**	Direct economic value generated and distributed		108	
	201-2	Financial implications and other risks and opportunities due to climate change		17, 58 **See TCFD report**	x
	201-3	Defined benefit plan obligations and other retirement plans		172	
	201-4	Financial assistance received from government		Banorte has received no assistance of any kind from the Government in the form of tax rebates or credits, grants, royalties, or any other form of tax exemption or incentive.	
GRI 202: MARKET PRESENCE 2016	**202-1**	Ratios of standard entry level wage by gender compared to local minimum wage		The starting salary at Banorte is 1.6 times the banking industry minimum, for both men and women employees.	x
	202-2	Proportion of senior management hired from the local community	ND		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	**203-1**	Infrastructure investments and services supported		188	
	203-2	Significant indirect economic impacts		188	
GRI 204: PROCUREMENT PRACTICES 2016	**204-1**	Proportion of spending on local suppliers		145	
GRI 205: ANTI-CORRUPTION 2016	**205-1**	Operations assessed for risks related to corruption		100	
	205-2	Communication and training about anti-corruption policies and procedures		95	x

Section	Content	Description	Omission	Page/s	Verification
	205-3	Confirmed incidents of corruption and actions taken		95	
GRI 207: TAX 2019	**207-1**	Approach to tax		106	
	207-2	Tax governance, control, and risk management		106 See the quarterly reports: https://investors.banorte.com/en/financial-information/quarterly-reports	
	207-3	Stakeholder engagement and management of concerns related to tax		106	
	207-4	Country-by-country reporting	N/A		
GRI 300 Environmental standards					
GRI 301: MATERIALS 2016	**301-1**	Materials used by weight or volume		204	
	301-2	Recycled input materials used	N/A		
	301-3	Reclaimed products and their packaging materials	N/A		
GRI 302: ENERGY 2016	**302-1**	Energy consumption within the organization		199	**X**
	302-2	Energy consumption outside of the organization	N/A		
	302-3	Energy intensity		199	**X**
	302-4	Reduction of energy consumption		199	**X**
	302-5	Reductions in energy requirements of products and services		199	
GRI 305: EMISSIONS 2016	**305-1**	Direct (Scope 1) GHG emissions		201	**X**
	305-2	Energy indirect (Scope 2) GHG emissions		201	**X**
	305-3	Other indirect (Scope 3) GHG emissions		201	**X**
	305-4	GHG emissions intensity		201	**X**
	305-5	Reduction of GHG emissions		201	**X**
	305-6	Emissions of ozone-depleting substances (ODS)	N/A		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A		
GRI 306: WASTE 2020	**306-1**	Waste generation and significant waste-related impacts		204	
	306-2	Management of significant waste-related impacts		204	
	306-3	Waste generated		204	**X**
	306-4	Waste diverted from disposal		204	**X**
	306-5	Waste directed to disposal		204	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	**308-1**	New suppliers that were screened using environmental criteria		145	**X**
	308-2	Negative environmental impacts in the supply chain and actions taken	ND		

