

GFNORTE

3Q13 Results

Conference Call
October 25th, 2013.

Material Events

- **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. 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 Gonzalez, 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 Jesus Garza Martinez was appointed Managing Director of Retail Banking, in charge of segments and channels. Both of them report directly to GFNORTE's CEO.

Material Events

- Organizational Changes.

III. Staff Areas

In order to consolidate the staff and support areas and improve the organization's internal service levels, on October 24th, 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 Suarez Cortazar was appointed as Chief Financial Officer (CFO); Fausto Hernandez Pintado was appointed as Chief Strategic Planning and Value Creation Officer; and Concepcion Guadalupe Borjon Shears was appointed as Leader of Programa Sumando. Furthermore, the position of Managing Director of Customer Experience was created and is currently vacant.

Material Events

- **GFNORTE 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 equivalent to approximately USD \$2.50 billion dollars were sold, 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 in February, 2007 by 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.

Material Events

- **GFNORTE 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 GFNORTE regarding the binding agreement under which GFNORTE would acquire the remaining 49% of the equity representative common shares of Seguros Banorte Generali and Pensiones Banorte Generali held by Generali Group, GFNORTE informed to the investment public on October 4th, that it had obtained the corresponding government authorizations in order to finalize the acquisition. 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.

Material Events

- **Shareholders' Meeting.**

On October 14th, GFNORTE's Ordinary General Shareholders' Meeting was held, with 91.0% of the total subscribed and paid shares of the Company's capital represented. Some of the agreements reached at the Meeting were:

- ✓ Approval 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.
- ✓ This dividend was approved by the Group's Board of Directors last July 25th, 2013.
- ✓ The total amount of the dividend to be paid 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%.

Material Events

- **Credit Ratings.**

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.

In September 2013, Fitch Ratings gave its opinion of the upcoming fund mergers of Operadora de Fondos Banorte Ixe, following the announcement 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.

- **Recognitions.**

Institutional Investor Magazine's Rankings. "Best Latin America Executive Team 2013"

For a 4th consecutive year, GFNORTE's Management and Investor Relations team figured among the top Mexican companies and Latin American banks.

- ✓ In Mexico it ranked ahead of América Móvil, Wal-Mart, FEMSA, Cemex, Bimbo, Banregio, Compartamos, Santander México, among more than 60 companies.
- ✓ 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.

Material Events

- 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.

Yearly Recap GFNorte

Million Pesos

	9M12		9M13
Net Income	7,878	▲ 25%	9,886
ROE	14.1%		14.3%
ROA	1.2%		1.4%
Efficiency	55.2%		51.8%
Net Interest Margin	4.1%		4.2%
Performing Loan Growth	20%		6%
Past Due Loan Ratio	1.9%		3.2%
Stock price (pesos)	72.76	▲ 12%	81.73
Book Value per Share	33.70	▲ 31%	44.24
P/BV	2.16		1.85
Earnings per Share	3.39	▲ 20%	4.05

