Grupo Financiero Banorte

Financial Information as of June 30th, 2013

2Q13

"Bank of the Year Mexico 2011"

"Best Commercial Bank in Mexico 2011 & 2012"

"Best Bank in Mexico 2011"

"Sustainable Company"

web page: www.banorte.com/ri

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Institutional Investor
"Best Latam Management & IR Team 2010, 2011 & 2012"

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

GFNorte reports Net Income of $6.36 billion in 1H13 and $3.22 billion in 2Q13

Operating Results *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12	LTM 2Q13	Change LTM
Net Interest Income	8,245	8,589	**9,278**	8%	13%	16,168	**17,867**	11%	34,509	12%
Non Interest Income	3,344	5,214	**3,997**	(23%)	20%	7,215	**9,211**	28%	16,506	7%
Total Income	11,589	13,804	**13,275**	(4%)	15%	23,383	**27,079**	16%	51,015	11%
Non Interest Expense	6,457	7,431	**6,691**	(10%)	4%	13,015	**14,122**	9%	26,641	3%
Provisions	1,186	2,073	**3,132**	51%	164%	2,653	**5,205**	96%	8,725	61%
Operating Income	3,947	4,300	**3,452**	(20%)	(13%)	7,716	**7,752**	0%	15,649	5%
Net Income	2,635	3,140	**3,220**	3%	22%	5,098	**6,360**	25%	12,150	25%

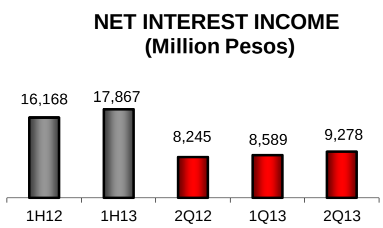
- **Net Interest Income**

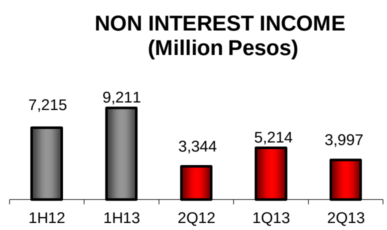
During 1H13, Net Interest Income totaled Ps17.87 billion, an 11% YoY increase vs. 1H12, an 8% increase vs. 1Q13 and a 13% increase vs. 2Q12, closing the quarter at Ps 9.28 billion. The YoY increase is explained by higher loan volumes with a better mix and a stable cost of funding, which offset the decline in net interest income of the Insurance and Annuities Companies as a result of a significant amount of sales and the corresponding increase in technical reserves, and the debt servicing cost of GFNorte's US 800 million syndicated loan. QoQ growth vs. 1Q13 and 2Q12 was due to higher loan volumes with a better mix, more loan origination fees and a lower cost of funding. Net Interest Income related only to lending activity increased 17% vs. 1H12, 21% vs. 2Q12 and 6% vs. 1Q13 due to a better mix as a result of superior growth in the consumer, mortgage and SME portfolios compared to the average increase of total loan portfolio, as well as more fees from loan origination and a stable cost of funding.

The Net Interest Margin (NIM) stood at 4.3% for 2Q13, 4 basis points higher YoY vs. 2Q12 and 27 basis points higher vs. 1Q13, while NIM related only to lending activity was 7.7% for 2Q13, an increase of 65 basis points vs. 2Q12 and 33 basis points QoQ vs. 1Q13. In the first half of the year, NIM stood at 4.2% unchanged YoY and the NIM related only to lending activity increased by 33 basis points to 7.6%.

- **Non Interest Income**

Non Interest Income totaled Ps 9.21 billion in 1H13, a 28% YoY increase, driven by growth in all items resulting from better business dynamics. On a quarterly basis, Non Interest Income totaled Ps 4.0 billion, a (23%) QoQ decline vs. 1Q13 mainly due to lower trading revenues; while the 20% YoY growth vs. 2Q12 was derived mainly from an increase in Other Operating Income.





- **Non Interest Expense**

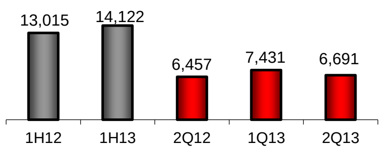
In 1H13 Non Interest Expense totaled Ps 14.12 billion, 9% higher YoY vs. 1H12 as a result of costs linked to a personnel efficiency program implemented in 1Q13, as well as the growth and strengthening of business areas, which was not offset by the decline in other headings. Non Interest Expense for 2Q13 totaled Ps 6.69 billion, a YoY increase of 4% vs. 2Q12 mainly due to higher Personnel Expenses as a result of the strengthening of business areas and compensations, an increase that was partially offset by decreases in other headings. In 1Q13, Non Interest Expense decreased (10%) due mainly to reduced Personnel Expenses as a result of the personnel efficiency program implemented earlier this year, and other efforts in expense control. The Efficiency Ratio in 1H13 was 52.2% (3.5 pp) lower vs. 1H12 and 50.4% in 2Q13, a YoY reduction of (5.3 pp) vs. 2Q12 and (3.4 pp) less QoQ vs. 1Q13 in all cases due to the positive operating leverage obtained.

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

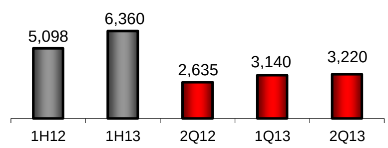
- **Provisions**

In 1H13 provisions charged to results totaled Ps 5.21 billion, an increase of 96% vs. 1H12 and Ps 3.13 billion for 2Q13, an increase of 164% YoY vs. 2Q12 and 51% QoQ vs. 1Q13. In all cases, the increase was caused mainly by provisions related to exposures to the home developers URBI, GEO and HOMEX of Ps 984 million made during the first half of the year and Ps 724 million during 2Q13. In addition, the increase is also explained by growth in the consumer portfolios which require higher initial provisions as a result of the expected loss methodology adopted in recent years and an increase in credit card past due loans as a result of the maturing of loan vintages.

NON INTEREST EXPENSE
(Million Pesos)



NET INCOME
(Million Pesos)



- **Net Income**

GFNorte reported 1H13 Net Income of Ps 6.36 billion, a 25% YoY increase vs. 1H12 due to a positive operating leverage as a result of growth in Net Interest Income and Non Interest Income, as well as a lower pace of growth in Operating Expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results, offset the increase in loan loss provisions. In 2Q13 Net Income was Ps 3.22 billion, 3% more QoQ vs. 1Q13 and 22% higher vs. 2Q12; YoY growth is due to higher positive operating leverage, while QoQ growth is the result of the increase in Net Interest Income, reduced Operating Expenses and lower taxes as a result of using existing tax credits.

Accumulated Net Income for the past 12 months totaled Ps 12.15 billion, 25% higher than for the same period in 2012 and 12% greater vs. the Ps 10.89 billion profits of 2012, as a result of the positive operating leverage achieved by the institution.

ROE was 15.3% in 2Q13, an increase of 112 basis points YoY vs. 2Q12 and 21 basis points higher QoQ vs. 1Q13. ROE for 1H13 was also 15.3%, an increase of 130 basis points over the same period of the previous year. Return on Tangible Equity (ROTE) was 19.6% in 2Q13, an increase of 101 basis points YoY vs. 2Q12 and 30 basis points QoQ vs.1Q13.

ROA for 2Q13 was 1.4%, 12 basis points higher YoY vs. 2Q12; while ROA for 1H13 was also 1.4%, an increase of 15 bp vs. the same period of the previous year. The Return on Risk Weighted Assets was 3.0%, an increase of 38 basis points YoY vs. 2Q12 and 2 bp vs. 1Q13.

The Banking Sector's (Banco Mercantil del Norte, Banorte - Ixe Tarjetas and Banorte USA) profits for 1H13 totaled Ps 5.19 billion, contributing 82% of GFNorte's net income. ROE in 1H13 for this sector was 16.3%, 40 basis points lower vs. 1H12 mainly due to the increase in Banco Mercantil del Norte's equity in February as part of the strategy to replenish the capital used for the acquisition of Afore Bancomer. ROA for the banking sector was 1.5%, up 20 basis points YoY.

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

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

Income Statement and Balance Sheet Highlights-GFNorte	2Q12	1Q13	2Q13	Change		1H12	1H13	Change	LTM 2Q13	Change
(Million Pesos)				QoQ	YoY			1H12		LTM
Income Statement										
Net Interest Income	8,245	8,589	**9,278**	8%	13%	16,168	**17,867**	11%	34,509	12%
Non Interest Income	3,344	5,214	**3,997**	(23%)	20%	7,215	**9,211**	28%	16,506	7%
Total Income	11,589	13,804	**13,275**	(4%)	15%	23,383	**27,079**	16%	51,015	11%
Non Interest Expense	6,457	7,431	**6,691**	(10%)	4%	13,015	**14,122**	9%	26,641	3%
Provisions	1,186	2,073	**3,132**	51%	164%	2,653	**5,205**	96%	8,725	61%
Operating Income	3,947	4,300	**3,452**	(20%)	(13%)	7,716	**7,752**	0%	15,649	5%
Taxes	1,152	1,230	**167**	(86%)	(85%)	2,293	**1,397**	(39%)	3,233	(23%)
Subsidiaries & Minority Interest	(160)	70	**(64)**	(193%)	(60%)	(325)	**5**	(102%)	(266)	(72%)
Net Income	2,635	3,140	**3,220**	3%	22%	5,098	**6,360**	25%	12,150	25%
Balance Sheet										
Asset Under Management	1,399,992	1,828,766	**1,826,546**	(0%)	30%	1,399,992	**1,826,546**	30%		
Total Assets	890,036	955,442	**960,232**	1%	8%	890,036	**960,232**	8%		
Performing Loans (a)	378,427	404,594	**411,782**	2%	9%	378,427	**411,782**	9%		
Past Due Loans (b)	7,089	8,631	**9,075**	5%	28%	7,089	**9,075**	28%		
Total Loans (a+b)	385,516	413,224	**420,857**	2%	9%	385,516	**420,857**	9%		
Total Loans Net (d)	374,518	401,362	**406,536**	1%	9%	374,518	**406,536**	9%		
Acquired Collection Rights (e)	2,795	2,979	**3,507**	18%	25%	2,795	**3,507**	25%		
Total Loans (d+e)	377,313	404,341	**410,043**	1%	9%	377,313	**410,043**	9%		
Total Liabilities	808,551	866,890	**872,274**	1%	8%	808,551	**872,274**	8%		
Total Deposits	395,635	414,898	**424,095**	2%	7%	395,635	**424,095**	7%		
Equity	81,485	88,553	**87,957**	(1%)	8%	81,485	**87,957**	8%		

Financial Ratios GFNorte	2Q12	1Q13	2Q13	Change		1H12	1H13	Change
				QoQ	YoY			1H12
Profitability:								
NIM (1)	4.2%	4.0%	**4.3%**	0.3 pp	0.0 pp	4.2%	**4.2%**	(0.0 pp)
NIM after Provisions (2)	3.6%	3.1%	**2.8%**	(0.2 pp)	(0.8 pp)	3.5%	**3.0%**	(0.6 pp)
NIM adjusted w/o Insurance & Annuities	4.0%	4.1%	**4.3%**	0.1 pp	0.3 pp	4.1%	**4.2%**	0.1 pp
NIM from loan portfolio (3)	7.1%	7.4%	**7.7%**	0.3 pp	0.6 pp	7.2%	**7.6%**	0.3 pp
ROE (4)	14.2%	15.1%	**15.3%**	0.2 pp	1.1 pp	14.0%	**15.3%**	1.3 pp
ROA (5)	1.2%	1.3%	**1.4%**	0.0 pp	0.1 pp	1.2%	**1.4%**	0.1 pp
Operation:								
Efficiency Ratio (6)	55.7%	53.8%	**50.4%**	(3.4 pp)	(5.3 pp)	55.7%	**52.2%**	(3.5 pp)
Operating Efficiency Ratio (7)	3.0%	3.2%	**2.8%**	(0.4 pp)	(0.2 pp)	3.1%	**3.0%**	(0.1 pp)
Liquidity Ratio (8)	121.2%	135.4%	**137.2%**	1.8 pp	16.0 pp	121.2%	**137.2%**	16.0 pp
Asset Quality:								
Past Due Loan Ratio	1.8%	2.1%	**2.2%**	0.1 pp	0.3 pp	1.8%	**2.2%**	0.3 pp
Coverage Ratio	155.1%	137.4%	**157.8%**	20.4 pp	2.7 pp	155.1%	**157.8%**	2.7 pp
Past Due Loan Ratio w/o Banorte USA	1.9%	2.1%	**2.2%**	0.1 pp	0.3 pp	1.9%	**2.2%**	0.3 pp
Coverage Ratio w/o Banorte USA	156.3%	137.3%	**158.0%**	20.7 pp	1.7 pp	156.3%	**158.0%**	1.7 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 Net 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.

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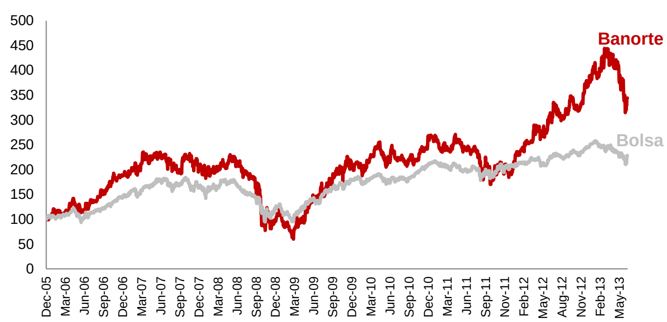
Subsidiaries Net Income (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12	LTM 2Q13
Banking Sector	**2,110**	**2,386**	**2,802**	**17%**	**33%**	**4,182**	**5,188**	**24%**	**9,927**
Banco Mercantil del Norte (1) (2)	1,792	2,042	2,430	19%	36%	3,700	4,472	21%	8,277
Ixe Banco	165	81	44	(46%)	(73%)	395	126	(68%)	484
Banorte Ixe Tarjetas (4)	153	263	328	25%	115%	87	590	581%	1,166
Broker Dealer	**164**	**245**	**140**	**(43%)**	**(14%)**	**275**	**385**	**40%**	**791**
Banorte- Ixe-Broker Dealer	144	224	120	(46%)	(17%)	231	345	49%	715
Operadora de Fondos Banorte-Ixe	19	21	20	(7%)	1%	45	41	(9%)	76
Long Term Savings	**302**	**504**	**351**	**(30%)**	**16%**	**556**	**855**	**54%**	**1,351**
Retirement Funds - Afore XXI Banorte (2)	138	335	196	(42%)	42%	253	531	110%	810
Insurance	149	144	141	(2%)	(6%)	272	285	5%	485
Annuities	15	25	14	(43%)	(5%)	31	39	25%	56
Other Finance Companies	**(57)**	**113**	**116**	**2%**	**(303%)**	**(63)**	**229**	**(462%)**	**(1,064)**
Leasing and Factoring (3)	152	131	72	(45%)	(52%)	278	204	(27%)	529
Warehousing	8	13	12	(9%)	45%	16	26	57%	53
Ixe Automotriz	(2)	11	5	(54%)	(309%)	6	15	169%	42
Fincasa Hipotecaria	(145)	(24)	(4)	(83%)	(97%)	(222)	(28)	(87%)	(920)
Sólida Administradora de Portafolios (former Ixe Soluciones)	(69)	(18)	30	(273%)	(144%)	(141)	13	(109%)	(768)
Other Companies									
Ixe Servicios	(0)	(0)	0	(433%)	(154%)	(2)	0	(108%)	2
G. F. Banorte (Holding)	**116**	**(109)**	**(189)**	**74%**	**(262%)**	**149**	**(298)**	**(299%)**	**1,142**
Total Net Income	**2,635**	**3,140**	**3,220**	**3%**	**22%**	**5,098**	**6,360**	**25%**	**12,150**

1) Considering a participation of 97.2% since 1Q13, and as of 2Q13 a participation of 97.50%. Since 4Q09 and until that quarter, the stake was of 92.72%, reflecting the investment by the IFC in Banco Mercantil del Norte.
2) Since 1Q12, Afore XXI Banorte is recognized under the equity participation method with Banco Mercantil del Norte. However, for informational and comparison purposes, the Net Income of Afore XXI Banorte is presented in the corresponding business segment.
3) Ixe Banco and Fincasa Hipotecaria were merged into Banco Mercantil del Norte, becoming effective since May 24th, 2013. The presented results correspond to previous periods of that date.
4) Since 1Q12 Banorte – Ixe Tarjetas, SOFOM consolidates with Banco Mercantil del Norte.
5) Arrendadora y Factor Banorte were merged on January 2008.
6) Ixe Automotriz was merged into Arrendadora y Factor Banorte, becoming effective since May 7th 2013. The results presented correspond to previous periods of that date.
7) On April 26, 2013, it was approved that Banco Mercantil del Norte divested its interest in Sólida, through a spin-off, and subsequently absorbed by Ixe Soluciones, in order to consolidate the recovery banking operations. Afterwards, Ixe Soluciones changed its name to Sólida Administradora de Portafolios. The merger and spin-off were effective on May 24, 2013.

Share Data	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Earnings per share (Pesos)	1.13	1.35	**1.38**	3%	22%	2.19	**2.73**	25%
Dividend per Share (Pesos)	0.18	0.18	**0.18**	0%	2%	0.35	**0.37**	5%
Dividend Payout (Recurring Net Income)	18.0%	20.0%	**20.0%**	0%	11%	18.0%	**20.0%**	11%
Book Value per Share (1) (Pesos)	32.45	36.28	**36.03**	(1%)	11%	32.45	**36.03**	11%
Total Shares Outstanding (Million Shares)	2,326.4	2,326.4	**2,326.4**	0%	0%	2,326.4	**2,326.4**	0%
Stock Price (Pesos)	69.15	98.68	**76.72**	(22%)	11%	69.15	**76.72**	11%
P/BV (Times)	2.13	2.72	**2.13**	(22%)	(0%)	2.13	**2.13**	(0%)
Market Capitalization (Million Dollars)	11,998	18,571	**13,700**	(26%)	14%	11,998	**13,700**	14%
Market Capitalization (Million Pesos)	160,868	229,565	**178,478**	(22%)	11%	160,868	**178,478**	11%

1) Excluding Minority Interest.
2) Earnings per share calculations as of 2Q11 take into consideration the new number of shares resulting from the exchange of shares with Ixe, and therefore are not comparable with previous periods.

SHARE PERFORMANCE
2006-2013



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

SUMMARY OF RESULTS

Mexico D.F. July 25th, 2013. Grupo Financiero Banorte (GFNORTE) reported today its results at closing of June 2013. GFNORTE registered profits for 1H13 of Ps 6.36 billion, 25% higher YoY vs. 1H12 derived from a positive operating leverage due to growth in Net Interest Income and Non Interest Income, as well as slower pace of growth in Operating Expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results, offset the higher level of loan loss provisions. Quarterly net income reached Ps 3.22 billion, 3% higher vs. 1Q13 and 22% higher vs. 2Q12; the YoY growth is due to a higher positive operating leverage, while QoQ growth is the result of higher Net Interest Income, reduced Operating Expenses and a lower tax burden through the use of existing tax credits. Banco Mercantil del Norte (excluding its participation in Afore XXI Banorte) contributed with 70% of GFNORTE's earnings for 1H13, reaching Ps 4.47 billion pesos, while in 2Q13, it contributed with 75% of quarterly consolidated profits, reaching Ps 2.43 billion.

Return on Equity (ROE) for 1H13, was 15.3%, 130 basis points more than the same period of the previous year, while Return on Assets (ROA) was 1.4%, 15 basis points higher than in 1H12.

- **Deposits and Net Interest Income**

Core deposits increased 10% YoY in 2Q13, driven by efforts to promote Banorte and Ixe's deposit products, resulting in a 14% increase in demand deposits. Core deposits increased by Ps 32.64 billion, from Ps 311.69 billion in 2Q12 to Ps 344.33 billion in 2Q13, During the quarter, core deposits increased 4% due to a 6% growth in Demand Deposits, while Retail Time Deposits increased 4%.

Net Interest Income in 1H13 totaled Ps 17.87 billion, an 11% YoY growth vs. 1H12, a QoQ increase of 8% vs. 1Q13 and YoY increase of 13% vs. 2Q12, reaching Ps 9.28 billion in 2Q13. The YoY increase is explained by higher loan volumes with a better mix and stable funding costs, which offset the decline in margins of the Insurance and Annuities companies and the debt servicing cost of GFNorte's US 800 million syndicated loan. The QoQ growth vs. 1Q13 and 2Q12 was due to increased loan volumes with a better mix, more loan origination fees and a lower cost of funding.

- **Loan Portfolio**

At closing of 2Q13, Performing Loans registered a YoY growth of 9%, increasing by Ps 33.35 billion to Ps 411.78 billion. The loan portfolio continues to show positive growth as a result of the Bank's strategies to grow loan volumes, mainly among existing clients. The loan portfolio increased by 2% vs. 1Q13 mainly as a result of growth in payroll loans, credit card, SMEs and mortgage portfolios.

Commercial loans reached Ps 108.50 billion, a YoY growth of 5% mainly due to increased placement of business loans, leasing and factoring and a 19% annual increase in the SME Performing Loan portfolio; on a quarterly basis, commercial loans present a 2% QoQ increase, driven by a 5% growth in SME loans as well as larger volumes in leasing and business loans. The **Corporate** portfolio totaled Ps 83.51 billion, the same level vs. 2Q12 and (3%) less vs. 1Q13, mainly due to the liquidation or classification of some loans related to housing developers as Past Due Loans. **Government** loans were Ps 90.59 billion at closing of 2Q13, an increase of 9% for the year and 1% QoQ, as a result of efforts to continue serving the demand for loans at all levels of Government.

Consumer loans, including Mortgages, increased 19% YoY. Mortgages maintained a growing trend to end the quarter with a balance of Ps 77.14 billion, 14% higher YoY and 4% higher QoQ, positioning Banorte as one of the banks with higher growth in loan placement in this sector. **Payroll** loans were Ps 22.30 billion at the end of the quarter, a 41% YoY and 11% QoQ increase as a result of growth in the number of Banorte-Ixe payroll deposit accountholders, promotional campaigns for the product and a cross-selling strategy with clients using various channels. **Car loans** grew 9% YoY and 3% QoQ reaching Ps 10.87 billion at closing of 2Q13, due to greater loan volumes as a result of promotional campaigns for this product through various channels, cross-selling with clients and alliances with car dealerships. The **Credit Card** portfolio was Ps 18.67 billion at the end of 2Q13, an increase of 23% YoY and 5% QoQ, both due to portfolio management strategies, promotional campaigns for Banorte - Ixe products and increased cross-sales to clients.

The Group maintains adequate portfolio quality at closing of 2Q13, with a 2.2% Past Due Loan ratio, 0.3 percentage points (pp) more than 2Q12 and 0.1 pp more than in 1Q13, one of the lowest in the Mexican financial system. The past due loan of Mexicana de Aviación was written-off during the quarter.

Grupo Financiero Banorte's Past Due Loans were Ps 9.08 billion at closing of 2Q13, a 28% YoY increase vs. 2Q12 mainly as a result of the increase in Corporate Past Due Loans, mostly to housing developers, as well as in the Commercial portfolio due to higher PDL's in Fincasa, tourist developments in the Northwest of the country and in the SME segment, and more delinquencies in payroll loans as a result of the maturing of vintages. The 5% QoQ growth vs. 1Q13 is the result of an increase in Past Due Corporate loans to housing developers, and in Credit Card and Mortgage loans resulting from the maturing of vintages. The reserve coverage for Past Due loans of the Group was 157.8% at closing of 2Q13, 2.7 pp more than in 2Q12 and 20.4 pp more than 1Q13, mainly as a consequence of the reserves charged against equity resulting from implementing last June the expected loss methodology for commercial loans.

- **Efficiency**

The Efficiency Ratio for 1H13 was 52.2%, (3.5 pp) lower vs. 1H12 and 50.4% for 2Q13, (5.3 pp) less YoY vs. 2Q12 and (3.4 pp) vs. 1Q13 due to the positive operating leverage achieved in all cases.

- **Capitalization**

Banco Mercantil del Norte's Capitalization ratio was 14.81% at the end of 2Q13, with a Total Tier 1 Ratio of 12.26% and a Core Tier 1 Ratio of 10.98%.

- **Other Subsidiaries**

During 1H13, the contribution to earnings of the financial group by **Long Term Savings** comprised of the Afore XXI Banorte, Insurance and Annuities, was Ps 855 million, 54% higher than 1H12; while contributions to earnings for the quarter was Ps 351 million, 16% more vs. 2Q12 and (30%) less QoQ vs. 1Q13. The YoY increase is due to the incorporation of Afore Bancomer and greater business dynamics in the Insurance and Annuities companies, while the QOQ decline is mainly derived from the impact in the Afore's results of the valuation losses registered in its investment portfolios.

Banorte - Ixe Tarjetas reports accumulated profits of Ps 590 million, 581% higher than in 1H12, this increase is due to the purchase by the SOFOM of Banco Mercantil del Norte's credit card portfolio during 2Q12, and the consolidation of its results as from that quarter. During the quarter, reported profits were Ps 328 billion, 115% higher than in 2Q12 and a 25% QoQ increase vs. 1Q13 due to the growth in its loan portfolio and its positive impact on margins and fees.

Brokerage Sector comprised of Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe reported 1H13 profits of Ps 385 million, an annual growth of 40% as a result of an increase of clients' managed assets in mutual funds which represents more service fees, as well as higher income from markets, private banking and wealth management and institutional sales. In 2Q13 profits amounted to Ps 140 million, representing a decline of (14%) YoY vs. 2Q12 and (43%) vs. 1Q13, due to a valuation effect in the money market and equity positions, originated by changes in the market conditions, given during the same period.

Other Finance Companies, comprised of Arrendadora y Factor Banorte, Almacenadora Banorte, Ixe Automotriz (merged with Arrendadora y Factor Banorte as of May 2013), Fincasa Hipotecaria (merged with Banco Mercantil del Norte as of May 2013) and Solida Administradora de Portfolios (which was spun-off from Banco Mercantil del Norte to later merge with Ixe Soluciones) registered 1H13 profits of Ps 229 million, and 2Q13 profits of Ps116 million.

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

RECENT EVENTS

- **Grupo Financiero Banorte carries out an international follow-on offering.**

According to the authorizations granted by the Board of Directors and Shareholders' Meeting, last July 16th, Grupo Financiero Banorte, S.A.B. de C.V. ("GFNORTE") informed the investment public it had priced an international follow-on offering of common shares. The amount of subscribed common shares, subject to the offering was 389,018,940 at a price per share of Ps. 71.50, amounting to Ps. 27,814,854,210.00, approximately 2.18 billion U.S. dollars, without taking into account the exercise of the over-allotment options. Furthermore, on July 19th it was announced that the Mexican underwriters and international initial purchasers on July 17th, 2013 indicated their intention to exercise in full the over-allotment options granted to them by GFNORTE for the aggregate purchase of an additional 58,352,841 common shares.

All of the common shares subject to offering were settled on July 22, 2013, the proceeds from the offering of 447,371,781 common shares equivalent to Ps. 31.99 billion or approximately 2.5 billion U.S. dollars, were fully delivered to GFNORTE, deducting the expenses from the offering itself. As it was informed in the prospectus, which may be found in the Bolsa Mexicana de Valores' and our Company's websites, the net proceeds obtained from the public offering will be used to (i) repay a syndicated loan obtained in February 2013, (ii) purchase from Grupo Generali the capital stock it owns in GFNorte's insurance and annuities companies, (iii) purchase the capital stock of Banco Mercantil del Norte ("Banorte") owned by the International Finance Corporation ("IFC"), (iv) strengthen the regulatory capital of Banorte and (v) for general corporate purposes.

As a result of GFNORTE's promotional efforts in the Mexican and international markets, a 3.4 times over subscription was achieved, representing a demand of more than 8.5 billion U.S. dollars. The share allocation was 63% among international investors and 37% among local investors. In this offering 10,126 Mexican retail investors, 22 Mexican institutional funds (including 4 of the most important Afores) and 160 global institutional funds participated. This primary follow-on offering is the largest in Mexico's history, the greatest from a locally controlled Mexican financial institution, the second most important public offering in the country's history and the ninth most important carried out by a Latin American financial institution. Furthermore, it is the most important executed by a Mexican bank, measured in terms of the amount placed among local investors.

The primary public offering in Mexico was conducted in the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.); meanwhile, the international offering carried out in the United States of America was pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") and outside of the United States and Mexico in reliance on Regulation S of the Securities Act and pursuant to applicable legislation of the jurisdictions where the international offering was conducted. The common shares subject to the offering were not registered under the Securities Act, and were not offered or sold in the United States to retail investors.

- **Shareholders' Meeting.**

On last July 3rd, an Extraordinary General Shareholders' Meeting of Grupo Financiero Banorte was held, in which 93.88% of the total subscribed and paid shares of the Company's capital were represented, and it was approved to

1. Increase the variable portion of the Company's equity, through the issuance of non-subscribed common shares to be placed among the investment public through a public primary offering, without the application of preferential subscription rights.

   a) Increase the authorized variable portion of equity of up to 447,371,781 common shares, nominative, with a face value of $3.50 corresponding to Series "O", Class II.

   b) The maximum authorized sum of the Company's equity as of this date is the amount of up to Ps. 9,708,053,470.50, which will be represented by up to 2,773,729,563 common, nominative shares, with a face value of Ps. 3.50, corresponding to Series "O" Class I shares, which represent the fixed portion of equity and Class II for the shares representing the variable portion of equity; in the understanding that of the subscription price per each of the shares subject to the Primary Offering, the amount of Ps. 3.50 will be recorded as equity and the difference will correspond to "Premium of Subscribed & Issued Shares"

2. A primary public offering of the representative common shares of the Company's equity in Mexico, the United States and other foreign markets, under the applicable legislation.

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

Moreover, on April 26th the Ordinary and Extraordinary Annual General Shareholders' Meetings of Grupo Financiero Banorte were held, in which 90.45% of the total subscribed and paid shares of the Company's capital was represented. The most relevant resolutions adopted by the Assembly were:

Extraordinary:

1. Approval of changes to Article Second of the Corporate By-Laws of the Company, in order to (i) exclude Ixe Banco and Fincasa Hipotecaria as integrated entities of GFNORTE, due to their merger with Banorte, and ii) modify the legal denomination of Ixe Soluciones to Sólida Administradora de Portafolios (SOFOM), and of Ixe Fondos, S.A. de C.V., Sociedad Operadora de Sociedades de Inversión, Grupo Financiero Banorte, to Operadora de Fondos Banorte Ixe, S.A. de C.V., Sociedad Operadora de Sociedades de Inversión, Grupo Financiero Banorte, and as a result, authorization to subscribe a new Agreement of Shared Responsibilities.

