

Grupo Financiero Banorte

2Q15



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



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



**"Best Bank in
Mexico 2011 &
2014"**

LATINFINANCE

**"Best Bank in Mexico and Latin
America 2014"**

**The Banker
TOP 1000
WORLD BANKS 2013**

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



**"Sustainable
Company"**

Investor Relations Contacts:

Ursula Wilhelm
Mariana Amador
Olga Dominguez
e-mail: investor@banorte.com
www.banorte.com/ri

**Institutional
Investor**

**"Best Latam Management & IR
Team 2010, 2011, 2012 & 2013"**

INDEX

1. Financial Results as of June 30, 2015: Grupo Financiero Banorte

- i) Executive Summary
- ii) Management's Discussion & Analysis
- iii) General Information
- iv) Financial Statements
- v) Accounting Changes & Regulation
- vi) Loan Sales to Sólida
- vii) Notes to the Financial Statements

GFNorte reports Net Income of Ps 7.88 billion in 1H15

The main highlights include:

- **Net Income grows 7% annually, in line with the total income.**
- **Service fees grew 20% annually, continued strong growth in core banking service fees as result of higher transaction volume.**
- **Net Income from insurance subsidiary grows strong at 39% annually in the first half.**
- **Good annual loan growth of 12%, consumer book increased similarly.**
- **Strong yearly deposit increase of 15%, driven by growth in all customer segments.**
- **Favorable evolution of asset quality, with the NPL ratio at 2.8%.**
- **Solid capitalization ratio of 15.27% and equity grows 11% YoY.**
- **Annualized ROE for the quarter of 12.5% in line with that of 1Q15.**

Grupo Financiero Banorte, S.A.B. de C.V. (BMV: GFNORTEO; OTC: GBOOY; Latibex: XNOR) reported results for the first half of 2015, ending June 30, 2015.

GFNorte reports Net Income of Ps 7.88 billion in 1H15, representing EPS of Ps 1.44, growing 7% annually, in line with Net Income. This result was driven by a favorable evolution of the banking and long-term savings businesses.

In this regard, Marcos Ramírez, the Group's CEO commented, "During the first half of the year, our businesses are evolving positively. The environment remained challenging, with high volatility and uncertainty, affected by both external and domestic factors such as geopolitical and economic factors in the international front; and, midterm elections held in June, the reduction in the government's expense budget to adjust it for lower oil revenues; and a moderate economic expansion. Our main businesses increased at a faster pace than the economy, as a result of our effort to maintain high quality service and customer knowledge."

"In the banking business, loans grew 12% annually and deposits increased 15% in all customer segments. Furthermore, Banorte keeps growing faster its consumer book than its peers; our consumer loans balance grew 12% as well. Through the implementation and use of better technology and information, we are improving our commercial offer and enhancing our cross-sale with existing clients" Marcos Ramírez stated. "Proof of this is our significant increase in the results of the retail business, where banking services fees rose 20% during 1H15, credit card balances grew 15% and payroll loans 21% annually. Moreover, we have maintained a conservative risk management reflected in the low NPL of only 2.8%, which improved vs. the 3.1% of the prior year."

"The long-term savings business continued to improve results. Afore XXI Banorte reported Net Income of Ps 1.30 billion, 4% above 1H14. This profit was achieved in spite of lower fees vs. 2014. Moreover, Seguros Banorte reported profits of Ps 1.19 billion, +39% YoY, derived from better technical results, but above all, due to the efforts to develop the bancassurance business. The annuities company reported Net Income of Ps 160 million, 29% higher vs. 1H14, in spite of the strong competitive environment in this sector."

"The second half of the year seems challenging and volatility should remain. We expect positive but moderate economic expansion in the second half of the year; and, we expect to capitalize it in increasing results in all our businesses underpinned by prudent risk management. Our focus will remain on cross-sale, as well as, a strong and competitive commercial offer for our customers".

| Income Statement and Balance Sheet Highlights-GFNorte | | | | Change | | | | Change | LTM | Change |
|---|-----------|-----------|-----------|--------|-------|-----------|-----------|--------|--------|--------|
| (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | QoQ | YoY | 1H14 | 1H15 | 1H14 | 2Q15 | LTM |
| Income Statement | | | | | | | | | | |
| Net Interest Income | 10,428 | 11,635 | 11,577 | (0%) | 11% | 20,780 | 23,212 | 12% | 46,529 | 13% |
| Non Interest Income | 4,241 | 3,624 | 3,833 | 6% | (10%) | 8,012 | 7,457 | (7%) | 15,678 | 11% |
| Total Income | 14,669 | 15,259 | 15,410 | 1% | 5% | 28,791 | 30,669 | 7% | 62,207 | 13% |
| Non Interest Expense | 6,913 | 7,670 | 7,575 | (1%) | 10% | 13,758 | 15,246 | 11% | 30,719 | 12% |
| Provisions | 2,851 | 2,605 | 2,778 | 7% | (3%) | 5,231 | 5,383 | 3% | 11,348 | 27% |
| Operating Income | 4,906 | 4,983 | 5,057 | 1% | 3% | 9,803 | 10,040 | 2% | 20,139 | 7% |
| Taxes | 1,460 | 1,328 | 1,343 | 1% | (8%) | 2,959 | 2,671 | (10%) | 5,381 | 5% |
| Subsidiaries & Minority Interest | 293 | 225 | 290 | 29% | (1%) | 523 | 514 | (2%) | 986 | 12% |
| Net Income | 3,739 | 3,880 | 4,003 | 3% | 7% | 7,367 | 7,883 | 7% | 15,745 | 8% |
| Balance Sheet | | | | | | | | | | |
| Asset Under Management | 1,993,055 | 2,101,760 | 2,101,588 | (0%) | 5% | 1,993,055 | 2,101,588 | 5% | | |
| Total Assets | 1,033,781 | 1,183,186 | 1,194,806 | 1% | 16% | 1,033,781 | 1,194,806 | 16% | | |
| Performing Loans (a) | 434,743 | 479,808 | 486,017 | 1% | 12% | 434,743 | 486,017 | 12% | | |
| Past Due Loans (b) | 14,012 | 13,474 | 13,996 | 4% | (0%) | 14,012 | 13,996 | (0%) | | |
| Total Loans (a+b) | 448,754 | 493,282 | 500,012 | 1% | 11% | 448,754 | 500,012 | 11% | | |
| Total Loans Net (d) | 434,113 | 478,711 | 485,278 | 1% | 12% | 434,113 | 485,278 | 12% | | |
| Acquired Collection Rights (e) | 3,137 | 2,860 | 2,651 | (7%) | (15%) | 3,137 | 2,651 | (15%) | | |
| Total Credit Portfolio (d+e) | 437,249 | 481,571 | 487,929 | 1% | 12% | 437,249 | 487,929 | 12% | | |
| Total Liabilities | 916,544 | 1,055,334 | 1,064,652 | 1% | 16% | 916,544 | 1,064,652 | 16% | | |
| Total Deposits | 450,817 | 513,899 | 522,870 | 2% | 16% | 450,817 | 522,870 | 16% | | |
| Equity | 117,237 | 127,851 | 130,154 | 2% | 11% | 117,237 | 130,154 | 11% | | |

| Financial Ratios GFNorte | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|--|--------|--------|--------|----------|----------|--------|--------|-----------|
| | | | | QoQ | YoY | | | 1H14 |
| Profitability: | | | | | | | | |
| NIM (1) | 4.5% | 4.5% | 4.3% | (0.2 pp) | (0.2 pp) | 4.5% | 4.4% | (0.1 pp) |
| NIM after Provisions (2) | 3.2% | 3.5% | 3.3% | (0.2 pp) | 0.0 pp | 3.4% | 3.4% | 0.0 pp |
| NIM adjusted w/o Insurance & Annuities | 4.3% | 4.2% | 4.1% | (0.2 pp) | (0.3 pp) | 4.3% | 4.2% | (0.2 pp) |
| NIM from loan portfolio (3) | 7.9% | 7.8% | 7.8% | (0.0 pp) | (0.2 pp) | 7.9% | 7.8% | (0.1 pp) |
| ROE (4) | 13.2% | 12.5% | 12.6% | 0.1 pp | (0.6 pp) | 13.2% | 12.5% | (0.7 pp) |
| ROA (5) | 1.44% | 1.36% | 1.35% | (0.0 pp) | (0.1 pp) | 1.4% | 1.4% | (0.07 pp) |
| Operation: | | | | | | | | |
| Efficiency Ratio (6) | 47.1% | 50.3% | 49.2% | (1.1 pp) | 2.0 pp | 47.8% | 49.7% | 1.9 pp |
| Operating Efficiency Ratio (7) | 2.7% | 2.7% | 2.5% | (0.1 pp) | (0.1 pp) | 2.7% | 2.6% | (0.0 pp) |
| Liquidity Ratio- Basel II (8) | 134.5% | N.A. | N.A. | - | - | 134.5% | N.A. | - |
| Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III | - | 77.7% | 85.61% | 7.9 pp | - | - | 85.61% | - |
| Asset Quality: | | | | | | | | |
| Past Due Loan Ratio | 3.1% | 2.7% | 2.8% | 0.1 pp | (0.3 pp) | 3.1% | 2.8% | (0.3 pp) |
| Coverage Ratio | 104.5% | 108.1% | 105.3% | (2.9 pp) | 0.8 pp | 104.5% | 105.3% | 0.8 pp |
| Past Due Loan Ratio w/o Banorte USA | 3.2% | 2.8% | 2.9% | 0.1 pp | (0.3 pp) | 3.2% | 2.9% | (0.3 pp) |
| Coverage Ratio w/o Banorte USA | 104.1% | 107.5% | 104.8% | (2.7 pp) | 0.8 pp | 104.1% | 104.8% | 0.8 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.

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

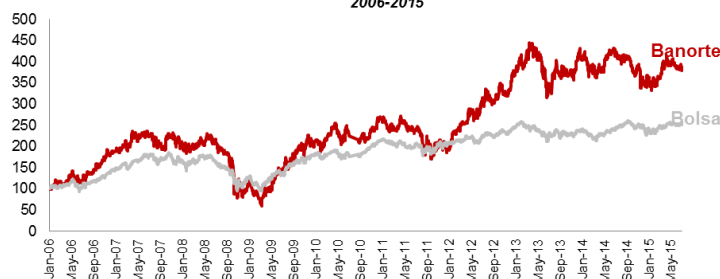
| Subsidiaries Net Income (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | QoQ | YoY | | | 1H14 |
| Banking Sector | 2,683 | 2,734 | 2,729 | (0%) | 2% | 5,168 | 5,462 | 6% |
| Banco Mercantil del Norte (1) | 2,171 | 2,327 | 2,237 | (4%) | 3% | 4,281 | 4,564 | 7% |
| Banorte Ixe Tarjetas | 512 | 407 | 492 | 21% | (4%) | 888 | 898 | 1% |
| Broker Dealer | 256 | 163 | 208 | 28% | (19%) | 459 | 371 | (19%) |
| Banorte- Ixe-Broker Dealer | 227 | 106 | 149 | 40% | (35%) | 409 | 254 | (38%) |
| Operadora de Fondos Banorte-Ixe | 28 | 57 | 60 | 5% | 110% | 50 | 117 | 135% |
| Long Term Savings | 782 | 968 | 1,022 | 6% | 31% | 1,598 | 1,990 | 25% |
| Retirement Funds - Afore XXI Banorte | 334 | 294 | 346 | 18% | 4% | 616 | 640 | 4% |
| Insurance | 380 | 586 | 603 | 3% | 59% | 858 | 1,190 | 39% |
| Annuities | 69 | 88 | 73 | (17%) | 6% | 124 | 160 | 29% |
| Other Finance Companies | 59 | 36 | 61 | 72% | 4% | 201 | 97 | (52%) |
| Leasing and Factoring | 159 | 136 | 133 | (2%) | (16%) | 330 | 269 | (19%) |
| Warehousing | 6 | 10 | 7 | (29%) | 11% | 15 | 17 | 10% |
| Sólida Administradora de Portafolios | (107) | (110) | (79) | (28%) | (27%) | (145) | (189) | 30% |
| Ixe Servicios | 0 | 0 | (0) | (155%) | (105%) | 0 | 0 | (96%) |
| G. F. Banorte (Holding) | (41) | (20) | (17) | (15%) | (59%) | (59) | (37) | (38%) |
| Total Net Income | 3,739 | 3,880 | 4,003 | 3% | 7% | 7,367 | 7,883 | 7% |

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

| Share Data | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|---------|---------|----------------|--------|-------|---------|----------------|--------|
| | | | | QoQ | YoY | | | 1H14 |
| Earnings per share (Pesos) | 1.348 | 1.399 | 1.443 | 3% | 7% | 2.656 | 2.842 | 7% |
| Earnings per share Basic (Pesos) | 1.348 | 1.402 | 1.569 | 12% | 16% | 2.656 | 2.964 | 12% |
| Earnings per share Diluted (Pesos) | 1.348 | 1.400 | 1.444 | 3% | 7% | 2.656 | 2.845 | 7% |
| Dividend per Share (Pesos) (1) | 0.00 | 0.24 | 0.24 | 0% | - | 0.00 | 0.49 | - |
| Dividend Payout (Recurring Net Income) | 0.0% | 20.0% | 20.0% | 0% | - | 0.0% | 20.0% | - |
| Book Value per Share (2) (Pesos) | 41.67 | 45.45 | 46.27 | 2% | 11% | 41.67 | 46.27 | 11% |
| Issued Shares (Million Shares) | 2,773.7 | 2,773.7 | 2,773.7 | 0% | 0% | 2,773.7 | 2,773.7 | 0% |
| Average Diluted Shares (Million Shares) | 2,773.7 | 2,770.6 | 2,772.1 | 0% | (0%) | 2,773.7 | 2,771.4 | (0%) |
| Stock Price (Pesos) | 92.79 | 88.52 | 86.24 | (3%) | (7%) | 92.79 | 86.24 | (7%) |
| P/BV (Times) | 2.23 | 1.95 | 1.86 | (4%) | (16%) | 2.23 | 1.86 | (16%) |
| Market Capitalization (Million Dollars) | 19,842 | 16,085 | 15,250 | (5%) | (23%) | 19,842 | 15,250 | (23%) |
| Market Capitalization (Million Pesos) | 257,374 | 245,531 | 239,206 | (3%) | (7%) | 257,374 | 239,206 | (7%) |

- 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.**
- Excluding Minority Interest.

SHARE PERFORMANCE
2006-2015



GRUPO FINANCIERO BANORTE

- Net Interest Income

| Net Interest Income (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|--|---------------|---------------|---------------|-----------------|-----------------|---------------|---------------|-----------------|
| | | | | QoQ | YoY | | | 1H14 |
| Interest Income | 16,454 | 15,562 | 16,012 | 3% | (3%) | 32,736 | 31,574 | (4%) |
| Interest Expense | 7,259 | 5,556 | 5,986 | 8% | (18%) | 14,469 | 11,542 | (20%) |
| Loan Origination Fees | 325 | 284 | 297 | 4% | (9%) | 663 | 581 | (12%) |
| Fees Paid | 95 | 90 | 96 | 7% | 2% | 180 | 186 | 3% |
| GFNORTE's Net Interest Income excluding Insurance and Annuities Co. | 9,425 | 10,201 | 10,226 | 0% | 8% | 18,751 | 20,427 | 9% |
| Premium Income (Net) | 3,914 | 5,337 | 4,535 | (15%) | 16% | 8,885 | 9,872 | 11% |
| Technical Reserves | 1,021 | 2,478 | 1,130 | (54%) | 11% | 4,130 | 3,608 | (13%) |
| Damages, Claims and Other Obligations | 2,425 | 2,475 | 2,543 | 3% | 5% | 4,810 | 5,018 | 4% |
| Technical Results | 468 | 385 | 862 | 124% | 84% | (56) | 1,246 | N.A. |
| Interest Income & Expense (Net) | 535 | 1,050 | 490 | (53%) | (8%) | 2,084 | 1,540 | (26%) |
| Insurance and Annuities Net Interest Income | 1,003 | 1,434 | 1,351 | (6%) | 35% | 2,029 | 2,786 | 37% |
| GFNORTE's Net Interest Income | 10,428 | 11,635 | 11,577 | (0%) | 11% | 20,780 | 23,212 | 12% |
| GFNORTE's Provisions | 2,851 | 2,605 | 2,778 | 7% | (3%) | 5,231 | 5,383 | 3% |
| Net Interest Income Adjusted for Credit Risk | 7,577 | 9,030 | 8,799 | (3%) | 16% | 15,549 | 17,829 | 15% |
| Average Earning Assets | 934,047 | 1,034,929 | 1,078,324 | 4% | 15% | 928,285 | 1,050,457 | 13% |
| Net Interest Margin (1) | 4.5% | 4.5% | 4.3% | (0.2 pp) | (0.2 pp) | 4.5% | 4.4% | (0.1 pp) |
| NIM after Provisions (2) | 3.2% | 3.5% | 3.3% | (0.2 pp) | 0.0 pp | 3.4% | 3.4% | 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 1H15, GFNorte's Net Interest Income grew 12% YoY from Ps 20.78 billion to Ps 23.21 billion driven by:

- An 11% increase in Net Interest Income from loans, as a result of the 12% growth in the loan book and an improved mix, as high yielding consumer loans have gained share;
- A 37% increase in Net Interest Income from the Insurance and Annuities companies due to higher technical results;
- A (9%) decrease in Net Interest Income from repo operations driven by the YoY market interest rate gap; and
- An (18%) decrease in net fees.

For the quarter, Net Interest Income amounted to Ps 11.58 billion, practically unchanged vs. 1Q15, due to the following effects:

- A (6%) decrease in Net Interest Income from the Insurance and Annuities companies as a result of lower Interest Income;
- Net Interest Income from the loan book remained flat, and
- A 3% increase in net fees driven by higher loan volume.

Insurance and Annuities Net Interest Income in 2Q15 include **lower income from inflation valuation on their securities investments**, which amounted to (Ps 275) million in 2Q15, comparing to Ps 259 million in 1Q15 and (Ps 153) million in 2Q14. Its effect in the **Net Interest Income** is offset in **technical reserves** requirements, and therefore, they are neutral to the Net Interest Income result of these companies.

The average Net Interest Margin (NIM) stood at 4.4% in 1H15 and at 4.3% in 2Q15, lower in (10 bp) vs. 1H14 and in (20 bp) vs. 1Q15. The annual and quarterly decreases resulted from higher in earning assets.

The average NIM excluding Insurance and Annuities companies was 4.2% in 1H15 and 4.1% in 2Q15, resulting in an annual and quarterly decrease of 16 bp.

The average NIM adjusted for Credit Risks was 3.4% in 1H15, a 4 bp YoY increase driven by growth in Net Interest Income, offsetting slightly higher provisions. On a quarterly basis, this indicator was 3.3%, decreasing (23 bp) vs. 1Q15 due to the net effect of higher loan loss provisions and lower Net Interest Income.

- **Loan Loss Provisions**

In 1H15 Loan Loss Provisions charged to results totaled Ps 5.38 billion, +3% YoY and amounted to Ps 2.78 in 2Q15, +7% vs. 1Q15.

The accumulated annual increase resulted from higher reserve requirements in consumer and government loan balances, which was offset by lower reserve requirements in corporate and commercial books. The quarterly increase is due to higher provision requirements in the corporate and consumer books.

Loan Loss Provisions represented 23% of Net Interest Income in 1H15, comparing favorably to the 25% in 1H14. In 2Q15, this ratio was 24.0%, 160 bp higher QoQ.

Annualized Loan Loss Provisions in 1H15 accounted for 2.2% of the average loan portfolio, a YoY decline of (19 bp) vs. 1H14. During 2Q15 accounted for 2.3% of the average loan portfolio, an 11 bp increase vs. 1Q15.

- **Non-Interest Income.**

| Non Interest Income (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | QoQ | YoY | | | 1H14 |
| Fees Charged on Services | 3,037 | 3,451 | 3,602 | 4% | 19% | 6,004 | 7,053 | 17% |
| Fees for Commercial and Mortgage Loans | 2 | 1 | 2 | 60% | (6%) | 5 | 3 | (38%) |
| Fund Transfers | 158 | 209 | 195 | (7%) | 24% | 304 | 404 | 33% |
| Account Management Fees | 374 | 459 | 521 | 14% | 39% | 724 | 980 | 35% |
| Fiduciary | 101 | 111 | 87 | (21%) | (13%) | 183 | 198 | 8% |
| Income from Real Estate Portfolios | 57 | 23 | 21 | (9%) | (64%) | 97 | 43 | (55%) |
| Electronic Banking Services | 1,085 | 1,193 | 1,240 | 4% | 14% | 2,119 | 2,433 | 15% |
| For Consumer and Credit Card Loans | 667 | 703 | 745 | 6% | 12% | 1,343 | 1,447 | 8% |
| Fees from IPAB | - | - | - | - | - | - | - | - |
| Other Fees Charged (1) | 594 | 753 | 792 | 5% | 33% | 1,229 | 1,544 | 26% |
| Fees Paid on Services | 1,003 | 1,203 | 1,105 | (8%) | 10% | 1,989 | 2,308 | 16% |
| Fund transfers | 13 | 16 | 13 | (16%) | 2% | 27 | 29 | 10% |
| Other Fees Paid | 990 | 1,187 | 1,092 | (8%) | 10% | 1,962 | 2,279 | 16% |
| Expenses from Real Estate Portfolios | - | - | - | - | - | - | - | - |
| Net Fees | 2,034 | 2,248 | 2,497 | 11% | 23% | 4,016 | 4,745 | 18% |
| Trading Income | 1,563 | 953 | 817 | (14%) | (48%) | 2,679 | 1,770 | (34%) |
| Subtotal Other Operating Income (Expenses) (2) | 257 | 94 | 334 | 256% | 30% | 449 | 428 | (5%) |
| Non Operating Income (Expense), net | 237 | 144 | 11 | (93%) | (96%) | 535 | 154 | (71%) |
| Other Operating Income (Expense) from Insurance and Annuities | 150 | 185 | 174 | (6%) | 17% | 333 | 359 | 8% |
| Other Operating Income (Expenses) | 643 | 423 | 519 | 23% | (19%) | 1,316 | 941 | (29%) |
| Non Interest Income | 4,241 | 3,624 | 3,833 | 6% | (10%) | 8,012 | 7,457 | (7%) |

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

During 1H15, Non-Interest Income totaled Ps 7.46 billion. Service fees grew a strong 20% annually, yet trading income, recoveries and other fees declined, bringing down Non-Interest Income (7%) annually.

Non-Interest Income totaled Ps 3.83 billion on a quarterly basis, an increase of 6% vs. 1Q15, driven mainly by an 11% increase in service fees, offsetting the decline in trading revenues.

Core banking fees, such as account management, funds transfers and electronic transfers, continue to report significant growth of 21.3% vs. 1H14 and 5.1% vs. 1Q15.

- Trading

Trading revenues in 1H15 totaled Ps 1.77 billion, decreasing (34%) from the prior year. Trading results normalized from the extraordinary gains achieved during the same period of last year as a result of the 50 bp hike in the benchmark market rate by the Mexican Central bank.

Trading revenues in 2Q15 totaled Ps 817 million, a (14%) decrease vs. 1Q15, due to lower fees from client related transactions and lower FX valuation revenue.

- Other Operating Income and Expenses

| Other Operating Income (Expenses) (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change 1H14 |
|--|------------|------------|------------|--------------|--------------|--------------|------------|----------------|
| | | | | QoQ | YoY | | | |
| Subtotal Other Operating Income (Expenses) | 257 | 94 | 334 | 256% | 30% | 449 | 428 | (5%) |
| Loan Recovery | 225 | 299 | 317 | 6% | 41% | 466 | 616 | 32% |
| Income from foreclosed assets | (68) | 13 | (6) | (148%) | (91%) | (169) | 7 | N.A. |
| Other Operating Income | 116 | 48 | 125 | 161% | 8% | 245 | 173 | (29%) |
| Other Operating Income (Expense) | (16) | (266) | (102) | (61%) | 529% | (94) | (368) | 293% |
| Non Operating Income (Expense), net | 237 | 144 | 11 | (93%) | (96%) | 535 | 154 | (71%) |
| Other Products | 712 | 1,219 | 539 | (56%) | (24%) | 1,473 | 1,758 | 19% |
| Other Recoveries | 193 | 208 | 85 | (59%) | (56%) | 511 | 293 | (43%) |
| Other (Expenses) | (669) | (1,283) | (613) | (52%) | (8%) | (1,449) | (1,896) | 31% |
| Other Operating Income (Expense) from Insurance and Annuities | 150 | 185 | 174 | (6%) | 17% | 333 | 359 | 8% |
| Other Operating Income (Expenses) | 643 | 423 | 519 | 23% | (19%) | 1,316 | 941 | (29%) |

During 1H15 Other Operating Income and Expenses amounted to Ps 941 million, decreasing by (Ps 375) million or (29%) YoY. The decrease is mainly explained by higher charges to adjust valuations of Solida's investment projects related to homebuilders (Ps 285 million) registered in Other Operating Expenses and a (43%) decline in income from recoveries of portfolios bought in the market.

On a quarterly basis, Other Operating Income (Expenses) totaled Ps 519 million, Ps 96 million or 23% higher vs. 1Q15 mainly due to higher Other income and a lower valuation charge of Solida's investment projects related to homebuilders..

- Recoveries

Non-Interest Income from Loans Recoveries totaled Ps 959 million in 1H15, 6% higher YoY driven by higher revenues from loan write-offs and sales of foreclosed assets.

In 2Q15 Recoveries amounted to Ps 417 million, decreasing (23%) vs. 1Q15 because of lower income from acquired portfolios.

- Non-Interest Expense

| Non Interest Expense (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change 1H14 |
|---|--------------|--------------|--------------|-------------|------------|---------------|---------------|----------------|
| | | | | QoQ | YoY | | | |
| Personnel | 3,029 | 3,390 | 3,234 | (5%) | 7% | 6,103 | 6,624 | 9% |
| Professional Fees | 693 | 515 | 610 | 19% | (12%) | 1,338 | 1,125 | (16%) |
| Administrative and Promotional | 1,397 | 1,722 | 1,735 | 1% | 24% | 2,646 | 3,457 | 31% |
| Rents, Depreciation & Amortization | 913 | 992 | 1,000 | 1% | 10% | 1,762 | 1,993 | 13% |
| Taxes other than income tax & non deductible expenses | 314 | 444 | 377 | (15%) | 20% | 780 | 821 | 5% |
| Contributions to IPAB | 466 | 510 | 523 | 3% | 12% | 926 | 1,033 | 12% |
| Employee Profit Sharing (PTU) | 101 | 98 | 96 | (2%) | (5%) | 203 | 193 | (5%) |
| Non Interest Expense | 6,913 | 7,670 | 7,575 | (1%) | 10% | 13,758 | 15,246 | 11% |

Non-Interest Expenses during 1H15 amounted to Ps 15.25 billion, an 11% YoY increase, which is mostly explained by the following increases:

- Ps 810 million in Administrative and Promotional expenses driven by higher transaction volume in various services, such as ATMs and POS services, credit card operation, among others.
- Ps 521 million in Personnel Expenses driven by costs related to the personnel efficiency program held in 1Q15 and other personnel related expenses.
- Ps 231 million in rents, depreciations and amortizations due to higher amortizations of IT projects and inflation adjustments to rent prices.

Non-Interest Expenses during 2Q15 amounted to Ps 7.58 billion, a (1%) or (Ps 95) million decline as a result of the decrease in Personnel Expenses of (Ps 156) million related to the normalization of personnel expenses excluding one-off severance charges.

The Efficiency Ratio during 1H15 came higher at 49.7%, +1.9 pp YoY related to one time severance charges held in 1Q15. **During 2Q15, this ratio was 49.2% lower by (1.1 pp) vs. 1Q15** resulting from lower personnel expenses.

- Taxes

Income taxes for 1H15 totaled Ps 2.67 billion, (10%) YoY lower due to larger deductibles. **For the quarter, these were Ps 1.34 billion, only +1% QoQ higher** due to a larger taxable income base.

The effective tax rate and Employee Profit Sharing in 2Q15 was 27.9%, comparing favorably vs. the 28.1% in 1Q15 and the 31.2% in 2Q14. **The effective tax rate and Employee Profit Sharing in 1H15 was 28.0%**, (3.6) pp lower vs. 1H14.

