Grupo Financiero Banorte

Financial Information as of September 30th, 2011

3Q11

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WORLD FINANCE BANKING AWARDS 2011
"Best Commercial Bank in Mexico 2011"

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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 Ps. 2.1 billion in 3Q11 and Ps. 6 billion in 9M11; Ixe contributes with Ps. 373 million up to 3Q11.

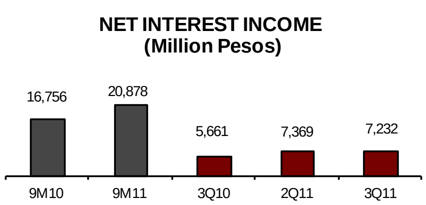
Operating Results (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10	LTM 3Q11	Change LTM
Net Interest Income	5,661	7,369	**7,232**	(2%)	28%	16,756	**20,878**	25%	26,854	20%
Non Interest Income	2,949	2,979	**3,564**	20%	21%	8,375	**9,153**	9%	12,474	11%
Total Income	8,610	10,348	**10,795**	4%	25%	25,131	**30,031**	19%	39,328	17%
Non Interest Expense	4,296	5,965	**5,814**	(3%)	35%	12,876	**16,410**	27%	21,225	21%
Provisions	1,905	1,318	**1,650**	25%	(13%)	5,014	**4,306**	(14%)	6,181	(9%)
Operating Income	2,410	3,065	**3,332**	9%	38%	7,241	**9,315**	29%	11,921	28%
Net Income	1,711	2,048	**2,142**	5%	25%	4,947	**6,004**	21%	7,762	20%

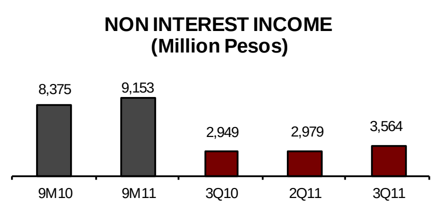
- **Net Interest Income**

During 9M11, *Net Interest Income* totaled Ps 20.88 billion, a 25% YoY increase vs. 9M10 and 9% higher on a comparable basis (when excluding the Insurance and Annuities' companies and Ixe). Net Interest Income was Ps 7.23 billion in 3Q11, a (2%) decrease compared to 2Q11 due to a 50% decline in net interest income from the Insurance and Annuities' companies, although it grew by 5% QoQ when excluding this impact. The quarterly NII increased by 28% in 3Q11 and by 10% vs. 3Q10 on comparable basis without the impact of the Insurance and Annuities' companies and Ixe.

- **Non Interest Income**

Non Interest Income was Ps 9.15 billion during 9M11, a 9% YoY increase, driven mainly by growth of 44% in Other Operating Income and Expenses, as well as by 7% in Trading revenues. On a quarterly basis, Non Interest Income totaled Ps 3.56 billion, growing by 20% QoQ vs. 2Q11 as a result of a 3% increase in Service Fees and 291% in Trading revenues. Non Interest Income grew by 21% vs. 3Q10 mainly as a result of integrating Ixe's operations. On a comparable basis, when excluding the accounting reclassifications and the merger with Ixe, Non Interest Income grew by 3% vs. 3Q10, even though it still declines in 9M11 due to the impact of regulation on Service fees.



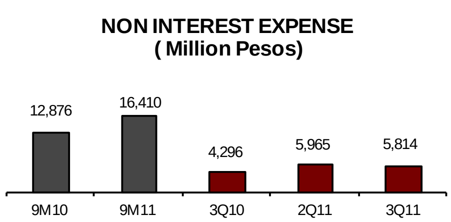


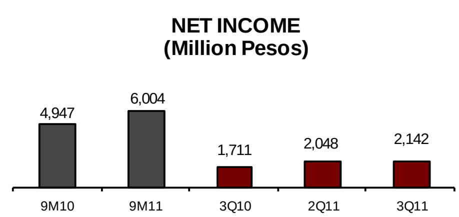
- **Non Interest Expense**

In 9M11, *Non Interest Expense* totaled Ps 16.41 billion, a 27% YoY increase vs. 9M10 as a result of integrating Ixe's expenses, as well as the restructuring costs; when excluding these one offs, the increase in expenses was 9% YoY. The (3%) QoQ decrease is a result of lower Personnel Expenses and the 35%YoY growth vs. 3Q10 is due to the integration of Ixe's expense base. Expenses decline by (0.5%) QoQ compared to 2Q11 when excluding the restructuring costs during both quarters and 5% YoY on a comparable basis. The Efficiency Ratio was 54.6% in 9M11 & 53.9% during 3Q11, and 50.6% in 9M11 & 49.4% during 3Q11 on a comparable basis.

- **Loan Loss Provisions**

In 9M11 *Loan Loss Provisions* reached Ps 4.31 billion, (14%) less than in 9M10, and Ps 1.65 billion in 3Q11, a decline of (13%) YoY and a 25% QoQ increase. The annual decrease is mainly due to an improvement in the quality in the Credit Card and Commercial portfolios, as well as to the extraordinary impact of the provisions created in 2010 to reserve the loan to Mexicana de Aviación. The quarterly increase vs. 2Q11 is due to higher provisions in the Government portfolio; which was partially offset by the reduction in most of the segments in the consumer portfolio.





- **Net Income**

GFNorte's Net Income was Ps 6.0 billion during 9M11, 21% higher compared to the same period in 2010, and Ps 2.14 billion during 3Q11, a 5% QoQ increase vs. 2Q11 and a 25% YoY increase vs. 3Q10; in all cases as a result of higher Total Income. When excluding the restructuring charges related to the merger with Ixe, the recurring Net Income was Ps 2.20 billion in 3Q11 and Ps 6.28 billion in 9M11, growing by 8% QoQ and by 27% YoY. Accumulated profits for the last 12 months were Ps 7.76 billion, 20% higher compared to the same period of 2010 and 16% more compared to the profits of Ps 6.705 billion in 2010.

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Income Statement and Balance Sheet Highlights-GFNorte (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10	LTM 3Q11	Change LTM
Income Statement										
Net Interest Income	5,661	7,369	**7,232**	(2%)	28%	16,756	**20,878**	25%	26,854	20%
Non Interest Income	2,949	2,979	**3,564**	20%	21%	8,375	**9,153**	9%	12,474	11%
Total Income	8,610	10,348	**10,795**	4%	25%	25,131	**30,031**	19%	39,328	17%
Non Interest Expense	4,296	5,965	**5,814**	(3%)	35%	12,876	**16,410**	27%	21,225	21%
Provisions	1,905	1,318	**1,650**	25%	(13%)	5,014	**4,306**	(14%)	6,181	(9%)
Operating Income	2,410	3,065	**3,332**	9%	38%	7,241	**9,315**	29%	11,921	28%
Net Income Before taxes	2,525	3,104	**3,293**	6%	30%	7,524	**9,303**	24%	11,945	24%
Taxes	628	810	**888**	10%	41%	2,086	**2,545**	22%	3,265	26%
Subsidiaries & Minority Interest	(70)	(207)	**(302)**	46%	329%	(209)	**(767)**	267%	(895)	258%
Net Income	1,711	2,048	**2,142**	5%	25%	4,947	**6,004**	21%	7,762	20%
Balance Sheet										
Asset Under Management	703,298	1,072,218	**1,087,370**	1%	55%	703,298	**1,087,370**	55%		
Total Assets	589,783	778,717	**805,780**	3%	37%	589,783	**805,780**	37%		
Performing Loans (a)	254,280	311,931	**326,237**	5%	28%	254,280	**326,237**	28%		
Past Due Loans (b)	5,609	7,547	**7,953**	5%	42%	5,609	**7,953**	42%		
Total Loans (a+b)	259,889	319,478	**334,189**	5%	29%	259,889	**334,189**	29%		
Total Loans Net (d)	252,252	309,282	**323,640**	5%	28%	252,252	**323,640**	28%		
Acquired Collection Rights (e)	2,183	4,105	**3,887**	(5%)	78%	2,183	**3,887**	78%		
Total Loans (d+e)	254,435	313,388	**327,528**	5%	29%	254,435	**327,528**	29%		
Total Liabilities	542,001	705,859	**730,565**	4%	35%	542,001	**730,565**	35%		
Total Deposits	287,512	335,369	**348,061**	4%	21%	287,512	**348,061**	21%		
Demand Deposits	133,824	160,981	**169,650**	5%	27%	133,824	**169,650**	27%		
Time Deposits	153,688	174,388	**178,411**	2%	16%	153,688	**178,411**	16%		
Equity	47,783	72,859	**75,215**	3%	57%	47,783	**75,215**	57%		

Financial Ratios GFNorte	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Profitability:								
NIM (1)	4.1%	4.2%	**4.0%**	(0.2 pp)	(0.1 pp)	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	2.7%	3.4%	**3.1%**	(0.3 pp)	0.4 pp	2.9%	**3.3%**	0.4 pp
ROE (3)	15.8%	12.4%	**12.6%**	0.2 pp	(3.2 pp)	15.5%	**14.0%**	(1.5 pp)
ROA (4)	1.2%	1.1%	**1.1%**	0.0 pp	(0.1 pp)	1.1%	**1.1%**	(0.0 pp)
Operation:								
Efficiency Ratio (5)	49.9%	57.6%	**53.9%**	(3.8 pp)	4.0 pp	51.2%	**54.6%**	3.4 pp
Operating Efficiency Ratio (6)	2.9%	3.4%	**2.9%**	(0.4 pp)	0.0 pp	3.0%	**3.1%**	0.2 pp
Liquidity Ratio (7)	91.7%	107.2%	**104.9%**	(2.3 pp)	13.2 pp	91.7%	**104.9%**	13.2 pp
Asset Quality:								
Past Due Loan Ratio	2.2%	2.4%	**2.4%**	0.0 pp	0.2 pp	2.2%	**2.4%**	0.2 pp
Coverage Ratio	136.2%	135.1%	**132.6%**	(2.5 pp)	(3.5 pp)	136.2%	**132.6%**	(3.5 pp)
Past Due Loan Ratio w/o Banorte USA	1.9%	2.3%	**2.3%**	0.0 pp	0.4 pp	1.9%	**2.3%**	0.4 pp
Coverage Ratio w/o Banorte USA	153.6%	139.8%	**138.7%**	(1.1 pp)	(14.9 pp)	153.6%	**138.7%**	(14.9 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) Annualized earnings as a percentage of the average quarterly equity over the period.
4) Annualized earnings as a percentage of the average quarterly assets over the period.
5) Non Interest Expense / (Total Operating Income – Margin + Loan Loss Provisions)
6) Annualized Non Interest Expense / Average Total Assets.
7) Liquid Assets / Liquid Liabilities (Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale) / (Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks).

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

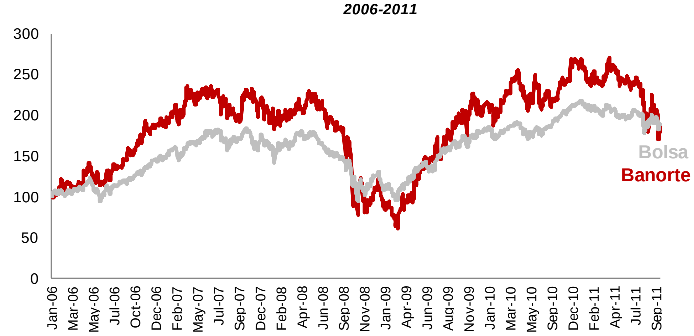
Subsidiaries Net Income (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10	LTM 3Q11
Banking Sector	**1,387**	**1,654**	**1,706**	**3%**	**23%**	**4,058**	**4,820**	**19%**	**6,148**
Banco Mercantil del Norte (1)	1,387	1,535	1,555	1%	12%	4,058	4,549	12%	5,878
Ixe Banco	-	119	152	27%	-	-	271	-	271
Broker Dealer	**66**	**95**	**81**	**(15%)**	**22%**	**219**	**273**	**25%**	**457**
Banorte-Broker Dealer	66	57	55	(5%)	(17%)	219	209	(4%)	393
Ixe-Broker Dealer	-	27	13	(50%)	-	-	40	-	40
Ixe Fondos	-	11	13	20%	-	-	23	-	23
Long Term Savings	**131**	**124**	**141**	**14%**	**7%**	**341**	**393**	**15%**	**496**
Retirement Funds (Afore)	70	51	41	(20%)	(42%)	156	133	(15%)	186
Insurance	61	70	83	19%	36%	184	249	35%	294
Annuities	1	3	17	488%	2847%	1	11	1050%	16
Other Finance Companies	**152**	**198**	**196**	**(1%)**	**30%**	**372**	**544**	**46%**	**672**
Leasing and Factoring (2)	127	159	167	5%	32%	333	465	40%	575
Warehousing	24	9	13	46%	(49%)	40	32	(19%)	49
Ixe Automotriz	-	13	2	(80%)	-	-	15	-	15
Ixe Fincasa Hipotecaria	-	18	14	(22%)	-	-	32	-	32
Other Companies									
Ixe Soluciones	-	(18)	6	(131%)	-	-	(13)	-	(13)
Ixe Servicios	-	2	2	(4%)	-	-	4	-	4
G. F. Banorte (Holding)	**(26)**	**(6)**	**9**	**(251%)**	**(137%)**	**(43)**	**(16)**	**(62%)**	**(2)**
Total Net Income	**1,711**	**2,048**	**2,142**	**5%**	**25%**	**4,947**	**6,004**	**21%**	**7,762**

1) Considering a participation of 97.06% in 3Q06, 97.07% in 3Q09, and 92.72% as of 4Q09, remaining at that level since then. This figure reflects the investment by the IFC in Banco Mercantil del Norte when the transaction was completed in 4Q09.N.A. = Not Applicable.
2) The merger of Leasing and Factoring became effective as of January 31, 2008

Share Data	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Earnings per share (Pesos)	0.85	0.88	**0.92**	5%	9%	2.45	**2.58**	5%
Dividend per Share (Pesos)	0.00	0.18	**0.00**	(100%)	-	0.34	**0.35**	3%
Dividend Payout (Recurring Net Income)	0.0%	19.3%	**0.0%**	(100%)	-	15.0%	**18.8%**	25%
Book Value per Share (1) (Pesos)	21.75	28.65	**29.61**	3%	36%	21.75	**29.61**	36%
Total Shares Outstanding (Million Shares)	2,018.2	2,326.4	**2,326.4**	0%	15%	2,018.2	**2,326.4**	15%
Stock Price (Pesos)	47.71	53.30	**41.16**	(23%)	(14%)	47.71	**41.16**	(14%)
P/BV (Times)	2.19	1.86	**1.39**	(25%)	(37%)	2.19	**1.39**	(37%)
Market Capitalization (Million Dollars)	7,642	10,577	**6,939**	(34%)	(9%)	7,642	**6,939**	(9%)
Market Capitalization (Million Pesos)	96,288	123,995	**95,753**	(23%)	(1%)	96,288	**95,753**	(1%)

1) Excluding Minority Interest.
2) Profits 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
2006-2011



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RECENT EVENTS

- **GFNorte's Ordinary and Extraordinary Shareholders' Meetings.**

On October 17th, the Extraordinary and Ordinary Shareholders' Meetings were held in order to approve the creation of the Designations Committee, changes to the Dividend Policy, payment of dividends and an increase in the amount for the Shares' Repurchase Fund. The most relevant resolutions approved were:

1. Creation of a Designations Committee.

In the Extraordinary General Shareholders' Meeting, the creation of a Designations Committee was approved with the following functions: propose the candidates that will integrate the Board of Directors to the Shareholders' Assembly; issue an opinion about the candidates proposed for the CEO position; propose remunerations for members of the Board of Directors and Committees; as well as propose the removal of members of the Board of Directors, among others. The Committee will be comprised of 3 Board of Directors' members with 1 year terms, having the possibility of re-election. The Designations Committee will hold sessions at least once a year or whenever convened by the President.

2. Change in the Dividend Policy.

The Ordinary General Shareholders' Meeting approved to modify the Dividend Policy in order to align dividend payments to the Financial Groups' business performance. 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%.

3. Cash Dividend Payments.

During the same Shareholders' Meeting, a cash dividend payment was decreed for the amount of Ps 0.17 per share, payable as of October 24th from the Retained Earnings account. The decreed dividend corresponds to the first of three payments that will cover the amount of Ps 0.52 per share, the amount approved by the Board of Directors in its session held on July 25th.The Board of Directors will propose in subsequent Shareholders' Assemblies to decree additional dividends for a total amount of Ps. $0.35 per share, to be covered in two installments of Ps. $0.17 and Ps. $0.18 in February and May of 2012, respectively.

4. Increase in the amount of the Share Repurchase Fund.

In order to have a share repurchase fund that represents a greater percentage of the Group's market capitalization, an increase is proposed to the maximum amount of financial resources that may be applied for share repurchases during 2011. The proposal is to allocate the amount of Ps. 1.85 billion, charged against equity, in accordance with the Treasury's Policy for Stock Acquisitions and Sales.

- **Banco Mercantil del Norte's Extraordinary Shareholders' Meeting.**

The Shareholders' Meeting was held on October 3rd, to obtain authorization for the issuance of nonconvertible preferred subordinated Obligations up to an amount equivalent to $600 million US dollars, to be issued and placed in international markets according to Rule 144-A and Regulation S of the Securities Act of 1933 of the United States of America, and according to applicable legislation in the different jurisdictions in which the Subordinated Obligations are placed.

- **Banco Mercantil del Norte exercised the prepayment option of the Nonconvertible Subordinated Obligations expiring in 2016.**

In October, Banorte exercised the call option on the Non Convertible Subordinated Notes issued in 2006 and maturing in 2016 for an amount of $400 million US dollars, registered in the Luxemburg Stock Exchange. The payment of these Subordinated Obligations was carried out on October 13th. This prepayment demonstrates Banorte's financial strength in spite of the weak conditions of other financial systems and the volatility in international financial markets.

- **Strategic merger with Afore XXI.**

After the announcement on August 16th that GFNorte and the IMSS (Mexican Social Security Institute) had signed an agreement to pursue the merger of their respective retirement savings funds companies (Afores), on October 20th, GFNorte informed that Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte, signed a purchase agreement to acquire Prudential's shareholdings in Afore XXI. This purchase agreement is still subject to meeting certain conditions and the customary regulatory approvals. The acquisition of Prudential's shares was determined according to the average value of the total assets managed by Afore XXI's various Funds. The amount paid by Banorte for Prudential's shares amounts to approximately US$ 200 million.

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GRUPO FINANCIERO BANORTE

- **Banorte and Banjército join forces.**

On September 20th, the Banco Nacional del Ejército Fuerza Aérea y Armada, S.N.C. and Banco Mercantil del Norte, S.A. (Banorte), signed a Collaboration Agreement that will provide access to personnel of Mexico's armed forces to Banorte's nationwide infrastructure, as well as other benefits, such as access to the acquisition of Banorte's foreclosed properties with important discounts, and also assistance in Banjército's treasury operations.

- **Refinancing of some of GFNORTE's Subnational government exposures and results of applying the new methodology to reserve loans in this sector according to expected losses.**

On October 19th, 2011 GFNORTE informed that following the material event published on September 30th announcing its participation in the debt refinancing of the State of Coahuila, Banorte had also recently participated in the debt refinancing of the States of Aguascalientes and Sonora. The total amount of the refinanced debt with these three States amounts to Ps. $13.21 billion pesos, which represents 4% of GFNORTE's total Loan Portfolio at closing of September 2011. The main goal to refinance these liabilities was to provide the States with better terms and financial conditions, which will provide them with flexibility in the management of their fiscal resources. The maturities of the new loans range from 20 to 27 years 4 months, they have adequate coverage and in all cases the Federal Transfers (Participaciones Federales) are the main repayment source. It is also worth noting that no charge-offs or discounts were offered as part of these refinancings.

On the other hand, after applying the new methodology for the creation of Loan Loss Reserves for States and Municipalities according to expected losses, the impact on Banorte was a decrease in reserves. This was a result of the following strengths in Banorte's Loan Portfolio:

- ✓ 87% of the loans are secured by a Trust Guarantee and have Federal Transfers or other local source of income as a payment source.
- ✓ 79% have interest rate hedging during the term of the loan.
- ✓ 92% of the total portfolio are long-term loans and only 8% of the loans are unsecured short term loans.
- ✓ All loans have high coverage ratios of at least 2 to 1 times the debt service.
- ✓ The long-term loans are registered in the Public Debt Registry of the Ministry of Finance and Public Credit (SHCP).

GFNORTE also reported that it will continue to participate in future debt refinancing of other States and Municipalities as part of its strategy to provide comprehensive solutions to its customers and maintain the leadership that has characterized Banorte in financing to this sector.

- **Changes to the rating methodology for the loan portfolio of States and their Municipalities.**

On October 5th, 2011, the CNBV published a resolution modifying the general applicable dispositions to Credit Institutions, changing the rating methodology for the loan portfolio granted to States and their Municipalities. This resolution modifies the current model for reserves based on public ratings, in order to establish a methodology which rates and reserves the portfolio according to expected losses for the following 12 months taking into consideration the probability of non-fulfillment, severity of the loss and exposure to each client's nonfulfillment, included in Annex 18 of the mentioned Resolution. The resolution went into effect on October 6th, 2011 and is applicable optionally either during the third or fourth quarter of 2011. GFNorte opted to apply this methodology with figures for Banorte's loan portfolio to September 30th, 2011. As a result, GFNorte released Ps 87 million pre-tax in excess reserves which were calculated under the previous methodology. This cancellation of excess reserves was reflected in the fiscal year's results in accordance with such methodology. The amount of preventive reserves for credit risks in Banorte's loan portfolio calculated using the methodology referred in Annex 18 of the Resolution was Ps 96 million, and the amount of reserves required under the previous methodology was Ps 1,048 million, both using figures to September 30th, 2011.

- **Changes in Organizational Structure.**

During the month of October, Sergio Garcia Robles Gil, who has 17 years of service in this Institution, was designated as Managing Director of Corporate Affairs in charge of GFNorte's Regional Boards. Rafael Arana was named Chief Financial Officer in substitution of Mr. Garcia Robles Gil. Mr. Arana has a successful professional trajectory of more than 16 years in the financial sector, during the last five years as Deputy Chief Executive Officer of HSBC's Retail Banking Division for Latin America. He also served as Deputy Managing Director and Director of HSBC Mexico.

On September 23rd, changes were also announced in the organizational structure of Wholesale Banking. Alejandro Faesi, was designated as Managing Director of Markets and Institutional Sales; Carlos Arciniega Navarro as Managing Director of Treasury and René Pimentel as Managing Director of Business Development and Fundamental Analysis. Investment Banking and Structured Financing was assigned to Arturo Monroy, and Capital Markets' Investment Banking to Gerardo Tietzsch, both of whom will report directly to Marcos Ramírez and Enrique Castillo, Co-Managing Directors of Wholesale Banking.

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 (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Interest Income	10,944	12,615	**13,174**	4%	20%	32,247	**36,652**	14%
Insurance and Annuities-Interest Income	-	396	**485**	22%	-	-	**1,300**	-
Interest Expense	5,381	6,236	**6,565**	5%	22%	15,830	**17,835**	13%
Insurance and Annuities-Interest Expense	-	2	**(8)**	(592%)	-	-	**-**	-
Premium Income (Net)	-	3,925	**3,706**	(6%)	-	-	**11,253**	-
Net Increase in Technical Reserves	-	1,917	**2,080**	9%	-	-	**6,315**	-
Damages, Claims and Other Obligations	-	1,585	**1,711**	8%	-	-	**4,686**	-
Loan Origination Fees	137	214	**261**	22%	90%	439	**634**	44%
Fees Paid	39	41	**48**	15%	21%	101	**124**	24%
Net Interest Income	**5,661**	**7,369**	**7,232**	**(2%)**	**28%**	**16,756**	**20,878**	**25%**
Provisions	1,905	1,318	**1,650**	25%	(13%)	5,014	**4,306**	(14%)
Net Interest Income Adjusted for Credit Risk	**3,756**	**6,051**	**5,582**	**(8%)**	**49%**	**11,742**	**16,572**	**41%**
Average Interest Earning Assets	555,485	702,906	**720,040**	2%	30%	543,268	**672,986**	24%
Net Interest Margin (1)	4.1%	4.2%	**4.0%**	(0.2 pp)	(0.1 pp)	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	2.7%	3.4%	**3.1%**	(0.3 pp)	0.4 pp	2.9%	**3.3%**	0.4 pp

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

Since 1Q11, the new Accounting Criteria A-2 was implemented for the consolidation of the Insurance and Annuities companies. As a result, accumulated Net Interest Income since that quarter has been Ps 1.55 billion, while the results for 3Q11 were Ps 409 million, 50% less than the net result registered in 2Q11.

Million Pesos	3Q11	9M11
Interest Income	485	1,300
Premiums' Income (net)	3,706	11,253
- Interest Expense	-8	0
- Net increase in technical reserves	2,080	6,315
- Damages, claims and others	1,711	4,686
Net Result	$409	$1,552

During the first nine months of the year, Net Interest Income increased by 25% YoY from Ps 16.76 to Ps 20.88 billion as a result of greater loan volumes, a stable funding cost, as well as the extraordinary impacts of integrating the results of the Insurance and Annuities' companies and of Ixe Grupo Financiero. When excluding these two impacts, Net Interest Income grew by 9% as a result of a 17% increase in financial revenues linked to loan volumes driven by 15% growth in the loan portfolio (excluding Ixe), especially in segments with more contribution to NII such as Payroll loans, as well as a stable funding cost due to a 13% YoY increase in core deposits (excluding Ixe).

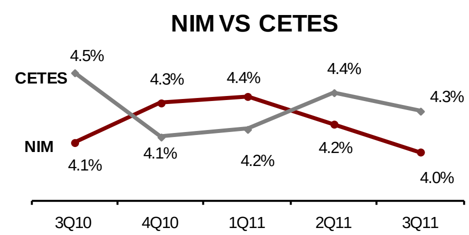
During 3Q11, Net Interest Income grew by 28% YoY to Ps 7.23 billion, driven mainly by the extraordinary impact of the merger with Ixe, as well as the effect of consolidating the Insurance and Annuities' companies in accordance to accounting Criteria A-2. On a comparable basis, Net Interest Income grew by 10% compared to 3Q10 as a result of greater loan volumes in products with higher contribution to financial revenues, as well as an increase in fees charged for loan originations and a stable funding cost.

Net Interest Income for 3Q11 declined by (2%) QoQ, compared to 2Q11 due to a 50% decline in financial revenues contributed by the Insurance and Annuities' companies, although when excluding this impact, it increased by 5% due to growth in volumes and improvement in the portfolio mix.

The average NIM, including the results of the Insurance and Annuities' companies, was 4.1% during 9M11, without change compared to the same period of the previous year. During the quarter, NIM was 4.0%, a (-0.2) pp reduction compared to 2Q11 and (-0.1) pp compared to 3Q10. On an annual basis, NIM was impacted by the integration of Ixe's average productive assets. The quarterly decline in NIM during 3Q11 vs. 2Q11 is due to the reduction in net revenues of the Insurance and Annuities' companies, which caused a decline in financial revenues, while average productive assets continued to grow.

Average NIM adjusted for Credit Risks was 3.3% in 9M11, an increase of 0.4 pp YoY compared to 9M10. In 3Q11, average NIM adjusted for risks was 3.1%, (0.3) pp vs. 2Q11 and +0.4 pp compared to 3Q10. The annual improvement in this ratio was a result of growth in Net Interest Income and an important decline in Provisions derived from an improvement in the quality of the portfolio. On a quarterly basis, the decrease vs. 2Q11 is mainly due to an increase in provisions and the reduction in Net Interest Income.

Loan Loss Provisions represented 20.6% of the Net Interest Income in 9M11 and 22.8% of the NII in 3Q11, comparing favorably to the 30% in 9M10 and a 4.9 pp increase compared to 2Q11.



- **Provisions**

Provisions charged to results created during the first nine months were Ps 4.31 billion, a (14%) YoY decline as a result of lower requirements in the Corporate portfolio (Ps 689 million were created in provisions for the Gamma de Servicios loan, a subsidiary of Mexicana de Aviación, during 9M10), as well as lower provisions for the Commercial and Credit Card portfolios. On a quarterly basis, provisions were Ps 1.65 billion, a reduction of (13%) QoQ compared to 3Q10 as a result of reduced requirements in the Corporate portfolio (Ps 616 million in provisions were created during 3Q10 for the Mexicana de Aviación loan) and fewer provisions for Credit cards; in a quarterly comparison vs. 2Q11 the 25% increase was due to higher provisions for the Government portfolio, which was partially offset by the reduction in most segments of the consumer portfolio.

Annual accumulated loan loss provisions for 9M11 represented 2.0% of the average loan portfolio, (0.8) pp less than in 9M10. On a quarterly basis, annual loan loss provisions represented 2.1% of the average loan portfolio, a (1.0) pp YoY decrease and +0.3 pp QoQ.

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Services	1,717	1,741	**1,796**	3%	5%	4,956	**5,005**	1%
Recovery	260	284	**260**	(8%)	0%	679	**764**	13%
Trading	331	219	**859**	291%	160%	1,496	**1,595**	7%
Other Operating Income (Expense)	642	734	**649**	(12%)	1%	1,244	**1,789**	44%
Non Interest Income	**2,949**	**2,979**	**3,564**	**20%**	**21%**	**8,375**	**9,153**	**9%**

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

Non Interest Income (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Fees Charged on Services	**2,366**	**2,808**	**2,784**	**(1%)**	**18%**	**6,767**	**7,859**	**16%**
Fees for Commercial and Mortgage Loans	4	13	**17**	38%	365%	9	**33**	253%
Fund Transfers	96	104	**108**	4%	13%	290	**305**	5%
Account Management Fees	256	279	**314**	12%	22%	752	**848**	13%
Fiduciary	75	82	**80**	(3%)	6%	226	**236**	5%
Income from Real Estate Portfolios	260	284	**260**	(8%)	0%	679	**764**	13%
Electronic Banking Services	210	211	**224**	6%	7%	729	**638**	(12%)
Credit Card Fees	659	709	**748**	6%	14%	1,892	**2,158**	14%
Fees from IPAB (1)	0	-	**-**	-	(100%)	0	**-**	(100%)
Fees charged by Afore	330	325	**351**	8%	7%	914	**980**	7%
Other Fees Charged (2)	475	801	**681**	(15%)	43%	1,276	**1,896**	49%
Fees Paid on Services	**389**	**784**	**728**	**(7%)**	**87%**	**1,132**	**2,090**	**85%**
Fund transfers	7	9	**9**	(0%)	29%	21	**27**	29%
Other Fees Paid	382	775	**719**	(7%)	88%	1,111	**2,062**	86%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**1,977**	**2,025**	**2,056**	**2%**	**4%**	**5,635**	**5,769**	**2%**
Trading Income	**331**	**219**	**859**	**291%**	**160%**	**1,496**	**1,595**	**7%**
Subtotal Other Operating Income (Expenses) (3)	246	362	**306**	(15%)	24%	809	**903**	12%
Non Operating Income (Expense), net (4)	395	248	**207**	(16%)	(48%)	435	**513**	18%
Other Operating Income (Expense) from Insurance and Annuities (5)	-	125	**136**	9%	-	-	**373**	-
Other Operating Income (Expenses)	**642**	**734**	**649**	**(12%)**	**1%**	**1,244**	**1,789**	**44%**
Non Interest Income	**2,949**	**2,979**	**3,564**	**20%**	**21%**	**8,375**	**9,153**	**9%**

1) Includes Fees received by Recovery Banking and by the Bank.
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).

During 1Q11, the new Accounting Criteria A-2 was implemented in order to consolidate the Insurance and Annuities companies and D-2 to report "Other Operating Income (Expenses)" in the Income Statement. As a result, starting in 1Q11, "Non Operating Income, (Expenses) net", which was previously reported after "Operating Income", is now reported as "Non Interest Income", and "Other Operating Income (Expenses) from Insurance and Annuities" which was previously consolidated under the participation method, is now included in the results of the Financial Group. Both items are registered under "Other Operating Income (Expenses)."

In the first nine months, Non Interest Income totaled Ps 9.15 billion, increasing by 9% YoY due to a 44% increase in Other Operating Income and Expenses mainly due to higher recoveries in the proprietary portfolio, as well as to the accounting reclassifications carried out during 1Q11 to include Other Income and Expenses and revenues from the Insurance and Annuities' companies. The result was also favored by higher trading revenues. When excluding the impact of the accounting reclassifications, Non Interest Income grew by 4% vs. 9M10, although it declined when excluding the positive impact from including Ixe's Non Interest Income.

On a quarterly basis, Non Interest Income was Ps 3.56 billion, increasing by 20% QoQ compared to 2Q11 due to the increase in Service Fees and trading revenues. On an annual basis, Non Interest Income grew by 21% YoY vs. 3Q10 mainly as a result of the impact of the accounting reclassifications and the merger with Ixe. Non Interest Income increased by 3% when eliminating both effects.

- **Service Fees**

During 1Q11, the pending regulatory changes came into effect according to Circular 22/2010 issued by the Bank of Mexico (Central Bank) during the second half of 2010 to eliminate or limit service fees in certain items. Some dispositions of this Circular came into effect during August 2010, and others on January 3rd, 2011, mainly the reduction in overdraft fees.

