Grupo Financiero Banorte

Financial Information as of December 31st, 2011

4Q11

"Bank of the Year Mexico 2011"

"Best Commercial Bank in Mexico 2011"

"Best Bank in Mexico 2011"

web page: www.banorte.com/ri

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"Top Latam IR Ranking 2011"
Sell & Buy Side

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1. Financial Results as of December 31st, 2011:

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

GFNorte reports Net Income of Ps. 2.51 billion in 4Q11 and Ps. 8.52 billion in 2011; Ixe contributes with Ps. 420 million in 2011.

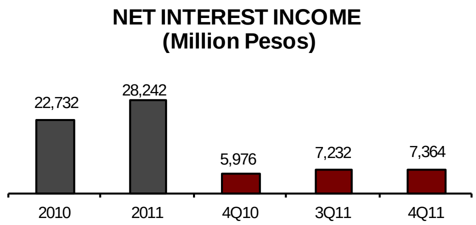
Operating Results (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Net Interest Income	5,976	7,232	**7,364**	2%	23%	22,732	**28,242**	24%
Non Interest Income	3,321	3,564	**4,614**	29%	39%	11,696	**13,767**	18%
Total Income	9,297	10,795	**11,978**	11%	29%	34,428	**42,009**	22%
Non Interest Expense	4,815	5,814	**6,999**	20%	45%	17,691	**23,409**	32%
Provisions	1,876	1,650	**1,133**	(31%)	(40%)	6,889	**5,438**	(21%)
Operating Income	2,606	3,332	**3,846**	15%	48%	9,847	**13,162**	34%
Net Income	1,758	2,142	**2,513**	17%	43%	6,705	**8,517**	27%

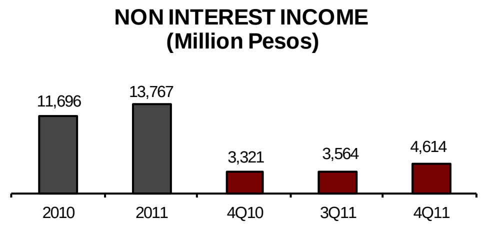
- **Net Interest Income**

In 2011, Net Interest Income totaled Ps 28.24 billion, 24% higher YoY vs. 2010 and 9% higher on a comparable basis (when excluding the impact from the Insurance & Annuities' companies, and Ixe). Net Interest Income was Ps 7.36 billion in 4Q11, increasing by 23% YoY vs. 4Q10 mainly due to the integration with Ixe and the consolidation of the Insurance and Annuities' companies, and growing by 2% QoQ growth vs. 3Q11 (NII related to loan activity grew by 6% vs. 3Q11).

- **Non Interest Income**

Non Interest Income totaled Ps 13.77 billion in 2011, an 18% YoY increase, driven mainly by a 21% increase in Other Operating Income and Expenses, as well as a 64% increase in trading revenues. On a quarterly basis, Non Interest Income totaled Ps 4.61 billion, growing by 39% YoY vs. 4Q10, as a result of integrating Ixe's results and by 29% QoQ vs. 3Q11 due to important growth in all items. On a comparable basis, when excluding the accounting reclassifications and Ixe, Non Interest Income grew by 4% QoQ vs. 4Q10, even though it declines on an accumulated basis in 2011 due to the impact of regulatory changes on Service fees.



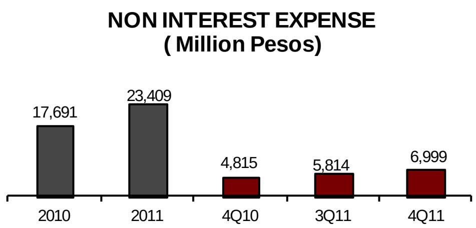


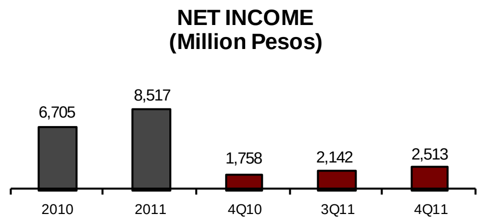
- **Non Interest Expense**

In 2011, *Non Interest Expense* totaled Ps 23.40 billion, a 32% YoY increase vs. 2010 as a result of integrating Ixe's expenses and to merger related costs; when excluding these impacts, the annual increase in expenses was 10% YoY. Non Interest Expense grows by 45% vs. 4Q10 due to the merger with Ixe and by 20% vs. 3Q11 mainly due to higher Personnel expenses. When normalizing the expenses to exclude the impact of the accounting restatement of the 3Q11 financial statements and also eliminate the effect of the merger related costs, Non Interest Expense grew by 5% vs. 3Q11. The Efficiency Ratio was 55.7% in 2011 and 58.4% in 4Q11; and 51.4% in 2011 on a comparable basis.

- **Provisions**

In 2011 Provisions totaled Ps 5.44 billion, (21%) less than in 2010 and Ps 1.13 billion in 4Q11, a decrease of (40%) YoY and (31%) QoQ, respectively. The annual reduction is mainly due to an improvement in the quality of the loan portfolio in segments such as Credit Cards, Mortgages and Commercial loans, as well as to the one off provisions created in 2010 to reserve the Mexicana loan. The quarterly decline vs. 3Q11 is due to the reversal of the provisions created during 3Q11 in the Government portfolio to reserve Coahuila's delinquent loan, as well as an improvement in past due loans of Credit Cards, Car loans, Mortgages and Commercial loans.





- **Net Income**

GFNorte's Net Income was Ps 8.51 billion during 2011, 27% higher than in 2010, and Ps 2.51 billion during 4Q11, growing by 43% YoY vs. 4Q10 and 17% QoQ vs. 3Q11; the increase in all cases as a result of higher Revenues and lower Provisions. When excluding Ixe's merger related expenses, recurrent net income was Ps 2.54 billion in 4Q11 and Ps 8.82 billion in 2011, growing by 19% QoQ and 31% YoY. Reported ROE was 14.1% in 2011 and 16.4% when excluding the impact from the merger with Ixe, 90 basis points higher compared to 2010. In 4Q11, ROE was 14.4%, 170 basis points higher than in 3Q11.

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

Income Statement and Balance Sheet Highlights- *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Income Statement								
Net Interest Income	5,976	7,232	**7,364**	2%	23%	22,732	**28,242**	24%
Non Interest Income	3,321	3,564	**4,614**	29%	39%	11,696	**13,767**	18%
Total Income	9,297	10,795	**11,978**	11%	29%	34,428	**42,009**	22%
Non Interest Expense	4,815	5,814	**6,999**	20%	45%	17,691	**23,409**	32%
Provisions	1,876	1,650	**1,133**	(31%)	(40%)	6,889	**5,438**	(21%)
Operating Income	2,606	3,332	**3,846**	15%	48%	9,847	**13,162**	34%
Net Income Before taxes	2,643	3,293	**3,818**	16%	44%	10,167	**13,121**	29%
Taxes	720	888	**1,007**	13%	40%	2,805	**3,552**	27%
Subsidiaries & Minority Interest	(128)	(302)	**(326)**	8%	155%	(337)	**(1,093)**	224%
Net Income	1,758	2,142	**2,513**	17%	43%	6,705	**8,517**	27%
Balance Sheet								
Asset Under Management	712,414	1,087,370	**1,295,330**	19%	82%	712,414	**1,295,330**	82%
Total Assets	590,558	805,780	**829,277**	3%	40%	590,558	**829,277**	40%
Performing Loans (a)	263,549	326,237	**350,557**	7%	33%	263,549	**350,557**	33%
Past Due Loans (b)	6,664	7,953	**6,949**	(13%)	4%	6,664	**6,949**	4%
Total Loans (a+b)	270,214	334,189	**357,506**	7%	32%	270,214	**357,506**	32%
Total Loans Net (d)	261,969	323,640	**347,562**	7%	33%	261,969	**347,562**	33%
Acquired Collection Rights (e)	2,025	3,887	**3,559**	(8%)	76%	2,025	**3,559**	76%
Total Loans (d+e)	263,994	327,528	**351,121**	7%	33%	263,994	**351,121**	33%
Total Liabilities	540,331	730,565	**752,195**	3%	39%	540,331	**752,195**	39%
Total Deposits	292,615	348,061	**370,290**	6%	27%	292,615	**370,290**	27%
Demand Deposits	149,816	169,650	**189,613**	12%	27%	149,816	**189,613**	27%
Time Deposits	142,798	178,411	**180,677**	1%	27%	142,798	**180,677**	27%
Equity	50,227	75,215	**77,082**	2%	53%	50,227	**77,082**	53%

Financial Ratios GFNorte	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Profitability:								
NIM (1)	4.3%	4.0%	**4.0%**	(0.1 pp)	(0.4 pp)	4.2%	**4.1%**	(0.1 pp)
NIM after Provisions (2)	3.0%	3.1%	**3.3%**	0.2 pp	0.4 pp	2.9%	**3.3%**	0.4 pp
ROE (3)	15.6%	12.6%	**14.4%**	1.7 pp	(1.2 pp)	15.5%	**14.1%**	(1.4 pp)
ROA (4)	1.2%	1.1%	**1.2%**	0.1 pp	0.0 pp	1.2%	**1.1%**	(0.0 pp)
Operation:								
Efficiency Ratio (5)	51.8%	53.9%	**58.4%**	4.6 pp	6.6 pp	51.4%	**55.7%**	4.3 pp
Operating Efficiency Ratio (6)	3.3%	2.9%	**3.4%**	0.5 pp	0.2 pp	3.0%	**3.2%**	0.2 pp
Liquidity Ratio (7)	84.0%	104.9%	**101.8%**	(3.1 pp)	17.8 pp	84.0%	**101.8%**	17.8 pp
Asset Quality:								
Past Due Loan Ratio	2.5%	2.4%	**1.9%**	(0.4 pp)	(0.5 pp)	2.5%	**1.9%**	(0.5 pp)
Coverage Ratio	123.7%	132.6%	**143.1%**	10.5 pp	19.4 pp	123.7%	**143.1%**	19.4 pp
Past Due Loan Ratio w/o Banorte USA	2.3%	2.3%	**1.9%**	(0.4 pp)	(0.4 pp)	2.3%	**1.9%**	(0.4 pp)
Coverage Ratio w/o Banorte USA	134.3%	138.7%	**149.6%**	10.9 pp	15.3 pp	134.3%	**149.6%**	15.3 pp

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

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

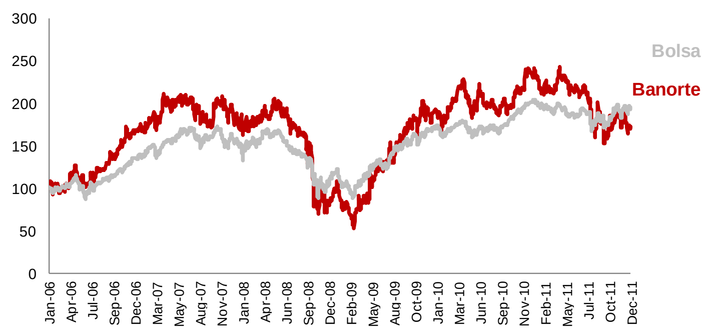
Subsidiaries Net Income (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Banking Sector	**1,329**	**1,706**	**1,725**	**1%**	**30%**	**5,387**	**6,544**	**21%**
Banco Mercantil del Norte (1)	**1,329**	**1,555**	**1,707**	10%	28%	**5,387**	**6,256**	16%
Ixe Banco	**-**	**152**	**17**	(89%)	-	**-**	**288**	-
Broker Dealer	**184**	**81**	**145**	**80%**	**(21%)**	**403**	**418**	**4%**
Banorte-Broker Dealer	**184**	**55**	**67**	23%	(64%)	**403**	**276**	(31%)
Ixe-Broker Dealer	**-**	**13**	**57**	326%	-	**-**	**97**	-
Ixe Fondos	**-**	**13**	**21**	65%	-	**-**	**45**	-
Long Term Savings	**103**	**141**	**180**	**28%**	**74%**	**444**	**573**	**29%**
Retirement Funds (Afore)	53	41	**76**	86%	44%	208	**209**	0%
Insurance	46	83	**91**	9%	98%	230	**339**	48%
Annuities	5	17	**14**	(18%)	179%	6	**25**	317%
Other Finance Companies	**128**	**196**	**164**	**(17%)**	**28%**	**500**	**708**	**42%**
Leasing and Factoring (2)	111	167	**151**	(10%)	37%	443	**616**	39%
Warehousing	17	13	**8**	(36%)	(53%)	57	**40**	(29%)
Ixe Automotriz	-	2	**15**	488%	-	-	**30**	-
Ixe Fincasa Hipotecaria	-	14	**(10)**	(172%)	-	-	**22**	-
Other Companies								
Ixe Soluciones	-	6	**(51)**	(993%)	-	-	**(64)**	-
Ixe Servicios	-	2	**(2)**	(197%)	-	-	**2**	-
G. F. Banorte (Holding)	**14**	**9**	**352**	**3633%**	**2344%**	**(29)**	**336**	**(1270%)**
Total Net Income	**1,758**	**2,142**	**2,513**	**17%**	**43%**	**6,705**	**8,517**	**27%**

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

Share Data	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Earnings per share (Pesos)	0.87	0.92	**1.08**	17%	24%	3.32	**3.66**	10%
Dividend per Share (Pesos)	0.17	0.00	**0.17**	-	0%	0.51	**0.52**	2%
Dividend Payout (Recurring Net Income)	18.3%	0.0%	**18.0%**	-	(2%)	18.3%	**18.6%**	1%
Book Value per Share (1) (Pesos)	22.85	29.61	**30.45**	3%	33%	22.85	**30.45**	33%
Total Shares Outstanding (Million Shares)	2,018.3	2,326.4	**2,326.4**	0%	15%	2,018.3	**2,326.4**	15%
Stock Price (Pesos)	58.86	41.16	**42.32**	3%	(28%)	58.86	**42.32**	(28%)
P/BV (Times)	2.58	1.39	**1.39**	(0%)	(46%)	2.58	**1.39**	(46%)
Market Capitalization (Million Dollars)	9,620	6,939	**7,059**	2%	(27%)	9,620	**7,059**	(27%)
Market Capitalization (Million Pesos)	118,800	95,753	**98,451**	3%	(17%)	118,800	**98,451**	(17%)

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

SHARE PERFORMANCE
2006-2011



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RECENT EVENTS

- **Merger between Afore XXI and Afore Banorte.**

During the quarter, there were a series of material events related to the merger process between Afore Banorte and Afore XXI.

On January 16th, 2012, the merger between Afore Banorte and Afore XXI, as well as their respective Siefores (Retirement Savings Funds) became effective after registering the documents that formalized the Merger Agreement in the Public Registry of Commerce in Monterrey, Nuevo Leon as well in the Distrito Federal (Mexico City).

In order to carry out the merger, the following Shareholder meetings were held on December 23th 2011: (i) Afore Banorte´s Extraordinary General Shareholders' Meeting in which it was agreed that Afore Banorte would merge into Afore XXI as the merging entity, with Afore Banorte disappearing; and (ii) Extraordinary General Shareholders' Meetings of their respective Siefores in which their merger with the corresponding Siefore of Afore XXI was approved.

During the quarter, the following authorizations were obtained to carry out the merger:

1. In accordance to the Long Term Savings System legislation, on November 10th, the Ministry of Finance and Public Credit authorized the following through the Mexican National Commission for the Retirement Savings System ("CONSAR"):

   i. The IMSS, through the communiqué D00/100/073/2011, to acquire 49% of Afore Banorte owned by Generali and subsidiaries, as well as to acquire an additional 1% stake owned by Banco Mercantil del Norte;

   ii. Banco Mercantil, through the communiqué D00/100/074/2011, to acquire 50% of Afore XXI's shares, the majority owned by Prudential International Investments Corporation ("Prudential"), as well as 1 share owned by the Siefores (Retirement Savings Funds) of Afore XXI owned by Prudential.

2. Also, through the communiqué D00/100/075/2011, CONSAR took note of the acquisition by Afore Banorte of 1 share of Afore Banorte's Siefores owned by Banco Mercantil.

3. After receiving the necessary authorizations, Afore XXI and Afore Banorte carried out all the corresponding transactions related to the share purchase of the capital stock to merge both Afores.

As a result, Afore XXI Banorte becomes the largest in the financial system in terms of number of accounts and one of the largest in terms of managed funds. This merger will provide significant synergies and benefits to customers from both institutions, such as a blended fee of 1.33% as of 2012, initiatives that favor the development of the Retirement Savings System in Mexico.

- **Progress in the Merger between Banorte & Ixe.**

i) Merger between Casa de Bolsa Banorte and Ixe Casa de Bolsa.

In relation to the merger that took effect last April 15, 2011 between GFNorte and IXE Grupo Financiero; on January 2nd 2012 all the necessary authorizations were carried out in order to merge Casa de Bolsa Banorte and Ixe Casa de Bolsa as of January 1st, 2012. According to these authorizations, Ixe Casa de Bolsa was the merging entity, while Casa de Bolsa Banorte was the merged entity, by virtue of which the first one subsisted, while the second was absorbed. Casa de Bolsa Banorte Ixe was created through this merger, ranking as the fourth largest in Mexico, with Assets under Management of over Ps. $ 450 billion and with over 32,000 customers.

ii) Merger of Mutual Funds**.**

On November 1st, 2012 the consolidation of the mutual funds managed by Ixe Fondos (Ixe's mutual funds) and Operadora de Fondos Banorte (Banorte's mutual funds) took place with the prior authorization by the CNBV. The transaction was done through the purchase by Ixe Fondos of the series "A" shares corresponding to the 19 mutual funds that were managed by Operadora Banorte. As a result, Ixe Fondos currently manages 43 funds with assets of approximately $83 billion pesos.

- **Acquisition of a 50% stake in Ixe Tarjetas (credit cards).**

As part of the integration strategy of the credit card business, on January 1st 2012, Banorte acquired the 50% stake of Ixe Tarjetas owned by JP Morgan Chase. Ixe Tarjetas was an associated company of Ixe banco (bank), a product of a joint investment with JP Morgan Chase.

- **Latin Finance "Deals of the Year" Recognition.**

On January 19th, Latin Finance magazine recognized the merger between Banorte and Ixe with the "Deals of The Year 2011" award. This award recognizes the best financial transactions and alliances by companies that were characterized by innovation, performance, market presence and vision.

- **Institutional Investor's Rankings.**

Last November, the Institutional Investor magazine published for a second year the rankings of "Best Management Team in Latin America," a survey conducted by leading market analysts and institutional investors. Grupo Financiero Banorte's CEO, Alejandro Valenzuela, was ranked first among the top CEOs in Mexico and third among the CEOs of financial institutions in Latin America. Banorte's Head of Investor Relations, David Suarez, received the highest ranking among his counterparts in Mexico and Latin American financial institutions; while the Investor Relations Executive Team was ranked as number one within Mexican companies and in third place among the Latin America financial institutions.

- **Grupo Financiero Banorte was included in the IPC Sustainability Index.**

On December 8th, 2011, GFNORTE was included in the IPC Sustainability Index after reaching an adequate score regarding its adherence to sustainable policies and systems, coupled with its status as one of the most significant quoted stocks in the BMV, presenting high liquidity and trading levels. Additionally, the BMV recognized GFNORTE with the seal of Sustainable Company. Being included in sustainable indexes reflects the social responsibility culture that the Group has developed, based on four pillars: environmental protection, community support, ethics & quality of life and value chain. It also reflects the best corporate practices that GFNORTE has adopted in recent years, which increases its visibility and coverage in the financial markets.

- **GFNorte and Generali renew for the next 25 Years their distribution agreement for Insurance and Annuities products in Mexico.**

On December 12th 2011 GFNorte and Assicurazioni Generali renewed the business agreement between the two companies for the next 25 years. This agreement contemplates the joint distribution in Mexico of life, home, car and health insurance, as well as annuities. This agreement, which began in 1997, allowed Banorte Generali to issue nearly one million life, home, car and health insurance policies during 2011, and also to serve over 90,000 annuities' customers

- **Changes in Organizational Structure.**

Enrique Castillo Sanchez Mejorada assumed the Presidency of "Inversiones de Capital Banorte-IXE" in order to manage the Group's capital markets investments. Also, the position of Managing Director of Credit Cards was created, and Manuel Romo Villafuerte was designated in this position, and he will also continue to act as Managing Director of Ixe Banco. Finally, in the Wholesale Banking area, the International Banking and Financial Institutions Division was created, and Ricardo Velasquez was designated as Managing Director.

- **The rating agency Standard & Poor's ratified and increased some of the ratings for Banorte & Ixe's subsidiaries.**

On December 1st, 2011 the rating agency Standard and Poor's ("S & P"), affirmed its rating for Banco Mercantil del Norte with a "Stable" outlook, and affirmed the BBB-/ A-3 global scale and the "BBB-" rating for its senior debt. This as a result of the stability achieved by Banorte through diversification of business, strategy and good management.

It ratified Ixe Banco (bank) with a "Stable" outlook, and affirmed the ratings 'BBB-/ A-3" global scale counterparty risk and certificates of deposit. Also, it assigned a rating of "BB" to its Junior Debt. On the other hand, the long-term rating for Ixe Casa de Bolsa (broker dealer) was increased to "mxAA +" and ratified the short-term rating "mxA-1" with a "Stable" outlook. Ixe Automotriz (car leasing company) was upgraded to "mxA +" in the national long-term scale and short-term "mxA-1" with a "Stable" outlook. Finally, S&P upgraded the ratings for Fincasa Hipotecaria (mortgage and home developer financing unit) to "mxA +" national long-term scale and short-term "mxA-1" with a "Stable" outlook. It also ratified the rating of "mxAA+ (sf)" to the certificates backed by mortgages issued by Fincasa Hipotecaria. These changes were the result of the analysis made by S&P on the current performance of these companies and their business forecasts after the merger with Grupo Financiero Banorte.

- **Moody's ratified Banorte's ratings**.

In November 2011, Moody's affirmed its rating for Banco Mercantil del Norte with a "Stable" outlook, and the ratings "Baa1-/ A-3" in the national scale. Also, it ratified the local ratings of "Aaa.mx" and "Mx-1" for Casa de Bolsa Banorte (broker dealer) and Arrendadora y Factor (leasing and factoring), respectively. These changes were as a result of the analysis made by the rating agency on the current performance of the Bank and these subsidiaries, as a consequence of Banorte's positive financial and market performance.

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- **Fitch ratified Seguros Banorte Generali's (insurance company) ratings of "AA+".**

In January 2012, the rating agency Fitch upgraded the domestic ratings for Seguros Banorte Generali to "AA +" (mex) from "AA" (mex) with a "Stable" outlook. The improved rating reflects the rating agency's opinion on the growing importance of Seguros Banorte Generali and the insurance activities within its controlling entity, Grupo Financiero Banorte, as well as its clear commercial profile and adherence to the current regulatory framework, which stands as an explicit high quality support to the ratings

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GRUPO FINANCIERO BANORTE

- **Net Interest Income**

Net Interest Income (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Interest Income	10,979	13,174	**13,604**	3%	24%	43,226	**50,255**	16%
Insurance and Annuities-Interest Income	-	485	**525**	8%	-	-	**1,825**	-
Interest Expense	5,139	6,565	**6,574**	0%	28%	20,969	**24,409**	16%
Insurance and Annuities-Interest Expense	-	(8)	**-**	(100%)	-	-	**-**	-
Premium Income (Net)	-	3,706	**4,022**	9%	-	-	**15,275**	-
Net Increase in Technical Reserves	-	2,080	**3,001**	44%	-	-	**9,316**	-
Damages, Claims and Other Obligations	-	1,711	**1,405**	(18%)	-	-	**6,092**	-
Loan Origination Fees	179	261	**289**	10%	61%	619	**922**	49%
Fees Paid	43	48	**95**	99%	118%	144	**219**	52%
Net Interest Income	**5,976**	**7,232**	**7,364**	**2%**	**23%**	**22,732**	**28,242**	**24%**
Provisions	1,876	1,650	**1,133**	(31%)	(40%)	6,889	**5,438**	(21%)
Net Interest Income Adjusted for Credit Risk	**4,100**	**5,582**	**6,231**	**12%**	**52%**	**15,843**	**22,804**	**44%**
Average Interest Earning Assets	552,232	720,040	**744,367**	3%	35%	545,229	**689,523**	26%
Net Interest Margin (1)	4.3%	4.0%	**4.0%**	(0.1 pp)	(0.4 pp)	4.2%	**4.1%**	(0.1 pp)
NIM after Provisions (2)	3.0%	3.1%	**3.3%**	0.2 pp	0.4 pp	2.9%	**3.3%**	0.4 pp

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

Since 1Q11, the new Accounting Criteria A-2 was implemented for the consolidation of the Insurance and Annuities' companies. As a result, accumulated Net Interest Income since that quarter has been Ps 1.7 billion, while the results for 4Q11 were Ps 141 million, (66%) less than the result registered in 3Q11.

Million Pesos	4Q11	2011
Interest Income	525	1,825
Premiums' Income (net)	4,022	15,275
- Interest Expense	-	-
- Net increase in technical reserves	3,001	9,316
- Damages, claims and others	1,405	6,092
Net Result	$141	$1,692

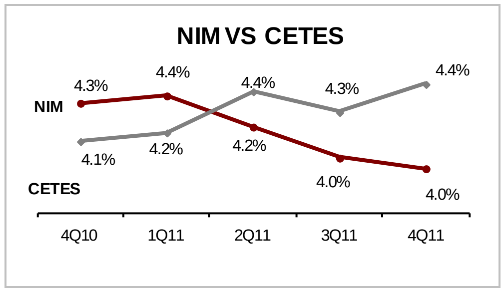
In 2011, Net Interest Income increased by 24% YoY from Ps 22.73 to Ps 28.24 billion as a result of greater loan volumes, a stable funding cost, as well as the extraordinary impacts of integrating the results of the Insurance and Annuities' companies and of Ixe Grupo Financiero. On a comparable basis, net interest income grew by 9% as a result of a 20% increase in interest income derived from 20% annual growth in the loan portfolio (excluding Ixe), especially in segments with more contribution to NII such as Payroll and Credit Cards, as well as a stable funding cost due to a 14% annual expansion in core deposits (excluding Ixe).

During 4Q11, Net Interest Income grew by 23% YoY to Ps 7.37 billion, driven mainly by the extraordinary impact of the merger with Ixe, as well as the effect of consolidating the results of the Insurance and Annuities' companies in accordance to accounting Criteria A-2. On a comparable basis, Net Interest Income grew by 9% compared to 4Q10 as a result of 28% growth in financial revenues driven by greater loan volumes in products with higher contribution to margins, as well as an increase in loan origination fees charged and a stable funding cost.

Net Interest Income in 4Q11 grew by 2% QoQ, vs. 3Q11 due to increased loan volumes especially in higher yielding segments (NII for loan activity grew by 6% QoQ), as well as a lower funding costs as a result of the seasonal increase in demand deposits, which off-set the (66%) decrease in the revenues of the Insurance and Annuities' companies. When excluding this last impact, Net Interest Income increased by 5% on a quarterly basis.

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

Average NIM, including the results of the Insurance and Annuities' companies, was 4.1% in 2011, declining (0.1 pp) compared to 2010. During the quarter, NIM was 4.0%, the same level compared vs. 3Q11 and (0.3 pp) lower compared to 4Q10. In all cases, NIM was impacted by the integration of Ixe's productive assets, which offset the increase in Net Interest Income.



- **Provisions**

Provisions charged to results in 2011 were Ps 5.44 billion, a (21%) YoY decline as a result of lower requirements in the Corporate portfolio (Ps 1.25 million in provisions were created for the Gamma de Servicios loan, a subsidiary of Mexicana de Aviación during 2011), as well as fewer provisions for the Credit Card, Mortgage and Commercial portfolios. On a quarterly basis, provisions were Ps 1.13 billion, a reduction of (40%) QoQ compared to 4Q10 as a result of reduced requirements in the Corporate portfolio (Ps 563 million in provisions were created during 4Q10 for the Mexicana loan) and fewer provisions for Credit Cards. The (31%) quarterly reduction vs. 3Q11 was due to the reversion of provisions created during 3Q11 for the Government portfolio to reserve a portion of the Coahuila exposure; this loan was reclassified as a performing loan at closing of 2011 after presenting three consecutive payments. Also during the quarter, reductions in provisions were observed in most items of the Consumer, Commercial and Business' portfolios due to an improvement in the quality of the portfolios of those sectors.

Average NIM adjusted for Credit Risks was 3.3% in 2011, an increase of 0.4 pp YoY compared to 2010. In 4Q11, average NIM adjusted for risks was 3.3%, growing by 0.2 pp vs. 3Q11 and 0.4 pp compared to 4Q10. The annual and quarterly improvement in this ratio was a result of growth in Net Interest Income and an important reduction in Provisions derived from an improvement in the quality of the portfolio.

Loan Loss Provisions represented 19.3% of the Net Interest Income in 2011 and 15.4% in 4Q11, comparing favorably to 30.3% in 2010 and the 22.8% registered in 3Q11.

Annual accumulated loan loss provisions for 2011 represented 1.7% of the average loan portfolio, (1.0) pp less than in 2010. On a quarterly basis, annual loan loss provisions represented 1.3% of the average portfolio, (1.5 pp) and (0.8 pp) pp less vs. 4Q10 and 3Q11, respectively.