- Subsidiaries and Minority Interest

During 1H15, Subsidiaries and Minority Interest reported Ps 514 million in profits, (2%) lower vs. Ps 523 million registered in 1H14. The annual decrease was due to lower profits in associated companies, despite higher profits at Afore XXI Banorte.

On a quarterly basis, Subsidiaries and Minority Interest totaled Ps 290 million, increasing by Ps 65 million or +29% vs. 1Q15, driven by the Ps 53 million increase in the Afore XXI Banorte's profits

- Net Income

In 1H15, GFNorte reported Net Income of Ps 7.88 billion, 7% higher vs. 1H14 as revenues showed a more modest growth rate mainly driven by lower trading income than the prior year.

In 2Q15 GFNorte reported Net Income of Ps 4.00 billion, 3% higher vs. 1Q15 due the overall positive operating leverage.

During the first half of 2015, accumulated recurring revenues (NII + net fees excluding portfolio recoveries - Operating Expenses – Provisions) totaled Ps 7.29 billion, 28% higher vs. 1H14 due to the increase in Net Interest Income and Service fees, which offset growth in Operating Expenses and Loan Loss Provisions. **In 2Q15 amounted to Ps 3.70 billion**, growing 3% vs. 1Q15 as a result of the increase in Service Fees, the decrease in Operating Expenses, which compensated the slight decrease in Net Interest Income and higher loan loss provisions.

ROE for 2Q15 was 12.6%, higher in 12 bp vs. 1Q15. ROE for 1H15 was 12.5%, decreasing by (71 bp) vs. 1H14. Equity increased 11% YoY and 2% QoQ.

Return on Tangible Equity (ROTE) was 15.8% for 2Q15, lower in (23 bp) and (15 bp) vs. 2Q14 and 1Q15, respectively.

Return on Tangible Equity (ROTE)

| Billion Pesos | 2Q14 | 1Q15 | 2Q15 |
|-------------------------|----------|----------|----------|
| Reported ROE | 13.2% | 12.5% | 12.6% |
| Goodwill & Intangibles | Ps 22.74 | Ps 23.90 | Ps 25.15 |
| Average Tangible Equity | Ps 90.77 | Ps 97.29 | Ps 99.87 |
| ROTE | 16.0% | 15.9% | 15.8% |

ROA for 1H15 was 1.4%, (7 bp) YoY lower; for 2Q15 this ratio was 1.3%, decreasing (1 bp) vs. 1Q15. Return on Risk-Weighted Assets was 3.0%, decreasing by (4 bp) vs. 2Q14 and flat vs. 1Q15.

Return on Risk Weighted Assets (RRWA)

| Billion Pesos | 2Q14 | 1Q15 | 2Q15 |
|------------------------------|-----------|-----------|-----------|
| Reported ROA | 1.44% | 1.36% | 1.35% |
| Average Risk Weighted Assets | Ps 471.68 | Ps 509.00 | Ps 517.85 |
| RRWA | 3.1% | 3.0% | 3.0% |

- Capitalization

Banco Mercantil del Norte

| Capitalization (Million Pesos) | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | Change | |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|----------|----------|
| | | | | | | QoQ | YoY |
| Tier 1 Capital | 65,624 | 67,840 | 69,995 | 71,864 | 72,815 | 1.3% | 11.0% |
| Tier 2 Capital | 7,869 | 7,951 | 8,001 | 8,200 | 7,634 | (6.9%) | (3.0%) |
| Net Capital | 73,493 | 75,791 | 77,996 | 80,064 | 80,450 | 0.5% | 9.5% |
| Credit Risk Assets | 344,656 | 344,453 | 359,318 | 359,784 | 361,730 | 0.5% | 5.0% |
| Net Capital / Credit Risk Assets | 21.3% | 22.0% | 21.7% | 22.3% | 22.2% | (0.0 pp) | 0.9 pp |
| Total Risk Assets (1) | 491,431 | 506,729 | 511,057 | 526,762 | 526,852 | 0.0% | 7.2% |
| Tier 1 | 13.35% | 13.39% | 13.70% | 13.64% | 13.82% | 0.2 pp | 0.5 pp |
| Tier 2 | 1.60% | 1.57% | 1.56% | 1.56% | 1.45% | (0.1 pp) | (0.2 pp) |
| Capitalization Ratio | 14.95% | 14.96% | 15.26% | 15.20% | 15.27% | 0.1 pp | 0.3 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 2Q15 the estimated Capitalization Ratio (CR) for Banorte was 15.27% considering credit, market and operational risk; and, 22.24% if only credit risks are considered. The Core Tier 1 ratio was 12.97%, Total Tier 1 ratio was 13.82% and Tier 2 was 1.45%.

The Capitalization Ratio increased 0.07 pp vs. 1Q15, as follows:

| | | |
|----|---|----------|
| 1. | Profits for 2Q15 | +0.59 pp |
| 2. | Growth in risk assets | -0.01 pp |
| 3. | Investment in Subsidiaries and Intangibles | -0.05 pp |
| 4. | Valuation of Financial Instruments, Securitizations and Equity Accounts | -0.02 pp |
| 5. | Decrease of Subordinate Debt effectiveness | -0.10 pp |
| 6. | Dividend payment in May 2015 | -0.34 pp |

The Capitalization Ratio increased 0.32 pp vs 2Q14, as follows:

| | | |
|----|---|----------|
| 1. | Profit growth for the period | +2.49 pp |
| 2. | Valuation of Financial Instruments, Securitizations and Equity Accounts | +0.13 pp |
| 3. | Decrease of Subordinate Debt effectiveness | -0.23 pp |
| 4. | Investment in Subsidiaries and Intangibles | -0.47 pp |
| 5. | Dividend payment | -0.50 pp |
| 6. | Growth in risk assets | -1.10 pp |

- Deposits

| Deposits (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | |
|--------------------------------------|----------------|----------------|----------------|--------|------|
| | | | | QoQ | YoY |
| Non Interest Bearing Demand Deposits | 118,957 | 144,240 | 153,071 | 6% | 29% |
| Interest Bearing Demand Deposits | 146,094 | 163,715 | 159,803 | (2%) | 9% |
| Total Demand Deposits | 265,051 | 307,955 | 312,875 | 2% | 18% |
| Time Deposits – Retail | 134,428 | 141,694 | 146,834 | 4% | 9% |
| Core Deposits | 399,479 | 449,649 | 459,709 | 2% | 15% |
| Money Market (1) | 52,100 | 65,611 | 64,496 | (2%) | 24% |
| Total Bank Deposits | 451,580 | 515,259 | 524,205 | 2% | 16% |
| GFNorte's Total Deposits (2) | 450,817 | 513,899 | 522,870 | 2% | 16% |
| Third Party Deposits | 171,293 | 177,481 | 158,036 | (11%) | (8%) |
| Total Assets Under Management | 622,873 | 692,741 | 682,241 | (2%) | 10% |

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

2. Includes eliminations among subsidiaries: 2Q14 = (Ps 763) million; 1Q15 = (Ps 1.36) billion; 2Q15 = (Ps 1.33) billion.

- Total Deposits

At the end of 2Q15, Total Deposits reached a record high of Ps 522.87 billion, 16% higher than last year driven mainly by efforts to promote Banorte deposit products, as well as higher account balances in all client segments as well as in the retail network. On a quarterly basis, Total Deposits increased Ps 8.97 billion or 2%.

- Loans

| Performing Loan Portfolio (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | |
|--|----------------|----------------|----------------|-----------|------------|
| | | | | QoQ | YoY |
| Commercial | 112,584 | 114,902 | 116,563 | 1% | 3.5% |
| Consumer | 147,401 | 160,754 | 165,815 | 3% | 12% |
| Corporate | 74,231 | 78,914 | 78,784 | (0%) | 6% |
| Government | 100,345 | 125,085 | 124,708 | (0%) | 24% |
| Sub Total | 434,562 | 479,656 | 485,870 | 1% | 12% |
| Recovery Bank | 181 | 152 | 147 | (3%) | (19%) |
| Total | 434,743 | 479,808 | 486,017 | 1% | 12% |

| Performing Consumer Loan Portfolio (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | |
|---|----------------|----------------|----------------|-----------|------------|
| | | | | QoQ | YoY |
| Mortgages | 84,861 | 91,152 | 93,699 | 3% | 10% |
| Car Loans | 11,442 | 11,071 | 11,466 | 4% | 0% |
| Credit Cards | 20,941 | 23,199 | 24,089 | 4% | 15% |
| Payroll | 30,158 | 35,333 | 36,561 | 3% | 21% |
| Consumer Loans | 147,401 | 160,754 | 165,815 | 3% | 12% |

| (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | |
|--------------------|--------|--------|---------------|--------|-------|
| | | | | QoQ | YoY |
| Past Due Loans | 14,012 | 13,474 | 13,996 | 4% | (0%) |
| Loan Loss Reserves | 14,642 | 14,571 | 14,734 | 1% | 1% |
| Acquired Rights | 3,137 | 2,860 | 2,651 | (7%) | (15%) |

- Total Performing Loans

Total Performing Loans increased 12% YoY, growing Ps 51.31 billion for an ending balance of Ps 485.87 billion in 2Q15, excluding proprietary loans managed by the Recovery Bank. Furthermore, consumer loans grew similarly and the government book increased with a faster pace of growth.

Total Performing Loans increased 1% QoQ, growing by Ps 6.21 billion, as a result of growth in all the consumer books and flat balances in corporate and government books.

Growth by segments was:

- Individual Loans

- ✓ **Consumer + Mortgage:** Increased by Ps 18.41 billion or 12% vs. 2Q14 and Ps 5.06 billion or 3% QoQ, with an ending balance of Ps 165.82 billion. Annual and quarterly growths resulted from favorable dynamics in all segments. Derived from the strategy to increase this segment, consumer loans (excluding mortgages) have increased their proportion within the performing loan portfolio from 14.4% to 14.8% in the last 12 months.
- ✓ **Mortgages:** Grew by Ps 8.84 billion or 10% YoY, achieving a balance of Ps 93.70 billion as of 2Q15. This growth was driven by all the different product segments of the mortgage book. During the quarter the portfolio grew Ps 2.55 billion or 3% QoQ. As of May 2015, Banorte held a 16.2% market share in balances (ranking third).
- ✓ **Credit Cards:** At the end of 2Q15 the credit card book totaled Ps 24.09 billion, growing 15% YoY or +Ps 3.15 billion. On a quarterly basis, it increased 4% or Ps 890 million. Active portfolio management, coupled with commercial campaigns explained this growth. As of May 2015, Banorte held an 8.2% market share in credit card balances, ranking fourth in the banking system.
- ✓ **Payroll:** At the end of 2Q15, the portfolio increased Ps 6.40 billion or 21% YoY and Ps 1.23 billion or 3% QoQ totaling Ps 36.56 billion, as a result of growth in the number of Banorte's payroll account holders and a higher credit penetration in this customer group. Payroll loans continue to show vigorous growth and good asset

quality with respect to the system's average. Banorte held an 18.9% market share in balances as of May 2015, ranking third in the system.

- ✓ **Car Loans:** The portfolio increased Ps 25 million YoY and Ps 396 million or 4% QoQ to end **2Q15 with Ps 11.47 billion**, reversing the downward trend of the last 12 months. The QoQ growth was result of the efforts to strengthen the commercial strategy aiming to offset the strong competition from financial firms of car manufacturers. As of May 2015, Banorte held a 14.5% market share, ranking fourth in the banking system.

• II. Loans to Institutions

- ✓ **Commercial:** increased by Ps 3.98 billion or 4% YoY and Ps 1.66 billion or 1% QoQ **totaling Ps 116.56 billion**. Growth was affected by customer prepayments, as well as by the reduction in the SME portfolio. The leasing and factoring books showed a positive evolution, growing 9% YoY and QoQ, respectively. As of May 2015, the market share in commercial loans (including Corporate) was 10.9%, ranking fourth in the system.

The SME performing portfolio balance was Ps 26.61 billion, (Ps 4.97) billion or (16%) lower YoY and (Ps 1.25) billion or (4%) lower vs. 1Q15.

SMEs Portfolio Evolution (billion pesos)

| | 2Q14 | 1Q15 | 2Q15 |
|---|----------|----------|----------|
| Performing Portfolio | Ps 31.58 | Ps 27.86 | Ps 26.61 |
| % of Performing Commercial Portfolio | 28.0% | 24.2% | 22.8% |
| % of Total Performing Portfolio | 7.3% | 5.8% | 5.5% |
| NPL Ratio | 8.5% | 8.8% | 9.5% |

- ✓ **Corporate:** At the end of **2Q15** the balance was **Ps 78.78 billion**, increasing Ps 4.55 billion or 6% YoY and decreasing (Ps 130) million 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 11.1% of the bank's total portfolio, increasing by 0.1 pp vs. 1Q15 and 1.2 pp vs. 2Q14. The bank's largest corporate loan represents 1.0% of the total portfolio and has an A1 rating, whereas number 20 represent 0.3%.

Through its subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida 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 June 30, 2015 the loan exposure was Ps 5.60 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., 0.5% higher than the prior quarter. This exposure represented 1.1% of the total loan portfolio, similar to March 2015. Out of these loans, **Ps 5.42 billion were classified as non-performing**, unchanged vs. 1Q15. This exposure has 76% coverage in guarantees, unchanged vs. last quarter. The reserve coverage stood at 43.0% in 2Q15. **Sólida had Ps 5.69 billion in investment projects**, (4.5%) lower than that registered in March 2015. During June, both Corporación Geo and Desarrolladora Homex announced the termination of their bankruptcy processes, as a result from the Judge's favorable ruling. The restructuring process is still yet to be implemented, as both companies require certain authorizations from shareholders and authorities. Therefore, GFNorte's exposure to these companies remains unchanged as of this date.

- ✓ **Government:** At the end of **2Q15** the balance was **Ps 124.71 billion**, growing by Ps 24.36 billion or 24% YoY, as a result of efforts to continue meeting demand for loans in this segment, including some federal government entities, on a quarterly basis it decreased (Ps 377) million. Banorte's Government portfolio is diversified by sectors and regions, and shows adequate concentration risk. Banorte's 20 largest Government loans account for 23.1% of the Bank's total portfolio, increasing by 3.1 pp vs. 2Q14 and decreasing (0.3 pp) vs. 1Q15. The largest Government loan represents 4.2% of the total portfolio and has an A1 rating, whereas number 20 represent 0.3%. The portfolio's risk profile is adequate with 32.0% of the loans granted to Federal Government entities and over 94% 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 May 2015, Banorte held a 24.3% market share of the total system, ranking second.

- **Past Due Loans**

During 2Q15, Past Due Loans were Ps 14 billion, (Ps 16) million lower YoY as a result of lower delinquencies mainly in the corporate, car, mortgages and government books. The 4% QoQ increase came from higher delinquencies in all segments, except in mortgage loans.

The quarterly evolution of NPL balances were as follows:

| Million pesos | PDLs 2Q15 | Change. Vs. 1Q15 | Change. Vs. 2Q14 |
|---------------|--------------|------------------------|------------------------|
| Credit Cards | 1,521 | 164 | 101 |
| Payroll | 945 | 147 | 172 |
| Car loans | 219 | 56 | (4) |
| Mortgage | 1,149 | (27) | (4) |
| Commercial | 4,698 | 154 | 105 |
| Corporate | 5,464 | 28 | (385) |
| Government | - | 0 | (1) |
| Total | 13,996 | 522 | (16) |

In 2Q15, the Past Due Loan Ratio was 2.8%, (32 bp) lower vs. 2Q14 and 7 bp higher vs. 1Q15. The annual decrease was the result of a lower PDL Ratio in all segments; while the quarterly increase came from higher PDL Ratio in all segments with the exception of mortgage.

When excluding the home developers exposure, the PDL Ratio would be 1.7%, (10 bp) below the level registered for 2Q14 and 10 bp higher vs. 1Q15.

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

| | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|------------------|------|------|-------|------|------|
| Credit Cards | 6.3% | 5.9% | 5.5% | 5.5% | 5.9% |
| Payroll | 2.5% | 2.2% | 2.3% | 2.2% | 2.5% |
| Car loans | 1.9% | 1.9% | 2.0% | 1.5% | 1.9% |
| Mortgage | 1.3% | 1.4% | 1.4% | 1.3% | 1.2% |
| Total Commercial | 3.9% | 5.0% | 4.4% | 3.8% | 3.9% |
| SMEs | 8.5% | 9.8% | 10.0% | 8.8% | 9.5% |
| Commercial | 2.0% | 3.1% | 2.2% | 2.1% | 2.1% |
| Corporate | 7.3% | 6.8% | 6.3% | 6.4% | 6.5% |
| Government | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 3.1% | 3.3% | 2.9% | 2.7% | 2.8% |

The expected loss of Banco Mercantil del Norte, the Financial Group's main subsidiary, represents 1.8% and the unexpected loss 3.2%, both with respect to the total portfolio at the end of 2Q15. These ratios were 1.9% and 3.2%, respectively in 1Q15 and 2.1% and 3.4% 12 months ago.

Banco Mercantil del Norte's Net Credit Losses (NCL) including write-offs was 1.5%, flat vs. the last 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 March '15 | 13,474 |
| Transfer from Performing Loans to Past Due Loans | 4,537 |
| Portfolio Purchase | 204 |
| Renewals | (330) |
| Cash Collections | (726) |
| Discounts | (102) |
| Charge Offs | (2,238) |
| Foreclosures | (12) |
| Transfer from Past Due Loans to Performing Loans | (813) |
| Loan Portfolio Sale | - |
| Foreign Exchange Adjustments | 3 |
| Fair Value Ixe | - |
| Balance as of June '15 | 13,996 |

Around 83% of the loan book is rated A Risk, 12% B Risk and 5% as Risk C, D and E combined.

| Risk Rating of Performing Loans as of 2Q15 - GFNorte (Million Pesos) | | | | | | | |
|--|----------------|-------------------------|---------------------|--------------------------|--------------|------------|---------------|
| CATEGORY | LOANS | LOAN LOSS RESERVES | | | | | |
| | | COMMERCIAL | | | CONSUMER | MORTGAGES | TOTAL |
| | | MIDDLE MARKET COMPANIES | GOVERNMENT ENTITIES | FINANCIAL INTERMEDIARIES | | | |
| A1 | 382,925 | 751 | 412 | 168 | 350 | 120 | 1,801 |
| A2 | 63,320 | 314 | 175 | 6 | 339 | 42 | 876 |
| B1 | 27,360 | 156 | 111 | 3 | 755 | 11 | 1,036 |
| B2 | 20,116 | 91 | - | 1 | 719 | 19 | 830 |
| B3 | 16,359 | 250 | 59 | 2 | 412 | 8 | 730 |
| C1 | 5,645 | 141 | 14 | 5 | 223 | 30 | 413 |
| C2 | 5,387 | 89 | 94 | 2 | 467 | 77 | 728 |
| D | 14,849 | 4,036 | - | 0 | 1,611 | 317 | 5,965 |
| E | 3,427 | 742 | - | 0 | 1,212 | 135 | 2,089 |
| Total | 539,389 | | | | | | |
| Not Classified | (24) | | | | | | |
| Exempt | - | | | | | | |
| Total | 539,365 | 6,570 | 865 | 187 | 6,087 | 758 | 14,467 |
| Reserves | | | | | | | 14,734 |
| Preventive Reserves | | | | | | | 268 |

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 June 30, 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:

| <i>(Million Pesos)</i> | Total |
|---|--------------|
| Distressed Portfolio | 11,345 |
| Total Loans | 539,365 |
| Distressed Portfolio / Total Loans | 2.1% |

- Loan Loss Reserves and Loan Loss Provisions**

| Loan Loss Reserves <i>(Million Pesos)</i> | 2Q15 |
|---|---------------|
| Previous Period Ending Balance | 14,571 |
| Provisions charged to results | 2,652 |
| Created with profitability margin | 0 |
| Reserve Portfolio Sold | 0 |
| Other items | 0 |
| <u>Charge offs and discounts:</u> | |
| Commercial Loans | (1,142) |
| Consumer Loans | (981) |
| Mortgage Loans | (374) |
| Foreclosed assets | 0 |
| | (2,497) |
| Cost of debtor support programs | (2) |
| Valorization and Others | 10 |
| Adjustments | 0 |
| Loan Loss Reserves at Period End | 14,734 |

Loan Loss Reserves in 2Q15 totaled Ps 14.73 billion, 1% higher vs. 1Q15. Moreover, 46% of write-offs, charge-offs and discounts correspond to the commercial portfolio, 39% to consumer and 15% to Mortgages.

Similarly, the loan loss coverage ratio was 105.3% (104.8% excluding INB), increasing 0.8 pp YoY and decreasing (2.9 pp) QoQ.

RECENT EVENTS

• Shareholders' Assembly.

GFNorte's Annual General Shareholders' Meeting was held on April 24th, with a 64.07% representation of the total subscribed, paid and voting shares of the Company's capital. The resolutions adopted by the Assembly were:

1. Approval of the reports referred in section IV, Article 28 of the Securities Market Law, corresponding to the year ending December 31, 2014.
2. Distribution of the 2014 net income amounting to Ps 15.35 billion, applied into the account "Retained Earnings from prior Years", as it was not necessary to allocate resources into the account "Legal Reserve" since it is fully constituted.
3. Approval to distribute a cash dividend of Ps 0.4870 per share, derived from the fiscal net income as of December 31, 2013, and which will be paid in two installments of Ps. 0.2435, against delivery of coupons No. 15 and 16 on April 30 and July 31, 2015. These dividends correspond to the third and fourth of four payments that will be made for a total amount of Ps. 0.9740 per share, equivalent to Ps. 2.70 billion, amount approved by the Group's Board of Directors on July 24, 2014.
4. Approval of the Board of Directors' composition of 15 Proprietary Members, and if the case, their respective Alternate Members, appointing the following people and their duties for the year 2015, qualifying the corresponding members' independence since they do not fall within the restrictions outlined in the Securities Market Law:

| PROPRIETARY MEMBERS | | ALTERNATE MEMBERS | |
|------------------------------|-------------|---------------------------------|-------------|
| Carlos Hank González | Chairman | Graciela González Moreno | |
| Juan Antonio González Moreno | | Juan Antonio González Marcos | |
| David Villarreal Montemayor | | José María Garza Treviño | Independent |
| José Marcos Ramírez Miguel | | Robert William Chandler Edwards | Independent |
| Everardo Elizondo Almaguer | Independent | Alberto Halabe Hamui | Independent |
| Patricia Armendáriz Guerra | Independent | Roberto Kelleher Vales | Independent |
| Héctor Reyes-Retana y Dahl | Independent | Manuel Aznar Nicolás | Independent |
| Juan Carlos Braniff Hierro | Independent | Guillermo Mascareñas Milmo | Independent |
| Armando Garza Sada | Independent | Ramón A. Leal Chapa | Independent |
| Alfredo Elías Ayub | Independent | Isaac Becker Kabacnik | Independent |
| Adrián Sada Cueva | Independent | Eduardo Livas Cantú | Independent |
| Miguel Alemán Magnani | Independent | Lorenzo Lazo Margain | Independent |
| Alejandro Burillo Azcárraga | Independent | Javier Braun Burillo | Independent |
| José Antonio Chedraui Eguía | Independent | Rafael Contreras Grosskelwing | Independent |
| Alfonso de Angoitia Noriega | Independent | Guadalupe Phillips Margain | Independent |

5. Héctor Ávila Flores was designated as Secretary of the Board of Directors; but, he is not a board member.
6. Designation of Héctor Reyes-Retana y Dahl as Chairman of the Audit and Corporate Practices Committee.
7. Approval to allocate the amount of Ps. 3.37 billion, equivalent to 1.5% of the Financial Groups' market capitalization value as of December 2014, charged against equity, to purchase Company's shares during 2015, and will consider those transactions to be carried out in 2015 and until April 2016, subject to the Treasury's Policy for Transactions with Shares.

• Euromoney Awards for Excellence 2015.

In July, Euromoney the specialized magazine in banking and capital markets published its 24th edition of the **Awards for Excellence**, one of the most recognized in the financial services industry, in which Banorte was awarded "**Best Bank in Mexico**". The methodology considers quantitative and qualitative data, recognizing leading institutions that offer the highest levels of service, innovation and expertise to their clients.

- **Credit Ratings.**

HR Ratings ratified Banorte's Long and Short Term ratings and "BANORTE 12" Subordinated Debt

On May 29, HR Ratings ratified Banco Mercantil del Norte, S.A.'s ("Banorte") HR AAA and HR+1 Long and Short term ratings, respectively, as well as BANORTE 12 Subordinated Debt with HR AA+, with a stable outlook.

The main factors considered were: the adequate solvency and profitability metrics, solid corporate governance and an adequate revenue generation from the loan portfolio, which they considered as well distributed in terms of geographic location and customers.