Section	Content	Description	Omission	Page/s	Verification
GRI 400 Social standards					
GRI 401: EMPLOYMENT 2016	**401-1**	New employee hires and employee turnover		158	x
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		172	
	401-3	Parental leave	ND		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	**403-1**	Occupational health and safety management system		170	
	403-2	Hazard identification, risk assessment, and incident investigation		170	
	403-3	Occupational health services		170	
	403-4	Worker participation, consultation, and communication on occupational health and safety		170	
	403-5	Worker training on occupational health and safety		170	
	403-6	Promotion of worker health		170	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		170	
	403-8	Workers covered by an occupational health and safety management system		170	
	403-9	Work-related injuries		170	
	403-10	Work-related ill health		170	
GRI 404: TRAINING AND EDUCATION 2016	**404-1**	Average hours of training per year per employee		161	x
	404-2	Programs for upgrading employee skills and transition assistance programs		161	x
	404-3	Percentage of employees receiving regular performance and career development reviews		161	x
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	**405-1**	Diversity of governance bodies and employees		81, 147	x
	405-2	Ratio of basic salary and remuneration of women to men		149, 172	x
GRI 406: NON-DISCRIMINATION 2016	**406-1**	Incidents of discrimination and corrective actions taken		93	
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	**411-1**	Incidents of violations involving rights of indigenous peoples		No incidents of this type were reported in 2022.	
GRI 413: LOCAL COMMUNITIES 2016	**413-1**	Operations with local community engagement, impact assessments, and development programs		188	
	413-2	Operations with significant actual and potential negative impacts on local communities		No incidents of this type were reported in 2022.	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	**414-1**	New suppliers that were screened using social criteria		145	x
	414-2	Negative social impacts in the supply chain and actions taken		No incidents of this type were reported in 2022.	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	**416-1**	Assessment of the health and safety impacts of product and service categories		143	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		143	
GRI 417: MARKETING AND LABELING 2016	**417-1**	Requirements for product and service information and labeling		102	
	417-2	Incidents of non-compliance concerning product and service information and labeling		102	
	417-3	Incidents of non-compliance concerning marketing communications		No cases of relevant marketing-communication breaches were reported in 2022. A case will be considered relevant when the value of the corresponding fine or sanction exceeds Ps. 100 million.	x
GRI 418: CUSTOMER PRIVACY 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data		104	x

Section	Content	Description	Omission	Page/s	Verification
Financial Sector Supplement					
Products and services portfolio	**FS1**	Policies with specific environmental and social components applied to business lines		See our policies: https://investors.banorte.com/en/sustainability/resources/policies-and-procedures	**x**
	FS2	Procedures for the evaluation and selection of environmental and social risks in lines of business		58	**x**
	FS3	Processes to monitor implementation and compliance with environmental and social requirements included in agreements or transactions with customers		58	
	FS4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business		161	**x**
Products and services portfolio	**FS5**	Interactions with customers in terms of environmental and social opportunities and risks		58, 61	**x**
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/large) and by sector		109, 178	
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose		55	
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose		55	**x**
Audit	**FS9**	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		58	
Active participation	**FS10**	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.		58,61	**x**
	FS11	Percentage of assets subject to social or environmental review, positive as well as negative.		58	**x**
Local communities	**FS13**	Access points in low-populated or economically disadvantaged areas by type		136 Taking as a reference the database published by the National Population Council (CONAPO, in Spanish) called "Total Population, Socioeconomic Indicators, Index, and Degree of Marginalization by Municipality 2020," of the 204 municipalities classified with a "very high" marginalization, Banorte has a presence through POSs, correspondents, and ATMs, as follows: POS: presence in 39 municipalities Correspondents: presence in 75 municipalities ATMs: presence in 17 municipalities	**x**
	FS14	Initiatives to improve access to financial services for disadvantaged people		176, 178	**x**
Product and service labeling	**FS15**	Policies for the fair design and sale of financial products and services		102	**x**
Product and service labeling	**FS16**	Initiatives to enhance financial literacy by type of beneficiary		183	**x**