During the first nine months of the year, Service Fees totaled Ps 5.01 billion, 1% higher vs. 9M10 due to the integration of service fees generated by Ixe, as well as to the following increases: i) 49% in Other Service Fees Charged due to increased business volumes for Banorte-Ixe in areas such as Wholesale Banking, ii) 14% in Card Credit fees due to the 10% expansion in the Credit card portfolio and the 17% increase in revenues from client transactions, iii) 13% in account management fees driven by clientele growth and iv) 7% in service fees charged by the Afore as a result of a 10% increase in Assets Under Management. Growth in these items was partially offset by the (12%) reduction in electronic banking fees as a result of regulatory changes, and by an 85% increase in Fees Paid as a result of greater interchange fees paid, mainly to Visa and MasterCard, as a consequence of greater credit and debit cards transactions by our clients. Service Fees declined by (14%) YoY vs. 9M10 when excluding the impact of the merger with Ixe, mainly due to the negative effect of regulatory changes.

In 3Q11, Service Fees were Ps 1.80 billion, increasing by 3% QoQ mainly due to the 12% increase in Account Management fees as a consequence of growth in volumes, an 8% growth in Afore fees due to an increase of 3% in AUMs and 6% growth in Card Credit and Electronic Banking Service fees. These increases were partially offset by a 15% decline in Other Fees resulting from less activity in Wholesale banking as a result of the uncertain environment.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loans and foreclosed assets classified under "Other Operating Income and Expenses") grew by17% YoY in 9M11 due to a 13% increase in real estate portfolio recoveries, which include income related to investment projects with home developers, as well as a 13% increase in recoveries of previously written-off loans and 39% growth in revenues from recoveries of acquired portfolios. Recoveries declined by (15%) QoQ vs. 2Q11 mainly due to the (30%) reduction in previously written-off proprietary loans and an (8%) decline in real estate portfolio recoveries. The 1% YoY growth compared to 3Q10 is due to a slight increase in recoveries from previously written-off loans.

At closing of 3Q11, the amount invested in projects totaled Ps 6.52 billion, an increase of 17% compared to 2Q11 and 52% vs. 3Q10.

- **Trading**

Trading revenues for 9M11were Ps 1.60 billion, a 7% YoY increase due to the consolidation of the Insurance and Annuities' companies in accordance with the accounting criteria issued by the CNBV in 1Q11, as well as the integration of Ixe's results during 2Q11, which were off-set by lower revenues from the Bank and from Banorte's Broker Dealer given market volatility.

Trading revenues generated in 3Q11 were Ps 859 million, increasing by 291% QoQ vs. 2Q11 mainly due to positive valuation impact in the Annuities' company as a result of higher inflation compared to the previous period, when deflation was registered. Trading revenues decrease by 160% YoY vs. 3Q10, mainly due to integrating Ixe's results and the consolidation of the Insurance and Annuities' companies.

- **Other Operating Income and Expenses**

As a result of applying the Accounting Criteria A-2 and D-2, the information for operations of Insurance and Annuities is shown under the item "Other Operating Income and Expenses", as well as the information that was previously shown under the item "Non Operating Income, Net".

During 9M11, Other Operating Income and Expenses were Ps 1.79 billion, a 44% YoY growth, resulting from higher recoveries of proprietary and acquired portfolios, as well as growth in Other Operating Income. This growth was also driven by Ps 373 million (21% of the total revenues in this item) corresponding to the reclassification of revenues from the Insurance and Annuities' operations. When excluding the revenues from this accounting reclassification and the revenues generated by Ixe, Other Operating Income and Expenses grew by 8% YoY compared to 9M10.

During 3Q11, Other Operating Income and Expenses were Ps 649 million, a (12%) QoQ decline due to a 30% decrease in recoveries of proprietary loans and foreclosed assets, as well as a 66% increase in Other Expenses. This was partially off-set by a 9% increase in Insurance and Annuities' revenues. Other Operating Income and Expenses grew by 1% YoY compared to 3Q10 due to the inclusion of Ps 136 million in Insurance and Annuities' revenues. When excluding these operations and revenues generated by Ixe, the decline was (23%) YoY mainly as a consequence of recognizing during 3Q10 the recovery of Ps 260 million of the investments made in the business joint venture with Comercial Mexicana during 2007.

Other Operating Income (Expenses) *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Subtotal Other Operating Income (Expenses)	**246**	**362**	**306**	**(15%)**	**24%**	**809**	**903**	**12%**
Loan Recovery	233	335	**243**	(28%)	4%	707	**835**	18%
Income from purchased assets	18	29	**10**	(64%)	(41%)	88	**66**	(25%)
Other Operating Income	(3)	(118)	**80**	(168%)	(2403%)	17	**82**	375%
Other Operating Income (Expense)	(1)	116	**(27)**	(124%)	3086%	(3)	**(81)**	2820%
Non Operating Income (Expense), net	**395**	**248**	**207**	**(16%)**	**(48%)**	**435**	**513**	**18%**
Other Revenues	406	286	**299**	5%	(26%)	739	**766**	4%
Other Recoveries	106	82	**107**	31%	1%	230	**319**	39%
Other (Expenses)	(116)	(119)	**(198)**	66%	71%	(534)	**(573)**	7%
Other Operating Income (Expense) from Insurance and Annuities	**-**	**125**	**136**	**9%**	**-**	**-**	**373**	**-**
Other Operating Income (Expenses)	**642**	**734**	**649**	**(12%)**	**1%**	**1,244**	**1,789**	**44%**

- **Non Interest Expense**

Non Interest Expense *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Personnel	1,688	2,575	**2,289**	(11%)	36%	5,149	**6,530**	27%
Professional Fees	298	517	**555**	7%	86%	954	**1,600**	68%
Administrative and Promotional	1,034	1,247	**1,276**	2%	23%	2,984	**3,500**	17%
Rents, Depreciation & Amortization	582	733	**796**	9%	37%	1,691	**2,136**	26%
Taxes other than income tax & non deductible expenses	210	325	**339**	4%	61%	630	**978**	55%
Contributions to IPAB	284	332	**342**	3%	20%	843	**977**	16%
Employee Profit Sharing (PTU) (1)	198	237	**217**	(9%)	9%	626	**689**	10%
Non Interest Expense	**4,296**	**5,965**	**5,814**	**(3%)**	**35%**	**12,876**	**16,410**	**27%**

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

During 9M11*, Non Interest Expense* was Ps 16.41 billion, a 27% YoY increase vs. 9M10 mainly as a consequence of the merger with Ixe. The increase was in all expense items, with the main changes as follows: i) Ps 1.38 billion in Personnel Expenses (+27%) as a result of integrating Ixe's expense base and growth in the business areas, as well as the payment of incentives linked to results and adjustments to provisions of long term retention and indemnification plans; ii) Ps 646 million in Professional Fees Paid (+68%) as a result of more advisory services linked to the business, the merger process with Ixe, and to the development of technology; iii) Ps 516 million in Administration and Promotional Expenses (+17%) related to more credit card operations, advertising campaigns linked to the merger with Ixe and insurance payments related to mortgages and payroll loans and iv) Ps 445 million in Rents, Depreciations and Amortizations (+26%) due to the anticipated depreciation of 42 branches that were closed, the new furniture of some buildings and computer equipment, as well as more rents for offices as a result of growth in the branch network.

Non Interest Expense for 3Q11 was Ps 5.81 billion, (3%) QoQ decrease vs. 2Q11, mainly caused by lower Personnel Expenses as a result of the synergies captured from the merger with Ixe. Non Interest Expense grew by 35% YoY vs. 3Q10 due to the merger with Ixe, restructuring expenses linked to the merger, as well as growth in business and staff areas.

During the quarter, restructuring charges related to the merger with Ixe were Ps 106 million. On a comparable basis, when these costs are excluded, Non Interest Expense declines by (0.5%) QoQ vs. 2Q11 and grows by 5% YoY vs. 3Q10. Accumulated expenses related to the merger with Ixe have totaled Ps 466 million in 2011; when excluding these restructuring and merger costs, expenses grew by 9% YoY.

The Efficiency Ratio was 54.6% in 9M11 & 53.9% during 3Q11, and 50.6% in 9M11 & 49.4% during 3Q11 on a comparable basis.

- **Taxes**

Taxes in 9M11 were Ps 2.55 billion, a 22% YoY increase due to a higher tax base. Income taxes in 3Q11 totaled Ps 888 million, increasing by 41% YoY and by 10% QoQ compared to 2Q11 also as a result of a higher tax base. The effective tax and profit sharing (PTU) rate for 3Q11 was 31.1%, lower than the rate of 31.7% in 3Q10 and 31.7% registered in 2Q11. The effective accumulated rate for 9M11 was 32.3%, (2.1) pp less than the 34.5% rate registered during the same period in 2010.

- **Subsidiaries and Minority Interest**

During 9M11, subsidiaries and minority interest registered a loss of (Ps 767) million, compared to the (Ps 209) million loss registered during 9M10 driven by reduced profits in some Subsidiaries as a result of applying the accounting criteria A-2 to consolidate the Insurance and Annuities' companies line by line and not through the equity participation method as it was previously done, as well as a loss of (Ps 92) million in the Siefores' results. Also, Banco Mercantil del Norte's minority interest contribution to IFC was Ps 107 million higher as a result of increased profits in the banking subsidiary and the contribution to Generali was Ps15 million higher, due to greater earnings in the Afore.

On a quarterly basis, the (Ps 302) million loss is greater than the (Ps 207) million loss registered in 2Q11 due to a (Ps 28) million reduction in the Siefores' profits, a (Ps 35) million decline in Ixe Credit Cards' results and an increase in the Insurance and Annuities companies' minority interest as a consequence of higher earnings compared to the second quarter.

- **Net Income**

In 3Q11 GFNorte increased its profits for the 9th consecutive quarter. During the first nine months of the year, the Group registered net income of Ps 6.00 billion, 21% higher compared to 9M10. In 3Q11, the Group's net income was Ps 2.14 billion, a 5% QoQ and 25% YoY increase; in all cases as a result of higher Total Income. When excluding the restructuring expenses and the merger with Ixe in 3Q11, recurring net income was Ps 2.20 billion, a 29% YoY and 8% QoQ increase, while accumulated net income without restructuring expenses totaled Ps 6.28 billion, a 27% YoY increase. Accumulated net income for the last 12 months was Ps 7.76 billion, 20% higher than in the same period in 2010 and 16% higher compared with the accumulated profits of Ps 6.71 billion during 2010.

During this quarter, Banco Mercantil del Norte contributed with profits of Ps 1.56 billion, 72.6% of the Group's total profits, while the consolidated Banking Sector including Ixe Banco, registered Ps 1.711 billion or 79.7% of the Group's profits.

The return on equity (ROE) of GFNorte during 9M11 was 14.0%, (1.5) pp less compared 9M10, mainly as a result of the increase in the shareholders' equity from the merger. When excluding this impact, ROE rises to 16.7%. The return on assets (ROA) for 9M11 was 1.1%, unchanged compared to 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.

- **Capitalization**

Capitalization (Million Pesos)	3Q10	4Q10	1Q11	2Q11	3Q11	Change	
						QoQ	YoY
Tier 1 Capital	37,233	39,369	41,032	41,855	42,597	2%	14%
Tier 2 Capital	13,954	13,252	12,818	12,648	13,969	10%	0%
Net Capital	51,187	52,620	53,850	54,502	56,566	4%	11%
Credit Risk Assets	216,406	222,146	224,121	240,598	255,255	6%	18%
Net Capital / Credit Risk Assets	23.7%	23.7%	24.0%	22.7%	22.2%	(0.5 pp)	(1.5 pp)
Total Risk Assets (1)	308,862	326,481	335,188	351,590	363,323	3%	18%
Tier 1	12.05%	12.06%	12.24%	11.90%	11.72%	(0.2 pp)	(0.3 pp)
Tier 2	4.52%	4.06%	3.82%	3.60%	3.84%	0.2 pp	(0.7 pp)
Capitalization Ratio	16.57%	16.12%	16.07%	15.50%	15.57%	0.1 pp	(1.0 pp)

1. Includes Market and Operational Risks. Without inter-company eliminations.

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

At closing of 3Q11 the Capitalization Ratio was 15.6% considering credit, market and operational risks and 22.2% when only considering credit risks. The Tier 1 ratio was 11.7% and 3.8% for Tier 2.

The Capitalization Ratio increased by 0.07 percentage points (pp) vs. 2Q11, due to the following effects:

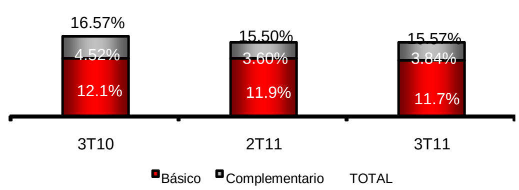
1)	Reinvestment of profits generated in 3Q11:	+ 0.5 pp.
2)	FX impact on Subordinated Obligations in Dollars:	+ 0.4 pp
3)	Increase in Risk Assets:	- 0.6 pp.
4)	Valuation of hedging instruments:	- 0.2 pp.

On an annual basis, the Capitalization Ratio for 3Q11 is (1.0 pp) lower than in 3Q10 due to the following:

1)	Effects of profits generated between 3Q10 and 3Q11:	+ 1.8 pp.
2)	FX impact on Subordinated Obligations:	+ 0.2 pp.
3)	Valuation of hedging instruments:	+ 0.1 pp.
4)	Increase in Risk Assets:	- 2.7 pp.
5)	Payment of Dividends:	- 0.2 pp.
6)	Valuation of Securitizations:	- 0.1 pp.
7)	Change in methodology for creating reserves in Consumer loans:	- 0.1 pp.

In March 2011, Banorte complied with the term required by the CNBV (36 months) to constitute the entire capital requirement for operational risk, which had a (0.3) pp impact in the period from 3Q10 to 3Q11 and (2.1) pp for the total requirement. Banorte has fully adopted the capitalization requirements established by the Mexican authorities and the international norms according to the Basle II rules.

% CAPITALIZATION



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

- **Deposits**

Deposits *(Million Pesos)*	**3Q10**	**2Q11**	**3Q11**	**Change QoQ**	**Change YoY**
Non Interest Bearing Demand Deposits	61,409	78,257	**82,616**	6%	35%
Interest Bearing Demand Deposits (1)	72,422	82,944	**88,035**	6%	22%
Total Demand Deposits (2)	133,831	161,201	**170,651**	6%	28%
Time Deposits – Retail	88,644	111,135	**115,589**	4%	30%
Core Deposits	222,475	272,336	**286,240**	5%	29%
Money Market (3)	65,421	61,032	**59,935**	(2%)	(8%)
Total Bank Deposits	**287,896**	**333,368**	**346,175**	4%	20%
GFNorte's Total Deposits (4)	**287,461**	**335,369**	**348,061**	4%	21%
Third Party Deposits	**156,341**	**140,005**	**134,817**	(4%)	(14%)
Total Assets Under Management	**444,236**	**473,373**	**480,992**	2%	8%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 3Q10, 2Q11 and 3Q11 were Ps 51 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 (3Q10 = Ps 435 million; 2Q11= Ps 2.001 billion; 3Q11= Ps 1.886 billion)

- **Deposits**

At closing of 3Q11, *Total Deposits* were Ps 348.1 billion, 21% higher YoY compared to 3Q10, driven by growth in all items (except Money Market) mainly due to the merger with Ixe. Demand deposits increased by 28% annually, Retail Time Deposits grew by 30% YoY and Money Market declined by (8%) YoY. The annual growth in Deposits when excluding the impact of the merger with Ixe was 8% YoY compared to 3Q10.

Total Deposits increased by 4% QoQ vs. 2Q11, driven by 5% growth in Core Deposits: Demand deposits grew by 6%, Retail Time Deposits increased by 4%; while Money Market declined by (2%).

- **Demand and Time Deposits**

At closing of 3Q11, Demand Deposits grew by 28% YoY, driven by a 35% annual growth in Non-Interest Bearing Demand Deposits due to the merger with Ixe and increased average balances registered in personal accounts at Banorte of 16% and at Ixe of 27%, as well as in corporate accounts at Banorte of 17%. The Annual growth for Interest Bearing Demand Deposits was 22% also driven by growth in personal accounts at Banorte of 20% and at Ixe of 38%, as well as in corporate accounts at Banorte of 20%. The combined deposits for SMEs, Government and Corporate grew by 15% annually.

On a quarterly basis, Demand Deposits grew by 6% vs. 2Q11. The 6% growth in Non-Interest Bearing Demand Deposits and in Interest-Bearing Demand Deposits is explained by higher balances in some products for individuals and corporates.

Retail Time Deposits grew by 30% YoY as a result of the merger with Ixe and the promotions to place promissory notes with different maturities through the branches. Retail Time Deposits increased by 4% QoQ due to the promotional campaigns for selling promissory notes and the increase in Ixe's time deposits.

As a result of the efforts to increase deposits, 763 thousand new accounts were opened in Banorte during 2011, an annual increase of 23%; and 43.5 thousand new accounts were opened in Ixe during 2011.

- **Money Market Deposits**

Money market deposit balances declined both annually and quarterly. The (8%) annual decline is due to less funding needs for loan growth through Banorte's promissory note sold through the money market, a mechanism that serves to compensate seasonal declines in demand deposits, as well as to provide the funding required by growth of credit assets. During the quarter, the Money Market declined by (2%) due to reduced funding through Banorte's promissory note in the face of a seasonal pick up in Core deposits during the second half of the year.

- **Third Party Deposits**

At closing of 3Q11, third party deposits were Ps 134.82 billion, a (14%) YoY and (4%) QoQ reduction from 2Q11.

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

- **Assets Under Management**

At closing of 3Q11, AUMs totaled Ps 479.7 billion, growing by 8% YoY and 1% QoQ from 2Q11 due to higher Core Deposits.

- **Loans.**

Performing Loan Portfolio *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY
Commercial	84,815	113,877	**114,842**	1%	35%
Consumer	80,976	90,954	**94,329**	4%	16%
Corporate	43,495	51,356	**53,663**	4%	23%
Government	44,443	55,421	**63,095**	14%	42%
Sub Total	253,728	311,607	**325,929**	5%	28%
Recovery Bank	552	324	**308**	(5%)	(44%)
Total	254,280	311,931	**326,237**	5%	28%

Performing Consumer Loan Portfolio *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY
Mortgages	53,788	60,315	**61,957**	3%	15%
Car Loans	8,004	8,866	**9,091**	3%	14%
Credit Cards	11,211	10,866	**11,129**	2%	(1%)
Payroll	7,974	10,907	**12,153**	11%	52%
Consumer Loans	80,976	90,954	**94,329**	4%	16%

(Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY
Past Due Loans	5,609	7,547	**7,953**	5%	42%
Loan Loss Reserves	7,637	10,196	**10,549**	3%	38%
Acquired Rights	2,183	4,105	**3,887**	(5%)	78%

- **Total Performing Loans**

Total Performing Loans increased by 28% YoY, growing Ps 72.2 billion to Ps 325.9 billion at closing of 3Q11, excluding the proprietary portfolio managed by the Recovery Bank. Banorte's Total Performing Loans grew by 15% YoY when excluding the impact of the merger with Ixe, as a result of greater demand for credit in the industry.

Total Performing Loans increased by 5% QoQ growing by Ps 14.32 billion due to an increase in all items.

The loan portfolio grew for the sixth consecutive quarter even without considering the merger with Ixe, a trend that had not been registered since prior to the crisis that began at the end of 2008.

Growth of the portfolio by items was:

- **Individual Loans**

  ✓ **Consumer + Mortgage:** increased by Ps 13.35 billion or 16% YoY compared to 3Q10 and Ps 3.38 billion or 4% QoQ vs. 2Q11 to Ps 94.33 billion as a result of favorable dynamics in mortgage, payroll and car loans, although on a quarterly basis the credit card portfolio also grew, confirming the trend that had been foreseen. The Consumer portfolio increased by 14% YoY vs. 3Q10 excluding the impact of the merger with Ixe.

- **Mortgage:** grew by Ps 8.17 billion or 15% YoY to Ps 61.96 billion, driven by the increase of mortgage sales for middle market home acquisition as a result of the new products launched, the reactivation of mortgage products for liquidity, improvement of loan conditions, construction, remodeling and payment of liabilities. In the quarter the portfolio grew by Ps 1.64 billion or 3% QoQ vs. 2Q11; during 3Q11 3,475 mortgages were sold with value of Ps 3.23 billion. The Mortgage portfolio grew by12% YoY vs. 3Q10 excluding Ixe. This product allows cross-selling of different insurance products, enhancing its profitability. Banorte's market share in originations as of July 2011 was 22% among the 7 main banks in the system.

- **Credit cards:** at closing of 3Q11 the balance of this portfolio reached Ps 11.13 billion, registering a slight reduction of (Ps 82) million or (1%) YoY as a result of write-offs applied to this portfolio and higher payments from clients, although it grows by Ps 263 million or 2% QoQ vs. 2Q11, the first quarterly increase after the 2008 crisis, as a result of the adequate management of the products' life cycle, an increase in the number of cards (92,632 during 3Q11, an increase of 7.5% vs. 2Q11), growth in billing and promotional campaigns of Banorte product offering. The placement of new cards grew by 21% annually during 9M11 and billing was Ps 19.74 billion during the year, growing by 17% annually as a result of campaigns to promote card usage and to charge purchases with interest free monthly payments. The profitability of the credit card product has increased considerably in the last 18 months, making it once again one of the most profitable in the bank. This has been achieved in spite of a considerable decline in the portfolio balance. At the end of the quarter, Banorte had 1.54 million cards, an increase of 10% YoY, showing a combined market share with Ixe to July 2011 of 6.8% among the 7 main banks in the system, an increase of 70 basis points in the last 12 months.

- **Payroll:** at closing of 3Q11, the portfolio had an annual growth of Ps 4.18 billion or 52% YoY and Ps 1.25 billion or 11% QoQ to Ps 12.15 billion, as a result of campaigns to promote the payroll product, a 15% annual increase in the number of the bank's payroll deposit clients to 3.41 million and the strategy to place more loans to clients in the government sector. New loans during 9M11 reached Ps 11.95 billion or 56% compared to 9M10, and Ps 4.35 billion during 3Q11 or 6% compared to 2Q11. Also, 159,286 new loans were placed during 3Q11, 35% more than in the same period in 2010 and 7% higher to the amount placed in 2Q11. Payroll loans continue to be the bank's most profitable product, showing vigorous growth during the last year and good portfolio quality. Market share in this segment is close to 14% among the 7 main banks, showing a slight increase in the last 12 months.

- **Car loans:** the portfolio grew by Ps 1.09 billion annually or 14% YoY and Ps 225 million or 3% QoQ in 3Q11 to Ps 9.09 billion due to a recovery in car sales in the country. Placement was also favored by alliances established with car distributors to finance their units. Production of new loans during 9M11 increased by 14% compared to the balance originated in the same period of the previous year; 27,245 new loans were placed during this period vs. 25,237 in 9M10. This product allows cross- selling for auto insurance, enhancing its profitability. Market share in this segment is almost 20% among the 7 main banks, showing an increase in the last 12 months, and Banorte has been positioned as the second most relevant bank in car lending in Mexico.

- **II. Loans to Institutions**

  - **Commercial:** grew by Ps 30.03 billion or 35% YoY mainly due to the merger with Ixe (the commercial portfolio represented more than two thirds of Ixe's portfolio) and by Ps 966 million or 1% QoQ vs. 2Q11 to Ps 114.84 billion. This annual and quarterly growth is also due to an increase in the placement of business loans, leasing and factoring, and the reactivation of the asset backed (Crediactivo) product for SMEs. The portfolio for SMEs rose to Ps 18.46 billion, growing by Ps 3.0 billion or 19% YoY. In the quarter, this portfolio increased by Ps 991 million or 6% QoQ vs. 2Q11. The Commercial portfolio grew by 7% YoY vs. 3Q10 excluding the impact of the merger with Ixe.

  - **Corporate:** at closing of 3Q11, the portfolio reached Ps 53.66 billion pesos, increasing Ps 10.17 billion or 23% YoY mainly due to the merger with Ixe and Ps 2.31 billion or 4% QoQ vs. 2Q11. This growth was driven by the reactivation of loans in this sector and the efforts of the corporate area to increase placement with new and existing clients, in addition to the merger with Ixe. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. The bank's 20 most important corporate exposures represent 13.9% of the total portfolio, declining by 30 basis points vs. 2Q11. The largest corporate loan represents 2.1% of the total portfolio, while number 20 represents 0.4% of the total portfolio. The corporate portfolio grew by 14% YoY vs. 3Q10 excluding the impact of the merger with Ixe. The market share in this segment as of July 2011 was 15.5% among the 7 main banks, showing an increase of 290 basis points in the last 12 months (this market share includes the commercial and corporate portfolios).

  - **Government:** at closing of 3Q11 the balance of this portfolio item was Ps 63.1 billion, growing by Ps 18.66 billion or 42% YoY and Ps 7.67 billion or 14% QoQ, as a result of the merger with Ixe, the efforts to continue satisfying the credit demand in this sector, especially with State governments, Municipal and Decentralized Organisms, as well as the refinancing of several clients' liabilities as part of a financial reengineering of their public finances.

Banorte's government loan portfolio is diversified by sectors and regions, and shows a low concentration. The bank's 20 most important government exposures represent 18.4% of the total portfolio, 0.2 percentage points more than in 2Q11. The largest loan represents 2.3% of the total portfolio, while number 20 represents 0.3%. Also, most of the loans granted by Banorte have federal transfers as a source of repayment and the borrowers have high credit ratings, making this sector one with the lowest risk profiles. The Government portfolio grew by 34% YoY vs. 3Q10 without including the impact for the merger with Ixe. Market share in this segment as of July 2011 was 22.3% among the 7 main banks, showing an increase of 370 basis points in the last 12 months.

- **Past Due Loans**

At closing of 3Q11, Past Due Loans totaled Ps 7.95 billion, growing by 42% YoY mainly due to the classification of the Mexicana de Aviacion loan as delinquent during 2010 and the incorporation of Ixe's past due loans and the increase in the NPLs in the government segment. The PDL portfolio shows a 5% QoQ increase due an increase in NPLs in the government segment as a result of the re-classification of a Government exposure as delinquent. It is important to note that this loan will be classified as performing once more once it shows sustained payment during three periods, according to the existing regulation.

In 3Q11, the PDL Ratio was 2.4%, 0.2 pp higher compared to the level registered in 9M10, remaining at the same level as in 2Q11. When excluding operations in the United States, Banorte's PDL Ratio was 2.3% in 9M11. The quality of the US bank's portfolio (INB) has improved considerably, resulting in a reduction of the PDL Ratio from 11.4% to 4.5% between 1Q10 and 3Q11.

The PDL ratios by segment during the last 12 months, including Ixe as from 2Q11, were:

	3Q10	1Q11	2Q11	3Q11
Credit Cards	9.3%	9.1%	9.4%	8.2%
Payroll	1.9%	1.5%	1.8%	1.8%
Car loans	1.4%	0.8%	1.0%	1.2%
Mortgage	1.9%	1.2%	1.4%	1.7%
Commercial	4.1%	4.1%	4.0%	3.7%
Corporate	0.1%	2.4%	2.4%	2.2%
Government	0.0%	0.0%	0.0%	0.8%

The balance of past due loans for Credit cards was Ps 998 million in 3Q11, a (Ps 157) million YoY decline and (Ps 129) million QoQ. Payroll Loans was Ps 218 million, increasing by Ps 66 million YoY and Ps 19 million QoQ. Car loans were Ps 127 million, (Ps 4) million less YoY, but Ps18 million higher QoQ. Mortgage was Ps 1.06 billion, Ps (1) million less YoY and Ps 197 million more QoQ. Commercial was Ps 3.12 billion, Ps 36 million more YoY, but (Ps 114) million less QoQ. Corporate was Ps 1.94 billion, Ps 1.91 billion higher YoY due to the classification of the Mexicana de Aviacion loan as delinquent, but (Ps 85) million lower QoQ. Government was Ps 501 million, Ps 500 million higher YoY and QoQ due to the classification of a State government loan as delinquent.

Changes in the quarterly PDL portfolio for Banorte, excluding Ixe, were:

Past Due Loan Variations (Million Pesos)	
Balance as of March, 2011	**6,711**
Transfer from Performing Loans to Past Due Loans	3,400
Portfolio Purchase	0
Renewals	(197)
Cash Collections	(410)
Discounts	(20)
Charge Offs	(1,178)
Foreclosures	(123)
Transfer from Past Due Loans to Performing Loans	(1,091)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	99
Balance as of June, 2011	**7,192**

In 3Q11, 42.8% of the new NPL formation corresponds to Consumer, 6.6% to Commercial / Middle market companies, 16.5% to Mortgage, 34.0% to Government, 0% to Corporate and the remainder to Recovery.

Regarding Loan Loss Reserves, 29% of the requirements correspond to Consumer, 17% to Commercial / Middle market companies, 12% to Mortgage, 30% to Government, 1% to Corporate, 11% to benefits and write-downs (among other items) and remainder of the balance corresponds to Ixe reserves.

With respect to write-offs, 66% correspond to the Consumer portfolio, 14% to Mortgage, 16% to Commercial and the remaining 3% to Recovery.

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

Risk Rating of Performing Loans as of 3Q11-GFNorte (Million Pesos)					
		LOAN LOSS RESERVES			
CATEGORY	LOANS	COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A	58,963	-	17	184	**201**
A1	152,106	701	-	-	**701**
A2	72,146	684	-	-	**684**
B	24,701	-	890	283	**1,173**
B1	11,983	198	255	-	**453**
B2	8,981	133	471	-	**604**
B3	8,965	912	-	-	**912**
C	3,149	-	701	364	**1,065**
C1	829	191	-	-	**191**
C2	1,285	601	-	-	**601**
D	1,820	356	855	50	**1,261**
E	2,604	2,270	228	101	**2,599**
Total	347,531				
Not Classified	(185)				
Exempt	145				
Total	347,491	6,046	3,418	982	**10,446**
Reserves					**10,549**
Excess / (Deficit)					**103**

Notes:

1.- The ratings of loans and reserves created correspond to the last day referred in the Balance Sheet at September 30th, 2011.
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 Mortgage and Consumer loans, Banorte uses the regulation described in the Official Gazette published on December 2, 2005, and for Commercial loans it uses internal methodologies approved by the CNBV.
3.- As of March 2011 new regulations came into effect to qualify the non-revolving consumer loans and housing mortgages, and as the above reserves of these segments is calculated according to the new provisions.
4.- The excess in preventive reserves, follow the rules issued by the CNBV, to regulate support programs, that were constituted mainly in UDIS Trusts.

Of the total Loan Portfolio, 82% is rated as Risk A, 15% as Risk B, 2% as Risk C and 1% as Risk D and E respectively.

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)	3Q11
Previous Period Ending Balance	**10,196**
Provisions charged to results	1,572
Created with profitability margin	-
Reserve Portfolio Sold	-
Other items	11
Charge offs and discounts:	
Commercial Loans	(255)
Consumer Loans	(725)
Mortgage Loans	(182)
Foreclosed assets	(150)
	(1,312)
Cost of debtor support programs	(4)
Valorization and Others	85
Loan Loss Reserves at Period End	**10,549**

- **Loan Loss Reserves**

At closing of 3Q11, loan loss reserves were Ps 10.55 billion, 3.5% higher than the balance registered at the end of 2Q11, since the Ps 1.57 billion provisions charged to results were higher than the Ps 1.31 billion of write-offs. The reserve coverage ratio was 132.6% at the end of 3Q11 (138.7% without considering INB).

- **Provisions for Loan Loss Reserves**

Reserve requirements in 3Q11 were Ps 1.65 billion, (13%) less YoY as a result of reduced requirements in the Corporate portfolio (in 3Q10 provisions included Ps 616 million for the Mexicana de Aviación loan) and fewer provisions for Credit cards. In a quarterly comparison vs. 2Q11 the 25% increase was due to higher provisions for the Government portfolio, which was partially offset by the reduction in most of the segments in the consumer portfolio.

In accordance with regulations issued by the National Banking and Securities Commission (CNBV), the bank created reserves against expected losses for mortgage and non-revolving consumer loans, in addition to higher reserves for leasing, factoring and credit card.

In the case of the loan portfolio to States and Municipalities, a new rating methodology came into effect in October 2011. This resolution modifies the existing model of reserves based on public ratings in order to establish a methodology under which the portfolio is rated and reserved according to expected losses for the following 12 months considering the default probability, severity of exposure to loss and exposure to default probability for each client. It came into effect on October 6, 2011 and is applicable optionally on the third or fourth quarter of 2011. GFNorte chose to apply this methodology based on September 30, 2011 figures.

IXE AND SUBSIDIARIES

(Data in Million Pesos)

I. MANAGEMENT ANALYSIS AND COMMENTS

During 3Q11 Ixe's subsidiaries reported profits of Ps. 202 million, which compares favorably with Ps. 171 million in 2Q11. The change is mainly explained by lower reserve requirements for the loan portfolio related to low delinquencies and regulatory changes in rating methodologies. On the other hand, expenses continue to fall as a result of the synergies generated from Personnel and Management expenses. This is reflected in an improvement in the Efficiency Ratio, at closing of 3Q11 was 81.6%, (2.7) pp and (21.3) pp lower than in 2Q11 and 3Q10, respectively.

