

# **GFNORTE**

## **3Q12 Results**

**Conference Call**  
October 26<sup>th</sup>, 2012.

# Material Events

## Passing away of Roberto González Barrera.

- GFNORTE informed about the passing away of its largest shareholder and Chairman Emeritus, Don Roberto Gonzalez Barrera on August 25th.
- Mr. Roberto's succession remains as the main shareholder with 14.83% of the Group's shares, while the float is currently 81.44%, distributed among more than 3,500 investors.
- Mr. Gonzalez' succession plan was designed with careful planning and full anticipation, showing a responsible and institutional vision, setting an example for top Corporate Governance standards for the main Mexican and Latin American Companies
- With full anticipation and opportunity, Mr. Gonzalez Barrera implemented the necessary mechanisms to ensure continuity in exercising the patrimonial and corporate rights of his shares after passing away, guaranteeing certainty and strategic continuity in the Financial Group.

# Material Events

## Opening of "Roberto González Barrera" Call Center:

- Last September 4th, the Call Center named after Roberto González Barrera was opened in Monterrey, Nuevo León, as a permanent and deserved homage to Banorte's founder. This call center aims to consolidate 14 call centers throughout the country, obtaining important synergies. With a \$620 million investment and more than 131 thousand square feet, this Call Center will serve Banorte and Ixe's 11 million clients through 1,700 specialized officers.

## Galardón Pyme.

- On August 9th, the Ministry of Economy awarded Banorte the "Galardón PyME 2012" (SMEs Award 2012) for the third time, and for two years in a row.
- Banorte was the Financial Intermediary which granted more credits to SMEs in the country through government programs.

# Material Events

## Shareholders' Meeting.

- **On October 11th, Grupo Financiero Banorte's Ordinary General Shareholders' Meeting was held, with an 89.80% representation of the total subscribed and paid shares of the Company's capital. Some of the agreements reached at the Meeting were:**
  - ✓ **Approval to distribute a cash dividend of Ps. \$ 0.183 per share, derived from the retained earnings of previous years, being paid on October 24<sup>th</sup>, 2012.**
  - ✓ **This dividend corresponds to the first of four payments that will be made for a total amount of Ps \$ 0.732 per share, which was approved by the Group's Board of Directors last July 26th, 2012.**
  - ✓ **The Board of Directors proposed additional dividends for a total amount of Ps. \$0.549 per share, to be covered in three installments of Ps. \$0.183 in January, April and July 2013, respectively.**
  - ✓ **The total amount of the dividend to be paid represents 20% of the recurring profits of 2011 and the payout was determined according the new dividend policy approved on October 2011, which establishes a payment of the 20% of recurring net income in the event that annual profit growth is greater than 20%.**

# Material Events

## Credit Ratings

- **S&P changes Banco Mercantil del Norte's and Ixe Banco's outlook to "Positive" from "Stable".** Last August 31st, GFNORTE informed that the rating agency changed Banco Mercantil del Norte's outlook to “Positive” from “Stable”. On the back of the strategic importance that Ixe Banco S.A. has within Grupo Financiero Banorte and the close correlation with Banco Mercantil del Norte, S&P also changed its outlook to “Positive” from “Stable”, and maintained IXE Automotriz' and Fincasa Hipotecaria's ratings unchanged with a “Stable” outlook.
- **Moody's affirms the ratings for Banorte and Arrendadora & Factor (leasing and factoring); assigns ratings to Ixe Banco and Banorte-Ixe Broker Dealer.** Last September 7th, 2012, GFNORTE informed that Moody's ratified all the ratings assigned to Banco Mercantil del Norte and Arrendadora & Factor S.A. with a “Stable” outlook. The rating agency assigned for the first time ratings to Ixe Banco S.A and Casa de Bolsa Banorte Ixe S.A, all of them with a "Stable" outlook.

# Yearly Recap GFNorte

Million Pesos

	9M11		9M12	
Net Income	6,004	▲ 31%	7,878	Banorte: 7,388 Ixe: 490
ROE	14.0%		14.1%	
ROA	1.1%		1.2%	
Efficiency	54.6%		55.2%	
Net Interest Margin	4.1%		4.1%	
Performing Loan Growth	28.0%		20.0%	
Past Due Loan Ratio	2.4%		1.9%	
Stock price (pesos)	41.16	▲ 77%	72.76	
Book Value per Share	29.61	▲ 14%	33.62	
P/BV	1.39		2.16	

