

GFNORTE

1Q12 Results

Conference Call
April 27th, 2012.

Material Events

- **The Shareholders' Meetings held last February 17, approved to modify the Corporate By-laws and to subscribe a new Agreement of Shared Responsibilities in order to reflect the merger of Banorte and Ixe's broker dealers.**
- **The Assembly also approved to distribute the second payment of the decreed dividend last October, which was paid February 29, for the total amount of Ps. \$0.17 per share. The third and final payment will be made in May of this year.**
 - **Total dividends paid for the year 2010 were equivalent to Ps. \$0.52 per share.**
 - **This was equivalent to Ps. 1.21 billion, an increase of 15% with respect to the amount paid for the year 2009.**
 - **The payout was equivalent to 18% of earnings.**

Material Events

- **During the exchange of shares done in April 2011 in relation to the merger with Ixe, a total of 7,590,133 shares were deposited in a trust to cover any contingencies identified during the due diligence process, if they materialized.**
- **The trust established that if: i) a contingency materialized, the trust would proceed to sell, through the BMV, the number of shares that may be necessary to cover the contingency, or ii) if no contingencies occurred, all or any remaining shares would be delivered to the former Ixe's shareholders at the end of the term provided in the Trust (April 15, 2012).**
- **During the quarter, shares equivalent to Ps. \$310 million were sold, providing GFNorte with the resources to cover contingencies materialized in some of Ixe's assets that required capital increases for Fincasa Hipotecaria. Other expenses paid by the Trust were covered by previous sales of shares. As a result, the 7,590,133 shares delivered to the trust by GFNorte have been sold entirely, and the trust will be extinguished.**

Material Events

- During the quarter, Fitch ratified its viability ratings of Grupo Financiero Banorte and Banco Mercantil del Norte at "BBB" and "BB" for Ixe Banco. It also ratified the long and short term Issuer Default Ratings, for the Group, Banorte and Ixe at "BBB" and "F2". The national scale ratings of both banks and some subsidiaries of the Group were ratified at "AA + (mex)" and "F1 + (mex)". The outlook is "stable" in all cases.
- In February, the Banker magazine published its ranking for the 500 most valuable banking brands in the world. Banorte was ranked at number 180, with a brand value of US\$ 608 million and a rating of A +.
- The Great Place to Work recognized Banorte in its rankings as number 6 in the Best "Companies with over 5000 employees" to work in Mexico, moving up four spaces in relation to the rankings of 2010. Banorte was the second best ranked bank in Mexico.

Material Events

- **During the quarter the Mexican Banking and Securities Commission (CNBV) approved the model of stability of funding for Banco Mercantil del Norte, which proved that there is greater stability in the bank's deposits. This allowed the bank to assign its deposits into higher bands, thus reducing the risk weighted assets and releasing 40 basis points of TIER 1 capital.**
- **Since April 2012 the company "Banorte-Ixe Tarjetas" was established, which integrates Banorte and Ixe's Credit Card businesses. The creation of this new company and the consolidation of both businesses will have no impact on the operation, use and servicing to our customers, but rather will optimize the business platform and achieve greater profitability.**

Yearly Recap GFNorte

Million pesos

	1Q11		1Q12	
Net Income	1,815	▲ 36%	2,463	Banorte: 2,332 Ixe: 131
ROE	15.5%		13.7%	
ROA	1.2%		1.2%	
Efficiency	52.1%		55.6%	
Net Interest Margin	4.4%		4.2%	
Performing Loan Growth	14%		33%	
Past Due Loan Ratio	2.3%		1.8%	
Stock price (pesos)	55.98	▲ 2%	56.98	
Book Value per Share	23.61	▲ 33%	31.40	
P/BV	2.37		1.81	