In 3Q11, the Banking Sector contributed with 75% of Ixe's results, reporting Net Income of Ps. 152 million, a 27% QoQ increase compared to 2Q11. The Brokerage Sector (Ixe Casa de Bolsa and Ixe Fondos) reported a Ps. 26 million profit, decreasing compared to the previous quarter, while Other Finance Companies (including Ixe Soluciones) obtained a Ps. 22 million profit, 82% higher than in 2Q11 and the Services Sector reported a profit of Ps. 2 million pesos, the same level from the previous quarter.

Ixe's Subsidiaries

1. Income Statement – Ixe's Subsidiaries

Income Statement- Ixe's Subsidiaries *(Million Pesos)*	2Q11	3Q11	Change QoQ
NII before REPOMO	$551	$570	3.4%
+ REPOMO-Margin	-	-	n./a.
= NII before credit risks	**551**	**570**	**3.4%**
- Preventive provisions for Loan Losses	$62	$17	(72.7%)
- Loan Loss Sharing Provisions Fobaproa	-	-	n./a.
= NII adjusted for credit risks	489	553	13.1%
+ Non Interest Income	619	592	(4.4%)
= Total Income	1,108	1,145	3.3%
- Non Interest Expense	987	948	(4.0%)
= Total Operating Income	122	197	62.5%
- Non Operating Income, net	0	0	n./a.
= Income before Taxes and Profit Sharing	122	197	62.5%
- Income Tax and Profit Sharing	4	11	185.0%
- Tax on Assets	-	-	n./a.
+ Deferred Income Tax and Profit Sharing	-44	-42	(5.4%)
= Net Income before subsidiaries	162	228	40.9%
+ Subsidiaries' Net Income	9	-26	(395.5%)
= Net Income from continuous operations	171	201	18.1%
+ Extraordinary items, net	-	-	n./a.
- Minority interest	0	0	0.0%
= Total Net Income	**$171**	**$202**	**18.1%**

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

The following is a breakdown of the most important items of the Income Statement:

- **Net Interest Income**

Net Interest Income *(Million Pesos)*	**2Q11**	**3Q11**	**Change QoQ**
Interest Income	1,806	1,810	0.2%
Interest Expense	1,292	1,287	(0.4%)
Loan Fees Charged	40	49	23.9%
Loan Fees Paid	3	2	(17.9%)
Net Interest Income	551	570	3.4%
Average Productive Assets	105,897	109,627	3.5%
% Net Interest Income (NIM) (1)	**2.08%**	**2.08%**	0.0%

(1)NIM (net interest margin) = Annualized net interest income / average productive assets of the period.

During the third quarter of 2011, Net Interest Income increased by 3% QoQ vs.2Q11 as a result of reduced interest expense, with the greatest impact coming from interest charged on interbank loans (a 46% decrease or Ps. 112 million) due to the substitution of credit lines with a cost of TIIE+4 to TIIE+1.1. Additionally, income from lending activity showed a slight increase of 1.8% compared to the previous quarter.

Average NIM was 2.08%, the same level compared to the previous quarter, due to proportional growth of both Net Interest Income and Average Productive Assets.

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	**2Q11**	**3Q11**	**Change QoQ**
+ Fund transfers	3	4	33.3%
+ Account Management Fees	37	39	5.4%
+ Fiduciary	11	10	(9.1%)
+ Income from Real Estate Portfolios			n./a.
+ Electronic banking services	0	5	n./a.
+ Credit Card Fees	0	0	n./a.
+ Fees from IPAB			n./a.
+ Fees Charged by Afore			n./a.
+ Other Fees Charged (1)	518	467	(9.8%)
Fees charged for Services	**569**	**525**	**(7.7%)**
+ Fund Transfers	-	-	n./a.
+ Other Fees Paid	200	173	(13.3%)
+ Expenses from Real Estate Portfolios	-	-	n./a.
Fees paid for Services	**200**	**173**	**(13.3%)**
= Net Fees	**369**	**352**	**(4.7%)**
+ Foreign Exchange	104	157	51.1%
+ Trading	14	-183	(1,417.3%)
+ Securities – Unrealized Gains	79	248	211.7%

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

Non Interest Income *(Million Pesos)*	2Q11	3Q11	Change QoQ
= Trading Revenues	**198**	**222**	**12.3%**
Other operating revenues and expenses	**53**	**18**	**(65.3%)**
= Non Interest Income	**$619**	**$592**	**(4.4%)**

(1) Includes Mutual Funds' distribution fees, corporate finance, among others.

The following table identifies the sources of Non Interest Income:

Non Interest Income *(Million Pesos)*	2Q11	3Q11	Change QoQ
Services	$369	$352	(4.7%)
Recovery			n./a.
Trading	198	222	12.3%
Other Operating Income (Expenses)	53	18	(65.3%)
Non Interest Income	**$619**	**$592**	**(4.4%)**

In the third quarter of 2011, Non Interest Income totaled Ps 592 million, registering a (4%) QoQ decrease vs. 2Q11. The changes are driven mainly by:

- **Service Fees:** Decreased by (5%) QoQ or (Ps. 17) million mainly due to lower revenues of fees from Corporate Finance (Ps 33 million); this decrease was partially offset by lower fees paid to brokerage firms and technology services, as a result of using GFNorte's infrastructure.

- **Trading:** Reported a 12% QoQ increase compared to 2Q11 as a result of a better performance in the equity market resulting in a lower loss compared to 2Q11 (Ps. -2 million vs. Ps -20 million). Also, the derivatives market was boosted by the rise in the exchange rate.

- **Other Operating Income and Expenses:** The (65%) QoQ decrease compared to 2Q11 is mainly due to the extraordinary revenues from the proceeds of selling previously leased cars to the Ministry of Public Security.

- **Non Interest Expense**

Non Interest Expense *(Million Pesos)*	2Q11	3Q11	Change QoQ
Personnel Expense	$532	$481	(9.6%)
Professional Fees	64	60	(6.3%)
Administrative and Promotional Expense	181	198	9.2%
Rents, Depreciations and Amortizations	128	127	(0.8%)
Other taxes	52	52	1.8%
Contributions to IPAB	30	30	(1.9%)
Non Interest Expense	**$987**	**$948**	**(4.0%)**

During the third quarter of 2011, Non Interest Expense totaled Ps. 948 million, representing a (4%) QoQ decrease or (Ps. 39) million compared to 2Q11, as a result of lower Personnel expenses derived from the synergies materialized.

The efficiency ratio was 81.6% in September 2011, (2.8) pp lower than in 2Q11.

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

2. Ixe's Balance Sheet Items:

- **Performing Loan Portfolio**

Performing Loan Portfolio *(Million Pesos)*	2Q11	3Q11	Change QoQ
Commercial Loans	$24,567	$24,439	(0.5%)
Financial Intermediaries' Loans	4,742	4,264	(10.1%)
Government Entities' Loans	3,047	3,448	13.1%
Consumer Loans	550	558	1.4%
Mortgage Loans	1,553	1,499	(3.5%)
Subtotal	**34,460**	**34,207**	(0.7%)
Total Performing Loans	**$34,460**	**$34,207**	(0.7%)
Past Due Loans	836	761	(9.0%)
% Past Due Loan Ratio	**2.37%**	**2.18%**	(8.2%)

The Performing Loan portfolio decreased by (Ps. 253) million QoQ, from Ps 34.46 billion to a total balance of Ps. 34.21 billion. This decrease is mainly due to the natural maturing of the Financial Intermediaries' Loan Portfolio, additionally in September there was a prepayment of a factoring transaction with a Governmental entity for a total of Ps. 599 million.

At closing of the third quarter of 2011, past due loans registered a (9%) decrease vs. 2Q11, totaling Ps. 761 million. At the end of the third quarter of 2011, the NPL ratio was 2.2%, which compares favorably with the 2.4% registered during the second quarter of 2011. In 3Q11, the entity dedicated to asset recovery registered two payments in kind representing a decline in the portfolio of Ps. 133 million.

- **Deposits**

Deposits *(Million Pesos)*	2Q11	3Q11	Change QoQ
Non Interest Bearing Demand Deposits	$9,585	$9,588	0.0%
Interest Bearing Demand Deposits	4,108	4,072	(0.9%)
Total Demand Deposits	**13,693**	**13,660**	**(0.2%)**
Time Deposits – Retail	20,279	21,069	3.9%
Core Deposits	**33,972**	**34,729**	**2.2%**
Money Market (1)	1,193	338	(71.7%)
Total Bank Deposits	**$35,165**	**$35,067**	**(0.3%)**
Ixe GF's Total Deposits (2)	**$35,017**	**$34,884**	**(0.4%)**
Third Party Deposits	59	316	435.6%
Total Assets Under Management	**$35,076**	**$35,200**	**0.4%**

(1) Includes certificates of deposit and warrants.
(2) Includes eliminations between subsidiaries. Balances of such eliminations for 2Q11and 3Q11 were Ps 148 million and Ps 183 million, respectively.

At closing of the third quarter of 2011 Total Deposits were Ps 34.88 billion, being marginally lower than in 2Q11. However, it is important to emphasize that during 3Q11 four certificates of deposit expired for the amount of Ps. 755 million and a promissory note for Ps. 100 million.

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

1. FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

- **Ixe's Subsidiaries Stockholders' Equity**

Stockholders' Equity ***(Million Pesos)***	**2Q11**	**3Q11**	**Change QoQ**
Paid-in Capital	5,350	5,350	0.0%
Premium of Subscribed & Issued Shares	877	877	0.0%
Subscribed Capital	**$6,226**	**$6,226**	0.0%
Capital Reserves	343	344	0.3%
Retained Earnings	258	257	(0.3%)
Surplus (Deficit) from Valuation of Securities Available for Sale	46	29	(36.8%)
Results from Valuation of Hedging Instruments	-18	26	(250.3%)
Results from Conversions of Foreign Operations	4	15	313.9%
Net Result	-143	59	(141.3%)
Earned Capital	**$490**	**$731**	49.0%
Minority Interest	3	2	(11.5%)
Total Shareholders' Equity	**$6,719**	**$6,959**	3.6%

- **Banking Sector Capitalization Ratio**

Capitalization ***(Million Pesos)***	**2Q11**	**3Q11**
Tier 1 Capital	4,082	4,237
Tier 2 Capital	2,456	2,929
Net Capital	**$6,538**	**$7,166**
Credit Risk Assets	31,595	33,148
Market & Operational Risk Assets	12,001	11,882
Total Risk Assets	**$43,596**	**$45,031**
Net Capital / Total Risk Assets	20.69%	21.62%
Tier 1 Capital	9.36%	9.41%
Tier 2 Capital	5.63%	6.50%
Capitalization Ratio	**15.00%**	**15.91%**

At closing of September 2011, the Capitalization Ratio was 15.91% taking into consideration credit and market risks, and 21.62% considering only credit risks. The Tier 1 ratio was 9.41% while Tier 2 was 6.50%.

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

- **EARNINGS AND PERFORMANCE RATIOS**

Financial Ratios	2Q11	3Q11
Past Due Loan Ratio	2.4%	2.2%
Coverage Ratio	113.1%	109.4%
Operating Efficiency Ratio	3.5%	3.2%
ROE	10.1%	11.8%
ROA	0.6%	0.7%
Capitalization Ratio *		
1 (Net Capital / Credit Risk Assets)	20.7%	21.6%
2 (Net Capital / Credit and Market Risk Assets)	15.0%	15.9%
Liquidity	200.7%	200.6%
NIM	2.1%	2.1%
** Ratio corresponds only to the Bank.*		

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

BANKING SECTOR

The following are the Consolidated Financial Statements of the Banking Sector, which include Banco Mercantil del Norte (without the Afore which consolidates under equity participation method) and Ixe Banco.

Income Statement and Balance Sheet Highlights-Banking Sector *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Income Statement								
Net Interest Income	5,390	6,169	**6,428**	4%	19%	16,019	**18,270**	14%
Non Interest Income	2,397	2,653	**2,770**	4%	16%	6,785	**7,440**	10%
Total Income	7,787	8,821	**9,198**	4%	18%	22,804	**25,710**	13%
Non Interest Expense	3,887	5,081	**4,908**	(3%)	26%	11,665	**14,099**	21%
Provisions	1,892	1,291	**1,664**	29%	(12%)	4,938	**4,291**	(13%)
Operating Income	2,008	2,450	**2,626**	7%	31%	6,201	**7,320**	18%
Net Income Before taxes	2,085	2,520	**2,633**	4%	26%	6,371	**7,444**	17%
Taxes	514	691	**760**	10%	48%	1,826	**2,123**	16%
Subsidiaries & Minority Interest	77	70	**7**	(91%)	(92%)	170	**124**	(27%)
Net Income	1,571	1,829	**1,872**	2%	19%	4,545	**5,320**	17%
Balance Sheet								
Total Assets	563,287	665,900	**679,290**	2%	21%	563,287	**679,290**	21%
Performing Loans (a)	241,964	295,937	**310,746**	5%	28%	241,964	**310,746**	28%
Past Due Loans (b)	5,484	6,829	**7,368**	8%	34%	5,484	**7,368**	34%
Total Loans (a+b)	247,449	302,766	**318,115**	5%	29%	247,449	**318,115**	29%
Total Loans Net (d)	240,060	293,347	**308,193**	5%	28%	240,060	**308,193**	28%
Acquired Collection Rights (e)	2,183	2,477	**2,330**	(6%)	7%	2,183	**2,330**	7%
Total Loans (d+e)	242,243	295,824	**310,523**	5%	28%	242,243	**310,523**	28%
Total Liabilities	521,233	614,995	**626,633**	2%	20%	521,233	**626,633**	20%
Total Deposits	287,947	333,368	**346,175**	4%	20%	287,947	**346,175**	20%
Demand Deposits	133,882	161,201	**170,651**	6%	27%	133,882	**170,651**	27%
Time Deposits	154,065	172,167	**175,525**	2%	14%	154,065	**175,525**	14%
Equity	42,054	50,905	**52,657**	3%	25%	42,054	**52,657**	25%

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

Financial Ratios Banking Sector	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Profitability:								
NIM (1)	4.0%	4.0%	**4.1%**	0.1 pp	0.1 pp	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	2.6%	3.2%	**3.1%**	(0.1 pp)	0.4 pp	2.8%	**3.1%**	0.3 pp
ROE (3)	14.7%	14.4%	**14.4%**	0.1 pp	(0.2 pp)	14.5%	**14.2%**	(0.2 pp)
ROA (4)	1.1%	1.1%	**1.1%**	0.0 pp	0.0 pp	1.0%	**1.1%**	0.0 pp
Operation:								
Efficiency Ratio (5)	49.9%	57.6%	**53.4%**	(4.2 pp)	3.4 pp	51.2%	**54.8%**	3.7 pp
Operating Efficiency Ratio (6)	2.7%	3.3%	**2.9%**	(0.4 pp)	0.2 pp	2.8%	**3.0%**	0.2 pp
Liquidity Ratio (7)	90.2%	99.6%	**92.2%**	(7.4 pp)	1.9 pp	90.2%	**92.2%**	1.9 pp
Asset Quality:								
Past Due Loan Ratio	2.2%	2.3%	**2.3%**	0.1 pp	0.1 pp	2.2%	**2.3%**	0.1 pp
Coverage Ratio	134.7%	137.9%	**134.7%**	(3.3 pp)	(0.1 pp)	134.7%	**134.7%**	(0.1 pp)
Past Due Loan Ratio w/o Banorte USA	2.0%	2.2%	**2.2%**	0.0 pp	0.3 pp	2.0%	**2.2%**	0.3 pp
Coverage Ratio w/o Banorte USA	152.4%	143.4%	**141.4%**	(2.0 pp)	(11.0 pp)	152.4%	**141.4%**	(11.0 pp)
Growth (8)								
Performing Loans (9)	7.3%	27.9%	**28.6%**	0.6 pp	21.3 pp	7.3%	**28.6%**	21.3 pp
Core Deposits	7.9%	23.3%	**28.7%**	5.4 pp	20.8 pp	7.9%	**28.7%**	20.8 pp
Total Deposits	6.6%	19.6%	**20.2%**	0.6 pp	13.6 pp	6.6%	**20.2%**	13.6 pp
Capitalization:								
Net Capital/ Credit Risk Assets	23.7%	22.7%	**22.2%**	(0.5 pp)	(1.5 pp)	23.7%	**22.2%**	(1.5 pp)
Total Capitalization Ratio	16.6%	15.5%	**15.6%**	0.1 pp	(1.0 pp)	16.6%	**15.6%**	(1.0 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+ Provisions)
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) Growths compared to the same period of the previous year.
9) Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

- **Net Interest Income.**

Net Interest Income-Banking Sector (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Interest Income	10,458	11,587	**12,148**	5%	16%	30,953	**34,092**	10%
Interest Expense	5,166	5,583	**5,921**	6%	15%	15,273	**16,311**	7%
Loan Origination Fees	137	204	**247**	21%	80%	439	**609**	39%
Fees Paid	39	39	**46**	19%	17%	101	**120**	19%
Net Interest Income	**5,390**	**6,169**	**6,428**	**4%**	**19%**	**16,019**	**18,270**	**14%**
Provisions	1,892	1,291	**1,664**	29%	(12%)	4,938	**4,291**	(13%)
Net Interest Income Adjusted for Credit Risk	**3,498**	**4,878**	**4,764**	**(2%)**	**36%**	**11,080**	**13,979**	**26%**
Average Interest Earning Assets	532,533	614,288	**624,345**	2%	17%	526,602	**597,475**	13%
Net Interest Margin (1)	4.0%	4.0%	**4.1%**	0.1 pp	0.1 pp	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	2.6%	3.2%	**3.1%**	(0.1 pp)	0.4 pp	2.8%	**3.1%**	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 9M11, Net Interest Income increased by 14% YoY from Ps 16.02 to Ps 18.27 billion as a result of a higher loan volumes, a stable funding cost, and the impacts of the merger with Ixe Grupo Financiero.

In 3Q11, Net Interest Income grew by 19% YoY to Ps 6.43 billion mainly due to the merger with Ixe Banco, as well as growth of the portfolio. On a comparable basis, net interest income grew by 10% compared to 3Q10 as a result of greater loan volumes in sectors with greater impact in NII, as well as growth in loan fees charged and a stable funding cost.

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

Net Interest Income for 3Q11 increased by 4% QoQ due to more revenues from higher loan volumes, and a favorable mix of deposits and the loan portfolio.

Average NIM was 4.1% in 9M11, remaining at the same level as that registered in 9M10. During the quarter, NIM was 4.1%, a 0.1 pp YoY change vs. 3Q10 and QoQ vs. 2Q11. For both periods, the increase in NIM is basically due to growth in Net Interest Income greater than in the average productive assets, as a consequence of improvement in the loan portfolio and funding mix.

- **Loan Loss Provisions**

In 9M11 Provisions totaled Ps 4.29 billion, (13%) lower than in 9M10 and Ps 1.66 billion in 3Q11, a (12%) decline vs. 3Q10 and 29% higher QoQ vs. 2Q11. The annual decline is due to lower requirements in the Corporate portfolio (in 3Q10 Ps 616 million were reserved for the Mexicana de Aviación loan) as well as fewer provisions in the Commercial and Credit cards portfolios; while the quarterly increase vs. 2Q11 is due to higher provisions for the Government portfolio, which was partially offset by the reduction in most of the segments in the consumer portfolio.

The average NIM adjusted for Credit Risks was 3.1% in 9M11, an increase of 0.3 pp compared to 9M10. In 3Q11 it was 3.1%, (0.1 pp) QoQ lower compared to 2Q11 and growing by 0.4 pp YoY compared to 3Q10. This improvement in the quarterly comparison vs. 3T10 is generated by growth in Net Interest Income and an important reduction in Provisions resulting from improvement in the quality of the portfolio; while the decrease vs. 2T11 as a result of greater creation of reserves during the quarter.

Provisions represented 23.5% of Net Interest Income in 9M11 and 25.9% of Net Interest Income in 3Q11, comparing favorably to the 30.8% in 9M10 and negatively to the 20.9% registered in 2Q11.

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Services	1,212	1,438	**1,385**	(4%)	14%	3,569	**4,028**	13%
Recovery	260	284	**260**	(8%)	0%	679	**764**	13%
Trading	280	352	**577**	64%	106%	1,299	**1,128**	(13%)
Other Operating Income (Expense)	644	579	**549**	(5%)	(15%)	1,238	**1,520**	23%
Non Interest Income	**2,397**	**2,653**	**2,770**	**4%**	**16%**	**6,785**	**7,440**	**10%**

During 1Q11, new Accounting Criteria was implemented, among them D-2 to report "Other Operating Income (Expenses)" in the Income Statement. As a result, starting in 1Q11, "Non Operating Income, (Expenses) net" which was previously reported after "Operating Income" is now reported as "Non Interest Income".

Non Interest Income was Ps 7.44 billion in 9M11, an increase of 10% YoY, driven by a 23% increase in Other Operating Income and Expenses as a result of more recoveries and the accounting reclassifications carried out in 1Q11 to include Other Income and Expenses in this item. Non Interest Income also increased due to the 13% growth in Service Fees as a result of the merger with Ixe, and 13% growth in real estate portfolio recoveries.

On a quarterly basis, Non Interest Income was Ps 2.77 billion, increasing by 4% QoQ compared to 2Q11 due to growth in trading revenues. The 16% YoY increase in Non Interest Income vs. 3Q10 was mainly due to the impact of the accounting reclassifications and the merger with Ixe, as well as more trading revenues.

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

- **Non Interest Expenses**

Non Interest Expense (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Personnel	1,543	2,229	**1,965**	(12%)	27%	4,737	**5,751**	21%
Professional Fees	296	376	**414**	10%	40%	918	**1,229**	34%
Administrative and Promotional	890	1,061	**1,059**	(0%)	19%	2,567	**2,958**	15%
Rents, Depreciation & Amortization	495	610	**678**	11%	37%	1,433	**1,789**	25%
Taxes other than income tax & non deductible expenses	182	239	**241**	1%	33%	548	**722**	32%
Contributions to IPAB	284	332	**342**	3%	20%	843	**977**	16%
Employee Profit Sharing (PTU) (1)	196	234	**208**	(11%)	6%	619	**674**	9%
Non Interest Expense	**3,887**	**5,081**	**4,908**	**(3%)**	**26%**	**11,665**	**14,099**	**21%**

In 9M11, Non Interest Expense was Ps 14.1 billion, an increase of 21% YoY vs. 9M10, and 26% vs. 3Q10 mainly as a result of the merger with Ixe, which caused an increase in all items, especially in Personnel, Professional Fees, Administration and Promotional, Rents, Depreciations and Amortizations. The accumulated Efficiency Ratio was 54.8% in 9M11 and 53.4% in 3Q11.

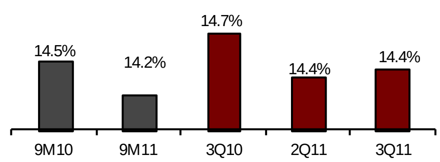
During the quarter, Non Interest Expense totaled Ps 4.91 billion, (3%) QoQ decrease vs. 2Q11, mainly due to lower Personnel Expenses as a result of the synergies captured from the merger with Ixe. The 26% YoY increase vs. 3Q10 was a consequence of the merger with Ixe, restructuring expenses related to the merger, as well as growth in the business and support areas.

- **Net Income**

Accumulated Net Income for the Consolidated Banking Sector (100% including the Afore by the participation method and Ixe Banco) was Ps 5.32 billion in 9M11, 17% higher than 9M10 as a result of higher Total Revenues and fewer Provisions.

On a quarterly basis, Net Income grew by 2% QoQ vs. 2Q11 and by 19% YoY vs. 3Q10 reaching Ps 1.87 billion as a result of the merger with Ixe and more revenues. When excluding profits generated by Ixe Banco, Net Income was Ps 1.72 billion, presenting a slight increase of 0.5% QoQ vs. 2Q11 and 9% YoY vs. 3Q10.

ROE
(BANKING SECTOR)



- **NPL Ratio**

The Banking Sector's NPL Ratio in 9M11 was 2.3%, (including INB's PDL portfolio), remaining at the same level as in 2Q11 and increases by 0.1 pp compared to 3Q10.

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

BANCO MERCANTIL DEL NORTE

Financial Statements of Banco Mercantil del Norte without the Afore, which consolidates under the equity participation method.

Income Statement and Balance Sheet Highlights-Banorte w/o (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Income Statement								
Net Interest Income	5,390	5,689	**5,945**	5%	10%	16,019	**17,308**	8%
Non Interest Income	2,397	2,306	**2,390**	4%	(0%)	6,785	**6,712**	(1%)
Total Income	7,787	7,994	**8,335**	4%	7%	22,804	**24,020**	5%
Non Interest Expense	3,887	4,387	**4,259**	(3%)	10%	11,665	**12,757**	9%
Provisions	1,892	1,243	**1,625**	31%	(14%)	4,938	**4,205**	(15%)
Operating Income	2,008	2,363	**2,452**	4%	22%	6,201	**7,059**	14%
Net Income Before taxes	2,085	2,424	**2,485**	3%	19%	6,371	**7,199**	13%
Taxes	514	713	**764**	7%	49%	(1,826)	**(2,150)**	18%
Subsidiaries & Minority Interest	77	60	**33**	(46%)	(58%)	170	**140**	(17%)
Net Income	1,571	1,710	**1,721**	1%	10%	4,545	**5,049**	11%
Balance Sheet								
Total Assets	563,287	582,117	**590,114**	1%	5%	563,287	**590,114**	5%
Performing Loans (a)	241,964	265,871	**280,786**	6%	16%	241,964	**280,786**	16%
Past Due Loans (b)	5,484	6,603	**7,098**	7%	29%	5,484	**7,098**	29%
Total Loans (a+b)	247,449	272,474	**287,884**	6%	16%	247,449	**287,884**	16%
Total Loans Net (d)	240,060	263,509	**278,434**	6%	16%	240,060	**278,434**	16%
Acquired Collection Rights (e)	2,183	2,477	**2,330**	(6%)	7%	2,183	**2,330**	7%
Total Loans (d+e)	242,243	265,986	**280,765**	6%	16%	242,243	**280,765**	16%
Total Liabilities	521,233	535,686	**542,100**	1%	4%	521,233	**542,100**	4%
Total Deposits	287,947	301,783	**314,415**	4%	9%	287,947	**314,415**	9%
Demand Deposits	133,882	147,508	**156,991**	6%	17%	133,882	**156,991**	17%
Time Deposits	154,065	154,275	**157,424**	2%	2%	154,065	**157,424**	2%
Equity	42,054	46,431	**48,014**	3%	14%	42,054	**48,014**	14%

Financial Ratios Banorte w/o Afore	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Profitability:								
NIM (1)	4.0%	4.2%	**4.4%**	0.1 pp	0.3 pp	4.1%	**4.3%**	0.2 pp
NIM after Provisions (2)	2.6%	3.3%	**3.2%**	(0.1 pp)	0.6 pp	2.8%	**3.3%**	0.4 pp
ROE (3)	15.1%	14.9%	**14.6%**	(0.3 pp)	(0.5 pp)	14.7%	**14.6%**	(0.1 pp)
ROA (4)	1.1%	1.2%	**1.2%**	(0.0 pp)	0.1 pp	1.1%	**1.2%**	0.1 pp
Operation:								
Efficiency Ratio (5)	49.9%	54.9%	**51.1%**	(3.8 pp)	1.2 pp	51.2%	**53.1%**	2.0 pp
Operating Efficiency Ratio (6)	2.7%	3.0%	**2.9%**	(0.1 pp)	0.2 pp	2.8%	**2.9%**	0.2 pp
Liquidity Ratio (7)	90.2%	90.1%	**81.0%**	(9.2 pp)	(9.3 pp)	90.2%	**81.0%**	(9.3 pp)
Asset Quality:								
Past Due Loan Ratio	2.2%	2.4%	**2.5%**	0.0 pp	0.2 pp	2.2%	**2.5%**	0.2 pp
Coverage Ratio	134.7%	135.8%	**133.1%**	(2.6 pp)	(1.6 pp)	134.7%	**133.1%**	(1.6 pp)
Past Due Loan Ratio w/o Banorte USA	2.0%	2.2%	**2.2%**	0.0 pp	0.3 pp	2.0%	**2.2%**	0.3 pp
Coverage Ratio w/o Banorte USA	152.4%	143.4%	**141.4%**	(2.0 pp)	(11.0 pp)	152.4%	**141.4%**	(11.0 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 for the period annualized as a percentage of the quarterly Equity average (excluding minority interest) for the same period.
4. Net Income for the period annualized as a percentage of the quarterly Total Assets average (excluding minority interest) for the same period.
5. Non Interest Expenses / (Total Net Income + Loan Loss Provisions)
6. Annualized Non Interest Expenses for the quarter / Total Assets Average
7. Liquid Assets / Liquid Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles for sale; Liquid Liabilities = immediately available deposits+ Loans from banks and other organisms immediately payable + short term loans from Banks and other organisms.

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--Banorte w/o Afore *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Interest Income	10,458	10,446	**11,065**	6%	6%	30,953	**31,869**	3%
Interest Expense	5,244	4,970	**5,377**	8%	3%	15,273	**14,985**	(2%)
Loan Origination Fees	137	174	**211**	22%	54%	439	**544**	24%
Fees Paid	39	39	**46**	19%	17%	101	**120**	19%
Net Interest Income	**5,390**	**5,689**	**5,945**	**5%**	**10%**	**16,019**	**17,308**	**8%**
Provisions	1,892	1,243	**1,625**	31%	(14%)	4,938	**4,205**	(15%)
Net Interest Income Adjusted for Credit Risk	**3,498**	**4,445**	**4,321**	**(3%)**	**24%**	**11,080**	**13,103**	**18%**
Average Interest Earning Assets	532,533	535,987	**542,435**	1%	2%	526,602	**537,219**	2%
Net Interest Margin (1)	4.0%	4.2%	**4.4%**	0.1 pp	0.3 pp	4.1%	**4.3%**	0.2 pp
NIM after Provisions (2)	2.6%	3.3%	**3.2%**	(0.1 pp)	0.6 pp	2.8%	**3.3%**	0.4 pp

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

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Services	1,212	1,276	**1,250**	(2%)	3%	3,569	**3,732**	5%
Recovery	260	284	**260**	(8%)	0%	679	**764**	13%
Trading	280	189	**366**	94%	31%	1,299	**754**	(42%)
Other Operating Income (Expense)	644	556	**514**	(8%)	(20%)	1,238	**1,462**	18%
Non Interest Income	**2,397**	**2,306**	**2,390**	**4%**	**(0%)**	**6,785**	**6,712**	**(1%)**

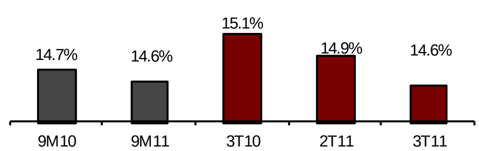
- **Non Interest Expense**

Non Interest Expense *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Personnel	1,543	1,880	**1,644**	(13%)	7%	4,737	**5,081**	7%
Professional Fees	296	354	**395**	12%	33%	918	**1,188**	29%
Administrative and Promotional	890	922	**932**	1%	5%	2,567	**2,692**	5%
Rents, Depreciation & Amortization	495	501	**568**	13%	15%	1,433	**1,570**	10%
Taxes other than income tax & non deductible expenses	182	194	**199**	2%	9%	548	**635**	16%
Contributions to IPAB	284	302	**313**	3%	10%	843	**917**	9%
Employee Profit Sharing (PTU) (1)	196	234	**208**	(11%)	6%	619	**674**	9%
Non Interest Expense	**3,887**	**4,387**	**4,259**	**(3%)**	**10%**	**11,665**	**12,757**	**9%**

- **Net Income**

Accumulated Net Income of Banco Mercantil del Norte (without the Afore by the participation method) was Ps 5.05 billion in 9M11, 11% higher than in 9M10, as a result of higher Net Interest Income, and lower provisions. Profits during the quarter grew by 1% vs. 2Q11, totaling Ps 1.72 billion as a result of higher Total Income.

ROE
(Banco Mercantil del Norte)



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

IXE BANCO

Income Statement and Balance Sheet Highlights-Ixe Banco (Million Pesos)	2Q11	3Q11	Change QoQ	9M11
Income Statement				
Net Interest Income	480	**482**	0%	**962**
Non Interest Income	347	**381**	10%	**728**
Total Income	827	**863**	4%	**1,690**
Non Interest Expense	693	**650**	(6%)	**1,343**
Provisions	47	**39**	(18%)	**86**
Operating Income	87	**174**	101%	**261**
Net Income Before taxes	96	**148**	54%	**245**
Taxes	23	**4**	(85%)	**26**
Subsidiaries & Minority Interest	9	**(26)**	(377%)	**(17)**
Net Income	119	**152**	27%	**271**
Balance Sheet				
Performing Loans (a)	30,066	**29,961**	(0%)	**29,961**
Past Due Loans (b)	226	**270**	20%	**270**
Total Loans (a+b)	30,292	**30,231**	(0%)	**30,231**
Total Deposits	31,862	**31,760**	(0%)	**31,760**
Demand Deposits	13,693	**13,660**	(0%)	**13,660**
Time Deposits	18,169	**18,100**	(0%)	**18,100**
Equity	4,474	**4,643**	4%	**4,643**

- **Deposits and Portfolio**

The Performing Loan portfolio of Ixe Banco was Ps 29.96 billion, representing 9.2% of Grupo Financiero Banorte's Performing Loan portfolio. Ixe Banco's deposits were Ps 31.76 billion, representing 8.9% of the Groups' total deposits.