Ordinary:

1. Approve the Annual Reports of the CEO, the Board of Directors and Audit and Corporate Practices' Committee (CAPS) in accordance with diverse legal provisions.

2. Distribute the net profit corresponding to the 2012 business year of Ps. 9,237'836,097.45 by applying the total amount into the account "Retained Earnings from prior Years", since the "Legal Reserve" is already fully constituted.

3. Approve the Board of Directors' composition of 15 Regular Members, and, if necessary, their respective Alternate Members, by appointing the following persons for the 2013 business year and grading the independence of the members mentioned below since they do not fall within the restrictions stated in the Securities Market Law, as well as the capacity of the Independent and related proprietary board members, pursuant to the Best Corporate Practices Code:

PROPRIETARY MEMBERS				ALTERNATE MEMBERS		
1	Guillermo Ortiz Martínez	Chairman	Related	1	Jesús O. Garza Martínez	Related
2	Graciela González Moreno		Patrimonial	2	Alejandro Hank González	Patrimonial
3	José G. Garza Montemayor		Patrimonial	3	David Villarreal Montemayor	Patrimonial
4	Manuel Saba Ades		Independent	4	Alberto Saba Ades	Independent
5	Alfredo Elías Ayub		Independent	5	Isaac Becker Kabacnik	Independent
6	Herminio Blanco Mendoza		Independent	6	Manuel Aznar Nicolin	Independent
7	Eduardo Livas Cantú		Independent	7	Adrián Sada Cueva	Independent
8	Patricia Armendáriz Guerra		Independent	8	Everardo Elizondo Almaguer	Independent
9	Armando Garza Sada		Independent	9	Ramón A. Leal Chapa	Independent
10	Héctor Reyes Retana y Dahl		Independent	10	Julio César Méndez Rubio	Independent
11	Juan Carlos Braniff Hierro		Independent	11	Guillermo Mascareñas Milmo	Independent
12	Miguel Alemán Magnani		Independent	12	Lorenzo Lazo Margain	Independent
13	Alejandro Burillo Azcárraga		Independent	13	Alejandro Orvañanos Alatorre	Independent
14	Juan González Moreno		Patrimonial	14	Enrique Castillo Sánchez Mejorada	Related
15	Alejandro Valenzuela del Río		Related	15	José Marcos Ramírez Miguel	Related

Hector Ávila Flores was designated as Secretary of the Board of Directors; nevertheless, he does not constitute part of the Board.

4. Members of the Committee that will have the functions of the Audit and Corporate Practices, including its Chairman, were designated.

5. Members of the Risk Policies Committee, including its Chairman, were designated.

6. It was approved to allocate the amount of up to Ps. $2,912'000,000.00, equivalent to 1.5% of the Financial Groups' market capitalization at yearend 2012, charged against equity, to purchase Company's shares during 2013, subject to the Treasury's Policy for Acquisition and Sale of Shares.

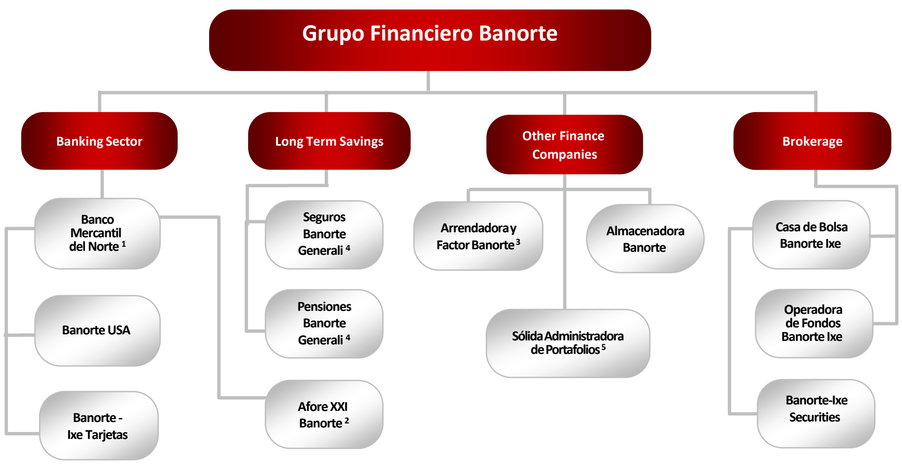
According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

7. It was approved to create a Sixth Regional Board located in Leon, Guanajuato, which will comprise the states of Guanajuato, Aguascalientes, San Luis Potosi, Queretaro and Zacatecas.

- **Changes to the GFNORTE's Corporate Structure.**

During the quarter, the mergers of Ixe Banco and Fincasa into Banorte were authorized, with Banorte remaining as the surviving entity. As part of this corporate restructuring process Banorte's shareholders held an Extraordinary General Shareholders' Meeting, in which it was approved to divest Banorte's interest in Sólida through a spin-off and subsequent merger with and into Ixe Soluciones in order to consolidate our recovery banking operations. Afterwards, Ixe Soluciones was named Sólida. This spin-off and merger took effect on May 24, 2013. Similarly, on May 7, 2013, as part of our continuing corporate integration of the Ixe subsidiaries, the merger of Ixe Automotriz with and into Arrendadora y Factor Banorte became effective.

The new corporate structure of GFNORTE is as follows:



1) Merges Ixe Banco and Fincasa Hipotecaria.
2) 50% Banorte and 50% IMSS after de aquisition of Afore Bancomer.
3) Merged Ixe Automotriz on May 7th.
4) 51% GFNORTE, 49% Generali.
5) Ixe Soluciones merges Sólida and changes its corporate identity to Sólida Administradora de Portafolios.

- **Amendment to the rating methodology of the commercial portfolio.**

On June 24, 2013, the Commission published a resolution amending the provisions regarding the methodology for rating commercial loans. This resolution modifies the current model of reserves, in order to establish a methodology under which the portfolio is rated and reserved based on expected losses for the next 12 months considering the probability of default, loss severity and exposure to default of each client.

The resolution came into force on June 25, 2013 and is applicable optionally as of this date, and must be met no later than December 31, 2013 for loans granted to individuals with business activity, corporations and decentralized bodies, excluding loans to financial institutions, for which the new methodology cannot be applied until January 2014.

Pursuant to that resolution, the Institution decided to apply the formerly mentioned methodology with figures as of June 30, 2013, consequently the Institution recognized Ps 3.95 billion, in the heading of retained earnings of prior years, within stockholders' equity, corresponding to the initial cumulative financial effect derived from the application of the new rating methodologies for commercial loans, excluding loans granted to financial institutions which will be adopted until January 2014 according to the regulation.

The amount of the allowance for loan losses for commercial loans of the Institution applying the new methodology was Ps. 8.38 billion, and the amount of the reserve for such commercial portfolio considering the methodology used prior to the implementation of this resolution was Ps. 4.99 billion, both with figures as of June 30, 2013.

The amount recognized in equity includes Ps. 557 million of reserves corresponding to the portfolio sold by Arrendadora y Factor Banorte.

- **Exposure to Home Building Sector.**

Through the subsidiaries Banorte, Arrendadora y Factor Banorte and Sólida, GFNORTE has extended loans and participated, through specialized trust operations, in home development projects. Some of the larger companies in this sector have experienced financial difficulties lately primarily due to: (i) reduced cash flow generation from compliance with changed sustainability and higher density regulations imposed by the Mexican government with the aim to focus housing policies for apartment building and renovation of used homes in urban areas, shifting the focus away from the suburban areas that had previously been an integral part of the sector's business model; (ii) the change in the federal government administration generated lags in the provision of resources by governmental housing agencies that affected the liquidity of these companies; (iii) the sector's dependence on bridge loans and short-term credit lines; (iv) increases in the sector's interest rates applicable to short-term credit lines; and (v) tighter lending restrictions to renew existing credit lines. As a result of these challenges, three of the largest companies in this sector are in the process of restructuring their debt, and have recently missed payments on their debt. This situation has caused the risk profile of these three borrowers to deteriorate. We are currently involved in refinancing negotiations with these companies.

As of March 31, 2013, we had granted total loans to 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. of Ps.11,901 million, representing 2.9% of our total loan portfolio, of which Ps.10,294 million correspond to Banorte's loan portfolio and Ps.1,608 million correspond to Arrendadora y Factor Banorte's loan portfolio. As of June 30, 2013, we had an exposure to these companies of Ps. 9,429 million, representing 2.2% of our total loan portfolio, of which Ps.9,400 million correspond to Banorte's loan portfolio and Ps.29 million correspond to Arrendadora y Factor Banorte's loan portfolio. Of these loans, Ps.2,220 million are non-performing as of June 30, 2013, representing an increase of Ps.2,097 million since March 31, 2013. Of these non-performing loans, Ps.2,217 million correspond to Banorte and Ps.3 million correspond to Arrendadora y Factor Banorte. Of our total exposure to these clients, 80.3% are supported by real and personal guarantees.

As of March 31, 2013, we had allocated Ps.349 million in loan loss reserves for loans to these clients, representing 25.9% of the total reserves to this sector. From March 31, 2013 to June 30, 2013, we have allocated Ps.3,659 million in additional reserves for these clients in order to mitigate the impact of a potential future increase in non-performing loans. Of the reserves allocated, Ps.2,935 million were charged against stockholders' equity, of which Ps.2,378 corresponds to Banorte and Ps.557 corresponds to Arrendadora y Factor Banorte, impacting the Capital Ratio of Banorte by 36 basis points and the Capital Ratio of Arrendadora y Factor Banorte by 166 basis points without affecting our net income, in accordance with banking regulations. The remaining Ps.724 million were charged, through the income statement, against net income, of which Ps.614 million corresponds to Banorte and Ps.110 million corresponds to Arrendadora y Factor Banorte. As of June 30, 2013, Banorte had additional exposure to these homebuilders in the form of Ps.9 million in shares and Ps.387 million in accounts receivable. Sólida has Ps.6,558 million in proprietary investments through specialized trusts and Ps.619 million in collection rights.

As of June 30, 2013, we estimate that should these homebuilders continue to default or should our current performing loans become non-performing loans, given the existing reserves and guarantees, the additional impact on Banorte's net income during the second half of 2013 would be Ps.50 million with an additional impact on Banorte's Capital Ratio of 7 basis points. In the worst case scenario, we estimate that we could experience an additional adverse impact on Banorte's net income for the year ended December 31, 2014 of Ps.1,735 million, representing an impact on Banorte's Capital Ratio of 32 basis points. However, since these are uncertain and future events, we cannot provide you with assurance on the actual impact that these events would have on our net income or our subsidiaries' Capital Ratios or that our net income or Capital Ratios would not be significantly different.

- **Signing of a binding agreement between Grupo Financiero Banorte and Assicurazioni Generali.**

On June 11th, GFNORTE and Assicurazioni Generali S.p.A, through its affiliates or subsidiaries ("Generali Group") signed a binding agreement under which GFNORTE, or any of its subsidiaries and/or affiliates, will acquire 100% of the equity representative common shares of Seguros Banorte Generali, S.A. de C.V.'s ("Seguros Banorte Generali") and Pensiones Banorte Generali, S.A. de C.V.'s ("Pensiones Banorte Generali"), held by Generali Group due to the strategic decision of GFNORTE to operate and fully control these businesses since the minority stakes limited their full growth potential. Generali Group currently holds 49% of Seguros Banorte Generali's and Pensiones Banorte Generali's shares.

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

Both GFNORTE and Generali Group obtained the respective corporate authorizations in order to sign the binding agreement, which is subject to obtaining the corresponding government approvals, no later than 180 days from the date of signing.

The amount that GFNORTE will pay for Generali Group's minority equity interest in Seguros Banorte Generali amounts to US 637 million, while the payment of the Pensiones Banorte Generali minority equity interest amounts to US 220.5 million. As a result, the total payment amounts to US 857.5 million, including the payment for excess capital recorded by both companies at the end of April, equivalent to US 48.4 million and US 31.1 million, respectively.

- **Formalization of an agreement between Banco Mercantil del Norte and Western Union.**

On April 24th, 2013, Banorte and Western Union, a leader in global payment services, announced today a five-year agreement that will allow Banorte to offer Western Union® global money transfer services. In the first stage, Western Union services will be offered at most of Banorte branches, followed by a nationwide rollout.

- **Credit Ratings**

Standard & Poor's affirmed ratings of Banco Mercantil del Norte and Casa de Bolsa Banorte Ixe.

On June 26th, 2013 S&P affirmed Banco Mercantil del Norte's BBB-/A3 long and short-term international-scale credit ratings, respectively, as well as the mxAA+/mxA-1+ long and short-term national-scale credit ratings, respectively, on the bank and on Casa de Bolsa Banorte Ixe. Furthermore, the rating agency affirmed the BBB- rating on Banorte´s senior unsecured debt. The outlook of all the ratings is positive.

Moody's affirmed Banorte's and Arrendadora y Factor Banorte's ratings; outlook remains negative.

On June 17th, Moody's de México affirmed all of Banco Mercantil del Norte's ratings and maintained a negative outlook. The C- standalone bank financial strength rating and the A3 long-term global local currency deposit ratings were ratified. The C- standalone bank financial strength rating maps to a baa2 standalone baseline credit assessment. Moody's also affirmed the Baa3 long-term subordinated debt and Ba1 junior subordinated debt ratings. At the same time, Moody's affirmed the A3 global local currency issuer ratings of Arrendadora y Factor Banorte. The outlook on these ratings is negative.

Fitch affirmed ratings of Grupo Financiero Banorte, Banco Mercantil del Norte and Casa de Bolsa Banorte Ixe.

On April 18th, Fitch affirmed all of the Grupo Financiero Banorte's ratings (global scale, long and short-term of foreign currency debt BBB/F2, respectively), Banco Mercantil del Norte (global scale, long and short-term of foreign currency debt BBB/F2, respectively and in national scale AA+(mex)/F1+(mex)) and Casa de Bolsa Banorte Ixe (national scale, long and short term AA+(mex)/F1+(mex)).The outlook of all these ratings is stable.

HR Ratings affirmed ratings of Banco Mercantil del Norte and its subordinated debt.

On May 29th, 3013, HR Ratings ratified Banco Mercantil del Norte's "HR+1" short and "HR AAA" long-term credit ratings. HR Ratings also affirmed the "HR AA+" preferred subordinated debt issuance BANORTE 12 rating. The outlook on all of these ratings remained stable.

Withdrawal of Ixe Banco's, Fincasa Hipotecaria's and Ixe Automotriz's ratings.

Last June 7th and 26th, Fitch Ratings and S&P, respectively affirmed and immediately after withdrew Ixe Banco's ratings, given its merger with Banorte. The subordinated debt of Ixe Banco was assumed by Banorte and its ratings remained unchanged. Additionally, on June 7th and May 3rd, Fitch and S&P, respectively affirmed and immediately after withdrew Fincasa Hipotecaria's ratings, given its merger with Banorte. Furthermore, on April 17th and March 2nd, S&P and Fitch, respectively affirmed and immediately after withdrew Ixe Automotriz's ratings given its merger with Arrendadora y Factor Banorte.

- **The Banker – Top 1000 World Banks.**

In July, the prestigious magazine The Banker, published the 2013 Top 1000 World Banks ranking, in which Banorte ranked 9th among the Top 10 of Latin American banks measured by size of capital, being the best Mexican bank in this category and was placed 242th in the world ranking (previous position # 271).

- **Banorte leads the Netmedia Research ranking " The 50 most innovative companies in Mexico"**

Netmedia Research, a company dedicated to the analysis of IT the adoption, announced in June, the list of companies that occupied a place in the prestigious ranking of "The 50 Most Innovative Companies" by Information Week Mexico, which were chosen from over 90 companies' projects of the private sector.

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

Banorte won the first place in the list with the project Banorte Pagomóvil, that enables bank customers to pay in electronic and physical stores through mobile phone via virtual card without the need of a plastic.

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

GRUPO FINANCIERO BANORTE

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

- **Net Interest Income**

Net Interest Income *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Interest Income	14,929	16,100	**16,219**	1%	9%	28,970	**32,319**	12%
Insurance and Annuities-Interest Income	502	612	**600**	(2%)	20%	1,052	**1,212**	15%
Interest Expense	7,757	8,045	**7,897**	(2%)	2%	14,432	**15,942**	10%
Insurance and Annuities-Interest Expense	(14)	27	**(20)**	(173%)	38%	2	**7**	226%
Premium Income (Net)	3,814	4,971	**4,857**	(2%)	27%	8,073	**9,828**	22%
Net Increase in Technical Reserves	1,381	3,033	**2,516**	(17%)	82%	4,018	**5,548**	38%
Damages, Claims and Other Obligations	2,068	2,235	**2,376**	6%	15%	3,901	**4,611**	18%
Loan Origination Fees	252	328	**495**	51%	96%	536	**823**	53%
Fees Paid	60	83	**125**	51%	107%	110	**207**	89%
Net Interest Income	**8,245**	**8,589**	**9,278**	**8%**	**13%**	**16,168**	**17,867**	**11%**
Provisions	1,186	2,073	**3,132**	51%	164%	2,653	**5,205**	96%
Net Interest Income Adjusted for Credit Risk	**7,059**	**6,516**	**6,146**	**(6%)**	**(13%)**	**13,516**	**12,662**	**(6%)**
Average Interest Earning Assets	776,383	853,303	**864,573**	1%	11%	769,480	**856,131**	11%
Net Interest Margin (1)	4.2%	4.0%	**4.3%**	0.3 pp	0.0 pp	4.2%	**4.2%**	(0.0 pp)
NIM after Provisions (2)	3.6%	3.1%	**2.8%**	(0.2 pp)	(0.8 pp)	3.5%	**3.0%**	(0.6 pp)

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

As of 1Q11 the new Accounting Criteria A-2 will continue to be used to consolidate the Insurance and Annuities companies. As a result, the following results for those companies are shown in Net Interest Income:

Million Pesos	2Q12	1Q13	2Q13	Change Vs. 1Q13	Change Vs. 2Q12	1H12	1H13	Change Vs. 1H12
Interest Income	502	612	600	(2%)	20%	1,052	1,212	15%
Premiums' Income (net)	3,814	4,971	4,857	(2%)	27%	8,073	9,828	22%
- Interest Expense	(14)	27	(20)	(173%)	38%	2	7	226%
- Net increase in technical reserves	1,381	3,033	2,516	(17%)	82%	4,018	5,548	38%
- Damages, claims and others	2,068	2,235	2,376	6%	15%	3,901	4,611	18%
Net Result	881	289	585	102%	(34%)	1,203	874	(27%)

In 1H13 Net Interest Income grew 11% YoY going from Ps 16.17 to Ps 17.87 billion as a result of a 17% increase in net financial revenues and loan origination fees due to a 9% increase in performing loans, notably in loan products with a bigger impact on Net Interest Income such as payroll, credit cards, SMEs and mortgages, as well as a stable cost of funding due to a 10% annual increase in Core Deposits. This offset the following negative effects in Net Interest Income for the first half of the year: i) the (27%) decline in the Net Interest Income of the Insurance and Annuities companies due to an increase in technical reserves as a result of a significant increase in sales, (ii) the debt servicing cost of GFNorte's US $800 million dollar syndicated loan taken out in February 2013, and (iii) the impact of the 50 basis points decrease in the benchmark interest rate in March.

Net Interest Income in 2Q13 grew 13% YoY to Ps 9.28 billion, driven primarily by higher loan volumes in segments with greater margins and stable funding costs, which offset the (34%) QoQ decline vs. 2Q12 in the Net Interest Income of the Insurance and Annuities companies.

Net Interest Income increased 8% QoQ vs. 1Q13 as a result of the 2% growth in performing loans, especially in the credit card, mortgage, SMEs and payroll loan portfolios, a reduction in the cost of funding due to growth in demand deposits and the favorable impact on funding resulting from the decrease of 50 basis points in the benchmark interest rate, as well as by the rise in margins registered by the Insurance and Annuities companies in this period.

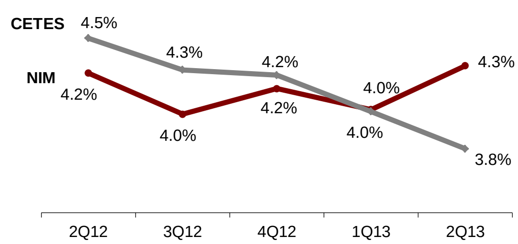
Based solely on financial revenues and net fees related to lending activity, Net Interest Income in 1H13 grew 17% YoY; an increase of 21% in 2Q13 vs. 2Q12 and 6% QoQ vs. 1Q13. In all cases this was due to a better loan mix resulting from growth registered in payroll, credit card, SME and mortgage portfolios as well as a stable cost of funding. Net Interest Income excluding the Insurance and Annuities companies registered a 14% YoY increase in 1H13, and 18% YoY vs. 2Q12 and 5% QoQ vs. 1Q13.

The average Net Interest Margin (NIM) was 4.2% for 1H13, unchanged compared to the same period of the previous year. NIM for 2Q13 was 4.3%, higher by 4 basis points YoY vs. 2Q12 and 27 basis points QoQ vs. 1Q13, resulting from lower growth in Average Interest Earning Assets compared to the increase in Net Interest Income.

In 1H13, NIM related only to lending activity increased 33 basis points YoY to 7.6%, while during the quarter NIM was 7.7%, an increase of 65 basis points vs. 2Q12 and 33 basis points vs. 1Q13.

The Banking Sector NIM, which includes the loan and investment portfolios of the banking subsidiaries and the credit card SOFOM, reached 4.8% in 2Q13, an increase of 35 basis points over the 4.5% of 2Q12 and 25 basis points compared to 1Q13. During the first half of the year, NIM for this sector was 4.7%, a YoY increase of 37 basis points.

NIM VS CETES



- **Provisions**

In 1H13 provisions charged to results totaled Ps 5.21 billion, an increase of 96% vs. 1H12 and they were Ps 3.13 billion in 2Q13, an increase of 164% YoY vs. 2Q12 and 51% QoQ vs. 1Q13. All the increases are derived from provisions for Ps 984 million in 1H13 and Ps 724 million on a quarterly basis in exposures for the housing development companies URBI, GEO and HOMEX. In addition, the increase is also explained by growth in the consumer portfolios which require higher initial provisions as a result of the expected loss methodology adopted in recent years and an increase in consumer past due loans as a result of the maturing of loan vintages.

Average NIM adjusted for Credit Risks was 3.0% in 1H13, a YoY decrease of 55 basis points vs. 1H12 and 2.8% for 2Q13, falling 79 basis points YoY vs. 2Q12 and 21 basis points QoQ vs. 1Q13. The decline in this ratio is due to the increase in provisions registered in the last 3 quarters due to deterioration of exposures in the housing development sector and the maturing of new vintages in the consumer sector.

Loan loss provisions accounted for 29% of Net Interest Income in 1H13 and 34% in 2Q13, comparing unfavorably to the 16% registered in 1H12, 24% in 1Q13 and 14% in 2Q12.

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

Annualized loan loss provisions for 1H13 represented 2.6% of the average loan portfolio and 3.1% on a quarterly basis, an increase of 1.1 pp vs. 1H12, 1.8 pp vs. 2Q12 and 1.0 pp vs. 1Q13. This is mainly due to higher provisions requirements arising from exposures to the housing development sector.

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

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Services	1,796	1,730	**1,875**	8%	4%	3,346	**3,605**	8%
Recovery	337	238	**303**	27%	(10%)	696	**540**	(22%)
Trading	896	2,132	**824**	(61%)	(8%)	2,078	**2,956**	42%
Other Operating Income (Expense)	316	1,114	**996**	(11%)	216%	1,095	**2,111**	93%
Non Interest Income	**3,344**	**5,214**	**3,997**	**(23%)**	**20%**	**7,215**	**9,211**	**28%**

Non Interest Income *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Fees Charged on Services	**2,856**	**2,919**	**3,048**	**4%**	**7%**	**5,622**	**5,967**	**6%**
Fees for Commercial and Mortgage Loans	12	2	**2**	(29%)	(88%)	25	**4**	(85%)
Fund Transfers	124	119	**128**	8%	3%	235	**247**	5%
Account Management Fees	309	313	**334**	7%	8%	609	**647**	6%
Fiduciary	93	78	**100**	28%	7%	177	**177**	0%
Income from Real Estate Portfolios	337	238	**303**	27%	(10%)	696	**540**	(22%)
Electronic Banking Services	807	885	**961**	9%	19%	1,588	**1,847**	16%
For Consumer and Credit Card Loans	534	510	**574**	13%	8%	1,003	**1,084**	8%
Fees from IPAB (1)	-	-	**-**	-	-	-	**-**	-
Other Fees Charged (2)	639	774	**646**	(17%)	1%	1,289	**1,421**	10%
Fees Paid on Services	**723**	**951**	**871**	**(8%)**	**20%**	**1,580**	**1,822**	**15%**
Fund transfers	11	15	**13**	(17%)	18%	22	**28**	28%
Other Fees Paid	712	935	**858**	(8%)	20%	1,557	**1,793**	15%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**2,133**	**1,968**	**2,177**	**11%**	**2%**	**4,042**	**4,145**	**3%**
Trading Income	**896**	**2,132**	**824**	**(61%)**	**(8%)**	**2,078**	**2,956**	**42%**
Subtotal Other Operating Income (Expenses) (3)	163	238	**409**	72%	151%	623	**647**	4%
Non Operating Income (Expense), net (4)	(21)	704	**391**	(45%)	(1999%)	174	**1,095**	528%
Other Operating Income (Expense) from Insurance and Annuities (5)	173	172	**197**	14%	14%	298	**369**	24%
Other Operating Income (Expenses)	**316**	**1,114**	**996**	**(11%)**	**216%**	**1,095**	**2,111**	**93%**
Non Interest Income	**3,344**	**5,214**	**3,997**	**(23%)**	**20%**	**7,215**	**9,211**	**28%**

1) Includes Fees received by asset recovery services from IPAB.
2) Includes fees from letters of credit, transactions with pension funds, bancassurance prepayments, financial advisory services and securities trading by the Brokerage House among others.
3) As of April 2009, the CNBV issued changes to the main accounting criteria that require recording this item under Non Interest Income. The majority of these revenues correspond to recoveries of previously charged-off loans.
4) In January 2011, the CNBV issued changes to the main accounting criteria requiring items that were previously registered under "Other Income and Expenses, net" after Net Operating Results, to be registered under Non Interest Income as of the stipulated date (Criteria D-2).
5) In January 2011, the CNBV issued changes to accounting criteria to consolidate Insurance and the Annuities' companies (Criteria A-2).

Non Interest Income for 1H13, totaled Ps 9.21 billion, a 28% YoY increase due to growth in all items resulting from better business dynamics. Non Interest Income totaled Ps 4.0 billion for the quarter, a YoY increase of 20% vs. 2Q12 mainly due to an increase in Other Operating Income and Expenses. Non Interest Income declined (23%) QoQ vs. 1Q13, mainly due to less trading revenues.

- **Service Fees**

As a result of the merger of Afore Banorte with Afore XXI in January 2012, the results of Afore XXI Banorte are reported in the results of Banco Mercantil del Norte (which has a 50% stake in the Afore) using the equity participation method. Given the change in the way the Afore's results are reported, as of that quarter, income from fees charged by this company is no longer reported in the Services heading.

Service Fees totaled Ps 3.61 billion in 1H13, a growth of 8% YoY resulting from the following YoY increases due to better business dynamics: i) 16% in electronic banking fees due to more users and a greater volume of business, ii) 10% in Other Fees Charged generated from Banorte-Ixe's increased business volume, mainly in Wholesale Banking, iii) 8% in consumer and credit card loan fees from more client transactions, and a greater number of cardholders, iv) 6% in Account Management fees due to an increased number of accounts, and v) 5% increase in fund transfer revenues due to higher volumes. As a result of these positive business dynamics, Fees Paid increased 15% driven by more interchange fees resulting from more credit and debit card transactions, as well as more Fees Paid from using Development Bank guarantee programs.

Service Fees totaled Ps 1.88 billion in 2Q13, increasing 4% YoY vs. 2Q12 and 8% QoQ vs. 1Q13. The 4% YoY growth is mainly due to growth in: electronic banking service fees (+19%), Consumer and Credit card loan fees (+8%), Account Management fees (+8%) and Fiduciary fees (+7%). The QoQ growth vs. 1Q13 is explained by a 9% increase in Electronic Banking Service Fees resulting from greater volumes, a 13% growth in Consumer and Credit card Loan Fees from an increase in transactions and in number of clients, as well as increased revenues from Fiduciary Fees and Account Management Fees of 28% and 7% respectively, as a result of improved business dynamics. These increases offset the (17%) decrease in Other Fees Charged.

- **Trading**

Trading revenues in 1H13 were Ps 2.96 billion, a YoY growth of 42%, due to the positive impact of securities and derivatives trading by Banorte and the Annuities company, as well as in valuation gains from securities investments by the Insurance and Annuities company and by Banorte.

Trading revenues for 2Q13 amounted to Ps 824 million, an (8%) YoY and (61%) QoQ reduction with respect to 2Q12 and 1Q13, respectively. The YoY decrease vs. 2Q12 is due to the negative results from foreign exchange operations, which was not offset by growth in securities and derivatives trading mainly from the Annuities company. The QoQ decrease vs. 1Q13, was mainly due to losses in the valuation of foreign exchange operations, in Banorte's securities' investment portfolio, and a lower valuation gains of other subsidiaries, mainly the Annuities company.