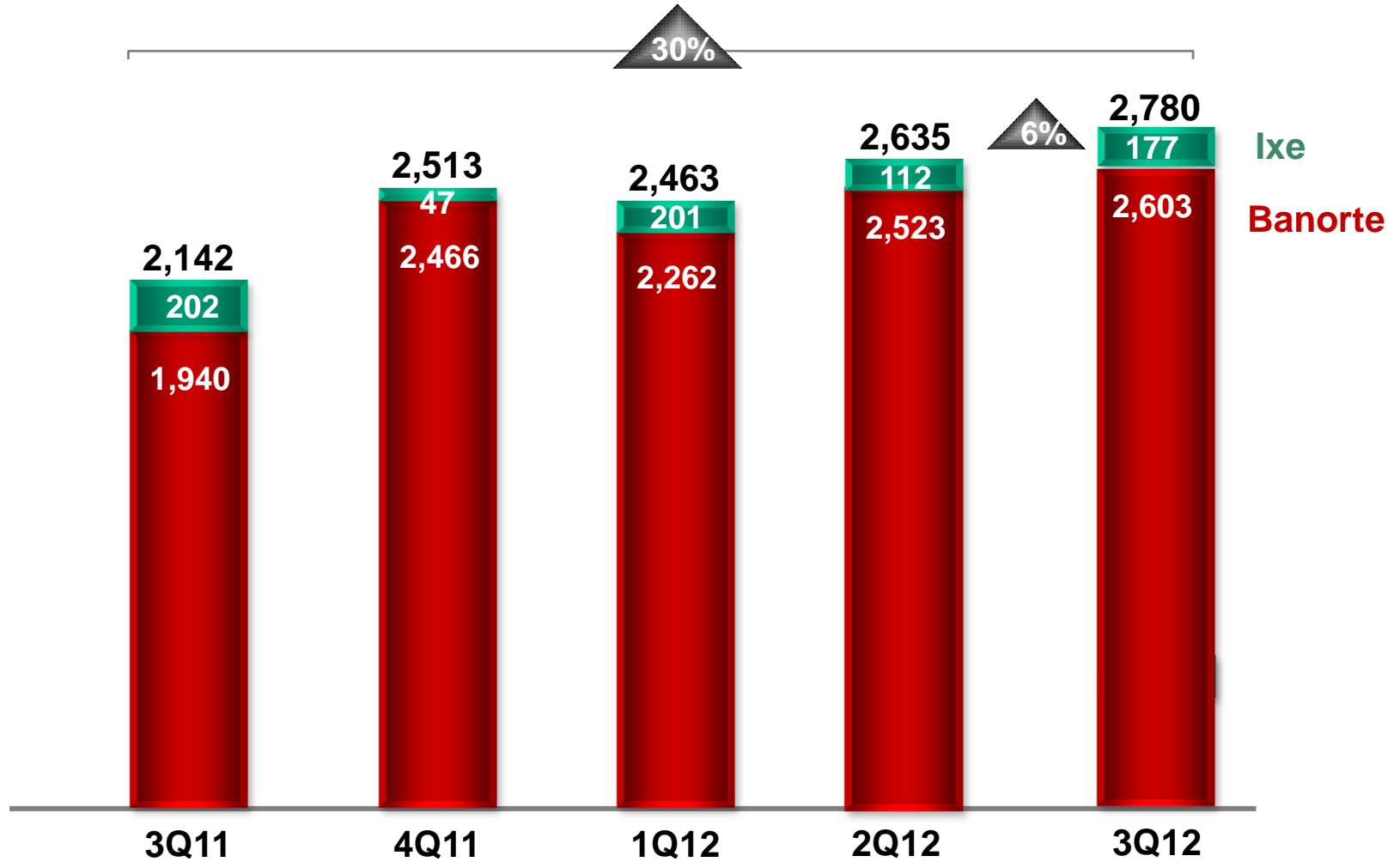
# Income Statement

Million Pesos

	3Q11	2Q12	3Q12	Change	
				QoQ	YoY
Net Interest Income	7,232	8,245	8,054	(2%)	11%
Non Interest Income	3,564	3,344	3,437	3%	(4%)
<i>Service Fees</i>	1,796	1,796	1,530	(15%)	(15%)
<i>Recoveries</i>	260	337	322	(5%)	24%
<i>FX &amp; Trading</i>	859	896	1,024	14%	19%
<i>Other Income (expenses)</i>	649	316	562	78%	(13%)
Total Income	10,795	11,589	11,491	(1%)	6%
Non Interest Expense	(5,814)	(6,457)	(6,232)	(3%)	7%
Net Operating Income	4,982	5,133	5,259	2%	6%
Provisions	(1,650)	(1,186)	(1,524)	28%	(8%)
Income Tax	(888)	(1,152)	(806)	(30%)	(9%)
Subs & Minority Interest	(302)	(160)	(150)	(6%)	(50%)
Net Income	2,142	2,635	2,780	6%	30%

# Quarterly Net Income

Million Pesos





# Adjusted Earnings and ROTE

## Net Income without Extraordinaries (Million Pesos)

(Million Pesos)	3Q12	Change vs.	
		2Q12	3Q11
Reported Net Income	\$2,780	6%	30%
+ Integration Costs	\$9		
+ Impact of Ixe's Assets	\$32		
Recurring Net Income	\$2,821		

