



# 4Q21

## Financial Results

as of December 31<sup>st</sup>, 2021



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 GRUPO FINANCIERO  
**BANORTE**



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# I. Executive Summary

- **6% sequential growth** in credit cards, and 3% in commercial and corporate.
- **Asset quality and cost of risk with significant improvements, below expected levels.**
- **Net fees were up 16% QoQ and 6% YoY** on better electronic banking services dynamics.
- **NIM of the Bank had a 21bps sequential expansion to 6.3%;** stable in YoY.
- **Non-Interest expenses grew 7% in the year,** below inflation.
- **In the year, ROE for the Group stood at 15.3%, whereas for the Bank it recovered to 18.7%.**



- 2Q20 and 4Q20 results reflect the generation of anticipated provisions and write-offs derived from the COVID-19 contingency.

## Sustainability Strategy

### Updates

#### Environmental



- CDP Climate Change Questionnaire – Score B
- Recycling Program – Environmental Volunteering in Mexico City
- Waste Management Training - 46 employees trained

#### Governance



- DSJI MILA Index- Constituent for the fifth consecutive year
- Leading Institution in Corporate Governance (ALAS20) – 2<sup>nd</sup> place for Afore XXI, 3<sup>rd</sup> place for Grupo Financiero Banorte
- EAV certification, specialized in Personal Data Protection
- Virtual assistant MAYA – Award for one of the 9 best innovations worldwide (FEMA)
- Customer satisfaction – NPS 68.0pts (+1.2% vs 3Q21, and +4.9% vs 4Q20)

#### Social



- “Best Employer Brand” Award (LinkedIn)
- Banorte Sustainability Week in partnership with Tecnológico de Monterrey
- Plastic-less cash withdrawal in alliance with 7-Eleven
- *Mil sueños por cumplir* (scholarship program) - Program culmination

#### Sustainable Finance

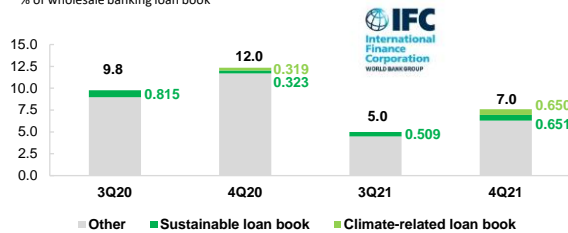


- Leading Institution in Sustainability Research (ALAS20) -1<sup>st</sup> place award Afore XXI
- Leading Institution in Responsible Investment (ALAS20) -2<sup>nd</sup> place award Afore XXI
- PACTA methodology – Climate scenario analysis in corporate loan portfolios
- Risks report on nature, in partnership with WWF – Launch
- Social and environmental risks training – 1,295 employees trained from the Risk, Credit, and Business Areas

## Sustainable Finance

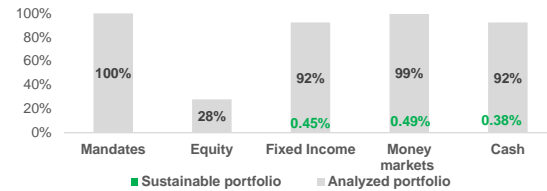
#### Sustainable finance loan book evaluation

% of wholesale banking loan book



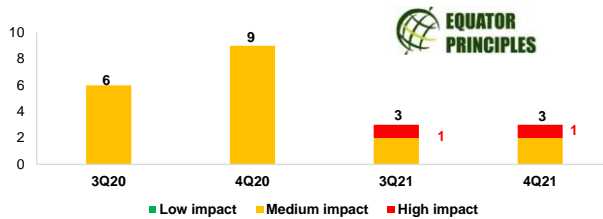
#### Responsible investments - Mutual funds

% share of total analyzed AUM



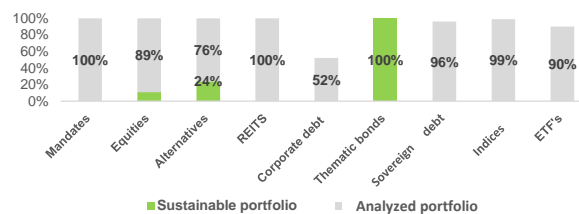
#### Loan book evaluation under Equator Principles

Number of analyzed projects



#### Responsible investments – Pension funds (Afore)

% share of total analyzed AUM by instrument



## GFNorte reports Net Income of Ps 35.05 billion for 2021, 15% higher vs. 2020.

(BMV: GFNORTEO; OTCQX: GBOOY; Latibex: XNOR)

The most relevant results for the period ended on December 31<sup>st</sup>, 2021, were:

At the end of the fourth quarter, GFNorte maintained a clear recovery trend, benefiting from the increasing economic activity in the country and the hiking cycle in the reference rates, which translates into a positive credit demand, higher fee transactionality, and a more robust financial margin. Asset quality exceeded expectations throughout the year, closing the fourth quarter below pre-pandemic levels. Anticipating inflationary pressures, non-interest expenses had a relevant increase during the quarter, mainly due to higher personnel expenses derived from operational restructures, the accounting reclassification effect of fees paid to external sales forces into the expense line, as well as higher Employee Profit Sharing, derived from the labor reform.

Unfortunately, the emergence of the omicron variant in the last months of the year, has generated a more uncertain outlook, and continues to affect the performance of the insurance business, which maintains high levels of claims in the life and medical expenses portfolios.

All the aforementioned factors contributed to GFNorte's 2% net income growth, reaching Ps 9.06bn in the quarter, whereas for the year, it grew 15% ending at Ps 35.05bn. GFNorte maintains sound levels of loan loss provisions and sound capital ratios, shielding the balance sheet for 2022.

The most relevant results for the quarter and year were:

- **Net Interest Income** (NII) grew 2% sequentially and 4% versus 4Q20, in line with loan portfolio growth and the reference rate increases in the year. **NIM of the Group was stable QoQ at 4.9%**, and increased 6bps versus the same period of last year.
- With accumulated figures, **Net Interest Income** declined (3%), hence, reducing **Group's NIM** (45bps) to **4.8%** from 5.3%, on the back of high claims in the Insurance business, and lower rates in the market, with average TIIE rate dropping (111bps) in the period. **Good performance remains at the bank and other subsidiaries. Bank's NIM stands out, increasing 21bps sequentially and 52bps versus 4Q20 to reach 6.3%**; during the year, the ratio was stable at 5.9%, underpinned by the strength and diversification of the loan portfolio along with 13% growth in non-interest-bearing demand deposits, together with a (20%) decline in interest-bearing demand deposits, and its effect in the cost of funds.
- **Subsidiaries** contributed positively to the business performance and supported the group's sound revenue diversification. In the year, Net Income for the Bank grew 28%, Brokerage House 14%, and Annuities 29%. Seguros Banorte posted a (45%) reduction; nevertheless, claims for the quarter declined (5%) versus 4Q20.
- **Total income before provisions grew 6% sequentially and reduced (3%)** in the year. **Non-Interest Income grew 22% QoQ** and remained stable in the year. **Positive net fees dynamics, increasing 16% QoQ** and 6% YoY. **Non-Interest Expenses grew 20% sequentially and 7% annually** –below inflation–, on the early recognition of extraordinary personnel expenses, the accounting reclassification of fees paid into the expense line, as well as adjustments in the Employee Profit Sharing item, derived from the labor reform, reaching a **cost to income ratio of 45.4% in 2021**.
- **ROE** for the year was up 53bps to **15.3%**, still affected by the capital accumulation on undistributed dividends; whereas **ROA increased 18bps to 1.9%**. **ROE for the Bank was 19.1%** for the quarter and 18.7% for the year.
- **Performing loan book increased 1% QoQ**. During the quarter, **consumer loans rose 2%, with a significant 6% growth in credit cards**; mortgages and payroll were up 1%. **Commercial and corporate portfolios grew 3%** due to a more pronounced economic recovery at the end of the year, as anticipated, while government loans declined (4%) sequentially on significant prepayments. In the year, **performing loan book expanded 2%**, showing good consumer dynamics, which grew 6%, boosted by **7% growth in mortgages and credit cards**, followed by 6% in payroll. **Commercial book rose 5%**; whereas corporate and government loans decreased (2%) and (4%), respectively, driven by prepayments at the end of the year.
- **The quality of the loan portfolio continues to stand out** in all segments comprising the loan book. Sequential improvement in non-performing loans of (15%) or Ps 1.45bn. Compared to 2020, non-performing loans decreased (5%) mainly explained by the credit card and corporate portfolios. **NPL ratio for the quarter stood at 1.0%**, from 1.2% in 3Q21.
- **Stable cost of risk at 1.3% versus 3Q21**, with **3% higher provisions** quarterly, but lower NPLs. For 2021, the **cost of risk was better than expected at 1.4%** from 2.8% in 2020, well below the estimated range for the year. The **Coverage ratio** increased to **191%** from 174% in 3Q21.

- **Core Deposits rose 2%** during the quarter: **demand deposits were up 4%**, showing a positive change in mix, with non-interest-bearing demand deposits up 9%, while interest-bearing demand deposits down (7%). In addition to this, **time deposits dropped (1%)**. Compared to 4Q20, demand deposits grew 1%, with the same positive mix change, with non-interest-bearing demand deposits rising 13%, while interest-bearing ones down (20%) during the period. Time deposits declined (3%), totaling a slight decrease in Core Deposits in the year.
- **Capital strength, as well as adequate liquidity management** are still top priorities for the Financial Group. The **bank's total Capital Adequacy Ratio (CAR)** reached **24.7%**, and **Core Equity Tier 1 (CET1)** **15.3%**, both well above regulatory minimums, moreover, these levels will help us comply with TLAC (Total loss-absorbing capacity) requirements, effective as of December 2022. **Liquidity Coverage Ratio** stood at **201.7%**, while the **Leverage Ratio** at **13.4%**.

Income Statement Highlights - GFNorte (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Interest Income	30,676	33,271	<b>37,615</b>	13%	23%	133,593	<b>134,725</b>	1%
Interest Expense	9,638	10,356	<b>11,159</b>	8%	16%	47,898	<b>40,772</b>	(15%)
Technical Results (Insurance & Annuities)	(1,458)	(2,908)	<b>(6,073)</b>	(109%)	(317%)	(2,863)	<b>(13,911)</b>	(386%)
Net Interest Income	19,580	20,007	<b>20,383</b>	2%	4%	82,832	<b>80,041</b>	(3%)
Net Service Fees	3,599	3,457	<b>4,003</b>	16%	11%	13,219	<b>13,962</b>	6%
Trading	858	1,116	<b>1,476</b>	32%	72%	4,854	<b>4,396</b>	(9%)
Other Operating Income (Expenses)	859	535	<b>746</b>	39%	(13%)	2,983	<b>2,714</b>	(9%)
Non Interest Income	5,315	5,108	<b>6,225</b>	22%	17%	21,056	<b>21,072</b>	0%
Total Income	24,896	25,115	<b>26,608</b>	6%	7%	103,888	<b>101,113</b>	(3%)
Non Interest Expense	11,612	11,017	<b>13,188</b>	20%	14%	43,013	<b>45,940</b>	7%
Provisions	5,993	2,653	<b>2,719</b>	3%	(55%)	21,931	<b>11,351</b>	(48%)
Operating Income	7,290	11,445	<b>10,701</b>	(7%)	47%	38,944	<b>43,822</b>	13%
Taxes	1,757	2,975	<b>2,148</b>	(28%)	22%	10,049	<b>10,557</b>	5%
Subsidiaries & Minority Interest	433	404	<b>508</b>	26%	17%	1,613	<b>1,783</b>	11%
<b>Net Income</b>	<b>5,966</b>	<b>8,874</b>	<b>9,061</b>	<b>2%</b>	<b>52%</b>	<b>30,508</b>	<b>35,048</b>	<b>15%</b>
Balance Sheet Highlights - GFNorte (Million Pesos)	4Q20	3Q21	4Q21	Change				
				3Q21	4Q20			
Asset Under Management	2,975,753	3,157,683	3,144,794	(0%)	6%			
Performing Loans (a)	802,138	813,247	820,833	1%	2%			
Past Due Loans (b)	8,931	9,956	8,505	(15%)	(5%)			
Total Loans (a+b)	811,070	823,204	829,338	1%	2%			
Total Loans Net (d)	791,066	805,906	813,088	1%	3%			
Acquired Collection Rights (e)	1,617	1,260	1,036	(18%)	(36%)			
Total Credit Portfolio (d+e)	792,682	807,166	814,124	1%	3%			
Total Assets	1,787,904	1,803,695	1,850,879	3%	4%			
Total Deposits	821,712	793,292	799,025	1%	(3%)			
Total Liabilities	1,562,801	1,566,755	1,613,640	3%	3%			
Equity	225,103	236,940	237,239	0%	5%			
Financial Ratios GFNorte	4Q20	3Q21	4Q21			2020	2021	
<b>Profitability:</b>								
NIM (1)	4.8%	4.9%	<b>4.9%</b>			5.3%	<b>4.8%</b>	
ROE (2)	10.9%	15.4%	<b>15.5%</b>			14.8%	<b>15.3%</b>	
ROA (3)	1.3%	2.0%	<b>2.0%</b>			1.8%	<b>1.9%</b>	
<b>Operation:</b>								
Efficiency Ratio (4)	46.6%	43.9%	<b>49.6%</b>			41.4%	<b>45.4%</b>	
Operating Efficiency Ratio (5)	2.6%	2.4%	<b>2.9%</b>			2.5%	<b>2.5%</b>	
CCL Banorte and SOFOM - Basel III (6)	192.5%	183.7%	<b>201.7%</b>			192.5%	<b>201.7%</b>	
<b>Asset Quality:</b>								
Past Due Loan Ratio	1.1%	1.2%	<b>1.0%</b>			1.1%	<b>1.0%</b>	
Coverage Ratio	224.0%	173.7%	<b>191.1%</b>			224.0%	<b>191.1%</b>	
Cost of Risk (7)	3.0%	1.3%	<b>1.3%</b>			2.8%	<b>1.4%</b>	
<b>Market References</b>								
Banxico Reference Rate	4.25%	4.50%	<b>5.50%</b>			4.25%	<b>5.50%</b>	
TIE 28 days (Average)	4.51%	4.64%	<b>5.17%</b>			5.73%	<b>4.62%</b>	
Exchange Rate Peso/Dólar (8)	19.91	20.56	<b>20.47</b>			22.16	<b>20.34</b>	

1) NIM= Annualized Net Interest Income / Average Earnings Assets.

2) Annualized earnings as a percentage of average quarterly equity over the period, minus minority interest, for the same period.

3) Annualized earnings as a percentage of average quarterly assets over the period, minus minority interest, for the same period.

4) Non-Interest Expense / Total Income

5) Annualized Non-Interest Expense / Average Total Assets.

6) Preliminary CCL calculation. To be updated upon publication of Banco de Mexico's official calculations.

7) Cost of Risk = Annualized Provisions / Average Total Loans.

8) The Exchange Rate Peso/Dollar for the semester is the average.

For more detail on Liquidity Coverage Ratio (LCR)

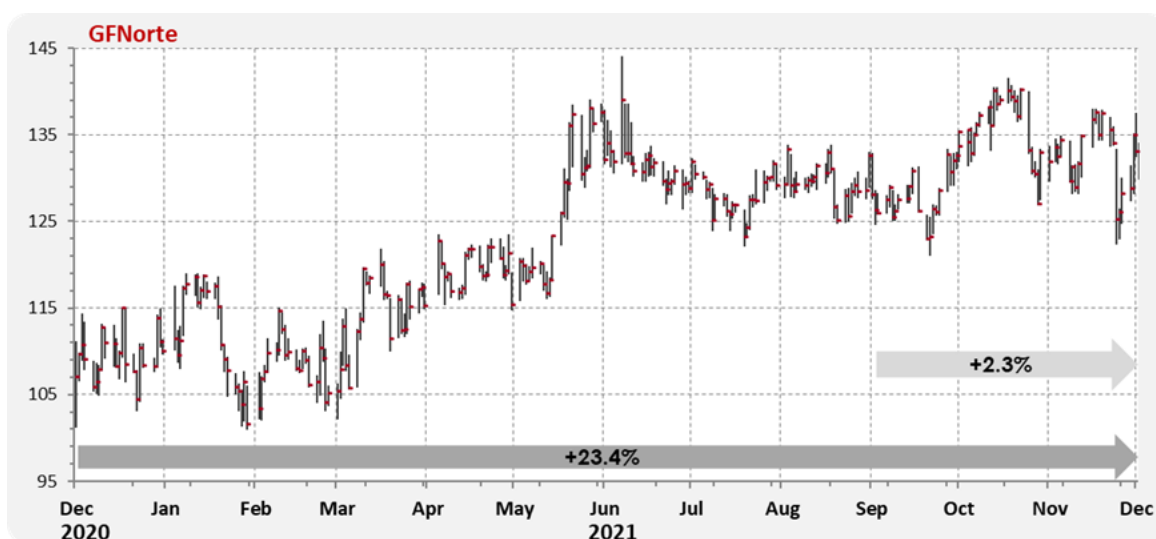
See Page. 25, 26 y 27 of the [Risk Management Report](#)

Subsidiaries Net Income (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Banco Mercantil del Norte	3,833	6,706	<b>6,649</b>	(1%)	73%	20,029	<b>25,633</b>	28%
Banorte- Ixe-Broker Dealer	250	312	<b>227</b>	(27%)	(9%)	1,076	<b>1,229</b>	14%
Operadora de Fondos Banorte-Ixe	106	90	<b>88</b>	(3%)	(17%)	416	<b>392</b>	(6%)
Retirement Funds - Afore XXI Banorte	476	458	<b>608</b>	33%	28%	1,875	<b>1,920</b>	2%
Insurance	470	324	<b>459</b>	42%	(2%)	3,844	<b>2,103</b>	(45%)
Annuities	503	472	<b>545</b>	15%	8%	1,551	<b>2,007</b>	29%
BAP (Holding)	9	12	<b>(2)</b>	(114%)	(119%)	39	<b>27</b>	(30%)
Other Finance Companies	88	213	<b>119</b>	(44%)	36%	641	<b>671</b>	5%
G. F. Banorte (Holding)	232	287	<b>368</b>	28%	59%	1,036	<b>1,068</b>	3%
<b>Total Net Income</b>	<b>5,966</b>	<b>8,874</b>	<b>9,061</b>	<b>2%</b>	<b>52%</b>	<b>30,508</b>	<b>35,048</b>	<b>15%</b>

Share Data	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Earnings per share (Pesos)	2.069	3.078	<b>3.143</b>	2%	52%	10.580	<b>12.155</b>	15%
Earnings per share Basic (Pesos)	2.097	3.111	<b>3.145</b>	1%	50%	10.699	<b>12.254</b>	15%
Dividend per Share for the period (Pesos)	0.00	0.00	<b>2.65</b>	N.A.	N.A.	0.00	<b>5.81</b>	N.A.
Payout for the period	0.0%	0.0%	<b>25.0%</b>	N.A.	N.A.	0.0%	<b>25.0%</b>	N.A.
Book Value per Share (Pesos)	77.07	81.17	<b>81.23</b>	0%	5%	77.07	<b>81.23</b>	5%
Outstanding Shares - BMV (Million)	2,883.5	2,883.5	<b>2,883.5</b>	0%	0%	2,883.5	<b>2,883.5</b>	0%
Stock Price (Pesos)	109.93	132.57	<b>133.01</b>	0%	21%	109.93	<b>133.01</b>	21%
P/BV (Times)	1.43	1.63	<b>1.64</b>	0%	15%	1.43	<b>1.64</b>	15%
Market Capitalization (Million Dollars)	15,922	18,590	<b>18,739</b>	1%	18%	15,922	<b>18,739</b>	18%
Market Capitalization (Million Pesos)	316,978	382,260	<b>383,529</b>	0%	21%	316,978	<b>383,529</b>	21%

### Share performance



## II. Management's Discussion & Analysis

This report contains references to recurring figures which are related to usual business activities excluding the effect of additional provisions and anticipated write-offs related to COVID-19 in 2Q20 and 4Q20.

For comparison purposes, it is important to consider that GFNorte holds a 98.2618% ownership of the Bank; therefore, some figures may vary as they refer to the Group or the Bank.

Net Interest Income (NII) (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Interest Income	27,068	28,216	29,699	5%	10%	119,479	111,507	(7%)
Interest Expense	9,324	10,021	10,813	8%	16%	46,741	39,464	(16%)
Loan Origination Fees	380	377	379	0%	(0%)	1,440	1,470	2%
Fees Paid	314	335	346	3%	10%	1,156	1,308	13%
<b>NII excluding Insurance and Annuities Co.</b>	<b>17,810</b>	<b>18,237</b>	<b>18,918</b>	<b>4%</b>	<b>6%</b>	<b>73,022</b>	<b>72,205</b>	<b>(1%)</b>
Premium Income (Net)	9,192	10,319	11,309	10%	23%	36,849	45,570	24%
Technical Reserves	4,368	7,071	10,748	52%	146%	17,793	33,818	90%
Damages, Claims and Other Obligations	6,281	6,157	6,634	8%	6%	21,920	25,664	17%
<b>Technical Results</b>	<b>(1,458)</b>	<b>(2,908)</b>	<b>(6,073)</b>	<b>(109%)</b>	<b>(317%)</b>	<b>(2,863)</b>	<b>(13,911)</b>	<b>(386%)</b>
Interest Income (Expenses) net	3,228	4,678	7,538	61%	134%	12,673	21,748	72%
<b>Insurance and Annuities NII</b>	<b>1,770</b>	<b>1,770</b>	<b>1,465</b>	<b>(17%)</b>	<b>(17%)</b>	<b>9,810</b>	<b>7,836</b>	<b>(20%)</b>
<b>GFNORTE's NII</b>	<b>19,580</b>	<b>20,007</b>	<b>20,383</b>	<b>2%</b>	<b>4%</b>	<b>82,832</b>	<b>80,041</b>	<b>(3%)</b>
Credit Provisions	5,993	2,653	2,719	3%	(55%)	21,931	11,351	(48%)
<b>NII Adjusted for Credit Risk</b>	<b>13,587</b>	<b>17,354</b>	<b>17,664</b>	<b>2%</b>	<b>30%</b>	<b>60,901</b>	<b>68,690</b>	<b>13%</b>
Average Earning Assets	1,625,011	1,636,200	1,670,764	2%	3%	1,564,112	1,651,127	6%
<b>Net Interest Margin (1)</b>	<b>4.8%</b>	<b>4.9%</b>	<b>4.9%</b>			<b>5.3%</b>	<b>4.8%</b>	
<b>NIM after Provisions (2)</b>	<b>3.3%</b>	<b>4.2%</b>	<b>4.2%</b>			<b>3.9%</b>	<b>4.2%</b>	
<b>NIM w/o Insurance &amp; Annuities</b>	<b>5.0%</b>	<b>5.1%</b>	<b>5.3%</b>			<b>5.3%</b>	<b>5.0%</b>	
<b>NIM from loan portfolio (3)</b>	<b>7.6%</b>	<b>7.8%</b>	<b>8.0%</b>			<b>8.0%</b>	<b>7.7%</b>	

1) NIM = Annualized Net Interest Income / Average Interest Earnings Assets.

2) NIM = Annualized Net Interest Income adjusted by Loan Loss Provisions / Average Interest Earnings Assets.

3) NIM = Annualized Net Interest Income from loans / Average Performing Loans

### Net Interest Income

**NII excluding Insurance and Annuities increased 4%** during the quarter, in line with the 3% increase in NII from the loan portfolio and higher income from repurchase agreements. Interest expenses were up 8% QoQ mainly due to the increase in the reference rate, 4% higher demand deposits, and (1%) lower time deposits. **NIM from the loan portfolio improved 13bps** in the quarter reaching 8.0%, whereas **adjusted NIM excluding Insurance and Annuities increased 10bps to 5.3%** in 4Q21, given the 53bps expansion of the 28-day TIIE average rate.

Compared to 2020, **NII excluding Insurance and Annuities was down (1%)** in the year, mainly driven by the (111bps) reduction in the average reference rate (TIIE28d) to 4.62% from 5.73%, this was partially offset by lower cost of funds as **interest expenses declined (16%)**. **NIM of the loan portfolio dropped (31bps)** in 2021 to **7.7%** from 8.0%. **NIM excluding Insurance and Annuities, declined (24bps) to 5.0%** in 2021.

**NII from Insurance and Annuities had a (17%)** sequential decline due to 52% or Ps 3.68bn higher technical reserves, out of which, Ps 1.14bn are related to the insurance business, mainly on the increase from policies renewals. As for the Annuities business, the increase was Ps 2.54bn mainly on the valuation effect on inflation, which was offset by higher interest income. Insurance claims were up 9% vs. 3Q21 and declined (5%) vs. 4Q20, reflecting the anticipated gradual change in trend.

Compared to 2020, **NII from Insurance and Annuities dropped (20%)**, mainly driven by the 101% or Ps 14.98bn reserves' increase in the annuities business, given business growth, as well as the valuation effect on inflation; in addition to the 36% or Ps 1.05bn increase in technical reserves from the Insurance business, associated to policies renewals in the quarter. Claims were 13% and 24% higher in the insurance and annuities businesses, respectively, still undermining the bottom line, and which are not offset by better income from premiums in both companies.

Overall, GFNorte's **Net Interest Income increased 2% during the quarter** and **dropped (3%)** annually. **NIM stood stable QoQ and dropped (45bps) annually, ending at 4.8%**; reference rate increases during November and December, reaching 5.50%, are yet to be reflected in results.



For more detail on Margin Sensitivity (Bank):

- 1) Refer to page. 27 of the [Risk Management Report](#)

## Loan Loss Provisions

Compared to the previous quarter, **provisions were up 3%**, yet in historically low levels, showing the quality of the loan portfolio, and its sequential growth, along with the effect of prepayments in the government portfolio.

From the Ps 2.72bn provisions recorded in the quarter, 47% correspond to new loans, and the remaining to risk and portfolio variations.

Compared to 2020, accumulated provisions were (48%) or Ps 10.58bn lower than the previous year. However, excluding the effect of the additional anticipated reserves of Ps 5bn and anticipated write-offs of Ps 2.27bn registered in 2020, the decrease would have been (23%).

Credit Provisions (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Commercial, Corporate & Government	736	580	1,315	127%	79%	4,428	<b>2,339</b>	(47%)
Consumer	3,537	2,927	2,905	(1%)	(18%)	12,890	<b>11,798</b>	(8%)
Charge offs and discounts	(280)	(855)	(1,501)	(75%)	(436%)	(387)	<b>(2,785)</b>	(620%)
Additional Provisions	2,000	-	-	N.A.	(100%)	5,000	-	(100%)
<b>Credit Provisions</b>	<b>5,993</b>	<b>2,653</b>	<b>2,719</b>	<b>3%</b>	<b>(55%)</b>	<b>21,931</b>	<b>11,351</b>	<b>(48%)</b>

For more detail on Internal Credit Risk Models:

- 1) Page. 16 to 18 of the [Risk Management Report](#)

**Cost of risk for the quarter remained flat at 1.3%, whereas for the year, the ratio improved (136bps), to 1.4% in 2021, from 2.8% in 2020**, better than expected and below historical levels. During the quarter, Ps 1.03bn additional reserves were released, maintaining Ps 1.80bn given omicron contingency.

