

QUARTERLY NET INCOME REACHES Ps. 2.46 BILLION

- GFNorte's Net Income reached Ps 2.46 billion during 1Q12; 36% more compared to the same quarter in 2011.
- Core Deposits grew by 30% compared to the same quarter a year ago, driven by demand and time deposits, as well as the integration of Ixe.
- Loans increased by 33% YoY in 1Q12, driven by the merger with Ixe and the efforts to promote loans. The main drivers were a 51% yearly growth in Payroll loans, 47% in Government loans, 39% in Commercial loans, 30% in Corporate loans and 15% in Mortgage loans.
- The Past Due Loan ratio improved during the year from 2.3% to 1.8%, one of the lowest in the financial system.
- The Loan Loss Reserve Coverage Ratio was 158%, higher than the level in 1Q11.
- The Capitalization Ratio was 13.8% at closing of 1Q12, showing a remarkable improvement compared to the level at closing of 2011.
- The strategic merger with Afore XXI is finalized, creating Afore XXI Banorte, which shows very encouraging results during the quarter.
- On January 1st 2012, Banorte acquired the 50% stake of Ixe Tarjetas owned by JP Morgan Chase, providing the platform for the future growth of this business. Since April the company "Banorte-Ixe Tarjetas" was established, which integrates Banorte and Ixe's Credit Card businesses.
- The Great Place to Work recognized Banorte in its rankings as number 6 in the Best Companies to work in Mexico and as the second best bank.
- The Banker magazine granted Banorte with a brand value of US\$ 608 million and was ranked at number 180 in its ranking for the most valuable banking brands in the world,

Mexico D.F. April 26th, 2012. Grupo Financiero Banorte (GFNORTE) reported today its operating results at the closing of March 2012. GFNORTE's Net Income reached Ps 2.46 billion, 36% higher compared to the same quarter of 2011 and 2% lower than in 4Q11 due to the quarterly seasonal impact on revenues, the increase in provisions following the release of reserves registered during the previous quarter, the negative impact of consolidating the losses registered by Ixe Tarjetas after its acquisition and write-offs as a result of impairment in some of Ixe's assets. Banco Mercantil del Norte (excluding its participation in Afore XXI Banorte) contributed with 78% of the profits reaching Ps 1.91 billion, while Ixe and its subsidiaries contributed with Ps 131 million.

Return on Equity (ROE) was 13.7% due to a 47% annual increase in shareholders' equity as a result of the capital increase related to the Ixe merger, while the return on assets (ROA) was 1.2%.

- **Deposits and Net Interest Income**

Core Deposits increased by 30% annually, driven mainly by the merger with Ixe and the efforts to promote Banorte's products. Demand deposits grew by 28% and Retail Time Deposits increased by 32%. As a result, Core Deposits grew by Ps 69.98 billion, from Ps 234.10 billion in 1Q11 to Ps 304.09 billion in 1Q12. During the quarter, Core Deposits decreased by (1%), generated by seasonal effects, although the decline is lower compared to similar periods in previous years.

During 1Q12, Net Interest Income totaled Ps 7.92 billion, a 26% YoY increase vs. 1Q11 and an 8% QoQ growth vs. 4Q11.

- **Loan Portfolio**

At closing of 1Q12, Total Performing Loans grew by 33% YoY, increasing by Ps 90.15 billion to total Ps 360.37 billion. For the eight consecutive quarter, the loan portfolio shows sustained growth in all segments as a result of the Bank's promotional strategies, the merger with Ixe and greater demand in the industry. During the quarter, Total Performing Loans grew by 3% QoQ as a result of good performance in all segments, especially Payroll, Government, Mortgage, Car and Credit card portfolios, the latter also driven by the consolidation of Ixe Tarjetas.

Commercial loans totaled Ps 123.09 billion, growing by 39% YoY mainly due to the merger with Ixe, as well as an increase in originations to Middle market companies, leasing and factoring and the reactivation of the Crediactivo product for businesses (the SME loan portfolio grows by 26% annually); on a quarterly basis; Commercial loans remains at the same level as in 4Q11, with a 3% quarterly growth in SME loans. The Corporate portfolio reached Ps 57.73 billion, 30% higher YoY and 1% higher than in 4Q11 as a result of a reactivation of loans in this sector and the Ixe merger. Government loans totaled Ps 75.20 billion, a 47% YoY and 6% QoQ increase due to greater credit demand in this sector, as well as to the refinancing of several clients in this segment.