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)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Services	1,824	1,796	**2,053**	14%	13%	6,780	**7,058**	4%
Recovery	227	260	**353**	36%	56%	906	**1,117**	23%
Trading	193	859	**1,184**	38%	512%	1,689	**2,778**	64%
Other Operating Income (Expense)	1,076	649	**1,025**	58%	(5%)	2,320	**2,814**	21%
Non Interest Income	**3,321**	**3,564**	**4,614**	**29%**	**39%**	**11,696**	**13,767**	**18%**

Non Interest Income *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Fees Charged on Services	**2,467**	**2,784**	**3,196**	**15%**	**30%**	**9,234**	**11,055**	**20%**
Fees for Commercial and Mortgage Loans	4	**17**	**16**	(6%)	336%	13	**50**	277%
Fund Transfers	98	**108**	**117**	8%	19%	389	**421**	8%
Account Management Fees	265	**314**	**311**	(1%)	17%	1,018	**1,160**	14%
Fiduciary	90	**80**	**116**	46%	29%	316	**353**	12%
Income from Real Estate Portfolios	227	**260**	**353**	36%	56%	906	**1,117**	23%
Electronic Banking Services	212	**224**	**234**	4%	11%	940	**872**	(7%)
Credit Card Fees	709	**748**	**831**	11%	17%	2,601	**2,990**	15%
Fees from IPAB (1)	-	**-**	**-**	-	-	0	**-**	(100%)
Fees charged by Afore	355	**351**	**342**	(3%)	(4%)	1,269	**1,323**	4%
Other Fees Charged (2)	507	**681**	**874**	28%	73%	1,783	**2,770**	55%
Fees Paid on Services	**416**	**728**	**790**	**8%**	**90%**	**1,548**	**2,879**	**86%**
Fund transfers	8	**9**	**10**	12%	26%	29	**37**	28%
Other Fees Paid	408	**719**	**780**	8%	91%	1,519	**2,842**	87%
Expenses from Real Estate Portfolios	-	**-**	**-**	-	-	-	**-**	-
Net Fees	**2,051**	**2,056**	**2,406**	**17%**	**17%**	**7,686**	**8,175**	**6%**
Trading Income	**193**	**859**	**1,184**	**38%**	**512%**	**1,689**	**2,778**	**64%**
Subtotal Other Operating Income (Expenses) (3)	930	**306**	**598**	96%	(36%)	1,739	**1,501**	(14%)
Non Operating Income (Expense), net (4)	147	**207**	**306**	48%	109%	581	**819**	41%
Other Operating Income (Expense) from Insurance and Annuities (5)	-	**136**	**120**	(12%)	-	-	**494**	-
Other Operating Income (Expenses)	**1,076**	**649**	**1,025**	**58%**	**(5%)**	**2,320**	**2,814**	**21%**
Non Interest Income	**3,321**	**3,564**	**4,614**	**29%**	**39%**	**11,696**	**13,767**	**18%**

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

During 1Q11, the new Accounting Criteria A-2 was implemented in order to consolidate the Insurance and Annuities' companies and D-2 to report "Other Operating Income (Expenses)" in the Income Statement. As a result, starting in 1Q11, "Non Operating Income, (Expenses) net", which was previously reported after "Operating Income", is now reported as "Non Interest Income", and "Other Operating Income (Expenses) from Insurance and Annuities" which was previously

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consolidated under the participation method, is now included in the results of the Financial Group. Both items are registered under "Other Operating Income (Expenses)."

At closing of 2011, Non Interest Income totaled Ps 13.77 billion, increasing by 18% YoY due to growth in all items, especially trading revenues which grew by 64% YoY, as well as a 21% yearly increase in Other Operating Income and Expenses mainly due to growth in Recoveries of acquired portfolios and Other income, as well as to the accounting reclassifications carried out during 1Q11 which incorporated revenues from the Insurance and Annuities' companies and Other Income and Expenses. When excluding the impact of the accounting reclassifications, Non Interest Income grew by 12% vs. 2010, although it declined on an annual basis when excluding the positive impact from integrating Ixe's Non Interest Income.

On a quarterly basis, Non Interest Income was Ps 4.61 billion, increasing by 39% YoY vs. 4Q10 mainly driven by an increase in trading revenues, more Service fees due to greater volumes in the fiduciary business, credit card and wholesale banking, as well as the impact of the merger with Ixe. Non Interest Income grew by 29% QoQ vs. 3Q11 due to growth in all items. When excluding the impact of the accounting effects and the merger with Ixe, Non Interest Income grew by 4% QoQ vs. 4Q10.

- **Service Fees**

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

Service Fees reached Ps 7.06 billion in 2011, 4% higher vs. 2010 due to the inclusion of Ixe's service fees, as well as to the following increases: i) 55% in Other Service Fees Charged due to the increased business volumes for Banorte-Ixe in areas such as Wholesale Banking, ii) 15% in Card Credit fees due to the 8% expansion in the Credit card portfolio and the 17% increase in revenues from client transactions iii) 14% in account management fees driven by clientele growth and iv) 4% in service fees charged by the Afore as a result of a 10% increase in Assets Under Management (without taking into consideration those that were included after the merger with Afore XXI at the end of December 2011). Growth in these items was partially offset by the (7%) reduction in electronic banking fees as a result of regulatory changes, and by the 86% increase in Fees Paid as a result of greater interchange fees paid mainly to Visa and MasterCard, as a consequence of greater credit and debit cards transactions by our clients. Service Fees declined by (14%) YoY vs. 2010 when excluding the impact of the merger with Ixe, mainly due to the negative effect of regulatory changes.

In 4Q11, Service Fees were Ps 2.05 billion, increasing by 13% QoQ vs. 4Q10 and 14% vs. 3Q11. This quarterly increase is due to more revenues from Other Service Fees Charged, Credit Card Fees, Commercial and Mortgage Loan Fees, Fiduciary, Fund Transfer and Electronic Banking Service fees. However, these increases were partially off-set by an increase in Other Service Fees Paid and a reduction in service fees charged by the Afore as a result of seasonality and to a lesser degree, the reduction in the fees charged to Afore clients resulting from the merger with the Afore XXI; this negative impact will be off-set during 2012 by increased AUMs.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loans and foreclosed assets classified under "Other Operating Income and Expenses") remained practically at the same level as in 2010, despite a 23% increase in recoveries from real estate portfolios, which include income related to investment projects mainly with home developers, and a 88% increase in revenues from recoveries of acquired portfolio. However, these were almost entirely off-set by a (25%) reduction in revenues from previously written-off portfolios as a result of the extraordinary recovery of Ps 629 million that was registered for the Comercial Mexicana loan in 4Q10. Recoveries declined by (24%) YoY vs. 4Q10 due to the recovery during that quarter of the Comercial Mexicana loan; when eliminating this event, recovery revenues grew by 105%, driven by annual growth in recoveries of real estate portfolios and acquired portfolios.

Recoveries for 4Q11 increased by 43% QoQ vs. 3Q11 mainly due to a 60% increase in the recoveries of previously written-off proprietary loans and 36% in recoveries of real estate portfolios.

At closing of 4Q11, the amount invested in projects totaled Ps 7.16 billion, an increase of 10% QoQ compared to 3Q11 and 43% YoY vs. 4Q10.

- **Trading**

During 2011, Trading revenues totaled Ps 2.78 billion, a 64% YoY increase due to the consolidation of the Insurance and Annuities' companies in accordance with the accounting criteria issued by the CNBV as of 1Q11, to the adequate management of trading positions, as well as to the inclusion of IXE's results as of 2Q11.

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

Trading revenues generated in 4Q11 were Ps 1.18 million, increasing by 38% QoQ vs. 3Q11, mainly due to a positive valuation impact of inflation indexed instruments as a result of inflation registered by year end; the 512% YoY increase vs. 4Q10 is a result of including Ixe's results, the consolidation of the Insurance and Annuities' companies and the positive inflationary impact on the valuation of instruments.

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (3) *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Subtotal Other Operating Income (Expenses)	**930**	**306**	**598**	**96%**	**(36%)**	**1,739**	**1,501**	**(14%)**
Loan Recovery	905	243	**372**	53%	(59%)	1,612	**1,207**	(25%)
Income from purchased assets	22	10	**33**	220%	50%	110	**99**	(10%)
Other Operating Income	3	80	**214**	167%	6033%	21	**296**	1322%
Other Operating Income (Expense)	(1)	(27)	**(20)**	(26%)	1891%	(4)	**(101)**	2569%
Non Operating Income (Expense), net	**147**	**207**	**306**	**48%**	**109%**	**581**	**819**	**41%**
Other Products	901	299	**859**	188%	(5%)	1,639	**1,625**	(1%)
Other Recoveries	10	107	**132**	23%	1173%	240	**451**	88%
Other (Expenses)	(764)	(198)	**(685)**	245%	(10%)	(1,298)	**(1,258)**	(3%)
Other Operating Income (Expense) from Insurance and Annuities	**-**	**136**	**120**	**(12%)**	**-**	**-**	**494**	**-**
Other Operating Income (Expenses)	**1,076**	**649**	**1,025**	**58%**	**(5%)**	**2,320**	**2,814**	**21%**

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

During 2011, Other Operating Income and Expenses were Ps 2.81 billion, 21% higher YoY resulting from more recoveries of acquired portfolios, as well as an increase in Other Operating Income derived from the positive valuation impact in the trusts of securitized loan portfolios, greater dividends from the insurance company, fewer losses and contingencies, among others. Also, there is a positive impact of Ps 494 million (18% of the total increase in this item) due to the reclassification of revenues from Insurance and Annuities' operations. When excluding the revenues from the accounting reclassification of these operations and revenues generated by Ixe, Other Operating Income and Expenses declined by (12%) vs. 2010, mainly due to the recoveries related to the alliance and delinquent loan of Comercial Mexicana that were booked in 2010.

In 4Q11, Other Operating Income and Expenses were Ps 1.03 billion, (5%) less YoY vs. 4Q10 due to the recovery during that quarter of last year of Comerci's previously written-off loan. When excluding the effects of the accounting reclassification of the Insurance and Annuities' operations and revenues generated by Ixe, the decline would have been (36%) YoY vs. 4Q10.

On a quarterly basis, this item increases by 58% vs.3Q11 due to a 60% increase in the recoveries of proprietary portfolio and foreclosed assets, as well as an increase in Other Operating Income and Other Income as a result of greater payments by the insurance company, refunds by subsidiaries and cancellation of contingencies, among others. This was partially off-set by the (12%) decrease in the revenues from the Insurance and Annuities' operations.

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)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Personnel	1,929	2,289	**3,352**	46%	74%	7,077	**9,882**	40%
Professional Fees	460	555	**600**	8%	30%	1,414	**2,200**	56%
Administrative and Promotional	1,145	1,276	**1,364**	7%	19%	4,128	**4,864**	18%
Rents, Depreciation & Amortization	515	796	**731**	(8%)	42%	2,206	**2,867**	30%
Taxes other than income tax & non deductible expenses	263	339	**392**	16%	49%	893	**1,370**	53%
Contributions to IPAB	293	342	**364**	6%	24%	1,136	**1,341**	18%
Employee Profit Sharing (PTU) (1)	210	217	**196**	(10%)	(7%)	837	**885**	6%
Non Interest Expense	**4,815**	**5,814**	**6,999**	**20%**	**45%**	**17,691**	**23,409**	**32%**

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 2011, Non Interest Expense was Ps 23.41 billion, 32% higher YoY vs. 2010 mainly due to the merger with Ixe. The increase was in all expense items, with the main changes as follows: i) Ps 2.81 billion in Personnel Expenses (+40%) as a result of the merger with Ixe and growth in business areas, as well as the payment of incentives linked to results and adjustments to provisions of long term retention and indemnification plans; ii) Ps 786 million in Professional Fees Paid (+56%) as a result of more advisory services linked to the business, the merger process with Ixe, and IT development; iii) Ps 736 million in Administration and Promotional Expenses (+18%) related to more credit card operations, advertising campaigns linked to the merger with Ixe, transfer of cash and insurance payments linked to the sale of mortgages and payroll loans and iv) Ps 661 million in Rents, Depreciations and Amortizations (+30%) due to the recognition of anticipated depreciation of 42 closed branches, the new furniture of some buildings and computer equipment, as well as more rents for offices as a result of growth in the branch network.

In 4Q11, Non Interest Expense totaled Ps 7.0 billion, increasing by 45% YoY vs. 4Q10 as a result of the merger with Ixe, restructuring expenses related to the merger, as well as growth in the business and support areas. Non Interest Expense grows by 20% QoQ vs. 3Q11, mainly due to fully provisioning bonuses corresponding to 2011 for executives and employees, higher administrative expenses related to ATM operations and cash transfers, as well as greater Professional Fees Paid for business and legal advisory, and to insurance payments linked to Consumer loan sales.

It is important to remember that in November 2011, some items in the Financial Statements were restated with figures as of September 2011, among them, Personnel Expenses in order to liberate some provisions related to the payment of bonuses to executives and employees. If this effect is normalized in the expenses of the third and fourth quarters, Personnel Expenses increased by 8% QoQ and Non Interest Expense by 5% QoQ vs. 3Q11. During the quarter, restructuring charges related to the Ixe merger were Ps 46 million. When excluding all the extraordinary impacts from 3Q11 and 4Q11, Non Interest Expenses increased by 5% during the quarter compared to 3Q11.

On an annual basis, expenses related to the merger with Ixe totaled Ps 512 million; when excluding these restructuring costs and the impact of integrating Ixe's Non Interest Expense, the increase in Banorte's expenses would be 10% YoY.

The Efficiency Ratio was 55.7% in 2011 and 58.4% in 4Q11; and 51.4% in 2011 on comparable basis.

- **Taxes**

Taxes in 2011 were Ps 3.55 billion, 27% higher YoY due to a higher tax base. Taxes in 4Q11 totaled Ps 1.01 billion, increasing by 40% YoY and 13% QoQ vs. 3Q11 also due to a higher tax base. The effective tax and profit sharing (PTU) rate for 4Q11 was 29.7%, lower than the 33.0% of 4Q10 and the 31.1% registered in 3Q11. The effective accumulated rate for 2011 is 31.6%, (2.5 pp), lower than the 34.1% registered during the same period in 2010.

- **Subsidiaries and Minority Interest**

In 2011, subsidiaries and minority interest registered a loss of (Ps 1.1) billion, vs. the (Ps 337) million registered in 2010 due to reduced profits in some Subsidiaries as a result of applying the accounting criteria A-2 to consolidate the Insurance and Annuities' companies line by line and not through the equity participation method as it was previously done, as well as a loss of Ps 84 million in the Siefores' (retirement savings' funds) results. Also, Banco Mercantil del Norte's minority interest contribution to IFC grew by Ps 138 million as a result of increased bank profits. The contribution to Generali in

Insurance and Annuities was Ps 350 million higher, and in the Afore, prior to Generali leaving this business, it was Ps 17 million greater.

On a quarterly basis, the loss of (Ps 326) million is greater than the (Ps 302) million loss in 3Q11, as a consequence of a Ps 12 million loss from Ixe Tarjetas, as well as a Ps 17 million increase in the minority contribution by Banco Mercantil del Norte and Ps 22 million by the Afore and Insurance company.

- **Net Income**

In 4Q11 GFNorte increased its profits for the 10th consecutive quarter. In 2011, the Group registered net income of Ps 8.52 billion, 27% higher than in 2010. During 4Q11, the Group reached net income of Ps 2.51 million, 17% QoQ higher vs. 3Q11 and 43% YoY higher vs. 4Q10, in all cases as a result of greater Revenues and fewer Provisions. When excluding the restructuring expenses and the merger with Ixe, recurring net income was Ps 2.54 billion in 4Q11, 44% YoY higher and 19% higher QoQ vs. 3Q11, while the accumulated net income without restructuring expenses was Ps 8.82 billion, a 31% YoY increase.

During this quarter, Banco Mercantil del Norte contributed with profits of Ps 1.71 billion, 68% of the total profits, while the consolidated Banking Sector including Ixe Banco, contributed with Ps 1.73 million (69% of profits).

The return on equity (ROE) for GFNorte in 2011 was 14.1%, (1.4 pp) less compared to 2010, mainly as a result of the increase in the shareholders' equity from the merger. When excluding this impact, ROE rises to 16.4%, 90 basis points higher compared to 2010. The return on assets (ROA) for 2011 was 1.1%, remaining at the same level compared to 2010.

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

- **Capitalization**

Capitalization *(Million Pesos)*	4Q10	1Q11	2Q11	3Q11	4Q11	Change QoQ	Change YoY
Tier 1 Capital	39,369	41,032	41,855	42,597	42,003	(1%)	7%
Tier 2 Capital	13,252	12,818	12,648	13,969	8,366	(40%)	(37%)
Net Capital	52,620	53,850	54,502	56,566	50,369	(11%)	(4%)
Credit Risk Assets	222,146	224,121	240,598	255,255	270,972	6%	22%
Net Capital / Credit Risk Assets	23.7%	24.0%	22.7%	22.2%	18.6%	(3.6 pp)	(5.1 pp)
Total Risk Assets (1)	326,481	335,188	351,590	363,323	390,312	7%	20%
Tier 1	12.06%	12.24%	11.90%	11.72%	10.76%	(1.0 pp)	(1.3 pp)
Tier 2	4.06%	3.82%	3.60%	3.84%	2.14%	(1.7 pp)	(1.9 pp)
Capitalization Ratio	16.12%	16.07%	15.50%	15.57%	12.90%	(2.7 pp)	(3.2 pp)

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

At closing of 4Q11 the Capitalization Ratio was 12.9% considering credit, market and operational risks and 18.6% when only considering credit risks. The Tier 1 ratio was 10.8% and Tier 2 was 2.1%.

The Capitalization Ratio declined by (2.7) percentage points (pp) vs. 3Q11, due to the following effects:

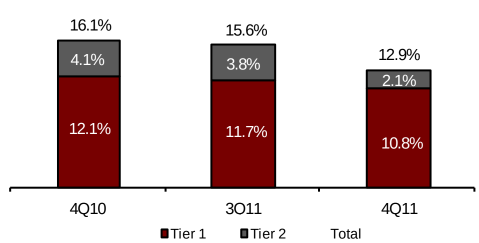
1) Reinvestment of profits generated during 4Q11: + 0.4 pp.
2) Dividends Received from Afore Banorte Generali: + 0.1 pp.
3) Increase in Risk Assets: - 1.0 pp.
4) Prepayment of Subordinated Debt: - 1.4 pp.
5) Afore XXI's Investment: - 0.8 pp.

On an annual basis, the Capitalization Ratio in 4Q11 is (3.2 pp) less than in 4Q10 due to:

1) Effects of profits generated between 4Q10 and 4Q11: + 1.8 pp.
2) FX impact on Subordinated Obligations: + 0.1 pp.
3) Dividends Received from Afore Banorte Generali: + 0.1 pp.
4) Increase in Risk Assets: - 2.5 pp.
5) Prepayment of Subordinated Debt: - 1.4 pp.
6) Afore XXI's Investment: - 0.8 pp.
7) Payment of Dividends: - 0.2 pp.
8) Valuation of hedging instruments and securizations: - 0.2 pp.
9) Change in methodology for creating reserves in Consumer loans: - 0.1 pp.

In March 2011, Banorte complied with the term required by the CNBV (36 months) to constitute the entire capital requirement for operational risk, which has a requirement of 1.6 pp at closing of 2011. Banorte has fully adopted the capitalization requirements established by the Mexican authorities and the international norms according to the Basle II rules.

CAPITALIZATION RATIO



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

- **Deposits**

Deposits *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	 YoY
Non Interest Bearing Demand Deposits	69,615	82,616	**91,860**	11%	32%
Interest Bearing Demand Deposits (1)	80,218	88,035	**98,085**	11%	22%
Total Demand Deposits (2)	149,833	170,651	**189,944**	11%	27%
Time Deposits – Retail	88,805	115,589	**118,491**	3%	33%
Core Deposits	238,638	286,240	**308,435**	8%	29%
Money Market (3)	54,142	59,935	**60,859**	2%	12%
Total Bank Deposits	**292,780**	**346,175**	**369,295**	7%	26%
GFNorte's Total Deposits (4)	**292,615**	**348,061**	**370,290**	6%	27%
Third Party Deposits	**145,602**	**134,817**	**123,918**	(8%)	(15%)
Total Assets Under Management	**438,382**	**480,992**	**493,213**	3%	13%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 4Q10, 3Q11 and 5Q11 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 (4Q10 = Ps 165 million; 3Q11= Ps 1,886 billion; 4Q11= Ps 995 billion)

- **Deposits**

At closing of 4Q11, Total Deposits were Ps 370.3 billion, 27% higher YoY vs. 4Q10, driven by growth in all items mainly due to the merger with Ixe. Demand deposits increased by 27% annually, Retail Time Deposits grew by 33% and Money Market by 12% YoY. The annual growth in Deposits when excluding the impact of the merger with Ixe was 14% YoY compared to 4Q10.

Total Deposits increased by 6% QoQ vs. 3Q11, driven by an 8% growth in core deposits: Demand deposits grew by 11%, Retail Time Deposits by 3% and Money Market by 2%.

- **Demand and Time Deposits**

At closing of 4Q11, Demand Deposits grew by 27% YoY, driven by a 32% annual growth in Non-Interest Bearing Demand Deposits due to the merger with Ixe and growth in the average balances in personal accounts (14% in Banorte and 22% in Ixe), as well as a +19% growth in Banorte's corporate accounts. Annually, Interest Bearing Demand Deposits grew by 22% YoY also driven by growth in personal accounts (21% in Banorte and 18% in Ixe), as well as a 30% increase in Banorte's corporate accounts. The combined deposits for SMEs, Government and Corporate grew by 24% annually.

On a quarterly basis, Demand Deposits increased by 11% vs. 3Q11. The 11% growth in Non-Interest Bearing Demand Deposits and Interest-Bearing Demand Deposits is explained by larger balances in some products for personal and corporate accounts, as a result of the seasonality of the fourth quarter.

Retail Time Deposits grew by 33% YoY as a result of the merger with Ixe and promotional campaigns to sell promissory notes through branches. Retail Time Deposits increased by 3% QoQ due to promotional campaigns towards the end of the year for selling promissory notes and the increase in Ixe's time deposits.

As a result of the efforts to increase deposits, 1.0 million new accounts were opened in Banorte during 2011, an annual increase of 18%; and 58.2 thousand new accounts were opened in Ixe during 2011.

- **Money Market Deposits**

Money market deposit balances totaled Ps 60.86, a 12% YoY and 2% QoQ growth. The annual and quarterly growth is mostly explained by the merger with Ixe and the funding needs of the Financial Group to support strong asset growth.

- **Third Party Deposits**

At closing of 4Q11, third party deposits were Ps 123.92 billion, a (15%) YoY and (8%) QoQ reduction from 3Q11.

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

- **Assets Under Management**

At closing of 4Q11, AUMs totaled Ps 493.21 billion, growing by 13% YoY and 3% QoQ from 3Q11 due to higher Core Deposits, and to a lesser degree Money Market Deposits.

- **Loans.**

Performing Loan Portfolio *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY
Commercial	87,825	114,842	**121,512**	6%	38%
Consumer	83,545	94,329	**98,521**	4%	18%
Corporate	44,176	53,663	**59,070**	10%	34%
Government	47,550	63,095	**71,162**	13%	50%
Sub Total	263,096	325,929	**350,265**	7%	33%
Recovery Bank	454	308	**292**	(5%)	(36%)
Total	263,550	326,237	**350,557**	7%	33%

Performing Consumer Loan Portfolio *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY
Mortgages	55,718	61,957	**64,276**	4%	15%
Car Loans	8,208	9,091	**9,354**	3%	14%
Credit Cards	11,159	11,129	**11,465**	3%	3%
Payroll	8,460	12,153	**13,426**	10%	59%
Consumer Loans	83,545	94,329	**98,521**	4%	18%

(Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY
Past Due Loans	6,664	7,953	**6,949**	(13%)	4%
Loan Loss Reserves	8,245	10,549	**9,944**	(6%)	21%
Acquired Rights	2,025	3,887	**3,559**	(8%)	76%

- **Total Performing Loans**

Total Performing Loans increased by 33% YoY, growing by Ps 87.17 billion to Ps 350.27 billion at closing of 4Q11, when excluding the proprietary portfolio managed by the Recovery Bank. Banorte's Total Performing Loans Portfolio grew by 20% YoY when excluding the impact of the merger with Ixe, as a result of greater demand for credit in the industry.

Total Performing Loans increased by 7% QoQ vs. 3Q11, growing by Ps 24.34 billion with an increase in all items.

The loan portfolio grew for the seventh consecutive quarter even if the merger with Ixe is not considered, a trend that had not been registered since prior to the crisis that began at the end of 2008.

Growth of the portfolio by items was:

- **Individual Loans**

  - ✓ **Consumer + Mortgage:** increased by Ps 14.98 billion or 18% YoY compared to 4Q10 and Ps 4.19 billion or 4% QoQ vs. 3Q11 to Ps 98.52 billion as a result of favorable dynamics in all items.

  - ✓ **Mortgage:** grew by Ps 8.56 billion or 15% YoY to Ps 64.28 billion, driven by the increase of mortgage sales for middle market home acquisition as a result of the new products launched, the reactivation of mortgage products for liquidity, improvement of loan conditions, construction, remodeling and payment of liabilities. In the quarter the portfolio grew by Ps 2.32 billion or 4% QoQ vs. 3Q11. During 4Q11, 4,302 mortgages were sold with a value of Ps 4.15 billion, while in 2011 a total of 14,781 new mortgages were sold with a value of Ps 13.79 billion. The Mortgage portfolio grew by 13% YoY vs. 4Q10 excluding Ixe. Banorte's market share as of November 2011 was 15.5%, ranking second in the system.

- ✓ **Credit cards:** at closing of 4Q11 the balance of this portfolio reached Ps 11.47 billion, increasing by 3% YoY and 3% QoQ. The recovery in this segment is a result of the adequate management of the products' life cycle, an increase in the number of cards (87,199 during 4Q11 and 344,295 in 2011) and growth in billing and promotional campaigns of Banorte's product offering. The placement of new cards grew by 12% annually during 2011 and billing was Ps 27.48 billion during the year, growing by 17% annually as a result of campaigns to promote card usage and to charge purchases with interest free monthly payments. The profitability of the credit card product has increased considerably in the last 18 months, making it once again one of the most profitable products in the bank. At the end of the quarter, Banorte had 1.56 million cards, an increase of 8% YoY, showing a combined market share with Ixe to November 2011 of 6.3% in the system, an increase of 80 basis points in the last 12 months.

- ✓ **Payroll:** at closing of 4Q11, the portfolio had an annual growth of Ps 4.97 billion or 59% YoY and Ps 1.27 billion or 10% QoQ to Ps 13.42 billion, as a result of campaigns to promote the payroll product, a 17% annual increase in the number of the bank's payroll deposit clients to 3.5 million and the strategy to cross -sell more loans to clients. New loans during 2011 reached Ps 15.87 billion or 53% compared to 2010. Also, 574,890 new loans were placed during 2011, 37% more than in the same period in 2010. Payroll loans continue to be the bank's most profitable product, showing vigorous growth during the last year and good portfolio quality. Market share in this segment as of November 2011 was 13.5%, ranking fourth in the system.

- ✓ **Car loans:** the portfolio grew by Ps 1.15 billion annually or 14% YoY and Ps 264 million or 3% QoQ in 4Q11 to Ps 9.35 billion due to a recovery in car sales in the country. Placement was also favored by alliances established with car distributors to finance their units. Production of new loans during 2011 increased by 15% compared to the balance originated in the same period of the previous year; 37,580 new loans were placed during this period vs. 34,227 in 2010. The profitability of this product has increased due to higher volumes, good asset quality and cross-selling auto insurance, which is one of Banorte's most important insurance products. As of November 2011, market share in this segment was 15.4%, ranking third in the system and being the second bank in new car loan originations.

- **II. Loans to Institutions**

- ✓ **Commercial:** grew by Ps 33.69 billion or 38% YoY mainly due to the merger with Ixe and by Ps 6.67 billion or 6% QoQ vs. 3Q11 to Ps 121.51 billion. As well as the impact from the Ixe merger, this annual and quarterly growth is due to an increase in the placement of Middle market companies' loans, leasing and factoring, and the reactivation of the asset backed (Crediactivo) product for SMEs. The portfolio for SMEs rose to Ps 20.36 billion, growing by Ps 3.78 billion or 23% YoY and by Ps 1.90 billion or 10% QoQ vs. 3Q11.

- ✓ **Corporate:** at closing of 4Q11, the portfolio reached Ps 59.07 billion pesos, increasing Ps 14.89 billion or 34% YoY mainly due to the merger with Ixe and Ps 5.41 billion or 10% QoQ vs. 3Q11. This growth was driven by the reactivation of loans in this sector and the efforts of the corporate area to increase placement with new and existing clients, in addition to the merger with Ixe. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. The bank's 20 most important corporate exposures represent 13.6% of the total portfolio, declining by 30 basis points vs. 3Q11. The largest corporate loan represents 2.0% of the total portfolio, while number 20 represents 0.4% of the total portfolio. The market share in this segment as of November 2011 was 16.4% among all the system (this market share includes the commercial and corporate portfolios).

- ✓ **Government:** at closing of 4Q11 the balance of this portfolio item was Ps 71.16 billion, growing by Ps 23.61 billion or 50% YoY and Ps 8.07 billion or 13% QoQ, as a result of the merger with Ixe, the efforts to continue satisfying the credit demand in this sector, especially with State & Municipal governments and Decentralized Organisms, as well as the refinancing of several clients' liabilities as part of a financial reengineering of their public finances. Banorte's government loan portfolio is diversified by sectors and regions, and shows a low concentration. The bank's 20 most important government exposures represent 19.2% of the total portfolio, 0.8 percentage points more than in 3Q11. The largest loan represents 2.2% of the total portfolio, while number 20 represents 0.4%. Also, most of the loans granted by Banorte have federal transfers as a source of repayment and the borrowers have high credit ratings, making this sector one with the lowest risk profiles. Market share in this segment as of November 2011 was 19.8% in the system, showing an increase of 460 basis points in the last 12 months.

- **Past Due Loans**

At closing of 4Q11, Past Due Loans totaled Ps 6.95 billion, growing by 4% YoY mainly due to the incorporation of Ixe's past due loans. The PDL portfolio shows a (13%) QoQ decline due the classification of Coahuila's Government exposure as performing. This loan had been reclassified as delinquent in September's financial statements, but during 4Q11 it presented three consecutive payments and was reclassified as performing at the end of 2011 according to the accounting rules established by the existing regulation.