## Non-Interest Income

Non-Interest Income (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Net Service Fees	3,599	3,457	<b>4,003</b>	16%	11%	13,219	<b>13,962</b>	6%
Trading	858	1,116	<b>1,476</b>	32%	72%	4,854	<b>4,396</b>	(9%)
Other Operating Income (Expenses)	859	535	<b>746</b>	39%	(13%)	2,983	<b>2,714</b>	(9%)
<b>Non-Interest Income</b>	<b>5,315</b>	<b>5,108</b>	<b>6,225</b>	<b>22%</b>	<b>17%</b>	<b>21,056</b>	<b>21,072</b>	<b>0%</b>

**Non-Interest Income improved 22%** in the quarter, mainly due to the recovery in Net Service Fees, driven by a sound presence from Banorte in the e-commerce acquiring business, and the seasonal effect in the quarter resulting from the "Buen Fin" sales, as well as higher trading income.

## Service Fees

Service Fees (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Fund Transfers	513	517	552	7%	8%	1,878	2,073	10%
Account Management Fees	529	481	491	2%	(7%)	2,163	1,957	(10%)
Electronic Banking Services	3,033	3,246	4,049	25%	33%	9,775	13,423	37%
Basic Banking Services Fees	4,075	4,245	5,092	20%	25%	13,816	17,452	26%
For Commercial and Mortgage Loans	366	329	345	5%	(6%)	1,384	1,247	(10%)
Consumer Loan Fees	1,292	1,307	1,505	15%	16%	4,732	5,240	11%
Fiduciary	153	136	110	(19%)	(28%)	487	529	9%
Income from Real Estate Portfolios	19	24	19	(23%)	(4%)	42	75	79%
Mutual Funds	504	507	513	1%	2%	1,953	2,007	3%
Trading & Financial Advisory Fees	142	137	169	24%	20%	542	660	22%
Other Fees Charged (1)	223	51	35	(31%)	(84%)	1,048	378	(64%)
<b>Fees Charged on Services</b>	<b>6,775</b>	<b>6,736</b>	<b>7,788</b>	<b>16%</b>	<b>15%</b>	<b>24,003</b>	<b>27,589</b>	<b>15%</b>
Interchange Fees	1,684	1,923	2,515	31%	49%	5,157	7,974	55%
Insurance Fees	227	295	257	(13%)	13%	1,371	1,128	(18%)
Other Fees Paid	1,264	1,062	1,013	(5%)	(20%)	4,257	4,524	6%
<b>Fees Paid on Services</b>	<b>3,176</b>	<b>3,279</b>	<b>3,785</b>	<b>15%</b>	<b>19%</b>	<b>10,784</b>	<b>13,626</b>	<b>26%</b>
<b>Net Service Fees</b>	<b>3,599</b>	<b>3,457</b>	<b>4,003</b>	<b>16%</b>	<b>11%</b>	<b>13,219</b>	<b>13,962</b>	<b>6%</b>

1) Includes fees from transactions with pension funds, warehousing services, financial advisory services, and securities trading, among others.

**Fees charged on services increased 16% sequentially**, resulting from the steady growth in the acquiring business, the seasonal effect driven by the "Buen Fin", and higher income from consumer loan origination. **Compared to 2020, fees from services grew 15%** due to better dynamics in the economic activity.

**Fees paid on services were up 15% sequentially** due to higher interchange fees from the use of cards in physical stores. Accumulated figures for **2021 increased 26%** mainly due to the economic activity reactivation and, consequently, better dynamics in the acquiring business. It is worth mentioning that fees paid to external sales force for auto and mortgage loan origination were reclassified to the cost line as of September 2021.

**Net Service Fees grew 16%** sequentially and **6%** annually, with accumulated figures.

## Trading

Trading Income (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Currency and Metals	(1,483)	357	(549)	(254%)	63%	(1,059)	(69)	93%
Derivatives	309	123	481	292%	56%	742	879	18%
Negotiable Instruments	92	636	107	(83%)	17%	(106)	286	370%
<b>Valuation</b>	<b>(1,083)</b>	<b>1,116</b>	<b>40</b>	<b>(96%)</b>	<b>104%</b>	<b>(423)</b>	<b>1,095</b>	<b>359%</b>
Currency and Metals	1,930	399	1,155	189%	(40%)	2,306	3,156	37%
Derivatives	(169)	(121)	(142)	(17%)	16%	1,252	(267)	(121%)
Negotiable Instruments	180	(278)	423	252%	135%	1,718	412	(76%)
<b>Trading</b>	<b>1,941</b>	<b>0</b>	<b>1,436</b>	<b>N.A.</b>	<b>(26%)</b>	<b>5,277</b>	<b>3,301</b>	<b>(37%)</b>
<b>Trading Income</b>	<b>858</b>	<b>1,116</b>	<b>1,476</b>	<b>32%</b>	<b>72%</b>	<b>4,854</b>	<b>4,396</b>	<b>(9%)</b>

**Trading income** increased 32% sequentially, driven by better currency & metals trading dynamics. In the year, trading income contracted (9%) mainly due to lower derivative transactions, despite the positive valuation effect and higher currency & metals trading, on FX volatility.

## Other Operating Income (Expenses)

Other Operating Income (Expenses) (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Loan Portfolios	69	91	95	4%	38%	301	370	23%
Income from Foreclosed Assets	129	87	195	123%	51%	514	501	(2%)
Impairment of Assets	-	-	(372)	N.A.	N.A.	(55)	(372)	(576%)
Lease Income	62	45	66	47%	6%	250	231	(8%)
From Insurance	317	252	648	157%	104%	1,048	1,369	31%
Securitization Operation Valuation Result	(36)	-	-	N.A.	100%	16	0	(99%)
Others	319	60	115	91%	(64%)	909	614	(32%)
<b>Other Operating Income (Expenses)</b>	<b>859</b>	<b>535</b>	<b>746</b>	<b>39%</b>	<b>(13%)</b>	<b>2,983</b>	<b>2,714</b>	<b>(9%)</b>

**Other Operating Income (expenses) grew 39%** in the quarter, mainly on higher income from foreclosed assets, as well as higher income from insurance, driven by the insurance portfolio acquisition –mentioned in the Current Events section of this report–. With accumulated figures, there is a (9%) YoY decline on impaired assets and lower recovery income.

## Non-Interest Expense

Non-Interest Expense (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Personnel	4,660	4,368	4,701	8%	1%	16,517	17,348	5%
Professional Fees	962	820	927	13%	(4%)	3,373	3,360	(0%)
Administrative and Promotional	2,141	1,982	2,714	37%	27%	8,630	8,833	2%
Rents, Depreciation & Amortization	2,136	2,237	2,253	1%	6%	8,203	8,973	9%
Taxes other than income tax & non deductible expenses	648	581	575	(1%)	(11%)	2,126	2,298	8%
Contributions to IPAB	931	889	905	2%	(3%)	3,630	3,596	(1%)
Employee Profit Sharing (FTU)	136	141	1,113	691%	718%	535	1,532	187%
<b>Non-Interest Expense</b>	<b>11,612</b>	<b>11,017</b>	<b>13,188</b>	<b>20%</b>	<b>14%</b>	<b>43,013</b>	<b>45,940</b>	<b>7%</b>

**Non-interest expense increased 20%** sequentially, primarily due to higher personnel expenses derived from operational restructures, the reclassification effect of fees paid to external sales forces into the expense line –as of September 2021–, along with higher Employee Profit Sharing derived from a change in methodology from the labor reform. **Compared to 2020, they were up 7%** –below inflation–, driven by the items previously mentioned, as well as higher amortization of capitalized projects. Thus, **efficiency ratio for the quarter stood at 49.6%**, and for the year at **45.4%**, increasing 403bps.

## Net Income

Net Income (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
<b>Operating Income</b>	<b>7,290</b>	<b>11,445</b>	<b>10,701</b>	<b>(7%)</b>	<b>47%</b>	<b>38,944</b>	<b>43,822</b>	<b>13%</b>
Subsidiaries' Net Income	509	532	637	20%	25%	2,002	2,273	14%
<b>Pre-Tax Income</b>	<b>7,800</b>	<b>11,977</b>	<b>11,338</b>	<b>(5%)</b>	<b>45%</b>	<b>40,947</b>	<b>46,095</b>	<b>13%</b>
Taxes	1,757	2,975	2,148	(28%)	22%	10,049	10,557	5%
Discontinued Operations	-	-	-	N.A.	N.A.	-	-	N.A.
Minority Interest	(77)	(128)	(129)	(1%)	(68%)	(389)	(491)	(26%)
<b>Net Income</b>	<b>5,966</b>	<b>8,874</b>	<b>9,061</b>	<b>2%</b>	<b>52%</b>	<b>30,508</b>	<b>35,048</b>	<b>15%</b>

**Net Operating Income declined (7%)** in the quarter, showing sound dynamics in the business lines, specially at the bank, but affected by additional expenses recognition. With accumulated figures for **2021, it grew 13%**, benefiting from better dynamics at the Bank, Brokerage business, and Annuities.

**Taxes decreased (28%) compared to 3Q21**, mainly due to inflationary adjustments, and increased 5% compared to 2020, driven by methodology changes derived from the labor reform.

**Earnings per share** for the quarter totaled **Ps 3.143**.

## Profitability

	4Q20	3Q21	4Q21	2020	2021
<b>ROE</b>	<b>10.9%</b>	<b>15.4%</b>	<b>15.5%</b>	<b>14.8%</b>	<b>15.3%</b>
Goodwill & Intangibles (billion pesos)	39	55	54	39	54
Average Tangible Equity (billion pesos)	162	180	180	162	180
<b>ROTE</b>	<b>13.3%</b>	<b>20.2%</b>	<b>20.1%</b>	<b>18.8%</b>	<b>19.4%</b>

In the quarter, **ROE** improved 6bps, reaching **15.5%**. Compared to 2020, ROE increased 53bps, reaching **15.3%**, from 14.8% in 2020. During 2021, 25% of net income of 2019, and 25% of net income of 2020 were paid as dividends. Thus, ROE continues to reflect capital accumulation, until dividend payments for the remaining 25% of net income of 2019, 25% of net income of 2020, and the dividend of 2021 are fully resumed.

**ROTE dropped (6bps) in the quarter and reached 20.1%**, while ROTE for 2021 grew 59bps on higher tangible equity, derived from the reclassification of the Bank's core software.

	4Q20	3Q21	4Q21	2020	2021
<b>ROA</b>	<b>1.3%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.9%</b>
Average Risk Weighted Assets (billion pesos)	890	880	861	890	861
<b>RRWA</b>	<b>3.4%</b>	<b>3.6%</b>	<b>4.1%</b>	<b>3.4%</b>	<b>4.1%</b>

**ROA** increased 65bps versus 4Q20 and stood at **2.0%**. ROA for 2021 **improved 18bps to 1.9%**, from 1.8% in 2020.

## Deposits

Deposits (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
Non-Interest Bearing Demand Deposits	341,309	353,815	<b>384,997</b>	9%	13%
Interest Bearing Demand Deposits	192,022	165,569	<b>153,226</b>	(7%)	(20%)
<b>Total Demand Deposits</b>	<b>533,331</b>	<b>519,385</b>	<b>538,224</b>	4%	1%
<b>Time Deposits – Retail</b>	<b>217,272</b>	<b>213,598</b>	<b>211,310</b>	(1%)	(3%)
<b>Core Deposits</b>	<b>750,603</b>	<b>732,983</b>	<b>749,533</b>	2%	(0%)
<b>Money Market</b>	<b>92,650</b>	<b>66,400</b>	<b>56,679</b>	(15%)	(39%)
<b>Total Bank Deposits</b>	<b>843,253</b>	<b>799,383</b>	<b>806,213</b>	1%	(4%)
<b>GFNorte's Total Deposits</b>	<b>821,712</b>	<b>793,292</b>	<b>799,025</b>	1%	(3%)
<b>Third Party Deposits</b>	<b>151,228</b>	<b>275,639</b>	<b>257,118</b>	(7%)	70%
<b>Total Assets Under Management</b>	<b>994,481</b>	<b>1,075,022</b>	<b>1,063,331</b>	(1%)	7%

**Core deposits increased 2%** in the quarter, driven by 9% higher non-interest-bearing demand deposits and (7%) lower interest-bearing deposits. When compared to 4Q20, slight reduction but with notorious 13% increase in non-interest-bearing demand deposits and a (20%) reduction in interest-bearing deposits, in line with the strategic efforts to improve the cost of deposits.

**Money market operations and securities issued decreased (15%) in the quarter** and (39%) annually. Altogether, **GFNorte's Total Bank Deposits** grew 1% QoQ and dropped (4%) YoY.

## Loans

Performing Loan Portfolio (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
Mortgages	187,736	197,737	<b>200,459</b>	1%	7%
Auto Loans	28,165	27,914	<b>27,792</b>	(0%)	(1%)
Credit Card	36,651	37,065	<b>39,108</b>	6%	7%
Payroll	51,668	54,532	<b>54,975</b>	1%	6%
<b>Consumer</b>	<b>304,220</b>	<b>317,247</b>	<b>322,334</b>	<b>2%</b>	<b>6%</b>
<b>Commercial</b>	<b>192,927</b>	<b>198,258</b>	<b>203,256</b>	<b>3%</b>	<b>5%</b>
<b>Corporate</b>	<b>143,429</b>	<b>136,343</b>	<b>140,925</b>	<b>3%</b>	<b>(2%)</b>
<b>Government</b>	<b>161,563</b>	<b>161,400</b>	<b>154,318</b>	<b>(4%)</b>	<b>(4%)</b>
<b>Total</b>	<b>802,138</b>	<b>813,247</b>	<b>820,833</b>	<b>1%</b>	<b>2%</b>

Further detail on Performing, Past due and Distressed loan portfolios in the [Risk Management Report](#):

- 1) displayed by Sector and Subsidiary, page 9
- 2) displayed by Federal Entities and Subsidiary, page 10
- 3) displayed by Remaining Term, page 10

During the quarter, **performing loans grew 1%**. On the consumer portfolio, **credit card loans rose 6%**, while mortgage and payroll grew 1%, auto loans were flat mainly on market dynamics. **Commercial and corporate loans expanded 3%**, reflecting greater economic dynamism. **Government loans were (4%) lower** with significant prepayments in the quarter.

**During the year, consumer loans grew 6%**, boosted by a 7% increase in mortgage and credit card loans, followed by payroll with 6% growth, reflecting improving consumer confidence driven by the gradual economic recovery, while auto loans were down (1%). **Commercial** loans showed better growth dynamics, **increasing 5% yearly**, whereas the **corporate** book was down (2%), and relevant prepayments in the **government** portfolio resulted in a (4%) decline in the year for this book.

Within the commercial portfolio, **SMEs loans** increased 1% compared to the previous period, and declined (2%) vs. 4Q20. NPL ratio improved (72bps) in the quarter, and (19bps) in the year, ending at 1.8%.

SME's Loans (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
<b>Performing Portfolio</b>	37,741	36,717	37,118	1%	(2%)
<b>% of Performing Commercial Portfolio</b>	19.6%	18.5%	18.3%	(26 bp)	(130 bp)
<b>% of Total Performing Portfolio</b>	4.7%	4.5%	4.5%	1 bp	(18 bp)
<b>NPL Ratio</b>	2.02%	2.55%	1.83%	(72 bp)	(19 bp)

GFNorte's corporate loan book is well diversified by industry and by region, showing low concentration risk. The 20 main private sector corporate borrowers accounted for 10.9% of the group's total portfolio. The group's largest corporate exposure represented 1.0% of the total performing book, whereas number 20 represented 0.4%. All 20 corporates have an A1 credit rating.

**The infrastructure book** was down by (Ps. 2.86) billion QoQ, and **(Ps. 4.52) billion** or **(9%)** compared to 4Q20.

Infrastructure Loans (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
<b>Performing Portfolio</b>	47,999	46,330	43,475	(6%)	(9%)
<b>% of Total Performing Portfolio</b>	5.7%	5.7%	5.3%	(40 bp)	(39 bp)
<b>NPL Ratio</b>	1.1%	1.3%	1.2%	(9 bp)	13 bp

The **government book** totaled **Ps 154.32 billion**, **(4%) below QoQ and YoY**, driven by high prepayments at year-end. GFNorte's government portfolio is well diversified by region, showing an adequate risk profile, given that 27.3% of the portfolio is Federal Government exposure and 86.4% of municipal and state government loans are backed by fiduciary guarantees.

**Market share position (using CNBV figures as of November 2021):**

The system's performing loans with evident recovery, growing 3.4% annually. **Banorte's performing loan portfolio rose 4.1%**, and gained 9bps of market share in the year, **reaching 15.0%**.

- **Mortgages:** Banorte held a 19.0% market share, **down (45bps) annually**, but holding on to second place in the system.
- **Credit Cards:** Banorte **increased by 17bps its market share** in the year, to **10.4%**.
- **Auto Loans:** In the year, Banorte **increased its market share by 26bps** to 19.3%, consolidating the second position in the system. The market reflects a general slowdown regarding new cars sales.
- **Payroll Loans:** Banorte held a 20.2% market share, **down (38bps)** in the year, ranking second in the market.
- **Commercial:** Market share totaled 11.8%, including corporate and SMEs according to the CNBV classification. Market share went **up 21bps** in the last 12 months, ranking third in the system.
- **Government:** Banorte's market share **dropped** (120bps) to 27.0%, still ranking second in the banking system.

## Past Due Loans

**In the quarter, past due loans decreased by (Ps 1.45) billion**, with sequential improvements in all segments comprising the loan portfolio.

Past Due Loans (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
Credit Cards	3,120	1,485	<b>1,343</b>	(142)	(1,777)
Payroll	1,425	1,452	<b>1,447</b>	(5)	22
Auto Loans	161	254	<b>228</b>	(26)	67
Mortgages	1,658	2,135	<b>2,077</b>	(59)	418
Commercial	2,364	3,914	<b>3,252</b>	(661)	888
Corporate	166	558	<b>0</b>	(557)	(166)
Government	38	159	<b>159</b>	-	121
<b>Total</b>	<b>8,931</b>	<b>9,956</b>	<b>8,505</b>	<b>(1,451)</b>	<b>(426)</b>

**NPL ratio still below normal pre-pandemic levels.** During the quarter, the ratio improved (18bps), whereas in the year, it dropped (8bps) to **1.0% in 2021**, driven by strict loan origination controls.

Past Due Loans Ratios	4Q20	1Q21	2Q21	3Q21	4Q21
Credit Cards	7.8%	7.2%	4.9%	3.9%	<b>3.3%</b>
Payroll	2.7%	2.9%	2.5%	2.6%	<b>2.6%</b>
Auto Loans	0.6%	1.3%	1.1%	0.9%	<b>0.8%</b>
Mortgages	0.9%	1.1%	1.0%	1.1%	<b>1.0%</b>
Commercial	1.2%	1.7%	1.9%	1.9%	<b>1.6%</b>
SMEs	2.0%	3.4%	3.4%	2.5%	<b>1.8%</b>
Commercial	1.0%	1.3%	1.6%	1.8%	<b>1.5%</b>
Corporate	0.1%	0.2%	1.3%	0.4%	<b>0.0%</b>
Government	0.0%	0.1%	0.1%	0.1%	<b>0.1%</b>
<b>Total</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.0%</b>

**Expected loss for Banco Mercantil del Norte**, the group's largest subsidiary, was 1.7%, and the unexpected loss was 4.0%, both with respect to the total portfolio as of 4Q21. In 3Q21 these ratios were 1.7% and 3.9%, respectively, and 1.9% and 4.3% twelve months ago. In addition, Banco Mercantil del Norte's **Net Credit Losses (NCL)**, including write-offs, was flat at 1.8%, compared to 3Q21.

Quarterly changes in accounts that affect Non-performing Loan balance for the Financial Group were:

Past Due Loan Variations	
<i>(Million Pesos)</i>	
<b>Balance as of September '21</b>	<b>9,956</b>
Transfer from Performing Loans to Past Due Loans	4,959
Portfolio Purchase	-
Renewals	(162)
Cash Collections	(626)
Discounts	358
Charge Offs	(4,085)
Foreclosures	(2)
Transfer from Past Due Loans to Performing Loans	(1,890)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	(2)
<b>Balance as of December '21</b>	<b>8,505</b>

Regarding risk ratings, 89% of the **total loan portfolio** was rated as Risk A, 7% as Risk B, and 4% were Risk C, D and E altogether.

**Risk Rating of Performing Loans as of 4Q21 - GFNorte**  
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES						
		COMMERCIAL				CONSUMER	MORTGAGES	TOTAL
		MIDDLE COMPANIES	MARKET	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	730,074		1,135	421	104	712	251	<b>2,623</b>
A2	43,325		168	171	0	257	23	<b>618</b>
B1	30,870		86	18	8	811	15	<b>937</b>
B2	16,704		39	121	0	446	20	<b>627</b>
B3	15,969		93	240	8	390	14	<b>744</b>
C1	12,624		75	153	0	653	73	<b>955</b>
C2	11,896		152	-	0	1,577	164	<b>1,893</b>
D	8,625		1,397	70	-	949	438	<b>2,853</b>
E	4,006		140	-	-	2,550	78	<b>2,768</b>
<b>Total</b>	<b>874,092</b>		<b>3,286</b>	<b>1,193</b>	<b>120</b>	<b>8,345</b>	<b>1,076</b>	<b>14,019</b>
Not Classified	(1,147)							
Exempt	-							
<b>Total</b>	<b>872,945</b>		<b>3,286</b>	<b>1,193</b>	<b>120</b>	<b>8,345</b>	<b>1,076</b>	<b>14,019</b>
<b>Reserves</b>								<b>16,251</b>
<b>Preventive Reserves</b>								<b>2,231</b>

Notes:

- Figures for reserve creation and rating are as of December 31, 2021.
- The loan portfolio is rated pursuant to rules issued by the CNBV, in Chapter V, Second Title of General Provisions Applicable to Credit Institutions, and it can also be rated according to internal methodologies authorized by this same regulator.  
The Institution uses regulatory methodologies to rate all credit portfolios. The Institution uses internal methodologies authorized by the CNBV according to the following: for the Revolving Consumption portfolio as of January 2018, for the Auto (Individuals) portfolio as of January 2020, and for the portfolio commercial of borrowers with sales or income greater than or equal to 14 million UDIs, from January 2019 in the Banco Mercantil del Norte subsidiary and from February 2019 in the subsidiaries Arrendadora and Factor Banorte and Sólida Administradora de Portafolios.  
The Institution uses risk ratings: A1, A2, B1, B2, B3, C1, C2, D and E to classify provisions according to the portfolio segment and percentage of the provisions representing the outstanding balance of the loan, and which are set forth in Fifth Section of the "Reserve creation and their classification by degree of risk" contained in Chapter 5, Second Title of the aforementioned regulation.
- The constituted complementary reserves follow the general provisions applicable to credit institutions, and they contemplate the additional reserves created to anticipate portfolio impairment effects due to COVID-19 previously described in "Provisions for Credit".

Based on B6 Credit Portfolio criterion from the CNBV, **Distressed Portfolio** is defined as the pool of commercial loans that, based on current information and facts, as well as the credit review process, have a considerable probability that they will not be fully recoverable, both in principal and interest, based on the terms and conditions that were originally agreed upon. **Performing loans and past-due loans** are susceptible of being identified as Distressed Portfolios. The D and E risk degrees of the commercial loan rating were as follows:

(Million Pesos)	4Q21
Distressed Portfolio	3,961
Total Loans	872,945
<b>Distressed Portfolio / Total Loans</b>	<b>0.5%</b>



## Loan Loss Reserves and Loan Loss Provisions

Loan Loss Reserves (Million Pesos)	4Q21
<b>Previous Period Ending Balance</b>	<b>17,297</b>
Provisions charged to results	3,415
Provisions charged to retained earnings	0
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
<b>Charge offs and discounts:</b>	
Commercial Loans	(1,349)
Consumer Loans	(2,601)
Mortgage Loans	(507)
Foreclosed assets	0
	(4,457)
Cost of debtor support programs	(2)
Valorization and Others	(2)
Adjustments	0
<b>Loan Loss Reserves at Period End</b>	<b>16,251</b>

**Loan Loss Reserves** as of 4Q21 totaled **Ps 16.25 billion**, down (6%) vs. the previous quarter. **Charge-offs and discounts** decreased (6.5%) in the quarter.

**Loan loss reserve coverage ratio** totaled **191%** in the quarter; an increase compared to the 174% from the previous quarter.

## Capital

**Shareholders' equity** totaled **Ps 237.24 billion, up Ps 299 million vs. the previous quarter**. The main changes during the quarter were: a Ps 9.06 billion increase in net income, a Ps 384 million increase from repurchase of the stock compensation plan, a Ps 149 million increase in valuation of cash flow hedging instruments, a Ps 217 million increase for remeasurements of defined benefits to employees, a Ps (7.63) billion decrease from dividend payments, a Ps (945) million reduction due to interest payments of subordinated notes, a Ps (830) million decrease from valuation of available-for-sale securities, as well as a Ps (109) million reduction in minority interests, and a Ps (199) million decline on reserve release for stock repurchase.

## Current Events

### 1. GFNORTE WAS RECOGNIZED BY LINKEDIN AS THE "BEST BRAND EMPLOYER OF 2021".

In November 2021, GFNorte was recognized by LinkedIn in the "Brand Talent Awards" as the "Best Brand Employer with more than 5,000 employees". The bank competed against big enterprises, such as Coca-Cola Femsa and Ternium.

### 2. BANORTE'S AFORE XXI WON THE "SUSTAINABILITY RESEARCH LEADER" AWARD, GRANTED BY ALAS20

In November, Afore XXI Banorte obtained first place in the "Sustainability Research Leader" award, granted by ALAS20. The prize is an initiative that evaluates, rates, and recognizes practices related to sustainable development, corporate governance, and responsible investments of enterprises and investors; to improve public release standards in countries like Brazil, Chile, Colombia, Spain, Peru, and Mexico.

### 3. FOR THE FIFTH YEAR IN A ROW, BANORTE IS CONSTITUENT OF THE SUSTAINABILITY INDEX MILA

On November 22, Grupo Financiero Banorte was again selected as a constituent of the Dow Jones MILA Sustainability Index, which measures the performance of leading Mexican, Chilean, Colombian, and Peruvian companies in terms of sustainability. GFNorte is one of the 24 Mexican companies among 71 Institutions comprising the index.

### 4. BANORTE OFFERS ITS CUSTOMERS CASH WITHDRAWAL WITHOUT PLASTIC IN 7-ELEVEN STORES

In line with its commitment to constantly innovate for its customers, as of November 29, 2021, Banorte offers the option to withdraw cash in 7-Eleven stores without the need of the physical card. Customers only have to generate a reference with a barcode within the Banorte Móvil app, present it in the store to be scanned and dispose of the money. This service is available in the more than 1,800 7-Eleven stores across the country. Moreover, this plastic-less cash withdrawal option adds to the outstanding services that 7-Eleven already offers to Banorte's customers such as deposits to accounts and to Banorte's credit and debit cards, as well as credit card payments, service payments, and debit card reposition.

### 5. SEGUROS BANORTE ACQUIRES PRINCIPAL'S INSURANCE PORTFOLIO

On May 13, 2021, Seguros Banorte and Principal Seguros signed an Agreement for the Assignment of the life and accidents, and diseases portfolios, owned by Principal Seguros in favor of Seguros Banorte. On August 20, 2021, the transaction was authorized by the Federal Economic Competition Commission and on November 3, 2021 by the National Insurance and Bonding Commission. The transfer of 100% of the portfolio was carried out on December 1, 2021, at that date, the portfolio was comprised of 6,481 policies and 7,719 insured.

### 6. BANORTE ISSUES PERPETUAL NON-PREFERRED, NON-CUMULATIVE, NON-CONVERTIBLE ADDITIONAL TIER 1 CAPITAL NOTES

On November 24, 2021, Banorte issued Perpetual Callable Subordinated Non-Preferred, Non-Cumulative, Non-Convertible Additional Tier 1 (AT1) Capital Notes for U.S.\$1,050 million in the international markets. These Capital Notes were issued in two series: Perp NC10 Notes for U.S.\$550 million, callable at the tenth year, carrying a coupon rate of 6.625%, and a series Perp NC5 Notes for U.S.\$500 million, callable at the fifth year, carrying a coupon rate of 5.875%. These notes were rated by Moody's and S&P Ba2 and BB-, respectively.

