



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

Interest income		\$50,819
Interest expense		<u>16,347</u>
NET INTEREST INCOME		\$34,472
Allowance for loan losses		<u>9,886</u>
NET INTEREST INCOME AFTER ALLOWANCE FOR LOAN LOSSES		\$24,586
Commission and fee income	\$11,366	
Commission and fee expense	3,209	
Intermediation income	1,468	
Other Operating Income (expenses)	1,586	
Administrative and advertising expenses	<u>22,129</u>	<u>(10,918)</u>
OPERATING INCOME		\$13,668
Equity in earnings of unconsolidated subsidiaries and associated companies		<u>1,025</u>
INCOME BEFORE INCOME TAX		\$14,693
Current income tax	\$3,965	
Deferred income taxes, net	<u>(213)</u>	<u>3,752</u>
INCOME BEFORE NONCONTROLLING INTEREST		\$10,941
NET INCOME		<u><u>\$10,941</u></u>

These income statements were 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 consolidated income statements dates above.

The accompanying consolidated Income Statements have been 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