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

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Subtotal Other Operating Income (Expenses)	**163**	**238**	**409**	**72%**	**151%**	**623**	**647**	**4%**
Loan Recovery	326	276	**488**	76%	50%	614	**764**	24%
Income from purchased assets	(23)	(50)	**(46)**	(7%)	103%	(27)	**(96)**	258%
Other Operating Income	(100)	69	**6**	(91%)	(106%)	93	**75**	(20%)
Other Operating Income (Expense)	(40)	(58)	**(39)**	(32%)	(1%)	(58)	**(97)**	68%
Non Operating Income (Expense), net	**(21)**	**704**	**391**	**(45%)**	**(1999%)**	**174**	**1,095**	**528%**
Other Products	413	445	**719**	62%	74%	728	**1,164**	60%
Other Recoveries	(8)	812	**201**	(75%)	(2561%)	166	**1,013**	511%
Other (Expenses)	(426)	(552)	**(530)**	(4%)	24%	(719)	**(1,082)**	50%
Other Operating Income (Expense) from Insurance and Annuities	**173**	**172**	**197**	**14%**	**14%**	**298**	**369**	**24%**
Other Operating Income (Expenses)	**316**	**1,114**	**996**	**(11%)**	**216%**	**1,095**	**2,111**	**93%**

Other Operating Income (Expenses) for 1H13 totaled Ps 2.11 billion, a 93% YoY increase due to i) higher portfolio recoveries, mainly from an infrastructure project in Nuevo León in 1Q13, ii) an increase in *Other Operating Income* resulting from the cancellation of creditors and provisions, more profits from the valuation of future benefits from securitizations, and the cancellation of other debtor accounts iii) a 24% increase in income from the Insurance and Annuities companies' operations. These effects offset i) the 50% increase in Other Expenses generated by more damages, bankruptcies and frauds, ii) the decline in Other Operating Income which was a result of fewer cancellations of excess preventive estimates and iii) the reduced combined revenues from previously written-off portfolios and the sale of foreclosed assets.

On a quarterly basis, Other Operating Income and Expenses totaled Ps 996 million, which represents a YoY increase vs. 2Q12 and an (11%) QoQ decrease vs.1Q13. The YoY increase is due to growth in: i) *Other Products* due to the cancellation of creditors and provisions, more gains from the valuation of future benefits from securitizations and the cancellation of other debtor accounts; ii) increased acquired portfolio recoveries and growth in sales of foreclosed assets; iii) growth in *Other Operating Income* from more cancellations of excess preventive estimates and iv) the 14% increase in income from Insurance and Annuities operations.

The QoQ decrease vs. 1Q13 was due to the extraordinary recovery booked last quarter of the infrastructure project previously mentioned.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loans and the sale of foreclosed assets classified under "Other Operating Income (Expenses)") totaled Ps 2.22 billion in 1H13, a YoY increase of 53% vs. 1H12 mainly due to the recovery linked to an infrastructure project in Nuevo León in 1Q13, which offset the (22%) decrease in real estate portfolio recoveries that include revenues related to investment projects, mainly with homebuilders currently facing solvency and liquidity problems.

Recoveries increased by 50% QoQ vs. 2Q12 due to revenues from previously written-off portfolio and foreclosed assets which increased 46% overall and increased revenues from acquired portfolios; effects which offset the (10%) decrease in revenues from real estate portfolios resulting from slower growth in revenues linked to investment projects with housing developers.

Recoveries declined (26%) QoQ vs. 1Q13 due to reduced recoveries of acquired portfolios as a consequence of the extraordinary recovery in 1Q13 of the infrastructure project previously mentioned; this decline in revenues was not offset by increases of 27% in real estate portfolio recoveries and 95% in revenues from previously written-off the portfolio and the sale of foreclosed assets.

At the end of 2Q13, the amount of equity invested in projects totaled Ps 6.84 billion.

- **Non Interest Expense**

Non Interest Expense (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Personnel	2,540	4,009	**3,080**	(23%)	21%	5,354	**7,089**	32%
Professional Fees	713	616	**678**	10%	(5%)	1,345	**1,295**	(4%)
Administrative and Promotional	1,362	1,052	**1,171**	11%	(14%)	2,533	**2,223**	(12%)
Rents, Depreciation & Amortization	756	787	**818**	4%	8%	1,485	**1,604**	8%
Taxes other than income tax & non deductible expenses	377	443	**431**	(3%)	15%	903	**874**	(3%)
Contributions to IPAB	395	440	**433**	(2%)	10%	773	**873**	13%
Employee Profit Sharing (PTU) (1)	314	84	**79**	(6%)	(75%)	621	**163**	(74%)
Non Interest Expense	**6,457**	**7,431**	**6,691**	**(10%)**	**4%**	**13,015**	**14,122**	**9%**

1. As of April 2009, the Banking and Securities Commission (CNBV) issued accounting changes that require recording this item as a Non Interest Expense.

Non Interest Expense in 1H13 amounted to Ps 14.12 billion, a 9% YoY increase vs. 1H12 mainly due to the strengthening of business areas and costs related to the downsizing program of personnel in 1Q13, which was not offset by the reduction in other headings. Expenses rose in the following areas: i) Ps 1.74 billion in Personnel Expenses (+32%) related to expenses for downsizing in 1Q13 and the strengthening of business areas, ii) Ps 119 million in Rents, Depreciations and Amortizations (+8%) due to the amortization of Goodwill from the acquisition of IXE Tarjetas and Afore XXI, the acquisition of new equipment, recognition of the depreciation of installation costs for completed projects and penalty charges for the early termination of branch leases as a result of merging Banorte-Ixe branches, the amortization of projects capitalized in the Banorte-Ixe merger, higher office rents due to the effect of inflation and growth in the bank network, iii) Ps 99 in IPAB contributions (+13%) due to YoY growth in deposits. These increases were offset by the following reductions: i) (Ps 458) million in Employee Profit Sharing (-74%), ii) (Ps 310) million in Administrative and Promotional Expenses (-12%), due to more prorated expenses charged by the bank to its affiliates, regularization of the deferment of mortgage, payroll and car loan origination expenses, less spending on advertising and promotional items and a reduced volume of printed account statements; reductions which offset higher administrative expenses derived from more transfers of cash using armored vehicles and increased insurance premiums linked to mortgage and payroll loan placements, iii) (Ps 50) million in Professional Fees (-4%) due to a reduction in advisory services, adjustments to outsourcing staff payments and benefits and fewer expenses related to portfolio recovery services, iv) (Ps 29) million in Other Taxes and Non Deductible Expenses (-3%), mainly in VAT, as a result of a greater volume of spending and investment in 1H12.

Non Interest Expense rose to Ps 6.69 billion in 2Q13, a 4% YoY increase vs. 2Q12 mainly as a result of: i) Ps 540 million in Personnel Expenses (+21%) due to the strengthening and growth in business areas and in compensation, ii) Ps 62 billion in Rents, Depreciations and Amortizations (+8%) due to the amortization of Goodwill derived from the acquisition of IXE Tarjetas and Afore XXI, depreciation of new equipment, the amortization of capitalized projects, the migration of systems resulting from the integration and capitalization of equipment and software licenses and higher costs for lease renewals, iii) Ps 55 million in Other Taxes and Non Deductible Expenses (+15%) due to increased payments mainly of payroll taxes, property taxes and higher VAT payments vs. 2Q12 due to increased spending and investment, and iv) Ps 38 million in IPAB Contributions (+10%). These increases were partially offset by declines of: i) (Ps 235) million in Employee Profit Sharing (-75%), ii) (Ps 191) million in Administrative and Promotional Expenses (-14%) resulting from the regularization of deferred origination costs for payroll, mortgage and car loans, as well as reduced spending on advertising and promotional items, and iii) (Ps 35) million in Professional Fees Paid (- 5%) due to lower service payments related to loan recoveries and expenses related to audits.

Non Interest Expense for the quarter presents a (Ps 740) million QoQ decrease vs. 1Q13, (-10%) mainly due to a (Ps 929) million reduction in Personnel Expenses (-23%), resulting from the downsizing program implemented earlier this year and other efforts to control expenses.

The 1H13, the Efficiency Ratio was 52.2%, (3.5 pp) lower vs. 1H12 and 50.4% for 2Q13, a decline of (5.3 pp) YoY vs. 2Q12 and (3.4 pp) QoQ vs. 1Q13 because of the positive operating leverage achieved in all cases.

- **Taxes**

Income taxes in 1H13 amounted to Ps 1.40 billion, (39%) lower YoY and they were Ps 167 million in 2Q13, an annual and quarterly reduction vs. 2Q12 and 1Q13, in all cases due to tax deductions derived from the creation of loan loss reserves. The effective tax rate in 2Q13 was 7.0%, below the 30% rate of the 1Q13 and the 34.4% of 2Q12, as a result of using the tax credits derived from creating loan loss reserves. The effective accumulated tax rate for 1H13 is 19.7% (15.2 pp) lower compared to the 34.9% registered for 1H12.

- **Subsidiaries and Minority Interest**

Subsidiaries and Minority Interest for 1H13 reported profits of Ps 5 million, comparing favorably to the (Ps 325) million registered in 1H12, due to the integration of Afore Bancomer's results in Afore XXI Banorte, which are applied by the equity participation method in Banco Mercantil del Norte.

On a quarterly basis, the result of (Ps 64) million compares favorably to the (Ps 160) million of 2Q12, due to the positive impact of applying the Afore profits of Ps 201 million (vs. Ps 149 million in 2Q12), as well as less minority interest in the Insurance and Annuities companies.

- **Net Income**

GFNorte reported Net Income for 1H13 of Ps 6.36 billion, 25% higher YoY vs. 1H12 due to the positive operating leverage from growth in Net Interest Income and Non Interest Income, as well as slower pace of growth in Operating Expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results, offset higher loan loss provisions. Net Income for 2Q13 was Ps 3.22 billion, 3% more QoQ vs. 1Q13 and 22% higher YoY vs. 2Q12; YoY growth is a result of higher positive operating leverage, while QoQ growth is the result of growth in Net Interest Income, reduced Operating Expenses and lower taxes as a result of using existing tax credits.

Net Income for the last 12 months totaled Ps 12.15 billion, 25% higher compared to the same period in 2012 and 12% greater with respect to accumulated profits of Ps 10.89 billion in 2012, as a result of the positive operating leverage achieved by the institution.

During 2Q13, ROE was 15.3%, an increase of 112 basis points compared with 2Q12 and 21 basis points higher than in 1Q13. ROE for 1H13 was also 15.3%, an increase of 130 basis points over the same period of the previous year. Return on Tangible Equity (ROTE) was 19.6% for 2Q13, 101 basis points more than in 2Q12 and 30 basis points more than in 1Q13.

Return on Tangible Equity (ROTE)

	2Q12	1Q13	2Q13
Reported ROE	14.2%	15.1%	**15.3%**
Goodwill / Intangibles	$21,075	$20,380	**$21,198**
Average Tangible Equity	$52,417	$59,886	**$61,940**
ROTE	18.6%	19.3%	**19.6%**

ROA for 2Q13 was 1.4%, 12 basis points higher YoY vs. 2Q12; while ROA for 1H13 was also 1.4%, an increase of 15 basis points over the same period of the previous year.

The Return on Risk Weighted Assets was 3.0%, increasing by 38 bp vs. 2Q12 and 2 bp vs. 1Q13. This profitability ratio reflects more adequately the performance of the Financial Group based on the profile and structure of its balance sheet, especially considering the low level of risk of the investment portfolio.

Return on Risk Weighted Assets (RRWA)

	2Q12	1Q13	2Q13
Reported ROA	1.2%	1.3%	**1.4%**
Average Risk Weighted Assets	$377,699	$392,775	**$410,557**
RRWA	2.6%	2.9%	**3.0%**

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

Profits for the Banking Sector (Banco Mercantil del Norte, Banorte-Ixe Tarjetas and Banorte USA) in 1H13 totaled Ps 5.19 billion, contributing 82% of GFNorte's earnings. Accumulated ROE for this sector in 1H13 was 16.3%, 40 basis points lower YoY vs. 1H12 due mainly to the increase in Banco Mercantil del Norte's equity at closing of February following the capital replenishment strategy after the acquisition of Afore Bancomer. ROA for the Banking Sector was 1.5%, a YY increase of 20 basis points.

- **Capitalization**

Banco Mercantil del Norte

Capitalization *(Million Pesos)*	2Q12	3Q12	4Q12	1Q13	2Q13	Change QoQ	Change YoY
Tier 1 Capital	43,975	45,823	46,696	53,723	55,092	3%	25%
Tier 2 Capital	11,544	11,393	11,496	10,898	11,477	5%	(1%)
Net Capital	55,519	57,216	58,192	64,621	66,570	3%	20%
Credit Risk Assets	280,610	287,883	297,007	299,551	322,294	8%	15%
Net Capital / Credit Risk Assets	19.8%	19.9%	19.6%	21.6%	20.7%	(0.9 pp)	0.9 pp
Total Risk Assets (1)	378,332	385,749	394,529	412,488	449,460	9%	19%
Tier 1	11.62%	11.88%	11.84%	13.02%	12.26%	(0.8 pp)	0.6 pp
Tier 2	3.05%	2.95%	2.91%	2.64%	2.55%	(0.1 pp)	(0.5 pp)
Capitalization Ratio	14.67%	14.83%	14.75%	15.67%	14.81%	(0.9 pp)	0.1 pp

1. Includes Market and Operational Risks. Without inter-company eliminations.
(*) The capitalization ratio of the reported last period is estimated

Banorte has fully adopted the capitalization requirements established to date by Mexican authorities and international standards. Regarding Basel III, which came into effect as of January 2013, data previous to this date is under Basel II methodology in the table shown above.

At the close of 2Q13 Banorte's estimated Capitalization Ratio (CR) was 14.81% considering credit, market and operational risk and 20.7% if only credit risks are considered. The Core Tier 1 ratio was 10.98%, Total Tier 1 ratio was 12.26% and Tier 2 was 2.55%

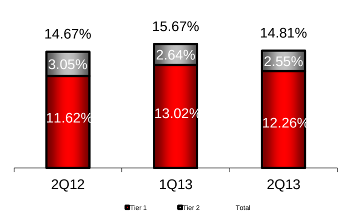
The Capitalization Ratio decreased by (0.86) pp versus 1Q13, with the following dynamics in the quarter:

1.	Growth of profits during 2Q13:	+0.76 pp
2.	Ixe Banco-Fincasa merger effect:	+0.60 pp
3.	Increase in Intangibles:	-0.10 pp
4.	Growth in Investment in Subsidiaries:	-0.16 pp
5.	Change of General Reserves' Rules:	-0.38 pp
6	Change of Reserves' Methodology:	-0.75 pp
7.	Growth in risk assets during the period:	-0.83 pp

On an annual basis the 2Q13 Capitalization Ratio was 0.14 pp above 2Q12, showing the following dynamics:

1.	Capitalization through GFNorte's syndicated loan:	+3.17 pp
2.	Growth of profits from 2Q12 to 2Q13:	+2.66 pp
3.	Valuations not considered as Capital under Basel III:	+0.84 pp
4.	Ixe Banco-Fincasa merger effect:	+0.75 pp
5.	Growth in Investment in Subsidiaries:	-0.11 pp
6.	Change of General Reserves' Rules:	-0.40 pp
7.	Basel III Subordinated Debt calculation:	-0.40 pp
8.	Increase in Intangibles:	-0.50 pp
9.	Change of Reserves Methodology:	-0.85 pp
10.	Afore XXI investment in Afore Bancomer:	-2.46 pp
11.	Growth in risk assets during this period:	-2.56 pp

CAPITALIZATION RATIO



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

- **Deposits**

Grupo Financiero Banorte

Deposits (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	93,324	95,648	**103,326**	8%	11%
Interest Bearing Demand Deposits (1)	97,933	109,146	**114,184**	5%	17%
Total Demand Deposits (2)	191,257	204,794	**217,510**	6%	14%
Time Deposits – Retail	120,430	126,087	**126,817**	1%	5%
Core Deposits	311,687	330,881	**344,326**	4%	10%
Money Market (3)	82,759	83,986	**79,840**	(5%)	(4%)
Total Bank Deposits	**394,446**	**414,867**	**424,166**	2%	8%
GFNorte's Total Deposits (4)	**395,635**	**414,898**	**424,095**	2%	7%
Third Party Deposits	**128,995**	**125,004**	**158,227**	27%	23%
Total Assets Under Management	**523,441**	**539,871**	**582,393**	8%	11%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 2Q12, 1Q13 and 2Q13 were Ps 0 million, Ps 0 million and Ps 0 million, respectively.
2. Includes Debit Cards.
3. Includes Bank Bonds (Customers and Financial intermediaries).
4. Includes eliminations between subsidiaries (2Q12= $1,190 million; 1Q13 = $31 billion; 2Q13 = ($71) million)

- **Deposits**

At closing of 2Q13, Total Deposits amounted to Ps 424.1 billion, an increase of Ps 28.46 billion or 7% greater YoY vs. 2Q12 driven mainly by efforts to promote Banorte-Ixe's deposit products. Demand Deposits rose 14% YoY, Time Deposits increased 5% and Money Market decreased (4%) YoY.

Total Deposits increased Ps 9.20 billion or 2% QoQ vs. 1Q13 due to a 4% growth in Core deposits, which offset a decrease of (5%) in Money Market deposits.

- **Demand and Time Deposits**

At the end of 2Q13, Demand Deposits totaled Ps 217.51 billion, an increase of Ps 26.25 billion, 14% YoY, driven by the seasonal growth in the quarter and the reclassification of balances after the merger of Ixe Banco with Banorte. Growth in Demand Deposits is a result of the 11% increase in non interest bearing Demand Deposits due to the growth registered in the average balances of personal accounts (+19%) and corporate accounts (+4%). Regarding Interest bearing Demand Deposits, the 17% YoY growth was also driven by increases in the average balances in personal accounts (+16%), as well as corporate accounts (+7%). Deposits from SME, Government and Corporate showed a combined growth of 6% YoY.

On a quarterly basis, Demand Deposits increased Ps12.72 billion or 6% QoQ vs. 1Q13 driven by an 8% increase in Non Interest Bearing Demand Deposits and a 5% increase in Interest Bearing Demand Deposits; growth in both components was generated by higher average balances in products for individuals and companies, which demonstrate higher dynamics after the seasonal decrease that usually occurs at the beginning of the year.

Retail Time Deposits totaled Ps 126.82 billion, increasing Ps 6.39 billion or 5% YoY as a result of the campaigns to promote promissory notes at different terms placed in branches; the QoQ the balance increases Ps 730 million or 1%

As a result of efforts to increase deposits, there was an 11% YoY increase in new personal accounts opened at the end of 2Q13.

- **Money Market Deposits**

At closing of 2Q13, Money Market deposits totaled Ps 79.84 billion, representing a decrease of (4%) YoY and of (5%) QoQ. These decreases are mainly explained by lower balances of promissory notes issued to other intermediaries

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

- **Third Party Deposits**

In 2Q13, Third Party Deposits totaled Ps 158.23 billion, an increase of 23% YoY and 27% QoQ due to an increase in third party securities in external custody and third party securities in private banking.

- **Managed Resources**

At the end of 1H13, Managed Resources totaled Ps 582.39 billion, an increase of Ps 58.95 billion or 11% YoY, and Ps 42.52 billion or 8% vs. 1Q13. Both are explained by the increase in core deposits as well as in third party deposits.

- **Loans**

Performing Loan Portfolio *(Million Pesos)*	2Q12	1Q13	2Q13	Change	
				QoQ	YoY
Commercial (1)	103,247	106,342	**108,500**	2%	5%
Consumer	108,626	122,445	**128,978**	5%	19%
Corporate (1)	83,440	85,996	**83,505**	(3%)	0%
Government	82,846	89,584	**90,586**	1%	9%
Sub Total	378,159	404,367	**411,568**	2%	9%
Recovery Bank	269	227	**214**	(6%)	(21%)
Total	378,428	404,594	**411,782**	2%	9%

1) In 2Q13 the Commercial Portfolios of Ixe Banco, Arrendadora y Factor Banorte and Fincasa Hipotecaria were reclassified as Corporate portfolios according to Banco Mercantil del Norte's classification criteria for the two loan portfolios; reclassification was made retroactively.

Performing Consumer Loan Portfolio *(Million Pesos)*	2Q12	1Q13	2Q13	Change	
				QoQ	YoY
Mortgages	67,662	74,129	**77,135**	4%	14%
Car Loans	9,975	10,572	**10,870**	3%	9%
Credit Cards	15,144	17,723	**18,674**	5%	23%
Payroll	15,846	20,021	**22,298**	11%	41%
Consumer Loans	108,626	122,445	**128,978**	5%	19%

(Million Pesos)	2Q12	1Q13	2Q13	Change	
				QoQ	YoY
Past Due Loans	7,089	8,631	**9,075**	5%	28%
Loan Loss Reserves	10,998	11,863	**14,321**	21%	30%
Acquired Rights	2,795	2,979	**3,507**	18%	25%

- **Total Performing Loans**

Total Performing Loans rose 9% YoY, growing by Ps 33.41 billion to Ps 411.57 billion at the end of 2Q13, excluding the proprietary loans managed by the Recovery Bank. The loan portfolio continues to reflect favorable growth dynamics as a result of the Bank's strategies to boost loan volumes, mainly among existing customers.

Total Performing Loans grew 2% QoQ vs. 1Q13 increasing by Ps 7.2 billion, resulting mainly from growth in the payroll, credit card, SMEs and mortgage portfolios.

Portfolio growth by segments was as follows:

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

- **Individual Loans**

  - ✓ **Consumer and Mortgage:** This segment registered an increase of Ps 20.35 billion or 19% YoY vs. 2Q12 and Ps 6.53 billion or 5% QoQ vs. 1Q13 ending 2Q13 with a balance of Ps 128.98 billion as a result of favorable dynamics in all headings

  - ✓ **Mortgage:** This segment grew by Ps 9.47 billion or 14% YoY registering a balance of Ps 77.14 billion, driven by favorable dynamics in the Pemex mortgage program, as well as the reactivation of mortgage products for home improvements, construction, remodeling and payment of liabilities. During the quarter the portfolio grew by Ps 3.01 billion or 4% QoQ vs. 1Q13, with favorable dynamics in the PEMEX mortgage program and other mortgage products. With respect to the production of new loans, 7,671 mortgages worth Ps 8.48 billion were placed during 1H13 (+12.0% YoY). Banorte had a 16.4% share of the mortgage loan market in May 2013, and a 22% share of new mortgage loan production in May 2013, ranking second in both areas in the system.

  - ✓ **Credit Cards:** In 2012 Banco Mercantil del Norte acquired 50% of JP Morgan Chase's equity interest in the SOFOM Ixe Tarjetas, and the other 50% of the company owned by Ixe Banco, and its name was subsequently changed to Banorte-Ixe Tarjetas, S.A. de C.V. SOFOM, integrating the business into a single platform. At closing of 2Q13, the Credit card portfolio totaled Ps 18.67 billion, a growth of 23% YoY and 5% QoQ. The growth is due to portfolio management strategies, marketing campaigns for Banorte-Ixe products and more cross-selling to clients. New credit cards amounted to 243,942, an annual decrease of (7%), and at the end of the quarter, Banorte-Ixe had 1.82 million cards, an annual increase of 3%. Transactions for 1H13 totaled Ps 24.3 million, growing 20% YoY as a result of campaigns to promote card usage. The profitability of the credit card product has increased considerably in recent months, given the growth in the loan portfolio and adequate management of the portfolio. Banorte-Ixe has a 6.8% share of the market as of May 2013 of the total system, ranking fourth place.

  - ✓ **Payroll:** At the end of 2Q13, the portfolio registered an annual increase of Ps 6.45 billion or 41% YoY and Ps 2.28 billion or 11% QoQ totaling Ps 22.30 billion, as a result of growth in the number of Banorte-Ixe payroll-account holders to 4.11 million, marketing campaigns to promote the product, and a strategy for cross-sales to customers through various channels. New loan production for 1H13 amounted to Ps 14.99 billion or a 40% increase vs. 1H12. Likewise, 474,782 new loans were placed during 1H13, 25% more YoY vs. 1H12. The Payroll product continues to be the Bank's most profitable product, displaying robust growth over the last 12 months with good asset quality. Banorte-Ixe has a 17.5% share of the market as of May 2013, ranking third in the system.

  - ✓ **Cars:** Car loans were up by Ps 895 million annually, or 9% YoY and Ps 298 million, or 3% QoQ for 2Q13 totaling Ps 10.87 billion due to higher loan placement as a result of marketing campaigns to promote this product through various channels, cross-sales with clients and alliances with car dealerships. During 1H13 20,306 new loans were placed. The profitability of this product has increased due to larger volumes, good asset quality and cross-sales of car insurance, one of Banorte Generali's most important insurance products. As of May 2013, we ranked third in the car loan market with a market share of 17.5% of the total system, excluding financing provided by automotive manufacturers, our main competitors in this area.

- **II. Loans to Institutions**

  - ✓ **Commercial:** Commercial loans grew by Ps 5.25 billion or 5% YoY and Ps 2.16 billion or 2% QoQ totaling Ps 108.50 billion. The YoY growth is due to increased placement of business loans, leasing and factoring and the reactivation of the Crediactivo product for corporations; and on a quarterly basis is driven by growth in business loans, leasing and factoring and Crediactivo. The balance of GFNorte's SME portfolio totaled Ps 31.72 billion, showing a growth of Ps 5.17 billion or 19% YoY and Ps 1.65 billion or 5% QoQ vs. 1Q13. The market share in the commercial portfolio (including corporate loans) is 13.4% as of May 2013, ranking fourth with respect to the total system.

  - ✓ **SMEs Portfolio Evolution (million pesos)**

	2Q12	1Q13	2Q13
Performing Portfolio	$26,545	$30,068	$31,719
% of Performing Commercial Portfolio	25.7%	28.3%	29.2%
% de Total Performing Portfolio	7.0%	7.4%	7.7%
NPL Ratio	3.6%	4.2%	4.0%

- ✓ **Corporate:** At the end of 2Q13, corporate loans totaled Ps 83.51 billion, an increase of Ps 65 million YoY and a decline of (Ps 2.49) billion or (3%) QoQ vs. 1Q13; the QoQ decrease is mainly caused by the liquidation or the classification to past due of some loans related to housing developers. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. Banorte's 20 main corporate borrowers account for 11.3% of the Bank's total portfolio, decreasing (0.9 pp) with respect to 1Q13 and (1.3 pp) vs. 2Q12. The bank's largest corporate loan accounts for just 1.5% of the total portfolio and has an A1 rating, while loan number 20 represents 0.3%.

Through the subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida Administradora de Portafolios, GFNORTE has extended loans and participated, through specialized trust operations, in home development projects. Some of the larger companies in this sector have experienced financial difficulties lately, three of the largest companies in this sector are in the process of restructuring their debt, and have recently missed payments on their debt. This situation has caused the risk profile of these three borrowers to deteriorate. We are currently involved in refinancing negotiations with these companies. As of March 31, 2013, we had granted total loans to 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. totaling Ps.11,901 million, representing 2.9% of our total loan portfolio, of which Ps.10,294 million correspond to Banco Mercantil del Norte's loan portfolio and Ps.1,608 million correspond to Arrendadora y Factor Banorte's loan portfolio. As of June 30, 2013, the exposure to these companies had declined to Ps. 9,429 million, representing 2.2% of our total loan portfolio, of which Ps.9,400 million correspond to Banco Mercantil del Norte's loan portfolio and Ps.29 million correspond to Arrendadora y Factor Banorte's loan portfolio. Of these loans, Ps.2,220 million are non-performing as of June 30, 2013, representing an increase of Ps.2,097 million since March 31, 2013. Of these non-performing loans, Ps.2,217 million correspond to Banco Mercantil del Norte and Ps.3 million correspond to Arrendadora y Factor Banorte. Of our total exposure to these clients, 80.3% are supported by real and personal guarantees. As of March 31, 2013, we had allocated Ps.349 million in loan loss reserves for loans to these clients, representing 25.9% of the total reserves to this sector. From March 31, 2013 to June 30, 2013, we have allocated Ps.3,659 million in additional reserves for these clients in order to mitigate the impact of a potential future increase in non-performing loans. Of the reserves allocated, Ps.2,935 million were charged against stockholders' equity, of which Ps.2,378 corresponds to Banco Mercantil del Norte and Ps.557 corresponds to Arrendadora y Factor Banorte, impacting the Capital Ratio of Banorte by 36 basis points and the Capital Ratio of Arrendadora y Factor Banorte by 166 basis points without affecting our net income, in accordance with the applicable banking regulations. The remaining Ps.724 million were charged, through the income statement, of which Ps.614 million corresponds to Banco Mercantil del Norte and Ps.110 million corresponds to Arrendadora y Factor Banorte. Sólida has Ps.6,558 million in proprietary investments through specialized trusts and Ps.619 million in collection rights.

- ✓ **Government** At the end of 2Q13, government loans totaled Ps 90.59 billion, a growth of Ps 7.74 billion or 9% YoY and Ps 1.0 billion or 1% QoQ, as a result of efforts to continue meeting the demand for credit in this segment at all levels of government. Banorte's government loan portfolio is diversified by sectors and regions and displays an adequate concentration. Banorte's 20 largest loans account for 18.8% of the bank's total loan portfolio, a QoQ decrease of (2.0 pp) vs.1Q13 and (1.8 pp) vs. 2Q12. The largest government loan accounts for 2.5% of the total portfolio and is rated A1, while number 20 represents 0.3% of the total loan portfolio. The lowest internal rating of these exposures is B2. The loan portfolio's risk is also adequate as more than 95% of the total portfolio has a fiduciary guarantee (federal budget transfers and local revenues, such as payroll tax), and less than 2% of the loans in the portfolio have short-term maturities. The risk-adjusted profitability of government banking is one of the Financial Group"s highest, reflecting Banorte's ongoing efforts to become the leading bank in this segment. As of May 2013, Banorte's market share in government loans was 23.4% ranking as the leader in this segment.

- **Past Due Loans**

At closing of 2Q13, past due loans totaled Ps 9.08 billion, 28% higher YoY vs. 2Q12 mainly due to an increase in corporate loan NPL's, mainly to housing developers, as well as higher delinquencies in commercial loans related to Fincasa, tourism developments in the country's Northwestern region and in the SME segment, and in payroll loans derived from the maturing process of vintages and mortgages. PDL's grow 5% vs. 1Q13 as a result of an increase in nonperforming corporate loans to home developers, in credit cards and mortgages derived from the maturing process of new vintages.

The trend in past due balances by segment during the quarter was:

Million pesos	2Q13	Change Vs. 1Q13	Change Vs. 2Q12
Credit Cards	1,195	120	84
Payroll	541	88	256
Car loans	154	41	6
Mortgage	921	103	153
Commercial	3,992	(745)	556
Corporate	2,217	827	914
Government	53	12	17
Total	9,075	444	1,986

The Past Due Loan Ratio in 2Q13 was 2.2%, 32 basis points higher YoY vs. 2Q12 and 7 basis points higher QoQ. The YoY increase is mainly due to more commercial, corporate and payroll past due loans, while the QoQ growth is derived from greater past due loans in corporate, mortgages and credit cards. Excluding the past due loans of the US operations, the PDL ratio remains unchanged. There has been a notable improvement in the portfolio asset quality of the US bank (INB) resulting in a decrease in its PDL ratio from 11.4% to 1.2% between 1Q10 and 2Q13.

