

Grupo Financiero Banorte

Financial Information as of March 31, 2015

1Q15



**"Bank of the
Year Mexico
2014"**



**"Best Commercial
Bank in Mexico
2013"**



**"Best Bank in
Mexico 2011"**



**"Sustainable
Company"**

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**"Best Bank in Mexico and
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**"Best Latam Management & IR
Team 2010, 2011, 2012 & 2013"**

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GFNorte reports Net Income of Ps 3.88 billion in 1Q15

The main highlights of the quarter include:

- Adequate sequential and annual loan growth of 2% and 12% with good growth in both consumer and non-consumer balances.
- Strong deposit growth of 3% and 17% for the period.
- Favorable evolution of asset quality, with the NPL ratio improving to 2.7% and across all loan books.
- Strong capitalization ratio of 15.20% and equity growth of 13% YoY.
- Annualized ROE for the quarter of 12.5% in line with 4Q14 result.
- Net income of Ps 3.88 billion growing 7% YoY impacted by normalized trading gains.
- Net Interest Margin strong at 4.5%.
- Core banking service fees increased 22% annually.

“All our business lines contributed to a strong start of the year” commented Marcos Ramírez, GFNorte’s CEO. The first months of the year are challenging as general banking and financial activities slowdown from the strong dynamism that they present during the last months of every year. It is worth noting the growth in our loan books despite a challenging environment with strong pricing competition in the corporate and government segments, strong liquidity in the domestic capital markets, which continue to disintermediate bank financing”.

“The Financial Group and its subsidiaries posted adequate results with net income of Ps 3.9 billion, increasing 7% annually, mainly because of a good growth in net interest income and banking fees and the solid asset quality performance that resulted in lower loan loss provisions. Also we are encouraged by the strong growth observed in the income from core banking services, which are the result of the changes that we are implementing in our retail business model to improve client profitability”.

“Afore reported net income of Ps 598 million, a strong result considering the 3 bps reduction in its fee implemented at the beginning of the year. The Insurance and Pension companies posted strong aggregate net income of Ps 674 million and in line with our expectations. We remain focused on increasing our business penetration in bancassurance”.

“Operating leverage during the quarter was negative, as operating expenses grew 12%, higher than the 8% growth in revenues. The explanation of this trend is seasonality. Operating expenses should normalize in the next coming months as we continue to manage them down and benefit from the reduction in personnel that we implemented in 1Q15. Our goal remains to bring down the group’s efficiency ratio from the result reported in 2014”.

“Our capital position continues to be strong with a Capitalization ratio at 15.20%. The bank’s high quality capital levels were supported by a 13% growth in equity, which also partially explains the reduction in ROE.

“We continue to build our relationships with our customers and we expect that loans and deposits should continue to post favorable trends as banking activity picks up in the coming quarters”.

The financial information presented in this Quarterly report has been calculated in pesos and the following tables are in million pesos, thus, they may seem to have some errors but the differences are because of rounding effects.

Income Statement and Balance Sheet Highlights-GFNorte							
(Million Pesos)	1Q14	4Q14	1Q15	Change		LTM 1Q15	Change
				QoQ	YoY		LTM
Income Statement							
Net Interest Income	10,352	12,441	11,635	(6%)	12%	45,379	14%
Non Interest Income	3,770	3,715	3,624	(2%)	(4%)	16,086	16%
Total Income	14,122	16,157	15,259	(6%)	8%	61,466	14%
Non Interest Expense	6,845	8,590	7,670	(11%)	12%	30,056	10%
Provisions	2,380	2,712	2,605	(4%)	9%	11,422	24%
Operating Income	4,897	4,855	4,983	3%	2%	19,988	16%
Taxes	1,500	1,312	1,328	1%	(11%)	5,497	44%
Subsidiaries & Minority Interest	230	277	225	(19%)	(2%)	990	90%
Net Income	3,628	3,819	3,880	2%	7%	15,480	11%
Balance Sheet							
Asset Under Management	1,869,988	2,039,197	2,101,760	3%	12%		
Total Assets	1,042,534	1,097,982	1,183,186	8%	13%		
Performing Loans (a)	427,553	471,768	479,808	2%	12%		
Past Due Loans (b)	13,151	14,293	13,474	(6%)	2%		
Total Loans (a+b)	440,704	486,061	493,282	1%	12%		
Total Loans Net (d)	426,794	470,774	478,711	2%	12%		
Acquired Collection Rights (e)	3,273	2,984	2,860	(4%)	(13%)		
Total Credit Portfolio (d+e)	430,067	473,759	481,571	2%	12%		
Total Liabilities	929,310	973,311	1,055,334	8%	14%		
Total Deposits	455,340	497,922	513,899	3%	13%		
Equity	113,224	124,672	127,851	3%	13%		

Financial Ratios GFNorte					
	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Profitability:					
NIM (1)	4.5%	5.1%	4.5%	(0.6 pp)	0.0 pp
NIM after Provisions (2)	3.4%	4.0%	3.5%	(0.5 pp)	0.0 pp
NIM adjusted w/o Insurance & Annuities	4.3%	5.0%	4.2%	(0.7 pp)	(0.1 pp)
NIM from loan portfolio (3)	7.9%	8.7%	7.8%	(0.9 pp)	(0.1 pp)
ROE (4)	13.3%	12.6%	12.5%	(0.2 pp)	(0.8 pp)
ROA (5)	1.4%	1.4%	1.4%	(0.1 pp)	(0.1 pp)
Operation:					
Efficiency Ratio (6)	48.5%	53.2%	50.3%	(2.9 pp)	1.8 pp
Operating Efficiency Ratio (7)	2.7%	3.2%	2.7%	(0.5 pp)	0.0 pp
Liquidity Ratio- Basel II (8)	147.5%	133.7%	N.A.	-	-
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III			77.7%		
Asset Quality:					
Past Due Loan Ratio	3.0%	2.9%	2.7%	(0.2 pp)	(0.3 pp)
Coverage Ratio	105.8%	107.0%	108.1%	1.2 pp	2.4 pp
Past Due Loan Ratio w/o Banorte USA	3.1%	3.0%	2.8%	(0.2 pp)	(0.3 pp)
Coverage Ratio w/o Banorte USA	105.2%	106.6%	107.5%	0.9 pp	2.3 pp

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

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

3) NIM = Annualized Net Interest Margin from loan portfolio / Average Performing Loans

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

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

6) Non-Interest Expense / Total Income

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

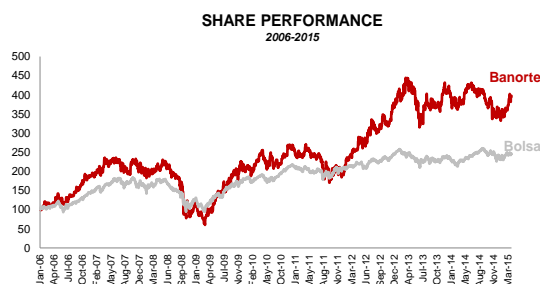
8) Liquid Assets / Liquid Liabilities. Where Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, while Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks.

Subsidiaries Net Income (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Banking Sector	2,485	2,609	2,734	5%	10%
Banco Mercantil del Norte (1)	2,109	2,220	2,327	5%	10%
Banorte Ixe Tarjetas	376	389	407	4%	8%
Broker Dealer	203	175	163	(7%)	(20%)
Banorte- Ixe-Broker Dealer	182	160	106	(34%)	(42%)
Operadora de Fondos Banorte-Ixe	21	15	57	285%	168%
Long Term Savings	815	907	968	7%	19%
Retirement Funds - Afore XXI Banorte	282	321	294	(9%)	4%
Insurance	478	511	586	15%	23%
Annuities	55	74	88	18%	59%
SOFOM and Other Finance Companies	142	161	36	(78%)	(75%)
Leasing and Factoring	171	209	136	(35%)	(21%)
Warehousing	9	22	10	(55%)	8%
Sólida Administradora de Portafolios (former Ixe Soluciones)	(38)	(70)	(110)	58%	192%
Ixe Servicios	(0)	0	0	364%	(694%)
G. F. Banorte (Holding)	(18)	(33)	(20)	(39%)	7%
Total Net Income	3,628	3,819	3,880	2%	7%

1) GFNorte's 98.22% participation of as of 3Q14.

Share Data	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Earnings per share (Pesos)	1.308	1.377	1.399	1.6%	7.0%
Earnings per share Basic (Pesos)	1.308	1.379	1.402	1.6%	7.2%
Earnings per share Diluted (Pesos)	1.308	1.378	1.400	1.6%	7.1%
Dividend per Share (Pesos) (1)	0.00	0.24	0.24	0%	-
Dividend Payout (Recurring Net Income)	0.0%	20.0%	20.0%	0%	-
Book Value per Share (2) (Pesos)	40.14	44.39	45.54	3%	13%
Average of Outstanding Shares (Million Shares)	2,773.7	2,773.7	2,773.7	0%	0%
Stock Price (Pesos)	87.83	81.20	88.52	9%	1%
P/BV (Times)	2.19	1.83	1.94	6%	(11%)
Market Capitalization (Million Dollars)	18,661	15,279	16,085	5%	(14%)
Market Capitalization (Million Pesos)	243,617	225,227	245,531	9%	1%

- 1) The Shareholders' Meeting held on December 20, 2013 approved **advanced payments on December 31, 2013 of the dividend that would be disbursed on January 23, 2014 and April 23, 2014 amounting to Ps 0.1963 per share, respectively. The fourth and last disbursement was not paid in advance and was disbursed on July 23, 2014.**
- 2) Excluding Minority Interest.



GRUPO FINANCIERO BANORTE

The financial information presented in this Quarterly report has been calculated in pesos, figures resulting from arithmetic operations are rounded.

• **Net Interest Income**

Net Interest Income (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Interest Income	16,283	16,753	15,562	(7%)	(4%)
Interest Expense	7,210	6,597	5,556	(16%)	(23%)
Loan Origination Fees	338	1,134	284	(75%)	(16%)
Fees Paid	85	88	90	2%	5%
GFNORTE's Net Interest Income excluding Insurance and Annuities Co.	9,326	11,202	10,201	(9%)	9%
Insurance and Annuities-Interest Income	1,553	1,757	1,050	(40%)	(32%)
Premium Income (Net)	4,971	5,301	5,337	1%	7%
Insurance and Annuities-Interest Expense	3	-	-	-	(100%)
Net Increase in Technical Reserves	3,109	3,406	2,478	(27%)	(20%)
Damages, Claims and Other Obligations	2,385	2,412	2,475	3%	4%
Insurance and Annuities Net Interest Income	1,026	1,239	1,434	16%	40%
GFNORTE's Net Interest Income	10,352	12,441	11,635	(6%)	12%
GFNORTE's Provisions	2,380	2,712	2,605	(4%)	9%
Net Interest Income Adjusted for Credit Risk	7,972	9,729	9,030	(7%)	13%
Average Productive Assets	926,180	969,513	1,034,929	7%	12%
Net Interest Margin (1)	4.5%	5.1%	4.5%	(0.6 pp)	0.0 pp
NIM after Provisions (2)	3.4%	4.0%	3.5%	(0.5 pp)	0.0 pp

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.

During 1Q15, GFNorte's Net Interest Income grew 12% YoY from Ps 10.35 billion to Ps 11.64 billion driven by:

- a 12% increase in the Net Interest Income from the loan portfolio, as high yielding consumer loans have gained share in the loan book; also,
- higher contribution from the insurance and annuities companies net revenues amounting to 40%, as a result of lower reserve requirements.

For the quarter, the (6%) QoQ decline in Net Interest Income, is mainly explained by

- a reduction in loan origination fees, as they normalized vs. 4Q14; and,
- Net Interest Income from repo operations declined (25%).

Insurance and Annuities Net Interest Income in 1Q15 reflected a **lower income from valuation due to inflation adjustment on these companies' securities**, which amounted to Ps 259 million in 1Q15, comparing to the Ps 939 million in 4Q14 and the Ps 820 million in 1Q14. Its effect in the margin is offset in *technical reserves* requirements, and therefore, they are neutral to the Net Interest Income of these companies.

The average Net Interest Margin (NIM) stood at 4.5% in 1Q15, 3 bp higher vs. 1Q14 and 64 bp lower vs. 4Q14. The annual increase resulted from growth in productive assets in higher yielding segments, while the quarterly decrease resulted from lower loan origination fees.

The average NIM excluding Insurance and Annuities companies was 4.2% in 1Q15, decreasing (8) bp YoY, and (74) bp QoQ.

The average NIM adjusted for Credit Risks was 3.5% in 1Q15, a 5 bp YoY increase driven by growth in Net Interest Income, which offset the annual increase in provisions. On a quarterly basis, this ratio decreases 52 bp due to the net effect of a smaller loan loss provision charge and the reduction in loan origination fees.

- **Loan Loss Provisions**

In 1Q15 Loan Loss Provisions charged to results totaled Ps 2.61 billion, 9% higher YoY vs. 1Q14 and (4%) lower vs. 4Q14.

The annual increase resulted from higher reserve requirements in consumer and commercial loan balances. The smaller quarterly change is due to lower provision requirements in the corporate and government books.

The Group's credit cost improved significantly during the quarter, accumulated loan loss provisions for 1Q15 stood at 2.2% of average loans, decreasing (4) basis points YoY and (18) basis points QoQ.

- **Non-Interest Income**

Non Interest Income (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Services	1,941	2,415	2,225	(8%)	15%
Recovery	40	39	23	(41%)	(44%)
Trading	1,116	375	953	155%	(15%)
Other Operating Income (Expense)	673	887	423	(52%)	(37%)
Non Interest Income	3,770	3,715	3,624	(2%)	(4%)

Non Interest Income (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Fees Charged on Services	2,967	3,649	3,451	(5%)	16%
Fees for Commercial and Mortgage Loans	3	2	1	(26%)	(59%)
Fund Transfers	146	173	209	21%	43%
Account Management Fees	351	397	459	16%	31%
Fiduciary	82	96	111	16%	35%
Income from Real Estate Portfolios	40	39	23	(41%)	(44%)
Electronic Banking Services	1,034	1,242	1,193	(4%)	15%
For Consumer and Credit Card Loans	676	744	703	(6%)	4%
Fees from IPAB	-	-	-	-	-
Other Fees Charged (1)	635	958	753	(21%)	19%
Fees Paid on Services	986	1,196	1,203	1%	22%
Fund transfers	13	11	16	51%	18%
Other Fees Paid	972	1,185	1,187	0%	22%
Expenses from Real Estate Portfolios	-	-	-	-	-
Net Fees	1,981	2,454	2,248	(8%)	13%
Trading Income	1,116	375	953	155%	(15%)
Subtotal Other Operating Income (Expenses) (2)	192	334	94	(72%)	(51%)
Non Operating Income (Expense), net	298	380	144	(62%)	(52%)
Other Operating Income (Expense) from Insurance and Annuities	183	173	185	7%	1%
Other Operating Income (Expenses)	673	887	423	(52%)	(37%)
Non Interest Income	3,770	3,715	3,624	(2%)	(4%)

1. Includes fees from letters of credit, transactions with pension funds, warehousing services, financial advisory services and securities trading by the Brokerage House among others.
2. Most of these revenues are related to recoveries of loan charge-offs.

During 1Q15, Non-Interest Income totaled Ps 3.62 billion. Service fees grew a strong 15% annually, yet trading income, recoveries and other fees declined bringing down total Non-Interest Income (4%) annually. On a quarterly basis, Non-Interest Income reported a (2%) contraction vs. 4Q14 driven by lower service fee revenue related to seasonality and a similar behavior in the other items as already explained.

It is worth noting that core banking fees, including account management fees, funds transfers and electronic transfers reported strong quarterly and annual growths of 3% and 22%, as changes were made to the pricing structure of various products to improve revenue.

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Subtotal Other Operating Income (Expenses)	192	334	94	(72%)	(51%)
Loan Recovery	241	264	299	13%	24%
Income from foreclosed assets	(100)	55	13	(77%)	(113%)
Other Operating Income	129	102	48	(53%)	(63%)
Other Operating Income (Expense)	(77)	(87)	(266)	206%	243%
Non Operating Income (Expense), net	298	380	144	(62%)	(52%)
Other Products	761	490	1,219	149%	60%
Other Recoveries	318	429	208	(51%)	(35%)
Other (Expenses)	(781)	(538)	(1,283)	138%	64%
Other Operating Income (Expense) from Insurance and Annuities	183	173	185	7%	1%
Other Operating Income (Expenses)	673	887	423	(52%)	(37%)

During 1Q15 Other Operating Income (Expenses) totaled Ps 423 million, decreasing Ps 250 million or 37% YoY. The main reduction was result of the Ps 211 million expense charge to adjust valuations of Solida's investment projects related to homebuilders.

On a quarterly basis, Other Operating Income (Expenses) decreased Ps 465 million or (52%) vs. 4Q14, similarly affected by the valuation charge already explained.

- **Recoveries**

Non-Interest Income from Loans Recoveries totaled Ps 542 million in 1Q15, a 9% YoY increase driven as higher revenues of loan write-offs and sales of foreclosed assets grew by 122% or Ps 171 million. The quarterly reduction of (31%) is explained by lower recoveries due to cyclicalities.

- **Non-Interest Expense**

Non Interest Expense (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Personnel	3,074	4,054	3,390	(16%)	10%
Professional Fees	645	900	515	(43%)	(20%)
Administrative and Promotional	1,249	1,599	1,722	8%	38%
Rents, Depreciation & Amortization	848	958	992	4%	17%
Taxes other than income tax & non deductible expenses	467	517	444	(14%)	(5%)
Contributions to IPAB	459	487	510	5%	11%
Employee Profit Sharing (PTU)	103	74	98	31%	(5%)
Non Interest Expense	6,845	8,590	7,670	(11%)	12%

Non-Interest Expenses during 1Q15 amounted to Ps 7.67 billion, a 12% YoY increase which is mostly explained by two elements: Personnel expenses grew Ps 316 million by an additional charge for severance payments as there was a reduction in personnel in the quarter, and higher salaries as compared to the prior year related to annual salary increases and other minor personnel related expenses that increased as well. Additionally, administrative and promotional expenses increased by Ps 472 million, related to ongoing business growth such as higher insurance expenses, expenses related to higher transactions in ATMs and POS, software development expenses and other administrative expenses whose increases are related to inflation.

Non-Interest Expenses declined (11%) vs. 4Q14, as expenses in 1Q15 tend to be lower due to seasonality effects and to provisions in personnel expenses for severance payments in December 2014 .

The Efficiency Ratio during 1Q15 was 50.3%, 1.8 pp higher YoY and (2.9pp) lower QoQ. The annual increase was driven by a combination of a higher growth rate in Operating Expenses versus total revenues. The quarterly improvement was due to the decrease in Operating Expenses.

- **Taxes**

Income taxes for 1Q15 totaled Ps 1.33 billion, an (11%) YoY decrease; and, a 1% increase vs. 4Q14, as there were higher expenses deductible from taxes. **The effective tax rate and Employee Profit Sharing in 1Q15 was 28.1%**, a favorable result vs. the 32% of 1Q14 and the same as in 4Q14.

- **Subsidiaries and Minority Interest**

During 1Q15, Subsidiaries and Minority Interest reported Ps 225 million in profits, (2%) lower vs. 1Q14 and (19%) lower vs. 4Q14. The annual decrease was due to lower profits in associated companies, although this result was compensated by an increase in the Afore XXI Banorte's profits during this period. The quarterly decline of Ps 28 million was caused by lower profits for Afore XXI Banorte and other associated companies.

- **Net Income**

In 1Q15 GFNorte reported Net Income of Ps 3.88 billion, 7% higher vs. 1Q14 as revenues showed a more modest growth rate mainly driven by lower trading income than the prior year and the Ps 211 million valuation charge in investment projects. **Net Income increased by Ps 61 million**, 2% higher vs 4Q14, as a result of the cyclical dynamic of the quarter.

In the last 12 months Net Income rose to Ps 15.48 billion, 11% higher vs. the same period in 2014 and 2% higher than the one reported at the end of 2014.

During the first quarter of 2015, accumulated recurring revenues (NII + net fees excluding portfolio recoveries - Operating Expenses – Provisions) **totaled Ps 3.59 billion**, 17% higher vs. 1Q14 due to the increase in Net Interest Income and Service fees, which offset growth in Operating Expenses and Loan Loss Provisions. **The quarterly growth of 1% vs. 4Q14** is a result of the combined effect of lower Loan Loss Provisions and Operating Expenses and the decrease in Net Interest Income and Service fees.

ROE for 1Q15 was 12.5%, lower in 84 bp vs. 1Q14 and in 17 bp vs. 4Q14. Equity increased 13% YoY and 3% QoQ.

Return on Tangible Equity (ROTE) was 15.9% for 1Q15.

Return on Tangible Equity (ROTE)

	1Q14	4Q14	1Q15
Reported ROE	13.3%	12.6%	12.5%
Goodwill &Intangibles	Ps 21.89	Ps 24.70	Ps 23.90
Average Tangible Equity	Ps 83.21	Ps 94.11	Ps 97.29
ROTE	16.8%	16.2%	15.9%

ROA for 1Q15 was 1.4%, in line with prior results. Return on Risk-Weighted Assets was 3.0%, increasing by 1 bp vs. 1Q14 y decreasing by 2 bp vs. 4Q14.

Return on Risk Weighted Assets (RRWA)

	1Q14	4Q14	1Q15
Reported ROA	1.4%	1.4%	1.4%
Average Risk Weighted Assets	Ps 461.64	Ps 497.60	Ps 509.00
RRWA	3.0%	3.1%	3.0%

- Capitalization

Banco Mercantil del Norte

Capitalization (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	Change	
						QoQ	YoY
Tier 1 Capital	62,555	65,624	67,840	69,995	71,864	2.7%	14.9%
Tier 2 Capital	10,383	7,869	7,951	8,001	8,200	2.5%	(21.0%)
Net Capital	72,938	73,493	75,791	77,996	80,064	2.7%	9.8%
Credit Risk Assets	338,688	344,656	344,453	359,318	359,784	0.1%	6.2%
Net Capital / Credit Risk Assets	21.5%	21.3%	22.0%	21.7%	22.3%	0.5 pp	0.7 pp
Total Risk Assets (1)	481,196	491,431	506,729	511,057	526,762	3.1%	9.5%
Tier 1	13.00%	13.35%	13.39%	13.70%	13.64%	(0.1 pp)	0.6 pp
Tier 2	2.16%	1.60%	1.57%	1.56%	1.56%	(0.0 pp)	(0.6 pp)
Capitalization Ratio	15.16%	14.95%	14.96%	15.26%	15.20%	(0.1 pp)	0.0 pp

1. Includes Market and Operational Risks. Inter-company eliminations are excluded.

(*) The reported capitalization ratio of the period is estimated.

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

At the end of 1Q15 the **estimated Capitalization Ratio (CR) for Banorte was 15.20%** considering credit, market and operational risk; and, 22.3% if only credit risks are considered.

The Core Tier 1 ratio was 12.79%, Total Tier 1 ratio was 13.64% and Tier 2 was 1.56%.

The Capitalization Ratio decreased (0.06 pp) vs. 4Q14, as follows:

1.	Profits for 1Q15	+0.60 pp
2.	Valuation of Financial Instruments, Securitizations and Equity Accounts	+0.10 pp
3.	Investment in Subsidiaries and Intangibles	-0.04 pp
4.	Decrease of Subordinate Debt effectiveness	-0.12 pp
5.	Dividend payment in January 2015	-0.13 pp
6.	Growth in risk assets	-0.47 pp

The Capitalization Ratio increased 0.04 pp vs 1Q14, as follows:

1.	Profit growth for the period	+2.53 pp
2.	Valuation of Financial Instruments, Securitizations and Equity Accounts	+0.22 pp
3.	Dividend payment in January 2015	-0.14 pp
4.	Investment in Subsidiaries and Intangibles	-0.50 pp
5.	Prepayment of Subordinated Debt (Apr'14)	-0.63 pp
6.	Growth in risk assets	-1.4 pp

- Deposits

Grupo Financiero Banorte

Deposits (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Non Interest Bearing Demand Deposits	115,013	147,733	144,240	(2%)	25%
Interest Bearing Demand Deposits	138,819	152,549	163,715	7%	18%
Total Demand Deposits (1)	253,832	300,282	307,955	3%	21%
Time Deposits – Retail	131,763	136,127	141,694	4%	8%
Core Deposits	385,596	436,409	449,649	3%	17%
Money Market (2)	69,947	62,287	65,611	5%	(6%)
Total Bank Deposits	455,543	498,697	515,259	3%	13%
GFNorte's Total Deposits (3)	455,340	497,922	513,899	3%	13%
Third Party Deposits	142,385	149,092	177,481	19%	25%
Total Assets Under Management	597,928	647,789	692,741	7%	16%

1. Includes Debit Cards.

2. Includes Bank Bonds (Customers and Financial intermediaries).

3. Includes eliminations among subsidiaries: 1Q14 = (Ps 203) million; 4Q14 = (Ps 774) million; 1Q15 = (Ps 1.36) billion.

- Total Deposits

At the end of 1Q15, GFNorte's Total Deposits amounted to Ps 513.90 billion, a 13% YoY increase of Ps 58.56 billion driven mainly by efforts to promote Banorte deposit products, as well as higher account balances of clients, in all segments as well as in the retail network. The QoQ increase of Ps 15.98 billion or 3% is positive as the first quarter of the year deposits usually decline due to seasonality. The increase in core deposits (+3%) compares favorably to prior years, for example in 1Q14 they increased 0.3% and 1Q13 they decreased (1%).

