



BANCO MERCANTIL DEL NORTE, S.A.  
 ZARAGOZA SUR No. 920 MONTERREY, N.L. C.P. 64000  
 CONSOLIDATED CASH FLOW STATEMENT  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016  
 (In millions of Mexican pesos)

<b>Net income</b>		\$10,941
Items not requiring (generating) resources:		
Real estate, furniture and equipment depreciations	832	
Provisions	511	
Current and deferred income tax	3,752	
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,025)	\$4,070
		\$15,011
<b>OPERATING ACTIVITIES</b>		
Changes in margin accounts		(\$654)
Changes in investments in securities		(68,545)
Changes in debtor balances under repurchase and resale agreements		420
Changes in asset position of derivatives		2,591
Change in loan portfolio		(30,520)
Changes in acquired collection rights		(96)
Changes in receivables generated by securitizations		(17)
Change in foreclosed assets		360
Change in other operating assets		(6,655)
Change in deposits		2,702
Change in interbank and other loans		592
Change in creditor balances under repurchase and sale agreements		53,358
Collateral sold or pledged		5
Change in liability position of derivative financial instruments		(1,343)
Change in subordinated debentures		817
Change in other operating liabilities		34
Change in hedging instruments related to operations		2,157
Income tax		(3,643)
Net cash flows (used by) generated from operating activities		(33,426)
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of property, furniture and equipment		\$529
Payments for acquisition of property, furniture and equipment		(2,092)
Proceeds on disposal of Subsidiaries and associated companies		2
Payments for disposal of other permanent investments		(2)
Charges for cash dividends		1,122
Net cash flows from investing activities		(441)
<b>FINANCING ACTIVITIES:</b>		
Dividends paid		(\$2,467)
Net cash flows from financing activities		(2,467)
Net increase (decrease) in cash and cash equivalents		(36,334)
<u>Effects from changes in the value of cash and cash equivalents</u>		135
<u>Cash and cash equivalents at the beginning of the period</u>		107,457
<u>Cash and cash equivalents at the end of the period</u>		\$71,258

This cash flow statement was prepared according to accounting principles applicable to Credit Institutions issued by the Mexican National Banking and Securities Commission according to Articles 99, 101 and 102 of the Law of Credit Institutions. Such principles are consistently applied in the consolidated financial statements, which are presented according to sound practices and applicable legal and administrative provisions and reflect all the operations conducted by the Institution as of the dates above.

“This cash flow statement was approved by the Board of Directors in accordance with the responsibility assigned to them.”

Act. José Marcos Ramírez Miguel  
CEO

Eng. Rafael Arana de la Garza  
Managing Director - COO, Administration and Finances

C.P. Isaías Velázquez González  
Managing Director - Audit

Lic. Jorge Eduardo Vega Camargo  
Deputy Managing Director - Controller

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