## Return on Tangible Common Equity

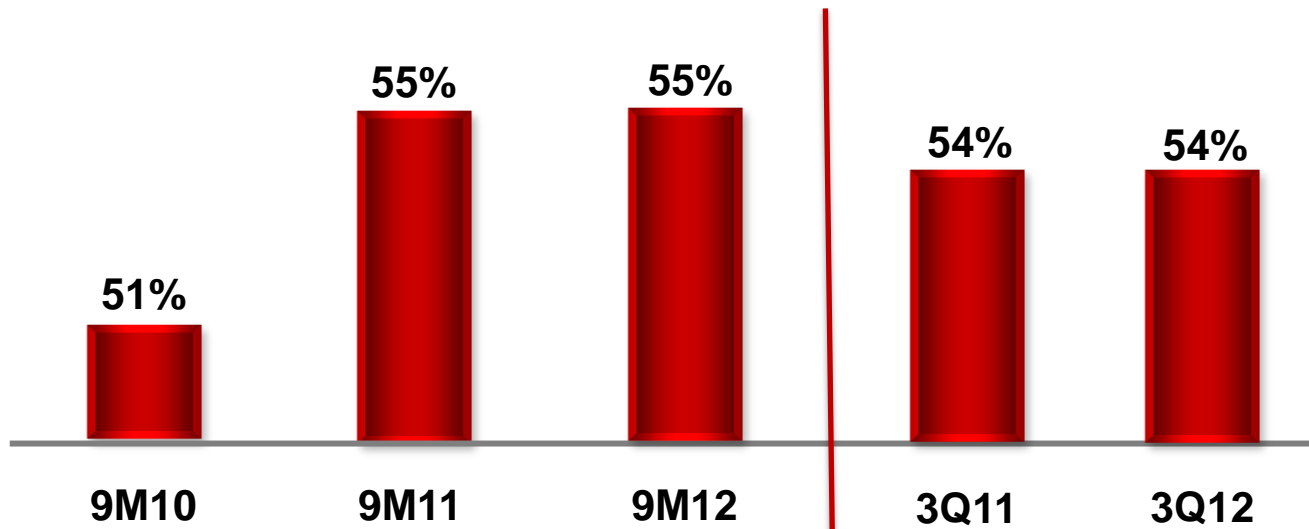
	3Q11	2Q12	3Q12
Reported ROE	12.6%	14.2%	14.5%
Goodwill / Intangibles	\$16,483	\$19,867	\$17,238
Average Tangible Equity	\$47,022	\$52,670	\$54,814
ROTE	16.5%	18.5%	19.0%

# Non Interest Expense

Billion Pesos

	9M11		9M12		3Q11		3Q12
Total Expense	16.4	▲ 17%	19.2		5.8	▲ 7%	6.2

## Efficiency Ratio



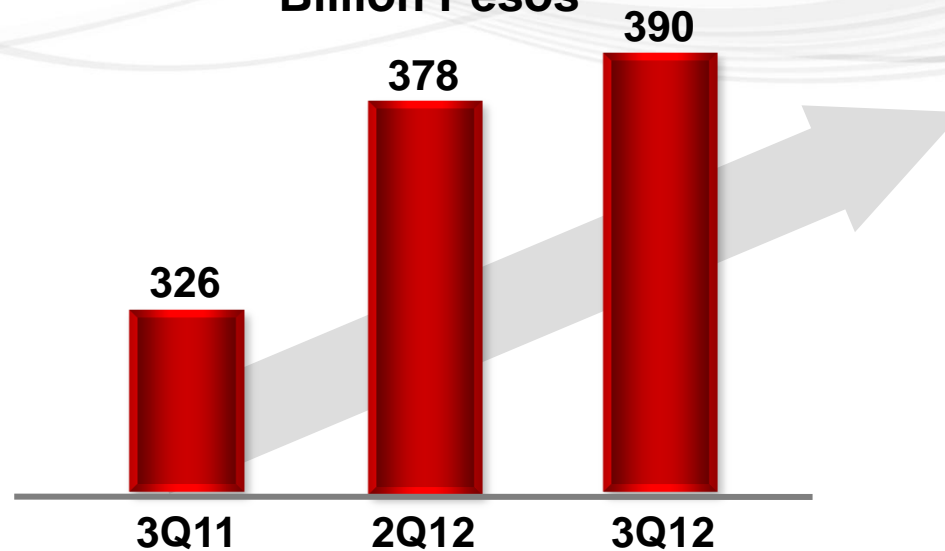
# Deposits

Billion Pesos

Deposits	3Q10		3Q11		3Q12
Demand	134	▲ 28%	171	▲ 15%	197
Time	89	▲ 30%	115	▲ 7%	123
<b>Core Deposits</b>	<b>223</b>	<b>▲ 29%</b>	<b>286</b>	<b>▲ 12%</b>	<b>320</b>
<b>Mix</b>					
Demand	60%		60%		61%
Time	40%		40%		39%
	100%		100%		100%