- Loans

Performing Loan Portfolio (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Commercial	112,385	114,040	114,902	1%	2.2%
Consumer	143,118	158,139	160,754	2%	12%
Corporate	73,235	80,464	78,914	(2%)	8%
Government	98,626	118,963	125,085	5%	27%
Sub Total	427,364	471,606	479,656	2%	12%
Recovery Bank	189	162	152	(6%)	(19%)
Total	427,553	471,768	479,808	2%	12%

Performing Consumer Loan Portfolio (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Mortgages	82,966	89,758	91,152	2%	10%
Car Loans	11,529	11,074	11,071	(0%)	(4%)
Credit Cards	20,254	23,209	23,199	(0%)	15%
Payroll	28,369	34,098	35,333	4%	25%
Consumer Loans	143,118	158,139	160,754	2%	12%

(Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Past Due Loans	13,151	14,293	13,474	(6%)	2%
Loan Loss Reserves	13,909	15,287	14,571	(5%)	5%
Acquired Rights	3,273	2,984	2,860	(4%)	(13%)

- Total Performing Loans

Total Performing Loans increased 12% YoY, growing by Ps 52.29 billion totaling Ps 479.66 billion in 1Q15, excluding proprietary loans managed by the Recovery Bank. The Loan portfolio has maintained a growth rate above GDP growth. Corporate and business balances (included in the commercial book) continue to be affected by prepayments from customers.

Total Performing Loans increased 2% QoQ, growing by Ps 8.05 billion, as a result of growth in the government, mortgage, payroll and commercial portfolios, offsetting both, the decrease in the corporate portfolio and the fact that credit card and car loan balances remain flat versus the previous quarter.

Portfolio growth by segments was:

- Individual Loans

- ✓ **Consumer + Mortgage:** Increased by Ps 17.64 billion or 12% vs. 1Q14 and Ps 2.62 billion or 2% QoQ **closing 1Q15 with a balance of Ps 160.75 billion.** Annual growth was a result of favorable dynamics in all segments with the exception of car loans; mortgage and payroll portfolios' growth dynamics during the quarter offset the unchanged level presented by the credit card and car loan portfolios in the quarter. Due to the strategy to increase this segment, Consumer loans (excluding Mortgages) have increased their proportion within the Performing Loan portfolio from 14.1% to 14.5% in the last 12 months.
- ✓ **Mortgages:** Grew by Ps 8.19 billion or 10% YoY, **posting a balance of Ps 91.15 billion,** driven by favorable dynamics in mortgages for middle-income housing, liquidity programs, the mortgage program with PEMEX and in products for construction, remodeling and payment of liabilities. During the quarter the portfolio grew by Ps 1.39 billion or 2% QoQ. As of February 2015, Banorte held 16.2% of the market share in balances (ranking third) and 16.9% in new mortgage loan production ranking fourth in the system.

- ✓ **Credit Cards:** At the end of 1Q15 the portfolio totaled **Ps 23.20 billion**, a 15% YoY increase of Ps 2.95 billion and on a quarterly basis, practically remain the same as in 4Q14. The annual growth was due to portfolio management strategies, promotional campaigns for Banorte - Ixe products and more cross-selling to clients. Banorte - Ixe held an 8.1% market share of the system in balances as of February 2015, ranking fourth.
- ✓ **Payroll:** At the end of 1Q15, the portfolio increased **Ps 6.96 billion** or 25% YoY and Ps 1.24 billion or 4% QoQ totaling **Ps 35.33 billion**, as a result of growth in the number of Banorte-Ixe payroll account holders, as well as campaigns to promote the product, multichannel cross-selling strategies and product adjustments to provide more flexibility to clients in order to disburse amortized balances; additionally, in March 2014 Banorte acquired a Payroll loan portfolio from another institution. Payroll loans continue to show vigorous growth with good asset quality with respect to the system's average. Banorte - Ixe held a 19.3% market share in balances as of February 2015, ranking third in the system.
- ✓ **Car Loans:** The portfolio decreased by (Ps 459) million or (4%) YoY and (Ps 3) million QoQ to end 1Q15 with **Ps 11.07 billion**. These decreases were due to fewer new loan placements given the growing competition from financial firms of car manufacturers in the last months. As of February 2015, Banorte-Ixe held a 14.5% market share, ranking fourth in the system, excluding loans granted by finance companies of car manufacturers.

• II. Loans to Institutions

- ✓ **Commercial:** increased by Ps 2.52 billion or 2% YoY and Ps 862 million or 1% QoQ totaling **Ps 114.90 billion**. As mentioned above, annual and quarterly balances' growth were affected by prepayments, as well as by the reduction in the SME portfolio, however, the leasing and factoring books presented positive growth in these periods. As of February 2015, the market share in Commercial loans (including Corporate) was 11.6%, ranking fourth place in the system.

The SME portfolio balance was **Ps 27.86 billion**, (Ps 5.09) billion or (15%) lower YoY; and (Ps 1.99) billion or (7%) lower vs. 4Q14.

SMEs Portfolio Evolution (billion pesos)

	1Q14	4Q14	1Q15
Performing Portfolio	Ps 32.95	Ps 29.85	Ps 27.86
% of Performing Commercial Portfolio	29.3%	26.2%	24.2%
% of Total Performing Portfolio	7.7%	6.3%	5.8%
NPL Ratio	6.8%	10.0%	8.8%

- ✓ **Corporate:** At the end of 1Q15 the balance was **Ps 78.91 billion**, increasing Ps 5.68 billion or 8% YoY and decreasing (Ps 1.55) billion or 2% QoQ. Client prepayments continued to flow. Banorte's corporate loan book is well diversified by sectors and regions and shows a low concentration risk. Banorte's 20 main corporate borrowers accounted for 11% of the bank's total portfolio, increasing by 0.16 pp vs. 4Q14 and 1.29 pp vs. 1Q14. The bank's largest corporate loan represents 1.5% of the total portfolio and has an A1 rating, while number 20 represents 0.3%.

Through its subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Solida Administradora de Portafolios, GFNorte granted loans, and participated through SPVs in housing investments projects. Since 2013 some of the largest companies in this sector have experienced financial difficulties; three of the largest companies are undergoing a debt restructuring process and have defaulted on their payments. This situation has led to deterioration in the risk profile of these three borrowers. They are currently involved in restructuring negotiations with GFNorte and other banks.

As of March 31, 2015 the loan exposure was **Ps 5.58 billion** in **Urbi Desarrollos Urbanos, S.A.B. de C.V., Corporación Geo, S.A.B. de C.V. and Desarrolladora Homex, S.A.B. de C.V.**, 0.7% higher than the prior quarter. This exposure represented 1.1% of the total loan portfolio, similar to December 2014. Out of these loans, **Ps 5.42 billion were classified as non-performing**, unchanged versus 4Q14. This exposure has a 76% coverage in guarantees. The reserve coverage stood at 43.1% in 1Q15. **Sólida had Ps 5.96 billion in investment projects**, 2.6% lower balance than registered in December 2014.

- ✓ **Government:** At the end of 1Q15 the balance was **Ps 125.09 billion**, growing by Ps 26.46 billion or 27% YoY and Ps 6.12 billion or 5% QoQ as a result of efforts to continue meeting demand for loans in this segment, including some federal government entities. Banorte's Government portfolio is diversified by sectors and regions, and shows adequate concentration. Banorte's 20 largest Government loans account for 23.4% of the Bank's total portfolio, increasing by 1.1 pp vs. 4Q14 and 3.4 pp vs. 1Q14. The largest Government loan represents 4.4% of the total portfolio and has an A1 rating, while number 20 represents 0.3%. The portfolio's risk profile is adequate with 31.3% of the loans granted to Federal Government entities and over 95% of loans to States and Municipalities have a fiduciary guarantee (Federal budget transfers and local revenues such as payroll tax), and less than 2% of the loans have short-term maturities. Risk adjusted profitability for Government Banking is high. As of February 2015, Banorte held a 23.9% market share of the total system, ranking second.

• Past Due Loans

During 1Q15, Past Due Loans were **Ps 13.47 billion**, 2% higher YoY as a result of higher delinquencies in commercial loans (including SMEs), consumer loans and mortgages. The (6%) QoQ decrease came from lower delinquencies in commercial (including SMEs), Mortgages, Car loans and Credit cards.

The quarterly evolution of NPL balances were as follows:

Million pesos	PDLs 1Q15	Change. Vs. 4Q14	Change. Vs. 1Q14
Credit Cards	1,357	(1)	14
Payroll	798	9	230
Car loans	163	(60)	16
Mortgage	1,176	(98)	74
Commercial	4,543	(672)	320
Corporate	5,437	2	(330)
Government	-	-	(1)
Total	13,474	(819)	324

In 1Q15, the Past Due Loan Ratio was **2.7%**, (25 bp) lower vs. 1Q14 and (21 bp) lower vs. 4Q14. The annual decrease came from lower delinquencies in the corporate and credit card segments; while the quarterly decrease was the result of a lower PDL Ratio in the commercial, car loan, mortgage and payroll segments.

When excluding the home developers exposure, the PDL Ratio would be **1.6%**, (10 bp) below the level registered for 1Q14 and (20 bp) lower than in 4Q14.

PDL Ratios by segment showed the following trends during the last 12-months:

	1Q14	2Q14	3Q14	4Q14	1Q15
Credit Cards	6.2%	6.3%	5.9%	5.5%	5.5%
Payroll	2.0%	2.5%	2.2%	2.3%	2.2%
Car loans	1.3%	1.9%	1.9%	2.0%	1.5%
Mortgage	1.3%	1.3%	1.4%	1.4%	1.3%
Commercial	3.6%	3.9%	5.0%	4.4%	3.8%
Corporate	7.3%	7.3%	6.8%	6.3%	6.4%
Government	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.0%	3.1%	3.3%	2.9%	2.7%

The expected loss of Banco Mercantil del Norte, the Financial Group's main subsidiary, represents 1.9% and the unexpected loss 3.2%, both with respect to the total portfolio at the end of 1Q15. The average expected loss represented 1.9% for the period of January to March 2015. These ratios were 1.9% and 3.2%, respectively in 4Q14 and 2.0% and 3.3% 12 months ago.

Banco Mercantil del Norte's Net Credit Losses (NCL) including discounts was 1.5%, an increase of 30 bp vs. 4Q14 as a result of write-offs realized during the quarter.

Quarterly changes in accounts that affect Non Performing Loans' balances for the Financial Group were:

Past Due Loan Variations (Million Pesos)	
Balance as of December '14	14,293
Transfer from Performing Loans to Past Due Loans	3,677
Portfolio Purchase	188
Renewals	(176)
Cash Collections	(642)
Discounts	(103)
Charge Offs	(2,904)
Foreclosures	(90)
Transfer from Past Due Loans to Performing Loans	(787)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	5
Fair Value Ixe	12
Balance as of March '15	13,474

Around 83% of the loan book is rated A Risk, 11% B Risk and 6% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 1Q15-GFNorte (Million Pesos)							
CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	375,770	777	409	157	329	114	1,786
A2	65,156	257	312	4	321	38	932
B1	20,166	145	3	0	850	13	1,011
B2	20,850	108	11	7	663	22	811
B3	17,939	265	66	5	441	9	787
C1	7,111	166	72	1	223	42	504
C2	4,783	94	-	0	513	71	678
D	14,509	3,933	-	0	1,509	280	5,723
E	3,285	862	-	-	1,082	109	2,054
Total	529,569						
Not Classified	(15)						
Exempt	29						
Total	529,583	6,607	873	175	5,931	699	14,286
Reserves							14,571
Preventive Reserves							285

Notes:

1.- The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet as of March 31, 2015.

2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV.

3.- The additional loan loss reserves follow the rules applicable to banks and credit institutions.

Based on B6 Credit Portfolio criteria of the CNBV, a Distressed Portfolio is defined as those commercial loans unlikely to be recovered fully, including both principal and interest pursuant to terms and conditions originally agreed. Such determination is made based on actual information and data and on the loan review process. 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 are as follows:

(Million Pesos)	Total
Distressed Portfolio	11,280
Total Loans	529,583
Distressed Portfolio / Total Loans	2.1%

- **Loan Loss Reserves and Loan Loss Provisions**

Loan Loss Reserves	
<i>(Million Pesos)</i>	
	1Q15
Previous Period Ending Balance	15,287
Provisions charged to results	2,559
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
<u>Charge offs and discounts:</u>	
Commercial Loans	(1,913)
Consumer Loans	(953)
Mortgage Loans	(422)
Foreclosed assets	0
	(3,288)
Cost of debtor support programs	(1)
Valorization and Others	13
Adjustments	0
Loan Loss Reserves at Period End	14,571

Loan Loss Reserves in 1Q15 totaled Ps 14.57 billion, (5%) lower vs. 4Q14. Moreover, 58% of write-offs, charge-offs and discounts corresponds to the Commercial portfolio, 29% to Consumer and 13% to Mortgages.

Similarly, the loan loss coverage ratio was 108.1% (107.5% excluding INB), increasing 2.4 pp YoY and 1.2 pp QoQ.

RECENT EVENTS

- **Credit Ratings**

Standard & Poor's confirms ratings for Banco Mercantil del Norte and Casa de Bolsa Banorte Ixe

On April 16, 2015, Standard & Poor's confirmed ratings for Banco Mercantil del Norte and Casa de Bolsa Banorte Ixe, all with stable Outlook.

The rating confirmation reflects the strong internal capital generation, business diversification and its strategic direction.

Fitch Ratings confirms ratings for Grupo Financiero Banorte and subsidiaries

On March 20, 2015, Fitch Ratings confirmed ratings for GFNORTE, Banorte, Arrendadora y Factor Banorte, Almacenadora Banorte and Casa de Bolsa Banorte Ixe, all the aforementioned with stable outlook.

GFNORTE's ratings confirmation reflects the growth and diversification of the business achieved in recent years; while Banorte's ratings confirmation reflects its strengthening, stability, clear and effective strategy of organic growth, income diversification, an adequate financial performance and its capital strength - allowing the entity to position as one of the largest banks in the Mexican banking system -. On the other hand, ratings of the nonbank subsidiaries consider GFNORTE's support and the strategic importance of these entities in the group's strategy.

- **Farmacias Guadalajara became part of our third party correspondents**

On March 2, 2015, Farmacias Guadalajara started to receive Banorte and Ixe credit card payments and transactions under the third party correspondent scheme in its 1,362 stores.

- **Brand Finance – Banking 500**

In February, the independent intangible asset valuation consultancy, Brand Finance, published the results of the tenth edition of the "Banking 500" study, which assesses the 500 most valuable banking brands in the world. This year Banorte ranked in the 138 position, increasing 8 places vs. 2014, and its value amounted to USD \$14,339 million.

- **Recognitions**

In February, Operadora de Fondos Banorte Ixe received the award for the second time in a row of Best Aggressive-Mixed Fund in Mexico 2015 by Morningstar.

- **Grupo Financiero Banorte, a leader in climate change transparency**

For second year in a row, GFNorte was included in the Latin American *Climate Disclosure Leadership Index 2014*. We had the highest score in transparency in Mexico and the Latin American financial sector. This index awards the leading companies in transparency of climate change as they exhaustively disclose high quality information on:

- Measurement, verification and management of their carbon footprint,
- Climate change mitigation strategy,
- Risk management process and results.

BANKING SECTOR

Banking Sector: Banco Mercantil del Norte, Banorte USA, Banorte- Ixe Tarjetas, Ixe Banco, Fincasa and Afore XXI Banorte (50% ownership).

Income Statement and Balance Sheet Highlights-Banking Sector			1Q14	4Q14	1Q15	Change	
(Million Pesos)						QoQ	YoY
Income Statement							
Net Interest Income			9,033	10,712	9,790	(9%)	8%
Non Interest Income			3,457	3,554	3,650	3%	6%
Total Income			12,490	14,266	13,440	(6%)	8%
Non Interest Expense			6,374	7,887	7,087	(10%)	11%
Provisions			2,369	2,704	2,539	(6%)	7%
Operating Income			3,747	3,675	3,814	4%	2%
Taxes			1,209	1,033	1,034	0%	(14%)
Subsidiaries & Minority Interest			293	342	302	(12%)	3%
Net Income			2,831	2,984	3,082	3%	9%
Balance Sheet							
Total Assets			860,967	874,908	939,691	7%	9%
Performing Loans (a)			421,290	463,784	470,707	1%	12%
Past Due Loans (b)			12,801	13,912	12,981	(7%)	1%
Total Loans (a+b)			434,092	477,696	483,688	1%	11%
Total Loans Net (d)			420,586	462,979	469,736	1%	12%
Acquired Collection Rights (e)			1,702	1,518	1,480	(3%)	(13%)
Total Loans (d+e)			422,288	464,497	471,216	1%	12%
Total Liabilities			776,768	780,117	842,090	8%	8%
Total Deposits			455,543	498,697	515,259	3%	13%
Equity			84,200	94,791	97,601	3%	16%
Financial Ratios Banking Sector							
			1Q14	4Q14	1Q15	Change	
						QoQ	YoY
Profitability:							
NIM (1)			4.7%	5.3%	4.6%	(0.7 pp)	(0.1 pp)
NIM after Provisions (2)			3.5%	4.0%	3.4%	(0.5 pp)	(0.1 pp)
ROE (3)			14.0%	12.9%	12.8%	(0.1 pp)	(1.2 pp)
ROA (4)			1.4%	1.4%	1.4%	(0.0 pp)	(0.0 pp)
Operation:							
Efficiency Ratio (5)			51.0%	55.3%	52.7%	(2.6 pp)	1.7 pp
Operating Efficiency Ratio (6)			3.1%	3.6%	3.1%	(0.5 pp)	0.0 pp
Liquidity Ratio- Basel II (7)			123.6%	104.1%	119.3%	15.3 pp	(4.3 pp)
Asset Quality:							
Past Due Loan Ratio			2.9%	2.9%	2.7%	(0.2 pp)	(0.3 pp)
Coverage Ratio			105.5%	105.8%	107.5%	1.7 pp	2.0 pp
Past Due Loan Ratio w/o Banorte USA			3.0%	3.0%	2.8%	(0.2 pp)	(0.3 pp)
Coverage Ratio w/o Banorte USA			105.0%	105.4%	106.8%	1.4 pp	1.9 pp
Growth (8)							
Performing Loans (9)			7.6%	10.5%	11.7%	1.3 pp	4.2 pp
Core Deposits			16.4%	13.5%	16.6%	3.1 pp	0.2 pp
Total Deposits			9.8%	12.3%	13.1%	0.8 pp	3.3 pp
Capitalization:							
Net Capital/ Credit Risk Assets			21.5%	21.7%	22.3%	0.5 pp	0.7 pp
Total Capitalization Ratio			15.2%	15.3%	15.2%	(0.1 pp)	0.0 pp

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

2) NIM = Annualized Net Interest Margin 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) Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms immediately payable + short term loans from banks and of other organisms.⁹

8) Growth compared to the same period of the previous year.

9) Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

- Net Interest Income

Net Interest Income-Banking Sector			Change		
(Million Pesos)	1Q14	4Q14	1Q15	QoQ	YoY
Interest Income	14,005	14,208	14,283	1%	2%
Interest Expense	5,225	4,543	4,688	3%	(10%)
Loan Origination Fees	338	1,133	283	(75%)	(16%)
Fees Paid	85	86	88	3%	3%
Net Interest Income	9,033	10,712	9,790	(9%)	8%
Provisions	2,369	2,704	2,539	(6%)	7%
Net Interest Income Adjusted for Credit Risk	6,664	8,008	7,250	(9%)	9%
Average Productive Assets	763,124	810,376	845,437	4%	11%
Net Interest Margin (1)	4.7%	5.3%	4.6%	(0.7 pp)	(0.1 pp)
NIM after Provisions (2)	3.5%	4.0%	3.4%	(0.5 pp)	(0.1 pp)

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

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

During the 1T15, Net Interest Income increased 8% to Ps 9.79 billion as a result of the 7% YoY growth in interest income and net fees related to loan originations resulting from an improved portfolio mix with a higher percentage of Consumer loans.

Net Interest Income decreased by (9%) vs. 4Q14, mainly due to the decrease in loan origination fees, as they normalized versus 4Q14. Net interest income grew 1% in this period.

The average NIM was 4.6% in 1Q15 lower by (0.1 pp) over the same period last year and (0.7 pp) lower vs. 4Q14, both decreases were a result of a faster rate of growth in the Performing Assets Average than in Net Interest Income, impacted by the aforementioned.

The average NIM adjusted for Credit Risks was 3.4% in 1Q15, decreasing by (0.1 pp) compared to the same period in 2014 and (0.5 pp) vs. 4Q14.

- Loan Loss Provisions

Provisions charged to results totaled Ps 2.54 billion in 1Q15, 7% higher vs. 1Q14 and (6%) lower vs. 4Q14. The annual increase is mainly explained by increased requirements in the Consumer and Commercial loan portfolios; while the quarterly decrease vs. 4Q14 was mainly due to fewer provisions in the Corporate and Government loan portfolios.

- Non-Interest Income

Non Interest Income			Change		
(Million Pesos)	1Q14	4Q14	1Q15	QoQ	YoY
Services	1,997	2,454	2,375	(3%)	19%
Recovery	6	21	6	(70%)	9%
Trading	1,048	372	850	128%	(19%)
Other Operating Income (Expense)	406	708	419	(41%)	3%
Non Interest Income	3,457	3,554	3,650	3%	6%

During 1Q15, Non-Interest Income amounted to Ps 3.65 billion, an increase of 6% YoY as a result of increases in Service Fees (due to an improved pricing structure), Other Operating Income (Expenses) and real estate portfolio recoveries, which offset the decrease in trading revenues. On a quarterly basis, Non-Interest Income grew 3% vs. 4Q14, due to the significant recovery of trading revenues that offset decreases in other areas affected by seasonality; although some items such as account management, fund transfers and fiduciary income during this period showed growth due to changes made by the Bank in some of the fee structures on products and transactions.

- **Non-Interest Expenses**

Non Interest Expense (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Personnel	2,950	3,912	3,249	(17%)	10%
Professional Fees	548	770	434	(44%)	(21%)
Administrative and Promotional	1,108	1,388	1,504	8%	36%
Rents, Depreciation & Amortization	789	889	927	4%	17%
Taxes other than income tax & non deductible expenses	420	371	368	(1%)	(12%)
Contributions to IPAB	459	487	510	5%	11%
Employee Profit Sharing (PTU)	99	70	96	37%	(4%)
Non Interest Expense	6,374	7,887	7,087	(10.1%)	11%

Non-Interest Expenses in 1Q15 totaled Ps 7.09 billion, an 11% YoY increase driven by growth in Administration and Promotional Expenses, Personnel Expenses (due to additional charges for liquidations carried out during the quarter) and Rents, Depreciations and Amortizations. **Non-Interest Expenses decreased (10%) QoQ** due seasonality and a reduction in Personnel Expenses.

The Efficiency Ratio for 1Q15 was 52.7%, 1.7 pp higher YoY vs. 1Q14 due to a higher growth rate in Operating Expenses than in total revenues; while the quarterly ratio decreased in (2.6 pp) as a result of the decrease in Interest Expenses offsetting the reduction in total income.

- **Net Income**

Net Income for the Banking Sector in 1Q15 was Ps 3.08 million, increasing by 9% vs. 1Q14 driven by growth in total revenues and lower tax payments, which offset increases in Operating Expenses and Provisions. On a quarterly basis, net income increased 3% vs. 4Q14 due to lower Non-Interest Expenses and Provisions and to growth in Non-Interest Income, which offset the decrease in Net Interest Income.

Net Income for the Banking Sector in 1Q15, excluding Afore XXI Banorte results, was Ps 2.73 billion, contributing 70% of the Financial Group's profits according to its percentage of participation.

SOFOM Banorte-Ixe Tarjetas posted net profits of Ps 407 million in 1Q15, 8% higher YoY vs. 1Q14 and 4% higher QoQ vs. 4Q14, contributing 10.5% of the Financial Group's profits.

ROE for 1Q15 of this sector was 12.8%, (1.2 pp) lower vs. 1Q14 and (0.1 pp) lower vs. 4Q14. **ROA for 1Q15 was 1.4%**, remaining the same as in 4Q14.

- **NPL Ratio**

The Banking Sector's NPL Ratio for 1Q15 **was 2.7%** (includes INB past due loans), (0.3 pp) lower YoY vs. 1Q14 and (0.2 pp) lower QoQ vs. 4Q14.

BANORTE USA

I. Banorte USA

Income Statement– Banorte USA			Change		
Figures in MEX GAAP (Million Pesos)	1Q14	4Q14	1Q15	QoQ	YoY
Income Statement					
Net Interest Income	159	171	184	7%	16%
Non Interest Income	120	135	137	1%	15%
Total Income	279	307	321	5%	15%
Non Interest Expense	191	221	216	(2%)	13%
Loan Loss Reserves	11	5	15	211%	36%
Operating Income	77	81	90	10%	17%
Taxes	24	26	25	(3%)	4%
Net Income	52	55	64	16%	23%

Under Generally Accepted Accounting Principles for Mexico (MEX GAAP), the **Net Income of Banorte USA** (owner of 100% of Inter National Bank as well as 100% of the remittance company Uniteller) **was Ps 64 million in 1Q15, increasing by 23% YoY**, mainly due to growth in Net Interest Income and Non-Interest Income, which offset growth in Non-Interest Expenses and Provisions. On a quarterly basis, Net Income increased 16% due to higher Net Interest Income and Non-Interest Income and lower Non-Interest Expenses, which offset higher Provisions. Net Income for Banorte USA during 1Q15 represents 1.7% of the Financial Group's profits.