## Bank

Income Statement and Balance Sheet (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Net Interest Income	16,942	17,068	<b>17,828</b>	4%	5%	69,382	<b>67,951</b>	(2%)
Non-Interest Income	4,876	4,825	<b>5,139</b>	7%	5%	19,474	<b>18,965</b>	(3%)
Total Income	21,819	21,893	<b>22,967</b>	5%	5%	88,856	<b>86,917</b>	(2%)
Non-Interest Expense	10,832	10,104	<b>11,824</b>	17%	9%	39,982	<b>41,935</b>	5%
Provisions	5,953	2,598	<b>2,694</b>	4%	(55%)	21,864	<b>11,107</b>	(49%)
Operating Income	5,034	9,191	<b>8,449</b>	(8%)	68%	27,010	<b>33,874</b>	25%
Taxes	1,161	2,430	<b>1,703</b>	(30%)	47%	6,729	<b>8,114</b>	21%
Discontinued Operations	-	-	-	-	-	-	-	N.A.
Subsidiaries & Minority Interest	28	64	<b>20</b>	(68%)	(27%)	103	<b>326</b>	216%
<b>Net Income</b>	<b>3,901</b>	<b>6,825</b>	<b>6,766</b>	(1%)	73%	20,384	<b>26,086</b>	28%
<b>Balance Sheet</b>								
Performing Loans (a)	782,532	795,967	<b>802,861</b>	1%	3%	782,532	<b>802,861</b>	3%
Past Due Loans (b)	8,580	9,311	<b>7,836</b>	(16%)	(9%)	8,580	<b>7,836</b>	(9%)
Total Loans (a+b)	791,112	805,278	<b>810,697</b>	1%	2%	791,112	<b>810,697</b>	2%
Total Loans Net (d)	771,648	788,461	<b>794,953</b>	1%	3%	771,648	<b>794,953</b>	3%
Acquired Collection Rights (e)	1,617	1,260	<b>1,036</b>	(18%)	(36%)	1,617	<b>1,036</b>	(36%)
Total Loans (d+e)	773,264	789,721	<b>795,990</b>	1%	3%	773,264	<b>795,990</b>	3%
<b>Total Assets</b>	<b>1,262,185</b>	<b>1,199,275</b>	<b>1,236,490</b>	3%	(2%)	1,262,185	<b>1,236,490</b>	(2%)
Total Deposits	843,253	799,383	<b>806,213</b>	1%	(4%)	843,253	<b>806,213</b>	(4%)
Demand Deposits	530,747	516,559	<b>535,201</b>	4%	1%	530,747	<b>535,201</b>	1%
Time Deposits	312,506	282,823	<b>271,012</b>	(4%)	(13%)	312,506	<b>271,012</b>	(13%)
<b>Total Liabilities</b>	<b>1,127,138</b>	<b>1,060,251</b>	<b>1,091,855</b>	3%	(3%)	1,127,138	<b>1,091,855</b>	(3%)
<b>Equity</b>	<b>135,047</b>	<b>139,024</b>	<b>144,635</b>	4%	7%	135,047	<b>144,635</b>	7%
<b>Financial Ratios - Bank</b>								
	<b>4Q20</b>	<b>3Q21</b>	<b>4Q21</b>			<b>2020</b>	<b>2021</b>	
<b>Profitability:</b>								
NIM (1)	5.8%	6.1%	<b>6.3%</b>			5.9%	<b>5.9%</b>	
NIM after Provisions (2)	3.7%	5.1%	<b>5.3%</b>			4.1%	<b>5.0%</b>	
ROE (3)	11.8%	19.3%	<b>19.1%</b>			16.6%	<b>18.7%</b>	
ROA (4)	1.2%	2.2%	<b>2.2%</b>			1.6%	<b>2.1%</b>	
<b>Operation:</b>								
Efficiency Ratio (5)	49.6%	46.2%	<b>51.5%</b>			45.0%	<b>48.2%</b>	
Operating Efficiency Ratio (6)	3.4%	3.3%	<b>3.9%</b>			3.2%	<b>3.4%</b>	
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III (7)	192.5%	183.7%	<b>201.7%</b>			192.5%	<b>201.7%</b>	
<b>Asset Quality:</b>								
Past Due Loan Ratio	1.1%	1.2%	<b>1.0%</b>			1.1%	<b>1.0%</b>	
Coverage Ratio	226.9%	180.6%	<b>200.9%</b>			226.9%	<b>200.9%</b>	
<b>Capitalization:</b>								
Net Capital/ Credit Risk Assets	26.7%	30.6%	<b>34.8%</b>			26.7%	<b>34.8%</b>	
Total Capitalization Ratio	20.2%	21.8%	<b>24.7%</b>			20.2%	<b>24.7%</b>	
<b>Leverage</b>								
Basic Capital/ Adjusted Assets	12.1%	11.6%	<b>13.4%</b>			12.1%	<b>13.4%</b>	

1) NIM = Annualized Net Interest Income for the quarter / Average of Performing Assets.

2) NIM = Annualized Net Interest Income for the quarter adjusted for Credit Risks / Average of Performing Assets.

3) Net Income of the period annualized as a percentage of the quarterly average of Equity (excluding minority interest) for the same period.

4) Net Income of the period annualized as a percentage of the quarterly average of Total Assets (excluding minority interest) for the same period.

5) Non-Interest Expenses / Total Income.

6) Annualized Non-Interest Expenses of the quarter / Average of Total Assets.

7) CCL calculation is preliminary and will be updated once Banco de Mexico publishes official indicators.

## Changes vs. the previous quarter

**Net Interest Income (NII) increased 4% sequentially**, with a 3% increase in NII from the loan portfolio vs. 3Q21, and higher income from repurchase agreements. Cost of funds was under control but already affected by the recent reference rate hike. Therefore, the **NIM increased 21bps sequentially, reaching 6.3%**.

**Non-Interest Income posted strong sequential growth of 7%**, a better level of income was presented mainly due to the reactivation in fee income.

**Fees charged were up 16%** sequentially, driven by higher activity in the acquiring business due to the "Buen Fin" sales, and better dynamics in consumer loans. Similarly, **fees paid** increased 19% mainly on an increase in acquiring transactions. As of September 2021, fees paid to external sales forces for auto and mortgage loan origination, were reclassified to the cost line. Altogether, **Net Fees** reflected a significant growth of **13%**, showing better dynamics vs. the previous quarter and the previous year.

**Trading income increased 2%** quarterly, reflecting better currency & metals trading dynamics, as well as a decrease in valuation results.

**Other operating income (expenses)** were down (Ps 183) million, considering an important increase in asset impairment that was not offset by higher income on other recoveries.

**Non-Interest Expense** were up 17% vs. the last quarter, mainly due to: methodology adjustments derived from the new labor reform, an increase in personnel expenses on a restructure in operations, and an increase in the amortization of capitalized projects. Expenses related to external sales forces for auto and mortgage loan origination is recognized as non-interest expense as of September 2021. Consequently, the **efficiency ratio stood at 51.5% in 4Q21**, from 46.2% in 3Q21.

In the quarter, **provisions rose 4%** QoQ, due to higher corporate and government portfolios' requirements, but still below normal pre-pandemic levels.

**NIM adjusted for credit risks** improved 19bps sequentially, reaching **5.3%** from 5.1% in the previous quarter.

Altogether, **net income declined (1%)** vs. 3Q21, reaching Ps 6.77 billion. Thus, **ROE decreased (25bps)** in the quarter, ending at **19.1%**, whereas **ROA** remained stable at **2.2%** by the end of the quarter.

## Changes vs. the previous year

**Net Interest Income (NII) increased 5% vs. 4Q20 but fell (2%) with accumulated figures for the year** due to lower income from the loan portfolio, and a controlled cost of funds, but already reflecting the recent increase in the reference rate. Thus, **NIM with accumulated figures of 12M21 remains stable at 5.9%**. During the year, average TIE 28d reference rate was adjusted downwards (111bps), to 4.62, from 5.73%.

**Non-Interest Income increased 5%** compared to 4Q20 and decreased (3%) compared to the accumulated figures in 2020. The latter, due to a 4% rise in net fees, lower trading income, and a decline in operating income.

**Fees charged increased 15% compared to 4Q20** driven by greater activity in electronic banking services and better fees for consumer loans. Additionally, **12M21 figures increased 16% annually**, also on improvements in the previously mentioned items. **Fees paid** compared to 4Q20, grew 20% mainly due to interchange fees from higher transaction volumes. Meanwhile, a 33% increase is shown in the 2021 annual comparison on the same reason, as well as higher dynamism derived from the seasonal effect of the "Buen Fin" sales. Fees related to auto and mortgage loan origination are recognized in the cost line as of September 2021. **Net fees improved 11%** compared to 4Q20 and 4% with accumulated results for 2021.

**Trading income grew 58%** versus 4Q20 mainly due to valuation effects but decreased (1%) with accumulated figures for 2021, with lower securities operations, but favorable valuation results.

**Other operating income (expense)** declined (Ps 562) million vs. 4Q20, and (Ps 1.05) billion vs. 2020, largely driven by assets impairment, as well as lower income from tax recoveries.

**Non-interest expense grew 9% vs. 4Q20** due to higher personnel expenses where, as of September 2021, external sales force expenses for auto and mortgage loan origination are registered, along with higher Employee Profit Sharing derived from a change in methodology from the labor reform. With accumulated figures, it increased 5% driven by 3% higher personnel expenses, derived from operational restructures, 9% higher amortization of capitalized projects, as well as the

increase in Employee Profit Sharing previously mentioned. Therefore, the **efficiency ratio** increased 325bps reaching **48.2%** in 2021.

**Provisions were down by (55%) or (Ps 3.26) billion** vs. 4Q20, considering the constitution of additional anticipated reserves of Ps 2 billion in 4Q20. Excluding this effect, provisions declined (32%). **Compared to 2020, provisions declined (49%) or (Ps 10.76) billion**, considering the constitution of additional anticipated reserves of Ps 5 billion and anticipated write-offs of Ps 2.27 billion in 2020. The latter in addition to moderate loan growth, affected by higher prepayments on the government portfolio at year-end, and better quality in the loan book. **NIM adjusted for credit risks** improved **19bps** reaching **5.3% in 4Q21**, while in 2021, it improved 89bps to 5.0%, from 4.1% in 2020.

**Net income grew 73%** or Ps 2.87 billion compared to 4Q20, mainly because of the anticipated provisions in 4Q20. Compared to 2020, it was **28%** or **Ps 5.70 billion higher**. **ROE** grew 729bps to 19.1% in 4Q21, from 11.8% in 4Q20. For 2021, the ratio **improved 208bps**, reaching **18.7%**. Additionally, **ROA increased 51bps**, reaching **2.1%** in 2021.

## Capital

**Shareholders' equity** totaled **Ps 144.64 billion**, a **4% growth** compared to the previous quarter. The main sequential changes were: a Ps 6.77 billion increase in net income; a Ps 208 million increase in the payments plan based on stock payable in capital instruments; an increase of Ps 211 million related to employee benefits, a Ps 152 million in the valuation results on cash flow hedging instruments, a (Ps 961) million reduction due to interest payments of subordinated notes; and a (Ps 759) million loss in valuation of available-for-sale securities.

## Regulatory Capital (Banco Mercantil del Norte)

Banorte has fully adopted the capital requirements established to date by Mexican authorities and international standards, so-called Basel III, which came into effect in January 2013.

In 2021, Banorte was confirmed as Level II - Systemically Important Financial Institution, which implies that Banorte must maintain a 0.90 pp capital buffer. Therefore, **starting on December 2019, the minimum Capital Adequacy Ratio required for Banorte is 11.40%** (corresponding to the regulatory minimum of 10.5% plus the 0.90 pp capital supplement), which includes a minimum requirement of Core Equity Tier 1 (CET1) of 7.90%.

Banorte, as a Systemically Important Financial Institution, is subject to the net capital supplement incorporated in the regulation during 2021, and effective as of December 2022, with annual increases of 1.65 pp, up to 6.5 pp in December 2025, taking the minimum Capital Adequacy Ratio required for Banorte to 17.90% from 11.40%.

Capitalization (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
Core Tier 1	129,929	125,976	131,693	4.5%	1.4%
Tier 1 Capital	179,701	177,381	204,495	15.3%	13.8%
Tier 2 Capital	8,894	7,909	7,800	(1.4%)	(12.3%)
Net Capital	188,595	185,291	212,295	14.6%	12.6%
Credit Risk Assets	706,611	605,452	609,709	0.7%	(13.7%)
Net Capital / Credit Risk Assets	26.7%	30.6%	34.8%	4.2 pp	8.1 pp
Total Risk Assets	934,435	849,023	859,798	1.3%	(8.0%)
Core Tier 1	13.90%	14.84%	15.32%	0.5 pp	1.4 pp
Tier 1	19.23%	20.89%	23.78%	2.9 pp	4.6 pp
Tier 2	0.95%	0.93%	0.91%	(0.0 pp)	(0.0 pp)
<b>Capitalization Ratio</b>	<b>20.18%</b>	<b>21.82%</b>	<b>24.69%</b>	<b>2.87 pp</b>	<b>4.51 pp</b>

(\*) The reported capitalization ratio of the period is submitted to the Central Bank of México.

**At the end of 4Q21 the estimated Capital Adequacy Ratio (CAR)** for Banorte was **24.69%** considering credit, market, and operational risks, and 34.82% considering only credit risk. Moreover, the Core Equity Tier 1 reached 15.32% as of 4Q21, a level corresponding to a Systemically Important Institution Level I under CNBV classification.

CAR increased +2.87 pp vs. 3Q21 due to the following effects:

	4Q21 vs 3Q21
	<b>+2.87 pp</b>
1. Capital Notes <sup>(1)</sup>	+2.37 pp
2. Net Income in 4Q21	+0.79 pp
3. Other Capital Effects <sup>(2)</sup>	+0.04 pp
4. Growth in Risk Assets – Operation	+0.00 pp
5. Growth in Risk Assets – Credit (Others)	-0.03 pp
6. Securities' mark-to-market valuation and Hedging Derivatives <sup>(3)</sup>	-0.06 pp
7. Growth in Risk Assets – Credit	-0.08 pp
8. Growth in Risk Assets – Market	-0.17 pp

(1) Includes AT1 issuance for USD\$1.05 billion – Nov'21

(2) Includes actuarial changes from employee liability, and variation of permanent and intangible investments.

(3) Includes derivatives for hedging positions not valued with market prices.

CAR increased +4.51 pp vs. 4Q20 due to the following effects:

	4Q21 vs 4Q20
	<b>+4.51 pp</b>
1. Net Income in the period	+3.03 pp
2. Capital Notes <sup>(1)</sup>	+2.17 pp
3. Growth in Risk Assets – Credit <sup>(2)</sup>	+1.19 pp
4. Growth in Risk Assets – Credit (Others)	+0.74 pp
5. Other Capital Effects <sup>(3)</sup>	+0.05 pp
6. Growth in Risk Assets – Operation	-0.09 pp
7. Securities' mark-to-market valuation and Hedging Derivatives <sup>(4)</sup>	-0.32 pp
8. Growth in Risk Assets – Market	-0.40 pp
9. Intangibles effect on Capital <sup>(5)</sup>	-0.68 pp
10. Dividend to the Financial Group	-1.18 pp

(1) Includes AT1 issuance for USD\$1.05 billion – Nov'21.

(2) Includes benefits from internal models' calibration.

(3) Includes actuarial changes from employee liability, and variation of permanent and intangible investments.

(4) Includes derivatives for hedging positions not valued with market prices.

(5) In 3Q20 an investment in software was registered in fixed assets, therefore the adjustment to equity did not applied as of that date.

## Evolution of Risk Assets

In compliance with capitalization requirements established to date by Mexican authorities and the International Standards Basel III, Banorte classifies its Risk Assets as Credit, Market, and Operational, which are actively managed by the Institution to monitor its quality.

Total Risk Assets as of December 2021 reached Ps 859.80 billion, increasing Ps 10.76 billion vs. September 2021, and decreasing (Ps 74.64) billion below those of December 2020.

The evolution of Risk Assets is presented below:

Risk Assets (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
<b>Total Credit</b>	<b>706,611</b>	<b>605,452</b>	<b>609,709</b>	<b>0.70%</b>	<b>(13.71%)</b>
Credit (Loan Portfolio)	559,914	510,187	513,379	0.63%	(8.31%)
Credit (Others)	146,697	95,266	96,330	1.12%	(34.33%)
<b>Total Market</b>	<b>155,963</b>	<b>168,102</b>	<b>174,704</b>	<b>3.93%</b>	<b>12.02%</b>
<b>Total Operational</b>	<b>71,860</b>	<b>75,469</b>	<b>75,386</b>	<b>(0.11%)</b>	<b>4.91%</b>
<b>Total</b>	<b>934,435</b>	<b>849,023</b>	<b>859,798</b>	<b>1.27%</b>	<b>(7.99%)</b>

The main quarterly changes in RWA vs. 3Q21 were:

- An increase in Credit Risk Weighted Assets (Loan Portfolio) explained by the quarterly growth in loan portfolios.
- An increase in Credit Risk Weighted Assets (Others) driven by higher irrevocable credit lines, which were offset by the effect of higher rates in derivative operations.
- An increase in Market Risk Weighted Assets due to mismatches in balance sheet positions in foreign currency.

The main annual changes in RWA vs. 4Q20 were:

- A decline in Credit Risk Weighted Assets (Loan Portfolio) explained by the annual calibration of internal models, as well as by the growth dynamics in loan portfolios.
- A decline in Credit Risk Weighted Assets (Others) driven by the effect of higher rates in derivative operations.
- An increase in Market Risk Weighted Assets as a result of the balance sheet evolution, mismatches between active and passive positions in the balance sheet, exchange rate volatility, and a decrease in RWAs in the internal balance models.

## Leverage Ratio (Banco Mercantil del Norte)

**Leverage Ratio**, according to CNBV's regulation, is presented below:

Leverage (Million Pesos)	4Q20	3Q21	4Q21	Change	
				3Q21	4Q20
Tier 1 Capital	179,701	177,381	204,495	15.3%	13.8%
Adjusted Assets	1,479,495	1,528,104	1,521,109	(0.5%)	2.8%
<b>Leverage Ratio</b>	<b>12.15%</b>	<b>11.61%</b>	<b>13.44%</b>	184 bp	130 bp

*Adjusted Assets are defined according to the General Provisions applicable to Credit Institutions.*

## Long Term Savings

### Seguros Banorte

Income Statement and Balance Sheet Highlights - Insurance - Seguros Banorte (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
<b>Interest Income (Net)</b>	340	381	<b>402</b>	5%	18%	1,895	<b>1,370</b>	(28%)
Premium Income (Net)	4,575	4,239	<b>5,270</b>	24%	15%	22,954	<b>23,411</b>	2%
Net Increase in Technical Reserves	(248)	(78)	<b>1,062</b>	1465%	527%	2,946	<b>3,996</b>	36%
Damages, Claims and Other Obligations	4,119	3,570	<b>3,901</b>	9%	(5%)	13,880	<b>15,746</b>	13%
<b>Technical Results</b>	704	748	<b>307</b>	(59%)	(56%)	6,127	<b>3,670</b>	(40%)
<b>Net Interest Income (NII)</b>	<b>1,044</b>	<b>1,129</b>	<b>709</b>	<b>(37%)</b>	<b>(32%)</b>	<b>8,023</b>	<b>5,040</b>	<b>(37%)</b>
Other Fees (acquisition costs)	(480)	(550)	<b>(512)</b>	7%	(7%)	(2,261)	<b>(2,175)</b>	4%
Securities-Realized Gains	43	8	<b>83</b>	960%	92%	184	<b>169</b>	(8%)
Other Operating Income (Expenses)	299	213	<b>663</b>	211%	122%	841	<b>1,337</b>	59%
<b>Total Operating Income</b>	<b>906</b>	<b>800</b>	<b>942</b>	<b>18%</b>	<b>4%</b>	<b>6,787</b>	<b>4,371</b>	<b>(36%)</b>
Non Interest Expense	247	339	<b>426</b>	26%	72%	1,306	1,525	17%
<b>Operating Income</b>	<b>659</b>	<b>461</b>	<b>516</b>	<b>12%</b>	<b>(22%)</b>	<b>5,481</b>	<b>2,846</b>	<b>(48%)</b>
Taxes	186	136	<b>59</b>	(56%)	(68%)	1,629	740	(55%)
Subsidiaries' Net Income	485	467	<b>619</b>	33%	28%	1,909	1,954	2%
Minority Interest	(11)	(10)	<b>(9)</b>	9%	22%	(42)	<b>(38)</b>	10%
<b>Net Income</b>	<b>946</b>	<b>782</b>	<b>1,068</b>	<b>37%</b>	<b>13%</b>	<b>5,719</b>	<b>4,022</b>	<b>(30%)</b>
Shareholder's Equity	28,325	21,488	<b>22,468</b>	5%	(21%)	28,325	<b>22,468</b>	(21%)
Total Assets	65,038	59,797	<b>62,714</b>	5%	(4%)	65,038	<b>62,714</b>	(4%)
Technical Reserves	29,897	32,309	<b>34,079</b>	5%	14%	29,897	<b>34,079</b>	14%
Premiums sold	5,104	4,825	<b>5,900</b>	22%	16%	26,911	<b>27,787</b>	3%
Coverage ratio of technical reserves	1.29	1.09	<b>1.06</b>	(0.03 pp)	(0.23 pp)	1.29	<b>1.06</b>	(0.2 pp)
Solvency capital requirement coverage ratio *	9.10	3.86	<b>3.71</b>	(0.2 pp)	(5.4 pp)	9.10	<b>3.71</b>	(5.4 pp)
Coverage ratio of minimum capital	255.4	186.9	<b>195.8</b>	8.9 pp	(59.5 pp)	255.4	<b>195.8</b>	(59.5 pp)
Claims ratio	85%	83%	<b>93%</b>	9.8 pp	7.9 pp	69%	81%	11.9 pp
Combined ratio	94%	97%	<b>98%</b>	0.5 pp	4.2 pp	80%	90%	10.2 pp
ROE	13.8%	12.2%	<b>19.8%</b>	7.6 pp	6.0 pp	22.4%	<b>15.4%</b>	(7.0 pp)
ROE ex-Afore	17.8%	14.4%	<b>31.5%</b>	17.0 pp	13.6 pp	42.4%	<b>22.6%</b>	(19.8 pp)

\*Solvency Capital Requirement prior to December 2021

**Interest income (Net)** increased 5% **sequentially**, while compared to 2020 they were down **(28%)** mainly due to lower interest income from valuation effects, given rate volatility.

**Premium Income (Net)** grew 24% **sequentially** due to policies renewals at year-end, and consequently, significantly higher technical reserves. Claims were 9% higher compared to 3Q21, mainly by auto and, to a lesser extent, medical expenses, compensated by damages portfolio. When compared to 4Q20, claims decreased (5%). As a result, the **technical result for the quarter decreased (Ps 441) million or (59%) sequentially**.

With accumulated figures of **2021**, **premium income increased 2%** due to renewals and issuance of policies. **Reserves increased 36% in the year**, considering that in 2021 reserves were adjusted in relation to the increase in COVID-related claims, which are evident in the **13% increase in claims**, mainly in the life portfolio. Reserves include a Ps 298 million increase from the Principal portfolio acquisition in December. As a result, **technical results dropped (40%)**.

The **Net Operating Income** rose 12%, totaling **Ps 516 million in 4Q21**, although still below 4Q20 levels. Compared to 2020, it dropped (48%), showing a clear effect on claims incurred given COVID. Following the portfolio acquisition from Principal, there was a Ps 455 million revenue recognition in 4Q21, with a net effect of Ps 110 million. At the end of 2021, the effect in claims related to COVID was Ps 3.54 billion, whereas in the quarter, it was Ps 447 million.

**Net Income** for the quarter totaled **Ps 1.07 billion**, a 37% increase vs. 3Q21, and **(30%)** lower vs. 2020. Quarterly **Net Income** for Seguros Banorte, **excluding its subsidiary Afore XXI Banorte**, totaled **Ps 459 million**, while the accumulated result of 2021 was Ps 2.10 billion, representing a (45%) contraction.

Net Income for the quarter from Seguros Banorte, excluding its subsidiary Afore XXI Banorte, contributed with 5.1% of GFNorte's net income in 4Q21, and represented 6.0% of the Group's net income in the year.



**ROE** for the Insurance business, excluding Afore XXI Banorte, had a significant increase vs. the last quarter, reaching **31.5% in 4Q21**, and 22.6% in 2021.

Regarding the disclosure requested by the General Provisions applicable to the Financial Groups' holding companies, the following was presented for this reporting period:

- i. Risks assumed through the issuance of insurance premiums and bonds, with respect to operations and authorized branches of cancelled operations:
  - *No cancellations were registered during 4Q21 that involved any technical risk.*
- ii. Damages and claims, as well as compliance of reinsurers and bonding companies with their obligations:
  - *In 4Q21 damage ratios remained under control and reinsurers complied with their obligations.*
- iii. Costs generated from issuance of insurance policies and bonds:
  - *There were no relevant events to disclose in 4Q21.*
- iv. Transfer of risks through reinsurance and bonding contracts:
  - *In the Accidents and Diseases, and Life and Damages books, risks were transferred to reinsurers, for the most part to foreign reinsurers, under which there were 5 relevant exposures: 2 related to the government, 2 related to industrial transformation, and 1 in accommodation services.*
- v. Contingencies arising from non-compliance of reinsurers and bonding companies:
  - *There were no relevant issues related to non-compliance during 4Q21.*

## Afore XXI Banorte

Afore XXI Banorte (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Net Income	969	934	<b>1,239</b>	33%	28%	3,818	<b>3,909</b>	2%
Shareholder's Equity	25,551	24,773	<b>26,000</b>	5%	2%	25,551	<b>26,000</b>	2%
Total Assets	28,049	27,019	<b>28,176</b>	4%	0%	28,049	<b>28,176</b>	0%
AUM (SIEFORE)	1,016,188	1,065,791	<b>1,093,819</b>	3%	8%	1,016,188	<b>1,093,819</b>	8%
ROE	15.5%	15.4%	<b>19.5%</b>	4.2 pp	4.0 pp	15.6%	<b>15.9%</b>	0.3 pp

In 4Q21, Afore XXI Banorte reported a **net income** of **Ps 1.24 billion**, with a 2% increase in income, as well as a decrease in expenses. Compared to 2020, a 2% increase was reported due to a 2% higher income and a decline in operating costs.

**ROE** reached **19.5%** in 4Q21, increasing 4.2 pp in the quarter; compared to 2020, there was a 0.3 pp improvement. Excluding goodwill, **Return on Tangible Equity (ROTE)** reached **49.62% in 2021**.

Afore XXI Banorte represented 6.7% of the Financial Group's net income in 4Q21 and 5.5% in the year.

Afore XXI Banorte's **assets under management**, totaled **Ps 1.09 trillion**; representing a **3% increase** in the quarter and an **8% increase** compared to 4Q20.