BANKING SECTOR

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

| Income Statement and Balance Sheet Highlights-Banking Sector | | | | | | | | |
|---|---------|---------|---------|----------|----------|---------|---------|----------|
| (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
| | | | | QoQ | YoY | | | 1H14 |
| Income Statement | | | | | | | | |
| Net Interest Income | 9,277 | 9,790 | 9,823 | 0% | 6% | 18,310 | 19,613 | 7% |
| Non Interest Income | 3,857 | 3,650 | 3,575 | (2%) | (7%) | 7,313 | 7,225 | (1%) |
| Total Income | 13,134 | 13,440 | 13,398 | (0%) | 2% | 25,623 | 26,837 | 5% |
| Non Interest Expense | 6,401 | 7,087 | 6,999 | (1%) | 9% | 12,775 | 14,086 | 10% |
| Provisions | 2,826 | 2,539 | 2,690 | 6% | (5%) | 5,195 | 5,229 | 1% |
| Operating Income | 3,907 | 3,814 | 3,709 | (3%) | (5%) | 7,654 | 7,522 | (2%) |
| Taxes | 1,180 | 1,034 | 938 | (9%) | (21%) | 2,389 | 1,972 | (17%) |
| Subsidiaries & Minority Interest | 349 | 302 | 359 | 19% | 3% | 642 | 662 | 3% |
| Net Income | 3,075 | 3,082 | 3,130 | 2% | 2% | 5,906 | 6,212 | 5% |
| Balance Sheet | | | | | | | | |
| Total Assets | 862,996 | 939,691 | 936,237 | (0%) | 8% | 862,996 | 936,237 | 8% |
| Performing Loans (a) | 427,260 | 470,707 | 476,450 | 1% | 12% | 427,260 | 476,450 | 12% |
| Past Due Loans (b) | 13,659 | 12,981 | 13,536 | 4% | (1%) | 13,659 | 13,536 | (1%) |
| Total Loans (a+b) | 440,919 | 483,688 | 489,986 | 1% | 11% | 440,919 | 489,986 | 11% |
| Total Loans Net (d) | 426,703 | 469,736 | 475,869 | 1% | 12% | 426,703 | 475,869 | 12% |
| Acquired Collection Rights (e) | 1,610 | 1,480 | 1,416 | (4%) | (12%) | 1,610 | 1,416 | (12%) |
| Total Loans (d+e) | 428,313 | 471,216 | 477,285 | 1% | 11% | 428,313 | 477,285 | 11% |
| Total Liabilities | 775,441 | 842,090 | 837,224 | (1%) | 8% | 775,441 | 837,224 | 8% |
| Total Deposits | 451,580 | 515,259 | 524,205 | 2% | 16% | 451,580 | 524,205 | 16% |
| Equity | 87,555 | 97,601 | 99,013 | 1% | 13% | 87,555 | 99,013 | 13% |
| Financial Ratios Banking Sector | | | | | | | | |
| | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
| | | | | QoQ | YoY | | | 1H14 |
| Profitability: | | | | | | | | |
| NIM (1) | 4.7% | 4.6% | 4.5% | (0.1 pp) | (0.1 pp) | 4.7% | 4.6% | (0.1 pp) |
| NIM after Provisions (2) | 3.2% | 3.4% | 3.3% | (0.2 pp) | 0.0 pp | 3.4% | 3.4% | (0.0 pp) |
| ROE (3) | 14.3% | 12.8% | 12.7% | (0.1 pp) | (1.6 pp) | 14.2% | 12.8% | (1.4 pp) |
| ROA (4) | 1.4% | 1.4% | 1.3% | (0.0 pp) | (0.1 pp) | 1.4% | 1.4% | (0.1 pp) |
| Operation: | | | | | | | | |
| Efficiency Ratio (5) | 48.7% | 52.7% | 52.2% | (0.5 pp) | 3.5 pp | 49.9% | 52.5% | 2.6 pp |
| Operating Efficiency Ratio (6) | 3.0% | 3.1% | 3.0% | (0.1 pp) | 0.0 pp | 3.1% | 3.1% | 0.0 pp |
| Liquidity Ratio- Basel II (7) | 118.9% | N.A. | N.A. | - | - | 118.9% | N.A. | - |
| Average Liquidity Coverage Ratio for Banorte and SOFOM- Basel III | - | 77.7% | 85.61% | 7.9 pp | - | - | 85.61% | - |
| Asset Quality: | | | | | | | | |
| Past Due Loan Ratio | 3.1% | 2.7% | 2.8% | 0.1 pp | (0.3 pp) | 3.1% | 2.8% | (0.3 pp) |
| Coverage Ratio | 104.1% | 107.5% | 104.3% | (3.2 pp) | 0.2 pp | 104.1% | 104.3% | 0.2 pp |
| Past Due Loan Ratio w/o Banorte USA | 3.2% | 2.8% | 2.8% | 0.1 pp | (0.3 pp) | 3.2% | 2.8% | (0.3 pp) |
| Coverage Ratio w/o Banorte USA | 103.6% | 106.8% | 103.8% | (3.0 pp) | 0.2 pp | 103.6% | 103.8% | 0.2 pp |
| Growth (8) | | | | | | | | |
| Performing Loans (9) | 5.4% | 11.7% | 11.5% | (0.2 pp) | 6.1 pp | 5.4% | 11.5% | 6.1 pp |
| Core Deposits | 15.8% | 16.6% | 15.1% | (1.5 pp) | (0.7 pp) | 15.8% | 15.1% | (0.7 pp) |
| Total Deposits | 6.5% | 13.1% | 16.1% | 3.0 pp | 9.6 pp | 6.5% | 16.1% | 9.6 pp |
| Capitalization: | | | | | | | | |
| Net Capital/ Credit Risk Assets | 21.3% | 22.3% | 22.2% | (0.0 pp) | 0.9 pp | 21.3% | 22.2% | 0.9 pp |
| Total Capitalization Ratio | 15.0% | 15.2% | 15.3% | 0.1 pp | 0.3 pp | 15.0% | 15.3% | 0.3 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 / Liquid 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.
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 (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|--------------|--------------|--------------|-----------------|-----------------|---------------|---------------|-----------------|
| | | | | QoQ | YoY | | | 1H14 |
| Interest Income | 14,276 | 14,283 | 14,429 | 1% | 1% | 28,281 | 28,711 | 2% |
| Interest Expense | 5,229 | 4,688 | 4,807 | 3% | (8%) | 10,454 | 9,494 | (9%) |
| Loan Origination Fees | 325 | 283 | 295 | 4% | (9%) | 663 | 578 | (13%) |
| Fees Paid | 95 | 88 | 94 | 7% | (0%) | 180 | 182 | 1% |
| Net Interest Income | 9,277 | 9,790 | 9,823 | 0% | 6% | 18,310 | 19,613 | 7% |
| Provisions | 2,826 | 2,539 | 2,690 | 6% | (5%) | 5,195 | 5,229 | 1% |
| Net Interest Income Adjusted for Credit Risk | 6,451 | 7,250 | 7,133 | (2%) | 11% | 13,115 | 14,384 | 10% |
| Average Earning Assets | 797,236 | 845,437 | 872,003 | 3% | 9% | 776,704 | 852,829 | 10% |
| Net Interest Margin (1) | 4.7% | 4.6% | 4.5% | (0.1 pp) | (0.1 pp) | 4.7% | 4.6% | (0.1 pp) |
| NIM after Provisions (2) | 3.2% | 3.4% | 3.3% | (0.2 pp) | 0.0 pp | 3.4% | 3.4% | (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.

During 1H15, Net Interest Income increased 7% YoY to Ps 19.61 billion as a result of the 8% growth in Net Interest Income from loans, due to the 12% increase in the loan book and an improved portfolio mix.

In 2Q15, Net Interest Income amounted to Ps 9.82 billion, Ps 33 million or 0.3% higher QoQ, driven by a higher Net Interest Income from loans and derived from a higher funding cost QoQ.

The average NIM was 4.6% in 1H15 lower by (0.1 pp) over the same period last year. On a quarterly basis, this ratio was 4.5%, (0.1 pp) lower vs. 1Q15, both decreases were a result of a faster growth rate in the Average Earning Assets than in Net Interest Income.

The average NIM adjusted for Credit Risks was 3.4% in 1H15, flat vs. 1H14. In 2Q15, this ratio amounted to 3.3%, (0.2 pp) lower vs. 1Q15.

- Loan Loss Provisions

Provisions charged to results totaled Ps 5.23 billion in 1H15, 1% higher YoY driven by higher reserve requirements in consumer and government loan balances, which were offset by lower reserve requirements in corporate and commercial books. During the quarter, provisions amounted to Ps 2.69 billion, +6% vs. 1Q15, due to higher reserve requirements in corporate and consumer books.

- Non-Interest Income

| Non-Interest Income (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|--|--------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|
| | | | | QoQ | YoY | | | 1H14 |
| Services | 2,027 | 2,375 | 2,449 | 3% | 21% | 4,023 | 4,824 | 20% |
| Recovery | 5 | 6 | 4 | (34%) | (15%) | 10 | 10 | (2%) |
| Trading | 1,355 | 850 | 728 | (14%) | (46%) | 2,403 | 1,578 | (34%) |
| Other Operating Income (Expense) | 470 | 419 | 393 | (6%) | (16%) | 876 | 812 | (7%) |
| Non Interest Income | 3,857 | 3,650 | 3,575 | (2%) | (7%) | 7,313 | 7,225 | (1%) |

During 1H15, Non-Interest Income amounted to Ps 7.23 billion, a (1%) decline YoY; while in 2Q15, totaled Ps 3.58 billion, (2%) lower vs. 1Q15. Both decreases resulted from the contraction in all segments, excepting from service fees. Furthermore, core banking fees revenues (account management fees, funds transfers and electronic transfers) continue to report high growth, +21.3% YoY and +5.1% QoQ.

- **Non-Interest Expenses**

| Non-Interest Expense (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|--------------|--------------|--------------|-------------|-----------|---------------|---------------|------------|
| | | | | QoQ | YoY | | | 1H14 |
| Personnel | 2,884 | 3,249 | 3,092 | (5%) | 7% | 5,834 | 6,341 | 9% |
| Professional Fees | 605 | 434 | 492 | 13% | (19%) | 1,153 | 926 | (20%) |
| Administrative and Promotional | 1,222 | 1,504 | 1,535 | 2% | 26% | 2,330 | 3,039 | 30% |
| Rents, Depreciation & Amortization | 853 | 927 | 937 | 1% | 10% | 1,642 | 1,863 | 13% |
| Taxes other than income tax & non deductible expenses | 270 | 368 | 326 | (12%) | 21% | 690 | 694 | 1% |
| Contributions to IPAB | 466 | 510 | 523 | 3% | 12% | 926 | 1,033 | 12% |
| Employee Profit Sharing (PTU) | 101 | 96 | 94 | (2%) | (6%) | 200 | 190 | (5%) |
| Non Interest Expense | 6,401 | 7,087 | 6,999 | (1%) | 9% | 12,775 | 14,086 | 10% |

Non-Interest Expenses in 1H15 totaled Ps 14.09 billion, a 10% YoY increase driven by growth in Administration and Promotional Expenses, Personnel Expenses and Rents, Depreciations and Amortizations, which were not offset by reduced Professional fees.

In 2Q15, Non-Interest Expenses amounted to P 7.00 billion, (1%) lower QoQ as a result of a reduction in Personnel Expenses.

The Efficiency Ratio for 1H15 was 52.5%, +2.6 pp YoY due to a higher growth rate in Operating Expenses vs. total income; while the quarterly ratio was 52.2% lower in (0.5 pp) vs 1Q15 as a result of the decrease in Interest Expenses.

- **Net Income**

Net Income for the Banking Sector in 1H15 was Ps 6.21 billion, increasing by 5% YoY driven by growth in total revenues, lower tax payments, and greater profits from subsidiaries, which compensated increases in Operating Expenses. On a quarterly basis, net income rose to P 3.13 billion, +2% vs. 1Q15 due to higher Net Interest Income, lower Non-Interest Expenses and tax payments and higher profits from subsidiaries, which offset the increase in provisions and the decrease in Non-Interest Income.

Net Income for the Banking Sector in 1H15, excluding Afore XXI Banorte results, was Ps 5.46 billion, +6% YoY, contributing 69% of the Financial Group's profits according to its percentage of participation.

SOFOM Banorte-Ixe Tarjetas posted net profits of Ps 898 million in 1H15, 1% higher YoY, contributing 11% of the Financial Group's profits.

ROE for 1H15 of this sector was 12.8%, (1.4 pp) lower YoY; **this ratio for 2Q15 was 12.7%**, lower by (0.1 pp) vs. 1Q15. **ROA for the first half of the year was 1.4%**, lower by (0.1 pp) vs. 1H14, whereas **as of 2Q15, ROA was 1.3%**, (0.02 pp) lower vs. 1Q15.

- **NPL Ratio**

The Banking Sector's NPL Ratio for 2Q15 **was 2.8%** (includes INB past due loans), (0.3 pp) lower vs. 2Q14 and 0.1 pp higher vs. 1Q15.

BANORTE USA

I. Banorte USA

| Income Statement - Banorte USA | | | | | | | | |
|--------------------------------|------|------|------|----------------|----------------|------|------|----------------|
| MEX GAAP (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change 1Q15 | Change 2Q14 | 1H14 | 1H15 | Change 1H14 |
| Income Statement | | | | | | | | |
| Net Interest Income | 162 | 184 | 197 | 7% | 22% | 320 | 380 | 19% |
| Non Interest Income | 119 | 137 | 118 | (14%) | (1%) | 239 | 255 | 7% |
| Total Income | 281 | 321 | 315 | (2%) | 12% | 559 | 636 | 14% |
| Non Interest Expense | 211 | 216 | 230 | 6% | 9% | 401 | 446 | 11% |
| Provisions | 2 | 15 | (1) | (108%) | (153%) | 13 | 14 | 4% |
| Operating Income | 68 | 90 | 86 | (4%) | 26% | 145 | 176 | 21% |
| Taxes | 22 | 25 | 34 | 35% | 57% | 46 | 60 | 29% |
| Net Income | 46 | 64 | 51 | (20%) | 12% | 98 | 116 | 18% |

Under Generally Accepted Accounting Principles in Mexico (MEX GAAP), **Net Income of Banorte USA** (owner of 100% of Inter National Bank as well as 100% of the remittance company Uniteller) **was Ps 116 million in 1H15**, increasing by 18% YoY. Net Income for Banorte USA during 1H15 represents 1.5% of the Financial Group's profits. On a quarterly basis, profits amounted to Ps 51 million, (20%) lower vs. 1Q15 due to lower Non-Interest Income and higher Non-Interest Expenses and tax payments.

II. Inter National Bank (US GAAP)

| Income Statement and Balance Sheet Highlights- Inter National Bank | | | | | | | | |
|--|-------|-------|-------|----------------|----------------|-------|-------|----------------|
| Figures in US GAAP (Millon Dollars) | 2Q14 | 1Q15 | 2Q15 | Change 1Q15 | Change 2Q14 | 1H14 | 1H15 | Change 1H14 |
| Income Statement | | | | | | | | |
| Net Interest Income | 13 | 13 | 13 | 3% | 2% | 25 | 26 | 2% |
| Non Interest Income | 4 | 4 | 3 | (9%) | (12%) | 9 | 7 | (18%) |
| Total Income | 17 | 16 | 17 | 1% | (1%) | 34 | 33 | (3%) |
| Non Interest Expense | 12 | 11 | 11 | 6% | (9%) | 23 | 22 | (6%) |
| Provisions | 0 | 0 | 0 | (87%) | (78%) | 1 | 0 | (39%) |
| Operating Income | 4 | 6 | 5 | (4%) | 23% | 11 | 11 | 4% |
| Net Income | 3 | 4 | 3 | (19%) | 12% | 7 | 7 | 3% |
| Balance Sheet | | | | | | | | |
| Investment in Securities | 553 | 589 | 547 | (7%) | (1%) | 553 | 547 | (1%) |
| Performing Loans | 840 | 922 | 943 | 2% | 12% | 840 | 943 | 12% |
| Past Due Loans | 8 | 6 | 9 | 46% | 12% | 8 | 9 | 12% |
| Demand Deposits | 852 | 898 | 863 | (4%) | 1% | 852 | 863 | 1% |
| Time Deposits | 601 | 572 | 549 | (4%) | (9%) | 601 | 549 | (9%) |
| Total Deposits | 1,452 | 1,470 | 1,412 | (4%) | (3%) | 1,452 | 1,412 | (3%) |
| Equity | 424 | 437 | 439 | 0% | 3% | 424 | 439 | 3% |

| Financial Ratios-INB | | | | | | | | |
|---|--------|--------|---------------|----------------|----------------|--------|---------------|----------------|
| <i>Figures in US GAAP (Million Dollars)</i> | | | | | | | | |
| | 2Q14 | 1Q15 | 2Q15 | Change 1Q15 | Change 2Q14 | 1H14 | 1H15 | Change 1H14 |
| Profitability | | | | | | | | |
| NIM | 3.4% | 3.3% | 3.4% | 0.1 | 0.0 | 3.4% | 3.4% | 0.0 |
| ROE | 2.8% | 3.8% | 3.0% | (0.8) | 0.2 | 3.5% | 3.4% | (0.1) |
| ROA | 0.6% | 0.9% | 0.7% | (0.2) | 0.1 | 0.8% | 0.8% | 0.0 |
| Operation | | | | | | | | |
| Efficiency Ratio | 72.9% | 63.9% | 67.1% | 3.2 | (5.8) | 67.2% | 65.5% | (1.7) |
| Asset Quality | | | | | | | | |
| Past Due Loan Ratio | 1.0% | 0.7% | 1.0% | 0.3 | (0.0) | 1.0% | 1.0% | (0.0) |
| Coverage Ratio | 189.3% | 278.8% | 192.2% | (86.6) | 2.9 | 189.3% | 192.2% | 2.9 |
| Capitalization | | | | | | | | |
| Leverage Ratio | 13.0% | 13.4% | 13.2% | (0.2) | 0.2 | 13.0% | 13.2% | 0.2 |
| Capitalization Ratio | 23.7% | 22.8% | 22.9% | 0.1 | (0.8) | 23.7% | 22.9% | (0.8) |

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted net profits for **US 7 million in 1H15, a 3% YoY increase** mainly due to higher Net Interest Income, lower Non-Interest Expenses and provisions. **The quarterly Net Income decreased (19%) vs. 1Q15, ending 2Q15 with US 3 million**, driven by a drop in Non-Interest Expenses and higher expenses.

Total Deposits amounted to US 1.41 billion, decreasing (3%) YoY and (4%) vs. 1Q15. **Performing Loans totaled US 943 million**, increasing 12% vs. 2Q14 and 2% QoQ. **Past Due Loans posted US 9 million**, 12% YoY and 46% QoQ higher.

Capitalization and Leverage Ratios remained robust. **The Capitalization Ratio ended 2Q15 at 22.9% and the Leverage Ratio was 13.2%. The Past Due Loan ratio was 1.0%**, remaining flat vs. last year and increasing 0.3 pp QoQ; **the Coverage ratio was 192.2%**, increasing 2.9 pp YoY and decreasing (86.6 pp) QoQ.

III. UniTeller Financial Services (US GAAP)

| Income Statement and Transactions Highlights –Uniteller Financial Services | | | | | | | | |
|---|-------|-------|-------|----------------|----------------|--------|--------|----------------|
| | 2Q14 | 1Q15 | 2Q15 | Change 1Q15 | Change 2Q14 | 1H14 | 1H15 | Change 1H14 |
| <i>Figures in US GAAP (Thousand Dollars)</i> | | | | | | | | |
| Profitability | | | | | | | | |
| Revenues | 7,105 | 7,252 | 7,493 | 3% | 5% | 13,167 | 14,746 | 12% |
| Cost of Sales | 4,657 | 4,360 | 4,432 | 2% | (5%) | 8,575 | 8,791 | 3% |
| Margin | 2,448 | 2,892 | 3,062 | 6% | 25% | 4,592 | 5,954 | 30% |
| Expenses | 1,697 | 1,967 | 1,814 | (8%) | 7% | 3,331 | 3,781 | 13% |
| Income before Taxes | 751 | 925 | 1248 | 35% | 66% | 1,260 | 2,173 | 72% |
| Net Income | 513 | 570 | 719 | 26% | 40% | 855 | 1,289 | 51% |
| Transactions | | | | | | | | |
| # of Created Transactions (thousands) | 2,079 | 2,119 | 2,314 | 9% | 11% | 3,783 | 4,432 | 17% |

UniTeller Financial Services and subsidiaries (UFS) **recorded profits of US 1.29 million in 1H15**, comparing favorably to profits of US 855 thousand for the same period of the previous year (+51%) on higher remittances volume.

At the end of 1H15 transactions grew 17% YoY, resulting mainly from the expansion of the processing business, including more services to other institutions.

IV. Sólida USA

Assets under management by Sólida USA as of 2Q15 are as follows:

| | |
|---|------------------|
| Sólida México (Foreclosed Assets): | US \$ 70 million |
| Banorte (Foreclosed Loans and Assets): | US \$ 15 million |
| INB (Classified Assets & Mortgage Loans): | US \$ 5 million |
| Total: | US \$ 90 million |

As a result of adequate asset management, **INB's Tier 1 Classified Assets Ratio at the end of 2Q15 was 5.5%**, higher quality levels than the average district and national competitors.

RECOVERY BANKING

| Income Statement Highlights - Recovery Banking (Million Pesos) | 1H14 | 1H15 | Change 1H14 |
|--|------------|------------|----------------|
| Net Interest Income | 14 | 12 | (10%) |
| Loan Loss Provisions | (3) | (5) | 95% |
| Non Interest Income | 819 | 913 | 11% |
| Non Interest Expense | (465) | (479) | 3% |
| Pre-tax Income & Subsidiaries | 365 | 442 | 21% |
| Income Tax and Profit Sharing | (85) | (130) | 53% |
| Net Income | 280 | 312 | 11% |

| Assets Under Management (Million Pesos) | 2Q15 | ACCOUNTING IN THE BALANCE SHEET | ACCOUNTING IN THE INCOME STATEMENT |
|--|----------------|--|--|
| Banking Sector Portfolio- Banorte: | 91,806 | Banorte's Portfolio and Reposessed Assets | Net Interest Income and Other Revenues and Expenses |
| Loans purchased and managed: | 29,019 | Solida Asset Management and Banorte | Non Interest Income and Other Revenues and Expenses (Sólida / Banorte) |
| Investment Projects: | 6,045 | Solida Asset Management and Banorte | Non Interest Income |
| Total | 126,871 | | |

- **Net Income**

Recovery Banking posted profits of Ps 312 million in 1H15, 11% higher than the same period in 2014, driven by higher Non-Interest Income. Recovery Banking's Net Income represents 4% of the Group's profits.

- **Assets Under Management**

The Recovery Bank managed total assets of Ps 91.8 billion at the end of 2Q15, of which 28% correspond to mortgage loans, 18% to credit cards, 16% to Crediactivo, 13% to payroll loans, 8% to foreclosed assets, 7% to car loans, 5% to middle market companies and 5% to other loans. Gross revenues in 1H15 amounted to Ps 547 million, 21% YoY higher.

At the end of 2Q15, 36% of the **acquired assets managed by the Recovery Bank** were mortgages, 21% loans to middle market companies and commercial, 20% were assets managed on behalf of the Mexican mortgages agency SHF, 12% were foreclosed assets and payments in kind and 11% were real estate portfolios. Income from these portfolios was Ps 379 million in 1H15, (4%) lower YoY.

BROKERAGE

| Brokerage Sector (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|-------------------------------------|---------|---------|----------------|--------|----------|---------|----------------|----------|
| | | | | QoQ | YoY | | | 1H14 |
| Brokerage | | | | | | | | |
| Net Income | 256 | 163 | 208 | 28% | (19%) | 459 | 371 | (19%) |
| Shareholder's Equity | 3,014 | 2,890 | 2,904 | 0% | (4%) | 3,014 | 2,904 | (4%) |
| Assets Under Custody | 733,725 | 738,459 | 743,088 | 1% | 1% | 733,725 | 743,088 | 1% |
| Total Assets | 57,332 | 119,075 | 131,224 | 10% | 129% | 57,332 | 131,224 | 129% |
| ROE | 35.3% | 22.9% | 28.7% | 5.9 pp | (6.6 pp) | 32.9% | 25.9% | (7.0 pp) |
| Net Capital | | | | | | | | |
| Net Capital (1) | 2,558 | 2,379 | 2,362 | (1%) | (8%) | 2,558 | 2,362 | (8%) |

1. Net capital structure: Tier 1 = Ps 2.36 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 371 million in 1H15, (19%) lower than last year due to reduced Net Interest Income, a decline in trading revenues and higher Non-Interest Expenses. Net Income during 1H15 represents 5% of the Financial Group's profits.

In 2Q15 Net Income amounted to Ps 208 million, increasing 28% quarterly as a result mainly of higher Non-Interest Income and a reduction in Operating Expenses.

- Mutual Funds**

Operadora de Fondos Banorte Ixe reported profits of Ps 117 million in 1H15, an increase of Ps 67 million, or 135% vs. the same period last year due to greater fees from growth in assets under management. Quarterly earnings amounted to Ps 60 million, +5% QoQ, due to higher net fees and reduced Operating Expenses.

At the end of 2Q15, assets managed by Banorte-Ixe mutual funds totaled Ps 148.7 billion, an annual growth of 6%. Assets held in fixed income funds totaled Ps 131.1 billion, a 4% increase YoY, while equity funds held assets of Ps 17.5 billion, an annual increase of 14%. At the end of June, Banorte-Ixe had a 7.7% share of the mutual fund market, comprised of 9.1% in fixed income funds and 3.5% in equity funds.

- Assets Under Management**

At the end of 2Q15, AUMs totaled Ps 743.1 billion, increasing 1% YoY and QoQ.

LONG TERM SAVINGS

| LONG TERM SAVINGS (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|---------|---------|----------------|----------|----------|------------|----------------|----------|
| | | | | QoQ | YoY | | | 1H14 |
| Afore (1) | | | | | | | | |
| Net Income | 681 | 598 | 704 | 18% | 3% | 1,258 | 1,302 | 4% |
| Shareholder's Equity | 23,432 | 22,380 | 23,085 | 3% | (1%) | 23,432 | 23,085 | (1%) |
| Total Assets | 24,659 | 23,604 | 24,279 | 3% | (2%) | 24,659 | 24,279 | (2%) |
| AUM (SIEFORE)* | 583,549 | 616,374 | 620,426 | 1% | 6% | 583,549 | 620,426 | 6% |
| ROE | 11.3% | 10.3% | 12.4% | 2.1 pp | 1.1 pp | 10.4% | 11.3% | 0.9 pp |
| Insurance- Seguros Banorte | | | | | | | | |
| Total Operating Income | 760 | 1,055 | 1,109 | 5% | 46% | 1,645 | 2,164 | 32% |
| Non Interest Expense | 210 | 210 | 240 | 14% | 14% | 406 | 450 | 11% |
| Operating Income | 549 | 845 | 869 | 3% | 58% | 1,239 | 1,714 | 38% |
| Taxes | 169 | 257 | 264 | 3% | 57% | 380 | 522 | 37% |
| Subsidiaries & Minority Interest | (1) | (2) | (1) | (20%) | 71% | (1) | (3) | 114% |
| Net Income | 380 | 586 | 603 | 3% | 59% | 858 | 1,190 | 39% |
| Shareholder's Equity | 4,713 | 5,682 | 5,787 | 2% | 23% | 4,713 | 5,787 | 23% |
| Total Assets | 23,434 | 26,063 | 26,637 | 2% | 14% | 23,434 | 26,637 | 14% |
| Technical Reserves | 12,937 | 14,498 | 15,449 | 7% | 19% | 12,937 | 15,449 | 19% |
| Premiums sold | 4,820 | 5,438 | 3,700 | (32%) | (23%) | 9,748 | 9,138 | (6%) |
| Coverage ratio of technical reserves | 1.3 | 1.3 | 1.3 | 0.0 pp | (0.0 pp) | 1.3 | 1.3 | (0.0 pp) |
| Capital coverage ratio of minimum guarantee | 2.0 | 1.7 | 1.9 | 0.2 pp | (0.1 pp) | 2.0 | 1.9 | (0.1 pp) |
| Coverage ratio of minimum capital | 49.5 | 62.3 | 63.5 | 1.2 pp | 14.0 pp | 49.5 | 63.5 | 14.0 pp |
| ROE | 33.8% | 43.8% | 42.3% | (1.5 pp) | 8.5 pp | 40.1% | 43.3% | 3.2 pp |
| Annuities | | | | | | | | |
| Total Operating Income | 164 | 198 | 177 | (11%) | 8% | 312 | 375 | 20% |
| Non Interest Expense | 64 | 70 | 71 | 2% | 12% | 134 | 142 | 6% |
| Operating Income | 100 | 128 | 106 | (17%) | 6% | 178 | 234 | 31% |
| Taxes | 32 | 42 | 34 | (17%) | 8% | 56 | 76 | 37% |
| Subsidiaries & Minority Interest | 1 | 2 | 1 | (17%) | 71% | 1 | 3 | 111% |
| Net Income | 69 | 88 | 73 | (17%) | 6% | 124 | 160 | 29% |
| Shareholder's Equity | 1,373 | 1,464 | 1,437 | (2%) | 5% | 1,373 | 1,437 | 5% |
| Total Assets | 56,706 | 63,842 | 65,168 | 2% | 15% | 56,706 | 65,168 | 15% |
| Technical Reserves | 54,904 | 61,820 | 63,169 | 2% | 15% | 54,904 | 63,169 | 15% |
| Premiums sold | 1,789 | 2,048 | 1,967 | (4%) | 10% | 3,801 | 4,015 | 6% |
| Coverage ratio of technical reserves | 1.0 | 1.0 | 1.0 | 0.0 pp | (0.0 pp) | 1.0 | 1.0 | (0.0 pp) |
| Coverage ratio of minimum capital | 9.2 | 9.9 | 9.7 | (0.0 pp) | 0.1 pp | 9.2 | 9.7 | 0.5 pp |
| ROE | 20.5% | 24.8% | 20.0% | (4.7 pp) | (0.5 pp) | 18.9% | 22.5% | 3.6 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 1.30 billion for 1H15, 4% higher vs. 1H14 due to higher revenues and lower Operating Expenses, which offset fewer profits from subsidiaries, valuation losses in the investment portfolios and higher tax payments. **Quarterly profits amounted to Ps 704 million**, +18% QoQ as a result of a significant reduction in Operating Expenses and higher revenues.

ROE for Afore XXI Banorte as of 1H15 was 11.3%, 0.9 pp higher YoY; when excluding goodwill, **ROE would be 40.8%**. As of **2Q15 ROE was 12.4%**, an increase of 2.1 pp QoQ. According to GFNorte's participation in this sector, Afore XXI Banorte contributed 8% of the Financial Group's profits for 1H15.

Assets under management as of June 2015 totaled Ps 620.4 billion, an increase of 6% YoY and 1% QoQ.

According to CONSAR, to June 2015 Afore XXI Banorte had a 25.0% share in managed funds, ranking 1st in the market, with 11.22 million accounts (this number does not include 6.1 million accounts managed by Afore XXI with resources deposited in Banco de Mexico), which represent a 23.6% share of the total number of accounts in the system, making it the market leader.

- **Seguros Banorte**

During **1H15, Seguros Banorte reported profits of Ps 1.19 billion**, a 39% YoY increase driven by premium income which offset higher tax payments, and higher Operating Expenses. Seguros Banorte's net income represented 15% of the Financial Group's profits for the first half of 2015.