Past due Loan Ratios by segment, which as of 2Q11 include Ixe's PDL ratios, showed the following trends during the last-12-months:

	2Q12	3Q12	4Q12	1Q13	2Q13
Credit Cards	6.8%	5.3%	5.0%	5.7%	6.0%
Payroll	1.8%	1.9%	2.2%	2.2%	2.4%
Car loans	1.5%	1.4%	1.3%	1.1%	1.4%
Mortgage	1.1%	1.2%	1.1%	1.1%	1.2%
Commercial (1)	3.2%	3.7%	4.3%	4.3%	3.5%
Corporate (1)	1.5%	1.5%	1.6%	1.6%	2.6%
Government	0.0%	0.1%	0.1%	0.0%	0.1%
Total	1.8%	1.9%	2.1%	2.1%	2.2%

1) During 2Q13, there was a reclassification of Commercial loans of Ixe Banco, Arrendadora y Factor Banorte and Fincasa Hipotecaria, in order to be considered as Corporate Loans according to the criteria used by Banco Mercantil del Norte for both credit categories; this reclassification was made retroactive.

The expected loss of Banco Mercantil del Norte, the main subsidiary of the Financial group, represents 1.7% of the loan portfolio at closing of 2Q13, and the non-expected loss represents 3.4%. These ratios were 1.3% and 3.1%, respectively during 1Q13, and 1.3% and 3.0% 12 months ago.

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

Quarterly changes in the main headings that affect Non Performing Loans' balances for Banco Mercantil del Norte (after the merger with Ixe Banco) without including other Grupo Financiero's subsidiaries were:

Past Due Loan Variations *(Million Pesos)*	
Balance as of March '13	**7,643**
Transfer from Performing Loans to Past Due Loans	6,070
Portfolio Purchase	1,597
Renewals	(156)
Cash Collections	(1,482)
Discounts	(69)
Charge Offs	(3,317)
Foreclosures	(89)
Transfer from Past Due Loans to Performing Loans	(581)
Loan Portfolio Sale	(541)
Foreign Exchange Adjustments	78
Balance as of June '13	**9,152**

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

74%of the total loan portfolio is rated as Risk A, 18% as Risk B and 8% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 2Q13-GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES			
		COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A1	262,461	893	339	114	**1,346**
A2	72,232	686	358	32	**1,076**
B1	44,271	662	391	11	**1,064**
B2	20,068	225	468	15	**708**
B3	18,839	476	280	9	**765**
C1	8,173	328	196	51	**575**
C2	6,182	325	453	83	**861**
D	16,369	4,579	1,420	241	**6,240**
E	2,242	522	870	91	**1,483**
Total	450,837	-	-	-	**-**
Not Classified	(29)	-	-	-	**-**
Exempt	57	-	-	-	**-**
Total	450,865	8,694	4,776	647	**14,117**
Reserves	-	-	-	-	**14,321**
Preventive Reserves	-	-	-	-	**205**

Notes:

1.- The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet at June 30th, 2013.
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 and internal methodologies approved by the CNBV. For Consumer, Mortgage and Commercial loans, Banorte uses the regulation described in the Official Gazette published on June 24th, 2013, and for Commercial loans granted to Financial Entities it uses internal methodologies approved 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 that are unlikely to be recovered fully, including both the principal and the interest pursuant to the 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 to being identified as Distressed Portfolios. The D and E risk degrees of the commercial loan rating are as follows:

(Million Pesos)	**Total**
Distressed Portfolio	18,611
Total Loans	450,865
Distressed Portfolio / Total Loans	**4.1%**

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

Loan Loss Reserves *(Million Pesos)*	**2Q13**
Previous Period Ending Balance	**11,863**
Provisions charged to results	3,125
Created with profitability margin	3,252
Reserve Portfolio Sold	0
Other items	0
Charge offs and discounts:	
Commercial Loans	-2,671
Consumer Loans	-1,033
Mortgage Loans	-235
Foreclosed assets	0
	-3,939
Cost of debtor support programs	-3
Valorization and Others	23
Adjustments	0
Loan Loss Reserves at Period End	**14,321**

- **Loan Loss Reserves and Preventive Loan Loss Reserves**

Balance sheet reserves at the end of the quarter amounted to Ps 14.32 billion, 21% higher than 1Q13, growing mainly as a result of the provisions created against equity as part of the new methodology adopted for the Commercial portfolio as of June 2013. Additionally, 26% of charge-offs, cancellations and discounts corresponded to the Consumer loan portfolio, 6% to Mortgages and 68% to Commercial loans, mainly as a consequence of writing off the loan to Mexicana the Aviación.

The reserve coverage ratio was 157.8% at the end of 2Q13 (158.0% excluding INB).

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

BANKING SECTOR

Banking Sector: Banco Mercantil del Norte, Banorte USA, Banorte- Ixe Tarjetas (since 2Q12) and Afore XXI Banorte (50% ownership).

Income Statement and Balance Sheet Highlights-Banking Sector (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Income Statement								
Net Interest Income	7,276	8,096	**8,833**	9%	21%	14,458	**16,929**	17%
Non Interest Income	3,116	4,297	**2,812**	(35%)	(10%)	6,317	**7,108**	13%
Total Income	10,393	12,393	**11,644**	(6%)	12%	20,776	**24,037**	16%
Non Interest Expense	6,015	6,896	**6,153**	(11%)	2%	11,933	**13,049**	9%
Provisions	1,237	2,026	**3,005**	48%	143%	2,422	**5,031**	108%
Operating Income	3,141	3,471	**2,486**	(28%)	(21%)	6,421	**5,957**	(7%)
Taxes	952	982	**(90)**	(109%)	(109%)	1,943	**891**	(54%)
Subsidiaries & Minority Interest	223	348	**472**	35%	112%	277	**820**	196%
Net Income	2,412	2,838	**3,048**	7%	26%	4,755	**5,886**	24%
Balance Sheet								
Total Assets	715,310	801,363	**781,193**	(3%)	9%	715,310	**781,193**	9%
Performing Loans (a)	362,744	391,664	**405,317**	3%	12%	362,744	**405,317**	12%
Past Due Loans (b)	6,298	7,242	**8,701**	20%	38%	6,298	**8,701**	38%
Total Loans (a+b)	369,042	398,906	**414,019**	4%	12%	369,042	**414,019**	12%
Total Loans Net (d)	359,278	388,250	**400,360**	3%	11%	359,278	**400,360**	11%
Acquired Collection Rights (e)	2,093	2,752	**2,039**	(26%)	(3%)	2,093	**2,039**	(3%)
Total Loans (d+e)	361,370	391,002	**402,400**	3%	11%	361,370	**402,400**	11%
Total Liabilities	655,693	723,205	**708,425**	(2%)	8%	655,693	**708,425**	8%
Total Deposits	394,446	414,867	**424,166**	2%	8%	394,446	**424,166**	8%
Demand Deposits	191,257	204,794	**217,510**	6%	14%	191,257	**217,510**	14%
Time Deposits	203,189	210,073	**206,656**	(2%)	2%	203,189	**206,656**	2%
Equity	59,617	78,158	**72,768**	(7%)	22%	59,617	**72,768**	22%

Financial Ratios Banking Sector	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Profitability:								
NIM (1)	4.5%	4.6%	**4.8%**	0.2 pp	0.4 pp	4.4%	**4.7%**	0.4 pp
NIM after Provisions (2)	3.7%	3.4%	**3.2%**	(0.2 pp)	(0.5 pp)	3.6%	**3.3%**	(0.3 pp)
ROE (4)	16.5%	15.7%	**16.2%**	0.4 pp	(0.4 pp)	16.7%	**16.3%**	(0.4 pp)
ROA (5)	1.4%	1.5%	**1.5%**	0.1 pp	0.2 pp	1.33%	**1.5%**	0.2 pp
Operation:								
Efficiency Ratio (6)	57.9%	55.6%	**52.8%**	(2.8 pp)	(5.0 pp)	57.4%	**54.3%**	(3.1 pp)
Operating Efficiency Ratio (7)	3.4%	3.6%	**3.1%**	(0.5 pp)	(0.3 pp)	3.3%	**3.4%**	0.0 pp
Liquidity Ratio (8)	90.0%	122.6%	**115.5%**	(7.2 pp)	25.4 pp	90.0%	**115.5%**	25.4 pp
Asset Quality:								
Past Due Loan Ratio	1.7%	1.8%	**2.1%**	0.3 pp	0.4 pp	1.7%	**2.1%**	0.4 pp
Coverage Ratio	155.0%	147.1%	**157.0%**	9.8 pp	1.9 pp	155.0%	**157.0%**	1.9 pp
Past Due Loan Ratio w/o Banorte USA	1.7%	1.8%	**2.1%**	0.3 pp	0.4 pp	1.7%	**2.1%**	0.4 pp
Coverage Ratio w/o Banorte USA	156.3%	147.0%	**157.1%**	10.1 pp	0.8 pp	156.3%	**157.1%**	0.8 pp
Growth (8)								
Performing Loans (9)	22.6%	13.9%	**11.8%**	(2.1 pp)	(10.9 pp)	22.6%	**11.8%**	(10.9 pp)
Core Deposits	14.4%	9.6%	**10.5%**	0.9 pp	(4.0 pp)	14.4%	**10.5%**	(4.0 pp)
Total Deposits	18.3%	11.4%	**7.5%**	(3.8 pp)	(10.8 pp)	18.3%	**7.5%**	(10.8 pp)
Capitalization:								
Net Capital/ Credit Risk Assets	19.8%	21.6%	**20.7%**	(0.9 pp)	0.9 pp	19.8%	**20.7%**	0.9 pp
Total Capitalization Ratio	14.7%	15.7%	**14.8%**	(0.9 pp)	0.1 pp	14.7%	**14.8%**	0.1 pp

1) NIM = Annualized Net Interest Margin for the quarter / Performing Assets Average.
2) NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Performing Assets Average.
3) Net Income of the period annualized as a percentage of the quarterly average of Equity (without minority interest) for the same period.
4) Net Income of the period annualized as a percentage of the quarterly average of Total Assets (without minority interest) for the same period.
5) Non Interest Expenses / Total Net Income
6) Annualized Non Interest Expenses of the quarter / Total Assets Average
7) Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms of 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.

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

- **Net Interest Income.**

Net Interest Income-Banking Sector (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Interest Income	12,955	13,773	**13,982**	2%	8%	25,961	**27,755**	7%
Interest Expense	5,860	5,913	**5,528**	(7%)	(6%)	11,909	**11,442**	(4%)
Loan Origination Fees	242	319	**504**	58%	109%	515	**823**	60%
Fees Paid	60	83	**125**	51%	107%	110	**207**	89%
Net Interest Income	**7,276**	**8,096**	**8,833**	**9%**	**21%**	**14,458**	**16,929**	**17%**
Provisions	1,237	2,026	**3,005**	48%	143%	2,422	**5,031**	108%
Net Interest Income Adjusted for Credit Risk	**6,040**	**6,070**	**5,828**	**(4%)**	**(4%)**	**12,036**	**11,898**	**(1%)**
Average Interest Earning Assets	651,222	707,821	**732,498**	3%	12%	659,857	**713,081**	8%
Net Interest Margin (1)	4.5%	4.6%	**4.8%**	0.2 pp	0.4 pp	4.4%	**4.7%**	0.4 pp
NIM after Provisions (2)	3.7%	3.4%	**3.2%**	(0.2 pp)	(0.5 pp)	3.6%	**3.3%**	(0.3 pp)

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

In 1H13, Net Interest Income grew 17% YoY, from Ps 14.46 billion to Ps 16.93 billion, and increased 20% YoY, considering only interest income and net fees related to loan originations as a result of a 12% growth in Performing Loans with a better mix, especially loan products that have a relatively bigger impact on Net Interest Income, such as payroll, credit cards, SME and mortgages, as well as a stable cost of funding, given the growth in Demand Deposits.

During 2Q13, Net Interest Income totaled Ps 8.83 billion, an increase of 21% YoY and 9% QoQ, both increases are explained by the expansion of the portfolio with a better mix, as well as a stable cost of funding. Taking into account only financial revenues and net fees related to loan origination, Net Interest Income rose 23% vs. 2Q12 and 10% vs. 1Q13.

The average Net Interest Margin (NIM) for 1H13 was 4.7%, +0.37 pp vs. 1H12. NIM for 2Q13 was 4.8%, +0.35 pp vs. 2Q12 and +0.25 pp vs 1Q13; in all cases the NIM increase is explained by a growth in Net Interest Income compared to Average Interest Earnings Assets as a result of a better loan and funding mix.

- **Loan Loss Provisions**

In 1H13, Provisions charged to results totaled Ps 5.03 billion and Ps 3.01 billion in 2Q13, registering increases of 108% vs. 1H12, 143% vs. 2Q12 and 48% vs.1Q13, respectively. In all cases, the growth was mainly caused by the provisions for exposures in the housing sector. Additionally, the increase is explained by growth in consumer loan portfolios which require higher initial provisions due to the expected loss methodology adopted in recent years and the growth in past due loans in the consumer segment resulting from the maturing of new vintages.

The average NIM adjusted for Credit Risks was 3.3% in 1H13, a reduction of (0.3 pp) 1H12, or 3.2% in 2Q13, comparing unfavorably to 2Q12 and 1Q13. In all cases due to the increase in provisions registered for the exposure to housing developers, as well as the maturing of new vintages in the consumer segment.

- **Non Interest Income**

Non Interest Income (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Services	1,743	1,806	**1,860**	3%	7%	3,396	**3,666**	8%
Recovery	337	238	**(190)**	(180%)	(156%)	696	**47**	(93%)
Trading	877	1,310	**613**	(53%)	(30%)	1,498	**1,923**	28%
Other Operating Income (Expense)	159	943	**529**	(44%)	232%	727	**1,472**	103%
Non Interest Income	**3,116**	**4,297**	**2,812**	**(35%)**	**(10%)**	**6,317**	**7,108**	**13%**

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

Non Interest Income for 1H13, amounted to Ps 7.11 billion, a 13% YoY increase; while Non Interest Income for the quarter totaled Ps 2.81 billion, a decline of (10%) YoY vs. 2Q12 and (35%) QoQ vs. 1Q13.

- **Non Interest Expenses**

Non Interest Expense (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Personnel	2,380	3,900	**2,924**	(25%)	23%	4,986	**6,823**	37%
Professional Fees	607	529	**563**	6%	(7%)	1,100	**1,092**	(1%)
Administrative and Promotional	1,307	821	**1,029**	25%	(21%)	2,338	**1,850**	(21%)
Rents, Depreciation & Amortization	704	731	**765**	5%	9%	1,372	**1,496**	9%
Taxes other than income tax & non deductible expenses	319	392	**360**	(8%)	13%	759	**753**	(1%)
Contributions to IPAB	395	440	**433**	(2%)	10%	773	**873**	13%
Employee Profit Sharing (PTU) (1)	303	83	**79**	(4%)	(74%)	605	**162**	(73%)
Non Interest Expense	**6,015**	**6,896**	**6,153**	**(11%)**	**2%**	**11,933**	**13,049**	**9%**

Non Interest Expense for 1H13 amounted to Ps 13.05 billion, a 9% YoY increase derived mainly from costs linked to personnel downsizing program in 1Q13, and the growth and strengthening in business areas, which was not offset by reductions in other headings. Non Interest Expense for 2Q13 totaled Ps 6.15 billion, a 2% YoY increase and an (11%) QoQ decline.

The Efficiency Ratio for 1H13 was 54.3%, (3.1 pp) less vs. 1H12 and 52.8% for 2Q13, (5.0 pp) less vs. 2Q12 and (2.8 pp) lower vs. 1Q13, due to the positive operating leverage achieved.

- **Net Income**

The Banking Sector (comprised of Banco Mercantil del Norte, Banorte-Ixe Tarjetas, Banorte USA and 50% of Afore XXI Banorte) reported Net Income in 1H13 of Ps 5.89 billion, a 24% increase from 1H12 derived from including the results of Ixe Tarjetas and Afore XXI Banorte. The quarterly profit was Ps 3.05 billion, increases of 26% YoY vs. 2Q12 and 7% QoQ vs. 1Q13.

The accumulated ROE in 1H13 for this sector was 16.3%, 40 basis points less vs. 1H12 due mainly to the increase in Banco Mercantil del Norte's equity in 1Q13 as part of a strategy to replenish the capital used to acquire Afore Bancomer. ROA for the same period was 1.5%, an increase of 20 basis points YoY.

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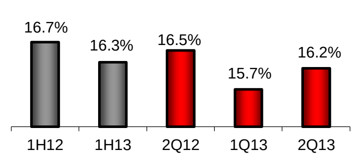
ROE
(BANKING SECTOR)



- **NPL Ratio**

The Banking Sector's Past Due Loan Ratio for 2Q13 was 2.1% (includes INB past due loans), an increase of 0.4 pp YoY vs. 2Q12 and 0.3 pp QoQ vs. 1Q13.

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

BANORTE USA

I. Banorte USA

Income Statement– *Banorte USA* ***Figures in MEX GAAP (Million Pesos)***	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Income Statement								
Net Interest Income	174	141	**142**	1%	(18%)	341	**283**	(17%)
Non Interest Income	121	127	**97**	(23%)	(20%)	211	**224**	6%
Total Income	295	267	**239**	(10%)	(19%)	552	**507**	(8%)
Non Interest Expense	199	193	**179**	(7%)	(10%)	382	**372**	(3%)
Loan Loss Reserves	52	15	**2**	(84%)	(95%)	75	**17**	(77%)
Operating Income	45	59	**58**	(2%)	30%	95	**118**	23%
Taxes	15	19	**20**	5%	33%	32	**38**	21%
Net Income	30	41	**39**	(6%)	28%	64	**80**	24%

Under generally accepted Mexican accounting principles (MEX GAAP), the Net Income of Banorte USA (a subsidiary of Banco Mercantil del Norte that owns 100% of Inter National Bank, as well as 100% of remittance companies Uniteller and Motran) was Ps 80 million for 1H13, increasing by 24% YoY, mainly due to growth in Non Interest Income and a reduction in Expenses and provisions compared to the previous year.

II. Inter National Bank (US GAAP)

Income Statement & Balance Sheet Highlights - InterNational Bank *Figures in US GAAP (Millon Dollars)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Income Statement								
Net Interest Income	13	11	**12**	3%	(11%)	27	**23**	(13%)
Non Interest Income	7	7	**5**	(21%)	(26%)	12	**12**	1%
Total Income	20	18	**17**	(6%)	(16%)	38	**35**	(9%)
Non Interest Expense	13	13	**12**	(7%)	(8%)	25	**25**	(1%)
Loan Loss Reserves	4	-	**-**	203%	(91%)	5	**(1)**	(112%)
Operating Income	3	5	**5**	2%	106%	8	**10**	23%
Net Income	2	3	**3**	(1%)	101%	6	**7**	24%
Balance Sheet								
Investments in Securities	804	914	**760**	(17%)	(5%)	804	**760**	(5%)
Performing Loans	712	696	**714**	3%	0%	712	**714**	0%
Past Due Loans	10	6	**9**	60%	(10%)	10	**9**	(10%)
Demand Deposits	803	960	**886**	(8%)	10%	803	**886**	10%
Time Deposits	864	739	**710**	(4%)	(18%)	864	**710**	(18%)
Total Deposits	1,667	1,699	**1,596**	(6%)	(4%)	1,667	**1,596**	(4%)
Equity	419	423	**413**	(2%)	(2%)	419	**413**	(2%)

Financial Ratios INB *Figures in US GAAP (Millon Dollars)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Profitability:								
NIM	3.0%	2.6%	**2.8%**	0.2	(0.3)	3.2%	**2.7%**	(0.5)
ROE	1.6%	3.3%	**3.3%**	0.0	1.7	2.7%	**3.3%**	0.6
ROA	0.3%	0.7%	**0.7%**	0.0	0.3	0.5%	**0.7%**	0.1
Operational:								**0%**
Efficiency Ratio	65.2%	72.3%	**71.6%**	(0.7)	6.3	66.0%	**71.9%**	6.0
Asset Quality:								**0%**
Past Due Loan Ratio	1.3%	0.8%	**1.2%**	0.4	(0.1)	1.3%	**1.2%**	(0.1)
Coverage Ratio	144.0%	258.3%	**159.0%**	(99.3)	15.1	144.0%	**159.0%**	15.1
Capitalization:								**0%**
Leverage Ratio	10.1%	10.4%	**11.0%**	0.6	1.0	10.1%	**11.0%**	1.0
Capitalization Ratio	25.9%	25.1%	**25.8%**	0.7	(0.1)	25.9%	**25.8%**	(0.1)

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted a 1H13 profit of US $7 million, a YoY increase of 24%, mainly due to fewer loan loss provisions.

INB has an investment portfolio of US $760 million, mainly consisting of mortgage-backed securities, which declined by US $44 million or (5%) YoY and a decrease of US $154 million or (17%) QoQ, as part of the Bank's strategy to reduce the liquidity risk in its CAMEL rating. The mortgages backing these securities have been rated AAA and have an implicit guarantee from the US government. In 2Q13 the portfolio had an unrealized valuation loss of US ($8) million and the weighted average life is 4.3 years.

Total Deposits amounted to US $1. 6 billion, which decreased by $71 million or (4%) YoY, and decreased by US $103 million, or (6%) QoQ. Performing loans totaled US $714 million, increasing by US $2 million or 0% YoY and increase by US $18 million or 3% QoQ, posting the first increase after several quarters of contraction as a consequence of the formal agreement that INB had with the regulator; Past Due Loans were US $9 million, registering a decrease of US $1 million or (10%) YoY, and an increase of US $3 million or 60% QoQ.

Capitalization and Leverage Ratios remain robust. The Capitalization Ratio for 1H13 was 25.8% and the Leverage Ratio 11.0%. The Past due Loan ratio reduced by (0.1) pp YoY and increased by 0.4 pp QoQ to 1.2%, while the Coverage ratio rose by 15.1 pp YoY and declined by (99.3) pp QoQ to 159.0%

With respect to Profitability ratios, in 1H13 ROE increased 0.6 pp YoY to 3.3%, ROA increased 0.1 pp YoY to 0.7%, the Efficiency Ratio increased by 6.0 pp YoY to 71.9%. The NIM declined (0.5) pp YoY to 2.7%.

The ratio of Classified Assets to Tier 1 Capital at the end of 2Q13 was 20.7%.

III. Sólida USA

In order to reduce Classified Assets and achieve levels acceptable to the OCC, INB’s regulator in the United States, INB sold assets to Banorte and Sólida. These assets are managed by “Sólida USA”, Banorte’s recovery subsidiary in the United States.

As at 2Q13, Sólida USA’s Assets Under Management comprised the following:

Solida Mexico’s Foreclosed Assets:	US $40 million
Banorte Assets:	US $86 million
INB Classified Assets:	US $75 million
Total:	US $201 million

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

RECOVERY BANKING

Income Statement Highlights - Recovery Banking (Million Pesos)	1H12	1H13	Change 1H12
Net Interest Income	12	12	(6%)
Loan Loss Provisions	(9)	(1)	-
Non Interest Income	897	1,146	28%
Non Interest Expense	(482)	(468)	-3%
Pre-tax Income & Subsidiaries	418	689	65%
Income Tax and Profit Sharing	(127)	(198)	55%
Net Income	**291**	**491**	**69%**

Assets Under Management (Million Pesos)	2Q13	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**44,338**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**34,780**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects (1):	**6,840**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**3,561**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**89,519**		

(1) Since May 2011, the business related with Investment Projects is managed by the Wholesale Banking Division.

- **Net Income**

The Recovery Banking reported a net income of Ps. 491 million during 1H13, a YoY 69% increase vs. the same period of 2012, mainly driven by higher non interest income derived from the extraordinary recovery of an infrastructure project in 1Q13. The net income of the Recovery Banking unit represents 7.7% of the Grupo Financiero's net income.

- **Assets Under Management**

As at the close of 2Q13, of the Ps 44.3 billion in Banorte total assets managed by the Recovery Bank, 29% corresponded to mortgage loans, 14% to crediactivo, 10% to credit cards, 11% to payroll, 8% to foreclosed assets, 10% to middle-market companies, 7% to car loans, 4% to corporate loans, 3% to commercial loans, 2% to personal loans, 1% to Pronegocio, and 1% to subsidiaries. Gross revenues generated by this portfolio during 1H13 amounted to Ps 487 million, a YoY decrease of (10%).

At the end of 2Q13, of the Ps 34.8 billion in portfolios acquired and managed by the Recovery Banking unit, 33% corresponded to mortgage loans, 28% to middle-market and commercial loans, 21% to the portfolio managed on behalf of the Mexican mortgage agency SHF, 11% to real estate portfolios and 7% to foreclosed assets and payments in kind. 1H13 gross revenues generated by these portfolios amounted to Ps 762 million, growth of 53% YoY.

Of Ixe's total proprietary assets amounting to Ps 3.6 billion managed by the Recovery Bank at the end of 2Q13, 30% corresponded to middle-market companies, 19% to mortgage loans, 7% to consumer loans, 38% to foreclosed assets, and 6% to commercial loans.

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

BROKERAGE

Brokerage Sector (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Brokerage								
Net Income	164	245	**140**	(43%)	(14%)	275	**385**	40%
Shareholder's Equity	2,325	3,005	**2,221**	(26%)	(4%)	2,325	**2,221**	(4%)
Assets Under Custody	627,187	702,808	**690,858**	(2%)	10%	627,187	**690,858**	10%
Total Assets	87,629	63,249	**79,480**	26%	(9%)	87,629	**79,480**	(9%)
ROE	29.3%	33.9%	**21.4%**	(12.4 pp)	(7.9 pp)	23.4%	**28.9%**	5.5 pp
Net Capital								
Net Capital	1,825	2,495	**1,703**	(32%)	(7%)	1,825	**1,703**	(7%)

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe) reported profits of Ps 385 million in 1H13, 40% higher YoY vs. 1H12. This growth was driven by an increase in resources managed by mutual funds, which translated into higher service fees, as well as more income from markets, private banking and wealth management and institutional sales.

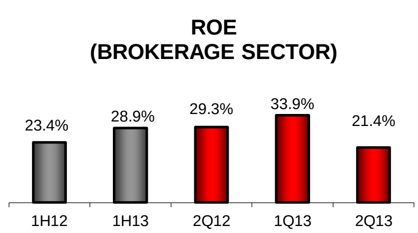
In 2Q13 profits were Ps 140 million, a decrease of (43%) QoQ vs. 1Q13 and (14%) YoY vs. 2Q12. These declines are due to a valuation effect in the money market and equity positions, originated by changes in the market conditions, given during the same period.

- **Mutual Funds**

At closing of 2Q13, assets managed by Banorte-Ixe 's mutual funds amounted to Ps 114 billion, a 20% YoY increase compared with the combined balance of both banks' mutual fund operations as of 2Q12. Resources managed by debt mutual funds amounted to Ps 101.5 billion, a combined YoY growth of 16%, while equity mutual funds managed assets totaling Ps 12.5 billion, an increase of 67% YoY. At the end of June, Banorte-Ixe had a 7.0% share of the mutual fund market, a 7.8% share in debt mutual funds, and a 4.0% share in equity mutual funds.

- **Assets Under Custody**

At the end of 2Q13, AUC stood at Ps 690.9 billion, an increase of 10% YoY driven by growth in funds managed by mutual funds and money market resources. The (2%) QoQ decrease is due to losses recognized in the investment portfolio resulting from the volatility across the yield curve during the quarter derived from the environment.



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

LONG TERM SAVINGS

LONG TERM SAVINGS (Million Pesos)	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Afore (1)								
Net Income (a)	298	703	**403**	(43%)	35%	547	**1,106**	102%
Shareholder's Equity	2,202	22,777	**23,179**	2%	953%	2,202	**23,179**	953%
Total Assets	2,642	23,942	**24,417**	2%	824%	2,642	**24,417**	824%
AUM (SIEFORE)*	225,155	555,970	**521,255**	(6%)	132%	225,155	**521,255**	132%
ROE	52.7%	19.4%	**7.0%**	(12.4 pp)	(45.7 pp)	56.3%	**12.7%**	(43.6 pp)
Insurance- Seguros Banorte (2)								
Total Operating Income	623	606	**608**	0%	(2%)	1,138	**1,214**	7%
Non Interest Expense	191	187	**233**	25%	22%	372	**420**	13%
Operating Income	432	420	**374**	(11%)	(13%)	766	**794**	4%
Taxes	142	135	**97**	(28%)	(31%)	238	**233**	(2%)
Subsidiaries & Minority Interest	3	(2)	**(1)**	(73%)	(120%)	5	**(2)**	(150%)
Net Income	293	282	**277**	(2%)	(6%)	533	**559**	5%
Shareholder's Equity	2,834	3,036	**3,313**	9%	17%	2,834	**3,313**	17%
Total Assets	18,354	17,835	**18,434**	3%	0%	18,354	**18,434**	0%
Technical Reserves	10,954	11,101	**11,371**	2%	4%	10,954	**11,371**	4%
Premiums sold	3,449	4,533	**3,120**	(31%)	(10%)	6,952	**7,653**	10%
Coverage ratio of technical reserves	1	1	**1**	0%	2%	1	**1**	2%
Capital coverage ratio of minimum guarantee	1.7	1.6	**1.7**	0.1 pp	(0.1 pp)	1.7	**1.7**	(0.1 pp)
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	34	40	**40**	0%	539%	34	**40**	539%
ROE	43.6%	36.2%	**35.1%**	(1.1 pp)	(8.5 pp)	39.6%	**35.2%**	(4.4 pp)
Annuities (2)								
Total Operating Income	119	125	**112**	(11%)	(6%)	188	**237**	26%
Non Interest Expense	84	57	**73**	28%	(13%)	105	**130**	24%
Operating Income	35	68	**39**	(43%)	10%	83	**107**	29%
Taxes	8	22	**12**	(45%)	54%	21	**34**	59%
Subsidiaries & Minority Interest	1	2	**1**	(70%)	(58%)	(1)	**3**	(464%)
Net Income	29	49	**28**	(43%)	(5%)	61	**76**	25%
Shareholder's Equity	1,207	1,221	**1,249**	2%	3%	1,207	**1,249**	3%
Total Assets	38,088	45,460	**48,181**	6%	26%	38,088	**48,181**	26%
Technical Reserves	36,650	43,995	**46,646**	6%	27%	36,650	**46,646**	27%
Premiums sold	1,916	2,146	**2,797**	30%	46%	3,805	**4,944**	30%
Coverage ratio of technical reserves	1	1	**1**	(0%)	0%	1	**1**	0%
Capital coverage ratio of minimum guarantee	N/A	N/A	**N/A**	-	-	N/A	**N/A**	-
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	9	8	**8**	0%	(30%)	9	**8**	(30%)
ROE	9.7%	16.3%	**8.9%**	(7.3 pp)	(0.8 pp)	10.4%	**12.6%**	2.1 pp

1. Since January 2012 the merger of Afore XXI and Afore Banorte was completed, therefore Afore XXI Banorte was created, which presents its results in Banco Mercantil del Norte through the equity participation method.
   a) For information and comparison purposes to the profits of this sector, Afore XXI Banorte's Net Income is presented in this table
2. As of January 2011, new accounting criteria came into effect in which the information for the Insurance and Annuities companies are consolidated in GFNorte.

