

BANORTE REPORTS 7% GROWTH IN CONSUMER LOANS, AND A SOLID CAPITAL BASE IN 2Q21

- Banorte reports 21.92% Capital Adequacy Ratio (CAR) for 2Q21.
- Total performing loans reached Ps 794.5bn, flat vs. 2Q20.
- Consumer loans, which reflect financing to Mexican families, reached Ps 314.5bn, up 7% vs. 2Q20.
- NPL ratio totaled 1.4%, one of the healthiest in the banking system.
- Total core deposits reached Ps 750.8bn, 6% above the same period in 2020.
- ROE for 2Q20 totaled 15.1% and ROA 1.9%.
- Banorte gains market share across key products: Total loan portfolio +116bps, Commercial and Corporate +146bps, Mortgages +43bps, Credit Cards +12bps, Auto loans +138bps, and Payroll +116bps.
- “As the natural ally of Mexicans, at Banorte we want to lead the economic reactivation, and we are already seeing promising signs”: Carlos Hank González.

Mexico City, July 22nd, 2021.— At the end of 2Q21, **Grupo Financiero Banorte (GFNorte)** reported a **7% increase in its consumer loan portfolio** compared to the same period in 2020, which shows its support to the recovery of Mexican families’ economy. Moreover, it remains one of the best capitalized financial groups in the system, with 21.92% total CAR.

In 2Q21, GFNorte had a stable **asset quality**, with **NPL ratio** at **1.4%**, one of the lowest in the system.

Banorte’s asset quality is the result of the shield brought by the provisions that were created at the onset of the pandemic, in addition to the positive response of its customers to the relief programs launched in March of 2020.

Carlos Hank González, Chairman of the Board of Grupo Financiero Banorte, said: “As the natural ally of Mexicans, at Banorte we want to lead the economic reactivation, and we are already seeing promising signs”.

Quality in the loan portfolio

The **consumer** portfolio, which reflects financing to Mexican families, rose to **Ps 314.4bn**, **7%** above the same period in 2020.

Within consumer loan origination, **mortgages had an 11% growth**, rising to **Ps 196.1bn**, while **auto loans rose 6%**, totaling **Ps 28.1bn**.

Payroll loans totaled **Ps 53.9bn**, **up 5%** vs. 2Q20, while **credit cards** had a (3%) decline, totaling **Ps 36.3bn**.

Consumer Portfolio*	2Q20	2Q21	Change
Mortgages	177,282	196,125	11%
Auto Loans	26,667	28,138	6%
Credit Cards	37,443	36,334	(3%)
Payroll Loans	51,491	53,850	5%
Total Consumer	292,883	314,447	7%

*Million pesos

The **commercial portfolio** totaled **Ps 193.3bn**, up **4%** in the year; **corporate loans** reached **Ps 132.2bn**, down **12%** during the same period, and the **government book** reached **Ps 154.7bn**, **5%** below 2Q20.

Performing Loans*	2Q20	2Q21	Change
Consumer	292,883	314,447	7%
Commercial	186,092	193,287	4%
Corporate	149,945	132,162	(12%)
Government	162,717	154,649	(5%)
Total	791,637	794,544	0%

*Million Pesos

Compared to the market, **Banorte gained market share across key sectors**: Total loan portfolio +116bps, Commercial and Corporate +146bps, Mortgages +43bps, Credit Cards +12bps, Auto loans +138bps, and Payroll +116bps.

NPL ratio reached **1.4%**, from 1.2% in 2Q20, and 1.3% in 1Q21. **Coverage ratio** totaled **162%**.

Deposits rising

Total core deposits had **6%** growth in the period, rising to **Ps 750.8bn**. **Demand deposits** rose **12%** to **Ps 537.0bn**, while **time deposits** had a **5%** decline to **Ps 213.8bn**.

Main Financial Results

GFNorte's **Net Income** for 2Q21 totaled **Ps 8.6bn**, **31%** above the same period in 2020.

Net income for 1H21 totaled **Ps 17.1bn**, up 9% vs. the same period in 2020.

EPS for the Group reached **Ps \$2.97** in 2Q21; **ROE** at **15.1%**, **ROA 1.9%**, while **Efficiency Ratio** totaled **44.5%**.

Capital strength

As a result of its strategy to keep solid capital and liquidity, GFNorte reported a **21.92% Capital Adequacy Ratio (CAR)**, up from 21.75% in the previous quarter.

CET1 capital totaled **15.18%**, while **LCR** reached **210.15%** and **leverage ratio** at **11.7%**.

Banorte remains as one of the best capitalized banks in the country, surpassing regulatory limits set forth by Mexican and Basel III regulations.

Recent Events

GFNorte announced an alliance with Google Cloud to accelerate its digital transformation

On June 2nd, Banorte announced a strategic alliance with Google Cloud, Google's cloud technology arm, to work together in the digital transformation of the bank. With Google Cloud as a catalyst, Banorte will bring benefits to its clients with a personalized development of the next generation of products and services, which will be tailored to their preferences and needs.

Banorte made a commitment with the UN: zero carbon emissions by 2050

On April 21st, as part of its sustainability strategy, Banorte became Founding Signatory of the Net Zero Banking Alliance (NZBA). This initiative was promoted by UNEP FI. Banorte, together with other 43 banks in the world, made a commitment to accelerate the transition towards a low carbon economy, thus fighting climate change.

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