Grupo Financiero Banorte

Financial Information as of September 30th, 2013

3Q13

"Bank of the Year Mexico 2011"

"Best Commercial Bank in Mexico 2013"

"Best Bank in Mexico 2011"

"Sustainable Company"

"Best Bank in Mexico 2012"

The Banker TOP 1000 WORLD BANKS 2013

web page: www.banorte.com/ri

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Institutional Investor

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

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1. Financial Results as of September 30th, 2013:

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 9.89 billion in 9M13 and Ps 3.53 in 3Q13

Operating Results (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12	LTM 3Q13	Change LTM
Net Interest Income	8,054	9,281	**9,640**	4%	20%	24,222	**27,512**	14%	36,099	14%
Non Interest Income	3,437	3,990	**3,333**	(16%)	(3%)	10,653	**12,540**	18%	16,398	7%
Total Income	11,491	13,271	**12,973**	(2%)	13%	34,875	**40,052**	15%	52,497	12%
Non Interest Expense	6,232	6,687	**6,613**	(1%)	6%	19,247	**20,735**	8%	27,023	3%
Provisions	1,524	3,132	**1,903**	(39%)	25%	4,176	**7,108**	70%	9,104	71%
Operating Income	3,736	3,452	**4,457**	29%	19%	11,451	**12,208**	7%	16,370	7%
Net Income	2,780	3,220	**3,526**	9%	27%	7,878	**9,886**	25%	12,896	24%

- **Net Interest Income**

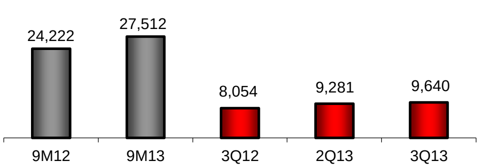
During 9M13, Net Interest Income totalled Ps 27.51 billion, a YoY increase of 14% compared to 9M12, and was Ps 9.64 billion for the quarter, an increase of 4% vs. 2Q13 and 20% vs. 3Q12. The YoY increase can be attributed to a better loan mix, which offset lower net interest income at the Insurance and Annuities Companies due to a larger amount of technical reserves derived from higher sales of premiums, as well as higher interest expense related to the debt servicing cost of GFNorte's US 800 million syndicated loan disbursed in February and settled on July 26. QoQ growth vs. 3Q12 was due to higher loan volumes in segments with a better mix (mainly consumer loans), more loan origination fees, higher income from currency valuation, better net interest income at the Insurance and Annuities Companies, lower cost of funding due to the growth in core deposits and the payment of Ixe's perpetual subordinated notes, which paid a fixed annual rate of 9.75% in dollars; while growth vs. 2Q13 was likewise due to a better loan mix, higher income from currency valuation, a lower cost of funding due to the growth in core deposits and the payment of the syndicated loan and Ixe's Subordinated Notes, as well as lower expenses for hedging transactions. Net interest income related only to lending activity increased 16% vs. 9M12, 14% vs. 3Q12 and 2% vs. 2Q13 driven by a better loan mix and a stable cost of funding.

In 9M13 the NIM was 4.2%, 10 basis points above 9M12, while the NIM related only to lending activity rose by 37 basis points to 7.6%. NIM stood at 4.4% in 3Q13, 40 and 10 basis points above 3Q12 and 2Q13, respectively, while the NIM related only to lending activity was 7.8% in 3Q13, an increase of 45 basis points vs. 3Q12 and 4 basis points vs. 2Q13.

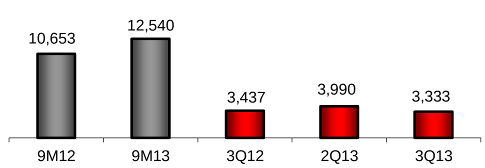
- **Non Interest Income**

Non Interest Income amounted to Ps 12.54 billion in 9M13, a YoY increase of 18%, driven by growth in almost all items on the back of better business dynamics. As of 3Q13 Non Interest Income totalled Ps 3.33 billion, a decrease of (16%) vs. 2Q13 and (3%) vs. 3Q12, mainly due to lower income from Trading and Loan Recoveries.

NET INTEREST INCOME (Million Pesos)



NON INTEREST INCOME (Million Pesos)

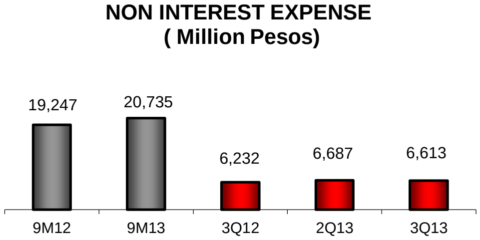


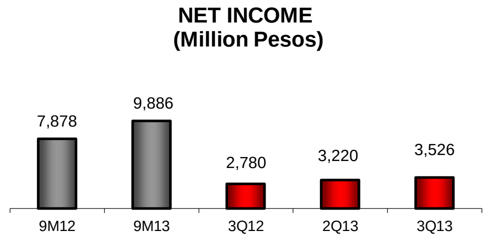
- **Non Interest Expense**

In 9M13 Non Interest Expense totalled Ps 20.74 billion, an 8% increase YoY vs. 9M12 due to costs linked to a personnel efficiency program implemented in 1Q13, as well as the strengthening and growth of the business areas, which was not offset by the decline in other expenses. Non Interest Expense totalled Ps 6.61 billion for 3Q13, an increase of 6% vs. 3Q12, mainly due to higher Personnel Expenses as a result of the strengthening of business areas and compensation, an increase that was partially offset by decreases in other headings. Compared to 2Q13, Non Interest Expense decreased by (1%) mainly due to reduced Personnel Expenses stemming from efficiencies obtained from the personnel reduction program implemented earlier this year as well as other expense control efforts, and lower professional fees paid for advisory services. The Efficiency Ratio was 51.8% for 9M13 and 51.0% for 3Q13, a reduction of (3.4 pp) vs. 9M12 and (3.3pp) vs. 3Q12; both decreases were due to the positive operating leverage obtained; the efficiency ratio rose 0.6 pp QoQ vs. 2Q13, due to the negative impact on Total Income as a result of the decline in Non Interest Income, which was not fully offset by the expense control achieved during the quarter.

- **Provisions**

In 9M13 Provisions charged to results totalled Ps 7.11 billion, 70% more than in 9M12 and in 3Q13 they totalled Ps 1.90 billion, an increase of 25% vs. 3Q12. The increase in the accumulated figures was caused mainly by provisions related to exposures to the biggest 3 home developers, as well as by growth in the consumer portfolios which require higher initial provisions as a result of the expected loss methodology adopted in recent years, and an increase in credit card and SME past due loans as a result of the maturing of loan vintages and the negative impact of slower economic growth (which also explains the YoY increase vs. 3Q12). Provisions charged to results registered a (39%) reduction vs. 2Q13 due to less provisioning requirements in the commercial and corporate loan portfolios given that with the reserves created during the previous quarter for the exposures to the biggest 3 home developers under the new methodology of expected losses implemented in 2Q13, a minimum amount of additional reserves were required despite the increase in past due loans during the quarter.





- **Net Income**

GFNorte reported Net Income of Ps 9.89 billion for the first nine months of the year, 25% higher YoY vs. 9M12 as a result of the operating leverage obtained from growth in total revenues, as well as a slower pace of growth in operating expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results and lower taxes due to the use of tax credits in 2Q13, offset a higher level of loan provisions. Net Income totalled Ps 3.53 billion in 3Q13, 9% more than in 2Q13 and 27% more than in 3Q12; YoY growth can be attributed to the higher positive operating leverage obtained and the inclusion of Afore Bancomer's profits in Subsidiaries' results, while QoQ growth is due to the increase in net interest income, reduction in operating expenses and provisions, as well as the profits generated by the Holding Company given the positive FX effect of the dollar investments held in order to finalize Generali's acquisition and the interest earned in its investments.

Net income for the last 12 months amounted to Ps 12.90 billion, 24% more than for the same period in 2012 and 18% higher than the total profits generated during 2012 of Ps 10.89 billion; this was mainly achieved on the back of the positive operating leverage obtained by the institution and integrating Afore Bancomer's profits.

During 3Q13, there was a considerable improvement in GFNORTE's core earnings (net interest income + fees - operating expense - provisions), growing by 89% QoQ vs. 2Q13 and 44% vs. 3Q12 to Ps 3.09 billion.

ROE was 14.3% for 9M13, an increase of 21 basis points vs. 9M12. 3Q13 ROE was 14.0%, 49 basis points below 3Q12 and 135 basis points below 2Q13, while Return on Tangible Equity (ROTE) was 18.1% for 3Q13, 99 basis points below 3Q12 and 147 basis points lower from 2Q13; the decrease in both financial ratios can be attributed to an increase in equity related to GFNorte's Share Offering which was finalized on July 22nd, 2013.

In 9M13 ROA was 1.4%, a 16 basis point increase vs. 9M12 and 1.5% in 3Q13, 20 basis points above 3Q12 and 10 basis points above 2Q13,. Higher ROA stemmed from higher profits as a result of a better asset mix and higher yields on assets. The Return on Risk Weighted Assets was 3.0%, an increase of 30 basis points vs. 3Q12 and 6 basis points vs. 2Q13.

The Banking Sector's (Banco Mercantil del Norte, Banorte- Ixe Tarjetas and Banorte USA) profits amounted to Ps 7.73 billion in 9M13 and accounted for 78% of GFNorte's net income. This sector posted a 9M13 ROE of 16.1%, 51 basis points lower YoY, due mainly to the increase in Banco Mercantil del Norte's equity in February as part of the institution's strategy to replenish the capital used to acquire Afore Bancomer. ROA for the banking sector was 1.5%, a YoY increase of 16 basis points.

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

Income Statement and Balance Sheet Highlights-GFNorte (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Income Statement								
Net Interest Income	8,054	9,281	**9,640**	4%	20%	24,222	**27,512**	14%
Non Interest Income	3,437	3,990	**3,333**	(16%)	(3%)	10,653	**12,540**	18%
Total Income	11,491	13,271	**12,973**	(2%)	13%	34,875	**40,052**	15%
Non Interest Expense	6,232	6,687	**6,613**	(1%)	6%	19,247	**20,735**	8%
Provisions	1,524	3,132	**1,903**	(39%)	25%	4,176	**7,108**	70%
Operating Income	3,736	3,452	**4,457**	29%	19%	11,451	**12,208**	7%
Taxes	806	167	**1,084**	548%	35%	3,098	**2,481**	(20%)
Subsidiaries & Minority Interest	(150)	(64)	**153**	(337%)	(202%)	(893)	**158**	(118%)
Net Income	2,780	3,220	**3,526**	9%	27%	7,878	**9,886**	25%
Balance Sheet								
Asset Under Management	1,432,109	1,826,546	**1,833,973**	0%	28%	1,432,109	**1,833,973**	28%
Total Assets	897,161	960,232	**991,171**	3%	10%	897,161	**991,171**	10%
Performing Loans (a)	389,717	411,782	**413,939**	1%	6%	389,717	**413,939**	6%
Past Due Loans (b)	7,591	9,075	**13,865**	53%	83%	7,591	**13,865**	83%
Total Loans (a+b)	397,307	420,857	**427,804**	2%	8%	397,307	**427,804**	8%
Total Loans Net (d)	386,129	406,536	**413,153**	2%	7%	386,129	**413,153**	7%
Acquired Collection Rights (e)	2,254	3,507	**3,330**	(5%)	48%	2,254	**3,330**	48%
Total Loans (d+e)	388,383	410,043	**416,483**	2%	7%	388,383	**416,483**	7%
Total Liabilities	812,449	872,274	**868,661**	(0%)	7%	812,449	**868,661**	7%
Total Deposits	395,531	424,095	**430,366**	1%	9%	395,531	**430,366**	9%
Equity	84,712	87,957	**122,511**	39%	45%	84,712	**122,511**	45%

Financial Ratios GFNorte	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Profitability:								
NIM (1)	4.0%	4.3%	**4.4%**	0.1 pp	0.4 pp	4.1%	**4.2%**	0.1 pp
NIM after Provisions (2)	3.2%	2.8%	**3.5%**	0.69 pp	0.29 pp	3.4%	**3.1%**	(0.28 pp)
NIM adjusted w/o Insurance & Annuities	4.1%	4.3%	**4.5%**	0.2 pp	0.4 pp	4.1%	**4.3%**	0.2 pp
NIM from loan portfolio (3)	7.3%	7.7%	**7.8%**	0.04 pp	0.45 pp	7.3%	**7.6%**	0.37 pp
ROE (4)	14.5%	15.3%	**14.0%**	(1.35 pp)	(0.49 pp)	14.1%	**14.3%**	0.21 pp
ROA (5)	1.3%	1.4%	**1.5%**	0.10 pp	0.20 pp	1.2%	**1.4%**	0.16 pp
Operation:								
Efficiency Ratio (6)	54.2%	50.4%	**51.0%**	0.6 pp	(3.3 pp)	55.2%	**51.8%**	(3.4 pp)
Operating Efficiency Ratio (7)	2.8%	2.8%	**2.7%**	(0.1 pp)	(0.1 pp)	3.0%	**2.9%**	(0.1 pp)
Liquidity Ratio (8)	118.6%	137.2%	**148.2%**	11.1 pp	29.7 pp	118.6%	**148.2%**	29.7 pp
Asset Quality:								
Past Due Loan Ratio	1.9%	2.2%	**3.2%**	1.1 pp	1.3 pp	1.9%	**3.2%**	1.3 pp
Coverage Ratio	147.3%	157.8%	**105.7%**	(52.1 pp)	(41.6 pp)	147.3%	**105.7%**	(41.6 pp)
Past Due Loan Ratio w/o Banorte USA	1.9%	2.2%	**3.3%**	1.1 pp	1.4 pp	1.9%	**3.3%**	1.4 pp
Coverage Ratio w/o Banorte USA	149.1%	158.0%	**105.5%**	(52.5 pp)	(43.6 pp)	149.1%	**105.5%**	(43.6 pp)

1) NIM= Annualized Net Interest Margin / Average Earnings Assets.
2) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.
3) NIM = Annualized Net Interest Margin from loan portfolio / Average Performing Loans
4) Annualized earnings as a percentage of the average quarterly equity over the period, minus minority interest of the same period.
5) Annualized earnings as a percentage of the average quarterly assets over the period, minus minority interest of the same period.
6) Non Interest Expense / Total Net Income
7) Annualized Non Interest Expense / Average Total Assets.
8) Liquid Assets / Liquid Liabilities. Where Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, while Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks.

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Subsidiaries Net Income (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Banking Sector	**2,200**	**2,802**	**2,545**	**(9%)**	**16%**	**6,381**	**7,733**	**21%**
Banco Mercantil del Norte (1) (2) (7)	1,852	2,430	2,269	(7%)	22%	5,552	6,741	21%
Ixe Banco (3)	102	44	-	(100%)	(100%)	497	126	(75%)
Banorte Ixe Tarjetas (4)	246	328	276	(16%)	12%	332	866	161%
Broker Dealer	**139**	**140**	**110**	**(22%)**	**(21%)**	**414**	**495**	**20%**
Banorte- Ixe-Broker Dealer	118	120	84	(31%)	(29%)	349	428	23%
Operadora de Fondos Banorte-Ixe	21	20	26	34%	26%	65	67	2%
Long Term Savings	**268**	**351**	**441**	**26%**	**64%**	**825**	**1,296**	**57%**
Retirement Funds - Afore XXI Banorte (2)	149	196	320	63%	115%	402	851	112%
Insurance	111	141	102	(28%)	(8%)	383	387	1%
Annuities	8	14	19	32%	120%	40	57	45%
Other Finance Companies	**149**	**116**	**214**	**85%**	**43%**	**86**	**443**	**414%**
Leasing and Factoring (5)	196	72	221	206%	13%	474	425	(10%)
Warehousing	17	12	14	18%	(17%)	33	40	19%
Ixe Automotriz (6)	29	5	-	(100%)	(100%)	35	15	(56%)
Fincasa Hipotecaria(3)	(25)	(4)	-	(100%)	(100%)	(247)	(28)	(88%)
Sólida Administradora de Portafolios (former Ixe Soluciones) (7)	(68)	30	(22)	(171%)	(68%)	(209)	(9)	(96%)
Other Companies								
Ixe Servicios	1	0	1	238%	(18%)	(1)	1	(191%)
G. F. Banorte (Holding)	**23**	**(189)**	**216**	**(214%)**	**851%**	**172**	**(81)**	**(147%)**
Total Net Income	**2,780**	**3,220**	**3,526**	**9%**	**27%**	**7,878**	**9,886**	**25%**

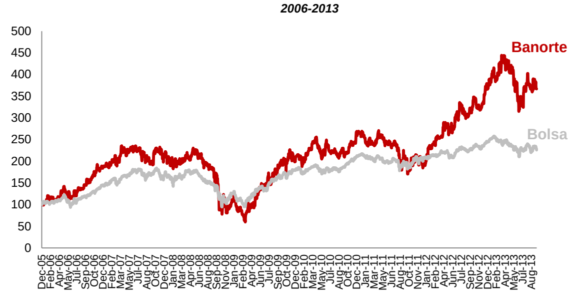
1) Considering a participation of 97.2% since 1Q13, and as of 2Q13 a participation of 97.50%. Since 4Q09 and until that quarter, the stake was of 92.72%, reflecting the investment by the IFC in Banco Mercantil del Norte.
2) Since 1Q12, Afore XXI Banorte is recognized under the equity participation method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

Share Data	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Earnings per share (1) (Pesos)	1.19	1.38	**1.32**	(5%)	10%	3.39	**4.05**	20%
Dividend per Share (Pesos)	0.00	0.18	**0.18**	0%	-	0.35	**0.55**	57%
Dividend Payout (Recurring Net Income)	0.0%	20.0%	**20.0%**	0%	-	18.0%	**20.0%**	11%
Book Value per Share (2) (Pesos)	33.70	36.03	**44.24**	23%	31%	33.70	**44.24**	31%
Total Shares Outstanding (Million Shares)	2,326.4	2,326.4	**2,671.6**	15%	15%	2,326.4	**2,442.7**	5%
Stock Price (Pesos)	72.76	76.72	**81.73**	7%	12%	72.76	**81.73**	12%
P/BV (Times)	2.16	2.13	**1.85**	(13%)	(14%)	2.16	**1.85**	(14%)
Market Capitalization (Million Dollars)	13,152	13,700	**16,573**	21%	26%	13,152	**15,153**	15%
Market Capitalization (Million Pesos)	169,266	178,478	**218,351**	22%	29%	169,266	**199,642**	18%

1) As of 3Q13, earnings per share calculations consider the new number of shares resulting from the increase in GFNorte's equity following the Public Offering, and are not therefore comparable with previous periods. The 2,671.6 million shares are the quarterly weighted average; the 2,442.7 million shares are the accumulated weighted average in 9M13, while as of closing of 3Q13 the total amount of outstanding shares totals 2,773.33 million shares
2) Excluding Minority Interest.

SHARE PERFORMANCE

2006-2013



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SUMMARY OF RESULTS

Mexico City, October 24th, 2013. Grupo Financiero Banorte (GFNORTE) reported today its results at the closing of September, 2013. GFNORTE registered profits of Ps 9.89 billion for 9M13, 25% higher YoY as a result of the operating leverage obtained from increases in total revenues, as well as a slower pace of growth in operating expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results and the use of tax credits in 2Q13, offset higher loan loss provisions. In 3Q13 net income totaled Ps 3.53 billion, 27% higher YoY driven by higher positive operating leverage and the inclusion of Afore Bancomer's profits in Subsidiaries' results, and is 9% above QoQ due to an increase in net interest income, a decrease in operating expenses and provisions, as well as the profits generated by the Holding Company given the positive FX effect of the dollar investments held in order to finalize Generali's acquisition and the interest earned in its investments. Banco Mercantil del Norte (excluding its participation in Afore XXI Banorte) contributed with Ps 6.74 billion or 68% of GFNORTE's 9M13 earnings. In 3Q13, Banco Mercantil del Norte contributed with Ps 2.27 billion, or 64% of consolidated quarterly profits.

Return on Equity (ROE) was 14.3% in 9M13, 21 basis points more YoY; return on assets (ROA) was 1.4%, 16 basis points higher YoY.

- **Deposits and Net Interest Income**

Core deposits grew 14% YoY in 3Q13, driven mainly by efforts to promote Banorte and Ixe's deposit products. Demand deposits grew by 20% YoY and retail time deposits by 4%. As a result, core deposits rose by Ps 44.54 billion, from Ps 319.61 billion in 3Q12 to Ps 364.15 billion in 3Q13. Core deposits grew 6% for the quarter vs. 2Q13 on the back of 9% growth in demand deposits.

Net Interest Income totaled Ps 27.51 billion in 9M13, 14% higher YoY, due to a better loan mix. In 3Q13, net interest income amounted to Ps 9.64 billion, an increase of 20% YoY and 4% QoQ. Growth vs. 3Q12 can be attributed to higher loan volumes in segments that improve the loan mix (mainly consumer loans), more loan origination fees, higher income from currency valuation, the improvement in the net interest income of the Insurance and Annuities Companies, a lower cost of funding due to the growth in core deposits and the payment of Ixe's subordinated notes which paid a fixed annual rate of 9.75% in dollars; while growth vs. 2Q13 was likewise due to a better loan mix, higher income from currency valuation, a lower cost of funding due to the growth in core deposits and the payment of the syndicated loan and Ixe's Subordinated Notes, as well as to lower expenses for hedging transactions.

- **Loan Portfolio**

At the closing of 3Q13, Performing loans registered YoY growth of 6%, increasing by Ps 24.22 billion to Ps 413.94 billion. Lower yearly growth rates were mainly due to the economic slowdown in 2013. The loan portfolio grew 1% for the quarter, mostly as a result of growth in payroll loans, mortgage loans, credit card and commercial loans.

Commercial loans totaled Ps 109.74 billion, YoY growth of 3%, derived mainly from more business loans, leasing and the reactivation of the Creditactivo product for businesses; commercial loans posted a QoQ increase of 1% driven by growth in Crediactivo loans. **Corporate** loans totaled Ps 78.87 billion, (9%) and (6%) below YoY and QoQ, mainly derived from the payment or classification as past due of some loans related to housing developers, as well as pre-payments received from some clients that used the proceeds from capital markets' transactions to settle their liabilities. **Government** loans totaled Ps 90.53 billion at the end of September, a YoY increase of 10% as a result of the efforts to continue meeting the demand for loans at all levels of government, while QoQ they were mostly unchanged owing to the low demand currently experienced in this segment.

Consumer loans, including mortgage loans, registered YoY growth of 18%. **Mortgage loans** maintained their rising trend to close the quarter at Ps 79.21 billion, 14% higher YOY and a QoQ increase of 3%, which continues to position Banorte as one of the banks with higher growth in loan volumes in this segment despite a very competitive environment. **Payroll loans** totaled Ps 24.38 billion, above 40% YoY and 9% QoQ, respectively, due to growth in the number of Banorte-Ixe payroll deposit accountholders, promotional campaigns for the product and a cross-selling strategy with clients using various channels. **Car loans** grew 10% YoY and 3% QoQ reaching Ps 11.16 billion at the close of 3Q13 driven by more loan placements generated by promotional campaigns for the product through various channels, cross-selling with clients and alliances with car dealerships. The **Credit Card** portfolio totaled Ps 19.84 billion at the close of 3Q13, YoY growth of 21% and 6% QoQ; both growth rates were due to portfolio management strategies, promotional campaigns for Banorte – Ixe's products, and increased cross selling with clients.

The Group registered a Past Due Loan Ratio of 3.2% at the close of 3Q13, 1.3 percent points (pp) above 3Q12 and 1.1 pp higher than 2Q13. These increases can be mainly attributed to the past due loans of housing developers, and to a lesser

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extent, an increase in other headings. Excluding the past due loans for the three troubled housing developers, the NPL ratio would be 1.8%, almost 10 basis points below the year earlier level.

Grupo Financiero Banorte closed 3Q13 with past due loans of Ps 13.87 billion, a YoY growth of 83% and 53% QoQ, due to an increase in almost all headings, mainly related to more Corporate past due loans (especially housing developers) as well as in the Commercial portfolio due to more past due loans at Fincasa, tourist developments in the Northwest of the country and in the SME, Credit Card, Payroll and Mortgage Loan portfolios as a result of the maturing of vintages and the negative impact of slower economic growth. The Group's loan loss reserve coverage was 105.7% at the end of 3Q13, (41.6pp) below YoY and (52.1pp) below QoQ, owing to past due loans generated during the quarter from exposures to housing developers.

- **Efficiency**

The Efficiency Ratio was 51.8% for 9M13 and 51.0% for 3Q13, a reduction of (3.4 pp) vs. 9M12 and (3.3 pp) vs. 3Q12; both decreases can be traced to the positive operating leverage obtained; compared to 2Q13, the efficiency ratio rose 0.6pp, since the decline in Non Interest Income was greater than the expense control achieved in the quarter.

- **Capitalization**

Banco Mercantil del Norte's Capitalization ratio was 14.85% at the close of 3Q13 with a Total Tier 1 ratio of 12.41% and a Core Tier 1 ratio of 11.14%.

- **Other Subsidiaries**

Long Term Savings comprised of the Afore XXI Banorte, Insurance and Annuities, reported Ps 1.30 billion in earnings during 9M13, 57% higher YoY, and Ps 441 million during the quarter, 64% more YoY vs. 3Q12 and 26% more QoQ vs. 2Q13. The accumulated, YoY and QoQ increases can be attributed to the incorporation of Afore Bancomer and greater business dynamics in the Insurance and Annuities companies.

Banorte - Ixe Tarjetas reported profits of Ps 866 million for 9M13, 161% more YoY; this increase stems from the SOFOM's purchase of Banco Mercantil del Norte's credit card portfolio during 2Q12, and the consolidation of its results as of that quarter, as well as growth and management strategies of the portfolio. In 3Q13 profits were Ps 276 million, 12% higher YoY derived from the positive impact on margins and fees from loan growth, and (16%) below QoQ, due to the creation of additional reserves for the rewards program.

The **Brokerage Sector** comprised of Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe reported 9M13 profits of Ps 495 million, YoY growth of 20% as a result of an increase in assets managed in mutual funds, which represents more service fees, as well as more income from trading, private banking and wealth management, asset management and institutional sales. Profits amounted to Ps 110 million in 3Q13, a YoY decrease of (21%) vs. 3Q12 and QoQ decrease of (22%) vs. 2Q13 due to a valuation effect in the money market and equity positions originated by changes in market conditions during this period.

Other Finance Companies, comprised of Arrendadora y Factor Banorte, Almacenadora Banorte and Sólida Administradora de Portfolios (which was spun-off from Banco Mercantil del Norte to later merge with Ixe Soluciones) registered 9M13 profits of Ps 443 million, 414% higher YoY due to the merger of Fincasa with Banco Mercantil del Norte and Ixe Soluciones with Sólida Administradora de Portafolios during May 2013; while in 3Q13, they registered profits of Ps 214 million, improving QoQ due to the positive results of the Leasing and Factoring business.

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

RECENT EVENTS

- **Grupo Financiero Banorte announces the total payment of the USD $800 million dollars syndicated loan; while Banco Mercantil del Norte announces the payment of the USD $120 million non-preferred, non-cumulative callable perpetual subordinated obligations.**

Last August 30th, GFNORTE informed that as part of the use of proceeds from the Global Public Offering carried out in July 2013, through which 447'371,781 common shares of the Financial Group were sold for an equivalent of approximately USD $2.5 billion dollars, it amortized on July 26th the syndicated loan granted by 4 financial institutions without any guarantee by the Financial Group or any of its subsidiaries and which was disbursed in February 2013 with a term of 364 days for a total amount of USD $800 million dollars

Furthermore on August 28th, it was informed that Banco Mercantil del Norte exercised the pre-payment option on August 26th to settle the USD $120 million Non-Preferred, Non- Cumulative Callable Perpetual Subordinated Obligations which were registered at the Luxembourg Stock Exchange. This perpetual subordinated debt was issued on February 26th, 2007 by Ixe Banco S.A., Institución de Banca Múltiple ("Ixe Banco") and given the merger of Ixe Banco with Banorte in May of this year, Banorte assumed responsibility for each and every one of Ixe's obligations.

These payments are consistent with the information provided to the investment public during the equity offering carried out by GFNORTE this past July, as well as with the content of the transaction documents.