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

- **Afore**

At the end of 2011, the merger of Afore XXI and Afore Banorte took place in which Banco Mercantil del Norte has a 50% participation. Banco Mercantil del Norte previously had a 51% participation in Afore Banorte Generali and results were consolidated in Banco Mercantil del Norte using the straight line method; however, as it is no longer a majority shareholder of Afore XXI Banorte, results are now consolidated in the bank using the equity participation method. On January 9th, 2013, Afore XXI Banorte completed the acquisition of Afore Bancomer, and so its operations were included as of that date, making it the largest retirement fund management company in Mexico.

Assets Under Management of Afore XXI Banorte as of June 2013 totaled Ps 521 billion, a YoY increase of 132% vs. 2Q12 and a QoQ decrease of (6%) vs. 1Q13. The YoY variation is explained by the acquisition of Afore Bancomer and the QoQ decrease is due to losses recognized in the investment portfolio resulting from the volatility across the yield curve during the quarter derived from an adverse international environment.

The AFORE posted net profits of Ps 1.11 billion for 1H13, a YoY increase of 102%. Quarterly earnings amounted to Ps 403 million, 35% greater YoY vs. 2Q12 as a result of higher revenues from a larger amount of managed funds resulting from the Afore Bancomer acquisition; nevertheless, a (43%) QoQ decline vs. 1Q13 was registered due to the negative impact in financial products from the losses recognized in the investment portfolios. The ROE of Afore XXI Banorte was 12.7% during 1H13, but it increases to 58.2% on a tangible basis.

At the end of May 2013, Afore XXI Banorte had a 27.2% share of managed funds, ranking as leader in the market with more than 11.62 million managed accounts (this figure does not include the 5.6 million accounts managed by Afore XXI Banorte with resources deposited in Banco de México), representing 26.7% of the system's total number of accounts, making it the market's leading retirement fund.

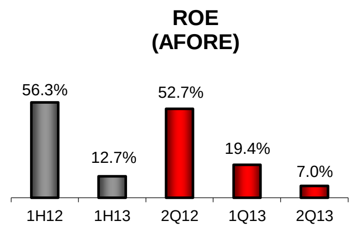
- **Insurance**

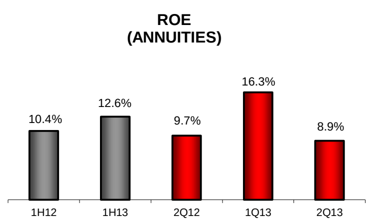
During 1H13 the Insurance company reported profits of Ps 559 million (51% corresponds to GFNorte), a 5% YoY increase, driven by growth in revenues from premiums and other financial revenues, which offset an increase in damages and claims. Quarterly earnings amounted to Ps 277 million, a QoQ decrease of (2%) vs. 1Q13 and (6%) vs. 2Q12. These decreases are due to an increase in Non Interest Expenses and greater technical reserve requirements. The ROE of the Insurance Company was 35.2% during 1H13.

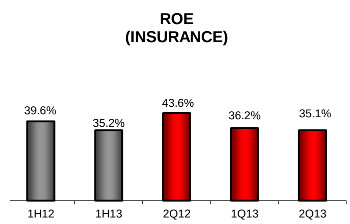
Issued premiums increased 10%YoY totaling Ps 7.65 million for 1H13. The technical reserves balance was Ps 11.37 billion, increasing by 4% YoY and 2% QoQ vs. 1Q13.

- **Annuities**

In 1H13 profits were Ps 76 million (51% corresponds to GFNorte), increasing by Ps 15 million YoY. Earnings for 2Q13 were Ps 28 million, a YoY decline of (Ps 1) million vs. 2Q12 (-5%), and (43%) QoQ vs. Q13. These decreases were due to greater technical reserve requirements. The ROE of the Annuities Company in 1H13 was 12.6%.







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

OTHER FINANCE COMPANIES

Other Finance Companies (1) *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Leasing and Factoring								
Net Income	152	131	**72**	(45%)	(52%)	278	**204**	(27%)
Shareholder's Equity	2,658	3,115	**2,813**	(10%)	6%	2,658	**2,813**	6%
Loan Portfolio (1)	18,707	19,859	**20,488**	3%	10%	18,707	**20,488**	10%
Past Due Loans	120	197	**246**	25%	105%	120	**246**	105%
Loan Loss Reserves	257	294	**399**	36%	56%	257	**399**	56%
Total Assets	18,720	20,245	**20,877**	3%	12%	18,720	**20,877**	12%
ROE	23.5%	17.2%	**11.8%**	(5.4 pp)	(11.6 pp)	21.9%	**14.8%**	(7.1 pp)
Warehousing								
Net Income	8	13	**12**	(9%)	45%	16	**26**	57%
Shareholder's Equity	255	279	**254**	(9%)	(0%)	255	**254**	(0%)
Inventories	367	390	**614**	57%	67%	367	**614**	67%
Total Assets	568	632	**856**	36%	51%	568	**856**	51%
ROE	13.4%	19.6%	**18.3%**	(1.3 pp)	4.8 pp	13.1%	**19.2%**	6.1 pp

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

- **Leasing and Factoring**

Arrendadora y Factor Banorte reported profits of Ps 204 million in 1H13 and Ps 72 million in 2Q13, declining (27%) YoY vs. 1H12 and (52%) YoY vs. 2Q12 due to lower revenues derived from the decrease in the home developers' portfolio. Profits for 2Q13 decreased (45%) QoQ vs. 1Q13 as a result of larger reserves primarily from exposures to housing developers with liquidity and solvency problems. The ROE of the Leasing and Factoring Company in 1H13 was 14.8%.

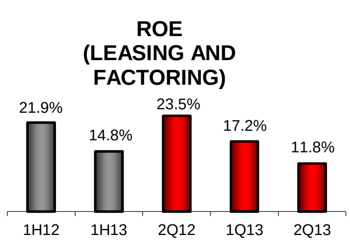
At closing of 2Q13, the Past due Loan ratio was 1.2% an increase of 20 basis points from 1Q13 due to deterioration in the portfolio of several clients, while the Capitalization Ration closed at 12.67% taking into account total risk weighted assets of Ps 22.18 billion.

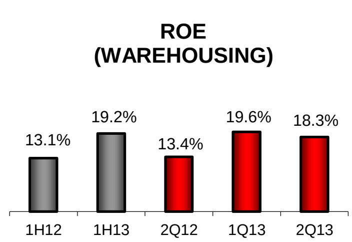
Arrendadora y Factor Banorte ranks 1st in terms of portfolio size and assets among the 40 companies in this sector, according to the Mexican Association of Leasing Companies, Credit and Financing (Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

- **Warehouse**

During 1H13 Almacenadora posted a net income of Ps 26 million, a YoY increase of 57% driven by higher levels of inventory sales. During 2Q13, earnings totaled Ps12 million, decreasing (9%) QoQ vs. 1Q13 and increasing 45% YoY vs. 2Q12. The ROE of the Warehousing company was 19.2% in 1H13.

The Capitalization Ratio at closing of 2Q13 was 7.5% considering Ps 2.53 billion in total certificates at risk in circulation. Almacenadora Banorte ranks 3rd among the sector's 18 warehousing companies in terms of profits generated.





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

OTHER COMPANIES

Other Companies *(Million Pesos)*	2Q12	1Q13	2Q13	Change QoQ	Change YoY	1H12	1H13	Change 1H12
Ixe Soluciones								
Ixe Servicios								
Net Income	(0)	(0)	**0**	(433%)	(154%)	(2)	**0**	(108%)
Shareholder's Equity	20	22	**23**	1%	11%	20	**23**	11%
Total Assets	29	32	**32**	3%	11%	29	**32**	11%
ROE	-6.4%	-1.0%	**3.2%**	4.1 pp	9.6 pp	-14.6%	**1.1%**	15.8 pp

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

RATINGS

International Ratings - GFNorte

Rating Agency	Rated Intitutions	Rating	Category	Date
Standard & Poor's	Banco Mercantil del Norte	POSITIVE	Outlook	June, 2013
		BBB-	Counterparty credit - Long term foreign currency	
		BBB-	Counterparty credit - Long term local currency	
		A-3	Counterparty credit - Short term foreign currency	
		A-3	Counterparty credit - Short term local currency	
		BBB-	Senior Unsecured Notes	
		BB	Subordinated Junior Notes (from the merged Ixe Banco)	
Fitch	Grupo Financiero Banorte	STABLE	Outlook	April, 2013
		bbb	Viability	
		BBB	Long term foreign currency (IDR'S)	
		F2	Short term foreign currency (IDR'S)	
		5	Support Rating-GFNorte	
		NF (Not Floor)	Support Rating Floor - GFNorte	
		BB-	Subordinated Junior Notes (from the merged Ixe Banco)	
	Banco Mercantil del Norte	STABLE	Outlook	
		bbb	Viability	
		BBB	Long term foreign currency	
		F2	Short rerm foreign Currency	
		C	Individual - Foreign Currency	
		2	Support Rating - Banco Mercantil del Norte	
		BBB-	Support Rating Floor - Banco Mercantil del Norte	
Moody's	Banco Mercantil del Norte	NEGATIVE	Outlook BFSR	June, 2013
		C –	Bank Financial Strenght	
		NEGATIVE	Outlook	
		A3	Long term local currency deposits	
		Baa1	Long term foreign currency deposits	
		NEGATIVE	Outlook	March, 2013
		A3	Long term foreign currency senior debt	
		NEGATIVE	Outlook	December, 2012
		P-2	Short term local currency deposits	
		P-2	Short term foreign currency deposits	
		NEGATIVE	Outlook	June, 2013
		Baa3	Local currency subordinated debt	
		Ba1	Local currency junior cumulative debt	
		NEGATIVE	Outlook	March, 2013
		Baa3	Foreign currency subordinated debt assigned to subordinated cumulative foreign currency debt	
		Ba1	Foreign currency assigned to non-cumulative subordinated debt	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	December, 2012
		Baa1	Long term local currency issuer	
		P-2	Short term local currency issuer	
	Arrendadora y Factor Banorte	NEGATIVE	Outlook	June, 2013
		A3	Long term local currency issuer	
		(P)A3	Long term local currency senior debt	
		(P)P-2	Short term local currency senior debt	
		P-2	Short term local currency issuer	

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

Domestic Ratings - GFNorte				
Rating Agency	**Rated Institutions**	**Rating**	**Category**	**Date**
Standard & Poor's	Banco Mercantil del Norte	POSITIVE	Outlook	June, 2013
		mxA-1+	National Scale Counterparty credit - Short term	
		mxAA+	National Scale Counterparty - Long term	
	Casa de Bolsa Banorte Ixe	POSITIVE	Outlook	
		mxA-1+	National Scale Counterparty credit - Short term	
		mxAA+	National Scale Counterparty credit - Long term	
Fitch	Banco Mercantil del Norte	STABLE	Outlook	April, 2013
		AA + (mex)	National Scale Counterparty - Long term	
		F1 + (mex)	National Scale Counterparty - Short term	
		A+ (mex)	National Scale - Long term subordinated debt	March, 2013
		F1 + (mex)	Depo. Certi. y P.R.L.V. short Term	
		AA + (mex)	Depo. Certi. y P.R.L.V. long term	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	April, 2013
		F1 + (mex)	National Scale - Short term	
		AA + (mex)	National Scale - Long term	
	Arrendadora y Factor Banorte	F1 + (mex)	National Scale Counterparty - Short term	
		AA + (mex)	National Scale Counterparty- Long term	
		F1 + (mex)	National Scale - Unsecured Debt - Short term	
		AA + (mex)	National Scale - Unsecured Debt - Long term	
	Almacenadora Banorte	F1 + (mex)	National Scale Counterparty - Short term	
		AA + (mex)	National Scale Counterparty - Long term	
	Seguros Banorte Generali	AA+ (mex)	Financial Strenght	January, 2012
Moody's	Banco Mercantil del Norte	STABLE	Outlook	September, 2012
		Aaa.mx	National Scale - Long term deposits	
		MX-1	National Scale - Short term deposits	
		Aaa.mx	National Scale - Long term senior debt	
		MX-1	National Scale - Short term senior debt	
		NEGATIVE	Outlook	June, 2013
		Aa2.mx	Subordinated debt - Long term	
		Aa3.mx	Junior Subordinated debt - Long term	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	September, 2012
		Aaa.mx	National Scale - Long term issuer	
		MX-1	National Scale - Short term issuer	
	Arrendadora y Factor Banorte	NEGATIVE	Outlook	June, 2013
		Aaa.mx	National Scale - Long term issuer	
		MX-1	National Scale - Short term issuer	
		Aaa.mx	National Scale - Long term senior debt	
		MX-1	National Scale - Short term senior debt	
HR Ratings	Banco Mercantil del Norte	STABLE	Outlook	May, 2013
		HR AAA	Long term debt	
		HR+1	Short term debt	
		HR AA+	Subordinated Debt Preferential	

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

INFRASTRUCTURE

INFRASTRUCTURE	2Q12	1Q13	2Q13
Employees (1)	25,589	27,078	**26,849**
Branches (2)	1,302	1,320	**1,282**
INB	21	20	20
ATM's	6,637	6,696	**6,657**
POS's	102,204	120,464	**125,696**

1. Includes Banking Sector and Afore hired and outsourcing personnel
2. 5 banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in the Cayman Islands.

- As at the close of 2Q13 there were 1,282 **branches**, 38 less compared to 1Q13. The number of branches decreased by 20 over the previous 12 months, a YoY (2%) decrease, due to the recently implemented efficiency program. Total branches include 167 Ixe Banco branches.
- 20 **Automatic Teller Machines** were enabled over the last 12 months, practically unchanged vs. the former year, expanding the network to 6,657 ATMs in total at the end of 2Q13. This growth includes 195 Ixe ATMs.
- 23,492 **Point of Sale Terminals** (POS) were activated during the year, YoY growth of 23%, bringing the number of installed POSs to 125,696 as at the close of June, 22,853 of which belong to Ixe
- As at the end of 2Q13, there were 4,165 contact points through third party **correspondent agreements** with 7-Eleven (1,508), Telecomm-Telégrafos (1,670) and Tiendas Extra (987).
- **SME Centers.** At the end of June 2013 there were 13 offices specializing in this segment, 11 more than the same period of the previous year.

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

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
BBVA	Ernesto Gabilondo	Buy	19-jun13
BTG Pactual	Marcelo Henriques	Buy	15-mar-13
BX+	Andrés Audiffred	Buy	19-jun13
Citi	Daniel Abut	Buy	19-jun13
Credit Suisse	Marcello Telles	Buy	10-jul-13
GBM	Lilian Ochoa	Hold	12-jun-13
Invex	Martín González	Buy	03-jul-13
Itaú BBA	Regina Longo	Buy	11-jun-13
Morgan Stanley	Jorge Kuri	Buy	24-apr-13
Nomura	Daragh Quinn	Buy	04-apr-13
Santander	Boris Molina	Buy	17-jul-13
Scotiabank	Claudia Benavente	Buy	22-jul-13
UBS	Philip Finch	Buy	14-jun-13
Vector	Rafael Escobar	Buy	13-jun-13
Actinver	Martín Lara	Hold	11-jun-13
BOFA - Merill Lynch	José Barria	Hold	24-apr-13
Deutsche Bank	Mario Pierry	Hold	07-jul-13
Goldman Sachs	Carlos Macedo	Hold	03-jun-13
HSBC	Mariel Santiago	Hold	05-dec-12
Interacciones	Enrique Mendoza	Hold	11-jul-13
JP Morgan	Saul Martinez	Hold	12-jun-13
Nau	Iñigo Vega	Hold	14-jun-13

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

GRUPO FINANCIERO – GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	2Q13
Banco Mercantil Del Norte, S.A. (1)	**97.50%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**50.00%**
Leasing and Factoring	**99.99%**
Warehouse	**99.99%**
Annuities	**51.00%**
Insurance	**51.00%**
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	**96.76%**

1. Considers as of 1Q13 a 97.2% stake of GFNorte and as of 2Q13 of 97.50%. Since 4Q09 until this quarter, the stake was 92.72%, reflecting the IFC investment in capital of Banco Mercantil del Norte.

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 '13
Number of Shares Outstanding	2,326.36
Shares held in the bank's Treasury	0

The amount of shares outstanding does not consider the recent equity increase as part of the public offering carried out in July. Adding the new issued shares, the total of GFNORTE's shares outstanding totals 2.773 billion common shares.

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

Group Officers 2Q13	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Marcos Ramírez Miguel	Managing Director – Wholesale Banking & Casa de Bolsa Banorte Ixe
Gabriel Casillas Olvera	Managing Director – Economic Analysis
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking and Wealth Management
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Gerardo Zamora Nañez	Managing Director – Warehouse, Leasing and Factoring
Ricardo Velázquez Rodríguez	Managing Director – Int. Banking & Financial Institutions & Banorte USA
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management and Business Development
Jesús Garza Martínez	Managing Director – Channels and Segments
Manuel Romo Villafuerte	Managing Director –Product & Banorte-Ixe Tarjetas
Fernando Solís Soberón	Managing Director – Long Term Savings
Luis Fernando Orozco	Managing Director – Asset Recovery
STAFF	
Alejandro Garay Espinosa	Managing Director – Corporate Services
Benjamín Vidargas Rojas	Managing Director - Audit
Carla Juan Chelala	Managing Director - Marketing
Héctor Martín Ávila Flores	Managing Director - Legal
David Aaron Margolín Schabes	Managing Director - Risk
Ignacio Aldonza Goicochea	Managing Director –Technology
Rafael Arana de la Garza	Chief Financial Officer
Sergio García Robles Gil	Chief Corporate Officer
Alejandro Vázquez Salido	Managing Director - Communications and Institutional Relations

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

HOLDING

Income Statement-Holding *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	2012	1H13
Income Subsidiaries	2,430	2,519	2,757	1,593	3,248	3,409	9,299	6,658
Interest Income	7	11	8	6	16	34	32	50
Interest Expense	-	-	-	-	35	155	-	191
Fees & Tariffs	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Trading Income	-	-	-	10	(29)	-	10	(29)
Other Operating Income (Expense)	-	-	-	0	-	-	0	-
Non Interest Expense	25	25	25	26	49	25	100	74
Pre-Tax Income	**2,412**	**2,505**	**2,741**	**1,583**	**3,151**	**3,263**	**9,241**	**6,414**
Income Tax	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	(1)	1	2	1	(1)	1	3	0
Taxes	**(1)**	**1**	**2**	**1**	**(1)**	**1**	**3**	**0**
Net Income from Continuos Operations	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**9,238**	**6,413**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Net Income	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**9,238**	**6,413**

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

Holding - Balance Sheet *(Million Pesos)*	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**1Q13**	**2Q13**
ASSETS						
Cash and Due from Banks	**1,034**	**743**	**766**	**361**	**311**	**522**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**65**	**16**	**17**	**-**	**-**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**388**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**388**
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.receivab.securization transactions	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	7	9	10	10	12	13
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-
Investment in Subsidiaries	60,630	63,339	66,216	69,511	84,240	80,310
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	7	6	4	3	3	2
Goodwill and Intangibles	11,394	11,069	11,045	11,021	10,999	10,980
Other Assets Short and Long Term	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
	72,038	74,423	77,274	80,544	95,255	91,305
TOTAL ASSETS	**73,137**	**75,181**	**78,057**	**80,905**	**95,566**	**92,216**

BANORTE

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

Holding - Balance Sheet *(Million Pesos)*	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**1Q13**	**2Q13**
LIABILITIES						
Deposits	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	9,901	10,435
Total Collateral sold	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	125	-
Total Operations w/ Derivatives & Securities	-	-	-	-	125	-
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	0	0	754	3,189	0
Other Payable Accounts	1	0	0	754	3,189	0
Subordinated Non Convertible Debt	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-
TOTAL LIABILITIES	1	0	0	754	13,215	10,435
EQUITY						
Paid-in Capital	13,098	13,098	13,098	13,098	13,098	13,098
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	18,511	18,511	18,511	18,511	18,847	18,922
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	31,608	31,608	31,608	31,608	31,945	32,019
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399
Retained Earnings	38,258	37,837	37,827	37,032	45,852	41,554
Surplus (Deficit) of Secs Available for Sale	570	737	959	1,914	1,881	745
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-
Resultos of Non Monetary - Investment Assets	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	2,414	4,917	7,656	9,238	3,152	6,413
Earned Capital	41,527	43,573	46,449	48,543	50,406	49,761
Minority Interest	-	-	-	-	-	-
Total Equity	73,136	75,181	78,057	80,151	82,351	81,780
TOTAL LIABILITIES & EQUITY	73,137	75,181	78,057	80,905	95,566	92,216

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

Holding - Memorandum Accounts *(Million Pesos)*	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**1Q13**	**2Q13**
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**

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

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	2012	1H13
Interest Income	14,591	15,431	16,180	16,806	16,712	16,819	63,008	33,531
Interest Expense	6,691	7,743	8,027	8,127	8,072	7,877	30,588	15,949
Charged Fees	284	252	285	297	328	495	1,118	823
Fees Paid	50	60	67	109	83	125	286	207
Net Interest Income from interest & fees (NII)	**8,134**	**7,880**	**8,372**	**8,867**	**8,886**	**9,312**	**33,253**	**18,198**
Premium Income (Net)	4,258	3,814	3,823	4,426	4,971	4,857	16,321	9,828
Net Increase in Technical Reserves	2,637	1,381	2,010	2,680	3,033	2,516	8,708	5,548
Damages, Claims and Other Obligations	1,833	2,068	2,131	2,025	2,235	2,376	8,057	4,611
Net Interest Income (NII)	**7,923**	**8,245**	**8,054**	**8,588**	**8,589**	**9,278**	**32,810**	**17,867**
Preventive Provisions for Loan Losses	1,467	1,186	1,524	1,996	2,073	3,132	6,172	5,205
Net Interest Income Adjusted for Credit Risk	**6,456**	**7,059**	**6,530**	**6,592**	**6,516**	**6,146**	**26,637**	**12,662**
Fees for Commercial and Mortgage Loans	12	12	6	3	2	2	33	4
Fund Transfers	111	124	123	121	119	128	479	247
Account Management Fees	300	309	306	325	313	334	1,240	647
Fiduciary	84	93	86	121	78	100	384	177
Other Fees	649	639	618	783	774	646	2,689	1,421
Income from Real Estate Portfolios	359	337	322	290	238	303	1,307	540
Electronic Banking Services	781	807	840	948	885	961	3,377	1,847
For Consumer and Credit Card Loans	469	534	506	522	510	574	2,030	1,084
Fees Charged on Services	**2,765**	**2,856**	**2,806**	**3,112**	**2,919**	**3,048**	**11,539**	**5,967**
Fund transfers	11	11	10	11	15	13	43	28
Other Fees	845	712	944	936	935	858	3,437	1,793
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**857**	**723**	**954**	**947**	**951**	**871**	**3,480**	**1,822**
Foreign Exchange	229	653	187	322	451	(91)	1,391	360
Securities-Realized Gains	120	441	215	137	688	1,049	914	1,737
Securities-Unrealized Gains	833	(199)	621	591	993	(135)	1,847	859
Trading Income	**1,182**	**896**	**1,024**	**1,050**	**2,132**	**824**	**4,152**	**2,956**
Loan Recoveries	289	326	278	342	276	488	1,234	764
Income from purchased assets	(4)	(23)	(18)	(38)	(50)	(46)	(83)	(96)
Other Operating Income	194	(100)	(16)	(1)	69	6	76	75
Other Operating Expense	(18)	(40)	(10)	(102)	(58)	(39)	(169)	(97)
Other Products	315	413	796	780	445	719	2,305	1,164
Other Recoveries	174	(8)	103	116	812	201	386	1,013
Other Operating Expense	(293)	(426)	(741)	(615)	(552)	(530)	(2,075)	(1,082)
Other Operating Income (Expense) from Insurance and Annuities	125	173	169	159	172	197	626	369
Total Other Operating Income (Expense)	**780**	**316**	**562**	**642**	**1,114**	**996**	**2,300**	**2,111**
Total Non Interest Income	**3,871**	**3,344**	**3,437**	**3,858**	**5,214**	**3,997**	**14,510**	**9,211**
Total Operating Income	**10,327**	**10,404**	**9,967**	**10,449**	**11,731**	**10,143**	**41,148**	**21,873**
Personnel	2,814	2,540	2,334	2,710	4,009	3,080	10,398	7,089
Employee Profit Sharing (PTU)	307	314	185	134	84	79	940	163
Professional Fees	631	713	714	849	616	678	2,907	1,295
Administrative and Promotional Expenses	1,171	1,362	1,462	904	1,052	1,171	4,899	2,223
Rents, Depreciation & Amortization	730	756	774	695	787	818	2,954	1,604
Taxes other than income tax & non deductible expenses	527	377	354	569	443	431	1,826	874
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	1,610	873
Total Non Interest Expense	**6,558**	**6,457**	**6,232**	**6,288**	**7,431**	**6,691**	**25,535**	**14,122**
Operating Income	**3,769**	**3,947**	**3,736**	**4,162**	**4,300**	**3,452**	**15,613**	**7,752**
Subsidiaries' Net Income	126	162	143	159	351	162	590	513
Pre-Tax Income	**3,895**	**4,109**	**3,879**	**4,320**	**4,651**	**3,614**	**16,203**	**8,265**
Income Tax	927	1,138	572	1,016	1,303	385	3,653	1,688
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	213	14	234	14	(73)	(218)	475	(291)
Taxes	**1,140**	**1,152**	**806**	**1,030**	**1,230**	**167**	**4,128**	**1,397**
Net Income from Continuos Operations	**2,755**	**2,957**	**3,073**	**3,290**	**3,421**	**3,447**	**12,075**	**6,868**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	(292)	(322)	(293)	(280)	(281)	(227)	(1,187)	(508)
Net Income	**2,463**	**2,635**	**2,780**	**3,010**	**3,140**	**3,220**	**10,888**	**6,360**

BANORTE

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

GFNorte - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
ASSETS						
Cash and Due from Banks	**61,429**	**61,762**	**61,102**	**68,480**	**59,429**	**54,906**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**
Negotiable Instruments	107,223	141,675	117,047	123,233	191,562	168,398
Securities Available for Sale	60,116	59,924	94,549	115,291	78,888	114,380
Securities Held to Maturity	144,000	134,081	123,466	106,849	106,972	95,700
Investment in Securities	**311,339**	**335,680**	**335,062**	**345,374**	**377,423**	**378,477**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**7,126**	**336**	**8,757**	**5,694**	**5,008**	**62**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139
For hedging purposes	342	362	308	27	125	420
Operations w/Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,559**
Operations w/Derivatives & Securities	**22,491**	**20,990**	**28,940**	**23,960**	**25,915**	**16,620**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**
Commercial Loans	173,258	178,293	184,448	186,061	183,509	186,320
Financial Intermediaries´ Loans	7,559	8,384	9,045	8,435	8,830	5,575
Consumer Loans	38,608	40,977	44,002	46,036	48,317	51,843
Mortgage Loans	66,027	67,930	69,933	72,608	74,355	77,348
Government Entities´ Loans	75,196	82,843	82,289	88,293	89,583	90,695
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**360,648**	**378,427**	**389,717**	**401,433**	**404,594**	**411,782**
Commercial PDL´s	4,362	4,735	5,327	6,138	6,125	6,206
Financial Intermediaries PDL´s	19	4	5	4	4	4
Consumer PDL´s	1,348	1,545	1,397	1,467	1,643	1,890
Mortgage PDL´s	858	768	818	812	818	921
Government Entities PDL´s	0	36	44	60	41	53
Past Due Loans	**6,588**	**7,089**	**7,591**	**8,481**	**8,631**	**9,075**
Gross Loan Portfolio	**367,236**	**385,516**	**397,307**	**409,914**	**413,224**	**420,857**
Preventive Loan Loss Reserves	10,415	10,998	11,178	11,734	11,863	14,321
Net Loan Portfolio	**356,821**	**374,518**	**386,129**	**398,180**	**401,362**	**406,536**
Acquired Collection Rights	3,110	2,795	2,254	3,109	2,979	3,507
Total Credit Portfolio	**359,931**	**377,313**	**388,383**	**401,289**	**404,341**	**410,043**
Account Receivables from Insurance and Annuities	934	831	848	884	958	1,033
Premium Debtors (Net)	3,664	4,898	3,507	3,137	4,640	4,774
Account Receivables from Reinsurance	3,092	3,637	3,552	2,715	3,058	3,411
Benef.receivab.securization transactions	713	660	940	882	795	795
Sundry Debtors & Other Accs Rec, Net	25,309	41,221	31,244	23,097	25,265	36,000
Inventories	18	367	369	351	390	614
Foreclosed Assets, Net	2,115	2,735	2,974	2,939	2,704	2,573
Real Estate, Furniture & Equipment, Net	11,878	12,018	11,896	11,986	11,568	11,707
Investment in Subsidiaries	2,009	1,944	4,570	5,170	13,448	13,568
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	49
Goodwill and Intangibles	20,448	21,075	18,446	20,724	20,380	21,198
Other Assets Short and Long Term	3,661	4,343	4,700	4,908	4,623	4,194
Other Assets	-	-	-	-	-	-
	73,842	93,728	83,046	76,794	87,828	99,914
TOTAL ASSETS	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**