Income Statement

Million pesos

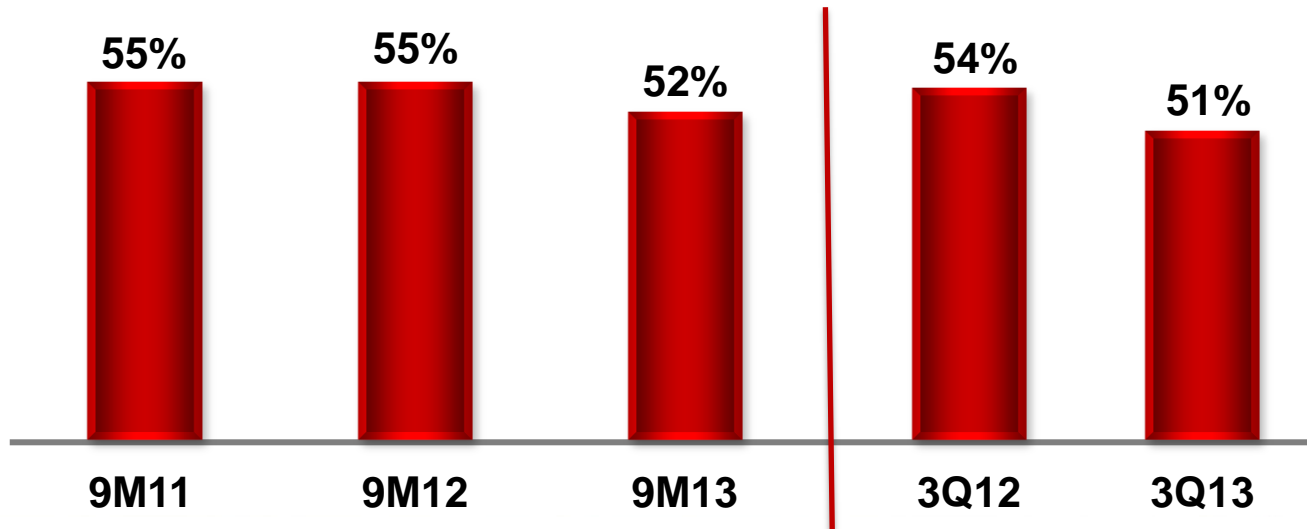
	3Q12	2Q13	3Q13	Change	
				QoQ	YoY
Net Interest Income	8,054	9,281	9,640	4%	20%
Non Interest Income	3,437	3,990	3,333	(16%)	(3%)
<i>Service Fees</i>	1,530	1,875	1,844	(2%)	20%
<i>Recoveries</i>	322	303	126	(58%)	(61%)
<i>FX & Trading</i>	1,024	824	610	(26%)	(40%)
<i>Other Income (expenses)</i>	562	990	754	(24%)	34%
Total Income	11,491	13,271	12,973	(2%)	13%