- **Grupo Financiero Banorte finalizes the acquisition of Assicurazioni Generali's minority interest in insurance and annuities.**

As part of the use of proceeds from the Public Offering, and as a follow up to the material event published on June 11th, 2013 by Grupo Financiero Banorte regarding the binding agreement under which GFNORTE would acquire the remaining 49% of the equity representative common shares of Seguros Banorte Generali, S.A. de C.V. ("Seguros Banorte Generali") and Pensiones Banorte Generali, S.A. de C.V. ("Pensiones Banorte Generali") held by Assicurazioni Generali S.p.A Generali Group ("Generali Group")), GFNORTE informed to the investment public on October 4th, that it has obtained the corresponding government authorizations in order to finalize the acquisition of the Generali Group's minority stake in the insurance and annuities companies: the Antitrust Commission (CFC) informed having no objection to the transaction through the communication No. SE-10-096-2013-483 issued in August 7th, 2013, while the Ministry of Finance and Public Credit notified its conformity with the acquisition of Generali's equity participation in both companies through the communication No. 366-III-574/13 issued on September 24th, 2013.

The transaction was finalized on October 4th. The total amount of the transaction was US 858 million, including excess capital: US 637 million for Seguros Banorte Generali and US 221 million for Pensiones Banorte Generali.

- **Shareholders' Meeting.**

Last October 14th, an Ordinary Shareholders' Meeting was held with 91.0% of the total subscribed and paid shares of the Company's capital represented, and it was approved to distribute a cash dividend of Ps. $0.7852 per share, derived from the retained earnings of previous years, which will be paid in four installments of Ps $0.1963 per share each, on October 23rd, 2013, January 23rd, 2014, April 23rd, 2014 and July 23rd, 2014, respectively against delivery of the corresponding coupons. This amount was approved by the Group's Board of Directors last July 25th, 2013. The total amount of the dividend to be paid of Ps. $0.7852 represents 20% of the recurring profits of 2012 and the payout was determined according the dividend policy approved on October 2011, which establishes a payment of 20% of the recurring net income in the event that annual profit growth is greater than 20%.

- **Credit Ratings.**

<u>Moody's ratified the ratings of Banco Mercantil del Norte, Arrendadora y Factor Banorte and Casa de Bolsa Banorte Ixe; the outlook was changed from negative to stable.</u>

On September 10th, Moody's de México and Moody's Investors Service ratified the global and national-scale ratings of Banco Mercantil del Norte, Arrendadora y Factor Banorte and Casa de Bolsa Banorte Ixe with a stable outlook. This follows GNORTE's Primary Public Offering, which will enable the Group to finance its recent acquisitions and pay down debt, including the payment of some of Banorte's subordinated debt.

Fitch Ratings gives its opinion of the upcoming fund mergers of Operadora de Fondos Banorte Ixe.

In September of this year, following the announcement by Operadora de Fondos Banorte Ixe of its intention to merger 16 funds of the 43 mutual funds comprising its current range of funds (which is expected to be completed in December 2013 at the latest), the rating agency informed that it does not expect any changes in their ratings, as the funds have similar characteristics in terms of rating, investment strategy, horizon and share purchasing policy, besides a solid organizational structure that includes directors with many years of experience in the financial sector.

- **Institutional Investor Magazine's Rankings.**

In August 2013, Institutional Investor magazine announced the "Best Latin America Executive Team 2013" rankings, which was based on a survey of 395 buy-side fund managers and 417 sell-side analysts. For a fourth consecutive year, GFNORTE's Management and Investor Relations team figured among the top Mexican companies and Latin American banks. Alejandro Valenzuela, Grupo Financiero Banorte's CEO, was ranked as the number two CEO in Mexico and third in Latin America, based on the opinions of both sell-side and buy-side analysts. Likewise, in the regional survey Rafael Arana, GFNorte's CFO, came as number one ranked based on sell-side opinions (he was ranked fifth last year) and second based on buy-side opinions (he was ranked seventh last year); in the Mexican ranking he was placed fourth by both buy and sell-side. David Suárez, Head of IR at GFNorte, was ranked as the best IR Professional in Latin America in the opinion of sell-side analysts and third in Latin American according to the buy-side. In Mexico, David Suárez was ranked top by the buy-side and second by the sell-side. The Investor Relations Department was ranked second in Latin America by the sell-side and third by the buy-side; in the national ranking both groups ranked this department in second place. At the regional level, the group was placed ahead of institutions like Santander Chile and Brazil, BTG, Bradesco, Bancolombia, Banco Do Brasil, Credicorp, among more than 30 banks. In Mexico it ranked ahead of América Móvil, Wal-Mart, FEMSA, Cemex, Bimbo, Banregio, Compartamos, Santander México, among more than 60 companies.

- **Planet Payment and Banorte announced "MICROS Payment Gateway".**

In October Planet Payment, one of the main international payment processing and multi-currency payment providers, and Banorte announced the initial implementation of "MICROS Payment Gateway" integrated in the "Pague en su Moneda" Service (*Pay in your Currency*), which enables international consumers and users to pay for purchases and accommodation expenses in their own currency, while at the same time lowering transaction processing costs for businesses or service providers

- **Banorte launches green platform for Micro, Small and Medium Sized Enterprises (MiSME)**

Within the framework of the "Green Businesses Summit 2013" organized by the Global Institute for Sustainability at the Tecnológico de Monterrey, Banorte presented the eco-efficiency platform for MiSMEs, which seeks to achieve a more sustainable production chain to make SMEs that are bank clients and service providers more competitive. Banorte's initial commitment is to finance projects with the most potential to develop green markets.

- **Organizational Changes.**

As part of ongoing efforts to focus the organization towards a client-centered business model, the following appointments and organizational adjustments were made:

I. Areas that report directly to the Board of Directors

On August 3rd, **Martha Elena Navarrete Villarreal** was appointed Managing Director of Internal Audit, an area that will report directly to the Audit and Corporate Practices' Committee, body of the Board of Directors. Since joining the Group in 2010, Martha Elena has held the positions of Deputy Managing Director of Audit and Executive Director of Internal Audit Management, having fostered best practices for the Internal Control System and Corporate Governance of the Financial Group. Martha has a degree in Management from ITAM and a Masters in Business Administration (MBA) from Nottingham University. She has many years of experience working for the National Banking and Securities Commission (CNBV).

On July 25th, the Board of Directors decided that the Head of Corporate Affairs, **Sergio Garcia Robles Gil**, and the Director of Social Responsibility, **Mayra Hernandez González**, would report directly to the Board.

II. Business Areas

On July 25th 2013, the Board of Directors approved a new organizational structure in order to achieve a business model based on products, segments and channels, in order to focus the strategy towards client service. As a result, **Manuel Antonio Romo Villafuerte** was appointed Managing Director of Consumer Products and **Jesús Garza Martínez** was appointed Managing Director of Retail Banking, in charge of segments and channels. Both of them report directly to GFNORTE's CEO.

III. Staff Areas

In order to consolidate the staff and support areas and improve the organization's internal service levels, on October 24, GFNORTE's Board of Directors appointed **Rafael Arana de la Garza** as Chief Operating Officer (COO), who in turn will report to GFNORTE's CEO. The areas of Corporate Services, Finance and Investor Relations, Strategic Planning and Value Creation, Customer Experience, Marketing, Legal, Technology and Operations, Institutional Relations and Communications, and the Project Sumando (IBM Alliance) will all report to the COO.

As part of these changes, **David Ricardo Suárez Cortazar** was appointed as Chief Financial Officer (CFO); **Fausto Hernández Pintado** was appointed as Chief Strategic Planning and Value Creation Officer and **Concepción Guadalupe Borjon Shears** was appointed as Leader of Sumando.

Rafael Arana was previously GFNORTE's CFO and was ranked as the best CFO in Latin American financial institutions in the 2013 Institutional Investor survey; furthermore, he has more than 20 years of experience in the financial sector. His previous positions include Deputy Managing Director of Personal Financial Services for Latin America and the Caribbean at HSBC and Deputy Managing Director of HSBC México. He is a professor at the Instituto Panamericano de Alta Dirección de Empresas (IPADE), holds a Masters in Engineering and Operations from the University of Michigan, and a degree in Mechanical-Electrical Engineering from Universidad Iberoamericana.

Concepción Guadalupe Borjon Shears has been Deputy Managing Director of Branches and Clients for 6 years; in this position she was responsible for defining and supervising branch processes, the generation of follow-up information for Banking business units, measuring the performance of branch executives, implementing sales and communication strategies with the branch Network and being responsible for the Banorte Valuation Unit. She has worked at Banorte for more than 20 years; she joined the group in 1993 as part of an executive development program and furthered her career in areas such as Credit, Consumer and Commercial Banking. Concepción Borjón has a degree in Public Accounting, a Master's in Business Administration from UANL; she has also taken courses at The Graduate School of Banking LSU, and at the IPADE.

David Suárez was Head of Investor Relations and has worked at GFNORTE for more than 8 years. For the last 4 years, Institutional Investor has ranked him as one of the best IR officers in Mexico and Latin America. For 12 years he held various positions at the Mexican Social Security Institute, the International Finance Corporation (IFC) and the Ministry of Finance and Public Credit (SHCP). He holds a Business and Finance degree from the Universidad Panamericana and a Master's in Economic Policy Management from the Columbia University in New York; he is also a certified Project Management Professional by the PMI Institute.

Fausto Hernández was previously Head of Strategic Planning and Projects and has worked at the Financial Group for more than 4 years. He was previously Vice President of Strategy for Latin America and Credit Derivatives at Goldman Sachs in New York from 2005 to 2009; he has also held various positions at AON Re, PEMEX, Visa International, Barclays Bank, and SHCP. He holds a degree in Economics from the ITAM and a Master's in Finance from the London Business School.

The Board ratified the following executives in their positions: Alejandro Garay Espinoza as Managing Director of Corporate Services, Hector Avila Flores as Managing Director of Legal, Ignacio Aldonza as Managing Director of Technology and Operations and Carla Juan Chelala as Managing Director of Marketing. The positions of Managing Director of Communication and Institutional Relations and Managing Director of Client Experience are currently vacant.

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

GRUPO FINANCIERO BANORTE

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

- **Net Interest Income**

Net Interest Income *(Million Pesos)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Interest Income	15,602	16,223	**16,683**	3%	7%	44,572	**49,007**	10%
Insurance and Annuities-Interest Income	578	600	**636**	6%	10%	1,630	**1,848**	13%
Interest Expense	8,027	7,897	**7,766**	(2%)	(3%)	22,459	**23,708**	6%
Insurance and Annuities-Interest Expense	(0)	(20)	**4**	(121%)	(1530%)	2	**11**	498%
Premium Income (Net)	3,823	4,857	**4,053**	(17%)	6%	11,896	**13,881**	17%
Net Increase in Technical Reserves	2,010	2,516	**1,740**	(31%)	(13%)	6,028	**7,289**	21%
Damages, Claims and Other Obligations	2,131	2,376	**2,447**	3%	15%	6,032	**7,057**	17%
Loan Origination Fees	285	495	**311**	(37%)	9%	623	**1,134**	82%
Fees Paid	67	125	**86**	(31%)	28%	177	**293**	66%
Net Interest Income	**8,054**	**9,281**	**9,640**	**4%**	**20%**	**24,222**	**27,512**	**14%**
Provisions	1,524	3,132	**1,903**	(39%)	25%	4,176	**7,108**	70%
Net Interest Income Adjusted for Credit Risk	**6,530**	**6,149**	**7,737**	**26%**	**18%**	**20,046**	**20,403**	**2%**
Average Interest Earning Assets	805,839	864,573	**876,733**	1%	9%	780,815	**865,018**	11%
Net Interest Margin (1)	4.0%	4.3%	**4.4%**	0.10 pp	0.40 pp	4.1%	**4.2%**	0.10 pp
NIM after Provisions (2)	3.2%	2.8%	**3.5%**	0.7 pp	0.3 pp	3.4%	**3.1%**	(0.3 pp)

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

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

Million Pesos	3Q12	2Q13	3Q13	Change Vs. 2Q13	Change Vs. 3Q12	9M12	9M13	Change Vs. 9M12
Interest Income	578	600	**636**	6%	10%	1,630	**1,848**	13%
Premiums' Income (net)	3,823	4,857	**4,053**	(17%)	6%	11,896	**13,881**	17%
- Interest Expense	(0)	(20)	**4**	(121%)	(1530%)	2	**11**	498%
- Net increase in technical reserves	2,010	2,516	**1,740**	(31%)	(13%)	6,028	**7,289**	21%
- Damages, claims and others	2,131	2,376	**2,447**	3%	15%	6,032	**7,057**	17%
Net Result	261	585	**498**	(15%)	91%	1,464	**1,372**	(6%)

Net Interest Income grew 14% YoY in 9M13, increasing from Ps 24.22 billion to Ps 27.51 billion driven by a 16% increase in financial revenues and loan origination fees resulting from 6% growth in performing loans, particularly in products with a relatively bigger impact in Net Interest Income such as Payroll loans, Credit Cards, SME and Mortgages. This offset the following negative effects during this period:

a) The (6%) decrease in NII of the Insurance and Annuities Companies due to an increase in technical reserves stemming from growth in premium sales.

b) The cost of servicing the US $800 million syndicated loan that the Financial Group disbursed in February (settled on July 26th).

c) Reduction in the benchmark interest rate (50 basis points in March and 25 basis points in September).

In 3Q13 Net Interest Income grew 20% YoY to Ps 9.64 as a result of;

a) Higher loan volumes in segments with higher margins (consumer loans mainly).

b) More loan origination fees.

c) Higher income from currency valuation.

d) The 91% increase in NII of the Insurance and Annuities companies.

e) The payment on August 26th of the perpetual subordinated notes with an annual fixed rate of 9.75% in dollars.

f) Lower cost of funding due to the growth in core deposits.

Net Interest Income rose 4% vs. 2Q13 due to:

a) Growth in the Credit Card, Payroll, Mortgages and SME loan portfolios.

b) Higher income from currency valuation.

c) A reduction in the effective cost of funding derived from the growth in demand deposits, the payment of GFNorte's US 800 million syndicated loan and Ixe's perpetual subordinated debt that paid a fixed annual rate of 9.75% in dollars and the 25 basis points reduction in the benchmark rate in September.

d) Lower expenses for hedging transactions.

These effects offset the (15%) decrease in the NII of the Insurance and Annuities Companies during this period.

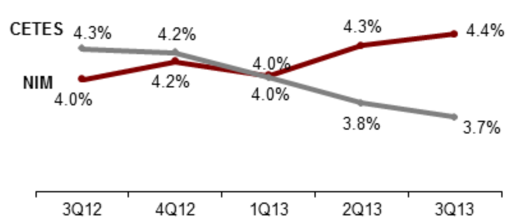
Based solely on financial revenues and net fees related to loan origination, Net Interest Income registered a YoY increase of 16% in 9M13; in 3Q13 it increased 14% YoY and 2% QoQ. In all cases it was due to a better loan mix due to growth in the payroll, credit cards, SME and mortgage segments. Net Interest Income excluding the Insurance and Annuities companies registered an accumulated annual increase of 15%, of 17% YoY vs. 3Q12 and of 5% QoQ vs. 2Q13.

The average Net Interest Margin (NIM) was 4.2% for 9M13, a YoY increase of 10 basis points. The NIM for the quarter was 4.4%, 40 basis points and 10 basis points above the 3Q12 and 2Q13 level, respectively; all of the increases can be attributed to achieving higher growth in Net Interest Income compared to Average Interest Earning Assets, mainly due to the a greater weight in the total portfolio of higher yielding segments such as consumer, mortgages and SME.

In 9M13 the NIM for lending activity registered a YoY increase of 37 basis points to 7.6%; it was 7.8% in 3Q13, an increase of 45 basis points vs. 3Q12 and 4 basis points vs. 2Q13.

The Banking Sector NIM, which includes the loan and investment portfolios of the bank and the credit card SOFOM, reached 4.8% in 3Q13, increasing by 21 basis points YoY compared to 3Q12, and was virtually unchanged QoQ. In 9M13, this sector's NIM was 4.7%, a YoY increase of 33 basis points.

NIM VS CETES



- **Provisions**

In 9M13 provisions charged to results totaled Ps 7.11 billion, an increase of 70% vs. 9M12 and Ps 1.90 billion in 3Q13, an increase of 25% YoY vs. 3Q12. The accumulated annual increase is derived from provisions created to cover exposures to housing developers URBI, GEO and HOMEX, and by growth in the consumer portfolios which require higher initial provisions as a result of the expected loss methodology adopted in recent years and an increase in consumer and SME past due loans as a result of the maturing of loan vintages as well as the negative impact of slower economic growth (which also explains the YoY increase vs. 3Q12). Provisions charged to results decreased (39%) vs. 2Q13, due to less provisioning requirements in the commercial and corporate loan portfolios given that with the reserves created during the previous quarter for the exposures to home developers URBI, GEO and HOMEX under the new methodology of expected losses implemented in 2Q13, a minimum amount of additional reserves were required despite the increase in past due loans during the quarter.

The average NIM adjusted for Credit Risks was 3.1% in 9M13, a decrease of 28 basis points vs. 9M12 due to higher provisions recorded in the first half of 2013 associated with the deterioration in exposures to housing developers, the maturing of loan vintages in the consumer segment and portfolio deterioration caused by the effects of economic weakness. This indicator was 3.5% in 3Q13, 29 basis points above YoY and 69 basis points above QoQ; in the latter case it was due to a 39% reduction in provisions linked to anticipating reserves through equity in the housing segment in 2Q13, as well as higher net interest income.

Loan loss provisions accounted for 26% of 9M13 Net Interest Income and 20% in 3Q13, comparing unfavorably with 17% in 9M12 and 19% in 3Q12; however, they registered a (14pp) decrease QoQ vs. 2Q13.

In 9M13, annualized loan loss provisions accounted for 2.3% of the average loan portfolio and 1.8% for the quarter, a YoY increase of 0.8 pp vs. 9M12 and 0.3 pp vs. 3Q12, due mainly to higher provision requirements derived from exposures to the housing sector, and to a lesser extent consumer loans. This indicator decreased (1.2pp) QoQ vs. 2Q13.

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)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Services	1,530	1,875	**1,844**	(2%)	20%	4,877	**5,448**	12%
Recovery	322	303	**126**	(58%)	(61%)	1,017	**666**	(35%)
Trading	1,024	824	**610**	(26%)	(40%)	3,102	**3,566**	15%
Other Operating Income (Expense)	562	990	**754**	(24%)	34%	1,657	**2,860**	73%
Non Interest Income	**3,437**	**3,990**	**3,333**	**(16%)**	**(3%)**	**10,653**	**12,540**	**18%**

Non Interest Income (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Fees Charged on Services	**2,806**	**3,048**	**2,937**	**(4%)**	**5%**	**8,428**	**8,904**	**6%**
Fees for Commercial and Mortgage Loans	6	2	**5**	202%	(26%)	31	**8**	(73%)
Fund Transfers	123	128	**131**	2%	7%	358	**378**	6%
Account Management Fees	306	334	**348**	4%	14%	915	**995**	9%
Fiduciary	86	100	**90**	(10%)	5%	263	**267**	2%
Income from Real Estate Portfolios	322	303	**126**	(58%)	(61%)	1,017	**666**	(35%)
Electronic Banking Services	840	961	**1,011**	5%	20%	2,429	**2,858**	18%
For Consumer and Credit Card Loans	506	574	**592**	3%	17%	1,509	**1,676**	11%
Fees from IPAB (1)	-	-	**-**	-	-	-	**-**	-
Other Fees Charged (2)	618	646	**635**	(2%)	3%	1,906	**2,055**	8%
Fees Paid on Services	**954**	**871**	**968**	**11%**	**1%**	**2,534**	**2,789**	**10%**
Fund transfers	10	13	**10**	(19%)	(0%)	33	**39**	19%
Other Fees Paid	944	858	**957**	12%	1%	2,501	**2,751**	10%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**1,852**	**2,177**	**1,969**	**(10%)**	**6%**	**5,894**	**6,114**	**4%**
Trading Income	**1,024**	**824**	**610**	**(26%)**	**(40%)**	**3,102**	**3,566**	**15%**
Subtotal Other Operating Income (Expenses) (3)	234	406	**191**	(53%)	(18%)	857	**834**	(3%)
Non Operating Income (Expense), net (4)	159	387	**392**	1%	146%	334	**1,487**	346%
Other Operating Income (Expense) from Insurance and Annuities (5)	169	197	**170**	(13%)	1%	467	**539**	15%
Other Operating Income (Expenses)	**562**	**990**	**754**	**(24%)**	**34%**	**1,657**	**2,860**	**73%**
Non Interest Income	**3,437**	**3,990**	**3,333**	**(16%)**	**(3%)**	**10,653**	**12,540**	**18%**

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

In 9M13, Non Interest Income amounted to Ps 12.54, growth of 18% YoY, due to an increase in almost all items, except in fees from recoveries of Real Estate Portfolios, on the back of better business dynamics. Non Interest Income amounted to Ps 3.33 billion for the quarter, a YoY decrease of (3%) vs. 3Q12, due mainly to lower income from Trading and Real Estate Portfolio recoveries and a QoQ decrease of (16%) derived from a decline in all headings.

- **Service Fees**

As a result of the merger of Afore Banorte with Afore XXI in January 2012, the results of Afore XXI Banorte are reported in the results of Banco Mercantil del Norte (which has a 50% interest in the Afore and as of 2013 also includes the results of the Afore Bancomer acquisition) using the equity participation method. Given the change in the way the Afore's results are reported, as of that quarter, income from fees generated by this company is no longer reported under Service Fees.

Service Fees totaled Ps 5.45 billion in 9M13, growth of 12% YoY resulting from the following YoY increases due to better business dynamics: i) 18% in electronic banking fees due to more users and a greater volume of business, ii) 11% in consumer loans and credit card fees due to more client transactions and a larger number of cardholders, iii) 8% in Other Fees Charged generated by Banorte-Ixe's increased business volumes, mainly in Wholesale Banking, iv) 9% in Account Management fees due to an increased number of accounts, and v) a 6% increase in fund transfer revenues due to higher volumes. As a result of these business dynamics, Fees Paid increased 10% driven by more interbank fees resulting from higher credit and debit card transactions from our clients, as well as more Fees Paid from using Development Bank's guarantee programs

Service Fees totaled Ps 1.84 billion in 3Q13, increasing 20% YoY vs. 3Q12 and declining by (2%) QoQ vs. 2Q13. The YoY growth can be mainly attributed to growth in: electronic banking service fees (+20%), Consumer and Credit card loan fees (+17%), Account Management fees (+14%), Other Fees Charged (+3%), Fund Transfer fees (+7%), and Fiduciary fees (+5%).

The QoQ decrease of Ps ($31) million can be explained by a 12% increase in Fees Paid and a (2%) decrease in Other Fees Charged, mainly in Wholesale Banking, which was not fully offset by increases during the quarter in: Electronic Banking service fees (+5%) resulting from greater volumes, Consumer and Credit Card loan fees (+3%), due to more transactions and more clients, Account Management fees (+4%), fund transfer and commercial & mortgage loan fees.

- **Trading**

Trading revenues totaled Ps 3.57 billion in 9M13, YoY growth of 15%, due to favorable results from securities and derivatives trading by Banorte and the Annuities company, which offset decreases in valuation gains at the Insurance and Annuities companies and Banorte, as well as the negative results of foreign exchange transactions.

Trading revenues for 3Q13 amounted to Ps 610 million, a YoY decrease of (40%) vs. 3Q12 and (26%) vs. 2Q13. The YoY decrease is due to lower valuation gains at Banorte and the Insurance and Annuities companies that were not offset by Banorte's securities and derivatives trading gains and positive results in foreign exchange transactions. The QoQ decrease vs. 2Q13 was caused by securities and derivatives trading losses, and lower valuation gains in Banorte's investment portfolio; foreign exchange valuation gains for the quarter did not offset these impacts.

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

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Subtotal Other Operating Income (Expenses)	**234**	**406**	**191**	**(53%)**	**(18%)**	**857**	**834**	**(3%)**
Loan Recovery	278	488	**274**	(44%)	(2%)	893	**1,038**	16%
Income from purchased assets	(18)	(46)	**(51)**	11%	179%	(45)	**(147)**	226%
Other Operating Income	(16)	3	**26**	762%	(257%)	77	**96**	25%
Other Operating Income (Expense)	(10)	(39)	**(57)**	45%	462%	(68)	**(153)**	126%
Non Operating Income (Expense), net	**159**	**387**	**392**	**1%**	**146%**	**334**	**1,487**	**346%**
Other Products	796	716	**1,084**	51%	36%	1,524	**2,248**	47%
Other Recoveries	103	201	**188**	(6%)	82%	269	**1,201**	346%
Other (Expenses)	(741)	(530)	**(880)**	66%	19%	(1,460)	**(1,962)**	34%
Other Operating Income (Expense) from Insurance and Annuities	**169**	**197**	**170**	**(13%)**	**1%**	**467**	**539**	**15%**
Other Operating Income (Expenses)	**562**	**990**	**754**	**(24%)**	**34%**	**1,657**	**2,860**	**73%**

Other Operating Income (Expenses) amounted to Ps 2.86 billion in 9M13, growth of 73% YoY due to: i) higher portfolio recoveries, mainly from an infrastructure project in Nuevo Leon in 1Q13, ii) an increase in *Other Products* resulting from the cancellation of creditors and provisions, as well as other debtor accounts; iii) a 15% increase in income derived from the Insurance and Annuities' operations, iv) an increase in combined revenues from the previously written-off portfolio and the sale of foreclosed assets, and v) the 25% increase in *Other income* from more cancellations of excess preventive estimates. These effects offset a 34% increase in *Other Expenses* generated by more damages, bankruptcies and frauds.

In 3Q13, Other Operating Income and Expenses totaled Ps 754 million, representing a YoY increase of 34% vs. 3Q12 and a (24%) decrease QoQ vs. 2Q13. The YoY increase can be traced to: i) *Other Products*, due to more income from leasing and the cancellation of debtor accounts; ii) increased acquired portfolio recoveries and growth in sales of foreclosed assets; iii) an increase in *Other Operating Income* resulting from more cancellations of excess preventive estimates, and iv) a 1% increase in revenue from Insurance and Annuities' transactions. The QoQ decrease vs. 2Q13 can mainly be attributed to 66% growth in *Other Expenses* generated by more bankruptcies and frauds and the (13%) decrease in revenue from the Insurance and Annuities operations, which offset a strong increase in the valuation benefits from securitizations derived from a methodology adjustment, as well as higher cancellation of excess preventive estimates and profits from property, furniture and equipment sales.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loans and the sale of foreclosed assets classified under "Other Operating Income (Expenses)") amounted to Ps 2.76 billion in 9M13, a YoY increase of 29% vs. 9M12, due mainly to recoveries linked to the infrastructure project in Nuevo Leon in 1Q13, which offset the (35%) decrease in real estate portfolio recoveries which include revenues related to investment projects, mainly with housing developers currently facing solvency and liquidity programs.

Recoveries amounted to Ps 537 million for the quarter, a decrease of (22%) QoQ vs. 3Q12, due mainly to a decline of (61%) in income of real estate portfolios owing to a slower pace of growth in revenues linked to investment projects with housing developers. Recoveries decreased (43%) QoQ vs. 2Q13, due to a (58%) reduction in real estate portfolio recoveries and (50%) in the combined revenues of the previously written-off portfolio and sale of foreclosed assets.

At the end of 3Q13, the amount of equity invested in projects was Ps 6.84 billion.

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

- **Non Interest Expense**

Non Interest Expense (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Personnel	2,334	3,080	**2,916**	(5%)	25%	7,688	**10,004**	30%
Professional Fees	714	678	**605**	(11%)	(15%)	2,059	**1,900**	(8%)
Administrative and Promotional	1,462	1,168	**1,324**	13%	(9%)	3,995	**3,547**	(11%)
Rents, Depreciation & Amortization	774	818	**820**	0%	6%	2,259	**2,425**	7%
Taxes other than income tax & non deductible expenses	354	431	**395**	(8%)	12%	1,258	**1,269**	1%
Contributions to IPAB	409	433	**474**	10%	16%	1,182	**1,347**	14%
Employee Profit Sharing (PTU) (1)	185	79	**79**	(1%)	(58%)	806	**242**	(70%)
Non Interest Expense	**6,232**	**6,687**	**6,613**	**(1%)**	**6%**	**19,247**	**20,735**	**8%**

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

In 9M13, Non Interest Expense amounted to Ps 20.74 billion, 8% higher YoY vs. 9M12, mainly due to the strengthening of business areas and costs related to personnel downsizing completed in 1Q13, which was not offset by the reduction in other headings. Expenses rose in the following items: i) Ps 2.32 billion in Personnel Expenses (+30%) due to expenses related to rationalization efforts implemented in 1Q13 and greater provisions to pay results-linked incentives, ii) Ps 166 million in Rents, Depreciations and Amortizations (+7%) due to the amortization of Goodwill from the acquisition of IXE Tarjetas and Afore XXI, the acquisition of new equipment, recognition of the depreciation of installation costs for completed projects and penalty charges for the early termination of branch leases (both as a result of merging Ixe and Banorte branches), the amortization of projects capitalized in the Banorte-Ixe merger, higher office rents due to the effect of inflation and growth in the bank network, iii) Ps 165 million in IPAB contributions (+14%), due to YoY deposits' growth, and iv) Ps 12 million in Other taxes and Non deductible expenses (+1%), due to a higher payment of the 2% Payroll tax. These increases were offset by the following reductions: i) ($564) million in Employee Profit Sharing, ii) ($448) million in Administrative and Promotional Expenses (-11%), due to more prorated expenses charged by the bank to its affiliates, the regularization of the deferment of payroll, mortgage and car loan origination expenses, less spending on advertising and promotional items, and a reduced volume of printed account statements and file custodianship, and iii) a ($159) million reduction in Professional Fees (-8%) due to a reduction in advisory services, adjustments to outsourcing staff payments and benefits.