II. Inter National Bank (US GAAP)

Income Statement & Balance Sheet Highlights - InterNational Bank			Change		
Figures in US GAAP (Million Dollars)	1Q14	4Q14	1Q15	QoQ	YoY
Income Statement					
Net Interest Income	12	13	13	(1%)	2%
Non Interest Income	5	4	4	3%	(23%)
Total Income	17	16	16	0%	(5%)
Non Interest Expense	11	11	11	(7%)	(2%)
Loan Loss Reserves	0	1	0	(80%)	(22%)
Operating Income	6	4	6	50%	(10%)
Net Income	4	3	4	47%	(3%)
Balance Sheet					
Investments in Securities	571	520	589	13%	3%
Performing Loans	846	904	922	2%	9%
Past Due Loans	6	6	6	1%	2%
Demand Deposits	885	858	898	5%	1%
Time Deposits	578	588	572	(3%)	(1%)
Total Deposits	1,463	1,446	1,470	2%	0%
Equity	420	432	437	1%	4%

Financial Ratios INB			Change		
1Q14			4Q14		
1Q15			Change		
Figures in US GAAP (Millon Dollars)			QoQ		
YoY					
Profitability:					
NIM	3.3%	3.4%	3.3%	(0.1)	0.0
ROE	4.1%	2.6%	3.8%	1.2	(0.3)
ROA	0.9%	0.6%	0.9%	0.3	0.0
Operational:					
Efficiency Ratio	61.8%	68.7%	63.9%	(4.9)	2.1
Asset Quality:					
Past Due Loan Ratio	0.7%	0.7%	0.7%	0.0	0.0
Coverage Ratio	254.5%	278.6%	278.8%	0.2	24.3
Capitalization:					
Leverage Ratio	12.8%	13.9%	13.4%	(0.4)	0.7
Capitalization Ratio	23.0%	22.9%	22.8%	(0.1)	(0.2)

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted net profits for **US \$4 million in 1Q15, a (3%) YoY decrease** mainly due to lower Non-Interest Income, which was no offset by higher Net Interest Income and lower Non-Interest Expenses and Provisions. **Net Income increased 47% vs. 4Q14** driven by lower Non-Interest Expenses and Provisions.

Total Deposits amounted to US \$1.47 billion, increasing by US \$7 million or 0.5% YoY and US \$25 million or 2% QoQ. **Performing Loans totaled US \$922 million**, increasing by US \$76 million or 9% YoY and US \$18 million, or 2% QoQ. **Past Due Loans posted US \$6 million**, registering increases of US \$144 million or 2% YoY and US \$75 million or 1% QoQ.

Capitalization and Leverage Ratios remain robust. **The Capitalization Ratio ended in 1Q15 at 22.8% and the Leverage Ratio was 13.4%. The Past Due Loan ratio was 0.7%**, decreasing (0.04 pp) YoY and (0.01 pp) QoQ; **the Coverage ratio was 278.8%**, increasing 24.3 pp YoY and 0.2 pp QoQ.

ROE during 1Q15 was 3.8%, (0.3 pp) lower YoY and 1.2 pp higher QoQ. **ROA for 1Q15 was 0.9%**, (0.04 pp) lower YoY, and 0.3 pp higher QoQ. **The Efficiency Ratio was 63.9% in 1Q15**, 2.1 pp higher YoY and (4.9 pp) lower QoQ. **NIM for 1Q15 was 3.3%**, decreasing (0.03 pp) YoY and (0.1 pp) QoQ.

III. UniTeller Financial Services (US GAAP)

Income Statement and Transactions Highlights <i>UniTeller Financial Services</i>				Change	
	1Q14	4Q14	1Q15	QoQ	YoY
<i>Figures in US GAAP (Thousand Dollars)</i>					
Profitability:					
Revenues	6,062	7,393	7,252	(2%)	20%
Cost of Sales	3,919	4,223	4,360	3%	11%
Margin	2,144	3,170	2,892	(9%)	35%
Expenses	1,634	2,115	1,967	(7%)	20%
Income before Taxes	509	1,055	925	(12%)	82%
Net Income	342	505	570	13%	67%
Transactions					
# of created transactions (thousand)	1,704	2,176	2,119	(3%)	24%

UniTeller Financial Services and subsidiaries (UFS) recorded profits of US \$570 thousand in 1Q15, comparing favorably to profits of US \$342 thousand for the same period of the previous year (+67%), mainly due to more transactions.

At the end of 1Q15 transactions showed a 24% YoY growth, resulting mainly from the expansion of the processing business, including more services to other institutions.

IV. Solida USA

Assets under management by Solida USA as of 1Q15 are as follows:

Solida Mexico (Foreclosed Assets):	US \$ 16 million
Banorte (Foreclosed Loans and Assets):	US \$ 71 million
INB (Foreclosed Assets):	US \$ 6 million
Total:	US \$ 93 million

As a result of the adequate asset management, **INB's Tier 1 Classified Assets Ratio at the end of 1Q15 was 5.3%**, higher quality levels than the average district and national competitors.

RECOVERY BANKING

Income Statement Highlights - Recovery Banking (Million Pesos)			
	1Q14	1Q15	Change 1Q14
Net Interest Income	7	1	(91%)
Loan Loss Provisions	2	5	194%
Non Interest Income	419	446	6%
Non Interest Expense	230	237	3%
Pre-tax Income & Subsidiaries	195	204	5%
Income Tax and Profit Sharing	44	63	44%
Net Income	151	141	(7%)

Assets Under Management (Million Pesos)	1Q15	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	94,527	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	30,497	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects:	6,063	Solida Asset Management and Banorte	Non Interest Income
Total	131,087		

- Net Income

Recovery Banking posted profits of Ps 141 million in 1Q15, (7%) lower than the same period in 2014, driven by higher tax payment, Non-Interest Expenses and loans provisions, and lower Net Interest Income, which offset higher Non-Interest Income. Recovery Banking's Net Income represents 3.6% of the Group's profits.

- Assets Under Management

The Recovery Bank managed total assets of Ps 94.5 billion at the end of the 1Q15, of which 30% corresponds to mortgage loans, 16% to Crediactivo, 16% to credit cards, 15% to payroll loans, 7% to foreclosed assets, 7% to car loans, 6% to middle market companies, 1% to commercial, 1% to personal loans and 1% to affiliates. Gross revenues generated by the portfolio during 1Q15 amounted to Ps 257 million, 16% higher YoY.

At the end of 1Q15, of the Ps 30.5 billion in portfolios acquired and managed by the Recovery Bank, 35% are mortgages, 21% to middle market companies and commercial loans, 20% to the portfolio managed on behalf of the Mexican mortgages agency SHF, 12% to foreclosed assets and payments in kind and 11% to real estate portfolios. These portfolios generated gross revenues in 1Q15 of Ps 176 million, 3% higher YoY.

BROKERAGE

Brokerage Sector (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Brokerage					
Net Income	203	175	163	(7%)	(20%)
Shareholder's Equity	2,775	2,799	2,890	3%	4%
Assets Under Custody	668,015	732,713	738,459	1%	11%
Total Assets	85,964	102,373	119,075	16%	39%
ROE	30.4%	26.3%	22.9%	(3.4 pp)	(7.6 pp)
Net Capital					
Net Capital (1)	2,234	2,353	2,379	1%	7%

1) Net capital structure: Tier 1 =Ps 2.35 billion, Tier 2 = Ps 0 million.

- Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe) reported profits of Ps 163 million in 1Q15, (20%) lower than in the same period of last year due to reduced Net Interest Income, as well as higher Non-Interest Expenses; which did not offset the increase in trading revenues and loan origination fees.

In 1Q15 Net Income declined (7%) quarterly as a result of lower NII and higher taxes; factors that were not offset by increased trading revenues and reduced Non-Interest Expenses.

Profits from the Brokerage Sector in 1Q15 represent 4.2% of the Financial Group's earnings.

- Mutual Funds**

Operadora de Fondos Banorte Ixe reported profits of Ps 57 million in 1Q15, an increase of Ps 36 million, or 168% vs. the same period last year due to greater fees from growth in assets under management. Quarterly earnings grew by Ps 42 million, or 285%, due to more loan origination fees and reduced Non-Interest Expenses.

At the end of 1Q15, assets managed by Banorte-Ixe mutual funds totaled Ps 146.1 billion, an annual growth of 20%. Assets held in fixed income funds totaled Ps 128.2 billion, a 19% increase YoY, while equity funds held assets of Ps 17.9 billion, an annual increase of 28%. At the end of March, Banorte-Ixe had a 7.7% share of the mutual fund market, comprised of 9.0% in fixed income funds and 3.8% in equity funds.

- Assets Under Management**

At the end of 1Q15, AUMs totaled Ps 738.5 billion, increasing 11% YoY and decreasing 1% QoQ.

LONG TERM SAVINGS

LONG TERM SAVINGS (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Afore (1)					
Net Income	577	655	598	(9%)	4%
Shareholder's Equity	24,951	23,982	22,380	(7%)	(10%)
Total Assets	26,032	25,282	23,604	(7%)	(9%)
AUM (SIEFORE)*	555,079	605,816	616,374	2%	11%
ROE	9.4%	10.9%	10.3%	(0.6 pp)	1.0 pp
Insurance- Seguros Banorte					
Total Operating Income	885	960	1,055	10%	19%
Non Interest Expense	196	248	210	(15%)	7%
Operating Income	690	711	845	19%	23%
Taxes	211	199	257	29%	22%
Subsidiaries & Minority Interest	(1)	(2)	(2)	(5%)	169%
Net Income	478	511	586	15%	23%
Shareholder's Equity	4,333	5,094	5,682	12%	31%
Total Assets	19,766	24,153	26,063	8%	32%
Technical Reserves	11,630	13,629	14,498	6%	25%
Premiums sold	4,928	4,583	5,438	19%	10%
Coverage ratio of technical reserves	1.2	1.3	1.3	(0.0 pp)	0.0 pp
Capital coverage ratio of minimum guarantee	1.5	2.0	1.7	(0.2 pp)	0.2 pp
Coverage ratio of minimum capital	49.5	58.1	62.3	4.2 pp	12.9 pp
ROE	47.0%	42.6%	43.8%	1.2 pp	(3.2 pp)
Annuities					
Total Operating Income	148	185	198	7%	33%
Non Interest Expense	70	77	70	(10%)	0%
Operating Income	79	108	128	19%	63%
Taxes	24	35	42	18%	74%
Subsidiaries & Minority Interest	1	2	2	(8%)	161%
Net Income	55	74	88	18%	59%
Shareholder's Equity	1,305	1,375	1,464	7%	12%
Total Assets	55,218	61,729	63,842	3%	16%
Technical Reserves	53,552	59,879	61,820	3%	15%
Premiums sold	2,012	2,021	2,048	1%	2%
Coverage ratio of technical reserves	1.0	1.0	1.0	(0.0 pp)	(0.0 pp)
Coverage ratio of minimum capital	9.2	9.7	9.9	0.0 pp	0.1 pp
ROE	17.3%	21.0%	24.8%	3.7 pp	7.4 pp

1. Afore XXI Banorte's results are shown in Banco Mercantil del Norte through the equity participation method. For comparative purposes, Afore XXI Banorte's income is included in this section.

- **Afore XXI Banorte**

Afore XXI Banorte posted net profits of Ps 598 million for 1Q15, 4% higher vs. 1Q14 due to higher total revenues, which offset higher Operating Expenses and taxes and fewer profits from subsidiaries. Quarterly profits declined by (9%) as a result of valuation losses in the invested capital, reduced total income and profits from subsidiaries.

ROE for Afore XXI Banorte at the end of 1Q15 **was 10.3%**, 1.0 pp higher YoY and (0.6pp) lower QoQ; when excluding goodwill, **ROE would be 37.3%**. According to GFNORTE's participation in this sector, Afore XXI Banorte contributed 7.6% of the Financial Group's profits for 1Q15.

Assets under management as of March 2015 totaled Ps 616.4 billion, an increase of 11% YoY and 2% QoQ.

According to CONSAR, to February 2015 Afore XXI Banorte had a 25.3% share in managed funds, ranking 1st in the market, with 11.28 million accounts (this number does not include 6.3 million accounts managed by Afore XXI with resources deposited in Banco de Mexico), which represent a 24.2% share of the total number of accounts in the system, making it the market leader.

- **Seguros Banorte**

During 1Q15, **Seguros Banorte reported profits of Ps 586 million**, 23% higher YoY due to growth in Net Interest Income (mainly premium incomes), which offset lower Non-Interest Income and higher taxes and Non-Interest Expenses. On a quarterly basis, profits increased 15%, driven by growth in Net Interest Income (mainly due to reduced technical reserves) and lower Non-Interest Expenses, offsetting the decrease in Non-Interest Income and higher taxes. Seguros Banorte represents 15.1% of the Financial Group's earnings in 1Q15.

Issued premiums increased 10% YoY and 19% QoQ **totaling Ps 5.44 billion**. **Technical Reserves totaled Ps 14.50 billion**, increasing 25% YoY and 6% QoQ.

ROE for the Insurance company was 43.8% in 1Q15, (3.2 pp) lower YoY and +1.2 pp higher QoQ.

Regarding the disclosure requested by the General Provisions applicable to Financial Groups' controlling companies, 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 1Q15 that involved any technical risk.*
- ii. Damages and claims, as well as the fulfillment with reinsurers and bonding companies according to their participation.
 - *In 1Q15 damage ratios remained under control.*
- iii. Costs derived from placement of insurance policies and bonds.
 - *There were no relevant events to disclose in 1Q15.*
- iv. Transfer of risks through reinsurance and bonding contracts
 - *In the P&C book four important businesses of governmental tenders were ceded to reinsurers, mainly foreign ones, by which 100% of the risk was transferred.*
- v. Contingencies arising from non-fulfillment by reinsurers and bonding companies.
 - *There were no relevant events in 1Q15.*

- **Pensiones Banorte**

During 1Q15, Pensiones Banorte reported profits of Ps 88 million, increases of 59% YoY and 18% QoQ. Both growths were due to growth in Net Interest Income and more controlled spending, offsetting the decrease in Non-Interest Income and higher taxes. The Annuities company contributed 2.3% of the Financial Group's profits.

ROE was 24.8% in 1Q15, 7.4 pp higher vs. 1Q14 and +3.7 pp vs. 4Q14.

SOFOM AND OTHER FINANCE COMPANIES

SOFOM and Other Finance Companies (Million Pesos)	1Q14	4Q14	1Q15	Change	
				QoQ	YoY
Leasing and Factoring					
Net Income	171	209	136	(35%)	(21%)
Shareholder's Equity	3,380	3,735	3,871	4%	15%
Loan Portfolio (1)	20,233	21,237	21,657	2%	7%
Past Due Loans	217	181	202	12%	(7%)
Loan Loss Reserves	315	309	323	5%	2%
Total Assets	20,719	21,623	22,065	2%	6%
ROE	20.8%	22.5%	14.3%	(8.2 pp)	(6.5 pp)
Warehousing					
Net Income	9	22	10	(55%)	8%
Shareholder's Equity	281	218	224	3%	(20%)
Inventories	442	922	422	(54%)	(4%)
Total Assets	691	1,127	627	(44%)	(9%)
ROE	13.2%	34.2%	17.8%	(16.4 pp)	4.6 pp
Sólida Administradora de Portafolios					
Net Income	(39)	(70)	(111)	58%	186%
Shareholder's Equity	2,279	3,946	3,841	(3%)	69%
Loan Portfolio	469	3,926	3,654	(7%)	680%
Past Due Loans	196	213	291	37%	49%
Loan Loss Reserves	88	260	296	14%	235%
Total Assets	13,584	16,843	16,067	(5%)	18%
Ixe Servicios					
Net Income	(0.0)	0.0	0.0	364%	(694%)
Shareholder's Equity	24	145	145	0%	510%
Total Assets	137	147	146	(0%)	7%
ROE	(0.1%)	0.0%	0.1%	0.1 pp	0.2 pp

1. Includes pure leasing portfolio registered in property, furniture and equipment (net).

- Leasing and Factoring**

In 1Q15 Arrendadora y Factor Banorte reported profits of Ps 136 million, decreasing (21%) YoY and (35%) QoQ driven by the Income Tax generated in 2015 and higher provisions, which were not offset by growth in Net Interest Income and Other Operating Income. The Leasing and Factoring Company contributed 3.5% of the Financial Group's profits in 1Q15.

ROE for the Leasing and Factoring company was 14.3% for 1Q15, (6.5 pp) lower YoY and (8.2pp) lower QoQ.

At the end of 1Q15, the Past Due Loan Ratio was 1.0%, 0.1 pp higher vs. 4Q14 and (0.2 pp) lower vs. 1Q14, while the Coverage ratio was 159.8%, 14.8 pp higher vs. 1Q14 and (10.7 pp) lower vs. 4Q14. The Capitalization ratio estimated as of March was 16.5% considering total risk-weighted assets of Ps [23.39 billion].

Arrendadora y Factor Banorte continues to be the market leader in terms of portfolio size and assets among the 47 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

- **Warehouse**

In 1Q15, **Warehouse posted profits of Ps 10 million**, growing by Ps 1 million YoY and decreasing by (Ps 12) million QoQ. The annual increase is due to growth in trading revenues and Net Interest Income, which offset the decrease in Other Operating Income and greater Administrative Expenses. The quarterly decline was driven by the reduction in Other Operating Income. Almacenadora Banorte contributed 0.3% of the Financial Group's profits in 1Q15.

ROE for 1Q15 was 17.8%, 4.6 pp higher YoY and (16.4 pp) lower QoQ.

At the end of 1Q15, the Capitalization Ratio was 35.8% considering assets at risk. The total certificates in circulation amounted to Ps 2.69 billion. Almacenadora Banorte ranks third among the 18 warehouses of this sector in terms of profits generated.

- **Sólida Administradora de Portafolios**

During 1Q15, Sólida Administradora de Portafolios reported a loss of (Ps 111) million, an annual variation of (Ps 72) million mainly due to a valuation charge of Ps 211 million related to the fair valuation of the investment projects in housing developers and regular provisions for the payroll loan book acquired by Banorte in 3Q14. The quarterly decrease of (Ps 41) is explained by the same reasons.

The Past Due Loan Ratio was 8.0% at the end of 1Q15. The Coverage ratio was 101.6%, comparing unfavorably to the 122.5% of 4Q14 and favorably to the 45.1% of 1Q14. **The estimated Capitalization ratio at the end of 1Q15 was 17.0%**, 0.8 pp higher vs. 4Q14 and 5.4 pp higher vs. 1Q14 (due to the increase in equity in 3Q14).

RATINGS

International Ratings - GFNorte				
Rating Agency	Rated Institutions	Rating	Category	Date
Standard & Poor's	Banco Mercantil del Norte	STABLE	Outlook	April, 2015
		BBB	Counterparty credit - Long term foreign currency	
		BBB	Counterparty credit - Long term local currency	
		A-2	Counterparty credit - Short term foreign currency	
		A-2	Counterparty credit - Short term local currency	
		BBB	Senior Unsecured Notes	
		BB	Subordinated Junior Notes (from the merged Ixe Banco)	
Fitch	Grupo Financiero Banorte	STABLE	Outlook	March, 2015
		bbb+	Viability	
		BBB+	Long term foreign currency (IDR'S)	
		F2	Short term foreign currency (IDR'S)	
		5	Support Rating-GFNorte	
		NF (Not Floor)	Support Rating Floor - GFNorte	
	Banco Mercantil del Norte	STABLE	Outlook	
		bbb+	Viability	
		BBB+	Long term foreign currency	
		F2	Short term foreign Currency	
		C	Individual - Foreign Currency	
Moody's	Banco Mercantil del Norte	STABLE	Outlook BFSR	March, 2015
		C -	Bank Financial Streight	
		baa1	Baseline Credit Assessment	
		STABLE	Outlook	
		A2	Long term local currency deposits	
		A3	Long term foreign currency deposits	
		P-1	Short term local currency deposits	
		P-2	Short term foreign currency deposits	
		A2	Long term foreign currency senior debt	
		Baa2	Long term local currency subordinated debt	
		Baa2 (hyb)	Long term foreign currency subordinated debt	
		Baa3 (hyb)	Long term local currency junior subordinated debt	
		Baa3 (hyb)	Long term foreign currency junior subordinated debt	
	Arrendadora y Factor Banorte	STABLE	Outlook	
		A3	Long term local currency issuer	
		P-2	Short term local currency issuer	
		(P)A3	Long term local currency senior debt	
		(P)P-2	Short term local currency senior debt	

Domestic Ratings - GFNorte				
Rating Agency	Rated Institutions	Rating	Category	Date
Standard & Poor's	Banco Mercantil del Norte	STABLE mxA-1+ mxAAA	Outlook National Scale Counterparty credit - Short term National Scale Counterparty - Long term	April, 2015
	Casa de Bolsa Banorte Ixe	STABLE mxA-1+ mxAAA	Outlook National Scale Counterparty credit - Short term National Scale Counterparty credit - Long term	
Fitch	Banco Mercantil del Norte	STABLE AAA (mex) F1+ (mex)	Outlook National Scale Counterparty - Long term National Scale Counterparty - Short term	March, 2015
		F1+ (mex) AA+ (mex)	Depo. Certi. y P.R.L.V. short Term Depo. Certi. y P.R.L.V. long term	
	Casa de Bolsa Banorte Ixe	STABLE F1+ (mex) AAA (mex)	Outlook National Scale - Short term National Scale - Long term	
		F1+ (mex) AAA (mex) F1+ (mex) AAA (mex)	National Scale Counterparty - Short term National Scale Counterparty - Long term National Scale - Unsecured Debt - Short term National Scale - Unsecured Debt - Long term	
	Almacenadora Banorte	F1+ (mex) AAA (mex)	National Scale Counterparty - Short term National Scale Counterparty - Long term	
	Pensiones Banorte	ESTABLE AAA (mex)	Outlook National Scale	March, 2015
	Seguros Banorte Generali	STABLE AAA (mex)	Outlook Financial Strenght	February, 2015
Moody's	Banco Mercantil del Norte	STABLE Aaa.mx MX-1 Aa1.mx Aa2.mx	Outlook National Scale - Long term deposits National Scale - Short term deposits Subordinated debt - Long term Junior Subordinated debt - Long term	March, 2015
	Arrendadora y Factor Banorte	STABLE Aaa.mx MX-1 Aaa.mx MX-1	Outlook National Scale - Long term issuer National Scale - Short term issuer National Scale - Long term senior debt National Scale - Short term senior debt	March, 2015
HR Ratings	Banco Mercantil del Norte	STABLE HR AAA HR+1 HR AA+	Outlook Long term debt Short term debt Subordinated Debt Preferential	May, 2014

INFRASTRUCTURE

INFRASTRUCTURE	1Q14	4Q14	1Q15
Employees (1)	27,316	27,898	27,376
Branches (2)	1,292	1,269	1,270
INB	20	20	20
ATM's	7,083	7,297	7,062
POS's	146,320	162,352	159,066

1. Includes Banking Sector and Afore hired and outsourcing personnel.

2. 5 banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in the Cayman Islands.

GFNORTE'S ANALYST COVERAGE

In compliance with the BOLSA MEXICANA DE VALORES, S.A.B. DE C.V requirement, the information of Brokers that have analyst coverage to:

TICKER: GFNORTEO

BROKER	ANALYST	RECOMMENDATION	DATE
Actinver	Martín Lara	Buy	26-jan-15
Barclays	Vilctor Galeano	Buy	25-mar-15
BBVA	Ernesto Gabilondo	Buy	18-feb-15
Bradesco	Bruno Chemmer	Buy	16-apr-15
Brasil Plural	Eduardo Nishio	Buy	23-jan-15
BTG Pactual	Eduardo Rosman	Buy	23-jan-15
Burkernroad	Lourdes Palma	Buy	31-jul-13
BX+	Paulina Nuñez	Buy	23-jan-15
Citi	Daniel Abut	Buy	24-mar-15
Credit Suisse	Marcello Telles	Buy	08-apr-15
Finamex	Rodrigo Ledesma	Buy	20-nov-14
GBM	Lilian Ochoa	Buy	23-jan-15
Goldman Sachs	Carlos Macedo	Buy	23-jan-15
HSBC	Carlos Gomez	Buy	20-nov-14
Interacciones	Enrique Mendoza	Buy	21-jan-15
Invex	Ana Sepulveda	Buy	17-feb-15
Itaú BBA	Regina Sanchez	Buy	22-jan-15
JP Morgan	Saul Martinez	Buy	14-apr-15
Nomura	Daragh Quinn	Buy	27-jan-15
UBS	Philip Finch	Buy	15-apr-15
Vector	Rafael Escobar	Buy	02-dec-14
Deutsche Bank	Tito Labarta	Hold	10-apr-15
Intercam	Sofía Robles	Hold	22-jan-15
Monex	Valeria Romo	Hold	14-aug-14
Morgan Stanley	Jorge Kuri	Hold	23-jan-15
Nau	Iñigo Vega	Hold	19-jan-15
Santander	Boris Molina	Hold	08-jan-15
Scotiabank	Claudia Benavente	Hold	23-jan-15
BOFA - Merrill Lynch	Mario Pierry	Sell	13-apr-15

GRUPO FINANCIERO – GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	1Q15
Banco Mercantil del Norte, S.A. (1)	98.22%
Banorte USA (2)	100.00%
Afore XXI Banorte (2)	50.00%
Arrendadora y Factor Banorte, S.A. de C.V., SOFOM	99.99%
Almacenadora Banorte, S.A. de C.V.	99.99%
Pensiones Banorte, S.A. de C.V.	99.99%
Seguros Banorte, S.A. de C.V.	99.99%
Casa de Bolsa Banorte Ixe, S.A. de C.V.	99.99%
Operadora de Fondos Banorte Ixe, S.A. de C.V.	99.99%
Ixe Servicios, S.A. de C.V.	99.99%
Sólida Administradora de Portafolios, S.A. de C.V. SOFOM	98.83%

1. Considers as of 3Q14 a 98.22%.stake of GFNorte.
2. Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB Financial Corp.