- **Net Interest Income**

Net Interest Income-Ixe Banco (Million Pesos)	2Q11	3Q11	Change QoQ	9M11
Interest Income	1,232	**1,266**	3%	**2,498**
Interest Expense	782	**819**	5%	**1,601**
Premium Income (Net)	-	**(8)**	-	**-**
Loan Origination Fees	30	**35**	18%	**65**
Fees Paid	-	**-**	-	**-**
Net Interest Income	**480**	**482**	**0%**	**962**
Provisions	47	**39**	(18%)	**86**
Net Interest Income Adjusted for Credit Risk	**433**	**443**	**2%**	**876**

During the 6 months of 2011 in which Ixe Banco has been integrated in GFNorte's results, Ixe Banco's Net Interest Income represents 6.6% of the total Net Interest Income generated by GFNorte, showing the same percentage in 3Q11. It remains at the same level as in 2Q11, due to a greater increase in interest expenses compared to interest income, which offsets the growth in fees received from loan originations.

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)	2Q11	3Q11	Change QoQ	9M11
Services	162	**135**	(17%)	**296**
Recovery	-	**-**	-	**-**
Trading	163	**211**	30%	**374**
Other Operating Income (Expense)	23	**35**	55%	**58**
Non Interest Income	**347**	**381**	**10%**	**728**

During the 6 months since Ixe Banco was integrated, Non Interest Income represents 11.1% of GFNorte's total Non Interest Income, while on a quarterly basis, it represents 10.7%. The 10% quarterly growth compared to 2Q11 is a result of more trading revenues and Other Operating Income and Expenses.

- **Non Interest Expense**

Non Interest Expense (Million Pesos)	2Q11	3Q11	Change QoQ	9M11
Personnel	349	**321**	(8%)	**670**
Professional Fees	22	**19**	(13%)	**41**
Administrative and Promotional	138	**127**	(8%)	**266**
Rents, Depreciation & Amortization	109	**110**	1%	**218**
Taxes other than income tax & non deductible expenses	45	**43**	(4%)	**87**
Contributions to IPAB	30	**30**	(2%)	**60**
Employee Profit Sharing (PTU) (1)	-	**-**	-	**-**
Non Interest Expense	**693**	**650**	**(6%)**	**1,343**

Since Ixe's integration during the past 6 months, Non Interest Expense represents 11.0% of GFNorte's total expenses, and 10.4% for the quarter. The (6%) QoQ decline is a result of reduced Personnel and Administration and Promotional expenses.

- **Net Income**

Ixe Banco's quarterly Net Income was Ps 152 million in 3Q11, representing 7% of Grupo Financiero Banorte's net profits. Net Income for the first six months was Ps 271 million, representing 6.4% of the Group's profits during the same period, driven by positive operating leverage, as well as fewer provisions.

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*				Change				Change
Figures in MEX GAAP (Million Pesos)	3Q10	2Q11	3Q11	QoQ	YoY	9M10	9M11	9M10
Income Statement								
Net Interest Income	167	163	**162**	0%	-3%	535	**486**	-9%
Non Interest Income*	59	95	**138**	46%	136%	232	**259**	12%
Total Income	225	257	**301**	17%	33%	767	**746**	-3%
Non Interest Expense	180	164	**172**	5%	-5%	534	**507**	-5%
Loan Loss Reserves	37	43	**14**	-67%	-62%	143	**57**	-60%
Operating Income	8	51	**115**	127%	1289%	89	**182**	104%
Taxes	1	16	**39**	142%	2550%	27	**60**	127%
Net Income	7	34	**76**	120%	1014%	63	**122**	95%

* In 2Q11, Ps 28 million were reclassified to the item of Provisions for portfolio sale losses, registered in Non Interest Income in 1Q11.

Under the generally accepted accounting principles in Mexico (MEX GAAP), the Net Income of Banorte USA (subsidiary that owns 100% of Inter National Bank, as well as 100% of the remittance companies Uniteller and Motran) was Ps 76 million in 3Q11, increasing by 120% QoQ and significantly compared to 3Q10, mainly due to an increase in Non Interest Income and a reduction in Loan Loss Provisions. The accumulated Net Income in 9M11 was Ps 122 million, an increase of 95% as a result of higher Non Interest Income, as well as a reduction in Non Interest Expenses and fewer Provisions.

II. Inter National Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET HIGHLIGHTS - InterNational Bank				Change				Change
Figures in US GAAP (Millon Dollars)	3Q10	2Q11	3Q11	QoQ	YoY	9M10	9M11	9M10
Income Statement								
Net Interest Income	13	14	**14**	(5%)	2%	43	42	(2%)
Non Interest Income*	5	16	**10**	(38%)	108%	13	18	37%
Total Income	18	31	**24**	(23%)	30%	56	60	8%
Non Interest Expense	14	12	**12**	0%	(10%)	38	37	(2%)
Loan Loss Reserves *	3	14	**2**	(86%)	(25%)	20	15	(26%)
Operating Income	2	4	**9**	119%	415%	(2)	9	(608%)
Net Income	1	3	**6**	112%	386%	(1)	6	(818%)
Balance Sheet								
Investments in Securities	599	749	**743**	(1%)	24%	599	743	24%
Performing Loans	915	823	**759**	(8%)	(17%)	915	759	(17%)
Past Due Loans	82	36	**35**	(3%)	(57%)	82	35	(57%)
Demand Deposits	646	798	**741**	(7%)	15%	646	741	15%
Time Deposits	1,056	1,062	**959**	(10%)	(9%)	1,056	959	(9%)
Total Deposits	1,702	1,860	**1,701**	(9%)	0%	1,702	1,701	0%
Equity	404	400	**410**	3%	2%	404	410	2%

* In 2Q11, $12 million US dollars in portfolio sale losses were reclassified to the item of Provisions, which was registered in Non Interest Income in 1Q11.

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

Financial Ratios INB *Figures in US GAAP (Millon Dollars)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Profitability:								
NIM	3.2%	3.4%	**3.2%**	(0.2) pp	0.0 pp	3.4%	3.2%	(0.2) pp
ROE	1.2%	2.9%	**6.0%**	3.1 pp	4.8 pp	-0.3%	2.0%	2.2 pp
ROA	0.2%	0.5%	**1.1%**	0.6 pp	0.9 pp	-0.1%	0.4%	0.4 pp
Operational:								
Efficiency Ratio	75.9%	40.4%	**52.5%**	12.1 pp	(23.4) pp	67.6%	61.5%	(6.1) pp
Asset Quality:								
Past Due Loan Ratio	8.2%	4.2%	**4.5%**	0.2 pp	(3.8) pp	8.2%	4.5%	(3.8) pp
Coverage Ratio	35.1%	68.0%	**61.7%**	(6.3) pp	26.6 pp	35.1%	61.7%	26.6 pp
Capitalization:								
Leverage Ratio	9.4%	8.6%	**9.3%**	0.7 pp	(0.1) pp	9.4%	9.3%	(0.1) pp
Capitalization Ratio	18.2%	20.9%	**22.3%**	1.4 pp	4.1 pp	18.2%	22.3%	4.1 pp

Under the generally accepted accounting principles in the United States, (US GAAP) Inter National Bank (INB) registered profits of US $6 million in 9M11, > 100% higher than in 9M10, due to more Non Interest Income as well as reduced Non Interest Expenses and Provisions. Profits in 3Q11 were also US $6 million, US $3 million higher than in 2Q11 and US $5 million dollars more than in 3Q10. The QoQ improvement is due to fewer Provisions and Expense control, while the annual growth is the result of positive operating leverage and fewer Provisions.

With respect to INB's assets, the investment portfolio of US $743 million is concentrated mainly on mortgage-backed securities which increased by US $144 million or 24% YoY and declined quarterly by (US $6 million) or (1%) QoQ. The underlying quality of the mortgages that back these securities is rated AAA, since they have an implicit guarantee from the US government. At closing of 3Q11 the portfolio has an unrealized gain for the valuation of these securities of US $18 million and the average weighted maturity of the portfolio is 4.0 years.

Total Deposits were US $1.7 billion, remaining practically the same YoY and declining by US $159 million or (9%) QoQ as a result of less funding requirements resulting from the loan portfolio's lack of growth. Performing loans were US $759 million, declining by $156 million dollars or (17%) YoY and US $64 million or (8%) QoQ resulting from the reduced demand for loans in the United States and the portfolio clean-up. The PDL portfolio is US $35 million, reducing by US $47 million or (57%) YoY and by US $1 million or (3%) QoQ as a result of the strategy adopted by the bank to reduce Classified Assets.

The capitalization and leverage ratios remain strong. The Capitalization Ratio at closing of 3Q11 was 22.3% and the Leverage Ratio was 9.3%. On the other hand, the PDL Ratio declined by (3.8) pp YoY to 4.5% and the Reserve Coverage increased by 26.6 pp YoY to 61.7%. This was a result of efforts carried out in the last few years to improve this bank's fundamentals.

Profitability ratios improved compared to the previous quarter: ROE increased by 3.1 pp to 6.0%, and ROA increased by 0.6 pp to 1.1%. The Efficiency ratio increased by 12.1 pp QoQ to 52.5%. On the other hand, the NIM declined by (0.2) pp to 3.2% during the quarter.

III. Sólida USA

In order to reduce the level of Classified Assets and achieve a ratio within the accepted levels by the OCC, INB's regulator in the United States, the bank sold loan portfolio that will be managed by "Solida USA", Banorte's recovery subsidiary in the United States.

The first sale of foreclosed assets was held in November 2010 with a book value of US $62 million, representing 67% of INB's total foreclosed assets.

In March 2011 the second portfolio sale was made with a book value of US $73.2 million to Banco Mercantil del Norte, representing 38% of INB's total classified assets.

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

As a result of the portfolio sale, the ratio of classified assets to basic capital was significantly reduced. At closing of 3Q11, this ratio was 51.7%.

Solida USA's assets under management as of 3Q11, are composed in the following manner:

Solida Mexico's Foreclosed Assets:	$52 million US dollars
Banorte Assets:	$74 million US dollars
INB Classified Assets:	$107 million US dollars
Total:	**$233 million US dollars**

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)*	9M10	9M11	Change 9M10
Net Interest Income	(154)	(207)	34%
Loan Loss Provisions	20	11	(46%)
Non Interest Income	1,630	1,807	11%
Non Interest Expense	696	718	3%
Pre-tax Income & Subsidiaries	758	872	15%
Income Tax and Profit Sharing	224	262	17%
Net Income	**534**	**610**	**14%**

Assets Under Management *(Million Pesos)*	3Q11	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**40,708**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**34,541**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects (1):	**6,523**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**6,309**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**88,081**		

(1) As of May 2011, business related to Investment Projects is negotiated by Wholesale Banking.

- Of Banorte's Ps 40.7 billion total assets managed by the Recovery Banking at closing of 3Q11, 29% corresponds to Credit cards, 25% to Mortgage, 13% to Crediactivo, 9% to Middle market companies, 7% to payroll loans, 6% to car loans, 3% to Corporate, 3% to Commercial, 3% to foreclosed assets, 1% to personal loans and 1% to Pronegocio. Revenues generated by this portfolio in 9M11 were Ps 782 million, a 8% YoY growth.

- At closing of 3Q11, of Ps 34.5 billion in acquired portfolios managed by the Recovery Banking, 31% corresponds to the Mortgage portfolio, 31% to the Commercial and Corporate portfolios, 19% to the portfolio managed on behalf of the SHF, 12% to real estate portfolios, and 7% to foreclosed assets and payments in kind. Income generated by these portfolios in 9M11 were Ps 359 million, a (7%) YoY decline.

- At closing of 3Q11, Ixe's total assets of Ps 6.3 billion managed by the Recovery Banking, were composed as follows: 34% corresponds to Mortgage, 31% to Middle market companies, 25% to Consumer loans and 10% to foreclosed assets.

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)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Brokerage								
Net Income	66	95	**81**	(15%)	22%	219	**273**	25%
Shareholder's Equity	1,653	2,811	**2,870**	2%	74%	1,653	**2,870**	74%
Assets Under Custody	160,559	488,454	**491,282**	1%	206%	160,559	**491,282**	206%
Total Assets	10,971	37,048	**47,862**	29%	336%	10,971	**47,862**	336%
ROE	16.3%	15.9%	**11.4%**	(4.5 pp)	(5.0 pp)	19.0%	**15.3%**	(3.8 pp)
Net Capital								
Net Capital	1,385	2,264	**2,276**	1%	64%	1,385	**2,276**	64%

- **Net Income**

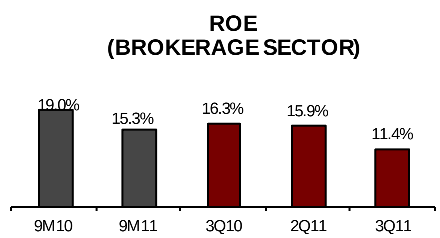
The Brokerage Sector (Casa de Bolsa Banorte, Ixe Casa de Bolsa and Ixe Fondos) reported Net Income of Ps 273 million in 9M11, a 25% increase from 9M10, driven by more income as well as reduced taxes. On a quarterly basis, Net Income was Ps 81 million, increasing by 22% YoY vs. 3Q10 and declining (15%) QoQ vs. 2Q11. The annual increase is mainly a result of more fees from services and less taxes, while the quarterly decline was due to lower trading revenues and commissions.

- **Mutual Funds**

At closing of 3Q11, AUMs for Banorte-Ixe mutual funds were Ps 82.2 billion, growing by 12% annually compared to the combined balance in 2010. Assets managed in fixed income mutual funds were Ps 73.7 billion, representing a 14% annual growth, while assets managed in equity mutual funds were Ps 8.3 billion, representing a (7%) annual decrease. As of September, Banorte-Ixe's market share in mutual funds was 6.4%, 6.9% in fixed income mutual funds and 3.7% in equity funds.

- **Assets Under Custody**

At closing of 3Q11, Assets under Custody totaled Ps 491.3 billion, a 206% YoY and 1% QoQ increase mainly due to the integration of Ixe Casa de Bolsa and Ixe Fondos' assets amounting to Ps 299.5 billion. This growth is also due to an increase in deposits from Banorte's Wholesale banking clients.



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

Broker Dealer -Banorte

Brokerage-Banorte *(Million Pesos)*	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Brokerage								
Net Income	66	57	**55**	(5%)	(17%)	219	**209**	(4%)
Shareholder's Equity	1,653	2,009	**2,030**	1%	23%	1,653	**2,030**	23%
Assets Under Custody	160,559	195,250	**191,762**	(2%)	19%	160,559	**191,762**	19%
"TotalAssets	10,971	14,285	**25,529**	79%	133%	10,971	**25,529**	133%
ROE	16.3%	11.5%	**10.8%**	(0.7 pp)	(5.5 pp)	19.0%	**14.1%**	(4.9 pp)
Net Capital								
Net Capital	1,385	1,699	**1,699**	(0%)	23%	1,385	**1,699**	23%

Ixe Casa de Bolsa

Brokerage-Ixe *(Million Pesos)*	2Q11	3Q11	Change QoQ	9M11
Brokerage				
Net Income	27	**13**	(50%)	**40**
Shareholder's Equity	706	**731**	3%	**731**
Assets Under Custody	255,718	**259,808**	2%	**259,808**
Total Assets	22,636	**22,143**	(2%)	**22,143**
ROE	30.6%	**7.4%**	(23.1 pp)	**15.0%**
Net Capital				
Net Capital	565	**578**	2%	**578**

Ixe Fondos *(Million Pesos)*	2Q11	3Q11	Change QoQ	9M11
Brokerage				
Net Income	11	**13**	20%	**23**
Shareholder's Equity	96	**109**	14%	**109**
Assets Under Custody	37,486	**39,712**	6%	**39,712**
Total Assets	171	**190**	11%	**190**
ROE	88.3%	**49.8%**	(38.5 pp)	**60.8%**

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)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Afore								
Net Income	147	108	**86**	(20%)	(42%)	329	**281**	(15%)
Shareholder's Equity	1,669	1,975	**2,061**	4%	24%	1,669	**2,061**	24%
Total Assets	1,960	2,228	**2,362**	6%	21%	1,960	**2,362**	21%
AUM (SIEFORE)*	85,023	91,190	**93,498**	3%	10%	85,023	**93,498**	10%
ROE	37.0%	22.5%	**17.1%**	(5.4 pp)	(19.9 pp)	29.4%	**19.5%**	(9.9 pp)
Insurance (1)								
Net Income	120	136	**163**	19%	36%	361	**488**	35%
Shareholder's Equity	2,308	2,761	**2,524**	(9%)	9%	2,308	**2,524**	9%
Total Assets	13,694	15,320	**14,677**	(4%)	7%	13,694	**14,677**	7%
Technical Reserves	8,499	8,919	**8,716**	(2%)	3%	8,499	**8,716**	3%
Premiums sold	1,824	2,804	**1,862**	(34%)	2%	5,423	**7,179**	32%
Coverage ratio of technical reserves	1.2	1.3	**1.3**	(0.0 pp)	0.1 pp	1.2	**1.3**	0.1 pp
Capital coverage ratio of minimum guarantee	1.5	2.0	**2.1**	0.0 pp	0.6 pp	1.5	**2.1**	0.6 pp
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	31.5	31.0	**31.0**	0.0 pp	(0.5 pp)	31.5	**31.0**	(0.5 pp)
ROE	19.5%	20.3%	**24.6%**	4.4 pp	5.1 pp	19.6%	**25.1%**	5.5 pp
Annuities (1)								
Net Income	1	6	**34**	488%	2847%	2	**22**	1050%
Shareholder's Equity	1,018	1,016	**1,115**	10%	9%	1,018	**1,115**	9%
Total Assets	23,098	29,356	**31,924**	9%	38%	23,098	**31,924**	38%
Technical Reserves	21,844	28,040	**30,494**	9%	40%	21,844	**30,494**	40%
Premiums sold	1,893	2,324	**2,219**	(5%)	17%	4,835	**6,325**	31%
Coverage ratio of technical reserves	1.0	1.0	**1.0**	(0.0 pp)	(0.0 pp)	1.0	**1.0**	(0.0 pp)
Capital coverage ratio of minimum guarantee	1.5	2.1	**3.1**	1.0 pp	1.6 pp	1.5	**3.1**	1.6 pp
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	8.5	8.1	**8.1**	0.0 pp	(0.3 pp)	8.5	**8.1**	(0.3 pp)
ROE	0.5%	2.3%	**12.8%**	10.5 pp	12.4 pp	0.2%	**2.8%**	2.5 pp

1. As of January 2011, new accounting criteria came into effect in which the information for the Insurance and Annuities companies are consolidated in GFNorte.

- **Afore**

In 9M11, the Afore reported a net income of Ps 281 million (51% corresponds to Banorte), a (15%) YoY decrease due to lower interest income resulting from the investment portfolio valuation losses caused by market volatility, as well as increased sales and operating expenses. On a quarterly basis, net income declined by (20%) QoQ to Ps 86 million mainly due to a negative operating leverage and lower financial revenues as result of the valuation losses in the investment portfolio.

At closing of 3Q11, the Afore managed funds of Ps 93.5 billion, an increase of 10% YoY and 3% QoQ as a result of better fund yields.

Banorte's market share in managed funds was 6.2%, ranking 9th in the market.

On the other hand, at closing of 3Q11, the Afore had a total of 3.883 million affiliates, with a 9.2% participation of the total affiliates in the system and in certified accounts.

- **Insurance**

Profits were Ps 488 million in 9M11 (51% corresponds to GFNorte), 35% YoY growth due to a 21% increase in revenues from higher amounts of issued and earned premiums, as well as a 13% recovery in financial revenues, generating positive operating leverage. Insurance profits were Ps 579 million when eliminating the write-offs that have been applied to the investment portfolio. On a quarterly basis, net income was Ps 86 million, a 19% QoQ growth, due to increased financial revenues.

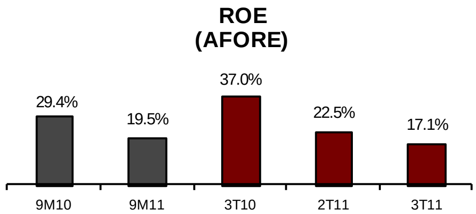
Issued premiums increased by 32% YoY reaching Ps 7.18 billion, while accrued premiums rose to Ps 4.96 billion at closing of 3Q11, growing by 22% YoY and 2% QoQ.

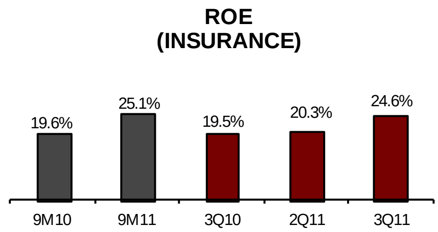
Technical reserves totaled Ps 8.72 billion, increasing by 3% YoY and declining by (2%) QoQ.

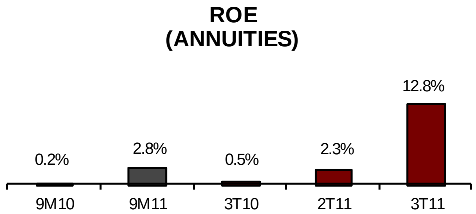
- **Annuities**

Annuities reported net income of Ps 22 million in 9M11 (51% corresponds to GFNorte), due to greater revenues as a result of 12% growth in financial revenues and a 40% increase in technical reserves. When eliminating the impact of the extraordinary write-offs that have been applied to the investment portfolio, net income would have been Ps 80 million in 9M11.

On a quarterly basis, profits totaled Ps 34 million, a quarterly growth of >100% QoQ, due to greater trading revenues as a result of the positive valuation impact in the Annuities' portfolio given the increase in inflation compared to the previous period that recorded deflation, as well as reduced administration and promotional expenses.







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OTHER FINANCE COMPANIES

Other Finance Companies (1) (Million Pesos)	3Q10	2Q11	3Q11	Change QoQ	Change YoY	9M10	9M11	Change 9M10
Leasing and Factoring								
Net Income	127	159	**167**	5%	32%	333	**465**	40%
Shareholder's Equity	1,819	2,227	**2,395**	8%	32%	1,819	**2,395**	32%
Loan Portfolio (1)	15,965	16,738	**17,141**	2%	7%	15,965	**17,141**	7%
Past Due Loans	125	108	**94**	(13%)	(25%)	125	**94**	(25%)
Loan Loss Reserves	248	286	**268**	(6%)	8%	248	**268**	8%
Total Assets	15,771	16,520	**17,450**	6%	11%	15,771	**17,450**	11%
ROE	29.0%	29.6%	**29.0%**	(0.6 pp)	(0.0 pp)	27.0%	**28.8%**	1.8 pp
Warehousing								
Net Income	24	9	**13**	46%	(49%)	40	**32**	(19%)
Shareholder's Equity	176	226	**239**	6%	35%	176	**239**	35%
Inventories	39	201	**545**	171%	1289%	39	**545**	1289%
Total Assets	214	346	**688**	99%	221%	214	**688**	221%
ROE	57.5%	15.4%	**21.5%**	6.1 pp	(35.9 pp)	33.2%	**19.2%**	(14.0 pp)
Ixe Automotriz								
Net Income	-	13	**2**	(80%)	-	-	**15**	-
Shareholder's Equity	-	320	**322**	1%	-	-	**322**	-
Loan Portfolio (1)	-	1,454	**1,392**	(4%)	-	-	**1,392**	-
Past Due Loans	-	70	**60**	(14%)	-	-	**60**	-
Loan Loss Reserves	-	61	**57**	(8%)	-	-	**57**	-
Total Assets	-	1,559	**1,480**	(5%)	-	-	**1,480**	-
ROE	0.0%	31.6%	**3.1%**	(28.5 pp)	3.1 pp	0.0%	**12.5%**	12.5 pp
Fincasa Hipotecaria								
Net Income	-	18	**14**	(22%)	-	-	**32**	-
Shareholder's Equity	-	693	**707**	2%	-	-	**707**	-
Loan Portfolio (1)	-	4,067	**3,988**	(2%)	-	-	**3,988**	-
Past Due Loans	-	230	**253**	10%	-	-	**253**	-
Loan Loss Reserves	-	238	**242**	1%	-	-	**242**	-
Total Assets	-	4,709	**4,690**	(0%)	-	-	**4,690**	-
ROE	0.0%	20.8%	**8.0%**	(12.8 pp)	8.0 pp	0.0%	**12.2%**	12.2 pp

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

- **Leasing and Factoring**

Arrendadora and Factor Banorte generated profits of Ps 465 million in 9M11, 40% higher YoY vs. 9M10 due to increased financial revenues as a result of 7% growth in the loan portfolio, as well as reduced loan loss reserves resulting from and improvement in asset quality driven by a 25% reduction in NPLs. Profits in 3Q11 increased by 32% YoY vs. 3Q10 as a result of higher revenues. On a quarterly basis, profits were Ps 167 million, a 5% QoQ increase as a result of 2% growth in the loan portfolio, increased revenues from pure leasing sales, reduced expenses after personnel reductions and a release of reserves from rating the loan portfolio.

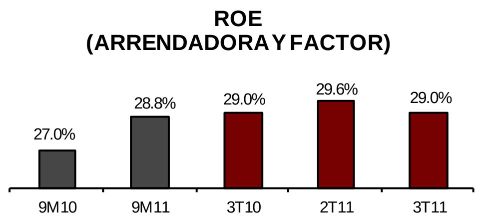
At closing of 3Q11 the PDL ratio was 0.5%, a (0.1) pp QoQ decrease and (0.2) pp vs. 3Q10 while the Capitalization Ratio was 14%, considering total risk weighted assets of Ps 17.14 billion.

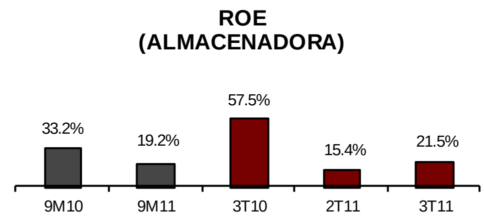
Arrendadora and Factor Banorte is ranked in 1st place in terms of loans and assets among the 39 companies in this sector in accordance to the information available to date.

- **Warehouse**

Net income for Warehousing was Ps 32 million for 9M11, a (19%) decrease vs. 9M10, due to a reduction in revenues related to the commercialization of inventories, enabling operations and logistics services. On a quarterly basis, profits of Ps 13 million, grew by 46% QoQ, as a result of increased revenues for services linked to the commercialization of inventories; however, the (49%) reduction vs. 3Q10 was due to booking one offs in 2010.

At closing of 3Q11 the Capitalization Ratio was 16.4% considering Ps 1.42 billion in total certificates at risk in circulation. The Warehouse ranks 3rd amongst the 20 Warehousing Companies in terms of profits generated.





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OTHER COMPANIES

Other Companies *(Million Pesos)*	2Q11	3Q11	Change QoQ	9M11	Change 9M10
Ixe Soluciones					
Net Income	(18)	**6**	(131%)	**(13)**	-
Shareholder's Equity	408	**424**	4%	**424**	-
Loan Portfolio (1)	416	**285**	(31%)	**285**	-
Past Due Loans	311	**177**	(43%)	**177**	-
Loan Loss Reserves	191	**61**	(68%)	**61**	-
Total Assets	1,504	**1,463**	(3%)	**1,463**	-
ROE	-36.0%	**5.5%**	41.5 pp	**-8.1%**	(8.1 pp)
Ixe Servicios					
Net Income	2	**2**	(4%)	**4**	-
Shareholder's Equity	22	**24**	9%	**24**	-
Total Assets	33	**34**	3%	**34**	-
ROE	72.3%	**33.2%**	(39.1 pp)	**45.3%**	45.3 pp

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

RATINGS

International Ratings				
Rating Agency	**Rated Institution**	**Rating**	**Category**	**Date**
Standard & Poor's	Banorte	Stable BBB- BBB- A-3 A-3 BBB-	**Outlook** **Counterparty credit - Long term foreign currency** **Counterparty credit - Long term local currency Short term Counterparty credit – Short term foreign currency** **Counterparty credit - Short term local currency** **Senior Unsecured Notes**	October, 2011
Fitch	Banorte Grupo Financiero Banorte	Stable BBB BBB F2 F2 C 2 5 BBB- NF (Not Floor)	**Outlook** **Long Term Foreign currency** **Long Term Local currency** **Short Term Local Currency** **Short Term Foreign Currency** **Individual - Foreign Currency** **Support Rating-Banorte** **Support Rating-GFNorte** **Support Rating Floor-Banorte** **Support Rating Floor -GFNorte**	April, 2011
Moody's	Banorte	Stable C- Stable Baa1 P-2 A3 P-2	**Outlook BFSR** **Modest Financial Strength** **Outlook GLC** **Foreign long - term bank deposits** **Foreign short- term bank deposits** **Local long - term bank deposits** **Local short - term bank deposits**	August, 2010
Moody's	Banorte	Baa1 Baa2 Baa1 Ba1	**Long term local currency subordinated debt (Tier 2)** **Long term local currency subordinated debt (Tier 1)** **Long term foreign currency subordinated debt (Tier 2)** **Long term foreign currency subordinated debt**	August, 2010
Moody's	Banorte	A3	**Senior Notes**	August, 2010
Moody's	Casa de Bolsa Banorte	Stable A3 P-2	**Outlook** **Issue Rating Long Term** **Issue Rating Short Term**	August, 2010

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

Domestic Ratings

Rating Agency	Rated Institution	Rating	Category	Date
Fitch	Banorte	F1 + (mex) AA +(mex) F1 + (mex) AA +(mex) AA (mex)	**Short term counterparty risk** **Long term counterparty risk** **Short term CD's and Term Deposits** **Long term CD's and Term Deposits**	April, 2011
	Arrendadora y Factor Banorte	AA + (mex) F1 + (mex) AA + (mex) F1 + (mex)	**Medium and Long Term** **Short Term** **Long term for local issues of senior unsecured debt**	April, 2011
Moody's Domestic Scale	Banorte	Aaa.mx MX-1	**Long Term Deposits** **Short Term Deposits**	August, 2010
	Arrendadora y Factor Banorte	Aaa.mx MX-1	**Issue Rating in Domestic Scale Long Term** **Issue Rating in Domestic Scale Short Term**	August, 2010
	Banorte	Aa1.mx	**Long term Mexican National Scale junior subordinated debt**	October, 2009
Other Ratings				
Fitch	Seguros Banorte Generali	AA (mex) Stable	**Insurance Financial Strength** **Outlook**	April, 2011
Fitch	Casa de Bolsa Banorte	F1 + (mex) AA +(mex) Stable	**Short term counterparty risk** **Long term counterparty risk** **Outlook**	April, 2011
Moody's	Casa de Bolsa Banorte	Aaa.mx MX-1	**Issue Rating Long Term** **Issue Rating Short Term**	August, 2010

Ixe's Ratings

Rating Agency	Rated Institution	Rating	Category	Date
Standard & Poor's	Ixe Banco	mxA-1+	Counterparty credit - short term	
		mxAA	Counterparty credit - long term	
	Ixe Casa de Bolsa	mxA-1+	Counterparty credit - short term	
		mxAA	Counterparty credit - long term	
	Fincasa Hipotecaria	mxA-2	Counterparty credit - short term	
		mxA-	Counterparty credit - long term	
	Ixe Automotriz	mxA-2	Counterparty credit - short term	
		mxA	Counterparty credit - long term	
Fitch	Ixe Banco	BBB'	Long-term foreign an local currency	Feb-11
		F2'	Short-term foreign and local currency	
		BB+'	Junior subordinated perpetual notes	
		BB+'	Junior subordinated notes	
		AA+	National Scale - long term rating	
		F1+	National Scale - short term rating	
	Ixe Casa de Bosa	AA+(mex)'	National Scale - long term rating	Feb-11
		F1+(mex)'	National Scale - short term rating	
	Fincasa Hipotecaria	AA+(mex)'	National Scale - long term rating	Feb-11
		F1+(mex)'	National Scale - short term rating	
		F1+(mex)'	National Scale - short term rating	
	Ixe Automotriz	AA+(mex)'	National Scale - long term rating	Feb-11
		F1+(mex)'	National Scale - short term rating	
		F1+(mex)'	National Scale - short term Senior Notes	

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INFRAESTRUCTURE

INFRASTRUCTURE	3Q10	2Q11	3Q11
Employees	19,584	24,504	**24,099**
Banking (1)	15,741	19,196	**18,872**
Other	3,843	5,308	**5,227**
Branches (2)	1,108	1,311	**1,277**
INB	20	20	20
Pronegocio	0	0	0
ATM's	4,846	6,222	**6,176**
POS's	54,369	79,885	**85,229**

1. Includes INB since 4Q06 and Uniteller since 1Q07.
2. 5 banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in the Cayman Islands.