Non Interest Expense totaled Ps 6.61 billion in 3Q13, a YoY increase of 6% vs. 3Q12, due mainly to: i) Ps 581 million in Personnel expenses (+25%) due to the strengthening of and growth in business areas and compensation, ii) Ps 66 million in IPAB contributions (+16%), iii) Ps 46 million in Rents, Depreciations and Amortizations (+6%) originated by the amortization of Goodwill derived from the acquisition of IXE Tarjetas and Afore XXI, depreciation of new equipment, the amortization of capitalized projects, the migration of systems resulting from the integration and capitalization of equipment and software licenses and higher costs for lease renewals, and iv) Ps 41 million in Other taxes and Non deductible expenses (+12%) arising from increased payments, mainly of payroll taxes, property taxes on owned and foreclosed assets and higher VAT payments vs. 3Q12, as a result of more expenses and investments. These increases were partially offset by decreases in: i) ($138) million in Administration and Promotion Expenses (-9%) resulting from the regularization of deferred origination costs for payroll, mortgage and car loans and more prorated expenses charged by the bank to its affiliates, ii) ($109) million in Professional Fees (-15%) due to a reduction in advisory services, and iii) ($106) million in Employee Profit Sharing (-58%).

In 3Q13, Non Interest Expense registered a decrease of ($74) million vs. 2Q13, (-1%), due mainly to a ($164) million reduction in Personnel Expenses (-5%), arising from efficiencies derived from the downsizing program implemented earlier in the year, ii) ($73) million in Professional Fees (-11%) due to fewer payments for advisory services, and iii) ($36) million in Other taxes and Non Deductible Expenses (-8%). These expense reductions offset a Ps 156 million increase in Administrative and Promotional Expenses linked to more publicity campaigns, special events, promotional articles and market research.

The Efficiency Ratio was 51.8% in 9M13, (3.4pp) below 9M12 and 51.0% in 3Q13, a QoQ reduction of (3.3pp) vs. 3Q12 due to the positive operating leverage obtained; compared to 2Q13, the efficiency ratio increased by 0.6pp because the reduction in Non Interest Income was greater than the quarterly expense control.

- **Taxes**

In 9M13 income taxes amounted to Ps 2.48 billion, (20%) lower YoY, since a tax deduction derived from the creation of loan loss reserves was recorded in 2Q13. In 3Q13 taxes amounted to Ps 1.08 billion, an increase of 35% YoY and QoQ. The effective tax rate in 3Q13 was 25.6%, a higher level compared to 3Q12's 25.3% and 2Q13's 7.0%. The effective tax rate of 21.9% in 9M13 was (10 pp) below the 31.9% rate for the same 2012 period due to the use of tax credits derived from the creation of loan loss reserves.

- **Subsidiaries and Minority Interest**

Subsidiaries and Minority Interest reported a Ps 158 million profit for the first nine months of 2013, which was favorable compared with the ($476) million reported in 9M12, due to the inclusion of Afore Bancomer's results in Afore XXI Banorte, which are applied using the equity participation method in Banco Mercantil del Norte.

In 3Q13 the Ps 153 million result compares favorably with ($150) million in 3Q12 due to the positive impact of applying the Afore's Ps 328 million profit (vs. $160 million in 3Q12), which had a better QoQ result due to the positive valuation impact on its investment portfolio derived from a more stable interest rate environment; the quarterly improvement was also the result of a lower minority interest in the Insurance and Annuities Companies.

- **Net Income**

GFNorte reported Net Income of Ps 9.89 billion for 9M13, 25% higher YoY vs. 9M12 due to the positive operating leverage obtained from growth in Total Revenues, as well as a slower pace of growth in Operating Expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results and lower taxes due to the use of tax credits in 2Q13, offset higher loan loss provisions. Net Income for 3Q13 was Ps 3.53 billion, 9% more QoQ vs. 2Q13 and 27% higher YoY vs. 3Q12; YoY growth is a result of greater positive operating leverage and the inclusion of Afore Bancomer's results in the subsidiaries heading, while QoQ growth is the result of higher Net Interest Income, reduced Operating Expenses and lower provisions, as well as the profits generated by the Holding Company given the positive FX effect of the dollar investments held in order to finalize Generali's acquisition and the interest earned in its investments..

Net income for the last 12 months amounted to Ps 12.90 billion, 24% more than for the same period in 2012 and 18% higher than the total profits generated during 2012 of Ps 10.89 billion; this was mainly achieved on the back of the positive operating leverage obtained by the institution and integrating Afore Bancomer's profits.

During 3Q13, there was a considerable improvement in GFNORTE's core earnings (net interest income + fees - operating expense - provisions), growing by 89% QoQ vs. 2Q13 and 44% vs. 3Q12 to Ps 3.09 billion.

9M13 accumulated ROE was 14.3%, an increase of 21 basis points vs. the same year earlier period. ROE for 3Q13 was 14.0%, 49 basis points below 3Q12 and 135 basis points below 2Q13 while Return on Tangible Equity (ROTE) was 18.1% in 3Q13, 99 basis points below 3Q12 and 147 basis points below 2Q13; the decrease in both financial ratios was mainly due to the equity increase following GFNorte's Public Offering on July 22, 2013.

Return on Tangible Equity (ROTE)

	3Q12	2Q13	3Q13
Reported ROE	14.5%	15.3%	**14.0%**
Goodwill / Intangibles	$18,446	$21,198	**$21,734**
Average Tangible Equity	$54,307	$61,940	**$71,068**
ROTE	19.1%	19.6%	**18.1%**

ROA for the quarter was 1.5%, 20 basis points above 3Q12 and 10 basis points above 2Q13 while 9M13 ROE was 1.4%, an increase of 16 basis points YoY. Higher ROA can be traced to net income growth as a result of a better mix and higher yield on assets. The Return on Risk Weighted Assets was 3.0% an increase of 30 basis points vs. 3Q12 and 6 basis points vs. 2Q13.

Return on Risk Weighted Assets (RRWA)

	3Q12	2Q13	3Q13
Reported ROA	1.3%	1.4%	**1.5%**
Average Risk Weighted Assets	$383,305	$411,017	**$428,043**
RRWA	2.7%	3.0%	**3.0%**

Profits for the Banking Sector (Banco Mercantil del Norte, Banorte- Ixe Tarjetas y Banorte USA) amounted to Ps 7.73 billion in 9M13 contributing 78% of GFNorte's net income. 9M13 ROE for this sector was 16.1%, 51 basis points below YoY vs. 9M12 due mainly to Banco Mercantil del Norte's equity increase in February as part of the strategy to replenish the capital used to acquire Afore Bancomer. Banking sector ROA was 1.5%, a YoY increase of 16 basis points.

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- **Capitalization**

Banco Mercantil del Norte

Capitalization *(Million Pesos)*	3Q12	4Q12	1Q13	2Q13	3Q13	Change QoQ	Change YoY
Tier 1 Capital	45,823	46,696	53,723	55,092	56,322	2%	23%
Tier 2 Capital	11,393	11,496	10,898	11,699	11,088	(5%)	(3%)
Net Capital	57,216	58,192	64,621	66,791	67,410	1%	18%
Credit Risk Assets	287,883	297,007	299,551	322,445	334,129	4%	16%
Net Capital / Credit Risk Assets	19.9%	19.6%	21.6%	20.7%	20.2%	(0.5 pp)	0.3 pp
Total Risk Assets (1)	385,749	394,529	412,488	451,301	453,853	1%	18%
Tier 1	11.88%	11.84%	13.02%	12.21%	12.41%	0.2 pp	0.5 pp
Tier 2	2.95%	2.91%	2.64%	2.59%	2.44%	(0.1 pp)	(0.5 pp)
Capitalization Ratio	14.83%	14.75%	15.67%	14.80%	14.85%	0.1 pp	0.0 pp

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

Banorte has fully adopted the capitalization requirements established to date by Mexican authorities and international standards. Regarding Basel III, which came into effect as of January 2013, table shown above applies Basel II rules as of December 2012.

At the close of 3Q13 Banorte's estimated Capitalization Ratio (CR) was 14.85% considering credit, market and operational risk and 20.2% if only credit risks are considered. The Core Tier 1 ratio was 11.14%, Total Tier 1 ratio was 12.41% and Tier 2 was 2.44%.

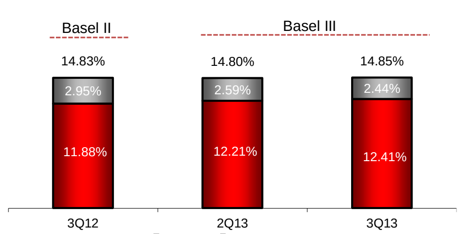
The Capitalization Ratio increased by 0.05** pp versus 2Q13, with the following dynamics:

1.	Growth of profits during 3Q13:	+ 0.65 pp
2.	Reserves accounting as Tier 2 [1)]:	+ 0.10 pp
3.	Growth in risk assets:	- 0.08 pp
4.	Dividend payments:	- 0.15 pp
5.	Investment in Subsidiaries and Intangibles:	- 0.22 pp
6.	USD 120 million subordinated debt prepayment (August 26th, 2013):	- 0.25 pp

The Capitalization Ratio increased 0.02 pp above 3Q12, showing the following dynamics:

1.	Capitalization of February 2013:	+ 3.11 pp
2.	Profits Generated during the last 12 months:	+ 2.95 pp
3.	Basel III effects:	+ 0.86 pp
4.	Investment in Subsidiaries and Intangibles:	+ 0.33 pp
5.	Dividend payments:	- 0.80 pp
6.	Change of Reserves' Methodology:	- 1.05 pp
7.	Growth in risk assets:	- 2.62 pp
8.	Investment in Afore Bancomer:	- 2.76 pp

% CAPITALIZATION



1) Loan loss reserves for Financial Intermediaries and Property Investment Projects
** pp: Percentage Points

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

- **Deposits**

Grupo Financiero Banorte

Deposits (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	95,381	103,326	**106,563**	3%	12%
Interest Bearing Demand Deposits (1)	101,108	114,184	**129,636**	14%	28%
Total Demand Deposits (2)	196,489	217,510	**236,198**	9%	20%
Time Deposits – Retail	123,122	127,455	**127,953**	0%	4%
Core Deposits	319,611	344,965	**364,151**	6%	14%
Money Market (3)	75,468	79,201	**76,552**	(3%)	1%
Total Bank Deposits	**395,079**	**424,166**	**440,703**	4%	12%
GFNorte's Total Deposits (4)	**395,531**	**424,095**	**430,366**	1%	9%
Third Party Deposits	**132,938**	**158,227**	**156,273**	(1%)	18%
Total Assets Under Management	**528,017**	**582,393**	**596,976**	3%	13%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 3Q12, 2Q13 and 3Q13 were Ps 0 million, Ps 0 million and Ps 0 million, respectively.
2. Includes Debit Cards.
3. Includes Bank Bonds (Customers and Financial intermediaries).
4. Includes eliminations between subsidiaries (3Q12= $452 million; 2Q13 = ($71) billion; 3Q13 = ($10,337)) million)

- **Deposits**

At the close of 3Q13, GFNorte's Total Deposits amounted to Ps 430.37 billion, an increase of Ps 34.84 billion, or 9% higher YoY compared to 3Q12; they increased by Ps 6.27 million or 1% QoQ vs. 2Q13. Both growth rates were mainly driven by efforts to promote Banorte- Ixe's deposit products.

Total Bank Deposits amounted to Ps 440.70 billion, a YoY increase of 12%, or Ps 45.63 billion, comprised of a 20% increase in Demand Deposits, a 4% increase in Retail Time Deposits, and a 1% increase in Money Market Deposits. Total Bank Deposits rose 4% for the quarter; Demand Deposits grew 9%, Retail Time Deposits remained unchanged, and Money Market deposits decreased (3%) vs. 2Q13.

In the Banking Sector, Total Deposits for 3Q13 included Ps 10.82 billion from an investment of the Holding Company in Banco Mercantil del Norte, proceeds that were later used to acquire Grupo Generali's minority interest in the Insurance and Annuities companies. Excluding this investment, Total Deposits would have grown 9% YoY. These funds were registered under interest-bearing Demand Deposits (Ps 9.54 billion) and Money Market deposits (Ps 1.28 billion); excluding these amounts in the respective accounts, YoY and QoQ growth would be as follows:

Deposits (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	95,381	103,326	**106,563**	3%	12%
Interest Bearing Demand Deposits (1)	101,108	114,184	**120,097**	5%	19%
Total Demand Deposits (2)	196,489	217,510	**226,660**	4%	15%
Time Deposits – Retail	123,122	127,455	**127,953**	0%	4%
Core Deposits	319,611	344,965	**354,613**	3%	11%
Money Market (3)	75,468	79,201	**75,275**	(5%)	(0%)
Total Bank Deposits	**395,079**	**424,166**	**429,888**	1%	9%
GFNorte's Total Deposits (4)	**395,531**	**424,095**	**430,366**	1%	9%
Third Party Deposits	**132,938**	**158,227**	**156,273**	(1%)	18%
Total Assets Under Management	**528,017**	**582,393**	**586,161**	1%	11%

- **Demand and Time Deposits**

At the end of 3Q13, Demand Deposits totaled Ps 236.20 billion, an increase of Ps 39.71 billion, or 20% YoY and an increase of Ps 18.69 billion, or 9% QoQ. Excluding the Holding Company's investment, this heading would have been Ps

226.66 billion, +15% YoY and +4% QoQ, increases mainly driven by efforts to promote Banorte-Ixe's deposit products. Excluding the Holding Company's investment, the YoY increase in Demand Deposits is the result of: i) a 12% increase in non interest bearing Demand Deposits due to the growth recorded in average balances of personal accounts (+11%) and corporate accounts (+10%), ii) 19% growth in interest bearing Demand Deposits was also driven by increases in the average balances of individual accounts (+14%) and corporate accounts (+30%). Deposits from SMEs, Governments and Corporates recorded combined a YoY growth of 20%.

Quarterly growth in Demand Deposits excluding the Holding Company's investment comes from: i) a 3% increase in non interest bearing Demand Deposits, and ii) 5% growth in interest bearing Demand Deposits. The increase in both components was generated by higher average balances in personal and corporate products, which show a stronger growth dynamic.

Retail Time Deposits totaled Ps 127.95 billion, an increase of Ps 4.83 billion, or 4% YoY, as a result of campaigns to place promissory notes with different terms through the branches; the YoY balance increases Ps 498 million.

As a result of efforts to increase deposits, new personal accounts have increased by 12% as of the end of 3Q13.

- **Money Market Deposits**

At the end of 3Q13, money market deposits amounted to Ps 76.55 billion, a YoY increase of 1% and a QoQ decrease of (3%). Excluding the investment of the Holding Company, the balance would have been Ps 75.28 billion, unchanged vs. 3Q12 and a decrease of (5%) QoQ. This reduction can be attributed to lower funding needs through the money market given the moderate loan portfolio growth in 3Q13.

- **Third Party Deposits**

Third party deposits amounted to Ps 156.27 billion in 3Q13, a 18% YoY increase and a (1%) decrease QoQ. The YoY increase derived from growth in third party securities in external custody and third party securities in private banking.

- **Managed Resources**

At the close of September 2013, Managed Resources totaled Ps 596.98 billion, growth of Ps 68.96 billion, or 13% YoY and an increase of Ps 14.58 billion for the quarter. Both can be explained by more total deposits and third party deposits.

Excluding the Holding Company's investment, this heading's balance would have been Ps 586.16 billion, 11% above YoY and 1% above QoQ..

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- **Loans**

Performing Loan Portfolio *(Million Pesos)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY
Commercial (1)	106,538	108,500	**109,736**	1%	3%
Consumer	113,668	128,978	**134,594**	4%	18%
Corporate (1)	86,964	83,505	**78,874**	(6%)	(9%)
Government	82,292	90,586	**90,526**	(0%)	10%
Sub Total	389,462	411,568	**413,729**	1%	6%
Recovery Bank	254	214	**210**	(2%)	(18%)
Total	389,717	411,782	**413,939**	1%	6%

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

Performing Consumer Loan Portfolio *(Million Pesos)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY
Mortgages	69,679	77,135	**79,212**	3%	14%
Car Loans	10,191	10,870	**11,163**	3%	10%
Credit Cards	16,358	18,674	**19,844**	6%	21%
Payroll	17,441	22,298	**24,375**	9%	40%
Consumer Loans	113,668	128,978	**134,594**	4%	18%

(Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY
Past Due Loans	7,591	9,075	**13,865**	53%	83%
Loan Loss Reserves	11,178	14,321	**14,651**	2%	31%
Acquired Rights	2,254	3,507	**3,330**	(5%)	48%

- **Total Performing Loans**

Total Performing Loans rose 6% YoY growing by Ps 24.27 billion to Ps 413.73 billion at the close of 3Q13, excluding the proprietary loans managed by the Recovery Bank. The loan portfolio registered lower growth rates YoY due mainly to the economic slowdown registered in 2013.

Total Performing Loans rose 1% QoQ vs. 2Q13, growing by Ps 2.16 billion, mainly as a result of growth in payroll, mortgage, credit card and commercial loans.

Portfolio growth by segments was as follows:

- **Individual Loans**

  ✓ **Consumer and Mortgage:** This segment registered an increase of Ps 20.93 billion, or 18% vs. 3Q12, and grew Ps 5.62 billion, or 4% vs. 2Q13 registering a 3Q13 balance of Ps 134.59 billion as a result of favorable dynamics in all segments.

  ✓ **Mortgage:** This segment registered an increase of Ps 9.53 billion, or 14% YoY reaching a balance of Ps 79.21 billion driven by favorable dynamics in middle-income mortgage loans, the mortgage program with Pemex, and the reactivation of mortgage products for home improvements, construction, remodeling and payment of liabilities. The portfolio grew by Ps 2.08 billion in the quarter or 3% QoQ vs. 2Q13, on the back of favorable dynamics in mortgage loan placements for middle-income segment, the mortgage program with PEMEX and other mortgage products, including home equity loans. With respect to new loan production, 11,496 mortgage loans worth Ps 12.83 billion were placed in the first nine months of the year. As of August 2013, Banorte had a

16.8% share of the mortgage loan market and a 17.4% share of new mortgage loan production, ranking second and third in the system, respectively.

- ✓ **Credit Cards:** In 2012 Banco Mercantil del Norte acquired 50% of JP Morgan Chase's equity interest in the SOFOM Ixe Tarjetas, and the other 50% of the company owned by Ixe Banco, and its name was subsequently changed to Banorte-Ixe Tarjetas, S.A. de C.V. SOFOM, integrating the business into a single platform. At the close of 3Q13, the Credit Card portfolio amounted to Ps 19.84 billion, YoY growth of 21% and 6% QoQ. Both growths are due to portfolio management strategies, marketing campaigns for Banorte-Ixe products and more cross-selling to clients. New cards amounted to 379,177 in the quarter, a YoY decrease of (2%); at the close of 3Q13 Banorte-Ixe had 1.80 million cards. Transactions for the first nine months of the year amounted to Ps 38.0 billion, YoY growth of 19% derived from campaigns to promote the use of the card as well as a bigger number of cardholders and Point of Sales Terminals (POS). The profitability of the credit card product has increased in recent months due to loan portfolio growth and adequate portfolio risk management. As of August 2013, Banorte – Ixe had a 7% share of the market compared to the total system, ranking fourth.

- ✓ **Payroll:** At the end of 3Q13 the portfolio registered YoY growth of Ps 6.93 billion, or 40% YoY and Ps 2.08 billion for the quarter, or 9% QoQ totaling Ps 24.38 billion as a result of growth in the number of Banorte-Ixe payroll accountholders which amount to 4.26 million as well as campaigns to promote the product and cross-selling with clients through various channels. New loan production amounted to Ps 23.35 billion in 9M13, a YoY increase of 40% vs. 9M12. Likewise, 745,556 new loans were placed in 9M13, 26% more YoY. Payroll loans continue displaying robust growth over the last 12 months with good asset quality compared to the system average. As of August 2013, Banorte – Ixe had a market share of 18.3% compared to the total system, ranking third.

- ✓ **Cars:** Car loans grew by Ps 972 million, or 10% YoY and by Ps 293 million, or 3% QoQ at the end of 3Q13 to Ps 11.16 billion on the back of more new loans driven by promotional campaigns through various channels, cross sales to clients and alliances with car dealerships. 30,983 new car loans were placed in 9M13. The profitability of this product has been underpinned by a higher loan volume, good asset quality (vs. the system average) and cross sales of car insurance, which is one of Aseguradora de Banorte's most important products. As of August 2013, Banorte ranked fourth in terms of its share of the car loan market (15.4%) compared to the total system, excluding loans granted by the financial companies of car manufacturers.

- **II. Loans to Institutions**

- ✓ **Commercial:** Commercial loans grew by Ps 3.20 billion, or 3% YoY and by Ps 1.24 billion, or 1% QoQ, reaching Ps 109.74 billion. YoY growth can be attributed to the increased placement of business loans, leasing and the reactivation of the Crediactivo product for corporations, while QoQ growth was driven by Crediactivo loans. The SME portfolio totaled Ps 32.50 billion, growth of Ps 4.22 billion, or 15% YoY and Ps 776 million, or 2% vs. 2Q13. The market share in the commercial portfolio (including corporate loans) is 13.2% as of August 2013, ranking fourth in the system.

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

	3Q12	2Q13	3Q13
Performing Portfolio	$28,275	$31,719	$32,495
% of Performing Commercial Portfolio	26.5%	29.2%	29.6%
% de Total Performing Portfolio	7.3%	7.7%	7.9%
NPL Ratio	3.9%	4.0%	4.8%

- ✓ **Corporate:** At the end of 3Q13, corporate loans amounted to Ps 78.87 billion, a decrease of (Ps 8.09 billion) or (9%) YoY and (Ps4.63) billion, or (6%) QoQ vs. 2Q13. These decreases can be attributed mainly to the payment or classification to past due of some loans related to housing developers, as well as pre-payments received by some clients that used the proceeds from capital markets' transactions to pay their debts. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. Banorte's 20 main corporate borrowers account for 11.3% of the bank's total portfolio, unchanged QoQ and a decrease of (1.1pp) YoY vs. 3Q12. The bank's largest corporate loan represents 1.9% of the total loan portfolio and has an A1 rating while number 20 represents 0.3%.

  Through the subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida Administradora de Portafolios, GFNORTE has extended loans and participated, through specialized trust operations, in housing development projects. Some of the largest companies in this sector have experienced financial difficulties lately and three of the largest companies are undergoing a debt restructuring process and have defaulted on their payments. This situation has led to deterioration in the risk profile of these three borrowers. We are currently involved in restructuring negotiations with these companies along with other banks. As of September 30, 2013, we had a loan exposure of Ps 8.81 billion to Urbi Desarrollos Urbanos, S.A.B. de C.V., Corporación Geo, S.A.B. de C.V. and Desarrolladora Homex, S.A.B. de C.V., 6.6% below the previous quarter. These three companies currently represent 2.1% of our total loan portfolio compared to 2.2% in June 2013. Ps 5.98 billion is past due, growing by Ps 3.76 billion in 3Q13. 80% of the loan portfolio is guaranteed, unchanged vs. the previous quarter. Sólida has Ps 8.91 billion in proprietary investments and land and Ps 561 million in collection rights compared to Ps 6.56 billion and Ps 619 million in June 2013.

✓ **Government** At the end of 3Q13 government loans amounted to Ps 90.53 billion, representing growth of Ps 8.23 billion, or 10% YoY as a result of ongoing efforts to meet demand for credit at all levels of government; while it remained virtually unchanged QoQ owing to current low demand in this segment. Banorte's government loan portfolio is diversified by sectors and regions and shows low concentration. Banorte's 20 largest loans account for 18.6% of the bank's total loan portfolio, (1.3 pp) and (0.2 pp) less than in 3Q12 and 2Q13, respectively. The biggest government loan represents 2.5% of the total portfolio and has an A1 rating while number 20 represents 0.4%. The loan portfolio's risk is also adequate, as more than 95% of it has a fiduciary guarantee (federal budget transfers and local revenues such as payroll tax) and less than 2% of the loans in the portfolio have short-term maturities. The risk-adjusted profitability of government banking is high. As of August 2013, Banorte had a 23.0% market share of government loans ranking as the leader in this segment.

- **Past Due Loans**

At the end of 3Q13, past due loans amounted to Ps 13.87 billion, 83% more than in 3Q12 and 53% more than in 2Q13 due to an increase in almost all headings, mainly in Corporate past due loans (especially housing developers), Commercial loans due to more past due loans at Fincasa, tourist developments in the Northwest of the country and in the SME segments, Credit Card, Payroll and Mortgage Loans derived from the maturing of some loan vintages and the negative impact of slower economic growth.

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

Million pesos	3Q13	Change Vs. 2Q13	Change Vs. 3Q12
Credit Cards	1,257	62	343
Payroll	564	23	227
Car loans	177	22	30
Mortgage	1,013	92	195
Commercial	4,439	446	390
Corporate	6,401	4,184	5,119
Government	15	(39)	(29)
Total	13,865	4,790	6,274

The Past Due Loan Ratio was 3.2% in 3Q13, 1.33 pp above the 3Q12 level and 1.08 pp above the previous quarter, due mainly to the past due loans of housing developers, and, to a lesser extent, the increase in most headings. Excluding the past due loans of the three housing developers with financial troubles, the NPL ratio would have been 1.8%, almost 10 basis points below the year-ago level and 40 basis points lower QoQ, although when discounting the Ps 2.2 billion past due loans generated by the housing developers in 2Q13, the NPL ratio would have been 1.6% in 2Q13, resulting in a QoQ increase of 20 bps.

Excluding the past due loans of the US operations, the NPL ratio would have been 3.3% for the quarter. The quality of the US bank's loan portfolio (INB) has notably improved, triggering a reduction in its NPL ratio from 11.4% to 0.9% between 1Q10 and 3Q13.

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

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

	3Q12	4Q12	1Q13	2Q13	3Q13
Credit Cards	5.3%	5.0%	5.7%	6.0%	6.0%
Payroll	1.9%	2.2%	2.2%	2.4%	2.3%
Car loans	1.4%	1.3%	1.1%	1.4%	1.6%
Mortgage	1.2%	1.1%	1.1%	1.2%	1.3%
Commercial (1)	3.7%	4.3%	4.3%	3.5%	3.9%
Corporate (1)	1.5%	1.6%	1.6%	2.6%	7.5%
Government	0.1%	0.1%	0.0%	0.1%	0.0%
Total	1.9%	2.1%	2.1%	2.2%	3.2%

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

The expected and unexpected loss of Banco Mercantil del Norte, the main subsidiary of the Financial group, represent 2.2% and 3.4%, respectively of the loan portfolio at closing of 3Q13. The average of expected losses represents 2.0% during the July-September 2013 period. These ratios were 1.7% and 3.4%, respectively during 2Q13, and 1.4% and 3.0% 12 months ago, retroactively considering de merger of Banorte with Ixe Banco and Fincasa.

Net Credit Losses (NCL) for the last 12 months amount to 1.3%.

Quarterly changes in the main headings that affect Non Performing Loans' balances for the Financial Group were:

Past Due Loan Variations *(Million Pesos)*	
Balance as of June '13	**9,075**
Transfer from Performing Loans to Past Due Loans	8,847
Portfolio Purchase	-
Renewals	(198)
Cash Collections	(1,632)
Discounts	(107)
Charge Offs	(1,367)
Foreclosures	(12)
Transfer from Past Due Loans to Performing Loans	(747)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	3
Fair Value - Ixe	4
Balance as of September '13	**13,865**

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

76%of the total loan portfolio is rated as Risk A, 17% as Risk B and 7% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 3Q13-GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES			
		COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A1	289,856	1,048	289	111	**1,448**
A2	56,726	462	242	45	**749**
B1	36,575	482	575	12	**1,069**
B2	16,676	126	479	17	**622**
B3	25,977	675	333	10	**1,018**
C1	6,710	235	196	44	**475**
C2	5,790	200	517	92	**809**
D	17,444	4,806	1,503	328	**6,637**
E	2,412	510	923	122	**1,555**
Total	458,165	-	-	-	**-**
Not Classified	(89)	-	-	-	**-**
Exempt	57	-	-	-	**-**
Total	458,133	8,545	5,057	781	**14,383**
Reserves	-	-	-	-	**14,651**
Preventive Reserves	-	-	-	-	**268**

Notes:

1.- The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet at September 30th, 2013.
2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Consumer, Mortgage and Commercial loans, Banorte uses the regulation described in the Official Gazette published on June 24th, 2013, and for Commercial loans granted to Financial Entities it uses internal methodologies approved by the CNBV.
3.- The additional loan loss reserves follow the rules applicable to banks and credit institutions.