Holding Company Capital Structure	
Number of Shares (Million)	SERIE O
	As of March '15
Number of Issued Shares	2,773.73
Number of Shares Outstanding	2,773.63
Shares held in the bank's Treasury	0.10

Board of Directors as of March, 2015.

Grupo Financiero Banorte Board of Directors	
PROPRIETARY MEMBERS	
Carlos Hank Gonzalez	Chairman of the Board
Vacant	
Vacant	
Juan Antonio Gonzalez Moreno	
David Villareal Montemayor	
Miguel Aleman Magnani	Independent
Patricia Armendariz Guerra	Independent
Herminio Blanco Mendoza	Independent
Juan Carlos Braniff Hierro	Independent
Alejandro Burillo Azcarraga	Independent
Alfredo Elias Ayub	Independent
Everardo Elizondo Almaguer	Independent
Armando Garza Sada	Independent
Hector Reyes Retana y Dahl	Independent
Adrian Sada Cueva	Independent
ALTERNATE MEMBERS	
Jesus O. Garza Martinez	
Jose Marcos Ramirez Miguel	
Graciela Gonzalez Moreno	
Juan Antonio Gonzalez Marcos	
Jose Maria Garza Treviño	Independent
Lorenzo Lazo Margain	Independent
Roberto Kelleher Vales	Independent
Manuel Aznar Nicolin	Independent
Guillermo Mascareñas Milmo	Independent
Alejandro Orvañanos Alatorre	Independent
Isaac Becker Kabacnik	Independent
Alberto Halabe Hamui	Independent
Ramon A. Leal Chapa	Independent
Vacant	Independent
Eduardo Livas Cantu	Independent

It is informed through this Quarter Report that in the Annual Ordinary General Shareholders' Meeting to be held on April 24, 2015, is proposed to approve the Board of Directors for the fiscal year 2015 as follows.

Grupo Financiero Banorte Board of Directors	
PROPRIETARY MEMBERS	
Carlos Hank Gonzalez	Chairman of the Board
Juan Antonio Gonzalez Moreno	
David Villarreal Montemayor	
Jose Marcos Ramirez Miguel	
Everardo Elizondo Almaguer	Independent
Patricia Armendariz Guerra	Independent
Hector Reyes Retana y Dahl	Independent
Juan Carlos Braniff Hierro	Independent
Armando Garza Sada	Independent
Alfredo Elias Ayub	Independent
Adrian Sada Cueva	Independent
Miguel Aleman Magnani	Independent
Alejandro Burillo Azcarraga	Independent
Jose Antonio Chedraui Eguia	Independent
Alfonso de Angoitia Noriega	Independent
ALTERNATE MEMBERS	
Graciela Gonzalez Moreno	
Juan Antonio Gonzalez Marcos	
Jose Maria Garza Treviño	Independent
Robert William Chandler Edwards	Independent
Alberto Halabe Hamui	Independent
Roberto Kelleher Vales	Independent
Manuel Aznar Nicolin	Independent
Guillermo Mascareñas Milmo	Independent
Ramon A. Leal Chapa	Independent
Isaac Becker Kabacnik	Independent
Eduardo Livas Cantu	Independent
Lorenzo Lazo Margain	Independent
Javier Braun Burillo	Independent
Rafael Contreras Grosskelwing	Independent
Guadalupe Phillips Margain	Independent

Group's Main Officers 1Q15	
NAME	CURRENT POSITION
Marcos Ramirez Miguel	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Armando Rodal Espinosa	Managing Director – Wholesale Banking
Carlos Eduardo Martinez Gonzalez	Managing Director – Retail Banking
Fernando Solis Soberon	Managing Director – Long Term Savings
STAFF	
Rafael Arana de la Garza	Chief Operating Officer
David Aaron Margolin Schabes	Chief Risk Officer
Luis Fernando Orozco Mancera	Chief Credit Officer (CCO)
Isaias Velazquez Gonzalez	Managing Director - Internal Audit

HOLDING

Income Statement-Holding (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2014	3M15
Income Subsidiaries	3,646	3,780	3,968	3,852	3,900	15,246	3,900
Interest Income	44	22	20	7	3	93	3
Interest Expense	-	-	-	-	-	-	-
Fees & Tariffs	-	(0)	(0)	(0)	-	(0)	-
Trading Income	-	-	-	-	-	-	-
Other Operating Income (Expense)	1	0	-	-	-	1	-
Non Interest Expense	27	28	27	31	27	113	27
Pre-Tax Income	3,664	3,774	3,960	3,827	3,876	15,226	3,876
Income Tax	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-
Deferred Income Tax	0	(0)	(118)	(9)	(4)	(127)	(4)
Taxes	0	(0)	(118)	(9)	(4)	(127)	(4)
Net Income from Continuous Operations	3,664	3,774	4,078	3,837	3,880	15,354	3,880
Extraordinary Items, net	-	-	-	-	-	-	-
Net Income	3,664	3,774	4,078	3,837	3,880	15,354	3,880

Holding - Balance Sheet		1Q14	2Q14	3Q14	4Q14	1Q15
<i>(Million Pesos)</i>						
ASSETS						
Cash and Due from Banks		305	279	231	99	30
Margin Accounts		-	-	-	-	-
Investment in Securities		-	-	-	-	-
Non-assigned Securities for Settlement		-	-	-	-	-
Debtor Balance in Repo Trans,net		2,400	2,100	1,300	500	190
Securities Lending		-	-	-	-	-
Transactions with Derivatives		-	-	-	-	-
Operations w/Derivatives & Securities		2,400	2,100	1,300	500	190
Valuation adjustments for Asset Coverage		-	-	-	-	-
Performing Loans		-	-	-	-	-
Past Due Loans		-	-	-	-	-
Gross Loan Portfolio		-	-	-	-	-
Preventive Loan Loss Reserves		-	-	-	-	-
Net Loan Portfolio		-	-	-	-	-
Acquired Collection Rights		-	-	-	-	-
Total Credit Portfolio		-	-	-	-	-
Benef.receiveab.securization transactions		-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net		54	58	62	63	63
Inventories		-	-	-	-	-
Foreclosed Assets, Net		-	-	-	-	-
Real Estate, Furniture & Equipment, Net		-	-	-	-	-
Investment in Subsidiaries		95,903	100,536	104,631	109,558	113,124
Long-term assets held for sale		-	-	-	-	-
Deferred Taxes, Net		4	4	122	131	136
Goodwill and Intangibles		10,909	10,886	10,863	10,840	10,819
Other Assets Short and Long Term		-	-	-	-	-
Other Assets		-	-	-	-	-
		106,870	111,483	115,677	120,593	124,141
TOTAL ASSETS		109,575	113,863	117,209	121,191	124,361

Holding - Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
LIABILITIES						
Deposits		-	-	-	-	-
Due to Banks & Correspondents		-	-	-	-	-
Total Collateral sold		-	-	-	-	-
Total Operations w/ Derivatives & Securities		-	-	-	-	-
Margin Accounts Payable		-	-	-	-	-
Other Creditors & Accounts Payable		0	0	-	1	10
Subordinated Non Convertible Debt		-	-	-	-	-
Deferred Taxes, Net		-	-	-	-	-
Deferred Credits		-	-	-	-	-
TOTAL LIABILITIES		0	0	-	1	10
EQUITY		-	-	-	-	-
Paid-in Capital		14,664	14,664	14,664	14,648	14,643
Provision for future capital increase not formalized by its governing entity		-	-	-	-	-
Share Subscription Premiums		35,500	35,797	35,815	36,334	36,207
Subordinated Convertible Debentures		-	-	-	-	-
Subscribed Capital		50,163	50,460	50,479	50,983	50,850
Capital Reserves		5,811	7,014	7,014	6,657	6,563
Retained Earnings		50,846	49,628	49,105	48,429	63,123
Surplus (Deficit) of Secs Available for Sale		734	833	541	605	779
Results from Valuation of Hedging Secs		(734)	(594)	(709)	(762)	(1,026)
Results from Conversions		(909)	(916)	(737)	(75)	181
Surplus (Deficit) in Capital Restatement		-	-	-	-	-
Adjustments in the Employee's Pensions		-	-	-	-	-
Accumulated Effect of Deferred Taxes		-	-	-	-	-
Net Income		3,664	7,438	11,517	15,354	3,880
Earned Capital		59,411	63,403	66,730	70,208	73,501
Minority Interest		-	-	-	-	-
Total Equity		109,575	113,863	117,209	121,191	124,351
TOTAL LIABILITIES & EQUITY		109,575	113,863	117,209	121,191	124,361

Holding - Memorandum Accounts (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
TOTAL ON BEHALF OF THIRD PARTIES		-	-	-	-	-
Properties in Custody or Administration		3,716	3,716	3,716	3,716	3,716
Proprietary Transactions		3,716	3,716	3,716	3,716	3,716
TOTAL PROPRIETARY		3,716	3,716	3,716	3,716	3,716

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2014	3M15
Interest Income	17,835	16,985	17,009	18,511	16,612	70,341	16,612
Interest Expense	7,213	7,256	6,428	6,597	5,556	27,494	5,556
Charged Fees	338	325	441	1,134	284	2,238	284
Fees Paid	85	95	100	88	90	367	90
Net Interest Income from interest & fees (NII)	10,875	9,960	10,923	12,960	11,251	44,718	11,251
Premium Income (Net)	4,971	3,914	4,507	5,301	5,337	18,693	5,337
Net Increase in Technical Reserves	3,109	1,021	2,119	3,406	2,478	9,655	2,478
Damages, Claims and Other Obligations	2,385	2,425	2,436	2,412	2,475	9,659	2,475
Net Interest Income (NII)	10,352	10,428	10,875	12,441	11,635	44,096	11,635
Preventive Provisions for Loan Losses	2,380	2,851	3,253	2,712	2,605	11,196	2,605
Net Interest Income Adjusted for Credit Risk	7,972	7,577	7,622	9,729	9,030	32,900	9,030
Fees for Commercial and Mortgage Loans	3	2	2	2	1	9	1
Fund Transfers	146	158	161	173	209	637	209
Account Management Fees	351	374	378	397	459	1,499	459
Fiduciary	82	101	83	96	111	362	111
Other Fees	635	594	660	958	753	2,847	753
Income from Real Estate Portfolios	40	57	51	39	23	187	23
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	4,486	1,193
For Consumer and Credit Card Loans	676	667	705	744	703	2,792	703
Fees Charged on Services	2,967	3,037	3,167	3,649	3,451	12,820	3,451
Fund transfers	13	13	8	11	16	45	16
Other Fees	972	990	1,075	1,185	1,187	4,222	1,187
Amortization of Loan Portfolio	-	-	-	-	-	-	-
Fees Paid on Services	986	1,003	1,083	1,196	1,203	4,268	1,203
Foreign Exchange	343	280	226	236	402	1,085	402
Securities-Realized Gains	481	677	823	340	477	2,322	477
Securities-Unrealized Gains	292	606	317	(202)	74	1,013	74
Trading Income	1,116	1,563	1,366	375	953	4,420	953
Loan Recoveries	241	225	226	264	299	956	299
Income from foreclosed assets	(100)	(68)	(16)	55	13	(130)	13
Other Operating Income	129	116	76	102	48	424	48
Other Operating Expense	(77)	(16)	(48)	(87)	(266)	(229)	(266)
Other Products	761	712	1,458	490	1,219	3,421	1,219
Other Recoveries	318	193	277	429	208	1,217	208
Other Operating Expense	(781)	(669)	(1,072)	(538)	(1,283)	(3,060)	(1,283)
Other Operating Income (Expense) from Insurance and Annuities	183	150	155	173	185	660	185
Total Other Operating Income (Expense)	673	643	1,057	887	423	3,260	423
Total Non Interest Income	3,770	4,241	4,506	3,715	3,624	16,233	3,624
Total Operating Income	11,742	11,818	12,128	13,444	12,654	49,133	12,654
Personnel	3,074	3,029	2,829	4,054	3,390	12,986	3,390
Employee Profit Sharing (PTU)	103	101	101	74	98	379	98
Professional Fees	645	693	762	900	515	3,000	515
Administrative and Promotional Expenses	1,249	1,397	1,434	1,599	1,722	5,679	1,722
Rents, Depreciation & Amortization	848	913	928	958	992	3,648	992
Taxes other than income tax & non deductible expenses	467	314	356	517	444	1,653	444
Contributions to IPAB/Fobaproa	459	466	474	487	510	1,887	510
Total Non Interest Expense	6,845	6,913	6,884	8,590	7,670	29,232	7,670
Operating Income	4,897	4,906	5,244	4,855	4,983	19,901	4,983
Subsidiaries' Net Income	293	349	248	329	279	1,220	279
Pre-Tax Income	5,190	5,255	5,492	5,184	5,262	21,121	5,262
Income Tax	2,108	1,908	2,408	1,617	1,208	8,040	1,208
Tax on Assets	-	-	-	-	-	-	-
Deferred Income Tax	(608)	(448)	(1,011)	(305)	121	(2,372)	121
Taxes	1,500	1,460	1,397	1,312	1,328	5,668	1,328
Net Income from Continuous Operations	3,691	3,795	4,095	3,872	3,934	15,453	3,934
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	(63)	(56)	(54)	(52)	(54)	(225)	(54)
Net Income	3,628	3,739	4,042	3,819	3,880	15,228	3,880

GFNorte - Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
ASSETS						
Cash and Due from Banks		70,120	72,074	70,541	73,838	83,716
Margin Accounts		74	100	72	45	97
Negotiable Instruments		247,302	240,754	234,133	248,976	294,182
Securities Available for Sale		83,281	78,144	92,465	104,937	117,709
Securities Held to Maturity		92,839	88,571	86,860	77,736	80,371
Investment in Securities		423,422	407,470	413,459	431,649	492,263
Non-assigned Securities for Settlement		-	-	-	-	-
Debtor Balance in Repo Trans, net		378	51	8	871	1
Securities Lending		-	-	-	-	-
For trading purposes		14,050	17,786	15,106	16,510	19,211
For hedging purposes		76	371	246	86	137
Operations w/Derivatives & Securities		-	-	-	-	-
Transactions with Derivatives		14,126	18,157	15,351	16,597	19,347
Operations w/Derivatives & Securities		14,504	18,208	15,360	17,468	19,349
Valuation adjustments for Asset Coverage		154	150	147	143	139
Commercial Loans		182,202	182,992	182,257	191,189	190,682
Financial Intermediaries' Loans		3,419	3,825	3,624	3,316	3,156
Consumer Loans		60,153	62,542	67,065	68,383	69,597
Mortgage Loans		83,153	85,040	87,003	89,918	91,288
Government Entities' Loans		98,625	100,344	104,995	118,962	125,085
Loans granted as Federal Agent		-	-	-	-	-
Performing Loans		427,553	434,743	444,944	471,768	479,808
Commercial PDL's		9,989	10,442	11,377	10,649	9,980
Financial Intermediaries PDL's		0	1	1	1	1
Consumer PDL's		2,058	2,416	2,371	2,370	2,318
Mortgage PDL's		1,101	1,153	1,202	1,274	1,175
Government Entities PDL's		1	1	-	-	-
Past Due Loans		13,151	14,012	14,951	14,293	13,474
Gross Loan Portfolio		440,704	448,754	459,896	486,061	493,282
Preventive Loan Loss Reserves		13,909	14,642	15,550	15,287	14,571
Net Loan Portfolio		426,794	434,113	444,345	470,774	478,711
Acquired Collection Rights		3,273	3,137	3,050	2,984	2,860
Total Credit Portfolio		430,067	437,249	447,395	473,759	481,571
Account Receivables from Insurance and Annuities		1,385	1,713	2,200	1,934	2,167
Premium Debtors (Net)		4,695	5,668	3,535	4,502	5,952
Account Receivables from Reinsurance		3,367	4,856	5,431	5,967	5,865
Benef.receiveab.securization transactions		729	789	691	587	583
Sundry Debtors & Other Accs Rec, Net		37,448	28,175	31,268	26,646	31,845
Inventories		442	657	459	922	422
Foreclosed Assets, Net		2,611	2,670	2,546	2,731	2,678
Real Estate, Furniture & Equipment, Net		12,277	12,253	12,320	12,845	13,191
Investment in Subsidiaries		14,510	13,731	13,982	13,916	13,115
Long-term assets held for sale		-	-	-	-	-
Deferred Taxes, Net		436	885	1,845	2,311	2,293
Goodwill and Intangibles		21,893	22,740	23,030	24,697	23,901
Other Assets Short and Long Term		4,399	4,391	4,361	4,022	4,037
Other Assets		-	-	-	-	-
		104,192	98,529	101,668	101,081	106,050
TOTAL ASSETS		1,042,534	1,033,781	1,048,642	1,097,982	1,183,186

IV. FINANCIAL STATEMENTS



GFNorte - Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15
LIABILITIES					
Demand Deposits	252,652	263,672	276,545	298,852	306,474
Time Deposits-Retail	186,461	179,225	180,569	185,220	194,351
Time Deposits-Money Market	10,745	2,805	1,518	8,444	8,076
Special Funds	-	-	-	-	-
Senior Unsecured Debt	5,482	5,115	5,011	5,406	4,997
Deposits	455,340	450,817	463,644	497,922	513,899
Immediate Redemption Loans	0	7,809	0	0	0
Short Term Loans	18,942	19,137	18,155	21,082	17,172
Long Term Loans	7,382	7,585	9,077	9,002	11,324
Due to Banks & Correspondents	26,324	34,531	27,232	30,084	28,496
Technical Reserves	65,182	67,970	70,256	73,693	76,450
Non-assigned Securities for Settlement	-	-	-	-	-
Creditor Balance in Repo Trans, Net	317,580	292,593	296,061	306,602	360,901
Secs to be received in Repo Trans, Net	-	-	-	-	-
Repos (Credit Balance)	32	0	7	154	19
Securities' Loans	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-
Other sold collateral	-	-	-	-	-
Total Collateral sold	32	0	7	154	19
For trading purposes	14,140	17,704	15,201	17,271	19,664
For hedging purposes	3,583	3,071	3,041	4,020	3,381
Operations w/ Derivatives & Securities	-	-	-	-	-
Transactions with Derivatives	17,723	20,775	18,242	21,291	23,045
Total Operations w/ Derivatives & Securities	335,335	313,368	314,310	328,046	383,965
Valuation adjustments for financial liability coverage	-	-	-	-	-
Obligations in securitization transactions	0	0	0	0	0
Payable Accountsfor Reinsurance	1,054	2,449	796	1,619	2,094
Income Tax Payable	1,917	2,816	4,547	5,380	1,681
Profit Sharing Payable	130	206	304	373	145
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-
Creditors for settlement of transactions	9,931	10,678	12,357	3,224	14,996
Margin Accounts Payable	-	-	-	-	-
Other Creditors & Accounts Payable	13,502	15,510	16,168	15,041	15,484
Other Payable Accounts	25,480	29,210	33,375	24,019	32,306
Subordinated Non Convertible Debt	18,083	15,788	16,021	16,468	16,712
Deferred Taxes, Net	-	-	-	-	-
Deferred Credits	2,511	2,412	2,389	1,459	1,413
TOTAL LIABILITIES	929,310	916,544	928,026	973,311	1,055,334
EQUITY	-	-	-	-	-
Paid-in Capital	14,647	14,647	14,647	14,632	14,627
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-
Share Subscription Premiums	35,349	35,664	35,682	36,201	36,079
Subordinated Convertible Debentures	-	-	-	-	-
Subscribed Capital	49,995	50,311	50,330	50,833	50,706
Capital Reserves	5,811	7,014	7,014	6,657	6,563
Retained Earnings	52,823	51,605	51,082	50,407	64,974
Surplus (Deficit) of Secs Available for Sale	732	808	554	634	773
Results from Valuation of Hedging Secs	(734)	(594)	(709)	(762)	(1,026)
Results from Conversions	(909)	(916)	(737)	(75)	181
Surplus (Deficit) in Capital Restatement	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-
Net Income	3,628	7,367	11,409	15,228	3,880
Earned Capital	61,350	65,284	68,611	72,089	75,346
Minority Interest	1,878	1,642	1,675	1,750	1,799
Total Equity	113,224	117,237	120,616	124,672	127,851
TOTAL LIABILITIES & EQUITY	1,042,534	1,033,781	1,048,642	1,097,982	1,183,186

IV. FINANCIAL STATEMENTS

GFNorte - Memorandum Accounts (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15
On behalf of Third Parties					
Customer's Banks	264	117	39	52	22
Dividends Receivable from Customers	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-
Settlement of Customer Transactions	(193)	(123)	(28)	(21)	(2)
Customer Premiums	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-
Other Current Accounts	-	-	-	-	-
Customers' Current Account	71	(7)	12	32	20
Client Securities Received in Custody	546,591	592,850	625,248	588,561	592,356
Securities and Documents Received in Guarantee	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-
Clients' Securities	546,591	592,850	625,248	588,561	592,356
Clients' Repurchase Operations	77,927	52,824	59,524	98,802	112,425
Clients' Repo Transactions w/ Securities	-	-	-	-	-
Collateral received in guarantee for customer accounts	76,581	51,573	58,283	97,555	111,981
Purchase of Futures & Forward Contracts, national	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-
Trusts under Administration	64,280	72,413	75,847	76,857	77,144
Transactions On Behalf of Clients	218,788	176,810	193,655	273,214	301,550
Investment bank Trans on Behalf of Third (Net)	85,548	99,955	94,013	90,769	91,311
TOTAL ON BEHALF OF THIRD PARTIES	850,998	869,609	912,928	952,576	985,237
Endorsement Guarantees Granted	-	-	-	-	-
Loan Obligations	28,616	31,840	29,682	43,023	46,200
Trusts	167,885	187,006	205,556	212,425	211,808
Mandates	10,090	8,957	9,031	9,002	596
Properties in Trusts and Warrant	177,975	195,963	214,587	221,427	212,405
Properties in Custody or Administration	484,554	489,633	438,328	433,473	441,489
Collateral Received	147,461	154,390	110,293	97,855	83,491
Collateral Received or sold or delivered	171,305	153,445	115,920	142,005	142,879
Drafts in Transit	-	-	-	-	-
Deposits of assets	2,404	2,083	1,633	3,346	2,688
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	-	0	0	1	1
Uncollected Accrued Interest from Past Due Loans	421	454	495	548	468
Investments of Retirement Savings Funds	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-
Proprietary Transactions	1,012,734	1,027,808	910,938	941,678	929,620
Repo Securities to be Received	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-
Net Repo Transactions	-	-	-	-	-
Repo Debtors	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-
Net Repo Transactions	-	-	-	-	-
TOTAL PROPRIETARY	1,012,734	1,027,808	910,938	941,678	929,620

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW	
JANUARY 1, 2015 – MARCH 31, 2015	
(Million Pesos)	
Net Income	3,880
Items charged to results that do not generate or require use of resources	
Depreciation	329
Technical Reserves	2,478
Provisions	(5,233)
Income taxes and deferred	1,328
Minority Interest	(224)
	-1,322
	2,558
Change in items related to operations:	
Change in Margin Accounts	(52)
Change in Investment in Securities	(60,304)
Change in repo debtors	870
Change in derivatives (assets)	(2,697)
Change in Loan Portfolio (net)	(7,439)
Change in purchased receivables (net)	124
Change in accounts receivable insurance and bonding institutions (net)	(233)
Change in debtor premiums	(1,450)
Change in Reinsurance	102
Change in benefits to receive from securitizations	4
Change in foreclosed assets (net)	56
Change in other operating assets (net)	(3,853)
Change in core deposits	15,213
Change in interbank loans and other entities	(1,606)
Change in repo creditors	54,299
Change in collateral pledged sold	(135)
Change in derivatives (liability)	2,393
Change in Technical Reserves (net)	279
Change in Reinsurance (net) (liability)	475
Change in subordinated debt with characteristics of liabilities	232
Change in other operating liabilities	17,293
Change in hedging instruments (the related hedged transaction activities)	(689)
Income Tax Payments	(5,007)
Net cash generated or used from operations	10,433
Investment Activities:	
Charges for disposal of property, furniture and equipment	552
Payments for acquisition of property, furniture and equipment	(1,204)
Charges for cash dividends	1,100
Net cash generated or used from investment activities	448
Financing Activities:	
Payments of cash dividends	(675)
Payments associated with the repurchase of proprietary shares	(389)
Net cash flows from financing activities	(1,064)
Net Cash Increase (decrease)	9,817
Effects for changes in cash and equivalents value	61
Cash and cash equivalents at beginning of period	73,838
Cash and cash equivalents at end of period	83,716

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY										
JANUARY 1, 2015 – MARCH 31, 2015										
(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	Net Income	Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2014	14,632	36,201	6,657	50,407	634	(762)	(75)	15,228	1,750	124,672
Changes stemming from stockholders' decisions										
Repurchases of payment plan based on stock	(5)	(119)	(94)		(35)					(253)
Capitalization of profits				15,228				(15,228)		0
Dividends declared by the Ordinary General Shareholders' Meeting held on January 21, 2015				(675)						(675)
Total	(5)	(119)	(94)	14,553	(35)	0	0	(15,228)	0	(928)
Changes stemming from profits										
Net Income								3,880		3,880
Result from valuation of securities available for sale					174					174
Effect of subsidiaries, associates and mutual funds		(3)		14			256			267
Result from valuation of instruments of cash flow hedges						(263)				(263)
Total	0	(3)	0	14	174	(263)	256	3,880	0	4,058
Recognition of minority interest									49	49
Balance as of March 31, 2015	14,627	36,079	6,563	64,974	773	(1,025)	181	3,880	1,799	127,851