In 4Q11, the PDL Ratio was 1.9%, (0.5 pp) lower compared to the level registered in 2010, and (0.4 pp) lower compared to 3Q11. The annual decrease is due to an improvement in the quality of Credit Card, Mortgage and Commercial portfolios, while the quarterly decline is due to the reclassification of the Coahuila loan as performing and an improvement in PDLs in the Commercial, Mortgage, Card Credit and Car loan portfolios. When excluding the operations in the United States, Banorte's PDL Ratio was also 1.9% in 2011. The quality of the US bank's portfolio (INB) has improved considerably, resulting in a reduction of the PDL Ratio from 11.4% to 3.8% between 1Q10 and 4Q11.

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

	4Q10	1Q11	2Q11	3Q11	4Q11
Credit Cards	8.5%	9.1%	9.4%	8.2%	7.3%
Payroll	1.8%	1.5%	1.8%	1.8%	1.7%
Car loans	1.0%	0.8%	1.8%	1.8%	1.6%
Mortgage	1.7%	1.2%	1.8%	2.0%	1.5%
Commercial	3.4%	3.5%	3.1%	2.9%	2.7%
Corporate	2.9%	2.8%	2.5%	2.3%	2.1%
Government	0.0%	0.0%	0.0%	0.8%	0.0%

1. Credit cards: Ps. 903 million, a (Ps. 137) million YoY decline and (Ps. 95) million QoQ.
2. Payroll Loans: Ps.233 million, Ps. 77 million YoY higher and Ps.17 million QoQ.
3. Car loans: Ps.149 million, Ps.68 million YoY increase, but a (Ps.18) million QoQ decline.
4. Mortgage: Ps. 968 million, (Ps. 4) million YoY lower and (Ps.324) million QoQ.
5. Commercial: Ps.3.39 million, Ps. 293 million YoY higher and (Ps.98) million less QoQ.
6. Corporate: Ps.1.29 million, (Ps.25) million YoY lower and Ps.3 million QoQ.
7. Government: Ps.11 million, Ps.11 million YoY higher and a (Ps.489) QoQ decline.

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

The quarterly changes in non performing loans for Banorte, excluding Ixe, were:

Past Due Loan Variations *(Million Pesos)*	
Balance as of September, 2011	**7,192**
Transfer from Performing Loans to Past Due Loans	2,577
Portfolio Purchase	0
Renewals	(190)
Cash Collections	(452)
Discounts	(37)
Charge Offs	(1,053)
Foreclosures	(81)
Transfer from Past Due Loans to Performing Loans	(1,675)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	8
Balance as of December, 2011	**6,289**

In 4Q11, the highest new NPL formation derived from consumer loans, which was partially compensated by a significant reversal in the commercial portfolio.

Regarding Loan Loss Reserves, 71% of the requirements correspond to Consumer, 26% to Commercial / Middle market companies, 10% to Mortgage, (46%) to Government, 9% to Corporate, 30% to benefits and write-downs (among other items) and the remainder of the balance corresponds to Ixe reserves.

With respect to write-offs, 49% correspond to the Consumer portfolio, 16% to Mortgage, 32% to Commercial and the remaining 3% to Recovery.

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

Risk Rating of Performing Loans as of 4Q11-GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES			
		COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A	62,759	-	20	160	**180**
A1	167,023	783	-	-	**783**
A2	72,717	682	-	-	**682**
B	25,129	0	934	266	**1,200**
B1	24,405	568	249	-	**817**
B2	7,770	63	464	-	**527**
B3	2,167	232	-	-	**232**
C	2,736	0	667	263	**930**
C1	765	185	-	-	**185**
C2	1,389	611	-	-	**611**
D	1,929	430	829	57	**1,316**
E	2,466	2,111	262	108	**2,481**
Total	371,255				
Not Classified	(156)				
Exempt	113				
Total	371,212	5,666	3,426	854	**9,946**
Reserves					**9,944**
Excess / (Deficit)					**(3)**

Notes:

1.- The ratings of loans and reserves created correspond to the last day referred in the Balance Sheet at December 31st, 2011.
2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Mortgage and Consumer loans, Banorte uses the regulation described in the Official Gazette published on December 2, 2005, and for Commercial loans it uses internal methodologies approved by the CNBV.
3.- As of March 2011 new regulations came into effect to rate the non-revolving consumer loans and housing mortgages, and the reserves shown above for these segments is calculated according to the new provisions.
4.- The additional preventive reserves follow the rules issued by the CNBV, to regulate support programs and include the effect of the approval of internal accounting policy for mortgages write-offs of Fincasa subsidiary.
5.- The Leasing and Factor risk rating is made with balances as of November 2011, the reserve is established in December 2011.

Of the total Loan Portfolio, 81% is rated as Risk A, 16% as Risk B, and 1% as Risk C ,D, E respectively.

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

Loan Loss Reserves (Million Pesos)	4Q11
Previous Period Ending Balance	**10,549**
Provisions charged to results	1,131
Created with profitability margin	-
Reserve Portfolio Sold	(181)
Other items	-
Charge offs and discounts:	
Commercial Loans	(422)
Consumer Loans	(657)
Mortgage Loans	(402)
Foreclosed assets	(77)
	(1,557)
Cost of debtor support programs	(3)
Valorization and Others	5
Loan Loss Reserves at Period End	**9,944**

- **Loan Loss Reserves**

At closing of 4Q11, loan loss reserves were Ps 9.94 billion, a (5.7%) decline compared to the balance registered at the end of 3Q11, since the Ps 1.13 billion provisions were lower than the Ps 1.56 billion in write-offs. The reserve coverage ratio was 143.1% at the end of 4Q11 (149.6% without considering INB).

- **Provisions for Loan Loss Reserves**

Reserve requirements in 4Q11 were Ps 1.13 billion, (40%) less YoY as a result of reduced requirements in the Corporate portfolio (in 4Q10 provisions included Ps 563 million for the Mexicana de Aviación loan) and fewer provisions for Credit cards. On a quarterly comparison vs. 3Q11 the (31%) decrease was as a result of a reversal in the provisions creating during 3Q11 for the Government portfolio in order to reserve part of Coahuila's exposure; this loan was reclassified as performing at closing of 2011 after presenting 3 consecutive payments. Also during the quarter there were decreases in provisions in most segments of Consumer loans, Commercial and Middle market companies as a result of an improvement in the quality of the portfolio in these segments.

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

In the case of the loan portfolio to States and Municipalities, a new rating methodology came into effect in October 2011. This resolution modifies the existing model of reserves based on public ratings in order to establish a methodology under which the portfolio is rated and reserved according to expected losses for the following 12 months considering the default probability, severity of exposure to loss and exposure to default probability for each client. It came into effect on October 6, 2011 and is applicable optionally on the third or fourth quarter of 2011. GFNorte chose to apply this methodology based on September 30, 2011 figures for Banorte's portfolio, while for the rest of the subsidiaries based on December 31st 2011.

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

IXE AND SUBSIDIARIES

(Data in Million Pesos)

I. MANAGEMENT ANALYSIS AND COMMENTS

During 4Q11, Ixe's subsidiaries reported profits of Ps. 47 million, 77% lower compared to the Ps. 202 million of 3Q11. The change is mainly explained by a series of adjustments that arose from applying the result of the accounting purchasing principle that GFNorte requested to Ernst & Young for determining the goodwill arising from the merger with Ixe. The most important adjustment corresponds to the accelerated amortization of intangible assets that will not be used in the future as a result of the merger, which amounted to Ps 334 million, excluding Ps 41 million charged to results in previous quarters. When excluding the effects of this extraordinary charge, the Efficiency Ratio at closing of 4Q11 was 63.4%~~,~~ (18 pp) lower than in 3Q11.

At closing of 2011, accumulated Net Income of Ixe's subsidiaries was Ps. 99 million and Ps 420 million for the period from April 1st to December 31st~~.~~. However, considering the effect of applying the accounting purchasing principle and intercompany transactions the results generated in 2011 by Ixe's subsidiaries would have been Ps. 564 million.

	Amount (Million Pesos)
Ixe Susidiaries' Net Income (Apr '11-Dec '11)	420
Standardization for the effects of accounting purchasing and intercompany transactions (1)	144
Total (2)	**564**

(1) The amount shown has the net effect of expense and deferred taxes.

Each subsidiary contributes to the accumulated profits as follows: Banking Sector with 69% of Ixe's results (Ps 288 million), the Brokerage Sector with 34% (Ps 142 million), Other Finance Companies with a Ps 14 million loss and the Services Sector representing 0.5% of the net income (Ps 2 million).

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

Ixe's Subsidiaries

1. Income Statement – Ixe's Subsidiaries

Income Statement- Ixe's Subsidiaries ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
NII before REPOMO	$570	$691	21%
= NII before credit risks	**570**	**691**	**21%**
- Preventive provisions for Loan Losses	$17	$257	1,421%
= NII adjusted for credit risks	553	434	(21%)
+ Non Interest Income	592	885	49%
= Total Income	1,145	1,318	15%
- Non Interest Expense	948	1,385	46%
= Total Operating Income	197	-67	(134%)
= Income before Taxes and Profit Sharing	197	-67	(134%)
- Income Tax and Profit Sharing	11	81	606%
- Deferred Income Tax and Profit Sharing	(42)	(229)	(448%)
= Net Income before subsidiaries	228	81	(64%)
+ Subsidiaries' Net Income	-26	(36)	(38%)
= Net Income from continuous operations	201	45	(78%)
- Minority interest	0	0	n./a.
= Total Net Income	**$202**	**$45**	**(78%)**

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

- **Net Interest Income**

Net Interest Income ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
Interest Income	1,810	1,999	11%
Interest Expense	1,287	1,373	7%
Loan Fees Charged	50	66	32%
Loan Fees Paid	2	1	(56%)
Net Interest Income	570	691	21%
Average Productive Assets	109,627	112,813	3%
% Net Interest Income (NIM) (1)	**2.08%**	**2.45%**	

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

Net Interest Income increased by 21% in 4Q11 compared to the previous quarter, due to an 11% increase in financial income, mainly due to higher loan activity, which increased by 9% when compared to the previous quarter.

In 4Q11, average NIM was 2.45%, 0.37 pp higher compared to the previous quarter as a result of higher growth in financial revenues compared with the growth of average productive assets.

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

- **Provisions**

During 4Q11 provisions for loan losses increased by Ps 240 million, mainly due to the booking of Ps 172 million in reserves for the consumer loan portfolio acquired in October 2011. This increase is fully offset by the revenues derived from the purchase of loan portfolios registered in other operating income (expenses), since the transaction was carried out at book value of the loan portfolio netting out its loss reserves.

- **Non Interest Income**

Non Interest Income ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
+ Fund transfers	4	4	0%
+ Account Management Fees	39	53	36%
+ Fiduciary	10	10	0%
+ Electronic banking services	5	2	(60%)
+ Other Fees Charged (1)	467	709	52%
Fees charged for Services	**525**	**778**	**48%**
+ Other Fees Paid	173	269	55%
Fees paid for Services	**173**	**269**	**55%**
= Net Fees	**352**	**509**	**45%**
+ Foreign Exchange	157	134	(15%)
+ Trading	(183)	729	498%
+ Securities – Unrealized Gains	248	(705)	(385%)
= Trading Revenues	**222**	**158**	**(29%)**
Other operating revenues and expenses	**18**	**218**	**1,096%**
= Non Interest Income	**$592**	**$885**	**50%**

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

The following table identifies the sources of Non Interest Income:

Non Interest Income ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
Services	$352	$509	45%
Trading	222	158	(29%)
Other Operating Income (Expenses)	18	218	1,096%
Non Interest Income	**$592**	**$885**	**50%**

In the fourth quarter of 2011, Non Interest Income totaled Ps 885 million, registering a 49% QoQ increase vs. 3Q11. The changes are driven mainly by:

- **Service Fees:** Compared to the previous quarter, service fees increased by 45% QoQ or Ps. 157 million mainly due to higher revenues from Corporate & Structured Finance related fees (+Ps 78 million); from financial advisory (+Ps 45 million) and fees from co-distribution of mutual funds and account management (+Ps 14 million, respectively).

- **Trading:** Reported a (29%) QoQ decrease compared to 3Q11 due to the recognition of impairments in securities held to maturity of Ps 45 million at closing of December 2011. Of the total adjustment, GFNorte only applied Ps 11 million to its results, adjusting the remaining amount against the goodwill in accordance with applying the accounting purchasing principle previously mentioned.

- **Other Operating Income and Expenses:** These revenues show a substantial growth of Ps 200 million compared to 3Q11, which is mainly due to revenues of Ps 172 million from the acquisition of the consumer loan portfolio.

- **Non Interest Expense**

Non Interest Expense ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
Professional Fees	$481	$426	(12%)
Administrative and Promotional Expense	60	79	33%
Rents, Depreciations and Amortizations	198	210	7%
Other taxes	127	567	347%
Contributions to IPAB	52	70	33%
Professional Fees	30	33	13%
Profit Sharing	0	0	0%
Non Interest Expense	**$948**	**$1,385**	**46%**

During the fourth quarter of 2011, Non Interest Expense totaled Ps 1.4 billion, representing a 46% QoQ increase or Ps 438 million compared to 3Q11. This increase is explained by the accelerated amortization of intangible assets, mainly software, that currently have no value due to the migration of Ixe's companies to Banorte's different operating platforms. This adjustment amounts to Ps 440.1 million during 4Q11. Also, payroll related expenses decreased by Ps 55 million compared to 3Q11, which confirms the important synergies obtained through staff reductions.

The Efficiency ratio was 87.9% as of December 2011, 6.3 pp higher than the level in 3Q11. However, when excluding the impact of applying the accounting purchasing principle, it decreases to 63.4%.

2. Ixe's Balance Sheet Items:

- **Performing Loan Portfolio**

Performing Loan Portfolio ***(Million Pesos)***	**3Q11**	**4Q11**	**Change QoQ**
Commercial Loans	$24,439	$24,002	(2%)
Financial Intermediaries' Loans	4,264	3,846	(10%)
Government Loans	3,448	1,825	(47%)
Consumer Loans	558	4,196	652%
Mortgage Loans	1,499	1,397	(7%)
Subtotal	**34,207**	**35,266**	3%
Total Performing Loans	**$34,207**	**$35,266**	3%
Past Due Loans	761	949	25%
% Past Due Loan Ratio	**2.18%**	**2.62%**	

The loan portfolio increased by Ps 1.1 billion compared to 3Q11, from Ps 34.2 billion to Ps 35.3 billion. This increase is mainly due to growth in the consumer portfolio of Ps 3.6 billion, which is offset by the decline in government loans resulting from the amortization by a borrower of Ps 1.2 billion, in addition to the natural maturing of the Financial Intermediaries' portfolio.

At closing of the fourth quarter of 2011, past due loans registered a 25% increase vs 3Q11, totaling Ps 949 million. At closing of the fourth quarter of 2011, the NPL ratio was 2.6%, which compares unfavorably to the 2.2% recorded in 3Q11, mainly due to a change in the internal rating policies, reducing from 90 to 60 days the days of arrears in order to consider loans as overdue.

- **Deposits**

Deposits *(Million Pesos)*	**3Q11**	**4Q11**	**Change QoQ**
Non Interest Bearing Demand Deposits	$9,588	$10,479	9%
Interest Bearing Demand Deposits	4,072	2,724	(33%)
Total Demand Deposits	**13,660**	**13,203**	**(3%)**
Time Deposits – Retail	21,069	22,222	6%
Core Deposits	**34,729**	**35,425**	**2%**
Money Market (1)	338	418	24%
Total Bank Deposits	**$35,067**	**$35,843**	**2%**
Ixe GF's Total Deposits (2)	**$34,884**	**$35,531**	**2%**
Third Party Deposits	316	61	(81%)
Total Assets Under Management	**$35,200**	**$35,592**	**1%**

(1) Includes certificates of deposit and warrants.
(2) Includes eliminations between subsidiaries. Balances of such eliminations for 3Q11 and 4Q11 were Ps 183 million and Ps 312 million, respectively.

At closing of the fourth quarter of 2011, Total Deposits were Ps 35.6 billion, 2% higher than in 3Q11. However, it is important to emphasize the 9% growth in Non Bearing Demand Deposits and the 6% growth in Retail Time Deposits.

3. FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

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

Stockholders' Equity *(Million Pesos)*	**3Q11**	**4Q11**
Paid-in Capital	4,237	4,710
Premium of Subscribed & Issued Shares	2,929	2,906
Subscribed Capital	**$7,166**	**$7,617**
Credit Risk Assets	33,148	35,219
Market and Operational Risk Assets	11,882	14,466
Total Risk Assets (1)	**$45,031**	**$49,685**
Net Capital / Credit Risk Assets	21.62%	21.63%
Tier 1	9.41%	9.48%
Tier 2	6.50%	5.85%
Capitalization Ratio	**15.91%**	**15.33%**

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

- **Banking Sector Capitalization Ratio**

Capitalization *(Million Pesos)*	**3Q11**	**4Q11**
Tier 1 Capital	4,237	4,664
Tier 2 Capital	2,929	2,912
Net Capital	**$7,166**	**$7,577**
Credit Risk Assets	33,148	35,179
Market & Operational Risk Assets	11,882	14,466
Total Risk Assets	**$45,031**	**$49,645**
Net Capital / Total Risk Assets	21.62%	21.54%
Tier 1 Capital	9.41%	9.40%
Tier 2 Capital	6.50%	5.87%
Capitalization Ratio	**15.91%**	**15.26%**

At closing of December 2011, the Capitalization Ratio was 15.33% taking into consideration credit and market risks, and 21.63% considering only credit risks. The Tier 1 ratio was 9.48% while Tier 2 was 5.85%. On an annual basis, the Capitalization Ratio in December 2011 is lower than the level in December 2010 as a result of:

- ✓ Impact of capital increase:0.81pp
- ✓ Impact of permanent investments in shares, variation for the period. Impact:(0.02pp)
- ✓ Impact of intangibles and assets that are deferred for over a year, variation in this period. Impact:0.96pp
- ✓ FX impact on Subordinated Obligations. Impact: 0.93pp

- **EARNINGS AND PERFORMANCE RATIOS**

Financial Ratios (%)	**3Q11**	**4Q11**
Past Due Loan Ratio	2.2%	2.6%
Coverage Ratio	109.4%	107.0%
Operating Efficiency Ratio	3.2%	4.6%
ROE	11.8%	2.6%
ROA	0.7%	0.2%
Capitalization Ratio *		
1 (Net Capital / Credit Risk Assets)	21.6%	21.5%
2 (Net Capital / Credit and Market Risk Assets)	15.9%	15.3%
Liquidity	200.6%	201.0%
NIM	2.1%	2.5%
** Ratio corresponds only to the Bank.*		

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

BANKING SECTOR

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

Income Statement and Balance Sheet Highlights-Banking Sector *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Income Statement								
Net Interest Income	5,682	6,428	**6,835**	6%	20%	21,700	**25,105**	16%
Non Interest Income	2,646	2,770	**3,402**	23%	29%	9,431	**10,843**	15%
Total Income	8,327	9,198	**10,237**	11%	23%	31,131	**35,947**	15%
Non Interest Expense	4,415	4,908	**6,595**	34%	49%	16,080	**20,694**	29%
Provisions	1,834	1,664	**1,020**	(39%)	(44%)	6,772	**5,311**	(22%)
Operating Income	2,078	2,626	**2,623**	(0%)	26%	8,279	**9,943**	20%
Net Income Before taxes	2,131	2,633	**2,657**	1%	25%	8,502	**10,101**	19%
Taxes	641	760	**717**	(6%)	12%	2,467	**2,841**	15%
Subsidiaries & Minority Interest	52	7	**35**	429%	(34%)	222	**158**	(29%)
Net Income	1,490	1,872	**1,940**	4%	30%	6,035	**7,260**	20%
Balance Sheet								
Total Assets	564,386	679,290	**726,082**	7%	29%	564,386	**726,082**	29%
Performing Loans (a)	251,434	310,746	**335,314**	8%	33%	251,434	**335,314**	33%
Past Due Loans (b)	6,523	7,368	**6,583**	(11%)	1%	6,523	**6,583**	1%
Total Loans (a+b)	257,957	318,115	**341,897**	7%	33%	257,957	**341,897**	33%
Total Loans Net (d)	250,001	308,193	**332,452**	8%	33%	250,001	**332,452**	33%
Acquired Collection Rights (e)	2,025	2,330	**2,258**	(3%)	11%	2,025	**2,258**	11%
Total Loans (d+e)	252,026	310,523	**334,709**	8%	33%	252,026	**334,709**	33%
Total Liabilities	520,070	626,633	**671,173**	7%	29%	520,070	**671,173**	29%
Total Deposits	292,780	346,175	**369,295**	7%	26%	292,780	**369,295**	26%
Demand Deposits	149,833	170,651	**189,944**	11%	27%	149,833	**189,944**	27%
Time Deposits	142,947	175,525	**179,350**	2%	25%	142,947	**179,350**	25%
Equity	44,316	52,657	**54,909**	4%	24%	44,316	**54,909**	24%

Financial Ratios Banking Sector	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Profitability:								
NIM (1)	4.3%	4.1%	**4.2%**	0.1 pp	(0.1 pp)	4.1%	**4.1%**	(0.0 pp)
NIM after Provisions (2)	2.9%	3.1%	**3.6%**	0.5 pp	0.7 pp	2.8%	**3.2%**	0.4 pp
ROE (3)	13.6%	14.4%	**14.2%**	(0.2 pp)	0.7 pp	14.2%	**14.2%**	0.0 pp
ROA (4)	1.0%	1.1%	**1.1%**	(0.0 pp)	0.1 pp	1.0%	**1.1%**	0.0 pp
Operation:								
Efficiency Ratio (5)	53.0%	53.4%	**64.4%**	11.1 pp	11.4 pp	51.7%	**57.6%**	5.9 pp
Operating Efficiency Ratio (6)	3.1%	2.9%	**3.8%**	0.8 pp	0.6 pp	2.9%	**3.2%**	0.4 pp
Liquidity Ratio (7)	82.2%	92.2%	**101.0%**	8.8 pp	18.8 pp	82.2%	**101.0%**	18.8 pp
Asset Quality:								
Past Due Loan Ratio	2.5%	2.3%	**1.9%**	(0.4 pp)	(0.6 pp)	2.5%	**1.9%**	(0.6 pp)
Coverage Ratio	122.0%	134.7%	**143.5%**	8.8 pp	21.5 pp	122.0%	**143.5%**	21.5 pp
Past Due Loan Ratio w/o Banorte USA	2.3%	2.2%	**1.9%**	(0.4 pp)	(0.5 pp)	2.3%	**1.9%**	(0.5 pp)
Coverage Ratio w/o Banorte USA	132.6%	141.4%	**150.4%**	9.1 pp	17.9 pp	132.6%	**150.4%**	17.9 pp
Growth (8)								
Performing Loans (9)	10.0%	28.6%	**33.5%**	4.9 pp	23.5 pp	10.0%	**33.5%**	23.5 pp
Core Deposits	7.3%	28.7%	**29.2%**	0.6 pp	21.9 pp	7.3%	**29.2%**	21.9 pp
Total Deposits	6.4%	20.2%	**26.1%**	5.9 pp	19.7 pp	6.4%	**26.1%**	19.7 pp
Capitalization:								
Net Capital/ Credit Risk Assets	23.7%	22.2%	**18.6%**	(3.6 pp)	(5.1 pp)	23.7%	**18.6%**	(5.1 pp)
Total Capitalization Ratio	16.1%	15.6%	**12.9%**	(2.7 pp)	(3.2 pp)	16.1%	**12.9%**	(3.2 pp)

1) NIM = Annualized Net Interest Margin for the quarter / Performing Assets Average.
2) NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Performing Assets Average.
3) Net Income of the period annualized as a percentage of the quarterly average of Equity (without minority interest) for the same period.
4) Net Income of the period annualized as a percentage of the quarterly average of Total Assets (without minority interest) for the same period.
5) Non Interest Expenses / (Total Net Income+ Provisions)
6) Annualized Non Interest Expenses of the quarter / Total Assets Average
7) Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms of immediately payable + short term loans from banks and of other organisms.
8) Growth compared to the same period of the previous year.
9) Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

- **Net Interest Income.**

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

Net Interest Income-Banking Sector (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Interest Income	10,453	12,148	**12,611**	4%	21%	41,406	**46,703**	13%
Interest Expense	4,907	5,921	**5,961**	1%	21%	20,180	**22,271**	10%
Loan Origination Fees	179	247	**277**	12%	55%	619	**886**	43%
Fees Paid	43	46	**93**	104%	115%	144	**213**	48%
Net Interest Income	**5,682**	**6,428**	**6,835**	**6%**	**20%**	**21,700**	**25,105**	**16%**
Provisions	1,834	1,664	**1,020**	(39%)	(44%)	6,772	**5,311**	(22%)
Net Interest Income Adjusted for Credit Risk	**3,848**	**4,764**	**5,815**	**22%**	**51%**	**14,928**	**19,794**	**33%**
Average Interest Earning Assets	529,716	624,345	**653,826**	5%	23%	527,651	**613,405**	16%
Net Interest Margin (1)	4.3%	4.1%	**4.2%**	0.1 pp	(0.1 pp)	4.1%	**4.1%**	(0.0 pp)
NIM after Provisions (2)	2.9%	3.1%	**3.6%**	0.5 pp	0.7 pp	2.8%	**3.2%**	0.4 pp

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

In 2011, Net Interest Income increased by 16% YoY from Ps 21.70 to Ps 25.11 billion as a result of a higher loan volumes, a stable funding cost, and the impact of the merger with Ixe Grupo Financiero.

In 4Q11, Net Interest Income totaled Ps 6.84 billion, growing by 20% YoY mainly due to the merger with Ixe Banco, as well as growth of the portfolio. On a comparable basis, Net Interest Income grew by 10% compared to 4Q10.

Net Interest Income for 4Q11 increased by 6% QoQ due to more revenues from higher loan volumes, and a favorable mix of deposits and the loan portfolio.

Average NIM was 4.1% in 2011, remaining at the same level as that registered in 2010. During the quarter, NIM was 4.2%, a +0.1 pp QoQ vs. 3Q11 and (0.1pp) YoY vs. 4Q10.

- **Loan Loss Provisions**

In 2011 Provisions totaled Ps 5.31 billion, (22%) lower than in 2010 and Ps $1.02 billion in 4Q11, a (44%) decline vs. 4Q10 and (39%) lower QoQ vs. 3Q11. The annual decline is due to lower requirements in the Corporate portfolio as well as fewer provisions in the Credit cards and Commercial portfolios.

The average NIM adjusted for Credit Risks was 3.2% in 2011, an increase of 0.4 pp compared to 2010. In 4Q11 it was 3.6%, 0.5 pp QoQ higher compared to 3Q11 and growing by 0.7 pp YoY compared to 4Q10. This improvement is generated by growth in Net Interest Income and an important reduction in Provisions.

- **Non Interest Income**

Non Interest Income (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Services	1,251	1,385	**1,569**	13%	25%	4,820	**5,597**	16%
Recovery	227	260	**353**	36%	56%	906	**1,117**	23%
Trading	149	577	**435**	(25%)	193%	1,447	**1,564**	8%
Other Operating Income (Expense)	1,020	549	**1,045**	91%	3%	2,258	**2,565**	14%
Non Interest Income	**2,646**	**2,770**	**3,402**	**23%**	**29%**	**9,431**	**10,843**	**15%**

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

Non Interest Income was Ps 10.84 billion in 2011, an increase of 15% YoY, driven by growth in all items.

On a quarterly basis, Non Interest Income was Ps 3.40 billion, increasing by 23% QoQ compared to 3Q11 due to growth in Service Fees and revenues from recoveries. The 29% YoY increase vs. 4Q10 was driven by growth in all items and the impact of the accounting reclassifications.

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

- **Non Interest Expenses**

Non Interest Expense (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Personnel	1,819	1,965	**3,052**	55%	68%	6,556	**8,803**	34%
Professional Fees	465	414	**464**	12%	(0%)	1,382	**1,693**	22%
Administrative and Promotional	984	1,059	**1,227**	16%	25%	3,551	**4,184**	18%
Rents, Depreciation & Amortization	419	678	**1,014**	50%	142%	1,852	**2,803**	51%
Taxes other than income tax & non deductible expenses	227	241	**286**	18%	26%	775	**1,008**	30%
Contributions to IPAB	293	342	**364**	6%	24%	1,136	**1,341**	18%
Employee Profit Sharing (PTU) (1)	208	208	**187**	(10%)	(10%)	827	**861**	4%
Non Interest Expense	**4,415**	**4,908**	**6,595**	**34%**	**49%**	**16,080**	**20,694**	**29%**

In 2011, Non Interest Expense was Ps 20.69 billion, an increase of 29%% YoY vs. 2010, 49% vs. 4Q10 and 34% vs. 3Q11 mainly as a result of the merger with Ixe, which caused an increase in practically all items, especially in Personnel expenses, Professional Fees, Administration and Promotional, Rents, Depreciations and Amortizations.

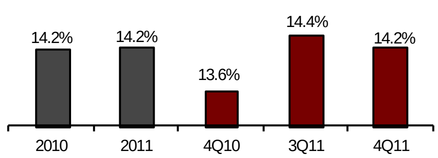
The accumulated Efficiency Ratio was 57.6% in 9M11 and 64.4% in 4Q11.

- **Net Income**

Accumulated Net Income for the Consolidated Banking Sector (100% including the Afore by the participation method and Ixe Banco) was Ps 7.26 billion in 2011, 20% higher than 2010 as a result of higher Total Revenues and fewer Provisions.

On a quarterly basis, Net Income grew by 4% QoQ vs. 3Q11 and by 30% YoY vs. 4Q10 reaching Ps 1.94 billion as a result of the merger with Ixe, higher revenues and fewer provisions. When excluding profits generated by Ixe Banco, Net Income was Ps 1.92 billion, representing a 29% YoY increase vs. 4Q10.

ROE
(BANKING SECTOR)



- **NPL Ratio**

The Banking Sector's NPL Ratio in 2011 was 1.9% (including INB's PDL portfolio), decreasing by (0.4 pp) vs 3Q11 and (0.6 pp) vs. 4Q10.