## Pensiones Banorte

Income Statement and Balance Sheet Highlights - Annuities - Pensiones Banorte (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
<b>Interest Income (Net)</b>	2,888	4,297	<b>7,136</b>	66%	147%	10,778	<b>20,378</b>	89%
Premium Income (Net)	4,615	6,201	<b>6,169</b>	(1%)	34%	14,334	<b>22,649</b>	58%
Net Increase in Technical Reserves	4,617	7,149	<b>9,686</b>	35%	110%	14,847	<b>29,822</b>	101%
Claims and Other Obligations	2,162	2,587	<b>2,732</b>	6%	26%	8,039	<b>9,941</b>	24%
<b>Technical Results</b>	(2,164)	(3,534)	<b>(6,249)</b>	(77%)	(189%)	(8,552)	<b>(17,114)</b>	(100%)
<b>Net Interest Income (NII)</b>	<b>725</b>	<b>763</b>	<b>886</b>	<b>16%</b>	<b>22%</b>	<b>2,226</b>	<b>3,264</b>	<b>47%</b>
Net Fees	-	-	-	N.A.	N.A.	(1)	-	100%
Securities-Realized Gains	86	2	<b>50</b>	1973%	(42%)	232	<b>85</b>	(63%)
Other Operating Income (Expenses)	14	36	<b>(21)</b>	(158%)	(254%)	165	<b>19</b>	(88%)
<b>Total Operating Income</b>	<b>824</b>	<b>801</b>	<b>916</b>	<b>14%</b>	<b>11%</b>	<b>2,622</b>	<b>3,369</b>	<b>28%</b>
Non Interest Expense	109	128	<b>126</b>	(2%)	16%	412	494	20%
<b>Operating Income</b>	<b>716</b>	<b>674</b>	<b>790</b>	<b>17%</b>	<b>10%</b>	<b>2,210</b>	<b>2,875</b>	<b>30%</b>
Taxes	215	202	<b>243</b>	20%	13%	665	869	31%
Subsidiaries' Net Income	2	1	<b>(3)</b>	(363%)	(220%)	7	1	(81%)
Minority Interest	-	-	-	N.A.	N.A.	-	-	N.A.
<b>Net Income</b>	<b>503</b>	<b>472</b>	<b>545</b>	<b>15%</b>	<b>8%</b>	<b>1,551</b>	<b>2,007</b>	<b>29%</b>
Shareholder's Equity	6,448	7,898	<b>8,439</b>	7%	31%	6,448	<b>8,439</b>	31%
Total Assets	167,078	198,386	<b>208,506</b>	5%	25%	167,078	<b>208,506</b>	25%
Technical Reserves	157,786	186,969	<b>196,269</b>	5%	24%	157,786	<b>196,269</b>	24%
Premiums sold	4,615	6,201	<b>6,169</b>	(1%)	34%	14,334	<b>22,649</b>	58%
Coverage ratio of technical reserves	1.0	1.0	<b>1.0</b>	0.0 pp	0.0 pp	1.0	<b>1.0</b>	0.0 pp
Solvency capital requirement coverage ratio	7.1	7.1	<b>7.3</b>	0.2 pp	0.2 pp	7.1	<b>7.3</b>	0.2 pp
Coverage ratio of minimum capital	36.0	42.70	<b>45.6</b>	2.9 pp	9.6 pp	36.0	<b>45.6</b>	9.6 pp
ROE	32.4%	24.7%	<b>26.7%</b>	2.0 pp	(5.8 pp)	27.7%	<b>27.0%</b>	(0.7 pp)

In 4Q21, **interest income (Net)** amounted to **Ps 7.14 billion**, reflecting a **66%** sequential **increase**, driven primarily by the positive valuation effect in UDIS. Compared to 2020, interest income (net) **increased 89%** or Ps 9.60 billion, out of which, Ps 8.42 billion were related to the valuation effect and Ps 1.18 billion to earned interests.

**Technical Results decreased (Ps 2.18) billion sequentially** given lower premium income in the quarter; a Ps 2.54 billion increase in technical reserves, derived from inflationary adjustments; and a Ps 145 million increase in claims. Therefore, **Net Interest Income rose 16% in 4Q21**.

Compared to 2020, issuance grew strongly 58%, and technical reserves rose 101%, out of which, Ps 8.34 billion are due to business growth, and Ps 6.10 billion due to the valuation effect on inflation; claims increased 24%. As a result, **Net Interest Income in 2021 was 47% higher**.

Other Operating Income (Expenses) includes the gain from the acquisition of HSBC's annuity portfolio for Ps 34 million, while in 2020 SURA's portfolio acquisition was registered for Ps 148 million.

**Net income** for Pensiones Banorte **increased 15% sequentially and 29% or Ps 665 million with annual accumulated figures**, of which Ps 512 million are explained by the reserves release associated to the incremental mortality of COVID-19

Net income of **Pensiones Banorte represented 6.0% of the Financial Group's net income in 4Q21**.

**ROE of Pensiones Banorte** stood at **26.7%** in the quarter, **an increase of 203bps** QoQ, while for 2021, it dropped (68bps) to 27.0%, from 27.7% in 2020.

## Brokerage

Brokerage Sector (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
Net Income	356	402	<b>314</b>	(22%)	(12%)	1,492	<b>1,621</b>	9%
Shareholder's Equity	6,130	7,326	<b>7,635</b>	4%	25%	6,130	<b>7,635</b>	25%
Assets Under Custody	889,022	983,675	<b>956,344</b>	(3%)	8%	889,022	<b>956,344</b>	8%
Total Assets	245,804	310,373	<b>297,859</b>	(4%)	21%	245,804	<b>297,859</b>	21%
ROE	23.9%	22.3%	<b>16.8%</b>	(5.5 pp)	(7.1 pp)	27.6%	<b>23.3%</b>	(4.4 pp)
Net Capital (1)	4,525	5,586	<b>5,805</b>	4%	28%	4,525	<b>5,805</b>	28%

1) Net capital structure: Core Equity =Ps 5.81 billion, Additional Capital= Ps 0 million.

The **Brokerage business** (Casa de Bolsa Banorte and Operadora de Fondos) reported a **net income of Ps 314 million in 4Q21**, a (22%) sequential decline mainly due to an increase in the quarterly expenses. Compared to 2020, net income rose 9%, due to higher interest income and fees charged.

Net income from the brokerage business in 4Q21 accounted for 3.5% of the group's net income.

### Assets Under Management

At the end of 4Q21, AUMs totaled **Ps 956 billion**, down (3%) in the quarter and 8% higher in the annual comparison.

**Assets under management** by mutual funds totaled **Ps 222 billion**, representing a **1.11% annual increase**. Assets held in **fixed income funds** totaled **Ps 194 billion, 7% higher** in the quarter, and (1.6%) lower in the year. Assets held in **equity funds** amounted to **Ps 27 billion, up 7%** in the quarter and 26% higher in the year.

As of 4Q21, Banorte held an 7.95% share of the mutual fund market comprised of a 10.62% share of fixed income funds and 2.84% of equity funds.

## SOFOM and other Finance Companies

SOFOM & Other Finance Companies (Million Pesos)	4Q20	3Q21	4Q21	Change		2020	2021	Change 2020
				3Q21	4Q20			
<b>Warehousing</b>								
Net Income	10	5	4	(17%)	(56%)	37	23	(39%)
Shareholder's Equity	283	301	305	1%	8%	283	305	8%
Inventories	945	960	1,026	7%	9%	945	1,026	9%
Total Assets	1,154	1,167	1,224	5%	6%	1,154	1,224	6%
ROE	14.6%	7.2%	5.9%	(1.4 pp)	(8.7 pp)	14.2%	7.7%	(6.5 pp)
<b>Arrendadora y Factor (previous Sólida Administradora de Portafolios*)</b>								
Net Income	78	208	115	(45%)	47%	605	669	11%
Shareholder's Equity	9,335	9,889	10,005	1%	7%	9,335	10,005	7%
Loan Portfolio (1)	38,725	36,603	40,754	11%	5%	38,725	40,754	5%
Past Due Loans	351	646	669	4%	90%	351	669	90%
Past Due Loan Ratio	0.9%	1.8%	1.6%	(0.1 pp)	0.8 pp	0.9%	1.6%	0.8 pp
Loan Loss Reserves	540	481	507	5%	(6%)	540	507	(6%)
Total Assets	45,725	43,204	47,254	9%	3%	45,725	47,254	3%
ROE	3.4%	8.6%	4.7%	(3.9 pp)	1.3 pp	11.2%	7.0%	(4.2 pp)
<b>Fusión Sólida AyF (Ejercicio de fusión en la historia)</b>								
Net Income	78	208	115	(45%)	47%	605	669	11%
Shareholder's Equity	9,335	9,889	10,005	1%	7%	9,335	10,005	7%
Loan Portfolio (1)	38,725	36,603	40,754	11%	5%	38,725	40,754	5%
Past Due Loans	351	646	669	4%	90%	351	669	90%
Past Due Loan Ratio	0.9%	1.8%	1.6%	(0.1 pp)	0.8 pp	0.9%	1.6%	0.8 pp
Loan Loss Reserves	540	481	507	5%	(6%)	540	507	(6%)
Total Assets	45,725	43,204	47,254	9%	3%	45,725	47,254	3%
ROE	3.4%	8.6%	4.7%	(0.5 pp)	0.4 pp	6.7%	7.0%	0.1 pp
<b>Ixe Servicios</b>								
Net Income	(0.4)	0.0	0.2	542%	146%	(1.8)	(21.6)	(1098%)
Shareholder's Equity	135	113	1,598	1309%	1082%	135	1,598	1082%
Total Assets	135	889	1,779	100%	1214%	135	1,779	1214%
ROE	(1.1%)	0.1%	0.1%	(0.0 pp)	1.1 pp	(1.3%)	(5.2%)	(3.9 pp)

1) Includes operating lease portfolio of Ps 2.01 billion, and proprietary fixed assets of Ps 1.24 billion, both registered in property, plant, and equipment (net). \*For informational purposes.

### Leasing and Factoring (Merger between Sólida and Arrendadora)

Results shown result from the merger that took place on July 1<sup>st</sup>, 2020 and from a historic exercise for comparison purposes.

**Net income** in 4Q21 totaled **Ps 115 million**, a quarterly fall of (45%) due to an increase in administrative expenses as well as charged deferred taxes derived from annual adjustment effects. The latter, despite growth in interest income. Additionally, an 11% improvement was presented in the annual accumulated comparison due to a 15% growth in the financial margin as well as 86% higher other operating income.

**Non-performing loan ratio reached 1.6%**, reporting an improvement vs. the previous quarter. The Coverage ratio totaled 75.8%, 1.3 pp above in the quarterly comparison. **The Capital ratio for 4Q21** totaled 23.04% considering total risk weighted assets of Ps 36.03 billion. The leverage ratio as of September 2021 and December 2021, totaled 17.71% and 16.70%, respectively, considering adjusted assets of Ps 45.57 billion and Ps 49.71 billion.

In 4Q21, Net Income from Leasing and Factoring represented 1.3% of the group's total results. As of September 2021, Arrendadora y Factor Banorte continues to rank second in terms of portfolio size among the 64 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

### Warehouse

In 4Q21, the Warehousing business posted a net income of Ps 4 million, (17%) lower versus the last quarter, explained by (2%) lower income from services, as well as an 18% increase in expenses. ROE reached 5.9% and the Capital Ratio reached 219%, considering a net capital base of Ps 305 million and negotiable certificates of deposit issued in active warehouses for Ps 2.34 billion.

As of June 2021, Almacenadora Banorte has ranked third among the warehousing businesses in the sector in terms of net income.

## III. General Information

### GFNORTE's Analyst Coverage

In compliance with the requirements of BOLSA MEXICANA DE VALORES, S.A.B. DE C.V, we present the list of brokers who provide an analysis coverage for GFNORTEO.

BROKER	ANALYST	RECOMMENDATION	DATE
Autonomous	Geoffrey Elliott	Buy	3-Dec-21
Barclays	Gilberto García	Buy	25-Oct-21
BBVA	Rodrigo Ortega	Buy	22-Oct-21
BOFA - Merrill Lynch	M. Pierry / E. Gabilondo	Buy	18-Nov-21
BTG Pactual	Eduardo Rosman	Buy	21-Oct-21
Citi	Jorg Friedman	Buy	21-Oct-21
Credit Suisse	M. Telles / A. García	Buy	21-Oct-21
Bradesco	Gustavo Schroden	Buy	6-Dec-21
GBM	Carlos de Legarreta	Buy	29-Oct-20
Goldman Sachs	Tito Labarta	Buy	14-Jan-22
Intercam	Alejandro González	Buy	21-Oct-21
JP Morgan	Domingos Falavina	Buy	5-Nov-21
Scotia	Jason Mollin	Buy	22-Oct-21
UBS	Thiago Batista	Buy	21-Oct-21
Vector	Marco Montañez	Buy	22-Jul-21
Actinver	Enrique Mendoza	Hold	13-Jan-22
HSBC	Carlos Gómez	Hold	9-Nov-21
Invex	Montserrat Antón	Hold	21-Oct-21
Itaú BBA	Arturo Langa	Hold	21-Oct-21
Monex	Verónica Uribe	Hold	21-Oct-21
Morgan Stanley	Jorge Kuri	Hold	22-Oct-21
Nau	Iñigo Vega	Hold	29-Mar-21
Santander	Claudia Benavente	Hold	21-Oct-21

### Capital Structure

Number of Shares (Million)	SERIES O As of December 2021
Number of Issued , Subscribed and Paid Shares	2,883,456,594
Number of Shares Outstanding	2,883,456,594

## IV. Financial Statements

### Grupo Financiero Banorte

Income Statement -GFNorte (Million Pesos)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Interest Income	36,519	32,350	32,987	30,296	32,212	30,911	32,894	37,237
Interest Expense	14,237	13,032	10,149	9,324	9,475	9,155	10,021	10,813
Charged Fees	360	346	354	380	352	362	377	379
Fees Paid	291	270	281	314	314	313	335	346
<b>Net Interest Income from interest &amp; fees (NIL)</b>	<b>22,351</b>	<b>19,395</b>	<b>22,911</b>	<b>21,038</b>	<b>22,775</b>	<b>21,806</b>	<b>22,915</b>	<b>26,456</b>
Premium Income (Net)	12,155	8,118	7,385	9,192	15,340	8,602	10,319	11,309
Net Increase in Technical Reserves	7,946	1,216	4,262	4,368	11,016	4,983	7,071	10,748
Damages, Claims and Other Obligations	4,592	5,613	5,433	6,281	7,097	5,777	6,157	6,634
<b>Net Interest Income (NIL)</b>	<b>21,968</b>	<b>20,683</b>	<b>20,601</b>	<b>19,580</b>	<b>20,002</b>	<b>19,649</b>	<b>20,007</b>	<b>20,383</b>
Preventive Provisions for Loan Losses	4,344	8,456	3,138	5,993	3,215	2,765	2,653	2,719
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>17,623</b>	<b>12,227</b>	<b>17,463</b>	<b>13,587</b>	<b>16,788</b>	<b>16,883</b>	<b>17,354</b>	<b>17,664</b>
Fund Transfers	400	476	489	513	473	530	517	552
Account Management Fees	578	508	548	529	494	491	481	491
Electronic Banking Services	2,336	2,027	2,379	3,033	2,916	3,212	3,246	4,049
For Commercial and Mortgage Loans	495	394	129	366	296	278	329	345
For Consumer and Credit Card Loans	1,242	1,049	1,148	1,292	1,164	1,263	1,307	1,505
Fiduciary	119	102	113	153	106	177	136	110
Income from Real Estate Portfolios	5	11	6	19	10	23	24	19
Mutual Funds	461	486	501	504	484	503	507	513
Trading & Financial Advising Fees	147	126	128	142	188	166	137	169
Other Fees Charged	331	226	268	223	250	42	51	35
<b>Fees Charged on Services</b>	<b>6,115</b>	<b>5,406</b>	<b>5,708</b>	<b>6,775</b>	<b>6,380</b>	<b>6,685</b>	<b>6,736</b>	<b>7,788</b>
Interchange Fees	1,226	1,018	1,228	1,684	1,625	1,911	1,923	2,515
Insurance Fees	473	353	317	227	339	236	295	237
Other Fees Paid	961	966	1,066	1,264	1,202	1,248	1,062	1,013
<b>Fees Paid on Services</b>	<b>2,660</b>	<b>2,337</b>	<b>2,611</b>	<b>3,176</b>	<b>3,166</b>	<b>3,396</b>	<b>3,279</b>	<b>3,785</b>
<b>Net Service Fees</b>	<b>3,455</b>	<b>3,069</b>	<b>3,096</b>	<b>3,599</b>	<b>3,214</b>	<b>3,289</b>	<b>3,457</b>	<b>4,003</b>
Currency and Metals	1,235	(501)	(309)	(1,483)	575	(453)	357	(549)
Derivatives	(1,238)	1,139	531	309	111	164	123	481
Neotiable Instruments	(166)	(111)	80	92	(579)	122	636	107
<b>Valuation</b>	<b>(169)</b>	<b>527</b>	<b>302</b>	<b>(1,083)</b>	<b>107</b>	<b>(167)</b>	<b>1,116</b>	<b>40</b>
Currency and Metals	(862)	774	464	1,930	764	838	399	1,155
Derivatives	1,742	(323)	2	(169)	5	(10)	(121)	(142)
Neotiable Instruments	455	724	359	180	87	180	(278)	423
<b>Trading</b>	<b>1,335</b>	<b>1,175</b>	<b>826</b>	<b>1,941</b>	<b>857</b>	<b>1,008</b>	<b>0</b>	<b>1,436</b>
<b>Trading Income</b>	<b>1,166</b>	<b>1,703</b>	<b>1,128</b>	<b>858</b>	<b>964</b>	<b>840</b>	<b>1,116</b>	<b>1,476</b>
Loan Recovery	-	-	-	-	-	-	-	-
Loan Portfolios	80	63	90	69	99	85	91	95
Income from foreclosed assets	88	132	165	129	87	132	87	195
Provisions Release	-	-	-	-	-	-	-	-
Impairment of Assets	(55)	-	-	-	-	-	-	(372)
Lease Income	100	77	11	62	64	57	45	66
From Insurance	211	322	198	317	275	195	252	648
Securitization Operation Valuation	31	6	15	(36)	0	0	-	-
Other Operating Expense	(128)	541	178	319	298	141	60	115
<b>Total Other Operating Income (Expense)</b>	<b>327</b>	<b>1,140</b>	<b>656</b>	<b>859</b>	<b>822</b>	<b>609</b>	<b>535</b>	<b>746</b>
<b>Total Non Interest Income</b>	<b>4,949</b>	<b>5,911</b>	<b>4,880</b>	<b>5,315</b>	<b>5,000</b>	<b>4,739</b>	<b>5,108</b>	<b>6,225</b>
<b>Total Operating Income</b>	<b>22,572</b>	<b>18,139</b>	<b>22,343</b>	<b>18,903</b>	<b>21,788</b>	<b>21,622</b>	<b>22,462</b>	<b>23,889</b>
Personnel	3,930	3,891	4,037	4,660	4,006	4,273	4,368	4,701
Employee Profit Sharing (PTU)	133	133	133	136	139	139	141	1,113
Professional Fees	749	801	861	962	806	808	820	927
Administrative and Promotional Expenses	2,382	2,032	2,075	2,141	2,223	1,914	1,982	2,714
Rents, Depreciation & Amortization	1,946	2,047	2,074	2,136	2,243	2,240	2,237	2,253
Taxes other than income tax & non deductible expenses	498	483	496	648	553	589	581	575
Contributions to IPAB/Fobaproa	828	919	951	931	912	889	889	905
<b>Total Non Interest Expense</b>	<b>10,466</b>	<b>10,307</b>	<b>10,627</b>	<b>11,612</b>	<b>10,883</b>	<b>10,851</b>	<b>11,017</b>	<b>13,188</b>
<b>Operating Income</b>	<b>12,106</b>	<b>7,832</b>	<b>11,717</b>	<b>7,290</b>	<b>10,905</b>	<b>10,771</b>	<b>11,445</b>	<b>10,701</b>
Subsidiaries' Net Income	353	648	492	509	429	675	532	637
<b>Pre-Tax Income</b>	<b>12,459</b>	<b>8,480</b>	<b>12,208</b>	<b>7,800</b>	<b>11,334</b>	<b>11,446</b>	<b>11,977</b>	<b>11,338</b>
Income Tax	3,555	947	2,477	2,268	1,909	1,738	2,295	1,232
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	(328)	939	702	(511)	769	1,017	680	916
<b>Taxes</b>	<b>3,228</b>	<b>1,886</b>	<b>3,178</b>	<b>1,757</b>	<b>2,678</b>	<b>2,756</b>	<b>2,975</b>	<b>2,148</b>
<b>Net Income from Continuous Operations</b>	<b>9,231</b>	<b>6,593</b>	<b>9,030</b>	<b>6,043</b>	<b>8,656</b>	<b>8,690</b>	<b>9,002</b>	<b>9,191</b>
Discontinued Operations	-	-	-	-	-	-	-	-
Minority Interest	(113)	(75)	(124)	(77)	(112)	(122)	(128)	(129)
<b>Net Income</b>	<b>9,118</b>	<b>6,518</b>	<b>8,906</b>	<b>5,966</b>	<b>8,544</b>	<b>8,568</b>	<b>8,874</b>	<b>9,061</b>

GFNorte - Balance Sheet (Million Pesos)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
<b>ASSETS</b>								
Cash and Due from Banks	90,877	106,047	100,081	109,306	116,394	110,852	67,769	98,842
Margin Accounts	9,701	18,353	16,312	18,099	11,012	8,703	8,268	7,999
Negotiable Instruments	238,956	243,834	223,752	223,390	260,030	252,901	260,759	258,201
Securities Available for Sale	204,963	231,114	251,225	244,823	236,274	231,710	234,479	233,594
Securities Held to Maturity	156,631	169,514	189,366	193,652	207,858	215,382	233,050	258,562
Investment in Securities	600,550	644,463	664,342	661,865	704,162	699,992	728,289	750,357
Non-assigned Securities for	-	-	-	-	-	-	-	-
Debtor Balance in Repo Trans, net	2,810	1,928	3,797	4,036	3,148	2,928	2,957	4,487
Securities Lending	-	-	-	-	-	-	-	-
For trading purposes	48,940	61,705	53,819	48,233	28,458	24,423	25,999	26,941
For hedging purposes	1,292	2,384	1,885	2,043	609	648	753	1,055
Operations w /Derivatives &								
Transactions with Derivatives	50,232	64,089	55,704	50,277	29,068	25,072	26,751	27,996
Operations w /Derivatives &	53,042	66,017	59,500	54,313	32,215	28,000	29,709	32,483
Valuation adjustments for Asset	65	62	58	54	51	47	43	40
Commercial Loans	318,439	326,535	324,981	325,183	324,529	316,575	326,413	333,265
Financial Intermediaries' Loans	9,067	9,502	9,882	11,172	8,445	8,873	8,188	10,916
Consumer Loans	117,537	115,601	118,321	116,484	116,092	118,322	119,510	121,875
Mortgage Loans	173,226	177,282	182,685	187,736	191,220	196,125	197,737	200,459
Medium and Residential	170,143	174,331	179,791	184,980	188,529	193,554	195,245	198,057
low income housing	8	5	5	4	4	3	3	3
Loans acquired from INFONAVIT or	3,075	2,946	2,889	2,752	2,687	2,567	2,489	2,400
Restructuring or improvement								
guaranteed by development banks or								
public trusts	-	-	-	-	-	-	-	-
Government Entities' Loans	161,549	162,717	162,609	161,563	160,042	154,649	161,400	154,318
Performing Loans	779,818	791,637	798,478	802,138	800,328	794,544	813,247	820,833
Commercial PDL's	7,047	2,604	2,212	2,530	3,649	5,498	4,471	3,252
Financial Intermediaries PDL's	4	-	-	-	-	-	-	-
Consumer PDL's	4,052	4,229	2,350	4,706	4,694	3,551	3,191	3,018
Mortgage PDL's	2,070	2,305	1,811	1,658	2,071	1,966	2,135	2,077
Medium and Residential	1,834	2,025	1,612	1,429	1,819	1,709	1,859	1,802
low income housing	0	1	1	1	0	0	0	0
Loans acquired from INFONAVIT or	235	279	198	228	252	258	277	275
Restructuring or improvement								
guaranteed by development banks or								
public trusts	-	-	-	-	-	-	-	-
Government Entities PDL's	40	115	288	38	192	186	159	159
Past Due Loans	13,212	9,254	6,660	8,931	10,607	11,202	9,956	8,505
Gross Loan Portfolio	793,030	800,891	805,138	811,070	810,935	805,746	823,204	829,338
Preventive Loan Loss Reserves	18,504	18,555	17,666	20,004	19,670	18,175	17,297	16,251
Net Loan Portfolio	774,525	782,337	787,473	791,066	791,265	787,571	805,906	813,088
Acquired Collection Rights	1,500	1,438	1,341	1,617	1,529	1,421	1,260	1,036
Total Credit Portfolio	776,025	783,774	788,814	792,682	792,794	788,992	807,166	814,124
Account Receivables from Insurance								
and Annuities	2,205	2,432	2,591	2,756	3,157	2,806	3,039	3,221
Premium Debtors (Net)	8,003	9,196	7,032	4,353	11,144	8,638	7,016	4,284
Account Receivables from Reinsurance	8,162	8,872	7,924	7,269	7,521	7,707	7,981	7,451
Benef. receivab. securization								
transactions	161	156	151	110	2	-	-	-
Sundry Debtors & Other Accs Rec, Net	85,131	50,981	55,704	42,481	37,992	49,790	46,593	33,665
Inventories	758	1,299	1,053	945	832	611	960	1,026
Foreclosed Assets, Net	1,096	1,075	976	1,553	1,552	1,953	1,949	1,873
Real Estate, Furniture & Equipment, Net	19,833	31,151	31,682	32,627	32,806	20,502	20,803	21,451
Investment in Subsidiaries	13,489	13,894	14,368	14,804	13,511	14,155	14,476	15,004
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	3,742	201	0	0	(0)	0	0	0
Goodwill and Intangibles	51,139	40,257	39,203	39,439	39,790	54,416	54,533	53,864
Other Assets Short and Long Term	5,300	5,351	5,515	5,247	5,272	5,198	5,101	5,194
Other Assets								
	199,020	164,866	166,199	151,585	153,579	165,777	162,451	147,035
<b>TOTAL ASSETS</b>	<b>1,729,280</b>	<b>1,783,581</b>	<b>1,795,306</b>	<b>1,787,904</b>	<b>1,810,207</b>	<b>1,802,363</b>	<b>1,803,695</b>	<b>1,850,879</b>