Based on B6 Credit Portfolio criteria of the CNBV, a Distressed Portfolio is defined as those commercial loans that are unlikely to be recovered fully, including both the principal and the interest pursuant to the terms and conditions originally agreed. Such determination is made based on actual information and data and on the loan review process. Performing loans and past-due loans are susceptible to being identified as Distressed Portfolios. The D and E risk degrees of the commercial loan rating are as follows:

(Million Pesos)	Total
Distressed Portfolio	13,596
Total Loans	458,133
Distressed Portfolio / Total Loans	**3.0%**

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)*	**3Q13**
Previous Period Ending Balance	**14,321**
Provisions charged to results	1,987
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
Charge offs and discounts:	
Commercial Loans	-184
Consumer Loans	-1,235
Mortgage Loans	-239
Foreclosed assets	0
	-1,658
Cost of debtor support programs	-3
Valorization and Others	3
Adjustments	0
Loan Loss Reserves at Period End	**14,651**

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

Loan Loss Reserves amounted to Ps 14.65 billion, 2% more than at the end of 2Q13. 75% of the charge offs and discounts correspond to Consumer loans, 14% to Mortgage Loans and 11% to Commercial loans.

At the end of 3Q13, the loan loss coverage ratio was 105.7% (105.5% excluding INB), decreasing mainly due to past due loans generated during the quarter as a result of exposures to housing developers.

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

BANKING SECTOR

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

Income Statement and Balance Sheet Highlights-Banking Sector (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Income Statement								
Net Interest Income	7,541	8,833	**8,704**	(1%)	15%	21,999	**25,632**	17%
Non Interest Income	2,735	2,808	**2,943**	5%	8%	9,052	**10,051**	11%
Total Income	10,275	11,641	**11,646**	0%	13%	31,051	**35,683**	15%
Non Interest Expense	5,744	6,150	**6,137**	(0%)	7%	17,677	**19,187**	9%
Provisions	1,507	3,005	**1,957**	(35%)	30%	3,930	**6,988**	78%
Operating Income	3,024	2,486	**3,552**	43%	17%	9,445	**9,508**	1%
Taxes	643	(90)	**951**	(1152%)	48%	2,586	**1,842**	(29%)
Subsidiaries & Minority Interest	144	472	**337**	(29%)	135%	366	**1,157**	216%
Net Income	2,525	3,048	**2,938**	(4%)	16%	7,280	**8,824**	21%
Balance Sheet								
Total Assets	730,714	781,193	**800,679**	2%	10%	730,714	**800,679**	10%
Performing Loans (a)	374,858	405,317	**407,542**	1%	9%	374,858	**407,542**	9%
Past Due Loans (b)	6,487	8,701	**13,487**	55%	108%	6,487	**13,487**	108%
Total Loans (a+b)	381,345	414,019	**421,028**	2%	10%	381,345	**421,028**	10%
Total Loans Net (d)	371,382	400,360	**406,979**	2%	10%	371,382	**406,979**	10%
Acquired Collection Rights (e)	1,929	2,039	**1,948**	(5%)	1%	1,929	**1,948**	1%
Total Loans (d+e)	373,310	402,400	**408,927**	2%	10%	373,310	**408,927**	10%
Total Liabilities	668,407	708,425	**725,742**	2%	9%	668,407	**725,742**	9%
Total Deposits	395,079	424,166	**440,703**	4%	12%	395,079	**440,703**	12%
Demand Deposits	196,489	217,510	**236,198**	9%	20%	196,489	**236,198**	20%
Time Deposits	198,590	206,656	**204,505**	(1%)	3%	198,590	**204,505**	3%
Equity	62,307	72,768	**74,937**	3%	20%	62,307	**74,937**	20%

Financial Ratios Banking Sector	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Profitability:								
NIM (1)	4.5%	4.8%	**4.8%**	(0.1 pp)	0.2 pp	4.4%	**4.7%**	0.3 pp
NIM after Provisions (2)	3.6%	3.2%	**3.7%**	0.5 pp	0.1 pp	3.6%	**3.5%**	(0.2 pp)
ROE (4)	16.6%	16.2%	**15.9%**	(0.2 pp)	(0.7 pp)	16.6%	**16.1%**	(0.5 pp)
ROA (5)	1.4%	1.5%	**1.5%**	(0.1 pp)	0.1 pp	1.4%	**1.5%**	0.2 pp
Operation:								
Efficiency Ratio (6)	55.9%	52.8%	**52.7%**	(0.1 pp)	(3.2 pp)	56.9%	**53.8%**	(3.2 pp)
Operating Efficiency Ratio (7)	3.2%	3.1%	**3.1%**	(0.0 pp)	(0.1 pp)	3.3%	**3.3%**	0.0 pp
Liquidity Ratio (8)	92.9%	115.5%	**112.1%**	(3.4 pp)	19.2 pp	92.9%	**112.1%**	19.2 pp
Asset Quality:								
Past Due Loan Ratio	1.7%	2.1%	**3.2%**	1.1 pp	1.5 pp	1.7%	**3.2%**	1.5 pp
Coverage Ratio	153.6%	157.0%	**104.2%**	(52.8 pp)	(49.4 pp)	153.6%	**104.2%**	(49.4 pp)
Past Due Loan Ratio w/o Banorte USA	1.7%	2.1%	**3.3%**	1.1 pp	1.6 pp	1.7%	**3.3%**	1.6 pp
Coverage Ratio w/o Banorte USA	155.8%	157.1%	**104.0%**	(53.1 pp)	(51.8 pp)	155.8%	**104.0%**	(51.8 pp)
Growth (8)								
Performing Loans (9)	20.7%	11.8%	**8.8%**	(3.0 pp)	(11.9 pp)	20.7%	**8.8%**	(11.9 pp)
Core Deposits	11.7%	10.7%	**13.9%**	3.2 pp	2.3 pp	11.7%	**13.9%**	2.3 pp
Total Deposits	14.1%	7.5%	**11.5%**	4.0 pp	(2.6 pp)	14.1%	**11.5%**	(2.6 pp)
Capitalization:								
Net Capital/ Credit Risk Assets	19.9%	20.7%	**20.2%**	(0.5 pp)	0.3 pp	19.9%	**20.2%**	0.3 pp
Total Capitalization Ratio	14.8%	14.8%	**14.9%**	0.1 pp	0.0 pp	14.8%	**14.9%**	0.0 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
6) Annualized Non Interest Expenses of the quarter / Total Assets Average
7) Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms of immediately payable + short term loans from banks and of other organisms.
8) Growth compared to the same period of the previous year.
9) Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

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

- **Net Interest Income.**

Net Interest Income-Banking Sector (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Interest Income	12,921	13,982	**14,020**	0%	9%	38,883	**41,775**	7%
Interest Expense	5,590	5,528	**5,542**	0%	(1%)	17,498	**16,984**	(3%)
Loan Origination Fees	275	504	**311**	(38%)	13%	602	**1,134**	88%
Fees Paid	66	125	**86**	(31%)	30%	176	**293**	67%
Net Interest Income	**7,541**	**8,833**	**8,704**	**(1%)**	**15%**	**21,999**	**25,632**	**17%**
Provisions	1,507	3,005	**1,957**	(35%)	30%	3,930	**6,988**	78%
Net Interest Income Adjusted for Credit Risk	**6,033**	**5,828**	**6,746**	**16%**	**12%**	**18,069**	**18,644**	**3%**
Average Interest Earning Assets	663,364	732,498	**731,434**	(0%)	10%	663,784	**719,628**	8%
Net Interest Margin (1)	4.5%	4.8%	**4.8%**	(0.1 pp)	0.21 pp	4.4%	**4.7%**	0.3 pp
NIM after Provisions (2)	3.6%	3.2%	**3.7%**	0.51 pp	0.05 pp	3.6%	**3.5%**	(0.2 pp)

In 9M13, Net Interest Income grew 17% YoY, from Ps 22.0 billion to Ps 25.63 billion and 19% YoY based solely on financial revenues and net fees related to loan origination as a result of 9% growth in performing loans with a better mix, especially loan products that have a bigger impact on Net Interest Income such as payroll loans, credit card, SME and mortgages.

In 3Q13 Net Interest Income amounted to Ps 8.7 billion, YoY growth of 15% and a (1%) QoQ decrease. YoY growth can be attributed to higher loan volumes with a better mix as well as a stable cost of funding. Considering only financial revenues and net fees related to loan origination, Net Interest Income rose 16% vs. 3Q12 and was unchanged vs. 2Q13.

Average Net Interest Margin (NIM) was 4.7% for 9M13, 33 basis points above 9M12. In 3Q13 the NIM was 4.8%, 21 basis points above 3Q12 and 10 basis points below 2Q13; YoY growth in the NIM can be attributed to a bigger increase in Net Interest Income than Average Productive Assets derived from a better loan and funding mix, while the decrease vs. 2Q13 was due to lower Fees Charged.

- **Loan Loss Provisions**

Provisions charged to results amounted to Ps 6.99 billion in 9M13 and Ps 1.96 billion in 3Q13, or increases of 78% vs. 9M12 and 30% vs. 3Q12. The accumulated YoY increase is due to provisions created to cover exposures to housing developers URBI, GEO and HOMEX. The increase vs. the year earlier quarter can be attributed to growth in consumer loans which require more initial provisions when the loans are originated due to the adoption of the expected loss methodology in recent years and more consumer and SME past due loans due to the maturing of loan vintages and the negative impact of the economic slowdown. Provisions charged to results registered a (35%) decrease vs. 2Q13 due to less requirements during the quarter by commercial and corporate loans, given that with the reserves created for the exposure to home the home developers URBI, GEO and HOMEX with the new methodology of expected losses implemented in 2Q13, a minimum additional reserve was required, despite the increase in past due loans during the quarter.

The average NIM adjusted for Credit Risks was 3.5% in 9M13, a reduction of 18 basis points vs. 9M12; it was 3.7% for the quarter, comparing favorably with 3Q12 and 2Q13.

- **Non Interest Income**

Non Interest Income (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Services	1,619	1,860	**1,872**	1%	16%	5,016	**5,538**	10%
Recovery	322	(190)	**16**	(108%)	(95%)	1,017	**63**	(94%)
Trading	501	613	**503**	(18%)	0%	2,000	**2,426**	21%
Other Operating Income (Expense)	293	525	**551**	5%	88%	1,020	**2,024**	98%
Non Interest Income	**2,735**	**2,808**	**2,943**	**5%**	**8%**	**9,052**	**10,051**	**11%**

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

Non Interest Income totaled Ps 10.05 billion in 9M13, a YoY increase of 11% and amounted to Ps 2.94 billion for the quarter, 8% above the 3Q12 level and 5% above 2Q13. YoY growth was mainly due to more Service Fees, Trading Income and Other Income. QoQ growth stemmed from more Service Fees and Other Income.

- **Non Interest Expenses**

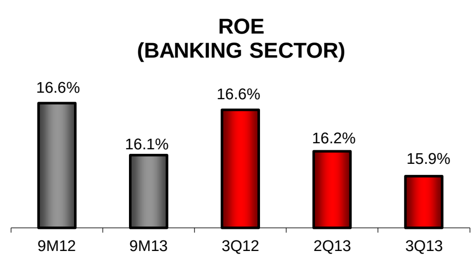
Non Interest Expense *(Million Pesos)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Personnel	2,211	2,924	**2,813**	(4%)	27%	7,196	**9,637**	34%
Professional Fees	546	563	**530**	(6%)	(3%)	1,646	**1,622**	(2%)
Administrative and Promotional	1,375	1,025	**1,145**	12%	(17%)	3,713	**2,995**	(19%)
Rents, Depreciation & Amortization	720	765	**768**	0%	7%	2,092	**2,264**	8%
Taxes other than income tax & non deductible expenses	307	360	**329**	(9%)	7%	1,066	**1,082**	2%
Contributions to IPAB	409	433	**474**	10%	16%	1,182	**1,347**	14%
Employee Profit Sharing (PTU) (1)	177	79	**78**	(1%)	(56%)	782	**241**	(69%)
Non Interest Expense	**5,744**	**6,150**	**6,137**	**(0%)**	**7%**	**17,677**	**19,187**	**9%**

Non Interest Expense totaled Ps 19.19 billion in 9M13, 9% higher YoY derived mainly from costs linked to the personnel efficiency program in 1Q13 as well as growth and the strengthening of business areas, which was not offset by declines in other items. Non interest expense amounted to Ps 6.14 billion in 3Q13, 7% higher YoY due to more personnel expenses and was unchanged vs. 2Q13, although personnel expenses registered a reduction of 4% QoQ derived from downsizing efforts implemented earlier in the year. The Efficiency ratio was 53.8% for 9M13, (3.2pp) below 9M12 and 52.7% in 3Q13, a reduction of (3.2pp) vs. 3Q12 and (0.1pp) vs. 2Q13, due to the positive operating leverage obtained.

- **Net Income**

The Banking Sector (comprised of Banco Mercantil del Norte, Banorte- Ixe Tarjetas, Banorte USA and 50% of Afore XXI) net income in 9M13 totaled Ps 8.82 billion, 21% higher YoY vs. 9M12, derived from the integration of Ixe Tarjetas and Afore XXI Banorte profits. Net income in 3Q13 was Ps 2.94 billion, 16% above 3Q12 and (4%) below 2Q13. The performance of SOFOM Banorte-Ixe Tarjetas is positive, as it posted net income of Ps 866 million in 9M13, 161% above YoY, representing 8.8% of the Financial Group's net income.

This sector registered a ROE of 16.1% for 9M13, 51 basis points below 9M12 due mainly to Banco Mercantil del Norte's equity increase in February as part of the strategy to replenish the capital used to acquire Afore Bancomer. The Banking Sector's ROA was 1.5%, an increase of 16 basis points YoY.



- **NPL Ratio**

The Banking Sector's Past Due Loan Ratio was 3.2% for 3Q13 (includes INB past due loans), 1.5 pp above 3Q12 and 1.1 pp above 2Q13, due mainly to housing developers' past due loans.

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

BANORTE USA

I. Banorte USA

Income Statement– *Banorte USA* *Figures in MEX GAAP (Million Pesos)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Income Statement								
Net Interest Income	161	142	**149**	5%	(7%)	502	**432**	(14%)
Non Interest Income*	80	97	**102**	5%	29%	290	**326**	12%
Total Income	240	239	**251**	5%	5%	792	**758**	(4%)
Non Interest Expense	194	179	**185**	3%	(5%)	576	**557**	(3%)
Loan Loss Reserves	5	2	**8**	224%	53%	80	**25**	(69%)
Operating Income	41	58	**59**	1%	43%	137	**176**	29%
Taxes	13	20	**19**	(3%)	42%	45	**57**	27%
Net Income	28	39	**40**	3%	43%	92	**119**	30%

Under generally accepted Mexican Accounting Principles (MEX GAAP), the net income of Banorte USA (a subsidiary of Banco Mercantil del Norte that owns 100% of Inter National Bank as well as 100% of remittance companies Uniteller and Motran) was Ps 119 million in 9M13, an increase of 30% YoY, derived mainly from higher Non Interest Income and lower Provisions and Operating Expenses compared to the year earlier period. Banorte USA's 9M13 net income represented 1.2% of the Financial Group's net income.

II. Inter National Bank (US GAAP)

Income Statement & Balance Sheet Highlights - InterNational Bank *Figures in US GAAP (Millon Dollars)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Income Statement								
Net Interest Income	13	12	**12**	4%	(4%)	39	**35**	(10%)
Non Interest Income*	4	5	**4**	(18%)	(4%)	16	**16**	0%
Total Income	17	17	**16**	(3%)	(4%)	55	**51**	(7%)
Non Interest Expense	13	12	**11**	(5%)	(9%)	38	**36**	(4%)
Loan Loss Reserves *	-	-	**-**	(160%)	(162%)	5	**-**	(106%)
Operating Income	4	5	**5**	(10%)	17%	12	**15**	21%
Net Income	3	3	**3**	(9%)	18%	8	**10**	22%
Balance Sheet								
Investments in Securities	985	760	**662**	(13%)	(33%)	985	**662**	(33%)
Performing Loans	707	714	**700**	(2%)	(1%)	707	**700**	(1%)
Past Due Loans	15	9	**6**	(27%)	(56%)	15	**6**	(56%)
Demand Deposits	902	886	**818**	(8%)	(9%)	902	**818**	(9%)
Time Deposits	839	710	**620**	(13%)	(26%)	839	**620**	(26%)
Total Deposits	1,741	1,596	**1,438**	(10%)	(17%)	1,741	**1,438**	(17%)
Equity	427	413	**409**	(1%)	(4%)	427	**409**	(4%)

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 (Million Dollars)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Profitability:								
NIM	2.9%	2.8%	**3.1%**	0.3	0.2	3.1%	**2.9%**	(0.2)
ROE	3%	3%	**3%**	(0.2)	0.5	2.6%	**3.2%**	0.6
ROA	1%	1%	**1%**	0.0	0.2	0.5%	**0.7%**	0.1
Operational:								
Efficiency Ratio	74.3%	71.6%	**70.1%**	(1.5)	(4.2)	68.6%	**71.4%**	2.8
Asset Quality:								
Past Due Loan Ratio	2.0%	1.2%	**0.9%**	(0.3)	(1.1)	2.0%	**0.9%**	(1.1)
Coverage Ratio	96.7%	159.0%	**221.2%**	62.1	124.5	96.7%	**221.2%**	124.5
Capitalization:								
Leverage Ratio	10.0%	11.0%	**12.1%**	1.1	2.1	10.0%	**12.1%**	2.1
Capitalization Ratio	25.3%	25.8%	**25.9%**	0.1	0.7	25.3%	**25.9%**	0.7

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted a 9M13 profit of US $10 million, a YoY increase of 22%, mainly due to fewer loan loss provisions and operating expenses.

INB has an investment portfolio of US $662 million, mainly consisting of mortgage-backed securities, which declined by US $323 million or (33%) YoY and by US $98 million or (13%) QoQ as part of the Bank's strategy to reduce a potential negative impact on its investment portfolio resulting from fluctuations in US interest rates. The mortgages backing these securities have been rated AAA and have an implicit guarantee from the US government. In 3Q13 the portfolio had an unrealized valuation loss of US $19 million and the weighted average life is 4.8 years.

Total Deposits amounted to US $1.44 billion, which decreased by US $303 million or (17%) YoY, and by US $158 million, or (10%) QoQ. Performing loans totaled US $700 million, a decrease of US $7 million or (1%) YoY and by US $14 million or (2%) QoQ, while Past Due Loans totaled US $6 million, declining by US $9 million or (56%) YoY and by US $3 million or (27%) QoQ.

Capitalization and Leverage Ratios remain robust. The Capitalization Ratio for 3Q13 was 25.9% and the Leverage Ratio 12.1%. The Past due Loan ratio decreased by (1.1) pp YoY and by (0.3) pp QoQ to 0.9%, while the Coverage ratio rose by 124.5 pp YoY and by 62.1 pp QoQ to 221.2%.

With respect to Profitability ratios, ROE increased 0.6 pp YoY in 9M13 to 3.2% and in 3Q13 increased by 0.5 pp YoY and decreased (0.2) pp QoQ to 3.1%. ROA rose by 0.1 pp YoY in 9M13 to 0.7%, and rose 0.2 pp YoY and 0.3 pp QoQ for 3Q13. The Efficiency Ratio for 9M13 was 71.4%, an increase of 2.8 pp YoY and a decrease of (4.2) pp YoY and (1.5) pp QoQ in 3Q13. The NIM declined (0.2) pp YoY and rose 0.3 pp YoY to 2.9%.

III. UniTeller Financial Services (US GAAP)

Income Statement and Transactions Highlights *UniTeller Financial Services* *Figures in US GAAP (Thousand Dollars)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Profitability:								
Revenues	4,070	5,135	**4,911**	(4%)	21%	12,221	**14,352**	17%
Cost of Sales	2,674	3,274	**3,174**	(3%)	19%	7,956	**9,318**	17%
Margin	1,396	1,861	**1,737**	(7%)	24%	4,265	**5,035**	18%
Expenses	1,478	1,488	**1,290**	(13%)	(13%)	4,136	**4,330**	5%
Income before Taxes	-82	373	**448**	20%	(646%)	128	**705**	449%
Net Income	-53	234	**290**	24%	(647%)	79	**457**	480%
Transactions	0	0	**0**	0	0	0	0	0
# of created transactions (thousand)	820	1,221	**1,284**	5%	57%	2,434	**3,384**	39%

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

UniTeller Financial Services and Subsidiaries (UFS) registered a US $457 thousand profit for 9M13, 480% more YoY, mainly as a result of more transactions.

Transactions increased by 39% in 9M13 compared to 9M12, mainly due to processing business expansion.

Given the agreements signed with Western Union and the expansion of the transaction processing service to other institutions, transaction growth should have a positive impact on future results.

IV. Sólida USA

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

As of the close of 3Q13, INB's ratio of Classified Assets to Equity was 19.9%.

As of the close of 3Q13, the Assets Managed by Solida USA were as follows:

Sólida Mexico's Foreclosed Assets:	US $35 million
Banorte's Foreclosed Loans and Assets:	US $83 million
INB Classified Assets and Mortgage Portfolio:	US $45 million
Total:	US $163 million

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

RECOVERY BANKING

Income Statement Highlights - Recovery Banking *(Million Pesos)*	9M12	9M13	Change 9M12
Net Interest Income	24	17	(31%)
Loan Loss Provisions	(23)	(5)	(79%)
Non Interest Income	1,321	1,575	19%
Non Interest Expense	(710)	(684)	(4%)
Pre-tax Income & Subsidiaries	613	903	47%
Income Tax and Profit Sharing	(182)	(262)	44%
Net Income	**431**	**641**	**49%**

Assets Under Management *(Million Pesos)*	3Q13	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**45,097**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**35,675**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects (1):	**6,838**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**1,362**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**88,972**		

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

- **Net Income**

Recovery Banking reported a net income of Ps 641 million in 9M13, a YoY increase of 49% vs. the same 2012 period, mainly driven by higher non interest income derived from more recoveries, including an infrastructure project in 1Q13, and lower loan loss provisions. The net income of the Recovery Banking unit represented 6.5% of Grupo Financiero's 9M13 profits.

- **Assets Under Management**

As at the close of 3Q13, of the Ps 45.1 billion in Banorte total assets managed by the Recovery Bank, 27% corresponded to mortgage loans, 16% to crediactivo, 12% to payroll, 11% to middle market companies, 10% to credit card, 8% to foreclosed assets, 7% to car loans, 4% commercial loans, 3% corporate loans, 1% to personal loans and 1% to subsidiaries. This portfolio generated gross revenues of Ps 720 million in 9M13, a YoY decrease of (9%).

At the end of 3Q13, of the Ps 35.7 billion in portfolios acquired and managed by the Recovery Banking unit, 32% corresponded to mortgage loans, 30% to middle-market and commercial loans, 20% to the portfolio managed on behalf of the Mexican mortgage agency SHF, 10% to real estate portfolios, and 7% to foreclosed assets and payments in kind. Gross revenues generated by these portfolios amounted to Ps 1.01 billion in 9M13, growth of 26% YoY.

At the close of 3Q13, of Ixe's Total Proprietary Assets amounting to Ps 1.4 billion managed by the Recovery Banking unit, 100% corresponded 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)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Brokerage								
Net Income	139	140	**110**	(22%)	(21%)	414	**495**	20%
Shareholder's Equity	2,444	2,221	**2,370**	7%	(3%)	2,444	**2,370**	(3%)
Assets Under Custody	642,702	690,858	**683,237**	(1%)	6%	642,702	**683,237**	6%
Total Assets	79,163	79,480	**89,306**	12%	13%	79,163	**89,306**	13%
ROE	23.3%	21.4%	**19.1%**	2.3 pp	(4.2 pp)	23.2%	**25.4%**	2.2 pp
Net Capital								
Net Capital	1,925	1,703	**1,845**	8%	(4%)	1,925	**1,845**	(4%)

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe) reported profits of Ps 495 million in 9M13, 20% higher YoY vs. 9M12. This growth was driven by an increase in assets managed by mutual funds, which translated into higher service fees, as well as more income from trading, private banking & wealth management, asset management and institutional sales.

3Q13 profits totaled Ps 110 million, a decrease of (22%) QoQ vs. 2Q13 and (21%) YoY vs. 3Q12. These declines are due to a valuation effect in the money market and equity positions, originated by changes in the market conditions during this period. In 9M13, Brokerage Sector's net income represents 5.0% of the Financial Group's net income.

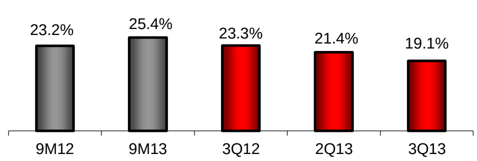
- **Mutual Funds**

At closing of 3Q13, assets managed by Banorte-Ixe 's mutual funds amounted to Ps 116 billion, a 22% YoY increase compared with the combined balance of both banks' mutual fund operations as of 3Q12. Resources managed by debt mutual funds amounted to Ps 103.4 billion, a combined YoY growth of 19%, while equity mutual funds managed assets totaling Ps 12.4 billion, an increase of 57% YoY. At the end of September, Banorte-Ixe had a 7.2% share of the mutual fund market, an 8.0% share in debt mutual funds, and a 3.9% share in equity mutual funds.

- **Assets Under Custody**

At the end of 3Q13, AUC stood at Ps 683.2 billion, an increase of 6% YoY driven by growth in funds managed by mutual funds, as well as money and equity market resources. The (1%) QoQ decrease is due to losses recognized in the investment portfolio resulting from volatility across the yield curve during the quarter due to the uncertain environment.

ROE
(BROKERAGE SECTOR)



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)*	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Afore (1)								
Net Income (a)	321	403	**656**	63%	105%	867	**1,762**	103%
Shareholder's Equity	2,523	23,179	**23,835**	3%	845%	2,523	**23,835**	845%
Total Assets	3,099	24,417	**25,153**	3%	712%	3,099	**25,153**	712%
AUM (SIEFORE)*	236,627	521,255	**531,039**	2%	124%	236,627	**531,039**	124%
ROE	54.3%	7.0%	**11.2%**	4.2 pp	(43.2 pp)	55.4%	**12.4%**	(43.1 pp)
Insurance- Seguros Banorte (2)								
Total Operating Income	519	608	**468**	(23%)	(10%)	1,657	**1,682**	1%
Non Interest Expense	207	233	**176**	(25%)	(15%)	579	**596**	3%
Operating Income	312	374	**292**	(22%)	(6%)	1,078	**1,086**	1%
Taxes	95	97	**91**	(6%)	(4%)	333	**324**	(3%)
Subsidiaries & Minority Interest	1	(1)	**(1)**	29%	(155%)	6	**(3)**	(152%)
Net Income	218	277	**200**	(28%)	(8%)	751	**759**	1%
Shareholder's Equity	3,052	3,313	**3,514**	6%	15%	3,052	**3,514**	15%
Total Assets	17,226	18,434	**18,533**	1%	8%	17,226	**18,533**	8%
Technical Reserves	10,263	11,371	**11,813**	4%	15%	10,263	**11,813**	15%
Premiums sold	2,266	3,120	**2,540**	(19%)	12%	9,218	**10,193**	11%
Coverage ratio of technical reserves	1.3	1.2	**1.2**	(0.0 pp)	(0.0 pp)	1.3	**1.2**	(0.0 pp)
Capital coverage ratio of minimum guarantee	1.8	1.7	**1.6**	(0.0 pp)	(0.2 pp)	1.8	**1.6**	(0.2 pp)
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	
Coverage ratio of minimum capital	34.5	39.9	**39.9**	0.0 pp	5.4 pp	34.5	**39.9**	(5.4 pp)
ROE	29.7%	35.1%	**23.6%**	11.5 pp	(6.0 pp)	36.0%	**31.1%**	0.0 pp
Annuities (2)								
Total Operating Income	85	112	**116**	4%	37%	273	**354**	29%
Non Interest Expense	59	73	**65**	(11%)	10%	164	**195**	19%
Operating Income	26	39	**51**	32%	98%	109	**159**	46%
Taxes	8	12	**16**	32%	102%	29	**49**	71%
Subsidiaries & Minority Interest	(2)	1	**1**	32%	(148%)	2	**3**	67%
Net Income	17	28	**36**	32%	120%	78	**113**	45%
Shareholder's Equity	1,224	1,249	**1,285**	3%	5%	1,224	**1,285**	5%
Total Assets	40,562	48,181	**50,307**	4%	24%	40,562	**50,307**	24%
Technical Reserves	39,061	46,646	**48,743**	4%	25%	39,061	**48,743**	25%
Premiums sold	2,089	2,797	**2,184**	(22%)	5%	5,895	**7,128**	21%
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	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	8.5	8.2	**8.2**	0.0 pp	(0.3 pp)	8.5	**8.2**	(0.3 pp)
ROE	5.4%	8.9%	**11.5%**	2.5 pp	6.0 pp	8.7%	**12.2%**	3.5 pp

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

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

- **Afore**

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

The Afore posted a net profit of Ps 1.76 billion for 9M13, 103% higher YoY. Profits for the quarter amounted to Ps 656 million, 105% higher YoY vs. 3Q12 due to an increase in income from more assets under management following the acquisition of Afore Bancomer, and rose 63% QoQ vs. 2Q13 on the back of a recovery in financial products due to the positive impact that the variation in market interest rates had on the valuation of its investment portfolio. Afore XXI Banorte's ROE was 12.4% for 9M13 and was 43.9% excluding goodwill. In 9M13 Afore XXI Banorte's net income represented 8.6% of the Financial Group's net income.