# Performing Loan Portfolio

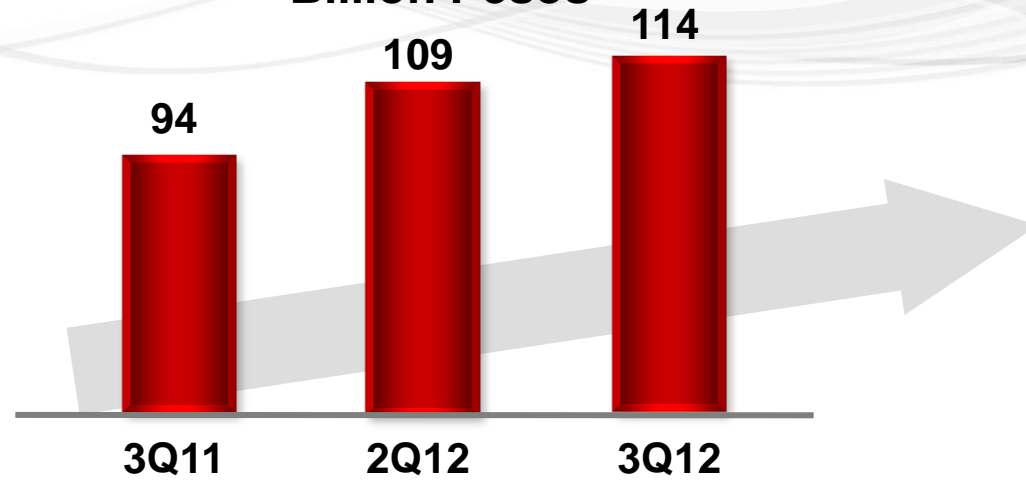
Billion Pesos



	3Q11	2Q12	3Q12	Change	
				QoQ	YoY
Consumer	94	109	114	5%	21%
Commercial	116	127	130	3%	12%
Corporate	52	60	63	5%	21%
Government	63	83	82	(1%)	30%
<b>Total</b>	<b>326</b>	<b>378</b>	<b>390</b>	<b>3%</b>	<b>20%</b>

# Performing Consumer Loan Portfolio

Billion Pesos



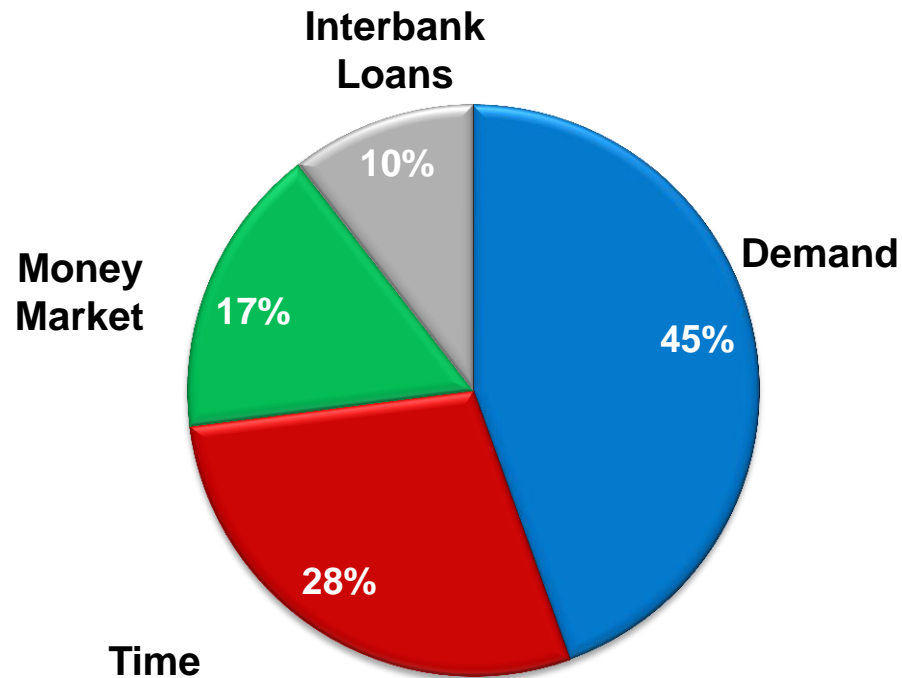
	3Q11	2Q12	3Q12	Change	
				QoQ	YoY
Mortgage	62	68	70	3%	12%
Car	9	10	10	2%	12%
Credit Cards*	11	15	16	8%	47%
Payroll	12	16	17	10%	44%
<b>Consumer</b>	<b>94</b>	<b>109</b>	<b>114</b>	<b>5%</b>	<b>21%</b>