Quarterly earnings totaled Ps 603 million, 3% higher QoQ.

Issued premiums decreased (6%) YoY, totaling Ps 9.14 billion in 1H15. Moreover, **Technical Reserves totaled Ps 15.45 billion**, increasing 19% YoY.

ROE for the insurance company was 43.3% in 1H15, 3.2 pp higher YoY; while ROE for 2Q15 was 42.3%, decreasing (1.5 pp) 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 2Q15 that involved any technical risk.*
- ii. Damages and claims, as well as the fulfillment with reinsurers and bonding companies according to their participation.
 - *In 2Q15 damage ratios remained under control.*
- iii. Costs derived from placement of insurance policies and bonds.
 - *There were no relevant events to disclose in 2Q15.*
- iv. Transfer of risks through reinsurance and bonding contracts
 - *In the P&C book two important businesses of governmental tenders were ceded to reinsurers, mainly foreign entities, 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 2Q15.*

- **Pensiones Banorte**

During 1H15, Pensiones Banorte reported profits of Ps 160 million, +29% YoY driven by better technical results and lower expenses. The Annuities company contributed with 2% of the Financial Group's profits as of 1H15. **During 2Q15, Pensiones Banorte reported profits of Ps 73 million**, decreasing (17%) vs. 1Q15.

ROE was 22.5% in 1H15, 3.6 pp higher vs. 1H14; furthermore, **ROE for 2Q15 was 20.0%**, decreasing (4.7 pp) QoQ.

SOFOM AND OTHER FINANCE COMPANIES

| Other Finance Companies (Million Pesos) | 2Q14 | 1Q15 | 2Q15 | Change | | 1H14 | 1H15 | Change |
|---|--------|--------|--------|----------|----------|--------|--------|----------|
| | | | | QoQ | YoY | | | 1H14 |
| Leasing and Factoring | | | | | | | | |
| Net Income | 159 | 136 | 133 | (2%) | (16%) | 330 | 269 | (19%) |
| Shareholder's Equity | 3,540 | 3,871 | 4,005 | 3% | 13% | 3,540 | 4,005 | 13% |
| Loan Portfolio (1) | 21,681 | 21,657 | 23,519 | 9% | 8% | 21,681 | 23,519 | 8% |
| Past Due Loans | 217 | 202 | 198 | (2%) | (9%) | 217 | 198 | (9%) |
| Loan Loss Reserves | 339 | 323 | 350 | 8% | 3% | 339 | 350 | 3% |
| Total Assets | 22,041 | 22,065 | 23,840 | 8% | 8% | 22,041 | 23,840 | 8% |
| ROE | 18.4% | 14.3% | 13.6% | (0.7 pp) | (4.9 pp) | 19.6% | 13.9% | (5.7 pp) |
| Warehousing | | | | | | | | |
| Net Income | 6 | 10 | 7 | (29%) | 11% | 15 | 17 | 10% |
| Shareholder's Equity | 287 | 224 | 231 | 3% | (20%) | 287 | 231 | (20%) |
| Inventories | 657 | 422 | 688 | 63% | 5% | 657 | 688 | 5% |
| Total Assets | 897 | 627 | 857 | 37% | (4%) | 897 | 857 | (4%) |
| ROE | 8.9% | 17.8% | 12.4% | (5.4 pp) | 3.5 pp | 11.0% | 15.0% | 4.0 pp |
| Sólida Administradora de Portafolios | | | | | | | | |
| Net Income | (110) | (111) | (80) | (28%) | (27%) | (149) | (191) | 28% |
| Shareholder's Equity | 2,464 | 3,841 | 3,758 | (2%) | 53% | 2,464 | 3,758 | 53% |
| Loan Portfolio | 233 | 3,654 | 3,285 | (10%) | 1311% | 233 | 3,285 | 1311% |
| Past Due Loans | 196 | 291 | 262 | (10%) | 34% | 196 | 262 | 34% |
| Loan Loss Reserves | 87 | 296 | 268 | (10%) | 208% | 87 | 268 | 208% |
| Total Assets | 13,263 | 16,067 | 15,554 | (3%) | 17% | 13,263 | 15,554 | 17% |
| Ixe Servicios | | | | | | | | |
| Net Income | 0.5 | 0.0 | (0.0) | (155%) | (105%) | 0.5 | 0.0 | (96%) |
| Shareholder's Equity | 24 | 145 | 145 | (0%) | 499% | 24 | 145 | 499% |
| Total Assets | 133 | 146 | 145 | (1%) | 10% | 133 | 145 | 10% |
| ROE | 7.8% | 0.1% | (0.1%) | (0.2 pp) | (7.9 pp) | 3.9% | 0.0% | (3.8 pp) |

1. Includes pure leasing portfolio and fixed asset amounting to Ps 12 million registered in property, furniture and equipment (net).

- Leasing and Factoring**

In 1H15 Arrendadora y Factor Banorte reported profits of Ps 269 million, decreasing (19%) YoY due to higher income taxes and higher loan loss provisions. The Leasing and Factoring Company contributed 3.4% of the Financial Group's profits in 1H15.

In 2Q15 earnings totaled Ps 133 million, a (2%) QoQ decrease due to higher income taxes.

At the end of 2Q15, the Past Due Loan Ratio was 0.9%, (0.1) pp lower vs. 1Q15 and (0.2 pp) lower vs. 2Q14, while the Coverage ratio was 176.6%, increasing 20.3 pp vs. 2Q14 and 16.8 pp vs. 1Q15. The Capitalization ratio estimated as of June was 15.8% considering total risk-weighted assets of Ps 25.26 billion.

Arrendadora y Factor Banorte continues to be the market leader in terms of loans 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 1H15, Warehouse posted profits of Ps 17 million, growing by Ps 1.5 million or 10% YoY, due to growth in trading revenues and Net Interest Income which offset the decrease in Other Operating Income and greater Administrative Expenses. Almacenadora Banorte contributed 0.2% of the Financial Group's profits in 1H15.

In 2Q15, earnings totaled Ps 7 million, (Ps 3) million lower vs. 1Q15 as a result of a reduction in trading revenues and Net Interest Income, which were not offset by the increase in Other Operating Income and lower Administrative Expenses and.

ROE for 1H15 was 15.0%, 4.0 pp higher YoY; ROE for 2Q15 was 12.4% (5.4 pp) lower QoQ.

At the end of 2Q15, the Capitalization Ratio was 27.5% considering assets at risk. The total certificates in circulation amounted to Ps 2.44 billion. Almacénadora Banorte ranks third among the 16 warehouses of this sector in terms of profits generated.

- **Sólida Administradora de Portafolios**

During 1H15, Sólida Administradora de Portafolios reported a loss of (Ps 191) million, an annual variation of (Ps 42) million mainly due to higher valuation charges related to the fair valuation of the investment projects in housing developers and the impairment of loan portfolios, higher tax payments and provisions. **In 2Q15, Sólida Administradora de Portafolios posted an (Ps 80) million loss**, improving by Ps 31 million as a result of lower valuation charges related to the fair valuation of the investment projects in housing developers.

The Past Due Loan Ratio was 8.0% at the end of 2Q15, unchanged vs. 1Q15. **The Coverage ratio was 102.1%**, comparing favorably to the 101.6% of 1Q15 and the 44.4% of 2Q14. **The estimated Capitalization ratio at the end of 2Q15 was 17.4%**, higher by 0.4 pp vs. 1Q15 and 5.6 pp vs. 2Q14 (the later 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 | |
| Fitch | Grupo Financiero Banorte | BB | Subordinated Junior Notes (from the merged Ixe Banco) | March, 2015 |
| | | STABLE | Outlook | |
| | | bbb+ | Viability | |
| | | BBB+ | Long term foreign currency (IDR'S) | |
| | | F2 | Short term foreign currency (IDR'S) | |
| | Banco Mercantil del Norte | 5 | Support Rating-GFNorte | |
| | | NF (Not Floor) | Support Rating Floor - GFNorte | |
| | | STABLE | Outlook | |
| | | bbb+ | Viability | |
| | | BBB+ | Long term foreign currency | |
| | | F2 | Short term foreign currency | |
| | | C | Individual - Foreign Currency | |
| | | BBB- | Support Rating Floor | |
| | | 2 | Support Rating - Banco Mercantil del Norte | |
| | | BB | Subordinated Junior Notes (from the merged Ixe Banco) | |
| Moody's | Banco Mercantil del Norte | STABLE | Outlook BFSR | March, 2015 |
| | | baa1 | Baseline Credit Assessment | |
| | | STABLE | Outlook | |
| | | A3 | Long term local currency deposits | |
| | | A3 | Long term foreign currency deposits | |
| | | P-2 | Short term local currency deposits | |
| | | P-2 | Short term foreign currency deposits | |
| | | A3 | 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 | |
| | | baa1 | Adjusted baseline credit assesment | |
| | | A2 (cr) | Long term counterparty risk assesment | |
| | | Prime-1 (cr) | Short term counterparty risk assesment | |
| | Arrendadora y Factor Banorte | STABLE | Outlook | |
| | | Baa1 | Long term local currency issuer | |
| | | P-2* | Short term local currency issuer | |
| | | (P)Baa1 | 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 | |
| | | | | |
| | Arrendadora y Factor Banorte | F1+ (mex) AAA (mex) | National Scale Counterparty - Short term National Scale Counterparty- Long term | |
| | | F1+ (mex) AAA (mex) | 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 | |
| | | | | |
| Moody's | Banco Mercantil del Norte | ESTABLE AAA (mex) | Outlook National Scale | March, 2015 |
| | | STABLE AAA (mex) | Outlook Financial Strenght | February, 2015 |
| | Arrendadora y Factor Banorte | 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 |
| | | 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, 2015 |

INFRASTRUCTURE

| INFRASTRUCTURE | 2Q14 | 1Q15 | 2Q15 |
|-----------------------|----------------|----------------|----------------|
| Employees (1) | 27,411 | 27,376 | 26,979 |
| Branches (2) | 1,267 | 1,270 | 1,184 |
| INB | 20 | 20 | 20 |
| ATM's | 7,045 | 7,062 | 7,135 |
| POS's | 151,112 | 159,066 | 151,114 |

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 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 | Victor Galeano | Buy | 13-Jul-15 |
| BBVA | Ernesto Gabilondo | Buy | 6-Jul-15 |
| Bradesco | Bruno Chemmer | Buy | 16-Apr-15 |
| Brasil Plural | Eduardo Nishio | Buy | 24-Apr-15 |
| BTG Pactual | Eduardo Rosman | Buy | 13-Jul-15 |
| Burkernroad | Lourdes Palma | Buy | 31-Jul-13 |
| BX+ | Paulina Nuñez | Buy | 24-Apr-15 |
| Citi | Daniel Abut | Buy | 4-Jun-15 |
| Credit Suisse | Marcello Telles | Buy | 12-Jul-15 |
| Finamex | Rodrigo Ledesma | Buy | 20-Nov-14 |
| HSBC | Carlos Gomez | Buy | 20-Nov-14 |
| Intercam | Sofía Robles | Buy | 27-Apr-15 |
| JP Morgan | Saul Martinez | Buy | 14-Jul-15 |
| Nomura | Daragh Quinn | Buy | 27-Jan-15 |
| UBS | Philip Finch | Buy | 13-Jul-15 |
| Vector | Rafael Escobar | Buy | 2-Dec-14 |
| BOFA - Merrill Lynch | Mario Pierry | Hold | 15-Jul-15 |
| Deutsche Bank | Tito Labarta | Hold | 14-Jul-15 |
| GBM | Lilian Ochoa | Hold | 24-Apr-15 |
| Goldman Sachs | Carlos Macedo | Hold | 13-Jul-15 |
| Interacciones | Enrique Mendoza | Hold | 16-Jul-15 |
| Invex | Ana Sepulveda | Hold | 12-May-15 |
| Itaú BBA | Thiago Batista | Hold | 14-May-15 |
| Monex | Valeria Romo | Hold | 14-Aug-14 |
| Morgan Stanley | Jorge Kuri | Hold | 24-Apr-15 |
| Nau | Iñigo Vega | Hold | 13-Jul-15 |
| Santander | Boris Molina | Hold | 23-Apr-15 |
| Scotiabank | Claudia Benavente | Hold | 13-Jul-15 |

GRUPO FINANCIERO – GENERAL INFORMATION

| GFNorte Ownership of Subsidiaries | 2Q15 |
|---|---------|
| Banco Mercantil del Norte, S.A. (1) | 98.22% |
| Banorte USA (2) | 100.00% |
| Afore XXI Banorte S.A. de C.V. (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 June '15 |
| Number of Issued Shares | 2,773.73 |
| Number of Shares Outstanding | 2,773.73 |
| Shares held in the bank's Treasury | 0.00 |

Integration of the Board of Directors as of June 2015

Board of Directors for the fiscal year 2015, appointed and approved in the Annual General Shareholders' Meeting held on April 24, 2015.

| Grupo Financiero Banorte | |
|---------------------------------|-------------|
| Board of Directors | |
| PROPRIETARY MEMBERS | |
| Carlos Hank González | Chairman |
| Juan Antonio González Moreno | |
| David Villarreal Montemayor | |
| José Marcos Ramírez Miguel | |
| Everardo Elizondo Almaguer | Independent |
| Patricia Armendáriz Guerra | Independent |
| Héctor Reyes-Retana y Dahl | Independent |
| Juan Carlos Braniff Hierro | Independent |
| Armando Garza Sada | Independent |
| Alfredo Elías Ayub | Independent |
| Adrián Sada Cueva | Independent |
| Miguel Alemán Magnani | Independent |
| Alejandro Burillo Azcárraga | Independent |
| José Antonio Chedraui Eguía | Independent |
| Alfonso de Angoitia Noriega | Independent |
| ALTERNATE MEMBERS | |
| Graciela González Moreno | |
| Juan Antonio González Marcos | |
| José María Garza Treviño | Independent |
| Robert William Chandler Edwards | Independent |
| Alberto Halabe Hamui | Independent |
| Roberto Kelleher Vales | Independent |
| Manuel Aznar Nicolin | Independent |
| Guillermo Mascareñas Milmo | Independent |
| Ramón A. Leal Chapa | Independent |
| Isaac Becker Kabacnik | Independent |
| Eduardo Livas Cantú | Independent |
| Lorenzo Lazo Margain | Independent |
| Javier Braun Burillo | Independent |
| Rafael Contreras Grosskelwing | Independent |
| Guadalupe Phillips Margain | Independent |

| Group's Main Officers 2Q15 | |
|----------------------------------|---|
| NAME | CURRENT POSITION |
| José Marcos Ramírez Miguel | Chief Executive Officer, Grupo Financiero Banorte |
| BUSINESS UNITS | |
| Armando Rodal Espinosa | Managing Director – Wholesale Banking |
| Carlos Eduardo Martínez González | Managing Director – Retail Banking |
| Manuel Romo Villafuerte | Managing Director – Consumer Products |
| Fernando Solís Soberón | Managing Director – Long Term Savings |
| STAFF | |
| Rafael Arana de la Garza | Chief Operating Officer & Chief Financial Officer |
| David Aarón Margolin Schabes | Chief Risk Officer |
| Luis Fernando Orozco Mancera | Chief Credit Officer |
| Isaías Velazquez González | Managing Director - Internal Audit |

HOLDING

| Income Statement-Holding (Million Pesos) | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 2014 | 1H15 |
| Income Subsidiaries | 3,646 | 3,780 | 3,968 | 3,852 | 3,900 | 4,020 | 15,246 | 7,920 |
| Interest Income | 44 | 22 | 20 | 7 | 3 | 8 | 93 | 11 |
| 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 | 26 | 113 | 52 |
| Pre-Tax Income | 3,664 | 3,774 | 3,960 | 3,827 | 3,876 | 4,003 | 15,226 | 7,879 |
| Income Tax | - | - | - | - | - | - | - | - |
| Tax on Assets | - | - | - | - | - | - | - | - |
| Deferred Income Tax | 0 | (0) | (118) | (9) | (4) | (1) | (127) | (5) |
| Taxes | 0 | (0) | (118) | (9) | (4) | (1) | (127) | (5) |
| Net Income from Continuous Operations | 3,664 | 3,774 | 4,078 | 3,837 | 3,880 | 4,003 | 15,354 | 7,884 |
| Extraordinary Items, net | - | - | - | - | - | - | - | - |
| Net Income | 3,664 | 3,774 | 4,078 | 3,837 | 3,880 | 4,003 | 15,354 | 7,884 |

| Holding - Balance Sheet <i>(Million Pesos)</i> | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | | |
| Cash and Due from Banks | | 305 | 279 | 231 | 99 | 30 | 92 |
| Margin Accounts | | - | - | - | - | - | - |
| Investment in Securities | | - | - | - | - | - | - |
| Non-assigned Securities for Settlement | | - | - | - | - | - | - |
| Debtor Balance in Repo Trans, net | | 2,400 | 2,100 | 1,300 | 500 | 190 | 1,260 |
| Securities Lending | | - | - | - | - | - | - |
| Transactions with Derivatives | | - | - | - | - | - | - |
| Operations w/Derivatives & Securities | | 2,400 | 2,100 | 1,300 | 500 | 190 | 1,260 |
| 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 | 61 |
| Inventories | | - | - | - | - | - | - |
| Foreclosed Assets, Net | | - | - | - | - | - | - |
| Real Estate, Furniture & Equipment, Net | | - | - | - | - | - | - |
| Investment in Subsidiaries | | 95,903 | 100,536 | 104,631 | 109,558 | 113,124 | 114,658 |
| Long-term assets held for sale | | - | - | - | - | - | - |
| Deferred Taxes, Net | | 4 | 4 | 122 | 131 | 136 | 136 |
| Goodwill and Intangibles | | 10,909 | 10,886 | 10,863 | 10,840 | 10,819 | 10,796 |
| Other Assets Short and Long Term | | - | - | - | - | - | - |
| Other Assets | | - | - | - | - | - | - |
| | | 106,870 | 111,483 | 115,677 | 120,593 | 124,141 | 125,651 |
| TOTAL ASSETS | | 109,575 | 113,863 | 117,209 | 121,191 | 124,361 | 127,003 |

| Holding - Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 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 | 676 |
| Subordinated Non Convertible Debt | | - | - | - | - | - | - |
| Deferred Taxes, Net | | - | - | - | - | - | - |
| Deferred Credits | | - | - | - | - | - | - |
| TOTAL LIABILITIES | | 0 | 0 | - | 1 | 10 | 676 |
| EQUITY | | | | | | | |
| Paid-in Capital | | 14,664 | 14,664 | 14,664 | 14,648 | 14,643 | 14,614 |
| Provision for future capital increase not formalized by its governing entity | | - | - | - | - | - | - |
| Share Subscription Premiums | | 35,500 | 35,797 | 35,815 | 36,334 | 36,207 | 36,371 |
| Subordinated Convertible Debentures | | - | - | - | - | - | - |
| Subscribed Capital | | 50,163 | 50,460 | 50,479 | 50,983 | 50,850 | 50,985 |
| Capital Reserves | | 5,811 | 7,014 | 7,014 | 6,657 | 6,563 | 5,854 |
| Retained Earnings | | 50,846 | 49,628 | 49,105 | 48,429 | 63,123 | 61,770 |
| Surplus (Deficit) of Secs Available for Sale | | 734 | 833 | 541 | 605 | 779 | 74 |
| Results from Valuation of Hedging Secs | | (734) | (594) | (709) | (762) | (1,026) | (578) |
| Results from Conversions | | (909) | (916) | (737) | (75) | 181 | 339 |
| 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 | 7,884 |
| Earned Capital | | 59,411 | 63,403 | 66,730 | 70,208 | 73,501 | 75,342 |
| Minority Interest | | - | - | - | - | - | - |
| Total Equity | | 109,575 | 113,863 | 117,209 | 121,191 | 124,351 | 126,327 |
| TOTAL LIABILITIES & EQUITY | | 109,575 | 113,863 | 117,209 | 121,191 | 124,361 | 127,003 |

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

GRUPO FINANCIERO BANORTE

| Income Statement -GFNorte (Million Pesos) | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 2014 | 1H15 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Interest Income | 17,835 | 16,985 | 17,009 | 18,511 | 16,612 | 16,501 | 70,341 | 33,113 |
| Interest Expense | 7,213 | 7,256 | 6,428 | 6,597 | 5,556 | 5,986 | 27,494 | 11,542 |
| Charged Fees | 338 | 325 | 441 | 1,134 | 284 | 297 | 2,238 | 581 |
| Fees Paid | 85 | 95 | 100 | 88 | 90 | 96 | 367 | 186 |
| Net Interest Income from interest & fees (NII) | 10,875 | 9,960 | 10,923 | 12,960 | 11,251 | 10,716 | 44,718 | 21,966 |
| Premium Income (Net) | 4,971 | 3,914 | 4,507 | 5,301 | 5,337 | 4,535 | 18,693 | 9,872 |
| Net Increase in Technical Reserves | 3,109 | 1,021 | 2,119 | 3,406 | 2,478 | 1,130 | 9,655 | 3,608 |
| Damages, Claims and Other Obligations | 2,385 | 2,425 | 2,436 | 2,412 | 2,475 | 2,543 | 9,659 | 5,018 |
| Net Interest Income (NII) | 10,352 | 10,428 | 10,875 | 12,441 | 11,635 | 11,577 | 44,096 | 23,212 |
| Preventive Provisions for Loan Losses | 2,380 | 2,851 | 3,253 | 2,712 | 2,605 | 2,778 | 11,196 | 5,383 |
| Net Interest Income Adjusted for Credit Risk | 7,972 | 7,577 | 7,622 | 9,729 | 9,030 | 8,799 | 32,900 | 17,829 |
| Fees for Commercial and Mortgage Loans | 3 | 2 | 2 | 2 | 1 | 2 | 9 | 3 |
| Fund Transfers | 146 | 158 | 161 | 173 | 209 | 195 | 637 | 404 |
| Account Management Fees | 351 | 374 | 378 | 397 | 459 | 521 | 1,499 | 980 |
| Fiduciary | 82 | 101 | 83 | 96 | 111 | 87 | 362 | 198 |
| Other Fees | 635 | 594 | 660 | 958 | 753 | 792 | 2,847 | 1,544 |
| Income from Real Estate Portfolios | 40 | 57 | 51 | 39 | 23 | 21 | 187 | 43 |
| Electronic Banking Services | 1,034 | 1,085 | 1,126 | 1,242 | 1,193 | 1,240 | 4,486 | 2,433 |
| For Consumer and Credit Card Loans | 676 | 667 | 705 | 744 | 703 | 745 | 2,792 | 1,447 |
| Fees Charged on Services | 2,967 | 3,037 | 3,167 | 3,649 | 3,451 | 3,602 | 12,820 | 7,053 |
| Fund transfers | 13 | 13 | 8 | 11 | 16 | 13 | 45 | 29 |
| Other Fees | 972 | 990 | 1,075 | 1,185 | 1,187 | 1,092 | 4,222 | 2,279 |
| Amortization of Loan Portfolio | - | - | - | - | - | - | - | - |
| Fees Paid on Services | 986 | 1,003 | 1,083 | 1,196 | 1,203 | 1,105 | 4,268 | 2,308 |
| Foreign Exchange | 343 | 280 | 226 | 236 | 402 | 118 | 1,085 | 520 |
| Securities-Realized Gains | 481 | 677 | 823 | 340 | 477 | 298 | 2,322 | 775 |
| Securities-Unrealized Gains | 292 | 606 | 317 | (202) | 74 | 401 | 1,013 | 475 |
| Trading Income | 1,116 | 1,563 | 1,366 | 375 | 953 | 817 | 4,420 | 1,770 |
| Loan Recoveries | 241 | 225 | 226 | 264 | 299 | 317 | 956 | 616 |
| Income from foreclosed assets | (100) | (68) | (16) | 55 | 13 | (6) | (130) | 7 |
| Other Operating Income | 129 | 116 | 76 | 102 | 48 | 125 | 424 | 173 |
| Other Operating Expense | (77) | (16) | (48) | (87) | (266) | (102) | (229) | (368) |
| Other Products | 761 | 712 | 1,458 | 490 | 1,219 | 539 | 3,421 | 1,758 |
| Other Recoveries | 318 | 193 | 277 | 429 | 208 | 85 | 1,217 | 293 |
| Other Operating Expense | (781) | (669) | (1,072) | (538) | (1,283) | (613) | (3,060) | (1,896) |
| Other Operating Income (Expense) from Insurance and Annuities | 183 | 150 | 155 | 173 | 185 | 174 | 660 | 359 |
| Total Other Operating Income (Expense) | 673 | 643 | 1,057 | 887 | 423 | 519 | 3,260 | 941 |
| Total Non Interest Income | 3,770 | 4,241 | 4,506 | 3,715 | 3,624 | 3,833 | 16,233 | 7,457 |
| Total Operating Income | 11,742 | 11,818 | 12,128 | 13,444 | 12,654 | 12,632 | 49,133 | 25,286 |
| Personnel | 3,074 | 3,029 | 2,829 | 4,054 | 3,390 | 3,234 | 12,986 | 6,624 |
| Employee Profit Sharing (PTU) | 103 | 101 | 101 | 74 | 98 | 96 | 379 | 193 |
| Professional Fees | 645 | 693 | 762 | 900 | 515 | 610 | 3,000 | 1,125 |
| Administrative and Promotional Expenses | 1,249 | 1,397 | 1,434 | 1,599 | 1,722 | 1,735 | 5,679 | 3,457 |
| Rents, Depreciation & Amortization | 848 | 913 | 928 | 958 | 992 | 1,000 | 3,648 | 1,993 |
| Taxes other than income tax & non deductible expenses | 467 | 314 | 356 | 517 | 444 | 377 | 1,653 | 821 |
| Contributions to IPAB/Fobaproa | 459 | 466 | 474 | 487 | 510 | 523 | 1,887 | 1,033 |
| Total Non Interest Expense | 6,845 | 6,913 | 6,884 | 8,590 | 7,670 | 7,575 | 29,232 | 15,246 |
| Operating Income | 4,897 | 4,906 | 5,244 | 4,855 | 4,983 | 5,057 | 19,901 | 10,040 |
| Subsidiaries' Net Income | 293 | 349 | 248 | 329 | 279 | 345 | 1,220 | 623 |
| Pre-Tax Income | 5,190 | 5,255 | 5,492 | 5,184 | 5,262 | 5,402 | 21,121 | 10,664 |
| Income Tax | 2,108 | 1,908 | 2,408 | 1,617 | 1,208 | 1,537 | 8,040 | 2,744 |
| Tax on Assets | - | - | - | - | - | - | - | - |
| Deferred Income Tax | (608) | (448) | (1,011) | (305) | 121 | (193) | (2,372) | (73) |
| Taxes | 1,500 | 1,460 | 1,397 | 1,312 | 1,328 | 1,343 | 5,668 | 2,671 |
| Net Income from Continuous Operations | 3,691 | 3,795 | 4,095 | 3,872 | 3,934 | 4,058 | 15,453 | 7,992 |
| Extraordinary Items, net | - | - | - | - | - | - | - | - |
| Minority Interest | (63) | (56) | (54) | (52) | (54) | (55) | (225) | (109) |
| Net Income | 3,628 | 3,739 | 4,042 | 3,819 | 3,880 | 4,003 | 15,228 | 7,883 |