BANKING SECTOR

Income Statement -Banking Sector (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2014	3M15
Interest Income	14,005	14,276	13,867	14,208	14,283	56,356	14,283
Interest Expense	5,225	5,229	4,641	4,543	4,688	19,638	4,688
Charged Fees	338	325	441	1,133	283	2,237	283
Fees Paid	85	95	99	86	88	365	88
Net Interest Income (NII)	9,033	9,277	9,567	10,712	9,790	38,589	9,790
Preventive Provisions for Loan Losses	2,369	2,826	3,208	2,704	2,539	11,107	2,539
Net Interest Income Adjusted for Credit Risk	6,664	6,451	6,359	8,008	7,250	27,482	7,250
Fees for Commercial and Mortgage Loans	3	2	2	2	1	9	1
Fund Transfers	146	158	161	173	209	637	209
Account Management Fees	351	374	378	397	459	1,499	459
Fiduciary	81	100	83	95	111	360	111
Other Fees	430	398	423	639	495	1,890	495
Income from Real Estate Portfolios	6	5	18	21	6	49	6
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	4,486	1,193
For Consumer and Credit Card Loans	676	667	705	744	703	2,792	703
Fees Charged on Services	2,726	2,789	2,896	3,312	3,177	11,723	3,177
Fund transfers	13	13	8	11	16	45	16
Other Fees	710	744	764	827	780	3,046	780
Amortization of Loan Portfolio	-	-	-	-	-	-	-
Fees Paid on Services	724	758	772	837	796	3,091	796
Foreign Exchange	342	283	229	257	411	1,111	411
Securities-Realized Gains	436	536	664	219	392	1,854	392
Securities-Unrealized Gains	270	536	191	(103)	46	894	46
Trading Income	1,048	1,355	1,083	372	850	3,859	850
Loan Recoveries	241	225	226	264	299	956	299
Income from foreclosed assets	(107)	(81)	(26)	65	7	(149)	7
Other Operating Income	89	116	76	102	48	383	48
Other Operating Expense	(65)	(3)	(36)	(33)	(32)	(138)	(32)
Other Products	199	363	667	(65)	201	1,164	201
Other Recoveries	270	76	204	375	139	925	139
Other Operating Expense	(221)	(225)	(218)	0	(242)	(663)	(242)
Total Other Operating Income (Expense)	406	470	894	708	419	2,478	419
Total Non Interest Income	3,457	3,857	4,102	3,554	3,650	14,969	3,650
Total Operating Income	10,121	10,308	10,461	11,562	10,900	42,451	10,900
Personnel	2,950	2,884	2,695	3,912	3,249	12,441	3,249
Employee Profit Sharing (PTU)	99	101	99	70	96	369	96
Professional Fees	548	605	669	770	434	2,591	434
Administrative and Promotional Expenses	1,108	1,222	1,277	1,388	1,504	4,995	1,504
Rents, Depreciation & Amortization	789	853	859	889	927	3,391	927
Taxes other than income tax & non deductible expenses	420	270	303	371	368	1,364	368
Contributions to IPAB/Fobaproa	459	466	474	487	510	1,887	510
Total Non Interest Expense	6,374	6,401	6,376	7,887	7,087	27,037	7,087
Operating Income	3,747	3,907	4,086	3,675	3,814	15,414	3,814
Subsidiaries' Net Income	293	349	258	342	302	1,242	302
Pre-Tax Income	4,040	4,255	4,344	4,017	4,116	16,655	4,116
Income Tax	1,782	1,625	2,098	1,370	789	6,874	789
Tax on Assets	-	-	-	-	-	-	-
Deferred Income Tax	(573)	(445)	(800)	(337)	245	(2,154)	245
Taxes	1,209	1,180	1,298	1,033	1,034	4,720	1,034
Net Income from Continuous Operations	2,831	3,075	3,046	2,984	3,082	11,936	3,082
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	(0)	(0)	(0)	0	(0)	(0)	(0)
Net Income	2,831	3,075	3,046	2,984	3,082	11,936	3,082

Banking Sector - Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
ASSETS						
Cash and Due from Banks		70,174	71,828	70,371	73,622	83,447
Margin Accounts		74	100	72	45	97
Negotiable Instruments		184,013	194,110	193,774	172,478	208,758
Securities Available for Sale		70,293	67,782	69,116	77,511	83,850
Securities Held to Maturity		30,711	24,676	21,069	10,486	10,283
Investment in Securities		285,017	286,567	283,959	260,475	302,891
Non-assigned Securities for Settlement		-	-	-	-	-
Debtor Balance in Repo Trans,net		0	51	8	1	1
Securities Lending		-	-	-	-	-
For trading purposes		14,050	17,786	15,106	16,510	19,211
For hedging purposes		76	371	246	86	137
Operations w/Derivatives & Securities		-	-	-	-	-
Transactions with Derivatives		14,126	18,157	15,351	16,597	19,347
Operations w/Derivatives & Securities		14,127	18,208	15,360	16,598	19,349
Valuation adjustments for Asset Coverage		154	150	147	143	139
Commercial Loans		165,956	165,932	165,798	173,857	173,430
Financial Intermediaries' Loans		15,174	15,575	17,700	17,703	16,424
Consumer Loans		60,106	62,499	62,960	64,652	66,230
Mortgage Loans		83,130	85,017	86,980	89,918	91,288
Government Entities' Loans		96,925	98,238	103,144	117,655	123,336
Loans granted as Federal Agent		-	-	-	-	-
Performing Loans		421,290	427,260	436,582	463,784	470,707
Commercial PDL's		9,587	10,036	11,017	10,272	9,583
Financial Intermediaries PDL's		0	1	1	1	1
Consumer PDL's		2,063	2,420	2,375	2,353	2,223
Mortgage PDL's		1,151	1,202	1,250	1,286	1,175
Government Entities PDL's		-	-	-	-	-
Past Due Loans		12,801	13,659	14,643	13,912	12,981
Gross Loan Portfolio		434,092	440,919	451,226	477,696	483,688
Preventive Loan Loss Reserves		13,506	14,215	14,989	14,718	13,952
Net Loan Portfolio		420,586	426,703	436,237	462,979	469,736
Acquired Collection Rights		1,702	1,610	1,545	1,518	1,480
Acquired Collection Rights, Net		1,702	1,610	1,545	1,518	1,480
Total Credit Portfolio		422,288	428,313	437,782	464,497	471,216
Benef.receiveab.securization transactions		729	789	691	587	583
Sundry Debtors & Other Accs Rec, Net		29,371	17,464	18,742	15,662	19,427
Inventories		-	-	-	-	-
Foreclosed Assets, Net		2,102	2,162	2,036	2,260	2,197
Real Estate, Furniture & Equipment, Net		9,516	9,559	9,720	10,119	10,443
Investment in Subsidiaries		14,062	13,278	13,537	13,592	12,808
Long-term assets held for sale		-	-	-	-	-
Deferred Taxes, Net		868	1,336	2,085	2,569	2,453
Goodwill and Intangibles		8,472	9,234	9,443	10,998	10,888
Other Assets Short and Long Term		4,013	4,007	3,978	3,742	3,752
Other Assets		-	-	-	-	-
		69,133	57,828	60,233	59,528	62,551
TOTAL ASSETS		860,967	862,996	867,924	874,908	939,691

Banking Sector - Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
LIABILITIES						
Demand Deposits		253,832	265,051	277,663	300,282	307,955
Time Deposits-Retail		187,015	179,756	181,021	185,461	194,609
Time Deposits-Money Market		10,745	2,805	1,518	8,444	8,076
Special Funds		-	-	-	-	-
Senior Unsecured Debt		3,951	3,968	4,065	4,510	4,619
Deposits		455,543	451,580	464,268	498,697	515,259
Immediate Redemption Loans		0	7,809	0	0	0
Short Term Loans		8,729	7,732	7,437	10,700	7,223
Long Term Loans		3,049	3,125	4,730	4,073	5,214
Due to Banks & Correspondents		11,778	18,666	12,168	14,774	12,437
Non-assigned Securities for Settlement		-	-	-	-	-
Creditor Balance in Repo Trans, Net		242,133	241,965	237,896	208,362	248,747
Secs to be received in Repo Trans, Net		-	-	-	-	-
Repos (Credit Balance)		32	0	6	154	16
Securities' Loans		-	-	-	-	-
Transactions with Derivatives		-	-	-	-	-
Other sold collateral		-	-	-	-	-
Total Collateral sold		32	0	6	154	16
For trading purposes		14,140	17,704	15,201	17,271	19,664
For hedging purposes		3,583	3,071	3,041	4,020	3,381
Operations w/ Derivatives & Securities		-	-	-	-	-
Transactions with Derivatives		17,723	20,775	18,242	21,291	23,045
Total Operations w/ Derivatives & Securities		259,888	262,740	256,145	229,806	271,808
Valuation adjustments for financial liability coverage		-	-	-	-	-
Obligations in securitization transactions		0	0	0	0	0
Income Tax Payable		1,518	2,315	3,808	4,459	1,287
Profit Sharing Payable		120	205	303	373	145
Provision for future capital increase not formalized by its governing entity		-	-	-	-	-
Creditors for settlement of transactions		17,205	10,073	10,234	3,072	12,130
Margin Accounts Payable		-	-	-	-	-
Other Creditors & Accounts Payable		10,259	11,799	12,199	11,084	10,995
Other Payable Accounts		29,102	24,392	26,544	18,988	24,557
Subordinated Non Convertible Debt		18,083	15,788	16,021	16,468	16,712
Deferred Taxes, Net		-	-	-	-	-
Deferred Credits		2,373	2,274	2,252	1,384	1,316
TOTAL LIABILITIES		776,768	775,441	777,397	780,117	842,090
EQUITY						
Paid-in Capital		17,527	20,022	20,074	20,074	20,074
Provision for future capital increase not formalized by its governing entity		2,499	52	-	-	-
Share Subscription Premiums		10,389	10,389	10,389	11,099	11,274
Subordinated Convertible Debentures		-	-	-	-	-
Subscribed Capital		30,415	30,463	30,463	31,173	31,348
Capital Reserves		7,761	8,968	8,968	8,968	8,968
Retained Earnings		44,411	43,183	43,203	43,201	54,445
Surplus (Deficit) of Secs Available for Sale		576	691	540	510	771
Results from Valuation of Hedging Secs		(840)	(697)	(815)	(869)	(1,137)
Results from Conversions		(964)	(969)	(794)	(138)	115
Surplus (Deficit) in Capital Restatement		-	-	-	-	-
Results of Non Monetary Fixed Assets		-	-	-	-	-
Results of Non Monetary - Investment Assets		-	-	-	-	-
Adjustments in the Employee's Pensions		-	-	-	-	-
Accumulated Effect of Deferred Taxes		-	-	-	-	-
Net Income		2,831	5,906	8,952	11,936	3,082
Earned Capital		53,775	57,082	60,054	63,608	66,243
Minority Interest		10	10	10	10	10
Total Equity		84,200	87,555	90,527	94,791	97,601
TOTAL LIABILITIES & EQUITY		860,967	862,996	867,924	874,908	939,691

Banking Sector - Memorandum Accounts (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
Investment banking transactions for third parties, net		85,548	99,955	94,013	90,769	91,311
TOTAL ON BEHALF OF THIRD PARTIES		85,548	99,955	94,013	90,769	91,311
Proprietary Transactions						
Endorsement Guarantees Granted		-	-	-	-	-
Loan Obligations		28,616	31,840	29,682	43,023	46,200
Trusts		167,885	187,006	205,556	212,425	211,808
Mandates		10,090	8,957	9,031	9,002	596
Properties in Trusts and Warrant		177,975	195,963	214,587	221,427	212,405
Properties in Custody or Administration		358,926	344,237	280,141	284,381	290,237
Collateral Received		86,962	75,353	75,123	68,010	72,222
Collateral Received or sold		35,054	23,364	22,996	15,475	19,629
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		-	0	0	1	1
Uncollected Accrued Interest from Past Due Loans		378	411	452	505	425
Investments of Retirement Savings Funds		-	-	-	-	-
Integration of the Credit Portfolio		-	-	-	-	-
Amounts Contracted in Derivatives		-	-	-	-	-
Other Registration Accounts		-	-	-	-	-
Proprietary Transactions		687,910	671,167	622,981	632,822	641,118
Repo Securities to be Received		-	-	-	-	-
(Minus) Repo Creditors		-	-	-	-	-
Net Repo Transactions		-	-	-	-	-
Repo Debtors		-	-	-	-	-
(Minus) Repo Securities to be Delivered		-	-	-	-	-
Net Repo Transactions		-	-	-	-	-
TOTAL PROPRIETARY		687,910	671,167	622,981	632,822	641,118

BANORTE USA

Income Statement-Banorte USA	1Q14	2Q14	3Q14	4Q14	1Q15	2014	3M15
<i>MEX GAAP (Million Pesos)</i>							
Interest Income	183	185	183	197	210	747	210
Interest Expense	31	30	32	33	35	127	35
Charged Fees	7	7	8	8	8	31	8
Fees Paid	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	159	162	160	171	184	651	184
Net Interest Income (NII)	159	162	160	171	184	651	184
Preventive Provisions for Loan Losses	11	2	3	5	15	21	15
Net Interest Income Adjusted for Credit Risk	148	160	157	167	169	631	169
Fees for Commercial and Mortgage Loans	3	2	2	2	1	9	1
Fund Transfers	71	80	84	88	95	323	95
Account Management Fees	15	15	15	15	15	61	15
Fiduciary	-	-	-	-	-	-	-
Other Fees	6	6	7	8	10	27	10
Income from Real Estate Portfolios	-	-	-	-	-	-	-
Electronic Banking Services	6	9	9	9	9	32	9
For Consumer and Credit Card Loans	-	-	-	-	-	-	-
Fees Charged on Services	101	112	117	123	130	452	130
Fund transfers	0	0	0	0	4	1	4
Other Fees	28	31	30	30	32	119	32
Amortization of Loan Portfolio	-	-	-	-	-	-	-
Fees Paid on Services	28	31	31	30	36	120	36
Foreign Exchange	13	15	15	16	15	59	15
Securities-Realized Gains	17	0	3	0	1	21	1
Securities-Unrealized Gains	-	-	-	-	-	-	-
Trading Income	31	15	18	17	16	80	16
Loan Recoveries	3	1	2	3	1	8	1
Income from purchased assets	(4)	6	(1)	1	4	2	4
Other Operating Income	0	-	(0)	-	1	(0)	1
Other Operating Expense	1	1	1	1	-	5	-
Other Products	17	17	17	22	22	73	22
Other Recoveries	-	-	-	-	-	-	-
Other Operating Expense	(1)	(1)	(1)	(0)	(1)	(3)	(1)
Total Non Interest Income	120	119	122	135	137	497	137
Total Operating Income	268	279	279	302	306	1,128	306
Personnel	82	90	85	94	106	351	106
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-
Professional Fees	25	29	17	24	20	95	20
Administrative and Promotional Expenses	56	65	61	78	65	261	65
Rents, Depreciation & Amortization	20	18	16	18	17	72	17
Taxes other than income tax & non deductible expenses	4	5	4	3	3	16	3
Contributions to IPAB/Fobaproa	4	3	4	3	5	14	5
Total Non Interest Expense	191	211	186	221	216	808	216
Operating Income	77	68	93	81	90	319	90
Subsidiaries' Net Income	-	-	-	-	-	-	-
Pre-Tax Income	77	68	93	81	90	319	90
Income Tax	24	22	32	26	25	105	25
Tax on Assets	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-
Taxes	24	22	32	26	25	105	25
Net Income from Continuous Operations	52	46	61	55	64	214	64
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-
Net Income	52	46	61	55	64	214	64

Banorte USA-Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
ASSETS						
Cash and Due from Banks		2,014	2,248	2,355	2,220	1,450
Margin Accounts		-	-	-	-	-
Negotiable Instruments		-	-	-	-	-
Securities Available for Sale		7,474	7,190	6,853	7,692	9,007
Securities Held to Maturity		-	-	-	-	-
Investment in Securities		7,474	7,190	6,853	7,692	9,007
Non-assigned Securities for Settlement		-	-	-	-	-
Debtor Balance in Repo Trans,net		-	-	-	-	-
Securities Lending		-	-	-	-	-
For trading purposes		-	-	-	-	-
For hedging purposes		-	-	-	-	-
Operations w/Derivatives & Securities"		-	-	-	-	-
Transactions with Derivatives		-	-	-	-	-
Operations w/Derivatives & Securities		-	-	-	-	-
Valuation adjustments for Asset Coverage		-	-	-	-	-
Commercial Loans		9,686	9,608	10,171	11,943	12,676
Financial Intermediaries 'Loans		-	-	-	-	-
Consumer Loans		142	138	134	149	143
Mortgage Loans		1,353	1,321	1,338	1,404	1,435
Government Entities 'Loans		-	-	-	-	-
Loans granted as Federal Agent		-	-	-	-	-
Performing Loans		11,180	11,067	11,643	13,497	14,254
Commercial PDL's		2	1	12	11	6
Financial Intermediaries PDL's		-	-	-	-	-
Consumer PDL's		-	-	-	-	-
Mortgage PDL's		17	23	21	33	26
Government Entities PDL's		-	-	-	-	-
Past Due Loans		18	24	34	44	32
Gross Loan Portfolio		11,198	11,091	11,676	13,541	14,286
Preventive Loan Loss Reserves		90	87	90	100	117
Net Loan Portfolio		11,108	11,004	11,587	13,441	14,169
Acquired Collection Rights		-	-	-	-	-
Acquired Collection Rights, Net		-	-	-	-	-
Total Credit Portfolio		11,108	11,004	11,587	13,441	14,169
Premium Debtors (Net)		-	-	-	-	-
Account Receivables from Reinsurance		-	-	-	-	-
Benef.receivab.securization transactions		-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net		721	722	753	832	866
Inventories		-	-	-	-	-
Foreclosed Assets, Net		162	118	98	86	82
Real Estate, Furniture & Equipment, Net		575	565	576	625	651
Investment in Subsidiaries		143	141	146	160	166
Long-term assets held for sale		-	-	-	-	-
Deferred Taxes, Net		104	105	115	120	113
Goodwill and Intangibles		3,132	3,114	3,225	3,538	3,669
Other Assets Short and Long Term		125	121	98	84	109
Other Assets		-	-	-	-	-
		4,962	4,886	5,011	5,446	5,656
TOTAL ASSETS		25,558	25,328	25,807	28,799	30,282

Banorte USA-Balance Sheet (Million Pesos)		1Q14	2Q14	3Q14	4Q14	1Q15
LIABILITIES						
Demand Deposits		11,483	10,979	10,680	12,562	13,621
Time Deposits-Retail		7,549	7,797	7,958	8,666	8,737
Time Deposits-Money Market		-	-	-	-	-
Special Funds		-	-	-	-	-
Senior Unsecured Debt		-	-	-	-	-
Deposits		19,032	18,776	18,638	21,229	22,358
Immediate Redemption Loans		-	-	-	-	-
Short Term Loans		114	105	100	111	113
Long Term Loans		-	6	-	-	-
Due to Banks & Correspondents		114	112	100	111	113
Technical Reserves		-	-	-	-	-
Non-assigned Securities for Settlement		-	-	-	-	-
Creditor Balance in Repo Trans, Net		-	-	-	-	-
Secs to be received in Repo Trans, Net		-	-	-	-	-
Repos (Credit Balance)		-	-	-	-	-
Securities' Loans		-	-	-	-	-
Transactions with Derivatives		-	-	-	-	-
Other sold collateral		-	-	-	-	-
Total Collateral sold		-	-	-	-	-
For trading purposes		-	-	-	-	-
For hedging purposes		-	-	-	-	-
Operations w/ Derivatives & Securities		-	-	-	-	-
Transactions with Derivatives		-	-	-	-	-
Total Operations w/ Derivatives & Securities		-	-	-	-	-
Valuation adjustments for financial liability coverage		-	-	-	-	-
Obligations in securitization transactions		-	-	-	-	-
Payable Accounts for Reinsurance		-	-	-	-	-
Income Tax Payable		24	12	59	43	49
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		433	430	761	419	432
Other Payable Accounts		457	441	820	461	481
Subordinated Non Convertible Debt		269	267	277	304	315
Deferred Taxes, Net		-	-	-	-	-
Deferred Credits		30	33	38	51	55
TOTAL LIABILITIES		19,901	19,630	19,874	22,156	23,322
EQUITY						
Paid-in Capital		4,690	4,690	4,690	4,690	4,690
Provision for future capital increase not formalized by its governing entity		-	-	-	-	-
Share Subscription Premiums		-	-	-	-	-
Subordinated Convertible Debentures		-	-	-	-	-
Subscribed Capital		4,690	4,690	4,690	4,690	4,690
Capital Reserves		-	-	-	-	-
Retained Earnings		749	749	749	749	964
Surplus (Deficit) of Secs Available for Sale		(142)	(114)	(141)	(85)	(74)
Results from Valuation of Hedging Secs		-	-	-	-	-
Results from Conversions		307	274	476	1,075	1,316
Surplus (Deficit) in Capital Restatement		-	-	-	-	-
Results of Non Monetary Fixed Assets		-	-	-	-	-
Results of Non Monetary - Investment Assets		-	-	-	-	-
Adjustments in the Employee's Pensions		-	-	-	-	-
Accumulated Effect of Deferred Taxes		-	-	-	-	-
Net Income		52	98	159	214	64
Earned Capital		967	1,008	1,243	1,953	2,270
Minority Interest		-	-	-	-	-
Total Equity		5,657	5,698	5,933	6,643	6,960
TOTAL LIABILITIES & EQUITY		25,558	25,328	25,807	28,799	30,282

Banorte USA - Memorandum Accounts					
	1Q14	2Q14	3Q14	4Q14	1Q15
<i>(Million Pesos)</i>					
Investment banking transactions for third parties, net	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	-	-	-	-	-
Proprietary Transactions					
Endorsement Guarantees Granted	-	-	-	-	-
Loan Obligations	12	13	7	8	17
Trusts	-	-	-	-	-
Mandates	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-
Collateral Received	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-
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	-	-	-	-	-
Uncollected Accrued Interest from Past Due Loans	-	-	-	-	-
Investments of Retirement Savings Funds	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-
Proprietary Transactions	12	13	7	8	17
Repo Securities to be Received	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-
Net Repo Transactions	-	-	-	-	-
Repo Debtors	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-
Net Repo Transactions	-	-	-	-	-
TOTAL PROPRIETARY	12	13	7	8	17

INFORMATION BY SEGMENTS

GFNorte - Income Statement as of March'15							
(Million Pesos)							
	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	3	14,566	550	19	130	920	1,105
Premium Income (Net)	-	-	-	-	3,420	2,048	-
Interest Expense	-	4,776	309	-	-	-	990
Net Increase in Technical Reserves	-	-	-	-	546	1,931	-
Damages, Claims and Other Obligations	-	-	-	-	1,655	820	-
Net Interest Income (NII)	3	9,790	240	19	1,348	217	115
Preventive Provisions for Loan Losses	-	2,539	26	-	-	-	-
Net Interest Income Adjusted for Credit Risk	3	7,250	214	19	1,348	217	115
Loan Origination Fees	-	3,177	9	-	-	-	276
Fees Paid	-	796	17	0	477	-	38
Trading Income	-	850	-	5	10	1	97
Other Operating Income (Expenses)	-	419	29	(0)	174	(20)	(35)
Non Interest Income	-	3,650	21	5	(293)	(19)	299
Total Operating Income	3	10,900	235	24	1,055	198	415
Administrative and Promotional Expenses	27	7,087	47	10	210	70	269
Operating Income	(24)	3,814	187	14	845	128	146
Subsidiaries' Net Income	3,900	302	-	-	(0)	2	0
Pre-Tax Income	3,876	4,116	187	14	845	130	146
Income Tax	-	789	90	5	257	-	44
Deferred Income Tax	(4)	245	(38)	(1)	-	42	(4)
Net Income from Continuous Operations	3,880	3,082	136	10	588	88	106
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	(0)	(0)	-	(2)	-	-
Net Income	3,880	3,082	136	10	586	88	106

GFNorte - Income Statement as of March'15							
(Million Pesos)							
	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	1	0	163	17,457	561	-	16,896
Premium Income (Net)	-	-	-	5,468	131	-	5,337
Interest Expense	-	-	126	6,201	-	555	5,645
Net Increase in Technical Reserves	-	-	-	2,478	-	-	2,478
Damages, Claims and Other Obligations	-	-	-	2,475	-	-	2,475
Net Interest Income (NII)	1	0	37	11,772	-	-	11,635
Preventive Provisions for Loan Losses	-	-	40	2,605	-	-	2,605
Net Interest Income Adjusted for Credit Risk	1	0	(2)	9,166	-	-	9,030
Loan Origination Fees	289	-	31	3,782	331	-	3,451
Fees Paid	202	-	0	1,530	-	328	1,203
Trading Income	-	-	(9)	953	-	(0)	953
Other Operating Income (Expenses)	1	0	(141)	427	7	3	423
Non Interest Income	88	0	(119)	3,633	339	(325)	3,624
Total Operating Income	89	1	(121)	12,799	339	(325)	12,654
Administrative and Promotional Expenses	11	1	75	7,806	247	382	7,670
Operating Income	78	0	(196)	4,993	-	-	4,983
Subsidiaries' Net Income	1	-	(24)	4,180	3,901	-	279
Pre-Tax Income	79	0	(220)	9,173	-	-	5,262
Income Tax	22	-	-	1,208	-	-	1,208
Deferred Income Tax	0	0	(109)	130	(0)	9	121
Net Income from Continuous Operations	57	0	(111)	7,835	-	-	3,934
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	(2)	52	-	(54)
Net Income	57	0	(111)	7,834	5,231	1,268	3,880