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

BANCO MERCANTIL DEL NORTE

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

Income Statement and Balance Sheet Highlights-Banorte w/o Afore (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Income Statement								
Net Interest Income	5,682	5,945	**6,226**	5%	10%	21,700	**23,534**	8%
Non Interest Income	2,646	2,390	**2,847**	19%	8%	9,431	**9,560**	1%
Total Income	8,327	8,335	**9,074**	9%	9%	31,131	**33,094**	6%
Non Interest Expense	4,415	4,259	**5,564**	31%	26%	16,080	**18,321**	14%
Provisions	1,834	1,625	**786**	(52%)	(57%)	6,772	**4,991**	(26%)
Operating Income	2,078	2,452	**2,724**	11%	31%	8,279	**9,782**	18%
Net Income Before taxes	2,131	2,485	**2,796**	13%	31%	8,502	**9,995**	18%
Taxes	641	764	**874**	14%	36%	2,467	**3,023**	23%
Subsidiaries & Minority Interest	52	33	**73**	122%	39%	222	**213**	(4%)
Net Income	1,490	1,721	**1,923**	12%	29%	6,035	**6,972**	16%
Balance Sheet								
Total Assets	564,386	590,114	**636,539**	8%	13%	564,386	**636,539**	13%
Performing Loans (a)	251,434	280,786	**304,075**	8%	21%	251,434	**304,075**	21%
Past Due Loans (b)	6,523	7,098	**6,210**	(13%)	(5%)	6,523	**6,210**	(5%)
Total Loans (a+b)	257,957	287,884	**310,286**	8%	20%	257,957	**310,286**	20%
Total Loans Net (d)	250,001	278,434	**301,514**	8%	21%	250,001	**301,514**	21%
Acquired Collection Rights (e)	2,025	2,330	**2,258**	(3%)	11%	2,025	**2,258**	11%
Total Loans (d+e)	252,026	280,765	**303,771**	8%	21%	252,026	**303,771**	21%
Total Liabilities	520,070	542,100	**586,319**	8%	13%	520,070	**586,319**	13%
Total Deposits	292,780	314,415	**336,602**	7%	15%	292,780	**336,602**	15%
Demand Deposits	149,833	156,991	**176,787**	13%	18%	149,833	**176,787**	18%
Time Deposits	142,947	157,424	**159,815**	2%	12%	142,947	**159,815**	12%
Equity	44,316	48,014	**50,220**	5%	13%	44,316	**50,220**	13%

Financial Ratios Banorte w/o Afore	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Profitability:								
NIM (1)	4.3%	4.4%	**4.4%**	(0.0 pp)	0.1 pp	4.1%	**4.3%**	0.2 pp
NIM after Provisions (2)	2.9%	3.2%	**3.8%**	0.6 pp	0.9 pp	2.8%	**3.4%**	0.5 pp
ROE (3)	13.8%	14.6%	**15.7%**	1.1 pp	1.9 pp	14.5%	**14.9%**	0.4 pp
ROA (4)	1.1%	1.2%	**1.3%**	0.1 pp	0.2 pp	1.1%	**1.2%**	0.1 pp
Operation:								
Efficiency Ratio (5)	53.0%	51.1%	**61.3%**	10.2 pp	8.3 pp	51.7%	**55.4%**	3.7 pp
Operating Efficiency Ratio (6)	3.1%	2.9%	**3.6%**	0.7 pp	0.5 pp	2.9%	**3.1%**	0.2 pp
Liquidity Ratio (7)	82.2%	81.0%	**92.4%**	11.4 pp	10.2 pp	82.2%	**92.4%**	10.2 pp
Asset Quality:								
Past Due Loan Ratio	2.5%	2.5%	**2.0%**	(0.5 pp)	(0.5 pp)	2.5%	**2.0%**	(0.5 pp)
Coverage Ratio	122.0%	133.1%	**141.2%**	8.1 pp	19.3 pp	122.0%	**141.2%**	19.3 pp
Past Due Loan Ratio w/o Banorte USA	2.3%	2.2%	**1.9%**	(0.4 pp)	(0.5 pp)	2.3%	**1.9%**	(0.5 pp)
Coverage Ratio w/o Banorte USA	132.6%	141.4%	**150.4%**	9.1 pp	17.9 pp	132.6%	**150.4%**	17.9 pp

1. NIM= Annualized Net Interest Margin for the quarter / Performing Assets Average
2. NIM= Annualized Net Interest Margin for the quarter adjusted for Credit Risks/ Performing Assets Average
3. Net Income for the period annualized as a percentage of the quarterly Equity average (excluding minority interest) for the same period.
4. Net Income for the period annualized as a percentage of the quarterly Total Assets average (excluding minority interest) for the same period.
5. Non Interest Expenses / (Total Net Income + Loan Loss Provisions)
6. Annualized Non Interest Expenses for the quarter / Total Assets Average
7. Liquid Assets / Liquid Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles for sale; Liquid Liabilities = immediately available deposits+ Loans from banks and other organisms immediately payable + short term loans from Banks and other organisms.

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

- **Net Interest Income**

Net Interest Income--Banorte w/o Afore (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Interest Income	10,453	11,065	**11,359**	3%	9%	41,406	**43,228**	4%
Interest Expense	4,907	5,285	**5,262**	(0%)	7%	20,180	**20,247**	0%
Loan Origination Fees	179	211	**223**	5%	24%	619	**767**	24%
Fees Paid	43	46	**94**	104%	116%	144	**213**	48%
Net Interest Income	**5,682**	**5,945**	**6,226**	**5%**	**10%**	**21,700**	**23,534**	**8%**
Provisions	1,834	1,625	**786**	(52%)	(57%)	6,772	**4,991**	(26%)
Net Interest Income Adjusted for Credit Risk	**3,848**	**4,321**	**5,440**	**26%**	**41%**	**14,928**	**18,543**	**24%**
Average Interest Earning Assets	529,716	542,435	**568,204**	5%	7%	527,651	**547,836**	4%
Net Interest Margin (1)	4.3%	4.4%	**4.4%**	(0.0 pp)	0.1 pp	4.1%	**4.3%**	0.2 pp
NIM after Provisions (2)	2.9%	3.2%	**3.8%**	0.6 pp	0.9 pp	2.8%	**3.4%**	0.5 pp

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

- **Non Interest Income**

Non Interest Income (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Services	1,251	1,250	**1,393**	11%	11%	4,820	**5,124**	6%
Recovery	227	260	**353**	36%	56%	906	**1,117**	23%
Trading	149	366	**262**	(29%)	76%	1,447	**1,016**	(30%)
Other Operating Income (Expense)	1,020	514	**840**	64%	(18%)	2,258	**2,302**	2%
Non Interest Income	**2,646**	**2,390**	**2,847**	**19%**	**8%**	**9,431**	**9,560**	**1%**

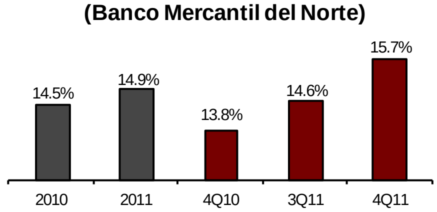
- **Non Interest Expense**

Non Interest Expense (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Personnel	1,819	1,644	**2,777**	69%	53%	6,556	**7,858**	20%
Professional Fees	465	395	**415**	5%	(11%)	1,382	**1,603**	16%
Administrative and Promotional	984	932	**1,095**	18%	11%	3,551	**3,786**	7%
Rents, Depreciation & Amortization	419	568	**531**	(7%)	27%	1,852	**2,101**	13%
Taxes other than income tax & non deductible expenses	227	199	**229**	15%	1%	775	**864**	11%
Contributions to IPAB	293	313	**331**	6%	13%	1,136	**1,248**	10%
Employee Profit Sharing (PTU) (1)	208	208	**187**	(10%)	(10%)	827	**861**	4%
Non Interest Expense	**4,415**	**4,259**	**5,564**	**31%**	**26%**	**16,080**	**18,321**	**14%**

- **Net Income**

Accumulated Net Income of Banco Mercantil del Norte (without the Afore by the participation method) was Ps 6.97 billion in 2011, 16% higher than in 2010, as a result of higher Net Interest Income, and lower provisions. Profits during the quarter grew by 12% vs. 3Q11, totaling Ps 1.92 billion as a result of higher Total Income and lower provisions.

ROE
(Banco Mercantil del Norte)



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

BANORTE USA

I. Banorte USA

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS – Banorte USA* *Figures in MEX GAAP (Million Pesos)*	4Q10	3Q11	4Q11	QoQ	YoY	2010	2011	YoY
Income Statement								
Net Interest Income	164	162	**164**	1%	0%	699	650	(7%)
Non Interest Income	48	138	**101**	(27%)	111%	280	361	29%
Total Income	212	301	**265**	(12%)	25%	979	1,011	3%
Non Interest Expense	202	172	**193**	13%	(5%)	737	700	(5%)
Loan Loss Reserves	48	14	**56**	297%	18%	191	113	(41%)
Operating Income	(38)	115	**16**	(86%)	141%	51	198	290%
Taxes	(15)	39	**3**	(91%)	123%	12	64	436%
Net Income	(24)	76	**12**	(84%)	153%	39	134	245%

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

Under the generally accepted accounting principles in Mexico (MEX GAAP), the Net Income of Banorte USA (subsidiary that owns 100% of Inter National Bank, as well as 100% of the remittance companies Uniteller and Motran) was Ps 134 million in 2011, increasing by 245% compared to 2010, mainly due to an increase in Non Interest Income and a reduction in Loan Loss Provisions.

II. Inter National Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS - InterNational Bank* *Figures in US GAAP (Millon Dollars)*	4Q10	3Q11	4Q11	QoQ	YoY	2010	2011	YoY
Income Statement								
Net Interest Income	13	14	**12**	(10%)	(10%)	56	54	(4%)
Non Interest Income	1	10	**5**	(46%)	784%	14	24	70%
Total Income	14	24	**18**	(25%)	25%	70	78	11%
Non Interest Expense	17	12	**13**	4%	(25%)	55	50	(9%)
Loan Loss Reserves	(1)	2	**3**	59%	456%	19	18	(7%)
Operating Income	(2)	9	**2**	(82%)	178%	(4)	10	368%
Net Income	(1)	6	**1**	(80%)	194%	(2)	7.1	433%
Balance Sheet								
Investments in Securities	636	743	**770**	4%	21%	636	770	21%
Performing Loans	903	759	**753**	(1%)	(17%)	903	753	(17%)
Past Due Loans	87	35	**30**	(16%)	(66%)	87	30	(66%)
Demand Deposits	748	741	**712**	(4%)	(5%)	748	712	(5%)
Time Deposits	1,113	959	**934**	(3%)	(16%)	1,113	934	(16%)
Total Deposits	1,861	1,701	**1,646**	(3%)	(12%)	1,861	1,646	(12%)
Equity	397	410	411	0%	4%	397	411	4%

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

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

Financial Ratios *INB* *Figures in US GAAP*	4Q10	3Q11	4Q11	QoQ	YoY	2010	2011	YoY
Profitability:								
NIM	3.1%	3.2%	**2.9%**	(0.3)	(0.1)	3.2%	3.2%	(0.1)
ROE	(1.3%)	6.0%	**1.2%**	(4.8)	2.5	(0.5%)	1.8%	2.3
ROA	(0.2%)	1.1%	**0.2%**	(0.9)	0.5	(0.1%)	0.3%	0.4
Operational:								
Efficiency Ratio	121.4%	52.5%	**73.0%**	20.5	(48.4)	78.4%	64.1%	(14.3)
Asset Quality:								
Past Due Loan Ratio	8.8%	4.5%	**3.8%**	(0.6)	(5.0)	8.8%	3.8%	(5.0)
Coverage Ratio	30.7%	61.7%	**71.2%**	9.5	40.4	30.7%	71.2%	40.4
Capitalization:								
Leverage Ratio	9.0%	9.3%	**10.0%**	0.8	1.0	9.0%	10.0%	1.0
Capitalization Ratio	18.6%	22.3%	**21.9%**	(0.4)	3.3	18.6%	21.9%	3.3

Under the generally accepted accounting principles in the United States, (US GAAP) Inter National Bank (INB) registered profits of US $7.1 million in 2011, 433% higher than in 2010, due to more Non Interest Income as well as reduced Non Interest Expenses and Provisions.

With respect to INB's assets, the investment portfolio of US $770 million is concentrated mainly on mortgage-backed securities which increased by US $134 million or 21% YoY and US $27 million or a 4% QoQ. decline. The underlying quality of the mortgages that back these securities is rated AAA, since they have an implicit guarantee from the US government. At closing of 4Q11 the portfolio has an unrealized gain for the valuation of these securities of US $18 million and the average weighted maturity of the portfolio is 3.4 years.

Total Deposits were US $1.65 billion, decreasing by US$215 million or 12% YoY and US $55 million or (3%) QoQ. Performing loans were US $753 millon, reducing by US $150 million o (17%) YoY and US $6 million or (1%) QoQ, while the PDL portfolio totaled US $ 30 million and recorded a decrease of US$ 57 million or (66%) YoY, and US $ 5 million or (16%) QOQ as a result of the strategy adopted by the bank to reduce Classified Assets.

The capitalization and leverage ratios remain strong. The Capitalization Ratio at closing of 4Q11 was 21.9% and the Leverage Ratio was 10.0%. On the other hand, the PDL Ratio declined by (5.0) pp YoY to 3.8% and the Reserve Coverage increased by 40.4 pp YoY to 71.2%.

Profitability ratios improved compared to the previous quarter: ROE increased by 2.3 pp YoY to 1.8%, and ROA increased by 0.4 pp YoY to 0.3%. The Efficiency ratio declined by (14.3) pp YoY to 64.1%. On the other hand, NIM practically remains at the same level at 3.2%.

III. Sólida USA

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

In March 2011, a sale of foreclosed assets was made to Banorte with a book value of US $73.2 million US $73.2 million to Banco Mercantil del Norte, representing 38% of INB's total classified assets. In December 2011, the second portfolio sale with book value of US $11 million was made to Banorte.

As a result of the portfolio sale, the ratio of classified assets to basic capital was significantly reduced. At closing of 4Q11, this ratio was 45.8%.

Solida USA's assets under management as of 4Q11, are composed in the following manner:

Solida Mexico's Foreclosed Assets:	$52 million US dollars
Banorte Assets:	$82 million US dollars
INB Classified Assets:	$95 million US dollars
Total:	**$228 million US dollars**

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

RECOVERY BANKING

Income Statement Highlights - Recovery Banking *(Million Pesos)*	2010	2011	Change 2010
Net Interest Income	(201)	(289)	44%
Loan Loss Provisions	27	14	(48%)
Non Interest Income	1,882	2,565	36%
Non Interest Expense	972	1,015	4%
Pre-tax Income & Subsidiaries	987	1,247	26%
Income Tax and Profit Sharing	294	375	28%
Net Income	**692**	**872**	**26%**

Assets Under Management *(Million Pesos)*	4Q11	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**40,434**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**34,064**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida
Investment Projects (1):	**7,158**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**6,470**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**88,127**		

- At closing of 4Q11, Banorte's total assets managed by the Recovery Bank amounted to Ps 40.4 billion, of which 29% correspond to credit card, 23% to Mortgage, 13% to Crediactivo (asset backed SME loans), 9% to Payroll loans, 8% to Middle market companies, 6% to Car loans, 3% to Corporate, 3% to Commercial, 3% to foreclosed assets, 1% to personal loans and 1% to Pronegocio. Revenues generated by this portfolio in 2011 totaled Ps 991 million, a 16% YoY increase.

- At closing of 4Q11, the Recovery Bank managed Ps 34.1 billion in acquired portfolios, of which 32% correspond to Commercial and Corporate portfolios, 31% to Mortgage, 19% to the portfolio managed on behalf of the Mexican mortgage agency (SHF), 11% to real estate portfolios, and 7% to foreclosed assets and payments in kind. Revenues generated by these portfolios were Ps 506 million in 2011, a (6%) YoY decline.

- At closing of 4Q11, the Recovery Bank managed Ps 6.5 billion in assets originated by Ixe, of which 34% corresponds to Middle market companies, 32% to Mortgage, 24% to Consumer loans and 10% to foreclosed assets.

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

BROKERAGE

Brokerage Sector *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Brokerage								
Net Income	184	81	**145**	80%	(21%)	403	**418**	4%
Shareholder's Equity	1,883	2,870	**2,591**	(10%)	38%	1,883	**2,591**	38%
Assets Under Custody	174,068	491,282	**578,762**	18%	232%	174,068	**578,762**	232%
Total Assets	10,169	47,862	**23,528**	(51%)	131%	10,169	**23,528**	131%
ROE	41.6%	11.4%	**21.3%**	9.9 pp	(20.3 pp)	25.1%	**17.2%**	(7.9 pp)
Net Capital								
Net Capital	1,588	2,276	**2,068**	(9%)	30%	1,588	**2,068**	30%

- **Net Income**

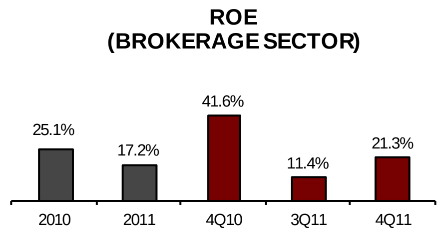
The Brokerage Sector (Banorte broker dealer, Ixe broker dealer and Ixe mutual funds) reported Net Income of Ps 418 million in 2011, a 4% increase from 2010. This growth is mainly due to higher clients' resources managed by the mutual funds translating into more service fees, as well as more revenues from investment banking activity in 2011. On a quarterly basis, Net income was Ps 145 million, declining by (21%) YoY vs. 4Q10 and increasing by 80% QoQ vs. 3Q11, mainly due to increased revenues from investment banking activities during the quarter.

- **Mutual Funds**

At closing of 4Q11, Banorte-Ixe mutual funds' AUMs were Ps 80.7 billion, growing by 8% annually compared to the combined balance of both banks' mutual funds operators in 2010. Assets managed in fixed income mutual funds were Ps 72.4 billion, showing a 12% annual growth, while assets managed in equity mutual funds were Ps 8.3 billion, a (17%) annual reduction. Banorte-Ixe's market share in mutual funds was 6.1% at the end of December 2011, with a 6.6% share in fixed income mutual funds and 3.6 % in equity funds.

- **Assets Under Custody**

At closing of 4Q11, Assets under Custody totaled Ps 578.7 billion, a 232% YoY and 18% QoQ increase mainly due to the integration of Ixe Casa de Bolsa and Ixe Fondos' assets amounting to Ps 444.1 billion.



BANORTE

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

Broker Dealer -Banorte

Brokerage-Banorte *(Million Pesos)*	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Brokerage								
Net Income	184	55	**67**	23%	(64%)	403	**276**	(31%)
Shareholder's Equity	1,883	2,030	**1,634**	(19%)	(13%)	1,883	**1,634**	(13%)
Assets Under Custody	174,068	191,762	**134,672**	(30%)	(23%)	174,068	**134,672**	(23%)
"TotalAssets	10,169	25,529	**1,937**	(92%)	(81%)	10,169	**1,937**	(81%)
ROE	41.6%	10.8%	**14.6%**	3.8 pp	(27.0 pp)	25.1%	**14.5%**	(10.6 pp)
Net Capital								
Net Capital	1,588	1,699	**1,396**	(18%)	(12%)	1,588	**1,396**	(12%)

Ixe Casa de Bolsa

Brokerage-Ixe *(Million Pesos)*	3Q11	4Q11	Change QoQ	2011
Brokerage				
Net Income	13	**57**	326%	**97**
Shareholder's Equity	731	**789**	8%	**789**
Assets Under Custody	259,808	**363,312**	40%	**363,312**
Total Assets	22,143	**21,384**	(3%)	**21,384**
ROE	7.4%	**30.0%**	22.6 pp	**21.9%**
Net Capital				
Net Capital	578	**672**	16%	**672**

Ixe Fondos *(Million Pesos)*	3Q11	4Q11	Change QoQ	2011
Brokerage				
Net Income	13	**21**	65%	**45**
Shareholder's Equity	109	**168**	53%	**168**
Assets Under Custody	39,712	**80,777**	103%	**80,777**
Total Assets	190	**297**	57%	**297**
ROE	49.8%	**61.0%**	11.2 pp	**59.7%**

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)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Afore (1)								
Net Income	111	86	**162**	88%	46%	440	**443**	1%
Shareholder's Equity	1,780	2,061	**1,297**	(37%)	(27%)	1,780	**1,297**	(27%)
Total Assets	2,096	2,362	**1,614**	(32%)	(23%)	2,096	**1,614**	(23%)
AUM (SIEFORE)*	86,271	93,498	**203,216**	117%	136%	86,271	**203,216**	136%
ROE	25.8%	17.1%	**27.5%**	10.5 pp	1.7 pp	28.4%	**22.1%**	(6.3 pp)
Insurance (2)								
Net Income	90	163	**177**	9%	98%	451	**665**	48%
Shareholder's Equity	2,436	2,524	**2,701**	7%	11%	2,436	**2,701**	11%
Total Assets	13,419	14,677	**15,921**	8%	19%	13,419	**15,921**	19%
Technical Reserves	8,319	8,716	**9,533**	9%	15%	8,319	**9,533**	15%
Premiums sold	1,672	1,862	**2,997**	61%	79%	7,095	**10,176**	43%
Coverage ratio of technical reserves	1.2	1.3	**1.2**	(0.0 pp)	(0.0 pp)	1.2	**1.2**	(0.0 pp)
Capital coverage ratio of minimum guarantee	1.7	2.1	**1.8**	(0.2 pp)	0.1 pp	1.7	**1.8**	0.1 pp
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	31.5	31.0	**31.0**	0.0 pp	(0.5 pp)	31.5	**31.0**	(0.5 pp)
ROE	15.1%	24.6%	**27.2%**	2.5 pp	12.1 pp	18.4%	**25.5%**	7.1 pp
Annuities (2)								
Net Income	10	34	**28**	(18%)	179%	12	**49**	317%
Shareholder's Equity	1,028	1,115	**1,142**	2%	11%	1,028	**1,142**	11%
Total Assets	25,478	31,924	**34,279**	7%	35%	25,478	**34,279**	35%
Technical Reserves	24,134	30,494	**32,873**	8%	36%	24,134	**32,873**	36%
Premiums sold	2,085	2,219	**1,925**	(13%)	(8%)	6,920	**8,250**	19%
Coverage ratio of technical reserves	1.0	1.0	**1.0**	0.0 pp	(0.0 pp)	1.0	**1.0**	(0.0 pp)
Capital coverage ratio of minimum guarantee	1.6	3.1	**7.4**	4.3 pp	5.8 pp	1.6	**7.4**	5.8 pp
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	8.5	8.1	**8.1**	0.0 pp	(0.3 pp)	8.5	**8.1**	(0.3 pp)
ROE	3.9%	12.8%	**9.9%**	(2.9 pp)	6.0 pp	1.2%	**4.7%**	3.5 pp

1. SInce December 2011, Afore XXI bought Generali's 49% stake in the Afore and an additional 1% owned by Banorte, becoming Banorte's partner in this business with a 50% stake in this subsidiary.
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.

- **Afore**

On December 23rd, 2011, the merger with Afore XXI was approved by the Shareholders' Meetings. In 2011, the Afore reported net Income of Ps 443 million, a 1% YoY increase, while on a quarterly basis, profits were Ps162 million, a 88% QoQ increase vs. 3Q11. When excluding the effects of the merger with Afore XXI, net income would have been Ps 397 million, a (10%) YoY decline due to lower financial revenues as a result of the valuation losses in the investment portfolio caused by market volatility, as well as by increased operating and sales related expenses.

As a result of the merger, the funds managed by the Afore increased to Ps 203.2 billion, growing by 136% YoY and 117% QoQ (of which Ps 108 billion were contributed by the Afore XXI). When excluding the impact of the merger, funds managed by Afore Banorte were Ps 95.2 billion, an increase of 10% YoY and 2% QoQ as a result of increased employee contributions and an increase in sales derived from more attraction of accounts.

Afore XXI Banorte's market share in managed funds was 13.0% as of December 2011, ranking 4th in the market. Total accounts managed were more than 7 million or 16.6% of all the accounts in the system, ranking 1st in the market.

- **Insurance**

Profits were Ps 665 million in 2011 (51% corresponds to GFNorte), a 48% YoY increase, due to a 20% growth in revenues resulting from higher amounts of issued and earned premiums , as well as a 14% recovery in financial revenues, generating a positive operating leverage. Insurance profits were Ps 770 million pesos when eliminating write-offs that have been applied to the investment portfolio and a fiscal contingency that the company proactively managed. On a quarterly basis, net income was Ps177 million, a 9% QoQ increase vs. 3Q11, due to greater premiums issued during the quarter.

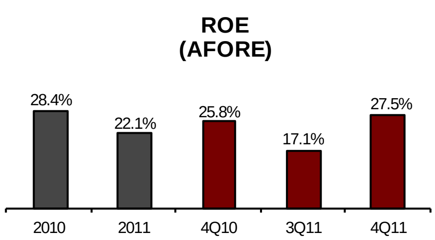
Issued premiums increased by 43% YoY reaching Ps 10.2 billion, while accrued premiums reached Ps 6.6 billion at closing of 4Q11, growing by 21% YoY and 33% QoQ vs. 3Q11.

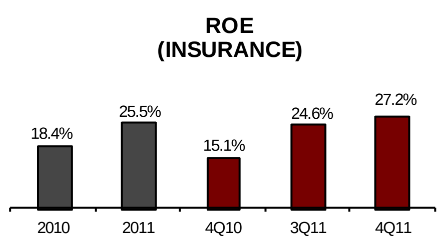
Technical reserves totaled Ps 9.5 billion, increasing by 15% YoY and 9% QoQ vs. 3Q11.

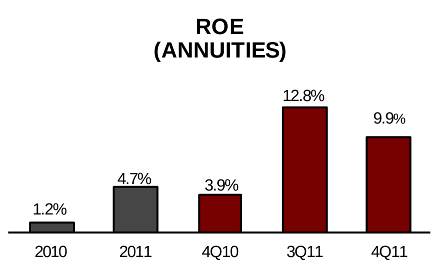
- **Annuities**

Annuities reported net income of Ps 49 million in 2011 (51% corresponds to GFNorte), due to greater revenues as a result of a 30% growth in financial revenues and a 36% increase in technical reserves. When eliminating the impact of the extraordinary write-offs that have been applied to the investment portfolio and a fiscal contingency proactively managed by the company, net income would have been Ps 121 million in 2011.

On a quarterly basis, profits totaled Ps 28 million, a quarterly reduction of (18%) vs. 3Q11, due to a (13%) reduction in premiums issued.







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

OTHER FINANCE COMPANIES

Other Finance Companies (1) (Million Pesos)	4Q10	3Q11	4Q11	Change QoQ	Change YoY	2010	2011	Change 2010
Leasing and Factoring								
Net Income	111	167	**151**	(10%)	37%	443	**616**	39%
Shareholder's Equity	1,930	2,395	**2,446**	2%	27%	1,930	**2,446**	27%
Loan Portfolio (1)	15,884	17,141	**16,882**	(2%)	6%	15,884	**16,882**	6%
Past Due Loans	141	94	**79**	(16%)	(44%)	141	**79**	(44%)
Loan Loss Reserves	289	268	**268**	0%	(7%)	289	**268**	(7%)
Total Assets	15,679	17,450	**16,814**	(4%)	7%	15,679	**16,814**	7%
ROE	23.6%	29.0%	**25.0%**	(4.0 pp)	1.4 pp	26.0%	**27.8%**	1.8 pp
Warehousing								
Net Income	17	13	**8**	(36%)	(53%)	57	**40**	(29%)
Shareholder's Equity	206	239	**246**	3%	19%	206	**246**	19%
Inventories	49	545	**43**	(92%)	(13%)	49	**43**	(13%)
Total Assets	777	688	**277**	(60%)	(64%)	777	**277**	(64%)
ROE	35.7%	21.5%	**13.2%**	(8.3 pp)	(22.5 pp)	33.7%	**17.6%**	(16.0 pp)
Ixe Automotriz								
Net Income	-	2	**15**	488%	-	-	**30**	-
Shareholder's Equity	-	322	**337**	4%	-	-	**337**	-
Loan Portfolio (1)	-	1,392	**1,318**	(5%)	-	-	**1,318**	-
Past Due Loans	-	60	**66**	10%	-	-	**66**	-
Loan Loss Reserves	-	57	**52**	(9%)	-	-	**52**	-
Total Assets	-	1,480	**1,390**	(6%)	-	-	**1,390**	-
ROE	0.0%	3.1%	**17.7%**	14.7 pp	17.7 pp	0.0%	**15.2%**	15.2 pp
Fincasa Hipotecaria								
Net Income	-	14	**(10)**	(172%)	-	-	**22**	-
Shareholder's Equity	-	707	**697**	(1%)	-	-	**697**	-
Loan Portfolio (1)	-	3,988	**3,915**	(2%)	-	-	**3,915**	-
Past Due Loans	-	253	**335**	33%	-	-	**335**	-
Loan Loss Reserves	-	242	**225**	(7%)	-	-	**225**	-
Total Assets	-	4,690	**4,575**	(2%)	-	-	**4,575**	-
ROE	0.0%	8.0%	**-5.8%**	(13.7 pp)	(5.8 pp)	0.0%	**5.2%**	5.2 pp

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

- **Leasing and Factoring**

Arrendadora and Factor Banorte generated profits of Ps 616 million in 2011, a 39% YoY increase vs. 2010, and Ps 151 million in 4Q11, a 37% QoQ increase vs. 4T10, in both cases due to higher financial revenues derived from a 6% increase in the loan portfolio and reduced reserves due to an improvement in asset quality as a result of a (44%) reduction in NPLs. On a quarterly basis, net income declined by (10%) QoQ vs. 3Q11 due to greater loan loss reserves and lower financial revenues as a result of a reduction in the loan portfolio.

At closing of 4Q11 the PDL ratio was 0.47%, lower than in 3Q11 and 4Q10, while the Capitalization Ratio was 14.03%, considering total risk weighted assets of Ps 16.9 billion.