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

# Funding and Loan Portfolio Structure

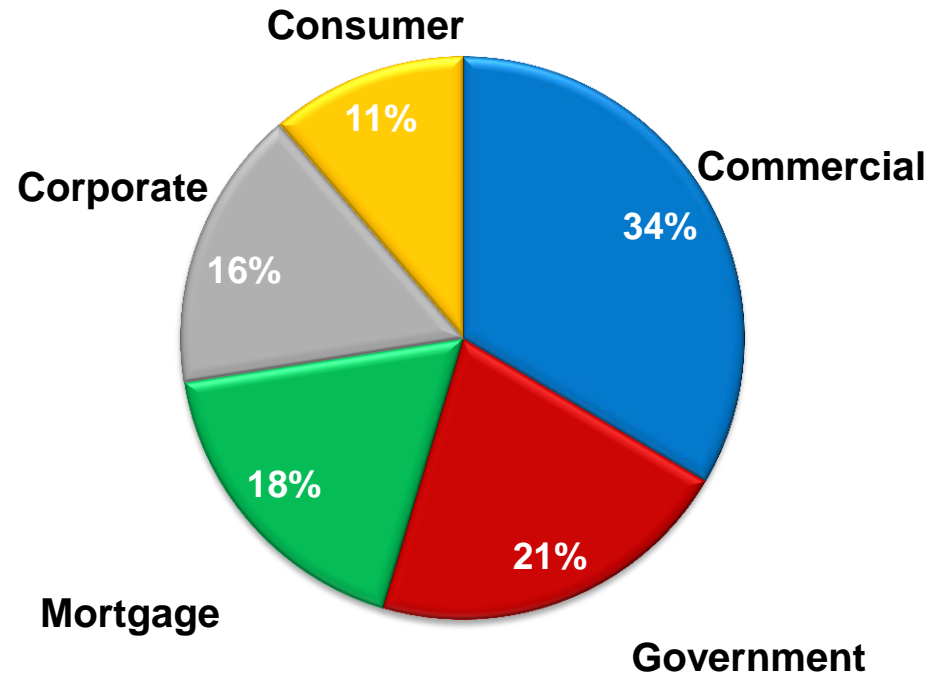
## FUNDING

\$436 Billion Pesos



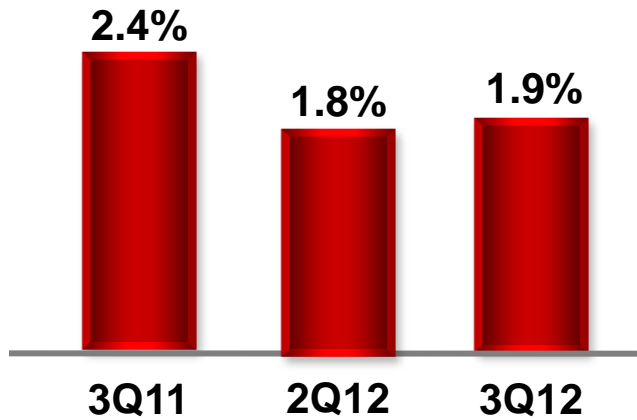
## LOAN PORTFOLIO

\$ 397 Billion Pesos

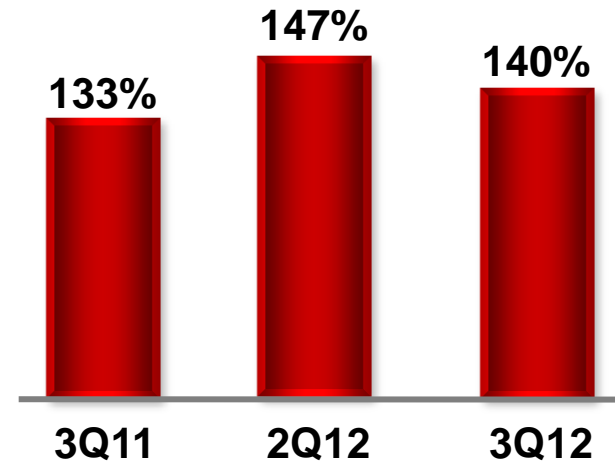


# Asset Quality

## PAST-DUE LOAN RATIO



## COVERAGE RATIO



# Past Due Loan Ratios

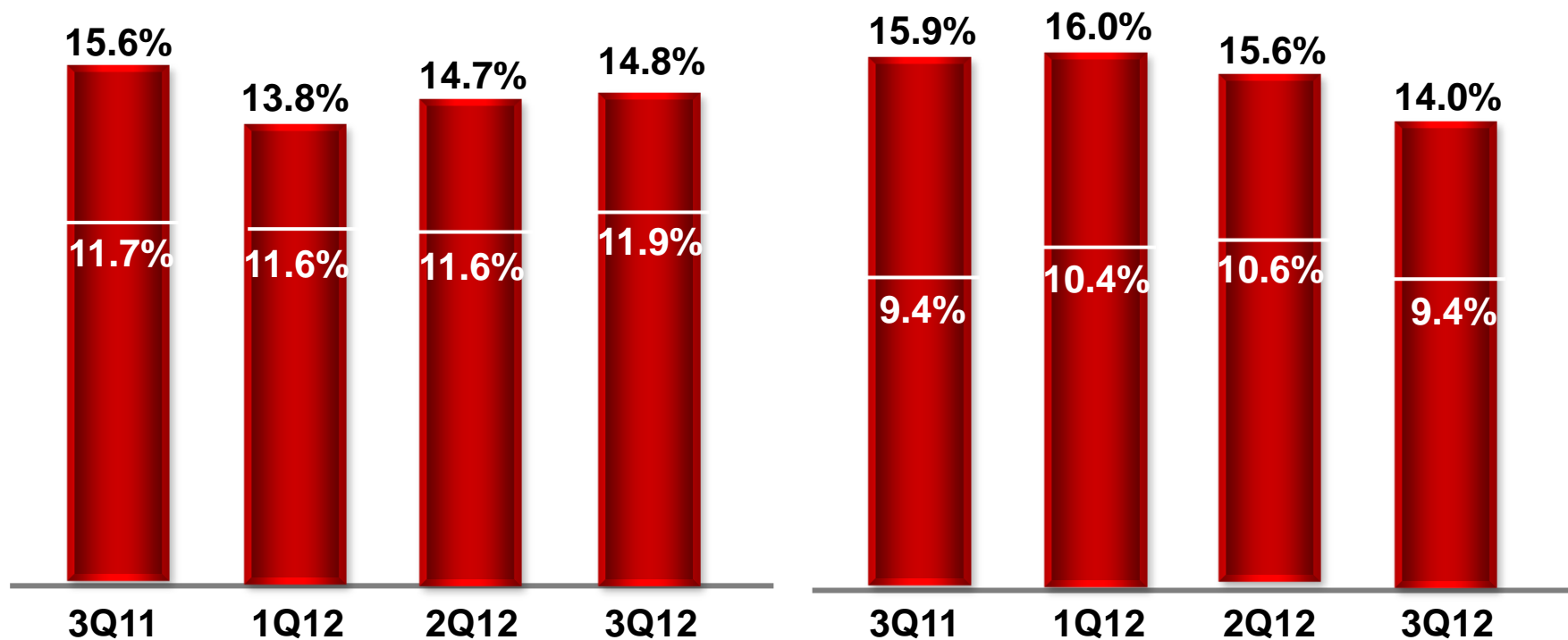
	3Q11	4Q11	1Q12	2Q12	3Q12
Credit Cards	8.2%	7.3%	6.3%	6.8%	5.3%
Payroll	1.8%	1.7%	1.6%	1.8%	1.9%
Car Loans	1.8%	1.6%	1.4%	1.5%	1.4%
Mortgage	2.0%	1.5%	1.3%	1.1%	1.2%
Commercial	2.9%	2.7%	2.5%	2.7%	3.0%
Corporate	2.4%	2.2%	2.2%	2.1%	2.0%
Government	0.8%	0.0%	0.0%	0.0%	0.1%
<b>Total NPL Ratio</b>	<b>2.4%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.9%</b>