- At closing of 3Q11 there were 1,277 branches, 34 less compared to 2Q11. This reduction is part of the institutional efficiency strategy in which 42 branches were merged, although 8 new branches were opened in locations where Banorte had little banking presence, representing a (3%) QoQ reduction. The number of branches increased by 169 during the last 12 months, of which 165 were Ixe branches and were part of the merger with that bank, representing an annual growth of 15%.

- In the last 12 months 1,330 ATMs were enabled, a 27% annual growth, increasing the network to 6,176 ATM's at the end of 3Q11 due to organic growth and the agreement with Cardtronics in March 2011 to increase our network by 2,000 ATMs at the end of 2011. Also, 5,344 Point of Sale Terminals (POS) were activated during the quarter, totaling 85,229 POSs installed by the end of September, of which 13,087 correspond to Ixe, an annual growth of 7%.

- At the closing of 3Q11, there were 2,780 contact points through the correspondent agreements with 7-Eleven and Telecomm-Telegrafos.

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GRUPO FINANCIERO – GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	3Q11
Banco Mercantil Del Norte, S.A. (1)	**92.72%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**51.00%**
Brokerage House-Banorte	**100.00%**
Leasing and Factoring	**100.00%**
Warehouse	**100.00%**
Annuities	**51.00%**
Insurance	**51.00%**
Ixe Banco, S.A.	**100.00%**
Brokerage House- Ixe	**100.00%**
Ixe Fondos	**100.00%**
Ixe Servicios	**100.00%**
Ixe Automotriz	**100.00%**
Ixe Soluciones	**100.00%**
Fincasa Hipotacaria	**100.00%**

Holding Company Capital Structure	
Number of Shares	**SERIE O** September 30th, 2011
Number of Shares Outstanding	2,326,357,782
Shares held in the bank's Treasury	0

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

Group Officers 3Q11	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Enrique Castillo Sánchez Mejorada	Co- Managing Director – Wholesale Banking
Marcos Ramírez Miguel	Co- Managing Director – Wholesale Banking
Patricio Rafael Rodríguez Chapa	Managing Director – Wealth and Asset Management
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking
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
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Business Development & Research
Javier Molinar Horcasitas	Managing Director – Banorte-Ixe's Integration
Jesús Garza Martínez	Managing Director – Retail and Commercial Banking
Manuel Romo Villafuerte	Managing Director –Ixe Bank
Fernando Solís Soberón	Managing Director – Long Term Savings
To be designated	Managing Director – Banorte USA
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	Co- Managing Director - Legal
Armando Rivero Laing	Co- Managing Director - Legal
Javier Márquez Diez-Canedo	Managing Director - Risk
Guillermo Güemez Sarre	Managing Director –Technology
Sergio García Robles Gil	Chief Financial Officer

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. November 22nd, 2011. In relation to the material event published today regarding the re-classification of the financial information as of September 2011, Grupo Financiero Banorte (GFNORTE) reports its operating results at closing of September 2011. For the ninth consecutive quarter, GFNORTE has increased its profits, reaching Ps 2.14 billion, an increase of 25% compared to the same quarter of 2010 and 5% higher than in 2Q11. Ixe and its subsidiaries contributed with Ps 202 million, 9% of the Group's total profits, registering quarterly growth of 18% from 2Q11. Banco Mercantil del Norte contributed with 73% of these profits, reaching Ps 1.56 billion, while Ixe Banco contributed with 7% reaching Ps 152 million.

During 9M11, the Group's Net Income was Ps 6.0 billion, a 21% increase compared with the profits reported for 9M10. Ixe and its subsidiaries contributed with Ps 373 million over the past 6 months, generating 9% of the Group's total during the two quarters in which it has been part of Grupo Financiero Banorte.

The return on equity (ROE) in 9M11 was 14.0% (1.5) pp lees than in 9M10 mainly due to a 57% increase in the stockholders' equity as a result of the merger, while the return on assets (ROA) was 1.1%, remaining unchanged compared to the same period of the previous year.

Deposits and Net Interest Income

Deposits totaled Ps 286.24 billion, an annual growth of 29%, driven by growth in all items mainly as a consequence of the merger with Ixe. Demand deposits and Retail Time Deposits grew by 28% and 30%, respectively.

During 3Q11, Net Interest Income totaled Ps 7.23 billion, a 28% YoY increase vs. 3Q10, driven mainly by the extraordinary impact of the merger with Ixe, as well as the a result of including the Insurance and Annuities' companies results. On a comparable basis, net interest income increased by 10% YoY vs. 3Q10 due to higher loan volumes in items with high contribution to NII, more loan fees and a stable funding cost. Net interest income declined by (2%) QoQ vs. 2Q11 due to a 50% reduction in the net interest income contributed by the Insurance and Annuities' companies, although it grew by 5% when excluding this impact due to increased volumes and an improvement in the portfolio mix.

During the first nine months, Net Interest Income rose to Ps 20.89 billion, a 25% YoY growth vs. 9M10 resulting from greater loan volumes, a stable funding cost, the inclusion of results of the Insurance and Annuities' companies and those of Ixe Grupo Financiero. On a comparable basis, Net Interest Income grew by 9% as a result of greater loan volumes and a better loan and deposits' mix, as well as a stable funding cost.

Loan Portfolio

At closing of 9M11, Performing Loans increased by 28% YoY and 5% QoQ, reaching a balance of Ps 325.9 billion. For the sixth consecutive quarter, the loan portfolio shows continuous growth in most segments (except Credit cards) as a result of bank's strategies to reactivate loan originations, the merger with Ixe, as well as greater demand in the industry. Over the next 12 months, we expect continued favorable trends in credit growth in the banking industry; although Banorte will remain cautious of a deterioration in the economic environment that may result from the problems happening internationally.

Commercial loans totaled Ps 114.84 billion, a 35% YoY and 1% QoQ growth, mainly due to the merger with Ixe (Ixe's Commercial portfolio totals Ps 20.82 billion and is the main component of its loan portfolio), as well as an increase in the placement of business loans, leasing and factoring and the reactivation of the Crediactivo product. The **Corporate** portfolio was Ps 53.663 billion, a 23% YoY and 4% QoQ increase due to the reactivation of loans in this sector and the merger with Ixe. **Government** loans totaled Ps 63.1 billion, increasing by 42% YoY and 14% QoQ; the annual growth was mainly driven by the merger with Ixe, but both the annual and quarterly growths are also due to Banorte's strategy to satisfy the financial needs of State and Municipal governments, as well as refinancing the liabilities of various clients as part of a financial reengineering of public finances; transforming this sector into one with the most growth in terms of loan volumes for the Financial Group in the last few months.

Consumer loans, including Mortgage, increased by 16% YoY and 4% QoQ. It is important to emphasize that Mortgages maintained its favorable trends, finishing with a balance of Ps 61.96 billion, a 15% YoY increase vs. 3Q10 and a 3% QoQ increase; Banorte continues to be one of the banks with the most growth in loan volumes in this segment. **Payroll** registered a balance of Ps 12.15 billion, a 52% YoY and an 11% QoQ increase, as a result of campaigns to promote the payroll loan product, growth in the number of payroll deposit accounts in Banorte-Ixe and as a result of the strategy of placing more loans to clients in the government sector. **Car loans** increased by 14% YoY and 3% QoQ, as a result of campaigns to promote the product, alliances established with distributors to finance their units and a recovery in car sales in the country. **Credit cards** declined by (1%) compared to 3Q10 and increased by 2% QoQ, with a balance of Ps 11.13 billion, the annual decline was a result of write-offs applied to this portfolio and more payments from clients; whereas the quarterly growth was a result of appropriate handling of the product's life cycle and campaigns promoting Banorte's products that triggered an increase in the number of cards and in billings.

GFNorte continues to show good asset quality, with its NPL ratio being one of the lowest in the financial system at 2.4%, the same level compared to 2Q11. At closing of 3Q11, Grupo Financiero Banorte had a balance of past due loans of Ps 7.95 billion, 42% more than in 3Q10 mainly due to the classification in 2010 of the Mexicana de Aviación loan as delinquent and the integration of Ixe's PDL portfolio; while, the quarterly 5% increase is due to the re-classification of a Government loan as delinquent.

The Group's reserve coverage was 133% at closing of 9M11, (3.5) pp lower than in 3Q10.

Efficiency

The Efficiency Ratio was 54.6% in 9M11 and 53.9% in 3Q11. On a comparable basis, the Efficiency Ratio was 50.6% during 9M11 and 49.4% in 3Q10.

Capitalization

The Capitalization Ratio was 15.6% at closing of 3Q11, showing Banorte's financial strength.

Other Subsidiaries

In 3Q11, the contribution to profits by the Brokerage Sector (Casa de Bolsa Banorte, Ixe Casa de Bolsa and Ixe Fondos) was Ps 81 million, a 22% YoY growth and (15%) QoQ decline; and during 9M11 reported profits of Ps 273 million, 25% higher YoY vs. 9M10. The contribution to profits by the Long Term Savings sector, which includes the Afore, Insurance and Annuities' companies was Ps 141 million in 3Q11, 7% higher than the previous year, a 14% QoQ growth; contributions to profits for the 9M11 were Ps 393 million, 15% higher than that registered in 9M10. In 3Q11, Other Finance Companies comprised of Arrendadora and Factor Banorte (Leasing & Factoring) as well as Warehousing, Ixe Automotriz, and Fincasa Hipotecaria reported profits of Ps 196 million, a 30% YoY increase and a (1%) QoQ reduction; while in the first nine months net income totaled Ps 544 million, a growth of 46% vs. 9M10. Ixe Servicios registered profits of Ps 2 million while Ixe Soluciones totaled Ps 6 million during the quarter.

Relevant Events of the Quarter

- **Strategic merger with Afore XXI.**

After the announcement on August 16th that GFNorte and the IMSS (Mexican Social Security Institute) had signed an agreement to pursue the merger of their respective retirement savings funds companies (Afores), on October 20th, GFNorte informed that Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte, signed a purchase agreement to acquire Prudential's shareholdings in Afore XXI. This purchase agreement is still subject to meeting certain conditions and the customary regulatory approvals. The acquisition of Prudential's shares was determined according to the average value of the total assets managed by Afore XXI's various Funds. The amount paid by Banorte for Prudential's shares amounts to approximately US$ 200 million.

- **Banorte and Banjército join forces.**

On September 20th, the Banco Nacional del Ejército Fuerza Aérea y Armada, S.N.C. and Banco Mercantil del Norte, S.A. (Banorte), signed a Collaboration Agreement that will provide access to personnel of Mexico's armed forces to Banorte's wide nationwide infrastructure, as well as other benefits, such as access to the acquisition of Banorte's foreclosed properties with important discounts, and also assistance in Banjército's treasury operations.

- **Refinancing of some of GFNORTE's Subnational government exposures and results of applying the new methodology to reserve loans in this sector according to expected losses.**

On October 19th, 2011 GFNORTE informed that following the material event published on September 30th announcing its participation in the debt refinancing of the State of Coahuila, Banorte had also recently participated in the debt refinancing of the States of Aguascalientes and Sonora. The total amount of the refinanced debt with these three States amounts to Ps. $13.21 billion pesos, which represents 4% of GFNORTE's total Loan Portfolio at closing of September 2011. The main goal to refinance these liabilities was to provide the States with better terms and financial conditions, which will provide them with flexibility in the management of their fiscal resources. The maturities of the new loans range from 20 to 27 years 4 months, they have adequate coverage and in all cases the Federal Transfers (Participaciones Federales) are the main repayment source. It is also worth noting that no charge-offs or discounts were offered as part of these refinancings.

On the other hand, after applying the new methodology for the creation of Loan Loss Reserves for States and Municipalities according to expected losses, the impact on Banorte was a decrease in reserves. This was a result of the following strengths in Banorte's Loan Portfolio:

- ✓ 87% of the loans are secured by a Trust Guarantee and have Federal Transfers or other local source of income as a payment source.
- ✓ 79% have interest rate hedging during the term of the loan.
- ✓ 92% of the total portfolio are long-term loans and only 8% of the loans are unsecured short term loans.
- ✓ All loans have high coverage ratios of at least 2 to 1 times the debt service.
- ✓ The long-term loans are registered in the Public Debt Registry of the Ministry of Finance and Public Credit (SHCP).

GFNORTE also reported that it will continue to participate in future debt refinancing of other States and Municipalities as part of its strategy to provide comprehensive solutions to its customers and maintain the leadership that has characterized Banorte in financing to this sector.

- **Changes to the rating methodology for the loan portfolio of States and their Municipalities.**

On October 5th, 2011, the CNBV published a resolution modifying the general applicable dispositions to Credit Institutions, changing the rating methodology for the loan portfolio granted to States and their Municipalities. This resolution modifies the current model for reserves based on public ratings, in order to establish a methodology which rates and reserves the portfolio according to expected losses for the following 12 months taking into consideration the probability of non-fulfillment, severity of the loss and exposure to each client's nonfulfillment, included in Annex 18 of the mentioned Resolution. The resolution went into effect on October 6th, 2011 and is applicable optionally either during the third or fourth quarter of 2011. GFNorte opted to apply this methodology with figures for Banorte's loan portfolio to September 30th, 2011. As a result, GFNorte released Ps 87 million pre-tax in excess reserves which were calculated under the previous methodology. This cancellation of excess reserves was reflected in the fiscal year's results in accordance with such methodology. The amount of preventive reserves for credit risks in Banorte's loan portfolio calculated using the methodology referred in Annex 18 of the Resolution was Ps 961 million, and the amount of reserves required under the previous methodology was Ps 1,048 million, both using figures to September 30th, 2011.

- **GFNorte's Ordinary and Extraordinary Shareholders' Meetings.**

On October 17th, the Extraordinary and Ordinary Shareholders' Meetings were held in order to approve the creation of the Designations Committee, changes to the Dividend Policy, payment of dividends and an increase in the amount for the Shares' Repurchase Fund. The most relevant resolutions approved were:

1. Creation of a Designations Committee.

In the Extraordinary General Shareholders' Meeting, the creation of a Designations Committee was approved with the following functions: propose the candidates that will integrate the Board of Directors to the Shareholders' Assembly; issue an opinion about the candidates proposed for the CEO position; propose remunerations for members of the Board of Directors and Committees; as well as propose the removal of members of the Board of Directors, among others. The Committee will be comprised of 3 Board of Directors' members with 1 year terms, having the possibility of re-election. The Designations Committee will hold sessions at least once a year or whenever convened by the President.

2. Change in the Dividend Policy.

The Ordinary General Shareholders' Meeting approved to modify the Dividend Policy in order to align dividend payments to the Financial Groups' business performance. As of this year, dividend payments will be as follows:

iv. 16% of recurring net income in the event that profit growth is between 0% and 10% during the year.
v. 18% of recurring net income in the event that profit growth is between 11% and 20% during the year.
vi. 20% of recurring net income in the event that profit growth is greater than 21%.

3. Cash Dividend Payments.

During the same Shareholders' Meeting, a cash dividend payment was decreed for the amount of Ps 0.17 per share, payable as of October 24th from the Retained Earnings account. The decreed dividend corresponds to the first of three payments that will cover the amount of Ps 0.52 per share, the amount approved by the Board of Directors in its session held on July 25th.The Board of Directors will propose in subsequent Shareholders' Assemblies to decree additional dividends for a total amount of Ps. $0.35 per share, to be covered in two installments of Ps. $0.17 and Ps. $0.18 in February and May of 2012, respectively.

4. Increase in the amount of the Share Repurchase Fund.

In order to have a share repurchase fund that represents a greater percentage of the Group's market capitalization, an increase is proposed to the maximum amount of financial resources that may be applied for share repurchases during 2011. The proposal is to allocate the amount of Ps. 1.85 billion, charged against equity, in accordance with the Treasury's Policy for Stock Acquisitions and Sales.

- **Banco Mercantil del Norte's Extraordinary Shareholders' Meeting.**

The Shareholders' Meeting was held on October 3rd, to obtain authorization for the issuance of nonconvertible preferred subordinated Obligations up to an amount equivalent to $600 million US dollars, to be issued and placed in international markets according to Rule 144-A and Regulation S of the Securities Act of 1933 of the United States of America, and according to applicable legislation in the different jurisdictions in which the Subordinated Obligations are placed.

- **Banco Mercantil del Norte exercised the prepayment option of the Nonconvertible Subordinated Obligations expiring in 2016.**

In October, Banorte exercised the call option on the Non Convertible Subordinated Notes issued in 2006 and maturing in 2016 for an amount of $400 million US dollars, registered in the Luxemburg Stock Exchange. The payment of these Subordinated Obligations was carried out on October 13th. This prepayment demonstrates Banorte's financial strength in spite of the weak conditions of other financial systems and the volatility in international financial markets.

- **Changes in Organizational Structure.**

During the month of October, Sergio Garcia Robles Gil, who has 17 years of service in this Institution, was designated as Managing Director of Corporate Affairs in charge of GFNorte's Regional Boards. Rafael Arana was named Chief Financial Officer in substitution of Mr. Garcia Robles Gil. Mr. Arana has a successful professional trajectory of more than 16 years in the financial sector, during the last five years as Deputy Chief Executive Officer of HSBC's Retail Banking Division for Latin America. He also served as Deputy Managing Director and Director of HSBC Mexico.

On September 23rd, changes were also announced in the organizational structure of Wholesale Banking. Alejandro Faesi, was designated as Managing Director of Markets and Institutional Sales; Carlos Arciniega Navarro as Managing Director of Treasury and René Pimentel as Managing Director of Business Development and Fundamental Analysis. Investment Banking and Structured Financing was assigned to Arturo Monroy, and Capital Markets' Investment Banking to Gerardo Tietzsch, both of whom will report directly to Marcos Ramírez and Enrique Castillo, Co-Managing Directors of Wholesale Banking.

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	2010	9M11
Income Subsidiaries	1,589	1,664	1,736	1,744	1,834	2,054	2,132	6,734	6,020
Interest Income	2	2	2	2	2	1	2	7	4
Interest Expense	-	-	-	-	-	-	-	-	-
Fees & Tariffs	-	-	-	-	-	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-	-
Other Operating Income (Expense)	-	-	-	-	-	-	-	-	-
Non Interest Expense	3	4	3	3	4	9	4	14	17
Pre-Tax Income	**1,588**	**1,662**	**1,735**	**1,742**	**1,831**	**2,046**	**2,130**	**6,727**	**6,008**
Income Tax	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-
Deferred Income Tax	0	0	(1)	1	(0)	3	(1)	0	2
Taxes	**0**	**0**	**(1)**	**1**	**(0)**	**3**	**(1)**	**0**	**2**
Net Income from Continuos Operations	**1,588**	**1,663**	**1,734**	**1,743**	**1,831**	**2,049**	**2,130**	**6,727**	**6,010**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Net Income	**1,588**	**1,663**	**1,734**	**1,743**	**1,831**	**2,049**	**2,130**	**6,727**	**6,010**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**145**	**147**	**346**	**149**	**126**	**42**	**252**	**-**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**-**	**-**	**-**	**-**	**-**	**45**	**44**	**-**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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	8	7	6	6	6	6	6	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-	-	-
Investment in Subsidiaries	42,806	43,521	44,328	46,866	48,331	56,145	57,952	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1	2	1	2	1	4	4	-
Goodwill and Intangibles	33	31	29	28	31	11,100	11,098	-
Other Assets Short and Long Term	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
	42,849	43,561	44,364	46,901	48,370	67,256	69,059	-
TOTAL ASSETS	**42,993**	**43,708**	**44,710**	**47,051**	**48,496**	**67,343**	**69,355**	**-**

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)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Deposits	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	-	-	-	-
Total Collateral sold	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	8	1	0	0	0	-	-
Other Payable Accounts	**1**	**8**	**1**	**0**	**0**	**0**	**-**	**-**
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**1**	**8**	**1**	**0**	**0**	**0**	**-**	**-**
EQUITY								
Paid-in Capital	12,020	12,019	12,019	12,020	12,019	13,098	13,098	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,246	2,246	2,247	2,247	2,248	18,911	18,915	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**14,266**	**14,266**	**14,266**	**14,266**	**14,267**	**32,008**	**32,013**	**-**
Capital Reserves	3,178	3,172	3,174	3,181	3,165	3,224	3,224	-
Retained Earnings	26,153	25,817	25,811	25,457	31,499	30,939	30,941	-
Surplus (Deficit) of Secs Available for Sale	521	532	406	633	562	511	117	-
Results from Valuation of Hedging Secs	(1,766)	(2,628)	(3,097)	(2,215)	(1,615)	(2,057)	(2,725)	-
Results from Conversions	(946)	(710)	(835)	(1,000)	(1,213)	(1,163)	(225)	-
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	1,588	3,250	4,984	6,727	1,831	3,880	6,010	-
Earned Capital	**28,727**	**29,434**	**30,443**	**32,784**	**34,229**	**35,334**	**37,342**	**-**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**42,993**	**43,699**	**44,709**	**47,051**	**48,496**	**67,343**	**69,355**	**-**
TOTAL LIABILITIES & EQUITY	**42,993**	**43,708**	**44,710**	**47,051**	**48,496**	**67,343**	**69,355**	**-**

Holding - Memorandum Accounts (Million Pesos)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Securities held under Custody	3,716	3,716	3,716	3,716	3,716	3,716	3,716	-
Other Registration Accounts								
	3,716	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)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	9M11
Interest Income	10,510	10,793	10,944	10,979	11,281	13,011	13,659	-	43,226	37,952
Interest Expense	5,083	5,366	5,381	5,139	5,040	6,238	6,557	-	20,969	17,835
Charged Fees	163	140	137	179	159	214	261	-	619	634
Fees Paid	28	34	39	43	35	41	48	-	144	124
Net Interest Income from interest & fees (NII)	**5,562**	**5,533**	**5,661**	**5,976**	**6,365**	**6,946**	**7,315**	**-**	**22,732**	**20,626**
Premium Income (Net)	-	-	-	-	3,622	3,925	3,706	-	-	11,253
Net Increase in Technical Reserves	-	-	-	-	2,319	1,917	2,080	-	-	6,315
Damages, Claims and Other Obligations	-	-	-	-	1,391	1,585	1,711	-	-	4,686
Net Interest Income (NII)	**5,562**	**5,533**	**5,661**	**5,976**	**6,277**	**7,369**	**7,232**	**-**	**22,732**	**20,878**
Preventive Provisions for Loan Losses	1,772	1,337	1,905	1,876	1,338	1,318	1,650	-	6,889	4,306
Net Interest Income Adjusted for Credit Risk	**3,790**	**4,196**	**3,756**	**4,100**	**4,940**	**6,051**	**5,582**	**-**	**15,843**	**16,572**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	13	17	-	13	33
Fund Transfers	92	102	96	98	92	104	108	-	389	305
Account Management Fees	242	254	256	265	255	279	314	-	1,018	848
Fiduciary	70	80	75	90	75	82	80	-	316	236
Other Fees	705	680	805	862	719	1,126	1,032	-	3,051	2,876
Income from Real Estate Portfolios	195	224	260	227	220	284	260	-	906	764
Electronic Banking Services	271	247	210	212	202	211	224	-	940	638
For Consumer and Credit Card Loans	616	617	659	709	701	709	748	-	2,601	2,158
Fees Charged on Services	**2,192**	**2,210**	**2,366**	**2,467**	**2,267**	**2,808**	**2,784**	**-**	**9,234**	**7,859**
Fund transfers	8	7	7	8	10	9	9	-	29	27
Other Fees	375	354	382	408	568	775	719	-	1,519	2,062
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**382**	**361**	**389**	**416**	**578**	**784**	**728**	**-**	**1,548**	**2,090**
Foreign Exchange	189	193	175	146	173	287	358	-	703	817
Securities-Realized Gains	265	188	45	30	132	93	128	-	527	353
Securities-Unrealized Gains	131	199	111	18	212	(161)	373	-	458	424
Trading Income	**585**	**580**	**331**	**193**	**517**	**219**	**859**	**-**	**1,689**	**1,595**
Loan Recoveries	241	233	233	905	257	335	243	-	1,612	835
Income from purchased assets	36	34	18	22	27	29	10	-	110	66
Other Operating Income	10	11	(3)	3	120	(118)	80	-	21	82
Other Operating Expense	(1)	(1)	(1)	(1)	(169)	116	(27)	-	(4)	(81)
Other Operating Income	125	208	406	901	182	286	299	-	1,639	766
Other Recoveries	71	54	106	10	131	82	107	-	240	319
Other Operating Expense	(178)	(240)	(116)	(764)	(255)	(119)	(198)	-	(1,298)	(573)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	113	125	136	-	-	373
Total Non Interest Income	**2,698**	**2,727**	**2,949**	**3,321**	**2,611**	**2,979**	**3,564**	**-**	**11,696**	**9,153**
Total Operating Income	**6,489**	**6,924**	**6,705**	**7,421**	**7,550**	**9,030**	**9,145**	**-**	**27,539**	**25,726**
Personnel	1,722	1,739	1,688	1,929	1,666	2,575	2,289	-	7,077	6,530
Employee Profit Sharing (PTU)	211	217	198	210	235	237	217	-	837	689
Professional Fees	310	346	298	460	528	517	555	-	1,414	1,600
Administrative and Promotional Expenses	899	1,050	1,034	1,145	977	1,247	1,276	-	4,128	3,500
Rents, Depreciation & Amortization	552	557	582	515	608	733	796	-	2,206	2,136
Taxes other than income tax & non deductible expenses	220	200	210	263	314	325	339	-	893	978
Contributions to IPAB/Fobaproa	276	283	284	293	302	332	342	-	1,136	977
Total Non Interest Expense	**4,189**	**4,391**	**4,296**	**4,815**	**4,631**	**5,965**	**5,814**	**-**	**17,691**	**16,410**
Operating Income	**2,299**	**2,532**	**2,410**	**2,606**	**2,919**	**3,065**	**3,332**	**-**	**9,847**	**9,315**
Subsidiaries' Net Income	95	74	115	37	(14)	40	(39)	-	320	(13)
Pre-Tax Income	**2,394**	**2,606**	**2,525**	**2,643**	**2,905**	**3,104**	**3,293**	**-**	**10,167**	**9,303**
Income Tax	578	888	590	679	827	848	945	-	2,735	2,619
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	80	(89)	39	41	21	(38)	(57)	-	70	(74)
Taxes	**659**	**798**	**628**	**720**	**847**	**810**	**888**	**-**	**2,805**	**2,545**
Net Income from Continuos Operations	**1,735**	**1,808**	**1,896**	**1,923**	**2,058**	**2,294**	**2,405**	**-**	**7,362**	**6,758**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(155)	(151)	(185)	(165)	(244)	(247)	(263)	-	(657)	(754)
Net Income	**1,580**	**1,656**	**1,711**	**1,758**	**1,815**	**2,048**	**2,142**	**-**	**6,705**	**6,004**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**58,325**	**59,003**	**67,143**	**62,497**	**62,312**	**65,360**	**58,260**	**-**
Margin Accounts	**46**	**90**	**171**	**177**	**178**	**468**	**575**	**-**
Negotiable Instruments	44,335	81,412	57,653	66,181	79,300	107,521	111,612	-
Securities Available for Sale	12,836	12,376	11,950	12,288	14,006	22,144	31,347	-
Securities Held to Maturity	173,072	156,368	149,165	139,913	159,898	186,042	182,488	-
Investment in Securities	**230,243**	**250,155**	**218,768**	**218,382**	**253,204**	**315,707**	**325,447**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**3**	**2**	**5**	**583**	**3,576**	**1,646**	**2,157**	**-**
Securities Lending	**-**	**-**	**0**	**-**	**0**	**-**	**0**	**-**
For trading purposes	4,963	7,695	10,502	7,463	5,756	11,841	19,388	-
For hedging purposes	762	775	694	596	624	535	1,573	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**5,725**	**8,470**	**11,196**	**8,060**	**6,380**	**12,375**	**20,961**	**-**
Operations w/Derivatives & Securities	**5,728**	**8,471**	**11,201**	**8,643**	**9,956**	**14,022**	**23,118**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**91**	**119**	**-**
Commercial Loans	113,274	116,765	123,238	126,483	127,337	156,153	159,383	-
Financial Intermediaries´ Loans	6,091	4,850	5,075	5,521	5,775	9,081	9,123	-
Consumer Loans	25,759	26,267	27,189	27,828	28,835	30,639	32,373	-
Mortgage Loans	51,082	52,843	54,336	56,168	57,348	60,637	62,262	-
Government Entities´ Loans	41,003	41,222	44,443	47,550	51,271	55,421	63,095	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**237,210**	**241,948**	**254,280**	**263,549**	**270,564**	**311,931**	**326,237**	**-**
Commercial PDL´s	3,703	3,185	3,133	4,417	4,492	4,969	4,774	-
Financial Intermediaries PDL´s	-	-	-	-	-	6	6	-
Consumer PDL´s	1,565	1,551	1,418	1,276	1,312	1,486	1,381	-
Mortgage PDL´s	860	894	1,058	971	694	1,086	1,291	-
Government Entities PDL´s	-	-	-	-	-	-	500	-
Past Due Loans	**6,128**	**5,630**	**5,609**	**6,664**	**6,498**	**7,547**	**7,953**	**-**
Gross Loan Portfolio	**243,337**	**247,578**	**259,889**	**270,214**	**277,063**	**319,478**	**334,189**	**-**
Preventive Loan Loss Reserves	7,498	7,012	7,637	8,245	9,030	10,196	10,549	-
Net Loan Portfolio	**235,840**	**240,566**	**252,252**	**261,969**	**268,033**	**309,282**	**323,640**	**-**
Acquired Collection Rights	2,426	2,311	2,183	2,025	2,641	4,105	3,887	-
Total Credit Portfolio	**238,266**	**242,877**	**254,435**	**263,994**	**270,674**	**313,388**	**327,528**	**-**
Account Receivables from Insurance and Annuities	-	-	-	-	887	829	929	-
Premium Debtors (Net)	-	-	-	-	2,186	3,104	2,787	-
Account Receivables from Reinsurance	-	-	-	-	2,503	2,486	2,096	-
Benef.receivab.securization transactions	406	411	405	950	959	946	894	-
Sundry Debtors & Other Accs Rec, Net	12,288	15,527	12,859	10,864	15,810	23,693	23,632	-
Inventories	111	35	39	49	40	201	545	-
Foreclosed Assets, Net	911	1,413	1,584	809	821	1,281	1,723	-
Real Estate, Furniture & Equipment, Net	8,678	8,873	8,894	9,316	9,389	11,013	11,166	-
Investment in Subsidiaries	3,222	3,283	3,163	3,130	1,384	1,868	2,012	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,287	1,377	1,345	1,339	1,555	1,757	1,724	-
Goodwill and Intangibles	4,418	4,476	4,414	4,503	4,145	16,077	16,483	-
Other Assets Short and Long Term	5,081	5,150	5,362	5,905	6,162	6,427	6,743	-
Other Assets	-	-	-	-	-	-	-	-
	36,403	40,545	38,065	36,865	45,840	69,683	70,733	-
TOTAL ASSETS	**569,012**	**601,140**	**589,783**	**590,558**	**642,164**	**778,717**	**805,780**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	125,917	133,849	133,824	149,816	144,253	160,981	169,650	-
Time Deposits-Retail	140,573	137,364	141,075	132,673	145,896	160,937	162,781	-
Time Deposits-Money Market	4,785	7,289	8,800	6,347	5,492	6,562	8,147	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	3,813	3,778	3,604	6,889	7,483	-
Deposits	**271,275**	**278,502**	**287,512**	**292,615**	**299,245**	**335,369**	**348,061**	-
Immediate Redemption Loans	1	2,516	2,949	4,837	3,519	1,427	361	-
Short Term Loans	13,037	10,795	12,347	13,114	15,084	19,553	21,874	-
Long Term Loans	7,524	7,408	7,347	8,496	6,517	8,427	6,950	-
Due to Banks & Correspondents	**20,562**	**20,719**	**22,644**	**26,447**	**25,120**	**29,407**	**29,185**	**-**
Technical Reserves	-	-	-	-	34,847	36,959	39,210	-
Non-assigned Securities for Settlement	268	3,781	1,262	-	402	1,693	1,708	-
Creditor Balance in Repo Trans, Net	191,073	202,328	177,601	178,747	182,245	233,422	239,462	-
Secs to be received in Repo Trans, Net	-	-	-	-	0	11	57	-
Repos (Credit Balance)	0	0	27	11	34	21	79	-
Securities' Loans	-	-	0	-	0	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**0**	**0**	**27**	**11**	**34**	**21**	**79**	-
For trading purposes	4,773	7,552	10,235	7,238	5,564	12,234	19,429	-
For hedging purposes	3,423	4,738	4,779	3,499	2,630	3,067	5,284	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,196**	**12,291**	**15,014**	**10,737**	**8,194**	**15,301**	**24,713**	-
Total Operations w/ Derivatives & Securities	**199,537**	**218,400**	**193,904**	**189,495**	**190,875**	**250,447**	**266,019**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	(352)	(67)	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	502	1,178	995	-
Income Tax Payable	443	828	694	711	684	869	1,020	-
Profit Sharing Payable	249	436	621	797	262	463	677	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	2,523	6,146	7,235	867	5,827	14,252	5,661	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	9,329	9,930	9,686	9,871	12,049	15,140	15,866	-
Other Payable Accounts	**12,544**	**17,340**	**18,237**	**12,246**	**18,821**	**30,725**	**23,223**	**-**
Subordinated Non Convertible Debt	17,838	18,039	18,005	17,803	17,636	20,438	22,173	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	1,600	1,662	1,699	1,725	1,447	1,687	1,766	-
TOTAL LIABILITIES	**523,356**	**554,662**	**542,001**	**540,331**	**588,494**	**705,859**	**730,565**	**-**
EQUITY								
Paid-in Capital	11,961	11,959	11,965	11,971	11,968	13,053	13,055	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	1,545	1,534	1,596	1,673	1,680	18,423	18,438	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,506**	**13,493**	**13,561**	**13,644**	**13,647**	**31,475**	**31,494**	**-**
Capital Reserves	3,178	3,172	3,174	3,181	3,165	3,224	3,224	-
Retained Earnings	26,188	25,852	25,846	25,492	31,524	30,968	30,966	-
Surplus (Deficit) of Secs Available for Sale	233	304	298	309	325	339	144	-
Results from Valuation of Hedging Secs	(1,766)	(2,628)	(3,097)	(2,215)	(1,615)	(2,057)	(2,725)	-
Results from Conversions	(946)	(710)	(835)	(1,000)	(1,213)	(1,163)	(225)	-
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,580	3,236	4,947	6,705	1,815	3,862	6,004	-
Earned Capital	**28,466**	**29,226**	**30,333**	**32,473**	**34,001**	**35,172**	**37,387**	**-**
Minority Interest	3,683	3,759	3,889	4,110	6,022	6,211	6,334	-
Total Equity	**45,655**	**46,479**	**47,783**	**50,227**	**53,670**	**72,859**	**75,215**	**-**
TOTAL LIABILITIES & EQUITY	**569,012**	**601,140**	**589,783**	**590,558**	**642,164**	**778,717**	**805,780**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
On behalf of Third Parties								
Customer's Banks	12	39	30	9	10	66	323	-
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	18	(377)	(9)	1	(10)	288	401	-
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**30**	**(338)**	**21**	**10**	**(1)**	**354**	**725**	**-**
Client Securities Received in Custody	150,022	147,609	159,547	172,922	180,623	449,234	449,921	-
Securities and Documents Received in	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	**150,022**	**147,609**	**159,547**	**172,922**	**180,623**	**449,234**	**449,921**	**-**
Clients' Repurchase Operations	30,034	41,531	35,774	28,647	41,790	60,997	68,675	-
Clients' Repo Transactions w/ Securities	-	-	46	-	0	-	2	-
Purchase of Futures & Forward Contracts,	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts,	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Trusts under Administration	4,099	4,087	4,761	4,348	5,176	5,402	5,024	-
Transactions On Behalf of Clients	**34,133**	**45,618**	**40,582**	**32,996**	**46,966**	**66,398**	**73,701**	**-**
Investment bank Trans on Behalf of Third	**72,539**	**76,771**	**71,427**	**78,069**	**69,252**	**72,038**	**80,941**	**-**
TOTAL ON BEHALF OF THIRD PARTIES	**256,724**	**269,661**	**271,577**	**283,997**	**296,841**	**588,024**	**605,287**	**-**
Loan Obligations	2,421	3,899	4,521	3,155	3,605	11,243	9,793	-
Trusts	113,540	108,022	116,516	122,628	127,790	200,021	238,148	-
Mandates	2,097	2,185	2,188	2,096	2,151	2,220	2,221	-
Properties in Trusts and Warrant	115,637	110,207	118,705	124,723	129,941	202,241	240,369	**-**
Properties in Custody or Administration	210,338	212,782	233,666	230,140	264,064	325,040	342,174	**-**
Collateral Received	34,792	69,187	76,017	62,224	93,783	131,151	147,459	**-**
Collateral Received or sold	36,082	45,596	51,787	36,195	63,319	79,115	90,258	**-**
Drafts in Transit	-	-	-	-	-	-	-	**-**
Certificates of Deposits in Circulation	1,632	1,491	1,184	2,429	2,310	1,643	1,231	**-**
Letters of Credit to the Corporation as	-	-	-	-	-	-	-	**-**
Securities to the Corporation for Custody	-	-	-	-	-	-	-	**-**
Government Secs of the Corp under	-	-	-	-	-	-	-	**-**
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	272	264	258	256	255	255	255	**-**
Uncollected Accrued Interest from Past	161	152	146	136	139	261	239	**-**
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	**-**
Integration of the Credit Portfolio	-	-	-	-	-	-	-	**-**
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	**-**
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**401,335**	**443,579**	**486,284**	**459,258**	**557,416**	**750,950**	**831,777**	**-**
Repo Securities to be Received	-	-	-	-	-	-	-	**-**
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repurchase Debtors	-	-	-	-	-	-	-	**-**
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
TOTAL PROPRIETARY	**401,335**	**443,579**	**486,284**	**459,258**	**557,416**	**750,950**	**831,777**	**-**