As of September, 2013, the Assets Under Management of Afore XXI Banorte totaled Ps 531 billion, a YoY increase of 124% vs. 3Q12, and a QoQ increase of 2% vs. 2Q13. The YoY variation is explained by the acquisition of Afore Bancomer and the QoQ increase is due to the positive impact on its investment portfolio derived from a more favorable interest rate environment.

At the end of August 2013, Afore XXI Banorte had a 26.9% share of managed funds, ranking as leader in the market with more than 11.59 million managed accounts (this figure does not include the 5.9 million accounts managed by Afore XXI Banorte with resources deposited in Banco de México), representing 26.4% of the system's total number of accounts, and making it the market's leading retirement fund.

- **Insurance**

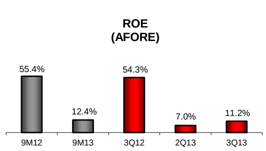
On October 4th, 2013, the acquisition of Assicurazioni Generali S.p.A's remaining 49% minority share in the companies Seguros Banorte Generali and Pensiones Banorte Generali was finalized and so as of that date GFNorte owns 100% of these companies' capital.

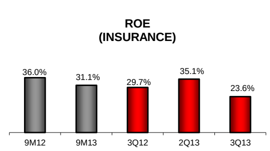
During 9M13, the Insurance company reported profits of Ps 759 million (for the reported quarter 51% still corresponds to GFNorte but will be 100% consolidated as of October), a 1% YoY increase, driven by growth in revenues from premiums and other financial revenues, which offset an increase in damages and claims. 3Q13 earnings amounted to Ps 200 million, a QoQ decrease of (8%) vs. 3Q13 and (28%) vs. 2Q13, due to greater technical reserve requirements, lower sales and more claims. The ROE of the Insurance Company was 31.1% for 9M13 and its net income represented 3.9% of the Financial Group's profits.

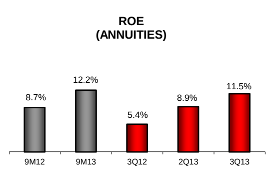
Issued premiums increased 11% YoY totaling Ps 10.19 billion for 9M13. The technical reserves' balance was Ps 11.81 billion, increasing by 15% YoY and 4% QoQ vs. 2Q13.

- **Annuities**

9M13 profits amounted to Ps 113 million (for the reported quarter 51% still corresponds to GFNorte but will be 100% consolidated as of October), increasing by Ps 35 million YoY vs. 9M12. Net income for 3Q13 was Ps 36 million, an increase of Ps 20 million or 120% higher vs. 3Q12 and 32% QoQ vs. 2Q13. Increases in net income were mainly due to greater operating revenues derived from more accumulated premiums. The ROE of the Annuities Company was 12.2% for 9M13 and its net income represented 0.6% of the Financial Group's profits.







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

OTHER FINANCE COMPANIES

Other Finance Companies (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Leasing and Factoring								
Net Income	196	72	**221**	206%	13%	474	**425**	(10%)
Shareholder's Equity	2,854	2,813	**3,034**	8%	6%	2,854	**3,034**	6%
Loan Portfolio (1)	18,470	20,488	**20,025**	(2%)	8%	18,470	**20,025**	8%
Past Due Loans	146	246	**248**	1%	70%	146	**248**	70%
Loan Loss Reserves	221	399	**338**	(15%)	53%	221	**338**	53%
Total Assets	18,539	20,877	**20,442**	(2%)	10%	18,539	**20,442**	10%
ROE	28.4%	11.8%	**30.3%**	18.5 pp	1.9 pp	24.1%	**19.7%**	(4.5 pp)
Warehousing								
Net Income	17	12	**14**	18%	(17%)	33	**40**	19%
Shareholder's Equity	256	254	**269**	6%	5%	256	**269**	5%
Inventories	369	614	**568**	(7%)	54%	369	**568**	54%
Total Assets	607	856	**807**	(6%)	33%	607	**807**	33%
ROE	27.0%	18.3%	**21.9%**	3.6 pp	(5.0 pp)	17.8%	**19.9%**	2.1 pp

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

- **Leasing and Factoring**

Arrendadora y Factor Banorte reported profits of Ps 425 million in 9M13, a decrease of (10%) YoY vs. 9M12, due mainly to more reserve requirements to cover exposures to housing developers and the implementation of the new loan portfolio rating methodology. Net Income for 3Q13 totaled Ps 221 million, an increase of 13% YoY derived from more revenue from growth in the leasing and factoring portfolio, while growth of 206% vs. 2Q13 is the result of a lower loan loss provision requirements and the release of reserves due to the payment of past due loans. The ROE of the Leasing and Factoring Company was 19.7% in 9M13 and its net income represented 4.3% of the Financial Group's profits.

At the close of 3Q13, the Past Due Loan ratio was 1.2%, unchanged vs. 2Q13, while the Capitalization Ratio closed at 13.6% considering total risk weighted assets of $22.34 billion.

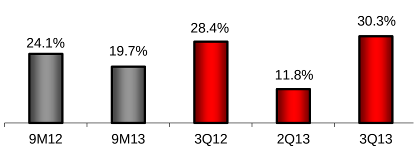
Arrendadora y Factor Banorte continues ranking first in terms of portfolio size and assets among the 33 companies in this sector, according to the Mexican Association of Leasing Companies, Credit and Financing (Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

- **Warehouse**

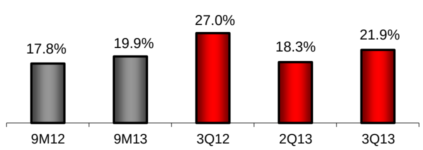
During 9M13 Almacenadora posted net income of Ps 40 million, a YoY increase of 19% driven by higher levels of inventory sales. During 2Q13, earnings totaled Ps 14 million, decreasing (17%) YoY and increasing 18% QoQ vs. 2Q13. The ROE of the Warehousing company was 19.9% in 9M13 and its net income represented 0.4% of the Financial Group's profits.

At the close of 3Q13, the Capitalization Ratio was 9.5% considering Ps 2.05 billion in total certificates at risk in circulation. Almacenadora Banorte ranks 3rd among the sector's 18 warehousing companies in terms of profits generated.

ROE
(LEASING AND FACTORING)



ROE
(WAREHOUSING)



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

OTHER COMPANIES

Other Companies (Million Pesos)	3Q12	2Q13	3Q13	Change QoQ	Change YoY	9M12	9M13	Change 9M12
Ixe Servicios								
Net Income	1	0	**1**	238%	(18%)	(1)	**1**	(191%)
Shareholder's Equity	21	23	**23**	3%	10%	21	**23**	10%
Total Assets	31	32	**34**	4%	9%	31	**34**	9%
ROE	14.3%	3.2%	**10.5%**	7.4 pp	(3.7 pp)	-5.1%	**4.3%**	366.0 pp

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

RATINGS

International Ratings - GFNorte

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

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

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

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

INFRASTRUCTURE

INFRASTRUCTURE	3Q12	2Q13	3Q13
Employees (1)	25,773	26,849	**27,304**
Branches (2)	1,306	1,282	**1,286**
INB	21	20	20
ATM's	6,642	6,657	**6,749**
POS's	108,819	125,696	**133,501**

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

- As at the close of 3Q13, there were 1,286 **branches**, 4 more compared to 2Q13. The number of branches decreased by 20 over the previous 12 months, a YoY (2%) decrease, due to the efficiency program implemented. Total branches include 170 Ixe Banco branches dedicated to the "Premium" banking segment.

- 107 **Automatic Teller Machines** were enabled over the last 12 months, 2% growth YoY, expanding the network to 6,749 ATMs in total at the end of 3Q13. This growth includes 195 Ixe ATMs.

- 24,682 **Point of Sale Terminals** (POS) were activated during the year, YoY growth of 23%, bringing the number of installed POSs to 133,501 as at the close of September, 24,954 of which belong to Ixe.

- At the end of 3Q13, there were 4,159 contact points through third party **correspondent agreements** with 7- Eleven (1,558), Telecomm-Telégrafos (1,614) and Tiendas Extra (987).

- **SME Centers.** At the end of September 2013 there were 16 offices specializing in this segment, 13 more than the same period of the previous year.

GFNORTE'S ANALYST COVERAGE

In compliance with the BOLSA MEXICANA DE VALORES, S.A.B. DE C.V requirement, the information of Brokers that have analyst coverage to:
TICKER: GFNORTEO

BROKER	ANALYST	RECOMMENDATION	DATE
Barclays	Cristina Marzea	Buy	23-oct-13
BBVA	Ernesto Gabilondo	Buy	01-aug-13
Brasil Plural	Eduardo Nishio	Buy	05-sep-13
BTG Pactual	Marcelo Henriques	Buy	02-aug-13
BX+	Andrés Audiffred	Buy	06-sep-13
GBM	Lilian Ochoa	Buy	30-jul-13
Goldman Sachs	Carlos Macedo	Buy	11-oct-13
Invex	Martín González	Buy	03-jul-13
Itaú BBA	Regina Longo	Buy	29-aug-13
Morgan Stanley	Jorge Kuri	Buy	19-aug-13
Nomura	Daragh Quinn	Buy	04-apr-13
Santander	Boris Molina	Buy	17-jul-13
Scotiabank	Claudia Benavente	Buy	22-oct-13
UBS	Philip Finch	Buy	22-aug-13
Vector	Rafael Escobar	Buy	01-aug-13
Actinver	Martín Lara	Hold	11-jun-13
BOFA - Merill Lynch	José Barria	Hold	24-apr-13
Citi	Daniel Abut	Hold	02-sep-13
Credit Suisse	Marcello Telles	Hold	10-sep-13
Deutsche Bank	Mario Pierry	Hold	03-sep-13
HSBC	Carlos Gomez	Hold	21-oct-13
Interacciones	Enrique Mendoza	Hold	09-oct-13
JP Morgan	Saul Martinez	Hold	10-sep-13
Nau	Iñigo Vega	Hold	26-jul-13

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

GRUPO FINANCIERO – GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	3Q13
Banco Mercantil Del Norte, S.A. (1)	**97.50%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**50.00%**
Leasing and Factoring	**99.99%**
Warehouse	**99.99%**
Annuities	**51.00%**
Insurance	**51.00%**
Casa de Bolsa Banorte Ixe	**99.99%**
Operadora de Fondos Banorte Ixe, S.A. De C.V.	**99.99%**
Ixe Servicios, S.A. de C.V.	**99.99%**
Sólida Administradora de Portafolios, S.A. de C.V., SOFOM	**96.76%**

1. Considers as of 1Q13 a 97.2% stake of GFNorte and as of 2Q13 of 97.50%. Since 4Q09 until 4Q12, the stake was 92.72%, reflecting the IFC investment in capital of Banco Mercantil del Norte.

2. Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB Financial Corp.

Holding Company Capital Structure	
Number of Shares (Million)	**SERIE O** As of September '13
Number of Shares Outstanding	2,442.71
Shares held in the bank's Treasury	0

- The 2,442.71 million shares are the accumulated weighted average in 9M13; while as of closing of 3Q13 the total amount of outstanding shares totals 2,773.33 million shares resulting from the increase in GFNorte's equity following the Public Offering carried out in July.

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

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

Group Officers 3Q13	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Marcos Ramírez Miguel	Managing Director – Wholesale Banking & Casa de Bolsa Banorte Ixe
Gabriel Casillas Olvera	Managing Director – Economic Analysis
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking and Wealth Management
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Gerardo Zamora Nañez	Managing Director – Warehouse, Leasing and Factoring
Ricardo Velázquez Rodríguez	Managing Director – Int. Banking & Financial Institutions & Banorte USA
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management and Business Development
Jesús Garza Martínez	Managing Director – Commercial Banking
Manuel Romo Villafuerte	Managing Director –Products
Fernando Solís Soberón	Managing Director – Long Term Savings
Luis Fernando Orozco	Managing Director – Asset Recovery
STAFF	
Rafael Arana de la Garza	Chief Operating Officer (COO)
Alejandro Garay Espinosa	Managing Director – Corporate Services
David Ricardo Suárez Cortazar	Chief Financial Officer (CFO)
Fausto Hernández Pintado	Chief Strategic Planning and Value Creation Officer
To be defined	Managing Director – Client Experience
Concepción Gpe. Borjon Shears	Sumando Leader
Héctor Martín Ávila Flores	Managing Director - Legal
Ignacio Aldonza Goicochea	Managing Director – Technology and Operations
Carla Juan Chelala	Managing Director - Marketing
To be defined	Managing Director - Communications and Institutional Relations
David Aaron Margolín Schabes	Chief Risk Officer
Martha Elena Navarrete Villarreal	Managing Director - Internal Audit
Sergio García Robles Gil	Managing Director – Corporate Affairs

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

HOLDING

Income Statement-Holding *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	9M13
Income Subsidiaries	2,430	2,519	2,757	1,593	3,248	3,409	3,310	-	9,299	9,967
Interest Income	7	11	8	6	16	34	434	-	32	483
Interest Expense	-	-	-	-	35	155	35	-	-	226
Fees & Tariffs	-	(0)	(0)	(0)	(0)	(0)	(0)	-	(0)	(0)
Trading Income	-	-	-	10	(29)	-	-	-	10	(29)
Other Operating Income (Expense)	-	-	-	0	-	-	-	-	0	-
Non Interest Expense	25	25	25	26	49	25	27	-	100	101
Pre-Tax Income	**2,412**	**2,505**	**2,741**	**1,583**	**3,151**	**3,263**	**3,681**	**-**	**9,241**	**10,095**
Income Tax	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	(1)	1	2	1	(1)	1	(1)	-	3	(0)
Taxes	**(1)**	**1**	**2**	**1**	**(1)**	**1**	**(1)**	**-**	**3**	**(0)**
Net Income from Continuos Operations	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**3,682**	**-**	**9,238**	**10,095**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Net Income	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**3,682**	**-**	**9,238**	**10,095**

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

Holding - Balance Sheet (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**1,034**	**743**	**766**	**361**	**311**	**522**	**10,816**	**-**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**65**	**16**	**17**	**-**	**-**	**-**	**-**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**	**11,500**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**388**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**388**	**11,500**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Performing Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Past Due Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Preventive Loan Loss Reserves	-	-	-	-	-	-	-	-
Net Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Total Credit Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	7	9	10	10	12	13	34	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-	-	-
Investment in Subsidiaries	60,630	63,339	66,216	69,511	84,240	80,310	82,911	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	7	6	4	3	3	2	3	-
Goodwill and Intangibles	11,394	11,069	11,045	11,021	10,999	10,980	10,955	-
Other Assets Short and Long Term	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
	72,038	74,423	77,274	80,544	95,255	91,305	93,903	-
TOTAL ASSETS	**73,137**	**75,181**	**78,057**	**80,905**	**95,566**	**92,216**	**116,219**	**-**

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

Holding - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Deposits	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	9,901	10,435	-	-
Total Collateral sold	-	-	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	125	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	0	0	754	3,189	0	0	-
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**1**	**0**	**0**	**754**	**13,215**	**10,435**	**0**	**-**
EQUITY	-	-	-	-	-	-	-	-
Paid-in Capital	13,098	13,098	13,098	13,098	13,098	13,098	14,664	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	18,511	18,511	18,511	18,511	18,847	18,922	48,556	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**31,608**	**31,608**	**31,608**	**31,608**	**31,945**	**32,019**	**63,219**	**-**
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399	5,811	-
Retained Earnings	38,258	37,837	37,827	37,032	45,852	41,554	38,713	-
Surplus (Deficit) of Secs Available for Sale	570	737	959	1,914	1,881	745	828	-
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)	(1,677)	-
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)	(771)	-
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,414	4,917	7,656	9,238	3,152	6,413	10,095	-
Earned Capital	**41,527**	**43,573**	**46,449**	**48,543**	**50,406**	**49,761**	**52,999**	**-**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**73,136**	**75,181**	**78,057**	**80,151**	**82,351**	**81,780**	**116,219**	**-**
TOTAL LIABILITIES & EQUITY	**73,137**	**75,181**	**78,057**	**80,905**	**95,566**	**92,216**	**116,219**	**-**

Holding - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
TOTAL ON BEHALF OF THIRD PARTIES	-	-	-	-	-	-	-	-
Properties in Custody or Administration	3,716	3,716	3,716	3,716	3,716	3,716	3,716	-
Proprietary Transactions	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**-**
TOTAL PROPRIETARY	**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)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	9M13
Interest Income	14,591	15,431	16,180	16,806	16,713	16,823	17,319	-	63,008	50,855
Interest Expense	6,691	7,743	8,027	8,127	8,072	7,877	7,770	-	30,588	23,719
Charged Fees	284	252	285	297	328	495	311	-	1,118	1,134
Fees Paid	50	60	67	109	83	125	86	-	286	293
Net Interest Income from interest & fees (NII)	**8,134**	**7,880**	**8,372**	**8,867**	**8,887**	**9,316**	**9,774**	**-**	**33,253**	**27,977**
Premium Income (Net)	4,258	3,814	3,823	4,426	4,971	4,857	4,053	-	16,321	13,881
Net Increase in Technical Reserves	2,637	1,381	2,010	2,680	3,033	2,516	1,740	-	8,708	7,289
Damages, Claims and Other Obligations	1,833	2,068	2,131	2,025	2,235	2,376	2,447	-	8,057	7,057
Net Interest Income (NII)	**7,923**	**8,245**	**8,054**	**8,588**	**8,591**	**9,281**	**9,640**	**-**	**32,810**	**27,512**
Preventive Provisions for Loan Losses	1,467	1,186	1,524	1,996	2,073	3,132	1,903	-	6,172	7,108
Net Interest Income Adjusted for Credit Risk	**6,456**	**7,059**	**6,530**	**6,592**	**6,518**	**6,149**	**7,737**	**-**	**26,637**	**20,403**
Fees for Commercial and Mortgage Loans	12	12	6	3	2	2	5	-	33	8
Fund Transfers	111	124	123	121	119	128	131	-	479	378
Account Management Fees	300	309	306	325	313	334	348	-	1,240	995
Fiduciary	84	93	86	121	78	100	90	-	384	267
Other Fees	649	639	618	783	774	646	635	-	2,689	2,055
Income from Real Estate Portfolios	359	337	322	290	238	303	126	-	1,307	666
Electronic Banking Services	781	807	840	948	885	961	1,011	-	3,377	2,858
For Consumer and Credit Card Loans	469	534	506	522	510	574	592	-	2,030	1,676
Fees Charged on Services	**2,765**	**2,856**	**2,806**	**3,112**	**2,919**	**3,048**	**2,937**	**-**	**11,539**	**8,904**
Fund transfers	11	11	10	11	15	13	10	-	43	39
Other Fees	845	712	944	936	935	858	957	-	3,437	2,751
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**857**	**723**	**954**	**947**	**951**	**871**	**968**	**-**	**3,480**	**2,789**
Foreign Exchange	229	653	187	322	451	(91)	208	-	1,391	568
Securities-Realized Gains	120	441	215	137	688	1,049	659	-	914	2,396
Securities-Unrealized Gains	833	(199)	621	591	993	(135)	(256)	-	1,847	602
Trading Income	**1,182**	**896**	**1,024**	**1,050**	**2,132**	**824**	**610**	**-**	**4,152**	**3,566**
Loan Recoveries	289	326	278	342	276	488	274	-	1,234	1,038
Income from purchased assets	(4)	(23)	(18)	(38)	(50)	(46)	(51)	-	(83)	(147)
Other Operating Income	194	(100)	(16)	(1)	67	3	26	-	76	96
Other Operating Expense	(18)	(40)	(10)	(102)	(58)	(39)	(57)	-	(169)	(153)
Other Products	315	413	796	780	448	716	1,084	-	2,305	2,248
Other Recoveries	174	(8)	103	116	812	201	188	-	386	1,201
Other Operating Expense	(293)	(426)	(741)	(615)	(552)	(530)	(880)	-	(2,075)	(1,962)
Other Operating Income (Expense) from Insurance and Annuities	125	173	169	159	172	197	170	-	626	539
Total Other Operating Income (Expense)	**780**	**316**	**562**	**642**	**1,116**	**990**	**754**	**-**	**2,300**	**2,860**
Total Non Interest Income	**3,871**	**3,344**	**3,437**	**3,858**	**5,216**	**3,990**	**3,333**	**-**	**14,510**	**12,540**
Total Operating Income	**10,327**	**10,404**	**9,967**	**10,449**	**11,734**	**10,139**	**11,070**	**-**	**41,148**	**32,943**
Personnel	2,814	2,540	2,334	2,710	4,009	3,080	2,916	-	10,398	10,004
Employee Profit Sharing (PTU)	307	314	185	134	84	79	79	-	940	242
Professional Fees	631	713	714	849	616	678	605	-	2,907	1,900
Administrative and Promotional Expenses	1,171	1,362	1,462	904	1,055	1,168	1,324	-	4,899	3,547
Rents, Depreciation & Amortization	730	756	774	695	787	818	820	-	2,954	2,425
Taxes other than income tax & non deductible expenses	527	377	354	569	443	431	395	-	1,826	1,269
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	474	-	1,610	1,347
Total Non Interest Expense	**6,558**	**6,457**	**6,232**	**6,288**	**7,434**	**6,687**	**6,613**	**-**	**25,535**	**20,735**
	-	-	-	-	-	-	-	-	-	-
Operating Income	**3,769**	**3,947**	**3,736**	**4,162**	**4,300**	**3,452**	**4,457**	**-**	**15,613**	**12,208**
	-	-	-	-	-	-	-	-	-	-
Subsidiaries' Net Income	126	162	143	159	351	162	342	-	590	855
	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**3,895**	**4,109**	**3,879**	**4,320**	**4,651**	**3,614**	**4,798**	**-**	**16,203**	**13,063**
Income Tax	927	1,138	572	1,016	1,303	385	1,209	-	3,653	2,897
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	213	14	234	14	(73)	(218)	(125)	-	475	(416)
Taxes	**1,140**	**1,152**	**806**	**1,030**	**1,230**	**167**	**1,084**	**-**	**4,128**	**2,481**
	-	-	-	-	-	-	-	-	-	-
Net Income from Continuos Operations	**2,755**	**2,957**	**3,073**	**3,290**	**3,421**	**3,447**	**3,715**	**-**	**12,075**	**10,583**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(292)	(322)	(293)	(280)	(281)	(227)	(189)	-	(1,187)	(697)
	-	-	-	-	-	-	-	-	-	-
Net Income	**2,463**	**2,635**	**2,780**	**3,010**	**3,140**	**3,220**	**3,526**	**-**	**10,888**	**9,886**

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

GFNorte - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**61,429**	**61,762**	**61,102**	**68,480**	**59,429**	**54,906**	**68,888**	**-**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**	**59**	**-**
Negotiable Instruments	107,223	141,675	117,047	123,233	191,562	168,398	180,406	-
Securities Available for Sale	60,116	59,924	94,549	115,291	78,888	114,380	116,685	-
Securities Held to Maturity	144,000	134,081	123,466	106,849	106,972	95,700	94,021	-
Investment in Securities	**311,339**	**335,680**	**335,062**	**345,374**	**377,423**	**378,477**	**391,112**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**7,126**	**336**	**8,757**	**5,694**	**5,008**	**62**	**29**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139	17,675	-
For hedging purposes	342	362	308	27	125	420	37	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,559**	**17,712**	**-**
Operations w/Derivatives & Securities	**22,491**	**20,990**	**28,940**	**23,960**	**25,915**	**16,620**	**17,741**	**-**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**	**162**	**-**
Commercial Loans	173,258	178,293	184,448	186,061	183,509	186,320	183,344	-
Financial Intermediaries´ Loans	7,559	8,384	9,045	8,435	8,830	5,575	5,268	-
Consumer Loans	38,608	40,977	44,002	46,036	48,317	51,843	55,382	-
Mortgage Loans	66,027	67,930	69,933	72,608	74,355	77,348	79,421	-
Government Entities´ Loans	75,196	82,843	82,289	88,293	89,583	90,695	90,524	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**360,648**	**378,427**	**389,717**	**401,433**	**404,594**	**411,782**	**413,939**	**-**
Commercial PDL´s	4,362	4,735	5,327	6,138	6,125	6,206	10,813	-
Financial Intermediaries PDL´s	19	4	5	4	4	4	27	-
Consumer PDL´s	1,348	1,545	1,397	1,467	1,643	1,890	1,997	-
Mortgage PDL´s	858	768	818	812	818	921	1,013	-
Government Entities PDL´s	0	36	44	60	41	53	15	-
Past Due Loans	**6,588**	**7,089**	**7,591**	**8,481**	**8,631**	**9,075**	**13,865**	**-**
Gross Loan Portfolio	**367,236**	**385,516**	**397,307**	**409,914**	**413,224**	**420,857**	**427,804**	**-**
Preventive Loan Loss Reserves	10,415	10,998	11,178	11,734	11,863	14,321	14,651	-
Net Loan Portfolio	**356,821**	**374,518**	**386,129**	**398,180**	**401,362**	**406,536**	**413,153**	**-**
Acquired Collection Rights	3,110	2,795	2,254	3,109	2,979	3,507	3,330	-
Total Credit Portfolio	**359,931**	**377,313**	**388,383**	**401,289**	**404,341**	**410,043**	**416,483**	**-**
Account Receivables from Insurance and Annuities	934	831	848	884	958	1,033	1,151	-
Premium Debtors (Net)	3,664	4,898	3,507	3,137	4,640	4,774	3,601	-
Account Receivables from Reinsurance	3,092	3,637	3,552	2,715	3,058	3,411	4,037	-
Benef.receivab.securization transactions	713	660	940	882	795	795	836	-
Sundry Debtors & Other Accs Rec, Net	25,309	41,221	31,244	23,097	25,265	36,000	32,180	-
Inventories	18	367	369	351	390	614	568	-
Foreclosed Assets, Net	2,115	2,735	2,974	2,939	2,704	2,573	2,532	-
Real Estate, Furniture & Equipment, Net	11,878	12,018	11,896	11,986	11,568	11,707	11,638	-
Investment in Subsidiaries	2,009	1,944	4,570	5,170	13,448	13,568	13,913	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	49	168	-
Goodwill and Intangibles	20,448	21,075	18,446	20,724	20,380	21,198	21,734	-
Other Assets Short and Long Term	3,661	4,343	4,700	4,908	4,623	4,194	4,367	-
Other Assets	-	-	-	-	-	-	-	-
	73,842	93,728	83,046	76,794	87,828	99,914	96,726	-
TOTAL ASSETS	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**	**991,171**	**-**