# Capitalization and Liquidity

**Banorte**  
(%)

**Ixe**  
(%)



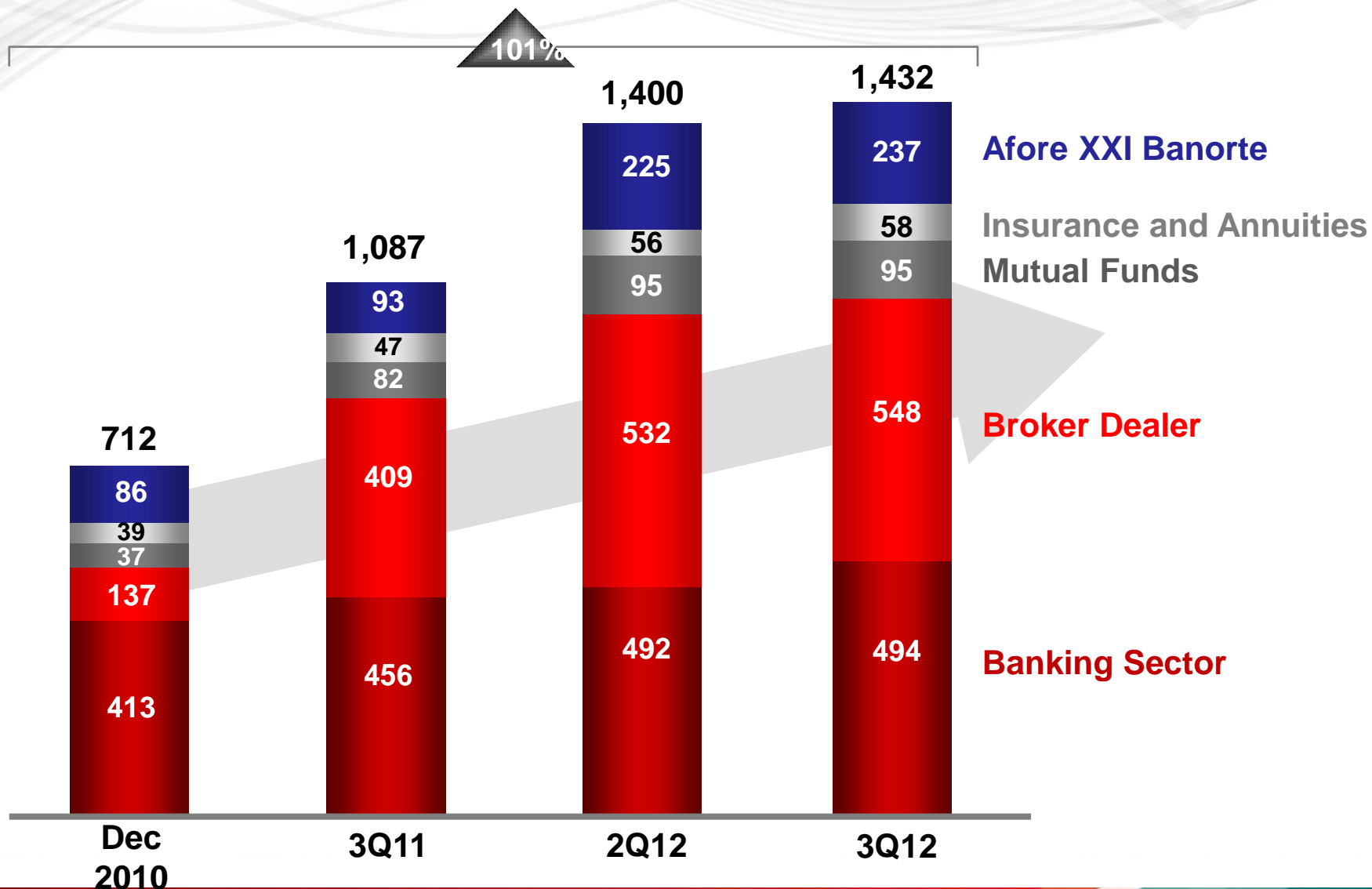
↑ RWA\* +18%    +13%    +8%    +6%

Liquidity Ratio    105%    103%    121%    119%    185%    179%    197%    232%

\*RWA= Risk Weighted Assets

# Assets under Management

Billion Pesos

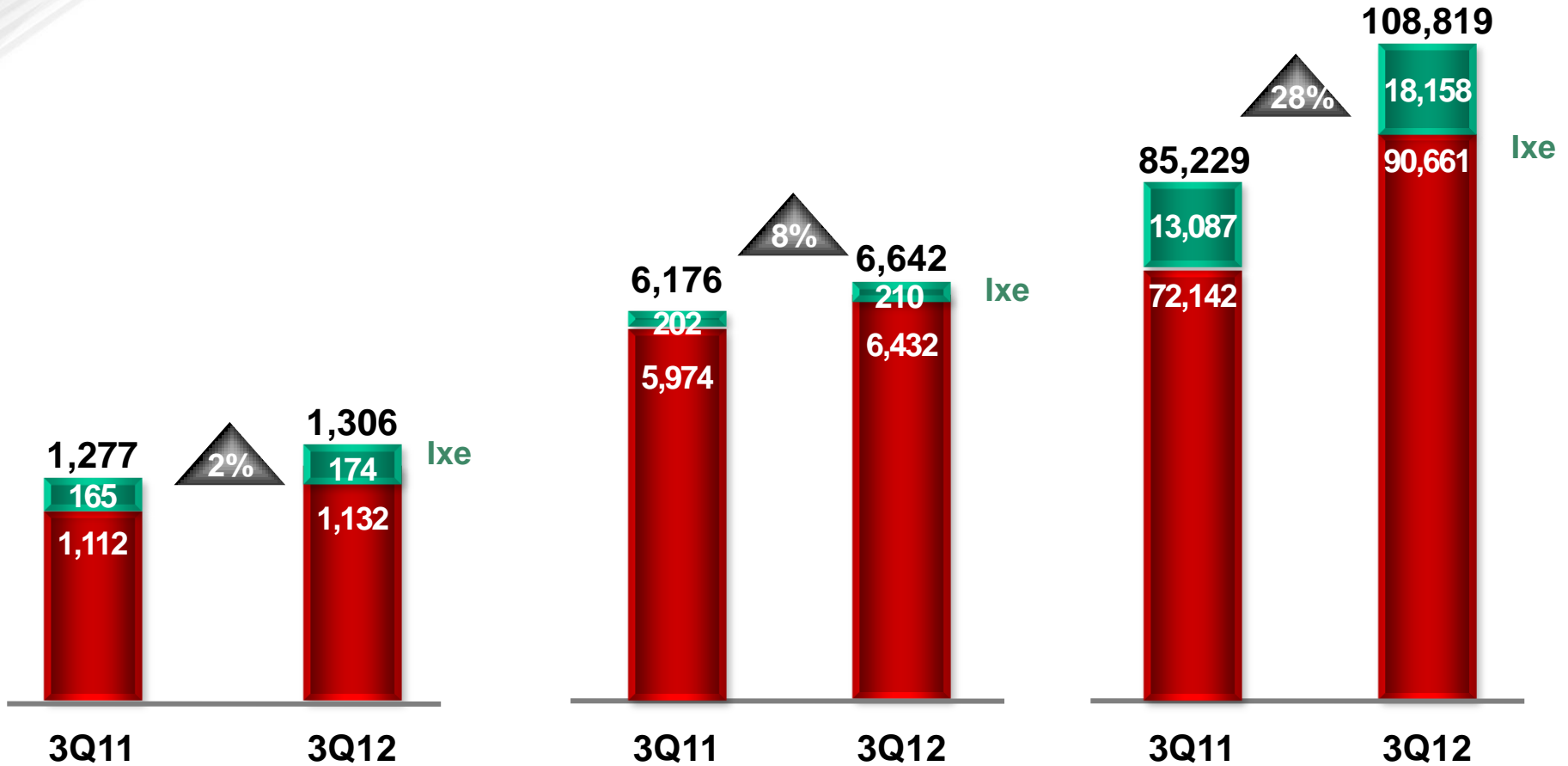


# Distribution Network

## Branches

## ATM's

## POS's



# Subsidiaries

9M12  
Million Pesos

Company	Net Income	Change vs YoY	ROE
<b>Banking Sector</b>	<b>6,381</b>	<b>32%</b>	<b>16.6%</b>
Banco Mercantil del Norte	5,552	22%	
Ixe Banco	497	83%	
Banorte –Ixe Tarjetas	332	100%	
<b>Broker Dealer</b>	<b>414</b>	<b>52%</b>	<b>23.2%</b>
<b>Long Term Savings</b>			
Retirement Savings	402	202%	55.4%
Insurance	383	54 %	36.0%
Annuities	40	261%	8.7%
<b>Other Finance Companies</b>			
Leasing and Factoring	474	2%	24.1%
Warehousing	33	5%	17.8%
<b>Other *</b>	<b>(249)</b>		

\* Includes Ixe Automotriz, Fincasa Hipotecaria, Ixe Soluciones, Ixe Servicios and the Holding Company

# Recovery Bank

## Net Income in Million Pesos

	9M11	9M12
<b>Total</b>	<b>323</b>	<b>431</b>

▲ 33%



## AUM\* Billion Pesos

	3Q11	3Q12	Change YoY