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

GFNorte - Balance Sheet (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
LIABILITIES						
Demand Deposits	185,186	190,977	196,237	211,171	204,537	216,882
Time Deposits-Retail	175,495	176,729	177,795	187,055	182,128	189,071
Time Deposits-Money Market	6,237	21,324	15,098	21,533	23,490	12,752
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	6,380	6,605	6,401	4,567	4,743	5,389
Deposits	**373,297**	**395,635**	**395,531**	**424,325**	**414,898**	**424,095**
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0
Short Term Loans	32,230	20,788	31,456	27,628	37,684	29,330
Long Term Loans	7,176	7,724	6,856	7,982	7,134	8,005
Due to Banks & Correspondents	**43,721**	**34,062**	**40,590**	**35,904**	**46,278**	**37,336**
Technical Reserves	45,675	47,604	49,324	51,722	55,096	58,017
Non-assigned Securities for Settlement	1,281	-	-	-	-	-
Creditor Balance in Repo Trans, Net	223,794	242,015	238,585	244,030	277,118	279,734
Secs to be received in Repo Trans, Net	1	-	-	-	-	-
Repos (Credit Balance)	19	122	112	37	65	64
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**19**	**122**	**112**	**37**	**65**	**64**
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427
For hedging purposes	4,174	5,098	4,610	4,461	4,371	3,625
Operations w/ Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,298**	**19,051**
Total Operations w/ Derivatives & Securities	**244,094**	**267,690**	**262,699**	**266,305**	**301,481**	**298,849**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0
Payable Accountsfor Reinsurance	1,027	2,054	1,448	805	1,315	1,223
Income Tax Payable	1,207	1,734	1,742	1,786	1,695	521
Profit Sharing Payable	307	531	597	738	361	419
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Creditors for settlement of transactions	7,794	21,715	22,253	8,413	6,792	15,762
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	15,631	15,049	15,436	15,027	16,366	14,069
Other Payable Accounts	**24,939**	**39,029**	**40,027**	**25,965**	**25,215**	**30,771**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510
Deferred Taxes, Net	51	154	538	978	770	-
Deferred Credits	1,959	2,975	3,085	2,597	2,579	2,473
TOTAL LIABILITIES	**750,701**	**808,551**	**812,449**	**828,057**	**866,890**	**872,274**
EQUITY						
Paid-in Capital	13,057	13,068	13,070	13,072	13,087	13,086
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	18,149	18,276	18,301	18,320	18,756	18,793
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**31,206**	**31,344**	**31,371**	**31,391**	**31,843**	**31,879**
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399
Retained Earnings	38,680	38,453	38,442	37,644	48,075	43,777
Surplus (Deficit) of Secs Available for Sale	417	504	706	1,598	1,824	754
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	2,463	5,098	7,878	10,888	3,140	6,360
Earned Capital	**41,846**	**44,136**	**47,033**	**50,489**	**52,559**	**51,941**
Minority Interest	5,689	6,005	6,307	6,628	4,151	4,138
Total Equity	**78,741**	**81,485**	**84,712**	**88,509**	**88,553**	**87,957**
TOTAL LIABILITIES & EQUITY	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**

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

GFNorte - Memorandum Accounts (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
On behalf of Third Parties						
Customer's Banks	63	64	41	20	101	205
Dividends Receivable from Customers	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-
Settlement of Customer Transactions	(21)	(130)	(58)	14	(53)	(237)
Customer Premiums	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-
Customers' Current Account	**42**	**(66)**	**(18)**	**35**	**48**	**(32)**
Client Securities Received in Custody	520,812	531,857	547,690	569,079	592,696	576,715
Securities and Documents Received in Guarantee	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-
Clients' Securities	**520,812**	**531,857**	**547,690**	**569,079**	**592,696**	**576,715**
Clients' Repurchase Operations	42,616	83,911	74,793	99,517	57,804	73,572
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	30,169	71,886	63,322	89,673	48,913	71,996
Collateral delivered in guarantee for customer accounts	-	-	-	-	-	-
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	3,548	2,750	2,272	435	403	361
Transactions On Behalf of Clients	**76,334**	**158,547**	**140,387**	**189,625**	**107,119**	**145,929**
Investment bank Trans on Behalf of Third (Net)	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**
TOTAL ON BEHALF OF THIRD PARTIES	**660,263**	**765,519**	**762,452**	**817,436**	**767,026**	**793,835**
Endorsement Guarantees Granted	-	-	-	-	-	-
Loan Obligations	36,223	34,173	36,840	38,209	39,566	35,435
Trusts	255,981	284,156	307,410	340,294	346,701	318,844
Mandates	2,788	2,102	2,068	2,171	2,140	1,713
Properties in Trusts and Warrant	258,769	286,258	309,477	342,466	348,841	320,557
Properties in Custody or Administration	399,178	379,725	383,446	405,835	430,381	443,462
Collateral Received	164,387	109,863	146,606	113,138	136,279	92,754
Collateral Received or sold or delivered	126,450	119,914	143,448	158,103	140,700	123,678
Drafts in Transit	-	-	-	-	-	-
Deposits of assets	3,062	3,343	3,042	2,860	2,630	2,531
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	1,233	255	255	255	255	255
Uncollected Accrued Interest from Past Due Loans	242	264	282	319	362	368
Investments of Retirement Savings Funds	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-
Proprietary Transactions	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**
Repo Securities to be Received	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**

BANORTE

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

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2013 – JUNE 30, 2013 *(Million Pesos)*	
Net Income	**6,360**
Items charged to results that do not generate or require use of resources	
Depreciation	624
Technical Reserves	5,548
Provisions	(1,339)
Income taxes and deferred	1,397
Minority Interest	(5)
	6,225
	12,585
Change in items related to operations:	
Change in Margin Accounts	391
Change in Invesment in Securities	(33,440)
Change in repo debtors	5,633
Change in derivatives (assets)	2,108
Changein Loan Portfolio (net)	(8,321)
Change in purchased receivables (net)	(398)
Change in accounts receivable insurance and bonding institutions (net)	(148)
Change in debtor premiums	(1,637)
Change in Reinsurance	(695)
Change in benefits to receive from securitizations	87
Change in foreclosed assets (net)	364
Change in other operating assets (net)	(17,382)
Change in core deposits	(288)
Change in interbank loans and other entities	1,447
Change in repo creditors	35,703
Change in collateral pledged sold	27
Change in derivatives (liability)	(2,351)
Change in Technical Reserves (net)	746
Change in Reinsurance (net) (liability)	418
Change in subordinated debt w ith characteristics of liabilities	54
Change in other operating liabilities	7,231
Change in hedging instruments (the related hedged transaction activities)	(1,229)
Income Tax Collection (refunds)	0
Income Tax Payments	(3,539)
Net cash generated or used from operations	**(2,634)**
Investment Activities:	
Charges for disposal of property, furniture and equipment	480
Payments for acquisition of property, furniture and equipment	(822)
Subsidiaries and associated acquisitions charges	1,000
Subsidiaries and associated acquisitions payment	(11,670)
Charges for other investmentes	0
Payments for other investmentes	(1)
Charges for cash dividends	495
Net cash generated or used from investment activities	**(10,518)**
Financing Activities:	
Payments of cash dividends	(852)
Payments associated w ith the repurchase of proprietary shares	363
Net cash flows from financing activities	**(489)**
Net Cash Increase (decrease)	**(13,641)**
Cash flow adjustments given exchange rate or inflation variations	**67**
Cash and cash equivalents at beginning of period	**68,480**
Cash and cash equivalents at end of period	**54,906**

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

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

JANUARY 1, 2013 – JUNE 30, 2013

(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, 2012	**13,072**	**18,320**	**3,399**	**37,644**	**1,598**	**(2,493)**	**(547)**	**10,888**	**6,628**	**88,509**
Changes stemming from stockholders' decisions										
Stock repurchases	14	63		(39)	325					363
Capitalization of profits				10,888				(10,888)		
Creation of Reserves according to Annual General Meeting of April 27th, 2012										
Dividends declared by the General Assembly of Shareholders on January 22 and paid on:										
- January 31, 2013				(426)						(426)
- April 23, 2013				(426)						(426)
Shares exchange agreement		612								612
Total	**14**	**675**		**9,997**	**325**			**(10,888)**		**123**
Changes stemming from profits										
Net Income								6,360		6,360
Result from valuation of securities available for sale					(1,169)					(1,169)
Effect of subsidiaries, associates and investment funds		(202)		8			(249)			(443)
Result from valuation of instruments of cash flow hedges						939				939
Regulation changes on the commercial portfolio rating				**(3,872)**						**(3,872)**
Total		**(202)**		**(3,864)**	**(1,169)**	**939**	**(249)**	**6,360**		**1,815**
Recognition of minority interest									**(2,490)**	**(2,490)**
Balance as of June 30, 2013	**13,086**	**18,793**	**3,399**	**43,777**	**754**	**(1,554)**	**(796)**	**6,360**	**4,138**	**87,957**

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

BANKING SECTOR

(Million Pesos)								
Interest Income	13,006	12,955	12,921	13,635	13,773	13,982	52,518	27,755
Interest Expense	6,048	5,860	5,590	5,788	5,913	5,528	23,286	11,442
Charged Fees	273	242	275	287	319	504	1,077	823
Fees Paid	49	60	66	108	83	125	284	207
Net Interest Income from interest & fees (NII)	**7,182**	**7,276**	**7,541**	**8,026**	**8,096**	**8,833**	**30,025**	**16,929**
Preventive Provisions for Loan Losses	1,186	1,237	1,507	1,904	2,026	3,005	5,833	5,031
Net Interest Income Adjusted for Credit Risk	**5,997**	**6,040**	**6,033**	**6,123**	**6,070**	**5,828**	**24,192**	**11,898**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	12	4
Fund Transfers	111	124	123	121	119	128	479	247
Account Management Fees	300	310	306	325	313	334	1,240	647
Fiduciary	84	87	82	117	74	96	369	171
Other Fees	521	408	460	492	584	461	1,881	1,045
Income from Real Estate Portfolios	359	337	322	290	238	(190)	1,307	47
Electronic Banking Services	781	807	840	948	885	961	3,377	1,847
For Consumer and Credit Card Loans	375	628	506	522	510	574	2,030	1,084
Fees Charged on Services	**2,534**	**2,704**	**2,641**	**2,816**	**2,725**	**2,367**	**10,695**	**5,092**
Fund transfers	11	11	10	11	15	13	43	28
Other Fees	510	613	690	780	666	684	2,594	1,350
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**521**	**624**	**700**	**791**	**681**	**697**	**2,637**	**1,379**
Foreign Exchange	228	654	187	322	451	(89)	1,391	362
Securities-Realized Gains	19	301	97	133	464	821	551	1,285
Securities-Unrealized Gains	374	(78)	217	(41)	395	(118)	472	276
Trading Income	**621**	**877**	**501**	**414**	**1,310**	**613**	**2,414**	**1,923**
Loan Recoveries	279	325	277	298	265	499	1,179	764
Income from purchased assets	(10)	13	(3)	(23)	(47)	(73)	(23)	(120)
Other Operating Income	191	(101)	(17)	(2)	59	3	71	62
Other Operating Expense	(16)	(38)	(31)	(70)	(51)	(35)	(156)	(87)
Other Products	115	142	490	403	136	448	1,151	584
Other Recoveries	173	(9)	94	113	811	(39)	371	772
Other Operating Expense	(165)	(172)	(518)	(176)	(230)	(274)	(1,031)	(504)
Total Other Operating Income (Expense)	**567**	**159**	**293**	**543**	**943**	**529**	**1,562**	**1,472**
Total Non Interest Income	**3,201**	**3,116**	**2,735**	**2,982**	**4,297**	**2,812**	**12,034**	**7,108**
Total Operating Income	**9,198**	**9,156**	**8,768**	**9,104**	**10,367**	**8,639**	**36,226**	**19,006**
Personnel	2,606	2,380	2,211	2,751	3,900	2,924	9,948	6,823
Employee Profit Sharing (PTU)	302	303	177	127	83	79	908	162
Professional Fees	493	607	546	663	529	563	2,309	1,092
Administrative and Promotional Expenses	1,030	1,307	1,375	442	821	1,029	4,155	1,850
Rents, Depreciation & Amortization	668	704	720	631	731	765	2,723	1,496
Taxes other than income tax & non deductible expenses	440	319	307	484	392	360	1,550	753
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	1,610	873
Total Non Interest Expense	**5,917**	**6,015**	**5,744**	**5,526**	**6,896**	**6,153**	**23,203**	**13,049**
Operating Income	**3,280**	**3,141**	**3,024**	**3,578**	**3,471**	**2,486**	**13,023**	**5,957**
Subsidiaries' Net Income	54	189	144	155	348	472	542	820
Pre-Tax Income	**3,335**	**3,329**	**3,168**	**3,733**	**3,819**	**2,957**	**13,565**	**6,777**
Income Tax	833	864	414	864	1,070	147	2,975	1,217
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	158	88	229	11	(89)	(237)	485	(326)
Taxes	**991**	**952**	**643**	**875**	**982**	**(90)**	**3,460**	**891**
Net Income from Continuos Operations	**2,343**	**2,377**	**2,525**	**2,859**	**2,838**	**3,048**	**10,105**	**5,886**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	(0)	34	(0)	0	(0)	(0)	34	(0)
Net Income	**2,343**	**2,412**	**2,525**	**2,859**	**2,838**	**3,048**	**10,139**	**5,886**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
ASSETS						
Cash and Due from Banks	**61,461**	**61,800**	**61,361**	**68,940**	**59,583**	**54,921**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**
Negotiable Instruments	72,361	65,797	69,310	52,929	139,529	131,459
Securities Available for Sale	60,395	60,214	74,366	90,919	77,562	75,331
Securities Held to Maturity	90,717	79,619	66,729	49,358	47,080	40,340
Investment in Securities	**223,473**	**205,631**	**210,405**	**193,206**	**264,170**	**247,130**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**6,926**	**336**	**8,757**	**5,205**	**5,072**	**62**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139
For hedging purposes	342	362	308	27	125	31
Operations w/Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,170**
Operations w/Derivatives & Securities	**22,291**	**20,990**	**28,940**	**23,471**	**25,978**	**16,232**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**
Commercial Loans	155,708	160,652	166,744	168,034	165,639	170,052
Financial Intermediaries´ Loans	14,986	13,360	14,188	15,986	16,176	17,329
Consumer Loans	35,267	40,824	43,878	45,975	48,259	51,788
Mortgage Loans	65,622	67,550	69,572	72,257	74,007	77,323
Government Entities´ Loans	72,473	80,357	80,476	86,378	87,583	88,824
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**344,055**	**362,744**	**374,858**	**388,629**	**391,664**	**405,317**
-	-	-	-	-	-	-
Commercial PDL´s	4,048	4,032	4,301	5,000	4,776	5,833
Financial Intermediaries PDL´s	1	0	1	0	-	0
Consumer PDL´s	1,225	1,512	1,383	1,473	1,649	1,896
Mortgage PDL´s	849	754	802	808	817	973
Government Entities PDL´s	-	-	0	-	-	-
Past Due Loans	**6,124**	**6,298**	**6,487**	**7,281**	**7,242**	**8,701**
Gross Loan Portfolio	**350,180**	**369,042**	**381,345**	**395,910**	**398,906**	**414,019**
Preventive Loan Loss Reserves	9,304	9,764	9,963	10,557	10,656	13,659
Net Loan Portfolio	**340,876**	**359,278**	**371,382**	**385,354**	**388,250**	**400,360**
Acquired Collection Rights	2,023	2,093	1,929	2,892	2,752	2,039
Total Credit Portfolio	**342,899**	**361,370**	**373,310**	**388,245**	**391,002**	**402,400**
Benef.receivab.securization transactions	700	647	927	870	782	795
Sundry Debtors & Other Accs Rec, Net	23,905	39,078	29,658	22,223	23,143	23,032
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	1,814	2,368	2,579	2,557	2,340	2,423
Real Estate, Furniture & Equipment, Net	8,791	8,910	8,898	8,986	8,829	8,947
Investment in Subsidiaries	2,823	1,789	4,414	5,099	13,374	13,156
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	210	228	-	-	-	566
Goodwill and Intangibles	7,433	8,239	5,658	7,670	7,607	7,802
Other Assets Short and Long Term	3,520	3,695	3,934	4,304	4,047	3,518
Other Assets	-	-	-	-	-	-
	49,197	64,956	56,068	51,708	60,123	60,239
TOTAL ASSETS	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
LIABILITIES						
Demand Deposits	185,511	191,257	196,489	211,454	204,794	217,510
Time Deposits-Retail	175,832	177,020	178,806	188,249	182,523	189,206
Time Deposits-Money Market	7,352	22,067	15,888	21,900	23,809	13,465
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	3,877	4,102	3,895	3,967	3,741	3,985
Deposits	**372,572**	**394,446**	**395,079**	**425,569**	**414,867**	**424,166**
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0
Short Term Loans	22,717	11,773	21,887	18,272	19,326	9,099
Long Term Loans	3,539	3,373	3,759	4,360	3,258	3,451
Due to Banks & Correspondents	**30,571**	**20,695**	**27,923**	**22,927**	**24,044**	**12,550**
Non-assigned Securities for Settlement	1,281	-	-	-	-	-
Creditor Balance in Repo Trans, Net	181,230	158,160	163,704	144,519	219,502	206,038
Secs to be received in Repo Trans, Net	-	-	-	-	-	-
Repos (Credit Balance)	19	15	111	36	49	36
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**19**	**15**	**111**	**36**	**49**	**36**
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427
For hedging purposes	4,174	5,098	4,610	4,461	4,246	3,625
Operations w/ Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,173**	**19,051**
Total Operations w/ Derivatives & Securities	**201,529**	**183,729**	**187,818**	**166,794**	**243,723**	**225,125**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0
Income Tax Payable	902	1,349	1,226	1,117	1,416	108
Profit Sharing Payable	291	509	571	711	335	409
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Creditors for settlement of transactions	6,798	21,018	21,222	7,987	5,362	12,925
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	12,147	11,805	12,303	12,270	11,194	11,108
Other Payable Accounts	**20,137**	**34,682**	**35,322**	**22,085**	**18,307**	**24,550**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510
Deferred Taxes, Net	-	-	140	596	372	-
Deferred Credits	1,718	2,793	2,917	2,700	2,634	2,523
TOTAL LIABILITIES	**642,466**	**655,693**	**668,407**	**660,126**	**723,205**	**708,425**
EQUITY						
Paid-in Capital	14,727	14,727	14,727	14,727	15,067	15,577
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	3,294	3,294	3,294	3,294	13,154	10,389
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**18,021**	**18,021**	**18,021**	**18,021**	**28,221**	**25,966**
Capital Reserves	5,990	6,703	6,703	6,703	6,703	7,761
Retained Earnings	33,599	32,883	32,870	32,676	42,824	35,004
Surplus (Deficit) of Secs Available for Sale	425	599	850	1,774	1,656	677
Results from Valuation of Hedging Secs	(2,454)	(2,980)	(2,903)	(2,626)	(3,136)	(1,688)
Results from Conversions	(670)	(376)	(525)	(582)	(958)	(848)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	2,343	4,755	7,280	10,139	2,838	5,886
Earned Capital	**39,234**	**41,586**	**44,275**	**48,084**	**49,927**	**46,792**
Minority Interest	10	10	10	10	10	10
Total Equity	**57,265**	**59,617**	**62,307**	**66,115**	**78,158**	**72,768**
TOTAL LIABILITIES & EQUITY	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**

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

Banking Sector - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Investment banking transactions for third parties, net	63,075	75,181	74,393	58,699	67,162	71,223
TOTAL ON BEHALF OF THIRD PARTIES	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**
Proprietary Transactions						
Endorsement Guarantees Granted	-	-	-	-	-	-
Loan Obligations	29,865	34,173	36,840	38,209	39,566	35,435
Trusts	255,618	283,800	307,057	339,944	346,354	318,844
Mandates	2,788	2,102	2,068	2,171	2,140	1,713
Properties in Trusts and Warrant	258,405	285,903	309,124	342,116	348,494	320,557
Properties in Custody or Administration	314,697	280,207	284,304	302,961	316,204	325,241
Collateral Received	104,582	92,225	116,650	99,340	74,654	74,953
Collateral Received or sold	36,677	30,391	50,170	55,121	30,208	33,881
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 & liabilites	255	255	255	255	255	255
Uncollected Accrued Interest from Past Due Loans	151	168	165	178	191	325
Investments of Retirement Savings Funds	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-
Proprietary Transactions	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**
Repo Securities to be Received	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**

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

BANORTE USA

Income Statement-Banorte USA *MEX GAAP (Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	2012	1H13
Interest Income	221	224	208	198	178	176	851	354
Interest Expense	58	55	51	47	42	39	211	81
Charged Fees	4	4	4	6	4	6	19	10
Fees Paid	-	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	**168**	**174**	**161**	**158**	**141**	**142**	**660**	**283**
Preventive Provisions for Loan Losses	23	52	5	6	15	2	85	17
Net Interest Income Adjusted for Credit Risk	**145**	**122**	**156**	**152**	**126**	**140**	**574**	**266**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	12	4
Fund Transfers	46	50	49	47	47	56	192	103
Account Management Fees	20	20	21	19	16	15	81	31
Fiduciary	-	-	-	-	-	-	-	-
Other Fees	4	4	3	2	4	4	13	8
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-
Electronic Banking Services	5	6	5	5	5	5	22	10
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-
Fees Charged on Services	**79**	**83**	**81**	**76**	**74**	**82**	**320**	**156**
Fund transfers	1	1	1	1	1	1	5	2
Other Fees	26	28	27	26	26	27	107	53
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**28**	**29**	**28**	**27**	**27**	**29**	**112**	**56**
Foreign Exchange	14	15	14	13	13	17	56	30
Securities-Realized Gains	7	50	(2)	10	34	11	65	45
Securities-Unrealized Gains	-	-	-	-	-	-	-	-
Trading Income	**21**	**66**	**11**	**23**	**47**	**28**	**121**	**75**
Loan Recoveries	4	2	4	3	11	4	12	15
Income from purchased assets	1	(19)	(5)	(10)	3	(9)	(32)	(5)
Other Operating Income	-	-	-	-	-	-	-	-
Other Operating Expense	-	-	-	-	-	0	-	0
Other Products	13	18	19	25	19	21	75	40
Other Recoveries	-	-	-	-	-	-	-	-
Other Operating Expense	(1)	(0)	(3)	(10)	(1)	(1)	(14)	(2)
Total Non Interest Income	**89**	**121**	**80**	**81**	**127**	**97**	**371**	**224**
Total Operating Income	**234**	**243**	**235**	**233**	**252**	**237**	**945**	**490**
Personnel	77	88	82	77	87	77	323	163
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-
Professional Fees	22	24	29	27	24	23	102	47
Administrative and Promotional Expenses	52	53	48	51	49	47	203	96
Rents, Depreciation & Amortization	20	21	21	20	20	19	82	39
Taxes other than income tax & non deductible expenses	4	5	5	4	5	4	18	9
Contributions to IPAB/Fobaproa	9	8	9	9	9	9	36	18
Total Non Interest Expense	**183**	**199**	**194**	**188**	**193**	**179**	**764**	**372**
Operating Income	**51**	**45**	**41**	**45**	**59**	**58**	**181**	**118**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-
Pre-Tax Income	**51**	**45**	**41**	**45**	**59**	**58**	**181**	**118**
Income Tax	17	15	13	13	19	20	58	38
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-
Taxes	**(17)**	**(15)**	**(13)**	**(13)**	**(19)**	**(20)**	**(58)**	**(38)**
Net Income from Continuos Operations	**34**	**30**	**28**	**32**	**41**	**39**	**124**	**80**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-
Net Income	**34**	**30**	**28**	**32**	**41**	**39**	**124**	**80**

BANORTE

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

Banorte USA-Balance Sheet *(Million Pesos)*	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**1Q13**	**2Q13**
ASSETS						
Cash and Due from Banks	**2,613**	**2,956**	**1,672**	**894**	**2,202**	**2,678**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-
Securities Available for Sale	10,949	10,802	12,691	13,094	11,326	9,929
Securities Held to Maturity	11	12	11	-	-	-
Investment in Securities	**10,960**	**10,814**	**12,703**	**13,094**	**11,326**	**9,929**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	7,265	7,607	7,341	7,308	7,031	7,764
Financial Intermediaries´Loans	-	-	-	-	-	-
Consumer Loans	205	199	186	178	163	172
Mortgage Loans	1,965	1,866	1,709	1,642	1,508	1,506
Government Entities´Loans	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**9,435**	**9,672**	**9,236**	**9,128**	**8,702**	**9,442**
Commercial PDL´s	175	64	95	66	7	23
Financial Intermediaries PDL´s	-	-	-	-	-	-
Consumer PDL´s	-	0	0	0	-	0
Mortgage PDL´s	128	30	40	34	34	33
Government Entities PDL´s	-	-	-	-	-	-
Past Due Loans	**303**	**94**	**135**	**100**	**41**	**56**
Gross Loan Portfolio	**9,738**	**9,766**	**9,372**	**9,228**	**8,744**	**9,498**
Preventive Loan Loss Reserves	143	67	65	64	69	73
Net Loan Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**
Acquired Collection Rights	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-
Total Credit Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**
Benef.receivab.securization transactions	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	661	699	679	689	661	702
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	455	461	430	403	317	290
Real Estate, Furniture & Equipment, Net	594	617	583	592	560	582
Investment in Subsidiaries	148	155	149	150	143	142
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	48	37	11	55	70	155
Goodwill and Intangibles	3,172	3,328	3,175	3,188	3,028	3,141
Other Assets Short and Long Term	196	186	239	265	201	168
Other Assets	-	-	-	-	-	-
	5,275	5,483	5,266	5,340	4,979	5,181
TOTAL ASSETS	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**

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

Banorte USA-Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
LIABILITIES						
Demand Deposits	10,788	10,684	11,482	11,791	11,761	11,461
Time Deposits-Retail	11,401	11,590	10,805	10,155	9,135	9,251
Time Deposits-Money Market	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-
Deposits	**22,189**	**22,273**	**22,287**	**21,946**	**20,896**	**20,712**
Immediate Redemption Loans	-	-	-	-	-	-
Short Term Loans	89	101	101	96	95	112
Long Term Loans	-	-	-	-	-	-
Due to Banks & Correspondents	**89**	**101**	**101**	**96**	**95**	**112**
Non-assigned Securities for Settlement	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	4	6	5	5	1	2
Secs to be received in Repo Trans, Net	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total Operations w/ Derivatives & Securities	**4**	**6**	**5**	**5**	**1**	**2**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-
Income Tax Payable	-	28	40	41	43	30
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	239	286	385	300	387	432
Other Payable Accounts	**239**	**314**	**425**	**341**	**430**	**462**
Subordinated Non Convertible Debt	264	276	265	267	255	269
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	12	11	14	14	15	19
TOTAL LIABILITIES	**22,797**	**22,981**	**23,098**	**22,670**	**21,692**	**21,575**
EQUITY						
Paid-in Capital	4,668	4,668	4,668	4,668	4,668	4,690
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,690**
Capital Reserves	-	-	-	-	-	-
Retained Earnings	478	478	478	478	601	586
Surplus (Deficit) of Secs Available for Sale	224	255	333	245	144	(20)
Results from Valuation of Hedging Secs	-	-	-	-	-	-
Results from Conversions	242	506	278	309	34	301
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	34	64	92	124	41	80
Earned Capital	**978**	**1,302**	**1,181**	**1,155**	**821**	**948**
Minority Interest	-	-	-	-	-	-
Total Equity	**5,646**	**5,970**	**5,849**	**5,823**	**5,489**	**5,637**
TOTAL LIABILITIES & EQUITY	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**

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

Banorte USA - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Investment banking transactions for third parties, net	-	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	**-**	**-**	**-**	**-**	**-**	**-**
Proprietary Transactions						
Endorsement Guarantees Granted	-	-	-	-	-	-
Loan Obligations	12	14	14	12	11	5
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 & liabilites	-	-	-	-	-	-
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**	**14**	**14**	**12**	**11**	**5**
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**	**14**	**14**	**12**	**11**	**5**

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

INFORMATION BY SEGMENTS

GFNorte - Income Statement as of June '13
(Million Pesos)

	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	50	28,578	1,160	1	231	981	4,536
Premium Income (Net)	-	-	-	-	5,174	4,944	-
Interest Expense	191	11,649	749	2	7	-	4,408
Net Increase in Technical Reserves	-	-	-	-	460	5,088	-
Damages, Claims and Other Obligations	-	-	-	-	3,371	1,241	-
Net Interest Income (NII)	**(141)**	**16,929**	**411**	**(0)**	**1,567**	**(404)**	**128**
Preventive Provisions for Loan Losses	-	5,031	146	-	-	-	-
Net Interest Income Adjusted for Credit Risk	**(141)**	**11,898**	**265**	**(0)**	**1,567**	**(404)**	**128**
Loan Origination Fees	-	5,092	34	41	-	-	591
Fees Paid	0	1,379	55	0	717	-	36
Trading Income	(29)	1,923	-	0	8	635	416
Other Operating Income (Expenses)	-	1,472	63	6	356	7	(59)
Non Interest Income	**(29)**	**7,108**	**42**	**48**	**(353)**	**641**	**912**
Total Operating Income	**(170)**	**19,006**	**307**	**48**	**1,214**	**237**	**1,040**
Administrative and Promotional Expenses	74	13,049	81	14	420	130	562
Operating Income	**(244)**	**5,957**	**226**	**34**	**794**	**107**	**477**
Subsidiaries' Net Income	6,658	820	-	-	0	3	0
Pre-Tax Income	6,414	6,777	226	34	794	110	477
Income Tax	-	1,217	2	10	197	0	133
Deferred Income Tax	0	(326)	4	(1)	36	34	(0)
Net Income from Continuos Operations	**6,413**	**5,886**	**220**	**26**	**561**	**76**	**345**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	(0)	(1)	0	(3)	-	-
Net Income	**6,413**	**5,886**	**219**	**26**	**559**	**76**	**345**

GFNorte - Income Statement as of June '13
(Million Pesos)

	Operadora de Fondos Banorte Ixe	IXE Servicios	Solida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	0	0	13	35,551	1,205	9	34,354
Premium Income (Net)	-	-	-	10,117	289	-	9,828
Interest Expense	-	-	230	17,235	-	1,079	16,156
Net Increase in Technical Reserves	-	-	-	5,548	-	-	5,548
Damages, Claims and Other Obligations	-	-	-	4,611	-	1	4,611
Net Interest Income (NII)	**0**	**0**	**(217)**	**18,273**	**-**	**-**	**17,867**
Preventive Provisions for Loan Losses	-	-	28	5,205	-	-	5,205
Net Interest Income Adjusted for Credit Risk	**0**	**0**	**(245)**	**13,068**	**-**	**-**	**12,662**
Loan Origination Fees	471	11	522	6,762	795	-	5,967
Fees Paid	399	0	0	2,586	-	764	1,822
Trading Income	1	-	(2)	2,952	(0)	4	2,956
Other Operating Income (Expenses)	1	0	264	2,110	21	22	2,111
Non Interest Income	**74**	**11**	**784**	**9,238**	**816**	**(738)**	**9,211**
Total Operating Income	**74**	**11**	**539**	**22,306**	**816**	**(738)**	**21,873**
Administrative and Promotional Expenses	15	11	100	14,456	555	889	14,122
Operating Income	**59**	**1**	**439**	**7,849**	**-**	**-**	**7,752**
Subsidiaries' Net Income	(2)	-	(53)	7,425	6,912	-	513
Pre-Tax Income	57	1	386	15,275	-	-	8,265
Income Tax	16	0	113	1,688	-	-	1,688
Deferred Income Tax	0	0	6	(247)	6	51	(291)
Net Income from Continuos Operations	**41**	**0**	**266**	**13,833**	**-**	**-**	**6,868**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	(3)	505	-	(508)
Net Income	**41**	**0**	**266**	**13,830**	**10,283**	**2,758**	**6,360**