<b>GFNorte - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<b>LIABILITIES</b>								
Demand Deposits	433,849	469,861	496,641	520,283	541,002	529,030	511,091	528,051
Time Deposits-Retail	274,681	265,100	251,418	252,271	246,883	243,038	246,329	240,051
Time Deposits-Money Market	26,894	28,433	26,741	14,248	8,069	3,364	3,261	100
Global Account of deposits w/without	2,213	2,368	2,489	2,585	2,639	2,744	2,825	3,023
Senior Unsecured Debt	35,355	35,386	35,815	32,325	31,937	31,907	29,786	27,800
<b>Deposits</b>	<b>772,993</b>	<b>801,148</b>	<b>813,104</b>	<b>821,712</b>	<b>830,531</b>	<b>810,082</b>	<b>793,292</b>	<b>799,025</b>
Demand Loans	5,000	0	0	0	0	0	0	7,809
Short Term Loans	20,824	47,365	22,185	22,499	20,054	19,531	16,829	18,089
Long Term Loans	11,675	14,452	13,223	13,522	13,962	14,223	13,952	13,589
<b>Due to Banks &amp; Correspondents</b>	<b>37,499</b>	<b>61,817</b>	<b>35,408</b>	<b>36,021</b>	<b>34,016</b>	<b>33,754</b>	<b>30,780</b>	<b>39,488</b>
Technical Reserves	162,887	179,930	183,866	187,846	200,479	204,291	219,403	230,425
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	354,238	353,211	352,628	353,094	371,414	382,616	374,310	377,069
Secs to be received in Repo Trans, Net	-	-	0	0	0	0	0	-
Repos (Credit Balance)	16	8	2	13	19	55	36	31
Securities' Loans	-	-	0	8	13	22	6	-
Transactions w/ith Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	<b>16</b>	<b>8</b>	<b>2</b>	<b>21</b>	<b>31</b>	<b>77</b>	<b>43</b>	<b>31</b>
For trading purposes	50,574	58,754	50,121	44,097	24,508	20,011	21,637	22,442
For hedging purposes	10,487	7,682	7,189	4,990	5,566	5,623	6,565	6,571
Operations w/ Derivatives & Securities								
<b>Transactions with Derivatives</b>	<b>61,062</b>	<b>66,436</b>	<b>57,310</b>	<b>49,087</b>	<b>30,073</b>	<b>25,634</b>	<b>28,202</b>	<b>29,013</b>
<b>Total Operations w/ Derivatives &amp;</b>	<b>415,316</b>	<b>419,655</b>	<b>409,939</b>	<b>402,202</b>	<b>401,518</b>	<b>408,328</b>	<b>402,555</b>	<b>406,113</b>
Valuation adjustments for financial	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	2,311	3,159	2,918	2,269	3,145	2,790	2,501	2,514
Income Tax Payable	3,538	2,718	3,521	4,365	1,895	1,660	2,407	1,614
Profit Sharing Payable	639	280	407	538	187	297	433	1,380
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	31,188	4,621	11,182	4,892	4,020	8,282	6,837	3,398
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	46,614	44,126	50,021	42,775	43,030	42,812	45,420	44,396
<b>Other Payable Accounts</b>	<b>81,979</b>	<b>51,745</b>	<b>65,131</b>	<b>52,570</b>	<b>49,132</b>	<b>53,051</b>	<b>55,097</b>	<b>50,789</b>
Subordinated Non Convertible Debt	58,423	57,321	66,241	57,152	58,759	57,243	59,186	80,574
Deferred Taxes, Net	(0)	0	897	1,618	1,139	2,242	2,694	3,346
Deferred Credits	382	462	430	1,411	1,346	1,260	1,248	1,367
<b>TOTAL LIABILITIES</b>	<b>1,531,790</b>	<b>1,575,237</b>	<b>1,577,935</b>	<b>1,562,801</b>	<b>1,580,066</b>	<b>1,573,041</b>	<b>1,566,755</b>	<b>1,613,640</b>
<b>EQUITY</b>								
Paid-in Capital	14,944	14,901	14,901	14,919	14,936	14,936	14,939	14,957
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	48,091	48,316	48,509	48,269	47,863	48,283	48,491	48,292
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>63,034</b>	<b>63,217</b>	<b>63,410</b>	<b>63,188</b>	<b>62,799</b>	<b>63,219</b>	<b>63,430</b>	<b>63,248</b>
Capital Reserves	5,418	8,746	8,753	9,215	9,719	8,415	8,451	8,835
Retained Earnings	125,934	120,910	119,734	118,773	148,359	139,558	138,647	130,076
Surplus (Deficit) of Secs Available for Sale	(2,851)	574	1,771	3,801	2,199	2,615	2,424	1,594
Results from Valuation of Hedging Secs	(3,895)	(1,398)	(1,677)	(887)	(2,214)	(2,451)	(2,810)	(2,661)
Result in the valuation reserve for unexpired risks variations in rates	1	(184)	(190)	(231)	(110)	(103)	(85)	(118)
Results from Conversions	348	326	269	134	166	132	173	169
Remeasurements defined benefits for employees	(1,894)	(1,927)	(1,960)	(2,259)	(2,229)	(2,199)	(2,174)	(1,957)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee's	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	9,118	15,636	24,542	30,508	8,544	17,112	25,987	35,048
<b>Earned Capital</b>	<b>132,179</b>	<b>142,684</b>	<b>151,242</b>	<b>159,053</b>	<b>164,434</b>	<b>163,079</b>	<b>170,613</b>	<b>170,985</b>
Minority Interest	2,277	2,443	2,719	2,862	2,908	3,025	2,897	3,006
<b>Total Equity</b>	<b>197,490</b>	<b>208,344</b>	<b>217,371</b>	<b>225,103</b>	<b>230,142</b>	<b>229,322</b>	<b>236,940</b>	<b>237,239</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,729,280</b>	<b>1,783,581</b>	<b>1,795,306</b>	<b>1,787,904</b>	<b>1,810,207</b>	<b>1,802,363</b>	<b>1,803,695</b>	<b>1,850,879</b>



<b>GFNorte - Memorandum Accounts</b>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<i>(Million Pesos)</i>								
<b>On behalf of Third Parties</b>								
Customer's Banks	85	24	21	62	49	18	13	23
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	208	(270)	123	(30)	47	12,022	9,823	92
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
<b>Customers' Current Account</b>	<b>293</b>	<b>(245)</b>	<b>145</b>	<b>32</b>	<b>97</b>	<b>12,039</b>	<b>9,836</b>	<b>115</b>
Client Securities Received in Custody	605,481	641,824	670,163	669,495	720,880	740,294	750,150	734,409
Securities and Documents Received in	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
<b>Clients' Securities</b>	<b>605,481</b>	<b>641,824</b>	<b>670,163</b>	<b>669,495</b>	<b>720,880</b>	<b>740,294</b>	<b>750,150</b>	<b>734,409</b>
Clients' Repurchase Operations	179,276	163,653	240,237	238,032	277,305	261,799	290,366	288,025
Clients' Repo Transactions w/ Collateral received in guarantee for customer accounts	179,276	163,653	240,237	238,040	277,318	261,821	290,372	288,025
Purchase of Futures & Forward	-	-	-	-	-	9,345	9,268	11,969
Sale of Futures and Forward Contracts, Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	9,345	9,268	11,969
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-	-
Trusts under Management	1,036	1,054	1,066	204	187	129	177	191
<b>Transactions On Behalf of Clients</b>	<b>359,588</b>	<b>328,360</b>	<b>481,539</b>	<b>476,276</b>	<b>554,810</b>	<b>533,094</b>	<b>590,183</b>	<b>588,211</b>
<b>Investment Bank Trans. on behalf</b>	<b>87,728</b>	<b>88,149</b>	<b>100,948</b>	<b>97,374</b>	<b>127,770</b>	<b>127,426</b>	<b>151,464</b>	<b>140,989</b>
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	<b>1,053,090</b>	<b>1,058,087</b>	<b>1,252,794</b>	<b>1,243,176</b>	<b>1,403,556</b>	<b>1,412,853</b>	<b>1,501,633</b>	<b>1,463,724</b>
<b>Endorsement Guarantees Granted</b>	-	-	-	-	-	-	182	211
Loan Obligations	294,733	293,470	292,420	292,701	276,976	282,098	298,397	329,855
Trusts	422,525	319,659	308,883	308,516	309,954	319,065	292,739	287,105
Mandates	7,326	7,645	7,786	7,472	7,024	6,860	7,129	8,377
<b>Properties in Trusts and Warrant</b>	<b>429,851</b>	<b>327,304</b>	<b>316,669</b>	<b>315,988</b>	<b>316,978</b>	<b>325,925</b>	<b>299,868</b>	<b>295,482</b>
Properties in Custody or Management	660,642	669,104	677,620	633,424	632,974	635,708	654,080	631,393
Collateral Received	163,758	240,920	289,443	282,054	384,942	398,517	445,082	386,700
Collateral Received or sold or delivered	247,107	307,649	432,443	421,090	543,789	548,764	606,470	550,622
Drafts in Transit	-	-	-	-	-	-	-	-
Assets' Deposit	2,766	2,867	2,101	3,325	2,482	2,150	2,512	3,325
Letters of Credit to the Corporation as Securities to the Corporation for Government Secs of the Corp under Securities of the Corp given as Securities of the Corp Abroad Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent assets & Liabilities	79	79	109	167	122	155	207	120
Uncollected Accrued Interest from Past	295	289	180	178	286	242	221	220
Investments of Retirement Savings	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Miscellaneous accounts	292,976	289,983	304,055	295,069	324,592	323,288	355,335	343,375
<b>Proprietary Transactions</b>	<b>2,092,207</b>	<b>2,131,665</b>	<b>2,315,039</b>	<b>2,243,996</b>	<b>2,483,140</b>	<b>2,516,847</b>	<b>2,662,353</b>	<b>2,541,305</b>
Repo Securities to be Received (Minus) Repo Creditors	-	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-	-
Repo Debtors (Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-	-
<b>TOTAL PROPRIETARY</b>	<b>2,092,207</b>	<b>2,131,665</b>	<b>2,315,039</b>	<b>2,243,996</b>	<b>2,483,140</b>	<b>2,516,847</b>	<b>2,662,353</b>	<b>2,541,305</b>

<b>GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW</b>	
<b>JANUARY 1, 2021 – DECEMBER 31, 2021</b>	
<i>(Million Pesos)</i>	
<b>Net Income</b>	<b>35,048</b>
<b>Items charged to results that do not generate or require use of resources</b>	
Depreciation	2,590
Technical Reserves	33,818
Provisions	(684)
Income taxes and deferred	10,556
Minority Interest	(1,782)
	<b>79,546</b>
<b>Change in items related to operations</b>	
Change in Margin Accounts	10,100
Change in Investment in Securities	(88,276)
Change in repo debtors	(450)
Change in derivatives (assets)	21,307
Change in Loan Portfolio (net)	(22,022)
Change in purchased receivables (net)	580
Change in accounts receivable insurance and bonding institutions (net)	(465)
Change in debtor premiums (net)	69
Change in Reinsurance (net)	(182)
Change in benefits to receive from securitizations	110
Change in foreclosed assets (net)	(320)
Change in other operating assets (net)	2,120
Change in core deposits	(22,687)
Change in interbank loans and other entities	3,467
Change in repo creditors	23,974
Change in collateral pledged sold	10
Change in derivatives (liability)	(21,655)
Change in Technical Reserves (net)	8,761
Change in Reinsurance (net) (liability)	245
Change in subordinated debt with characteristics of liabilities	23,422
Change in other operating liabilities	2,497
Change in hedging instruments (the related hedged transaction activities)	2,570
Discontinued Operational Assets	0
Income Tax Payments	(11,587)
<b>Net cash generated or used from operations</b>	<b>11,134</b>
<b>Investment Activities</b>	
Charges for disposal of property, furniture and equipment	1,519
Payments for acquisition of property, furniture and equipment	(4,523)
Charges for disposal of subsidiaries, associated and agreements with mutual control	4
Charges for cash dividends	1,818
<b>Net cash generated or used from investment activities</b>	<b>(1,182)</b>
<b>Financing Activities</b>	
Payments for issued shares	0
Payments of cash dividends	(16,759)
Payments of interests of subordinated debentures	(3,689)
<b>Net cash flows from financing activities</b>	<b>(20,448)</b>
<b>Net Cash Increase (decrease) and equivalents value</b>	<b>(10,496)</b>
<b>Effects for changes in cash and equivalents value</b>	<b>32</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>109,306</b>
<b>Cash and cash equivalents at end of period</b>	<b>98,842</b>

**GFNORTE - CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**JANUARY 1, 2021– DECEMBER 31, 2021**  
*(Million Pesos)*

	CONTRIBUTED CAPITAL		EARNED CAPITAL									
	Fixed Paid-in Capital	Premium from sale of securities	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available for Sale	Results from valuation of instrum Cash flow hedges	Results in the val. reserve for unexpired risks variations in rates	Results from Conversions	Remeasurements defined benefits for employees	Net Income	Minority Interest	Total Stockholders' Equity
<b>Balance as of December 31, 2020</b>	<b>14,919</b>	<b>48,269</b>	<b>9,215</b>	<b>118,773</b>	<b>3,801</b>	<b>(887)</b>	<b>(231)</b>	<b>134</b>	<b>(2,259)</b>	<b>30,508</b>	<b>2,862</b>	<b>225,104</b>
<b><u>Changes stemming from stockholders' decisions</u></b>												
Repurchase of payment plan based on shares payable in equity instruments	38	(18)	924		(23)							921
Capitalization of profits				30,508					(30,508)			0
Creation of Reserves according to Ordinary Annual General Shareholder's Meeting of April 23, 2021												0
Creation of Reserves according to Annual General Ordinary Shareholders Meeting held on April 23, 2021 and November 19, 2021.				(16,759)								(16,759)
Banorte USA subsidiary's Sale Accounting Effect								0				0
Reserve release for share repurchase			(1,304)	1,304								0
<b>Total</b>	<b>38</b>	<b>(18)</b>	<b>(380)</b>	<b>15,053</b>	<b>(23)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(30,508)</b>	<b>0</b>	<b>(15,838)</b>
<b><u>Changes stemming from profits</u></b>												
<b><u>Total profits:</u></b>												
Net Income										35,048		35,048
Result from valuation of securities available for sale					(2,184)							(2,184)
Effect of subsidiaries, associates and mutual funds		41		(61)				34				14
Result from valuation of instruments of cash flow hedges						(1,774)						(1,774)
Result in valuation of current risk reserve due to changes in rates								113				113
Remeasurements defined benefits for employees									302			302
Interest of subordinated debentures				(3,689)								(3,689)
<b>Total</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>(3,750)</b>	<b>(2,184)</b>	<b>(1,774)</b>	<b>113</b>	<b>34</b>	<b>302</b>	<b>35,048</b>	<b>0</b>	<b>27,830</b>
Recognition of minority interest	0	0	0	0	0	0	0	0	0	0	144	144
<b>Balance as of December 31, 2021</b>	<b>14,957</b>	<b>48,292</b>	<b>8,835</b>	<b>130,076</b>	<b>1,594</b>	<b>(2,661)</b>	<b>(118)</b>	<b>168</b>	<b>(1,957)</b>	<b>35,048</b>	<b>3,006</b>	<b>237,240</b>

## Bank

Income Statement - Bank (Million Pesos)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Interest Income	29,491	28,517	26,257	24,971	24,491	24,957	26,270	27,683
Interest Expense	12,042	11,172	8,829	8,094	8,357	8,122	9,243	9,887
Charged Fees	358	346	354	380	352	362	377	379
Fees Paid	291	270	281	314	314	313	335	346
<b>Net Interest Income (Nil)</b>	<b>17,517</b>	<b>17,421</b>	<b>17,501</b>	<b>16,942</b>	<b>16,171</b>	<b>16,884</b>	<b>17,068</b>	<b>17,828</b>
Preventive Provisions for Loan Losses	4,262	8,527	3,122	5,953	3,231	2,584	2,598	2,694
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>13,254</b>	<b>8,895</b>	<b>14,379</b>	<b>10,989</b>	<b>12,940</b>	<b>14,300</b>	<b>14,469</b>	<b>15,134</b>
Fund Transfers	400	476	489	513	473	530	517	552
Account Management Fees	598	526	564	543	509	508	498	508
Electronic Banking Services	2,336	2,027	2,379	3,033	2,916	3,212	3,246	4,049
For Commercial and Mortgage Loans	495	394	129	366	277	261	323	337
For Consumer Loans	1,241	1,048	1,148	1,292	1,164	1,263	1,307	1,505
Fiduciary	118	102	112	153	106	176	136	110
Income from Real Estate Portfolios	2	3	2	12	6	7	4	9
Trading & Financial Advising Fees	-	-	-	-	-	-	-	-
Trading & Financial Advising Fees	0	0	0	0	0	0	0	0
Other Fees Charged	592	540	651	598	670	438	441	427
<b>Fees Charged on Services</b>	<b>5,782</b>	<b>5,116</b>	<b>5,475</b>	<b>6,511</b>	<b>6,122</b>	<b>6,394</b>	<b>6,473</b>	<b>7,497</b>
Interchange Fees	1,226	1,018	1,228	1,684	1,625	1,911	1,923	2,515
Insurance Fees	-	-	-	-	-	-	-	-
Other Fees Paid	909	918	998	1,194	1,118	1,176	996	948
<b>Fees Paid on Services</b>	<b>2,135</b>	<b>1,936</b>	<b>2,226</b>	<b>2,879</b>	<b>2,743</b>	<b>3,087</b>	<b>2,919</b>	<b>3,463</b>
<b>Net Fees</b>	<b>3,647</b>	<b>3,180</b>	<b>3,248</b>	<b>3,633</b>	<b>3,379</b>	<b>3,307</b>	<b>3,554</b>	<b>4,034</b>
Foreign Exchange	1,219	(500)	(306)	(1,476)	574	(449)	353	(548)
Derivatives	(1,238)	1,139	531	309	111	95	123	423
Negotiable Instruments	(119)	(75)	65	56	(264)	102	498	3
Valuation	(137)	565	291	(1,111)	420	(253)	974	(122)
Currency and Metals	(862)	774	464	1,930	764	838	399	1,155
Derivatives	1,742	(323)	2	(169)	5	(10)	(121)	(142)
Negotiable Instruments	305	385	277	84	3	128	(112)	266
Trading	1,185	836	743	1,845	772	956	165	1,279
<b>Trading Income</b>	<b>1,048</b>	<b>1,402</b>	<b>1,034</b>	<b>734</b>	<b>1,193</b>	<b>703</b>	<b>1,139</b>	<b>1,157</b>
Loan Recovery	-	-	-	-	-	-	-	-
Loan Portfolios	67	52	76	54	85	68	71	75
Income from foreclosed assets	92	121	178	189	86	132	101	180
Provisions Release	-	-	-	-	-	-	-	-
Losses and Estimates	(319)	(162)	(167)	(136)	(168)	(168)	(134)	(175)
Impairment of Assets	-	-	-	-	-	-	-	(352)
Lease Income	18	19	(26)	4	2	2	3	0
From Insurance	-	-	-	-	-	-	-	-
Other Operating Expense	173	658	260	399	342	38	90	219
<b>Total Other Operating Income (Expenses)</b>	<b>31</b>	<b>687</b>	<b>321</b>	<b>510</b>	<b>348</b>	<b>72</b>	<b>132</b>	<b>(52)</b>
<b>Total Non-Interest Income</b>	<b>4,726</b>	<b>5,268</b>	<b>4,603</b>	<b>4,876</b>	<b>4,919</b>	<b>4,083</b>	<b>4,825</b>	<b>5,139</b>
<b>Total Operating Income</b>	<b>17,980</b>	<b>14,163</b>	<b>18,983</b>	<b>15,865</b>	<b>17,860</b>	<b>18,383</b>	<b>19,294</b>	<b>20,273</b>
Personnel	3,755	3,704	3,846	4,477	3,823	4,089	3,964	3,903
Employee Profit Sharing (PTU)	131	131	131	131	138	137	139	1,040
Professional Fees	624	650	731	888	699	701	727	771
Administrative and Promotional Expenses	2,091	1,789	1,773	1,796	1,859	1,538	1,790	2,600
Rents, Depreciation & Amortization	1,862	1,967	1,993	2,053	2,152	2,141	2,134	2,145
Taxes other than income tax & non-deductible expenses	428	419	428	556	453	477	461	460
Contributions to IPAB/Fobaproa	828	919	951	931	912	889	889	905
<b>Total Non-Interest Expense</b>	<b>9,718</b>	<b>9,579</b>	<b>9,853</b>	<b>10,832</b>	<b>10,036</b>	<b>9,972</b>	<b>10,104</b>	<b>11,824</b>
<b>Operating Income</b>	<b>8,263</b>	<b>4,584</b>	<b>9,129</b>	<b>5,034</b>	<b>7,824</b>	<b>8,411</b>	<b>9,191</b>	<b>8,449</b>
Subsidiaries' Net Income	29	19	27	28	28	213	65	21
<b>Pre-Tax Income</b>	<b>8,292</b>	<b>4,603</b>	<b>9,156</b>	<b>5,062</b>	<b>7,852</b>	<b>8,624</b>	<b>9,255</b>	<b>8,469</b>
Income Tax	2,576	317	2,004	1,912	1,285	1,376	1,923	989
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	(465)	617	518	(750)	593	727	507	714
<b>Taxes</b>	<b>2,112</b>	<b>934</b>	<b>2,522</b>	<b>1,161</b>	<b>1,879</b>	<b>2,103</b>	<b>2,430</b>	<b>1,703</b>
<b>Net Income from Continuous Operations</b>	<b>6,180</b>	<b>3,669</b>	<b>6,634</b>	<b>3,900</b>	<b>5,974</b>	<b>6,522</b>	<b>6,825</b>	<b>6,766</b>
Discontinued Operations	-	-	-	-	-	-	-	-
Minority Interest	(0)	(0)	(0)	0	0	(0)	(0)	(0)
<b>Net Income</b>	<b>6,180</b>	<b>3,669</b>	<b>6,634</b>	<b>3,901</b>	<b>5,974</b>	<b>6,522</b>	<b>6,825</b>	<b>6,766</b>

<b>Bank - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<b>ASSETS</b>								
<b>Cash and Due from Banks</b>	<b>88,668</b>	<b>105,537</b>	<b>99,615</b>	<b>108,743</b>	<b>115,954</b>	<b>110,407</b>	<b>67,251</b>	<b>98,302</b>
<b>Margin Accounts</b>	<b>9,701</b>	<b>18,353</b>	<b>16,312</b>	<b>18,099</b>	<b>11,012</b>	<b>8,703</b>	<b>8,268</b>	<b>7,999</b>
Negotiable Instruments	79,968	95,379	36,918	41,432	39,609	43,914	30,280	32,263
Securities Available for Sale	157,021	184,050	163,887	153,063	142,487	140,484	142,115	136,172
Securities Held to Maturity	19,711	19,497	33,379	33,277	40,044	42,292	44,099	60,200
<b>Investment in Securities</b>	<b>256,700</b>	<b>298,926</b>	<b>234,184</b>	<b>227,772</b>	<b>222,139</b>	<b>226,690</b>	<b>216,494</b>	<b>228,636</b>
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-	-	-
<b>Debtor Balance in Repo Trans,net</b>	<b>1,930</b>	<b>1,928</b>	<b>2,297</b>	<b>3,036</b>	<b>2,848</b>	<b>2,928</b>	<b>2,957</b>	<b>3,037</b>
<b>Securities Lending</b>	-	-	-	-	-	-	-	-
For trading purposes	48,940	61,705	53,819	48,233	28,458	24,346	25,999	26,865
For hedging purposes	1,292	2,384	1,885	2,043	609	648	753	1,055
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>50,232</b>	<b>64,089</b>	<b>55,704</b>	<b>50,277</b>	<b>29,068</b>	<b>24,995</b>	<b>26,751</b>	<b>27,920</b>
<b>Operations w/Derivatives &amp; Securities</b>	<b>52,162</b>	<b>66,017</b>	<b>58,000</b>	<b>53,313</b>	<b>31,915</b>	<b>27,923</b>	<b>29,709</b>	<b>30,956</b>
<b>Valuation adjustments for Asset Coverage</b>	<b>65</b>	<b>62</b>	<b>58</b>	<b>54</b>	<b>51</b>	<b>47</b>	<b>43</b>	<b>40</b>
Commercial Loans	288,409	300,483	299,343	297,305	295,257	290,040	298,331	304,111
Financial Intermediaries' Loans	24,011	23,733	24,763	24,898	22,723	20,689	22,647	28,686
Consumer Loans	116,200	115,593	118,314	116,477	116,085	118,317	119,506	121,870
Mortgage Loans	173,226	177,282	182,685	187,736	191,220	196,125	197,737	200,459
Medium and Residential	170,143	174,331	179,791	184,980	188,529	193,554	195,245	198,057
low income housing	8	5	5	4	4	3	3	3
Loans acquired from INFONAVIT or FOVISSSTE	3,075	2,946	2,889	2,752	2,687	2,567	2,489	2,400
Restructuring or improvement guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Government Entities' Loans	161,246	161,457	161,247	156,115	156,941	150,703	157,746	147,734
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>763,091</b>	<b>778,548</b>	<b>786,350</b>	<b>782,532</b>	<b>782,226</b>	<b>775,873</b>	<b>795,967</b>	<b>802,861</b>
Commercial PDL's	6,700	2,240	1,864	2,183	3,303	5,163	3,830	2,588
Financial Intermediaries PDL's	4	-	-	-	-	-	-	-
Consumer PDL's	4,018	4,229	2,349	4,705	4,694	3,551	3,191	3,017
Mortgage PDL's	2,070	2,305	1,811	1,658	2,071	1,966	2,135	2,077
Medium and Residential	1,834	2,025	1,612	1,429	1,819	1,709	1,859	1,802
low income housing	0	1	1	1	0	0	0	0
Loans acquired from INFONAVIT or FOVISSSTE	235	279	198	228	252	258	277	275
Restructuring or improvement guaranteed by development banks or public trusts	-	-	-	-	-	-	-	-
Government Entities PDL's	35	111	284	33	188	182	154	154
<b>Past Due Loans</b>	<b>12,827</b>	<b>8,885</b>	<b>6,307</b>	<b>8,580</b>	<b>10,257</b>	<b>10,862</b>	<b>9,311</b>	<b>7,836</b>
<b>Gross Loan Portfolio</b>	<b>775,918</b>	<b>787,433</b>	<b>792,658</b>	<b>791,112</b>	<b>792,483</b>	<b>786,735</b>	<b>805,278</b>	<b>810,697</b>
Preventive Loan Loss Reserves	17,932	18,075	17,169	19,464	19,145	17,741	16,816	15,744
<b>Net Loan Portfolio</b>	<b>757,986</b>	<b>769,358</b>	<b>775,489</b>	<b>771,648</b>	<b>773,339</b>	<b>768,993</b>	<b>788,461</b>	<b>794,953</b>
Acquired Collection Rights	1,261	1,438	1,341	1,617	1,529	1,421	1,260	1,036
<b>Total Credit Portfolio</b>	<b>759,247</b>	<b>770,796</b>	<b>776,830</b>	<b>773,264</b>	<b>774,867</b>	<b>770,414</b>	<b>789,721</b>	<b>795,990</b>
Benef. receivab. securization transactions	161	156	151	110	2	-	-	-
Sundry Debtors & Other Accs Rec, Net	83,264	48,306	53,442	40,495	35,643	45,600	43,590	31,139
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	818	800	722	1,384	1,406	1,812	1,835	1,717
Real Estate, Furniture & Equipment, Net	15,167	26,482	27,277	28,289	28,638	16,588	16,941	17,662
Investment in Subsidiaries	468	491	564	519	552	734	588	523
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	4,351	1,126	214	-	422	-	0	-
Goodwill and Intangibles	22,727	11,470	10,111	9,929	11,211	25,177	24,669	23,176
Other Assets Short and Long Term	146	106	112	213	208	191	165	350
	127,103	88,937	92,593	80,939	78,082	90,101	87,788	74,568
<b>TOTAL ASSETS</b>	<b>1,293,647</b>	<b>1,348,628</b>	<b>1,277,593</b>	<b>1,262,185</b>	<b>1,234,021</b>	<b>1,234,286</b>	<b>1,199,275</b>	<b>1,236,490</b>