SASB PARAMETERS INDEX

SASB Standard: Commercial Banks 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page	Verification
Accounting Parameter					
Data Security	**FN-CB-230a.1**	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected		104,127	**x**
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks		104,127	**x**
Financial Inclusion & Capacity Building	**FN-CB-240a.1**	Number of loans outstanding qualified to programs designed to promote small business and community development		SMEs: 29,005 loans to small businesses for Ps. 69.23 billion at the end of 2022 Real-estate: 30 loans for the development of affordable housing for low- or moderate-income people amounting to Ps. 2.11 billion by the end of 2022	**x**
	FN-CB-240a.2	Number of past due and nonaccrual loans qualified to programs designed to promote small business and community development		1,091 loans to small businesses for Ps. 2.27 billion classified as non-accrual and none for Real-estate 434 loans to small businesses for Ps. 962 million classified as past-due loans and none for Real-estate	**x**
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers		176	**x**
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers		183 As for the financial education initiatives, we impacted: 23 people from underserved populations 7 unbanked people (children) 1,885 banking people	**x**
"Incorporation of Environmental, Social, and Governance Factors in Credit Analysis"	**FN-CB-410a.1**	Commercial and industrial credit exposure, by industry		109	**x**
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis		58	**x**
Business Ethics	**FN-CB-510a.1**	"Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations"		101 No relevant monetary losses were reported in 2022. A loss will be considered relevant when the value of such loss exceeds Ps. 100 million.	**x**
	FN-CB-510a.2	Description of whistleblower policies and procedures		93	**x**
Systemic Risk Management	**FN-CB-550a.1**	Global Systemically Important Bank (G-SIB) score, by category		GFNorte is not considered a Global Systemically Important Bank	
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		17	

SASB Standard: Consumer Finance 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page	Verification
Accounting Parameter					
Customer Privacy	**FN-CF-220a.1**	Number of account holders whose information is used for secondary purposes.		104	x
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		104	x
Data Security	**FN-CF-230a.1**	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected		104, 127	x
	FN-CF-230a.2	Card-related fraud losses from card-not-present fraud		104, 127	
		Card-related fraud losses from card-present and other fraud		104, 127	
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks		104, 127	
Selling Practices	**FN-CF-270a.1**	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold		172	
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	N/A		
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	N/A		
	FN-CF-270a.4	1.1 Number of complaints filed with the Consumer Financial Protection Bureau (CFPB) 1.2 Percentage with monetary or nonmonetary relief 1.3 Percentage disputed by consumer 1.4 Percentage that resulted in investigation by the CFPB		11,467 of complaints filed with CONDUSEF: 2,541 (86%) with monetary compensation 1,755 (15%) in legal process 427 in enquiry	x
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Unavailable		

SASB Standard: Investment Banking & Brokerage 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page	Verification
Accounting Parameter					
Employee Diversity & Inclusion	**FN-IB-330a.1**	1.1 Percentage of gender and racial/ethnic group representation for executive management		81	
		1.2 Percentage of gender and racial/ethnic group representation for non-executive management		81	
		1.3 Percentage of gender and racial/ethnic group representation for professionals		149	
		1.4 Percentage of gender and racial/ethnic group representation for all other employees		149	
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	**FN-IB-410a.1**	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry		65	
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry		58 1 in agriculture for Ps. 1.06 bn 11 in construction for Ps. 5.21 bn 8 in infrastructure for Ps. 8.52 bn 1 in oil and gas for Ps. 100 mn 2 in turism for Ps. 5.08 bn Total Ps. 19.97 bn	**x**
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities			
Business Ethics	**FN-IB-510a.1**	"Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations"		101	
	FN-IB-510a.2	Description of whistleblower policies and procedures		93	
Professional Integrity	**FN-IB-510b.1**	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings4	Unavailable		
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Unavailable		
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care5		101	
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care		91	
Systemic Risk Management	**FN-IB-550a.1**	Global Systemically Important Bank (G-SIB) score, by category6	N/A		
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		17	
Professional Integrity	**FN-IB-510b.1**	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Unavailable		
	FN-IB-510b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	Unavailable		
	FN-IB-510b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities		101	

SASB Standard: Asset Management & Custody Activities 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page	Verification
Accounting Parameter					
Transparent Information & Fair Advice for Customers	**FN-AC-270a.1**	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	N/A		
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	N/A		
	FN-AC-270a.3	Description of approach to informing customers about products and services		102	
Employee Diversity & Inclusion	**FN-AC-330a.1**	1.1 Percentage of gender and racial/ethnic group representation for executive management		81	
		1.2 Percentage of gender and racial/ethnic group representation for non-executive management		81	
		1.3 Percentage of gender and racial/ethnic group representation for professionals		149	
		1.4 Percentage of gender and racial/ethnic group representation for all other employees		149	
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	**FN-AC-410a.1**	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening		61	**x**
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies		61	**x**
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures		61	
Business Ethics	**FN-AC-510a.1**	"Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations"		101 No relevant monetary losses were reported in 2022. A loss will be considered relevant when the value of such loss exceeds Ps. 100 million.	**x**
	FN-AC-510a.2	Description of whistleblower policies and procedures		93	