Non Interest Expense	(6,232)	(6,687)	(6,613)	(1%)	6%
Net Operating Income	5,259	6,584	6,360	(3%)	21%
Provisions	(1,524)	(3,132)	(1,903)	(39%)	25%
Income Tax	(806)	(167)	(1,084)	548%	35%
Subs & Minority Interest	(150)	(64)	153	(337%)	(202%)
Net Income	2,780	3,220	3,526	9%	27%

Non Interest Expense

Billion Pesos

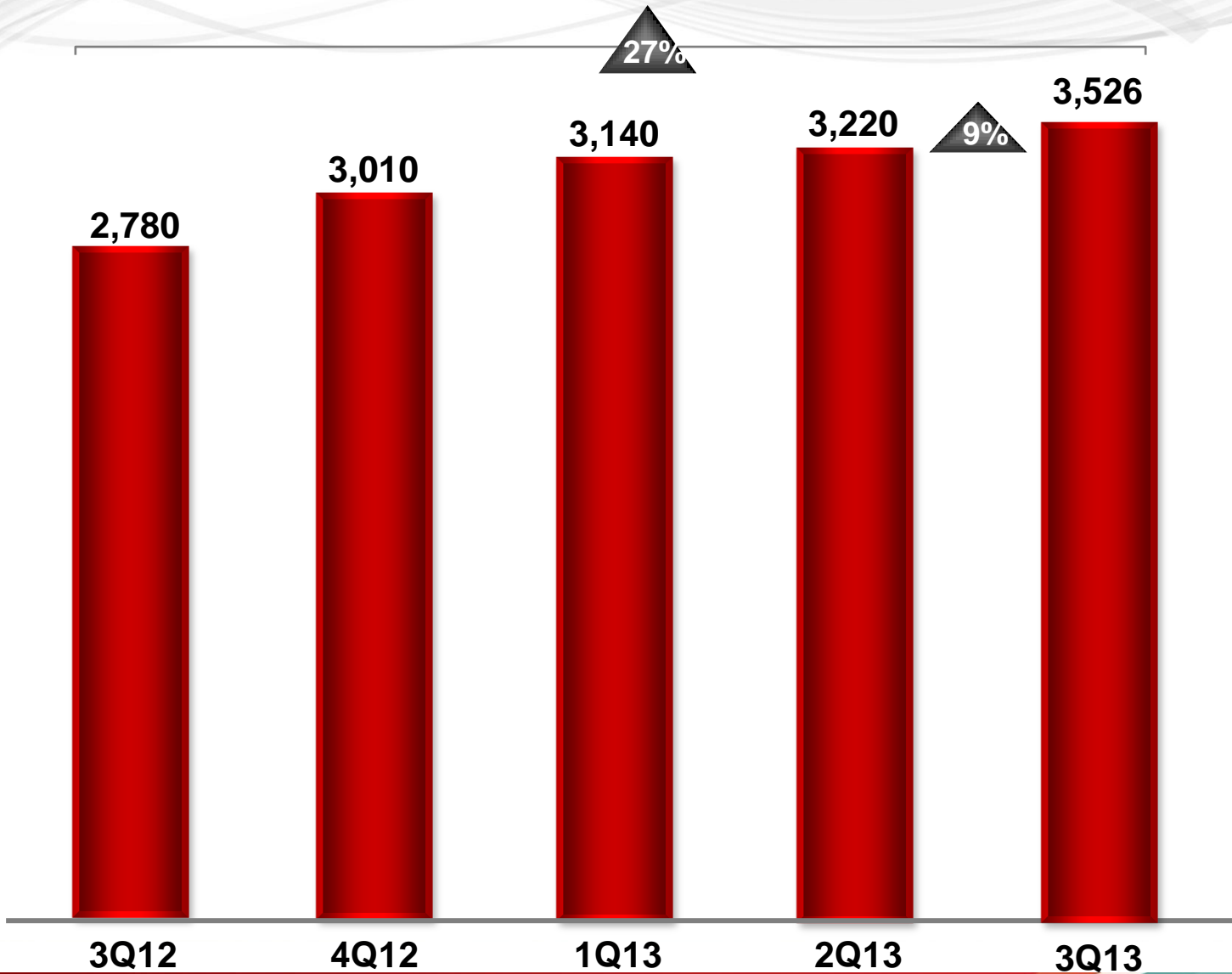
	9M12		9M13		3Q12		3Q13
Total Expense	19.2	▲ 8%	20.7		6.2	▲ 6%	6.6