| GFNorte - Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | | | |
| Cash and Due from Banks | | 70,120 | 72,074 | 70,541 | 73,838 | 83,716 | 85,551 |
| Margin Accounts | | 74 | 100 | 72 | 45 | 97 | 160 |
| Negotiable Instruments | | 247,302 | 240,754 | 234,133 | 248,976 | 294,182 | 295,065 |
| Securities Available for Sale | | 83,281 | 78,144 | 92,465 | 104,937 | 117,709 | 117,035 |
| Securities Held to Maturity | | 92,839 | 88,571 | 86,860 | 77,736 | 80,371 | 78,694 |
| Investment in Securities | | 423,422 | 407,470 | 413,459 | 431,649 | 492,263 | 490,794 |
| Non-assigned Securities for Settlement | | - | - | - | - | - | - |
| Debtor Balance in Repo Trans, net | | 378 | 51 | 8 | 871 | 1 | 0 |
| Securities Lending | | - | - | - | - | - | - |
| For trading purposes | | 14,050 | 17,786 | 15,106 | 16,510 | 19,211 | 19,000 |
| For hedging purposes | | 76 | 371 | 246 | 86 | 137 | 151 |
| Operations w/Derivatives & Securities | | - | - | - | - | - | - |
| Transactions with Derivatives | | 14,126 | 18,157 | 15,351 | 16,597 | 19,347 | 19,152 |
| Operations w/Derivatives & Securities | | 14,504 | 18,208 | 15,360 | 17,468 | 19,349 | 19,152 |
| Valuation adjustments for Asset Coverage | | 154 | 150 | 147 | 143 | 139 | 136 |
| Commercial Loans | | 182,202 | 182,992 | 182,257 | 191,189 | 190,682 | 192,050 |
| Financial Intermediaries' Loans | | 3,419 | 3,825 | 3,624 | 3,316 | 3,156 | 3,301 |
| Consumer Loans | | 60,153 | 62,542 | 67,065 | 68,383 | 69,597 | 72,118 |
| Mortgage Loans | | 83,153 | 85,040 | 87,003 | 89,918 | 91,288 | 93,844 |
| Government Entities' Loans | | 98,625 | 100,344 | 104,995 | 118,962 | 125,085 | 124,704 |
| Loans granted as Federal Agent | | - | - | - | - | - | - |
| Performing Loans | | 427,553 | 434,743 | 444,944 | 471,768 | 479,808 | 486,017 |
| Commercial PDL's | | 9,989 | 10,442 | 11,377 | 10,649 | 9,980 | 10,162 |
| Financial Intermediaries PDL's | | 0 | 1 | 1 | 1 | 1 | 0 |
| Consumer PDL's | | 2,058 | 2,416 | 2,371 | 2,370 | 2,318 | 2,685 |
| Mortgage PDL's | | 1,101 | 1,153 | 1,202 | 1,274 | 1,175 | 1,149 |
| Government Entities PDL's | | 1 | 1 | - | - | - | - |
| Past Due Loans | | 13,151 | 14,012 | 14,951 | 14,293 | 13,474 | 13,996 |
| Gross Loan Portfolio | | 440,704 | 448,754 | 459,896 | 486,061 | 493,282 | 500,012 |
| Preventive Loan Loss Reserves | | 13,909 | 14,642 | 15,550 | 15,287 | 14,571 | 14,734 |
| Net Loan Portfolio | | 426,794 | 434,113 | 444,345 | 470,774 | 478,711 | 485,278 |
| Acquired Collection Rights | | 3,273 | 3,137 | 3,050 | 2,984 | 2,860 | 2,651 |
| Total Credit Portfolio | | 430,067 | 437,249 | 447,395 | 473,759 | 481,571 | 487,929 |
| Account Receivables from Insurance and Annuities | | 1,385 | 1,713 | 2,200 | 1,934 | 2,167 | 2,444 |
| Premium Debtors (Net) | | 4,695 | 5,668 | 3,535 | 4,502 | 5,952 | 5,477 |
| Account Receivables from Reinsurance | | 3,367 | 4,856 | 5,431 | 5,967 | 5,865 | 6,864 |
| Benef.receivab.securization transactions | | 729 | 789 | 691 | 587 | 583 | 505 |
| Sundry Debtors & Other Accs Rec, Net | | 37,448 | 28,175 | 31,268 | 26,646 | 31,845 | 34,191 |
| Inventories | | 442 | 657 | 459 | 922 | 422 | 688 |
| Foreclosed Assets, Net | | 2,611 | 2,670 | 2,546 | 2,731 | 2,678 | 2,526 |
| Real Estate, Furniture & Equipment, Net | | 12,277 | 12,253 | 12,320 | 12,845 | 13,191 | 13,468 |
| Investment in Subsidiaries | | 14,510 | 13,731 | 13,982 | 13,916 | 13,115 | 13,440 |
| Long-term assets held for sale | | - | - | - | - | - | - |
| Deferred Taxes, Net | | 436 | 885 | 1,845 | 2,311 | 2,293 | 2,378 |
| Goodwill and Intangibles | | 21,893 | 22,740 | 23,030 | 24,697 | 23,901 | 25,145 |
| Other Assets Short and Long Term | | 4,399 | 4,391 | 4,361 | 4,022 | 4,037 | 3,959 |
| Other Assets | | - | - | - | - | - | - |
| | | 104,192 | 98,529 | 101,668 | 101,081 | 106,050 | 111,085 |
| TOTAL ASSETS | | 1,042,534 | 1,033,781 | 1,048,642 | 1,097,982 | 1,183,186 | 1,194,806 |

| GFNorte - Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|
| LIABILITIES | | | | | | | |
| Demand Deposits | | 252,652 | 263,672 | 276,545 | 298,852 | 306,474 | 311,439 |
| Time Deposits-Retail | | 186,461 | 179,225 | 180,569 | 185,220 | 194,351 | 196,146 |
| Time Deposits-Money Market | | 10,745 | 2,805 | 1,518 | 8,444 | 8,076 | 10,108 |
| Special Funds | | - | - | - | - | - | - |
| Senior Unsecured Debt | | 5,482 | 5,115 | 5,011 | 5,406 | 4,997 | 5,177 |
| Deposits | | 455,340 | 450,817 | 463,644 | 497,922 | 513,899 | 522,870 |
| Immediate Redemption Loans | | 0 | 7,809 | 0 | 0 | 0 | 0 |
| Short Term Loans | | 18,942 | 19,137 | 18,155 | 21,082 | 17,172 | 17,546 |
| Long Term Loans | | 7,382 | 7,585 | 9,077 | 9,002 | 11,324 | 12,438 |
| Due to Banks & Correspondents | | 26,324 | 34,531 | 27,232 | 30,084 | 28,496 | 29,984 |
| Technical Reserves | | 65,182 | 67,970 | 70,256 | 73,693 | 76,450 | 78,753 |
| Non-assigned Securities for Settlement | | - | - | - | - | - | - |
| Creditor Balance in Repo Trans, Net | | 317,580 | 292,593 | 296,061 | 306,602 | 360,901 | 362,801 |
| Secs to be received in Repo Trans, Net | | - | - | - | - | - | - |
| Repos (Credit Balance) | | 32 | 0 | 7 | 154 | 19 | 41 |
| Securities' Loans | | - | - | - | - | - | - |
| Transactions with Derivatives | | - | - | - | - | - | - |
| Other sold collateral | | - | - | - | - | - | - |
| Total Collateral sold | | 32 | 0 | 7 | 154 | 19 | 41 |
| For trading purposes | | 14,140 | 17,704 | 15,201 | 17,271 | 19,664 | 19,495 |
| For hedging purposes | | 3,583 | 3,071 | 3,041 | 4,020 | 3,381 | 3,556 |
| Operations w/ Derivatives & Securities | | - | - | - | - | - | - |
| Transactions with Derivatives | | 17,723 | 20,775 | 18,242 | 21,291 | 23,045 | 23,050 |
| Total Operations w/ Derivatives & Securities | | 335,335 | 313,368 | 314,310 | 328,046 | 383,965 | 385,892 |
| Valuation adjustments for financial liability coverage | | - | - | - | - | - | - |
| Obligations in securitization transactions | | 0 | 0 | 0 | 0 | 0 | - |
| Payable Accounts for Reinsurance | | 1,054 | 2,449 | 796 | 1,619 | 2,094 | 1,477 |
| Income Tax Payable | | 1,917 | 2,816 | 4,547 | 5,380 | 1,681 | 1,572 |
| Profit Sharing Payable | | 130 | 206 | 304 | 373 | 145 | 217 |
| 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 | 8,747 |
| Margin Accounts Payable | | - | - | - | - | - | - |
| Other Creditors & Accounts Payable | | 13,502 | 15,510 | 16,168 | 15,041 | 15,484 | 16,950 |
| Other Payable Accounts | | 25,480 | 29,210 | 33,375 | 24,019 | 32,306 | 27,485 |
| Subordinated Non Convertible Debt | | 18,083 | 15,788 | 16,021 | 16,468 | 16,712 | 16,790 |
| Deferred Taxes, Net | | - | - | - | - | - | - |
| Deferred Credits | | 2,511 | 2,412 | 2,389 | 1,459 | 1,413 | 1,400 |
| TOTAL LIABILITIES | | 929,310 | 916,544 | 928,026 | 973,311 | 1,055,334 | 1,064,652 |
| EQUITY | | | | | | | |
| Paid-in Capital | | 14,647 | 14,647 | 14,647 | 14,632 | 14,627 | 14,610 |
| Provision for future capital increase not formalized by its governing entity | | - | - | - | - | - | - |
| Share Subscription Premiums | | 35,349 | 35,664 | 35,682 | 36,201 | 36,079 | 36,527 |
| Subordinated Convertible Debentures | | - | - | - | - | - | - |
| Subscribed Capital | | 49,995 | 50,311 | 50,330 | 50,833 | 50,706 | 51,137 |
| Capital Reserves | | 5,811 | 7,014 | 7,014 | 6,657 | 6,563 | 5,854 |
| Retained Earnings | | 52,823 | 51,605 | 51,082 | 50,407 | 64,974 | 63,622 |
| Surplus (Deficit) of Secs Available for Sale | | 732 | 808 | 554 | 634 | 773 | 75 |
| Results from Valuation of Hedging Secs | | (734) | (594) | (709) | (762) | (1,026) | (578) |
| Results from Conversions | | (909) | (916) | (737) | (75) | 181 | 339 |
| 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 | 7,883 |
| Earned Capital | | 61,350 | 65,284 | 68,611 | 72,089 | 75,346 | 77,195 |
| Minority Interest | | 1,878 | 1,642 | 1,675 | 1,750 | 1,799 | 1,823 |
| Total Equity | | 113,224 | 117,237 | 120,616 | 124,672 | 127,851 | 130,154 |
| TOTAL LIABILITIES & EQUITY | | 1,042,534 | 1,033,781 | 1,048,642 | 1,097,982 | 1,183,186 | 1,194,806 |

| GFNorte - Memorandum Accounts (Million Pesos) | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|------------------|------------------|----------------|----------------|----------------|------------------|
| On behalf of Third Parties | | | | | | |
| Customer's Banks | 264 | 117 | 39 | 52 | 22 | 252 |
| Dividends Receivable from Customers | - | - | - | - | - | - |
| Interest Receivable from Customers | - | - | - | - | - | - |
| Settlement of Customer Transactions | (193) | (123) | (28) | (21) | (2) | (18) |
| Customer Premiums | - | - | - | - | - | - |
| Settlement with Clients' Foreign Currency | - | - | - | - | - | - |
| Margin Accounts in Futures' Operations | - | - | - | - | - | - |
| Other Current Accounts | - | - | - | - | - | - |
| Customers' Current Account | 71 | (7) | 12 | 32 | 20 | 234 |
| Client Securities Received in Custody | 546,591 | 592,850 | 625,248 | 588,561 | 592,356 | 594,403 |
| Securities and Documents Received in Guarantee | - | - | - | - | - | - |
| Client Securities Abroad | - | - | - | - | - | - |
| Clients' Securities | 546,591 | 592,850 | 625,248 | 588,561 | 592,356 | 594,403 |
| Clients' Repurchase Operations | 77,927 | 52,824 | 59,524 | 98,802 | 112,425 | 126,824 |
| Clients' Repo Transactions w/ Securities | - | - | - | - | - | - |
| Collateral received in guarantee for customer accounts | 76,581 | 51,573 | 58,283 | 97,555 | 111,981 | 126,381 |
| 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 | 73,549 |
| Transactions On Behalf of Clients | 218,788 | 176,810 | 193,655 | 273,214 | 301,550 | 326,754 |
| Investment bank Trans on Behalf of Third (Net) | 85,548 | 99,955 | 94,013 | 90,769 | 91,311 | 98,221 |
| TOTAL ON BEHALF OF THIRD PARTIES | 850,998 | 869,609 | 912,928 | 952,576 | 985,237 | 1,019,612 |
| Endorsement Guarantees Granted | | | | | | |
| Loan Obligations | 28,616 | 31,840 | 29,682 | 43,023 | 46,200 | 72,508 |
| Trusts | 167,885 | 187,006 | 205,556 | 212,425 | 211,808 | 217,386 |
| Mandates | 10,090 | 8,957 | 9,031 | 9,002 | 596 | 9,524 |
| Properties in Trusts and Warrant | 177,975 | 195,963 | 214,587 | 221,427 | 212,405 | 226,910 |
| Properties in Custody or Administration | 484,554 | 489,633 | 438,328 | 433,473 | 441,489 | 449,344 |
| Collateral Received | 147,461 | 154,390 | 110,293 | 97,855 | 83,491 | 87,699 |
| Collateral Received or sold or delivered | 171,305 | 153,445 | 115,920 | 142,005 | 142,879 | 161,124 |
| Drafts in Transit | - | - | - | - | - | - |
| Deposits of assets | 2,404 | 2,083 | 1,633 | 3,346 | 2,688 | 2,440 |
| 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 | 5 |
| Uncollected Accrued Interest from Past Due Loans | 421 | 454 | 495 | 548 | 468 | 492 |
| Investments of Retirement Savings Funds | - | - | - | - | - | - |
| Integration of the Credit Portfolio | - | - | - | - | - | - |
| Amounts Contracted in Derivatives | - | - | - | - | - | - |
| Other Registration Accounts | - | - | - | - | - | 85,224 |
| Proprietary Transactions | 1,012,734 | 1,027,808 | 910,938 | 941,678 | 929,620 | 1,085,747 |
| 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 | 1,085,747 |

| GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW | |
|--|----------------|
| JANUARY 1, 2015 – JUNE30, 2015 | |
| (Million Pesos) | |
| Net Income | 7,883 |
| Items charged to results that do not generate or require use of resources | |
| Depreciation | 668 |
| Technical Reserves | 3,608 |
| Provisions | (5,215) |
| Income taxes and deferred | 2,671 |
| Minority Interest | (514) |
| | 1,218 |
| | 9,101 |
| Change in items related to operations | |
| Change in Margin Accounts | (114) |
| Change in Investment in Securities | (58,661) |
| Change in repo debtors | 871 |
| Change in derivatives (assets) | (2,482) |
| Change in Loan Portfolio (net) | (13,607) |
| Change in purchased receivables (net) | 333 |
| Change in accounts receivable insurance and bonding institutions (net) | (510) |
| Change in debtor premiums | (975) |
| Change in Reinsurance | (897) |
| Change in benefits to receive from securitizations | 82 |
| Change in foreclosed assets (net) | 210 |
| Change in other operating assets (net) | (7,793) |
| Change in core deposits | 23,605 |
| Change in interbank loans and other entities | (119) |
| Change in repo creditors | 56,200 |
| Change in collateral pledged sold | (113) |
| Change in derivatives (liability) | 2,224 |
| Change in Technical Reserves (net) | 1,452 |
| Change in Reinsurance (net) (liability) | (141) |
| Change in subordinated debt with characteristics of liabilities | 302 |
| Change in other operating liabilities | 12,340 |
| Change in hedging instruments (the related hedged transaction) | (529) |
| Income Tax Payments | (6,541) |
| Net cash generated or used from operations | 14,238 |
| Investment Activities | |
| Charges for disposal of property, furniture and equipment | 412 |
| Payments for acquisition of property, furniture and equipment | (1,663) |
| Charges for cash dividends | 1,119 |
| Net cash generated or used from investment activities | (132) |
| Financing Activities | |
| Payments of cash dividends | (1,350) |
| Payments associated with the repurchase of proprietary shares | (1,141) |
| Net cash flows from financing activities | (2,491) |
| Net Cash Increase (decrease) | 11,615 |
| Effects for changes in cash and equivalents value | 98 |
| Cash and cash equivalents at beginning of period | 73,838 |
| Cash and cash equivalents at end of period | 85,551 |

| GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY | | | | | | | | | | |
|---|--------------------------|---------------------------------------|---------------------|----------------------|--|---|-----------------------------|-----------------|-------------------|----------------------------------|
| JANUARY 1, 2014 – JUNE 30, 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 | (22) | 335 | (803) | | (28) | | | | | (518) |
| Capitalization of profits | | | | 15,228 | | | | (15,228) | | 0 |
| Dividends declared by the Ordinary General Shareholders' Meeting held on: | | | | | | | | | | |
| January 21, 2015 | | | | (675) | | | | | | (675) |
| April 24, 2015 | | | | (1,351) | | | | | | (1,351) |
| Total | (22) | 335 | (803) | 13,202 | (28) | 0 | 0 | (15,228) | 0 | (2,544) |
| Changes stemming from profits | | | | | | | | | | |
| Net Income | | | | | | | | 7,883 | | 7,883 |
| Result from valuation of securities available for sale | | | | | (531) | | | | | (531) |
| Effect of subsidiaries, associates and mutual funds | | (9) | | 13 | | | 414 | | | 418 |
| Result from valuation of instruments of cash flow hedges | | | | | | 184 | | | | 184 |
| Total | 0 | (9) | 0 | 13 | (531) | 184 | 414 | 7,883 | 0 | 7,954 |
| Recognition of minority interest | | | | | | | | | 73 | 73 |
| Balance as of June 30, 2015 | 14,610 | 36,527 | 5,854 | 63,622 | 75 | (578) | 339 | 7,883 | 1,823 | 130,155 |

BANKING SECTOR

| Income Statement -Banking Sector | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 2014 | 1H15 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (Million Pesos) | | | | | | | | |
| Interest Income | 14,005 | 14,276 | 13,867 | 14,208 | 14,283 | 14,429 | 56,356 | 28,711 |
| Interest Expense | 5,225 | 5,229 | 4,641 | 4,543 | 4,688 | 4,807 | 19,638 | 9,494 |
| Charged Fees | 338 | 325 | 441 | 1,133 | 283 | 295 | 2,237 | 578 |
| Fees Paid | 85 | 95 | 99 | 86 | 88 | 94 | 365 | 182 |
| Net Interest Income from interest & fees (NII) | 9,033 | 9,277 | 9,567 | 10,712 | 9,790 | 9,823 | 38,589 | 19,613 |
| Premium Income (Net) | - | - | - | - | - | - | - | - |
| Net Increase in Technical Reserves | - | - | - | - | - | - | - | - |
| Damages, Claims and Other Obligations | - | - | - | - | - | - | - | - |
| Net Interest Income (NII) | 9,033 | 9,277 | 9,567 | 10,712 | 9,790 | 9,823 | 38,589 | 19,613 |
| Preventive Provisions for Loan Losses | 2,369 | 2,826 | 3,208 | 2,704 | 2,539 | 2,690 | 11,107 | 5,229 |
| Net Interest Income Adjusted for Credit Risk | 6,664 | 6,451 | 6,359 | 8,008 | 7,250 | 7,133 | 27,482 | 14,384 |
| Fees for Commercial and Mortgage Loans | 3 | 2 | 2 | 2 | 1 | 2 | 9 | 3 |
| Fund Transfers | 146 | 158 | 161 | 173 | 209 | 195 | 637 | 404 |
| Account Management Fees | 351 | 374 | 378 | 397 | 459 | 521 | 1,499 | 980 |
| Fiduciary | 81 | 100 | 83 | 95 | 111 | 87 | 360 | 197 |
| Other Fees | 430 | 398 | 423 | 639 | 495 | 503 | 1,890 | 999 |
| Income from Real Estate Portfolios | 6 | 5 | 18 | 21 | 6 | 4 | 49 | 10 |
| Electronic Banking Services | 1,034 | 1,085 | 1,126 | 1,242 | 1,193 | 1,240 | 4,486 | 2,433 |
| For Consumer and Credit Card Loans | 676 | 667 | 705 | 744 | 703 | 745 | 2,792 | 1,447 |
| Fees Charged on Services | 2,726 | 2,789 | 2,896 | 3,312 | 3,177 | 3,297 | 11,723 | 6,474 |
| Fund transfers | 13 | 13 | 8 | 11 | 16 | 13 | 45 | 29 |
| Other Fees | 710 | 744 | 764 | 827 | 780 | 830 | 3,046 | 1,610 |
| Amortization of Loan Portfolio | - | - | - | - | - | - | - | - |
| Fees Paid on Services | 724 | 758 | 772 | 837 | 796 | 844 | 3,091 | 1,640 |
| Foreign Exchange | 342 | 283 | 229 | 257 | 411 | 125 | 1,111 | 536 |
| Securities-Realized Gains | 436 | 536 | 664 | 219 | 392 | 233 | 1,854 | 625 |
| Securities-Unrealized Gains | 270 | 536 | 191 | (103) | 46 | 371 | 894 | 417 |
| Trading Income | 1,048 | 1,355 | 1,083 | 372 | 850 | 728 | 3,859 | 1,578 |
| Loan Recoveries | 241 | 225 | 226 | 264 | 299 | 317 | 956 | 616 |
| Income from foreclosed assets | (107) | (81) | (26) | 65 | 7 | (16) | (149) | (9) |
| Other Operating Income | 89 | 116 | 76 | 102 | 48 | 125 | 383 | 173 |
| Other Operating Expense | (65) | (3) | (36) | (33) | (32) | (7) | (138) | (39) |
| Other Products | 199 | 363 | 667 | (65) | 201 | 153 | 1,164 | 354 |
| Other Recoveries | 270 | 76 | 204 | 375 | 139 | 63 | 925 | 202 |
| Other Operating Expense | (221) | (225) | (218) | 0 | (242) | (242) | (663) | (485) |
| Other Operating Income (Expense) from Insurance and Annuities | - | - | - | - | - | - | - | - |
| Total Other Operating Income (Expense) | 406 | 470 | 894 | 708 | 419 | 393 | 2,478 | 812 |
| Total Non Interest Income | 3,457 | 3,857 | 4,102 | 3,554 | 3,650 | 3,575 | 14,969 | 7,225 |
| Total Operating Income | 10,121 | 10,308 | 10,461 | 11,562 | 10,900 | 10,708 | 42,451 | 21,608 |
| Personnel | 2,950 | 2,884 | 2,695 | 3,912 | 3,249 | 3,092 | 12,441 | 6,341 |
| Employee Profit Sharing (PTU) | 99 | 101 | 99 | 70 | 96 | 94 | 369 | 190 |
| Professional Fees | 548 | 605 | 669 | 770 | 434 | 492 | 2,591 | 926 |
| Administrative and Promotional Expenses | 1,108 | 1,222 | 1,277 | 1,388 | 1,504 | 1,535 | 4,995 | 3,039 |
| Rents, Depreciation & Amortization | 789 | 853 | 859 | 889 | 927 | 937 | 3,391 | 1,863 |
| Taxes other than income tax & non deductible expenses | 420 | 270 | 303 | 371 | 368 | 326 | 1,364 | 694 |
| Contributions to IPAB/Fobaproa | 459 | 466 | 474 | 487 | 510 | 523 | 1,887 | 1,033 |
| Total Non Interest Expense | 6,374 | 6,401 | 6,376 | 7,887 | 7,087 | 6,999 | 27,037 | 14,086 |
| Operating Income | 3,747 | 3,907 | 4,086 | 3,675 | 3,814 | 3,709 | 15,414 | 7,522 |
| Subsidiaries' Net Income | 293 | 349 | 258 | 342 | 302 | 359 | 1,242 | 662 |
| Pre-Tax Income | 4,040 | 4,255 | 4,344 | 4,017 | 4,116 | 4,068 | 16,655 | 8,184 |
| Income Tax | 1,782 | 1,625 | 2,098 | 1,370 | 789 | 1,133 | 6,874 | 1,922 |
| Tax on Assets | - | - | - | - | - | - | - | - |
| Deferred Income Tax | (573) | (445) | (800) | (337) | 245 | (195) | (2,154) | 49 |
| Taxes | 1,209 | 1,180 | 1,298 | 1,033 | 1,034 | 938 | 4,720 | 1,972 |
| Net Income from Continuous Operations | 2,831 | 3,075 | 3,046 | 2,984 | 3,082 | 3,130 | 11,936 | 6,212 |
| Extraordinary Items, net | - | - | - | - | - | - | - | - |
| Minority Interest | (0) | (0) | (0) | 0 | (0) | (0) | (0) | (0) |
| Net Income | 2,831 | 3,075 | 3,046 | 2,984 | 3,082 | 3,130 | 11,936 | 6,212 |

| Banking Sector - Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | | |
| Cash and Due from Banks | | 70,174 | 71,828 | 70,371 | 73,622 | 83,447 | 85,248 |
| Margin Accounts | | 74 | 100 | 72 | 45 | 97 | 160 |
| Negotiable Instruments | | 184,013 | 194,110 | 193,774 | 172,478 | 208,758 | 196,688 |
| Securities Available for Sale | | 70,293 | 67,782 | 69,116 | 77,511 | 83,850 | 82,238 |
| Securities Held to Maturity | | 30,711 | 24,676 | 21,069 | 10,486 | 10,283 | 7,837 |
| Investment in Securities | | 285,017 | 286,567 | 283,959 | 260,475 | 302,891 | 286,763 |
| Non-assigned Securities for Settlement | | - | - | - | - | - | - |
| Debtor Balance in Repo Trans,net | | 0 | 51 | 8 | 1 | 1 | 0 |
| Securities Lending | | - | - | - | - | - | - |
| For trading purposes | | 14,050 | 17,786 | 15,106 | 16,510 | 19,211 | 19,000 |
| For hedging purposes | | 76 | 371 | 246 | 86 | 137 | 151 |
| Operations w/Derivatives & Securities | | - | - | - | - | - | - |
| Transactions with Derivatives | | 14,126 | 18,157 | 15,351 | 16,597 | 19,347 | 19,152 |
| Operations w/Derivatives & Securities | | 14,127 | 18,208 | 15,360 | 16,598 | 19,349 | 19,152 |
| Valuation adjustments for Asset Coverage | | 154 | 150 | 147 | 143 | 139 | 136 |
| Commercial Loans | | 165,956 | 165,932 | 165,798 | 173,857 | 173,430 | 172,994 |
| Financial Intermediaries' Loans | | 15,174 | 15,575 | 17,700 | 17,703 | 16,424 | 17,493 |
| Consumer Loans | | 60,106 | 62,499 | 62,960 | 64,652 | 66,230 | 69,090 |
| Mortgage Loans | | 83,130 | 85,017 | 86,980 | 89,918 | 91,288 | 93,844 |
| Government Entities' Loans | | 96,925 | 98,238 | 103,144 | 117,655 | 123,336 | 123,029 |
| Loans granted as Federal Agent | | - | - | - | - | - | - |
| Performing Loans | | 421,290 | 427,260 | 436,582 | 463,784 | 470,707 | 476,450 |
| Commercial PDL's | | 9,587 | 10,036 | 11,017 | 10,272 | 9,583 | 9,768 |
| Financial Intermediaries PDL's | | 0 | 1 | 1 | 1 | 1 | 0 |
| Consumer PDL's | | 2,063 | 2,420 | 2,375 | 2,353 | 2,223 | 2,618 |
| Mortgage PDL's | | 1,151 | 1,202 | 1,250 | 1,286 | 1,175 | 1,149 |
| Government Entities PDL's | | - | - | - | - | - | - |
| Past Due Loans | | 12,801 | 13,659 | 14,643 | 13,912 | 12,981 | 13,536 |
| Gross Loan Portfolio | | 434,092 | 440,919 | 451,226 | 477,696 | 483,688 | 489,986 |
| Preventive Loan Loss Reserves | | 13,506 | 14,215 | 14,989 | 14,718 | 13,952 | 14,117 |
| Net Loan Portfolio | | 420,586 | 426,703 | 436,237 | 462,979 | 469,736 | 475,869 |
| Acquired Collection Rights | | 1,702 | 1,610 | 1,545 | 1,518 | 1,480 | 1,416 |
| Total Credit Portfolio | | 422,288 | 428,313 | 437,782 | 464,497 | 471,216 | 477,285 |
| Benef.receiveab.securization transactions | | 729 | 789 | 691 | 587 | 583 | 505 |
| Sundry Debtors & Other Accs Rec, Net | | 29,371 | 17,464 | 18,742 | 15,662 | 19,427 | 23,017 |
| Inventories | | - | - | - | - | - | - |
| Foreclosed Assets, Net | | 2,102 | 2,162 | 2,036 | 2,260 | 2,197 | 2,051 |
| Real Estate, Furniture & Equipment, Net | | 9,516 | 9,559 | 9,720 | 10,119 | 10,443 | 10,618 |
| Investment in Subsidiaries | | 14,062 | 13,278 | 13,537 | 13,592 | 12,808 | 13,151 |
| Long-term assets held for sale | | - | - | - | - | - | - |
| Deferred Taxes, Net | | 868 | 1,336 | 2,085 | 2,569 | 2,453 | 2,566 |
| Goodwill and Intangibles | | 8,472 | 9,234 | 9,443 | 10,998 | 10,888 | 11,914 |
| Other Assets Short and Long Term | | 4,013 | 4,007 | 3,978 | 3,742 | 3,752 | 3,672 |
| Other Assets | | - | - | - | - | - | - |
| | | 69,133 | 57,828 | 60,233 | 59,528 | 62,551 | 67,495 |
| TOTAL ASSETS | | 860,967 | 862,996 | 867,924 | 874,908 | 939,691 | 936,237 |