LETTER OF ASSURANCE

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Paseo de la Reforma 505, piso 28
Colonia Cuauhtémoc
06500 Ciudad de México
México

Tel: +52 (55) 5080 6000
www.deloitte.com/mx

Independent Practitioner's Limited Assurance Report for selected sustainability information of Grupo Financiero Banorte, S.A.B de C.V.

Information Subject to the Assurance Engagement

We have been engaged by Grupo Financiero Banorte, S.A.B de C.V. ("Banorte" or the "Entity") to perform a limited assurance engagement on selected sustainability information included in the 2022 Annual Report for the year ended December 31, 2022.

Our work was performed by an independent, multidisciplinary team including assurance practitioners and sustainability specialists.

Our limited assurance engagement was performed solely in respect of the selected sustainability information included in Appendix A. Our assurance report does not extend to information from previous periods or other information included in the 2022 Annual Report, including other information related to such report that may contain images, audio or videos.

Criteria used for the preparation of the information subject to the assurance engagement ("Criteria")

The selected sustainability information included in Appendix A has been prepared and presented in accordance with the guidelines of the Global Reporting Initiative (*"GRI"*) and Sustainability Accounting Standards Board *("SASB")*.

Banorte's Responsibility for selected sustainability information

Banorte is responsible for the preparation of the selected sustainability information in accordance with *GRI* and *SASB*. This responsibility includes the design, implementation and execution of internal controls over the relevant information for the preparation of the selected information that is free from material misstatement, whether due to fraud or error.

Deloitte se refiere a Deloitte Touche Tohmatsu Limited, sociedad privada de responsabilidad limitada en el Reino Unido, y a su red de firmas miembro, cada una de ellas como una entidad legal única e independiente. Conozca en www.deloitte.com/mx/conozcanos la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

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Inherent limitations to the Assurance Engagement

Selected sustainability information is subject to inherent uncertainty due to the use of non-financial information, which is subject to greater inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In preparing the selected information, the Entity makes qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.

Our Independence and Quality Control

We have complied with the independence and ethical requirements of the *Code of Ethics for Public Accountants* issued by the *International Ethics Standard Board for Accountants* (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The Firm applies *International Standard on Quality Management 1 (ISQM 1)* and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on selected sustainability information for the year ended December 31, 2022, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000- *Assurance Engagements other than audits or reviews of historical financial information* ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Banorte's use of GRI and SASB as the basis for the preparation of the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluation of the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Performed inquiries, through which we obtained an understanding of the Entity's internal policies related to the selected sustainability information.
- Performed inquiries, through which we obtained an understanding of Banorte's control environment and information systems relevant to the preparation of selected sustainability information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test operating effectiveness.

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- Evaluated whether Banorte's methods for developing estimates are appropriate and had been consistently applied in the preparation of the selected sustainability information.
- Performed substantive tests on the selected sustainability information referred in this report, to corroborate that the data has been adequately measured, recorded, compiled, and reported through:
  - Inspection;
  - Observation;
  - Re-calculations;

The procedures performed in a limited assurance engagement vary in nature and opportunity from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Banorte's selected sustainability information has been prepared, in all material respects, in accordance with the guidelines provided by *GRI* and *SASB*.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected sustainability information for the year ended December 31, 2022, was not prepared, in all material aspects, in accordance with the Criteria section of this report.