Efficiency Ratio



Quarterly Net Income

Million Pesos



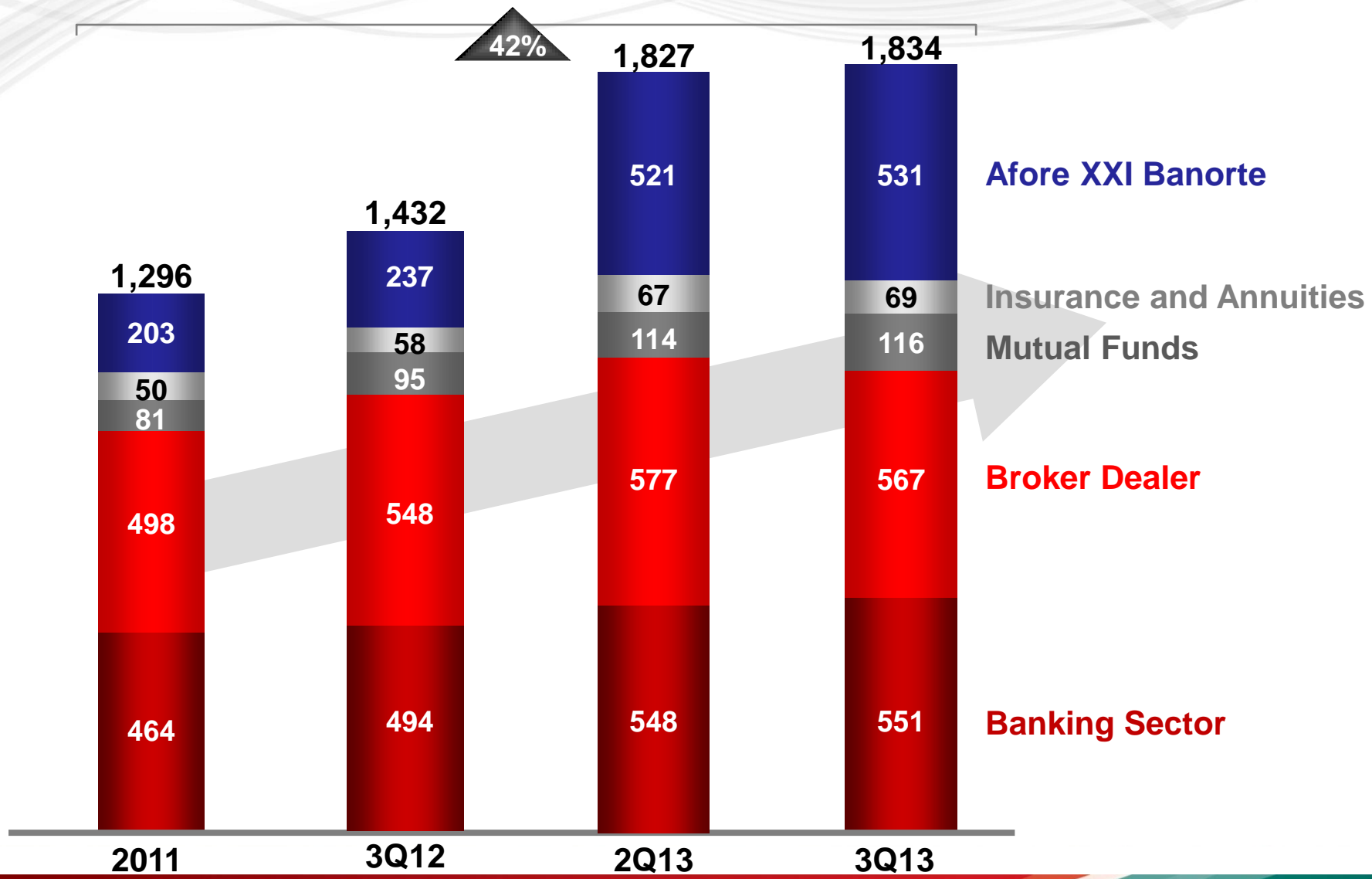
ROTE and Return on Risk Weighted Assets

Return on Tangible Common Equity (ROTE) & Return on Risk Weighted Assets (RRWA)

	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%
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%

Assets under Management

Billion Pesos



Deposits

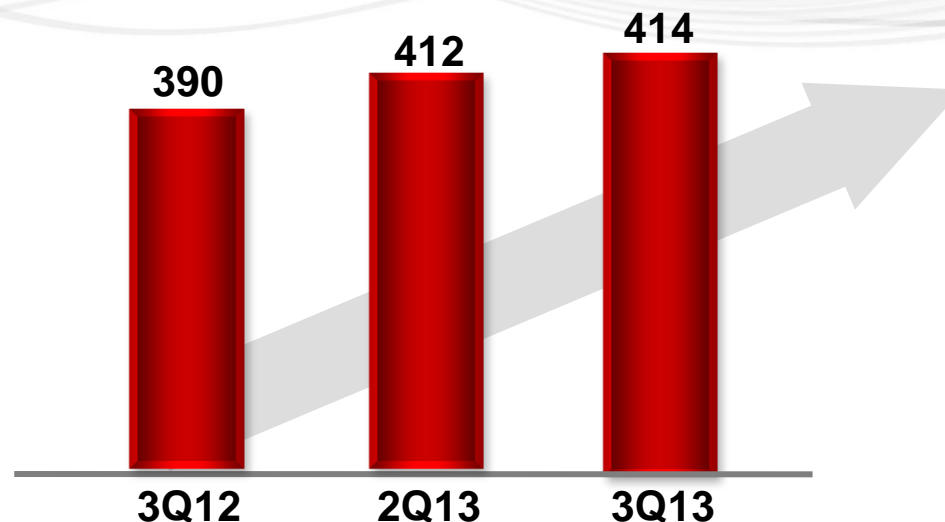
Billion Pesos

Deposits	3Q11		3Q12		3Q13
Demand	171	▲ 15%	196	▲ 20%	236
Time	115	▲ 7%	123	▲ 4%	128
Core Deposits	286	▲ 12%	320	▲ 14%	364
Mix					
Demand	60%		61%		65%
Time	40%		39%		35%
	100%		100%		100%

*Balance as of 3Q13 includes Ps 9.54 billion which are an investment by de Holding Company, excluding this amount, the YoY growth would be 15% in Total Demand Deposits and 11% in Core Deposits.