| Banking Sector - Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|
| LIABILITIES | | | | | | | |
| Demand Deposits | | 253,832 | 265,051 | 277,663 | 300,282 | 307,955 | 312,875 |
| Time Deposits-Retail | | 187,015 | 179,756 | 181,021 | 185,461 | 194,609 | 196,425 |
| Time Deposits-Money Market | | 10,745 | 2,805 | 1,518 | 8,444 | 8,076 | 10,108 |
| Special Funds | | - | - | - | - | - | - |
| Senior Unsecured Debt | | 3,951 | 3,968 | 4,065 | 4,510 | 4,619 | 4,798 |
| Deposits | | 455,543 | 451,580 | 464,268 | 498,697 | 515,259 | 524,205 |
| Immediate Redemption Loans | | 0 | 7,809 | 0 | 0 | 0 | 0 |
| Short Term Loans | | 8,729 | 7,732 | 7,437 | 10,700 | 7,223 | 7,225 |
| Long Term Loans | | 3,049 | 3,125 | 4,730 | 4,073 | 5,214 | 6,378 |
| Due to Banks & Correspondents | | 11,778 | 18,666 | 12,168 | 14,774 | 12,437 | 13,603 |
| Non-assigned Securities for Settlement | | - | - | - | - | - | - |
| Creditor Balance in Repo Trans, Net | | 242,133 | 241,965 | 237,896 | 208,362 | 248,747 | 237,297 |
| Secs to be received in Repo Trans, Net | | - | - | - | - | - | - |
| Repos (Credit Balance) | | 32 | 0 | 6 | 154 | 16 | 11 |
| Securities' Loans | | - | - | - | - | - | - |
| Transactions with Derivatives | | - | - | - | - | - | - |
| Other sold collateral | | - | - | - | - | - | - |
| Total Collateral sold | | 32 | 0 | 6 | 154 | 16 | 11 |
| For trading purposes | | 14,140 | 17,704 | 15,201 | 17,271 | 19,664 | 19,495 |
| For hedging purposes | | 3,583 | 3,071 | 3,041 | 4,020 | 3,381 | 3,556 |
| Operations w/ Derivatives & Securities | | - | - | - | - | - | - |
| Transactions with Derivatives | | 17,723 | 20,775 | 18,242 | 21,291 | 23,045 | 23,050 |
| Total Operations w/ Derivatives & Securities | | 259,888 | 262,740 | 256,145 | 229,806 | 271,808 | 260,358 |
| 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 | 859 |
| Profit Sharing Payable | | 120 | 205 | 303 | 373 | 145 | 217 |
| 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 | 8,099 |
| Margin Accounts Payable | | - | - | - | - | - | - |
| Other Creditors & Accounts Payable | | 10,259 | 11,799 | 12,199 | 11,084 | 10,995 | 11,805 |
| Other Payable Accounts | | 29,102 | 24,392 | 26,544 | 18,988 | 24,557 | 20,980 |
| Subordinated Non Convertible Debt | | 18,083 | 15,788 | 16,021 | 16,468 | 16,712 | 16,790 |
| Deferred Taxes, Net | | - | - | - | - | - | - |
| Deferred Credits | | 2,373 | 2,274 | 2,252 | 1,384 | 1,316 | 1,289 |
| TOTAL LIABILITIES | | 776,768 | 775,441 | 777,397 | 780,117 | 842,090 | 837,224 |
| EQUITY | | | | | | | |
| Paid-in Capital | | 17,527 | 20,022 | 20,074 | 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 | 11,449 |
| Subordinated Convertible Debentures | | - | - | - | - | - | - |
| Subscribed Capital | | 30,415 | 30,463 | 30,463 | 31,173 | 31,348 | 31,523 |
| Capital Reserves | | 7,761 | 8,968 | 8,968 | 8,968 | 8,968 | 10,157 |
| Retained Earnings | | 44,411 | 43,183 | 43,203 | 43,201 | 54,445 | 51,454 |
| Surplus (Deficit) of Secs Available for Sale | | 576 | 691 | 540 | 510 | 771 | 69 |
| Results from Valuation of Hedging Secs | | (840) | (697) | (815) | (869) | (1,137) | (681) |
| Results from Conversions | | (964) | (969) | (794) | (138) | 115 | 269 |
| Surplus (Deficit) in Capital Restatement | | - | - | - | - | - | - |
| Adjustments in the Employee's Pensions | | - | - | - | - | - | - |
| Accumulated Effect of Deferred Taxes | | - | - | - | - | - | - |
| Net Income | | 2,831 | 5,906 | 8,952 | 11,936 | 3,082 | 6,212 |
| Earned Capital | | 53,775 | 57,082 | 60,054 | 63,608 | 66,243 | 67,480 |
| Minority Interest | | 10 | 10 | 10 | 10 | 10 | 10 |
| Total Equity | | 84,200 | 87,555 | 90,527 | 94,791 | 97,601 | 99,013 |
| TOTAL LIABILITIES & EQUITY | | 860,967 | 862,996 | 867,924 | 874,908 | 939,691 | 936,237 |

| Banking Sector - Memorandum Accounts | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| (Million Pesos) | | | | | | |
| Investment banking transactions for third parties, net | 85,548 | 99,955 | 94,013 | 90,769 | 91,311 | 98,221 |
| TOTAL ON BEHALF OF THIRD PARTIES | 85,548 | 99,955 | 94,013 | 90,769 | 91,311 | 98,221 |
| Proprietary Transactions | | | | | | |
| Endorsement Guarantees Granted | - | - | - | - | - | - |
| Loan Obligations | 28,616 | 31,840 | 29,682 | 43,023 | 46,200 | 72,508 |
| Trusts | 167,885 | 187,006 | 205,556 | 212,425 | 211,808 | 217,386 |
| Mandates | 10,090 | 8,957 | 9,031 | 9,002 | 596 | 9,524 |
| Properties in Trusts and Warrant | 177,975 | 195,963 | 214,587 | 221,427 | 212,405 | 226,910 |
| Properties in Custody or Administration | 358,926 | 344,237 | 280,141 | 284,381 | 290,237 | 295,499 |
| Collateral Received | 86,962 | 75,353 | 75,123 | 68,010 | 72,222 | 78,345 |
| Collateral Received or sold | 35,054 | 23,364 | 22,996 | 15,475 | 19,629 | 25,389 |
| 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 | 5 |
| Uncollected Accrued Interest from Past Due Loans | 378 | 411 | 452 | 505 | 425 | 450 |
| Investments of Retirement Savings Funds | - | - | - | - | - | - |
| Integration of the Credit Portfolio | - | - | - | - | - | - |
| Amounts Contracted in Derivatives | - | - | - | - | - | - |
| Other Registration Accounts | - | - | - | - | - | 85,224 |
| Proprietary Transactions | 687,910 | 671,167 | 622,981 | 632,822 | 641,118 | 784,330 |
| 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 | 784,330 |

BANORTE USA

| Income Statement-Banorte USA | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 2014 | 1H15 |
|---|------------|------------|------------|------------|------------|------------|--------------|------------|
| MEX GAAP (Million Pesos) | | | | | | | | |
| Interest Income | 183 | 185 | 183 | 197 | 210 | 218 | 747 | 428 |
| Interest Expense | 31 | 30 | 32 | 33 | 35 | 31 | 127 | 66 |
| Charged Fees | 7 | 7 | 8 | 8 | 8 | 10 | 31 | 18 |
| Fees Paid | - | - | - | - | - | - | - | - |
| Net Interest Income from interest & fees (NII) | 159 | 162 | 160 | 171 | 184 | 197 | 651 | 380 |
| Premium Income (Net) | - | - | - | - | - | - | - | - |
| Net Increase in Technical Reserves | - | - | - | - | - | - | - | - |
| Damages, Claims and Other Obligations | - | - | - | - | - | - | - | - |
| Net Interest Income (NII) | 159 | 162 | 160 | 171 | 184 | 197 | 651 | 380 |
| Preventive Provisions for Loan Losses | 11 | 2 | 3 | 5 | 15 | (1) | 21 | 14 |
| Net Interest Income Adjusted for Credit Risk | 148 | 160 | 157 | 167 | 169 | 198 | 631 | 367 |
| Fees for Commercial and Mortgage Loans | 3 | 2 | 2 | 2 | 1 | 2 | 9 | 3 |
| Fund Transfers | 71 | 80 | 84 | 88 | 95 | 102 | 323 | 197 |
| Account Management Fees | 15 | 15 | 15 | 15 | 15 | 15 | 61 | 30 |
| Fiduciary | - | - | - | - | - | - | - | - |
| Other Fees | 6 | 6 | 7 | 8 | 10 | 10 | 27 | 20 |
| Income from Real Estate Portfolios | - | - | - | - | - | - | - | - |
| Electronic Banking Services | 6 | 9 | 9 | 9 | 9 | 10 | 32 | 19 |
| For Consumer and Credit Card Loans | - | - | - | - | - | - | - | - |
| Fees Charged on Services | 101 | 112 | 117 | 123 | 130 | 139 | 452 | 269 |
| Fund transfers | 0 | 0 | 0 | 0 | 4 | 5 | 1 | 9 |
| Other Fees | 28 | 31 | 30 | 30 | 32 | 33 | 119 | 65 |
| Amortization of Loan Portfolio | - | - | - | - | - | - | - | - |
| Fees Paid on Services | 28 | 31 | 31 | 30 | 36 | 37 | 120 | 74 |
| Foreign Exchange | 13 | 15 | 15 | 16 | 15 | 17 | 59 | 32 |
| Securities-Realized Gains | 17 | 0 | 3 | 0 | 1 | 0 | 21 | 1 |
| Securities-Unrealized Gains | - | - | - | - | - | - | - | - |
| Trading Income | 31 | 15 | 18 | 17 | 16 | 17 | 80 | 33 |
| Loan Recoveries | 3 | 1 | 2 | 3 | 1 | 3 | 8 | 4 |
| Income from purchased assets | (4) | 6 | (1) | 1 | 4 | (17) | 2 | (12) |
| Other Operating Income | 0 | - | (0) | - | 1 | 1 | (0) | 2 |
| Other Operating Expense | 1 | 1 | 1 | 1 | - | - | 5 | - |
| Other Products | 17 | 17 | 17 | 22 | 22 | 12 | 73 | 34 |
| Other Recoveries | - | - | - | - | - | - | - | - |
| Other Operating Expense | (1) | (1) | (1) | (0) | (1) | (1) | (3) | (1) |
| Other Operating Income (Expense) from Insurance and Annuities | - | - | - | - | - | - | - | - |
| Total Other Operating Income (Expense) | 16 | 24 | 19 | 26 | 28 | (1) | 85 | 27 |
| Total Non Interest Income | 120 | 119 | 122 | 135 | 137 | 118 | 497 | 255 |
| Total Operating Income | 268 | 279 | 279 | 302 | 306 | 316 | 1,128 | 622 |
| Personnel | 82 | 90 | 85 | 94 | 106 | 115 | 351 | 221 |
| Employee Profit Sharing (PTU) | - | - | - | - | - | - | - | - |
| Professional Fees | 25 | 29 | 17 | 24 | 20 | 20 | 95 | 41 |
| Administrative and Promotional Expenses | 56 | 65 | 61 | 78 | 65 | 67 | 261 | 131 |
| Rents, Depreciation & Amortization | 20 | 18 | 16 | 18 | 17 | 19 | 72 | 36 |
| Taxes other than income tax & non deductible expenses | 4 | 5 | 4 | 3 | 3 | 4 | 16 | 7 |
| Contributions to IPAB/Fobaproa | 4 | 3 | 4 | 3 | 5 | 6 | 14 | 11 |
| Total Non Interest Expense | 191 | 211 | 186 | 221 | 216 | 230 | 808 | 446 |
| Operating Income | 77 | 68 | 93 | 81 | 90 | 86 | 319 | 176 |
| Subsidiaries' Net Income | - | - | - | - | - | - | - | - |
| Pre-Tax Income | 77 | 68 | 93 | 81 | 90 | 86 | 319 | 176 |
| Income Tax | 24 | 22 | 32 | 26 | 25 | 34 | 105 | 60 |
| Tax on Assets | - | - | - | - | - | - | - | - |
| Deferred Income Tax | - | - | - | - | - | - | - | - |
| Taxes | 24 | 22 | 32 | 26 | 25 | 34 | 105 | 60 |
| Net Income from Continuous Operations | 52 | 46 | 61 | 55 | 64 | 51 | 214 | 116 |
| Extraordinary Items, net | - | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - |
| Net Income | 52 | 46 | 61 | 55 | 64 | 51 | 214 | 116 |

| Banorte USA-Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|
| ASSETS | | | | | | | |
| Cash and Due from Banks | | 2,014 | 2,248 | 2,355 | 2,220 | 1,450 | 1,096 |
| Margin Accounts | | - | - | - | - | - | - |
| Negotiable Instruments | | - | - | - | - | - | - |
| Securities Available for Sale | | 7,474 | 7,190 | 6,853 | 7,692 | 9,007 | 8,599 |
| Securities Held to Maturity | | - | - | - | - | - | - |
| Investment in Securities | | 7,474 | 7,190 | 6,853 | 7,692 | 9,007 | 8,599 |
| 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 | 13,454 |
| Financial Intermediaries' Loans | | - | - | - | - | - | - |
| Consumer Loans | | 142 | 138 | 134 | 149 | 143 | 139 |
| Mortgage Loans | | 1,353 | 1,321 | 1,338 | 1,404 | 1,435 | 1,411 |
| Government Entities' Loans | | - | - | - | - | - | - |
| Loans granted as Federal Agent | | - | - | - | - | - | - |
| Performing Loans | | 11,180 | 11,067 | 11,643 | 13,497 | 14,254 | 15,004 |
| Commercial PDL's | | 2 | 1 | 12 | 11 | 6 | 20 |
| Financial Intermediaries PDL's | | - | - | - | - | - | - |
| Consumer PDL's | | - | - | - | - | - | 0 |
| Mortgage PDL's | | 17 | 23 | 21 | 33 | 26 | 30 |
| Government Entities PDL's | | - | - | - | - | - | - |
| Past Due Loans | | 18 | 24 | 34 | 44 | 32 | 50 |
| Gross Loan Portfolio | | 11,198 | 11,091 | 11,676 | 13,541 | 14,286 | 15,055 |
| Preventive Loan Loss Reserves | | 90 | 87 | 90 | 100 | 117 | 116 |
| Net Loan Portfolio | | 11,108 | 11,004 | 11,587 | 13,441 | 14,169 | 14,938 |
| Acquired Collection Rights | | - | - | - | - | - | - |
| Total Credit Portfolio | | 11,108 | 11,004 | 11,587 | 13,441 | 14,169 | 14,938 |
| Premium Debtors (Net) | | - | - | - | - | - | - |
| Benef.receiveivab.securization transactions | | - | - | - | - | - | - |
| Sundry Debtors & Other Accs Rec, Net | | 721 | 722 | 753 | 832 | 866 | 897 |
| Inventories | | - | - | - | - | - | - |
| Foreclosed Assets, Net | | 162 | 118 | 98 | 86 | 82 | 60 |
| Real Estate, Furniture & Equipment, Net | | 575 | 565 | 576 | 625 | 651 | 664 |
| Investment in Subsidiaries | | 143 | 141 | 146 | 160 | 166 | 170 |
| Long-term assets held for sale | | - | - | - | - | - | - |
| Deferred Taxes, Net | | 104 | 105 | 115 | 120 | 113 | 119 |
| Goodwill and Intangibles | | 3,132 | 3,114 | 3,225 | 3,538 | 3,669 | 3,772 |
| Other Assets Short and Long Term | | 125 | 121 | 98 | 84 | 109 | 118 |
| Other Assets | | - | - | - | - | - | - |
| | | 4,962 | 4,886 | 5,011 | 5,446 | 5,656 | 5,800 |
| TOTAL ASSETS | | 25,558 | 25,328 | 25,807 | 28,799 | 30,282 | 30,434 |

| Banorte USA-Balance Sheet (Million Pesos) | | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|
| LIABILITIES | | | | | | | |
| Demand Deposits | | 11,483 | 10,979 | 10,680 | 12,562 | 13,621 | 13,463 |
| Time Deposits-Retail | | 7,549 | 7,797 | 7,958 | 8,666 | 8,737 | 8,614 |
| Time Deposits-Money Market | | - | - | - | - | - | - |
| Special Funds | | - | - | - | - | - | - |
| Senior Unsecured Debt | | - | - | - | - | - | - |
| Deposits | | 19,032 | 18,776 | 18,638 | 21,229 | 22,358 | 22,077 |
| Immediate Redemption Loans | | - | - | - | - | - | - |
| Short Term Loans | | 114 | 105 | 100 | 111 | 113 | 98 |
| Long Term Loans | | - | 6 | - | - | - | - |
| Due to Banks & Correspondents | | 114 | 112 | 100 | 111 | 113 | 98 |
| 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 | | - | - | - | - | - | - |
| Income Tax Payable | | 24 | 12 | 59 | 43 | 49 | 22 |
| 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 | 691 |
| Other Payable Accounts | | 457 | 441 | 820 | 461 | 481 | 713 |
| Subordinated Non Convertible Debt | | 269 | 267 | 277 | 304 | 315 | 323 |
| Deferred Taxes, Net | | - | - | - | - | - | - |
| Deferred Credits | | 30 | 33 | 38 | 51 | 55 | 57 |
| TOTAL LIABILITIES | | 19,901 | 19,630 | 19,874 | 22,156 | 23,322 | 23,269 |
| EQUITY | | | | | | | |
| Paid-in Capital | | 4,690 | 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 | 4,690 |
| Capital Reserves | | - | - | - | - | - | - |
| Retained Earnings | | 749 | 749 | 749 | 749 | 964 | 964 |
| Surplus (Deficit) of Secs Available for Sale | | (142) | (114) | (141) | (85) | (74) | (106) |
| Results from Valuation of Hedging Secs | | - | - | - | - | - | - |
| Results from Conversions | | 307 | 274 | 476 | 1,075 | 1,316 | 1,502 |
| Surplus (Deficit) in Capital Restatement | | - | - | - | - | - | - |
| Adjustments in the Employee's Pensions | | - | - | - | - | - | - |
| Accumulated Effect of Deferred Taxes | | - | - | - | - | - | - |
| Net Income | | 52 | 98 | 159 | 214 | 64 | 116 |
| Earned Capital | | 967 | 1,008 | 1,243 | 1,953 | 2,270 | 2,475 |
| Minority Interest | | - | - | - | - | - | - |
| Total Equity | | 5,657 | 5,698 | 5,933 | 6,643 | 6,960 | 7,165 |
| TOTAL LIABILITIES & EQUITY | | 25,558 | 25,328 | 25,807 | 28,799 | 30,282 | 30,434 |

| Banorte USA - Memorandum Accounts | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|--|-----------|-----------|----------|----------|-----------|-----------|
| (Million Pesos) | | | | | | |
| 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 | 18 |
| 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 | 18 |
| 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 | 18 |

INFORMATION BY SEGMENTS

| GFNorte - Income Statement as of June '15 | | | | | | | |
|---|--------------|---------------|----------------------|--------------|--------------|-------------|---------------------------|
| (Million Pesos) | | | | | | | |
| | Holding | Banorte | Arrendadora y Factor | Almacenadora | Seguros | Pensiones | Casa de Bolsa Banorte Ixe |
| Interest Income | 11 | 29,290 | 1,107 | 35 | 237 | 1,302 | 2,263 |
| Premium Income (Net) | - | - | - | - | 6,121 | 4,015 | - |
| Interest Expense | - | 9,677 | 625 | - | - | - | 2,033 |
| Net Increase in Technical Reserves | - | - | - | - | 372 | 3,235 | - |
| Damages, Claims and Other Obligations | - | - | - | - | 3,359 | 1,664 | - |
| Net Interest Income (NII) | 11 | 19,613 | 482 | 35 | 2,627 | 418 | 230 |
| Preventive Provisions for Loan Losses | - | 5,229 | 47 | - | - | - | - |
| Net Interest Income Adjusted for Credit Risk | 11 | 14,384 | 434 | 35 | 2,627 | 418 | 230 |
| Loan Origination Fees | - | 6,474 | 18 | - | - | - | 559 |
| Fees Paid | - | 1,640 | 37 | 0 | 816 | - | 69 |
| Trading Income | - | 1,578 | - | 5 | 9 | 1 | 193 |
| Other Operating Income (Expenses) | - | 812 | 51 | 2 | 344 | (43) | (29) |
| Non Interest Income | - | 7,225 | 32 | 7 | (463) | (42) | 655 |
| Total Operating Income | 11 | 21,608 | 466 | 42 | 2,164 | 375 | 885 |
| Administrative and Promotional Expenses | 52 | 14,086 | 81 | 18 | 450 | 142 | 533 |
| Operating Income | (41) | 7,522 | 385 | 24 | 1,714 | 234 | 352 |
| Subsidiaries' Net Income | 7,920 | 662 | - | - | (0) | 3 | 0 |
| Pre-Tax Income | 7,879 | 8,184 | 385 | 24 | 1,714 | 237 | 352 |
| Income Tax | - | 1,922 | 136 | 8 | 522 | - | 112 |
| Deferred Income Tax | (5) | 49 | (21) | (0) | - | 76 | (14) |
| Net Income from Continuous Operations | 7,884 | 6,212 | 269 | 17 | 1,192 | 160 | 254 |
| Extraordinary Items, net | - | - | - | - | - | - | - |
| Minority Interest | - | (0) | (0) | - | (3) | - | - |
| Net Income | 7,884 | 6,212 | 269 | 17 | 1,190 | 160 | 254 |

| GFNorte - Income Statement as of June '15 | | | | | | | |
|---|---------------------------------|---------------|--------------------------------------|---------------|---------------|--------------|---------------|
| (Million Pesos) | | | | | | | |
| | Operadora de Fondos Banorte Ixe | IXE Servicios | Sólida Administradora de Portafolios | Total | Charges | Credits | Final Balance |
| Interest Income | 3 | 1 | 311 | 34,560 | 866 | - | 33,694 |
| Premium Income (Net) | - | - | - | 10,136 | 264 | - | 9,872 |
| Interest Expense | - | - | 247 | 12,583 | - | 855 | 11,728 |
| Net Increase in Technical Reserves | - | - | - | 3,608 | - | - | 3,608 |
| Damages, Claims and Other Obligations | - | - | - | 5,024 | - | 5 | 5,018 |
| Net Interest Income (NII) | 3 | 1 | 63 | 23,482 | - | - | 23,212 |
| Preventive Provisions for Loan Losses | - | - | 107 | 5,383 | - | - | 5,383 |
| Net Interest Income Adjusted for Credit Risk | 3 | 1 | (44) | 18,099 | - | - | 17,829 |
| Loan Origination Fees | 581 | - | 80 | 7,713 | 659 | - | 7,053 |
| Fees Paid | 406 | - | 0 | 2,968 | - | 660 | 2,308 |
| Trading Income | - | - | (16) | 1,770 | - | 0 | 1,770 |
| Other Operating Income (Expenses) | 1 | 0 | (182) | 956 | 21 | 5 | 941 |
| Non Interest Income | 176 | 0 | (117) | 7,472 | 680 | (655) | 7,457 |
| Total Operating Income | 179 | 1 | (161) | 25,571 | 680 | (655) | 25,286 |
| Administrative and Promotional Expenses | 19 | 1 | 129 | 15,511 | 449 | 715 | 15,246 |
| Operating Income | 159 | 0 | (290) | 10,060 | - | - | 10,040 |
| Subsidiaries' Net Income | 2 | - | (40) | 8,546 | 7,923 | - | 623 |
| Pre-Tax Income | 161 | 0 | (331) | 18,605 | - | - | 10,664 |
| Income Tax | 45 | - | - | 2,744 | - | - | 2,744 |
| Deferred Income Tax | 0 | 0 | (140) | (54) | 0 | 19 | (73) |
| Net Income from Continuous Operations | 117 | 0 | (191) | 15,915 | - | - | 7,992 |
| Extraordinary Items, net | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | (3) | 106 | - | (109) |
| Net Income | 117 | 0 | (191) | 15,912 | 10,287 | 2,234 | 7,883 |

GFNorte - Balance Sheet as of June 30 '15

(Million Pesos)

| ASSETS | Holding | Banorte | Arrendadora y Factor | Almacenadora | Seguros | Pensiones | Casa de Bolsa Banorte Ixe |
|--|----------------|----------------|-------------------------|--------------|---------------|---------------|------------------------------|
| Cash and Due from Banks | 92 | 85,248 | 52 | 18 | 59 | 1 | 1,104 |
| Margin Accounts | - | 160 | - | - | - | - | - |
| Investment in Securities | - | 286,763 | - | 3 | 11,983 | 64,018 | 128,191 |
| Negotiable Instruments | - | 196,688 | - | 3 | 6,121 | - | 92,253 |
| Securities Available for Sale | - | 82,238 | - | - | - | - | 34,898 |
| Securities Held to Maturity | - | 7,837 | - | - | 5,862 | 64,018 | 1,040 |
| Debtor Balance in Repo Trans, net | 1,260 | 0 | - | - | - | - | - |
| Securities Lending | - | - | - | - | - | - | - |
| Transactions with Derivatives For trading purposes | - | 19,000 | - | - | - | - | - |
| Transactions with Derivatives For hedging purposes | - | 151 | - | - | - | - | - |
| Valuation adjustments for Asset Coverage | - | 136 | - | - | - | - | - |
| Gross Loan Portfolio | - | 477,285 | 20,901 | - | - | - | - |
| Net Loan Portfolio | - | 475,869 | 20,901 | - | - | - | - |
| Performing Loans | - | 476,450 | 21,052 | - | - | - | - |
| Commercial Loans | - | 172,994 | 19,056 | - | - | - | - |
| Financial Intermediaries' Loans | - | 17,493 | 316 | - | - | - | - |
| Government Entities' Loans | - | 123,029 | 1,675 | - | - | - | - |
| Consumer Loans | - | 69,090 | 5 | - | - | - | - |
| Mortgage Loans | - | 93,844 | - | - | - | - | - |
| Past Due Loans | - | 13,536 | 198 | - | - | - | - |
| Commercial PDL's | - | 9,768 | 198 | - | - | - | - |
| Financial Intermediaries PDL's | - | 0 | 0 | - | - | - | - |
| Government Entities PDL's | - | - | - | - | - | - | - |
| Consumer PDL's | - | 2,618 | 0 | - | - | - | - |
| Mortgage PDL's | - | 1,149 | - | - | - | - | - |
| Preventive Loan Loss Reserves | - | 14,117 | 350 | - | - | - | - |
| Acquired Collection Rights | - | 1,416 | - | - | - | - | - |
| Account Receivables from Insurance and Annuities | - | - | - | - | 1,455 | 988 | - |
| Premium Debtors (Net) | - | - | - | - | 5,354 | 123 | - |
| Account Receivables from Reinsurance | - | - | - | - | 6,864 | - | - |
| Benef.receivab.securization transactions | - | 505 | - | - | - | - | - |
| Sundry Debtors & Other Accs Rec, Net | 61 | 23,017 | 362 | 61 | - | - | 1,200 |
| Inventories | - | - | - | 688 | - | - | - |
| Foreclosed Assets, Net | - | 2,051 | 9 | - | - | - | - |
| Real Estate, Furniture & Equipment, Net | - | 10,618 | 2,269 | 75 | 263 | 4 | 54 |
| Investment in Subsidiaries | 114,658 | 13,151 | - | - | 1 | 32 | 11 |
| Deferred Taxes, Net | 136 | 2,566 | 45 | 2 | 99 | - | - |
| Total other Assets | 10,796 | 15,586 | 202 | 12 | 558 | 1 | 256 |
| Goodwill | 9,701 | 4,716 | - | - | - | - | - |
| Intangible | 1,095 | 7,197 | 202 | 1 | 489 | 0 | 38 |
| Other Assets | - | 3,672 | - | 10 | 69 | 1 | 217 |
| TOTAL ASSETS | 127,003 | 936,237 | 23,840 | 857 | 26,637 | 65,168 | 130,816 |