BANORTE

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

GFNorte - Balance Sheet as of June '13

(Million Pesos)

ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	522	54,921	31	22	60	1	130
Margin Accounts	-	105	-	-	-	-	-
Investment in Securities	-	247,130	-	64	9,080	47,542	74,954
Negotiable Instruments	-	131,459	-	18	3,054	232	33,594
Securities Available for Sale	-	75,331	-	46	-	29	39,240
Securities Held to Maturity	-	40,340	-	-	6,026	47,281	2,121
Debtor Balance in Repo Trans, net	-	62	-	-	0	0	-
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	16,139	-	-	-	-	-
Transactions with Derivatives For hedging purposes	388	31	-	-	-	-	-
Gross Loan Portfolio	-	402,400	17,879	-	-	-	-
Net Loan Portfolio	-	400,360	17,879	-	-	-	-
Performing Loans	-	405,317	18,033	-	-	-	-
Commercial Loans	-	170,052	15,880	-	-	-	-
Financial Intermediaries´ Loans	-	17,329	269	-	-	-	-
Government Entities´ Loans	-	88,824	1,880	-	-	-	-
Consumer Loans	-	51,788	4	-	-	-	-
Mortgage Loans	-	77,323	-	-	-	-	-
Past Due Loans	-	8,701	246	-	-	-	-
Commercial PDL´s	-	5,833	190	-	-	-	-
Financial Intermediaries PDL´s	-	0	4	-	-	-	-
Government Entities PDL´s	-	-	53	-	-	-	-
Consumer PDL´s	-	1,896	0	-	-	-	-
Mortgage PDL´s	-	973	-	-	-	-	-
Preventive Loan Loss Reserves	-	13,659	399	-	-	-	-
Acquired Collection Rights	-	2,039	-	-	-	-	-
Account Receivables from Insurance and Annuities	-	-	-	-	495	537	-
Premium Debtors (Net)	-	-	-	-	4,702	71	-
Account Receivables from Reinsurance	-	-	-	-	3,411	-	-
Benef.receivab.securization transactions	-	795	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	13	23,032	392	65	-	-	3,717
Inventories	-	-	-	614	-	-	-
Foreclosed Assets, Net	-	2,423	-	-	8	-	-
Real Estate, Furniture & Equipment, Net	-	8,947	2,209	74	251	2	60
Investment in Subsidiaries	80,310	13,156	-	-	1	23	11
Deferred Taxes, Net	2	566	84	-	66	0	-
Total other Assets	10,980	11,320	282	17	360	3	367
Goodwill	9,705	4,087	-	-	-	1	-
Intangible	1,275	3,715	282	8	-	-	64
Other Assets	-	3,518	-	8	360	2	303
TOTAL ASSETS	92,216	781,193	20,877	856	18,434	48,181	79,238

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

GFNorte - Balance Sheet as of June '13

(Million Pesos)

ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Cash and Due from Banks	1	21	654	56,365	18	1,477	54,906
Margin Accounts	-	-	-	105	-	-	105
Investment in Securities	40	-	-	378,811	170	503	378,477
Negotiable Instruments	40	-	-	168,398	-	-	168,398
Securities Available for Sale	-	-	-	114,645	-	266	114,380
Securities Held to Maturity	-	-	-	95,767	170	237	95,700
Debtor Balance in Repo Trans, net	-	-	-	62	-	-	62
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	-	-	16,139	-	-	16,139
Transactions with Derivatives For hedging purposes	-	-	-	420	-	-	420
Gross Loan Portfolio	-	-	1,496	421,775	1,262	12,994	410,043
Net Loan Portfolio	-	-	28	418,268	883	12,615	406,536
Performing Loans	-	-	87	423,437	857	12,511	411,782
Commercial Loans	-	-	87	186,019	759	458	186,320
Financial Intermediaries´ Loans	-	-	-	17,598	-	12,023	5,575
Government Entities´ Loans	-	-	-	90,704	2	11	90,695
Consumer Loans	-	-	-	51,792	68	17	51,843
Mortgage Loans	-	-	-	77,323	27	2	77,348
Past Due Loans	-	-	204	9,152	27	103	9,075
Commercial PDL´s	-	-	204	6,226	19	39	6,206
Financial Intermediaries PDL´s	-	-	-	4	-	-	4
Government Entities PDL´s	-	-	-	53	1	-	53
Consumer PDL´s	-	-	-	1,896	3	9	1,890
Mortgage PDL´s	-	-	-	973	4	56	921
Preventive Loan Loss Reserves	-	-	263	14,321	-	-	14,321
Acquired Collection Rights	-	-	1,467	3,507	379	379	3,507
Account Receivables from Insurance and Annuities	-	-	-	1,033	-	-	1,033
Premium Debtors (Net)	-	-	-	4,774	-	-	4,774
Account Receivables from Reinsurance	-	-	-	3,411	-	-	3,411
Benef.receivab.securization transactions	-	-	-	795	-	-	795
Sundry Debtors & Other Accs Rec, Net	112	4	9,201	36,535	63	597	36,000
Inventories	-	-	-	614	-	-	614
Foreclosed Assets, Net	-	-	142	2,573	201	201	2,573
Real Estate, Furniture & Equipment, Net	0	1	8	11,552	212	57	11,707
Investment in Subsidiaries	124	-	373	93,999	767	81,198	13,568
Deferred Taxes, Net	0	1	-	720	192	862	49
Total other Assets	3	4	731	24,066	2,696	1,371	25,392
Goodwill	-	-	-	13,793	2,693	1,117	15,369
Intangible	1	4	731	6,079	-	251	5,828
Other Assets	2	-	-	4,194	3	3	4,194
TOTAL ASSETS	**280**	**32**	**12,604**	**1,053,911**	**5,580**	**99,260**	**960,232**

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

GFNorte - Balance Sheet as of June '13

(Million Pesos)

LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Deposits	-	424,166	1,403	-	-	-	-
Demand Deposits	-	217,510	-	-	-	-	-
Time Deposits	-	202,671	-	-	-	-	-
Time Deposits-Retail	-	189,206	-	-	-	-	-
Time Deposits-Money Market	-	13,465	-	-	-	-	-
Senior Unsecured Debt	-	3,985	1,403	-	-	-	-
Due to Banks & Correspondents	10,435	12,550	15,963	591	-	-	-
Immediate Redemption Loans	-	0	-	-	-	-	-
Short Term Loans	10,435	9,099	11,409	591	-	-	-
Long Term Loans	-	3,451	4,554	-	-	-	-
Technical Reserves	-	-	-	-	11,371	46,646	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	206,038	-	-	-	-	73,696
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	36	-	-	-	-	28
Transactions with Derivatives for trading purposes	-	15,427	-	-	-	-	-
Transactions with Derivatives for hedging purposes	-	3,625	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	-	1,223	-	-
Other Payable Accounts	0	24,550	500	10	2,528	105	3,449
Income Tax Payable	-	108	0	1	220	-	30
Profit Sharing Payable	-	409	-	-	-	-	9
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	12,925	-	-	-	-	3,181
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	0	11,108	500	9	2,308	105	229
Subordinated Non Convertible Debt	-	19,510	-	-	-	-	-
Deferred Taxes, Net	-	0	-	1	-	181	11
Deferred Credits	-	2,523	197	-	-	-	-
TOTAL LIABILITIES	10,435	708,425	18,064	602	15,121	46,932	77,184
EQUITY							
Subscribed Capital	32,019	25,966	526	87	709	325	1,429
Paid-in Capital	13,098	15,577	526	87	709	325	1,354
Share Subscription Premiums	18,922	10,389	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	49,761	46,792	2,283	167	2,581	924	625
Capital Reserves	3,399	7,761	367	35	376	121	54
Retained Earnings	41,554	35,004	1,697	104	1,600	728	31
Surplus (Deficit) of Secs Available for Sale	745	677	-	3	46	(2)	168
Results from Valuation of Hedging Secs	(1,554)	(1,688)	-	-	-	-	-
Results from Conversions	(796)	(848)	-	-	-	-	27
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	6,413	5,886	219	26	559	76	345
Capital Mayoritario	81,780	72,758	2,809	254	3,290	1,249	2,054
Minority Interest	-	10	3	0	23	-	-
Total Equity	81,780	72,768	2,813	254	3,313	1,249	2,054
TOTAL LIABILITIES & EQUITY	92,216	781,193	20,877	856	18,434	48,181	79,238

BANORTE

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

GFNorte - Balance Sheet as of June '13 *(Million Pesos)* LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Deposits	**-**	**-**	**-**	**425,569**	**1,474**	**-**	**424,095**
Demand Deposits	**-**	**-**	**-**	**217,510**	**627**	**-**	**216,882**
Time Deposits	**-**	**-**	**-**	**202,671**	**847**	**-**	**201,824**
Time Deposits-Retail	-	-	-	189,206	135	-	189,071
Time Deposits-Money Market	-	-	-	13,465	712	-	12,752
Senior Unsecured Debt	**-**	**-**	**-**	**5,389**	**-**	**-**	**5,389**
Due to Banks & Correspondents	**-**	**-**	**9,803**	**49,342**	**12,015**	**8**	**37,336**
Immediate Redemption Loans	-	-	-	0	-	-	0
Short Term Loans	-	-	9,803	41,337	12,007	-	29,330
Long Term Loans	-	-	-	8,005	8	8	8,005
Technical Reserves	**-**	**-**	**-**	**58,017**	**-**	**-**	**58,017**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**-**	**-**	**279,734**	**-**	**-**	**279,734**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**-**	**-**	**64**	**-**	**-**	**64**
Transactions with Derivatives for trading purposes	**-**	**-**	**-**	**15,427**	**-**	**-**	**15,427**
Transactions with Derivatives for hedging purposes	**-**	**-**	**-**	**3,625**	**-**	**-**	**3,625**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**1,223**	**-**	**-**	**1,223**
Other Payable Accounts	**114**	**10**	**169**	**31,434**	**669**	**6**	**30,771**
Income Tax Payable	11	0	151	521	-	-	521
Profit Sharing Payable	-	1	-	419	-	-	419
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	16,107	345	-	15,762
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	103	9	18	14,387	325	6	14,069
Subordinated Non Convertible Debt	-	-	-	19,510	-	-	19,510
Deferred Taxes, Net	-	-	30	224	862	638	-
Deferred Credits	-	-	4	2,724	251	-	2,473
TOTAL LIABILITIES	114	10	10,006	886,893	15,271	652	872,274
EQUITY							
Subscribed Capital	112	24	1,127	62,326	30,649	203	31,879
Paid-in Capital	112	24	1,127	32,940	19,855	-	13,086
Share Subscription Premiums	-	-	-	29,385	10,794	203	18,793
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	54	(2)	1,470	104,656	55,787	3,072	51,941
Capital Reserves	6	2	117	12,239	8,840	-	3,399
Retained Earnings	8	(4)	1,087	81,808	41,020	2,989	43,777
Surplus (Deficit) of Secs Available for Sale	-	-	-	1,637	883	-	754
Results from Valuation of Hedging Secs	-	-	-	(3,242)	(1,688)	-	(1,554)
Results from Conversions	-	-	-	(1,616)	(820)	-	(796)
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	41	0	266	13,830	7,553	82	6,360
Capital Mayoritario	167	23	2,598	166,982	86,437	3,274	83,820
Minority Interest	0	-	-	36	23	4,124	4,138
Total Equity	**167**	**23**	**2,598**	**167,018**	**86,459**	**7,399**	**87,957**
TOTAL LIABILITIES & EQUITY	**280**	**32**	**12,604**	**1,053,911**	**101,730**	**8,051**	**960,232**

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

ACCOUNTING CHANGES AND REGULATIONS

- **Amendment to the rating methodology of the commercial portfolio.**

On June 24, 2013, the Commission published a resolution amending the provisions regarding the methodology for rating commercial loans. This resolution modifies the current model of reserves, in order to establish a methodology under which the portfolio is rated and reserved based on expected losses for the next 12 months considering the probability of default, loss severity and exposure to default of each client.

The resolution came into force on June 25, 2013 and is applicable optionally as of this date, and must be met no later than December 31, 2013 for loans granted to individuals with business activity, corporations and decentralized bodies, excluding loans to financial institutions, for which the new methodology cannot be applied until January 2014.

Pursuant to that resolution, the Institution decided to apply the formerly mentioned methodology with figures as of June 30, 2013, consequently the Institution recognized Ps 3.95 billion, in the heading of retained earnings of prior years, within stockholders' equity, corresponding to the initial cumulative financial effect derived from the application of the new rating methodologies for commercial loans, excluding loans granted to financial institutions which will be adopted until January 2014 according to the regulation.
The amount of the allowance for loan losses for commercial loans of the Institution applying the new methodology was Ps. 8.38 billion, and the amount of the reserve for such commercial portfolio considering the methodology used prior to the implementation of this resolution was Ps. 4.99 billion, both with figures as of June 30, 2013.

The amount recognized in equity includes Ps. 557 million of reserves corresponding to the portfolio sold by Arrendadora y Factor Banorte.

- **Changes to accounting criteria for Mutual Funds and the individuals providing services.**

On March 16th, 2012, the National Banking and Securities Commission issued changes in accounting criteria applicable to mutual funds, to make them consistent with financial reporting standards set in Mexico as well as abroad, and to facilitate compatibility of the information given to authorities, public, and markets in general. These changes are similar to changes made for Credit Institutions.

- **Changes to criteria B-6 “Loan Portfolio” clarifying the specific treatment applicable to the operations of credit restructuring and renewal.**

The criteria establishes the applicable treatment for restructuring and renewal of credit and clarifies the conditions for considering a loan as a performing or non-performing. This amendment came into effect on March 1st 2012. The main changes to the criteria are listed below:

• Fees for restructuring or renewal of credit shall be deferred during the term of the loan.
• In order to consider "Sustainable Payment" loan repayments should cover at least 20% of the principal or the total amount of any interest payments under the restructuring scheme or when renewals were due.
• Establishes that if through a restructuring or renewal various granted loans are consolidated into one credit with the same terms and conditions, the worst one must be used for treatment of claims involved.
• To demonstrate sustained payment, the Parent Company shall make available to the Commission evidence to support that the borrower has the capacity to pay.
• Includes treatment for loans with amortization of principal and interest which shall be periodically restructured or renewed without having passed 80% of the original term, also mentions the treatment during the final 20% of the original term.
• Clarifies the conditions under which the original credit is subject to change without restructuring being considered.

- **Changes to the rating methodology for the commercial portfolio granted to federal entities and their municipalities.**

On October 5th, 2011, the CNBV published a resolution modifying the general applicable dispositions to Credit Institutions amending the qualification rating methodology for the commercial loan portfolio granted to federal entities and their municipalities. This resolution modifies the current model for reserves based on public qualifications, in order to establish a methodology which qualifies and reserves the portfolio based on potential expected losses for the next following 12 months taking into consideration the probability of non-fulfillment, severity of the loss and exposure to each client's non fulfillment which is in Annex 18 of the mentioned Resolution. The resolution came into effect on October 6th, 2011.

- **Main changes in accounting criteria for controlling companies.**

Criteria A-2 "Applications of special norms" was modified by eliminating the ability to avoid consolidating permanent investments in controlled insurance or bonding institutions, and as of February 1st, 2011, such institutions must be consolidated in the financial statements of the controlling companies. Likewise with Criteria D-1, D-2, D-3 and D-4 relating to basic financial statements, there were changes in their presentation in accordance with the changes of the mentioned criteria.

- **General regulations applied to controlling companies of financial groups subject to supervision by the CNBV.**

On January 31st, 2011 the CNBV issued general regulations applicable to controlling companies of financial groups, in order to compile into one single legal instrument the dispositions applicable to these entities, as well as the modification of diverse regulatory reports to take into consideration homogeneous accounting approaches applicable to other financial entities such as banking, insurance and bonding sectors. As a consequence of the work carried out jointly by the CNBV and the National Insurance and Bonding Commission in accordance with the Financial Reporting Standards issued by the CINIF and the International Financial Reporting Standards of the International Accounting Standards Board.

Once these dispositions come into effect, the "General Dispositions applicable to financial reporting standards for controlling companies of financial groups subject to supervision by the CNBV" will be cancelled as published in the Diario Oficial de la Federación on April 28th, 2005 and its diverse modifications, as well as the "General accounting dispositions applicable to controlling companies of financial groups subject to supervision by the CNBV", published in the Diario Oficial de la Federación on August 14th, 2006 and its diverse modifications.

- **Main changes in accounting criteria for credit institutions.**

On January 27th, 2011 the National Banking and Securities Commission issued changes to applicable accounting criteria for credit institutions to make them consistent with financial reporting standards established in Mexico and abroad, as well as facilitating the comparison of information provided to authorities, the public and markets in general. These changes were adopted and applied in the financial statements as of January 2011.

- **Changes to rating methodology for consumer and housing mortgage portfolios.**

On October 25th,2010 the Commission published a resolution modifying general dispositions for Credit Institutions in which the methodology for rating non-revolving consumer portfolios and mortgage portfolios is changed in such a way that the estimated preventive reserves for credit risks is calculated based on the expected loss instead of the incurred loss. This change went into effect on March 1st, 2011.

- **Change in rating criteria for Credit cards.**

On August 12th, 2009 the National Banking and Securities Commission issued changes in accounting criteria applicable to credit institutions which modify the rating methodology for revolving consumer portfolios, so that the parameters used to estimate preventive reserves reflect an estimated12 month loss for credit cards, based on the current environment.

- **Changes to accounting criteria for other finance companies.**

On July 30th, 2009 the National Banking and Securities Commission issued changes among others, to accounting criteria applicable other regulated finance companies, SOFOLs and SOFOMs, make them consistent with financial reporting standards set in Mexico as well as abroad, and to facilitate compatibility of the information given to authorities, public, and markets in general. These changes are similar to changes made for Credit Institutions

- **B-10 Bulletin “Inflation Effects”.**

Comparisons of 2008 results vs. reported figures for previous periods are not fully comparable, as a result of the NIF B10 “Inflation Effects” norm taking effect in January of this year. This norm indicates that the economic environment is non-inflationary when the accumulated inflation rate over the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January, 2008.

- **D-8 Bulletin: Stock based compensation.**

Banorte grants GFNORTE shares to its executives through different structured payments plans based on those shares. These plans are managed by trusts that Banorte constitutes and gives the necessary resources so that at the beginning of each plan, they can purchase directly in the financial markets the shares needed to fulfill these stock based plans.

The Financial Norm D-8, Stock based Payments, which is effective for fiscal exercises that began as of January 2009, requires those entities that grant stock based payment plans to recognize an expense for the services received by the executives that are beneficiaries of the plans.

When a subsidiary grants stock plans of its holding company, the NIF D-8 establishes that the accounting recognition of the expenditure must be made as if the plan was settled in cash at reasonable value, each period that the financial information is presented along with the assumptions known at that date.

On the other hand, the Holding must recognize such expenditure as if the plan was to be settled with shares. Under this scheme, the plan is valued in the beginning at the Holding level and must be later revalued.

In the consolidated financial statements with the Group's subsidiaries, the items recognized in its banking subsidiary derived from the recognition and valuation of the share plans granted have been eliminated through consolidation movements of Ps 25 million. In this sense, in 1Q12 an expense incurred by the Financial Group of Ps 10 million has been recognized, which results in a positive effect in the financial statements of the holding company of Ps 15 million. In 2Q12 a positive net effect results in the financial statements of the holding company of Ps. 22 million. In 3Q12 a positive net effect results in the financial statements of the holding company of $25 million. In 4Q12 a positive net effect results in the financial statements of the holding company of $31 million. In 1Q13 a positive net effect results in the financial statements of the holding company of Ps 11 million. In 2Q13 a positive net effect results in the financial statements of the holding company of Ps 6 million.

- **Early termination of the mortgage debtor support programs .**

On June 30th, 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 1st, 2011, the Holding Company absorbed the corresponding part of the discount offered in advance to mortgage debtors that participated in the program.

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

As at June 30th , 2013, the total amount of the Federal Government's payment obligations with respect to commercial loans amounted to $56 million, which includes $54 million corresponding to the conditioned discount portion derived from loans denominated in local currency and in UDIS, and $2 million related to the discount applied to loans referred to in number 3.1.2 of Circular 1430.

As at June 30th, 2013, the Federal Government's obligations under the Agreement were:

	Payment date	**Amount**
Fourth amortization	June 1st, 2014	28
Fifth amortization	June 1st, 2015	28
		$56

Each amortization will include a monthly financial cost as of the day immediately following the cut-off date and until the end of the month immediately preceding the payment date of each, using, for the month of January 2011, the rate corresponding to the arithmetic average of annual rates of return calculated on the basis of the discount rate of the 91-day Cete issued in December 2010, and for subsequent months 91-day CETES future rates corresponding to the immediately preceding month published by the company Proveedor Integral de Precios, S.A., the working day immediately following the cut-off date, or else that of the closest previous month contained in said publication, taken to the 28-day curve, and dividing the resulting rate by 360, multiplying the result by the number of days that have effectively elapsed during the due period, and applying monthly capitalization.

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

	2010
Start balance	$19
Holding company support	67
Haircuts, discounts and cancellations	14
Reserve reclassification	(9)
Contributions to settle trust liabilities	1
End balance	**$92**

During 2012 and 2013 results recognized $9 million and $5 million, respectively, in relation to end point and GFNorte support (asset recovery area exit model) corresponding to loans that were not part of the program.

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

The amount corresponding to the repurchase of SPECIAL CETES was $13 million, the outstanding balance of SPECIAL CETES that has not been repurchased by the Federal Government as at June 30th, 2013 is $818 million with maturities of between 2017 and 2027.

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

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

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

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

	Local Currency			Foreign Currency (USD)			Total		
(Million of Nominal Pesos)	aug-02	mar-13	jun-13	aug-02	mar-13	jun-13	aug-02	mar-13	jun-13
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	11	9	0	0	0	54	11	9
Total	**59**	**11**	**9**	**5**	**0**	**0**	**64**	**11**	**9**
Non Performing Loans									
Commercial	405	300	300	293	104	109	698	404	409
Consumer	81	72	72	0	0	0	81	72	72
Mortgage	1,112	276	268	0	0	0	1,112	276	268
Total	**1,598**	**648**	**640**	**293**	**104**	**109**	**1,891**	**752**	**749**
TOTAL LOANS	**1,657**	**659**	**649**	**298**	**104**	**109**	**1,955**	**763**	**758**
Loan Loss Reserves (1)									
Commercial	326	300	300	246	104	109	572	404	409
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	281	268	0	0	0	669	281	268
Total	**1,072**	**653**	**640**	**246**	**104**	**109**	**1,318**	**757**	**749**

(1) Reserve requirements using the same classification method used for the bank.
(*)There was a Reserve deficit of Ps 26 million as of June 2013.
(*) The dollar portfolio and reserves are re-expressed in pesos.
(*) Local Currency includes UDIS valued at the new exchange rate.
(*) Banorte has a 99.99% stake in Sólida.

In 2Q13 the Loan portfolio showed changes due to: collections of Ps $4.8 million, repossessed assets of Ps $0.8 million, restructurings of Ps $0 million and there were charge offs and discounts of Ps. $20.6 million. In the Loan loss provisions, there were charge offs and discounts of Ps $4.3 million. There were transfers from performing loans to past due loans of Ps $0.3 million and transfers from past due loans to performing loans of Ps $0.3 million.

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

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

	Local Currency (1)		Foreign Currency (USD) (2)		Total	
(Million of Nominal Pesos)	mar-13	jun-13	mar-13	jun-13	mar-13	jun-13
Performing Loans						
Commercial	243,835	263,491	14,686	18,719	258,521	282,210
Consumer	27,904	33,972	0	0	27,904	33,972
Mortgage	71,593	75,826	0	0	71,593	75,826
Government	0	0	0	0	0	0
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**343,332**	**373,289**	**14,686**	**18,719**	**358,018**	**392,008**
Non Performing Loans						
Commercial	4,263	5,836	563	382	4,826	6,219
Consumer	627	862	0	0	627	862
Mortgage	1,038	1,208	0	0	1,038	1,208
Government	0	0	0	0	0	0
Non Performing Loans	**5,928**	**7,906**	**563**	**382**	**6,491**	**8,288**
TOTAL LOANS	**349,260**	**381,195**	**15,249**	**19,101**	**364,509**	**400,296**
Loan Loss Reserves	**7,777**	**11,403**	**451**	**382**	**8,228**	**11,786**
Net Loan Portfolio	**341,483**	**369,792**	**14,798**	**18,719**	**356,281**	**388,511**
Loan Loss Reserves					**127%**	**142%**
% Past Due Loans					**1.78%**	**2.07%**

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

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q13 (Million Pesos)				
Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**138,359**	**636**	**75**	**139,070**
Unrestricted	**3,398**	**8**	**5**	**3,411**
CETES (Special)	-	-	-	-
CETES	535	3	0	538
BONDES	2,143	4	3	2,150
BPAs	337	1	0	338
BREMS	-	-	-	-
Bonds	40	0	0	40
CBIC	-	-	-	-
Udibonds	252	0	1	254
UMS	9	0	(0)	9
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	82	-	-	82
Restricted	**134,962**	**627**	**70**	**135,659**
CETES (Special)	-	-	-	-
CETES	359	-	0	360
BONDES	47,424	72	50	47,547
BPAs	61,955	456	3	62,415
BREMS	-	-	-	-
Bonds	25,215	99	16	25,330
CBIC	-	-	-	-
Udibonds	8	0	0	8
UMS	0	-	-	0
Treasury Bonds	-	-	-	-
Treasury Notes	0	-	-	0
Banking Securities	**21,266**	**45**	**20**	**21,331**
Restricted	**618**	**1**	**0**	**619**
Notes	18	0	0	18
CEDES	9	0	(0)	9
Stock Certificates	576	1	0	578
Structured Notes	-	-	-	-
Other Banking Securities	14	0	0	14
Restricted	**20,648**	**43**	**20**	**20,711**
Notes	50	-	0	50
CEDES	4,732	10	0	4,742
Stock Certificates	12,096	26	8	12,130
Structured Notes	-	-	-	-
Other Banking Securities	3,770	7	12	3,788
Private Securities	**8,085**	**15**	**(102)**	**7,998**
Unrestricted	**2,209**	**3**	**(116)**	**2,096**
Stock Certificates	1,005	2	(8)	999
PEMEX Bonds	2	0	0	3
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	197	2	3	201
GFNORTE stocks	-	-	-	-
BMV stocks	248	-	(18)	230
Mutual Funds stocks	689	-	(90)	600
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	67	-	(3)	64
Restricted	**5,876**	**11**	**15**	**5,902**
Stock Certificates	4,125	8	9	4,142
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	1,751	3	6	1,760
Total	**167,709**	**695**	**(6)**	**168,398**

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q13				
Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**51,739**	**574**	**35,413**	**87,726**
Unrestricted	**11,595**	**33**	**(64)**	**11,564**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	99	0	0	99
BPAs	129	1	(0)	130
BREMS	-	-	-	-
Bonds	257	0	(15)	242
CBIC	-	-	-	-
Udibonds	20	0	10	29
UMS	117	3	6	126
Treasury Bonds	-	-	-	-
Treasury Notes	1,068	5	(65)	1,008
Other Government Securities	9,905	23	0	9,929
Restricted	**40,144**	**541**	**35,477**	**76,161**
CETES (Special)	-	-	-	-
CETES	97	-	(0)	97
BONDES	-	19	9,875	9,894
BPAs	975	230	21,171	22,375
BREMS	-	-	-	-
Bonds	37,829	259	4,311	42,399
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	1,243	33	120	1,396
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**4,868**	**10**	**(13)**	**4,865**
Restricted	**239**	**0**	**(19)**	**220**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	16	-	-	16
Structured Notes	223	0	(19)	204
Other Banking Securities	-	-	-	-
Restricted	**4,629**	**10**	**6**	**4,645**
Notes	-	-	-	-
CEDES	0	(0)	-	0
Stock Certificates	4,629	10	6	4,645
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	**20,829**	**193**	**768**	**21,789**
Unrestricted	**9,661**	**37**	**375**	**10,073**
Stock Certificates	820	8	(92)	736
PEMEX Bonds	490	9	(40)	459
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,129	20	(17)	1,132
GFNORTE stocks	-	-	-	-
BMV stocks	234	-	222	456
Mutual Funds stocks	6,988	-	302	7,290
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**11,168**	**156**	**392**	**11,717**
Stock Certificates	2,871	10	6	2,887
PEMEX Bonds	7,180	137	286	7,604
Commercial Paper	-	-	-	-
Corporate Bonds	97	4	(1)	100
Euro Bonds	975	5	101	1,081
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	46	-	-	46
Total	**77,435**	**776**	**36,168**	**114,380**

BANORTE

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q13

(Million Pesos)