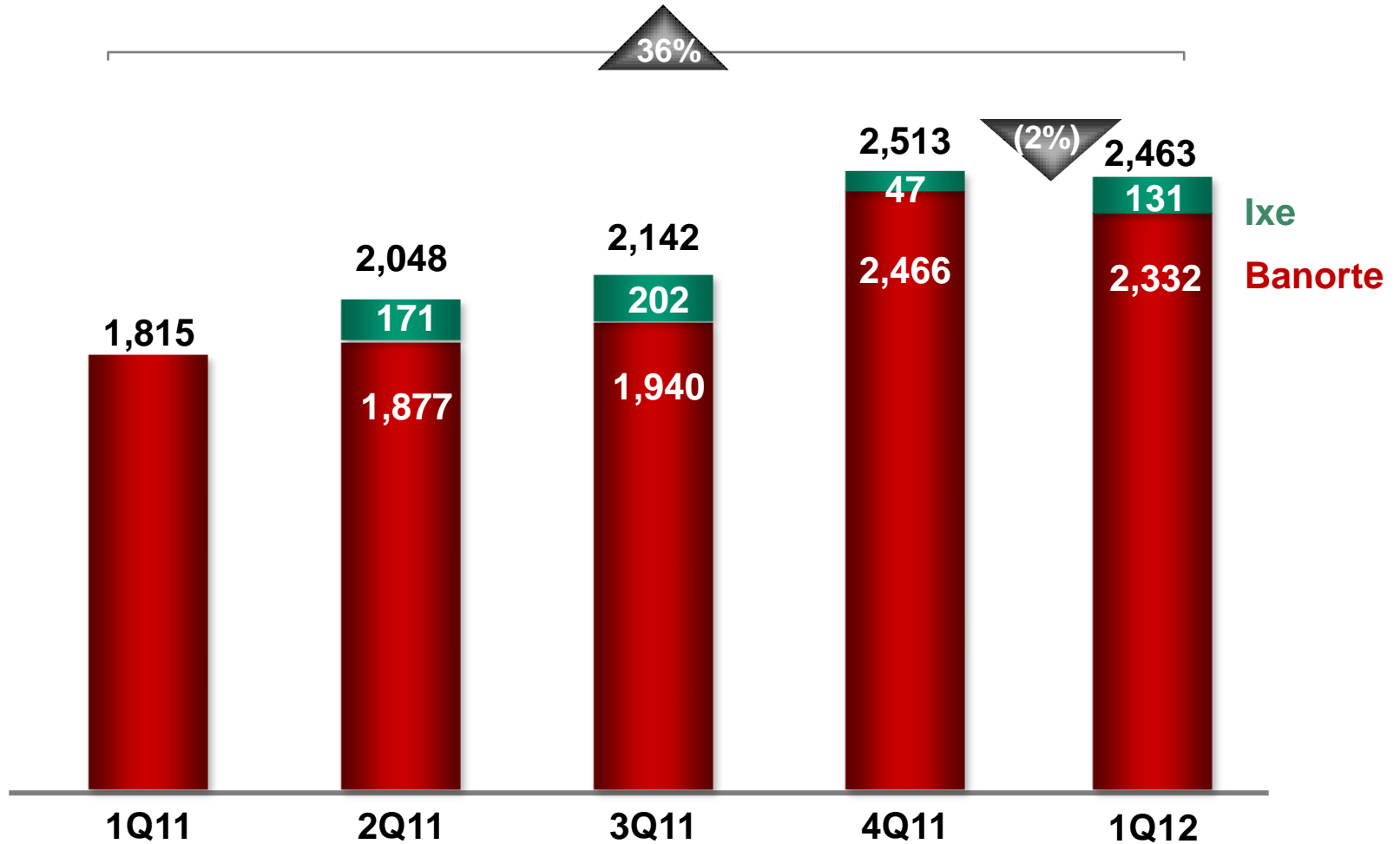
Income Statement

Million pesos

	1Q11	4Q11	1Q12	Change QoQ	YoY
Net Interest Income	6,277	7,364	7,923	8%	26%
Non Interest Income	2,611	4,614	3,871	(16%)	48%
<i>Service Fees</i>	1,469	2,053	1,550	(24%)	6%
<i>Recoveries</i>	220	353	359	2%	63%
<i>FX & Trading</i>	517	1,184	1,182	-%	129%
<i>Other Income (expenses)</i>	405	1,025	780	(24%)	92%
Total Income	8,888	11,978	11,794	(2%)	33%
Non Interest Expense	4,631	6,999	6,558	(6%)	42%
Net Operating Income	4,257	4,979	5,236	5%	23%
Provisions	1,338	1,133	1,467	30%	10%
Income Tax	847	1,007	1,140	13%	35%
Subs & Minority Interest	(257)	(326)	(166)	(49%)	(36%)
Net Income	1,815	2,513	2,463	(2%)	36%