Performing Loan Portfolio

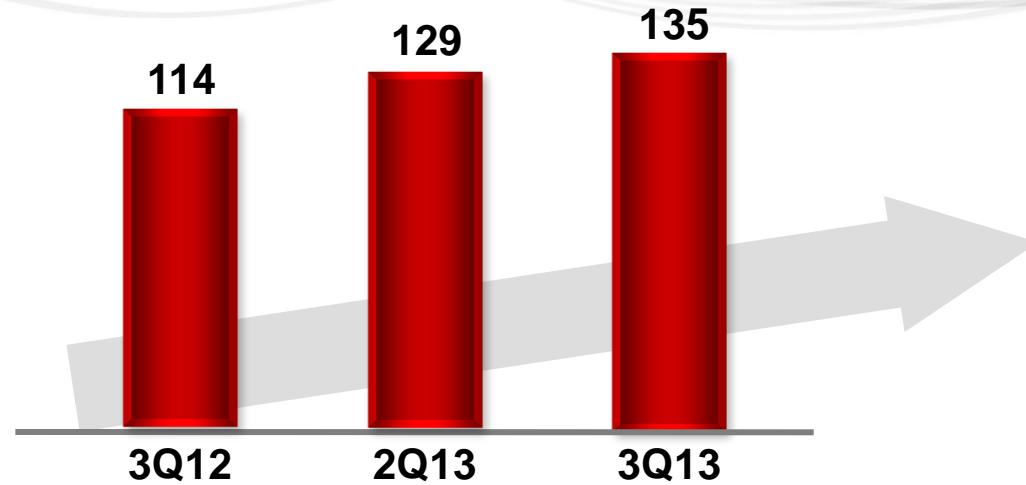
Billion Pesos



	3Q12	2Q13	3Q13	Change	
				QoQ	YoY
Consumer	114	129	135	4%	18%
Commercial	107	109	110	1%	3%
Corporate	87	84	79	(6%)	(9%)
Government	82	91	91	0%	10%
Total	390	412	414	1%	6%

Performing Consumer Loan Portfolio

Billion Pesos



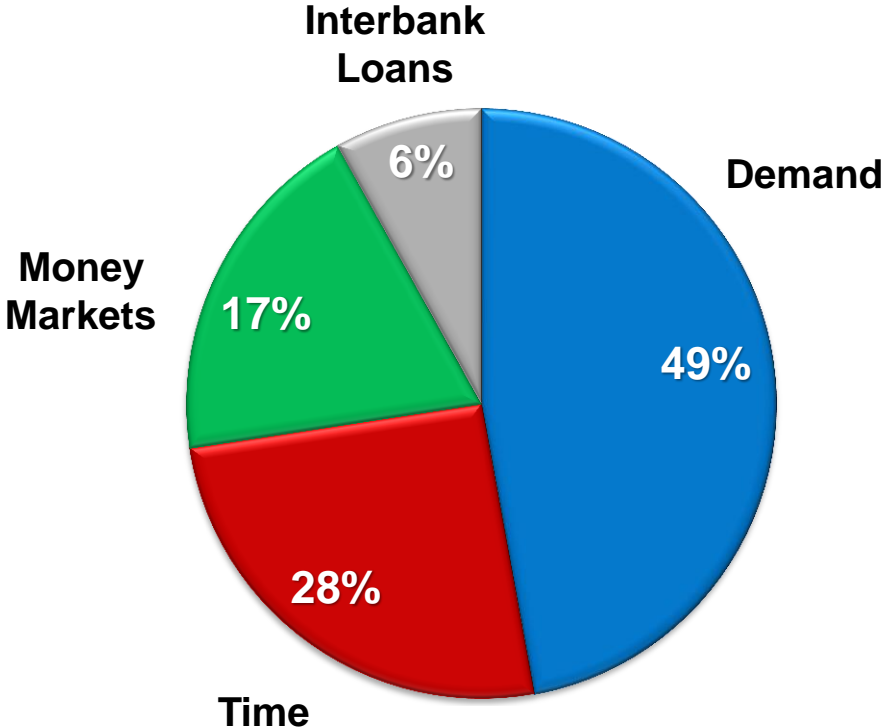
	3Q12	2Q13	3Q13	Change	
				QoQ	YoY
Mortgage	70	77	79	3%	14%
Car	10	11	11	3%	10%
Credit Cards*	16	19	20	6%	21%
Payroll	17	22	24	9%	40%
Consumer	114	129	135	4%	18%