<b>Proprietary Assets</b>	<b>40.7</b>	<b>36.5</b>	<b>(10%)</b>
<b>Acquired Assets</b>	<b>28.0</b>	<b>26.1</b>	<b>(7%)</b>
<b>Investment Projects</b>	<b>6.5</b>	<b>7.4</b>	<b>14%</b>
<b>Managed Assets "Su Casita"</b>	<b>6.7</b>	<b>6.4</b>	<b>(4%)</b>
<b>Ixe Assets</b>	<b>5.9</b>	<b>7.5</b>	<b>28%</b>
<b>Total</b>	<b>87.8</b>	<b>83.9</b>	<b>(4%)</b>

\*Since May 2011, the business related to investment projects is managed by Wholesale Banking.

# Inter National Bank

Million Dollars

	<b>9M11</b>		<b>9M12</b>
<b>Pre-Tax Net Income</b>	<b>23.2</b>		<b>17.4</b>
<b>Provisions</b>	<b>14.6</b>		<b>5.0</b>
<b>Net Income</b>	<b>5.9</b>		<b>8.2</b>
<b>NIM</b>	<b>3.2%</b>		<b>3.1%</b>
<b>ROE</b>	<b>2.0%</b>		<b>2.6%</b>
<b>ROA</b>	<b>0.4%</b>		<b>0.5%</b>
<b>Efficiency</b>	<b>61.5%</b>		<b>68.6%</b>
<b>Total Deposits</b>	<b>1,701</b>	 <b>2%</b>	<b>1,741</b>
<b>Performing Loans</b>	<b>759</b>	 <b>(7%)</b>	<b>707</b>
<b>PDL Ratio USGAAP</b>	<b>4.5%</b>		<b>2.0%</b>
<b>Coverage Ratio USGAAP</b>	<b>61.7%</b>		<b>96.7%</b>
<b>Classified Assets to Capital</b>	<b>51.7%</b>		<b>26.8%</b>



 **BANORTE**  
EL BANCO FUERTE DE MEXICO

 **BANORTE**