Quarterly Net Income

Million Pesos



Adjusted Earnings and ROTE

Net Income without Extraordinaries (million pesos)

	1Q12	Change vs. 4Q11	Change vs. 1Q11
Reported Net Income	\$2,463	(2%)	36%
+ Integration Costs	\$27	-	-
+ Impact of Ixe Tarjetas	\$68	-	-
+ Impact of Ixe's Assets	\$34	-	-
Recurrent Net Income	\$2,592	2%	43%

Return on Tangible Common Equity

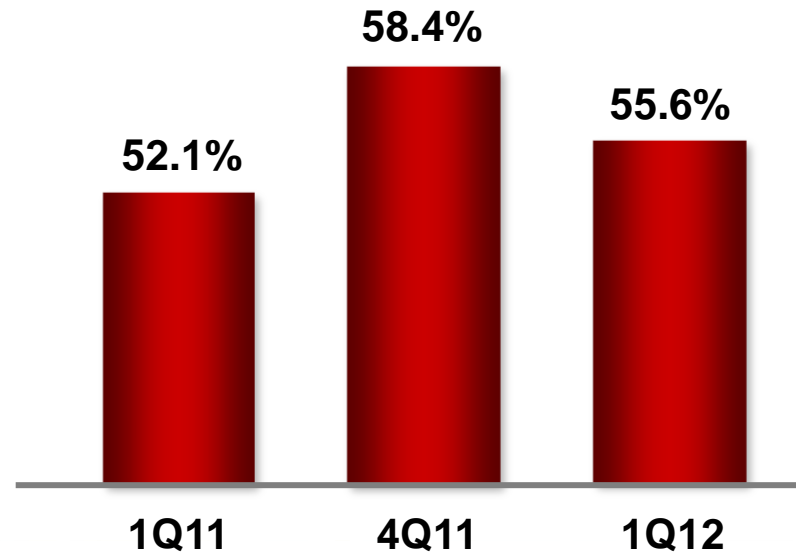
	1Q11	4Q11	1Q12
Reported ROE	15.5%	14.4%	13.7%
Goodwill & Intangibles	\$4,145	\$20,589	\$20,032
Average Tangible Equity	\$40,710	\$49,183	\$51,562
ROTE	17.0%	17.3%	17.8%

Non Interest Expense

Billion Pesos

	1Q11	4Q11		1Q12
Total Expense	4.6	7.0	(6%)	6.6

Efficiency Ratio



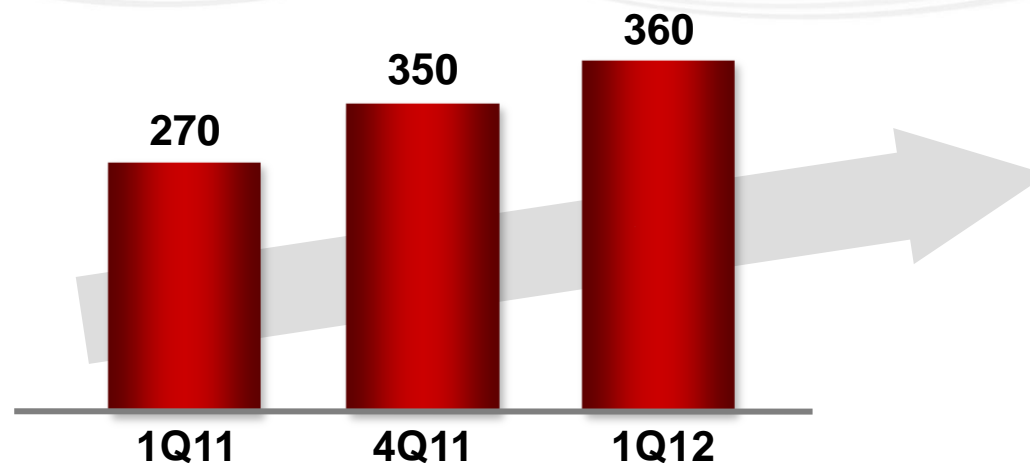
Deposits

Billion Pesos

Deposits	1Q10		1Q11		1Q12
Demand	126	▲ 15%	145	▲ 28%	186
Time	86	▲ 4%	90	▲ 32%	119
Core Deposits	212	▲ 10%	234	▲ 30%	304
Mix					
Demand	59%		62%		61%
Time	41%		38%		39%
	100%		100%		100%