<b>Bank - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<b>LIABILITIES</b>								
Demand Deposits	451,842	479,142	506,588	530,747	545,953	534,257	516,559	535,201
Time Deposits-Retail	275,566	265,347	251,496	252,331	246,944	243,118	246,951	240,089
Time Deposits-Money Market	26,894	28,433	26,741	14,248	8,069	3,364	3,261	100
Global Account of deposits without movements	2,213	2,368	2,489	2,585	2,639	2,744	2,825	3,023
Senior Unsecured Debt	35,355	46,430	46,823	43,342	31,937	31,907	29,786	27,800
<b>Deposits</b>	<b>791,870</b>	<b>821,721</b>	<b>834,137</b>	<b>843,253</b>	<b>835,542</b>	<b>815,389</b>	<b>799,383</b>	<b>806,213</b>
Demand Loans	5,000	0	0	0	0	0	0	7,809
Short Term Loans	8,332	40,754	16,672	8,261	8,224	8,155	6,721	7,330
Long Term Loans	4,197	4,156	4,073	6,404	6,632	6,599	6,325	6,422
<b>Due to Banks &amp; Correspondents</b>	<b>17,529</b>	<b>44,910</b>	<b>20,745</b>	<b>14,665</b>	<b>14,856</b>	<b>14,754</b>	<b>13,047</b>	<b>21,562</b>
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	175,685	190,404	113,037	115,962	113,047	119,110	100,565	108,591
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	16	8	2	13	19	55	36	31
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	<b>16</b>	<b>8</b>	<b>2</b>	<b>13</b>	<b>19</b>	<b>55</b>	<b>36</b>	<b>31</b>
For trading purposes	50,574	58,754	50,121	44,097	24,508	20,003	21,703	22,487
For hedging purposes	10,487	7,682	7,189	4,990	5,566	5,623	6,565	6,571
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>61,062</b>	<b>66,436</b>	<b>57,310</b>	<b>49,087</b>	<b>30,073</b>	<b>25,626</b>	<b>28,269</b>	<b>29,058</b>
<b>Total Operations w/ Derivatives &amp; Securities</b>	<b>236,763</b>	<b>256,847</b>	<b>170,348</b>	<b>165,062</b>	<b>143,139</b>	<b>144,792</b>	<b>128,870</b>	<b>137,680</b>
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	2,402	1,204	1,714	2,388	1,220	930	1,449	568
Profit Sharing Payable	639	280	407	538	187	297	433	1,354
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	29,983	3,524	8,670	4,251	3,140	17,474	15,254	2,458
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	42,155	39,933	45,620	38,353	38,753	38,489	40,838	39,187
<b>Other Payable Accounts</b>	<b>75,179</b>	<b>44,941</b>	<b>56,412</b>	<b>45,530</b>	<b>43,300</b>	<b>57,190</b>	<b>57,974</b>	<b>43,567</b>
Subordinated Non Convertible Debt	58,423	57,321	66,241	57,152	58,759	57,243	59,186	80,574
Deferred Taxes, Net	-	-	-	265	-	395	668	1,122
Deferred Credits	221	304	271	1,211	1,183	1,107	1,124	1,138
<b>TOTAL LIABILITIES</b>	<b>1,179,984</b>	<b>1,226,044</b>	<b>1,148,153</b>	<b>1,127,138</b>	<b>1,096,778</b>	<b>1,090,870</b>	<b>1,060,251</b>	<b>1,091,855</b>
<b>EQUITY</b>								
Paid-in Capital	18,794	18,794	18,795	18,795	18,795	18,795	18,795	18,795
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,336	2,546	2,747	2,964	3,076	3,442	3,646	3,851
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>21,131</b>	<b>21,340</b>	<b>21,541</b>	<b>21,759</b>	<b>21,871</b>	<b>22,237</b>	<b>22,440</b>	<b>22,646</b>
Capital Reserves	17,330	18,959	18,959	18,959	18,959	18,959	18,959	18,959
Retained Earnings	77,595	75,094	74,280	73,302	92,748	91,819	80,892	79,931
Surplus (Deficit) of Secs Available for Sale	(2,824)	597	1,796	3,871	2,213	2,666	2,479	1,720
Results from Valuation of Hedging Secs	(3,965)	(1,423)	(1,707)	(905)	(2,255)	(2,496)	(2,861)	(2,710)
Result in the valuation reserve for unexpired risks variations in rates	-	-	-	-	-	-	-	-
Results from Conversions	177	160	115	7	32	5	38	34
Remeasurements defined benefits for employees	(1,963)	(1,997)	(2,031)	(2,333)	(2,303)	(2,272)	(2,247)	(2,036)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	6,180	9,849	16,483	20,384	5,974	12,495	19,320	26,086
<b>Earned Capital</b>	<b>92,529</b>	<b>101,240</b>	<b>107,895</b>	<b>113,285</b>	<b>115,368</b>	<b>121,176</b>	<b>116,580</b>	<b>121,985</b>
Minority Interest	3	3	3	3	3	4	4	4
<b>Total Equity</b>	<b>113,663</b>	<b>122,583</b>	<b>129,440</b>	<b>135,047</b>	<b>137,242</b>	<b>143,416</b>	<b>139,024</b>	<b>144,635</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,293,647</b>	<b>1,348,628</b>	<b>1,277,593</b>	<b>1,262,185</b>	<b>1,234,021</b>	<b>1,234,286</b>	<b>1,199,275</b>	<b>1,236,490</b>

<b>Bank - Memorandum Accounts</b> (Million Pesos)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Investment Banking transactions for third parties, net	87,728	88,149	100,948	97,374	127,770	127,426	151,464	140,989
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	<b>87,728</b>	<b>88,149</b>	<b>100,948</b>	<b>97,374</b>	<b>127,770</b>	<b>127,426</b>	<b>151,464</b>	<b>140,989</b>
<b>Proprietary Transactions</b>								
Endorsement Guarantees Granted	-	-	-	-	-	-	182	211
Loan Obligations	254,795	251,928	250,998	256,306	242,137	239,502	256,608	288,260
Trusts	422,525	319,659	308,883	308,516	309,954	319,065	292,739	287,105
Mandates	7,326	7,645	7,786	7,472	7,024	6,860	7,129	8,377
Properties in Trusts and Warrant	429,851	327,304	316,669	315,988	316,978	325,925	299,868	295,482
Properties in Custody or Management	401,255	398,204	390,787	370,011	363,861	359,884	376,668	365,569
Collateral Received	160,559	217,035	283,231	280,054	365,480	386,121	415,353	362,593
Collateral Received or sold	66,285	120,962	188,150	183,050	266,471	284,928	313,091	259,597
Drafts in Transit	-	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent assets & liabilities	79	79	109	167	122	155	207	120
Uncollected Accrued Interest from Past Due Loans	294	289	180	178	286	242	221	220
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Miscellaneous accounts	265,946	265,147	276,898	267,726	303,489	300,947	332,623	320,313
<b>Proprietary Transactions</b>	<b>1,579,063</b>	<b>1,580,948</b>	<b>1,707,021</b>	<b>1,673,480</b>	<b>1,858,824</b>	<b>1,897,705</b>	<b>1,994,821</b>	<b>1,892,366</b>
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-	-
Repo Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-	-
<b>TOTAL PROPRIETARY</b>	<b>1,579,063</b>	<b>1,580,948</b>	<b>1,707,021</b>	<b>1,673,480</b>	<b>1,858,824</b>	<b>1,897,705</b>	<b>1,994,821</b>	<b>1,892,366</b>

**BANORTE - CONSOLIDATED STATEMENT OF CASH FLOW****JANUARY 1, 2021 – DECEMBER 31, 2021***(Million Pesos)*

<b>Net Income</b>	<b>26,086</b>
<b>Items charged to results that do not generate or require use of resources</b>	
Depreciation	2,371
Provisions	(660)
Income taxes and deferred	8,115
Minority Interest	(327)
	<b>35,585</b>
<b>Change in items related to operations</b>	
Change in Margin Accounts	10,100
Change in Investment in Securities	(2,797)
Change in repo debtors	(1)
Change in derivatives (assets)	21,384
Change in Loan Portfolio (net)	(23,306)
Change in purchased receivables (net)	580
Change in benefits to receive from securitizations	110
Change in foreclosed assets (net)	(333)
Change in other operating assets (net)	7,599
Change in core deposits	(37,040)
Change in interbank loans and other entities	6,897
Change in repo creditors	(7,371)
Change in collateral pledged sold	18
Change in derivatives (liability)	(21,611)
Change in subordinated debt with characteristics of liabilities	23,422
Change in other operating liabilities	1,599
Change in hedging instruments (the related hedged transaction activities)	765
Income Tax Payments	(9,086)
<b>Net cash generated or used from operations</b>	<b>6,514</b>
<b>Investment Activities</b>	
Charges for disposal of property, furniture and equipment	498
Payments for acquisition of property, furniture and equipment	(3,830)
Charges for disposal of subsidiaries, associated and agreements with mutual control	4
Charges for cash dividends	95
<b>Net cash generated or used from investment activities</b>	<b>(3,233)</b>
<b>Financing Activities</b>	
Payments of cash dividends	(10,000)
Payments of interests of subordinated debentures	(3,754)
<b>Net cash flows from financing activities</b>	<b>(13,754)</b>
<b>Net Cash Increase (decrease) and equivalents value</b>	<b>(10,473)</b>
<b>Effects for changes in cash and equivalents value</b>	<b>32</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>108,743</b>
<b>Cash and cash equivalents at end of period</b>	<b>98,302</b>



## BANORTE - CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JANUARY 1, 2021 – DECEMBER 31, 2021

(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL								
	Fixed Paid-in Capital	Premium from sale of securities	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available for Sale	Results from val of instrum Cash flow hedges	Results from Conversions	Remeasurements defined benefits for employees	Net Income	Minority Interest	Total Stockholders' Equity
<b>Balance as of December 31, 2020</b>	<b>18,795</b>	<b>2,964</b>	<b>18,959</b>	<b>73,302</b>	<b>3,871</b>	<b>(905)</b>	<b>7</b>	<b>(2,333)</b>	<b>20,384</b>	<b>3</b>	<b>135,047</b>
<b>Changes stemming from stockholders' decisions</b>											
Capitalization of profits				20,384					(20,384)		0
Creation of Reserves according to Ordinary Annual General Shareholder's Meeting of April 24, 2020			0	0							0
Dividends Declared by the Ordinary General Shareholders' Meeting on July 23, 2021)				(10,000)							(10,000)
Payment plan based on equity-settle shares in equity instruments)		890						0			890
Acquisition 'Interin' Real Estate Company shares for its subsequent merger )		0									0
<b>Total</b>	<b>0</b>	<b>890</b>	<b>0</b>	<b>10,384</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(20,384)</b>	<b>0</b>	<b>(9,110)</b>
<b>Changes stemming from profits</b>											
<b>Total profits:</b>											
Net Income									26,086		26,086
Result from valuation of securities available for sale					(2,151)						(2,151)
Effect of subsidiaries, associates and mutual funds		(3)		(1)					(5)		(9)
Conversion accumulated effect								27			27
Result from valuation of instruments of cash flow hedges						(1,804)					(1,804)
Result in valuation of current risk reserve due to changes in rates											
Remeasurements defined benefits for employees									302		302
Modification in the disposition of the non-revolving consumer book and mortgage house book's rating											
Interest of subordinated debentures				(3,754)							(3,754)
<b>Total</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>(3,755)</b>	<b>(2,151)</b>	<b>(1,804)</b>	<b>27</b>	<b>297</b>	<b>26,086</b>	<b>0</b>	<b>18,697</b>
<b>Recognition of minority interest</b>										<b>1</b>	<b>1</b>
<b>Balance as of December 31, 2021</b>	<b>18,795</b>	<b>3,851</b>	<b>18,959</b>	<b>79,931</b>	<b>1,720</b>	<b>(2,709)</b>	<b>34</b>	<b>(2,036)</b>	<b>26,086</b>	<b>4</b>	<b>144,635</b>

## Seguros Banorte

<b>Income Statement - Insurance - Seguros Banorte</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
Interest Income	517	643	396	340	257	329	381	402
Interest Expense	-	-	-	-	-	-	-	-
Premium Income (Net)	8,815	5,772	3,792	4,575	11,085	2,817	4,239	5,270
Net Increase in Technical Reserves	3,304	765	(875)	(248)	4,537	(1,525)	(78)	1,062
Damages, Claims and Other Obligations	2,767	3,674	3,321	4,119	4,884	3,390	3,570	3,901
<b>Net Interest Income</b>	<b>3,261</b>	<b>1,976</b>	<b>1,742</b>	<b>1,044</b>	<b>1,921</b>	<b>1,280</b>	<b>1,129</b>	<b>709</b>
<b>Fees Charged on Services</b>	-	-	-	-	-	-	-	-
<b>Fees Paid on Services</b>	<b>706</b>	<b>519</b>	<b>555</b>	<b>480</b>	<b>627</b>	<b>485</b>	<b>550</b>	<b>512</b>
Securities-Valuation Gains	-	-	-	-	-	-	-	-
Securities Trading	50	58	33	43	37	42	8	83
<b>Trading Income</b>	<b>50</b>	<b>58</b>	<b>33</b>	<b>43</b>	<b>37</b>	<b>42</b>	<b>8</b>	<b>83</b>
From Insurance	203	167	191	302	270	195	211	662
Losses and Estimates	(6)	(10)	(11)	(3)	(1)	(3)	1	0
Other Operating Income (Expense)	3	3	2	(0)	0	0	1	1
<b>Total Other Operating Income (Expenses)</b>	<b>200</b>	<b>160</b>	<b>182</b>	<b>299</b>	<b>269</b>	<b>192</b>	<b>213</b>	<b>663</b>
<b>Total Non-Interest Income</b>	<b>(456)</b>	<b>(301)</b>	<b>(340)</b>	<b>(138)</b>	<b>(321)</b>	<b>(251)</b>	<b>(329)</b>	<b>233</b>
<b>Total Operating Income</b>	<b>2,805</b>	<b>1,675</b>	<b>1,402</b>	<b>906</b>	<b>1,600</b>	<b>1,029</b>	<b>800</b>	<b>942</b>
Personnel	105	112	107	110	107	109	115	104
Employee Profit Sharing (PTU)	1	1	1	5	1	1	1	46
Professional Fees	78	70	71	9	63	51	37	69
Administrative and Promotional Expenses	117	96	87	47	130	123	81	113
Rents, Depreciation & Amortization	45	44	46	48	45	46	48	52
Taxes other than income tax & non-deductible expenses	22	27	28	29	34	50	57	42
Contributions to IPAB/Fobaproa	-	-	-	-	-	-	-	-
<b>Total Non-Interest Expense</b>	<b>368</b>	<b>351</b>	<b>339</b>	<b>247</b>	<b>380</b>	<b>381</b>	<b>339</b>	<b>426</b>
<b>Operating Income</b>	<b>2,436</b>	<b>1,324</b>	<b>1,062</b>	<b>659</b>	<b>1,220</b>	<b>649</b>	<b>461</b>	<b>516</b>
Subsidiaries' Net Income	332	630	463	485	404	465	467	619
<b>Pre-Tax Income</b>	<b>2,768</b>	<b>1,953</b>	<b>1,525</b>	<b>1,143</b>	<b>1,624</b>	<b>1,113</b>	<b>928</b>	<b>1,136</b>
Income Tax	736	399	319	227	364	188	140	55
Deferred Income Tax	(4)	(4)	(4)	(41)	(4)	(4)	(4)	5
<b>Taxes</b>	<b>732</b>	<b>395</b>	<b>316</b>	<b>186</b>	<b>361</b>	<b>184</b>	<b>136</b>	<b>59</b>
<b>Net Income from Continuous Operations</b>	<b>2,036</b>	<b>1,558</b>	<b>1,210</b>	<b>957</b>	<b>1,263</b>	<b>929</b>	<b>792</b>	<b>1,076</b>
Discontinued Operations	-	-	-	-	-	-	-	-
Minority Interest	(7)	(13)	(10)	(11)	(9)	(10)	(10)	(9)
<b>Net Income</b>	<b>2,029</b>	<b>1,545</b>	<b>1,200</b>	<b>946</b>	<b>1,254</b>	<b>919</b>	<b>782</b>	<b>1,068</b>

<b>Insurance - Seguros Banorte - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<b>ASSETS</b>								
<b>Cash and Due from Banks</b>	<b>1,765</b>	<b>2,861</b>	<b>3,014</b>	<b>2,973</b>	<b>86</b>	<b>143</b>	<b>82</b>	<b>1,411</b>
<b>Margin Accounts</b>	-	-	-	-	-	-	-	-
Negotiable Instruments	24,424	26,497	27,705	29,869	32,163	30,642	23,366	23,753
Securities Available for Sale	554	596	600	602	551	1,720	2,969	4,121
Securities Held to Maturity	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Investment in Securities</b>	<b>24,978</b>	<b>27,094</b>	<b>28,306</b>	<b>30,471</b>	<b>32,714</b>	<b>32,362</b>	<b>26,336</b>	<b>27,874</b>
Debtor Balance in Repo Trans, net	1,654	851	2,157	2,000	5,337	<b>5,315</b>	<b>2,098</b>	<b>3,786</b>
Securities Lending	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
<b>Operations w/Derivatives &amp; Securities</b>	<b>1,654</b>	<b>851</b>	<b>2,157</b>	<b>2,000</b>	<b>5,337</b>	<b>5,315</b>	<b>2,098</b>	<b>3,786</b>
<b>Valuation adjustments for Asset Coverage</b>	-	-	-	-	-	-	-	-
Acquired Collection Rights	-	-	-	-	-	-	-	-
Account Receivables	289	346	405	448	284	311	434	519
Premium Debtors (Net)	7,581	8,937	6,392	3,986	10,876	8,028	5,765	3,674
Account Receivables from Reinsurance	8,162	8,872	7,924	7,269	7,521	7,707	7,981	7,451
Benef. receivab. securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	346	342	416	413	414	334	330	259
Investment in Subsidiaries	12,849	13,241	13,620	14,104	12,785	13,249	13,715	14,329
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	298	298	298	335	335	335	335	327
Goodwill and Intangibles	1,710	2,322	2,517	2,943	1,857	2,246	2,624	2,988
Other Assets Short and Long Term	91	93	94	95	95	95	96	96
<b>TOTAL ASSETS</b>	<b>59,723</b>	<b>65,256</b>	<b>65,143</b>	<b>65,038</b>	<b>72,304</b>	<b>70,125</b>	<b>59,797</b>	<b>62,714</b>

<b>Insurance - Seguros Banorte - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>
<b>LIABILITIES</b>								
Technical Reserves	28,696	31,526	30,257	29,897	36,094	33,217	32,309	34,079
<b>Total Operations w/ Derivatives &amp; Securities</b>	-	-	-	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	2,311	3,159	2,918	2,269	3,145	2,790	2,501	2,514
Income Tax Payable	754	1,146	1,460	1,675	368	550	686	745
Profit Sharing Payable	-	-	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	2,800	2,834	2,713	2,475	2,624	2,570	2,426	2,533
<b>Other Payable Accounts</b>	<b>3,554</b>	<b>3,980</b>	<b>4,173</b>	<b>4,150</b>	<b>2,992</b>	<b>3,121</b>	<b>3,113</b>	<b>3,278</b>
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	354	351	347	343	340	336	333	329
Deferred Credits	61	56	57	53	56	53	53	46
<b>TOTAL LIABILITIES</b>	<b>34,977</b>	<b>39,072</b>	<b>37,752</b>	<b>36,712</b>	<b>42,627</b>	<b>39,517</b>	<b>38,309</b>	<b>40,246</b>
<b>EQUITY</b>								
Paid-in Capital	13,928	13,928	13,928	13,928	13,928	13,928	13,928	13,928
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>	<b>13,928</b>
Capital Reserves	2,716	3,268	3,268	3,268	3,268	3,840	3,840	3,840
Retained Earnings	5,600	5,047	5,047	5,046	10,765	10,193	343	337
Surplus (Deficit) of Secs Available for Sale	107	172	175	196	164	160	141	68
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Result in the valuation reserve for unexpired risks variations in rates	2	(182)	(188)	(229)	(108)	(101)	(83)	(116)
Results from Conversions	0	0	0	0	0	0	0	0
Remeasurements defined benefits for employees	12	12	12	10	10	10	10	20
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,029	3,573	4,773	5,719	1,254	2,173	2,955	4,022
<b>Earned Capital</b>	<b>10,466</b>	<b>11,890</b>	<b>13,087</b>	<b>14,011</b>	<b>15,354</b>	<b>16,274</b>	<b>7,206</b>	<b>8,172</b>
Minority Interest	352	366	376	386	395	406	355	368
<b>Total Equity</b>	<b>24,746</b>	<b>26,184</b>	<b>27,391</b>	<b>28,325</b>	<b>29,677</b>	<b>30,608</b>	<b>21,488</b>	<b>22,468</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>59,723</b>	<b>65,256</b>	<b>65,143</b>	<b>65,038</b>	<b>72,304</b>	<b>70,125</b>	<b>59,797</b>	<b>62,714</b>

## Information by Segments

### GFNorte - Income Statement as of December 31'21

(Million Pesos)

	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
Interest Income	677	104,870	21,783	2,414	60	14,044
Premium Income (Net)	-	-	46,011	-	-	-
Interest Expense	-	36,919	-	1,426	1	12,263
Net Increase in Technical Reserves	-	-	33,818	-	-	-
Damages, Claims and Other Obligations	-	-	25,687	-	-	-
<b>Net Interest Income (NII)</b>	<b>677</b>	<b>67,951</b>	<b>8,289</b>	<b>988</b>	<b>60</b>	<b>1,781</b>
Preventive Provisions for Loan Losses	-	11,107	-	244	-	-
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>677</b>	<b>56,844</b>	<b>8,289</b>	<b>744</b>	<b>60</b>	<b>1,781</b>
Loan Origination Fees	-	26,486	-	105	-	1,387
Fees Paid	-	12,212	2,186	70	0	161
Trading Income	-	4,192	255	2	-	(53)
Other Operating Income (Expenses)	11	499	1,357	741	29	145
<b>Non Interest Income</b>	<b>11</b>	<b>47,582</b>	<b>4,053</b>	<b>920</b>	<b>29</b>	<b>1,587</b>
<b>Total Operating Income</b>	<b>688</b>	<b>104,426</b>	<b>12,341</b>	<b>1,664</b>	<b>88</b>	<b>3,368</b>
Administrative and Promotional Expenses	133	41,935	1,971	741	58	1,445
<b>Operating Income</b>	<b>555</b>	<b>33,874</b>	<b>5,744</b>	<b>782</b>	<b>31</b>	<b>1,655</b>
Subsidiaries' Net Income	34,448	327	1,954	(16)	-	0
<b>Pre-Tax Income</b>	<b>35,003</b>	<b>34,201</b>	<b>7,698</b>	<b>766</b>	<b>31</b>	<b>1,655</b>
Income Tax	-	5,573	952	0	9	504
Deferred Income Tax	(30)	2,541	653	96	(1)	(78)
<b>Net Income from Continuous Operations</b>	<b>35,033</b>	<b>26,087</b>	<b>6,093</b>	<b>669</b>	<b>23</b>	<b>1,229</b>
Discontinued Operations	-	-	-	-	-	-
Minority Interest	-	(0)	(36)	(0)	(0)	-
<b>Net Income</b>	<b>35,033</b>	<b>26,086</b>	<b>6,056</b>	<b>669</b>	<b>23</b>	<b>1,229</b>

### GFNorte - Income Statement as of December 31'21

(Million Pesos)

	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Interest Income	60	12	143,921	10,026	831	134,725
Premium Income (Net)	-	-	46,011	441	-	45,570
Interest Expense	-	-	50,608	-	9,836	40,772
Net Increase in Technical Reserves	-	-	33,818	-	-	33,818
Damages, Claims and Other Obligations	-	-	25,687	-	23	25,664
<b>Net Interest Income (NII)</b>	<b>60</b>	<b>12</b>	<b>79,819</b>	<b>-</b>	<b>-</b>	<b>80,041</b>
Preventive Provisions for Loan Losses	-	-	11,351	-	-	11,351
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>60</b>	<b>12</b>	<b>68,467</b>	<b>-</b>	<b>-</b>	<b>68,690</b>
Loan Origination Fees	2,007	-	29,985	2,396	-	27,589
Fees Paid	1,454	0	16,082	-	2,456	13,626
Trading Income	-	0	4,396	-	-	4,396
Other Operating Income (Expenses)	8	(18)	2,773	95	35	2,714
<b>Non Interest Income</b>	<b>3,469</b>	<b>(18)</b>	<b>57,632</b>	<b>2,491</b>	<b>2,491</b>	<b>52,721</b>
<b>Total Operating Income</b>	<b>3,529</b>	<b>(6)</b>	<b>126,100</b>	<b>2,491</b>	<b>2,491</b>	<b>121,411</b>
Administrative and Promotional Expenses	103	16	46,402	667	1,129	45,940
<b>Operating Income</b>	<b>518</b>	<b>(22)</b>	<b>43,137</b>	<b>-</b>	<b>-</b>	<b>43,822</b>
Subsidiaries' Net Income	9	-	36,722	34,449	-	2,273
<b>Pre-Tax Income</b>	<b>527</b>	<b>(22)</b>	<b>79,859</b>	<b>-</b>	<b>-</b>	<b>46,095</b>
Income Tax	135	0	7,175	-	-	7,175
Deferred Income Tax	(1)	-	3,181	201	-	3,382
<b>Net Income from Continuous Operations</b>	<b>392</b>	<b>(22)</b>	<b>69,503</b>	<b>-</b>	<b>-</b>	<b>35,539</b>
Discontinued Operations	-	-	-	-	-	-
Minority Interest	-	-	(37)	454	-	(491)
<b>Net Income</b>	<b>392</b>	<b>(22)</b>	<b>69,467</b>	<b>48,527</b>	<b>13,456</b>	<b>35,048</b>

## GFNorte - Balance Sheet as of December 31 '21

(Million Pesos)

ASSETS	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
<b>Cash and Due from Banks</b>	3	98,302	1,434	133	3	4,664
<b>Margin Accounts</b>	-	7,999	-	-	-	-
<b>Investment in Securities</b>	-	228,636	232,250	-	-	289,608
Negotiable Instruments	-	32,263	30,159	-	-	195,779
Securities Available for Sale	-	136,172	4,232	-	-	92,979
Securities Held to Maturity	-	60,200	197,859	-	-	849
<b>Debtor Balance in Repo Trans, net</b>	16,433	3,037	3,828	-	-	-
<b>Transactions with Derivatives For trading purposes</b>	-	26,865	-	-	-	216
<b>Transactions with Derivatives For hedging purposes</b>	-	1,055	-	-	-	-
<b>Valuation adjustments for Asset Coverage</b>	-	40	-	-	-	-
<b>Gross Loan Portfolio</b>	-	795,990	-	36,998	-	-
<b>Net Loan Portfolio</b>	-	794,953	-	36,998	-	-
<b>Performing Loans</b>	-	802,861	-	36,837	-	-
Commercial Loans	-	304,111	-	29,113	-	-
Financial Intermediaries' Loans	-	28,686	-	928	-	-
Government Entities' Loans	-	147,734	-	6,791	-	-
Consumer Loans	-	121,870	-	4	-	-
Mortgage Loans	-	200,459	-	-	-	-
Medium and Residential	-	198,057	-	-	-	-
<b>Past Due Loans</b>	-	7,836	-	669	-	-
Commercial PDL's	-	2,588	-	664	-	-
Financial Intermediaries PDL's	-	-	-	-	-	-
Government Entities PDL's	-	154	-	4	-	-
Consumer PDL's	-	3,017	-	0	-	-
Mortgage PDL's	-	2,077	-	-	-	-
Medium and Residential	-	1,802	-	-	-	-
Low income housing	-	0	-	-	-	-
Loans acquired from INFONAVIT or FOVISSSTE	-	275	-	-	-	-
<b>Preventive Loan Loss Reserves</b>	-	15,744	-	507	-	-
<b>Acquired Collection Rights</b>	-	1,036	-	-	-	-
<b>Account Receivables from Insurance and Annuities</b>	-	-	3,221	-	-	-
<b>Premium Debtors (Net)</b>	-	-	4,284	-	-	-
<b>Account Receivables from Reinsurance</b>	-	-	7,451	-	-	-
<b>Benef.receivab.securization transactions</b>	-	-	-	-	-	-
<b>Sundry Debtors &amp; Other Accs Rec, Net</b>	47	31,139	5	883	118	1,387
<b>Inventories</b>	-	-	-	-	1,026	-
<b>Foreclosed Assets, Net</b>	-	1,717	-	156	-	-
<b>Real Estate, Furniture &amp; Equipment, Net</b>	-	17,662	270	3,248	53	56
<b>Investment in Subsidiaries</b>	191,928	523	14,329	33	-	2
<b>Deferred Taxes, Net</b>	-	(0)	-	964	7	-
<b>Total other Assets</b>	25,850	23,526	4,065	4,839	17	236
Goodwill	25,329	1,403	-	-	-	-
Intangible	521	21,773	3,967	311	0	35
Other Assets	-	350	98	4,528	17	201
<b>TOTAL ASSETS</b>	<b>234,261</b>	<b>1,236,490</b>	<b>271,137</b>	<b>47,254</b>	<b>1,224</b>	<b>296,169</b>