BANORTE

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

GFNorte - Balance Sheet (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	185,186	190,977	196,237	211,171	204,537	216,882	225,712	-
Time Deposits-Retail	175,495	176,729	177,795	187,055	182,128	189,071	184,405	-
Time Deposits-Money Market	6,237	21,324	15,098	21,533	23,490	12,752	14,485	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	6,380	6,605	6,401	4,567	4,743	5,389	5,764	-
Deposits	**373,297**	**395,635**	**395,531**	**424,325**	**414,898**	**424,095**	**430,366**	-
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0	2,562	-
Short Term Loans	32,230	20,788	31,456	27,628	37,684	29,330	18,597	-
Long Term Loans	7,176	7,724	6,856	7,982	7,134	8,005	7,451	-
Due to Banks & Correspondents	**43,721**	**34,062**	**40,590**	**35,904**	**46,278**	**37,336**	**28,611**	**-**
Technical Reserves	45,675	47,604	49,324	51,722	55,096	58,017	60,556	-
Non-assigned Securities for Settlement	1,281	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	223,794	242,015	238,585	244,030	277,118	279,734	278,427	-
Secs to be received in Repo Trans, Net	1	-	-	-	-	-	-	-
Repos (Credit Balance)	19	122	112	37	65	64	39	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**19**	**122**	**112**	**37**	**65**	**64**	**39**	-
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427	17,451	-
For hedging purposes	4,174	5,098	4,610	4,461	4,371	3,625	3,769	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,298**	**19,051**	**21,220**	**-**
Total Operations w/ Derivatives & Securities	**244,094**	**267,690**	**262,699**	**266,305**	**301,481**	**298,849**	**299,686**	**-**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0	0	-
Payable Accountsfor Reinsurance	1,027	2,054	1,448	805	1,315	1,223	785	-
Income Tax Payable	1,207	1,734	1,742	1,786	1,695	521	852	-
Profit Sharing Payable	307	531	597	738	361	419	495	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	7,794	21,715	22,253	8,413	6,792	15,762	12,422	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	15,631	15,049	15,436	15,027	16,366	14,069	14,333	-
Other Payable Accounts	**24,939**	**39,029**	**40,027**	**25,965**	**25,215**	**30,771**	**28,102**	**-**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510	18,046	-
Deferred Taxes, Net	51	154	538	978	770	-	-	-
Deferred Credits	1,959	2,975	3,085	2,597	2,579	2,473	2,509	-
TOTAL LIABILITIES	**750,701**	**808,551**	**812,449**	**828,057**	**866,890**	**872,274**	**868,661**	**-**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Paid-in Capital	13,057	13,068	13,070	13,072	13,087	13,086	14,651	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	18,149	18,276	18,301	18,320	18,756	18,793	48,518	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**31,206**	**31,344**	**31,371**	**31,391**	**31,843**	**31,879**	**63,169**	**-**
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399	5,811	-
Retained Earnings	38,680	38,453	38,442	37,644	48,075	43,777	40,936	-
Surplus (Deficit) of Secs Available for Sale	417	504	706	1,598	1,824	754	849	-
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)	(1,677)	-
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)	(771)	-
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,463	5,098	7,878	10,888	3,140	6,360	9,886	-
Earned Capital	**41,846**	**44,136**	**47,033**	**50,489**	**52,559**	**51,941**	**55,034**	**-**
Minority Interest	5,689	6,005	6,307	6,628	4,151	4,138	4,307	-
Total Equity	**78,741**	**81,485**	**84,712**	**88,509**	**88,553**	**87,957**	**122,511**	**-**
TOTAL LIABILITIES & EQUITY	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**	**991,171**	**-**

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

GFNorte - Memorandum Accounts (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
On behalf of Third Parties								
Customer's Banks	63	64	41	20	101	205	356	-
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	(21)	(130)	(58)	14	(53)	(237)	(6)	-
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**42**	**(66)**	**(18)**	**35**	**48**	**(32)**	**350**	**-**
Client Securities Received in Custody	520,812	531,857	547,690	569,079	592,696	576,715	567,449	-
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	**520,812**	**531,857**	**547,690**	**569,079**	**592,696**	**576,715**	**567,449**	**-**
Clients' Repurchase Operations	42,616	83,911	74,793	99,517	57,804	73,572	85,849	-
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	30,169	71,886	63,322	89,673	48,913	71,996	84,504	-
Purchase of Futures & Forward Contracts, national	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-	-
Trusts under Administration	3,548	2,750	2,272	435	403	361	340	-
Transactions On Behalf of Clients	**76,334**	**158,547**	**140,387**	**189,625**	**107,119**	**145,929**	**170,693**	**-**
Investment bank Trans on Behalf of Third (Net)	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**	**93,475**	**-**
TOTAL ON BEHALF OF THIRD PARTIES	**660,263**	**765,519**	**762,452**	**817,436**	**767,026**	**793,835**	**831,967**	**-**
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Loan Obligations	36,223	34,173	36,840	38,209	39,566	35,435	34,588	-
Trusts	255,981	284,156	307,410	340,294	346,701	318,844	264,235	-
Mandates	2,788	2,102	2,068	2,171	2,140	1,713	10,806	-
Properties in Trusts and Warrant	258,769	286,258	309,477	342,466	348,841	320,557	275,042	-
Properties in Custody or Administration	399,178	379,725	383,446	405,835	430,381	443,462	477,773	-
Collateral Received	164,387	109,863	146,606	113,138	136,279	92,754	87,133	-
Collateral Received or sold or delivered	126,450	119,914	143,448	158,103	140,700	123,678	129,104	-
Drafts in Transit	-	-	-	-	-	-	-	-
Deposits of assets	3,062	3,343	3,042	2,860	2,630	2,531	2,045	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent Assets & Liabilities	1,233	255	255	255	255	255	255	-
Uncollected Accrued Interest from Past Due Loans	242	264	282	319	362	368	391	-
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**	**1,006,331**	**-**
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**	**1,006,331**	**-**

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

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2013 – SEPTEMBER 30, 2013 *(Million Pesos)*	
Net Income	**9,886**
Items charged to results that do not generate or require use of resources	
Depreciation	935
Technical Reserves	7,289
Provisions	(289)
Income taxes and deferred	2,481
Minority Interest	(158)
	10,258
	20,144
Change in items related to operations:	
Change in Margin Accounts	437
Change in Invesment in Securities	(46,024)
Change in repo debtors	5,666
Change in derivatives (assets)	576
Changein Loan Portfolio (net)	(14,843)
Change in purchased receivables (net)	(221)
Change in accounts receivable insurance and bonding institutions (net)	(267)
Change in debtor premiums	(464)
Change in Reinsurance	(1,322)
Change in benefits to receive from securitizations	46
Change in foreclosed assets (net)	408
Change in other operating assets (net)	(14,280)
Change in core deposits	5,814
Change in interbank loans and other entities	(7,279)
Change in repo creditors	34,397
Change in collateral pledged sold	2
Change in derivatives (liability)	(326)
Change in Technical Reserves (net)	1,545
Change in Reinsurance (net) (liability)	(20)
Change in subordinated debt w ith characteristics of liabilities	(1,414)
Change in other operating liabilities	3,186
Change in hedging instruments (the related hedged transaction activities)	(702)
Income Tax Collection (refunds)	0
Income Tax Payments	(4,331)
Net cash generated or used from operations	**(19,272)**
Investment Activities:	
Charges for disposal of property, furniture and equipment	1,912
Payments for acquisition of property, furniture and equipment	(2,490)
Subsidiaries and associated acquisitions charges	1,000
Subsidiaries and associated acquisitions payment	(11,700)
Charges for other investmentes	0
Payments for other investmentes	(1)
Charges for cash dividends	505
Net cash generated or used from investment activities	**(10,774)**
Financing Activities:	
Payments for issued shares	31,210
Payments of cash dividends	(1,278)
Payments associated w ith the repurchase of proprietary shares	464
Net cash flows from financing activities	**30,396**
Net Cash Increase (decrease)	**350**
Cash flow adjustments given exchange rate or inflation variations	**58**
Cash and cash equivalents at beginning of period	**68,480**
Cash and cash equivalents at end of period	**68,888**

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

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

JANUARY 1, 2013 – SEPTEMBER 30, 2013

(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	**Premium from sale of securities**	**Capital Reserves**	**Retained Earnings**	**Valuation Effects of Securities Available for Sale**	**Results from val of instrum Cash flow hedges**	**Results from Conversions**	**Net Income**	**Minority Interest**	**Total Stockholders' Equity**
Balance as of December 31, 2012	**13,072**	**18,320**	**3,399**	**37,644**	**1,598**	**(2,493)**	**(547)**	**10,888**	**6,628**	**88,509**
Changes stemming from stockholders' decisions										
Stock issuance	1,566	29,644								31,210
Creation of reserves for stock repurchase			2,412	(2,412)						
Stock Repurchase	13	153		(38)	336					464
Capitalization of profits				10,888				(10,888)		
Creation of Reserves according to Annual General Meeting of April 27th, 2012										
Dividends declared by the General Assembly of Shareholders on January 22 and paid on:										
- January 31, 2013				(426)						(426)
- April 23, 2013				(426)						(426)
- July 23, 2013				(426)						(426)
Shares exchange agreement		603								603
Total	**1,579**	**30,400**		**7,160**	**336**			**(10,888)**	**0**	**30,999**
Changes stemming from profits										
Net Income								9,886		9,886
Result from valuation of securities available for sale					**(1,085)**					**(1,085)**
Effect of subsidiaries, associates and investment funds		(202)		4			(224)			(422)
Result from valuation instruments of cash flow hedges						**816**				**816**
Regulation changes on the commercial portfolio rating				**(3,872)**						**(3,872)**
Total		**(202)**		**(3,868)**	**(1,085)**	**816**	**(224)**	**9,886**	**0**	**5,323**
Recognition of minority interest									**(2,321)**	**(2,321)**
Balance as of September 30, 2013	**14,651**	**48,518**	**5,811**	**40,936**	**849**	**(1,677)**	**(771)**	**9,886**	**4,307**	**122,510**

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)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	9M13
Interest Income	13,006	12,955	12,921	13,635	13,773	13,982	14,020	-	52,518	41,775
Interest Expense	6,048	5,860	5,590	5,788	5,913	5,528	5,542	-	23,286	16,984
Charged Fees	273	242	275	287	319	504	311	-	1,077	1,134
Fees Paid	49	60	66	108	83	125	86	-	284	293
Net Interest Income (NII)	**7,182**	**7,276**	**7,541**	**8,026**	**8,096**	**8,833**	**8,704**	**-**	**30,025**	**25,632**
Preventive Provisions for Loan Losses	1,186	1,237	1,507	1,904	2,026	3,005	1,957	-	5,833	6,988
Net Interest Income Adjusted for Credit Risk	**5,997**	**6,040**	**6,033**	**6,123**	**6,070**	**5,828**	**6,746**	**-**	**24,192**	**18,644**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	5	-	12	8
Fund Transfers	111	124	123	121	119	128	131	-	479	378
Account Management Fees	300	310	306	325	313	334	348	-	1,240	995
Fiduciary	84	87	82	117	74	96	87	-	369	258
Other Fees	521	408	460	492	584	461	437	-	1,881	1,482
Income from Real Estate Portfolios	359	337	322	290	238	(190)	16	-	1,307	63
Electronic Banking Services	781	807	840	948	885	961	1,011	-	3,377	2,858
For Consumer and Credit Card Loans	375	628	506	522	510	574	592	-	2,030	1,676
Fees Charged on Services	**2,534**	**2,704**	**2,641**	**2,816**	**2,725**	**2,367**	**2,627**	**-**	**10,695**	**7,719**
Fund transfers	11	11	10	11	15	13	10	-	43	39
Other Fees	510	613	690	780	666	684	728	-	2,594	2,078
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**521**	**624**	**700**	**791**	**681**	**697**	**738**	**-**	**2,637**	**2,117**
	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	228	654	187	322	451	(89)	210	-	1,391	571
Securities-Realized Gains	19	301	97	133	464	821	661	-	551	1,946
Securities-Unrealized Gains	374	(78)	217	(41)	395	(118)	(367)	-	472	(91)
Trading Income	**621**	**877**	**501**	**414**	**1,310**	**613**	**503**	**-**	**2,414**	**2,426**
Loan Recoveries	279	325	277	298	265	499	274	-	1,179	1,038
Income from purchased assets	(10)	13	(3)	(23)	(47)	(73)	(55)	-	(23)	(175)
Other Operating Income	191	(101)	(17)	(2)	59	3	26	-	71	88
Other Operating Expense	(16)	(38)	(31)	(70)	(51)	(35)	(48)	-	(156)	(134)
Other Products	115	142	490	403	139	445	284	-	1,151	867
Other Recoveries	173	(9)	94	113	811	(39)	158	-	371	930
Other Operating Expense	(165)	(172)	(518)	(176)	(230)	(274)	(87)	-	(1,031)	(590)
Total Other Operating Income (Expense)	**567**	**159**	**293**	**543**	**947**	**525**	**551**	**-**	**1,562**	**2,024**
Total Non Interest Income	**3,201**	**3,116**	**2,735**	**2,982**	**4,300**	**2,808**	**2,943**	**-**	**12,034**	**10,051**
Total Operating Income	**9,198**	**9,156**	**8,768**	**9,104**	**10,370**	**8,636**	**9,689**	**-**	**36,226**	**28,695**
Personnel	2,606	2,380	2,211	2,751	3,900	2,924	2,813	-	9,948	9,637
Employee Profit Sharing (PTU)	302	303	177	127	83	79	78	-	908	241
Professional Fees	493	607	546	663	529	563	530	-	2,309	1,622
Administrative and Promotional Expenses	1,030	1,307	1,375	442	825	1,025	1,145	-	4,155	2,995
Rents, Depreciation & Amortization	668	704	720	631	731	765	768	-	2,723	2,264
Taxes other than income tax & non deductible expenses	440	319	307	484	392	360	329	-	1,550	1,082
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	474	-	1,610	1,347
Total Non Interest Expense	**5,917**	**6,015**	**5,744**	**5,526**	**6,899**	**6,150**	**6,137**	**-**	**23,203**	**19,187**
Operating Income	**3,280**	**3,141**	**3,024**	**3,578**	**3,471**	**2,486**	**3,552**	**-**	**13,023**	**9,508**
Subsidiaries' Net Income	54	189	144	155	348	472	337	-	542	1,157
Pre-Tax Income	**3,335**	**3,329**	**3,168**	**3,733**	**3,819**	**2,957**	**3,889**	**-**	**13,565**	**10,666**
Income Tax	833	864	414	864	1,070	147	1,056	-	2,975	2,273
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	158	88	229	11	(89)	(237)	(105)	-	485	(431)
Taxes	**991**	**952**	**643**	**875**	**982**	**(90)**	**951**	**-**	**3,460**	**1,842**
Net Income from Continuos Operations	**2,343**	**2,377**	**2,525**	**2,859**	**2,838**	**3,048**	**2,938**	**-**	**10,105**	**8,824**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(0)	34	(0)	0	(0)	(0)	(0)	-	34	(0)
Net Income	**2,343**	**2,412**	**2,525**	**2,859**	**2,838**	**3,048**	**2,938**	**-**	**10,139**	**8,824**

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

Banking Sector - Balance Sheet *(Million Pesos)*	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**1Q13**	**2Q13**	**3Q13**	**4Q13**
ASSETS								
Cash and Due from Banks	**61,461**	**61,800**	**61,361**	**68,940**	**59,583**	**54,921**	**68,824**	**-**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**	**59**	**-**
Negotiable Instruments	72,361	65,797	69,310	52,929	139,529	131,459	134,333	-
Securities Available for Sale	60,395	60,214	74,366	90,919	77,562	75,331	74,693	-
Securities Held to Maturity	90,717	79,619	66,729	49,358	47,080	40,340	36,135	-
Investment in Securities	**223,473**	**205,631**	**210,405**	**193,206**	**264,170**	**247,130**	**245,161**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**6,926**	**336**	**8,757**	**5,205**	**5,072**	**62**	**29**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139	17,675	-
For hedging purposes	342	362	308	27	125	31	37	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,170**	**17,712**	**-**
Operations w/Derivatives & Securities	**22,291**	**20,990**	**28,940**	**23,471**	**25,978**	**16,232**	**17,741**	**-**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**	**162**	**-**
Commercial Loans	155,708	160,652	166,744	168,034	165,639	170,052	167,683	-
Financial Intermediaries´ Loans	14,986	13,360	14,188	15,986	16,176	17,329	16,888	-
Consumer Loans	35,267	40,824	43,878	45,975	48,259	51,788	55,330	-
Mortgage Loans	65,622	67,550	69,572	72,257	74,007	77,323	79,396	-
Government Entities´ Loans	72,473	80,357	80,476	86,378	87,583	88,824	88,244	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**344,055**	**362,744**	**374,858**	**388,629**	**391,664**	**405,317**	**407,542**	**-**
Commercial PDL´s	4,048	4,032	4,301	5,000	4,776	5,833	10,396	-
Financial Intermediaries PDL´s	1	0	1	0	-	0	24	-
Consumer PDL´s	1,225	1,512	1,383	1,473	1,649	1,896	2,003	-
Mortgage PDL´s	849	754	802	808	817	973	1,064	-
Government Entities PDL´s	-	-	0	-	-	-	-	-
Past Due Loans	**6,124**	**6,298**	**6,487**	**7,281**	**7,242**	**8,701**	**13,487**	**-**
Gross Loan Portfolio	**350,180**	**369,042**	**381,345**	**395,910**	**398,906**	**414,019**	**421,028**	**-**
Preventive Loan Loss Reserves	9,304	9,764	9,963	10,557	10,656	13,659	14,049	-
Net Loan Portfolio	**340,876**	**359,278**	**371,382**	**385,354**	**388,250**	**400,360**	**406,979**	**-**
Acquired Collection Rights	2,023	2,093	1,929	2,892	2,752	2,039	1,948	-
Total Credit Portfolio	**342,899**	**361,370**	**373,310**	**388,245**	**391,002**	**402,400**	**408,927**	**-**
Benef.receivab.securization transactions	700	647	927	870	782	795	836	-
Sundry Debtors & Other Accs Rec, Net	23,905	39,078	29,658	22,223	23,143	23,032	21,450	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	1,814	2,368	2,579	2,557	2,340	2,423	2,395	-
Real Estate, Furniture & Equipment, Net	8,791	8,910	8,898	8,986	8,829	8,947	9,014	-
Investment in Subsidiaries	2,823	1,789	4,414	5,099	13,374	13,156	13,483	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	210	228	-	-	-	566	722	-
Goodwill and Intangibles	7,433	8,239	5,658	7,670	7,607	7,802	8,337	-
Other Assets Short and Long Term	3,520	3,695	3,934	4,304	4,047	3,518	3,569	-
Other Assets	-	-	-	-	-	-	-	-
	49,197	64,956	56,068	51,708	60,123	60,239	59,806	-
TOTAL ASSETS	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**	**800,679**	**-**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	185,511	191,257	196,489	211,454	204,794	217,510	236,198	-
Time Deposits-Retail	175,832	177,020	178,806	188,249	182,523	189,206	186,033	-
Time Deposits-Money Market	7,352	22,067	15,888	21,900	23,809	13,465	14,485	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	3,877	4,102	3,895	3,967	3,741	3,985	3,987	-
Deposits	**372,572**	**394,446**	**395,079**	**425,569**	**414,867**	**424,166**	**440,703**	**-**
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0	2,562	-
Short Term Loans	22,717	11,773	21,887	18,272	19,326	9,099	9,138	-
Long Term Loans	3,539	3,373	3,759	4,360	3,258	3,451	3,183	-
Due to Banks & Correspondents	**30,571**	**20,695**	**27,923**	**22,927**	**24,044**	**12,550**	**14,884**	**-**
Non-assigned Securities for Settlement	1,281	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	181,230	158,160	163,704	144,519	219,502	206,038	203,980	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	19	15	111	36	49	36	33	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**19**	**15**	**111**	**36**	**49**	**36**	**33**	**-**
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427	17,451	-
For hedging purposes	4,174	5,098	4,610	4,461	4,246	3,625	3,769	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,173**	**19,051**	**21,220**	**-**
Total Operations w/ Derivatives & Securities	**201,529**	**183,729**	**187,818**	**166,794**	**243,723**	**225,125**	**225,233**	**-**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0	0	-
Income Tax Payable	902	1,349	1,226	1,117	1,416	108	397	-
Profit Sharing Payable	291	509	571	711	335	409	486	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	6,798	21,018	21,222	7,987	5,362	12,925	11,937	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	12,147	11,805	12,303	12,270	11,194	11,108	11,494	-
Other Payable Accounts	**20,137**	**34,682**	**35,322**	**22,085**	**18,307**	**24,550**	**24,314**	**-**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510	18,046	-
Deferred Taxes, Net	-	-	140	596	372	-	-	-
Deferred Credits	1,718	2,793	2,917	2,700	2,634	2,523	2,562	-
TOTAL LIABILITIES	**642,466**	**655,693**	**668,407**	**660,126**	**723,205**	**708,425**	**725,742**	**-**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Paid-in Capital	14,727	14,727	14,727	14,727	15,067	15,577	15,577	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	3,294	3,294	3,294	3,294	13,154	10,389	10,389	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**18,021**	**18,021**	**18,021**	**18,021**	**28,221**	**25,966**	**25,966**	**-**
Capital Reserves	5,990	6,703	6,703	6,703	6,703	7,761	7,761	-
Retained Earnings	33,599	32,883	32,870	32,676	42,824	35,004	34,285	-
Surplus (Deficit) of Secs Available for Sale	425	599	850	1,774	1,656	677	722	-
Results from Valuation of Hedging Secs	(2,454)	(2,980)	(2,903)	(2,626)	(3,136)	(1,688)	(1,805)	-
Results from Conversions	(670)	(376)	(525)	(582)	(958)	(848)	(824)	-
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Resultos of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,343	4,755	7,280	10,139	2,838	5,886	8,824	-
Earned Capital	**39,234**	**41,586**	**44,275**	**48,084**	**49,927**	**46,792**	**48,962**	**-**
Minority Interest	10	10	10	10	10	10	10	-
Total Equity	**57,265**	**59,617**	**62,307**	**66,115**	**78,158**	**72,768**	**74,937**	**-**
TOTAL LIABILITIES & EQUITY	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**	**800,679**	**-**

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

Banking Sector - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Investment banking transactions for third parties, net	63,075	75,181	74,393	58,699	67,162	71,223	93,475	-
TOTAL ON BEHALF OF THIRD PARTIES	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**	**93,475**	**-**
Proprietary Transactions								
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Loan Obligations	29,865	34,173	36,840	38,209	39,566	35,435	34,588	-
Trusts	255,618	283,800	307,057	339,944	346,354	318,844	264,235	-
Mandates	2,788	2,102	2,068	2,171	2,140	1,713	10,806	-
Properties in Trusts and Warrant	258,405	285,903	309,124	342,116	348,494	320,557	275,042	-
Properties in Custody or Administration	314,697	280,207	284,304	302,961	316,204	325,241	357,893	-
Collateral Received	104,582	92,225	116,650	99,340	74,654	74,953	68,298	-
Collateral Received or sold	36,677	30,391	50,170	55,121	30,208	33,881	25,764	-
Drafts in Transit	-	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	255	255	255	255	255	255	255	-
Uncollected Accrued Interest from Past Due Loans	151	168	165	178	191	325	348	-
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**	**762,189**	**-**
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**	**762,189**	**-**

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

BANORTE USA

Income Statement-Banorte USA *MEX GAAP (Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	9M13
Interest Income	221	224	208	198	178	176	177	-	851	531
Interest Expense	58	55	51	47	42	39	34	-	211	115
Charged Fees	4	4	4	6	4	6	6	-	19	16
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income (NII)	**168**	**174**	**161**	**158**	**141**	**142**	**149**	**-**	**660**	**432**
Preventive Provisions for Loan Losses	23	52	5	6	15	2	8	-	85	25
Net Interest Income Adjusted for Credit Risk	**145**	**122**	**156**	**152**	**126**	**140**	**141**	**-**	**574**	**407**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	5	-	12	8
Fund Transfers	46	50	49	47	47	56	59	-	192	162
Account Management Fees	20	20	21	19	16	15	17	-	81	48
Fiduciary	-	-	-	-	-	-	-	-	-	-
Other Fees	4	4	3	2	4	4	3	-	13	10
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	5	6	5	5	5	5	6	-	22	16
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-	-
Fees Charged on Services	**79**	**83**	**81**	**76**	**74**	**82**	**88**	**-**	**320**	**245**
Fund transfers	1	1	1	1	1	1	1	-	5	3
Other Fees	26	28	27	26	26	27	26	-	107	79
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**28**	**29**	**28**	**27**	**27**	**29**	**26**	**-**	**112**	**82**
Foreign Exchange	14	15	14	13	13	17	15	-	56	45
Securities-Realized Gains	7	50	(2)	10	34	11	5	-	65	50
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-	-
Trading Income	**21**	**66**	**11**	**23**	**47**	**28**	**20**	**-**	**121**	**95**
Loan Recoveries	4	2	4	3	11	4	5	-	12	20
Income from purchased assets	1	(19)	(5)	(10)	3	(9)	(5)	-	(32)	(11)
Other Operating Income	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	-	-	-	-	-	0	0	-	-	1
Other Products	13	18	19	25	19	21	21	-	75	61
Other Recoveries	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	(1)	(0)	(3)	(10)	(1)	(1)	(1)	-	(14)	(3)
Total Non Interest Income	**89**	**121**	**80**	**81**	**127**	**97**	**102**	**-**	**371**	**326**
Total Operating Income	**234**	**243**	**235**	**233**	**252**	**237**	**244**	**-**	**945**	**733**
Personnel	77	88	82	77	87	77	82	-	323	245
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-	-
Professional Fees	22	24	29	27	24	23	24	-	102	71
Administrative and Promotional Expenses	52	53	48	51	49	47	52	-	203	148
Rents, Depreciation & Amortization	20	21	21	20	20	19	19	-	82	58
Taxes other than income tax & non deductible expenses	4	5	5	4	5	4	4	-	18	13
Contributions to IPAB/Fobaproa	9	8	9	9	9	9	4	-	36	22
Total Non Interest Expense	**183**	**199**	**194**	**188**	**193**	**179**	**185**	**-**	**764**	**557**
Operating Income	**51**	**45**	**41**	**45**	**59**	**58**	**59**	**-**	**181**	**176**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**51**	**45**	**41**	**45**	**59**	**58**	**59**	**-**	**181**	**176**
Income Tax	17	15	13	13	19	20	19	-	58	57
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
Taxes	**(17)**	**(15)**	**(13)**	**(13)**	**(19)**	**(20)**	**(19)**	**-**	**(58)**	**(57)**
Net Income from Continuos Operations	**34**	**30**	**28**	**32**	**41**	**39**	**40**	**-**	**124**	**119**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-
Net Income	**34**	**30**	**28**	**32**	**41**	**39**	**40**	**-**	**124**	**119**

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

Banorte USA-Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**2,613**	**2,956**	**1,672**	**894**	**2,202**	**2,678**	**2,094**	**-**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities Available for Sale	10,949	10,802	12,691	13,094	11,326	9,929	8,747	-
Securities Held to Maturity	11	12	11	-	-	-	-	-
Investment in Securities	**10,960**	**10,814**	**12,703**	**13,094**	**11,326**	**9,929**	**8,747**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	-	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-	-
Operations w/Derivatives & Securities"	-	-	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	7,265	7,607	7,341	7,308	7,031	7,764	7,697	-
Financial Intermediaries´Loans	-	-	-	-	-	-	-	-
Consumer Loans	205	199	186	178	163	172	154	-
Mortgage Loans	1,965	1,866	1,709	1,642	1,508	1,506	1,482	-
Government Entities´Loans	-	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**9,435**	**9,672**	**9,236**	**9,128**	**8,702**	**9,442**	**9,333**	**-**
Commercial PDL´s	175	64	95	66	7	23	4	-
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	-
Consumer PDL´s	-	0	0	0	-	0	0	-
Mortgage PDL´s	128	30	40	34	34	33	49	-
Government Entities PDL´s	-	-	-	-	-	-	-	-
Past Due Loans	**303**	**94**	**135**	**100**	**41**	**56**	**53**	**-**
Gross Loan Portfolio	**9,738**	**9,766**	**9,372**	**9,228**	**8,744**	**9,498**	**9,386**	**-**
Preventive Loan Loss Reserves	143	67	65	64	69	73	77	-
Net Loan Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**	**9,308**	**-**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-	-	-
Total Credit Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**	**9,308**	**-**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	661	699	679	689	661	702	716	-
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	455	461	430	403	317	290	246	-
Real Estate, Furniture & Equipment, Net	594	617	583	592	560	582	586	-
Investment in Subsidiaries	148	155	149	150	143	142	144	-
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	48	37	11	55	70	155	207	-
Goodwill and Intangibles	3,172	3,328	3,175	3,188	3,028	3,141	3,173	-
Other Assets Short and Long Term	196	186	239	265	201	168	202	-
Other Assets	-	-	-	-	-	-	-	-
	5,275	5,483	5,266	5,340	4,979	5,181	5,275	-
TOTAL ASSETS	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**	**25,425**	**-**