GFNorte - Balance Sheet as of March 31 '15							
(Million Pesos)							
ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	30	83,447	66	23	73	1	1,133
Margin Accounts	-	97	-	-	-	-	-
Investment in Securities	-	302,891	-	38	12,463	62,660	114,676
Negotiable Instruments	-	208,758	-	38	5,905	101	79,380
Securities Available for Sale	-	83,850	-	-	-	-	34,262
Securities Held to Maturity	-	10,283	-	-	6,558	62,559	1,034
Debtor Balance in Repo Trans, net	190	1	-	-	0	-	-
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	19,211	-	-	-	-	-
Transactions with Derivatives For hedging purposes	-	137	-	-	-	-	-
Valuation adjustments for Asset Coverage	-	139	-	-	-	-	-
Gross Loan Portfolio	-	471,216	19,177	-	-	-	-
Net Loan Portfolio	-	469,736	19,177	-	-	-	-
Performing Loans	-	470,707	19,298	-	-	-	-
Commercial Loans	-	173,430	17,251	-	-	-	-
Financial Intermediaries' Loans	-	16,424	293	-	-	-	-
Government Entities' Loans	-	123,336	1,749	-	-	-	-
Consumer Loans	-	66,230	5	-	-	-	-
Mortgage Loans	-	91,288	-	-	-	-	-
Past Due Loans	-	12,981	202	-	-	-	-
Commercial PDL's	-	9,583	202	-	-	-	-
Financial Intermediaries PDL's	-	1	-	-	-	-	-
Government Entities PDL's	-	-	-	-	-	-	-
Consumer PDL's	-	2,223	0	-	-	-	-
Mortgage PDL's	-	1,175	-	-	-	-	-
Preventive Loan Loss Reserves	-	13,952	323	-	-	-	-
Acquired Collection Rights	-	1,480	-	-	-	-	-
Account Receivables from Insurance and Annuities	-	-	-	-	1,234	933	-
Premium Debtors (Net)	-	-	-	-	5,740	212	-
Account Receivables from Reinsurance	-	-	-	-	5,865	-	-
Benef.receiveab.securization transactions	-	583	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	63	19,427	378	56	-	-	2,581
Inventories	-	-	-	422	-	-	-
Foreclosed Assets, Net	-	2,197	10	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	10,443	2,157	74	267	4	52
Investment in Subsidiaries	113,124	12,808	-	-	1	31	11
Deferred Taxes, Net	136	2,453	62	2	100	-	4
Total other Assets	10,819	14,640	214	11	320	1	250
Goodwill	9,701	4,617	-	-	-	-	-
Intangible	1,118	6,271	214	1	250	0	35
Other Assets	-	3,752	-	10	70	1	214
TOTAL ASSETS	124,361	939,691	22,065	627	26,063	63,842	118,706

IV. FINANCIAL STATEMENTS



GFNorte - Balance Sheet as of March 31 '15

(Million Pesos)

ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Cash and Due from Banks	193	31	203	85,199	259	1,742	83,716
Margin Accounts	-	-	-	97	-	-	97
Investment in Securities	-	-	-	492,729	175	641	492,263
Negotiable Instruments	-	-	-	294,182	-	-	294,182
Securities Available for Sale	-	-	-	118,112	-	403	117,709
Securities Held to Maturity	-	-	-	80,434	175	237	80,371
Debtor Balance in Repo Trans, net	-	-	-	191	-	190	1
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	-	-	19,211	-	-	19,211
Transactions with Derivatives For hedging purposes	-	-	-	137	-	-	137
Valuation adjustments for Asset Coverage	-	-	-	139	-	-	139
Gross Loan Portfolio	-	-	4,738	495,132	1,335	14,896	481,571
Net Loan Portfolio	-	-	3,358	492,272	956	14,517	478,711
Performing Loans	-	-	3,363	493,368	853	14,414	479,808
Commercial Loans	-	-	-	190,682	759	759	190,682
Financial Intermediaries' Loans	-	-	-	16,717	-	13,561	3,156
Government Entities' Loans	-	-	-	125,085	11	11	125,085
Consumer Loans	-	-	3,363	69,597	56	56	69,597
Mortgage Loans	-	-	-	91,288	27	27	91,288
Past Due Loans	-	-	291	13,474	103	103	13,474
Commercial PDL's	-	-	196	9,980	39	39	9,980
Financial Intermediaries PDL's	-	-	-	1	-	-	1
Government Entities PDL's	-	-	-	-	-	-	-
Consumer PDL's	-	-	96	2,318	9	9	2,318
Mortgage PDL's	-	-	-	1,175	56	56	1,175
Preventive Loan Loss Reserves	-	-	296	14,571	-	-	14,571
Acquired Collection Rights	-	-	1,380	2,860	379	379	2,860
Account Receivables from Insurance and Annuities	-	-	-	2,167	-	-	2,167
Premium Debtors (Net)	-	-	-	5,952	-	-	5,952
Account Receivables from Reinsurance	-	-	-	5,865	-	-	5,865
Benef.receiveab.securization transactions	-	-	-	583	-	-	583
Sundry Debtors & Other Accs Rec, Net	128	6	9,849	32,488	73	716	31,845
Inventories	-	-	-	422	-	-	422
Foreclosed Assets, Net	-	-	471	2,678	201	201	2,678
Real Estate, Furniture & Equipment, Net	0	104	4	13,104	212	124	13,191
Investment in Subsidiaries	91	-	302	126,367	767	114,020	13,115
Deferred Taxes, Net	-	1	225	2,982	345	1,034	2,293
Total other Assets	1	5	274	26,535	2,696	1,294	27,937
Goodwill	-	-	-	14,318	2,693	1,117	15,894
Intangible	1	5	274	8,171	-	164	8,007
Other Assets	0	-	-	4,047	3	13	4,037
TOTAL ASSETS	413	146	16,067	1,311,979	6,063	134,857	1,183,186

IV. FINANCIAL STATEMENTS



GFNorte - Balance Sheet as of March 31 '15

(Million Pesos)

LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Deposits	-	515,259	379	-	-	-	-
Demand Deposits	-	307,955	-	-	-	-	-
Time Deposits	-	202,685	-	-	-	-	-
Time Deposits-Retail	-	194,609	-	-	-	-	-
Time Deposits-Money Market	-	8,076	-	-	-	-	-
Senior Unsecured Debt	-	4,619	379	-	-	-	-
Due to Banks & Correspondents	-	12,437	17,022	389	-	-	-
Immediate Redemption Loans	-	0	-	-	-	-	-
Short Term Loans	-	7,223	10,913	389	-	-	-
Long Term Loans	-	5,214	6,110	-	-	-	-
Technical Reserves	-	-	-	-	14,498	61,820	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	248,747	-	-	-	-	112,344
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	16	-	-	-	-	3
Transactions with Derivatives for trading purposes	-	19,664	-	-	-	-	-
Transactions with Derivatives for hedging purposes	-	3,381	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	-	2,094	-	-
Other Payable Accounts	10	24,557	663	13	3,664	163	3,747
Income Tax Payable	-	1,287	57	2	274	-	44
Profit Sharing Payable	-	145	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	12,130	-	-	-	-	3,357
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	10	10,995	606	11	3,390	163	346
Subordinated Non Convertible Debt	-	16,712	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	395	-
Deferred Credits	-	1,316	130	-	125	-	0
TOTAL LIABILITIES	10	842,090	18,194	402	20,380	62,378	116,094
EQUITY							
Subscribed Capital	50,850	31,348	526	87	709	325	1,429
Paid-in Capital	14,643	20,074	526	87	709	325	1,354
Share Subscription Premiums	36,207	11,274	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	73,501	66,243	3,340	137	4,942	1,139	1,182
Capital Reserves	6,563	8,968	429	39	540	149	82
Retained Earnings	63,123	54,445	2,775	88	3,742	904	851
Surplus (Deficit) of Secs Available for Sale	779	771	-	-	74	(2)	85
Results from Valuation of Hedging Secs	(1,026)	(1,137)	-	-	-	-	-
Results from Conversions	181	115	-	-	-	-	58
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	3,880	3,082	136	10	586	88	106
Capital Mayoritario	124,351	97,591	3,866	224	5,651	1,464	2,611
Minority Interest	-	10	5	0	31	-	-
Total Equity	124,351	97,601	3,871	224	5,682	1,464	2,611
TOTAL LIABILITIES & EQUITY	124,361	939,691	22,065	627	26,063	63,842	118,706

IV. FINANCIAL STATEMENTS



GFNorte - Balance Sheet as of March 31 '15

(Million Pesos)

LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Deposits	-	-	-	515,638	1,739	-	513,899
Demand Deposits	-	-	-	307,955	1,481	-	306,474
Time Deposits	-	-	-	202,685	258	-	202,427
Time Deposits-Retail	-	-	-	194,609	258	-	194,351
Time Deposits-Money Market	-	-	-	8,076	-	-	8,076
Senior Unsecured Debt	-	-	-	4,997	-	-	4,997
Due to Banks & Correspondents	-	-	12,143	41,993	13,505	8	28,496
Immediate Redemption Loans	-	-	-	0	-	-	0
Short Term Loans	-	-	12,143	30,668	13,497	-	17,172
Long Term Loans	-	-	-	11,324	8	8	11,324
Technical Reserves	-	-	-	76,318	-	132	76,450
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	-	-	361,091	190	-	360,901
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	19	-	-	19
Transactions with Derivatives for trading purposes	-	-	-	19,664	-	-	19,664
Transactions with Derivatives for hedging purposes	-	-	-	3,381	-	-	3,381
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	2,094	-	-	2,094
Other Payable Accounts	134	1	76	33,027	789	68	32,306
Income Tax Payable	17	-	-	1,681	-	-	1,681
Profit Sharing Payable	-	1	-	145	-	-	145
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	15,488	492	-	14,996
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	117	0	76	15,713	297	68	15,484
Subordinated Non Convertible Debt	-	-	-	16,712	-	-	16,712
Deferred Taxes, Net	0	-	-	395	1,034	639	-
Deferred Credits	-	-	6	1,577	164	-	1,413
TOTAL LIABILITIES	134	1	12,225	1,071,908	17,421	847	1,055,334
EQUITY							
Subscribed Capital	112	144	2,926	88,458	38,073	322	50,706
Paid-in Capital	112	144	2,926	40,902	26,275	-	14,627
Share Subscription Premiums	-	-	-	47,555	11,798	322	36,079
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	167	1	915	151,567	79,453	3,232	75,346
Capital Reserves	15	2	117	16,903	10,340	-	6,563
Retained Earnings	95	(1)	909	126,931	65,180	3,222	64,974
Surplus (Deficit) of Secs Available for Sale	-	-	-	1,707	933	-	773
Results from Valuation of Hedging Secs	-	-	-	(2,162)	(1,137)	-	(1,026)
Results from Conversions	-	-	-	354	173	-	181
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	57	0	(111)	7,834	3,963	9	3,880
Capital Mayoritario	279	145	3,841	240,025	117,526	3,554	126,053
Minority Interest	0	-	-	46	31	1,783	1,799
Total Equity	279	145	3,841	240,071	117,556	5,337	127,851
TOTAL LIABILITIES & EQUITY	413	146	16,067	1,311,979	134,978	6,184	1,183,186

ACCOUNTING CHANGES AND REGULATIONS

- **Liquidity Coverage Ratio (LCR).**

On December 31, 2014 the CNBV and the Bank of Mexico issued general regulations on liquidity requirements for banking institutions. The resolution establishes a Liquidity Coverage Ratio (LCR), with a calculation methodology following the international standard, which became effective on January 1, 2015.

Banorte has complied with the liquidity regulation by calculating the LCR on a monthly basis, as well as with the quarterly disclosure rules in Annex 5 of said publication.

- **Modification to the Severity of Loss Exposure for debtors in bankruptcy.**

On October 30, 2014 the CNBV published an amendment to Regulations for the rating methodology of commercial loan portfolios, to make it congruent with Bankruptcy Law reforms published in January 2014 for loans granted to debtors applying for bankruptcy who had previously submitted a restructuring plan.

The resolution amends Article 114 of the Regulations and applies to the part not covered by real guarantees for loans granted to individuals or corporations who have filed for bankruptcy, with a previous restructuring plan. The amendment establishes that for such cases, Institutions may calculate an Updated Loss Estimate that reflects the best estimate of loss as a percentage of the past due portfolio, considering possible payments or mitigated losses that could be received as payment for the portion of the loan that is not covered.

The Severity of Loss to be used in these cases would be the maximum between the Updated Loss Estimate and the 45% established in the regulation as Severity of Loss for un-subordinated, uncovered positions with less than 18 months of arrears. This calculation can be maintained until an agreement between lender(s) and borrower is reached or until the borrower has been declared in bankruptcy in which case this modification would not apply and the uncovered portion of the loan will be set aside in accordance to the existing regulation which requires up to 100% of Loss Severity for loans 18 months or more in default.

- **Main changes in accounting criteria B-6 "Loan Portfolio".**

On September 24, 2014, the Commission issued a resolution amending terms corresponding to Accounting Criterion "B-6 Loan Portfolio". The objective was to establish an accounting procedure that credit institutions must observe with regards to loans granted under the terms of Article 43 (Section VIII) and under Article 75 (Sections II and III of Article 224) of the Bankruptcy Act. The main changes are:

- In the definition of past due loans is specified that in order to exclude those loans from this definition whose borrowers have declared bankruptcy, the Banks must continue to receive payment on the principal and interest of such loans.

Past Due Loan Portfolio - Comprised of those loans:

- a) Whose debtors have declared bankruptcy, with the exception of those loans:
 - i. that continue to make payments under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, or
 - ii. granted under the protection of Article 75 in relation to Sections II and III of Article 224 of the aforementioned Law; or
 - b) Whose principal, interest, or both not have been liquidated under the terms originally pacted, to the effect of that established in paragraphs 53 to 64 of the present criteria.
- The definition of payment is added.

Payment – the actual delivery of an item, amount or service due that has been agreed upon. Financial income from capital leasing or financial factoring, or capitalized interests is not considered as payment.

- It is specified the statutory basis of the Bankruptcy Act in relation to the procedures that Banks must observe to transfer to past due loans those loans to companies in bankruptcy, provided they are in arrears in the payment of their principal and interest.

Transfer to Past Due Loan

The outstanding amount, following the conditions established in the loan agreement, will be registered past due when:

The debtor has declared bankruptcy, following Bankruptcy Law.

Without prejudice to the provisions of the present paragraph, those payments received under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, as well as loans granted protection under Article 75 in relation to Sections II and III of Article 224 of the Act, will be classified as past due when they have incurred the cases established in numeral 2 of paragraph 53 of Criterion B-6.

• Early termination of the mortgage debtor support programs.

On June 30, 2010, the Ministry of Finance and Public Credit (SHCP) on behalf of the Federal Government agreed (the Agreement) to the early termination of mortgage debtor support programs (end point and UDIS trusts) with banks. Consequently, as of January 1, 2011, the Holding Company absorbed the corresponding part of the discount offered in advance to mortgage debtors that participated in the program.

Some of the effects recorded in 2010 from the application of the Agreement which became effective as of the date it was entered into are presented below.

As of March 31, 2015, the total amount of the Federal Government's payment obligations with respect to commercial loans amounted to \$28 million, which includes \$27 million corresponding to the conditioned discount portion derived from loans denominated in local currency and in UDIS, and \$1 million related to the discount applied to loans referred to in number 3.1.2 of Circular 1430.

As of March 31, 2015, the Federal Government's obligations under the Agreement were:

	Payment date	Amount
Fifth amortization	June 1, 2015	28
		\$28

Each amortization will include a monthly financial cost as of the day immediately following the cut-off date and until the end of the month immediately preceding the payment date of each, using, for the month of January 2012, the rate corresponding to the arithmetic average of annual rates of return calculated on the basis of the discount rate of the 91-day Cete issued in December 2011, and for subsequent months 91-day CETES future rates corresponding to the immediately preceding month published by the company Proveedor Integral de Precios, S.A., the working day immediately following the cut-off date, or else that of the closest previous month contained in said publication, taken to the 28-day curve, and dividing the resulting rate by 360, multiplying the result by the number of days that have effectively elapsed during the due period, and applying monthly capitalization.

Below is an analysis of the movement in the loan loss estimate for credit risks related to the mortgages covered in the Agreement:

Balance as of January 1, 2010	\$19
Holding company support	67
Haircuts, discounts and cancellations	14
Reserve reclassification	(9)
Contributions to settle trust liabilities	1
Balance as of March 31, 2015	\$92

During 2015 \$1 million were recognized as results in relation to the end point support program.

The maximum amount of loans not eligible for the Early Termination program with the potential to receive the discount program's benefits to be absorbed by the Holding company is \$14 million.

The amount corresponding to the repurchase of SPECIAL CETES was \$97 million; the outstanding balance of SPECIAL CETES that has not been repurchased by the Federal Government is \$889 million with maturities between 2017 and 2027.

As a result of the termination of the Trusts, in 2010 the Holding company recognized \$330 million in loan loss reserves and \$56 million in deferred taxes in its balance sheet.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

On February, 2003 Banorte sold Ps \$1.9 billion (Ps \$1.861 billion in past due loans and Ps \$64 million in Performing loans) of its own portfolio (including interests) to its subsidiary, Solida Administradora de Portafolios, S.A. de C.V. for Ps \$378 million. The transaction was done based on August 2002 figures, and therefore the final figure that affected the February balance was Ps \$1.86 billion, once the collections made since August 2002 are considered. The past due portfolio, as well as Ps \$1.577 billion in associated loan reserves, were cancelled.

As instructed by the CNBV in the document 601-II-323110, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Solida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this specialized recovery unit as it had been managing the collections of these loans previously. This was a one-time operation and not a permanent transfer procedure of the Solida's portfolio.

(Million of Nominal Pesos)	Local Currency			Foreign Currency (USD)			Total		
	aug-02	dec-14	mar-15	aug-02	dec-14	mar-15	aug-02	dec-14	mar-15
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Mortgage	54	23	22	0	0	0	54	23	22
Total	59	23	22	5	0	0	64	23	22
Non Performing Loans									
Commercial	405	251	251	293	111	11	698	362	263
Consumer	81	71	71	0	0	0	81	71	71
Mortgage	1,112	227	223	0	0	0	1,112	227	223
Total	1,598	550	546	293	111	11	1,891	660	558
TOTAL LOANS	1,657	572	568	298	111	11	1,955	683	580
Loan Loss Reserves (1)									
Commercial	326	251	251	246	111	11	572	362	263
Consumer	77	71	71	0	0	0	77	71	71
Mortgage	669	238	234	0	0	0	669	238	234
Total	1,072	561	557	246	111	11	1,318	672	569

(1) Reserve requirements using the same classification method used for the bank.

(*) There was a Reserve deficit of Ps 3 million as of March 2015.

(*) The dollar portfolio and reserves are re-expressed in pesos.

(*) Local Currency includes UDIS valued at the new exchange rate.

In 1Q15 the Loan portfolio showed changes due to: collections of Ps 3.26 million, foreclosed assets of Ps 0.50 million, restructurings of Ps 0.10 million and there were charge offs and discounts of Ps. 46.20 million. In the Loan loss provisions, there were charge offs and discounts of Ps 7.07 million. There were no transfers from performing loans to past due loans and transfers from past due loans to performing loans of Ps 19.93 million.

VI. LOAN PORTFOLIO SALES TO SOLIDA



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

As instructed by the CNBV in the document 601-II-323110 for purposes of determining financial indicators and a general disclosure referred to regulations, we show the integration of the Banorte's portfolio including the portfolio which was sold to Solida Administradora de Portafolios, S.A. de C.V.

(Million of Nominal Pesos)	Local Currency (1)		Foreign Currency (USD) (2)		Total	
	dec-14	mar-15	dec-14	mar-15	dec-14	mar-15
Performing Loans						
Commercial	286,398	289,395	28,387	28,045	314,785	317,440
Consumer	42,321	43,915	0	0	42,321	43,915
Mortgage	88,537	89,875	0	0	88,537	89,875
Performing Loans	417,256	423,185	28,387	28,045	445,643	451,230
Non Performing Loans						
Commercial	10,428	9,745	196	95	10,624	9,840
Consumer	1,132	996	0	0	1,132	996
Mortgage	1,480	1,372	0	0	1,480	1,372
Non Performing Loans	13,039	12,113	196	95	13,235	12,207
TOTAL LOANS	430,295	435,297	28,583	28,140	458,878	463,437
Loan Loss Reserves	12,112	11,256	360	250	12,472	11,506
Net Loan Portfolio	418,183	424,041	28,223	27,890	446,406	451,931
Loan Loss Reserves					94%	94%
% Past Due Loans					2.88%	2.63%

1. Includes UDIS.

2. The dollar portfolio and reserves are re-expressed in pesos.

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 1Q15				
(Million Pesos)				
Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	241,118	817	(54)	241,881
Unrestricted	6,679	56	(15)	6,719
CETES (Special)	-	-	-	-
CETES	70	6	(0)	76
BONDES	3,375	5	2	3,382
BPA	705	6	(1)	710
BREMS	-	-	-	-
Bonds	2,574	39	(17)	2,597
CBIC	-	-	-	-
Udibonds	0	0	(0)	0
UMS	16	0	0	16
Treasury Bonds	(61)	-	(0)	(61)
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	234,439	762	(38)	235,162
CETES (Special)	-	-	-	-
CETES	11,614	-	(7)	11,607
BONDES	63,505	95	(2)	63,598
BPA	152,268	537	(14)	152,791
BREMS	-	-	-	-
Bonds	6,906	129	(14)	7,021
CBIC	-	-	-	-
Udibonds	85	0	(1)	85
UMS	-	-	-	-
Treasury Bonds	61	-	0	61
Treasury Notes	0	-	-	0
Banking Securities	39,607	36	20	39,663
Unrestricted	5,622	1	(0)	5,622
Notes	6,002	0	0	6,002
CEDES	55	0	0	55
Stock Certificates	361	1	(0)	361
Structured Notes	-	-	-	-
Other Banking Securities	(796)	-	(0)	(796)
Restricted	33,985	36	21	34,041
Notes	7,957	-	(3)	7,955
CEDES	4,758	10	(0)	4,768
Stock Certificates	19,715	25	23	19,762
Structured Notes	-	-	-	-
Other Banking Securities	1,554	1	1	1,556
Private Securities	12,414	20	204	12,638
Unrestricted	968	3	214	1,186
Stock Certificates	369	1	(5)	364
PEMEX Bonds	3	0	0	3
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	108	2	8	119
GFNORTE stocks	-	-	-	-
BMV stocks	24	-	131	155
Mutual Funds stocks	426	-	80	506
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	38	-	-	38
Restricted	11,445	17	(10)	11,452
Stock Certificates	8,364	12	(5)	8,371
PEMEX Bonds	2,862	5	(5)	2,862
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	219	-	0	220
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Total	293,138	874	171	294,182

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 1Q15				
(Million Pesos)				
Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	91,794	618	448	92,860
Unrestricted	14,374	128	417	14,920
CETES (Special)	-	-	-	-
CETES	83	-	(0)	83
BONDES	99	0	0	100
BPA	30	1	0	31
BREMS	-	-	-	-
Bonds	251	4	(10)	245
CBIC	31	0	5	36
Udibonds	-	-	-	-
UMS	4,806	99	513	5,418
Treasury Bonds	-	-	-	-
Treasury Notes	-	0	-	0
Other Government Securities	9,074	23	(90)	9,007
Restricted	77,419	490	31	77,940
CETES (Special)	-	-	-	-
CETES	99	-	(0)	99
BONDES	0	0	-	0
BPA	76,572	477	38	77,086
BREMS	-	-	-	-
Bonds	748	13	(8)	754
CBIC	-	-	-	-
Udibonds	-	-	1	1
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	2,142	2	(97)	2,047
Unrestricted	694	0	(101)	593
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	694	0	(101)	593
Other Banking Securities	-	-	-	-
Restricted	1,448	2	4	1,454
Notes	-	-	-	-
CEDES	0	(0)	-	0
Stock Certificates	1,448	2	4	1,454
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	22,199	164	439	22,802
Unrestricted	20,364	153	388	20,905
Stock Certificates	3,659	11	(164)	3,506
PEMEX Bonds	8,222	122	508	8,852
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,130	20	(9)	1,140
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	7,354	-	52	7,406
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	1,835	12	51	1,898
Stock Certificates	592	0	0	592
PEMEX Bonds	1,243	11	51	1,305
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Total	116,134	785	790	117,709