ASSETS	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
Cash and Due from Banks	1,369	2	105,910	120	7,187	98,842
Margin Accounts	-	-	7,999	-	-	7,999
Investment in Securities	-	340	750,834	-	477	750,357
Negotiable Instruments	-	-	258,201	-	-	258,201
Securities Available for Sale	-	340	233,723	-	130	233,594
Securities Held to Maturity	-	-	258,909	-	347	258,562
Debtor Balance in Repo Trans, net	-	846	24,143	-	19,657	4,487
Transactions with Derivatives For trading purposes	-	-	27,080	-	139	26,941
Transactions with Derivatives For hedging purposes	-	-	1,055	-	-	1,055
Valuation adjustments for Asset Coverage	-	-	40	-	-	40
Gross Loan Portfolio	-	-	832,988	3,512	22,376	814,124
Net Loan Portfolio	-	-	831,952	3,512	22,376	813,088
Performing Loans	-	-	839,697	3,512	22,376	820,833
Commercial Loans	-	-	333,225	604	564	333,265
Financial Intermediaries' Loans	-	-	29,613	-	18,697	10,916
Government Entities' Loans	-	-	154,525	2,907	3,115	154,318
Consumer Loans	-	-	121,875	-	-	121,875
Mortgage Loans	-	-	200,459	-	-	200,459
Medium and Residential	-	-	198,057	-	-	198,057
Past Due Loans	-	-	8,505	-	-	8,505
Commercial PDL's	-	-	3,252	-	-	3,252
Financial Intermediaries PDL's	-	-	-	-	-	-
Government Entities PDL's	-	-	159	-	-	159
Consumer PDL's	-	-	3,018	-	-	3,018
Mortgage PDL's	-	-	2,077	-	-	2,077
Medium and Residential	-	-	1,802	-	-	1,802
Low income housing	-	-	0	-	-	0
Loans acquired from INFONAVIT or FOVISSSTE	-	-	275	-	-	275
Preventive Loan Loss Reserves	-	-	16,251	-	-	16,251
Acquired Collection Rights	-	-	1,036	-	-	1,036
Account Receivables from Insurance and Annuities	-	-	3,221	-	-	3,221
Premium Debtors (Net)	-	-	4,284	-	-	4,284
Account Receivables from Reinsurance	-	-	7,451	-	-	7,451
Benef.receiveab.securization transactions	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	204	120	33,903	-	238	33,665
Inventories	-	-	1,026	-	-	1,026
Foreclosed Assets, Net	-	-	1,873	-	-	1,873
Real Estate, Furniture & Equipment, Net	0	4	21,292	203	44	21,451
Investment in Subsidiaries	117	-	206,933	2,901	194,829	15,004
Deferred Taxes, Net	1	-	971	-	971	-
Total other Assets	57	469	59,059	-	-	59,059
Goodwill	-	-	26,732	-	-	26,732
Intangible	57	468	27,133	-	-	27,133
Other Assets	0	0	5,194	-	-	5,194
<b>TOTAL ASSETS</b>	<b>1,748</b>	<b>1,779</b>	<b>2,090,062</b>	<b>6,735</b>	<b>245,918</b>	<b>1,850,879</b>

LIABILITIES & EQUITY	Holding	Banorte	Ahorro y Previsión	Arrendadora y Factor	Almacenadora	Casa de Bolsa Banorte
<b>Deposits</b>	-	<b>806,213</b>	-	-	-	-
<b>Demand Deposits</b>	-	<b>535,201</b>	-	-	-	-
<b>Time Deposits</b>	-	<b>240,189</b>	-	-	-	-
Time Deposits-Retail	-	240,089	-	-	-	-
Time Deposits-Money Market	-	100	-	-	-	-
<b>Senior Unsecured Debt</b>	-	<b>27,800</b>	-	-	-	-
<b>Global Deposit Account without Movement</b>	-	<b>3,023</b>	-	-	-	-
<b>Due to Banks &amp; Correspondents</b>	-	<b>21,562</b>	-	<b>35,732</b>	<b>892</b>	-
Immediate Redemption Loans	-	7,809	-	-	-	-
Short Term Loans	-	7,330	-	28,565	892	-
Long Term Loans	-	6,422	-	7,167	-	-
<b>Technical Reserves</b>	-	-	<b>230,348</b>	-	-	-
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-
<b>Creditor Balance in Repo Trans, Net</b>	-	<b>108,591</b>	-	-	-	<b>288,134</b>
<b>Collateral sold or pledged as collateral</b>	-	<b>31</b>	-	-	-	-
<b>Transactions with Derivatives for trading purposes</b>	-	<b>22,487</b>	-	-	-	<b>95</b>
<b>Transactions with Derivatives for hedging purposes</b>	-	<b>6,571</b>	-	-	-	-
<b>Valuation adjustments for financial liability coverage</b>	-	-	-	-	-	-
<b>Payable Accounts for Reinsurance</b>	-	-	<b>2,514</b>	-	-	-
<b>Other Payable Accounts</b>	<b>0</b>	<b>43,567</b>	<b>4,091</b>	<b>1,335</b>	<b>27</b>	<b>1,729</b>
Income Tax Payable	-	568	951	-	2	93
Profit Sharing Payable	-	1,354	-	7	1	16
Creditors for settlement of transactions	-	2,458	-	-	-	940
Creditors for collateral received in cash	-	10,006	-	-	-	-
Other Creditors & Accounts Payable	0	29,181	3,140	1,328	23	681
<b>Subordinated Non Convertible Debt</b>	-	<b>80,574</b>	-	-	-	-
<b>Deferred Taxes, Net</b>	<b>9</b>	<b>1,122</b>	<b>3,068</b>	-	-	<b>118</b>
<b>Deferred Credits</b>	-	<b>1,138</b>	<b>46</b>	<b>183</b>	-	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>9</b>	<b>1,091,855</b>	<b>240,066</b>	<b>37,249</b>	<b>918</b>	<b>290,077</b>
<b>EQUITY</b>						
<b>Subscribed Capital</b>	<b>63,180</b>	<b>22,646</b>	<b>21,370</b>	<b>12,310</b>	<b>87</b>	<b>2,061</b>
Paid-in Capital	14,960	18,795	15,776	12,294	87	1,985
Share Subscription Premiums	48,221	3,851	5,594	16	-	77
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-
<b>Earned Capital</b>	<b>171,071</b>	<b>121,985</b>	<b>9,406</b>	<b>(2,489)</b>	<b>218</b>	<b>4,031</b>
Capital Reserves	8,835	18,959	1,278	703	59	350
Retained Earnings	130,131	79,931	2,197	(3,863)	136	2,238
Surplus (Deficit) of Secs Available for Sale	1,640	1,720	(23)	-	-	78
Results from Valuation of Hedging Secs	(2,661)	(2,710)	-	-	-	-
Result in the valuation reserve for unexpired risks variations in rates	(118)	-	(117)	-	-	-
Results from Conversions	169	34	-	-	-	136
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Remeasurements defined benefits for employees	(1,957)	(2,036)	16	1	(0)	1
Net Income	35,033	26,086	6,056	669	23	1,229
Capital Mayoritario	234,252	144,631	30,776	9,821	305	6,093
Minority Interest	-	4	294	184	0	-
<b>Total Equity</b>	<b>234,252</b>	<b>144,635</b>	<b>31,071</b>	<b>10,005</b>	<b>305</b>	<b>6,093</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>234,261</b>	<b>1,236,490</b>	<b>271,137</b>	<b>47,254</b>	<b>1,224</b>	<b>296,169</b>



LIABILITIES & EQUITY	Operadora de Fondos Banorte	IXE Servicios	Total	Charges Intercompany Eliminations	Credits Intercompany Eliminations	Final Balance
<b>Deposits</b>	-	-	<b>806,213</b>	<b>7,187</b>	-	<b>799,025</b>
<b>Demand Deposits</b>	-	-	<b>535,201</b>	<b>7,149</b>	-	<b>528,051</b>
<b>Time Deposits</b>	-	-	<b>240,189</b>	<b>38</b>	-	<b>240,151</b>
Time Deposits-Retail	-	-	240,089	38	-	240,051
Time Deposits-Money Market	-	-	100	-	-	100
<b>Senior Unsecured Debt</b>	-	-	<b>27,800</b>	-	-	<b>27,800</b>
<b>Global Deposit Account without Movement</b>	-	-	<b>3,023</b>	-	-	<b>3,023</b>
<b>Due to Banks &amp; Correspondents</b>	-	-	<b>58,185</b>	<b>18,697</b>	-	<b>39,488</b>
Immediate Redemption Loans	-	-	7,809	-	-	7,809
Short Term Loans	-	-	36,786	18,697	-	18,089
Long Term Loans	-	-	13,589	-	-	13,589
<b>Technical Reserves</b>	-	-	<b>230,348</b>	-	<b>77</b>	<b>230,425</b>
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-
<b>Creditor Balance in Repo Trans, Net</b>	-	-	<b>396,725</b>	<b>19,657</b>	-	<b>377,069</b>
<b>Collateral sold or pledged as collateral</b>	-	-	<b>31</b>	-	-	<b>31</b>
<b>Transactions with Derivatives for trading purposes</b>	-	-	<b>22,581</b>	<b>139</b>	-	<b>22,442</b>
<b>Transactions with Derivatives for hedging purposes</b>	-	-	<b>6,571</b>	-	-	<b>6,571</b>
<b>Valuation adjustments for financial liability coverage</b>	-	-	-	-	-	-
<b>Payable Accounts for Reinsurance</b>	-	-	<b>2,514</b>	-	-	<b>2,514</b>
<b>Other Payable Accounts</b>	<b>205</b>	<b>181</b>	<b>51,136</b>	<b>390</b>	<b>42</b>	<b>50,789</b>
Income Tax Payable	-	0	1,614	-	-	1,614
Profit Sharing Payable	2	0	1,380	-	-	1,380
Creditors for settlement of transactions	-	-	3,398	-	-	3,398
Creditors for collateral received in cash	-	-	10,006	-	-	10,006
Other Creditors & Accounts Payable	203	181	34,738	390	42	34,390
<b>Subordinated Non Convertible Debt</b>	-	-	<b>80,574</b>	-	-	<b>80,574</b>
<b>Deferred Taxes, Net</b>	-	-	<b>4,317</b>	<b>971</b>	-	<b>3,346</b>
<b>Deferred Credits</b>	-	-	<b>1,367</b>	-	-	<b>1,367</b>
<b>TOTAL LIABILITIES</b>	<b>205</b>	<b>181</b>	<b>1,660,561</b>	<b>47,041</b>	<b>120</b>	<b>1,613,640</b>
<b>EQUITY</b>						
<b>Subscribed Capital</b>	<b>170</b>	<b>1,629</b>	<b>123,454</b>	<b>60,530</b>	<b>324</b>	<b>63,248</b>
Paid-in Capital	170	144	64,211	49,254	-	14,957
Share Subscription Premiums	-	-	57,759	9,791	324	48,292
Contributions for future capital increases agreed by the governing body	-	1,484	1,484	1,484	-	-
<b>Earned Capital</b>	<b>1,372</b>	<b>(30)</b>	<b>305,564</b>	<b>134,922</b>	<b>343</b>	<b>170,985</b>
Capital Reserves	34	2	30,221	21,386	-	8,835
Retained Earnings	945	(11)	211,704	81,953	325	130,076
Surplus (Deficit) of Secs Available for Sale	-	0	3,414	1,821	-	1,594
Results from Valuation of Hedging Secs	-	-	(5,371)	(2,710)	-	(2,661)
Result in the valuation reserve for unexpired risks variations in rates	-	-	(235)	(117)	-	(118)
Results from Conversions	-	-	338	170	-	169
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Remeasurements defined benefits for employees	1	-	(3,974)	(2,016)	-	(1,957)
Net Income	392	(22)	69,467	34,436	18	35,048
Capital Mayoritario	1,542	1,598	429,018	195,452	667	234,233
Minority Interest	-	-	483	-	2,523	3,006
<b>Total Equity</b>	<b>1,542</b>	<b>1,598</b>	<b>429,501</b>	<b>195,452</b>	<b>3,190</b>	<b>237,239</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,748</b>	<b>1,779</b>	<b>2,090,062</b>	<b>242,493</b>	<b>3,310</b>	<b>1,850,879</b>

## V. Appendix

### Accounting & Regulatory Changes

*Numbers in this section are stated in million pesos.*

#### Early termination of support programs for mortgage loan debtors

On June 30<sup>th</sup>, 2010, the Federal Government, through the SHCP (Tax and Credit Institutions Authority), signed an agreement to early terminate the support programs for the mortgage loan debtors. Therefore, as of January 1, 2011, the Holding entity absorbed the discount that was early applied to the mortgage loan debtors enrolled in the program.

The agreement established a set of payment obligations by the Federal Government payable in 5 equal annual payments ending on June 1, 2015; day in which the bank received Ps 29 million including a monthly interest from the day after the cutoff date until the ending month before the payment date.

As of December 31, 2021, the remaining balance of CETES ESPECIALES which have not been repurchased by the Federal Government, totaled Ps 610 million, with maturities between 2022 and 2027.

#### Special Accounting Treatment of the support programs granted by the Institution derived from the COVID-19 Contingency

Given the negative impact generated in various activities of the economy derived from the SARS-CoV2 (COVID-19), virus epidemic in Mexico, the Institution has decided to support its clients by implementing various support programs that will be applicable to all customers who enroll into the program from March 25<sup>th</sup> to July 31<sup>st</sup> 2020, in accordance to the following:

##### Credit card

- The support consists of voiding the monthly payment of the card for 4 months, without affecting the individual's credit bureau record, nor charging collection expenses or late payment fees; this will be valid upon receipt of an e-mail confirmation of successful enrollment in the program.
- The normal payment requirement will be the month immediately after the end of the support period, that is August 2020
- The balance held in the account during the support period will accrue ordinary interest that will be calculated monthly, which will be informed to the client, but not capitalized.
- Payments will be allowed any time
- Credit cards enrolled in the support program remain available for purchases and cash withdrawals pursuant to the applicable credit policies and the current terms and conditions.

##### Payroll Loans

- Program consists of postponing payment of principal, interest, insurance, and fees equivalent to 4 months, depending on payment frequency.
- The deferral applies upon e-mail confirmation of successful enrollment in the program.
- At the end of the support period, payment requirements will be resumed in the same amount as before the program.
- The client will not pay additional interest during the program or the extension of the term.
- Advanced payments are allowed at any time without penalties if customers wish to conclude their loan payments on the original date.

#### Personal Loans

- Program consists of postponing payment of principal, interest, insurance, and fees equivalent to 4 months, depending on the frequency of the payment.
- The deferral applies upon e-mail confirmation of successful enrollment in the program.
- At the end of the support period, payment requirements will be resumed in the same amount as before the program.
- The client will not pay additional interest during the program or the extension of the term.
- Advanced payments are allowed at any time without penalties if customers wish to conclude their loan payments on the original date.

#### Auto Loans

- Program consists of deferring principal and interest payment on the loan for the following 4 months after receiving e-mail confirmation of successful enrollment in the program.
- The 4 monthly payments will be appended to the end of the original term
- The normal payment will be resumed immediately after the end of the deferral period.
- Accrued interest during the 4-month period will not generate any additional interest or fees.
- Advanced payments are allowed at any time without penalties if customers wish to conclude their loan payments on the original date.

#### Mortgage Loan

- Program consists of deferring principal and interest payment on the loan for the following 4 months after receiving e-mail confirmation of successful enrollment in the program.
- The 4 monthly payments will be appended to the end of the original term.
- The normal payment will be resumed immediately after the end of the deferral period.
- Accrued interest during the 4-month period will not generate any additional interest or fees.
- Advanced payments are allowed at any time without penalties if customers wish to conclude their loan payments on the original date.

#### SME Loans

##### For term-loans

- Support consists of not requiring monthly payment (principal and interest) for up to 4 months.
- Deferred installment will be appended to the end of the original term.
- Loans close to the end of their term, will be extended for up to 4 months.

##### For revolving loans:

- Support consists of not requiring the monthly interest payment for up to 4 months and at the same time the credit term will be extended for up to 4 months.
- Interest is appended to the end of the term.
- Making full or partial payment of the principal at the end of the original term or during the life of the loan, does not exempt the client from paying deferred interest
- The credits that are about to end will have an extension of the term according to the remaining months and the payment of the principal will be sent forward to the new end date.

- During the extension of the term, the corresponding interest payment must be covered according to the requirements set forth in the loan agreement.

By virtue of the foregoing, on March 27, 2020 (through official letter P285 / 2020), and on April 15, 2020 (through official letter P293 / 2020) and through the communication of June 26, 2020, the National Banking and Securities Commission (the " Commission "), issued Special Accounting Criteria, applicable to the Institution for the period of February 28, 2020 and until July 31, 2020, by which it authorized that those credits in force as of February 28, 2020, and the credits granted in March 2020, according to paragraph 12 of criterion B-6 "loan portfolio" (criterion B-6) to which the payment of principal and interest was deferred according to the program, are not considered as restructured loans in terms of paragraphs 79 and 80, likewise, if the requirements established in paragraphs 82 and 84 of Criterion B-6 are not applicable to them, as appropriate, and for them to remain as a current portfolio during the term agreed upon in said Program. Therefore, these credits are considered as a current portfolio for the determination of the preventive estimate.

Additionally, the loans for which payments will be deferred shall not be considered as restructured in accordance with the provisions set forth on paragraph 40 of Criterion B-6, nor shall they be reported as past due loans to the credit information entities.

The amounts that would have been recorded and presented both in the balance sheet and in the income statement by type of portfolio, had this special accounting criteria not been applied, as well as the details of the items and amounts by type of portfolio affected by accounting due to the application of the special accounting criteria as of March 31<sup>st</sup>, 2021, are:

Concept	Balances with COVID Support	Estimated effects in portfolio	Balances without COVID Support
<b>PERFORMING LOANS</b>			
Commercial Loans	\$498,499	\$ (31)	\$498,468
Consumer Loans	121,875	(15)	121,860
Mortgage Loans	200,459	(146)	200,313
<b>TOTAL PERFORMING LOAN PORTFOLIO</b>	<b>820,833</b>	<b>(192)</b>	<b>820,641</b>
<b>PAST DUE LOAN PORTFOLIO</b>			
Commercial Loans	3,411	31	3,442
Consumer Loans	3,018	15	3,033
Mortgage Loans	2,077	146	2,223
<b>TOTAL PAST DUE LOAN PORTFOLIO</b>	<b>8,506</b>	<b>192</b>	<b>8,698</b>
<b>TOTAL LOAN PORTFOLIO</b>	<b>829,339</b>	<b>-</b>	<b>829,339</b>
(Minus) LOAN RESERVES	(16,251)	(58)	(16,309)
<b>LOAN PORTFOLIO, (NET)</b>	<b>813,088</b>	<b>(58)</b>	<b>813,030</b>
<b>TOTAL ASSETS</b>	<b>1,850,879</b>	<b>(58)</b>	<b>1,850,821</b>
Provision for loan losses (Results)	11,351	58	11,409
<b>NET RESULT</b>	<b>35,048</b>	<b>(58)</b>	<b>34,990</b>
<b>TOTAL EQUITY</b>	<b>237,240</b>	<b>(58)</b>	<b>237,182</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,850,879</b>	<b>(\$58)</b>	<b>1,850,821</b>

As of December 31st 2021, the amount of loans subject to the support program is Ps \$88,938.

## New Financial Reporting Standards

In accordance with the resolution that modifies the general regulation applicable to Financial Institutions published on December 4, 2020, in the Official Gazette of the Federation (DOF), about rules published on March 13<sup>th</sup>, 2020, regarding the Financial Reporting Standards (NIF) issued by the Mexican Council of Financial Information Standards (CINIF), referred to in paragraph 3 of Criterion A-2 "Application of particular standards" of Annex 33, will enter into force on January 1<sup>st</sup>, 2022.

Up until now, we are in the process of analyzing the impact that such NIF regulations might have on the financial statements.

The NIFs issued and applicable as of January 1<sup>st</sup>, 2022, are:

- NIF B-17 "Determination of Reasonable Value".
- NIF C-3 "Accounts Receivable".
- NIF C-9 "Provisions, contingencies and commitments".
- NIF C-16 "Impairment of financial instruments receivable".
- NIF C-19 "Financial instruments payable".
- NIF C-20 "Financial instruments receivable principal and interest".
- NIF D-1 "Income from contracts with customers".
- NIF D-2 "Costs for contracts with customers", disclose for each one of them.
- NIF D-5 "Leases"
- NIF B-5 "Financial information by segments".
- NIF B-12 "Compensation of financial assets and financial liabilities".
- NIF C-2 "Investment in financial assets".
- NIF C-10 "Derivative and hedging financial instruments".
- NIF C-13 "Related parties".
- NIF C-14 "Transfer and derecognition of financial assets".
- NIF C-22 "Cryptocurrencies"

## Notes to Financial Statements

### FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q21

(Million Pesos)

Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>228,725</b>	<b>1,320</b>	<b>191</b>	<b>230,236</b>
<b>Unrestricted</b>	<b>16,515</b>	<b>187</b>	<b>114</b>	<b>16,816</b>
BONDES D	(100)	-	0	(100)
BONDES M	(433)	0	0	(432)
BPA	23	-	-	23
BREMS	-	-	-	-
Government Securities	10	0	2	13
Municipalities Securities	0	0	0	0
UDI Securities	-	-	-	-
CETES	10,866	177	(33)	11,010
CETES (Special)	-	-	-	-
Government Eurobonds	156	3	(3)	155
Udibonds	5,992	8	147	6,147
Treasury Notes	-	-	-	-
<b>Restricted</b>	<b>212,210</b>	<b>1,133</b>	<b>77</b>	<b>213,419</b>
BONDES D	52,471	83	22	52,576
BONDES M	857	6	(5)	858
BPA	155,262	1,035	92	156,389
BREMS	-	-	-	-
Government Securities	2,147	6	1	2,155
Municipalities Securities	-	-	-	-
UDI Securities	0	0	(0)	0
CETES	43	-	(0)	43
CETES (Special)	-	-	-	-
Government Eurobonds	-	-	-	-
Udibonds	1,429	3	(32)	1,399
<b>Banking Securities</b>	<b>14,218</b>	<b>23</b>	<b>5</b>	<b>14,247</b>
<b>Unrestricted</b>	<b>3,315</b>	<b>1</b>	<b>(0)</b>	<b>3,316</b>
Bank Acceptances	4	-	-	4
Bank Bonds	-	-	-	-
Development Bank Securities	5	0	(0)	5
Bank Securities	8	0	0	8
Deposit Certificates	377	1	(0)	378
Structured Notes	-	-	-	-
Other Banking Securities	121	0	0	121
Promissory Notes	2,800	-	(0)	2,800
<b>Restricted</b>	<b>10,903</b>	<b>22</b>	<b>5</b>	<b>10,931</b>
Bank Acceptances	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	2,913	4	0	2,918
Bank Securities	3,223	8	2	3,233
Deposit Certificates	3,928	8	(0)	3,936
Structured Notes	-	-	-	-
Other Banking Securities	839	2	3	843
Promissory Notes	-	-	-	-
<b>Private Securities</b>	<b>12,365</b>	<b>23</b>	<b>1,331</b>	<b>13,719</b>
<b>Unrestricted</b>	<b>11,875</b>	<b>23</b>	<b>1,334</b>	<b>13,232</b>
Shares	248	-	871	1,119
Investment Company Shares	9,440	-	319	9,759
ADRs	-	-	-	-
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	1,064	3	15	1,082
Trust Stock Certificates	-	-	-	-
Private Eurobonds	1,123	20	129	1,272
Infrastructure and Real Estate Trusts	-	-	-	-
Subordinated Debt	-	-	-	-
Other Banking Securities	-	-	-	-
CP	-	-	-	-
<b>Restricted</b>	<b>491</b>	<b>-</b>	<b>(3)</b>	<b>487</b>
Shares	491	-	(3)	487
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	-	-	-	-
Trust Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Other Banking Securities	-	-	-	-
Reasonable value adjustment Ixe Bank Acq	-	-	-	-
<b>Total</b>	<b>255,308</b>	<b>1,367</b>	<b>1,527</b>	<b>258,201</b>

## FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q21

(Million Pesos)

Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>185,357</b>	<b>1,839</b>	<b>2,783</b>	<b>189,979</b>
<b>Unrestricted</b>	<b>31,002</b>	<b>255</b>	<b>696</b>	<b>31,953</b>
BONDES D	88	0	(0)	88
BONDES M	722	3	(12)	713
BPA	-	-	-	-
BREMS	7,778	10	-	7,788
Government Securities	847	2	(8)	841
Municipalities Securities	179	4	31	215
UDI Securities	102	1	190	293
CETES	8,431	-	(2)	8,429
CETES (Special)	-	-	-	-
Government Eurobonds	10,657	230	439	11,325
Udibonds	2,197	5	58	2,260
Treasury Notes	-	-	-	-
<b>Restricted</b>	<b>154,355</b>	<b>1,585</b>	<b>2,087</b>	<b>158,026</b>
BONDES D	3,030	1	3	3,034
BONDES M	1,992	29	(159)	1,862
BPA	105,138	1,092	113	106,342
BREMS	-	-	-	-
Government Securities	3,040	8	0	3,048
Municipalities Securities	2,534	4	15	2,553
UDI Securities	-	-	-	-
CETES	1,206	-	(22)	1,184
CETES (Special)	-	-	-	-
Government Eurobonds	30,022	431	2,193	32,647
Udibonds	7,394	19	(56)	7,357
<b>Banking Securities</b>	<b>25,272</b>	<b>79</b>	<b>(36)</b>	<b>25,315</b>
<b>Unrestricted</b>	<b>17,391</b>	<b>65</b>	<b>(49)</b>	<b>17,407</b>
Bank Acceptances	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	2,356	24	(78)	2,303
Bank Securities	1,488	6	31	1,524
Deposit Certificates	11,672	32	(7)	11,697
Structured Notes	572	-	1	573
Other Banking Securities	1,303	3	5	1,310
Promissory Notes	-	-	-	-
<b>Restricted</b>	<b>7,881</b>	<b>15</b>	<b>13</b>	<b>7,908</b>
Bank Acceptances	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	7,881	15	13	7,908
Deposit Certificates	-	-	-	-
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
<b>Private Securities</b>	<b>18,164</b>	<b>397</b>	<b>(261)</b>	<b>18,300</b>
<b>Unrestricted</b>	<b>15,830</b>	<b>352</b>	<b>(242)</b>	<b>15,941</b>
Shares	32	-	51	83
Investment Company Shares	0	-	0	0
ADRs	-	-	-	-
Stock Certificates BORHIS	77	-	(77)	0
Corporate Stock Certificates	6,291	63	(345)	6,009
Trust Stock Certificates	-	-	-	-
Private Eurobonds	9,431	289	128	9,849
Infrastructure and Real Estate Trusts	-	-	-	-
Subordinated Debt	-	-	-	-
Other Banking Securities	-	-	-	-
CP	-	-	-	-
<b>Restricted</b>	<b>2,333</b>	<b>45</b>	<b>(19)</b>	<b>2,359</b>
Shares	-	-	-	-
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	672	1	6	679
Trust Stock Certificates	-	-	-	-
Private Eurobonds	1,661	44	(25)	1,680
Other Banking Securities	-	-	-	-
Reasonable value adjustment lxe Bank Acq	-	-	-	-
<b>Total</b>	<b>228,792</b>	<b>2,316</b>	<b>2,485</b>	<b>233,594</b>

## FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q21

(Million Pesos)

Securities Held to Maturity	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>252,762</b>	<b>940</b>	-	<b>253,702</b>
<b>Unrestricted</b>	<b>234,327</b>	<b>821</b>	-	<b>235,148</b>
BONDES D	-	-	-	-
BONDES M	929	5	-	934
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	1,587	23	-	1,610
Municipalities Securities	2,184	44	-	2,229
UDI Securities	228	2	-	230
CETES	-	-	-	-
CETES (Special)	616	-	-	616
Government Eurobonds	37,821	313	-	38,134
Udibonds	190,962	433	-	191,395
Treasury Notes	-	-	-	-
<b>Restricted</b>	<b>18,435</b>	<b>120</b>	-	<b>18,555</b>
BONDES D	-	-	-	-
BONDES M	15,531	109	-	15,640
BPA	-	-	-	-
BREMS	-	-	-	-
Government Securities	-	-	-	-
Municipalities Securities	2,904	11	-	2,915
UDI Securities	-	-	-	-
CETES	-	-	-	-
CETES (Special)	-	-	-	-
Government Eurobonds	-	-	-	-
Udibonds	-	-	-	-
<b>Banking Securities</b>	<b>1,045</b>	<b>232</b>	-	<b>1,277</b>
<b>Unrestricted</b>	<b>1,045</b>	<b>232</b>	-	<b>1,277</b>
Bank Acceptances	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	865	18	-	883
Deposit Certificates	-	-	-	-
Structured Notes	180	214	-	394
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
<b>Restricted</b>	-	-	-	-
Bank Acceptances	-	-	-	-
Bank Bonds	-	-	-	-
Development Bank Securities	-	-	-	-
Bank Securities	-	-	-	-
Deposit Certificates	-	-	-	-
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Promissory Notes	-	-	-	-
<b>Private Securities</b>	<b>2,960</b>	<b>970</b>	-	<b>3,930</b>
<b>Unrestricted</b>	<b>2,960</b>	<b>970</b>	-	<b>3,930</b>
Shares	-	-	-	-
Investment Company Shares	-	-	-	-
ADRs	-	-	-	-
Stock Certificates BORHIS	2	0	-	2
Corporate Stock Certificates	986	953	-	1,939
Trust Stock Certificates	-	-	-	-
Private Eurobonds	700	17	-	717
Infrastructure and Real Estate Trusts	-	-	-	-
Subordinated Debt	-	-	-	-
Other Banking Securities	1,271	-	-	1,271
CP	-	-	-	-
<b>Restricted</b>	-	-	-	-
Shares	-	-	-	-
Stock Certificates BORHIS	-	-	-	-
Corporate Stock Certificates	-	-	-	-
Trust Stock Certificates	-	-	-	-
Private Eurobonds	-	-	-	-
Other Banking Securities	-	-	-	-
Reasonable value adjustment Ixe Bank Acq	(347)	-	-	(347)
<b>Total</b>	<b>256,419</b>	<b>2,143</b>	-	<b>258,562</b>



**REPURCHASE AGREEMENT OPERATIONS 4Q21**
*(Million Pesos)*

	Repo Debtors			Repo Creditors	
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Government securities	256,634	252,261	4,404	31	354,993
Banking securities	5,906	5,906	0	0	15,929
Private Securities	3,445	3,362	83	-	6,146
<b>Total</b>	<b>265,985</b>	<b>261,530</b>	<b>4,487</b>	<b>31</b>	<b>377,069</b>

**DERIVATES FINANCIAL INSTRUMENTS  
OPERATIONS 4Q21**
*(Million Pesos)*

Creditor Balance	
Instrument	Fair Value
<b>Futures</b>	
TIE 28 Futures	-
<b>Forward</b>	
Fx Forward	471
<b>Options</b>	
Rate options	332
Fx options	281
Warrants	23
<b>Swaps</b>	
Rate swap	19,896
Fx swap	5,847
Credit swap	92
<b>Negotiable Total</b>	<b>26,941</b>
<b>Options</b>	
Rate Options	-
Fx options	-
<b>Swaps</b>	
Rate swap	-
Fx swap	1,055
Credit swap	-
<b>Hedging total</b>	<b>1,055</b>
<b>Position total</b>	<b>27,996</b>

**DERIVATES FINANCIAL INSTRUMENTS  
OPERATIONS 4Q21**

*(Million Pesos)*

Debtor Balance	
Instrument	Fair Value
<b>Futures</b>	
TIE 28 Futures	-
<b>Forward</b>	
Fx Forward	12
<b>Options</b>	
Rate options	396
Fx options	220
Warrants	14
<b>Swaps</b>	
Rate swap	14,053
Fx swap	7,747
Credit swap	-
<b>Negotiable Total</b>	<b>22,442</b>
<b>Options</b>	
Rate Options	-
Fx options	-
<b>Swaps</b>	
Rate swap	1,052
Fx swap	5,519
Credit swap	-
<b>Hedging total</b>	<b>6,571</b>
<b>Position total</b>	<b>29,013</b>

**NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q21 - Banorte**  
*(Million Pesos)*

PRODUCT	TYPE	UNDERLYING	NOTIONAL	OPERATIONS
FX Forwards	Purchases	Exchange Rate (USD/MXN)	785	109
FX Forwards	Sales	Exchange Rate (USD/MXN)	14,180	127
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	0	0
FX Forwards	Sales	Exchange Rate (SEK/MXN)	0	0
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	12	1
FX Forwards	Sales	Exchange Rate (EUR/MXN)	12	1
FX Options	Purchases	Exchange Rate (Dollar)	20,444	11
FX Options	Sales	Exchange Rate (Dollar)	22,674	8
Interest Rate Options	Purchases	TIE	20,396	60
Interest Rate Options	Sales	TIE	22,444	274
Interest Rate Options	Purchases	LIBOR	7,678	22
Interest Rate Options	Sales	LIBOR	9,811	28
Interest Rate Swaps	USD LIBOR	LIBOR	310,448	3,517
Interest Rate Swaps	MXN TIE	TIE	925,284	3,130
Interest Rate Swaps	USD SOFR	TIE	8,187	61
Interest Rate Swaps in Brokerage House	MXN TIE M M	TIE	9,501	8
Interest Rate Swaps in Brokerage House	USD LIBOR	TIE	2,277	2
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	138	2
Interest Rate and FX Swaps	CS USDMXN	VARIABLE/VARIABLE	116,459	120
Interest Rate and FX Swaps	CS USDMXN	FIX/FIX	22,736	40
Interest Rate and FX Swaps	CS CHFMXN	FIX/FIX	9,185	3
Interest Rate and FX Swaps	CS CHFMXN	FIX/VARIABLE	3,113	1
Interest Rate and FX Swaps	CS EURMXN	FIX/FIX	17,515	75
Interest Rate and FX Swaps	CS UDIMXN	FIX/FIX	11,842	3
Interest Rate and FX Swaps	CS GBPMXN	FIX/FIX	2,900	12
Credit Derivatives	CDS USD	FALSO	1,105	5
Equity Options	Compras	*L_MEXBOL_IND	457	4

LOAN PORTFOLIO								
<i>(Million Pesos)</i>								
	Local Currency		UDIS		Foreign Currency		Total	
	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21
<b>Performing Loans</b>								
Commercial Loans	265,061	259,860	0	-	60,123	73,406	325,183	333,265
Financial Intermediaries' Loans	11,172	8,189	0	-	0	2,727	11,172	10,916
Consumer Loans	116,484	121,875	0	-	0	-	116,484	121,875
Mortgage Loans	187,655	200,391	81	68	0	-	187,736	200,459
Government Entities' Loans	149,739	144,542	0	-	11,824	9,776	161,563	154,318
<b>Total</b>	<b>730,111</b>	<b>734,856</b>	<b>81</b>	<b>68</b>	<b>71,947</b>	<b>85,909</b>	<b>802,138</b>	<b>820,833</b>
<b>Past Due Loans</b>								
Commercial Loans	2,340	2,480	0	0	190	772	2,530	3,252
Financial Intermediaries' Loans	0	0	0	-	0	-	0	-
Consumer Loans	4,706	3,018	0	-	0	-	4,706	3,018
Mortgage Loans	1,647	2,071	11	6	0	0	1,658	2,077
Government Entities' Loans	38	159	-	-	-	-	38	159
<b>Total</b>	<b>8,730</b>	<b>7,727</b>	<b>11</b>	<b>6</b>	<b>190</b>	<b>772</b>	<b>8,931</b>	<b>8,505</b>
<b>Total Proprietary Loans</b>	<b>738,841</b>	<b>742,583</b>	<b>92</b>	<b>74</b>	<b>72,136</b>	<b>86,681</b>	<b>811,070</b>	<b>829,338</b>

**COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND  
MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q21- GFNorte**

	<i>(Million Pesos)</i>	
	PERIOD COST	TOTAL BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	1.2	0.0
Mortgage FOVI	-	-
	<b>1.2</b>	<b>0.0</b>

## DEFERRED TAXES 4Q21

(Million Pesos)

ASSETS	INCOME TAX	NET
Global Loss Reserves Loan Portfolio	4,723	4,723
Non deductible provisions and cumulative income	1,115	1,115
Excess of accounting value over fiscal value on Repossessed Assets	228	228
Diminishable profit sharing	442	442
Fees received in advance	1,046	1,046
Effects from valuation of instruments	-	-
Tax losses pending amortization	479	479
Provisions for possible loss in loans	286	286
Loss on sale of foreclosed assets and credits	-	-
State Tax on Assets Deferred	-	-
Loss on sale of foreclosed assets and credits	-	-
Loss on sale of foreclosed assets and credits	74	74
<b>Total Assets</b>	<b>8,395</b>	<b>8,395</b>
LIABILITIES		
Pension Funds Contribution	(16)	(16)
Loan Portfolio Acquisitions	(311)	(311)
Projects to be capitalized	(6,656)	(6,656)
Intangibles' amortizations	-	-
Effects from valuation of instruments	(4,367)	(4,367)
Intangibles' amortizations	(335)	(335)
Unrealized Loss on Securities held for Sale	(55)	(55)
<b>Total Liabilities</b>	<b>(11,740)</b>	<b>(11,740)</b>
Assets (Liabilities) Accumulated Net	(3,346)	(3,346)

## LONG TERM DEBT AS OF DECEMBER 31 2021 - BANCO MERCANTIL DEL NORTE

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	CALLABILITY	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2008 (Q_BANORTE_08U)	UDIS	11-mar-08	495	1,963	1,969	20 years	4.950%	25-feb-23	15-feb-28	182 days
Non Convertible Subordinated Bonds 2016 (D2_BANOC36_311004)	USD	04-oct-16	500	9,607	6,034	15 years	5.750%	04-oct-26	04-oct-31	180 days
Non Convertible Subordinated Bonds 2017 (D2_BANOD19_999999)	USD	06-jul-17	350	6,413	7,178	Perpetual	6.875%	06-jul-22	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2017 (D2_BANOE91_999999)	USD	06-jul-17	550	10,077	11,279	Perpetual	7.625%	10-ene-28	Perpetual	Quarterly
Stock certificates 2016 (94_BINTER_16U)	UDIS	13-oct-16	365	2,000	2,596	10 years	4.970%	-	01-oct-26	182 days
Stock certificates 2019 (94_BANORTE_19)	MXN	17-may-19	5,400	5,400	5,400	3 years	TIE +0.13%	-	13-may-22	28 days
Stock certificates 2019 (94_BANORTE_19-2)	MXN	17-may-19	1,500	1,500	1,500	5 years	TIE +0.17%	-	10-may-24	28 days
Eurobond (Swiss francs) 2019 (D2_BANO397_221011)	CHF	11-apr-19	250	4,694	5,616	3.5 years	1.550%	-	11-oct-22	Annual
Non Convertible Subordinated Bonds 2019 (D2_BANOA64_999999)	USD	27-jun-19	600	11,501	12,305	Perpetual	6.750%	27-sep-24	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2019 (D2_BANOB48_999999)	USD	27-jun-19	500	9,584	10,254	Perpetual	7.500%	27-jun-29	Perpetual	Quarterly
Eurobond (Swiss francs) 2019 (D2_BANO343_231218)	CHF	18-sep-19	160	3,112	3,594	4.3 years	0.450%	-	18-dec-23	Annual
Eurobond (Swiss francs) 2020 (D2_BANO664_241206)	CHF	06-mar-20	225	4,826	5,055	4.8 years	0.500%	-	06-dec-24	Annual
Non Convertible Subordinated Bonds 2020 (D2_BANOC21_999999)	USD	14-jul-20	500	11,309	10,254	Perpetual	8.375%	14-oct-30	Perpetual	Quarterly
Stock certificates 2020 (94_BANORTE_20U)	UDIS	30-sep-20	107	700	760	10 years	2.760%	-	18-sep-30	182 days
Non Convertible Subordinated Bonds 2021 (D2_BANOA99_999999)	USD	24-nov-21	500	10,718	10,254	Perpetual	5.875%	24-ene-27	Perpetual	Quarterly
Non Convertible Subordinated Bonds 2021 (D2_BANOB72_999999)	USD	24-nov-21	550	11,790	11,279	Perpetual	6.625%	24-ene-32	Perpetual	Quarterly

## BANK AND OTHER ENTITIES LOANS' AS OF 4Q21

(Million Pesos)

	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Foreign Banks generated in the country		-	-
Loans from Foreign Banks generated from foreign country	-	0	0
Loans from Development Banks	16,583	1,624	18,206
Loans from Public Funds	8,908	1,419	10,327
Call Money & Loans from Banks	29,405	-	29,405
Loans from Fiduciary Funds	48	-	48
Provisions for Interest	199	-	199
	<b>55,142</b>	<b>3,043</b>	<b>58,185</b>
Eliminations			(18,697)
<b>Total</b>			<b>39,488</b>

## CORE DEPOSITS AND DUE TO BANKS &amp; CORRESPONDENTS - INTEREST RATES 4Q21

## CORE DEPOSITS (BANORTE)

## Demand Deposits

Local Currency and UDIs	0.97%
Foreign Currency	0.02%

## Time Deposits - Retail

Local Currency and UDIs	3.67%
Foreign Currency	0.24%

## Time Deposits - Money Market

Local Currency and UDIs	4.28%
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## DUE TO BANKS &amp; CORRESPONDENTS (BANORTE)

## Immediate Redemption Loans

Local Currency and UDIs	5.34%
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## Public Funds and Development Banks

Local Currency and UDIs	7.44%
Foreign Currency	1.46%

## MAIN CREDIT LINES RECEIVED 4Q21 (BANORTE)

Million pesos

	4Q20			3Q21			4Q21		
	Line	Used	% used	Line	Used	% used	Line	Used	% used
Bank Counterparty Lines (Call Money)	174,237	-	0.0%	220,021	2,348	1.1%	219,970	10,109	4.6%
Banxico (Repos for liquidity with the System of Payments) RSP*	75,832	7,784	10.3%	79,135	7,806	9.9%	80,824	7,989	9.9%
Banxico MXN & USD Credit Auction*	52,266	-	0.0%	58,469	-	0.0%	61,292	-	0.0%
Banxico Credit line with Government and Banking securities as collateral (Ordinary Facility)*	52,266	-	0.0%	58,469	-	0.0%	61,292	-	0.0%
Banxico Credit line with State and Municipal Government securities as collateral (Extraordinary Facility)	85,766	-	0.0%	86,106	-	0.0%	86,810	-	0.0%
<b>TOTAL</b>	<b>440,366</b>	<b>7,784</b>	<b>1.8%</b>	<b>502,199</b>	<b>10,154</b>	<b>2.0%</b>	<b>510,188</b>	<b>18,098</b>	<b>3.5%</b>

\* The credit amount of the RSP, Banxico Credit Auction, and Green Facility are interchangeable.

**TRADING INCOME 4Q21**  
*Million Pesos*

Trading income	Consolidated
<b>Securities - Unrealized gains</b>	<b>1,165</b>
Negotiable instruments	286
Derivative instruments - Negotiation	894
Derivative instruments - Hedging	(15)
<b>Impairment loss or revaluation increase</b>	<b>0</b>
<b>Result from foreign exchange valuation</b>	<b>(67)</b>
<b>Result from valuation of precious metals</b>	<b>(2)</b>
 <b>Result from purchase/sale of securities and derivatives</b>	 <b>145</b>
Negotiable instruments	(99)
Securities held for sale	482
Securities held to maturity	29
Derivative instruments - Hedging	(267)
<b>Result from purchase/sale of foreign exchange</b>	<b>3,151</b>
<b>Result from purchase/sale of precious metals</b>	<b>5</b>
<b>Total</b>	<b>4,396</b>

## Internal Control

For Grupo Financiero Banorte, S.A.B. de C.V. (GFNORTE), internal control is a shared responsibility among all of its constituents; therefore, the Board of Directors, other Corporate Governance entities, the senior management team, and each one of its executives and employees are part of the Internal Control System (ICS).

ICS is the general framework set forth by the Board of Directors with the objective of reaching institutional objectives through policies and monitoring activities and procedures, which have a positive impact on risk management, on the trustworthiness of financial information being generated, and on regulatory compliance.

ICS establishes the objectives and general guidelines which provide a framework to activities and responsibilities applicable to all personnel in charge of origination, operational processing, and execution. Such activities are monitored by teams specialized in risk monitoring and in mitigating controls.

ICS is structured around three defense lines:

- A. **First.** The owners of support and business processes, who are ultimately responsible for the primary internal control function in their activities.
- B. **Second.** Risk, Credit, Legal and Controller departments, which provide permanent control and monitoring support, and
- C. **Third.** Internal Audit, with which the independence granted by its direct line of report to the Internal Audit and Corporate Practices Committee, supervises all activities and the adequate development of all functions across all areas.

At GNORTE we are convinced that having an adequate control environment is yet another competitive advantage that drives our growth and solid presence in the domestic financial market. Therefore, all executives and employees perform their daily activities with discipline as well as with strict adherence to the norm; following a philosophy of getting things done right the first time without having to rely on reviews that might be carried out by other areas.

During the fourth quarter of 2021, there was a continuous development of activities related to strengthening control, risk evaluation and management, establishment and monitoring of controls, and quality of information assurance; highlighting the following:

- A. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
- B. The manuals containing policies and procedures have been updated for changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls.
- C. The requests from different internal areas regarding the internal control matters were addressed, both in support of the development of new institutional projects, as well as with those that derive from regulatory changes.
- D. GFNORTE's business and operating support processes were constantly monitored through the Business Process and Management Controllers. They issue periodic compliance reports and identify areas of opportunity so that they can be remediated appropriately.
- E. Various activities regarding internal accounting control were carried out and were concluded with the work plan established at the beginning of the year.
- F. Effectiveness tests related to the Business Continuity Plan were carried out in accordance with the calendar dates and scope, approved by the corresponding Corporate Governance Committee; in this matter, regarding the global contingency represented by COVID- 19. The Continuity Plan remains activated under its Pandemic section. The implemented actions continue responding to the considerations of each moment and are consistent with the assessment of an incremental risk.
- G. We continued to monitor the improvement initiatives derived from the observations made by the different members of the SCI.
- H. The Information Security Officer (CISO) presented the Master Plan for approval to the Management Team of GFNorte, and it carried out its functions according to it. It also kept reporting the findings and the details of the activities carried out, to the General Director of GFNorte and to the Corresponding Corporate Governance Committees, while maintaining a matrix coordination with the Comptroller, as part of the SCI.
- I. The requirements of the Supervisory Authorities were answered, and the information requirements required by the external regulation were fulfilled. In addition, ordinary inspector visits were attended by Authorities and follow-ups in remediation from the resulting recommendations have been fulfilled.

## Financial Situation and Liquidity

### Main sources of liquidity

The main liquidity source comes from the various deposit products that the institution offers to customers, such as interest bearing and non-interest-bearing demand deposits, as well as time deposits.

Regarding other sources of liquidity, Banorte has diverse mechanisms to access the debt and capital markets. The Institution obtains resources through the issuance of debt securities, including subordinated debt (Capital Notes), and loans and facilities from other institutions including the Central Bank and international banking institutions.

Liquid assets include investments in government securities and deposits held in the Central Bank and other foreign banks.

### Important initiatives of Banorte's liquidity during 4Q21.

Banorte's liquidity strategy is aimed at maintaining adequate liquidity levels based on prevailing circumstances. In this sense, and given the current contingency, management decided to maintain current liquidity levels prioritizing funding from client's deposits.

In November 2021, we issued USD 500M of AT1 Perp NC5 Notes and USD 500M AT1 Perp NC10 Notes that not only bolsters the Regulatory Capital of the Bank, but the levels of liquidity of the Group as well.

In addition, it should be noted that Banorte has not used the Central Bank of México's Ordinary Facilities or Extraordinary Facilities during 4Q21.

Detailed information related to liquidity sources is reported in different headings of the GFNorte's Balance Sheet in this report.

## Related Parties Loans

According to Article 73 of the Law of Credit Institutions, loans granted to the related parties of credit institutions cannot exceed the established limit of 35% of the basic portion of net capital.

In the case of GFNorte as of December 31, 2021 and September 30, 2021, the amount of loans granted to third parties is as follows (million pesos):

<b>Lender</b>	<b>Dec-2021</b>	<b>% Basic Equity</b>	<b>Sept-2021</b>	<b>% Basic Equity</b>
Banorte	\$13,353	7.5%	\$11,804	6.6%
	<b>\$13,353</b>		<b>\$11,804</b>	

The loans granted are under the 100% limit set forth by the LIC.

### Banorte

As of **December 31<sup>st</sup>, 2021**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was \$13,353 million pesos (including \$1,617 million pesos in Letters of Credit "CC", which are registered in memorandum accounts), representing 1.6% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans balance, \$12,706 million pesos were loans granted to clients linked to members of the Board of Directors, and \$647 million pesos were linked to companies related to GFNORTE. At the end of December 2021, there are no loans granted to clients related to shareholders.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNORTE's related party loan portfolio for individuals and corporations at the end of December 2021 was 7.5% of Core Equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNORTE's loan portfolio based on the general dispositions applicable to credit institutions regarding rating of loan portfolios issued by CNBV. Additionally, 100% of the related party loans are rated in Category "A", and most of these loans were classified as commercial loans.



## Banorte

As of **September 30<sup>th</sup>, 2021**, total loans granted to related parties, under the Article 73 of the Law of Credit Institutions, was \$11,804 million pesos (including \$1,515 million pesos in — Letters of Credit "CC", which are registered in memorandum accounts), representing 1% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans balance, \$11,230 million pesos were loans granted to clients linked to members of the Board of Directors, and \$573 million pesos were linked to companies related to GFNORTE. At the end of September 2021, there were no loans granted to clients related to shareholders.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNORTE's related party loan portfolio for individuals and corporations at the end of September 2021 was 6.6% of Core Equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNORTE's loan portfolio based on the general dispositions applicable to credit institutions regarding rating of loan portfolios issued by CNBV. Additionally, 99% of the related party loans are rated in Category "A", and most of these loans were classified as commercial loans.

## Loan or tax liabilities

The tax credits listed below are currently in litigation:

	<b>As of December 31, 2021</b>
<b>AFORE BANORTE</b>	<b>\$2</b>
Loan No4429309391 Payroll Tax in the State of Coahuila	2
<b>PENSIONES BANORTE</b>	<b>\$364</b>
Financial year 2014	364
<b>SEGUROS BANORTE</b>	<b>\$1,076</b>
Financial year 2014	1,076

Million pesos

## People in Charge

The undersign represent under oath that, taking into account our respective functions, we have drawn up the information relative to Grupo Financiero Banorte, which, to the best of our knowledge, reasonably reflects its financial situation. Furthermore, we express that we are not aware that relevant information has been omitted or falsified in this quarterly report or that it contains information that may lead to errors for investors.

Act. Jose Marcos Ramirez Miguel  
Chief Executive Officer of Grupo Financiero Banorte, S.A.B. de C.V.

Eng. Rafael Arana de la Garza  
Chief Operating Officer & Chief Financial Officer

C.P. Isaias Velazquez Gonzalez  
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo  
Deputy Managing Director of Comptrollership

C.P.C. Mayra Nelly López  
Executive Director of Accounting

## Basis for submitting and presenting Financial Statements

**Grupo Financiero Banorte (GFNorte).** Issues the financial statements in consolidated form with its Subsidiaries in accordance with the General Provisions Applicable to the Controlling and Sub-Controlling Companies of Financial Groups that regulate the matters that correspond jointly to the National Supervisory Commissions (the Provisions) published in the Official Gazette of the Federation on June 29, 2018.

**Banorte.** Issues the financial statements in consolidated form with its Subsidiaries in accordance with the General Provisions Applicable to the financial information of the Credit Institutions (the Provisions) published in the Official Gazette of the Federation on December 2, 2005, modified by means of published Resolutions in the aforementioned Official Gazette on March 3 and 28, September 15, December 6 and 8, 2006, January 12, March 23, April 26, November 5, 2007, March 10, August 22, September 19, October 14, December 4, 2008, April 27, May 28, June 11, August 12, October 16, November 9, December 1 and 24, 2009, January 27, February 10, April 9 and 15, May 17, June 28, July 29, August 19, September 9 and 28, October 25, November 26 and December 20, 2010, January 24 and 27, March 4, April 21, July 5, August 3 and 12, September 30, October 5 and 27, and December 28, 2011, June 19, July 5, October 23, November 28 and December 13, 2012, January 31, April 16, May 3, June 3 and 24, July 12, October 2 and December 24, 2013, January 7 and 31, March 26, May 12 and 19, July 3 and 31, September 24, October 30, December 8 and 31, 2014, January 9, 5 February, April 30, May 27 and June 23, 2015, August 27, September 21, October 29, November 9 and 13, December 16 and 31, 2015, April 7 and 28 and June 22, 2016, July 7 and 29, August 1, September 19 and 28, 2016, and December 27, 2016, January 6, April 4 and 27, May 31, June 26, 4 and 24 July, August 29, October 6 and 25, December 18, 26 and 27, 2017, January 22, March 14, April 26, May 11, June 26, July 23, August 29, September 4, October 5, November 15 and 27, 2018, and April 15, July 5, October 1, and November 4 and 25, 2019, March 13, April 9, June 9, August 21, October 12, November 19, December 4, May 21 and June 18, July 20 and 23, and August 6, 2021, and September 23 respectively.

**GFNorte and Banorte.** The financial information contained in this document has been prepared in accordance with the regulation issued by the National Banking and Securities Commission (CNBV) for the holding company and the financial entities that make up the Financial Group and the NIF issued by the Mexican Board of Standards of Financial Information, AC (CINF). The regulation of the CNBV and the NIFs differ from each other due to the specialized operations of the Credit Institutions. They also differ from the accounting principles generally accepted in the United States of America (US GAAP) and the regulations and principles established by the North American authorities for this type of financial entities. In order to present the information contained in an international format, the format for the classification and presentation of certain financial information differs from the format used for the financial information published in Mexico.

The information contained in this document is based on unaudited financial information of each of the entities to which it refers.