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

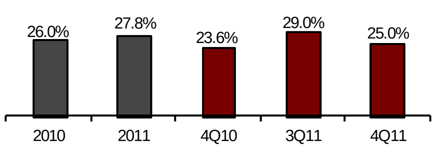
Arrendadora and Factor Banorte is ranked in 1st place in terms of loans and assets among the 40 companies in this sector in accordance to the information available to date.

- **Warehouse**

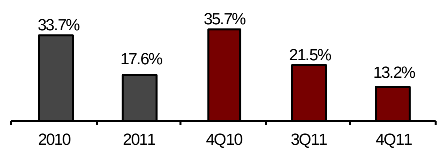
Net income for Warehousing was Ps 40 million in 2011, a (29%) YoY decline vs. 2010, mainly due to a decline in revenues related to the commercialization of inventories. On a quarterly basis, profits of Ps 8 million decreased by (36%) QoQ and by (53%) YoY, as a result of reduced revenues for services linked to the commercialization of inventories.

At closing of 4Q11 the Capitalization Ratio was 10.66% considering Ps 2.3 billion in total certificates at risk in circulation. The Warehouse ranks 3rd amongst the 20 Warehousing Companies in terms of generated profits.

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)*	3Q11	4Q11	Change QoQ	2011
Ixe Soluciones				
Net Income	6	**(51)**	(993%)	**(64)**
Shareholder's Equity	424	**346**	(18%)	**346**
Loan Portfolio (1)	285	**286**	0%	**286**
Past Due Loans	177	**174**	(2%)	**174**
Loan Loss Reserves	61	**62**	2%	**62**
Total Assets	1,463	**1,397**	(5%)	**1,397**
ROE	5.5%	**-53.0%**	(58.5 pp)	**-27.0%**
Ixe Servicios				
Net Income	2	**(2)**	(197%)	**2**
Shareholder's Equity	24	**22**	(8%)	**22**
Total Assets	34	**31**	(7%)	**31**
ROE	33.2%	**-32.3%**	(65.5 pp)	**15.0%**

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

RATINGS

International Ratings

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

Domestic Ratings

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

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

Other Ratings Gfnorte				
Rating Agency	**Rated Institution**	**Rating**	**Category**	**Date**
Fitch	Seguros Banorte Generali	AA+ (mex)	Insurance Financial Strength	January, 2012
	Casa de Bolsa Banorte	Stable	Outlook	April, 2011
		F1 + (mex)	Short term counterparty risk	
		AA + (mex)	Long term counterparty risk	
Moody's	Casa de Bolsa Banorte	Stable	Outlook	August,2010
		Aaa.mx	Issue Rating Long Term	
		MX-1	Issue Rating Short Term	
Standard & Poor's	Ixe Banco	Stable	Outlook	December, 2011
		BBB-	Global Scale-Long Term	
		A-3	Global Scale-Short Term	
		mxA-1+	Counterparty credit - short term	
		BB	Global Scale- Subordinated Junior Notes	
		mxAA	Counterparty credit - long term	
	Ixe Casa de Bolsa	Stable	Outlook	
		mxA-1	Counterparty credit - short term	
		mxAA	Counterparty credit - long term	
	Fincasa Hipotecaria	Stable	Outlook	
		mxA-2	Counterparty credit - short term	
		mxA-	Counterparty credit - long term	
		mxA	Counterparty credit - long term	
	Ixe Automotriz	Stable	Outlook	
		mxA-2	Counterparty credit - short term	
		mxA	Counterparty credit - long term	
Fitch	Ixe Banco	BBB'	Long-term foreign an local currency	April,2011
		F2'	Short-term foreign and local currency	
		BB+'	Junior subordinated perpetual notes	
		BB+'	Junior subordinated notes	
		AA+	National Scale - long term rating	
		F1+	National Scale - short term rating	
		C/D	Individual	
	Ixe Casa de Bosa	AA+(mex)'	National Scale - long term rating	April,2011
		F1+(mex)'	National Scale - short term rating	
	Fincasa Hipotecaria	AA+(mex)'	National Scale - long term rating	April,2011
		F1+(mex)'	National Scale - short term rating	
		F1+(mex)'	National Scale - short term rating	
	Ixe Automotriz	AA+(mex)'	National Scale - long term rating	April,2011
		F1+(mex)'	National Scale - short term rating	
		F1+(mex)'	National Scale - short term Senior Notes	

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

INFRAESTRUCTURE

INFRASTRUCTURE	4Q10	3Q11	4Q11
Employees	19,747	24,099	**23,898**
Banking (1)	15,895	18,872	**18,742**
Other	3,852	5,227	**5,156**
Branches (2)	1,134	1,277	**1,285**
INB	20	20	21
Pronegocio	0	0	0
ATM's	5,004	6,176	**6,367**
POS's	58,336	79,885	**90,649**

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

- At closing of 4Q11 there were 1,285 branches, 8 more compared to 3Q11. The number of branches increased by 151 during the last 12 months, a 13% annual growth, of which 167 were Ixe Bancos' branches.
- In the last 12 months 1,363 ATMs were enabled, a 27% annual growth, increasing the network to 6,367 ATM's at the end of 4Q11 due to organic growth and the agreement with Cardtronics in March 2011.
- Also, 32,313 Point of Sale Terminals (POS) were activated during the year, totaling 90,649 POSs by the end of December, representing a 55% annual growth, of which 14,765 correspond to Ixe.
- At the closing of 4Q11, there were 2,918 contact points through the correspondent agreements with 7-Eleven and Telecomm-Telegrafos, having a 35% YoY increase in average daily transactions.

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	4Q11
Banco Mercantil Del Norte, S.A. (1)	**92.72%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**50.00%**
Brokerage House-Banorte	**99.99%**
Leasing and Factoring	**99.99%**
Warehouse	**99.99%**
Annuities	**51.00%**
Insurance	**51.00%**
Ixe Banco, S.A.	**99.99%**
Ixe Casa De Bolsa, S.A. De C.V.	**99.99%**
Ixe Fondos, S.A. De C.V.	**99.99%**
Ixe Servicios, S.A. De C.V.	**99.99%**
Ixe Automotriz, S.A. De C.V.	**99.99%**
Ixe Soluciones, S.A. De C.V.	**99.99%**
Fincasa Hipotecaria, S.A. De C.V.	**99.99%**

Holding Company Capital Structure	
Number of Shares	**SERIE O** December 31st, 2011
Number of Shares Outstanding	2,326,357,782
Shares held in the bank's Treasury	0

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

Group Officers 4Q11	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Enrique Castillo Sánchez Mejorada	President – Equity Investments
Marcos Ramírez Miguel	Co- Managing Director – Wholesale Banking
Patricio Rafael Rodríguez Chapa	Managing Director – Wealth and Asset Management
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Business Development & Research
Javier Molinar Horcasitas	Managing Director – Banorte-Ixe's Integration
Jesús Garza Martínez	Managing Director – Retail and Commercial Banking
Manuel Romo Villafuerte	Managing Director –Ixe Bank
Fernando Solís Soberón	Managing Director – Long Term Savings
To be designated	Managing Director – Banorte USA
Luis Fernando Orozco	Managing Director – Asset Recovery
STAFF	
Alejandro Garay Espinosa	Managing Director – Corporate Services
Benjamín Vidargas Rojas	Managing Director - Audit
Carla Juan Chelala	Managing Director - Marketing
Héctor Martín Ávila Flores	Co- Managing Director - Legal
Armando Rivero Laing	Co- Managing Director - Legal
Javier Márquez Diez-Canedo	Managing Director - Risk
Guillermo Güemez Sarre	Managing Director –Technology
Rafael Arana de la Garza	Chief Financial Officer
Ricardo Velásquez	Managing Director – International Banking and Financial Institutions
Sergio García Robles Gil	Chief Corporate Officer

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

SUMMARY OF RESULTS

Mexico D.F. January 23rd, 2012. Grupo Financiero Banorte (GFNORTE) reported today its operating results at the closing of December 2011. For a tenth consecutive quarter, GFNORTE increased its profits, reaching Ps 2.51 billion, 43% higher compared to the same quarter of 2010. Banco Mercantil del Norte contributed with 68% of the profits reaching Ps 1.71 billion. During 2011, the Group´s Net Income was Ps 8.52 billion, 27% higher than in 2010. Ixe and its subsidiaries contributed with Ps 420 million over the past 9 months.

Shareholders' Equity increased by 53% in 2011 mainly due to the capital contributed in order to merge with Ixe, resulting in a ROE of 14.1%, while the ROA was 1.1%.

Deposits and Net Interest Income

Deposits increased by 29% annually, driven mainly by the merger with Ixe. Demand deposits and Retail Time Deposits grew by 27% and 33%, respectively. Core Deposits increase from Ps 238.64 billion in 4Q10 to Ps 308.43 billion in 4Q11.

During 4Q11, Net Interest Income totaled Ps 7.36 billion, a 23% YoY increase vs. 4Q10. Net Interest Income for 2011 was Ps 28.24 billion, a 24% YoY growth.

- **Loan Portfolio**

At closing of 4Q11, Performing Loans grew by 33% YoY vs. 4Q10 and 7% QoQ, reaching Ps 350.23 billion. For the seventh consecutive quarter, the loan portfolio shows sustained growth in most of its segments as a result of the bank strategies to promote loan activity, the merger with Ixe and greater demand in the industry.

Commercial loans totaled Ps 121.51 billion, growing by 38% YoY and 6% QoQ vs. 3Q11, mainly due to the merger with Ixe, as well as an increase in the placement of loans to Middle market companies, leasing and factoring and the reactivation of the Crediactivo product for businesses (the SME loan portfolio grows by 23% annually and 10% quarterly). The **Corporate** portfolio reached Ps 59.07 billion, 34% higher YoY and 10% higher than in 3Q11 as a result of a reactivation of loans in this sector and the Ixe merger. **Government** loans totaled Ps 71.16 billion at closing of December, a 50% YoY and 13% QoQ increase.

Consumer loans including Mortgages increased by 18% YoY. Mortgages maintained positive trends, reaching a quarter-end balance of Ps 64.28 billion, 15% higher than in 4Q10, positioning Banorte as one of the banks with the highest growth in loan placements in this sector. On the other hand, **Payroll** loans reached Ps 13.43 billion, a 59% YoY increase vs. 4Q10, as a result of promotional campaigns for the product, growth in the number of payroll-clients in Banorte-Ixe, as well as the efforts to increase cross selling. **Car** loans increased by 14% in the year to Ps 9.35 billion at closing of 4Q11, due to greater loan placements as a result of campaigns to promote the product and a recovery in car sales in the country. **Credit Cards** totaled Ps 11.46 billion at closing of 4Q11 (excluding Ixe SOFOM portfolio), a 3% YoY growth.

GFNorte maintains a good asset quality at the closing of 4Q11, with a NPL Ratio of 1.9%, 0.5 (pp) less than in 4Q10 and 0.4 pp lower than in 3Q11, one of the lowest in the financial system. Grupo Financiero Banorte ended the quarter with NPLs of Ps 6.95 billion, a 4% YoY increase as a result of including Ixe's NPL portfolio.

The Loan Loss Reserve Coverage was 143% at closing of 4Q11, 19.4 pp higher than in 4Q10.

- **Efficiency**

The Efficiency Ratio for 2011 was 55.7%, 4.3 pp higher than 4Q10 mainly as a result of the integration of Ixe's revenues and expenses, and other merger related costs. When excluding these non-recurring expenses, the Efficiency Ratio would be 51.4%

- **Capitalization**

Banco Mercantil del Norte's Capitalization Ratio was 12.9% at closing of 4Q11, with a Tier 1 ratio of 10.8%. This level of capitalization positions Banorte adequately to meet the new Basel III regulations.

- **Other Subsidiaries**

The contribution profits from the Long Term Savings Sector, which includes the Afore, Insurance and Annuities companies, and for the first time Afore XXI, was Ps 573 million in 2011, 29% higher than in the previous year. Other Finance companies, which include Arrendadora and Factor Banorte, as well as Warehousing, Ixe Automotriz and Fincasa Hipotecaria (Ixe's Mortgage and Home Developer Financing), totaled Ps 708 million in 2011, 42% higher compared to 2010. The Brokerage Sector, comprised of Casa de Bolsa Banorte, Ixe Casa de Bolsa and Ixe Fondos, reported profits of Ps 418 million in 2011, 4% higher than in 2010.

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

HOLDING

Income Statement-Holding *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	2011
Income Subsidiaries	1,589	1,664	1,736	1,744	1,834	2,054	2,132	2,161	6,734	8,181
Interest Income	2	2	2	2	2	1	2	4	7	9
Interest Expense	-	-	-	-	-	-	-	-	-	-
Fees & Tariffs	-	-	-	-	-	-	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-	-	-
Other Operating Income (Expense)	-	-	-	-	-	-	-	-	-	-
Non Interest Expense	3	4	3	3	4	9	4	49	14	66
Pre-Tax Income	**1,588**	**1,662**	**1,735**	**1,742**	**1,831**	**2,046**	**2,130**	**2,116**	**6,727**	**8,124**
Income Tax	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	(0)	(0)	1	(1)	0	(3)	1	(2)	(0)	(4)
Taxes	**(0)**	**(0)**	**1**	**(1)**	**0**	**(3)**	**1**	**(2)**	**(0)**	**(4)**
Net Income from Continuos Operations	**1,588**	**1,663**	**1,734**	**1,743**	**1,831**	**2,049**	**2,130**	**2,118**	**6,727**	**8,128**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Net Income	**1,588**	**1,663**	**1,734**	**1,743**	**1,831**	**2,049**	**2,130**	**2,118**	**6,727**	**8,128**

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

Holding - Balance Sheet *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**145**	**147**	**346**	**149**	**126**	**42**	**252**	**422**
Margin Accounts	-	-	-	-	-	-	-	-
Investment in Securities	-	-	-	-	-	**45**	**44**	**61**
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Debtor Balance in Repo Trans,net	-	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-	-
Performing Loans	-	-	-	-	-	-	-	-
Past Due Loans	-	-	-	-	-	-	-	-
Gross Loan Portfolio	-	-	-	-	-	-	-	-
Preventive Loan Loss Reserves	-	-	-	-	-	-	-	-
Net Loan Portfolio	-	-	-	-	-	-	-	-
Acquired Collection Rights	-	-	-	-	-	-	-	-
Total Credit Portfolio	-	-	-	-	-	-	-	-
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	8	7	6	6	6	6	6	6
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-	-	-
Investment in Subsidiaries	42,806	43,521	44,328	46,866	48,331	56,145	57,952	59,085
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1	2	1	2	1	4	4	6
Goodwill and Intangibles	33	31	29	28	31	11,100	11,098	11,416
Other Assets Short and Long Term	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
	42,849	43,561	44,364	46,901	48,370	67,256	69,059	70,512
TOTAL ASSETS	**42,993**	**43,708**	**44,710**	**47,051**	**48,496**	**67,343**	**69,355**	**70,996**

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

Holding - Balance Sheet *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Deposits	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	-	-	-	-
Total Collateral sold	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	8	1	0	0	0	-	-
Other Payable Accounts	**1**	**8**	**1**	**0**	**0**	**0**	**-**	**-**
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**1**	**8**	**1**	**0**	**0**	**0**	**-**	**-**
EQUITY								
Paid-in Capital	12,020	12,019	12,019	12,020	12,019	13,098	13,098	13,098
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,246	2,246	2,247	2,247	2,248	18,911	18,915	18,511
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**14,266**	**14,266**	**14,266**	**14,266**	**14,267**	**32,008**	**32,013**	**31,608**
Capital Reserves	3,178	3,172	3,174	3,181	3,165	3,224	3,224	3,224
Retained Earnings	26,153	25,817	25,811	25,457	31,499	30,939	30,941	30,548
Surplus (Deficit) of Secs Available for Sale	521	532	406	633	562	511	117	196
Results from Valuation of Hedging Secs	(1,766)	(2,628)	(3,097)	(2,215)	(1,615)	(2,057)	(2,725)	(2,537)
Results from Conversions	(946)	(710)	(835)	(1,000)	(1,213)	(1,163)	(225)	(172)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Resultos of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,588	3,250	4,984	6,727	1,831	3,880	6,010	8,128
Earned Capital	**28,727**	**29,434**	**30,443**	**32,784**	**34,229**	**35,334**	**37,342**	**39,387**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**42,993**	**43,699**	**44,709**	**47,051**	**48,496**	**67,343**	**69,355**	**70,996**
TOTAL LIABILITIES & EQUITY	**42,993**	**43,708**	**44,710**	**47,051**	**48,496**	**67,343**	**69,355**	**70,996**

Holding - Memorandum Accounts *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Securities held under Custody	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716
Other Registration Accounts								
	3,716	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.

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Income Statement -GFNorte *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	2011
Interest Income	10,510	10,793	10,944	10,979	11,281	13,011	13,659	14,129	43,226	52,081
Interest Expense	5,083	5,366	5,381	5,139	5,040	6,238	6,557	6,574	20,969	24,409
Charged Fees	163	140	137	179	159	214	261	289	619	922
Fees Paid	28	34	39	43	35	41	48	95	144	219
Net Interest Income from interest & fees (NII)	**5,562**	**5,533**	**5,661**	**5,976**	**6,365**	**6,946**	**7,315**	**7,749**	**22,732**	**28,375**
Premium Income (Net)	-	-	-	-	3,622	3,925	3,706	4,022	-	15,275
Net Increase in Technical Reserves	-	-	-	-	2,319	1,917	2,080	3,001	-	9,316
Damages, Claims and Other Obligations	-	-	-	-	1,391	1,585	1,711	1,405	-	6,092
Net Interest Income (NII)	**5,562**	**5,533**	**5,661**	**5,976**	**6,277**	**7,369**	**7,232**	**7,364**	**22,732**	**28,242**
Preventive Provisions for Loan Losses	1,772	1,337	1,905	1,876	1,338	1,318	1,650	1,133	6,889	5,438
Net Interest Income Adjusted for Credit Risk	**3,790**	**4,196**	**3,756**	**4,100**	**4,940**	**6,051**	**5,582**	**6,231**	**15,843**	**22,804**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	13	17	16	13	50
Fund Transfers	92	102	96	98	92	104	108	117	389	421
Account Management Fees	242	254	256	265	255	279	314	311	1,018	1,160
Fiduciary	70	80	75	90	75	82	80	116	316	353
Other Fees	705	680	805	862	719	1,126	1,032	1,216	3,051	4,092
Income from Real Estate Portfolios	195	224	260	227	220	284	260	353	906	1,117
Electronic Banking Services	271	247	210	212	202	211	224	234	940	872
For Consumer and Credit Card Loans	616	617	659	709	701	709	748	831	2,601	2,990
Fees Charged on Services	**2,192**	**2,210**	**2,366**	**2,467**	**2,267**	**2,808**	**2,784**	**3,196**	**9,234**	**11,055**
Fund transfers	8	7	7	8	10	9	9	10	29	37
Other Fees	375	354	382	408	568	775	719	780	1,519	2,842
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**382**	**361**	**389**	**416**	**578**	**784**	**728**	**790**	**1,548**	**2,879**
Foreign Exchange	189	193	175	146	173	287	358	365	703	1,182
Securities-Realized Gains	265	188	45	30	132	93	128	995	527	1,349
Securities-Unrealized Gains	131	199	111	18	212	(161)	373	(177)	458	247
Trading Income	**585**	**580**	**331**	**193**	**517**	**219**	**859**	**1,184**	**1,689**	**2,778**
Loan Recoveries	241	233	233	905	257	335	243	372	1,612	1,207
Income from purchased assets	36	34	18	22	27	29	10	33	110	99
Other Operating Income	10	11	(3)	3	120	(118)	80	214	21	296
Other Operating Expense	(1)	(1)	(1)	(1)	(169)	116	(27)	(20)	(4)	(101)
Other Products	125	208	406	901	182	286	299	859	1,639	1,625
Other Recoveries	71	54	106	10	131	82	107	132	240	451
Other Operating Expense	(178)	(240)	(116)	(764)	(255)	(119)	(198)	(685)	(1,298)	(1,258)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	113	125	136	120	-	494
Total Non Interest Income	**2,698**	**2,727**	**2,949**	**3,321**	**2,611**	**2,979**	**3,564**	**4,614**	**11,696**	**13,767**
Total Operating Income	**6,489**	**6,924**	**6,705**	**7,421**	**7,550**	**9,030**	**9,145**	**10,845**	**27,539**	**36,571**
Personnel	1,722	1,739	1,688	1,929	1,666	2,575	2,289	3,352	7,077	9,882
Employee Profit Sharing (PTU)	211	217	198	210	235	237	217	196	837	885
Professional Fees	310	346	298	460	528	517	555	600	1,414	2,200
Administrative and Promotional Expenses	899	1,050	1,034	1,145	977	1,247	1,276	1,364	4,128	4,864
Rents, Depreciation & Amortization	552	557	582	515	608	733	796	731	2,206	2,867
Taxes other than income tax & non deductible expenses	220	200	210	263	314	325	339	392	893	1,370
Contributions to IPAB/Fobaproa	276	283	284	293	302	332	342	364	1,136	1,341
Total Non Interest Expense	**4,189**	**4,391**	**4,296**	**4,815**	**4,631**	**5,965**	**5,814**	**6,999**	**17,691**	**23,409**
Operating Income	**2,299**	**2,532**	**2,410**	**2,606**	**2,919**	**3,065**	**3,332**	**3,846**	**9,847**	**13,162**
Subsidiaries' Net Income	95	74	115	37	(14)	40	(39)	(28)	320	(41)
Pre-Tax Income	**2,394**	**2,606**	**2,525**	**2,643**	**2,905**	**3,104**	**3,293**	**3,818**	**10,167**	**13,121**
Income Tax	578	888	590	679	827	848	945	(0)	2,735	2,619
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	80	(89)	39	41	21	(38)	(57)	1,007	70	933
Taxes	**659**	**798**	**628**	**720**	**847**	**810**	**888**	**1,007**	**2,805**	**3,552**
Net Income from Continuos Operations	**1,735**	**1,808**	**1,896**	**1,923**	**2,058**	**2,294**	**2,405**	**2,811**	**7,362**	**9,569**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(155)	(151)	(185)	(165)	(244)	(247)	(263)	(298)	(657)	(1,052)
Net Income	**1,580**	**1,656**	**1,711**	**1,758**	**1,815**	**2,048**	**2,142**	**2,513**	**6,705**	**8,517**

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)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**58,325**	**59,003**	**67,143**	**62,497**	**62,312**	**65,360**	**58,260**	**53,968**
Margin Accounts	**46**	**90**	**171**	**177**	**178**	**468**	**575**	**252**
Negotiable Instruments	44,335	81,412	57,653	66,181	79,300	107,521	111,612	115,026
Securities Available for Sale	12,836	12,376	11,950	12,288	14,006	22,144	31,347	53,666
Securities Held to Maturity	173,072	156,368	149,165	139,913	159,898	186,042	182,488	162,148
Investment in Securities	**230,243**	**250,155**	**218,768**	**218,382**	**253,204**	**315,707**	**325,447**	**330,841**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**3**	**2**	**5**	**583**	**3,576**	**1,646**	**2,157**	**3,830**
Securities Lending	**-**	**-**	**0**	**-**	**0**	**-**	**0**	**-**
For trading purposes	4,963	7,695	10,502	7,463	5,756	11,841	19,388	15,854
For hedging purposes	762	775	694	596	624	535	1,573	623
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**5,725**	**8,470**	**11,196**	**8,060**	**6,380**	**12,375**	**20,961**	**16,477**
Operations w/Derivatives & Securities	**5,728**	**8,471**	**11,201**	**8,643**	**9,956**	**14,022**	**23,118**	**20,307**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**91**	**119**	**123**
Commercial Loans	113,274	116,765	123,238	126,483	127,337	156,153	159,383	169,023
Financial Intermediaries´ Loans	6,091	4,850	5,075	5,521	5,775	9,081	9,123	11,560
Consumer Loans	25,759	26,267	27,189	27,828	28,835	30,639	32,373	34,246
Mortgage Loans	51,082	52,843	54,336	56,168	57,348	60,637	62,262	64,567
Government Entities´ Loans	41,003	41,222	44,443	47,550	51,271	55,421	63,095	71,162
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**237,210**	**241,948**	**254,280**	**263,549**	**270,564**	**311,931**	**326,237**	**350,557**
Commercial PDL´s	3,703	3,185	3,133	4,417	4,492	4,969	4,774	4,684
Financial Intermediaries PDL´s	-	-	-	-	-	6	6	1
Consumer PDL´s	1,565	1,551	1,418	1,276	1,312	1,486	1,381	1,286
Mortgage PDL´s	860	894	1,058	971	694	1,086	1,291	967
Government Entities PDL´s	-	-	-	-	-	-	500	11
Past Due Loans	**6,128**	**5,630**	**5,609**	**6,664**	**6,498**	**7,547**	**7,953**	**6,949**
Gross Loan Portfolio	**243,337**	**247,578**	**259,889**	**270,214**	**277,063**	**319,478**	**334,189**	**357,506**
Preventive Loan Loss Reserves	7,498	7,012	7,637	8,245	9,030	10,196	10,549	9,944
Net Loan Portfolio	**235,840**	**240,566**	**252,252**	**261,969**	**268,033**	**309,282**	**323,640**	**347,562**
Acquired Collection Rights	2,426	2,311	2,183	2,025	2,641	4,105	3,887	3,559
Total Credit Portfolio	**238,266**	**242,877**	**254,435**	**263,994**	**270,674**	**313,388**	**327,528**	**351,121**
Account Receivables from Insurance and Annuities	-	-	-	-	887	829	929	953
Premium Debtors (Net)	-	-	-	-	2,186	3,104	2,787	3,442
Account Receivables from Reinsurance	-	-	-	-	2,503	2,486	2,096	2,594
Benef.receivab.securization transactions	406	411	405	950	959	946	894	856
Sundry Debtors & Other Accs Rec, Net	12,288	15,527	12,859	10,864	15,810	23,693	23,632	20,524
Inventories	111	35	39	49	40	201	545	43
Foreclosed Assets, Net	911	1,413	1,584	809	821	1,281	1,723	2,284
Real Estate, Furniture & Equipment, Net	8,678	8,873	8,894	9,316	9,389	11,013	11,166	11,785
Investment in Subsidiaries	3,222	3,283	3,163	3,130	1,384	1,868	2,012	2,280
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,287	1,377	1,345	1,339	1,555	1,757	1,724	-
Goodwill and Intangibles	4,418	4,476	4,414	4,503	4,145	16,077	16,483	20,589
Other Assets Short and Long Term	5,081	5,150	5,362	5,905	6,162	6,427	6,743	7,315
Other Assets	-	-	-	-	-	-	-	-
	36,403	40,545	38,065	36,865	45,840	69,683	70,733	72,665
TOTAL ASSETS	**569,012**	**601,140**	**589,783**	**590,558**	**642,164**	**778,717**	**805,780**	**829,277**

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

GFNorte - Balance Sheet *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	125,917	133,849	133,824	149,816	144,253	160,981	169,650	189,613
Time Deposits-Retail	140,573	137,364	141,075	132,673	145,896	160,937	162,781	162,635
Time Deposits-Money Market	4,785	7,289	8,800	6,347	5,492	6,562	8,147	11,089
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	3,813	3,778	3,604	6,889	7,483	6,953
Deposits	**271,275**	**278,502**	**287,512**	**292,615**	**299,245**	**335,369**	**348,061**	370,290
Immediate Redemption Loans	1	2,516	2,949	4,837	3,519	1,427	361	3,968
Short Term Loans	13,037	10,795	12,347	13,114	15,084	19,553	21,874	25,150
Long Term Loans	7,524	7,408	7,347	8,496	6,517	8,427	6,950	6,330
Due to Banks & Correspondents	**20,562**	**20,719**	**22,644**	**26,447**	**25,120**	**29,407**	**29,185**	**35,448**
Technical Reserves	-	-	-	-	34,847	36,959	39,210	42,406
Non-assigned Securities for Settlement	268	3,781	1,262	-	402	1,693	1,708	4
Creditor Balance in Repo Trans, Net	191,073	202,328	177,601	178,747	182,245	233,422	239,462	243,756
Secs to be received in Repo Trans, Net	-	-	-	-	0	11	57	-
Repos (Credit Balance)	0	0	27	11	34	21	79	31
Securities' Loans	-	-	0	-	0	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**0**	**0**	**27**	**11**	**34**	**21**	**79**	31
For trading purposes	4,773	7,552	10,235	7,238	5,564	12,234	19,429	16,009
For hedging purposes	3,423	4,738	4,779	3,499	2,630	3,067	5,284	5,305
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,196**	**12,291**	**15,014**	**10,737**	**8,194**	**15,301**	**24,713**	21,314
Total Operations w/ Derivatives & Securities	**199,537**	**218,400**	**193,904**	**189,495**	**190,875**	**250,447**	**266,019**	**265,105**
Valuation adjustments for financial liability coverage	-	-	-	-	-	(352)	(67)	(91)
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	502	1,178	995	1,246
Income Tax Payable	443	828	694	711	684	869	1,020	710
Profit Sharing Payable	249	436	621	797	262	463	677	481
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	2,523	6,146	7,235	867	5,827	14,252	5,661	2,705
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	9,329	9,930	9,686	9,871	12,049	15,140	15,866	15,446
Other Payable Accounts	**12,544**	**17,340**	**18,237**	**12,246**	**18,821**	**30,725**	**23,223**	**19,342**
Subordinated Non Convertible Debt	17,838	18,039	18,005	17,803	17,636	20,438	22,173	16,543
Deferred Taxes, Net	-	-	-	-	-	-	-	39
Deferred Credits	1,600	1,662	1,699	1,725	1,447	1,687	1,766	1,867
TOTAL LIABILITIES	**523,356**	**554,662**	**542,001**	**540,331**	**588,494**	**705,859**	**730,565**	**752,195**
EQUITY								
Paid-in Capital	11,961	11,959	11,965	11,971	11,968	13,053	13,055	13,050
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	1,545	1,534	1,596	1,673	1,680	18,423	18,438	18,006
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,506**	**13,493**	**13,561**	**13,644**	**13,647**	**31,475**	**31,494**	**31,056**
Capital Reserves	3,178	3,172	3,174	3,181	3,165	3,224	3,224	3,224
Retained Earnings	26,188	25,852	25,846	25,492	31,524	30,968	30,966	30,573
Surplus (Deficit) of Secs Available for Sale	233	304	298	309	325	339	144	188
Results from Valuation of Hedging Secs	(1,766)	(2,628)	(3,097)	(2,215)	(1,615)	(2,057)	(2,725)	(2,537)
Results from Conversions	(946)	(710)	(835)	(1,000)	(1,213)	(1,163)	(225)	(172)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,580	3,236	4,947	6,705	1,815	3,862	6,004	8,517
Earned Capital	**28,466**	**29,226**	**30,333**	**32,473**	**34,001**	**35,172**	**37,387**	**39,793**
Minority Interest	3,683	3,759	3,889	4,110	6,022	6,211	6,334	6,233
Total Equity	**45,655**	**46,479**	**47,783**	**50,227**	**53,670**	**72,859**	**75,215**	**77,082**
TOTAL LIABILITIES & EQUITY	**569,012**	**601,140**	**589,783**	**590,558**	**642,164**	**778,717**	**805,780**	**829,277**