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 1Q15				
(Million Pesos)				
Securities Held to Maturity	BOOK VALUE	INTEREST	xxxx	Market Value
Government Securities	58,427	621	-	59,048
Unrestricted	56,087	599	-	56,686
CETES (Special)	892	-	-	892
CETES	8	0	-	8
BONDES	399	1	-	400
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	1,654	32	-	1,685
CBIC	464	7	-	471
Udibonds	52,670	560	-	53,230
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	2,340	22	-	2,362
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	0	-	-	0
BPA	2,339	22	-	2,361
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	4,791	1,160	-	5,951
Unrestricted	4,791	1,160	-	5,951
Notes	1,329	(0)	-	1,329
CEDES	1,440	1,012	-	2,451
Stock Certificates	1,171	7	-	1,178
Structured Notes	449	141	-	591
Other Banking Securities	402	-	-	402
Restricted	(0)	-	-	(0)
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	(0)	-	-	(0)
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	14,896	539	-	15,436
Unrestricted	10,489	527	-	11,016
Stock Certificates	10,297	524	-	10,822
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	192	2	-	194
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	4,407	13	-	4,420
Stock Certificates	4,407	13	-	4,420
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Fair Value Adjustment Ixe Banco	(63)	-	-	(63)
Total	78,051	2,320	-	80,371

REPURCHASE AGREEMENT OPERATIONS 1Q15					
(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	18,201	18,201	0	-	310,190
Banking securities	2,774	2,773	1	0	32,187
Private Securities	9,864	9,879	1	16	18,524
Total	30,839	30,854	1	16	360,901

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 1Q15 (Million Pesos)	
Creditor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	210
Options	
Rate options	638
Fx options	-
Swaps	
Rate swap	16,841
Fx swap	1,521
Negotiable Total	19,211
Options	
Rate Options	0
Fx options	-
Swaps	
Rate swap	29
Fx swap	108
Hedging total	137
Position total	19,347
Debtor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	161
Options	
Rate options	529
Fx options	4
Swaps	
Rate swap	16,378
Fx swap	2,592
Negotiable Total	19,664
Swaps	
Rate swap	1,532
Fx swap	1,849
Hedging total	3,381
Position total	23,045

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 1Q15- Banorte			
<i>(Million Pesos)</i>			
PRODUCT	TYPE	UNDERLYING	NOTIONAL
FX Forwards	Purchases	Exchange Rate (USD/MXN)	5,004
FX Forwards	Sales	Exchange Rate (USD/MXN)	2,926
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	0
FX Forwards	Sales	Exchange Rate (CAD/MXN)	0
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	0
FX Forwards	Sales	Exchange Rate (EUR/MXN)	0
FX Options	Purchases	Exchange Rate (Dollar)	-
FX Options	Sales	Exchange Rate (Dollar)	461
Interest Rate Options	Purchases	TIIE	46,687
Interest Rate Options	Sales	TIIE	76,179
Interest Rate Options	Purchases	LIBOR	2,374
Interest Rate Options	Sales	LIBOR	2,443
Interest Rate Swaps	USD LIBOR	LIBOR	269,324
Interest Rate Swaps	MXN TIIE	TIIE	1,502,605
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	21,857
Interest Rate and FX Swaps	CS USDCETE	CETE	0
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	7,161

LOAN PORTFOLIO								
(Million Pesos)								
	Local Currency		UDIS		Foreign Currency		Total	
	1Q14	1Q15	1Q14	1Q15	1Q14	1Q15	1Q14	1Q15
Performing Loans								
Commercial Loans	148,610	147,652	-	-	42,579	43,030	191,189	190,682
Financial Intermediaries' Loans	2,176	1,778	-	-	1,140	1,378	3,316	3,156
Consumer Loans	68,234	69,454	-	-	149	143	68,383	69,597
Mortgage Loans	88,228	89,579	286	274	1,404	1,435	89,918	91,288
Government Entities' Loans	118,121	124,027	-	-	841	1,058	118,962	125,085
Derechos de cobro Fiduciario	-	-	-	-	-	-	-	-
Total	425,369	432,491	286	274	46,113	47,043	471,768	479,808
Past Due Loans								
Commercial Loans	10,544	9,884	6	4	100	93	10,649	9,980
Financial Intermediaries' Loans	1	1	-	-	-	-	1	1
Consumer Loans	2,370	2,318	-	-	-	-	2,370	2,318
Mortgage Loans	1,207	1,121	34	27	33	26	1,274	1,175
Government Entities' Loans	-	-	-	-	-	-	-	-
Total	14,121	13,324	39	32	133	119	14,293	13,474
Total Proprietary Loans	439,490	445,814	325	305	46,246	47,162	486,061	493,282

COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND MORTGAGE FOVI		
LOAN PORTFOLIOS AS OF 1Q15- GFNorte		
(Million Pesos)		
	PERIOD COST	TOTAL PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	1.7	0.0
Mortgage FOVI	-	-
	1.7	0.0

At closing of this quarter the balance in debtors support programs totaled Ps 1 million without a cost for the period.

DEFERRED TAXES 1Q15			
(Million Pesos)			
ASSETS	INCOME TAX	PROFIT SHARING	NET
Excess of preventive reserves accounts over the fiscal limit	2,257	-	2,257
Non deductible provisions and cumulative income	625	-	625
Excess of accounting value over fiscal value on Repossessed Assets	721	-	721
Diminishable profit sharing	129	-	129
Fees received in advance	812	-	812
Effects from valuation of instruments	351	-	351
Tax losses pending amortization	1,954	-	1,954
Provisions for possible loss in loans	1,288	-	1,288
Loss on sale of foreclosed assets and credits	84	-	84
Decline in value of real estate	9	-	9
Interest on Loans	0	-	0
Reserve for employee retirement benefits	2	-	2
Diverse Creditors	130	-	130
Charge-off's Estimates	32	-	32
Provisions for seniority premiums	11	-	11
Other	170	-	170
Total Assets	8,574	-	8,574
LIABILITIES			
Pension Funds Contribution	(1,042)	-	(1,042)
Loan Portfolio Acquisitions	(427)	-	(427)
Projects to be capitalized	(1,553)	-	(1,553)
Effects from valuation of instruments	(2,213)	-	(2,213)
Intangibles' amortizations	(26)	-	(26)
Increase for securities' valuation	(138)	-	(138)
Receivable interest from securities	(18)	-	(18)
Current Account Agents	(14)	-	(14)
Savings' Inventory	(11)	-	(11)
Savings' Inventory	(744)	-	(744)
Excess of the accounting value over the tax value of foreclosed assets and fix assets	(74)	-	(74)
Other	(20)	-	(20)
Total Liabilities	(6,281)	-	(6,281)
Assets (Liabilities) Accumulated Net	2,293	-	2,293

LONG TERM DEBT AS OF MARCH'15 - BANCO MERCANTIL									
(Million Pesos)									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	3,053	15 years	6.862%	13-oct-21	E/180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	4,579	5 years	4.375%	19-jul-15	E/180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	11-mar-08	3,000	3,000	3,000	10 years	TIIE + 0.60%	27-feb-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	27-jun-08	2,750	2,750	2,750	10 years	TIIE + 0.77%	15-jun-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	11-mar-08	447	1,749	2,369	20 years	4.950%	15-feb-28	E/182 days
Non Convertible Subordinated Bonds Q Banorte 12	MXN	08-jun-12	3,200	3,200	3,200	10 years	TIIE + 1.50%	27-may-22	E/28 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,832	10 years	9.25%	14-oct-20	E/180 days

BANK AND OTHER ENTITIES LOANS' AS OF 1Q15			
(Million Pesos)			
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
LOANS FROM LOCAL BANKS		-	-
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY		-	-
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY		113	113
LOANS FROM DEVELOPMENT BANKS	11,205	5,962	17,167
LOANS FROM PUBLIC FUNDS	7,604	1,012	8,615
CALL MONEY & LOANS FROM BANKS	15,808	-	15,808
LOANS FROM FIDUCIARY FUNDS	223		223
PROVISIONS FOR INTEREST		66	66
	34,840	7,152	41,992
ELIMINATIONS			(13,497)
Total			28,496

CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS - INTEREST RATES 1Q15	
CORE DEPOSITS (BANORTE)	
DEMAND DEPOSITS	
Local Currency and UDIs	0.47%
Foreign Currency	0.02%
TIME DEPOSITS	
Local Currency and UDIs	2.42%
Foreign Currency	0.51%
DUE TO BANKS & CORRESPONDENTS (BANORTE)	
IMMEDIATE REDEMPTION LOANS	
Local Currency and UDIs	2.87%
Foreign Currency	-
OTHERS	
Local Currency and UDIs	4.20%
Foreign Currency	2.03%

MAIN CREDIT LINES RECEIVED 1Q15 (BANORTE)					
<i>Million pesos</i>					
	1Q14	4Q14	1Q15	Change vs. 1Q14	Change vs. 4Q14
Banxico (Monetary Regulation Deposits)	28,504	33,449	33,449	17%	0%
Banxico (Repos with the System of Payments)	38,732	37,609	36,675	(5%)	(2%)
Call Money	63,350	65,650	65,650	4%	0%
TOTAL	130,586	136,708	135,774	4%	(1%)

TRADING INCOME 1Q15	
<i>Million Pesos</i>	
Trading income	Consolidated
Securities - Unrealized gains	101
Negotiable instruments	-28
Derivative instruments - Negotiation	133
Derivative instruments - Hedging	-4
Impairment loss or revaluation increase	-27
Result from foreign exchange valuation	13
Result from valuation of precious metals	1
Result from purchase/sale of securities and derivatives	477
Negotiable instruments	234
Securities held for sale	336
Securities held to maturity	0
Derivative instruments - Negotiation	0
Derivative instruments - Hedging	-92
Result from purchase/sale of foreign exchange	387
Result from purchase/sale of precious metals	2
Transaction costs	0
Intermediation of received collateral	0
Increase derived from trading income adjustments	0
Total	953

- **Risk Management**

Risk management at Grupo Financiero Banorte is a fundamental factor in determining and implementing the institution's strategic planning.

The Group's risk management and policies comply with regulations and market best practices.

RISK APPETITE

Grupo Financiero Banorte's Board of Directors has defined its limitation for risk through a Risk Appetite Statement.

Risk Appetite is governed by general and specific guidelines and defined as the risk that the institution is willing to take in order to create value and achieve the strategic objectives of profitability, asset quality, liquidity and solvency.

The five General guidelines are principles that the institution has established and are summarized as the following:

1. Conservative risk profile: diversified portfolio, growth with high quality and proper capitalization.
2. Stability of results: create value for shareholders and seek leadership position in businesses that are a priority for the Group's strategy.
3. Integral vision of the client: focus on customer service based on innovation.
4. Preserving high reputation: with customers, investors and authorities.
5. Social Responsibility: To generate social and sustainable investment.

There are specific guidelines for the Group, the Bank and Sofomes that incorporate three aspects:

1. Maintainin profitability measured by ROE (Return on Capital), in line with the Group's strategic goals.
2. Maintaining a sufficiently diversified portfolio of quality assets.
3. Maintaining adequate liquidity and solvency levels to ensure the normal flow of Bank operations through the control and monitoring of the liquidity coverage ratio, Value at Risk (Market VaR) and Capitalization Ratio.

CORPORATE RISK MANAGEMENT GOVERNANCE

The Board of Directors is responsible for authorizing policies and overall strategies, as well as the Risk Appetite for Grupo Financiero Banorte, the framework for comprehensive risk management, risk exposure limitations, risk tolerance levels and mechanisms for the implementation of corrective actions.

The Board of Directors designated the Risk Policy Committee (CPR) as the responsible to manage the risk that GFNorte is exposed to as well as to monitor the performance of operations and that comply with the objectives, policies and procedures for risk management.

The CPR also monitors the overall limits of risk exposure approved by the Board of Directors, in addition to approving specific risk limits for exposure to different types of risk.

The CPR is integrated with members of the Board, the CEO, the Directors of the entities, Risk Management and Audit, this last one participates with voice but no vote.

For the adequate performance of its objective, the CPR performs, among others, the following functions:

1. Propose for approval by the Board:

- The framework for overall risk management.
- The global limits of risk exposure.
- The mechanisms for the implementation of corrective actions.
- The cases or special circumstances which may exceed the overall limits as much as the specifics.

2. Approve and review at least once a year:

- Specific limits for discretionary risks and the risk tolerance levels for non-discretionary.
- The methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risk to which the holding company is exposed to.

- The models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the unit for comprehensive risk management.

3. Approve:

- The methodologies for the identification, valuation, measurement and control of risks of new business, products and services that the holding intends to offer to the market.
- The corrective actions proposed by the drive for comprehensive risk management.
- Manuals for comprehensive risk management.
- The technical evaluation aspects of risk management.

4. Appoint and remove the unit responsible for overall risk management, it is ratified by the Board.

5. Report to the Board at least quarterly, the risk profile and its possible negative effects, as well as the non-observance of the Risk Appetite, the follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

UNIT FOR INTEGRAL RISK ADMINISTRATION (UAIR)

The UAIR helps to identify, measure, monitor, limit, control, report and disclose various types of risk to which the Holding Company is exposed and is in charge of the Risk Management department (DGAR).

The DGAR reports to CPR, in compliance with the provisions of the Circular of the Commission called "prudential provisions in the Field of Risk Management applicable to Credit Institutions", as to the independence of business areas. The DGAR has methodologies to manage credit, market, liquidity and operational risks.

Credit Risk: revenue volatility due changes in loan loss provisions for impaired loans, and, expected losses on borrower or counterparty defaults.

Market Risk: revenue volatility due to market changes, which affect the valuation of positions for active operations, liabilities or causes of contingent liabilities, such as: interest rates, exchange rates, price indices, etc.

Liquidity Risk: potential loss by the impossibility of renewing liabilities or hiring others to the Holding in normal conditions, by early or forced sale of assets at unusual discounts to meet their obligations.

Operational Risk: loss resulting from inadequate or failed processes, personnel, internal systems or external events. This definition includes technological risk and legal risk. Technological Risk groups all those potential losses from damage, interruption, disruption or failures resulting from use of or reliance on hardware, software, systems, applications, networks and any other distribution channel information, while the legal risk involves the potential loss by sanctions for noncompliance with laws and administrative or judicial decisions unfavorable issue appealed in relation to the Holding operations performed.

The main objectives of the DGAR are the following:

- Provide different business areas clear rules that contribute to its correct understanding to minimize risk and ensure to be within the parameters established and approved by the Board of Directors and the Risk Policy Committee.
- Establish mechanisms to monitor the risk taking within the Holding trying to mostly be a timely and supported by advanced systems and processes.
- Verify the observance of the Desired Profile Risk.
- Standardize measurement and risk control.
- Protect the Holding's capital against unexpected losses from market movements, bankruptcies, credit and operational risks.
- Develop pricing models for different types of risks.
- Establish procedures for portfolio optimization and management of credit portfolio.

Credit Risk

It is a risk that clients, issuers or counterparts do not fulfill their payment obligations therefore, proper management is essential to maintain the loan quality of the portfolio.

The objectives of credit risk management at GFNorte are:

- Comply with the Risk Profile defined by the Board of Directors.
- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk-performance (yield) ratio
- Provide Executive Management with reliable, timely information to assist decision making regarding funding.
- Provide the Business Areas with clear and sufficient tools to support funding placement and follow-up.
- Create economic value for shareholders by efficient loan risk management.
- Define and keep updated the regulatory framework for the credit risk management.
- Comply with the information requirements that the authorities set forth regarding loan risk management.
- Perform risk management in accordance with the best practices, implementing models, methodologies, procedures and systems based on the main advances worldwide.
- Measure institution's vulnerability to extreme conditions and consider those results for decisions making.

Individual Credit Risk

GNorte separates the loan portfolio into two large groups: consumer loans and company loans.

The individual loan risk for consumer loans is identified, measured and controlled by a parametric system (scoring) that includes origination and behavior models for each of the consumer products: mortgage, car, payroll loans and credit cards.

Individual risk for companies is identified within the portfolio, measured and controlled by means of Objective Markets, the Criteria for Risk Acceptance, Early Alerts and Banorte's Internal Risk Rating (CIR Banorte).

The Objective Markets, Criteria for Risk Acceptance and the Early Alerts are tools that, together with the Internal Risk Rating are part of GFNorte's Loan Strategy and support the estimated level of credit risk.

The Target Markets are activities selected by region and economic activity – backed by economic research and loan behavior analysis – where Banorte is interested in placing loans.

The Risk Acceptance Criteria are parameters that describe the risk identified by the industry, which makes it possible to estimate the risk involved for the institution when granting a loan to customer on the bases of their economic activity. The types of risk contemplated in the Risk Acceptance Criteria are financial risk, operation risk, market risk, company life cycle, legal, regulatory, loan experience and management quality.

Early Alerts are a set of criteria based on borrower information and indicators and their conditions that were established as a mechanism for the timely prevention and identification of a probable deterioration in the loan portfolio, thereby enabling the institution to take prompt preventive actions to mitigate the credit risk.

Banorte's CIR is a rating methodology for the borrower which assesses quantitative and qualitative criteria in order to determine the credit quality and it is applied to commercial loans equal to or greater than an amount in Mexican pesos equivalent to four million investment units on the qualification date.

Portfolio Credit Risk

GFNorte has designed a portfolio credit risk method that, besides contemplating international standards in identification, measurement, control and follow-up, has been adapted to work within the context of the Mexican Financial System.

This credit risk methodology makes it possible to know the current value of the portfolio loans of GFNorte, that is, *the loan exposure*, allowing surveillance of the risk concentration levels per risk qualification, geographical regions, economic activities, currency and type of product in order to know the portfolio's profile and take action to direct it toward a diversification which will maximize profitability with the lowest risk.

Calculating loan exposure implies generating a cash flow of each one of the loans, of both capital and interest to discount it later. This exposure is sensible to changes in the market, thereby facilitating calculations under different economic scenarios.

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The probability of non-compliance is the probability that the debtor will not meet his/her debt obligation with the institution according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition

matrixes that GFNorte calculates from the migration of the debtors through different risk qualification levels. The recovery ratio is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply. The classification of the debtor, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average, which is used to measure the following year's expected loss due to non-compliance or variations in debtors' credit quality. This unexpected loss is an indicator of the loss that could be expected in extreme scenarios and is measured as the difference between the maximum loss given the distribution of losses, at a specific reliability level that in the case of the Banking Sector is 95%, and the expected loss.

The results obtained are used as a tool for better decision-making in granting loans and in the diversification of the portfolio, according to the Banks' global strategy. The individual risk identification tools and the portfolio credit risk methodology are periodically checked and updated to allow the application of new techniques that may support or strengthen them.

As of March 31, 2015, Banco Mercantil del Norte's total portfolio was Ps 462.86 billion. The expected loss represents 1.9% and the unexpected loss is 3.2% with respect to the total portfolio. The average expected loss is 1.9% during the period between January-March 2015.

Regarding Casa de Bolsa Banorte-Ixe, the credit exposure of investments is Ps 114.05 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between January-March 2015.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 21.66 billion. The expected loss represents 0.9% and the unexpected loss is 3.3% of the total portfolio. The prospective loss average represents 0.9% in the period of January-March 2015.

The total portfolio of Solida Administradora de Portafolios was Ps 3.65 billion. The expected loss of the portfolio represents 7.5% and the unexpected loss 9.0% both with respect to the total portfolio. The estimated loss average for the period of January-March 2015 was 7.0%.

The total portfolio of Banorte- Ixe Tarjetas is Ps. 23.47 billion. The expected loss represents 11.1% and the unexpected loss 10.9% both with regard to the total portfolio. The estimated loss average represents 10.7% for the period of January-March 2015.

Credit Risks of Financial Instruments

To identify, measure, supervise and control loan risks of financial instruments there are defined policies for Origination, Analysis, Authorization and Administration.

Origination policies define the types of financial instruments, as well as the method of evaluating the credit risk of the different types of originators / issuers and counterparts. Credit risk is assigned by means of a rating obtained with an internal methodology, through evaluations of external rating agencies or a combination of both. Maximum parameters of operation are also defined depending on the type of originator / issuer or counterpart, rating and type of operation.

Analysis policies include the type of information and the variables considered to analyze operations with financial instruments when they are presented for authorization to the corresponding committee, including information on the originator or counterpart, financial instrument, destination of the operation inside the group and market information.

The Loan Committee authorizes operation lines with financial instruments in accordance with Authorization policies. The request for authorization is submitted to the business sector and other sectors involved in the operation, with all the relevant information for analysis by the Committee who, if considered appropriate, issues its authorization.

Administration policies for transactions with financial instruments consider procedures of Admission, Instrumentation, Compliance with Regulations, Review, Consumption Monitoring, Administration of Lines and Responsibility by the areas and organisms involved in the operation with financial instruments.

On an individual level, the concentration of loan risk with financial instruments is managed on a continuous basis, establishing and monitoring maximum parameters of operation for each tally or originator depending on the qualification and type of operation. There are defined risk diversification policies for portfolios, for economic groups and internal groups. Additionally, the concentration of tally type or originator, size of financial institutions and the region in which it operates are monitored so that an appropriate diversification is obtained and undesired concentrations are avoided.

Credit risk is measured by means of the rating associated with the issuer, emission or tally, which has assigned a level of risk based on two fundamentals:

1. The probability of nonfulfillment of the originator, emission or counterpart, which is expressed as a percentage between 0% and 100% where the better the rating or lower rate differential vs. the instrument of a government bond equivalent the lower the probability of nonfulfillment and vice versa.
2. The severity of the loss that could be experienced with regard to the total of the operation in the event of nonfulfillment, is expressed as a percentage between 0% and 100% where the better the guarantees or credit structures, the smaller the severity of the loss and vice versa. To mitigating loan risk and to reduce the severity of losses in the event of non-fulfillment, the counterparts have signed ISDA contracts and agreements to net out, in which lines of credit and the use of collateral to mitigate loss in the event of non-fulfillment are implemented.

As of March 31, 2015, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 283.74 billion, of which 98.9% is rated higher or similar to A-(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 7% of the Tier 1 Capital as of December 2014. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of December 2014 has similar rating to AAA(mex) and is comprised of (average considered term, amount in billions of pesos and rate): market and bond certificates from Pemex to 7 years and 4 months for Ps 13.87 to 3.1%; Inbursa market certificates for 1 years and 11 months for Ps 7.09 at 3.4%; deposit and market certificates and promissory notes from Banco Santander Mexico for 2 months for Ps 7.92 billion at 3.1%; and market certificates promissory notes from Banobras for 10 months for Ps 4.55 billion at 3.3%.

The exposure of Derivatives is Ps (3.98) billion, of which 96.2% has a rating higher or equal to A-(mex) on local level, placing them in investment grade and the 3 main counterparties other than then Federal or State Governments and National Financial Institutions represent 3% of the Tier 1 Capital of December 2014.

The exposure to credit risk for Securities Investments of Casa de Bolsa Banorte-Ixe was Ps 114.05 billion, of which 99.7% is rated higher or similar to A+(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 23% of the Capital as of December 2014. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Capital as of December 2014 has a higher or similar rating to A+(mex) and are comprised of (average considered term, amount in billion/ million of pesos and rate): market certificates of Pemex to 4 years and 3 months for Ps 2.86 billion at 3.4%;; Scotiabank market certificates for 1 year and 7 months for Ps 1.93 billion at 3.3%; market certificates of Banco Inbursa to 9 months for Ps 1.86 billion at 3.3%; Banamex to 1 year and 6 months for Ps 1.82 billion at 3.3%; market certificates of HSBC to 3 years and 8 months for Ps 1.15 billion at 3.5%; deposit certificates and market certificates of Banco Santander Mexicano to 3 months for Ps 954 million at 3.2%; market certificates of Bancomer to 3 years for Ps 592 million at 3.4%; deposit certificates and market certificates of Banco Interacciones to 1 year and 11 months for Ps 546 million at 3.9%; Deutsche Bank bonds to 8 years and 2 months for Ps 491 million at 9.6%. In the case of derivatives, there are no operations.

Arrendadora y Factor Banorte does not have investments in securities or derivatives.

Exposure to risk of securities of Solida Administradora de Portafolios was Ps 174 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

The exposure to credit risk for Securities Investments of Banorte-Ixe Tarjetas is Ps 272 million, of which 100% of the total are in financial instruments. Banorte-Ixe Tarjetas does not hold investments in derivatives.

Risk Diversification

In December 2005, the CNBV issued "General Rules Applied to Credit Institutions" in relation to Risk Diversification.

These guidelines state that the institutions must carry out an analysis of their borrowers and/or loans to determine the amount of "Common Risk"; also, the institutions must have the necessary information and documentation to prove that the person or group of persons represent common risk in accordance with the assumptions established in those rules.

In compliance with the risk diversification rules in asset and liability operations, Banco Mercantil del Norte submits the following information (billion pesos):

Tier 1 as of December 31, 2014	70.00
I. Financings whose individual amounts represent more than 10% of basic equity	
<u>Loan Operations</u>	
Number of financings	2
Total amount of financings	16.58
% in relation to Tier 1	24%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Tier 1	0%
<u>Overnight Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Tier 1	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	33.56

In compliance with the rules of diversification of risks in active and passive operations, the following information corresponds to Leasing and Factoring (Arrendadora y Factor Banorte) in billion pesos:

Equity as of December 31, 2014	3.73
I. Financings whose individual amounts represent more than 10% of equity	
<u>Loan Operations</u>	
Number of financings	5
Total amount of financings	3.33
% in relation to equity	89%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to equity	0%
<u>Overnight Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	4.91

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Solida Administradora de Portafolios (billion pesos):

Equity as of December 31, 2014	3.95
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I. Financings whose individual amounts represent more than 10% of equity (on a group level):

Loan Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

Money Market Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

Overnight Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

II. Maximum amount of financing with the 3 largest debtors and common risk groups:	588
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In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Banorte-Ixe Tarjetas (Billion Pesos):

Equity as of December 31, 2014	4.96
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I. Financings whose individual amounts represent more than 10% of basic equity (on a group level):

Loan Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

Money Market Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

Overnight Operations

Number of financings	0
Total amount of financings	0
% in relation to equity	0%

II. Maximum amount of financing with the 3 largest debtors and common risk groups:	5
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Bank's Market Risk

Market Risk Management is managed through a series of fundamental pillars, highlighting the use of models and methodologies such as Value at Risk (VaR), BackTesting and Stress Testing, which are used to measure the risk of traded products. The latter is complemented with a framework of policies and handbooks that support the risk management function, but also the implementation, follow up and compliance with market risk limits, and finally the disclosure of the before mentioned limits is performed through monthly reports to the Risk Policy Committee and a daily report to top executives at the institution who take market risk positions.