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. 2011 – SEPTEMBER 30. 2011 *(Million Pesos)*	
Net Income	**6,004**
Items charged to results that do not generate or require	
Depreciation	1,102
Technical Reserves	6,315
Provisions	-317
Income taxes and deferred	2,545
Consolidation of the the Long Term Saving Sector	3,140
Minority Interest	767
	13,552
	19,556
Change in items related to operations:	
Change in Margin Accounts	(399)
Change in Invesment in Securities	(105,779)
Change in repo debtors	(1,574)
Change in derivatives (assets)	(12,044)
Changein Loan Portfolio (net)	(60,581)
Change in purchased receivables (net)	(1,862)
Change in accounts receivable insurance and bonding	(929)
Change in debtor premiums	(2,787)
Change in Reinsurance	(2,096)
Change in benefits to receive from securitizations	56
Change in foreclosed assets (net)	(850)
Change in other operating assets (net)	(7,014)
Change in core deposits	53,033
Change in interbank loans and other entities	2,747
Change in repo creditors	62,422
Change in collateral pledged sold	69
Change in derivatives (liability)	12,181
Change in Technical Reserves (net)	32,895
Change in Reinsurance (net) (liability)	995
Change in subordinated debt w ith characteristics of liabilities	4,340
Change in other operating liabilities	11,302
Change in hedging instruments (the related hedged transaction	809
Income Tax Collection (refunds)	0
Income Tax Payments	(2,640)
Net cash generated or used from operations	**1,850**
Investment Activities:	
Charges for disposal of property, furniture and equipment	5
Payments for acquisition of property, furniture and equipment	(2,891)
Subsidiaries and associated acquisitions charges	0
Subsidiaries and associated acquisitions payment	(80)
Charges for cash dividends	20
Net cash generated or used from investment activities	**(2,946)**
Financing Activities:	
Payments of cash dividends	(762)
Payments associated w ith the repurchase of proprietary	471
Net cash flows from financing activities	**(291)**
Net Cash Increase (decrease)	**-1,387**
Cash flow adjustments given exchange rate or inflation variations	**310**
Cash and cash equivalents at beginning of period	**59,337**
Cash and cash equivalents at end of period	**58,260**

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, 2011 – SEPTEMBER 30, 2011.

(Million Pesos)

	CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	Premium from sale of securitie	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available	Results from val of instrum Cash flow	Results from Conversion s	Net Income	Minority Interest	Total Stockholder s' Equity
Balance as of December 31, 2010	**11,971**	**1,673**	**3,181**	**25,492**	**309**	**(2,214)**	**(1,000)**	**6,705**	**4,110**	**50,227**
Changes stemming from stockholders' decisions										
Stock repurchases	6	159	43	(87)	350	0	0	0	0	471
Capitalization of profits	0	0	0	6,705	0	0	0	(6,705)	0	0
Dividends declared by the General Assembly of Shareholders on:										
- February 18, 2011	0	0	0	(343)	0	0	0	0	0	(343)
- April 29, 2011	**0**	**0**	**0**	**(419)**	**0**	**0**	**0**	**0**	**0**	**(419)**
Merger effect of Ixe Grupo (stock issuance)	**1,078**	**16,605**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**17,683**
Total	**1,084**	**16,764**	**43**	**5,856**	**350**	**0**	**0**	**(6,705)**	**0**	**17,392**
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Changes stemming from profits										
Total profits:	0	0	0	0	0	0	0	0	0	0
Net Income	0	0	0	0	0	0	0	6,004	0	6,004
Result from valuation of securities available for sale	0	0	0	0	(515)	0	0	0	0	(515)
Effect of subsidiaries	0	1	0	(33)	0	0	775	0	0	743
Result from valuation of instruments of cash flow hedges	0	0	0	0	0	(511)	0	0	0	(511)
Change in the regulations of the classification of consumer loans	**0**	**0**	**0**	**(349)**	**0**	**0**	**0**	**0**	**0**	**(349)**
Total	**0**	**1**	**0**	**(382)**	**(515)**	**(511)**	**775**	**6,004**	**0**	**5,372**
Recognition of minority interest									**2,224**	**2,224**
Balance as of September 30, 2011	**13,055**	**18,438**	**3,224**	**30,966**	**144**	**(2,725)**	**(225)**	**6,004**	**6,334**	**75,215**

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

BANKING SECTOR

Income Statement-Banking Sector (Million Pesos)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	9M11
Interest Income	10,154	10,341	10,458	10,453	10,357	11,587	12,148	-	41,406	34,092
Interest Expense	4,941	5,166	5,166	4,907	4,807	5,583	5,921	-	20,180	16,311
Charged Fees	163	140	137	179	159	204	247	-	619	609
Fees Paid	28	34	39	43	35	39	46	-	144	120
Net Interest Income (NII)	**5,348**	**5,281**	**5,390**	**5,682**	**5,674**	**6,169**	**6,428**	**-**	**21,700**	**18,270**
Preventive Provisions for Loan Losses	1,746	1,300	1,892	1,834	1,337	1,291	1,664	-	6,772	4,291
Net Interest Income Adjusted for Credit Risk	**3,602**	**3,980**	**3,498**	**3,848**	**4,337**	**4,878**	**4,764**	**-**	**14,928**	**13,979**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	4	2	-	13	9
Fund Transfers	92	102	96	98	92	104	108	-	389	305
Account Management Fees	242	254	256	265	255	279	314	-	1,018	848
Fiduciary	65	73	68	81	70	76	74	-	288	220
Other Fees	244	239	291	278	261	508	415	-	1,052	1,183
Income from Real Estate Portfolios	195	224	260	227	220	284	260	-	906	764
Electronic Banking Services	271	247	210	212	202	211	224	-	940	638
For Consumer and Credit Card Loans	616	617	659	709	701	709	748	-	2,601	2,158
Fees Charged on Services	**1,726**	**1,762**	**1,844**	**1,874**	**1,804**	**2,176**	**2,146**	**-**	**7,207**	**6,125**
Fund transfers	8	7	7	8	10	9	9	-	29	27
Other Fees	356	342	365	389	369	444	492	-	1,452	1,306
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**364**	**348**	**372**	**397**	**379**	**453**	**501**	**-**	**1,481**	**1,333**
Foreign Exchange	189	193	175	146	173	285	371	-	703	829
Securities-Realized Gains	184	126	(10)	(14)	133	42	60	-	285	236
Securities-Unrealized Gains	133	193	115	17	(106)	25	145	-	459	64
Trading Income	**506**	**512**	**280**	**149**	**200**	**352**	**577**	**-**	**1,447**	**1,128**
Loan Recoveries	241	233	233	905	257	330	243	-	1,612	830
Income from purchased assets	36	34	18	22	27	36	30	-	110	93
Other Operating Income	9	10	(5)	2	119	(119)	79	-	15	79
Other Operating Expense	-	-	-	-	(167)	120	(22)	-	-	(70)
Revaluation Result not related to Net Interest Income	-	-	-	-	-	-	-	-	-	-
Other Operating Income	102	124	401	826	184	240	128	-	1,453	551
Other Recoveries	70	46	102	8	130	80	107	-	227	316
Other Operating Expense	(154)	(157)	(105)	(743)	(157)	(108)	(15)	-	(1,159)	(281)
Total Non Interest Income	**2,172**	**2,217**	**2,397**	**2,646**	**2,017**	**2,653**	**2,770**	**-**	**9,431**	**7,440**
Total Operating Income	**5,774**	**6,197**	**5,895**	**6,493**	**6,354**	**7,531**	**7,534**	**-**	**24,359**	**21,419**
Personnel	1,590	1,604	1,543	1,819	1,556	2,229	1,965	-	6,556	5,751
Employee Profit Sharing (PTU)	208	215	196	208	233	234	208	-	827	674
Professional Fees	292	330	296	465	439	376	414	-	1,382	1,229
Administrative and Promotional Expenses	770	907	890	984	838	1,061	1,059	-	3,551	2,958
Rents, Depreciation & Amortization	468	471	495	419	501	610	678	-	1,852	1,789
Taxes other than income tax & non deductible expenses	192	174	182	227	242	239	241	-	775	722
Contributions to IPAB/Fobaproa	276	283	284	293	302	332	342	-	1,136	977
Total Non Interest Expense	**3,795**	**3,983**	**3,887**	**4,415**	**4,111**	**5,081**	**4,908**	**-**	**16,080**	**14,099**
Operating Income	**1,979**	**2,214**	**2,008**	**2,078**	**2,243**	**2,450**	**2,626**	**-**	**8,279**	**7,320**
Subsidiaries' Net Income	49	44	77	52	47	70	7	-	222	124
Pre-Tax Income	**2,028**	**2,258**	**2,085**	**2,131**	**2,291**	**2,520**	**2,633**	**-**	**8,502**	**7,444**
Income Tax	507	812	483	629	642	653	787	-	2,431	2,082
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	85	(92)	31	12	31	38	(27)	-	36	42
Taxes	**592**	**720**	**514**	**641**	**672**	**691**	**760**	**-**	**2,467**	**2,123**
Net Income from Continuos Operations	**1,435**	**1,538**	**1,571**	**1,490**	**1,618**	**1,829**	**1,872**	**-**	**6,035**	**5,320**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	0	(0)	(0)	0	(0)	(0)	(0)	-	(0)	(0)
Net Income	**1,435**	**1,538**	**1,571**	**1,490**	**1,618**	**1,829**	**1,872**	**-**	**6,035**	**5,320**

BANORTE

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**57,827**	**58,372**	**66,368**	**61,640**	**61,484**	**64,341**	**57,178**	**-**
Margin Accounts	**46**	**90**	**171**	**177**	**178**	**468**	**572**	**-**
Negotiable Instruments	37,673	68,872	47,916	57,321	63,510	86,079	79,196	-
Securities Available for Sale	13,674	13,169	12,505	12,907	14,488	22,670	31,683	-
Securities Held to Maturity	172,599	155,889	148,680	139,427	126,928	135,231	128,722	-
Investment in Securities	**223,947**	**237,930**	**209,102**	**209,655**	**204,925**	**243,980**	**239,602**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**2**	**0**	**4**	**11**	**3,173**	**1,531**	**2,038**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	4,963	7,695	10,502	7,463	5,756	11,841	19,388	-
For hedging purposes	762	775	694	596	624	535	1,573	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**5,725**	**8,470**	**11,196**	**8,060**	**6,380**	**12,375**	**20,961**	**-**
Operations w/Derivatives & Securities	**5,727**	**8,470**	**11,200**	**8,070**	**9,553**	**13,906**	**22,999**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**91**	**119**	**-**
Commercial Loans	101,489	104,667	108,746	112,181	112,205	137,215	143,395	-
Financial Intermediaries´ Loans	7,918	6,677	7,270	7,709	7,590	12,686	13,311	-
Consumer Loans	25,754	26,258	27,178	27,826	28,832	30,427	32,173	-
Mortgage Loans	51,082	52,843	54,336	56,168	57,348	60,196	61,844	-
Government Entities´ Loans	40,995	41,216	44,435	47,549	51,270	55,412	60,023	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**227,239**	**231,660**	**241,964**	**251,434**	**257,246**	**295,937**	**310,746**	**-**
Commercial PDL´s	3,592	3,049	3,008	4,276	4,372	4,541	4,478	-
Financial Intermediaries PDL´s	-	-	-	-	-	6	6	-
Consumer PDL´s	1,565	1,551	1,418	1,276	1,312	1,422	1,327	-
Mortgage PDL´s	860	894	1,058	971	694	860	1,057	-
Government Entities PDL´s	-	-	-	-	-	-	500	-
Past Due Loans	**6,017**	**5,494**	**5,484**	**6,523**	**6,379**	**6,829**	**7,368**	**-**
Gross Loan Portfolio	**233,255**	**237,154**	**247,449**	**257,957**	**263,625**	**302,766**	**318,115**	**-**
Preventive Loan Loss Reserves	7,295	6,775	7,389	7,955	8,743	9,419	9,922	-
Net Loan Portfolio	**225,961**	**230,379**	**240,060**	**250,001**	**254,881**	**293,347**	**308,193**	**-**
Acquired Collection Rights	2,426	2,311	2,183	2,025	2,641	2,477	2,330	-
Total Credit Portfolio	**228,387**	**232,690**	**242,243**	**252,026**	**257,522**	**295,824**	**310,523**	**-**
Benef.receivab.securization transactions	406	411	405	950	959	933	881	-
Sundry Debtors & Other Accs Rec, Net	12,071	15,321	12,623	10,543	15,683	23,179	23,061	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	911	1,413	1,584	809	812	873	1,271	-
Real Estate, Furniture & Equipment, Net	7,296	7,458	7,474	7,768	7,703	8,280	8,372	-
Investment in Subsidiaries	1,369	1,401	1,443	1,407	1,457	1,910	2,025	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,374	1,469	1,449	1,493	1,722	1,685	1,614	-
Goodwill and Intangibles	4,230	4,289	4,224	4,314	3,956	4,446	4,842	-
Other Assets Short and Long Term	4,700	4,765	5,002	5,534	5,723	5,984	6,231	-
Other Assets	-	-	-	-	-	-	-	-
	32,356	36,526	34,203	32,818	38,016	47,290	48,297	-
TOTAL ASSETS	**548,290**	**574,077**	**563,287**	**564,386**	**571,678**	**665,900**	**679,290**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	125,971	133,863	133,882	149,833	144,542	161,201	170,651	-
Time Deposits-Retail	140,573	137,364	141,075	132,673	145,896	161,977	162,950	-
Time Deposits-Money Market	4,929	7,501	9,177	6,496	5,618	6,604	8,398	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	3,813	3,778	3,604	3,586	4,176	-
Deposits	**271,473**	**278,727**	**287,947**	**292,780**	**299,660**	**333,368**	**346,175**	-
Immediate Redemption Loans	1	2,516	2,949	4,837	3,519	1,427	361	-
Short Term Loans	6,495	4,033	3,679	5,764	5,489	11,156	11,315	-
Long Term Loans	4,814	4,720	4,686	4,132	3,749	3,790	3,981	-
Due to Banks & Correspondents	**11,310**	**11,269**	**11,314**	**14,733**	**12,758**	**16,373**	**15,657**	**-**
Technical Reserves	-	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	268	3,781	1,262	-	402	1,693	1,708	-
Creditor Balance in Repo Trans, Net	185,135	190,766	168,670	170,848	170,063	199,980	195,385	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	0	0	27	11	34	21	79	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**0**	**0**	**27**	**11**	**34**	**21**	**79**	-
For trading purposes	4,773	7,552	10,235	7,238	5,564	12,234	19,425	-
For hedging purposes	3,423	4,738	4,779	3,499	2,630	3,067	5,284	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,196**	**12,291**	**15,014**	**10,737**	**8,194**	**15,301**	**24,709**	-
Total Operations w/ Derivatives & Securities	**193,599**	**206,838**	**184,972**	**181,595**	**178,693**	**216,996**	**221,881**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	(352)	(67)	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	379	721	522	504	512	516	540	-
Profit Sharing Payable	247	434	618	792	259	452	666	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	2,523	5,932	7,235	867	5,826	14,186	5,628	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	8,642	9,274	8,988	9,317	9,396	11,507	12,387	-
Other Payable Accounts	**11,791**	**16,362**	**17,364**	**11,480**	**15,992**	**26,663**	**19,221**	**-**
Subordinated Non Convertible Debt	17,838	18,039	18,005	17,803	17,636	20,438	22,173	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	1,536	1,593	1,631	1,678	1,387	1,510	1,593	-
TOTAL LIABILITIES	**507,547**	**532,828**	**521,233**	**520,070**	**526,128**	**614,995**	**626,633**	**-**
EQUITY								
Paid-in Capital	11,488	11,488	11,488	11,488	11,488	14,727	14,727	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,490	2,491	2,491	2,491	2,492	3,294	3,294	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,978**	**13,978**	**13,979**	**13,979**	**13,980**	**18,021**	**18,022**	**-**
Capital Reserves	4,659	5,172	5,172	5,172	5,172	5,990	5,990	-
Retained Earnings	23,109	22,235	22,227	22,066	27,361	26,435	26,436	-
Surplus (Deficit) of Secs Available for Sale	386	393	273	432	365	388	4	-
Results from Valuation of Hedging Secs	(1,832)	(2,762)	(3,267)	(2,316)	(1,669)	(2,154)	(2,878)	-
Results from Conversions	(1,003)	(751)	(885)	(1,061)	(1,288)	(1,232)	(246)	-
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	1,435	2,973	4,545	6,035	1,618	3,448	5,320	-
Earned Capital	**26,755**	**27,261**	**28,066**	**30,328**	**31,560**	**32,874**	**34,626**	**-**
Minority Interest	10	10	10	10	10	10	10	-
Total Equity	**40,743**	**41,249**	**42,054**	**44,316**	**45,550**	**50,905**	**52,657**	**-**
TOTAL LIABILITIES & EQUITY	**548,290**	**574,077**	**563,287**	**564,386**	**571,678**	**665,900**	**679,290**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Investment banking transactions for third parties, net	72,539	76,771	71,427	78,069	69,252	72,038	80,941	-
Proprietary Transactions	371,948	378,486	427,631	411,059	491,170	634,781	716,846	-
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	272	264	258	256	255	255	255	-
Loan Obligations	2,421	3,899	4,521	3,155	3,605	11,243	9,793	-
Trusts	113,540	108,022	116,516	122,628	127,790	199,649	237,780	-
Mandates	2,097	2,185	2,188	2,096	2,151	2,220	2,221	-
Properties in Trusts and Warrant	115,637	110,207	118,705	124,723	129,941	201,868	240,001	-
Properties in Custody or Administration	206,622	209,066	229,949	226,424	259,670	282,070	296,977	-
Uncollected Accrued Interest from Past Due Loans	161	152	146	136	139	162	159	-
Collateral Received	34,792	39,211	49,150	40,914	63,811	98,066	115,709	-
Collateral Received or sold	12,043	15,687	24,902	15,452	33,748	41,116	53,950	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	-
Repurchase Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
	444,487	**455,257**	**499,058**	**489,129**	**560,422**	**706,819**	**797,786**	

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	9M11
Interest Income	322	270	271	257	252	248	234	-	1,121	735
Interest Expense	119	113	109	99	99	90	76	-	440	264
Charged Fees	3	5	4	5	8	4	4	-	17	16
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	**207**	**162**	**167**	**164**	**161**	**163**	**162**	**-**	**699**	**486**
Preventive Provisions for Loan Losses	128	(22)	37	48	(0)	43	14	-	191	57
Net Interest Income Adjusted for Credit Risk	**78**	**184**	**129**	**116**	**161**	**120**	**148**	**-**	**508**	**430**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	3	2	-	13	9
Fund Transfers	35	38	39	37	36	43	44	-	150	124
Account Management Fees	17	19	19	17	16	16	24	-	73	56
Fiduciary	-	-	-	-	-	-	-	-	-	-
Charged Fees to FOBAPROA	-	-	-	-	-	-	-	-	-	-
Other Fees	3	6	4	8	4	2	3	-	21	10
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	8	9	9	9	9	9	9	-	35	27
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-	-
Fees Charged on Services	**64**	**77**	**75**	**75**	**69**	**73**	**83**	**-**	**291**	**225**
Fund transfers	1	1	1	1	1	1	1	-	3	4
Other Fees	26	29	28	26	25	28	27	-	109	79
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**27**	**29**	**28**	**27**	**26**	**29**	**28**	**-**	**111**	**83**
Foreign Exchange	10	12	11	10	10	12	14	-	42	36
Securities-Realized Gains	23	17	8	9	-	3	61	-	57	65
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-	-
Trading Income	**33**	**28**	**19**	**19**	**10**	**15**	**75**	**-**	**99**	**101**
Loan Recoveries	17	24	4	6	2	3	2	-	51	7
Income from purchased assets	(22)	(11)	(23)	(39)	(11)	(9)	(8)	-	(94)	(28)
Other Operating Income	-	-	-	-	118	(118)	-	-	-	0
Other Operating Expense	-	-	-	-	(146)	146	-	-	-	(0)
Other Operating Income	12	9	12	14	11	14	15	-	47	40
Other Recoveries	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	(0)	(2)	0	(0)	(0)	(1)	(1)	-	(3)	(2)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	-	-	-	-	-	-
Total Non Interest Income	**76**	**96**	**59**	**48**	**27**	**95**	**138**	**-**	**280**	**259**
Total Operating Income	**155**	**281**	**188**	**164**	**188**	**215**	**286**	**-**	**787**	**689**
Personnel	70	69	73	69	66	67	66	-	280	199
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-	-
Professional Fees	17	19	16	20	26	22	23	-	72	71
Administrative and Promotional Expenses	47	56	52	61	41	44	47	-	217	131
Rents, Depreciation & Amortization	21	22	21	20	19	19	21	-	85	59
Taxes other than income tax & non deductible expenses	4	4	4	19	5	4	5	-	29	14
Contributions to IPAB/Fobaproa	13	13	13	13	15	9	10	-	53	33
Total Non Interest Expense	**173**	**182**	**180**	**202**	**171**	**164**	**172**	**-**	**737**	**507**
Operating Income	**(18)**	**99**	**8**	**(38)**	**17**	**51**	**115**	**-**	**51**	**182**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**(18)**	**99**	**8**	**(38)**	**17**	**51**	**115**	**-**	**51**	**182**
Income Tax	(8)	33	1	(15)	5	16	39	-	12	60
Profit Sharing	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
Taxes	**8**	**(33)**	**(1)**	**15**	**(5)**	**(16)**	**(39)**	**-**	**(12)**	**(60)**
Net Income from Continuos Operations	**(10)**	**66**	**7**	**(24)**	**12**	**34**	**76**	**-**	**39**	**122**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-
Net Income	**(10)**	**66**	**7**	**(24)**	**12**	**34**	**76**	**-**	**39**	**122**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**685**	**1,926**	**1,392**	**3,615**	**4,196**	**3,641**	**3,145**	**-**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities Available for Sale	7,276	6,893	7,558	7,872	8,480	8,801	10,266	-
Securities Held to Maturity	11	12	12	11	11	11	12	-
Investment in Securities	**7,287**	**6,905**	**7,570**	**7,884**	**8,491**	**8,812**	**10,279**	**-**
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	10,393	10,312	9,417	9,251	8,095	7,633	8,240	-
Financial Intermediaries´Loans	-	-	-	-	-	-	-	-
Consumer Loans	186	182	189	189	175	161	185	-
Mortgage Loans	2,317	2,365	2,215	2,175	2,060	2,010	2,204	-
Government Entities´Loans	-	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**12,897**	**12,859**	**11,822**	**11,615**	**10,331**	**9,805**	**10,628**	**-**
Commercial PDL´s	1,055	705	587	504	302	283	258	-
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	-
Consumer PDL´s	0	0	1	1	0	0	4	-
Mortgage PDL´s	207	204	254	270	66	102	202	-
Government Entities PDL´s	-	-	-	-	-	-	-	-
Past Due Loans	**1,263**	**910**	**842**	**774**	**368**	**386**	**464**	**-**
Gross Loan Portfolio	**14,160**	**13,769**	**12,664**	**12,389**	**10,699**	**10,190**	**11,092**	**-**
Preventive Loan Loss Reserves	422	325	315	334	187	182	162	-
Net Loan Portfolio	**13,738**	**13,443**	**12,349**	**12,054**	**10,512**	**10,009**	**10,930**	**-**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-	-	-
Total Credit Portfolio	**13,738**	**13,443**	**12,349**	**12,054**	**10,512**	**10,009**	**10,930**	**-**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	641	626	621	614	600	592	702	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	484	989	1,152	337	305	321	562	-
Real Estate, Furniture & Equipment, Net	639	646	617	597	566	552	642	-
Investment in Subsidiaries	8	8	8	8	8	8	9	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	8	38	50	63	-	-
Goodwill and Intangibles	3,257	3,307	3,225	3,157	3,033	3,147	3,530	-
Other Assets Short and Long Term	213	224	250	200	202	183	310	-
Other Assets	-	-	-	-	-	-	-	-
	5,241	5,800	5,882	4,952	4,764	4,867	5,755	-
TOTAL ASSETS	**26,951**	**28,074**	**27,193**	**28,504**	**27,962**	**27,328**	**30,109**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	8,819	8,807	8,110	9,213	9,441	9,336	10,209	-
Time Deposits-Retail	12,515	13,256	13,303	13,747	13,223	12,464	13,247	-
Time Deposits-Money Market	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-	-
Deposits	**21,334**	**22,063**	**21,413**	**22,960**	**22,664**	**21,800**	**23,456**	**-**
Immediate Redemption Loans	-	-	-	-	-	-	-	-
Short Term Loans	66	130	68	63	60	75	91	-
Long Term Loans	-	1	-	-	-	-	-	-
Due to Banks & Correspondents	**66**	**131**	**68**	**63**	**60**	**75**	**91**	**-**
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	39	13	6	5	6	12	-
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	**-**	**39**	**13**	**6**	**5**	**6**	**12**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	-	4	5	0	-	-	-	-
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	165	123	125	114	101	228	186	-
Other Payable Accounts	**165**	**126**	**130**	**114**	**101**	**228**	**186**	**-**
Subordinated Non Convertible Debt	254	265	260	255	246	242	285	-
Deferred Taxes, Net	8	11	-	-	-	-	41	-
Deferred Credits	27	25	21	19	13	16	16	-
TOTAL LIABILITIES	**21,855**	**22,660**	**21,905**	**23,416**	**23,089**	**22,365**	**24,086**	**-**
EQUITY								
Paid-in Capital	4,668	4,668	4,668	4,668	4,668	4,668	4,668	-
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**	**4,668**	**4,668**	**-**
Capital Reserves	-	-	-	-	-	-	-	-
Retained Earnings	304	304	304	304	344	344	344	-
Surplus (Deficit) of Secs Available for Sale	101	133	107	44	2	128	218	-
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Results from Conversions	34	253	145	33	(153)	(223)	671	-
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	(10)	56	63	39	12	46	122	-
Earned Capital	**429**	**746**	**619**	**420**	**205**	**295**	**1,355**	**-**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**5,097**	**5,414**	**5,287**	**5,088**	**4,873**	**4,963**	**6,023**	**-**
TOTAL LIABILITIES & EQUITY	**26,951**	**28,074**	**27,193**	**28,504**	**27,962**	**27,328**	**30,109**	**-**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Investment banking transactions for third parties,	-	-	-	-	-	-	-	-
Proprietary Transactions	22	22	15	12	13	12	10	-
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	-	-	-	-	-	-	-	-
Loan Obligations	22	22	15	12	13	12	10	-
Trusts	-	-	-	-	-	-	-	-
Mandates	-	-	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due	-	-	-	-	-	-	-	-
Collateral Received	-	-	-	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	-
Repurchase Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
	22	**22**	**15**	**12**	**13**	**12**	**10**	**0**

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 9M11
(Million Pesos)

	Holding	Banorte	Casa de Bolsa	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Interest Income	4	32,472	1,458	1,327	7	318	982	2,563	662
Premium Income (Net)	-	-	-	-	-	5,121	6,325	-	-
Interest Expense	-	15,105	1,360	580	7	-	-	1,601	646
Net Increase in Technical Reserves	-	-	-	-	-	238	6,076	-	-
Damages, Claims and Other Obligations	-	-	-	-	-	3,409	1,278	-	-
Net Interest Income (NII)	**4**	**17,367**	**98**	**747**	**(0)**	**1,791**	**(46)**	**962**	**16**
Preventive Provisions for Loan Losses	-	4,205	-	22	-	-	-	86	-
Net Interest Income Adjusted for Credit Risk	4	13,162	98	725	(0)	1,791	(46)	876	16
Loan Origination Fees	-	6,666	551	9	63	-	-	439	372
Fees Paid	-	1,209	63	16	0	967	88	142	41
Trading Income	-	754	97	-	0	53	250	374	37
Other Operating Income (Expenses)	-	1,462	9	53	1	323	(29)	58	6
Non Interest Income	**-**	**7,673**	**593**	**46**	**63**	**(591)**	**134**	**728**	**373**
Total Operating Income	**4**	**20,835**	**691**	**771**	**63**	**1,200**	**88**	**1,604**	**389**
Administrative and Promotional Expenses	**17**	**13,375**	**391**	**306**	**22**	**479**	**60**	**1,343**	**397**
Operating Income	**(12)**	**7,460**	**300**	**465**	**41**	**720**	**28**	**261**	**(7)**
Subsidiaries' Net Income	6,020	1	(1)	-	-	2	2	(17)	0
Pre-Tax Income	6,008	7,462	299	465	41	722	30	245	(7)
Income Tax	-	2,215	95	-	14	280	0	-	(0)
Deferred Income Tax	(2)	60	(5)	-	(4)	(45)	9	(26)	(47)
Net Income from Continuos Operations	6,010	5,187	209	465	32	488	21	271	40
Minority Interest	-	(138)	-	-	(0)	(0)	0	-	-
Net Income	**6,010**	**5,049**	**209**	**465**	**32**	**488**	**22**	**271**	**40**