Restriction on Use and Distribution

Our report is intended solely for the management of Grupo Financiero Banorte, S.A.B de C.V., in accordance with the terms of our engagement letter and should not be used by, or distributed to any other party.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

C.P.C. David Alejandro Solano Zúñiga
Mexico City, Mexico
April 14, 2023

Appendix A

The following include the GRI and SASB non-financial metrics, scope of the limited assurance engagement, determined by Banorte's Management.

GRI Indicator	Description	Metric
2-9	Governance structure and composition	Qualitative review of the governance structure and composition - **14** board members, of which: - **64%** are independent - **7%** are executive members and **93%** are non-executive members - **7%** are women - **4** belong to the Audit Societal Practices Committee - **4** belong to the Risk Policy Committee - **7** belong to the Nominations Committee - **2** belong to the Human Resources Committee
2-15	Conflicts of interest	Qualitative review of the procedures, mechanisms, codes and guidelines to identify, prevent or manage conflicts of interest
2-26	Mechanisms for seeking advice and raising concerns	Qualitative review of the mechanisms for seeking advice and raising concerns - **312** complaints - **306** closed complaints - **160** insufficient information complaints - **146** investigated complaints - **67** improper complaints - **79** proper complaints - **6** complaints under investigation
2-27	Compliance with laws and regulations	**Zero** fines and breaches
2-29	Approach to stakeholder engagement	Qualitative review of the stakeholder engagement and communication strategies
3-2	List of material topics	Qualitative review of the list of material topics
201-2	Financial implications and other risks and opportunities to climate change	Qualitative review of the physical and transition risks derived form climate change, their impacts and the methods used to address them*. - In accordance with the methodology used by GFNorte to identify hydrometeorological risks in their branch offices: - **8.8%** of branch offices are classified as High Risk - **22.5%** of branch offices are classified as Medium Risk - **68.7%** of branch offices are classified as Low Risk - During 2022, 57 branch offices were impacted by climatic phenomena, generating a cost of **$406,800** pesos due to physical affectations. - During 2022, **120** hours of branch office operations were affected by climate phenomena, generating an **estimated** loss of net operative profit amounting to **$2,890,701.45** pesos *This engagement did not include the assurance of opportunities derived from climate change related to this indicator.
202-1	Ratios of standard entry level wage by gender compar local minimum wage	**1.6** ratio for GFNorte
205-2	Communication and training about anti-corruption poli and procedures	- **27,798** collaborators trained in the prevention of money laundering - **3,992** collaborators trained in anti-corruption
302-1	Energy consumption within the organization	Total energy consumption of **507, 659.53** GJ
302-3	Energy intensity	Energy intensity of **16.6** GJ per collaborator
302-4	Reductions in energy requirements of products and services	Qualitative review of the energy reduction initiatives that took place in 2022. - **100%** reduction in natural gas - **74.20%** increase in diesel - **29.50%** reduction in LP gas - **6.90%** reduction in gasoline - **2.70%** increase in electricity