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

GFNorte - Memorandum Accounts (Million Pesos)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
On behalf of Third Parties								
Customer's Banks	12	39	30	9	10	66	323	70
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	18	(377)	(9)	1	(10)	288	401	76
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**30**	**(338)**	**21**	**10**	**(1)**	**354**	**725**	**146**
Client Securities Received in Custody	150,022	147,609	159,547	172,922	180,623	449,234	449,921	497,608
Securities and Documents Received in	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	**150,022**	**147,609**	**159,547**	**172,922**	**180,623**	**449,234**	**449,921**	**497,608**
Clients' Repurchase Operations	30,034	41,531	35,774	28,647	41,790	60,997	68,675	58,841
Clients' Repo Transactions w/ Securities	-	-	46	-	0	-	2	-
Purchase of Futures & Forward Contracts,	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts,	-	-	-	-	-	-	-	-
Clients' Option Parchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Trusts under Administration	4,099	4,087	4,761	4,348	5,176	5,402	5,024	4,181
Transactions On Behalf of Clients	**34,133**	**45,618**	**40,582**	**32,996**	**46,966**	**66,398**	**73,701**	**63,022**
Investment bank Trans on Behalf of Third	**72,539**	**76,771**	**71,427**	**78,069**	**69,252**	**72,038**	**80,941**	**75,989**
TOTAL ON BEHALF OF THIRD PARTIES	**256,724**	**269,661**	**271,577**	**283,997**	**296,841**	**588,024**	**605,287**	**636,764**
Loan Obligations	2,421	3,899	4,521	3,155	3,605	11,243	9,793	9,001
Trusts	113,540	108,022	116,516	122,628	127,790	200,021	238,148	246,418
Mandates	2,097	2,185	2,188	2,096	2,151	2,220	2,221	2,143
Properties in Trusts and Warrant	115,637	110,207	118,705	124,723	129,941	202,241	240,369	**248,561**
Properties in Custody or Administration	210,338	212,782	233,666	230,140	264,064	325,040	342,174	**377,098**
Collateral Received	34,792	69,187	76,017	62,224	93,783	131,151	147,459	**124,475**
Collateral Received or sold	36,082	45,596	51,787	36,195	63,319	79,115	90,258	**66,971**
Drafts in Transit	-	-	-	-	-	-	-	**-**
Certificates of Deposits in Circulation	1,632	1,491	1,184	2,429	2,310	1,643	1,231	**3,107**
Letters of Credit to the Corporation as	-	-	-	-	-	-	-	**-**
Securities to the Corporation for Custody	-	-	-	-	-	-	-	**-**
Government Secs of the Corp under	-	-	-	-	-	-	-	**-**
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	**-**
Securities of the Corp Abroad	-	-	-	-	-	-	-	**-**
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	**-**
Debts with the Contingency Fund	-	-	-	-	-	-	-	**-**
Contingent Assets & Liabilities	272	264	258	256	255	255	255	**255**
Uncollected Accrued Interest from Past	161	152	146	136	139	261	239	**327**
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	**-**
Integration of the Credit Portfolio	-	-	-	-	-	-	-	**-**
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	**-**
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**401,335**	**443,579**	**486,284**	**459,258**	**557,416**	**750,950**	**831,777**	**829,794**
Repo Securities to be Received	-	-	-	-	-	-	-	**-**
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repurchase Debtors	-	-	-	-	-	-	-	**-**
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
TOTAL PROPRIETARY	**401,335**	**443,579**	**486,284**	**459,258**	**557,416**	**750,950**	**831,777**	**829,794**

BANORTE

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

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2011 – DECEMBER 31, 2011 *(Million Pesos)*	
Net Income	**8,517**
Items charged to results that do not generate or require	
Depreciation	1,616
Technical Reserves	9,316
Provisions	-250
Income taxes and deferred	3,501
Consolidation of the the Long Term Saving Sector	2,868
Minority Interest	982
	18,033
	26,550
Change in items related to operations:	
Change in Margin Accounts	(76)
Change in Invesment in Securities	(111,093)
Change in repo debtors	(3,247)
Change in derivatives (assets)	(8,513)
Changein Loan Portfolio (net)	(84,641)
Change in purchased receivables (net)	(1,534)
Change in accounts receivable insurance and bonding	(953)
Change in debtor premiums	(3,442)
Change in Reinsurance	(2,594)
Change in benefits to receive from securitizations	94
Change in foreclosed assets (net)	(1,413)
Change in other operating assets (net)	(5,283)
Change in core deposits	75,036
Change in interbank loans and other entities	9,009
Change in repo creditors	65,012
Change in collateral pledged sold	20
Change in derivatives (liability)	8,680
Change in Technical Reserves (net)	33,090
Change in Reinsurance (net) (liability)	1,246
Change in subordinated debt w ith characteristics of liabilities	(1,293)
Change in other operating liabilities	7,913
Change in hedging instruments (the related hedged transaction	1,779
Income Tax Collection (refunds)	0
Income Tax Payments	(2,310)
Net cash generated or used from operations	**2,037**
Investment Activities:	
Charges for disposal of property, furniture and equipment	240
Payments for acquisition of property, furniture and equipment	(4,263)
Subsidiaries and associated acquisitions charges	0
Subsidiaries and associated acquisitions payment	(3,000)
Charges for other investmentes	131
Charges for cash dividends	20
Net cash generated or used from investment activities	**(6,872)**
Financing Activities:	
Payments of cash dividends	(1,157)
Payments associated w ith the repurchase of proprietary	461
Net cash flows from financing activities	**(696)**
Net Cash Increase (decrease)	**(5,531)**
Cash flow adjustments given exchange rate or inflation	**162**
Cash and cash equivalents at beginning of period	**59,337**
Cash and cash equivalents at end of period	**53,968**

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

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

JANUARY 1, 2011 – DECEMBER 31st, 2011.

(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	Premium from sale of securitie	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available	Results from val of instrum Cash flow	Results from Conversion s	Net Income	Minority Interest	Total Stockholder s' Equity
Balance as of December 31, 2010	**11,971**	**1,673**	**3,181**	**25,492**	**309**	**(2,214)**	**(1,000)**	**6,705**	**4,110**	**50,227**
Changes stemming from stockholders' decisions										
Stock repurchases	1	171	43	(87)	333					461
Capitalization of profits				6,705				(6,705)		
Dividends declared by the General Assembly of Shareholders on:										
- February 18, 2011				(343)						(343)
- April 29, 2011				(419)						(419)
- October 17, 2011				(395)						(395)
Merger effect of Ixe Grupo (stock issuance)	**1,078**	**16,161**								**17,239**
Total	**1,079**	**16,332**	**43**	**5,461**	**333**			**(6,705)**		**16,543**
Changes stemming from profits										
Net Income								8,517		8,517
Result from valuation of securities available for sale					(454)					(454)
Effect of subsidiaries		1		(30)			828			799
Result from valuation of instruments of cash flow hedges						(323)				(323)
Change in the regulations of the classification of consumer				(350)						(350)
Total		**1**		**(380)**	**(454)**	**(323)**	**828**	**8,517**		**8,189**
Recognition of minority interest									**2,123**	**2,123**
Balance as of December 31, 2011	**13,050**	**18,006**	**3,224**	**30,573**	**188**	**(2,537)**	**(172)**	**8,517**	**6,233**	**77,082**

BANORTE

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

BANKING SECTOR

Income Statement-Banking Sector *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	2011
Interest Income	10,154	10,341	10,458	10,453	10,357	11,587	12,148	12,611	41,406	46,703
Interest Expense	4,941	5,166	5,166	4,907	4,807	5,583	5,921	5,961	20,180	22,271
Charged Fees	163	140	137	179	159	204	247	277	619	886
Fees Paid	28	34	39	43	35	39	46	93	144	213
Net Interest Income from interest & fees (NII)	**5,348**	**5,281**	**5,390**	**5,682**	**5,674**	**6,169**	**6,428**	**6,835**	**21,700**	**25,105**
Preventive Provisions for Loan Losses	1,746	1,300	1,892	1,834	1,337	1,291	1,664	1,020	6,772	5,311
Net Interest Income Adjusted for Credit Risk	**3,602**	**3,980**	**3,498**	**3,848**	**4,337**	**4,878**	**4,764**	**5,815**	**14,928**	**19,794**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	4	2	3	13	12
Fund Transfers	92	102	96	98	92	104	108	117	389	421
Account Management Fees	242	254	256	265	255	279	314	311	1,018	1,160
Fiduciary	65	73	68	81	70	76	74	109	288	329
Other Fees	244	239	291	278	261	508	415	528	1,052	1,711
Income from Real Estate Portfolios	195	224	260	227	220	284	260	353	906	1,117
Electronic Banking Services	271	247	210	212	202	211	224	234	940	872
For Consumer and Credit Card Loans	616	617	659	709	701	709	748	831	2,601	2,990
Fees Charged on Services	**1,726**	**1,762**	**1,844**	**1,874**	**1,804**	**2,176**	**2,146**	**2,486**	**7,207**	**8,612**
Fund transfers	8	7	7	8	10	9	9	10	29	37
Other Fees	356	342	365	389	369	444	492	555	1,452	1,860
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**364**	**348**	**372**	**397**	**379**	**453**	**501**	**565**	**1,481**	**1,897**
Foreign Exchange	189	193	175	146	173	285	371	368	703	1,197
Securities-Realized Gains	184	126	(10)	(14)	133	42	60	852	285	1,088
Securities-Unrealized Gains	133	193	115	17	(106)	25	145	(786)	459	(722)
Trading Income	**506**	**512**	**280**	**149**	**200**	**352**	**577**	**435**	**1,447**	**1,564**
Loan Recoveries	241	233	233	905	257	330	243	371	1,612	1,202
Income from purchased assets	36	34	18	22	27	36	30	44	110	138
Other Operating Income	9	10	(5)	2	119	(119)	79	186	15	265
Other Operating Expense	-	-	-	-	(167)	120	(22)	(17)	-	(87)
Other Products	102	124	401	826	184	240	128	454	1,453	1,006
Other Recoveries	70	46	102	8	130	80	107	130	227	446
Other Operating Expense	(154)	(157)	(105)	(743)	(157)	(108)	(15)	(123)	(1,159)	(404)
Total Non Interest Income	**2,172**	**2,217**	**2,397**	**2,646**	**2,017**	**2,653**	**2,770**	**3,402**	**9,431**	**10,843**
Total Operating Income	**5,774**	**6,197**	**5,895**	**6,493**	**6,354**	**7,531**	**7,534**	**9,217**	**24,359**	**30,637**
Personnel	1,590	1,604	1,543	1,819	1,556	2,229	1,965	3,052	6,556	8,803
Employee Profit Sharing (PTU)	208	215	196	208	233	234	208	187	827	861
Professional Fees	292	330	296	465	439	376	414	464	1,382	1,693
Administrative and Promotional Expenses	770	907	890	984	838	1,061	1,059	1,227	3,551	4,184
Rents, Depreciation & Amortization	468	471	495	419	501	610	678	1,014	1,852	2,803
Taxes other than income tax & non deductible expenses	192	174	182	227	242	239	241	286	775	1,008
Contributions to IPAB/Fobaproa	276	283	284	293	302	332	342	364	1,136	1,341
Total Non Interest Expense	**3,795**	**3,983**	**3,887**	**4,415**	**4,111**	**5,081**	**4,908**	**6,595**	**16,080**	**20,694**
Operating Income	**1,979**	**2,214**	**2,008**	**2,078**	**2,243**	**2,450**	**2,626**	**2,623**	**8,279**	**9,943**
Subsidiaries' Net Income	49	44	77	52	47	70	7	35	222	158
Pre-Tax Income	**2,028**	**2,258**	**2,085**	**2,131**	**2,291**	**2,520**	**2,633**	**2,657**	**8,502**	**10,101**
Income Tax	507	812	483	629	642	653	787	(180)	2,431	1,902
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	85	(92)	31	12	31	38	(27)	897	36	938
Taxes	**592**	**720**	**514**	**641**	**672**	**691**	**760**	**717**	**2,467**	**2,841**
Net Income from Continuos Operations	**1,435**	**1,538**	**1,571**	**1,490**	**1,618**	**1,829**	**1,872**	**1,940**	**6,035**	**7,260**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	0	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)
Net Income	**1,435**	**1,538**	**1,571**	**1,490**	**1,618**	**1,829**	**1,872**	**1,940**	**6,035**	**7,260**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**57,827**	**58,372**	**66,368**	**61,640**	**61,484**	**64,341**	**57,178**	**53,710**
Margin Accounts	**46**	**90**	**171**	**177**	**178**	**468**	**572**	**252**
Negotiable Instruments	37,673	68,872	47,916	57,321	63,510	86,079	79,196	104,770
Securities Available for Sale	13,674	13,169	12,505	12,907	14,488	22,670	31,683	53,987
Securities Held to Maturity	172,599	155,889	148,680	139,427	126,928	135,231	128,722	109,039
Investment in Securities	**223,947**	**237,930**	**209,102**	**209,655**	**204,925**	**243,980**	**239,602**	**267,797**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**2**	**0**	**4**	**11**	**3,173**	**1,531**	**2,038**	**3,829**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	4,963	7,695	10,502	7,463	5,756	11,841	19,388	15,854
For hedging purposes	762	775	694	596	624	535	1,573	623
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**5,725**	**8,470**	**11,196**	**8,060**	**6,380**	**12,375**	**20,961**	**16,477**
Operations w/Derivatives & Securities	**5,727**	**8,470**	**11,200**	**8,070**	**9,553**	**13,906**	**22,999**	**20,306**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**91**	**119**	**123**
Commercial Loans	101,489	104,667	108,746	112,181	112,205	137,215	143,395	152,664
Financial Intermediaries´ Loans	7,918	6,677	7,270	7,709	7,590	12,686	13,311	16,144
Consumer Loans	25,754	26,258	27,178	27,826	28,832	30,427	32,173	34,041
Mortgage Loans	51,082	52,843	54,336	56,168	57,348	60,196	61,844	64,140
Government Entities´ Loans	40,995	41,216	44,435	47,549	51,270	55,412	60,023	68,325
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**227,239**	**231,660**	**241,964**	**251,434**	**257,246**	**295,937**	**310,746**	**335,314**
Commercial PDL´s	3,592	3,049	3,008	4,276	4,372	4,541	4,478	4,369
Financial Intermediaries PDL´s	-	-	-	-	-	6	6	1
Consumer PDL´s	1,565	1,551	1,418	1,276	1,312	1,422	1,327	1,236
Mortgage PDL´s	860	894	1,058	971	694	860	1,057	965
Government Entities PDL´s	-	-	-	-	-	-	500	13
Past Due Loans	**6,017**	**5,494**	**5,484**	**6,523**	**6,379**	**6,829**	**7,368**	**6,583**
Gross Loan Portfolio	**233,255**	**237,154**	**247,449**	**257,957**	**263,625**	**302,766**	**318,115**	**341,897**
Preventive Loan Loss Reserves	7,295	6,775	7,389	7,955	8,743	9,419	9,922	9,446
Net Loan Portfolio	**225,961**	**230,379**	**240,060**	**250,001**	**254,881**	**293,347**	**308,193**	**332,452**
Acquired Collection Rights	2,426	2,311	2,183	2,025	2,641	2,477	2,330	2,258
Total Credit Portfolio	**228,387**	**232,690**	**242,243**	**252,026**	**257,522**	**295,824**	**310,523**	**334,709**
Benef.receivab.securization transactions	406	411	405	950	959	933	881	844
Sundry Debtors & Other Accs Rec, Net	12,071	15,321	12,623	10,543	15,683	23,179	23,061	20,195
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	911	1,413	1,584	809	812	873	1,271	1,757
Real Estate, Furniture & Equipment, Net	7,296	7,458	7,474	7,768	7,703	8,280	8,372	8,600
Investment in Subsidiaries	1,369	1,401	1,443	1,407	1,457	1,910	2,025	1,898
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,374	1,469	1,449	1,493	1,722	1,685	1,614	328
Goodwill and Intangibles	4,230	4,289	4,224	4,314	3,956	4,446	4,842	8,814
Other Assets Short and Long Term	4,700	4,765	5,002	5,534	5,723	5,984	6,231	6,748
Other Assets	-	-	-	-	-	-	-	-
	32,356	36,526	34,203	32,818	38,016	47,290	48,297	49,185
TOTAL ASSETS	**548,290**	**574,077**	**563,287**	**564,386**	**571,678**	**665,900**	**679,290**	**726,082**

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

Banking Sector - Balance Sheet (Million Pesos)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	125,971	133,863	133,882	149,833	144,542	161,201	170,651	189,944
Time Deposits-Retail	140,573	137,364	141,075	132,673	145,896	161,977	162,950	163,484
Time Deposits-Money Market	4,929	7,501	9,177	6,496	5,618	6,604	8,398	11,600
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	3,813	3,778	3,604	3,586	4,176	4,267
Deposits	**271,473**	**278,727**	**287,947**	**292,780**	**299,660**	**333,368**	**346,175**	369,295
Immediate Redemption Loans	1	2,516	2,949	4,837	3,519	1,427	361	3,968
Short Term Loans	6,495	4,033	3,679	5,764	5,489	11,156	11,315	16,521
Long Term Loans	4,814	4,720	4,686	4,132	3,749	3,790	3,981	2,866
Due to Banks & Correspondents	**11,310**	**11,269**	**11,314**	**14,733**	**12,758**	**16,373**	**15,657**	**23,355**
Technical Reserves	-	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	268	3,781	1,262	-	402	1,693	1,708	4
Creditor Balance in Repo Trans, Net	185,135	190,766	168,670	170,848	170,063	199,980	195,385	223,513
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	0	0	27	11	34	21	79	31
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**0**	**0**	**27**	**11**	**34**	**21**	**79**	31
For trading purposes	4,773	7,552	10,235	7,238	5,564	12,234	19,425	16,009
For hedging purposes	3,423	4,738	4,779	3,499	2,630	3,067	5,284	5,305
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,196**	**12,291**	**15,014**	**10,737**	**8,194**	**15,301**	**24,709**	21,314
Total Operations w/ Derivatives & Securities	**193,599**	**206,838**	**184,972**	**181,595**	**178,693**	**216,996**	**221,881**	**244,862**
Valuation adjustments for financial liability coverage	-	-	-	-	-	(352)	(67)	(91)
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	379	721	522	504	512	516	540	84
Profit Sharing Payable	247	434	618	792	259	452	666	464
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	2,523	5,932	7,235	867	5,826	14,186	5,628	2,699
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	8,642	9,274	8,988	9,317	9,396	11,507	12,387	12,271
Other Payable Accounts	**11,791**	**16,362**	**17,364**	**11,480**	**15,992**	**26,663**	**19,221**	**15,519**
Subordinated Non Convertible Debt	17,838	18,039	18,005	17,803	17,636	20,438	22,173	16,543
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	1,536	1,593	1,631	1,678	1,387	1,510	1,593	1,691
TOTAL LIABILITIES	**507,547**	**532,828**	**521,233**	**520,070**	**526,128**	**614,995**	**626,633**	**671,173**
EQUITY								
Paid-in Capital	11,488	11,488	11,488	11,488	11,488	14,727	14,727	14,727
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,490	2,491	2,491	2,491	2,492	3,294	3,294	3,294
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,978**	**13,978**	**13,979**	**13,979**	**13,980**	**18,021**	**18,022**	**18,021**
Capital Reserves	4,659	5,172	5,172	5,172	5,172	5,990	5,990	5,990
Retained Earnings	23,109	22,235	22,227	22,066	27,361	26,435	26,436	26,437
Surplus (Deficit) of Secs Available for Sale	386	393	273	432	365	388	4	58
Results from Valuation of Hedging Secs	(1,832)	(2,762)	(3,267)	(2,316)	(1,669)	(2,154)	(2,878)	(2,675)
Results from Conversions	(1,003)	(751)	(885)	(1,061)	(1,288)	(1,232)	(246)	(192)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Resultos of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,435	2,973	4,545	6,035	1,618	3,448	5,320	7,260
Earned Capital	**26,755**	**27,261**	**28,066**	**30,328**	**31,560**	**32,874**	**34,626**	**36,878**
Minority Interest	10	10	10	10	10	10	10	10
Total Equity	**40,743**	**41,249**	**42,054**	**44,316**	**45,550**	**50,905**	**52,657**	**54,909**
TOTAL LIABILITIES & EQUITY	**548,290**	**574,077**	**563,287**	**564,386**	**571,678**	**665,900**	**679,290**	**726,082**

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

Banking Sector - Memorandum Accounts *(Million Pesos)*	**1Q10**	**2Q10**	**3Q10**	**4Q10**	**1Q11**	**2Q11**	**3Q11**	**4Q11**
Investment banking transactions for third parties, net	72,539	76,771	71,427	78,069	69,252	72,038	80,941	75,989
Proprietary Transactions	371,948	378,486	427,631	411,059	491,170	634,781	716,846	657,806
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	272	264	258	256	255	255	255	255
Loan Obligations	2,421	3,899	4,521	3,155	3,605	11,243	9,793	9,001
Trusts	113,540	108,022	116,516	122,628	127,790	199,649	237,780	246,053
Mandates	2,097	2,185	2,188	2,096	2,151	2,220	2,221	2,143
Properties in Trusts and Warrant	115,637	110,207	118,705	124,723	129,941	201,868	240,001	248,197
Properties in Custody or Administration	206,622	209,066	229,949	226,424	259,670	282,070	296,977	292,080
Uncollected Accrued Interest from Past Due Loans	161	152	146	136	139	162	159	182
Collateral Received	34,792	39,211	49,150	40,914	63,811	98,066	115,709	85,788
Collateral Received or sold	12,043	15,687	24,902	15,452	33,748	41,116	53,950	22,303
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	-
Repurchase Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
	444,487	**455,257**	**499,058**	**489,129**	**560,422**	**706,819**	**797,786**	**733,795**

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

BANORTE USA

Income Statement--Banorte USA *MEX GAAP (Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	2010	2011
Interest Income	322	270	271	257	252	248	234	229	1,121	964
Interest Expense	119	113	109	99	99	90	76	70	440	334
Charged Fees	3	5	4	5	8	4	4	5	17	21
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	**207**	**162**	**167**	**164**	**161**	**163**	**162**	**164**	**699**	**650**
Preventive Provisions for Loan Losses	128	(22)	37	48	(0)	43	14	56	191	113
Net Interest Income Adjusted for Credit Risk	**78**	**184**	**129**	**116**	**161**	**120**	**148**	**108**	**508**	**537**
Fees for Commercial and Mortgage Loans	-	6	4	4	3	3	2	2	13	11
Fund Transfers	35	38	39	37	36	43	44	50	150	173
Account Management Fees	17	19	19	17	16	16	24	25	73	80
Fiduciary	-	-	-	-	-	-	-	-	-	-
Other Fees	3	6	4	8	4	2	3	4	21	13
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	8	9	9	9	9	9	9	6	35	33
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-	-
Fees Charged on Services	**64**	**77**	**75**	**75**	**69**	**73**	**83**	**86**	**291**	**311**
Fund transfers	1	1	1	1	1	1	1	1	3	5
Other Fees	26	29	28	26	25	28	27	29	109	108
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**27**	**29**	**28**	**27**	**26**	**29**	**28**	**30**	**111**	**114**
Foreign Exchange	10	12	11	10	10	12	14	13	42	50
Securities-Realized Gains	23	17	8	9	-	3	61	22	57	86
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-	-
Trading Income	**33**	**28**	**19**	**19**	**10**	**15**	**75**	**35**	**99**	**136**
Loan Recoveries	17	24	4	6	2	3	2	7	51	14
Income from purchased assets	(22)	(11)	(23)	(39)	(11)	(9)	(8)	(10)	(94)	(38)
Other Operating Income	-	-	-	-	118	(118)	-	-	-	0
Other Operating Expense	-	-	-	-	(146)	146	-	-	-	(0)
Other Products	12	9	12	14	11	14	15	14	47	54
Other Recoveries	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	(0)	(2)	0	(0)	(0)	(1)	(1)	(1)	(3)	(3)
Total Non Interest Income	**76**	**96**	**59**	**48**	**27**	**95**	**138**	**101**	**280**	**361**
Total Operating Income	**155**	**281**	**188**	**164**	**188**	**215**	**286**	**209**	**787**	**898**
Personnel	70	69	73	69	66	67	66	75	280	274
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-	-
Professional Fees	17	19	16	20	26	22	23	25	72	95
Administrative and Promotional Expenses	47	56	52	61	41	44	47	57	217	189
Rents, Depreciation & Amortization	21	22	21	20	19	19	21	23	85	82
Taxes other than income tax & non deductible expenses	4	4	4	19	5	4	5	3	29	17
Contributions to IPAB/Fobaproa	13	13	13	13	15	9	10	10	53	43
Total Non Interest Expense	**173**	**182**	**180**	**202**	**171**	**164**	**172**	**193**	**737**	**700**
Operating Income	**(18)**	**99**	**8**	**(38)**	**17**	**51**	**115**	**16**	**51**	**198**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**(18)**	**99**	**8**	**(38)**	**17**	**51**	**115**	**16**	**51**	**198**
Income Tax	(8)	33	1	(15)	5	16	39	3	12	64
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
Taxes	**8**	**(33)**	**(1)**	**15**	**(5)**	**(16)**	**(39)**	**(3)**	**(12)**	**(64)**
Net Income from Continuos Operations	**(10)**	**66**	**7**	**(24)**	**12**	**34**	**76**	**12**	**39**	**134**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-
Net Income	**(10)**	**66**	**7**	**(24)**	**12**	**34**	**76**	**12**	**39**	**134**

BANORTE

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

Banorte USA-Balance Sheet *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
ASSETS								
Cash and Due from Banks	**685**	**1,926**	**1,392**	**3,615**	**4,196**	**3,641**	**3,145**	**1,264**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities Available for Sale	7,276	6,893	7,558	7,872	8,480	8,801	10,266	10,756
Securities Held to Maturity	11	12	12	11	11	11	12	13
Investment in Securities	**7,287**	**6,905**	**7,570**	**7,884**	**8,491**	**8,812**	**10,279**	**10,769**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	10,393	10,312	9,417	9,251	8,095	7,633	8,240	8,198
Financial Intermediaries´Loans	-	-	-	-	-	-	-	-
Consumer Loans	186	182	189	189	175	161	185	217
Mortgage Loans	2,317	2,365	2,215	2,175	2,060	2,010	2,204	2,210
Government Entities´Loans	-	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**12,897**	**12,859**	**11,822**	**11,615**	**10,331**	**9,805**	**10,628**	**10,624**
Commercial PDL´s	1,055	705	587	504	302	283	258	269
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	-
Consumer PDL´s	0	0	1	1	0	0	4	0
Mortgage PDL´s	207	204	254	270	66	102	202	144
Government Entities PDL´s	-	-	-	-	-	-	-	-
Past Due Loans	**1,263**	**910**	**842**	**774**	**368**	**386**	**464**	**413**
Gross Loan Portfolio	**14,160**	**13,769**	**12,664**	**12,389**	**10,699**	**10,190**	**11,092**	**11,037**
Preventive Loan Loss Reserves	422	325	315	334	187	182	162	164
Net Loan Portfolio	**13,738**	**13,443**	**12,349**	**12,054**	**10,512**	**10,009**	**10,930**	**10,873**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-	-	-
Total Credit Portfolio	**13,738**	**13,443**	**12,349**	**12,054**	**10,512**	**10,009**	**10,930**	**10,873**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	641	626	621	614	600	592	702	1,613
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	484	989	1,152	337	305	321	562	544
Real Estate, Furniture & Equipment, Net	639	646	617	597	566	552	642	647
Investment in Subsidiaries	8	8	8	8	8	8	9	9
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	8	38	50	63	-	-
Goodwill and Intangibles	3,257	3,307	3,225	3,157	3,033	3,147	3,530	3,588
Other Assets Short and Long Term	213	224	250	200	202	183	310	332
Other Assets	-	-	-	-	-	-	-	-
	5,241	5,800	5,882	4,952	4,764	4,867	5,755	6,734
TOTAL ASSETS	**26,951**	**28,074**	**27,193**	**28,504**	**27,962**	**27,328**	**30,109**	**29,639**