Performing Loan Portfolio

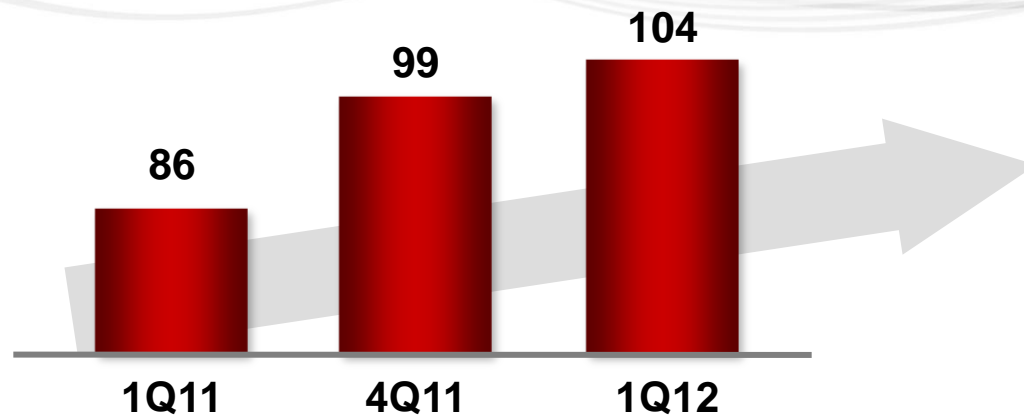
Billion Pesos



	1Q11	4Q11	1Q12	Change	
				QoQ	YoY
Consumer	86	99	104	6%	22%
Commercial	89	123	123	-%	39%
Corporate	44	57	58	1%	30%
Government	51	71	75	6%	47%
Total	270	350	360	3%	33%

Performing Consumer Loan Portfolio

Billion Pesos



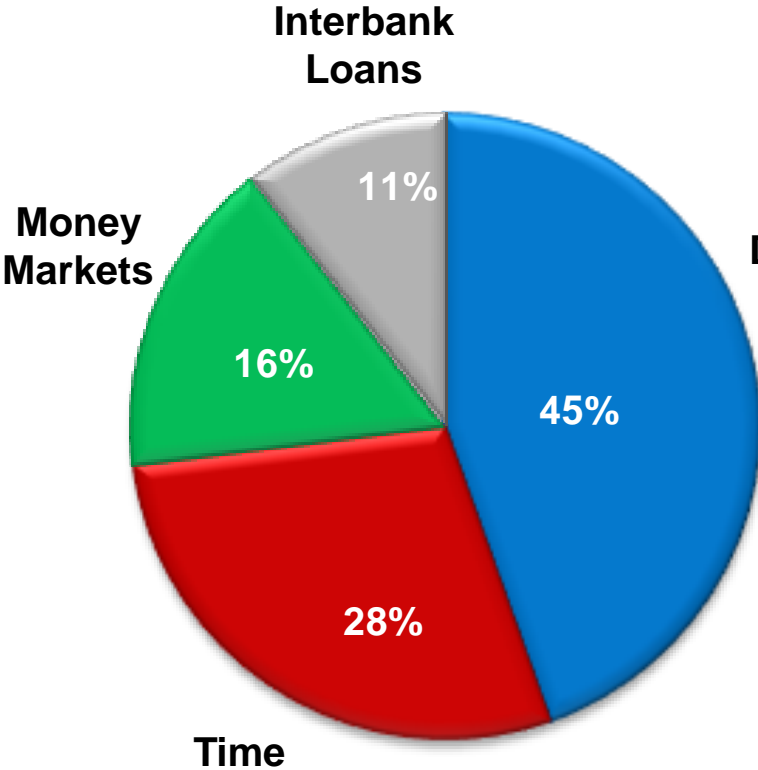
	1Q11	4Q11	1Q12	Change	
				QoQ	YoY
Mortgage	57	64	66	2%	15%
Car	8	9	10	4%	15%
Credit Cards*	11	11	15	28%	34%
Payroll	9	13	14	6%	51%
Consumer	86	99	104	6%	22%