GRI Indicator	Description	Metric
305-1	Direct (Scope 1) GHG emissions	- **0** tCO_2e natural gas emissions - **86.72** tCO_2e diesel emissions - **35.22** tCO_2e LP gas emissions - **2,475.64** tCO_2e gasoline emissions
305-2	Energy indirect (Scope 2) GHG emissions	**56,987.88** tCO_2e electricity emissions
305-3	Other indirect (Scope 3) GHG emissions	- **6,838.16** tCO_2e emissions from the purchase of goods and services - **827.98** tCO_2e emissions from capital goods - **10,065.3** tCO_2e emissions from activities associated with energy and fuels - **1,335.73** tCO_2e emissions from upstream transportation and distribution - **180.07** tCO_2e emissions from generated waste - **261.9** tCO_2e emissions from corporate travel - **723.41** tCO_2e downstream transportation and distribution
305-4	GHG emissions intensity	GHG emissions intensity of **1.9** tCO_2e per collaborator
305-5	Reduction of GHG emissions	- **100%** reduction in natural gas emissions - **74%** increase in diesel emissions - **29.50%** reduction in LP gas emissions - **6.90%** reduction in gasoline emissions - **5.60%** increase in electricity emissions
306-3	Waste generated	- Total waste generated of **722.93** tons - Waste sent to municipal landfills of **332.36** tons
306-4	Waste diverted from disposal	-Waste sent for recycling of **390.57** tons - **54.03%** of waste recycled
308-1	New suppliers that were screened using environmental criteria	**76%** of new suppliers were screened using environmental criteria
401-1	New employee hires and employee turnover	Banco: - **3,316** hired women and **3,679** hired men - **21.0%** turnover rate for women and **26.20%** turnover rate for men Afore XXI Banorte: - **366** hired employees Seguros y Pensiones: - **130** hired women and **168** hired men -**11.95%** turnover rate for women and **18.31%** turnover rate for men
404-1	Average hours of training per year per employee	Banco: - **43.07** average hours of training per year for women in director roles - **39.76** average hours of training per year for men in director roles - **44.25** average hours of training per year for women in middle managing roles - **45.35** average hours of training per year for men in middle managing roles - **40.08** average hours of training per year for women in operating roles - **39.20** average hours of training per year for men in operating roles Afore XXI Banorte: - **22.36** average hours of training per year for women in director roles - **20.67** average hours of training per year for men in director roles - **132.11** average hours of training per year for women in middle managing roles

GRI Indicator	Description	Metric
		81.13 average hours of training per year for men in middle managing roles - **107.59** average hours of training per year for women in operating roles - **102.06** average hours of training per year for men in operating roles Seguros y pensiones: - **16.13** average hours of training per year for women in director roles - **21.00** average hours of training per year for men in director roles - **36.15** average hours of training per year for women in middle managing roles - **28.20** average hours of training per year for men in middle managing roles - **25.61** average hours of training per year for women in operating roles - **24.43** average hours of training per year for men in operating roles
404-2	Programs for upgrading employee skills and transition assistance programs	Qualitative review of the programs for upgrading employee skills and transition assistance programs - **3,143** collaborators trained in leadership skills - **116** collaborators trained in executive skills
404-3	Percentage of employees receiving regular performanc and career development reviews	Banco: - **96%** of women in director positions receive regular performance and career development reviews - **86%** of men in director positions receive regular performance and career development reviews - **96%** of women in middle manager positions receive regular performance and career development reviews - **98%** of men in middle manager positions receive regular performance and career development reviews - **77%** of women in operating positions receive regular performance and career development reviews - **73%** of men in operating positions receive regular performance and career development reviews Afore XXI Banorte: - **100%** of women in director positions receive regular performance and career development reviews - **100%** of men in director positions receive regular performance and career development reviews - **90%** of women in middle manager positions receive regular performance and career development reviews - **100%** of men in middle manager positions receive regular performance and career development reviews - **100%** of women in operating positions receive regular performance and career development reviews - **100%** of men in operating positions receive regular performance and career development reviews Seguros y Pensiones: - **100%** of women in director positions receive regular performance and career development reviews