GFNorte - Balance Sheet as of June 30 '15

(Million Pesos)

| ASSETS | Operadora de Fondos Banorte Ixe | IXE Servicios | Sólida Administradora de Portafolios | Total | Charges | Credits | Final Balance |
|--|---------------------------------------|------------------|--|------------------|--------------|----------------|------------------|
| Cash and Due from Banks | 233 | 30 | 180 | 87,017 | 273 | 1,739 | 85,551 |
| Margin Accounts | - | - | - | 160 | - | - | 160 |
| Investment in Securities | - | - | - | 490,957 | 175 | 338 | 490,794 |
| Negotiable Instruments | - | - | - | 295,065 | - | - | 295,065 |
| Securities Available for Sale | - | - | - | 117,136 | - | 101 | 117,035 |
| Securities Held to Maturity | - | - | - | 78,757 | 175 | 237 | 78,694 |
| Debtor Balance in Repo Trans, net | - | - | - | 1,260 | - | 1,260 | 0 |
| Securities Lending | - | - | - | - | - | - | - |
| Transactions with Derivatives For trading purposes | - | - | - | 19,000 | - | - | 19,000 |
| Transactions with Derivatives For hedging purposes | - | - | - | 151 | - | - | 151 |
| Valuation adjustments for Asset Coverage | - | - | - | 136 | - | - | 136 |
| Gross Loan Portfolio | - | - | 4,252 | 502,438 | - | 14,509 | 487,929 |
| Net Loan Portfolio | - | - | 3,017 | 499,787 | - | 14,509 | 485,278 |
| Performing Loans | - | - | 3,023 | 500,525 | - | 14,509 | 486,017 |
| Commercial Loans | - | - | - | 192,050 | - | - | 192,050 |
| Financial Intermediaries' Loans | - | - | - | 17,809 | - | 14,509 | 3,301 |
| Government Entities' Loans | - | - | - | 124,704 | - | - | 124,704 |
| Consumer Loans | - | - | 3,023 | 72,118 | - | - | 72,118 |
| Mortgage Loans | - | - | - | 93,844 | - | - | 93,844 |
| Past Due Loans | - | - | 262 | 13,996 | - | - | 13,996 |
| Commercial PDL's | - | - | 196 | 10,162 | - | - | 10,162 |
| Financial Intermediaries PDL's | - | - | - | 0 | - | - | 0 |
| Government Entities PDL's | - | - | - | - | - | - | - |
| Consumer PDL's | - | - | 66 | 2,685 | - | - | 2,685 |
| Mortgage PDL's | - | - | - | 1,149 | - | - | 1,149 |
| Preventive Loan Loss Reserves | - | - | 268 | 14,734 | - | - | 14,734 |
| Acquired Collection Rights | - | - | 1,235 | 2,651 | - | - | 2,651 |
| Account Receivables from Insurance and Annuities | - | - | - | 2,444 | - | - | 2,444 |
| Premium Debtors (Net) | - | - | - | 5,477 | - | - | 5,477 |
| Account Receivables from Reinsurance | - | - | - | 6,864 | - | - | 6,864 |
| Benef.receiveab.securization transactions | - | - | - | 505 | - | - | 505 |
| Sundry Debtors & Other Accs Rec, Net | 124 | 6 | 9,839 | 34,670 | 97 | 575 | 34,191 |
| Inventories | - | - | - | 688 | - | - | 688 |
| Foreclosed Assets, Net | - | - | 466 | 2,526 | 201 | 201 | 2,526 |
| Real Estate, Furniture & Equipment, Net | 0 | 104 | 4 | 13,390 | 212 | 134 | 13,468 |
| Investment in Subsidiaries | 92 | - | 282 | 128,228 | 767 | 115,556 | 13,440 |
| Deferred Taxes, Net | - | 0 | 256 | 3,105 | 355 | 1,082 | 2,378 |
| Total other Assets | 1 | 5 | 275 | 27,691 | 2,212 | 799 | 29,104 |
| Goodwill | - | - | - | 14,417 | 2,212 | 635 | 15,993 |
| Intangible | 1 | 5 | 275 | 9,305 | - | 153 | 9,152 |
| Other Assets | - | - | - | 3,970 | - | 10 | 3,959 |
| TOTAL ASSETS | 450 | 145 | 15,554 | 1,326,708 | 4,291 | 136,192 | 1,194,806 |

GFNorte - Balance Sheet as of June 30 '15

(Million Pesos)

| LIABILITIES | Holding | Banorte | Arrendadora y Factor | Almacenadora | Seguros | Pensiones | Casa de Bolsa Banorte Ixe |
|--|---------|---------|-------------------------|--------------|---------|-----------|------------------------------|
| Deposits | - | 524,205 | 379 | - | - | - | - |
| Demand Deposits | - | 312,875 | - | - | - | - | - |
| Time Deposits | - | 206,532 | - | - | - | - | - |
| Time Deposits-Retail | - | 196,425 | - | - | - | - | - |
| Time Deposits-Money Market | - | 10,108 | - | - | - | - | - |
| Senior Unsecured Debt | - | 4,798 | 379 | - | - | - | - |
| Due to Banks & Correspondents | - | 13,603 | 18,573 | 611 | - | - | - |
| Immediate Redemption Loans | - | 0 | - | - | - | - | - |
| Short Term Loans | - | 7,225 | 12,512 | 611 | - | - | - |
| Long Term Loans | - | 6,378 | 6,061 | - | - | - | - |
| Technical Reserves | - | - | - | - | 15,449 | 63,169 | - |
| Non-assigned Securities for Settlement | - | - | - | - | - | - | - |
| Creditor Balance in Repo Trans, Net | - | 237,297 | - | - | - | - | 126,764 |
| Secs to be received in Repo Trans, Net | - | - | - | - | - | - | - |
| Collateral sold or pledged as collateral | - | 11 | - | - | - | - | 30 |
| Transactions with Derivatives for trading purposes | - | 19,495 | - | - | - | - | - |
| Transactions with Derivatives for hedging purposes | - | 3,556 | - | - | - | - | - |
| Valuation adjustments for financial liability coverage | - | - | - | - | - | - | - |
| Payable Accounts for Reinsurance | - | - | - | - | 1,477 | - | - |
| Other Payable Accounts | 676 | 20,980 | 747 | 15 | 3,803 | 133 | 1,409 |
| Income Tax Payable | - | 859 | 88 | 4 | 535 | - | 60 |
| Profit Sharing Payable | - | 217 | - | - | - | - | - |
| Provision for future capital increase not formalized by its governing entity | - | - | - | - | - | - | - |
| Creditors for settlement of transactions | - | 8,099 | - | - | - | - | 1,011 |
| Acreedores Por Colaterales Recibidos En Efectivo | - | - | - | - | - | - | - |
| Other Creditors & Accounts Payable | 676 | 11,805 | 658 | 11 | 3,268 | 133 | 338 |
| Subordinated Non Convertible Debt | - | 16,790 | - | - | - | - | - |
| Deferred Taxes, Net | - | - | - | - | - | 429 | 13 |
| Deferred Credits | - | 1,289 | 137 | - | 121 | - | 0 |
| TOTAL LIABILITIES | 676 | 837,224 | 19,835 | 626 | 20,850 | 63,731 | 128,216 |
| EQUITY | | | | | | | |
| Subscribed Capital | 50,985 | 31,523 | 526 | 87 | 709 | 325 | 1,429 |
| Paid-in Capital | 14,614 | 20,074 | 526 | 87 | 709 | 325 | 1,354 |
| Share Subscription Premiums | 36,371 | 11,449 | - | - | - | - | 75 |
| Contributions for future capital increases agreed by the governing body | - | - | - | - | - | - | - |
| Earned Capital | 75,342 | 67,480 | 3,473 | 144 | 5,046 | 1,111 | 1,171 |
| Capital Reserves | 5,854 | 10,157 | 499 | 44 | 540 | 176 | 124 |
| Retained Earnings | 61,770 | 51,454 | 2,705 | 84 | 3,242 | 776 | 659 |
| Surplus (Deficit) of Secs Available for Sale | 74 | 69 | - | - | 74 | (2) | 69 |
| Results from Valuation of Hedging Secs | (578) | (681) | - | - | - | - | - |
| Results from Conversions | 339 | 269 | - | - | - | - | 64 |
| 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 | 7,884 | 6,212 | 269 | 17 | 1,190 | 160 | 254 |
| Capital Mayoritario | 126,327 | 99,003 | 3,999 | 231 | 5,755 | 1,437 | 2,600 |
| Minority Interest | - | 10 | 6 | 0 | 32 | - | - |
| Total Equity | 126,327 | 99,013 | 4,005 | 231 | 5,787 | 1,437 | 2,600 |
| TOTAL LIABILITIES & EQUITY | 127,003 | 936,237 | 23,840 | 857 | 26,637 | 65,168 | 130,816 |

| GFNorte - Balance Sheet as of June 30 '15 (Million Pesos) | | | | | | | |
|--|---------------------------------------|------------------|--|-----------|---------|---------|------------------|
| LIABILITIES | Operadora de Fondos Banorte Ixe | IXE Servicios | Sólida Administradora de Portafolios | Total | Charges | Credits | Final Balance |
| Deposits | - | - | - | 524,584 | 1,713 | - | 522,870 |
| Demand Deposits | - | - | - | 312,875 | 1,435 | - | 311,439 |
| Time Deposits | - | - | - | 206,532 | 278 | - | 206,254 |
| Time Deposits-Retail | - | - | - | 196,425 | 278 | - | 196,146 |
| Time Deposits-Money Market | - | - | - | 10,108 | - | - | 10,108 |
| Senior Unsecured Debt | - | - | - | 5,177 | - | - | 5,177 |
| Due to Banks & Correspondents | - | - | 11,706 | 44,493 | 14,509 | - | 29,984 |
| Immediate Redemption Loans | - | - | - | 0 | - | - | 0 |
| Short Term Loans | - | - | 11,706 | 32,055 | 14,509 | - | 17,546 |
| Long Term Loans | - | - | - | 12,438 | - | - | 12,438 |
| Technical Reserves | - | - | - | 78,618 | - | 135 | 78,753 |
| Non-assigned Securities for Settlement | - | - | - | - | - | - | - |
| Creditor Balance in Repo Trans, Net | - | - | - | 364,061 | 1,260 | - | 362,801 |
| Secs to be received in Repo Trans, Net | - | - | - | - | - | - | - |
| Collateral sold or pledged as collateral | - | - | - | 41 | - | - | 41 |
| Transactions with Derivatives for trading purposes | - | - | - | 19,495 | - | - | 19,495 |
| Transactions with Derivatives for hedging purposes | - | - | - | 3,556 | - | - | 3,556 |
| Valuation adjustments for financial liability coverage | - | - | - | - | - | - | - |
| Payable Accounts for Reinsurance | - | - | - | 1,477 | - | - | 1,477 |
| Other Payable Accounts | 145 | 0 | 83 | 27,991 | 643 | 138 | 27,485 |
| Income Tax Payable | 25 | - | - | 1,572 | - | - | 1,572 |
| Profit Sharing Payable | - | - | - | 217 | - | - | 217 |
| Provision for future capital increase not formalized by its governing entity | - | - | - | - | - | - | - |
| Creditors for settlement of transactions | - | - | - | 9,110 | 363 | - | 8,747 |
| Acreeedores Por Colaterales Recibidos En Efectivo | - | - | - | - | - | - | - |
| Other Creditors & Accounts Payable | 120 | 0 | 83 | 17,093 | 281 | 138 | 16,950 |
| Subordinated Non Convertible Debt | - | - | - | 16,790 | - | - | 16,790 |
| Deferred Taxes, Net | 0 | - | - | 442 | 442 | - | - |
| Deferred Credits | - | - | 7 | 1,553 | 153 | - | 1,400 |
| TOTAL LIABILITIES | 146 | 0 | 11,796 | 1,083,100 | 18,721 | 273 | 1,064,652 |
| EQUITY | | | | | | | |
| Subscribed Capital | 112 | 144 | 2,926 | 88,767 | 37,952 | 322 | 51,137 |
| Paid-in Capital | 112 | 144 | 2,926 | 40,873 | 26,263 | - | 14,610 |
| Share Subscription Premiums | - | - | - | 47,894 | 11,689 | 322 | 36,527 |
| Contributions for future capital increases agreed by the governing body | - | - | - | - | - | - | - |
| Earned Capital | 192 | 1 | 832 | 154,793 | 80,763 | 3,165 | 77,195 |
| Capital Reserves | 19 | 2 | 117 | 17,532 | 11,678 | - | 5,854 |
| Retained Earnings | 56 | (1) | 906 | 121,652 | 61,176 | 3,146 | 63,622 |
| Surplus (Deficit) of Secs Available for Sale | - | - | - | 284 | 209 | - | 75 |
| Results from Valuation of Hedging Secs | - | - | - | (1,260) | (681) | - | (578) |
| Results from Conversions | - | - | - | 672 | 333 | - | 339 |
| 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 | 117 | 0 | (191) | 15,912 | 8,047 | 19 | 7,883 |
| Capital Mayoritario | 304 | 145 | 3,758 | 243,560 | 118,715 | 3,486 | 128,331 |
| Minority Interest | 0 | - | - | 48 | 32 | 1,807 | 1,823 |
| Total Equity | 304 | 145 | 3,758 | 243,608 | 118,747 | 5,294 | 130,154 |
| TOTAL LIABILITIES & EQUITY | 450 | 145 | 15,554 | 1,326,708 | 137,468 | 5,566 | 1,194,806 |

ACCOUNTING CHANGES & REGULATION

Numbers in this section are stated in million pesos.

- **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.

- **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.

- **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:

- Whose debtors have declared bankruptcy, with the exception of those loans:
 - that continue to make payments under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, or
 - granted under the protection of Article 75 in relation to Sections II and III of Article 224 of the aforementioned Law; or
 - 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.

In the Agreement a series of Federal Government's obligations were established, payable in 5 annual amortizations whose maturity date was June 1, 2015. On such date the last payment for an amount of Ps 29 was received. This includes 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.

As of June 30, 2015, no balances under the Federal Government; related to the Agreement, are registered.

During 2015 Ps 3 million were recognized in results in relation to the termination of this program.

LOAN PORTFOLIO SALES TO SÓLIDA

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 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.

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.

| (Million of Nominal Pesos) | Local Currency | | | Foreign Currency (USD) | | | Total | | |
|-------------------------------|----------------|------------|------------|------------------------|-----------|-----------|--------------|------------|------------|
| | aug-02 | mar-15 | jun-15 | aug-02 | mar-15 | jun-15 | aug-02 | mar-15 | jun-15 |
| Performing Loans | | | | | | | | | |
| Commercial | 5 | 0 | 0 | 5 | 0 | 0 | 10 | 0 | 0 |
| Consumer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mortgage | 54 | 22 | 22 | 0 | 0 | 0 | 54 | 22 | 22 |
| Total | 59 | 22 | 22 | 5 | 0 | 0 | 64 | 22 | 22 |
| Non Performing Loans | | | | | | | | | |
| Commercial | 405 | 251 | 251 | 293 | 11 | 12 | 698 | 263 | 263 |
| Consumer | 81 | 71 | 71 | 0 | 0 | 0 | 81 | 71 | 71 |
| Mortgage | 1,112 | 223 | 222 | 0 | 0 | 0 | 1,112 | 223 | 222 |
| Total | 1,598 | 546 | 545 | 293 | 11 | 12 | 1,891 | 558 | 556 |
| TOTAL LOANS | 1,657 | 568 | 566 | 298 | 11 | 12 | 1,955 | 580 | 578 |
| Loan Loss Reserves (1) | | | | | | | | | |
| Commercial | 326 | 251 | 251 | 246 | 11 | 12 | 572 | 263 | 263 |
| Consumer | 77 | 71 | 71 | 0 | 0 | 0 | 77 | 71 | 71 |
| Mortgage | 669 | 234 | 233 | 0 | 0 | 0 | 669 | 234 | 233 |
| Total | 1,072 | 557 | 555 | 246 | 11 | 12 | 1,318 | 569 | 567 |

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

(*) There was a reserve difference of Ps 4 million as of June 2015.

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

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

In 2Q15 the Loan portfolio showed changes due to: collections of Ps 1.1 million, foreclosed assets of (Ps 0.2) million, restructurings of Ps 0.4 million and there were charge offs and discounts of Ps. 8.1 million. In the Loan loss provisions, there were charge offs and discounts of Ps 2.2 million. There were no transfers from performing loans to past due loans and transfers from past due loans to performing loans of Ps 0.1 million.

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.

| <i>(Million of Nominal Pesos)</i> | Local Currency (1) | | Foreign Currency (USD) (2) | | Total | |
|-----------------------------------|--------------------|----------------|-------------------------------|---------------|----------------|----------------|
| | mar-15 | jun-15 | mar-15 | jun-15 | mar-15 | jun-15 |
| Performing Loans | | | | | | |
| Commercial | 289,395 | 289,052 | 28,045 | 29,007 | 317,440 | 318,059 |
| Consumer | 43,915 | 45,853 | 0 | 0 | 43,915 | 45,853 |
| Mortgage | 89,875 | 92,455 | 0 | 0 | 89,875 | 92,455 |
| Performing Loans | 423,185 | 427,359 | 28,045 | 29,007 | 451,230 | 456,366 |
| Non Performing Loans | | | | | | |
| Commercial | 9,745 | 9,916 | 95 | 95 | 9,840 | 10,011 |
| Consumer | 996 | 1,229 | 0 | 0 | 996 | 1,229 |
| Mortgage | 1,372 | 1,341 | 0 | 0 | 1,372 | 1,341 |
| Non Performing Loans | 12,113 | 12,486 | 95 | 95 | 12,207 | 12,581 |
| TOTAL LOANS | 435,297 | 439,846 | 28,140 | 29,102 | 463,437 | 468,948 |
| Loan Loss Reserves | 11,256 | 11,397 | 250 | 261 | 11,506 | 11,657 |
| Net Loan Portfolio | 424,041 | 428,449 | 27,890 | 28,841 | 451,932 | 457,290 |
| Loan Loss Reserves | | | | | 94% | 93% |
| % Past Due Loans | | | | | 2.63% | 2.68% |

1. Includes UDIS.

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

| FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 (Million Pesos) | | | | |
|---|----------------|------------|------------------------|----------------|
| Negotiable Instruments | Book Value | Interest | Unrealized gain (loss) | Market Value |
| Government Securities | 240,084 | 709 | 29 | 240,822 |
| Unrestricted | 8,315 | 20 | 8 | 8,343 |
| CETES (Special) | - | - | - | - |
| CETES | (72) | 3 | 0 | (69) |
| BONDES | 3,716 | 5 | 3 | 3,724 |
| BPA | 1,054 | 4 | 0 | 1,059 |
| BREMS | - | - | - | - |
| Bonds | 3,570 | 7 | 5 | 3,583 |
| CBIC | - | - | - | - |
| Udibonds | 10 | 0 | (0) | 10 |
| UMS | 36 | 0 | (1) | 36 |
| Treasury Bonds | - | - | - | - |
| Treasury Notes | - | - | - | - |
| Other Government Securities | - | - | - | - |
| Restricted | 231,769 | 689 | 21 | 232,479 |
| CETES (Special) | - | - | - | - |
| CETES | 3,016 | - | 0 | 3,016 |
| BONDES | 56,680 | 73 | 1 | 56,754 |
| BPA | 168,805 | 608 | 12 | 169,425 |
| BREMS | - | - | - | - |
| Bonds | 2,554 | 6 | 6 | 2,567 |
| CBIC | - | - | - | - |
| Udibonds | 714 | 2 | 2 | 717 |
| UMS | - | - | - | - |
| Treasury Bonds | 0 | - | - | 0 |
| Treasury Notes | (0) | - | 0 | 0 |
| Banking Securities | 41,162 | 44 | 19 | 41,226 |
| Unrestricted | 3,490 | 1 | (0) | 3,491 |
| Notes | 2,801 | 0 | (0) | 2,801 |
| CEDES | 47 | 0 | 0 | 47 |
| Stock Certificates | 476 | 1 | (0) | 477 |
| Structured Notes | - | - | - | - |
| Other Banking Securities | 165 | - | - | 165 |
| Restricted | 37,673 | 43 | 19 | 37,735 |
| Notes | 10,971 | - | 0 | 10,971 |
| CEDES | 5,719 | 6 | (1) | 5,725 |
| Stock Certificates | 20,645 | 36 | 19 | 20,701 |
| Structured Notes | - | - | - | - |
| Other Banking Securities | 337 | 0 | 1 | 338 |
| Private Securities | 12,757 | 20 | 241 | 13,018 |
| Unrestricted | 1,107 | 2 | 243 | 1,352 |
| Stock Certificates | 390 | 1 | (5) | 385 |
| PEMEX Bonds | 3 | 0 | 0 | 3 |
| Commercial Paper | - | - | - | - |
| Corporate Bonds | - | - | - | - |
| Euro Bonds | 127 | 1 | 6 | 135 |
| GFNORTE stocks | - | - | - | - |
| BMV stocks | 208 | - | 148 | 357 |
| Mutual Funds stocks | 376 | - | 94 | 470 |
| CPOs | - | - | - | - |
| Structured Notes | - | - | - | - |
| Other Private Securities | 3 | - | - | 3 |
| Restricted | 11,649 | 18 | (2) | 11,665 |
| Stock Certificates | 11,497 | 18 | (2) | 11,512 |
| PEMEX Bonds | 125 | 0 | (0) | 125 |
| Commercial Paper | - | - | - | - |
| Corporate Bonds | - | - | - | - |
| Euro Bonds | - | - | - | - |
| GFNORTE stocks | - | - | - | - |
| BMV stocks | 28 | - | (0) | 28 |
| Mutual Funds stocks | - | - | - | - |
| CPOs | - | - | - | - |
| Structured Notes | - | - | - | - |
| Other Private Securities | - | - | - | - |
| Total | 294,003 | 773 | 289 | 295,065 |

| FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 (Million Pesos) | | | | |
|---|----------------|--------------|------------------------|----------------|
| Securities Held for Sale | Book Value | Interest | Unrealized gain (loss) | Market Value |
| Government Securities | 92,478 | 924 | 104 | 93,506 |
| Unrestricted | 14,451 | 105 | 50 | 14,605 |
| CETES (Special) | - | - | - | - |
| CETES | 72 | - | 0 | 72 |
| BONDES | 99 | 0 | 0 | 100 |
| BPA | 130 | 1 | 0 | 131 |
| BREMS | - | - | - | - |
| Bonds | 251 | 0 | (12) | 239 |
| CBIC | 30 | 1 | 5 | 36 |
| Udibonds | - | - | - | - |
| UMS | 5,161 | 80 | 188 | 5,429 |
| Treasury Bonds | - | - | - | - |
| Treasury Notes | - | 0 | - | 0 |
| Other Government Securities | 8,708 | 23 | (132) | 8,599 |
| Restricted | 78,027 | 819 | 55 | 78,901 |
| CETES (Special) | - | - | - | - |
| CETES | 112 | - | 0 | 112 |
| BONDES | 0 | 0 | - | 0 |
| BPA | 77,682 | 819 | 63 | 78,564 |
| BREMS | - | - | - | - |
| Bonds | 232 | 0 | (8) | 225 |
| CBIC | - | - | - | - |
| Udibonds | - | - | - | - |
| UMS | - | - | - | - |
| Treasury Bonds | - | - | - | - |
| Treasury Notes | - | - | - | - |
| Banking Securities | 873 | 1 | (107) | 766 |
| Unrestricted | 703 | 0 | (108) | 595 |
| Notes | - | - | - | - |
| CEDES | - | - | - | - |
| Stock Certificates | - | - | - | - |
| Structured Notes | 703 | 0 | (108) | 595 |
| Other Banking Securities | - | - | - | - |
| Restricted | 170 | 0 | 1 | 171 |
| Notes | - | - | - | - |
| CEDES | 0 | (0) | - | 0 |
| Stock Certificates | 170 | 0 | 1 | 171 |
| Structured Notes | - | - | - | - |
| Other Banking Securities | - | - | - | - |
| Private Securities | 22,621 | 184 | (43) | 22,763 |
| Unrestricted | 20,754 | 156 | (63) | 20,846 |
| Stock Certificates | 3,430 | 19 | (176) | 3,273 |
| PEMEX Bonds | 8,224 | 121 | 25 | 8,370 |
| Commercial Paper | - | - | - | - |
| Corporate Bonds | - | - | - | - |
| Euro Bonds | 1,160 | 16 | (1) | 1,176 |
| GFNORTE stocks | - | - | - | - |
| BMV stocks | - | - | - | - |
| Mutual Funds stocks | 7,939 | - | 88 | 8,027 |
| CPOs | - | - | - | - |
| Structured Notes | - | - | - | - |
| Other Private Securities | - | - | - | - |
| Restricted | 1,867 | 29 | 21 | 1,916 |
| Stock Certificates | 592 | 1 | 0 | 593 |
| PEMEX Bonds | 1,275 | 28 | 20 | 1,323 |
| Commercial Paper | - | - | - | - |
| Corporate Bonds | - | - | - | - |
| Euro Bonds | - | - | - | - |
| GFNORTE stocks | - | - | - | - |
| BMV stocks | - | - | - | - |
| Mutual Funds stocks | - | - | - | - |
| CPOs | - | - | - | - |
| Structured Notes | - | - | - | - |
| Other Private Securities | - | - | - | - |
| Total | 115,971 | 1,109 | (46) | 117,035 |

| FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 (Million Pesos) | | | | |
|---|---------------|--------------|------------------------|---------------|
| Securities Held to Maturity | Book Value | Interest | Unrealized gain (loss) | Market Value |
| Government Securities | 57,803 | 73 | - | 57,877 |
| Unrestricted | 57,803 | 73 | - | 57,876 |
| CETES (Special) | 899 | - | - | 899 |
| CETES | 0 | 0 | - | 0 |
| BONDES | 400 | 0 | - | 400 |
| BPA | - | - | - | - |
| BREMS | - | - | - | - |
| Bonds | 1,357 | 3 | - | 1,360 |
| CBIC | 432 | 2 | - | 434 |
| Udibonds | 54,715 | 68 | - | 54,783 |
| UMS | - | - | - | - |
| Treasury Bonds | - | - | - | - |
| Treasury Notes | - | - | - | - |
| Other Government Securities | - | - | - | - |
| Restricted | 0 | 0 | - | 0 |
| CETES (Special) | - | - | - | - |
| CETES | - | - | - | - |
| BONDES | 0 | - | - | 0 |
| BPA | 0 | (0) | - | 0 |
| BREMS | - | - | - | - |
| Bonds | 0 | 0 | - | 0 |
| CBIC | 0 | 0 | - | 0 |
| Udibonds | 0 | 0 | - | 0 |
| UMS | - | - | - | - |
| Treasury Bonds | - | - | - | - |
| Treasury Notes | - | - | - | - |
| Banking Securities | 4,452 | 1,180 | - | 5,632 |
| Unrestricted | 4,452 | 1,180 | - | 5,632 |
| Notes | 1,131 | - | - | 1,131 |
| CEDES | 1,438 | 1,017 | - | 2,455 |
| Stock Certificates | 1,168 | 14 | - | 1,183 |
| Structured Notes | 449 | 148 | - | 598 |
| Other Banking Securities | 265 | 0 | - | 266 |
| Restricted | (0) | - | - | (0) |
| Notes | - | - | - | - |
| CEDES | - | - | - | - |
| Stock Certificates | (0) | - | - | (0) |
| Structured Notes | - | - | - | - |
| Other Banking Securities | - | - | - | - |
| Private Securities | 14,679 | 568 | - | 15,248 |
| Unrestricted | 10,292 | 556 | - | 10,848 |
| Stock Certificates | 10,096 | 552 | - | 10,648 |
| PEMEX Bonds | - | - | - | - |
| Commercial Paper | - | - | - | - |
| Corporate Bonds | - | - | - | - |
| Euro Bonds | 196 | 4 | - | 200 |
| GFNORTE stocks | - | - | - | - |
| BMV stocks | - | - | - | - |
| Mutual Funds stocks | - | - | - | - |
| CPOs | - | - | - | - |
| Structured Notes | - | - | - | - |
| Other Private Securities | - | - | - | - |
| Restricted | 4,387 | 12 | - | 4,399 |
| Stock Certificates | 4,387 | 12 | - | 4,399 |
| 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) |
| | (63) | - | - | (63) |
| Total | 76,873 | 1,821 | - | 78,694 |