Consumer loans, including Mortgages, increased by 22% YoY. Mortgages maintained positive trends, reaching a quarter-end balance of Ps 65.75 billion, 15% higher than in 1Q11 and 2% QoQ, positioning Banorte as one of the banks with the highest growth in loan placements in this sector. Payroll loans reached Ps 14.26 billion, a 51% YoY and 6% QoQ increase vs. 1Q11 and 4Q11, respectively, as a result of growth in the number of payroll-clients in Banorte-Ixe, promotional campaigns for the product, as well as the efforts to increase cross selling. Car loans increased by 15% annually and 4% quarterly to Ps 9.72 billion at closing of 1Q12, due to greater loan placements as a result of campaigns to promote the product and improved dynamics in car sales in the country. Credit Cards totaled Ps 14.63 billion at closing of 1Q12, including 100% of the Ixe Tarjetas business given the acquisition of the 50% stake of JP

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Morgan Chase, increasing by 34% YoY and 28% QoQ showing an increase in its balance of \$ Ps 3.17 million compared to December 2011.

GFNorte maintains good asset quality at the closing of 1Q12, with a NPL Ratio of 1.8%, 0.6 pp less than in 1Q11 and 0.1pp lower than in 4Q11, one of the lowest in the financial system. Grupo Financiero Banorte finished the quarter with NPLs of Ps 6.59 billion, a 1% YoY increase as a result of including Ixe's NPL portfolio and a (5%) QoQ decline due to a reduction in almost all items, especially in the Commercial and Mortgage portfolios. GFNorte's Loan Loss Reserve Coverage was 158% at closing of 1Q12, 19.1 pp higher than in 1Q11 and 15.0 pp higher compared to 4Q11.

- **Efficiency**

The Efficiency Ratio for 1Q12 was 55.6%, 3.5 pp higher than 1Q11 mainly as a result of the integration of Ixe's expenses, and other merger related costs; but declines significantly by 280 basis points compared to the 58.4% in 4Q11 as a result of cost synergies obtained after the merger and to seasonality.

- **Capitalization**

Banco Mercantil del Norte's Capitalization Ratio was 13.8% at closing of 1Q12, with a Tier 1 ratio of 11.6%, showing a 0.8 pp growth in both cases compared to 4Q11, reversing the downward trend in capital consumption registered in 2011 as a result of growing our assets. This level of capitalization positions Banorte adequately to meet the new Basel III regulations.

- **Other Subsidiaries**

The profit contribution from the Long Term Savings Sector, which includes the Insurance and Annuities companies, and Afore XXI Banorte, was Ps 254 million in 1Q12, 99% higher than in 1Q11. Other Finance companies, which include Arrendadora and Factor Banorte, as well as Warehousing & Ixe Automotriz totaled Ps 142 million, remaining at a similar level compared to the same period last year. The Brokerage Sector, comprised of Ixe Casa de Bolsa and Ixe Fondos, reported profits of Ps 111 million, 14% higher than in 1Q11. Also, other companies, such as Fincasa Hipotecaria, Ixe Tarjetas e Ixe Soluciones, reported a (Ps 217) million loss.

Quarterly Highlights

In 1Q12, Banorte continued its efforts to strengthen its fundamentals, position itself as a more solid institution and maintain its growth. These efforts were reflected in the following events:

1. **Creation of “Banorte-Ixe Tarjetas, S.A. de C.V. SOFOM E.R.”** 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 service to our customers, but rather will optimize the business platform and achieve greater profitability.
2. **Funding Certification by the CNBV.** 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 weighting in some assets and releasing 40 basis points of TIER 1 capital.
3. **The Banker: Brand Value.** In February, the Banker magazine published its ranking for the 500 most valuable banking brands in the world. Banorte was ranked at number 180 during 2012, with a brand value of US\$ 608 million and a rating of A +.
4. **Great Place To Work: “Companies with over 5000 employees”.** 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.
5. **Credit Ratings.** 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.
6. **Changes in Organizational Structure.** In April, Alejandro Vazquez Salido was appointed Managing Director of Communications and Institutional Relations, and in January, Samuel J. Munafó was appointed Managing Director of Inter National Bank; both reporting to GFNorte's CEO.