* Includes the credit card SOFOM Ixe Tarjeta's portfolio since 1Q12

Funding and Loan Portfolio Structure

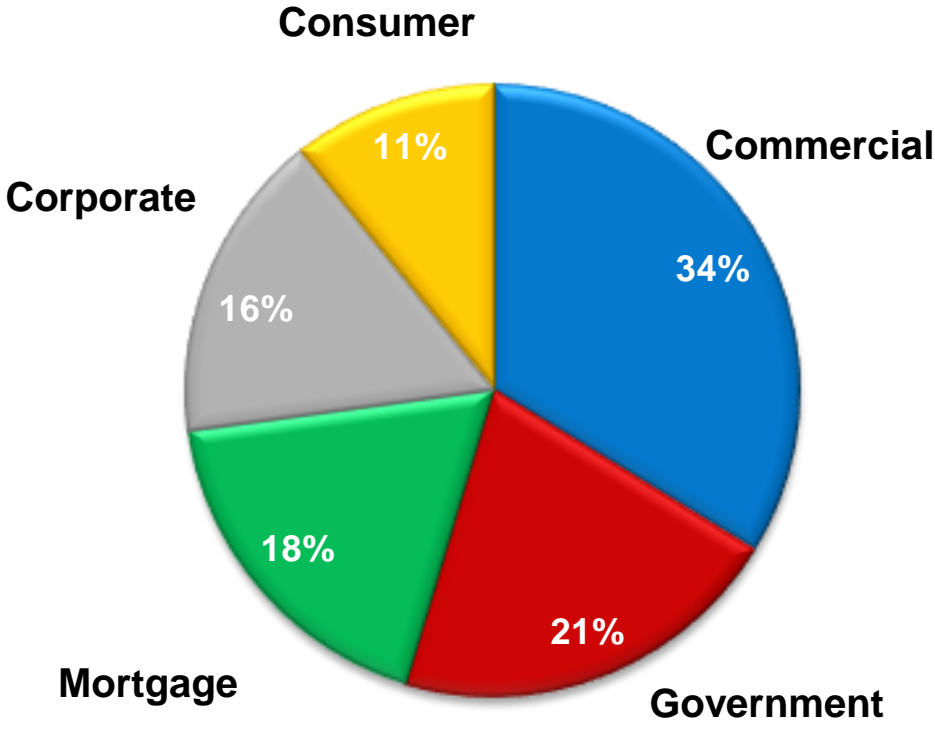
FUNDING

\$417 Billion Pesos



LOAN PORTFOLIO

\$367 Billion Pesos

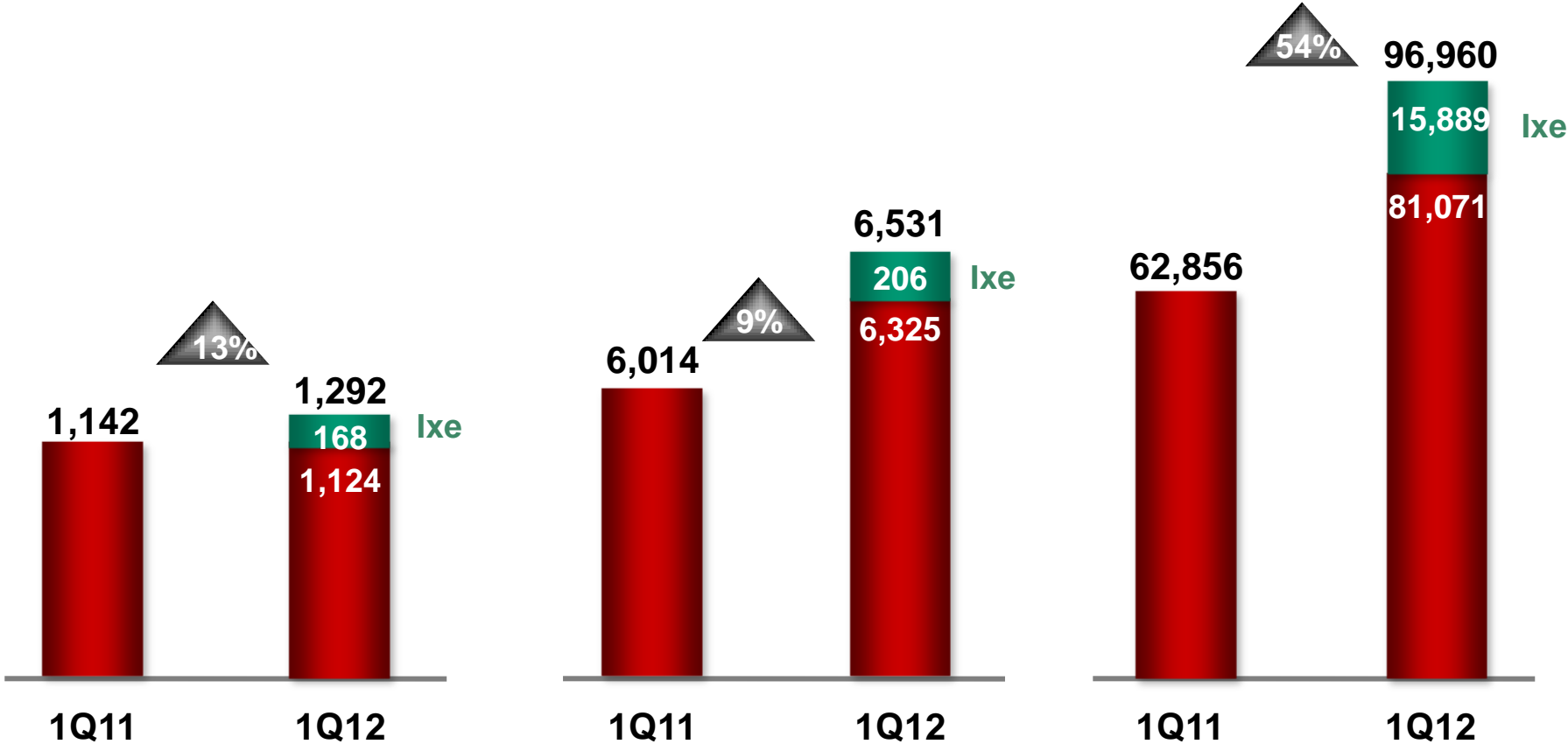


Distribution Network

Branches

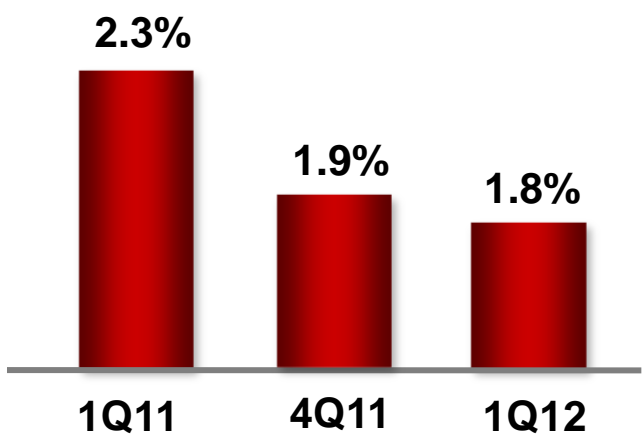
ATM's

POS's

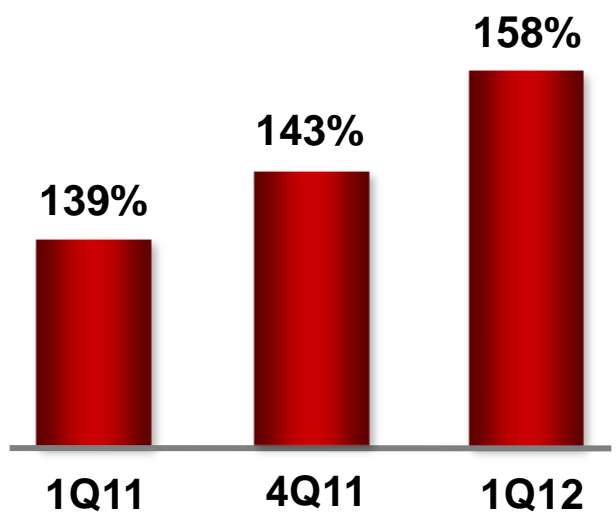


Asset Quality

PAST DUE LOAN RATIO



COVERAGE RATIO



Past Due Loan Ratios

	1Q11	2Q11	3Q11	4Q11	1Q12	