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

Banorte USA-Balance Sheet (Million Pesos)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LIABILITIES								
Demand Deposits	8,819	8,807	8,110	9,213	9,441	9,336	10,209	9,841
Time Deposits-Retail	12,515	13,256	13,303	13,747	13,223	12,464	13,247	13,034
Time Deposits-Money Market	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-	-
Deposits	**21,334**	**22,063**	**21,413**	**22,960**	**22,664**	**21,800**	**23,456**	22,875
Immediate Redemption Loans	-	-	-	-	-	-	-	-
Short Term Loans	66	130	68	63	60	75	91	92
Long Term Loans	-	1	-	-	-	-	-	-
Due to Banks & Correspondents	**66**	**131**	**68**	**63**	**60**	**75**	**91**	**92**
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	39	13	6	5	6	12	6
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Operations w/ Derivatives & Securities	**-**	**39**	**13**	**6**	**5**	**6**	**12**	**6**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	-	4	5	0	-	-	-	-
Profit Sharing Payable	-	-	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	165	123	125	114	101	228	186	233
Other Payable Accounts	**165**	**126**	**130**	**114**	**101**	**228**	**186**	**233**
Subordinated Non Convertible Debt	254	265	260	255	246	242	285	288
Deferred Taxes, Net	8	11	-	-	-	-	41	42
Deferred Credits	27	25	21	19	13	16	16	13
TOTAL LIABILITIES	**21,855**	**22,660**	**21,905**	**23,416**	**23,089**	**22,365**	**24,086**	**23,549**
EQUITY								
Paid-in Capital	4,668	4,668	4,668	4,668	4,668	4,668	4,668	4,668
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**
Capital Reserves	-	-	-	-	-	-	-	-
Retained Earnings	304	304	304	304	344	344	344	344
Surplus (Deficit) of Secs Available for Sale	101	133	107	44	2	128	218	213
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Results from Conversions	34	253	145	33	(153)	(223)	671	731
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	(10)	56	63	39	12	46	122	134
Earned Capital	**429**	**746**	**619**	**420**	**205**	**295**	**1,355**	**1,422**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**5,097**	**5,414**	**5,287**	**5,088**	**4,873**	**4,963**	**6,023**	**6,090**
TOTAL LIABILITIES & EQUITY	**26,951**	**28,074**	**27,193**	**28,504**	**27,962**	**27,328**	**30,109**	**29,639**

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

Banorte USA - Memorandum Accounts *(Million Pesos)*	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Investment banking transactions for third parties,	-	-	-	-	-	-	-	-
Proprietary Transactions	22	22	15	12	13	12	10	8
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	-	-	-	-	-	-	-	-
Loan Obligations	22	22	15	12	13	12	10	8
Trusts	-	-	-	-	-	-	-	-
Mandates	-	-	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due	-	-	-	-	-	-	-	-
Collateral Received	-	-	-	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	-
Repurchase Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
	22	**22**	**15**	**12**	**13**	**12**	**10**	**8**

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 December 31st 2011

(Million Pesos)

	Holding	Banorte	Casa de Bolsa	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Interest Income	9	44,068	1,957	1,769	8	413	1,412	4,047	1,005
Premium Income (Net)	-	-	-	-	-	7,295	8,250	-	-
Interest Expense	-	20,460	1,831	758	2	-	-	2,476	981
Net Increase in Technical Reserves	-	-	-	-	-	785	8,531	-	-
Damages, Claims and Other Obligations	-	-	-	-	-	4,577	1,732	-	-
Net Interest Income (NII)	**9**	**23,607**	**126**	**1,011**	**6**	**2,347**	**(602)**	**1,570**	**25**
Preventive Provisions for Loan Losses	-	4,991	-	34	-	-	-	320	-
Net Interest Income Adjusted for Credit Risk	9	18,616	126	977	6	2,347	(602)	1,251	25
Loan Origination Fees	-	9,234	664	12	74	-	-	699	661
Fees Paid	-	1,694	70	23	0	1,289	117	227	65
Trading Income	-	1,016	133	-	0	112	909	548	51
Other Operating Income (Expenses)	-	2,302	6	70	2	446	(34)	263	15
Non Interest Income	**-**	**10,858**	**732**	**59**	**76**	**(730)**	**758**	**1,283**	**662**
Total Operating Income	**9**	**29,474**	**858**	**1,036**	**82**	**1,616**	**156**	**2,534**	**686**
Administrative and Promotional Expenses	**66**	**19,142**	**473**	**419**	**27**	**636**	**90**	**2,373**	**632**
Operating Income	**(57)**	**10,332**	**386**	**616**	**55**	**980**	**66**	**161**	**54**
Subsidiaries' Net Income	8,181	12	(3)	-	-	2	2	(55)	0
Pre-Tax Income	8,124	10,344	382	616	55	983	69	106	54
Income Tax	-	2,001	115	-	21	386	(0)	74	(0)
Deferred Income Tax	(4)	1,175	(9)	-	(6)	(68)	19	(257)	(43)
Net Income from Continuos Operations	8,128	7,167	276	616	40	665	49	288	97
Minority Interest	-	(195)	-	-	(0)	(0)	0	-	-
Net Income	**8,128**	**6,972**	**276**	**616**	**40**	**665**	**49**	**288**	**97**

GFNorte -Income Statement as of December 31st 2011

(Million Pesos)

	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Interest Income	0	1	351	13	352	55,406	2,425	22	53,003
Premium Income (Net)	-	-	-	-	-	15,545	270	-	15,275
Interest Expense	0	-	270	52	178	27,010	22	2,404	24,628
Net Increase in Technical Reserves	-	-	-	-	-	9,316	-	-	9,316
Damages, Claims and Other Obligations	-	-	-	-	-	6,310	-	218	6,092
Net Interest Income (NII)	**0**	**1**	**81**	**(39)**	**174**	**28,315**	**-**	**-**	**28,242**
Preventive Provisions for Loan Losses	-	-	4	1	11	5,362	77	-	5,438
Net Interest Income Adjusted for Credit Risk	0	1	77	(40)	163	22,954	(77)	-	22,804
Loan Origination Fees	420	40	18	(4)	38	11,857	803	-	11,055
Fees Paid	351	-	(2)	1	-	3,835	-	956	2,879
Trading Income	1	-	(15)	(8)	-	2,747	14,381	14,412	2,778
Other Operating Income (Expenses)	(0)	5	17	18	(30)	3,080	352	85	2,814
Non Interest Income	**70**	**46**	**22**	**5**	**8**	**13,849**	**15,535**	**13,542**	**13,767**
Total Operating Income	**70**	**46**	**99**	**(35)**	**172**	**36,803**	**15,459**	**13,542**	**36,571**
Administrative and Promotional Expenses	**20**	**43**	**68**	**28**	**154**	**24,170**	**422**	**1,183**	**23,409**
Operating Income	**50**	**3**	**31**	**(63)**	**18**	**12,633**	**-**	**-**	**13,162**
Subsidiaries' Net Income	2	-	-	(1)	-	8,140	8,181	-	(41)
Pre-Tax Income	52	3	31	(64)	18	20,773	-	-	13,121
Income Tax	11	1	10	-	-	2,619	-	-	2,619
Deferred Income Tax	(3)	-	(7)	-	(4)	793	140	-	933
Net Income from Continuos Operations	45	2	29	(64)	22	17,362	-	-	9,569
Minority Interest	-	-	1	-	-	(194)	858	-	(1,052)
Net Income	**45**	**2**	**30**	**(64)**	**22**	**17,167**	**27,691**	**19,040**	**8,517**

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 December 31st 2011

(Million Pesos)

ASSETS	Holding	Banorte	Casa de Bolsa Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Cash and Due from Banks	**422**	**50,888**	**5**	**14**	**90**	**110**	**4**	**4,082**	**369**
Margin Accounts	-	55	-	-	-	-	-	197	-
Negotiable Instruments	-	72,143	694	-	4	3,740	262	33,046	6,381
Securities Available for Sale	61	53,774	318	-	53	-	28	213	-
Securities Held to Maturity	-	98,983	508	-	-	4,877	33,469	10,056	14,309
Investment in Securities	**61**	**224,901**	**1,521**	**-**	**57**	**8,617**	**33,759**	**43,315**	**20,691**
Debtor Balance in Repo Trans, net	-	28	1	-	-	0	(0)	3,801	-
Transactions with Derivatives									
For trading purposes	-	10,565	-	-	-	-	-	5,483	-
For hedging purposes	-	162	-	-	-	-	-	464	-
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-	123	-
Commercial Loans	-	132,137	-	12,166	-	-	-	20,527	-
Financial Intermediaries´ Loans	-	12,303	-	101	-	-	-	3,841	-
Government Entities´ Loans	-	66,500	-	2,848	-	-	-	1,825	-
Consumer Loans	-	29,992	-	2	-	-	-	4,049	-
Mortgage Loans	-	63,143	-	-	-	-	-	997	-
Performing Loans	**-**	**304,075**	**-**	**15,117**	**-**	**-**	**-**	**31,238**	**-**
Commercial PDL´s	-	4,074	-	78	-	-	-	295	-
Financial Intermediaries PDL´s	-	1	-	-	-	-	-	-	-
Government Entities PDL´s	-	13	-	0	-	-	-	-	-
Consumer PDL´s	-	1,223	-	0	-	-	-	13	-
Mortgage PDL´s	-	900	-	-	-	-	-	65	-
Past Due Loans	**-**	**6,210**	**-**	**79**	**-**	**-**	**-**	**373**	**-**
Gross Loan Portfolio	**-**	**310,286**	**-**	**15,196**	**-**	**-**	**-**	**31,611**	**-**
Preventive Loan Loss Reserves	-	8,772	-	268	-	-	-	674	-
Net Loan Portfolio	**-**	**303,771**	**-**	**14,928**	**-**	**-**	**-**	**30,938**	**-**
Acquired Collection Rights	-	2,258	-	-	-	-	-	-	-
Total Credit Portfolio	**-**	**301,514**	**-**	**14,928**	**-**	**-**	**-**	**30,938**	**-**
Account Receivables from Insurance and Annuities	-	-	-	-	-	549	405	-	-
Premium Debtors (Net)	-	-	-	-	-	3,356	86	-	-
Account Receivables from Reinsurance	-	-	-	-	-	2,594	-	-	-
Benef.receivab.securization transactions	-	844	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	6	19,132	106	186	16	-	-	1,239	61
Inventories	-	-	-	-	43	-	-	-	-
Foreclosed Assets, Net	-	1,757	-	-	-	8	-	-	-
Real Estate, Furniture & Equipment, Net	-	8,172	4	1,686	46	185	2	496	50
Investment in Subsidiaries	59,085	1,684	10	-	-	83	17	454	2
Deferred Taxes, Net	6	65	-	-	-	128	0	265	53
Intangible	11,416	8,625	179	-	17	2	2	190	158
Other Assets	-	6,855	111	-	7	290	4	57	-
Total Other Assets	11,416	15,479	290	-	24	292	6	247	158
TOTAL ASSETS	**70,996**	**637,503**	**1,937**	**16,814**	**277**	**15,921**	**34,279**	**91,102**	**21,384**

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 December 31st 2011

(Million Pesos)

ASSETS	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Cash and Due from Banks	0	**13**	**5**	**0**	**23**	**56,026**	**21**	**2,079**	**53,968**
Margin Accounts	-	-	-	-	-	252	-	-	252
Negotiable Instruments	47	-	-	59	-	116,376	2	1,352	115,026
Securities Available for Sale	-	-	-	45	-	54,493	-	827	53,666
Securities Held to Maturity	-	-	-	149	-	162,351	34	237	162,148
Investment in Securities	**47**	**-**	**-**	**253**	**-**	**333,220**	**36**	**2,416**	**330,841**
Debtor Balance in Repo Trans, net	-	-	0	-	16	3,846	-	16	3,830
Transactions with Derivatives									
For trading purposes	-	-	-	-	-	16,047	-	194	15,854
For hedging purposes	-	-	-	-	-	626	-	3	623
Valuation adjustments for Asset Coverage	-	-	-	-	-	123	-	-	123
Commercial Loans	-	-	185	111	3,179	168,305	717	-	169,023
Financial Intermediaries´ Loans	-	-	5	-	-	16,250	-	4,690	11,560
Government Entities´ Loans	-	-	-	-	-	71,173	-	11	71,162
Consumer Loans	-	-	147	-	-	34,190	56	-	34,246
Mortgage Loans	-	-	-	-	400	64,540	27	-	64,567
Performing Loans	**-**	**-**	**337**	**111**	**3,579**	**354,458**	**800**	**4,701**	**350,557**
Commercial PDL´s	-	-	7	174	92	4,721	-	37	4,684
Financial Intermediaries PDL´s	-	-	-	-	-	1	-	-	1
Government Entities PDL´s	-	-	-	-	-	13	-	3	11
Consumer PDL´s	-	-	59	-	-	1,294	-	9	1,286
Mortgage PDL´s	-	-	-	-	243	1,208	-	241	967
Past Due Loans	**-**	**-**	**66**	**174**	**335**	**7,238**	**-**	**289**	**6,949**
Gross Loan Portfolio	**-**	**-**	**403**	**286**	**3,915**	**361,696**	**800**	**4,990**	**357,506**
Preventive Loan Loss Reserves	-	-	52	62	225	10,053	186	77	9,944
Net Loan Portfolio	**-**	**-**	**351**	**996**	**3,891**	**354,876**	**1,545**	**5,299**	**351,121**
Acquired Collection Rights	-	-	-	773	201	3,232	560	233	3,559
Total Credit Portfolio	**-**	**-**	**351**	**223**	**3,689**	**351,644**	**986**	**5,067**	**347,562**
Account Receivables from Insurance and Annuities	-	-	-	-	-	953	-	-	953
Premium Debtors (Net)	-	-	-	-	-	3,442	-	-	3,442
Account Receivables from Reinsurance	-	-	-	-	-	2,594	-	-	2,594
Benef.receivab.securization transactions	-	-	-	-	13	856	-	-	856
Sundry Debtors & Other Accs Rec, Net	109	7	29	6	59	20,957	-	433	20,524
Inventories	-	-	-	-	-	43	-	-	43
Foreclosed Assets, Net	-	-	0	83	435	2,284	-	-	2,284
Real Estate, Furniture & Equipment, Net	0	2	915	7	8	11,573	212	-	11,785
Investment in Subsidiaries	116	-	-	12	-	61,463	767	59,950	2,280
Deferred Taxes, Net	2	-	27	36	91	672	-	672	-
Intangible	22	10	62	3	36	20,720	600	731	20,589
Other Assets	1	-	-	-	3	7,328	3	16	7,315
Total Other Assets	23	10	62	3	39	28,048	603	747	27,904
TOTAL ASSETS	**297**	**31**	**1,390**	**1,397**	**4,575**	**897,902**	**3,185**	**71,809**	**829,277**

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 December 31st 2011

(Million Pesos)

LIABILITIES	Holding	Banorte	Casa de Bolsa	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	IXE Banco	IXE Casa de Bolsa
Demand Deposits	-	176,785	-	-	-	-	-	13,203	-
Time Deposits	-	155,548	-	-	-	-	-	19,954	-
Time Deposits-Retail	-	143,948	-	-	-	-	-	19,954	-
Time Deposits-Money Market	-	11,600	-	-	-	-	-	-	-
Senior Unsecured Debt	-	4,267	-	-	-	-	-	-	-
Deposits	**-**	**336,599**	**-**	**-**	**-**	**-**	**-**	**33,157**	**-**
Due to Banks & Correspondents	-	17,087	-	13,754	15	-	-	7,167	-
Immediate Redemption Loans	-	4,379	-	-	-	-	-	488	-
Short Term Loans	-	9,842	-	10,433	15	-	-	6,679	-
Long Term Loans	-	2,866	-	3,321	-	-	-	-	-
Due to Banks & Correspondents	**-**	**17,087**	**-**	**13,754**	**15**	**-**	**-**	**7,167**	**-**
Technical Reserves	-	-	-	-	-	9,533	32,873	-	-
Non-assigned Securities for Settlement	-	4	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	189,166	-	-	-	-	-	34,347	20,259
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	31	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-	-
For trading purposes	-	10,466	-	-	-	-	-	5,736	-
For hedging purposes	-	5,202	-	-	-	-	-	106	-
Operations w/ Derivatives & Securities	**-**	**204,865**	**-**	**-**	**-**	**-**	**-**	**40,190**	**20,259**
Payable Accounts for Reinsurance	-	-	-	-	-	1,246	-	-	-
Payable Accounts	-	13,251	200	532	11	2,441	156	2,586	336
Income Tax Payable	-	190	0	-	-	380	-	74	43
Profit Sharing Payable	-	450	5	-	-	-	-	15	4
Creditors for settlement of transactions	-	1,544	-	-	-	-	-	1,155	6
Other Creditors & Accounts Payable	-	11,068	195	532	11	2,061	156	1,341	284
Other Payable Accounts	-	13,251	200	532	11	2,441	156	2,586	336
Subordinated Non Convertible Debt	-	13,230	-	-	-	-	-	3,313	-
Deferred Taxes, Net	-	-	102	-	5	-	107	-	-
Deferred Credits	-	1,598	-	82	-	-	-	93	-
TOTAL LIABILITIES	**-**	**586,635**	**302**	**14,368**	**31**	**13,220**	**33,137**	**86,413**	**20,595**
EQUITY									
Subscribed Capital	**31,608**	**13,980**	**540**	**306**	**87**	**709**	**325**	**4,042**	**658**
Paid-in Capital	13,098	11,488	540	306	87	709	325	3,239	583
Share Subscription Premiums	18,511	2,492	-	-	-	-	-	802	75
Capital Reserves	3,224	5,776	111	279	26	310	116	214	60
Retained Earnings	30,548	26,371	513	1,244	92	977	588	66	(42)
Surplus (Deficit) of Secs Available for Sale	196	6	171	-	1	40	(1)	52	-
Results from Valuation of Hedging Secs	(2,537)	(2,703)	-	-	-	-	-	28	-
Results from Conversions	(172)	(192)	23	-	-	-	-	-	16
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	8,128	6,972	276	616	40	665	49	288	97
Earned Capital	**39,387**	**36,230**	**1,094**	**2,140**	**159**	**1,992**	**752**	**647**	**131**
Minority Interest	-	658	-	-	0	0	65	-	-
Total Equity	**70,996**	**50,868**	**1,634**	**2,446**	**246**	**2,701**	**1,142**	**4,689**	**789**
TOTAL LIABILITIES & EQUITY	**70,996**	**637,503**	**1,937**	**16,814**	**277**	**15,921**	**34,279**	**91,102**	**21,384**

BANORTE

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

GFNorte - Balance Sheet as of December 31st 2011

(Million Pesos)

LIABILITIES	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Demand Deposits	-	-	-	-	-	189,987	374	-	189,613
Time Deposits	-	-	-	-	-	175,502	1,778	-	173,724
Time Deposits-Retail	-	-	-	-	-	163,903	1,267	-	162,635
Time Deposits-Money Market	-	-	-	-	-	11,600	511	-	11,089
Senior Unsecured Debt	-	-	180	-	2,506	6,953	-	-	6,953
Deposits	**-**	**-**	**180**	**-**	**2,506**	**372,443**	**2,152**	**-**	**370,290**
Due to Banks & Correspondents	-	-	759	1,042	1,196	41,019	5,579	8	35,448
Immediate Redemption Loans	-	-	-	-	-	4,867	899	-	3,968
Short Term Loans	-	-	679	-	990	28,637	3,487	-	25,150
Long Term Loans	-	-	79	1,042	206	7,515	1,193	8	6,330
Due to Banks & Correspondents	**-**	**-**	**759**	**1,042**	**1,196**	**41,019**	**5,579**	**8**	**35,448**
Technical Reserves	-	-	-	-	-	42,406	-	-	42,406
Non-assigned Securities for Settlement	-	-	-	-	-	4	-	-	4
Creditor Balance in Repo Trans, Net	-	-	-	-	-	243,772	16	-	243,756
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	31	-	-	31
Transactions with Derivatives	-	-	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	-	16,203	194	-	16,009
For hedging purposes	-	-	-	-	-	5,308	3	-	5,305
Operations w/ Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**265,314**	**213**	**-**	**265,101**
Payable Accounts for Reinsurance	-	-	-	-	-	1,246	-	-	1,246
Payable Accounts	129	10	47	9	135	19,843	1,076	575	19,342
Income Tax Payable	18	1	2	-	-	710	-	-	710
Profit Sharing Payable	6	1	-	-	1	481	-	-	481
Creditors for settlement of transactions	-	-	-	-	-	2,705	-	-	2,705
Other Creditors & Accounts Payable	105	7	44	9	134	15,947	1,076	575	15,446
Other Payable Accounts	129	10	47	9	135	19,843	1,076	575	19,342
Subordinated Non Convertible Debt	-	-	-	-	-	16,543	-	-	16,543
Deferred Taxes, Net	0	-	-	-	-	215	672	496	39
Deferred Credits	-	-	67	-	41	1,880	13	-	1,867
TOTAL LIABILITIES	**130**	**10**	**1,053**	**1,051**	**3,878**	**760,821**	**9,706**	**1,080**	**752,195**
EQUITY									
Subscribed Capital	**112**	**24**	**220**	**540**	**665**	**53,817**	**22,920**	**159**	**31,056**
Paid-in Capital	112	24	220	540	665	31,938	18,895	8	13,050
Share Subscription Premiums	-	-	-	-	-	21,880	4,025	151	18,006
Capital Reserves	4	2	22	0	43	10,186	6,963	-	3,224
Retained Earnings	7	(6)	63	(108)	(33)	60,279	29,825	119	30,573
Surplus (Deficit) of Secs Available for Sale	-	-	-	(22)	-	442	247	(8)	188
Results from Valuation of Hedging Secs	-	-	-	-	-	(5,212)	(2,675)	-	(2,537)
Results from Conversions	-	-	-	-	-	(325)	(153)	-	(172)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	45	2	30	(64)	22	17,167	9,318	668	8,517
Earned Capital	**55**	**(2)**	**114**	**(194)**	**32**	**82,538**	**43,525**	**779**	**39,793**
Minority Interest	-	-	2	-	-	725	-	5,508	6,233
Total Equity	**168**	**22**	**337**	**346**	**697**	**137,081**	**66,445**	**6,446**	**77,082**
TOTAL LIABILITIES & EQUITY	**297**	**31**	**1,390**	**1,397**	**4,575**	**897,902**	**76,150**	**7,526**	**829,277**

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

ACCOUNTING CHANGES AND REGULATIONS

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

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

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

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

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

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

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

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

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

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

In relation to Criteria B-6 “Loan Portfolio”

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

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

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

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

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

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

The amount of preventive reserves for credit risks calculated using the methodology referred to in Annex 18 contained in the aforementioned Resolution was Ps 961 million, and the amount of reserves required under the previous method of calculation was Ps 1,048 million, both using figures to September 30th, 2011.

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

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

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

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

If recognition of the aforementioned effect in the results of the fiscal year had been made, the items that would have been affected and amounts that would have been registered and presented in the balance sheet as well as in the Income Statement on December 31st, 2011, would be:

<u>**Balance Sheet**</u>	**Originally presented**	**Originally presented**	**New presentation**
Equity			
Results of previous fiscal years	$30,573	$349	$30,922
Majority Net Income	8,517	(349)	8,168
Total Equity	**$77,082**	**$-**	**$77,082**

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

Financial Statement	**Originally presented**	**Originally presented**	**New presentation**
Estimated reserves for credit risks	5,438	582	6,020
NII adjusted for credit risk	**22,804**	**(582)**	**22,222**
Deferred income taxes (net)	933	(233)	700
Net Income	**$8,517**	**(349)**	**$8,168**

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

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

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

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

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

On July 30th, 2009 the National Banking and Securities Commission issued changes among others, to accounting criteria applicable other regulated finance companies, SOFOLs and SOFOMs.

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

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

- **Changes in Securitizations Transactions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In the consolidated financial statements with the Group's subsidiaries, the items recognized in its banking subsidiary derived from the recognition and valuation of the share plans granted have been eliminated through consolidation movements of Ps 20 million. In this sense, an expense incurred by the Financial Group of up to Ps 42 million has been recognized, which results at 4Q10 in a net negative effect in the financial statements of the holding company of Ps (22) million. At 1Q11 results in a net negative effect in the financial statements of the holding company of Ps (17) million. At 2Q11 results in a net negative effect in the financial statements of the holding company of Ps (21) million. At 3Q11 results in a net negative effect in the financial statements of the holding company of Ps (26) million. At 4Q11 results in a net negative effect in the financial statements of the holding company of Ps (24) million.

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

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

As instructed by the CNBV in the document 601-II-323110, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Sólida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this specialized recovery unit as it had been managing the collections of this loans previously. This was a one-time operation.

	Local Currency			Foreign Currency (USD)			Total		
(Millions of Nominal Pesos)	Aug-02	Sep-11	Dec-11	Aug-02	Sep-11	Dec-11	Aug-02	Sep-11	Dec-11
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Mortgage	54	15	0	0	0	0	54	15	0
Total	**59**	**15**	**0**	**5**	**0**	**0**	**64**	**15**	**0**
Non Performing Loans									
Commercial	405	321	0	293	116	0	698	437	0
Consumer	81	72	0	0	0	0	81	72	0
Mortgage	1,112	309	0	0	0	0	1,112	309	0
Total	**1,598**	**702**	**0**	**293**	**116**	**0**	**1,891**	**818**	**0**
TOTAL LOANS	**1,657**	**717**	**0**	**298**	**116**	**0**	**1,955**	**833**	**0**
Loan Loss Reserves (1)									
Commercial	326	317	321	246	116	117	572	433	438
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	309	309	0	0	0	669	309	309
Total	**1,072**	**698**	**702**	**246**	**116**	**117**	**1,318**	**814**	**819**

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

In 4Q11 the Loan portfolio showed changes due to: collections of Ps $3.6 million, repossessed assets of Ps $0.3 million, restructurings of Ps $1.1 million and there were charge offs and discounts of Ps. $13.6 million. In the Loan loss provisions, there were charge offs and discounts of Ps $4.2 million. There were transfers from performing loans to past due loans of Ps $1.4 million and transfers from past due loans to performing loans of Ps $0.1 million.