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

Funding and Loan Portfolio Structure

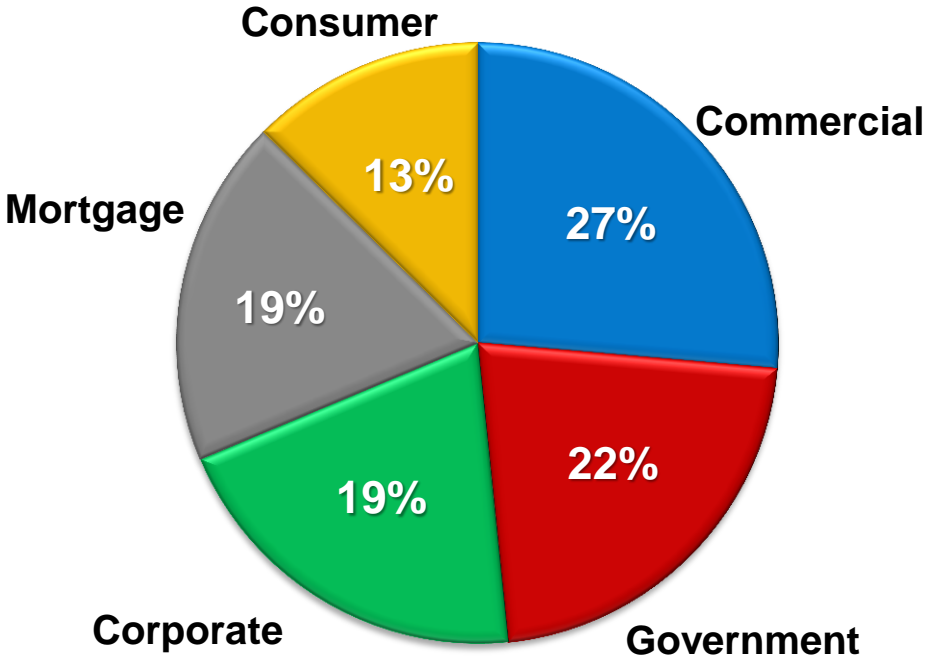
FUNDING

\$ 459 Billion Pesos



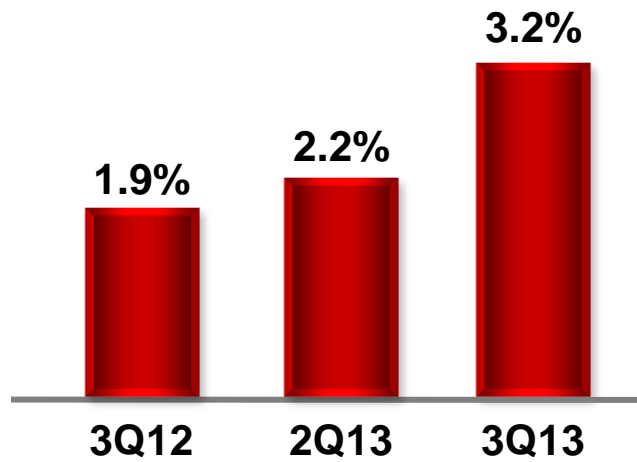
LOAN PORTFOLIO

\$428 Billion Pesos

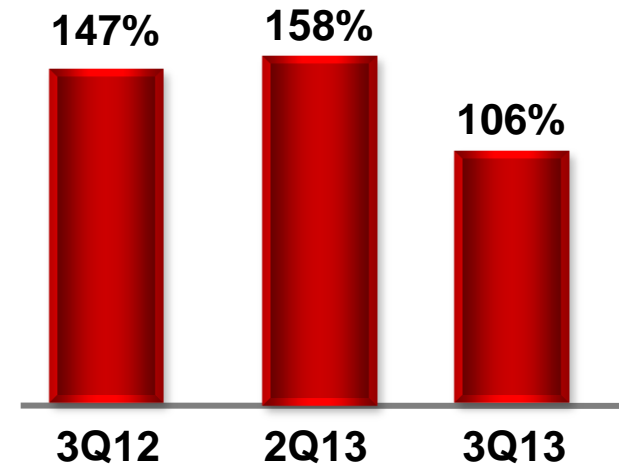


Asset Quality