| REPURCHASE AGREEMENT OPERATIONS 2Q15 (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 | 19,847 | 19,847 | 0 | 0 | 308,236 |
| Banking securities | 6,856 | 6,856 | 0 | 0 | 35,433 |
| Private Securities | 7,991 | 8,002 | 0 | 11 | 19,132 |
| Total | 34,694 | 34,705 | 0 | 11 | 362,801 |

| DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 2Q15 (Million Pesos) | |
|---|---------------|
| Creditor Balance | |
| Instrument | Fair Value |
| Futures | |
| TIIE 28 Futures | - |
| Forward | |
| Fx Forward | 308 |
| Options | |
| Rate options | 707 |
| Fx options | 0 |
| Swaps | |
| Rate swap | 16,238 |
| Fx swap | 1,747 |
| Negotiable Total | 19,000 |
| Options | |
| Rate Options | 0 |
| Fx options | - |
| Swaps | |
| Rate swap | 27 |
| Fx swap | 124 |
| Hedging total | 151 |
| Position total | 19,152 |

| DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 2Q15 (Million Pesos) | |
|---|---------------|
| Debtor Balance | |
| Instrument | Fair Value |
| Futures | |
| TIIE 28 Futures | - |
| Forward | |
| Fx Forward | 94 |
| Options | |
| Rate options | 595 |
| Fx options | 7 |
| Swaps | |
| Rate swap | 15,750 |
| Fx swap | 3,049 |
| Negotiable Total | 19,495 |
| Swaps | |
| Rate swap | 1,333 |
| Fx swap | 2,222 |
| Hedging total | 3,556 |
| Position total | 23,050 |

| NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 2Q15- Banorte (Million Pesos) | | | |
|---|------------|-------------------------|-----------|
| PRODUCT | TYPE | UNDERLYING | NOTIONAL |
| FX Forwards | Purchases | Exchange Rate (USD/MXN) | 16,089 |
| FX Forwards | Sales | Exchange Rate (USD/MXN) | 3,993 |
| 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) | 0 |
| FX Options | Sales | Exchange Rate (Dollar) | 792 |
| Interest Rate Options | Purchases | TIIE | 84,331 |
| Interest Rate Options | Sales | TIIE | 107,843 |
| Interest Rate Options | Purchases | LIBOR | 3,326 |
| Interest Rate Options | Sales | LIBOR | 2,455 |
| Interest Rate Swaps | USD LIBOR | LIBOR | 340,254 |
| Interest Rate Swaps | MXN TIIE | TIIE | 1,553,295 |
| Interest Rate and FX Swaps | CS USDMXN | FIX/VARIABLE | 23,689 |
| Interest Rate and FX Swaps | CS USDCETE | CETE | 0 |
| Interest Rate and FX Swaps | CS EURMXN | FIX/VARIABLE | 7,076 |

| LOAN PORTFOLIO | | | | | | | | |
|---------------------------------|----------------|----------------|------------|------------|------------------|---------------|----------------|----------------|
| (Million Pesos) | | | | | | | | |
| | Local Currency | | UDIS | | Foreign Currency | | Total | |
| | 2Q14 | 2Q15 | 2Q14 | 2Q15 | 2Q14 | 2Q15 | 2Q14 | 2Q15 |
| Performing Loans | | | | | | | | |
| Commercial Loans | 150,726 | 146,721 | - | - | 32,266 | 45,329 | 182,992 | 192,050 |
| Financial Intermediaries' Loans | 2,664 | 1,532 | - | - | 1,161 | 1,769 | 3,825 | 3,301 |
| Consumer Loans | 62,404 | 71,979 | - | - | 138 | 139 | 62,542 | 72,118 |
| Mortgage Loans | 83,403 | 92,176 | 315 | 257 | 1,322 | 1,411 | 85,040 | 93,844 |
| Government Entities' Loans | 99,324 | 123,782 | - | - | 1,020 | 922 | 100,344 | 124,704 |
| Total | 398,521 | 436,190 | 315 | 257 | 35,907 | 49,570 | 434,743 | 486,017 |
| Past Due Loans | | | | | | | | |
| Commercial Loans | 10,372 | 10,058 | 6 | 0 | 64 | 104 | 10,442 | 10,162 |
| Financial Intermediaries' Loans | 1 | 0 | - | - | - | - | 1 | 0 |
| Consumer Loans | 2,416 | 2,684 | - | - | - | 0 | 2,416 | 2,685 |
| Mortgage Loans | 1,092 | 1,092 | 38 | 27 | 23 | 30 | 1,153 | 1,149 |
| Government Entities' Loans | 1 | - | - | - | - | - | 1 | - |
| Total | 13,881 | 13,836 | 44 | 27 | 87 | 134 | 14,012 | 13,996 |
| Total Proprietary Loans | 412,402 | 450,025 | 359 | 284 | 35,994 | 49,704 | 448,754 | 500,012 |

| COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 2Q15- GFNorte | | |
|---|-------------|---------------------------|
| (Million Pesos) | | |
| | TOTAL | |
| | PERIOD COST | BALANCE OF LOAN PORTFOLIO |
| FINAPE | - | - |
| FOPYME | - | - |
| Mortgage UDIS | 2.8 | 0.0 |
| Mortgage FOVI | - | - |
| | 2.8 | 0.0 |

At the end of this quarter, the balance in debtors support programs totaled Ps 2.8 million without a cost for the period.

| DEFERRED TAXES 2Q15 | | | |
|---|----------------|----------------|----------------|
| (Million Pesos) | | | |
| ASSETS | INCOME TAX | PROFIT SHARING | NET |
| Excess of preventive reserves accounts over the fiscal limit | 2,507 | - | 2,507 |
| Non deductible provisions and cumulative income | 689 | - | 689 |
| Excess of accounting value over fiscal value on Repossessed Assets | 719 | - | 719 |
| Diminishable profit sharing | 122 | - | 122 |
| Fees received in advance | 823 | - | 823 |
| Effects from valuation of instruments | 262 | - | 262 |
| Tax losses pending amortization | 1,924 | - | 1,924 |
| Provisions for possible loss in loans | 1,306 | - | 1,306 |
| Loss on sale of foreclosed assets and credits | 86 | - | 86 |
| Decline in value of real estate | 9 | - | 9 |
| Interest on Loans | 0 | - | 0 |
| Reserve for employee retirement benefits | 2 | - | 2 |
| Diverse Creditors | 132 | - | 132 |
| Charge-off's Estimates | 32 | - | 32 |
| Provisions for seniority premiums | 20 | - | 20 |
| Other | 146 | - | 146 |
| Total Assets | 8,780 | - | 8,780 |
| LIABILITIES | | | |
| Pension Funds Contribution | (1,020) | - | (1,020) |
| Loan Portfolio Acquisitions | (402) | - | (402) |
| Projects to be capitalized | (1,658) | - | (1,658) |
| Effects from valuation of instruments | (2,245) | - | (2,245) |
| Intangibles' amortizations | (27) | - | (27) |
| Increase for securities' valuation | (90) | - | (90) |
| Receivable interest from securities | (18) | - | (18) |
| Current Account Agents | (14) | - | (14) |
| Savings' Inventory | (11) | - | (11) |
| Savings' Inventory | (730) | - | (730) |
| Excess of the accounting value over the tax value of foreclosed assets and fix assets | (105) | - | (105) |
| Other | (83) | - | (83) |
| Total Liabilities | (6,402) | - | (6,402) |
| Assets (Liabilities) Accumulated Net | 2,378 | - | 2,378 |

| LONG TERM DEBT AS OF JUNE '15 - BANCO MERCANTIL DEL NORTE (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 | 3,137 | 15 years | 6.862% | 13-oct-21 | E/ 180 days |
| Senior Notes Due 2010 | USD | 19-jul-10 | 300 | 3,875 | 4,706 | 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 | 2,359 | 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 | 1,882 | 10 years | 9.25% | 14-oct-20 | E/ 180 days |

| BANK AND OTHER ENTITIES LOANS' AS OF 2Q15 (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 | | 1,197 | 1,197 |
| Loans from Development Banks | 11,128 | 5,511 | 16,639 |
| Loans from Public Funds | 7,733 | 1,249 | 8,982 |
| Call Money & Loans from Banks | 17,401 | - | 17,401 |
| Loans from Fiduciary Funds | 210 | | 210 |
| Provisions for Interest | | 65 | 65 |
| | 36,471 | 8,021 | 44,492 |
| Eliminations | | | (14,508) |
| Total | | | 29,984 |

| CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS - INTEREST RATES 2Q15 | |
|--|-------|
| CORE DEPOSITS (BANORTE) | |
| Demand Deposits | |
| Local Currency and UDIs | 0.52% |
| Foreign Currency | 0.02% |
| Time Deposits - Retail | |
| Local Currency and UDIs | 2.56% |
| Foreign Currency | 0.51% |
| Senior Unsecured Debt | |
| Local Currency and UDIs | - |
| Foreign Currency | 4.46% |
| DUE TO BANKS & CORRESPONDENTS (BANORTE) | |
| Immediate Redemption Loans | |
| Local Currency and UDIs | 2.90% |
| Foreign Currency | - |
| Public Funds and Development Banks | |
| Local Currency and UDIs | 4.03% |
| Foreign Currency | 2.01% |

| MAIN CREDIT LINES RECEIVED 2Q15 (BANORTE) | | | | | |
|---|----------------|----------------|----------------|--------------------|--------------------|
| <i>Million pesos</i> | | | | | |
| | 2Q14 | 1Q15 | 2Q15 | Change vs. 2Q14 | Change vs. 1Q15 |
| Banxico (Monetary Regulation Deposits) | 28,504 | 33,449 | 33,449 | 17% | 0% |
| Banxico (Repos with the System of Payments) | 39,195 | 36,675 | 36,967 | (6%) | 1% |
| Call Money | 65,650 | 65,650 | 65,650 | 0% | 0% |
| TOTAL | 133,349 | 135,774 | 136,066 | 2% | 0% |

| TRADING INCOME 2Q15 | |
|--|--------------|
| <i>Million Pesos</i> | |
| Trading income | Consolidated |
| Securities - Unrealized gains | 506 |
| Negotiable instruments | 90 |
| Derivative instruments - Negotiation | 423 |
| Derivative instruments - Hedging | (7) |
| Impairment loss or revaluation increase | (30) |
| Result from foreign exchange valuation | (8) |
| Result from valuation of precious metals | 1 |
| Result from purchase/sale of securities and derivatives | 775 |
| Negotiable instruments | 394 |
| Securities held for sale | 430 |
| Securities held to maturity | 0 |
| Derivative instruments - Negotiation | 0 |
| Derivative instruments - Hedging | (48) |
| Result from purchase/sale of foreign exchange | 523 |
| Result from purchase/sale of precious metals | 3 |
| Transaction costs | 0 |
| Intermediation of received collateral | 0 |
| Increase derived from trading income adjustments | 0 |
| Total | 1,770 |

- **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 TOLERANCE

Grupo Financiero Banorte's Board of Directors has defined its risk limits through a Risk Tolerance Statement.

Risk Tolerance 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 below:

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 investments.

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

1. Maintain profitability measured by ROE (Return on Capital), in line with the Group's strategic goals.
2. Maintain a sufficiently diversified portfolio of quality assets.
3. Maintain 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 Tolerance for Grupo Financiero Banorte, the framework for comprehensive risk management, risk exposure limitations, risk tolerance levels and mechanisms for implementation of corrective actions.

The Board of Directors designated the Risk Policy Committee (CPR) as accountable for managing the risks that GFNorte is exposed to; in order to monitor the performance of operations; and, to comply with 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, the latter 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 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 risk tolerance levels for non-discretionary risks.
 - Methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risks to which the holding company is exposed to.
 - Models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the Risk Management Unit.

3. Approve:

- Methodologies for identification, valuation, measurement and control of risks of new businesses, products and services that the holding intends to offer to the market.
- Corrective actions proposed by the Risk Management Unit.
- Manuals for comprehensive risk management.
- 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 Tolerance, the follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

RISK MANAGEMENT UNIT (RMU)

The RMU 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 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 originating loans.

The Risk Acceptance Criteria includes 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 customers on the basis 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, in addition to including 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 99.5%, 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 June 30, 2015, Banco Mercantil del Norte's total portfolio was Ps 468.37 billion. The expected loss represents 1.8% and the unexpected loss is 3.2% with respect to the total portfolio. The average expected loss is 1.8% during the period between April-June 2015.

Regarding Casa de Bolsa Banorte-lxe, the credit exposure of investments is Ps 127.53 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between April-June 2015.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 23.51 billion. The expected loss represents 0.8% and the unexpected loss is 5.3% of the total portfolio. The prospective loss average represents 0.8% in the period of April-June 2015.

The total portfolio of Solida Administradora de Portafolios was Ps 3.29 billion. The expected loss of the portfolio represents 7.4% and the unexpected loss 10.5% both with respect to the total portfolio. The estimated loss average for the period of April-June 2015 was 7.8%.

The total portfolio of Banorte lxe Tarjetas is Ps 24.56 billion. The expected loss represents 11.4% and the unexpected loss 8.9% both with regard to the total portfolio. The estimated loss average represents 11.3% for the period of April-June 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 include procedures of Admission, Instrumentation, Compliance with Regulations, Review, Consumption Monitoring, Administration of Lines and Responsibility by the areas and organisms involved in such operations.

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 of a security, which has assigned a level of risk based on two fundamentals:

1. The probability of nonfulfillment of the originator, issuer 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 June 30, 2015, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 267.96 billion, of which 98.8% 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 March 2015. 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 March 2015 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 6 years and 5 months for Ps 16.36 to 3.5%; promissory notes and market certificates from Banobras to 7 months for Ps 6.72 to 3.2%; Banco Inbursa market certificates for 1 year and 11 months for Ps 6.40 at 3.5%; deposit, market certificates and promissory notes from Banco Santander Mexicano for 5 months for Ps 5.18 at 3.3%.

The exposure of Derivatives is Ps 4.03 billion, of which 96.5% 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 2% of the Tier 1 Capital of March 2015.

The exposure to credit risk for Securities Investments of Casa de Bolsa Banorte Ixe was Ps 127.53 billion, of which 100.0% 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 25% of the Capital as of March 2015. 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 March 2015 has a higher or similar rating to A+(mex) and are comprised of (average considered term, amount in billion/million of pesos and rate): deposit and market certificates of HSBC to 1 year and 6 months for Ps 2.75 billion at 3.4%; market certificates of Banamex for 1 year for Ps 2.53 billion at 3.3%; Scotiabank market certificates for 1 year and 3 months for Ps 2.09 billion at 3.4%; market certificates of Banco Inbursa to 7 months for Ps 2.01 billion at 3.3%; deposit and market certificates of Bancomer to 1 year and 7 months for Ps 1.60 billion at 3.4%; market certificates of Banco Santander Mexicano to 1 year and 3 months for Ps 519 million at 3.4%; Deutsche Bank bonds to 7 years and 11 months for Ps 492 million at 9.8%; deposit and market certificates of Banco Interacciones to 1 year and 9 months for Ps 478 million at 4.0%. 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 135 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

Banorte Ixe Tarjetas does not have investments in securities or 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 March 31, 2015 | | 71.86 |
|---|--|--------------|
| I. Financings whose individual amounts represent more than 10% of basic equity: | | |
| <u>Loan Operations</u> | | |
| Number of financings | | 2 |
| Total amount of financings | | 16.55 |
| % in relation to Tier 1 | | 23% |
| <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 | | 1 |
| Total amount of financings | | 8.94 |
| % in relation to Tier 1 | | 12% |
| II. Maximum amount of financing with the 3 largest debtors and common risk groups: | | 34.09 |

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 March 31, 2015 | | 3.87 |
|---|--|-------------|
| I. Financings whose individual amounts represent more than 10% of basic equity: | | |
| <u>Loan Operations</u> | | |
| Number of financings | | 5 |
| Total amount of financings | | 4.58 |
| % in relation to Equity | | 118% |
| <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: | | 5.69 |

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

| Equity as of March 31, 2015 | | 3.84 |
|---|--|-------|
| I. Financings whose individual amounts represent more than 10% of basic equity: | | |
| <u>Loan Operations</u> | | |
| Number of financings | | 0 |
| Total amount of financings | | 0 |
| % in relation to Equity | | 0% |
| <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: | | 0.517 |

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Banorte Ixe Tarjetas in billion Pesos:

| Equity as of March 31, 2015 | | 5.39 |
|---|--|-------|
| I. Financings whose individual amounts represent more than 10% of basic equity: | | |
| <u>Loan Operations</u> | | |
| Number of financings | | 0 |
| Total amount of financings | | 0 |
| % in relation to Equity | | 0% |
| <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: | | 0.006 |

Market Risk (Bank and Brokerage House)

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 and portfolios.

Risk management is supported by a framework of policies and handbooks through which the implementation, follow up and compliance with market risk limits, and finally the disclosure of the aforementioned limits are settled.

Key risk ratios are disclosed in monthly reports to the Risk Policy Committee and through a daily report to top executives at the institution.

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).

The VaR model considers a one day horizon base, a non-parametric historical simulation with a 99% confidence level and 500 historical observations on risk factors.

Furthermore, it considers all the positions (money market, treasury, equities, FX and derivatives for trading and hedging purposes) classified for accounting purposes as trading and available for sale assets, both on and off the balance sheet.

The average VaR of the portfolio for 2Q15 was Ps 300 million (Ps 54 million lower than the average VaR for 1Q15) and as percentage of the Net capital (Ps 80.45 billion) at the end of 2Q15 was 0.37%.

| Million Pesos | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 |
|-------------------------|--------------------|--------------------|--------------------|--------------|--------------|
| Tota VaR ⁽¹⁾ | 274 ⁽¹⁾ | 379 ⁽¹⁾ | 298 ⁽¹⁾ | 354 | 300 |
| Net Capital | 73,493 | 75,791 | 77,996 | 78,690 | 80,450 |
| VaR/ Net Capital | 0.37% | 0.50% | 0.38% | 0.45% | 0.37% |

(1) VaR adjusted to the new methodology approved in February 2015 by the Risk Policies Committee (for further details please refer to the Notes to Financial Statements of 1Q15.)

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

| Risk Factor | VaR 2Q15 |
|-------------------------|-------------|
| IPC | 7 |
| Domestic Interest Rates | 234 |
| Foreign Interest Rates | 118 |
| FX Rate | 61 |
| Diversification Effect | (119) |
| Total VaR | 300 |

Sensibility 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 estimated.

Value at Risk Casa de Bolsa (VaR)

The average VaR of the portfolio for 2Q15 is Ps 19 million and as a percentage of the Global Capital (Ps 2.36 billion) for the quarter is 0.79%.

| Million Pesos | 2Q15 |
|-----------------------------|--------------|
| VaR Total | 19 |
| Global Capital | 2.36 |
| VaR / Global Capital | 0.79% |

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 all 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 2Q15 |
|--------------------------------|-------------|
| IPC | 0 |
| Domestic Interest Rates | 19 |
| Diversification Effect | 0 |
| Total VaR Casa de Bolsa | 19 |

Stress Testing under extreme conditions

Since risk measurement (VaR) shows potential losses under normal market conditions, Casa de Bolsa Banorte Ixe 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 estimated.

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 tolerance quantitative metrics. The disclosure of the metrics and indicators and their compliance with the established limits, but also the risk tolerance 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.

Profile and Financing Strategy

The composition and evolution of the bank's funding during 1H15 is shown in the following table.

| Funding Source | 1Q15 | 2Q15 | Change vs. 1Q15 |
|--------------------------------|----------------|----------------|-----------------|
| Demand Deposits | | | |
| Local Currency | 270,958 | 271,809 | 0.3% |
| Foreign Currency | 23,439 | 27,670 | 18.1% |
| Demand Deposits | 294,397 | 299,479 | 1.7% |
| Time Deposits – Retail | | | |
| Local Currency (1) | 114,847 | 120,362 | 4.8% |
| Foreign Currency | 15,428 | 17,858 | 15.8% |
| Core Deposits | 424,672 | 437,700 | 3.1% |
| Money Market | | | |
| Local Currency (2) | 63,993 | 59,740 | (6.6%) |
| Foreign Currency (3) | 4,619 | 4,798 | 3.9% |
| Banking Sector Deposits | 493,284 | 502,237 | 1.8% |

1. Includes eliminations among subsidiaries
2. Money Market & Time Deposits
3. 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 | 65,253 |
| CASH DISBURSEMENTS | | | |
| 2 | Unsecured retail financing | 326,265 | 25,870 |
| 3 | Stable financing | 135,136 | 6,757 |
| 4 | Less stable financing | 191,129 | 19,113 |
| 5 | Unsecured wholesale financing | 162,891 | 71,980 |
| 6 | Operational Deposits | 76,975 | 16,912 |
| 7 | Non-Operational Deposits | 82,627 | 51,779 |
| 8 | Unsecured debt | 3,289 | 3,289 |
| 9 | Secured wholesale financing | N/A | 24,483 |
| 10 | Additional Requirements: | 177,576 | 23,680 |
| 11 | Disbursements related to derivatives and other guarantee requirements | 14,383 | 6,782 |
| 12 | Disbursements related to losses from debt financing | - | - |
| 13 | Lines of credit and liquidity | 163,193 | 16,898 |
| 14 | Other contractual financing obligations | - | - |
| 15 | Other contingent financing liabilities | - | - |
| 16 | TOTAL CASH DISBURSEMENTS | N/A | 146,012 |
| CASH INFLOWS | | | |
| 17 | Cash Inflows for secured operations | 31,845 | 5,860 |
| 18 | Cash Inflows for unsecured operations | 80,788 | 58,960 |
| 19 | Other Cash Inflows | 4,192 | 4,192 |
| 20 | TOTAL CASH INFLOWS | 116,825 | 69,012 |
| | | Adjusted amount | |
| 21 | TOTAL COMPUTABLE LIQUID ASSETS | N/A | 65,253 |
| 22 | TOTAL NET CASH DISBURSEMENTS | N/A | 77,000 |
| 23 | LIQUID COVERAGE RATIO | N/A | 85.61%* |

* This ratio amounted to 85% in the quarterly report published on July 23rd, figure which expressed in hundredths was 84.74%.

During 2Q15, the average LCR for the Bank and Sofoms was 85.61%, and at the end of 2Q15 the LCR was 94.13%, the aforementioned levels are above the risk tolerance and the regulatory minimum standards.

Evolution of LCR Components

The evolution of the LCR components comparing 1Q15 and 2Q15 is presented in the following table.

| Component | 1Q15 | 2Q15 | Change vs. 1Q15 |
|---------------|---------|---------|-----------------|
| Liquid Assets | 64,672 | 67,529 | 4.4% |
| Cash Inflows* | 52,763 | 75,099 | 42.3% |
| Cash Outflows | 135,783 | 146,836 | 8.1% |

*See main LCR results

The Liquid Assets that compute in the LCRs for the Bank and Sofoms between 1Q15 and 2Q15 are distributed as follows:

| Type of Asset | 1Q15 | 2Q15 | Change vs. 1Q15 |
|---------------|---------------|---------------|-----------------|
| Total | 64,672 | 67,529 | 4.4% |
| Level I | 55,373 | 60,177 | 8.7% |
| Level II | 9,299 | 7,352 | (20.9%) |
| Level II A | 9,234 | 7,310 | (20.8%) |
| Level II B | 65 | 42 | (35.6%) |

Explanation of LCR ratio

Given the ongoing activities of Banorte and Sofoms as well as the liquidity management within the institution, comparing the end of 1Q15 with the end of 2Q15, the following events were observed:

Considering the average LCR at the end of the last quarter (78%) and aiming to strengthen the ratio, the following actions were taken:

- The position of Liquid Assets was strengthened.
- The definition of operational deposits was aligned with best practices and regulatory standards.
- Non disposed committed lines to GFNorte's subsidiaries were managed.
- Repo position was managed, resulting in lower net cash outflows.

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 2Q15, estimated outflows for derivatives were as follows:

| | 1Q15 | 2Q15 | Change vs. 1Q15 |
|---|-------|-------|-----------------|
| Net cash outflows at market value and for potential future exposure | 4,068 | 4,499 | 10.6% |
| Cash outflows for a 3 notch credit rating downgrade. | 1,395 | 659 | (52.7%) |

Liquidity Gaps

As part of the liquidity analysis for the Bank, 30 days liquidity gaps for the institution's assets and liabilities (obligations) are analyzed. Results for the Bank at the end of 2Q15 are presented in the following table.

| Concept | 1Q15 | 2Q15 | Change vs. 1Q15 |
|--------------------------|---------------|---------------|-----------------|
| Cumulative 30 days Gap | (59,872) | (47,755) | (20.2%) |
| Liquid assets | 64,672 | 67,529 | 4.4% |
| Net Capital | 80,064 | 80,490 | 0.5% |
| Liquidity vs Net Capital | 80.80% | 83.90% | 3.1% |

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 2Q15 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 | 1,365 | -3,049 | -3,839 | 2,876 |
| Liquid assets | 2,593 | 50 | 180 | 2 |
| Net Capital* | 2,362 | 3,990 | 3,758 | 4,036 |
| Liquidity vs Net Capital* | 109.8% | 1.23% | 4.79% | 0.06% |

*Casa de Bolsa Banorte Ixe considers Global Capital

➤ **Operational Risk**

GFNorte has a formal Operational Risk department headed by the “Deputy Managing Director of Financial and Operational Risk”, reporting directly to the Chief Risk Officer.

Operational Risk is defined as the potential loss due to failures or deficiencies in 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 Operational Risk Management are: a) To allow and support the organization to reach its institutional objectives through 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 operational risks are duly quantified 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 Operational 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

Operational 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 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 relations with commercial counterparties and suppliers. |

This historical Database provides the statistics of the operational events in which the institution has incurred to determine their trends, frequency, impact and distribution. Moreover, the Database will make it possible in the future to have enough information to calculate the capital requirements as 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 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: Risk Management Unit (RMU), 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 second 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. The Code of Conduct was updated and subsequently authorized by the Board of Director through the CAPS. 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.
- F. Requests regarding internal control subjects from diverse internal departments were handled, to the development of new institutional projects, as well as those derived from changes to the Regulation.

FINANCIAL SITUATION AND LIQUIDITY

- **Treasury Policy**

GFNorte's Treasury Department is the central unit responsible of balancing GFNorte's liquidity needs, monitoring and managing the regulatory levels, reducing interest rate risk on the balance sheet by using coverage and implementing arbitrage strategies.

The majority of 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 and foreign currency, come from the various deposit products that the institution offers to customers.

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 such 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 that year, dividend payments are 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 June 30 and March 31, 2015, the amount of loans granted to third parties is as follows (million pesos):

| Lender | Jun-2015 | % Basic Equity | Mar-2015 | % Basic Equity |
|---------------|-----------------|-----------------------|-----------------|-----------------------|
| Banorte | Ps 6.52 | 9.1% | Ps 3.56 | 5.1% |

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

Banorte.

As of **June 30, 2015**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 6.52 billion (including Ps 832 million in — Credit Letters “CC”, which are registered in memorandum accounts), representing 1.4% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 6.13 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 388 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of June 2015 was 9.1% of the basic part of the equity.

Related party loans have been granted under 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. 94% of the related party loans are rated in Category "A", and the majority of these loans were classified as commercial loans.

As of **March 31, 2015**, 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 for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of March 2015 was 5.1% of the basic part of the equity.

Related party loans have been granted under 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:

| | As of December 31, 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, February 5, April 30, May 27 and June 23, 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.