Value at Risk (VaR) Bank

Exposure of the institution's financial portfolios to market risk is quantified using the standard methodology in the industry known as Value at Risk (VaR).

To ensure that the methodology complies with the market best practices, including those of the main players in the industry, Banorte made an amendment to its VaR methodology effective February 1st, 2015, which was approved by both the institution's Risk Policy Committee and the Board of Directors. The aforementioned amendment consists of taking a one day horizon base and the use of a non-parametric historical simulation with a 99% confidence level, taking into account 500 historical observations on risk factors.

The VaR model considers all the positions of the institution's financial instruments classified for accounting purposes as trading and available for sale assets, both on and off the balance sheet (Money market, Treasury, stocks, FX transactions and derivatives for trading and hedging purposes).

The average VaR of the portfolio for 1Q15 was Ps 354 million (56 million more than the average VaR for 4Q14) and as percentage of the Net capital (Ps 78.69 billion) at the end of 1Q15 was 0.45%.

BANORTE	1Q14	2Q14	3Q14	4Q14	1Q15
VaR	206	274	379	298	354
Net Capital	72,938	73,493	75,791	77,996	78,690
VaR/ Net Capital	0.28%⁽¹⁾	0.37%⁽¹⁾	0.50%⁽¹⁾	0.38%⁽¹⁾	0.45%

1. VaR adjusted to the new methodology.

Likewise, the VaR by risk factor for Banorte's portfolio had the following behavior during the first quarter of the year:

Risk Factor	VaR 1Q15
IPC	4
Domestic Rates	97
Foreign Rates	112
Exchange Rate	212
Diversification Effect	(71)
Total VaR	354

Sensitivity Analysis and Stress Testing under extreme conditions

Since VaR indicates the potential losses under normal market conditions, Banorte complements its risk analysis by applying tests under extreme conditions known as Stress Testing. This is presented to the Risk Policy Committee on a monthly basis with the main objective of assessing the impact on the institute's positions of extreme movements in risk factors.

Backtesting

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis, it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the VaR.

Value at Risk Casa de Bolsa (VaR)

The average VaR of the portfolio for 1Q15, is Ps 26 million and as a percentage of the Global Capital (Ps 2.402 billion) for the quarter is 1.08%.

	1Q15
VaR	26
Global Capital	2,402
VaR/ Global Capital	1.08%

The VaR per risk factor is determined by simulating 500 historical scenarios and assessing instruments by their main risk factor. It is important to note that Casa de Bolsa Banorte-Ixe positions taken into account for the analysis were those classified as trading and available for sale, excluding held to maturity positions.

Risk Factor	VaR 1Q15
IPC	0
Domestica Rates	26
Diversification	0
Total VaR Casa de Bolsa	26

Stress Testing under extreme conditions

Since risk measurement (VaR) shows potential losses under normal market conditions, Banorte complements its risk analysis by applying tests under extreme conditions known as *Stress Testing*. This is presented to the Risk Policy Committee on a monthly basis with the main objective of demonstrating the impact on the institute's positions by important movements in risk factors.

Backtesting

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the VaR.

Liquidity Risk

Liquidity risk is managed through a series of fundamental pillars that include the use of indicators such as the Liquidity Coverage Ratio (LCR), funding stability and concentration ratios as well as liquidity stress testing, including the follow up of a liquidity risk metric better known as survival horizon. The latter based on a framework of policies and handbooks, including a liquidity contingency plan. Similarly, the liquidity risk management framework takes into account limits and risk appetite quantitative metrics. The disclosure of the metrics and indicators and their compliance with the established limits, but also the risk appetite is reviewed through monthly reports to the Risk Policy Committee, weekly reports to the Capital and Liquidity Management Group and quarterly reports to the Board of Directors.

During 1Q15, no deviations were observed in any of the risk appetite indicators or liquidity risk limits.

Profile and Financing Strategy

The composition and evolution of the bank's funding during is shown in the following table.

Deposits	4Q14	1Q15	Change vs. 4Q14
Interest-Bearing Demand Deposits (Local Currency)	267,144	270,958	1.40%
Interest-Bearing Demand Deposits (Foreign Currency)	20,695	23,439	13.30%
Total Demand Deposits	287,839	294,397	2.30%
Time Deposits – Retail (Local Currency)	113,520	114,847	1.20%
Time Deposits – Retail (Foreign Currency)	13,940	15,428	10.70%
Core Deposits	415,299	424,672	2.30%
Money Market ⁽¹⁾ (Local Currency)	58,241	63,993	9.90%
Money Market ⁽²⁾ (Foreign Currency)	4,510	4,619	2.40%
Total Bank Deposits	478,050	493,284	3.20%

1. Money Market & Time Deposits

2. Includes bonds

Liquidity Coverage Ratio

The LCR allows the quantification of liquidity risk through the relationship between liquid assets and net cash outflows in the next 30 days, under a regulatory stress scenario.

The LCR is an indicator designed to ensure that the institution has the liquidity to meet its short term obligations, under an extreme scenario using exclusively high quality liquid assets as source of funding.

The following table presents the average evolution of LCR components.

		Bank and SOFOM	
		Unweighted Amount (average)	Weighted Amount (average)
COMPUTABLE LIQUID ASSETS			
1	Total Computable Liquid Assets	N/A	63,950
CASH DISBURSEMENTS			
2	Unsecured retail funding	320,428	25,769
3	Stable funding	125,478	6,274
4	Less stable funding	194,949	19,495
5	Unsecured wholesale funding	149,449	62,201
6	Operational Deposits	71,307	15,737
7	Non-Operational Deposits	78,142	46,464
8	Unsecured debt		
9	Secured wholesale funding	N/A	20,837
10	Additional Requirements:	193,814	24,134
11	Outflows related to derivatives and other securities requirements	16,137	7,956
12	Outflows related to losses from debt instruments	-	-
13	Credit and Liquidity Facilities	176,933	16,178
14	Other contractual funding obligations		
15	Other contingent funding liabilities		
16	TOTAL CASH OUTFLOWS	N/A	132,941
CASH INFLOWS			
17	Cash Inflows for secured operations	14,579	2,352
18	Cash Inflows for unsecured operations	69,344	43,623
19	Other Cash Inflows	4,636	4,636
20	TOTAL CASH INFLOWS	88,559	50,610
Adjusted amount			
21	TOTAL COMPUTABLE LIQUID ASSETS	N/A	63,950
22	TOTAL NETO CASH OUTFLOWS	N/A	82,331
23	LIQUID COVERAGE RATIO	N/A	78%

During 1Q15, the average LCR for the Bank and Sofoms was 77.67%, and at the end of the month (1Q15), the LCR was 77.90%, the aforementioned levels are above the risk appetite and the regulatory minimum standards.

Evolution of LCR Components

The evolution of the LCR components comparing 4Q14 and 1Q15 is presented in the following table.

Component	4Q14	1Q15	Change vs. 4Q14
Liquid Assets	72,361	64,672	-10.6%
Cash Inflows	52,221	52,763	1.0%
Cash Outflows	136,447	135,783	-0.5%

The Liquid Assets that compute in the LCRs for the Bank and Sofoms between the 1Q14 and 1Q15 are distributed as follows:

Type of Asset	4Q14	1Q15	Change vs. 4Q14
Total	72,361	64,672	-10.6%
Level I	62,442	55,373	-11.3%
Level II	9,919	9,299	-6.3%
Level II A	9,879	9,234	-6.5%
Level II B	40	65	62.5%

Main causes of LCR results

Product of the normal activities of Banorte and Sofoms as well as the liquidity management within the institution, contrasting the end of 4Q14 with the end of 1Q15, the following events were observed:

- Cash outflows were relatively stable when comparing the close of both quarters. However, there was an increase of 9.4% in Traditional and Non Traditional funding outflows as well as a decrease in outflows associated to Committed Lines of Credit.
- Cash Inflows also remained stable when comparing both quarters, noting that the Loan portfolio cash inflows decreased by 8.5%.
- Liquid Assets in 1Q15 decreased by 10.6% vs. 4Q14.

Liquidity Risk in foreign currency

Additionally, for liquidity risk quantification and follow-up, in the specific case of the foreign currency denominated portfolio, Banorte uses the criteria established by the Banco de México for the assessment of the foreign currency Liquidity Coefficient.

Exposure to Derivatives and possible Margin calls

Banorte applies the regulatory methodology to determine cash outflows for derivatives. At the end 1Q15, estimated outflows for derivatives were as follows:

	1Q15
Net cash outflows at market value and for potential future exposure	4,068
Cash outflows for a 3 notch credit rating downgrade.	1,395

Liquidity Gaps

As part of the liquidity analysis for the Bank, 30 days liquidity gaps for the institution's active and liabilities (obligations) are analyzed.

Results for the Bank at the end of 1Q15 are presented in the following table.

Concept	1Q15
Cumulative 30 days Gap	-59,872
Liquid assets	64,672
Net Capital	80,064
Liquidity vs Net Capital	80.8%

Interest Rate Risk

The structural risk of the Balance Sheet is assessed using, among other methodologies, the analysis of balance sheet simulation, which allows the evaluation of future static or dynamic behavior in the Balance Sheet. For the base case, a sensitivity analysis of the movements in the different currencies and rates is carried out, obtaining the impact of such changes on the Economic Value and on the Annual Income.

Stress Testing under extreme conditions

As part of its liquidity risk management, Banorte performs tests under extreme liquidity circumstances with internal scenarios to assess the Bank's liquidity adequacy. A total of 9 scenarios, based on 3 sources of risk (systemic, idiosyncratic and combined) with 3 levels of severity (moderate, medium and severe) are used.

Contingency Funding Plan

For the purpose of having comprehensive liquidity management practices, and to ensure its operation in adverse situations in terms of liquidity, Banorte has implemented a contingency funding plan, which incorporates elements to identify possible liquidity problems and defines alternate funding sources available to deal with contingencies.

Subsidiaries

Liquidity Risk Management processes for the Bank and its Sofoms are consolidated and controlled by a comprehensive Risk Management Team for Grupo Financiero Banorte.

Key liquidity indicators for 1Q15 are presented in the following table:

Liquidity Ratio	Casa de Bolsa Banorte-Ixe	Arrendadora y Factor	Sólida Administradora de Portafolios	Banorte-Ixe Tarjetas
Cumulative 30 days Gap	1,418	-1,793	-4,608	2,339
Liquid assets	2,418	63	203	278
Net Capital*	2,379	3,858	3,841	4,291
Liquidity vs Net Capital*	101.6%	1.6%	5.3%	6.5%

*Casa de Bolsa Banorte Ixe takes into account Global Capital

➤ Operational Risk

GFNorte has a formal Operational Risk department pertaining to the “Deputy Managing Director of Financial and Operational Risk”, same that reports directly to the Managing Director of Risk Management.

Operational Risk is defined as the potential loss due to failures or deficiencies in the internal controls, errors in operation processing and storing or in data transmitting, as well as to adverse administrative and judicial rulings, fraud or theft (this definition includes Technological and Legal risk).

The objectives of the Operational Risk Management are: a) To allow and support the organization to reach its institutional objectives through the prevention and management of operational risks; b) To insure that the existing operational risks and the required controls are duly identified, assessed and in line with the risk strategy established by the organization; and c) To insure that the operational risks are duly quantified in order to make the proper capital allocation per operational risk.

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

As part of the institutional regulations, there are documented policies, objectives, guidelines, methodologies and responsible areas in Operating Risk management.

The Operating Risk Directorship maintains close communication and coordination with the Regulatory Comptrollership in order to facilitate effective Internal Control in which the proper procedures and controls are established that will mitigate Operating Risk in the processes, and provide follow up through the Internal Audit Department.

The Regulatory Comptrollership, as part of the Internal Control System, carries out the following activities to mitigate risk: a) Internal control validations; b) Institutional regulations management and control; c) Monitoring of operating processes' internal control by means of control indicators reports, that are reported by the process comptrollers in the various areas; d) Money Laundering Prevention process management; e) Control and follow up of the regulatory provisions; and f) Analysis and assessment of the operating processes and projects with the participation of the responsible directors of each process in order to insure adequate internal control.

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

To record operating loss events, has a system that enables the central information supplier areas to directly record such events online, which are classified by Type of Event in accordance with the following categories:

Types of Events	Description
Internal Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep regulations, laws or company policies (excluding diversity/discrimination events) in which at least one company party is involved.
External Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep the laws, caused by a third party.
Labor Relations and Safety in the Workplace	Losses caused by acts that are incompatible with the legislation or labor agreements regarding hygiene or safety, the payment of personal damage claims, or cases associated with diversity/discrimination.
Customers, Products & Business Practices	Losses caused by involuntary noncompliance or negligence of a professional obligation to specific customers (including fiduciary and adjustment requirements), or due to the nature or design of a product.
Natural Disasters and Other Events	Losses caused by damage or harm to material assets as a consequence of natural disasters or other events.
Incidences in the Business and Systems Failures	Losses caused by incidences in the business and systems failures
Process Execution, Delivery and Management	Losses caused by errors in operations processing or management, as well as the relations with commercial counterparties and providers.

This historical Database provides the statistics of the operating events in which the institution has incurred so as to be able to determine their trends, frequencies, impact and distribution. Moreover, the Database will make it possible in the future to have enough information to calculate the capital requirements per Advances Models.

• **Legal and Fiscal Contingencies Database**

For the recording and follow-up of legal, administrative and tax issues that may arise from adverse unappealable ruling, an internal system called “Legal Risk Issues Monitoring System” (SMARL) was developed. This system enables the central data supplying areas to record such events directly and on-line, which are then classified by company, sector and legal issue, among others.

As part of GFNorte’s legal risk management, legal and fiscal contingencies are estimated by the attorneys that process the issues based on an internal methodology. This makes it possible to create the necessary book reserve to face such estimated contingencies.

• **Risk Management Model**

GFNorte has defined objectives, which are achieved through different plans, programs and projects. Compliance with such objectives may be adversely affected due to operating risks, for which reason a methodology must be in place to manage them within the organization. Consequently, operating risk management is now an institutional policy defined and supported by senior management.

To perform Operating Risk Management, each of the operating risks involved in the processes must be identified in order to analyze them. In this regard, the risks identified by the Regulatory Comptrollership are processed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) by defining tolerance levels, as the case may be. At present, work is being done on developing a new Institution Operating Risk Management Model and the technological tools needed to implement it.

III. Required Capital Calculation

In accordance with the Capitalization for Operational Risk Regulations in effect, the institution has adopted the Basic Model, which is calculated and reported periodically to the authorities.

IV. Information and Reporting

The information generated by the Database and the Management Model is processed periodically to report to the Risk Policies Committee and the Board of Directors regarding the main operating events that were detected, the trends, identified risks and their mitigating strategies. Reporting is also done on the status of the main Operating Risk mitigation initiatives implemented by the various areas of the organization.

➤ Technology risk

Technological Risk is defined as all potential losses from damage, interruption, alteration or failures derived from the use of or dependence on hardware, software, systems, applications, networks and any other information distribution channel in the rendering of banking services to the customers. This risk forms an inherent part of Operating Risk, which is why its management is handled collectively throughout the entire organization.

To address the Operating Risk associated with information integrity, and “Integrity Committee” has been created. Its objectives are to align security and information control efforts under a prevention focus, to define new strategies, policies, processes or procedures and to provide solutions to information security issues that affect or may affect the Institutional patrimony.

The functions established by the CNBV or Technology Risk Management are performed by the Institution under institution regulatory and Integrity Committee guidelines.

To address the Operating Risk caused by high impact external events, GFNorte has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) based on a same-time data replication system at an alternate computer site. All the above cover the backup and recovery of the Institution’s critical applications in the event or any relevant operating contingency.

➤ Legal risk

Legal Risk is defined as the potential loss from failure to comply with the applicable legal and administrative provisions, the issuance of indisputable unfavorable court rulings and the application of penalties regarding the operations that the institution performs.

The Legal Risk must be measured as an inherent part of Operating Risk in order to understand and estimate its impact. Therefore, those legal issues which result in actual operating losses of the SMARL system are later recorded in the SCERO a database of operational events.

Based on the statistics of the current legal issues and real loss events, the Institution can identify specific legal or operating risks, which are analyzed in order to eliminate or mitigate them in an attempt to reduce or limit their future occurrence or impact.

- **Internal Control**

The companies comprising GFNorte have an Internal Control System (SCI) that has been structured according to the guidelines set forth by their Board of Directors, which establishes a general internal control framework, as well as the environment in which it must operate in order to provide reasonable security regarding the effectiveness and efficiency objectives of the operations, reliability on financial statements and compliance of regulation and legal framework.

The SCI's mission is to help running an adequate internal control in the operations and in data generating and recording. The system is made up of various elements:

- A. The Board of Directors with the support of the Advisory Board, Risk Policies Committee (CPR), Audit and Corporate Practices Committee (CAPS) and Human Resources Committee.
- B. The CEO and the departments which support him: Unit Risk Management (UAIR), Legal Department and the Comptroller, responsible for ensuring that adequate control levels, operational risks and compliance with regulation are maintained.
- C. Internal Audit, External Audit and the Commissary (The Commissary applies only to GFNorte subsidiaries) as additional support structures to check how the Internal Control System functions and provide reasonable assurance regarding the reliability of the generated data. The Internal Audit Department reports to the Audit and Corporate Practices Committee (CAPS) and maintains full independence from the administrative areas.
- D. The Executive Group as main responsible persons for SCI assurance according to the functions and responsibilities assigned to them. In addition to promoting the enforcement of the regulations established for the Institution and the strategies set forth by the GFNorte's CEO.
- E. Documents that establish the general control criteria that should be followed in the operation and reporting of transactions; in optimizing human, material and technological resources; in the use, security, timeliness and reliability of the information; and in the due compliance with the external and internal regulations. The Code of Conduct that regulates the behavior that each Board member, officer or employee of the Group should assume while performing their activities stress out.
- F. Policy and procedure manuals that regulate documentation, recording and liquidation of operations that the Institution carries out and establish the control points that should be observed, assuring the separation of functions, clear assigning of responsibilities, safekeeping of information and prevention of unlawful acts.

During the first quarter of 2015, activities related to strengthening control, risk evaluation and management, establishment and monitoring of controls, and assurance of quality information continued to be developed; 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 policies and procedure manuals have been updated as per changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI
- C. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.
- D. Through Process and Management Controllers, various business and support processes that make up the operation in GFNorte are monitored, to report periodically on compliance and identifying where areas of opportunity for timely remediation.
- E. During the quarter, and according to the work plan developed at the beginning of the year, various activities in terms of accounting internal control were carried out.

Requests regarding internal control subjects from diverse internal departments were handled, to the development of new institutional projects, as well as those derived from the Financial Reform.

FINANCIAL SITUATION AND LIQUIDITY

• Treasury Policy

GFNorte's Treasury Department is the central unit in charge of balancing GFNorte's resource needs, monitoring and managing the regulatory levels, eliminating the rate risk of fixed-rate placement operations by using coverage and implementing arbitrage strategies.

The main cash currencies and investment in securities are in Mexican pesos and U.S. dollars.

• Internal and External Liquidity Sources

The internal liquidity sources, in local as well as foreign currency, come from the various deposit products that the institution offers its customers: checking accounts and term deposits.

Regarding external sources of liquidity, it has diverse mechanisms to access the debt and capital markets. The Institution obtains resources through the issuance of debt securities, loans from other institutions - including the Central Bank and international organisms -, as well as from the issuance of subordinated debt. Also considered is the liquidity that the Institution obtains through its proprietary repos' securities that qualify for this type of transactions. It also has the alternative of obtaining resources through the issuance of shares representing equity.

Currently, the Institution has diverse sources of liquidity. Deposits, including interest bearing and non-interest bearing demand and time deposits, are the bank's main source of liquidity. Negotiable and short term instruments, such as government securities and deposits in the Central Bank and other banks, are liquid assets that generate interest. Liquid assets also include deposits in foreign banks, which are denominated mainly in US dollars.

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

• Dividend Policy

During the April 30, 2003 session, the Board of Directors approved a dividend payment policy in which it will propose to the General Ordinary Stockholders' Meeting a dividend payment consisting of at least 15% of the Partnership's net recurring profit, providing that there is no legal impediment and that market conditions and the Partnership's financial situation allow it.

On October 17, 2011, the Ordinary General Shareholders' Meeting approved to modify the Dividend Policy, for the purpose of aligning dividend payments to the Financial Groups' business performance, so as of this year, dividend payments will be as follows:

- i. 16% of recurring net income in the event that profit growth is between 0% and 10% during the year.
- ii. 18% of recurring net income in the event that profit growth is between 11% and 20% during the year.
- iii. 20% of recurring net income in the event that profit growth is greater than 21%.

- **Related Parties Loans**

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

In GFNorte as of March 31, 2015 and December 31, 2014, the amount of loans granted to third parties is as follows (million pesos):

Institution granting the loan	Mar-2015	% of the Basic Equity	Dec-2014	% of the Basic Equity
Banorte	Ps 3.56	5.1%	Ps 3.69	5.4%
	Ps 3.56		Ps 3.69	

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

Banorte.

As of **March 31, 2015**, the total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 3.56 billion (including Ps 664 million in — Credit Letters “CC”, which are registered in memorandum accounts), representing 0.8% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 3.23 billion were loans granted to clients linked to members of the Board of Directors; Ps 3 million were granted to clients linked to shareholders and Ps 332 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law of Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at closing of March 2015 was 5.1% of the basic part of the equity.

Related parties loans have been granted with 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 with regard to rating of loan portfolios issued by CNBV and the internal methodology authorized by CNBV, to rate borrowers in the commercial loan portfolio. 99% of the related party loans are rated in Category “A”, and the majority of these loans were classified as commercial loans.

As of **December 31, 2014**, the total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 3.69 billion (including Ps 450 million in — Credit Letters “CC”, which are registered in memorandum accounts), representing 0.8% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 2.39 billion were loans granted to clients linked to members of the Board of Directors; Ps 924 million were granted to clients linked to shareholders and Ps 370 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law of Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at closing of December 2014 was 5.4% of the basic part of the equity.

Related parties loans have been granted with 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 with regard to rating of loan portfolios issued by CNBV and the internal methodology authorized by CNBV, to rate borrowers in the commercial loan portfolio. 99% of the related party loans are rated in Category “A”, and the majority of these loans were classified as commercial loans.

- **Loan or tax liabilities**

The tax credits listed below are currently in litigation:

	Al 31 de diciembre de 2014
BANORTE	\$32
IMSS fees, various occupations	6
INFONAVIT fees, various occupations	26
AFORE XXI BANORTE	\$2
Loan # 4429309391 Payroll Tax of the state of Coahuila	2
SEGUROS BANORTE, S.A. de C.V. (Formerly Seguros Banorte Generali)	\$15
Fiscal year 2003 (document 900-06-01-2009-9518)	15
CASA DE BOLSA BANORTE IXE	\$35
Fiscal year 2007 (document 900 06 05-2010-03968)	35
IXE BANCO	\$13
Income Tax-Profit Sharing for the 2005 fiscal year – inflation adjustment	13
Million pesos	

- **People in Charge**

The undersigned represent under oath that, within the scope of our respective functions, we have drawn up the information relative to Grupo Financiero Banorte contained in this report, which, to the best of our knowledge, reasonably reflects its 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 to 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

Lic. Isaias Velazquez Gonzalez

Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo

Deputy Managing Director of Comptrollership

C.P. Mayra Nelly Lopez Lopez

Executive Director of Accounting

- **Basis for submitting and presenting Financial Statements**

Grupo Financiero Banorte (GFNorte). Issues consolidated financial statements with its Subsidiaries in accordance with the General Provisions Applicable to Financial Information of the Regulating Agencies of Financial Groups Subject to Supervision by the National Banking and Securities Commission (CNBV) published in the Official Gazette of the Federation on January 31, 2011 and modified on July, 18, 2011 and December 1, 2014. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non-inflationary when accumulated inflation of the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

Banking Sector (Banorte). Issues consolidated financial statements with its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2005 and modified 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, 2009, 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, December 20, 2010, January 24 and 27, March 4, April 21, July 5, August 3 and 12, September 30, October 5 and 27, December 28, 2011, June 19, July 5, October 23, November 28, December 13, 2012, January 31, April 16, May 3, June 3 and 24, July 12, October 2, 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 and February 5, 2015. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non-inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

GFNorte and Banorte. The financial information contained in this document has been developed according to the regulations issued by the CNBV for the regulating agency and the financial entities that make up the Financial Group and to Norms of Financial Information (Normas de Informacion Financiera NIF), issued by the Mexican Council for the Investigation and Development of Norms of Financial Information, A.C. (CINIF). The regulations of the CNBV and the NIF mentioned above differ given the specialized operations of the Credit Institutions. Moreover, there is a difference in the generally accepted accounting principles of the United States (US GAAP) and the regulations and principles established by the American authorities for this type of financial entities. In order to present the information contained herein in an international format, the classification format and the presentation of certain financial information differ from the format used for the financial information published in Mexico.

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