GRI Indicator	Description	Metric
		- **89%** of men in director positions receive regular performance and career development reviews - **70%** of women in middle manager positions receive regular performance and career development reviews - **64%** of men in middle manager positions receive regular performance and career development reviews - **81%** of women in operating positions receive regular performance and career development reviews - **83%** of men in operating positions receive regular performance and career development reviews
405-1	Diversity of governance bodies and employees	- **5,639** women younger than 30 - **4,981** men younger than 30 - **8,737** women between 30 and 50 years old - **8,018** men between 30 and 50 years old - **1,366** women older than 50 - **1,849** men older than 50 - **183** women in director positions - **573** men in director positions - **3,749** women in middle manager positions - **4,689** men in middle manager positions - **11,810** women in operating positions - **9,586** men in operating positions
405-2	Ratio of basic salary and remuneration of women to men	Banco: - Ratio of basic salary and remuneration of women to men in director positions **1.10** - Ratio of basic salary and remuneration of women to men in middle manager positions of **1.09** - Ratio of basic salary and remuneration of women to men in operating positions of **0.98** Afore XXI Banorte: - Ratio of basic salary and remuneration of women to men in director positions **1.15** - Ratio of basic salary and remuneration of women to men in middle manager positions of **1.13** - Ratio of basic salary and remuneration of women to men in operating positions of **1.18** Seguros y Pensiones: - Ratio of basic salary and remuneration of women to men in director positions **1.237** - Ratio of basic salary and remuneration of women to men in middle manager positions of **1.1** - Ratio of basic salary and remuneration of women to men in operating positions of **0.988**
414-1	New suppliers that were screened using social criteria	**76%** of new suppliers were screened using social criteria
417-3	Incidents of non-compliance concerning marketing communications	**Zero** incidents of non-compliance concerning marketing communications
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	- **Zero** data breaches - **Zero** complaints regarding client privacy data violations
FS-1	Policies with specific environmental and social compon applied to business lines	Qualitative review of policies with specific environmental and social components applied to business lines

GRI Indicator	Description	Metric
FS-2	Procedures for the evaluation and selection of environmental and social risks in lines of business	Qualitative review of the procedures for the evaluation and selection of environmental and social risks in lines of business
FS-4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business	Qualitative review of the processes to improve personnel competence in implementing environmental and social policies and procedures applicable to of business
FS-5	Interactions with customers in terms of environmental social opportunities and risks	Qualitative review of the interactions with customers in terms of environmental social opportunities and risks
FS-8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	- **$9.6** million pesos in the Solar Cell Systems Program - **$0** million pesos in the Ecocréditos Program - **$356** million pesos in the Autoestrene Verde Program - **$4,075** million pesos in the sustainable portfolio
FS-10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental social issues	- **23** clients/projects with due diligence Afore XXI Banorte: - **100%** of the equity portfolio was analyzed - **100%** of the CKDSs/CERPIS portfolio was analyzed - **93%** of the FIBRAS portfolio was analyzed - **56%** of the private fixed income portfolio was analyzed - **100%** of the sovereign fixed income portfolio was analyzed - **100%** of the thematic bond portfolio was analyzed - **100%** of the mandate portfolio was analyzed Operadora de Fondos: - **93%** of the mandate portfolio was analyzed - **71%** of the equity portfolio was analyzed - **98%** of the money market portfolio was analyzed - **93%** of the liquidity portfolio was analyzed - **94%** of the fixed income portfolio was analyzed - **79%** of the total portfolio was analyzed
FS-11	Percentage of assets subject to social or environmental review, positive as well as negative	Assets subject to positive social or environmental review amounting to **$1,483** million pesos
FS-13	Access points in low-populated or economically disadvantaged areas by type	- **1,154** branch offices - **Zero** Branch offices in municipalities with a high degree of marginalization - **19,559** correspondents - **75** municipalities with a high degree of marginalization covered - **9,938** ATMs - **17** municipalities with a high degree of marginalization with ATMs - **167,148** Point of sale terminals - **39** municipalities with a high degree of marginalization with point of sale terminals - **5,577,613** clients active online
FS-14	Initiatives to improve access to financial services for disadvantaged people	Qualitative review of the initiatives to improve access to financial services for disadvantaged people, specifically: Lazarillo App, preferential waiting rooms in branch offices, and Wi-Fi in branch offices.
FS-15	Policies for the fair design and sale of financial products and services	Qualitative review of the New Products and Services Evaluation and Approval Po