PAST DUE LOAN RATIO



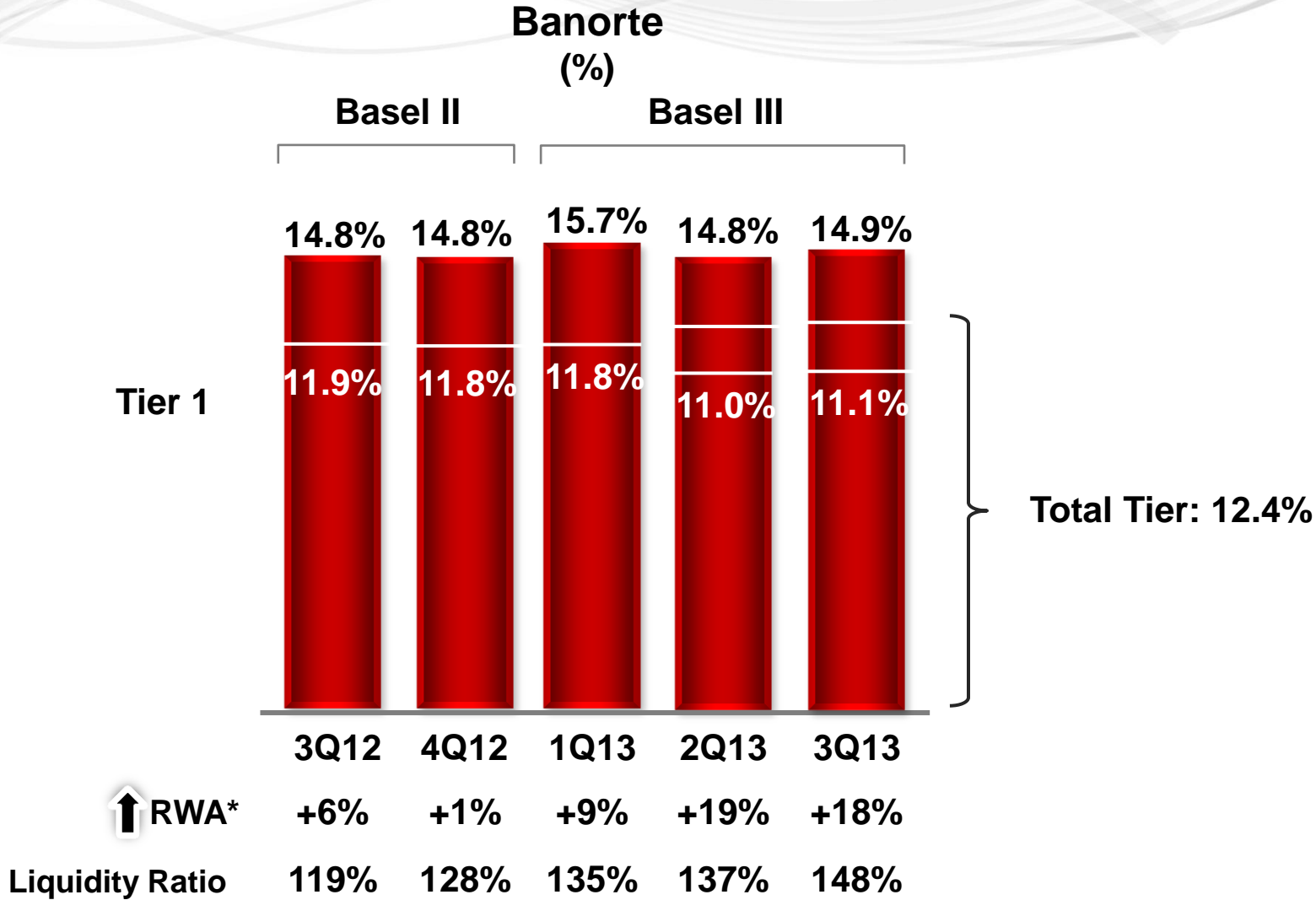
COVERAGE RATIO



Past Due Loan Ratios

	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	3.7%	4.3%	4.3%	3.5%	3.9%
Corporate	1.5%	1.6%	1.6%	2.6%	7.5%
Government	0.1%	0.1%	0.0%	0.1%	0.0%
GFNorte's NPL Ratio	1.9%	2.1%	2.1%	2.2%	3.2%