Securities Held to Maturity	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**66,904**	**194**	**-**	**67,098**
Unrestricted	**41,616**	**47**	**-**	**41,664**
CETES (Special)	**844**	**0**	**-**	**844**
CETES	**-**	**-**	**-**	**-**
BONDES	**502**	**2**	**-**	**504**
BPAs	**-**	**-**	**-**	**-**
BREMS	-	-	-	-
Bonds	1,688	3	-	1,691
CBIC	545	3	-	547
Udibonds	38,038	39	-	38,077
UMS	-	(0)	-	(0)
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	**25,288**	**146**	**-**	**25,434**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	0	-	-	0
BPAs	25,288	146	-	25,434
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	**-**	**-**	**-**	**-**
Banking Securities	**4,183**	**869**	**-**	**5,052**
Restricted	**4,080**	**869**	**-**	**4,949**
Notes	545	0	-	545
CEDES	1,418	760	-	2,178
Stock Certificates	1,052	13	-	1,066
Structured Notes	409	0	-	409
Other Banking Securities	656	95	-	751
Restricted	**102**	**0**	**-**	**103**
Notes	**-**	**-**	**-**	**-**
CEDES	**-**	**-**	**-**	**-**
Stock Certificates	**(0)**	**-**	**-**	**(0)**
Structured Notes	**-**	**-**	**-**	**-**
Other Banking Securities	**102**	**0**	**-**	**103**
Private Securities	**23,180**	**437**	**-**	**23,617**
Unrestricted	**13,207**	**411**	**-**	**13,619**
Stock Certificates	**12,436**	**396**	**-**	**12,833**
PEMEX Bonds	**331**	**8**	**-**	**338**
Commercial Paper	**-**	**-**	**-**	**-**
Corporate Bonds	**-**	**-**	**-**	**-**
Euro Bonds	**440**	**8**	**-**	**448**
GFNORTE stocks	**-**	**-**	**-**	**-**
BMV stocks	**-**	**-**	**-**	**-**
Mutual Funds stocks	**-**	**-**	**-**	**-**
CPOs	**-**	**-**	**-**	**-**
Structured Notes	**-**	**-**	**-**	**-**
Other Private Securities	**-**	**-**	**-**	**-**
Restricted	**9,973**	**26**	**-**	**9,998**
Stock Certificates	**9,527**	**23**	**-**	**9,550**
PEMEX Bonds	**-**	**-**	**-**	**-**
Commercial Paper	**-**	**-**	**-**	**-**
Corporate Bonds	**-**	**-**	**-**	**-**
Euro Bonds	**-**	**-**	**-**	**-**
GFNORTE stocks	**-**	**-**	**-**	**-**
BMV stocks	**-**	**-**	**-**	**-**
Mutual Funds stocks	**-**	**-**	**-**	**-**
CPOs	**-**	**-**	**-**	**-**
Structured Notes	**-**	**-**	**-**	**-**
Other Private Securities	**446**	**2**	**-**	**448**
Fair Value Adjustment Ixe Banco	**(68)**	**-**	**-**	**(68)**
Total	**94,200**	**1,499**	**-**	**95,700**

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

REPURCHASE AGREEMENT OPERATIONS 2Q13 (Million Pesos)	Repo Debtors				Repo Creditors
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Valores Gubernamentales	23,892	23,857	35	0	235,480
Títulos Bancarios	81	85	0	4	25,441
Títulos Privados	9,947	9,951	27	31	18,813
Total	**33,919**	**33,893**	**62**	**36**	**279,734**

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

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 2Q13 (Million Pesos)	
Creditor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	-
Fx Forward	288
Options	
Rate Options	542
Fx Options	3
Swaps	0
Rate Swap	13,970
Fx Swap	1,336
Negociable Total	**16,139**
Options	
Rate Options	4
Fx Options	-
Swaps	
Rate Swap	16
Fx Swap	399
Hedging Total	**420**
Position Total	**16,559**
Debtor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	86
Options	
Rate Options	367
Fx Options	13
Swaps	
Rate Swaps	13,547
Fx Swaps	1,412
Negotiation Total	**15,427**
Swaps	
Rate Swaps	1,786
Fx Swaps	1,839
Hedging Total	**3,625**
Position Total	**19,051**

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

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 2Q13- Banorte *(Million Pesos)*			
PRODUCT	TYPE	UNDERLYING	NOTIONAL
FX Forwards	Purchases	Exchange Rate (USD/MXN)	14,052
FX Forwards	Sales	Exchange Rate (USD/MXN)	2,564
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	51
FX Forwards	Sales	Exchange Rate (CAD/MXN)	51
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	0
FX Forwards	Sales	Exchange Rate (EUR/MXN)	26
FX Options	Purchases	Exchange Rate (Dollar)	198
FX Options	Sales	Exchange Rate (Dollar)	482
Interest Rate Options	Purchases	TIIE	59,366
Interest Rate Options	Sales	TIIE	83,283
Interest Rate Options	Purchases	LIBOR	1,639
Interest Rate Options	Sales	LIBOR	1,698
Interest Rate Options	Swaption - Sales	TIIE	2,000
Interest Rate Swaps	USD LIBOR S 3M	LIBOR	123,402
Interest Rate Swaps	MXN TIIE	TIIE	924,760
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	29,890
Interest Rate and FX Swaps	CS USDCETE	CETE	1,142
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	1,440
FX Swaps	Purchases	Exchange Rate (Dollar)	507
FX Swaps	Sales	Exchange Rate (Dollar)	829
FX Swaps	Purchases	Exchange Rate (EUR)	27
FX Swaps	Sales	Exchange Rate (EUR)	1

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

LOAN PORTFOLIO

(Million Pesos)

	Local Currency		UDIS		Foreign Currency		Total	
	2Q12	2Q13	2Q12	2Q13	2Q12	2Q13	2Q12	2Q13
Performing Loans								
Commercial Loans	146,903	157,267	-	-	31,448	29,053	178,350	186,320
Financial Intermediaries´ Loans	7,405	3,959	-	-	979	1,616	8,384	5,575
Consumer Loans	40,765	51,671	-	-	199	172	40,965	51,843
Mortgage Loans	65,868	75,466	195	376	1,867	1,507	67,930	77,348
Government Entities´ Loans	82,544	90,591	-	-	299	104	82,843	90,695
Derechos de cobro Fiduciario	-	-	-	-	-	-	-	-
Total	**343,484**	**378,953**	**195**	**376**	**34,792**	**32,453**	**378,472**	**411,782**
Past Due Loans								
Commercial Loans	4,360	5,903	7	7	368	296	4,735	6,206
Financial Intermediaries´ Loans	4	4	-	-	-	0	4	4
Consumer Loans	1,545	1,890	-	-	0	-	1,545	1,890
Mortgage Loans	729	822	8	66	30	33	768	921
Government Entities´ Loans	36	53	-	-	-	-	36	53
Total	**6,675**	**8,672**	**15**	**73**	**399**	**329**	**7,089**	**9,075**
Total Propietary Loans	**350,159**	**387,626**	**210**	**449**	**35,191**	**32,782**	**385,561**	**420,857**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 2Q13- GFNorte

(Million Pesos)

	TOTAL	
	PERIOD COST	PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	5.3	0.0
Mortgage FOVI	-	-
	5.3	**0.0**

At closing of this quarter the balance in debtors support programs totaled Ps 5.3 million without a cost for the period.

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

DEFERRED TAXES 2Q13 (Million Pesos)			
ASSETS	INCOME TAX	IETU	NET
Excess of preventive reserves accounts over the fiscal limit	195	-	**195**
Ixe's AAA Portfolio	-	-	**-**
Non deductible provisions and cumulative income	523	2	**525**
Excess of accounting value over fiscal value on Reposessed Assets	570	(0)	**570**
Diminishable profit sharing	118	0	**118**
Fees received in advance	812	-	**812**
Tax losses pending amortization	128	-	**128**
Provisions for possible loss in loans	592	-	**592**
Earnings per Society	90	-	**90**
State Tax on Assets Deferred	8	-	**8**
Loss on sale of foreclosed assets and credits	29	-	**29**
Decline in value of real estate	-	-	**-**
Interest on Loans	1	-	**1**
Reserve for employee retirement benefits	2	8	**10**
Current Account Agents	12	-	**12**
Reserve for additional compensation to agents	5	-	**5**
Diverse Creditors	109	0	**109**
Decrease for securities' valuation	21	-	**21**
Charge-off's Estimates	32	-	**32**
Tax loss on share sale	1,044	-	**1,044**
Additional Obligations for Employee benefits	2	2	**4**
Other	64	1	**65**
Total Assets	4,358	13	**4,372**
LIABILITIES			
Pension Funds Contribution	(933)	-	**(933)**
Loan Portfolio Acquisitions	(320)	-	**(320)**
Projects to be capitalized	(669)	-	**(669)**
Effects from valuation of instruments	(1,316)	-	**(1,316)**
Dividends Federal Home Loan Bank	(6)	-	**(6)**
Intangibles' amortizations	(26)	-	**(26)**
Unrealized Loss on Securities held for Sale	-	-	**-**
Reversal of Sale Costs	-	-	**-**
Increase for securities' valuation	(72)	-	**(72)**
Receivable interest from securities	(20)	-	**(20)**
Investment of reserves for obligations	(1)	(4)	**(5)**
Current Account Agents	(15)	-	**(15)**
Savings' Inventory	(13)	-	**(13)**
Savings' Inventory	(926)	-	**(926)**
Other	(3)	-	**(3)**
Total Liabilities	(4,319)	(4)	**(4,322)**
Assets (Liabilities) Accumulated Net	40	9	**49**

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

LONG TERM DEBT AS OF JUNE 30 2013- BANCO MERCANTIL (Million Pesos)									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	2,606	15 years	6.862%	13-oct-21	E/180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	3,908	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	2,214	20 years	4.950%	15-feb-28	E/180 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	30-mar-09	2,200	2,200	2,200	10 years	TIIE + 2.00%	18-mar-19	E/28 days
Non Convertible Subordinated Bonds Q Banorte 12	MXN	08-jun-12	3,200	3,200	3,200	10 años	TIIE + 1.50%	27-may-22	E/28 days
Perpetual Non-Cumulative Subordinated Non-Preferred Callable Notes	USD	26-feb-07	120	1,325	1,563	Perpetual	9.75%	26-feb-49	E/90 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,563	10 años	9.25%	14-oct-20	E/180 days

BANK AND OTHER ENTITIES LOANS' AS OF 2Q13 (Million Pesos)			
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
LOANS FROM LOCAL BANKS		0	0
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY		10,435	10,435
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY		112	112
LOANS FROM DEVELOPMENT BANKS	11,651	2,926	14,576
LOANS FROM PUBLIC FUNDS	7,822	403	8,225
CALL MONEY & LOANS FROM BANKS	15,561	-	15,561
LOANS FROM FIDUCIARY FUNDS	336		336
PROVISIONS FOR INTEREST		97	97
	35,370	**13,972**	**49,342**
ELIMINATIONS			(12,007)
Total			**37,335**

BANORTE

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

TRADING INCOME 2Q13 (Million Pesos)	
TRADING INCOME 2Q13 (Million Pesos)	Consolidated
Securities-Unrealized gains	860
Negotiable instruments	567
Derivative Instruments-Negociation	283
Derivative Instruments-Hedging	11
Impairment loss or revaluation increase	-1
Result from foreign exchange valuation	31
Result from valuation of precious metal	-7
Result from purchase/sale of securities and derivatives	1,738
Negotiable instruments	1,060
Securities held for Sale	546
Securities held to Maturity	1
Derivative Instruments-Negociation	0
Derivative Instruments-Hedging	130
Result from purchase/sale of foreign exchange	333
Result from purchase/sale of precious metal	3
Transaction costs	0
Intermediation of received collateral	0
Increase derived from trading income adjustments	0
Total	**2,956**

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

- **Risk Management**

AUTHORIZED ORGANS

For a proper Risk management, the Board of Directors constituted since 1997 the Risk Policy Committee (CPR) designed to manage the risk that the Holding company is exposed to as well as to monitor the performance of operations and that it sticks to the objectives, policies and procedures for risk management.

In addition, the CPR 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 proprietary members of the Board, the CEO, the Directors of the entities, Risk Management and Audit, this last one participates with voice but no vote.

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

1. Propose for approval by the Board:

• The objectives, guidelines and policies for overall risk management.
• The global limits for risk exposure.
• The mechanisms for the implementation of corrective actions.
• The cases or special circumstances which may exceed the overall limits as much as the specifics.

2. Approve and review at least once a year:

• Specific limits for discretionary risks and the risk tolerance levels for non-discretionary.
• The methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risk to which the holding company is exposed to.
• The models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the unit for comprehensive risk management.

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

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

5. Report to the Board at least quarterly, the risk exposure and its possible negative effects and follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

UNIT FOR COMPREHENSIVE RISK ADMINISTRATION (UAIR)

The UAIR serves 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 GDAR reports to CPR, in compliance with the provisions of the Circular of the Commission called "prudential provisions in the Field of Risk Management applicable to Credit Institutions", as to the independence of business areas.

The GDAR routes the efforts of the Risk Management in six directions:

• Credit Risk Management and Operations;
• Market Risk Management;
• Credit Administration;
• Risk Management Policy;
• Consumer Asset Quality, and
• Risk Management Tools.

Currently, the Holding has methodologies for risk management in its various phases, such as credit, market, liquidity and operational risks.

The main objectives of the GDAR can be summarized as follows:

• 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.
• 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.

The Financial has sliced the risk assessment and management in the following areas:

Credit Risk: revenue volatility due to creation of reserves for impairment of loans and credit potential losses on non-payment of a borrower or counterparty.

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.

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:

- 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 loans.
- Provide the Business Areas with clear and sufficient tools to support loan placement and follow-up.
- Create economic value for shareholders by efficient loan 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.

Individual Credit Risk

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

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

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

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

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

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

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

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

Portfolio Credit Risk

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

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

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

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The *probability of non-compliance* is the probability that the debtor will not meet his/her debt obligation with the bank according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition matrixes that GFNorte calculates from the migration of the debtors through different risk qualification levels. The *recovery ratio* is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply. The *classification of the debtor*, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

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

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

By June 30th, 2013, Banco Mercantil del Norte's total portfolio was Ps 399.54 billion. The expected loss represents 1.7% and the unexpected loss is 3.4% with respect to the total portfolio. The average expected loss is 1.6% during the period between April-June 2013.

Banorte- Ixe's Brokerage House, the credit exposure of investments is Ps 73.88 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between April-June 2013.

The total portfolio of Arrendadora and Factor is Ps 20.49 billion. Prospective losses represent 1.2% and unforeseen losses 4.4% of the total portfolio. The prospective loss average represents 1.4% in the period of April-June 2013.

The total portfolio of Sólida Administradora de Portafolios was Ps 291 million to June 30th, 2013. The estimated loss of the portfolio represents 34.7% and the unexpected loss 9.5% both with respect to the total portfolio . The estimated loss average for the period of April-June 2013.. was 34.4%

The total portfolio of Banorte Ixe Tarjetas is Ps. 18.81 billion. The estimated loss represents 11.1%and the unexpected loss 10.3% both with regard to the total portfolio. The estimated loss average represents 11.2% for the period of April-June 2013.

Credit Risks of Financial Instruments

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

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

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

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

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

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

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

1) The probability of nonfulfillment of the originator, emission or counterpart, which is expressed as a percentage between 0% and 100% where the better the rating or lower rate differential vs. the instrument of a government bond equivalent the lower the probability of nonfulfillment and vice versa.

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

As of June 30th, 2013, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 227.91 billion, of which 99.3% 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 12% of the Basic Capital as of March 2013. 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 2013 has a higher or similar rating to AAA (mex) and is comprised of (average considered term, amount in billion of pesos and rate): bond certificates from Pemex to 5 years and 3 months for Ps. 12.25 to 3.8%; and Inbursa market and deposits certificates for 1 year month for Ps 6.67 at 4.4%; and bond certificates and deposit certificates of Banco Santader Mexicano for 1 year 1 month for Ps 4.0 billion at 2.6%; and bond certificates of Bancomer for 9 months for Ps. 3.82 billion at 2.5%.

The exposure of Derivatives is Ps (2.79) billion, of which 96.1% 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 Basic Capital of March 2013.

As of March 31st, 2013, exposure to credit risk for Securities Investments of Casa de Bolsa Banorte-Ixe was Ps 73.88 billion, of which 100% 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 18% of the Basic Capital as of March 2013. 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 2013 has a higher or similar rating to A-(mex) and is comprised of (average considered term, amount in billion of pesos and rate): bond certificates of Pemex to 2 years and 6 months for Ps 1.61 billion at 4.3%; bond certificates of Banco Inbursa to 2 years and 5 months for Ps. 1.51 billion at 4.5%; Scotiabank Inverlat market certificates for 2 years and 3 months for Ps 935 million at 4.6%; Banco del Bajío deposit certificates to 9 months for Ps 401 million at 4.6%; Deutsche Bank bonds to 9 years and 11 months for Ps 363 million at 10.8%; bond certificates from Banco Interacciones to 7 months for Ps. 266 million at 5.0% and Banco Azteca promissory notes to 1 month for Ps. 151 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 Sólida Administradora de Portafolios was Ps 170 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

Banorte-Ixe Tarjetas does not hold investments in securities nor derivatives.

Risk Diversification

On December 2005, the CNBV issued “General Rules Applied to Credit Institutions in relation to Risk Diversification”.

These guidelines state that the Banks must carry out an analysis of their borrowers and/or loans to determine the amount of “Common Risk”; also, the Banks 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:

Tier 1 to March 31st, 2013*	**59,044**
I. Financings whose individual amounts represent more than 10% of the basic equity	
Loan Operations	
Number of financings	1
Total amount of financings	7,006
% in relation to Basic Capital	12%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**31,597**

*Merged Tier 1 Capital of Banorte 53,723+ Ixe Banco 5,883 + Fincasa (562)

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 Million Pesos:

Tier 1 to March 31st, 2013*	**3,433**
1. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	6
Total amount of the financings	4,352
% relative to basic capital	127%
II. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**4,455**

*Merged Tier 1 Capital of AyF Banorte 3,115 + Ixe Automotriz 318

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

Tier 1 to March 31st, 2013*	**2,543**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	4
Total amount of financings	1,866
% in relation to Basic Capital	73%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**1,538**

*Merged Tier 1 Capital of Sólida 3,115 3,077 + Ixe Soluciones (534)

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Banorte-IXE Tarjetas (Million Pesos):

Equity at March 31st, 2013	**3,172**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**5**

Market Risk

The exposure to market risk is determined through the calculation of the Value at Risk ("VaR"). The meaning of the VaR under this method is the potential loss which could be generated in the valuation of the portfolios at a given date. This methodology is used both for the calculation of market risk and for the establishment and control of internal limits.

In order to calculate the Value at Risk (VaR), the Institution applies the nonparametric historical simulation method, considering for such purpose a 99% confidence level, using the 500 immediate historical scenarios, multiplying the result by a security factor that fluctuates between 3 and 4 depending on the annual Back Testing results calculated up to the previous quarter, also considering 10 days to break up the risk portfolio in question. These measures make it possible to insure considering unforeseen volatilities in the main risk factors that affect such portfolios.

Such methodology is applied to all financial instrument portfolios within and beyond the balance, including money market and treasury transactions, capital, foreign-exchange and derivatives held for trading and hedging purposes, which are exposed to variations in their value due to changes in the risk factors affecting their market valuation (domestic and foreign interest rates, exchange rates and indexes, among others).

The average VaR for the seconf quarter of 2013 for the portfolio is Ps 3.73 billion.

* Quarter Average of the Bank- Banorte

** Net capital of the Banking Sector is the arithmetic sum of the net capitals of the Bank- Banorte

Million Pesos	2Q12	3Q12	4Q12	1Q13	2Q13
Total VaR*	2,444	2,685	3,288	3,464	3,732
Net Capital**	55,519	56,625	57,815	64,622	66,570
VaR / Neto Capital	4.40%	4.74%	5.69%	5.36%	5.61%

Moreover, the average Value at Risk per risk factor of the portfolio of instruments described for the Banorte Bank, during the second quarter of 2013 is shown below:

Million pesos

Risk Factor	VaR
Domestic interest rate	3,319
Foreign interest rate	399
Exchange rate	750
Capitals	3,732

The VaR for each of the risk factors shown is determined by simulating 500 historical scenarios of the variables that make up each of such factors, maintaining constant the variables that affect the other risk factors mentioned above. Similarly, the consolidated Value at Risk for the Bank considers the correlations of all the risk factors that affect portfolio valuation. That is why the arithmetic sum of the Value at Risk per Risk Factor does not match.

- ***Backtesting Analysis***

In order to validate the daily VaR calculation measurement effectiveness, as a measure of market risk, the Backtesting analysis is updated weekly. This analysis makes it possible to compare the results estimated by VaR with the actual results.

- ***Sensitivity Analysis and Extreme Conditions Test***

To enrich the analysis and to obtain the desired impact that movements on risk factors may have on positions, sensitivity analyzes and tests under extreme conditions are periodically implemented. These analyzes prevent the Institution from negative situations that could arise in which extraordinary losses result from the valuation of financial instruments in position.

Casa de Bolsa IXE

The VaR average of Casa de Bolsa Banorte Ixe 's portfolios for 2Q13 is Ps 315.96 million, which represents 18.55% of the Institution's Net Capital to June 2013.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	Total 2Q13	
	Average	Closing
VaR		
Shares	62.79	67.04
Money Market	222.63	249.66
Treasury	78.80	94.16
TOTAL	315.96	373.41
Diversifications Effect	(48.25)	(37.45)
Net Capital as of June 2013		1,703
VAR / Net Capital	**18.55%**	**21.93%**

Banorte Ixe Tarjetas

The VaR average of the Banorte-Ixe Tarjetas for 2Q13 is Ps 479.80 million which represents +0.0% of the Institution's Net Capital to June 2013.

For their calculation, the Historical Simulation methodology was used with 500 horizon days, and as a policy, calculations were carried out with trust levels of 98% with a horizon time of 1 day.

BANORTE-IXE TARJETAS VaR Balance. Million Pesos	Total 2Q13	
	Average	Closing
VaR Balance	0.00	0.00
Net Capital *		2,571.00
VAR / Net Capital	**0.00%**	**0.00%**

- **Liquidity Risk and Balance**

In response to the Banking Sector's need to measure global Liquidity Risk and to have consistent follow-up, the Banks us financial ratios, such as the Liquidity Ratios (Liquid Assets / Liquid Liabilities). Liquid Assets include availabilities, securities to negotiate and securities available for sale. Liquid Liabilities include demand deposits, demand interbanking loans and short-term interbanking loans. The liquidity ratio for Banorte at closing of 1Q13 is 122.4%, while the average for the quarter is 108.2%.

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

Million Pesos (at closing of the quarter)	2Q12	3Q12	4Q12	1Q13	2Q13
Liquid Assets	142,019	141,625	150,115	234,779	249,189
Liquid Liabilities	180,479	186,680	194,289	191,765	215,252
Liquidity Ratio	78.7%	75.9%	77.3%	122.4%	115.8%

Million Pesos (average)	2Q12	3Q12	4Q12	1Q13	2Q13
Liquid Assets	136,390	150,655	164,011	205,270	228,551
Liquid Liabilities	171,667	179,802	187,977	189,745	197,362
Liquidity Ratio	79.5%	83.8%	87.3%	108.2%	115.8%

Average estimate calculated using weekly Liquidity Ratio

For liquidity risk quantification and follow-up, the Banking Sector uses for the dollar portfolios, the criteria that the Bank of Mexico established for developing the Liquidity Coefficient, which makes it possible to evaluate the differentials between asset and liability flows in different periods of time. This promotes a healthier distribution of terms for these assets.

Moreover, to prevent the risk of concentrating terms and re-appreciation date for each of the Banks in the Banking Sector, a Gap Analysis is made to face the resources with sources of funding, detecting any concentration in advance. These analyses are made separately per currency (domestic, foreign, and udis).

The structural risk of the Balance is evaluated using the analysis of balance simulation, among others, which allows the evaluation of future static or dynamic behavior in the Balance Sheet. It analyzes sensitivity to movements in domestic, foreign and real rates obtaining the impact that they have on the Economic Value and on the Net Interest Income. Likewise, tests are conducted under extreme conditions wherein the result of extreme changes is evaluated on rates, funding and exchange rates.

Projections are periodically compared with real data as a measure of evaluation of the effectiveness of the simulation model. These tests make it possible to evaluate the suppositions and methodology used, and if necessary, adjust them.

With the objective of strengthening follow-up of risk, early detection alarms have been determined, which allow the anticipation of problems and if necessary, put contingency plans into action.

Ixe Liquidity Risk

The liquidity ratio vs. Net Capital of Casa de Bolsa to June 30th, 2013 is 73.34%.

IXE CASA DE BOLSA, S.A. DE C.V. Liquidity Risk Million Pesos	USE 2Q13
Accumulated gap in 1 month (MXP + UDIS)	1,658.00
Liquid Assets	1,249.03
Net Capital	1,703.09
Liquidity vs. Capital	**73.34%**

The liquidity ratio vs. Net Capital of Sólida Administradora de Portafolio to June 30th , 2013 is 25.17%.

Sólida Administradora de Portafolios Liquidity Risk Million Pesos	USE 2Q13
Accumulated gap in 1 month (MXP + UDIS)	(8,146.53)
Accumulated gap in 3 months (MXP + UDIS)	(9,308.23)
Liquid Assets*	653.93
Net Capital	2,597.83
Tier 1 Capital	2,597.83
Liquidity vs. Net Capital	**25.17%**
Liquidity vs. Tier 1 Capital	**25.17%**

**Balance in Banks*

The liquidity ratio vs. Net Capital for Banorte- Ixe Tarjetas to June 30th , 2013 is 0.46%.

Banorte Ixe Tarjetas Liquidity Risk Million Pesos	USE 2Q13
Accumulated gap in 1 month (MXP)	2,334.44
Accumulated gap in 3 months (MXP)	2,826.60
Liquid Assets*	11.82
Net Capital	2,570.74
Tier 1 Capital	2,570.74
Liquidity vs. Net Capital	**0.46%**
Liquidity vs. Tier 1 Capital	**0.46%**

- **Operational Risk**

GFNorte has a formal Operational Risk department pertaining to the "Deputy Managing Director' Operational Risk Administration", which reports to General Management of Risk Administration.

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

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

Types of Events	Description
Internal Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep regulations, laws or company policies (excluding diversity/discrimination events) in which at least one company party is involved.
External Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep the laws, caused by a third party.
Labor Relations and Safety in the Workplace	Losses caused by acts that are incompatible with the legislation or labor agreements regarding hygiene or safety, the payment of personal damage claims, or cases associated with diversity/discrimination.
Customers, Products & Business Practices	Losses caused by involuntary noncompliance or negligence of a professional obligation to specific customers (including fiduciary and adjustment requirements), or due to the nature or design of a product.
Natural Disasters and	Losses caused by damage or harm to material assets as a consequence of

Other Events	natural disasters or other events.
Incidences in the Business and Systems Failures	Losses caused by incidences in the business and systems failures
Process Execution, Delivery and Management	Losses caused by errors in operations processing or management, as well as the relations with commercial counterparties and providers.

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

- ***Legal and Fiscal Contingencies Database***

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

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

- ***Risk Management Model***

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

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

III. Required Capital Calculation

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

IV. Information and Reporting

The information generated by the Database and the Management Model is processes 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 in our institution 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 that make up GF Banorte have an Internal Control System (SCI) that has been structured according to the guidelines set forth by its Board of Directors and that addresses the requirements indicated by the regulating authorities.

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

A. Board The Board of Directors with the support Advisory Board, Management Committee, of the Committee of Risk Policies (CPR), the Committee of Audit and Corporate Practices (CAPS), the Human Resources' Committee and of the Designation Committee.
B. Management and support the areas that are Unit Risk Management (UAIR), Legal and Comptroller, who are responsible for ensuring that adequate levels are maintained and risk control in the Group's operations and compliance the regulation.
C. Internal Audit, External Audit and 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 complete independence from the administrative areas.
D. The Executive Group as those mainly responsible 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 CEO GFNorte.
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. Code of Conduct that regulates the behavior that each advisor, officer or employee of the Group should assume while performing their activities.

F. Policy and procedure manuals that regulate documentation, recording and liquidation 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 2013, activities related to strengthening control, risk evaluation and administration, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

A. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.
B. The Board of Directors revised and approved additions to the Code of Conduct and to the Corporate Governance documents related with Internal Control.
C. The policy and procedure manuals have been updated as per the changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.
D. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
E. Monitoring of the various business and support processes that make up the operation in GFNorte through Process Controllers and Management, to report periodically on compliance and identifying where areas of opportunity for timely remediation.
F. As a result of the mergers of different entities of Grupo Financiero Banorte the monitoring process and activities related with internal control were unified, strengthening the security and process control.

- **Treasury Policy**

GFNorte's Banking Sector Treasury is the central unit in charge of balancing its resource needs, monitoring and managing the regulatory levels, eliminating the rate risk of fixed-rate placement operations by using coverage and implementing arbitrage strategies.
The cash currencies and investment in securities are in Mexican pesos and U.S. dollars and euros.

- **Internal and External Liquidity Sources**

The internal liquidity sources, in local as well as foreign currency, come from the various deposit products that the institution offers its customers: checking accounts and term deposits. Another source is the sales of the institution's assets.

External liquidity sources include various mechanisms to access the debt and capital markets. For instance, issuing credit titles, loans from other institution including the Central Bank and international agencies, as well as issuing subordinate debts. This concept also considers the liquidity that the bank obtains by reporting the securities the institution has that are feasible for this type of operation.

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

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

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

iii. 20% of recurring net income in the event that profit growth is greater than 21%.

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of June 30th, 2013 and March 31st, 2013, the loans granted to related parties totaled Ps 6.67 and Ps 10.77 billion, respectively.

- **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.

Dr. Alejandro Valenzuela del Río
Chief Executive Officer of Grupo Financiero Banorte, S. A. B. de C. V.

Ing. Rafael Arana de la Garza
Chief Financial Officer

Lic. Benjamín Vidargas Rojas
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

C.P. Nora Elia Cantú Suárez
Deputy Managing Director of Accounting and Fiscal

- **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 31th, 2011. 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.

In order to comply with the new general provisions applicable to the financial information of holding companies, since 1Q01, the Quarterly Report provides consolidated information for the financial group including insurance and annuities.

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 3rd, 2006, March 28th, 2006, September 15th, 2006, December 6th, 2006, December 8th, 2006 and January 12th, 2007, March 23rd, 2007, April 26th, 2007, November 5th, 2007, March 10th, 2008, August 22nd, 2008, September 19th, 2008, October 14th, 2008, December 4th,2008, April 27th, 2009, May 28th, 2009, June 11th , August 12nd, October 16th,2009, 2009, November 9th , 2009, December 24th, 2009 and January 27th, 2011, February 10th,2010, April 9th and 15th, 2010, May 17th, 2010, June 28th,2010, July 29th, 2010, August 19th, 2010, September 9th and 28th, 2010, October 25th, 2010, November 26th, December 20th, 2010, January 24th and 27th, 2011, March 4th , 2011, April 21st, 2011, July 5th, 2011, August 3rd and 12th, 2011, September 30th, 2011, October 5th and 27th, 2011, December 28th, 2011 and June 19th, 2012. 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 Información Financiera NIF), emitted 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.