

September 3rd, 2019

Mr. Johan Frijns

Director – Bank Track

Vismarkt 15, 6511 VJ NIJMEGEN,

NETHERLANDS

Dear Mr. Frijns

RE: Banorte implementation plan for Principles for Responsible Banking

Please refer to your letter dated 29th July, 2019 on the above mentioned subject and your interest in the global Principles for Responsible Banking.

The purpose of UNEP FI Principles for Responsible Banking is to provide the signatory Banks with one comprehensive framework and guidance for the ultimate goal of effectively responding to today's new sustainable development economy across the signatory banks' entire business – at all strategic, portfolio and transactional levels.

The Principles for Responsible Banking were developed by the banking industry itself, together with the United Nations Environment Programme Finance Initiative (UNEP FI), representing more than 240 member finance institutions around the globe. Banks that sign up to the Principles are taking a step forward to work towards aligning their operations with the society's goals and supporting their customers and clients in adopting sustainable practices with the ultimate goal of creating measurable, significant and critical positive impact to address the UN SDGs and the Paris Agreement.

The Principles differ from existing frameworks in many ways including its strong underlying requirement for commitment to transparency and success. This will be achieved through the transparency and accountability mechanisms of the Principles which require banks to manage what matters most, set public targets and report back on progress.

The Principles were deliberately designed to enable all banks to implement them, no matter their specific context or whether the bank is only beginning to integrate sustainability into its business.

To engrain the depth of implementation in a large organization and for it to become part of the organization's DNA is a journey rather than a single step to be taken. Signatory Banks are expected to start this journey immediately after signing up to the Principles given the urgency

of the need to transform the business world and make progress at their own pace in the context of the markets that they are operating in and based on their level of maturity in adopting such practices.

For more mature banks, which have been doing this work for several years and have been reporting on their impacts in public reports and to their stakeholders, the requirements constitute a significant stepping up of current practice. For banks which are in the beginning of their journey in aligning with the SDGs and the Paris Agreement, it may take longer to fully implement the Principles to the level of depth that it requires. From the experience of mature banks, we acknowledge that radical reform and alignment to business strategy is not a process that happens overnight. The 4 years implementation period incorporated in the accountability framework will therefore allow signatories to have the opportunity to learn and gain momentum from the experience of mature banks as well as other stakeholders such as research centers and experts through a network created within UNEP FI.

During the past eighteen months, founding members and, through their outreach, other member banks have been consulted and kept informed of the development of the principles and what it would require of signatories. Thanks to this inclusive process, many banks are now more comfortable to become signatories in September 2019. A few of our founding members have already aligned their reporting to the requirements of the PRB and others are soon to follow. The level of alignment, internal processes and plans for implementation will thus soon be published and will be available within the first eighteen months after September. As signatory banks, while working internally to implement the PRB, we invite all our stakeholders to support us in encouraging other Banks which are not signatories yet to join this initiative and to commit aligning their operations with the society's goals.

I have attached our 2018 Grupo Financiero Banorte's Integrated Annual Report as well as our SDG Contribution Report for your reference about how we have invested in creating shared value in Mexico, where we operate. You can also refer to our Investor Relations and Sustainability webpage at investors.banorte.com, where you can access our company's financial information such as quarterly reports, annual reports and financial statements. The Sustainability web page includes our Commitments and Strategy, our Sustainability Model as well as diverse performance reports, policies and documents.

Yours sincerely,

A handwritten signature in blue ink that reads 'Ursula Wilhelm'. The signature is fluid and cursive, with a long horizontal stroke at the end.
Ursula Wilhelm

Executive Director of Investor Relations, ESG and Financial Intelligence

Grupo Financiero Banorte