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

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

	Local Currency (1)		Foreign Currency (USD) (2)		Total	
(Millions of Nominal Pesos)	Sep-11	Dec-11	Sep-11	Dec-11	Sep-11	Dec-11
Performing Loans						
Commercial	168,503	192,102	16,278	16,426	184,781	208,528
Créditos a entidades financieras	0	0	0	0	0	0
Consumer	31,629	29,775	0	0	31,629	29,775
Mortgage	58,575	60,948	0	0	58,575	60,948
Government	0	0	0	0	0	0
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**258,707**	**282,825**	**16,278**	**16,426**	**274,985**	**299,251**
Non Performing Loans						
Commercial	4,628	3,922	315	335	4,943	4,257
Consumer	1,383	1,294	0	0	1,383	1,294
Mortgage	1,127	1,060	0	0	1,127	1,060
Entidades Financieras	0	0	0	0	0	0
FALSE	**7,138**	**6,276**	**315**	**335**	**7,453**	**6,611**
TOTAL LOANS	**265,845**	**289,101**	**16,593**	**16,761**	**282,438**	**305,862**
Loan Loss Reserves	**9,635**	**8,939**	**467**	**487**	**10,102**	**9,426**
Net Loan Portfolio	**256,210**	**280,162**	**16,126**	**16,274**	**272,336**	**296,436**
Loan Loss Reserves					**135.54%**	**142.58%**
% Past Due Loans					**2.64%**	**2.16%**

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

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q11

(Million Pesos)

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

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

SECURITIES HELD FOR SALE 4Q11 (Million Pesos)				
SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Unrestricted	**35,448**	**143**	**35,731**	**140**
Goverment Securities	**10,474**	**35**	**10,756**	**247**
Mexican Government Securities (UMS)	10,474	35	10,756	247
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	-	-	-	-
Mexican Government Securities (UMS)	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Restricted	24,974	108	24,975	(107)
Goverment Securities	**290**	**-**	**290**	**(0)**
Bonds	6,880	13	6,808	(85)
Bondes	11,862	21	11,874	(9)
Bpas	5,942	74	6,003	(14)
Mexican Government Securities (UMS)	**-**	**-**	**-**	**-**
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	9,489	14	9,498	(5)
Unrestricted	1,566	2	1,564	(4)
Stock Certificates	**870**	**0**	**870**	**(0)**
CEDES	**500**	**2**	**502**	**0**
Structured Notes	196	-	192	(4)
Restricted	7,923	12	7,934	(1)
Private	3,296	7	3,302	(0)
Unrestricted	8,124	81	8,438	233
GFNorte's Stock	1,500	12	1,607	94
BMV's Stock	-	-	-	-
Private company bonds	-	-	-	-
EUROBONOS	-	-	-	-
Stock Certificates	393	10	390	(13)
PEMEX	785	2	844	58
Securities	139	0	140	(0)
Other Securities	22	1	21	(2)
Restricted	**161**	**-**	**213**	**52**
GFNorte's Stock	6,623	69	6,831	139
BMV's Stock	-	-	-	-
Private company bonds	234	-	318	84
EUROBONOS	1,287	9	1,278	(18)
Stock Certificates 91	-	-	-	-
PEMEX	2,243	6	2,248	(0)
Mutual Funds	2,779	54	2,905	72
Other Securities	82	-	82	-
Total	**53,061**	**238**	**53,666**	**368**

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 4Q11 (Million Pesos) Securities Held to Maturity	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Cetes	**793**	**-**	**793**	**-**
Government	91,567	397	91,964	-
Unrestricted	685	17	702	-
Cetes	-	-	-	-
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	358	8	366	-
UMS	299	8	307	-
Udibonds	-	-	-	-
Stock Certificates	**28**	**1**	**28**	**-**
Restricted	90,882	380	91,262	-
Cetes	9,980	2	9,982	-
Bonds	1	0	1	-
Bondes	19,176	24	19,200	-
Bpas	59,449	294	59,743	-
Brems	2,276	60	2,337	-
UMS	0	-	0	-
Udibonds	0	-	0	-
Banking Securities	**10,791**	**102**	**10,893**	**-**
Unrestricted	**3,452**	**23**	**3,475**	**-**
Notes	-	-	-	-
CEDES	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	2,622	23	2,644	-
Other Banking Securities	831	-	831	-
Restricted	**7,339**	**79**	**7,418**	**-**
Notes	3,912	3	3,915	-
Cedes	-	-	-	-
Bonds	77	0	77	-
Stock Certificates	2,900	17	2,917	-
Other Banking Securities	449	59	508	-
Private	**58,560**	**129**	**58,689**	**-**
Unrestricted	6,468	43	6,510	-
Bonds	-	-	-	-
Securities	-	-	-	-
PEMEX	625	11	635	-
EUROBONOS	499	7	507	-
Stock Certificates	5,337	25	5,361	-
Other Securities	7	0	7	-
Sructured Notes	-	-	-	-
Restricted	**52,092**	**87**	**52,179**	**-**
Bonds	-	-	-	-
PEMEX	3,345	63	3,408	-
EUROBONDS	-	-	-	-
Stock Certificates	**48,747**	**24**	**48,770**	**-**
Sructured Notes	-	-	-	-
Other Debt Securities	-	-	-	-
Government Securities	12	0	13	-
Subordinated paper	(203)	-	(203)	-
Total	**161,520**	**628**	**162,148**	**-**

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

SECURITIES ASSIGNED FOR SETTLEMENT 4Q11

(Million Pesos)

SECURITIES ASSIGNED FOR SETTLEMENT	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government securities	**(4)**	**-**	**(4)**	**0**
Cetes	**98**	**-**	**98**	**(0)**
Bonds	(52)	-	(52)	0
Bondes	-	-	-	-
Bpas	-	-	-	-
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	(50)	-	(50)	-
2U CBIC	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	**-**	**-**	**-**	**-**
Notes	-	-	-	-
CEDES	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	-	-	-	-
Private	-	-	-	-
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	-	-	-	-
EUROBONDS	**-**	**-**	**-**	**-**
Stock Certificates	**-**	**-**	**-**	**-**
Subordinated paper	-	-	-	-
Foreign Goverment	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	-	-	-	-
Total	**(4)**	**-**	**(4)**	**0**

REPURCHASE AGREEMENT OPERATIONS 4Q11

(Million Pesos)

	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
SALES	RECEIVABLES ON REPURCHASE	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	-	189,522	(189,522)	-	189,522
Banking Securities	-	38,460	(38,460)	-	38,460
Private Securities	-	15,774	(15,774)	-	15,774
Total	**-**	**243,756**	**(243,756)**	**-**	**243,756**

	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
PURCHASES	RECEIVABLES ON REPURCHASE	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	6,930	5,073	1,858	1,858	-
Banking Securities	7,707	5,762	1,945	1,945	0
Private Securities	8,350	8,353	(3)	27	31
Total	**22,987**	**19,188**	**3,799**	**3,830**	**31**
					243,787

BANORTE

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

DERIVATIVES FINANCIAL INSTRUMENTS OPERATIONS 4Q11 (Million Pesos)					
INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR	CREDITOR
FUTURES					
Futures' Rates	2,190	(2,189)	1		
Over Inflation (INPC)	-	-	-		
Total	2,190	(2,189)	1	2	1
					1
FORWARD FX CONTRACTS	**AGREED PRICE**	**MARKET VALUE**	**VALUATION**		
Negotiable					
Purchases	11,126	(11,099)	27		
Sells	(10,992)	11,048	56		
Total	134	(51)	83	547	464
	-				83
Hedging					
Purchases	-	-	-		
Sells	-	-	-		
Total	-	-	-	-	-
SWAPS					
Negotiable					
Capital	56,201	(56,501)	(301)		
Interest rate	1,174	(1,197)	(24)		
Valuation	81,083	(81,053)	29		
Subtotal	138,457	(138,752)	(295)	14,439	14,734
					(295)
Hedging					-
Capital	10,725	(12,250)	(1,525)		
Interest rate	164	(377)	(214)		
Valuation	8,867	(11,909)	(3,043)		
Subtotal	19,755	(24,537)	(4,782)	526	5,308
					(4,782)
OPTIONS					
Negociable-Assets					
Swaptions	-	-	-		
Rate Options	833	226	1,060		
Fx	2	(2)	0		
Index Options (ipc)	-	-	-		
Total	835	224	1,060	1,060	-
					-
Hedging -Assets					
Swaptions	-	-	-		
Rate Options	139	(39)	100		
Index Options (ipc)	-	-	-		
Total	139	(39)	100	100	-
					-
Negociable-Liability					
Swaptions	-	-	-		
FX	(4)	2	(2)		
Rate Options	(807)	(196)	(1,002)		
Index Options (ipc)	-	-	-		
Total	(811)	(193)	(1,004)	-	1,004
Debtor Balance				16,477	
Creditor Balance					21,314

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

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q11- Banorte (Million Pesos)				
PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases	Exchange Rate (Dollar)	MXN	476
FX Forwards	Sales	Exchange Rate (Dollar)	MXN	426
FX Options	Purchases	Exchange Rate (Dollar)	MXN	1,520
FX Options	Sales	Exchange Rate (Dollar)	MXN	254
Interest Rate Options	Purchases	TIIE	MXN	42,281
Interest Rate Options	Sells	TIIE	MXN	36,281
Interest Rate Options	Purchases	LIBOR	MXN	8,450
Interest Rate Options	Sells	LIBOR	MXN	8,685
Interest Rate Options	Swaption Purchases	TIIE	MXN	-
Interest Rate Options	Swaption Sells	TIIE	MXN	-
Interest Rate Options	Swaption Purchases	LIBOR	MXN	-
Interest Rate Options	Swaption Sells	LIBOR	MXN	-
Interest Rate Swaps	USLI/IRS	LIBOR	MXN	91,388
Interest Rate Swaps	TIIE/IRS	TIIE	MXN	405,507
FX Swaps	CS EURMXN	FIX/FIX	MXN	1,087
FX Swaps	CS UDIMXN	UDI	MXN	170
FX Swaps	CS USDCETE	CETE	MXN	1,395
FX Swaps	CS USDMXN	FIX/FIX	MXN	18,151

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS4Q11- Ixe (Million Pesos)				
PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases/ Sales	Exchange Rate (Dollar)	MXN	8,439
FX Forwards	Purchases/ Sales	Exchange Rate (EUR)	MXN	326
FX Forwards	Purchases/ Sales	Exchange Rate (CAD)		195
FX Options	Purchases	Exchange Rate (Dollar)	MXN	-
FX Options	Sales	Exchange Rate (Dollar)	MXN	-
Interest Rate Options	Purchases/ Sales	TIIE	MXN	31,820
Interest Rate Options	Purchases/ Sales	LIBOR	MXN	854
Interest Rate Swaps	USD LIBOR	LIBOR 3M,6M	MXN	6,284
Interest Rate Swaps	MXN TIIE	TIIE	MXN	175,012
FX Swaps	CS USDMXN	FIX/VARIABLE	MXN	10,041
FX Swaps	CS EURMXN	FIX/VARIABLE	MXN	45
Fx Swaps	Purchases/ Sales	Exchange Rate (Dollar)	MXN	13,561
Fx Swaps	Purchases/ Sales	Exchange Rate (EUR)	MXN	266
Fx Swaps	Purchases/ Sales	Exchange Rate (CAD)	MXN	49
Equity Forward	Purchases/ Sales	Alfa	MXN	-

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

INVESTMENT IN NON GOVERNMENTAL FINANCIAL INSTRUMENTS THAT RESPRESENT MORE THAN 5% OF NET CAPITAL 4Q11 *(Million Pesos)*
NOTHING TO REPORT

LOAN PORTFOLIO
(Million Pesos)

	Local Currency		UDIS		Foreign Currency		Total	
	4Q10	4Q11	4Q10	4Q11	4Q10	4Q11	4Q10	4Q11
Performing Loans								
Commercial	102,304	139,895	294	-	23,885	29,128	126,483	169,023
Financial Intermediaries	5,046	10,913	-	-	475	647	5,521	11,560
Consumer	27,617	34,028	23	0	189	218	27,828	34,246
Mortgages	53,577	62,139	416	218	2175	2,211	56,168	64,567
Goverment Entities	47449	71,162	-	-	101	1	47550	71,162
IPAB Loans	-	-	-	-	-	-	-	-
Total	**235,992**	**318,136**	**732**	**218**	**26,825**	**32,204**	**263,549**	**350,557**
Past Due Loans								
Commercial	3759	4,190	6	7	652	487	4417	4,684
Financial Intermediaries	-	1	-	0	-	0	-	1
Consumer	1276	1,286	-	-	1	0	1276	1,286
Mortgages	676	811	26	12	270	144	971	967
Goverment Entities	-	11	-	-	-	-	-	11
Total	**5,710**	**631**	**32**	**19**	**922**	**631**	**6,664**	**6,949**
Total Propietary Loans	**241,703**	**324,435**	**764**	**236**	**27,747**	**32,835**	**270,214**	**357,506**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q11
(Million Pesos)

	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	72	113
Mortgage FOVI	-	-
	72	**113**

At closing of this quarter the balance in debtors support programs totaled Ps 113 million with a cost for the period of Ps 72 million

- **Distressed Portfolio**

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

(Million Pesos)	**Total**
Distressed Portfolio	4,539
Total Loans	374,392
Distressed Portfolio / Total Loans	1.2%

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

DEFERRED TAXES 4Q11 (Million Pesos)			
ASSETS	INCOME TAX	PROFIT SHARING	NET
Excess of preventive reserves accounts over the fiscal limit	1,066	375	**1,442**
Ixe's AAA Portfolio	46	-	**46**
Non deductible provisions and cumulative income	603	97	**699**
Excess of accounting value over fiscal value on	408	66	**473**
Diminishable profit sharing	139	45	**184**
Fees received in advance	109	32	**141**
Tax losses pending amortization	521	-	**521**
Provisions for possible loss in loans	105	-	**105**
Earnings per Society	4	-	**4**
State Tax on Assets Deferred	9	-	**9**
Reserve for employee retirement benefits	1	-	**1**
Current Account Agents	12	-	**12**
Reserve for additional compensation to agents	37	-	**37**
Diverse Creditors	103	-	**103**
Decrease for securities' valuation	29	-	**29**
Charge-off's Estimates	26	-	**26**
Tax loss on share sale	32	-	**32**
Additional Obligations for Employee benefits	0	-	**0**
Other	-	-	**-**
Total Assets	3,250	614	**3,864**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	(778)	(270)	(1,048)
Pension Funds Contribution	(638)	(122)	**(760)**
Loan Portfolio Acquisitions	(381)	(109)	**(490)**
Projects to be capitalized	(194)	(64)	**(259)**
Effects from valuation of instruments	(2)	-	**(2)**
Dividends Federal Home Loan Bank	(18)	-	**(18)**
Intangibles' amortizations	(129)	-	**(129)**
Unrealized Loss on Securities held for Sale	-	-	**-**
Reversal of Sale Costs	(644)	-	**(644)**
Increase for securities' valuation	(10)	-	**(10)**
Receivable interest from securities	(1)	-	**(1)**
Investment of reserves for obligations	(15)	-	**(15)**
Current Account Agents	(9)	-	**(9)**
Savings' Inventory	(496)	-	**(496)**
Other	(22)	-	**(22)**
Total Liabilities	(3,337)	(565)	**(3,903)**
Assets (Liabilities) Accumulated Net	**(88)**	49	**(39)**

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

LONG TERM DEBT AS OF 4Q11 - BANCO MERCANTIL

(Million Pesos)

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

LONG TERM DEBT AS OF 4Q11 - IXE

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT	ORIGINAL AMOUNT	TERM	INTEREST	MATURITY	INTEREST PAYMENT
Non Convertible Perpetual Bonds 2007	USD	26-Feb-07	1,674	120	Perpetual	9.75%	No date defined	Quaterly
Non Convertible Subordinated Bonds 2010	USD	14-Oct-10	1,674	120	10 years	9.25%	14-Oct-20	Semiannual

BANK AND OTHER ENTITIES LOANS' AS OF 4Q11

(Million Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM	FOREIGN	INTEREST RATE	TERM	TOTAL
LOANS FROM LOCAL BANKS				1,068	3%	1,320	1,068
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY				976	1%	217	976
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY				92	1%	217	92
LOANS FROM DEVELOPMENT BANKS	18,176	7.84%	460	3,107	3%	444	21,283
LOANS FROM PUBLIC FUNDS	6,438	4.98%	520	360	2%	833	6,798
CALL MONEY & LOANS FROM BANKS	4,378	1.83%	133	8,427			12,805
LOANS FROM FIDUCIARY FUNDS		9.46%	3,675	332			332
PROVISIONS FOR INTEREST	1			87			89
	28,993			**14,450**			**43,443**
ELIMINATIONS							(7,994)
Total							**35,449**

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

TRADING INCOME (Million Pesos)	4Q11
VALUATION EFFECTS	
Negotiable Instruments	517
Securities Held to Maturity	(95)
Repurchase Agreements	-
Derivative instruments	(161)
Futures	(14)
From repo transactions	-
Range	-
Inflation Adjustment	-
Total	**247**
Dividends Received	**-**
Negotiable Instruments	981
Securities Held for Sell	283
Securities Held to Maturity	6
Derivative Operations	79
Inflation Adjustment	-
Total of Buying and Selling Instruments	**1,349**
FX Spot	1,134
FX Forwards	-
FX Futures	(4)
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	38
Intermediation of metals	7
Changes in valuation of metals	7
Total Foreign Exchange	**1,182**
Inflation Adjustment	**-**
Total of Buying and Selling	**2,531**
TOTAL TRADING INCOME	**2,778**

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.

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

- **RISK MANAGEMENT**

UNIT FOR COMPREHENSIVE RISK ADMINISTRATION (UAIR)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The objectives of credit risk management at GFNorte are:

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

➢ **Individual Credit Risk**

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

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

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

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

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

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

Banorte's CIR is applied to commercial loans equal to or greater than an amount in Mexican pesos equivalent to four million investment units on the qualification date.

➢ **Portfolio Credit Risk**

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

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

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

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The *probability of non-compliance* is the probability that the debtor will not meet his/her debt obligation with the bank according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition matrixes that the Banks calculate from the migration of the debtors through different risk qualification levels. The *recovery ratio* is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply. The Credit Risk+ model is used for IXE portfolios, based on an actuarial focus of the portfolio in which the non-fulfillment probability, the recovery level and the unpaid balance of each client is considered.

The *classification of the debtor*, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

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

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

By December 31st , 2011, the Banco Mercantil del Norte total portfolio was Ps 305,033 million. The expected loss represents -1.8% and the unexpected loss is 3.6% with respect to the total portfolio. The average expected loss is 2.0% during the period between October and December 2011.

Banorte's Brokerage House, the credit exposure of investments is Ps 314 million and the expected loss represents 0.0490% of the exposure. The average expected loss is 0.0776% between October and December 2011.

The total operating portfolio of Arrendadora and Factor is Ps 16.882 billion. Prospective losses represent 0.6% and unforeseen losses 2.7% of the total operating portfolio. The prospective loss average represents 0.6% in the period of October and December 2011.

The total performing portfolio of IXE Banco was Ps 31.611 billion to December 31st, 2011. The estimated loss of the portfolio represents 2.1% and the unexpected loss 1.4%. The estimated loss average for the period of October to December 2011 was 1.9%.

As for IXE Casa de Bolsa, (IXE Brokerage House), the Institution's exposure is Ps 20.334 billion. The estimated loss represents 0.01% of the total exposure.

The total performing portfolio of IXE Automotriz including pure lease is Ps 1,133 million. The estimated loss represents 4.9% and the unexpected loss 0% both with regard to the total performing portfolio. The estimated loss average represents 5.2% for the period of October to December 2011.

The total performing portfolio of Fincasa Hipotecaria (Mortgages) is 3.915 billion. The estimated loss represents 6.7% and the unexpected loss 3.5% both with regard to the total performing portfolio. The estimated loss average represents 6.7% for the period of October to December 2011.

The total performing portfolio of IXE Soluciones is Ps 286 million. The estimated loss represents 21. 8% and the unexpected loss 24.5% both with regard to the total performing portfolio. The estimated loss average represents 21.5% for the period of October to December 2011.

The total performing portfolio of IXE Cards is Ps 3.180 billion. The estimated loss represents 10.2% and the unexpected loss 5.9% both with regard to the total performing portfolio.

- **Credit Risks of Financial Instruments**

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

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

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

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

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

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

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

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

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

As of December 31st , 2011, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 212,611 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 16% of the Basic Capital of September, 2011. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital of September 2011 has a higher or similar rating to A (mex) and is comprised of (average considered term, amount in millions of pesos and rate): bond certificates from Pemex to 5 years and 5 months for $ 10,994 to 4.42% senior notes; Santander, Certificates for 1 year and 2 months for Ps 10,116 at 4.9%; and Inbursa market certificates for 11 months for Ps 7,152 at 4.7%; Bancomer deposits and market certificates for 10 months for $6,135 at 4.9%; and State and Municipal Government loan securitization certificates for 25 years and 5 months for Ps 456 at 6.1%.;

The exposure of Derivatives is Ps 4,941 billion, of which 99.0% 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 September 2011.

Credit risk exposure of Banorte's Broker-Dealer for Securities Investments is Ps 314 billion, with 100% rated higher or equal to AA+(mex) on a local scale, placing them in investment grade, the three major originator other than the Federal or State Governments or Financial National Institutions represents 15% of Equity of September 2011. Additionally, the exposure of investments with the same counterparty other than the Federal Government represents 5% or more of the Equity. September 2011 has a rating of greater than or equal to AA + (mex) and are Deutsche Bank´s international investments for 1 year and 5 months for $ 314 to 8.2%. In the case of derivatives, there are no operations.

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

Exposure to risk for securities of IXE Banco was Ps 42.480 billion to December, 2011. Of the total, 58.7% is in securities with government and quasi-government tallies; 24.3% with bank tallies and 17.0% with private tallies.

The risk exposure of derivatives at closing of 4Q11 was Ps 111 million. The total was distributed with 26.1% in bank tallies and 73.9% in private tallies.

Total risk exposure for IXE Casa de Bolsa (Brokerage House) securities was Ps 20,332 billion. Of the total, 69.1% is in securities with government and quasi-government tallies; 30.9% in bank tallies. There were no operations for derivatives.

IXE Automotriz does not have investments in securities or derivatives.

The exposure of Fincasa Hipotecaria to investments is for Ps. 16 million and there are no derivatives.

For IXE Soluciones, the risk exposure for securities' investments was Ps 221 million, in privately issued bonds. The Institution does not hold positions in derivative instruments.

The exposure of Ixe Tarjetas to investments is for Ps. 29 million and there are no derivatives.

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

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

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

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

Tier 1 to September 30th , 2011	**42,597**
I. Financings whose individual amounts represent more than 10% of the basic equity:	
Loan Operations	
Number of financings	3
Total amount of financings	13,975
% in relation to Basic Capital	33%
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%

Tier 1 to September 30th , 2011	**42,597**
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**22,841**

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

Tier 1 to September 30th , 2011	**2,395**
I. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	14
Total amount of the financings	5,411
% relative to basic capital	226%
II. I. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**2,682**

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

Basic Capital to September 30th , 2011	**4,237**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	13
Total amount of financings	9,341
% in relation to Basic Capital	220%
Money Market Operations	
Number of financings	9
Total amount of financings	10,202
% in relation to Basic Capital	241%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**3,594**

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

Equity at September 30th , 2011	**320**
I. Financings whose individual amounts represent more than 10% of thebasic equity (on a group level):	
Loan Operations	
Number of financings	4
Total amount of financings	198
% in relation to Equity	62%

Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0.0
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**163**

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

Equity at September 30th 2011	**707**
I. Financings whose individual amounts represent more than 10% of the equity (on a group level):	
Loan Operations	
Number of financings	22
Total amount of financings	2,691
% in relation to Equity	380%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**582**

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

Equity at September 30th 2011	**424**
I. Financings whose individual amounts represent more than 10% of the equity (on a group level):	
Loan Operations	
Number of financings	10
Total amount of financings	845
% in relation to Equity	199%
Money Market Operations	
Number of financings	3
Total amount of financings	217
% in relation to Equity	51%

Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**354**

In compliance with the risk diversification rules on lending and borrowing, the following information is shown for IXE Cards (Millions of pesos):

Equity at September 30th 2011	**941**
I. Financings whose individual amounts represent more than 10% of the equity (on a group level):	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**4**

- **Market Risk**

- ***Value at Risk***

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

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

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

The average VaR for the fourth quarter for the portfolio is Ps 2,420 million.

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

Million Pesos	4Q10	1Q11	2Q11	3Q11	4Q11
Total VaR*	1,618	1,533	1,572	1,773	2,420
Net Capital **	54,208	55,514	56,201	58,408	51,765
VaR / Net Capital	2.98%	2.76%	2.80%	3.04%	4.67%

* Quarter Average of Bank and Brokerage House

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

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

Risk Factor	VaR
Domestic interest rate	2,071
Foreign interest rate	313
Exchange rate	681
Capitals	2
Total VaR of Bank and Brokerage House	2,420

Million Pesos

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

- ***Backtesting Analysis***

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

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

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

➢ ***Ixe's Market Risk***

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

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

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

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

- Valuation formula.
- Data base of relevant risk factors

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

Daily "back-tests" are carried out to compare losses and earnings with the value at risk observed, and to carry out calibrations with the models should the need arise.

The Institution can have shares registered as available for sale, which are treated with the accounting regulations in effect; as long as the value at risk is calculated at a trust level of 95% and 99.5% for market risk.

The VaR average for the Institution's portfolios for 4Q11 is Ps 12.58 million, which represents 0.17% of the Bank's Net Capital to December 2011.

IXE BANCO, S.A. DE C.V. VaR by Portfolio & risk factor Million Pesos	**Total 4Q11**	
	Average	**Closing**
VaR 95% 1 day		
Money Market	8.45	8.63
Capital Market	4.94	3.70
Exchange Market	0.01	0.02
Derivatives Market	0.63	0.16
Treasury	41.05	16.94
TOTAL	12.58	16.43
Diversifications Effect	(15.51)	(13.03)
Capital Net	7,577	7,577
VAR / Net Capital	**0.17%**	**0.22%**

Note

VaR does not include securities held for settlement.

The VaR average of the Broker Dealer's portfolios for 4Q11 is Ps 1.64million, which represents 0.24% of the Institution's Net Capital to December 2011.

IXE CASA DE BOLSA, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	**Total 4Q11**	
	Average	**Close**
VaR 95% 1 day		
Money Market	1.56	1.80
Capital Market	0.18	0.10
Exchange Market	0.00	0.00
Derivatives Market	0.00	0.00
Treasury	0.13	0.19
TOTAL	1.64	1.77
Diversifications Effect	(0.23)	(0.33)

Net Capital	672	672
VAR / Net Capital	**0.24%**	**0.26%**

Note

VaR does not include securities held for settlement.

The VaR average of the Fincasa portfolios for 4Q11 is Ps 4.22 million, which represents 0.59% of the Institution's Net Capital to December 2011.

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

FINCASA HIPOTECARIA. VaR Balance. Million Pesos	**Total 4Q11**	
	Average	**Closing**
VaR Balance	4.22	2.59
Net Capital *	713.41	706.64
VAR / Net Capital	**0.59%**	**0.37%**

Note

Net Capital as of September 2011 is preliminary.

The VaR average of the Ixe Automotriz portfolios for 4Q11 is Ps 0.86 million which represents 0.28% of the Institution's Net Capital to December 2011.

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

IXE AUTOMOTRIZ. VaR Balance. Million Pesos	**Total 4Q11**	
	Average	**Closing**
VaR Balance	0.86	1.00
Net Capital *	302.90	313.77
VAR / Net Capital	**0.28%**	**0.32%**

Note

Net Capital as of September 2011 is preliminary.

The VaR average of the Ixe Soluciones portfolios for 4Q11 is Ps 3.22 million which represents 0.99% of the Institution's Net Capital to December 2011.

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

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

IXE SOLUCIONES. VaR Balance. Million Pesos	Total 4Q11	
	Average	Closing
VaR Balance	3.22	4.34
Net Capital *	325.66	304.12
VAR / Net Capital	**0.99%**	**1.43%**

Note

Net Capital as of September 2011 is preliminary.

- **Liquidity Risk and Balance**

In response to the Banking Sector's need to measure global Liquidity Risk and to have consistent follow-up, the Banks us financial ratios, such as the Liquidity Ratios (Liquid Assets / Liquid Liabilities). Liquid Assets include availabilities, securities to negotiate and securities available for sale. Liquid Liabilities include demand deposits, demand interbanking loans and short-term interbanking loans. The liquidity ratio for Banorte at closing of 4Q11 is 91.3%, while the average for the quarter is 94.8%.

Million Pesos (at closing of the quart	4Q10	1Q11	2Q11	3Q11	4Q11
Liquid Assets	**132,713**	**126,759**	**127,601**	**118,934**	**164,484**
Liquied Liabilities	**160,432**	**142,401**	**144,363**	**151,706**	**180,088**
Liquidity Ratio	**82.7%**	**89.0%**	**88.4%**	**78.4%**	**91.3%**

Million Pesos (average)	4Q10	1Q11	2Q11	3Q11	4Q11
Liquid Assets	**125,871**	**135,363**	**138,778**	**139,508**	**157,210**
Liquid Liabilities	**135,251**	**138,192**	**139,777**	**148,421**	**165,791**
Liquidity Ratio	**93.1%**	**98.0%**	**99.3%**	**94.0%**	**94.8%**

Avergae estimate calculated using weekly of Liquidity Ratio

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

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

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

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

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

- **Ixe Liquidity Risk**

Considering cash, the deposit with the Bank of Mexico, Government and banking securities of the Balance Sheet, and deposits such as core deposits all as liquid assets, the liquidity quotient (liquid assets vs. deposits) for Banco Ixe to June 30th, 2011 is 17.88%. The liquidity ratio vs. Net Capital is 83.44%.

IXE BANCO, S.A. DE C.V. Liquidity Risk Million Pesos	Use Dec-11
Accumulated gap in 1 month (MXP + UDIS)	548.30
Liquid Assets	8,051.66
Net Capital	7,577
Tier 1 Capital	4,674
Liquidity vs. Net Capital	**106.26%**
Liquidity vs. Tier 1 Capital	**172.26%**
Liquidity Ratio	**25.40%**

Liquidity Ratio= Liquid Assets vs. Deposits
**Cash, BM's Deposits, Bank and Governmental certificates*

The liquidity ratio vs. Net Capital for the Casa de Bolsa to December 31st, 2011 is 57.5%.

IXE CASA DE BOLSA, S.A. DE C.V. Liquidity Risk Million Pesos	USE Dec-11
Accumulated gap in 1 month (MXP + UDIS)	2.56
Liquid Assets	386.29
Net Capital	672
Liquidity vs. Capital	**57.50%**

The liquidity ratio vs. Net Capital for Fincasa to December 31st, 2011 is 5.33%.

FINCASA HIPOTECARIA. Liquidity Risk Million Pesos	USE Dec-11
Accumulated gap in 1 month (MXP + UDIS)	(1,250.33)
Accumulated gap in 3 months (MXP + UDIS)	(2,022.74)
Liquid Assets*	37.69
Net Capital	706.64
Tier 1 Capital	692.21

Liquidity vs. Net Capital	**5.33%**
Liquidity vs. Tier 1 Capital	**5.44%**

**Only Banks*
Net Capital as of September 2011 is preliminary

The liquidity ratio vs. Net Capital for Ixe Automotriz to December 31st, 2011 is 1.31%.

IXE AUTOMOTRIZ. Liquidity Risk Million Pesos	**USE Dec-11**
Accumulated gap in 1 month (MXP + UDIS)	(775.12)
Accumulated gap in 3 months (MXP + UDIS)	(799.50)
Liquid Assets*	4.11
Net Capital	313.77
Tier 1 Capital	312.81
Liquidity vs. Net Capital	**1.31%**
Liquidity vs. Tier 1 Capital	**1.31%**

**Only Banks*
Net Capital as of September 2011 is preliminary

The liquidity ratio vs. Net Capital for Ixe Soluciones to December 31st, 2011 is 0.7%.

IXE SOLUCIONES. Liquidity Risk Million Pesos	**USE Dec-11**
Accumulated gap in 1 month (MXP + UDIS)	(4.33)
Accumulated gap in 3 months (MXP + UDIS)	(1,041.94)
Liquid Assets*	0.21
Net Capital	304.12
Tier 1 Capital	304.12
Liquidity vs. Net Capital	**0.07%**
Liquidity vs. Tier 1 Capital	**0.07%**

**Only Banks*
Net Capital as of September 2011 is preliminary

- **Operational Risk**

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

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

<u>Operating Losses Database</u>

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. ; The assets subject to operational risk are disclosed in the footnote to the Rules for capitalization requirements.

IV. Information and Reporting

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

- **Technology risk**

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

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

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

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

- **Legal risk**

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

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

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

- **Ixe Operational Risk**

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

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

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

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

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

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

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

- **Internal Control**

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

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

A. Board The Board of Directors with the support 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 fourth quarter of 2011, activities related to strengthening control, risk evaluation and administration, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

A. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.
B. The process began of incorporating the financial institutions that previously integrated IXE Grupo Financiero to align them to the internal control system of Grupo Financiero Banorte, both in terms of corporate governance, as in the structures and systems of the areas of Control.
C. Monitoring of the various business and support processes that make up the operation in GFNorte through Process Controllers and Management, to report periodically on compliance and identifying where areas of opportunity for timely remediation.
D. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
E. The policy and procedure manuals have been updated as per the changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.

- **Treasury Policy**

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

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

- **Internal and External Liquidity Sources**

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

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

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

On October 17, 2011, the Ordinary General Shareholders' Meeting approved to modify the Dividend Policy, for the purpose of aligning dividend payments to the Financial Groups' business performance, 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 December 31, 2011 and September 30, 2011, the loans granted to related parties totaled Ps $ 12,732 million and Ps $11,811 million, respectively.

- **People in Charge**

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

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

Ing. Rafael Arana de la Garza
Chief Financial Officer

Lic. Benjamín Vidargas Rojas

Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

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

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

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

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

Banking Sector (Banorte). Issues consolidated financial statements with trust funds in udis and its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2006 and modified on March 3, 2006, March 28, 2006, September 15, 2006, December 6,2006, December 8, 2006 and January 12, 2007, April 26, 2007, September 19, 2008, October 14, 2008, April 27, 2009, June 11, 2009, November 9, 2009 and January 27, 2011. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

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

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