Capitalization and Liquidity



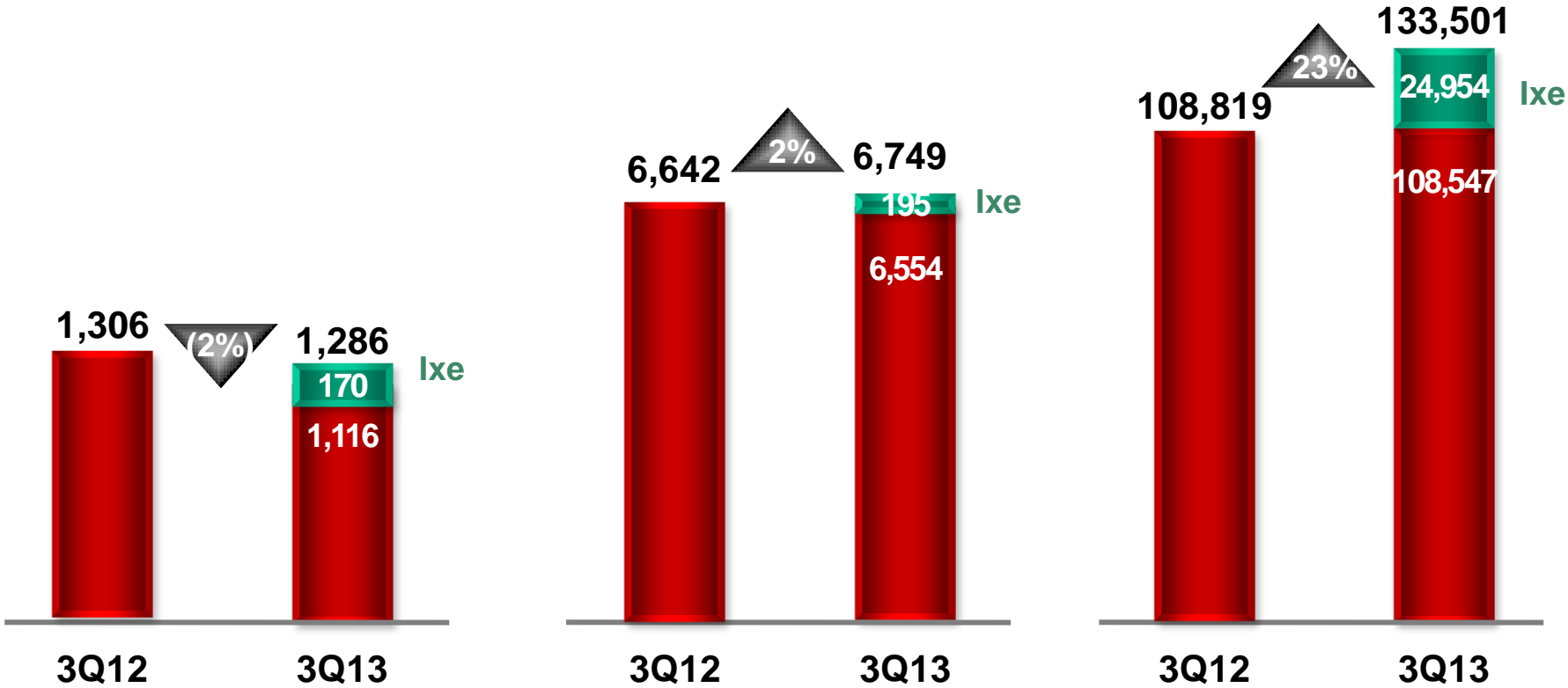
*RWA= Risk Weighted Assets

Distribution Network

Branches

ATM's

POS's



Subsidiaries

9M13
Million Pesos

Company	Net Income	Change vs. 9M12	ROE
Banking Sector	7,705	26%	16.1%
Banco Mercantil del Norte	6,839	18%	
Banorte –Ixe Tarjetas	866	161%	
Broker Dealer	495	20%	25.4%
Long Term Savings			
Retirement Savings	851	112%	12.4%
Insurance	387	1%	31.1%
Annuities	57	45%	12.2%
Other Finance Companies			
Leasing and Factoring	440	(14%)	19.7%
Warehousing	40	19%	19.9%
Other *	(89)		

* Includes: Solida Administradora de Portafolios, Ixe Servicios and the Holding Company.

Net Income in Million Pesos

	9M12		9M13
Total	431	▲ 49%	641

AUM BILLION PESOS

	3Q12	3Q13	Change YoY
Proprietary Assets	38.4	45.1	17%
Acquired Assets	26.1	28.4	9%
Managed Assets "Su Casita"	6.4	7.3	13%
Ixe Assets	7.5	1.4	(82%)
Total	78.4	82.1	5%

Million Dollars

	9M12		9M13
Pre-Tax Net Income	17.4		14.6
Provisions	5.0		(0.3)
Net Income	8.2		10.1
NIM	3.1%		2.9%
ROE	2.6%		3.2%
ROA	0.5%		0.7%
Efficiency	68.6%		71.4%
Total Deposits	1,741	(17%)	1,438
Performing Loans	707	(1%)	700
PDL Ratio USGAAP	2.0%		0.9%
Coverage Ratio USGAAP	96.7%		221.2%
Leverage Ratio	10.0%		12.1%
Classified Assets to Capital	26.8%		19.9 %



 **BANORTE**
EL BANCO FUERTE DE MEXICO

 **BANORTE**