GFNorte -Income Statement as of 9M11
(Million Pesos)

	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Interest Income	0	1	236	9	234	40,273	1,703	15	38,586
Premium Income (Net)	-	-	-	-	-	11,446	193	-	11,253
Interest Expense	0	-	181	37	120	19,636	15	1,692	17,959
Net Increase in Technical Reserves	-	-	-	-	-	6,315	-	-	6,315
Damages, Claims and Other Obligations	-	-	-	-	-	4,686	-	-	4,686
Net Interest Income (NII)	**0**	**1**	**56**	**(28)**	**114**	**21,082**	**-**	**-**	**20,878**
Preventive Provisions for Loan Losses	-	-	2	(24)	15	4,306	-	-	4,306
Net Interest Income Adjusted for Credit Risk	0	1	54	(4)	99	16,776	-	-	16,572
Loan Origination Fees	232	25	7	(4)	24	8,383	524	-	7,859
Fees Paid	194	-	(5)	1	-	2,716	-	626	2,090
Trading Income	1	-	(14)	22	-	1,574	1,152	1,173	1,595
Other Operating Income (Expenses)	0	4	23	(5)	(15)	1,889	101	0	1,789
Non Interest Income	**39**	**29**	**21**	**12**	**9**	**9,130**	**1,777**	**547**	**9,153**
Total Operating Income	**39**	**30**	**75**	**8**	**109**	**25,906**	**1,777**	**547**	**25,726**
Administrative and Promotional Expenses	**11**	**25**	**60**	**19**	**80**	**16,585**	**353**	**528**	**16,410**
Operating Income	**27**	**5**	**15**	**(11)**	**29**	**9,321**	**-**	**-**	**9,315**
Subsidiaries' Net Income	0	-	-	(1)	-	6,008	6,020	-	(13)
Pre-Tax Income	28	5	15	(13)	29	15,329	-	-	9,303
Income Tax	6	1	8	-	-	2,619	-	-	2,619
Deferred Income Tax	(2)	-	(7)	-	(3)	(74)	-	-	(74)
Net Income from Continuos Operations	23	4	14	(13)	32	12,784	-	-	6,758
Minority Interest	-	-	1	-	-	(137)	617	-	(754)
Net Income	**23**	**4**	**15**	**(13)**	**32**	**12,647**	**10,663**	**4,020**	**6,004**

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 9M11 (Million Pesos)									
ASSETS	Holding	Banorte	Casa de Bolsa Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Cash and Due from Banks	**252**	**53,881**	**6**	**517**	**1**	**64**	**20**	**5,343**	**241**
Margin Accounts	-	135	3	-	-	-	-	437	-
Negotiable Instruments	-	48,105	24,271	-	3	3,100	201	31,092	5,085
Securities Available for Sale	-	31,498	272	-	54	-	-	185	-
Securities Held to Maturity	44	118,584	503	-	-	5,613	31,067	10,138	16,358
Investment in Securities	**44**	**198,186**	**25,045**	**-**	**57**	**8,713**	**31,269**	**41,415**	**21,443**
Debtor Balance in Repo Trans, net	-	38	1	-	-	0	120	2,001	-
Transactions with Derivatives									
For trading purposes	-	13,245	-	-	-	-	-	6,144	-
For hedging purposes	-	1,077	-	-	-	-	-	495	-
Valuation adjustments for Asset	-	-	-	-	-	-	-	119	-
Commercial Loans	-	122,579	-	12,365	-	-	-	20,817	-
Financial Intermediaries´ Loans	-	9,054	-	120	-	-	-	4,257	-
Government Entities´ Loans	-	56,576	-	3,072	-	-	-	3,447	-
Consumer Loans	-	31,813	-	2	-	-	-	359	-
Mortgage Loans	-	60,764	-	-	-	-	-	1,080	-
Performing Loans	**-**	**280,786**	**-**	**15,559**	**-**	**-**	**-**	**29,961**	**-**
Commercial PDL´s	-	4,264	-	93	-	-	-	214	-
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	6	-
Government Entities PDL´s	-	500	-	0	-	-	-	-	-
Consumer PDL´s	-	1,314	-	-	-	-	-	13	-
Mortgage PDL´s	-	1,019	-	-	-	-	-	38	-
Past Due Loans	**-**	**7,098**	**-**	**94**	**-**	**-**	**-**	**270**	**-**
Gross Loan Portfolio	**-**	**287,884**	**-**	**15,653**	**-**	**-**	**-**	**30,231**	**-**
Preventive Loan Loss Reserves	-	9,449	-	268	-	-	-	472	-
Net Loan Portfolio	**-**	**280,765**	**-**	**15,385**	**-**	**-**	**-**	**29,759**	**-**
Acquired Collection Rights	-	2,330	-	-	-	-	-	-	-
Total Credit Portfolio	**-**	**278,434**	**-**	**15,385**	**-**	**-**	**-**	**29,759**	**-**
Account Receivables from Insurance and Annuities	-	-	-	-	-	551	377	-	-
Premium Debtors (Net)	-	-	-	-	-	2,673	113	-	-
Account Receivables from Reinsurance	-	-	-	-	-	2,096	-	-	-
Benef.receivab.securization transactions	-	881	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	6	20,404	144	59	14	-	-	2,798	136
Inventories	-	-	-	-	545	-	-	-	-
Foreclosed Assets, Net	-	1,271	-	-	-	8	-	-	-
Real Estate, Furniture & Equipment, Net	-	7,926	7	1,488	43	181	2	517	56
Investment in Subsidiaries	57,952	1,369	20	-	-	83	17	472	2
Deferred Taxes, Net	4	1,570	-	-	-	104	-	34	57
Intangible	11,098	4,321	163	-	22	2	2	521	209
Other Assets	-	6,345	140	2	7	200	4	59	-
Total Other Assets	11,098	10,665	302	2	28	202	6	580	209
TOTAL ASSETS	**69,355**	**591,413**	**25,529**	**17,450**	**688**	**14,677**	**31,924**	**90,113**	**22,143**

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 9M11 (Million Pesos)									
ASSETS	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Cash and Due from Banks	0	**6**	**1**	**0**	**26**	**60,358**	**258**	**2,357**	**58,260**
Margin Accounts	-	-	-	-	-	575	-	-	575
Negotiable Instruments	72	-	-	56	-	111,985	2	376	111,612
Securities Available for Sale	-	-	-	72	-	32,080	-	733	31,347
Securities Held to Maturity	-	-	2	179	-	182,488	-	-	182,488
Investment in Securities	**72**	**-**	**2**	**307**	**-**	**326,554**	**2**	**1,109**	**325,447**
Debtor Balance in Repo Trans, net	-	-	0	-	96	2,254	-	97	2,157
Transactions with Derivatives									
For trading purposes	-	-	-	-	-	19,388	-	-	19,388
For hedging purposes	-	-	-	-	-	1,573	-	-	1,573
Valuation adjustments for Asset	-	-	-	-	-	119	-	-	119
Commercial Loans	-	-	198	108	3,317	159,383	-	-	159,383
Financial Intermediaries´ Loans	-	-	7	-	-	13,438	-	4,315	9,123
Government Entities´ Loans	-	-	-	-	-	63,095	-	-	63,095
Consumer Loans	-	-	198	-	-	32,373	-	-	32,373
Mortgage Loans	-	-	-	-	418	62,262	-	-	62,262
Performing Loans	**-**	**-**	**403**	**108**	**3,735**	**330,552**	**-**	**4,315**	**326,237**
Commercial PDL´s	-	-	6	177	19	4,774	-	-	4,774
Financial Intermediaries PDL´s	-	-	-	-	-	6	-	-	6
Government Entities PDL´s	-	-	-	-	-	500	-	-	500
Consumer PDL´s	-	-	54	-	-	1,381	-	-	1,381
Mortgage PDL´s	-	-	-	-	234	1,291	-	-	1,291
Past Due Loans	**-**	**-**	**60**	**177**	**253**	**7,953**	**-**	**-**	**7,953**
Gross Loan Portfolio	**-**	**-**	**464**	**285**	**3,988**	**338,504**	**-**	**4,315**	**334,189**
Preventive Loan Loss Reserves	-	-	57	61	242	10,549	-	-	10,549
Net Loan Portfolio	**-**	**-**	**407**	**1,015**	**3,947**	**331,278**	**564**	**4,315**	**327,528**
Acquired Collection Rights	-	-	-	791	201	3,323	564	-	3,887
Total Credit Portfolio	**-**	**-**	**407**	**224**	**3,746**	**327,956**	**-**	**4,315**	**323,640**
Account Receivables from Insurance and Annuities	-	-	-	-	-	929	-	-	929
Premium Debtors (Net)	-	-	-	-	-	2,787	-	-	2,787
Account Receivables from Reinsurance	-	-	-	-	-	2,096	-	-	2,096
Benef.receivab.securization transactions	-	-	-	-	13	894	-	-	894
Sundry Debtors & Other Accs Rec, Net	58	14	51	6	90	23,778	2	148	23,632
Inventories	-	-	-	-	-	545	-	-	545
Foreclosed Assets, Net	-	-	0	72	371	1,723	-	-	1,723
Real Estate, Furniture & Equipment, Net	1	2	928	7	9	11,166	-	-	11,166
Investment in Subsidiaries	36	-	-	12	-	59,964	-	57,952	2,012
Deferred Taxes, Net	2	-	27	36	90	1,924	-	200	1,724
Intangible	19	12	64	7	44	16,483	-	-	16,483
Other Assets	1	-	-	0	4	6,761	-	18	6,743
Total Other Assets	21	12	64	7	48	23,243	-	18	23,226
TOTAL ASSETS	**190**	**34**	**1,480**	**1,463**	**4,690**	**871,148**	**827**	**66,195**	**805,780**

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 9M11

(Million Pesos)

LIABILITIES	Holding	Banorte	Casa de Bolsa	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Demand Deposits	-	156,988	-	-	-	-	-	13,660	-
Time Deposits	-	153,248	-	-	-	-	-	18,100	-
Time Deposits-Retail	-	144,850	-	-	-	-	-	18,100	-
Time Deposits-Money Market	-	8,398	-	-	-	-	-	-	-
Senior Unsecured Debt	-	4,176	-	-	-	-	-	-	-
Deposits	**-**	**314,413**	**-**	**-**	**-**	**-**	**-**	**31,760**	**-**
Due to Banks & Correspondents	-	10,470	-	14,626	434	-	-	6,124	-
Immediate Redemption Loans	-	814	-	-	-	-	-	483	-
Short Term Loans	-	5,678	-	11,838	434	-	-	5,637	-
Long Term Loans	-	3,978	-	2,787	-	-	-	3	-
Due to Banks & Correspondents	**-**	**10,470**	**-**	**14,626**	**434**	**-**	**-**	**6,124**	**-**
Technical Reserves	-	-	-	-	-	8,716	30,494	-	-
Non-assigned Securities for Settlement	-	1,708	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	162,407	23,165	-	-	-	-	32,978	21,009
Secs to be received in Repo Trans, Net	-	-	0	-	-	-	-	-	57
Collateral sold or pledged as collateral	-	79	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-	-
For trading purposes	-	13,092	4	-	-	-	-	6,333	-
For hedging purposes	-	5,176	-	-	-	-	-	108	-
Operations w/ Derivatives & Securities	**-**	**180,754**	**23,169**	**-**	**-**	**-**	**-**	**39,419**	**21,066**
Payable Accounts for Reinsurance	-	-	-	-	-	995	-	-	-
Payable Accounts	-	14,730	235	355	9	2,442	219	4,783	347
Income Tax Payable	-	681	0	-	-	274	-	-	48
Profit Sharing Payable	-	651	4	-	-	-	-	15	4
Creditors for settlement of transactions	-	3,409	8	-	-	-	-	2,219	25
Other Creditors & Accounts Payable	-	9,988	222	355	9	2,167	219	2,550	271
Other Payable Accounts	-	14,730	235	355	9	2,442	219	4,783	347
Subordinated Non Convertible Debt	-	18,838	-	-	-	-	-	3,335	-
Deferred Taxes, Net	-	-	95	-	7	-	96	-	-
Deferred Credits	-	1,476	-	75	-	-	-	117	-
TOTAL LIABILITIES	**-**	**542,389**	**23,499**	**15,055**	**450**	**12,153**	**30,809**	**85,470**	**21,413**
EQUITY									
Subscribed Capital	**32,013**	**13,980**	**540**	**306**	**87**	**709**	**325**	**4,042**	**658**
Paid-in Capital	13,098	11,488	540	306	87	709	325	3,239	583
Share Subscription Premiums	18,915	2,492	-	-	-	-	-	802	75
Capital Reserves	3,224	5,776	111	279	26	310	116	214	60
Retained Earnings	30,941	26,371	1,013	1,344	92	977	588	66	(42)
Surplus (Deficit) of Secs Available for Sale	117	(20)	135	-	1	40	(1)	25	-
Results from Valuation of Hedging Secs	(2,725)	(2,905)	-	-	-	-	-	26	-
Results from Conversions	(225)	(246)	22	-	-	-	-	-	15
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	6,010	5,049	209	465	32	488	22	271	40
Earned Capital	**37,342**	**34,024**	**1,490**	**2,089**	**151**	**1,815**	**725**	**601**	**73**
Minority Interest	-	1,020	-	-	0	0	65	-	-
Total Equity	**69,355**	**49,024**	**2,030**	**2,395**	**239**	**2,524**	**1,115**	**4,643**	**731**
TOTAL LIABILITIES & EQUITY	**69,355**	**591,413**	**25,529**	**17,450**	**688**	**14,677**	**31,924**	**90,113**	**22,143**

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 9M11

(Million Pesos)

LIABILITIES	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Demand Deposits	-	-	-	-	-	170,648	998	-	169,650
Time Deposits	-	-	-	-	-	171,348	420	-	170,928
Time Deposits-Retail	-	-	-	-	-	162,950	169	-	162,781
Time Deposits-Money Market	-	-	-	-	-	8,398	251	-	8,147
Senior Unsecured Debt	-	-	801	-	2,505	7,483	-	-	7,483
Deposits	**-**	**-**	**801**	**-**	**2,505**	**349,480**	**1,418**	**-**	**348,061**
Due to Banks & Correspondents	-	-	218	1,030	1,323	34,223	5,039	-	29,185
Immediate Redemption Loans	-	-	-	-	-	1,297	937	-	361
Short Term Loans	-	-	131	-	1,110	24,829	2,955	-	21,874
Long Term Loans	-	-	86	1,030	212	8,097	1,147	-	6,950
Due to Banks & Correspondents	**-**	**-**	**218**	**1,030**	**1,323**	**34,223**	**5,039**	**-**	**29,185**
Technical Reserves	-	-	-	-	-	39,210	-	-	39,210
Non-assigned Securities for Settlement	-	-	-	-	-	1,708	-	-	1,708
Creditor Balance in Repo Trans, Net	-	-	-	-	-	239,559	97	-	239,462
Secs to be received in Repo Trans, Net	-	-	-	-	-	57	-	-	57
Collateral sold or pledged as collateral	-	-	-	-	-	79	-	-	79
Transactions with Derivatives	-	-	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	-	19,429	-	-	19,429
For hedging purposes	-	-	-	-	-	5,284	-	-	5,284
Operations w/ Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**264,408**	**97**	**-**	**264,311**
Payable Accounts for Reinsurance	-	-	-	-	-	995	-	-	995
Payable Accounts	79	10	69	7	113	23,397	783	610	23,223
Income Tax Payable	14	1	1	-	-	1,020	-	-	1,020
Profit Sharing Payable	1	1	-	-	1	677	-	-	677
Creditors for settlement of transactions	-	-	-	-	-	5,661	-	-	5,661
Other Creditors & Accounts Payable	64	8	68	7	112	16,040	783	610	15,866
Other Payable Accounts	79	10	69	7	113	23,397	783	610	23,223
Subordinated Non Convertible Debt	-	-	-	-	-	22,173	-	-	22,173
Deferred Taxes, Net	2	-	-	-	-	200	200	-	-
Deferred Credits	-	-	70	1	41	1,781	15	-	1,766
TOTAL LIABILITIES	**81**	**10**	**1,158**	**1,039**	**3,982**	**737,508**	**7,553**	**610**	**730,565**
EQUITY									
Subscribed Capital	**77**	**24**	**220**	**540**	**665**	**54,187**	**22,842**	**149**	**31,494**
Paid-in Capital	77	24	220	540	665	31,903	18,855	8	13,055
Share Subscription Premiums	-	-	-	-	-	22,284	3,987	141	18,438
Capital Reserves	4	2	22	0	43	10,186	6,963	-	3,224
Retained Earnings	5	(6)	63	(108)	(33)	61,269	30,422	119	30,966
Surplus (Deficit) of Secs Available for Sale	-	-	-	5	-	302	151	(7)	144
Results from Valuation of Hedging Secs	-	-	-	-	-	(5,604)	(2,878)	-	(2,725)
Results from Conversions	-	-	-	-	-	(435)	(210)	-	(225)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	23	4	15	(13)	32	12,647	6,689	46	6,004
Earned Capital	**32**	**(1)**	**100**	**(116)**	**42**	**78,366**	**41,137**	**158**	**37,387**
Minority Interest	-	-	2	-	-	1,087	-	5,247	6,334
Total Equity	**109**	**24**	**322**	**424**	**707**	**133,640**	**63,979**	**5,554**	**75,215**
TOTAL LIABILITIES & EQUITY	**190**	**34**	**1,480**	**1,463**	**4,690**	**871,148**	**71,532**	**6,163**	**805,780**

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

ACCOUNTING CHANGES AND REGULATIONS

- **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 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, such institutions must be consolidated in the financial statement 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.

- **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. The following are the most relevant changes.

With regards to Criteria B-2 "Investments in Securities", rules were added for the reclassification to the category of securities held to maturity, or securities available for sale, which can be effected under extraordinary circumstances (for example: lack of market liquidity, no active market, among others), which will be evaluated and if the case, validated through the express authorization of the CNBV.

In relation to Criteria B-5 "Derivatives and hedging operations":

- Dollar denominated derivatives are no longer valued when the currency commonly used in trading contracts for buying or selling non financial items in the economic environment in which the transaction is carried out (for example, a stable and liquid currency commonly used in local transactions, or, in foreign trade).
- In those cases where it is necessary to recognize and value embedded derivatives, the obligation to present them in the balance sheet together with the contract host was eliminated, which is why the embedded derivative must be registered under the item of Derivatives.
- The use of margin accounts is specified in operations with derivatives in recognized markets or stock exchanges.
- Accounting of collateral in OTC operations is carried out outside of margin accounts, registering both an account receivable and an account payable respectively.

In relation to Criteria B-6 “Loan Portfolio”

- Fees charged for restructured loans will be deferred and recognized in results in accordance with the new term of the loan.
- Commissions, origination fees and annual fees must be presented on a net basis.

- Renewal and restructuring of loans with characteristics different to that stipulated in paragraph 52 will be considered valid only when the borrower liquidates in a timely fashion all interest charged and covers 25% of the original loan.

Criteria D-1" "Balance Sheet" and D-2 "Income Statement" presents changes in their presentation in accordance with changes in the mentioned criteria, additionally the items of "Non Operating Income" are eliminated and are now registered under "Other Operating Income (Expenses) " as part of the Operating results in the Income Statement.

- **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 nonfulfillment which is in Annex 18 of the mentioned Resolution.

The resolution came into effect on October 6th, 2011 and is applicable in an optional way to during the third or fourth quarter of 2011. GFNorte opted to apply the methodology mentioned with figures to September 30th, 2011. As a result, GFNorte released Ps 87 million in excess reserves which were calculated under the previous methodology. This cancellation of surplus reserves was charged to the fiscal year's results in accordance with such methodology.

The amount of preventive reserves for credit risks calculated using the methodology referred to in Annex 18 contained in the aforementioned Resolution was Ps 961 million, and the amount of reserves required under the previous method of calculation was Ps 1,048 million, both using figures to September 30th, 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.

In response to the aforementioned change, on March 31st, 2011, the Financial Group recognized in the equity of previous fiscal years, the initial accumulated financial effect of the application of the rating methodologies for non revolving consumer loan portfolios and mortgage portfolios, referred to in Paragraph A of the First Section and Second Sections, in Chapter V of the Second Title of applicable General Dispositions for Credit institutions, in accordance with Provisional Article Three.

The accounting booking to recognize the effect generated a charge of Ps 582 to the "Retained Earnings" account of previous fiscal years in equity, against a loan for the same amount to the "Estimated preventive reserves for credit risks" account under the item of loan portfolio in the balance sheet. Deferred taxes resulting from the changes were also registered with a charge of Ps 233 to the "Deferred Taxes" account in the balance sheet against a loan charged to the "Retained Earnings" account in equity.

If recognition of the aforementioned effect in the results of the fiscal year had been made, the items that would have been affected and amounts that would have been registered and presented in the balance sheet as well as in the Income Statement on June 30th, 2011, would be:

Balance Sheet	Originally presented	Originally presented	New presentation
Equity			
Results of previous fiscal years	$30,966	$349	$31,315
Majority Net Income	6,004	(349)	5,655
Total Equity	**$75,215**	**$-**	**$75,215**

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

Financial Statement	Originally presented	Originally presented	New presentation
Estimated reserves for credit risks	4,306	582	4,888
NII adjusted for credit risk	**16,572**	**(582)**	**15,990**
Deferred income taxes (net)	(74)	(233)	(307)
Net Income	**$6,004**	**(349)**	**$5,655**

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

On August 31st, 2009 changes to accounting criteria for mutual funds were announced, to make them consistent with financial reporting standards set in Mexico as well as abroad. These changes are similar to changes made for Credit Institutions and Brokerage Houses in 2Q09.

- **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.

- **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.

- **Changes in Securitizations Transactions.**

Among the main changes resulting from the new measures and norms issued or modified by the Commission and CINIF that became effective as of January 1st, 2009 are:

The C-2 criteria, "Securitizations", establishes that in this type of transaction, the assigner can decide to transfer the risks and benefits and/or control of financial assets or not to the assignee.

It establishes that the benefits from the assignee's surplus will be recognized as "benefits to be received in securitization transactions" and remain valued since its initial registration, at a reasonable value, with any valuation adjustments recognized in the results of the exercise. This valuation must be consistent with “Entity with a Specific Purpose”, Entidad de Propósito Especifico (EPE) accounting policies established as the securitization medium.

If an assigner provides administrative services for transferred assets, an asset or liability must be registered initially from management of assets and liabilities, at its reasonable value according to the C-1 measure as follows:

a) An asset is registered if payment exceeds the cost and expenses incurred in providing the service; to the contrary a liability is registered.

b) Later, such asset or liability will be valued at a reasonable value, registering the effects of its valuation in the results of the exercise.

Benefits of the remaining balances of securitization operations and the asset from management of financial assets transferred will be exhibited under the heading "Benefits to be received in securitization operations".

The valuation of benefits to be received, as well as the asset or liability from management will be exhibited under the heading of "Other products" or "Other expenses", as appropriate.

The effects of said measure, applied to securitizations effective December 31st, 2008, are as follows:

In realized securitization operations, the financial assets were eliminated from the balance sheet based on the effective accounting measures to date, C-1 "Transfer of financial assets" and C-2 "Securitization". Given that the new accounting measures that substitute the previous ones are applied prospectively, no retroactive recording will apply for operations performed prior to applying this measure, which is why the re-valuation of financial asset transfers previously registered is not required.

Notwithstanding, in accordance with these new accounting measures, securitized loans for mortgage, state and municipal government portfolios that Banorte carried out during 2006 and 2007, respectively, did not fulfill the requirements of the new accounting measures for elimination from the balance sheet, given that in both operations most of the inherent risks and/or benefits are retained.

The C-5 measure "Consolidation of Entities with a Specific Purpose" defines the particular norms related to the consolidation of EPEs. It establishes that an entity must consolidate an EPE when the economic substance of the relationship between both entities indicates that it controls said EPE.

- **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 20 million. In this sense, an expense incurred by the Financial Group of up to Ps 42 million has been recognized, which results at 4Q10 in a net negative effect in the financial statements of the holding company of Ps (22) million. At 1Q11 results in a net negative effect in the financial statements of the holding company of Ps (17) million. At 2Q11 results in a net negative effect in the financial statements of the holding company of Ps (21) million.

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 this loans previously. This was a one-time operation.

	Local Currency (2)			Foreign Currency (USD) (3)			Total		
(Millions of Nominal Pesos)	Aug-02	Jun-11	Sep-11	Aug-02	Jun-11	Sep-11	Aug-02	Jun-11	Sep-11
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Mortgage	54	17	15	0	0	0	54	17	15
Total	**59**	**17**	**15**	**5**	**0**	**0**	**64**	**17**	**15**
Non Performing Loans									
Commercial	405	322	321	293	98	116	698	420	437
Consumer	81	72	72	0	0	0	81	72	72
Mortgage	1,112	315	309	0	0	0	1,112	315	309
Total	**1,598**	**709**	**702**	**293**	**98**	**116**	**1,891**	**807**	**818**
TOTAL LOANS	**1,657**	**726**	**717**	**298**	**98**	**116**	**1,955**	**824**	**833**
Loan Loss Reserves (1)									
Commercial	326	310	317	246	98	116	572	408	433
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	309	309	0	0	0	669	309	309
Total	**1,072**	**691**	**698**	**246**	**98**	**116**	**1,318**	**789**	**814**

1) Reserve requirements using the same classification method used for the bank.
2) Includes UDIS.
3) The dollar portfolio and reserves are re-expressed in pesos.
Note 1.- There was a Reserve deficit of Ps 13 million as of December 2010.
Note 2.- Banorte has a 99.99% stake in Sólida.

In 3Q11 the Loan portfolio showed changes due to: collections of Ps $6.1 million, repossessed assets of Ps $0.3 million, restructurings of Ps $0.7million and there were charge offs and discounts of Ps. $18.7 million. In the Loan loss provisions, there were charge offs and discounts of Ps $3.3 million. There were transfers from performing loans to past due loans of Ps $1.2 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	
(Millions of Nominal Pesos)	Jun-11	Sep-11	Jun-11	Sep-11	Jun-11	Sep-11
Performing Loans						
Commercial	159,997	168,503	12,975	16,278	172,972	184,781
Consumer	29,925	31,629	0	0	29,925	31,629
Mortgage	57,091	58,575	0	0	57,091	58,575
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**247,013**	**258,707**	**12,975**	**16,278**	**259,988**	**274,985**
Non Performing Loans						
Commercial	4,209	4,628	283	315	4,492	4,943
Consumer	1,483	1,383	0	0	1,483	1,383
Mortgage	1,049	1,127	0	0	1,049	1,127
Government	0	0	0	0	0	0
Non Performing Loans	**6,741**	**7,138**	**283**	**315**	**7,024**	**7,453**
TOTAL LOANS	**253,754**	**265,845**	**13,258**	**16,593**	**267,012**	**282,438**
Loan Loss Reserves	**9,199**	**9,635**	**373**	**467**	**9,572**	**10,102**
Net Loan Portfolio	**244,555**	**256,210**	**12,885**	**16,126**	**257,440**	**272,336**
Loan Loss Reserves					**136.28%**	**135.54%**
% Past Due Loans					**2.63%**	**2.64%**

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 3Q11 (Million Pesos)				
NEGOTIABLE INSTRUMENTS	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government Securities	**63,184**	**241**	**63,771**	**345**
Unrestricted	**276**	**9**	**438**	**153**
Cetes	(168)	-	26	194
Bonds	213	2	(83)	(299)
Bondes	99	-	99	(0)
Bpas	386	1	387	1
Brems	-	-	-	-
UMS	-	-	-	-
Udibonds	-	-	-	-
Stock Certificates	(254)	6	10	258
Restricted	**62,908**	**233**	**63,333**	**192**
Cetes	10,412	-	10,410	(2)
Bonds	3,241	35	3,304	27
Bondes	13,338	27	13,374	10
Bpas	33,260	170	42,668	137
Brems	2,202	-	2,207	5
UMS	-	-	-	-
Udibonds	-	-	0	0
Stock Certificates	454	0	471	17
Banking Securities	**24,862**	**37**	**24,966**	**68**
Unrestricted	**2,652**	**3**	**2,662**	**6**
Notes	1,648	2	1,655	6
Cedes	138	0	138	0
Bonds	14	0	14	0
Stock Certificates	730	1	732	0
Other Banking Securities	123	-	123	-
Restricted	**22,210**	**33**	**22,305**	**62**
Notes	181	-	186	4
Cedes	7,320	13	7,335	3
Other Banking Securities	1,577	4	1,587	5
Stock Certificates	13,131	16	13,197	50
Private	**12,699**	**43**	**13,607**	**866**
Unrestricted	**5,830**	**34**	**6,676**	**813**
Commercial Paper Pesos	0	-	0	0
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	59	1	63	3
EUROBONDS	201	3	209	5
Stock Certificates	4,557	17	4,570	(4)
Subordinated paper	-	-	-	-
Securities	954	-	1,762	808
Other securities	59	12	72	1
Restricted	**6,869**	**9**	**6,931**	**53**
Stock Certificates	4,097	9	4,136	30
PEMEX	11	0	11	0
	2,761	0	2,784	23
Foreign Government	**42**	**-**	**42**	**0**
Unrestricted	-	-	0	0
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	-	-	0	0
Other securities	-	-	-	-
Unrestricted	**42**	**-**	**42**	**-**
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	42	-	42	-
Other securities	-	-	-	-
Shares listed in the SIC	122	-	124	2
Guarantee (collateral) for futures	-	-	-	-
Mutual Funds	1	-	1	0
Total	**100,909**	**321**	**111,612**	**1,281**

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

SECURITIES HELD FOR SALE 3Q11 (Million Pesos) SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Unrestricted	**23,264**	**212**	**23,653**	**177**
Goverment Securities	**9,983**	**33**	**10,266**	**251**
Mexican Government Securities (UMS)	9,983	33	10,266	251
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	-	-	-	-
Mexican Government Securities (UMS)	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Restricted	13,281	180	13,387	(74)
Goverment Securities	**-**	**-**	**-**	**-**
Bonds	7,594	140	7,668	(66)
Bondes	1,996	0	1,991	(6)
Bpas	3,691	39	3,728	(2)
Mexican Government Securities (UMS)	**-**	**-**	**-**	**-**
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	1,561	4	1,563	(2)
Unrestricted	1,561	4	1,563	(2)
Stock Certificates	**870**	**3**	**873**	**0**
CEDES	**500**	**1**	**501**	**(0)**
Structured Notes	191	-	189	(2)
Restricted	-	-	-	-
Private	5,890	85	6,130	155
Unrestricted	1,405	22	1,532	105
GFNorte's Stock	-	-	-	-
BMV's Stock	-	-	-	-
Private company bonds	-	-	-	-
EUROBONOS	389	20	413	4
Stock Certificates	751	2	802	49
PEMEX	138	0	139	1
Securities	127	-	178	52
Other Securities	-	-	-	-
Restricted	**4,485**	**63**	**4,598**	**50**
GFNorte's Stock	-	-	-	-
BMV's Stock	234	-	272	38
Private company bonds	1,271	19	1,288	(2)
EUROBONOS	-	-	-	-
Stock Certificates 91	30	-	30	-
PEMEX	2,883	44	2,942	14
Mutual Funds	49	-	48	(0)
Other Securities	19	-	19	-
Total	**30,716**	**301**	**31,347**	**330**