GRI Indicator	Description	Metric
FS-16	Initiatives to enhance financial literacy by type of beneficiary	- **10** Financial Habits Seminars - **799** beneficiaries of the Financial Habits Seminars - **11** Personal Finances workshops - **272** beneficiaries of the Personal Finances workshops - **6** SNEF workshops - **844** beneficiaries of the SNEF workshops
SASB Indicator	**Description**	**Metric**
FN-AC-410a.1	Amount of assets under management, by asset class, employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Operadora de Fondos: - Assets under management that employ integration of environmental, social an governance (ESG) issues **$1,089** million pesos -Thematic investments amounting to **$4,108** million pesos, that are made up of **$3,970** million pesos in thematic bonds and **$138** million pesos in thematic ETFs - Assets that are subject to positive screening amounting to **$1,483** million pesos Para Afore XXI Banorte: - Investments in thematic bonds amounting to **$22,760** million pesos - Investments in thematic ETFs amounting to **$8,546** million pesos - Thematic investments in alternative instruments amounting to **$22,830** million pesos
FN-AC-410a.2	Description of approach to incorporation of environme social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Qualitative review of the description of approach to incorporation of environmen social, and governance (ESG) factors in investment and/or wealth management processes and strategies
FN-CB-230a.2	Description of approach to identifying and addressing security risks	Qualitative review of the description of approach to identifying and addressing d security risks
FN-CB-240a.1	Number of loans outstanding qualified to programs designed to promote small business and community development	- **29,005** loans outstanding to small and medium businesses amounting to **$69,235** million pesos - **30** loans for the development of affordable housing for low- or moderate- inco people amounting to **$2,116** million pesos
FN-CB-240a.2	Number of past due and nonaccrual loans qualified to programs designed to promote small business and community development	- **1,091** loans classified as non-accrual to small and medium businesses amounting to **$2,265** million pesos - **434** loans classified as past due to small and medium businesses amounting to **$962** million pesos - **No** loans for the development of affordable housing for low- or moderate- income people classified as non-accrual - **No** loans for the development of affordable housing for low- or moderate- income people classified as past due
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	- **42** new checking accounts for Apoyos Banorte - **1,002** new checking accounts for Banorte Fácil - **142,023** new checking accounts for Enlace Digital - **16,267** new checking accounts for Suma Menores
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	- **1,885** banked participants in financial literacy initiatives - **7** unbanked participants in financial literacy initiatives - **0** underbanked participants in financial literacy initiatives - **23** underserved participants in financial literacy initiatives
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	The credit exposure to the **10** biggest industries to which Banco Mercantil del Norte is exposed.
FN-CB-410a.2	Description of approach to incorporation of environme social, and governance (ESG) factors in credit analysis	Qualitative review of the description of approach to incorporation of environmen social, and governance (ESG) factors in credit analysis

GRI Indicator	Description	Metric
FN-CB-510a.1 FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider tradin anti-trust, anti-competitive behavior, market manipula malpractice, or other related financial industry laws or regulations	**Zero** monetary losses that were a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry l or regulations
FN-CB-510a.2	Description of whistleblower policies and procedures	Qualitative review of the description of whistleblower policies and procedures
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	**835,542** account holders whose information is used for secondary purposes, wh make up **7%** of all account holders
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	**No** monetary losses as a result of legal proceedings associated with customer privacy
FN-CF-230a.1 FN-CB-230a.1	(1) Number of data breaches, (2) percentage involvin personally identifiable information (PII), (3) number of account holders affected	- **No** data breaches - **No** account holders affected
FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) Percentage with monetary or nonmonetary Relief, (3) Percentage disputed by consumer, (4) Percentage that resulted in investigation by the CF	- **11,467** complaints filed with CONDUSEF - **2,541** complaints with monetary compensation - **86%** of complaints had monetary compensation - **1,755** complaints involved a legal process - **15%** of complaints involved a legal process - **427** complaints under review
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	- **23** projects amounting to **$19,970** million pesos, that are broken down in the following way: - **1** project amounting to **$1,062** million pesos in agriculture - **11** projects amounting to **$5,206** million pesos in construction - **8** projects amounting to **$8,520** million pesos in infrastructure - **1** project amounting to **$100** million pesos in oil and gas - **2** projects amounting to **$5,081** million pesos in tourism

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