Credit Cards	9.1%	9.4%	8.2%	7.3%	6.3%	↓
Payroll	1.5%	1.8%	1.8%	1.7%	1.6%	↓
Car Loans	0.8%	1.8%	1.8%	1.6%	1.4%	↓
Mortgage	1.2%	1.8%	2.0%	1.5%	1.3%	↓
Commercial	3.5%	3.1%	2.9%	2.7%	2.5%	↓
Corporate	2.8%	2.5%	2.4%	2.2%	2.2%	↓
Government	0.0%	0.0%	0.8%	0.0%	0.0%	↓
GFNorte's NPL Ratio	2.3%	2.4%	2.4%	1.9%	1.8%	

Capitalization and liquidity

	1Q11	2Q11	3Q11	4Q11	1Q12
Tier 1	12.2%	11.9%	11.7%	10.8%	11.6%
Tier 2	3.9%	3.6%	3.9%	2.1%	2.2%
TOTAL	16.1%	15.5%	15.6%	12.9%	13.8%
% Tier 1	76%	77%	75%	84%	84%
▲ RWA	+13%	+16%	+18%	+20%	+13%
Liquidity Ratio	95.6%	107.2%	104.9%	101.8%	103.2%

Net Income in Million Pesos*

	1Q11		1Q12
Total	107	▲ 24%	133

AUM BILLION PESOS*

	1Q11	1Q12	Change YoY
Proprietary Assets	38.9	40.6	4%
Aquired Assets	28.6	27.3	(5%)
Managed Assets "Su Casita"	6.7	6.7	0%
Ixe Assests	-	5.7	-
Total	74.2	80.3	8%

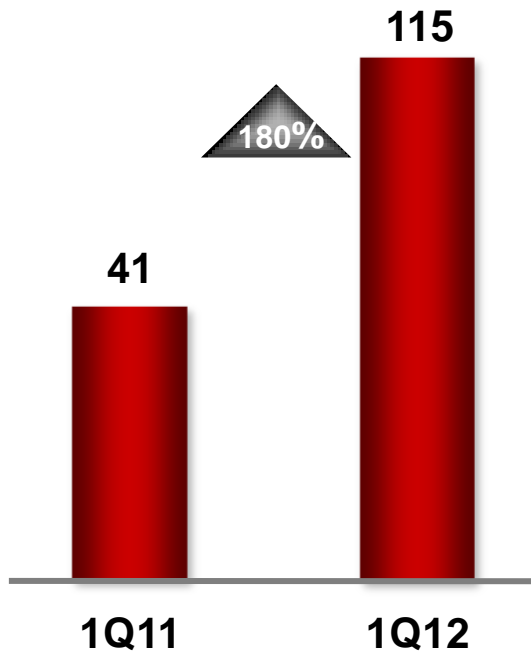
* Net Income for both periods does not include the contribution of investment projects.