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

Banorte USA-Balance Sheet (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	10,788	10,684	11,482	11,791	11,761	11,461	10,697	-
Time Deposits-Retail	11,401	11,590	10,805	10,155	9,135	9,251	8,171	-
Time Deposits-Money Market	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-	-
Deposits	**22,189**	**22,273**	**22,287**	**21,946**	**20,896**	**20,712**	**18,867**	**-**
Immediate Redemption Loans	-	-	-	-	-	-	-	-
Short Term Loans	89	101	101	96	95	112	114	-
Long Term Loans	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	**89**	**101**	**101**	**96**	**95**	**112**	**114**	**-**
Technical Reserves	-	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	4	6	5	5	1	2	2	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	-	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Operations w/ Derivatives & Securities	**4**	**6**	**5**	**5**	**1**	**2**	**2**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	-	-	-	-
Income Tax Payable	-	28	40	41	43	30	21	-
Profit Sharing Payable	-	-	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	239	286	385	300	387	432	431	-
Other Payable Accounts	**239**	**314**	**425**	**341**	**430**	**462**	**452**	**-**
Subordinated Non Convertible Debt	264	276	265	267	255	269	272	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	12	11	14	14	15	19	18	-
TOTAL LIABILITIES	**22,797**	**22,981**	**23,098**	**22,670**	**21,692**	**21,575**	**19,724**	**-**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Paid-in Capital	4,668	4,668	4,668	4,668	4,668	4,690	4,690	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,690**	**4,690**	**-**
Capital Reserves	-	-	-	-	-	-	-	-
Retained Earnings	478	478	478	478	601	586	586	-
Surplus (Deficit) of Secs Available for Sale	224	255	333	245	144	(20)	(44)	-
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Results from Conversions	242	506	278	309	34	301	350	-
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	34	64	92	124	41	80	119	-
Earned Capital	**978**	**1,302**	**1,181**	**1,155**	**821**	**948**	**1,011**	**-**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**5,646**	**5,970**	**5,849**	**5,823**	**5,489**	**5,637**	**5,701**	**-**
TOTAL LIABILITIES & EQUITY	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**	**25,425**	**-**

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

Banorte USA - Memorandum Accounts (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Investment banking transactions for third parties, net	-	-	-	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Proprietary Transactions								
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Loan Obligations	12	14	14	12	11	5	6	-
Trusts	-	-	-	-	-	-	-	-
Mandates	-	-	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-	-	-	-
Collateral Received	-	-	-	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-	-	-	-
Drafts in Transit	-	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	-	-	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due Loans	-	-	-	-	-	-	-	-
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**12**	**14**	**14**	**12**	**11**	**5**	**6**	**-**
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
TOTAL PROPRIETARY	**12**	**14**	**14**	**12**	**11**	**5**	**6**	**-**

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 September '13
(Million Pesos)

	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	483	42,909	1,711	2	344	1,504	6,958
Premium Income (Net)	-	-	-	-	7,213	7,128	-
Interest Expense	226	17,277	1,112	1	11	-	6,780
Net Increase in Technical Reserves	-	-	-	-	143	7,146	-
Damages, Claims and Other Obligations	-	-	-	-	5,162	1,905	-
Net Interest Income (NII)	**258**	**25,632**	**599**	**1**	**2,240**	**(419)**	**177**
Preventive Provisions for Loan Losses	-	6,988	91	-	-	-	-
Net Interest Income Adjusted for Credit Risk	**258**	**18,644**	**508**	**1**	**2,240**	**(419)**	**177**
Loan Origination Fees	-	7,719	47	65	-	-	956
Fees Paid	0	2,117	65	0	1,096	-	63
Trading Income	(29)	2,426	-	1	12	768	388
Other Operating Income (Expenses)	-	2,024	89	9	525	4	(84)
Non Interest Income	**(29)**	**10,051**	**71**	**74**	**(559)**	**772**	**1,197**
Total Operating Income	**229**	**28,695**	**579**	**75**	**1,682**	**354**	**1,374**
Administrative and Promotional Expenses	101	19,187	121	21	596	195	782
Operating Income	**127**	**9,508**	**458**	**54**	**1,086**	**159**	**592**
Subsidiaries' Net Income	9,967	1,157	-	-	0	3	0
Pre-Tax Income	10,095	10,666	458	54	1,086	162	592
Income Tax	-	2,273	13	15	285	0	164
Deferred Income Tax	(0)	(431)	4	(2)	39	49	(0)
Net Income from Continuos Operations	**10,095**	**8,824**	**441**	**40**	**762**	**113**	**428**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	(0)	(1)	(0)	(3)	-	-
Net Income	**10,095**	**8,824**	**440**	**40**	**759**	**113**	**428**

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

	Operadora de Fondos Banorte Ixe	IXE Servicios	Solida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	0	1	17	53,929	1,954	14	51,989
Premium Income (Net)	-	-	-	14,341	460	-	13,881
Interest Expense	-	-	366	25,773	-	1,761	24,012
Net Increase in Technical Reserves	-	-	-	7,289	-	-	7,289
Damages, Claims and Other Obligations	-	-	-	7,067	-	10	7,057
Net Interest Income (NII)	**0**	**1**	**(349)**	**28,141**	**-**	**-**	**27,512**
Preventive Provisions for Loan Losses	-	-	29	7,108	-	-	7,108
Net Interest Income Adjusted for Credit Risk	**0**	**1**	**(378)**	**21,032**	**-**	**-**	**20,403**
Loan Origination Fees	716	18	657	10,177	1,273	-	8,904
Fees Paid	605	0	0	3,946	-	1,157	2,789
Trading Income	1	-	(4)	3,563	(0)	3	3,566
Other Operating Income (Expenses)	1	0	304	2,871	39	28	2,860
Non Interest Income	**112**	**18**	**956**	**12,664**	**1,312**	**(1,126)**	**12,540**
Total Operating Income	**113**	**19**	**578**	**33,696**	**1,312**	**(1,126)**	**32,943**
Administrative and Promotional Expenses	24	18	165	21,209	800	1,274	20,735
Operating Income	**89**	**1**	**413**	**12,487**	**-**	**-**	**12,208**
Subsidiaries' Net Income	3	-	(53)	11,078	10,223	-	855
Pre-Tax Income	92	1	360	23,565	-	-	13,063
Income Tax	24	0	122	2,897	-	-	2,897
Deferred Income Tax	1	-	(5)	(346)	6	76	(416)
Net Income from Continuos Operations	**67**	**1**	**244**	**21,014**	**-**	**-**	**10,583**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	(4)	693	-	(697)
Net Income	**67**	**1**	**244**	**21,010**	**15,440**	**4,223**	**9,886**

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 September '13 (Million Pesos) ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	**10,816**	**68,824**	**39**	**16**	**55**	**1**	**696**
Margin Accounts	**-**	**59**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**-**	**245,161**	**-**	**65**	**9,579**	**49,589**	**87,015**
Negotiable Instruments	-	134,333	-	19	2,764	315	42,919
Securities Available for Sale	-	74,693	-	46	-	30	42,200
Securities Held to Maturity	-	36,135	-	-	6,815	49,243	1,896
Debtor Balance in Repo Trans, net	**11,500**	**29**	**-**	**-**	**0**	**0**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For trading purposes	**-**	**17,675**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For hedging purposes	**-**	**37**	**-**	**-**	**-**	**-**	**-**
Gross Loan Portfolio	**-**	**408,927**	**17,602**	**-**	**-**	**-**	**-**
Net Loan Portfolio	**-**	**406,979**	**17,602**	**-**	**-**	**-**	**-**
Performing Loans	**-**	**407,542**	**17,691**	**-**	**-**	**-**	**-**
Commercial Loans	-	167,683	15,079	-	-	-	-
Financial Intermediaries´ Loans	-	16,888	319	-	-	-	-
Government Entities´ Loans	-	88,244	2,288	-	-	-	-
Consumer Loans	-	55,330	4	-	-	-	-
Mortgage Loans	-	79,396	-	-	-	-	-
Past Due Loans	**-**	**13,487**	**248**	**-**	**-**	**-**	**-**
Commercial PDL´s	-	10,396	231	-	-	-	-
Financial Intermediaries PDL´s	-	24	3	-	-	-	-
Government Entities PDL´s	-	-	14	-	-	-	-
Consumer PDL´s	-	2,003	0	-	-	-	-
Mortgage PDL´s	-	1,064	-	-	-	-	-
Preventive Loan Loss Reserves	**-**	**14,049**	**338**	**-**	**-**	**-**	**-**
Acquired Collection Rights	**-**	**1,948**	**-**	**-**	**-**	**-**	**-**
Account Receivables from Insurance and Annuities	**-**	**-**	**-**	**-**	**535**	**617**	**-**
Premium Debtors (Net)	**-**	**-**	**-**	**-**	**3,530**	**71**	**-**
Account Receivables from Reinsurance	**-**	**-**	**-**	**-**	**4,037**	**-**	**-**
Benef.receivab.securization transactions	**-**	**836**	**-**	**-**	**-**	**-**	**-**
Sundry Debtors & Other Accs Rec, Net	**34**	**21,450**	**384**	**73**	**-**	**-**	**901**
Inventories	**-**	**-**	**-**	**568**	**-**	**-**	**-**
Foreclosed Assets, Net	**-**	**2,395**	**-**	**-**	**-**	**-**	**-**
Real Estate, Furniture & Equipment, Net	**-**	**9,014**	**2,085**	**73**	**250**	**2**	**59**
Investment in Subsidiaries	**82,911**	**13,483**	**-**	**-**	**1**	**24**	**11**
Deferred Taxes, Net	**3**	**722**	**24**	**-**	**65**	**-**	**-**
Total other Assets	**10,955**	**11,905**	**308**	**12**	**480**	**3**	**370**
Goodwill	9,704	4,122	-	-	-	1	-
Intangible	1,251	4,214	308	4	-	-	64
Other Assets	-	3,569	-	9	480	2	306
TOTAL ASSETS	**116,219**	**800,679**	**20,442**	**807**	**18,533**	**50,307**	**89,052**

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 September '13

(Million Pesos)

ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Cash and Due from Banks	**3**	**22**	**504**	**80,975**	**27**	**12,114**	**68,888**
Margin Accounts	**-**	**-**	**-**	**59**	**-**	**-**	**59**
Investment in Securities	**55**	**-**	**-**	**391,464**	**169**	**520**	**391,112**
Negotiable Instruments	55	-	-	180,406	-	-	180,406
Securities Available for Sale	-	-	-	116,968	-	283	116,685
Securities Held to Maturity	-	-	-	94,089	169	237	94,021
Debtor Balance in Repo Trans, net	**-**	**-**	**-**	**11,529**	**-**	**11,500**	**29**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For trading purposes	**-**	**-**	**-**	**17,675**	**-**	**-**	**17,675**
Transactions with Derivatives For hedging purposes	**-**	**-**	**-**	**37**	**-**	**-**	**37**
Gross Loan Portfolio	**-**	**-**	**1,656**	**428,184**	**1,266**	**12,967**	**416,483**
Net Loan Portfolio	**-**	**-**	**274**	**424,854**	**888**	**12,589**	**413,153**
Performing Loans	**-**	**-**	**334**	**425,567**	**857**	**12,485**	**413,939**
Commercial Loans	-	-	334	183,097	759	513	183,344
Financial Intermediaries´ Loans	-	-	-	17,207	-	11,939	5,268
Government Entities´ Loans	-	-	-	90,533	3	11	90,524
Consumer Loans	-	-	-	55,334	68	20	55,382
Mortgage Loans	-	-	-	79,396	27	3	79,421
Past Due Loans	**-**	**-**	**203**	**13,938**	**31**	**103**	**13,865**
Commercial PDL´s	-	-	203	10,830	22	39	10,813
Financial Intermediaries PDL´s	-	-	-	27	-	-	27
Government Entities PDL´s	-	-	-	14	1	-	15
Consumer PDL´s	-	-	-	2,003	3	9	1,997
Mortgage PDL´s	-	-	-	1,064	5	56	1,013
Preventive Loan Loss Reserves	**-**	**-**	**263**	**14,651**	**-**	**-**	**14,651**
Acquired Collection Rights	**-**	**-**	**1,382**	**3,330**	**379**	**379**	**3,330**
Account Receivables from Insurance and Annuities	**-**	**-**	**-**	**1,151**	**-**	**-**	**1,151**
Premium Debtors (Net)	**-**	**-**	**-**	**3,601**	**-**	**-**	**3,601**
Account Receivables from Reinsurance	**-**	**-**	**-**	**4,037**	**-**	**-**	**4,037**
Benef.receivab.securization transactions	**-**	**-**	**-**	**836**	**-**	**-**	**836**
Sundry Debtors & Other Accs Rec, Net	**105**	**5**	**9,603**	**32,554**	**61**	**435**	**32,180**
Inventories	**-**	**-**	**-**	**568**	**-**	**-**	**568**
Foreclosed Assets, Net	**-**	**-**	**136**	**2,532**	**201**	**201**	**2,532**
Real Estate, Furniture & Equipment, Net	**0**	**1**	**7**	**11,493**	**212**	**67**	**11,638**
Investment in Subsidiaries	**126**	**-**	**390**	**96,946**	**767**	**83,800**	**13,913**
Deferred Taxes, Net	**-**	**2**	**-**	**816**	**217**	**865**	**168**
Total other Assets	**3**	**4**	**720**	**24,761**	**2,696**	**1,355**	**26,102**
Goodwill	-	-	-	13,827	2,693	1,117	15,404
Intangible	1	4	720	6,566	-	235	6,331
Other Assets	2	-	-	4,367	3	3	4,367
TOTAL ASSETS	**292**	**34**	**13,015**	**1,109,379**	**5,617**	**123,825**	**991,171**

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 September '13

(Million Pesos)

LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Deposits	-	440,703	1,777	-	-	-	-
Demand Deposits	-	236,198	-	-	-	-	-
Time Deposits	-	200,518	-	-	-	-	-
Time Deposits-Retail	-	186,033	-	-	-	-	-
Time Deposits-Money Market	-	14,485	-	-	-	-	-
Senior Unsecured Debt	-	3,987	1,777	-	-	-	-
Due to Banks & Correspondents	-	14,884	14,895	528	-	-	-
Immediate Redemption Loans	-	2,562	-	-	-	-	-
Short Term Loans	-	9,138	10,627	528	-	-	-
Long Term Loans	-	3,183	4,268	-	-	-	-
Technical Reserves	-	-	-	-	11,813	48,743	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	203,980	-	-	-	-	85,947
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	33	-	-	-	-	6
Transactions with Derivatives for trading purposes	-	17,451	-	-	-	-	-
Transactions with Derivatives for hedging purposes	-	3,769	-	-	-	-	-
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	-	785	-	-
Other Payable Accounts	0	24,314	555	10	2,420	82	908
Income Tax Payable	-	397	-	1	307	-	3
Profit Sharing Payable	-	486	-	-	-	-	9
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	11,937	-	-	-	-	617
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	0	11,494	555	9	2,114	82	280
Subordinated Non Convertible Debt	-	18,046	-	-	-	-	-
Deferred Taxes, Net	-	0	-	1	-	197	11
Deferred Credits	-	2,562	180	-	-	-	-
TOTAL LIABILITIES	0	725,742	17,408	539	15,019	49,022	86,872
EQUITY							
Subscribed Capital	63,219	25,966	526	87	709	325	1,429
Paid-in Capital	14,664	15,577	526	87	709	325	1,354
Share Subscription Premiums	48,556	10,389	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	52,999	48,962	2,505	181	2,781	960	751
Capital Reserves	5,811	7,761	367	35	468	131	54
Retained Earnings	38,713	34,285	1,697	104	1,508	718	31
Surplus (Deficit) of Secs Available for Sale	828	722	-	3	46	(2)	209
Results from Valuation of Hedging Secs	(1,677)	(1,805)	-	-	-	-	-
Results from Conversions	(771)	(824)	-	-	-	-	29
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	10,095	8,824	440	40	759	113	428
Capital Mayoritario	116,219	74,928	3,031	269	3,490	1,285	2,180
Minority Interest	-	10	4	0	24	-	-
Total Equity	116,219	74,937	3,034	269	3,514	1,285	2,180
TOTAL LIABILITIES & EQUITY	116,219	800,679	20,442	807	18,533	50,307	89,052

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 September '13

(Million Pesos)

LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Deposits	**-**	**-**	**-**	**442,480**	**12,114**	**-**	**430,366**
Demand Deposits	**-**	**-**	**-**	**236,198**	**10,486**	**-**	**225,712**
Time Deposits	**-**	**-**	**-**	**200,518**	**1,628**	**-**	**198,889**
Time Deposits-Retail	-	-	-	186,033	1,628	-	184,405
Time Deposits-Money Market	-	-	-	14,485	-	-	14,485
Senior Unsecured Debt	**-**	**-**	**-**	**5,764**	**-**	**-**	**5,764**
Due to Banks & Correspondents	**-**	**-**	**10,243**	**40,550**	**11,947**	**8**	**28,611**
Immediate Redemption Loans	-	-	-	2,562	-	-	2,562
Short Term Loans	-	-	10,243	30,536	11,939	-	18,597
Long Term Loans	-	-	-	7,451	8	8	7,451
Technical Reserves	**-**	**-**	**-**	**60,556**	**-**	**-**	**60,556**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**-**	**-**	**289,927**	**11,500**	**-**	**278,427**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**-**	**-**	**39**	**-**	**-**	**39**
Transactions with Derivatives for trading purposes	**-**	**-**	**-**	**17,451**	**-**	**-**	**17,451**
Transactions with Derivatives for hedging purposes	**-**	**-**	**-**	**3,769**	**-**	**-**	**3,769**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**785**	**-**	**-**	**785**
Other Payable Accounts	**102**	**10**	**174**	**28,577**	**507**	**32**	**28,102**
Income Tax Payable	6	0	138	852	-	-	852
Profit Sharing Payable	-	1	-	495	-	-	495
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	12,554	132	-	12,422
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	96	9	36	14,676	375	32	14,333
Subordinated Non Convertible Debt	-	-	-	18,046	-	-	18,046
Deferred Taxes, Net	0	-	19	228	865	638	-
Deferred Credits	-	-	2	2,745	235	-	2,509
TOTAL LIABILITIES	102	10	10,438	905,152	37,169	678	868,661
EQUITY							
Subscribed Capital	112	24	1,127	93,526	30,677	321	63,169
Paid-in Capital	112	24	1,127	34,506	19,855	-	14,651
Share Subscription Premiums	-	-	-	59,019	10,822	321	48,518
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	78	(1)	1,449	110,665	58,727	3,096	55,034
Capital Reserves	6	2	117	14,753	8,942	-	5,811
Retained Earnings	5	(4)	1,088	78,144	40,197	2,989	40,936
Surplus (Deficit) of Secs Available for Sale	-	-	-	1,806	957	-	849
Results from Valuation of Hedging Secs	-	-	-	(3,483)	(1,805)	-	(1,677)
Results from Conversions	-	-	-	(1,565)	(795)	-	(771)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	67	1	244	21,010	11,231	107	9,886
Capital Mayoritario	190	23	2,576	204,190	89,404	3,417	118,203
Minority Interest	0	-	-	37	24	4,294	4,307
Total Equity	**190**	**23**	**2,576**	**204,228**	**89,428**	**7,711**	**122,511**
TOTAL LIABILITIES & EQUITY	**292**	**34**	**13,015**	**1,109,379**	**126,597**	**8,389**	**991,171**

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

ACCOUNTING CHANGES AND REGULATIONS

- **Special accounting treatment to the support program granted by Banco Mercantil del Norte, S.A. derived from the floods caused by "Ingrid" and "Manuel" hurricanes.**

Given the negative economic impact of the floods caused by "Ingrid" and "Manuel" hurricanes, the Institution has determined to support the economic recovery in the affected regions that comprise municipalities declared as disaster zones by the Secretary of State in the Diario Oficial de la Federación, through the implementation of various support programs for borrowers according the following:

Mortgage, car, payroll loans and creadiactivo (SMEs) support, which consist in:

Mortgage loan: Facilities to cover up to 3 payments of the mortgage loan with a personal loans which may be granted up to the amount of 3 monthly payments and with terms of 36 and 48 months, according to the client's choice, at the same rate that the mortgage loan and disregarding opening fees.

Car loans: Deferral of up to 3 monthly payments, which will be added at the end of the loan, therefore the term is extended 7 additional months from the original term.

Payroll loans: Deferral of up to 3 monthly payments, which will be added at the end of the loan, therefore the term is extended 7 additional months from the original term.

Crediactivo: Clients may defer 3 moths the payment though an agreement formalization, deferred monthly payments will be added at the end of the loan not affecting the original term of the loan, therefore in the last 3 monthly payments the client will double the normal amount.

Through the communication No. P065/2013, the National Banking and Securities Commission, issued an special accounting criteria applicable to the Institution from September 13th, 2013 to January 14th, 2014, through which the Commission authorized that performing loans as of September 13th, 2013, with deferred principal and interest payments according to the Plan, will not be considered restructured loans accordingly to paragraph 26 of the B-6 "Credit Portfolio" criteria and will be consider as performing loans during the agreed period of the Plan. Therefore, these credits are considered as performing loans for the Preventive Loan Loss Reserve calculation.

As of September 30th, 2013 the Institution has not granted yet the formerly mentioned supports, and therefore has not applied the authorized special accounting criteria.

- **Special accounting treatment to the support program granted by Banorte Ixe Tarjetas, S.A. de C.V., SOFOM derived from the floods caused by "Ingrid" and "Manuel" hurricanes**

Given the negative economic impact of the floods caused by "Ingrid" and "Manuel" hurricanes, the Institution has determined to support the economic recovery in the affected regions that comprise municipalities declared as disaster zones by the Secretary of State in the Diario Oficial de la Federación, through the implementation of various support programs for borrowers according the following:

Credit Cards: The minimum required payment will not be required up to 3 months, only regular interests will be charged and there will not be penalties during this period.

Through the communication No. P066/2013, the National Banking and Securities Commission, issued an special accounting criteria applicable to the Institution from September 13th, 2013 to January 14th, 2014, through which the Commission authorized that for the loans being restructured or renewed during the next natural 120 days following the disaster, will not be consider as past due in terms of paragraph 83 of accounting criteria, this term cannot exceed 3 months after the loan was registered as past due.

As of September 30th, the Institution has not granted yet the formerly mentioned supports, and therefore has not applied the authorized special accounting criteria.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On June 30th, 2010, the Ministry of Finance and Public Credit (SHCP) on behalf of the Federal Government agreed (the Agreement) to the early termination of mortgage debtor support programs (end point and UDIS trusts) with banks. Consequently, as of January 1st, 2011, the Holding Company absorbed the corresponding part of the discount offered in advance to mortgage debtors that participated in the program.

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

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

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

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

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

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

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

During 2012 and 2013 results recognized $9 million and $8 million, respectively, in relation to end point and GFNorte support (asset recovery area exit model) corresponding to loans that were not part of the program.

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

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

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

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

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

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

	Local Currency			Foreign Currency (USD)			Total		
(Million of Nominal Pesos)	aug-02	jun-13	sep-13	aug-02	jun-13	sep-13	aug-02	jun-13	sep-13
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	9	8	0	0	0	54	9	8
Total	**59**	**9**	**8**	**5**	**0**	**0**	**64**	**9**	**8**
Non Performing Loans									
Commercial	405	300	300	293	109	111	698	409	411
Consumer	81	72	72	0	0	0	81	72	72
Mortgage	1,112	268	260	0	0	0	1,112	268	260
Total	**1,598**	**640**	**632**	**293**	**109**	**111**	**1,891**	**749**	**743**
TOTAL LOANS	**1,657**	**649**	**640**	**298**	**109**	**111**	**1,955**	**758**	**751**
Loan Loss Reserves (1)									
Commercial	326	300	300	246	109	111	572	409	411
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	273	263	0	0	0	669	273	263
Total	**1,072**	**645**	**635**	**246**	**109**	**111**	**1,318**	**754**	**746**

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

(*)There was a Reserve deficit of Ps 33 million as of September 2013.

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

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

(*) Banorte had a 99.99% stake in Sólida until May 2013. After this date, Sólida was merged into Ixe Soluciones and changed its corporate identity to Sólida Administradora de Portafolios, S.A. de C.V. SOFOM, ER, Grupo Financiero Banorte.

In 3Q13 the Loan portfolio showed changes due to: collections of Ps $3.6 million, repossessed assets of Ps $0.6 million, restructurings of Ps $0 million and there were charge offs and discounts of Ps. $22.0 million. In the Loan loss provisions, there were charge offs and discounts of Ps $6.0 million. There were transfers from performing loans to past due loans of Ps $0.2 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	
(Million of Nominal Pesos)	jun-13	sep-13	jun-13	sep-13	jun-13	sep-13
Performing Loans						
Commercial	263,491	260,862	18,719	19,127	282,210	279,989
Consumer	33,972	36,403	0	0	33,972	36,403
Mortgage	75,826	77,921	0	1	75,826	77,922
Government	0	0	0	0	0	0
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**373,289**	**375,186**	**18,719**	**19,128**	**392,008**	**394,314**
Non Performing Loans						
Commercial	5,836	10,386	382	441	6,218	10,827
Consumer	862	899	0	0	862	899
Mortgage	1,208	1,275	0	0	1,208	1,275
Government	0	0	0	0	0	0
Non Performing Loans	**7,906**	**12,560**	**382**	**441**	**8,288**	**13,001**
TOTAL LOANS	**381,195**	**387,746**	**19,101**	**19,569**	**400,296**	**407,315**
Loan Loss Reserves	**11,403**	**11,692**	**382**	**426**	**11,785**	**12,118**
Net Loan Portfolio	**369,792**	**376,054**	**18,719**	**19,143**	**388,511**	**395,197**
Loan Loss Reserves					**142%**	**93%**
% Past Due Loans					**2.07%**	**3.19%**

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

BANORTE

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q13

(Million Pesos)

Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**151,460**	**615**	**(37)**	**152,038**
Unrestricted	**3,191**	**12**	**5**	**3,208**
CETES (Special)	-	-	-	-
CETES	262	3	0	266
BONDES	2,052	4	3	2,059
BPA	461	2	0	463
BREMS	-	-	-	-
Bonds	-	-	-	-
CBIC	-	-	-	-
Udibonds	311	3	2	315
UMS	22	0	0	22
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	83	-	-	83
Restricted	**148,270**	**603**	**(43)**	**148,830**
CETES (Special)	-	-	-	-
CETES	2,818	-	1	2,819
BONDES	63,191	101	(39)	63,253
BPA	76,673	428	(10)	77,092
BREMS	-	-	-	-
Bonds	1,013	15	(0)	1,028
CBIC	-	-	-	-
Udibonds	4,575	58	5	4,639
UMS	0	-	-	0
Treasury Bonds	-	-	-	-
Treasury Notes	0	-	-	0
Banking Securities	**20,031**	**52**	**24**	**20,108**
Unrestricted	**592**	**1**	**1**	**594**
Notes	2	0	(0)	2
CEDES	-	-	-	-
Stock Certificates	576	1	1	578
Structured Notes	-	-	-	-
Other Banking Securities	14	0	0	14
Restricted	**19,440**	**51**	**23**	**19,514**
Notes	(0)	-	(0)	(0)
CEDES	2,297	8	(0)	2,304
Stock Certificates	13,649	35	12	13,696
Structured Notes	-	-	-	-
Other Banking Securities	3,494	9	11	3,514
Private Securities	**8,302**	**18**	**(59)**	**8,261**
Unrestricted	**1,998**	**6**	**(83)**	**1,921**
Stock Certificates	842	3	(7)	838
PEMEX Bonds	3	0	(0)	3
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	219	3	5	226
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	906	-	(77)	829
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	28	-	(3)	25
Restricted	**6,304**	**12**	**24**	**6,340**
Stock Certificates	4,640	10	21	4,671
PEMEX Bonds	1,635	2	2	1,638
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	30	0	1	31
Total	**179,794**	**685**	**(73)**	**180,406**

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 3Q13

(Million Pesos)

Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**53,525**	**757**	**34,697**	**88,979**
Unrestricted	**10,897**	**35**	**(316)**	**10,616**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	99	0	(0)	99
BPA	129	1	(0)	130
BREMS	-	-	-	-
Bonds	256	4	(18)	242
CBIC	-	-	-	-
Udibonds	20	0	10	30
UMS	342	4	13	359
Treasury Bonds	-	-	-	-
Treasury Notes	1,080	5	(75)	1,009
Other Government Securities	8,972	21	(246)	8,747
Restricted	**42,628**	**721**	**35,014**	**78,363**
CETES (Special)	-	-	-	-
CETES	98	-	0	98
BONDES	3,459	9	4,092	7,561
BPA	37,535	668	29,610	67,814
BREMS	-	-	-	-
Bonds	636	33	1,218	1,887
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	899	11	93	1,003
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**4,729**	**8**	**(15)**	**4,722**
Unrestricted	**227**	**0**	**(21)**	**206**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	227	0	(21)	206
Other Banking Securities	-	-	-	-
Restricted	**4,502**	**8**	**6**	**4,515**
Notes	-	-	-	-
CEDES	0	(0)	-	0
Stock Certificates	4,502	8	6	4,515
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	**21,951**	**154**	**879**	**22,985**
Unrestricted	**9,576**	**35**	**400**	**10,012**
Stock Certificates	836	4	(97)	742
PEMEX Bonds	350	3	(27)	326
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,141	29	(47)	1,124
GFNORTE stocks	-	-	-	-
BMV stocks	234	-	212	446
Mutual Funds stocks	7,015	-	359	7,373
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**12,375**	**119**	**479**	**12,973**
Stock Certificates	2,766	4	4	2,774
PEMEX Bonds	8,477	98	353	8,928
Commercial Paper	-	-	-	-
Corporate Bonds	102	1	2	104
Euro Bonds	986	15	121	1,122
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	46	-	-	46
Total	**80,206**	**918**	**35,561**	**116,685**