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 3Q11 (Million Pesos)				
Securities Held to Maturity	**BOOK VALUE**	**INTEREST**	**MARKET VALUE**	**UNREALIZED GAIN (LOSS)**
Cetes	**782**	**3**	**784**	**-**
Government	113,404	461	113,865	-
Unrestricted	323	4	327	-
Cetes	-	-	-	-
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	-	-	-	-
UMS	296	4	300	-
Udibonds	-	-	-	-
Stock Certificates	**27**	**0**	**27**	**-**
Restricted	113,081	457	113,538	-
Cetes	-	-	-	-
Bonds	11,344	3	11,347	-
Bondes	33,059	61	33,121	-
Bpas	66,427	365	66,792	-
Brems	2,251	27	2,278	-
UMS	0	-	0	-
Udibonds	0	-	0	-
Banking Securities	**7,249**	**92**	**7,341**	**-**
Unrestricted	**3,450**	**22**	**3,472**	**-**
Notes	-	-	-	-
CEDES	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	2,622	22	2,644	-
Other Banking Securities	827	-	827	-
Restricted	**3,799**	**70**	**3,870**	**-**
Notes	-	-	-	-
Cedes	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	2,993	17	3,010	-
Other Banking Securities	806	53	860	-
Private	**60,392**	**93**	**60,485**	**-**
Unrestricted	6,754	39	6,793	-
Bonds	-	-	-	-
Securities	44	-	44	-
PEMEX	276	3	279	-
EUROBONOS	632	13	645	-
Stock Certificates	5,700	21	5,721	-
Other Securities	102	2	104	-
Sructured Notes	-	-	-	-
Restricted	**53,638**	**54**	**53,692**	**-**
Bonds	-	-	-	-
PEMEX	7,496	20	7,515	-
EUROBONDS	-	-	-	-
Stock Certificates	**46,142**	**34**	**46,177**	**-**
Sructured Notes	-	-	-	-
Other Debt Securities	-	-	-	-
Government Securities	12	0	12	-
Subordinated paper	-	-	-	-
Total	**181,839**	**649**	**182,488**	**-**

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

SECURITIES ASSIGNED FOR SETTLEMENT 3Q11

(Million Pesos)

SECURITIES ASSIGNED FOR SETTLEMENT	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government securities	**(1,672)**	**2**	**(1,666)**	**4**
Cetes	**(1,355)**	**-**	**(1,354)**	**1**
Bonds	(317)	2	(311)	3
Bondes	-	-	-	-
Bpas	-	-	-	-
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	-	-	-	-
2U CBIC	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	**-**	**-**	**-**	**-**
Notes	-	-	-	-
CEDES	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	-	-	-	-
Private	-	-	-	-
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	-	-	-	-
EUROBONDS	**-**	**-**	**-**	**-**
Stock Certificates	**-**	**-**	**-**	**-**
Subordinated paper	-	-	-	-
Foreign Goverment	(42)	-	(42)	0
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	(42)	-	(42)	0
Total	**(1,714)**	**2**	**(1,708)**	**4**

REPURCHASE AGREEMENT OPERATIONS 3Q11

(Million Pesos)

	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
SALES	RECEIVABLES ON REPURCHASE	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	-	186,457	(186,457)	-	186,457
Banking Securities	-	32,409	(32,409)	-	32,409
Private Securities	-	20,596	(20,596)	-	20,596
Total	**-**	**239,462**	**(239,462)**	**-**	**239,462**

	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
PURCHASES	RECEIVABLES ON REPURCHASE	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	36,784	34,804	1,979	2,025	46
Banking Securities	6,054	5,935	119	120	0
Private Securities	10,679	10,700	(21)	13	34
Total	**53,517**	**51,439**	**2,078**	**2,157**	**79**

BANORTE

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

DERIVATIVES FINANCIAL INSTRUMENTS OPERATIONS 3Q11

(Million Pesos)

INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR	CREDITOR
FUTURES					
Futures' Rates	18,383	(18,382)	1		
Over Inflation (INPC)	(51)	47	(4)		
Total	18,333	(18,335)	(3)	1	4
					(3)
FORWARD FX CONTRACTS	**PRECIO**	**VALOR DE**	**VALUACION**		
Negotiable					
Purchases	9,921	(11,388)	(1,466)		
Sells	(8,113)	9,795	1,682		
Total	1,808	(1,592)	216	1,265	1,049
	-				216
Hedging					
Purchases	-	-	-		
Sells	-	-	-		
Total	-	-	-	-	-
SWAPS					
Negotiable					
Capital	55,037	(55,371)	(334)		
Interest rate	1,188	(1,185)	3		
Valuation	105,254	(105,223)	30		
Subtotal	161,478	(161,779)	(301)	17,367	17,668
					(301)
Hedging					-
Capital	14,961	(15,500)	(539)		
Interest rate	242	(259)	(17)		
Valuation	8,549	(11,776)	(3,227)		
Subtotal	23,752	(27,535)	(3,783)	1,501	5,284
					(3,783)
OPTIONS					
Negociable-Assets					
Swaptions	6	3	9		
Rate Options	806	(59)	746		
Fx	-	-	-		
Index Options (ipc)	-	-	-		
Total	812	(57)	755	755	-
					-
Hedging -Assets					
Swaptions	-	-	-		
Rate Options	146	(74)	72		
Index Options (ipc)	-	-	-		
Total	146	(74)	72	72	-
					-
Negociable-Liability					
Swaptions	(11)	(0)	(11)		
FX	(5)	(11)	(16)		
Rate Options	(767)	86	(681)		
Index Options (ipc)	-	-	-		
Total	(783)	74	(708)	-	708
Debtor Balance				20,961	
Creditor Balance					24,713

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 3Q11- Banorte

(Million Pesos)

PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases	Exchange Rate (Dollar)	MXN	215
FX Forwards	Sales	Exchange Rate (Dollar)	MXN	32
FX Options	Purchases	Exchange Rate (Dollar)	MXN	-
FX Options	Sales	Exchange Rate (Dollar)	MXN	363
Interest Rate Options	Purchases	TIIE	MXN	34,070
Interest Rate Options	Sells	TIIE	MXN	28,449
Interest Rate Options	Purchases	LIBOR	MXN	7,990
Interest Rate Options	Sells	LIBOR	MXN	8,223
Interest Rate Options	Swaption Purchases	TIIE	MXN	2,000
Interest Rate Options	Swaption Sells	TIIE	MXN	2,500
Interest Rate Options	Swaption Purchases	LIBOR	MXN	-
Interest Rate Options	Swaption Sells	LIBOR	MXN	-
Interest Rate Swaps	USLI/IRS	LIBOR	MXN	89,424
Interest Rate Swaps	TIIE/IRS	TIIE	MXN	492,851
FX Swaps	CS EURMXN	FIX/FIX	MXN	582,274
FX Swaps	CS UDIMXN	UDI	MXN	-
FX Swaps	CS USDCETE	CETE	MXN	1,064
FX Swaps	CS USDMXN	FIX/FIX	MXN	170

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 3Q11- Ixe

(Million Pesos)

PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases/ Sales	Exchange Rate (Dollar)	MXN	10,310
FX Forwards	Purchases/ Sales	Exchange Rate (EUR)	MXN	362
FX Forwards	Purchases/ Sales	Exchange Rate (CAD)		127
FX Options	Purchases	Exchange Rate (Dollar)	MXN	207
FX Options	Sales	Exchange Rate (Dollar)	MXN	207
Interest Rate Options	Purchases/ Sales	TIIE	MXN	36,315
Interest Rate Options	Purchases/ Sales	LIBOR	MXN	25
Interest Rate Swaps	USD LIBOR	LIBOR 3M,6M	MXN	6,283
Interest Rate Swaps	MXN TIIE	TIIE	MXN	152,979
FX Swaps	CS USDMXN	FIX/VARIABLE	MXN	9,544
FX Swaps	CS EURMXN	FIX/VARIABLE	MXN	61
Fx Swaps	Purchases/ Sales	Exchange Rate (Dollar)	MXN	9,370
Fx Swaps	Purchases/ Sales	Exchange Rate (EUR)	MXN	73
Fx Swaps	Purchases/ Sales	Exchange Rate (CAD)	MXN	276
Equity Forward	Purchases/ Sales	Alfa	MXN	1,402

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	
	3Q10	3Q11	3Q10	3Q11	3Q10	3Q11	3Q10	3Q11
Performing Loans								
Commercial	100,587	129,705	292	-	22,359	29,677	123,238	159,383
Financial Intermediaries	4,365	8,423	-	-	710	700	5,075	9,123
Consumer	26,963	32,189	37	0	189	185	27,189	32,373
Mortgages	51,507	59,835	613	222	2215	2,205	54,336	62,262
Goverment Entities	44340	63,072	-	-	103	23	44443	63,095
IPAB Loans	0	-	-	-	0	-	0	-
Total	**227,761**	**293,225**	**942**	**222**	**25,576**	**32,790**	**254,280**	**326,237**
Past Due Loans								
Commercial	2463	4,310	6	6	664	457	3133	4,774
Financial Intermediaries	0	6	0	0	0	0	0	6
Consumer	1417	1,376	0	-	1	5	1418	1,381
Mortgages	783	1,075	21	15	254	202	1058	1,291
Goverment Entities	0	500	0	-	0	-	0	500
Total	**4,662**	**7,267**	**28**	**21**	**919**	**664**	**5,609**	**7,953**
Total Propietary Loans	**232,424**	**300,492**	**970**	**243**	**26,495**	**33,454**	**259,889**	**334,189**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 3Q11 (Million Pesos)	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	38	0
Mortgage FOVI	-	-
	38	**0**

At closing of this quarter the balance in debtors support programs totaled Ps 0 million with a cost for the period of Ps 38 million

- **Distressed Portfolio**

Based on criterion B6 Credit Portfolio 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 revision 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	4,424
Total Loans	347,491
Distressed Portfolio / Total Loans	1.3%

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

DEFERRED TAXES 3Q11

(Million Pesos)

ASSETS	INCOME TAX	PROFIT SHARING	NET
Excess of preventive reserves accounts over the fiscal limit	1,736	615	**2,351**
Non deductible provisions and cumulative income	552	111	**662**
Excess of accounting value over fiscal value on Reposessed Assets	349	42	**392**
Diminishable profit sharing	258	85	**342**
Fees received in advance	19	2	**21**
Tax losses pending amortization	450	-	**450**
Provisions for possible loss in loans	98	-	**98**
Earnings per Society	3	-	**3**
State Tax on Assets Deferred	9	-	**9**
Reserve for employee retirement benefits	1	-	**1**
Current Account Agents	9	-	**9**
Reserve for additional compensation to agents	33	-	**33**
Diverse Creditors	72	-	**72**
Decrease for securities' valuation	29	-	**29**
Charge-off's Estimates	29	-	**29**
Tax loss on share sale	30	-	**30**
Additional Obligations for Employee benefits	0	-	**0**
Other	-	-	**-**
Total Assets	3,676	854	**4,531**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	-	-	-
Pension Funds Contribution	(586)	(200)	**(786)**
Loan Portfolio Acquisitions	(568)	(120)	**(688)**
Projects to be capitalized	(293)	(95)	**(388)**
Effects from valuation of instruments	(95)	(3)	**(98)**
Dividends Federal Home Loan Bank	(2)	-	**(2)**
Intangibles' amortizations	(20)	-	**(20)**
Unrealized Loss on Securities held for Sale	(88)	-	**(88)**
Reversal of Sale Costs	(1)	-	**(1)**
Increase for securities' valuation	(556)	-	**(556)**
Receivable interest from securities	(7)	-	**(7)**
Investment of reserves for obligations	(1)	-	**(1)**
Current Account Agents	(12)	-	**(12)**
Savings' Inventory	(150)	-	**(150)**
Other	(10)	-	**(10)**
Total Liabilities	(2,389)	(418)	**(2,807)**
Assets (Liabilities) Accumulated Net	**1,287**	437	**1,724**

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 3Q11 - BANCO MERCANTIL

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Pesos)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	5,520	10 years	6.14%	Oct 13 '16	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	2,760	15 years	6.86%	Oct 13 '21	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	Mar 11 '08	3,000	10 years	TIIE + 0.60%	Feb 27 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	Mar 11 '08	2,052	20 years	4.95%	Feb 15 '28	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	Jun 27 '08	2,750	10 years	TIIE + 0.77%	Jun 15 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	Mar 30 '09	2,200	10 years	TIIE + 2.00%	Mar 18 '19	E/ 28 days
Senior Notes Due 2010	USD	Jul 19 '10	4,140	5 years	4.38%	Jul 19 '15	E/ 180 days

LONG TERM DEBT AS OF 3Q11 - IXE

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT	ORIGINAL AMOUNT	TERM	INTEREST	MATURITY	INTEREST PAYMENT
Non Convertible Perpetual Bonds 2007	USD	26-Feb-07	1,656	120	Perpetual	9.75%	No date defined	Quaterly
Non Convertible Subordinated Bonds 2010	USD	14-Oct-10	1,656	120	10 years	9.25%	14-Oct-16	Semiannual

BANK AND OTHER ENTITIES LOANS' AS OF 3Q11

(Million Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM	FOREIGN	INTEREST RATE	TERM	TOTAL
LOANS FROM LOCAL BANKS				1,207	5.21%	1,313	1,207
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY				1,059	0.900%	217	1,059
LOANS FROM DEVELOPMENT BANKS	14,248	7.84%	460	2,572	2.68%	444	16,820
LOANS FROM PUBLIC FUNDS	5,993	4.98%	520	194	1.86%	833	6,187
CALL MONEY & LOANS FROM BANKS	7,074	1.83%	133				7,074
LOANS FROM FIDUCIARY FUNDS	369	9.46%	3,675	0			369
PROVISIONS FOR INTEREST	114			0			114
	27,798			**5,033**			**32,830**
ELIMINATIONS							(5,038)
Total							**29,407**

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

TRADING INCOME 3Q11 *(Million Pesos)*	
VALUATION EFFECTS	
Negotiable Instruments	591
Securities Held to Maturity	19
Repurchase Agreements	-
Derivative instruments	(142)
Futures	(45)
From repo transactions	-
Range	-
Inflation Adjustment	-
Total	**424**
Dividends Received	**-**
Negotiable Instruments	58
Securities Held for Sell	269
Securities Held to Maturity	0
Derivative Operations	26
Inflation Adjustment	-
Total of Buying and Selling Instruments	**354**
FX Spot	771
FX Forwards	-
FX Futures	(1)
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	34
Intermediation of metals	5
Changes in valuation of metals	9
Total Foreign Exchange	**817**
Inflation Adjustment	**-**
Total of Buying and Selling	**1,171**
TOTAL TRADING INCOME	**1,595**

- **Risk Management**
  - **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**

The Bank of the Group 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 IXE portfolios have established systems for expert analysis which are carried out by personnel specializing in each product type based on the revision of the financial situation of the borrower, credit history, economic viability, and other characteristics that are determined by the Law and internal policies. The individual risk of SMEs is identified, measured and controlled through a scoring system.

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 aligns with AND serves on the individual rating to the portfolios of IXE, they serve the "general PROVISIONS applicable to the loan qualification method of loan institution" issued by the CNBV on December 2, 2005. Banorte's CIR was certified by the CNBV and by an international external auditor in 2001.

Banorte's CIR 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 the Banks calculate 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 Credit Risk+ model is used for IXE portfolios, based on an actuarial focus of the portfolio in which the non-fulfillment probability, the recovery level and the unpaid balance of each client is considered.

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 September, 2011, the Banco Mercantil del Norte total portfolio was Ps 281,604 million. The expected loss represents 2.1% and the unexpected loss is 3.6% with respect to the total portfolio. The average expected loss is 2.2% during the period between July and September 2011.

Banorte's Brokerage House, the credit exposure of investments is Ps 24,078 million and the expected loss represents 0.0634% of the exposure. The average expected loss is 0.0947% between July and September 2011.

The total operating portfolio of Arrendadora and Factor is Ps 17.141 billion. Prospective losses represent 0.6% and unforeseen losses 2.7% of the total operating portfolio. The prospective loss average represents 0.6% in the period of July and September 2011.

The total performing portfolio of IXE Banco was Ps 30.231 billion to September 30th, 2011. The estimated loss of the portfolio represents 1.6% and the unexpected loss 0.9%. The estimated loss average for the period of July to September 2011 was 1.5%.

As for IXE Casa de Bolsa, (IXE Brokerage House), the Institution's exposure is Ps 21.025 billion. The estimated loss represents 0.01% of the total exposure.

The total performing portfolio of IXE Automotriz including pure lease is Ps 1,392 million. The estimated loss represents 4.0% and the unexpected loss 0.3% both with regard to the total performing portfolio. The estimated loss average represents 4.1% for the period of July to September 2011.

The total performing portfolio of Fincasa Hipotecaria (Mortgages) is Ps 3.988 billion. The estimated loss represents 6.5% and the unexpected loss 3.4% both with regard to the total performing portfolio. The estimated loss average represents 6.6% for the period of July to September 2011.

The total performing portfolio of IXE Soluciones is Ps 285 million. The estimated loss represents 21.4% and the unexpected loss 24.2% both with regard to the total performing portfolio. The estimated loss average represents 39.8% for the period of July to September 2011.

The total performing portfolio of IXE Cards is Ps 2.837 billion. The estimated loss represents 8.5% and the unexpected loss 4.6% both with regard to the total performing portfolio.

- **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 September 30, 2011, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 184,865 billion, of which 99.1% 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 of June, 2011. 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 of June 2011 has a higher or similar rating to A (mex) and is comprised of (average considered term, amount in millions of pesos and rate): bond certificates from Pemex to 5 years and 6 months for $ 9.989 to 4.4% senior notes;

Santander, Certificates for 1 year and 6 months for Ps 5,899 at 4.9%; Bancomer market certificates for 1 year for Ps 5,133 at 4.8%; and State and Municipal Government loan securitization certificates for 25 years and 8 months for Ps 3,854 at 5.2%; and securitization and deposit certificates from Inbursa of 1 year and 4 months for 3,263 at 4.9%.

The exposure of Derivatives is Ps 3,719 billion, of which 99.2% has a rating higher or equal to A-(mex) on local level, placing them in investment grade and the 3 main counterparties other than then Federal or State Governments and National Financial Institutions represent 3% of the Basic Capital of June 2011.

Credit risk exposure of Banorte's Broker-Dealer for Securities Investments is Ps 24.081 billion, with 99.8% rated higher or equal to A-(mex) on a local scale, placing them in investment grade, the three major originator other than the Federal or State Governments or Financial National Institutions represents 15% of Equity of March 2011. Additionally, the exposure of investments with the same counterparty other than the Federal Government represents 5% or more of the Equity of June 2011 has a rating higher or equal to A+(mex) and stock certificates of Banco del Bajío to 2 months for Ps 1,257 million at 4.7%; certificates of Bancomer at 1 year and 4 months for $1.001 at 4.9%; Stock certificates of Banco Santander term of 1 year and 3 months for Ps 947 million at 4.8%; international investment for Deutsche Bank to one year and 8 months for Ps 306 million at 8.2% and Stock certificates of Banco Compartamos term of five years and 1 month for Ps 150 million at 5.6%.There isn't Derivatives operations.

In the case of derivatives, the exposure is -3.2 million pesos, of which 100.0% are rated higher or equal to AAA (mex) at local level, which puts them at investment grade.

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

Exposure to risk for securities of IXE Banco was Ps 38.315 billion to September, 2011. Of the total, 62.4% is in securities with government and quasi-government tallies; 20.1% with bank tallies and 7.1% with private tallies.

The risk exposure of derivatives at closing of 3Q11 was Ps 190 million. The total was distributed with 97.2% in bank tallies and 2.8% in private tallies.

Total risk exposure for IXE Casa de Bolsa (Brokerage House) securities was Ps 20,955 billion. Of the total, 69.8% is in securities with government and quasi-government tallies; 30.2% in bank tallies. There were no operations for derivatives.

IXE Automotriz does not have investments in securities or derivatives.

The exposure of Fincasa Hipotecaria to investments is for Ps. 17 million and there are no derivatives.

For IXE Soluciones, the risk exposure for securities' investments was Ps 308 million (book value), in privately issued bonds. The Institution does not hold positions in derivative instruments.

The exposure of Ixe Tarjetas to investments is for Ps. 5 million and there are no derivatives.

- **General rules for risk diversification in asset and liability operations applicable to loan institutions**

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 June 31st, 2011	41,855
I. Financings whose individual amounts represent more than 10% of the basic equity:	
Loan Operations	
Number of financings	2
Total amount of financings	9,408
% in relation to Basic Capital	22%
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:	**20,845**

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 millions of pesos:

Tier 1 to June 31st, 2011	2,227
I. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	13
Total amount of the financings	6,233
% relative to basic capital	280%
II. I. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**3,200**

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to IXE Banco (millions of pesos):

Basic Capital to June 31st, 2011	**4,082**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	17
Total amount of financings	10,048
% in relation to Basic Capital	246%
Money Market Operations	
Number of financings	18
Total amount of financings	14,559
% in relation to Basic Capital	357%
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:	**3,392**

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to IXE Automotriz (millions of pesos):

Equity at June 31st, 2011	**317**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	2
Total amount of financings	73
% in relation to Equity	23%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0.0
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**175**

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Fincasa Hipotecaria (millions of pesos):

Equity at June 31st 2011	**693**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	23
Total amount of financings to June 30th, 2011	2,698
% in relation to Equity	389%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0.0
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**563**

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to IXE Soluciones (millions of pesos):

Equity at June 31st 2011	**408**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	10
Total amount of financings to June 30th, 2011	845
% in relation to Equity	207%
Money Market Operations	
Number of financings	3
Total amount of financings	252
% in relation to Equity	62%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0.0
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**382**

- **Market Risk**

- ***Value at 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 third quarter for the portfolio is Ps 1,773 million.

Million Pesos	3Q10	4Q10	1Q11	2Q11	3Q11
Total Var *	2,272	1,618	1,533	1,572	1,733
Net Capital **	52,572	54,208	55,514	56,201	58,408
VaR/Net Capital	4.32%	2.98%	2.76%	2.80%	3.04%

* Quarter Average of Bank and Brokerage House

** Net capital of the Banking Sector is the arithmetic sum of the net capitals of Bank and Brokerage House.

Moreover, the average Value at Risk per risk factor of the portfolio of instruments described for the Bank and Brokerage House, during the second quarter of 2011 is shown below:

Risk Factor	VaR
Domestic interest rate	1,662
Foreign interest rate	293
Exchange rate	117
Capitals	10
Total VaR of Bank and Brokerage House	1,773

Million Pesos

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 and Brokerage House 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.

➢ ***Ixe’s Market Risk***

The Institution's market risk positions include money market instruments mainly floating rate instruments, lineal derivative instruments, underlying options such as interest rates, currencies and stock titles. To estimate market risk of Money, Stock, Foreign Exchange and Derivative portfolios, diverse methodologies are used to evaluate and control risk, which are authorized by the Board of Directors.

The Value at Risk, VaR, represents the maximum estimated loss with a certain statistical level of trust, for a determined period of time (investment horizon) and under normal market conditions. The Institution uses the integral risk system to the estimate VaR for all its positions and portfolios at risk.

To estimate VaR, the Historical Simulation methodology is used with 100 horizon days, as a policy estimations are carried out with a 95% level of trust and a horizon time of 1 day. These estimates are calculated for the Institution's diverse portfolios which include: Capital Market, Money Market, Derivatives, Foreign Exchange and Treasury.

To estimate the VaR, it is necessary to have the following:

Valuation formula.
Data base of relevant risk factors

Monthly tests are carried out with extreme scenarios which incorporate historical scenarios during which fundamental suppositions are broken in the risk variables that the Institution is exposed to, additionally there are risk mesurations such as sensitivity to movements in: interest rates by 1 base point (PV01), exchange rates and stock prices.

Daily "back-tests" are carried out to compare losses and earnings with the value at risk observed, and to carry out calibrations with the models should the need arise.
The Institution can have shares registered as available for sale, which are treated with the accounting regulations in effect; as long as the value at risk is calculated at a trust level of 95% and 99.5% for market risk.

The VaR average for the Institution's portfolios for 3Q11 is Ps 10.98 million, which represents 0.15% of the Bank's Net Capital to September 2011.

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IXE BANCO, S.A. DE C.V. VaR by Portfolio & risk factor Million Pesos	Total 3Q11	
	Average	Closing
VaR 95% 1 day		
Money Market	8.06	9.34
Capital Market	6.14	4.41
Exchange Market	0.01	0.00
Derivatives Market	0.11	0.17
Treasury	8.70	11.44
TOTAL	10.98	9.16
Diversifications Effect	(12.03)	(16.21)
Capital Net	7,108.70	7,108.70
VAR / Net Capital	**0.15%**	**0.13%**

Note
VaR does not include securities held for settlement.

The VaR average of the Broker Dealer's portfolios for 3Q11 is Ps 2.59 million, which represents 0.45% of the Institution's Net Capital to September 2011.

IXE CASA DE BOLSA, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	Total 3Q11	
	Average	**Close**
VaR 95% 1 day		
Money Market	1.57	1.20
Capital Market	1.38	0.13
Exchange Market	0.00	0.00
Derivatives Market	0.00	0.00
Treasury	0.06	0.07
TOTAL	2.59	1.30
Diversifications Effect	(0.42)	(0.10)
Net Capital	577.81	577.81
VAR / Net Capital	**0.45%**	**0.22%**

Note

VaR does not include securities held for settlement.

The VaR average of the Fincasa portfolios for 3Q11 is Ps 3.08million, which represents 0.44% of the Institution's Net Capital to September 2011.

For their calculation, the Historical Simulation methodology was used with 100 horizon days, and as a policy, calculations were carried out with trust levels of 95% with a horizon time of 1 month.

FINCASA HIPOTECARIA. VaR Balance. Million Pesos	Total 3Q11	
	Average	**Closing**
VaR Balance	3.08	5.23
Net Capital *	705.16	709.26
VAR / Net Capital	**0.44%**	**0.74%**

Note

Net Capital as of September 2011 is preliminary.

The VaR average of the Ixe Automotriz portfolios for 3Q11 is Ps 0.70 million which represents 0.24% of the Institution's Net Capital to September 2011.

For their calculation, the Historical Simulation methodology was used with 100 horizon days, and as a policy, calculations were carried out with trust levels of 95% with a horizon time of 1 month.

IXE AUTOMOTRIZ. VaR Balance. Million Pesos	Total 3Q11	
	Average	**Closing**
VaR Balance	0.70	0.74
Net Capital *	295.75	296.22
VAR / Net Capital	**0.24%**	**0.25%**

Note

Net Capital as of September 2011 is preliminary.

The VaR average of the Ixe Soluciones portfolios for 3Q11 is Ps 1.71 million which represents 0.49% of the Institution's Net Capital to September 2011.

For their calculation, the Historical Simulation methodology was used with 100 horizon days, and as a policy, calculations were carried out with trust levels of 95% with a horizon time of 1 month.

IXE SOLUCIONES. VaR Balance. Million Pesos	Total 3Q11	
	Average	**Closing**
VaR Balance	1.71	1.67
Net Capital *	347.75	354.78
VAR / Net Capital	**0.49%**	**0.47%**

Note

Net Capital as of September 2011 is preliminary.

- **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 at closing of 2Q11 is 88.4%, while the average for the quarter is 99.3%.

Million Pesos (at closing of the quarter)	3Q10	4Q10	1Q11	2Q11	3Q11
Liquid Assets	127,518	126,939	126,759	127,601	118,934
Liquid Liabilities	140,506	135,941	142,401	144,363	151,706
Liquidity Ratio	90.8%	93.4%	89.0%	88.4%	78.4%

Million Pesos (average)	3Q10	4Q10	1T11	2Q11	3Q11
Liquid Assets	129,638	137,171	135,363	138,778	139,508
Liquid Liabilities	126,699	131,419	138,192	139,777	148,421
Liquidity Ratio	102.3%	93.1%	98.0%	99.3%	94.0%

Average estimate calculated using weekly estimates of 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**

Considering cash, the deposit with the Bank of Mexico, Government and banking securities of the Balance Sheet, and deposits such as core deposits all as liquid assets, the liquidity quotient (liquid assets vs. deposits) for Banco Ixe to September 30th, 2011 is 17.77%. The liquidity ratio vs. Net Capital is 76.95%.

IXE BANCO, S.A. DE C.V. Liquidity Risk Million Pesos	Use Sep-11
Accumulated gap in 1 month (MXP + UDIS)	(1,207.89)
Liquid Assets	5,469.91
Net Capital	7,108.70
Tier 1 Capital	4,171.19
Liquidity vs. Net Capital	**76.95%**
Liquidity vs. Tier 1 Capital	**131.14%**
Liquidity Ratio	**17.77%**

Liquidity Ratio= Liquid Assets vs. Deposits

**Cash, BM's Deposits, Bank and Governmental certificates*

The liquidity ratio vs. Net Capital for the Casa de Bolsa to September 30th, 2011 is 66.92%.

IXE CASA DE BOLSA, S.A. DE C.V. Liquidity Risk Million Pesos	USE Sep-11
Accumulated gap in 1 month (MXP + UDIS)	2.51
Liquid Assets	386.66
Net Capital	577.81
Liquidity vs. Capital	**66.92%**

The liquidity ratio vs. Net Capital for Fincasa to September 30th, 2011 is 16.94%.

FINCASA HIPOTECARIA. Liquidity Risk Million Pesos	USE Sep-11
Accumulated gap in 1 month (MXP + UDIS)	(1,773.82)
Accumulated gap in 3 months (MXP + UDIS)	(1,831.83)
Liquid Assets*	120.17
Net Capital	709.26
Tier 1 Capital	694.07
Liquidity vs. Net Capital	**16.94%**
Liquidity vs. Tier 1 Capital	**17.77%**

**Only Banks*

Net Capital as of September 2011 is preliminary

The liquidity ratio vs. Net Capital for Ixe Automotriz to September 30th, 2011 is 0.29%.

IXE AUTOMOTRIZ. Liquidity Risk Million Pesos	USE Sep-11
Accumulated gap in 1 month (MXP + UDIS)	(901.16)
Accumulated gap in 3 months (MXP + UDIS)	(884.40)
Liquid Assets*	0.85
Net Capital	296.22
Tier 1 Capital	295.16
Liquidity vs. Net Capital	**0.29%**
Liquidity vs. Tier 1 Capital	**0.29%**

**Only Banks*

Net Capital as of September 2011 is preliminary

The liquidity ratio vs. Net Capital for Ixe Soluciones to September 30th, 2011 is 0.9%.

IXE SOLUCIONES. Liquidity Risk Million Pesos	USE Sep-11
Accumulated gap in 1 month (MXP + UDIS)	(2.75)
Accumulated gap in 3 months (MXP + UDIS)	(1,027.74)
Liquid Assets*	0.34
Net Capital	354.78
Tier 1 Capital	354.78
Liquidity vs. Net Capital	**0.09%**
Liquidity vs. Tier 1 Capital	**0.09%**

**Only Banks*

Net Capital as of September 2011 is preliminary

- **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 Other Events	Losses caused by damage or harm to material assets as a consequence of natural disasters or other events.
Incidences in the Business and Systems Failures	Losses caused by incidences in the business and systems failures
Process Execution, Delivery and Management	Losses caused by errors in operations processing or management, as well as the relations with commercial counterparties and providers.

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

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

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

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

- ***Risk Management Model***

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

To perform Operating Risk Management, each of the operating risks involved in the processes must be identified in order to analyze them. In this regard, the risks identified by the Regulatory Comptrollership are recorded in a risk matrix and 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 (risk matrix) 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 in accordance with a predetermined classification.

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.

- **Ixe Operational Risk**

IXE has a Manual for Operational Risk Management and an Internal Control System that integrates policies, procedures, responsibilities and roles of government entities for operational risk management including Operational, Technological and Legal Risk, as well as the section of internal control. In addition, there are manuals for processes, policies and procedures of the operating processes for entire areas of the institution.

Objectives, policies and procedures for Operational, Technological and Legal Risk Management, as well as those for Internal Control, are ratified at least once a year by the Board of Directors.

Operational Risk Management has a model to follow called "Process for Operational Risk Management in the Business" in order to identify, evaluate, mitigate, administer and monitor the operational, legal and technological risk in the environment of the entire company, with the support of the process owners and operational risk delegates.

To register those events with operational losses, a database is made that allows the central areas supplying information to report the events directly, classifying each by type of event and line of business, in order to have statistics of those operational events incurred by the institution to be able to determine the tendencies, frequency, impact and distribution that they present.

The functions established by the CNBV in Technology Risk Management, are performed by the Institution under the guidelines established by institutional regulations.

Also, IXE has a Business Continuity Plan and a Disaster Recovery Plan with what you have covered the backup and recovery of critical applications of the institution, in the event of any significant operational event.

To register and follow-up on judicial, administrative and fiscal matters that could result from unfavorable unappealable resolutions, there is a database that allows the central areas supplying information to report directly on these matters, which are classified under defaulted taxonomy.

In accordance with Capitalization Rules for Operational Risk in effect, IXE has adopted the Basic Model that is calculated and reported periodically to authorities.

- **Internal Control**

The companies that make up GFNorte 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 of the Committee of Risk Policies (CPR) and the Committee of Audit and Corporate Practices (CAPS) and the Human Resources' 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 third quarter of 2011, 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 process began of incorporating the financial institutions that previously integrated IXE Grupo Financiero to align them to the internal control system of Grupo Financiero Banorte, both in terms of corporate governance, as in the structures of the areas of Control.
C. 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.
D. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
E. 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.

- **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.

- **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. For further details on the new policy refer to "Recent Events".

- **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 September 30, 2011 and June, 2011, the loans granted to related parties totaled Ps $11,811million and Ps $9,972 million, 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. Sergio García Robles Gil
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 trust funds in udis and its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2006 and modified on March 3, 2006, March 28, 2006, September 15, 2006, December 6,2006, December 8, 2006 and January 12, 2007, April 26, 2007, September 19, 2008, October 14, 2008, April 27, 2009, June 11, 2009, November 9, 2009 and January 27, 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.

Grupo Financiero Banorte (GFNorte) and Banking Sector (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.