Long Term Savings

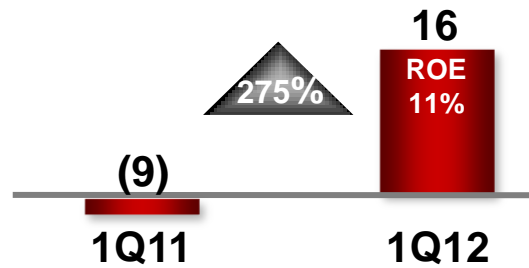
Net Income in Million Pesos

	1Q11		1Q12
Total	128	99%	254

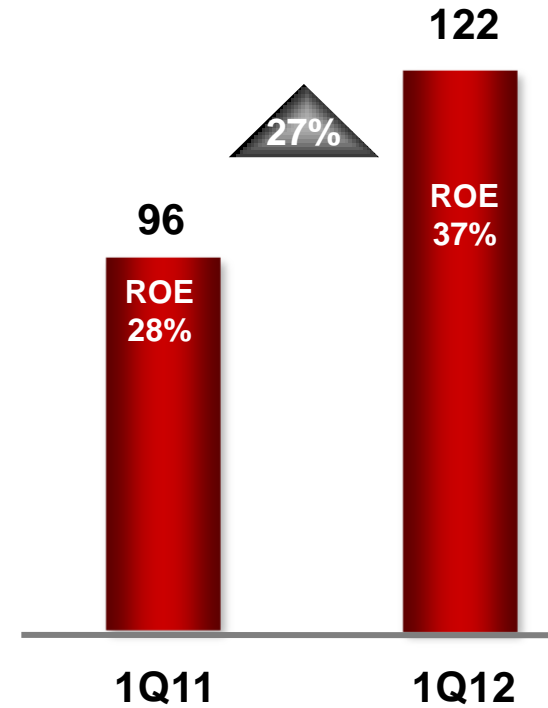
AFORE*



ANNUITIES



INSURANCE

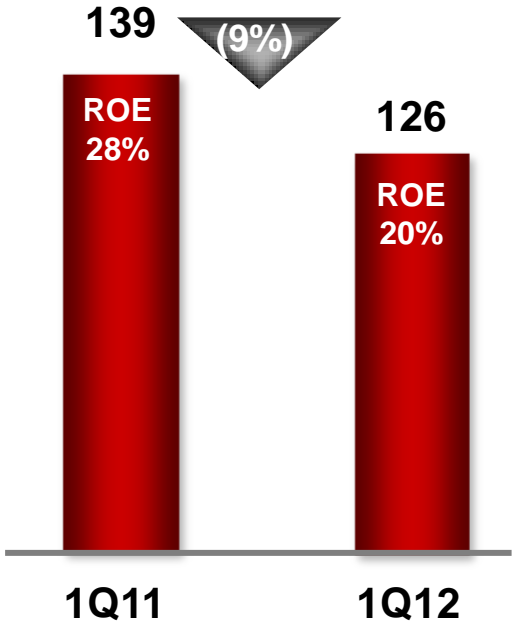


* Since 1Q12, the Afore is recognized under the equity method in the bank.

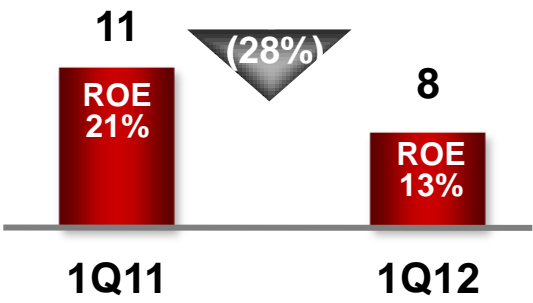
Subsidiaries

Net Income in Million Pesos

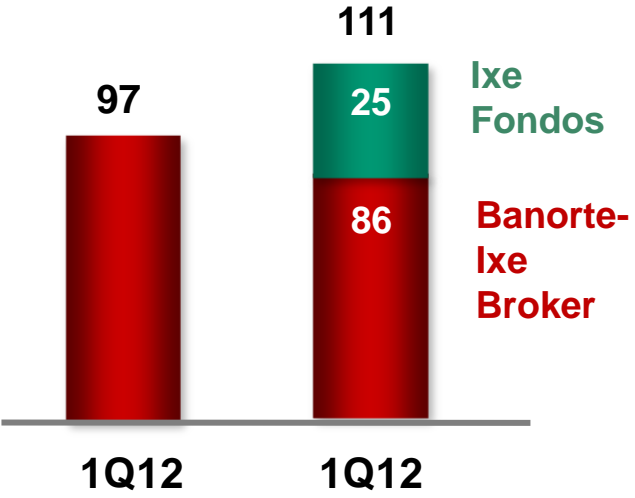
LEASING AND FACTORING



WAREHOUSING



BROKER DEALER



Million Dollars

	1Q11		1Q12
Pre-Tax Net Income*	5.9		6.0
Provisions	10.8		0.2
Net Income	(3.1)		3.9
NIM	3.1%		3.2%
ROE	(3.1%)		3.7%
ROA	(0.5%)		0.7%
Efficiency	198.6%		66.8%
Total Deposits	1,903	(9%)	1,738
Performing Loans	849	(14%)	733
PDL Ratio USGAAP	4.5%		2.3%
Coverage Ratio USGAAP	60.0%		110.5%
Classified Assets to Capital	60.2%		38.9%

* Income before Taxes and Provisions.



 **BANORTE**
EL BANCO FUERTE DE MEXICO

 **BANORTE**