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 3Q13

(Million Pesos)

Securities Held to Maturity	BOOK VALUE	INTEREST	xxxx	Market Value
Government Securities	**64,568**	**625**	**-**	**65,193**
Unrestricted	**43,628**	**467**	**-**	**44,095**
CETES (Special)	852	0	-	852
CETES	110	0	-	110
BONDES	398	1	-	398
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	1,886	38	-	1,924
CBIC	546	8	-	553
Udibonds	39,837	420	-	40,257
UMS	-	(0)	-	(0)
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	**20,939**	**159**	**-**	**21,098**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	0	-	-	0
BPA	20,939	159	-	21,098
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**4,749**	**896**	**-**	**5,645**
Unrestricted	**4,647**	**895**	**-**	**5,542**
Notes	1,074	0	-	1,074
CEDES	1,419	787	-	2,206
Stock Certificates	1,126	7	-	1,133
Structured Notes	862	102	-	964
Other Banking Securities	165	0	-	165
Restricted	**102**	**0**	**-**	**103**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	(0)	-	-	(0)
Structured Notes	-	-	-	-
Other Banking Securities	102	0	-	103
Private Securities	**22,833**	**419**	**-**	**23,252**
Unrestricted	**12,883**	**397**	**-**	**13,280**
Stock Certificates	12,106	384	-	12,490
PEMEX Bonds	334	3	-	337
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	444	9	-	453
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**9,949**	**22**	**-**	**9,971**
Stock Certificates	9,949	22	-	9,971
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Fair Value Adjustment Ixe Banco	(68)	-	-	(68)
Total	**92,081**	**1,940**	**-**	**94,021**

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

REPURCHASE AGREEMENT OPERATIONS 3Q13 (Million Pesos)	Repo Debtors				Repo Creditors
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Goverment securities	19,098	19,098	0	0	235,232
Banking securities	848	848	0	0	24,115
Private Securities	5,797	5,801	28	33	19,079
Total	**25,744**	**25,748**	**29**	**33**	**278,427**

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

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 3Q13 *(Million Pesos)*	
Creditor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	225
Options	
Rate options	518
Fx options	3
Swaps	
Rate swap	15,621
Fx swap	1,309
Negotiable Total	**17,675**
Options	
Rate Options	2
Fx options	-
Swaps	
Rate swap	27
Fx swap	9
Hedging total	**37**
Position total	**17,712**
Debtor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	83
Options	
Rate options	354
Fx options	4
Swaps	
Rate swap	15,479
Fx swap	1,531
Negotiable Total	**17,451**
Swaps	
Rate swap	1,939
Fx swap	1,830
Hedging total	**3,769**
Position total	**21,220**

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 3Q13- Banorte *(Million Pesos)*			
PRODUCT	**TYPE**	**UNDERLYING**	**NOTIONAL**
FX Forwards	Purchases	Exchange Rate (USD/MXN)	8,860
FX Forwards	Sales	Exchange Rate (USD/MXN)	4,733
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	18
FX Forwards	Sales	Exchange Rate (CAD/MXN)	18
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	11
FX Forwards	Sales	Exchange Rate (EUR/MXN)	11
FX Options	Purchases	Exchange Rate (Dollar)	352
FX Options	Sales	Exchange Rate (Dollar)	487
Interest Rate Options	Purchases	TIIE	74,186
Interest Rate Options	Sales	TIIE	105,155
Interest Rate Options	Purchases	LIBOR	2,011
Interest Rate Options	Sales	LIBOR	2,070
Interest Rate Swaps	USD LIBOR S 3M	LIBOR	134,873
Interest Rate Swaps	MXN TIIE	TIIE	1,029,144
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	-
Interest Rate and FX Swaps	CS USDCETE	CETE	-
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	-

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	
	3Q12	3Q13	3Q12	3Q13	3Q12	3Q13	3Q12	3Q13
Performing Loans								
Commercial Loans	153,802	153,724	-	-	30,646	29,619	184,448	183,344
Financial Intermediaries´ Loans	7,757	3,739	-	-	1,287	1,529	9,045	5,268
Consumer Loans	43,816	55,228	-	-	186	154	44,002	55,382
Mortgage Loans	68,041	77,593	182	345	1,710	1,482	69,933	79,421
Government Entities´ Loans	82,226	90,295	-	-	63	229	82,289	90,524
Derechos de cobro Fiduciario	-	-	-	-	-	-	-	-
Total	**355,642**	**380,580**	**182**	**345**	**33,893**	**33,014**	**389,717**	**413,939**
Past Due Loans								
Commercial Loans	4,913	10,473	7	5	407	334	5,327	10,813
Financial Intermediaries´ Loans	5	27	-	-	0	-	5	27
Consumer Loans	1,328	1,997	-	-	69	-	1,397	1,997
Mortgage Loans	745	893	14	71	60	49	818	1,013
Government Entities´ Loans	44	14	-	-	0	0	44	15
Total	**7,034**	**13,405**	**20**	**77**	**536**	**383**	**7,591**	**13,865**
Total Propietary Loans	**362,676**	**393,984**	**202**	**422**	**34,429**	**33,397**	**397,307**	**427,804**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 3Q13- GFNorte (Million Pesos)	TOTAL	
	PERIOD COST	PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	8.0	0.0
Mortgage FOVI	-	-
	8.0	**0.0**

At closing of this quarter the balance in debtors support programs totaled Ps 8.0 million without a cost for the period.

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

DEFERRED TAXES 3Q13 (Million Pesos)			
ASSETS	**INCOME TAX**	**PROFIT SHARING**	**NET**
Excess of preventive reserves accounts over the fiscal limit	195	-	**195**
Ixe's AAA Portfolio	-	-	**-**
Non deductible provisions and cumulative income	421	0	**421**
Excess of accounting value over fiscal value on Reposessed Assets	521	(0)	**521**
Diminishable profit sharing	141	0	**141**
Fees received in advance	821	-	**821**
Tax losses pending amortization	1,014	-	**1,014**
Provisions for possible loss in loans	944	-	**944**
Earnings per Society	-	-	**-**
State Tax on Assets Deferred	8	-	**8**
Loss on sale of foreclosed assets and credits	-	-	**-**
Decline in value of real estate	31	-	**31**
Interest on Loans	1	-	**1**
Reserve for employee retirement benefits	2	5	**7**
Current Account Agents	12	-	**12**
Reserve for additional compensation to agents	7	2	**9**
Diverse Creditors	109	1	**110**
Decrease for securities' valuation	21	-	**21**
Charge-off's Estimates	32	-	**32**
Tax loss on share sale	31	-	**31**
Additional Obligations for Employee benefits	-	1	**1**
Other	5	-	**5**
Total Assets	4,316	9	**4,325**
LIABILITIES			
Pension Funds Contribution	(907)	-	**(907)**
Loan Portfolio Acquisitions	(319)	-	**(319)**
Projects to be capitalized	(767)	-	**(767)**
Effects from valuation of instruments	(1,071)	-	**(1,071)**
Dividends Federal Home Loan Bank	(6)	-	**(6)**
Intangibles' amortizations	(26)	-	**(26)**
Unrealized Loss on Securities held for Sale	-	-	**-**
Reversal of Sale Costs	-	-	**-**
Increase for securities' valuation	(72)	-	**(72)**
Receivable interest from securities	(20)	-	**(20)**
Investment of reserves for obligations	(1)	-	**(1)**
Current Account Agents	(15)	-	**(15)**
Savings' Inventory	(13)	-	**(13)**
Savings' Inventory	(896)	-	**(896)**
Other	(44)	-	**(44)**
Total Liabilities	(4,157)	-	**(4,157)**
Assets (Liabilities) Accumulated Net	158	9	**168**

LONG TERM DEBT AS OF SEPTEMBER '13- BANCO MERCANTIL (Million Pesos)									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	2,629	15 years	6.862%	13-oct-21	E/180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	3,944	5 years	4.375%	19-jul-15	E/180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	11-mar-08	3,000	3,000	3,000	10 years	TIIE + 0.60%	27-feb-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	27-jun-08	2,750	2,750	2,750	10 years	TIIE + 0.77%	15-jun-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	11-mar-08	447	1,749	2,222	20 years	4.950%	15-feb-28	E/180 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	30-mar-09	2,200	2,200	2,200	10 years	TIIE + 2.00%	18-mar-19	E/28 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,577	10 años	9.25%	14-oct-20	E/180 days

BANK AND OTHER ENTITIES LOANS' AS OF 3Q13 (Million Pesos)	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
LOANS FROM LOCAL BANKS		2,562	2,562
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY		-	-
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY		114	114
LOANS FROM DEVELOPMENT BANKS	10,529	3,034	13,563
LOANS FROM PUBLIC FUNDS	7,273	300	7,573
CALL MONEY & LOANS FROM BANKS	16,341	-	16,341
LOANS FROM FIDUCIARY FUNDS	318		318
PROVISIONS FOR INTEREST		79	79
	34,461	**6,089**	**40,550**
ELIMINATIONS			(11,939)
Total			**28,611**

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

TRADING INCOME 3Q13 *Million Pesos*	
Trading income	**Consolidated**
Securities - Unrealized gains	**604**
Negotiable instruments	631
Derivative instruments - Negotiation	-33
Derivative instruments - Hedging	6
Impairment loss or revaluation increase	**-2**
Result from foreign exchange valuation	**-185**
Result from valuation of precious metals	**-3**
Result from purchase/sale of securities and derivatives	**2,396**
Negotiable instruments	1147
Securities held for sale	654
Securities held to maturity	1
Derivative instruments - Negotiation	0
Derivative instruments - Hedging	594
Result from purchase/sale of foreign exchange	**752**
Result from purchase/sale of precious metals	**4**
Transaction costs	**0**
Intermediation of received collateral	**0**
Increase derived from trading income adjustments	**0**
Total	**3,566**

- **Risk Management**

AUTHORIZED ORGANS

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

In addition, the CPR monitors the overall limits of risk exposure approved by the Board of Directors, in addition to approving specific risk limits for exposure to different types of risk.

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

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

1. Propose for approval by the Board:

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

2. Approve and review at least once a year:

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

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

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

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

6. Report to the Board on corrective actions taken.

UNIT FOR COMPREHENSIVE RISK ADMINISTRATION (UAIR)

The UAIR serves to identify, measure, monitor, limit, control, report and disclose various types of risk to which the Holding Company is exposed and is in charge of the Risk Management department (DGAR).

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

The GDAR routes efforts and has methodologies for:

- Credit Risk Management;
- Operational Risk Management;
- Market Risk Management;
- Liquidity and Capital Risk Management;
- Credit Administration;

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

• Provide different business areas clear rules that contribute to its correct understanding to minimize risk and ensure to be within the parameters established and approved by the Board of Directors and the Risk Policy Committee.
• Establish mechanisms to monitor the risk taking within the Holding trying to mostly be a timely and supported by advanced systems and processes.
• Standardize measurement and risk control.
• Protect the Holding´s capital against unexpected losses from market movements, bankruptcies, credit and operational risks.
• Develop pricing models for different types of risks.
• Establish procedures for portfolio optimization and management of credit portfolio.

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

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

Market Risk: revenue volatility due to market changes, which affect the valuation of positions for active operations, liabilities or causes of contingent liabilities, such as: interest rates, exchange rates, price indices, etc.

Liquidity Risk: potential loss by the impossibility of renewing liabilities or hiring others to the Holding in normal conditions, by early or forced sale of assets at unusual discounts to meet their obligations.

Operational Risk: loss resulting from inadequate or failed processes, personnel, internal systems or external events. This definition includes technological risk and legal risk. Technological Risk groups all those potential losses from damage, interruption, disruption or failures resulting from use of or reliance on hardware, software, systems, applications, networks and any other distribution channel information, while the legal risk involves the potential loss by sanctions for noncompliance with laws and administrative or judicial decisions unfavorable issue appealed in relation to the Holding operations performed.

Credit Risk

It is a risk that clients, issuers or counterparts do not fulfill their payment obligations therefore, proper management is essential to maintain the loan quality of the portfolio.

The objectives of credit risk management at GFNorte are:

- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk-performance (yield) ratio
- Provide Executive Management with reliable, timely information to assist decision making regarding loans.
- Provide the Business Areas with clear and sufficient tools to support loan placement and follow-up.
- Create economic value for shareholders by efficient loan risk management.
- Comply with the information requirements that the authorities set forth regarding loan risk management.
- Perform risk management in accordance with the best practices, implementing models, methodologies, procedures and systems based on the main advances worldwide.

Individual Credit Risk

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

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

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

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

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

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

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

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

Portfolio Credit Risk

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

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

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

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

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average, which is used to measure the following year's expected loss due to non-compliance or variations in debtors' credit quality. This unexpected loss is an indicator of the loss that could be expected in extreme scenarios and is measured as the difference between the maximum loss given the distribution of losses, at a specific reliability level that in the case of the Banking Sector is 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 30th, 2013, Banco Mercantil del Norte's total portfolio was Ps 406.56 billion. The expected loss represents 2.2% and the unexpected loss is 3.4% with respect to the total portfolio. The average expected loss is 2.0% during the period between July-September 2013.

Regarding Banorte- Ixe's Brokerage House, the credit exposure of investments is Ps 86.29 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between July-September 2013.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 20.03 billion. Prospective losses represent 1.0% and unforeseen losses 3.4% of the total portfolio. The prospective loss average represents 1.2% in the period of July-September 2013.

The total portfolio of Sólida Administradora de Portafolios was Ps 537 million to June 30th, 2013. The estimated loss of the portfolio represents 18.6% and the unexpected loss 4.8% both with respect to the total portfolio. The estimated loss average for the period of July-September 2013 was 29.2%

The total portfolio of Banorte Ixe Tarjetas is Ps. 20.00 billion. The estimated loss represents 11.5%and the unexpected loss 11.0% both with regard to the total portfolio. The estimated loss average represents 11.3% for the period of July-September 2013.

Credit Risks of Financial Instruments

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

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

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

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

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

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

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

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

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

As of September 30th, 2013, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 226.52 billion, of which 99.2% 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 13% of the Basic Capital as of June 2013. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of June 2013 has a higher or similar rating to AA (mex) and is comprised of (average considered term, amount in billion of pesos and rate): bond certificates from Pemex to 5 years and 9 months for Ps. 13.66 to 3.8%; Inbursa market certificates for 1 year and 9 months for Ps 5.49 at 4.1%; bond certificates and deposit certificates of Banco Santader Mexicano for 10 months for Ps 4.00 billion at 3.0%; bond certificates of Bancomer for 6 months for Ps. 3.82 billion at 2.8% and States' and Municipalities' securitization credit certificates to 23 years and 8 months for Ps 3.43 billion at 3.3%.

The exposure of Derivatives is Ps (3.08) billion, of which 97.8% 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 2013.

As of June 30th, 2013, exposure to credit risk for Securities Investments of Casa de Bolsa Banorte-Ixe was Ps 86.29 billion, of which 99.9% is rated higher or similar to A-(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 25% of the Basic Capital as of June 2013. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of June 2013 has a higher or similar rating to A-(mex) and is comprised of (average considered term, amount in billion/million of pesos and rate): bond certificates of Pemex to 2 years and 3 months for Ps 1.64 billion at 4.0%; bond certificates of Banco Inbursa to 2 years and 2 months for Ps. 1.51 billion at 4.2%; Scotiabank market certificates for 2 years for Ps 937 million at 4.2%; Banco del Bajío deposit certificates to 6 months for Ps 401 million at 4.3%; Deutsche Bank bonds to 9 years and 8 months for Ps 363 million at 11.1%; bond certificates from Banco Interacciones to 4 months for Ps. 145 million at 4.5%; bond certificated of CFE to 6 years and 10 months for Ps 132 million at 3.7%; promissory notes of Banorte to 3 months for Ps 129 million at 2.5% and Banco Centroamericano de Integración Económica promissory notes to 8 month for Ps. 106 million at 4.1%. In the case of derivatives, there are no operations.

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

Exposure to risk of securities of Sólida Administradora de Portafolios was Ps 421 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

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

Risk Diversification

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

These guidelines state that the institutions must carry out an analysis of their borrowers and/or loans to determine the amount of "Common Risk"; also, the institutions must have the necessary information and documentation to prove that the person or group of persons represent common risk in accordance with the assumptions established in those rules.

In compliance with the risk diversification rules in asset and liability operations, Banco Mercantil del Norte submits the following information (million pesos):

Tier 1 to June 30th, 2013	**55,092**
I. Financings whose individual amounts represent more than 10% of the basic equity	
Loan Operations	
Number of financings	2
Total amount of financings	16,695
% in relation to Basic Capital	30%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	1
Total amount of financings	16,335
% in relation to Basic Capital	30%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**31,444**

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

In compliance with the rules of diversification of risks in active and passive operations, the following information corresponds to Leasing and Factoring (Arrendadora y Factor Banorte) in million pesos:

Equity at June 30th, 2013	**2,809**
1. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	13
Total amount of the financings	6,365
% relative to basic capital	227%
II. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**4,366**

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

Equity at June 30th, 2013	**2,598**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	4
Total amount of financings	1,591
% in relation to Basic Capital	61%
Money Market Operations	
Number of financings	1
Total amount of financings	266
% in relation to Basic Capital	10%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**1,284**

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

Equity at June 30th, 2013	**3,508**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**6**

Market Risk

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

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

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

The average VaR for the third quarter of 2013 for the portfolio is Ps 4.47 billion.

Million Pesos	3Q12	4Q12	1Q13	2Q13	3Q13
Total VaR*	2,685	3,288	3,464	3,732	4,473
Net Capital**	56,625	57,815	64,622	66,570	67,411
VaR / Neto Capital	4.74%	5.69%	5.36%	5.61%	6.64%

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

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

Million pesos

Risk Factor	VaR
Domestic interest rate	4,318
Foreign interest rate	736
IPC	124
Exchange rate	713
Total VaR - Bank	4,473

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

- ***Backtesting Analysis***

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

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

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

Casa de Bolsa Banorte Ixe

The VaR average of Casa de Bolsa Banorte Ixe 's portfolios for 3Q13 is Ps 275.41 million, which represents 14.93% of the Institution's Net Capital to September 2013.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	Total 3Q13	
	Average	Closing
VaR		
Shares	10.04	0.17
Money Market	231.88	236.68
Treasury	93.81	82.09
TOTAL	275.41	262.21
Diversifications Effect	(60.31)	(56.72)
Net Capital as of September 2013		1,845
VAR / Net Capital	**14.93%**	**21.93%**

Banorte Ixe Tarjetas

The VaR average of the Banorte-Ixe Tarjetas for 3Q13 is Ps1.44 billion which represents +0.0% of the Institution's Net Capital to September 2013. This risk calculation is presented as informative, since the institution invests its resources in promissory notes and checkbooks for a day, which are instruments that have no movements in its valuation.

For their calculation, the Historical Simulation methodology was used with 500 horizon days, and as a policy, calculations were carried out with trust levels of 98% with a horizon time of 10 days, this value is multiplied by a security factor which fluctuates between 3 and 4, accordingly to annual Back Testing results.

BANORTE-IXE TARJETAS VaR Balance. Million Pesos	Total 3Q13	
	Average	Closing
VaR Balance	0.00	0.00
Net Capital *		2,739.13
VAR / Net Capital	**0.00%**	**0.00%**

Note

Net Capital as of September 2012 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 for Banorte at closing of 3Q13 is 112.6%, while the average for the quarter is 114.9%.

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

Million Pesos (at closing of the quarter)	3Q12	4Q12	1Q13	2Q13	3Q13
Liquid Assets	141,625	150,115	234,779	249,189	267,068
Liquid Liabilities	186,680	194,289	191,765	215,252	237,260
Liquidity Ratio	75.9%	77.3%	122.4%	115.8%	112.6%

Million Pesos (average)	3Q12	4Q12	1Q13	2Q13	3Q13
Liquid Assets	150,655	164,011	205,270	228,551	254,324
Liquid Liabilities	179,802	187,977	189,745	197,362	221,354
Liquidity Ratio	83.8%	87.3%	108.2%	115.8%	114.9%

Average estimate calculated using weekly Liquidity Ratio

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

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

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

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

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

The liquidity ratio vs. Net Capital of Casa de Bolsa Banorte Ixe to September 30th, 2013 is 89.85%.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V. Liquidity Risk Million Pesos	USE 3Q13
Accumulated gap in 1 month (MXP + UDIS)	960.64
Liquid Assets	1,657.60
Net Capital	1,844.90
Liquidity vs. Capital	89.85%

The liquidity ratio vs. Net Capital of Arrendadora y Factor Banorte to September 30th, 2013 is 1.30%

ARRENDADORA Y FACTOR BANORE Liquidity Risk Million Pesos	USE 3Q13
Accumulated gap in 1 month (MXP)	(3,237.50)
Accumulated gap in 3 months (MXP)	(1,478.55)
Liquid Assets*	39.32
Net Capital	3,030.70
Tier 1 Capital	3,030.70
Liquidity vs. Net Capital	**1.30%**
Liquidity vs. Tier 1 Capital	**1.30%**

**Balance in Cash and Due from Banks*

The liquidity ratio vs. Net Capital of Sólida Administradora de Portafolio to September 30th , 2013 is 18.84%.

Sólida Administradora de Portafolios Liquidity Risk Million Pesos	USE 3Q13
Accumulated gap in 1 month (MXP)	(9,019.02)
Accumulated gap in 3 months (MXP)	(9,749.20)
Liquid Assets*	503.78
Net Capital	2,674.44
Tier 1 Capital	2,576.29
Liquidity vs. Net Capital	**18.84%**
Liquidity vs. Tier 1 Capital	**19.55%**

**Balance in Banks*

The liquidity ratio vs. Net Capital for Banorte- Ixe Tarjetas to September 30th , 2013 is 0.09%.

Banorte Ixe Tarjetas Liquidity Risk Million Pesos	USE 3Q13
Accumulated gap in 1 month (MXP)	3,227.68
Accumulated gap in 3 months (MXP)	2,239.22
Liquid Assets*	2.57
Net Capital	2,739.13
Tier 1 Capital	2,739.13
Liquidity vs. Net Capital	**0.09%**
Liquidity vs. Tier 1 Capital	**0.09%**

**Balance in Banks*

- **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.

Operational Risk is defined 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 processed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) by defining tolerance levels, as the case may be. At present, work is being done on developing a new Institution Operating Risk Management Model and the technological tools needed to implement it.

III. Required Capital Calculation

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

IV. Information and Reporting

The information generated by the Database and the Management Model is processes periodically to report to the Risk Policies Committee and the Board of Directors regarding the main operating events that were detected, the trends, identified risks and their mitigating strategies. Reporting is also done on the status of the main Operating Risk mitigation initiatives implemented by the various areas of the organization.

- **Technology risk**

Technological Risk is defined as all potential losses from damage, interruption, alteration or failures derived from the use of or dependence on hardware, software, systems, applications, networks and any other information distribution channel in the rendering of banking services to the customers. This risk forms an inherent part of Operating Risk, which is why its management is handled collectively throughout the entire organization.

To address the Operating Risk associated with information integrity, and “Integrity Committee” has been created. Its objectives are to align security and information control efforts under a prevention focus, to define new strategies, policies, processes or procedures and to provide solutions to information security issues that affect or may affect the Institutional patrimony.

The functions established by the CNBV or Technology Risk Management are performed by the Institution under institution regulatory and Integrity Committee guidelines.

To address the Operating Risk caused by high impact external events, GFNorte has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) based on a same-time data replication system at an alternate computer site. All the above cover the backup and recovery of the Institution’s critical applications in the event or any relevant operating contingency.

- **Legal risk**

Legal Risk is defined as the potential loss from failure to comply with the applicable legal and administrative provisions, the issuance of indisputable unfavorable court rulings and the application of penalties regarding the operations that the institution performs.

The Legal Risk must be measured as an inherent part of Operating Risk in order to understand and estimate its impact. Therefore, those legal issues which result in actual operating losses of the SMARL system are later recorded in the SCERO a database of operational events.

Based on the statistics of the current legal issues and real loss events, the Institution can identify specific legal or operating risks, which are analyzed in order to eliminate or mitigate them in an attempt to reduce or limit their future occurrence or impact.

- **Internal Control**

The companies that make up GF Banorte have an Internal Control System (SCI) that has been structured according to the guidelines set forth by its Board of Directors and that addresses the requirements indicated by the regulating authorities.

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

A. Board The Board of Directors with the support Advisory Board, Management Committee, of the Committee of Risk Policies (CPR), the Committee of Audit and Corporate Practices (CAPS), the Human Resources' Committee and of the Designation Committee.
B. Management and support the areas that are Unit Risk Management (UAIR), Legal and Comptroller, who are responsible for ensuring that adequate levels are maintained and risk control in the Group's operations and compliance the regulation.
C. Internal Audit, External Audit and Commissary (The Commissary applies only to GFNorte subsidiaries) as additional support structures to check how the Internal Control System functions and provide reasonable assurance regarding the reliability of the generated data. The Internal Audit Department reports to the Audit and Corporate Practices Committee (CAPS) and maintains complete independence from the administrative areas.
D. The Executive Group as those mainly responsible for SCI assurance according to the functions and responsibilities assigned to them. In addition to promoting the enforcement of the regulations established for the Institution and the strategies set forth by the CEO GFNorte.
E. Documents that establish the general control criteria that should be followed in the operation and reporting of transactions; in optimizing human, material and technological resources; in the use, security, timeliness and reliability of the information; and in the due compliance with the external and internal regulations. Code of Conduct that regulates the behavior that each advisor, officer or employee of the Group should assume while performing their activities.
F. Policy and procedure manuals that regulate documentation, recording and liquidation operations that the Institution carries out and establish the control points that should be observed, assuring the separation of functions, clear assigning of responsibilities, safekeeping of information and prevention of unlawful acts.

During the third quarter of 2013, activities related to strengthening control, risk evaluation and administration, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

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

- **Treasury Policy**

GFNorte's Banking Sector Treasury is the central unit in charge of balancing its resource needs, monitoring and managing the regulatory levels, eliminating the rate risk of fixed-rate placement operations by using coverage and implementing arbitrage strategies.

The cash currencies and investment in securities are in Mexican pesos and U.S. dollars and euros.

- **Internal and External Liquidity Sources**

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

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

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

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

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

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of September 30th, 2013 and June 30th, 2013, the loans granted to related parties totaled Ps 6.76 billion and Ps 6.67 billion, respectively.

- **People in Charge**

The undersigned represent under oath that, within the scope of our respective functions, we have drawn up the information relative to Grupo Financiero Banorte contained in this report, which, to the best of our knowledge, reasonably reflects its situation.

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

Ing. Rafael Arana de la Garza
Chief Financial Officer

Lic. Martha Elena Navarrete Villarreal
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

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

- **Basis for submitting and presenting Financial Statements**

Grupo Financiero Banorte (GFNorte). issues consolidated financial statements with its Subsidiaries in accordance with the General Provisions Applicable to Financial Information of the Regulating Agencies of Financial Groups Subject to Supervision by the National Banking and Securities Commission (CNBV) published in the Official Gazette of the Federation on January 31th, 2011. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

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

Banking Sector (Banorte). Issues consolidated financial statements with its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2005 and modified on March 3rd, 2006, March 28th, 2006, September 15th, 2006, December 6th, 2006, December 8th, 2006 and January 12th, 2007, March 23rd, 2007, April 26th, 2007, November 5th, 2007, March 10th, 2008, August 22nd, 2008, September 19th, 2008, October 14th, 2008, December 4th,2008, April 27th, 2009, May 28th, 2009, June 11th , August 12nd, October 16th,2009, 2009, November 9th , 2009, December 24th, 2009 and January 27th, 2011, February 10th,2010, April 9th and 15th, 2010, May 17th, 2010, June 28th,2010, July 29th, 2010, August 19th, 2010, September 9th and 28th, 2010, October 25th, 2010, November 26th, December 20th, 2010, January 24th and 27th, 2011, March 4th , 2011, April 21st, 2011, July 5th, 2011, August 3rd and 12th, 2011, September 30th, 2011, October 5th and 27th, 2011, December 28th, 2011 and June 19th, 2012. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

GFNorte and Banorte. The financial information contained in this document has been developed according to the regulations issued by the CNBV for the regulating agency and the financial entities that make up the Financial Group and to Norms of Financial Information (Normas de Información Financiera NIF), emitted by the Mexican Council for the Investigation and Development of Norms of Financial Information, A.C. (CINIF). The regulations of the CNBV and the NIF mentioned above differ given the specialized operations of the Credit Institutions. Moreover, there is a difference in the generally accepted accounting principles of the United States (US GAAP) and the regulations and principles established by the American authorities for this type of financial entities. In order to present the information contained herein in an international format, the classification format and the presentation of certain financial information differ from the format used for the financial information published in Mexico.

The information contained in this document is based on the non-audited financial information of each of the entities to which it refers.