Grupo Financiero Banorte

Financial Information as of December 31st, 2012

4Q12

"Bank of the Year Mexico 2011"

"Best Commercial Bank in Mexico 2011 & 2012"

"Best Bank in Mexico 2011"

"Sustainable Company"

web page: www.banorte.com/ri

Investor Relations Contacts:

David Suárez (México, D.F.)
Mariana Amador (México, D.F.)
Olga Domínguez (México D.F.)

e-mail: investor@banorte.com

Institutional Investor
"Best Latam Management & IR Team 2010, 2011 & 2012"

INDEX

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 10.89 billion in 2012 and Ps 3.01 billion in 4Q12

Operating Results (Million Pesos)	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Net Interest Income	7,364	8,054	**8,588**	7%	17%	28,242	**32,810**	16%
Non Interest Income	4,614	3,437	**3,858**	12%	(16%)	13,767	**14,510**	5%
Total Income	11,978	11,491	**12,445**	8%	4%	42,009	**47,320**	13%
Non Interest Expense	6,999	6,232	**6,288**	1%	(10%)	23,409	**25,535**	9%
Provisions	1,133	1,524	**1,996**	31%	76%	5,438	**6,172**	13%
Operating Income	3,846	3,736	**4,162**	11%	8%	13,162	**15,613**	19%
Net Income	2,513	2,780	**3,010**	8%	20%	8,517	**10,888**	28%

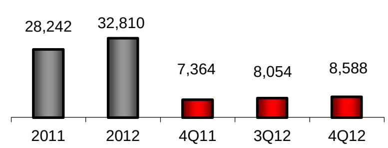
- **Net Interest Income**

Net Interest Income totaled Ps 32.81 billion in 2012, a YoY increase of 16% vs. 2011. Net Interest Income for the quarter amounted to Ps 8.59 billion, increasing by 17% vs. 4Q11 and 7% QoQ vs. 3Q12. These growth rates can be attributed to higher loan volumes with a better mix, a stable cost of funding, the merger with Ixe Grupo Financiero as of 2Q11, and acquiring 50% of Ixe Tarjetas (Credit Cards), which was not part of the Group at the beginning of 1Q12 (this only impacts the 2012 YoY results), and an increase of 6% in Net Interest Income at the Insurance and Annuities Companies. Net Interest Income related only to lending activity rose 18% YoY vs. 2011, 16% YoY vs.4Q11 and 5% QoQ vs. 3Q12. The Net Interest Margin (NIM) for 2012 was 4.1%, flat YoY vs. 2011; the 4Q12 NIM was 4.2%, 20 basis points above YoY vs. 4Q11 and 16 basis points higher QoQ vs. 3Q12, while the lending NIM increased by 16 basis points to 7.5% in 4Q12 vs. 3Q12, but is still 5 basis points below the 4Q11 level.

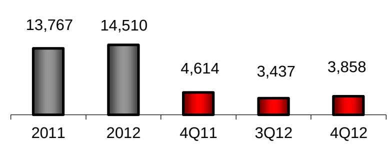
- **Non Interest Income**

Non Interest Income amounted to Ps 14.51 billion in 2012, a YoY increase of 5%, driven by the merger with Ixe's operations and more revenues from trading and loan recoveries. Non Interest Income totaled Ps 3.86 billion for the quarter, a QoQ increase of 12% vs. 3Q12, driven by higher Service Fees, Other Operating Income and Trading; however, Non Interest Income decreased (16%) YoY vs. 4Q11 due to the consolidation of Afore XXI Banorte's results in Banco Mercantil del Norte as of 1Q12 using the equity participation method.

NET INTEREST INCOME (Million Pesos)



NON INTEREST INCOME (Million Pesos)



.

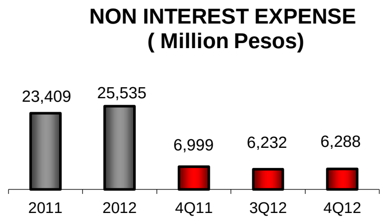
- **Non Interest Expense**

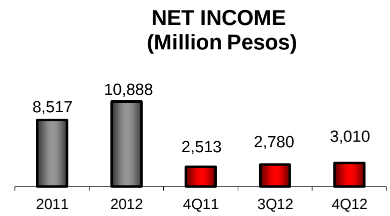
In 2012 Non Interest Expense amounted to Ps 25.54 billion, 9% more YoY vs. 2011, due to the integration of Ixe and merger-related costs, as well as growth in business areas. In 4Q12 expenses amounted to Ps 6.29 billion, a YoY decrease of (10%) vs. 4Q11, mainly associated with lower Personnel Expenses and Administrative & Promotional Expenses, stemming from Ixe merger-related synergies. Compared with 3Q12, Non Interest Expenses rose 1% QoQ due to higher Personnel Expenses, Other Taxes and Non-deductible Expenses as well as Professional Fees Paid that were not offset by the decrease of (38%) in Administrative & Promotional Expenses. The 2012 Efficiency Ratio was 54.0%, (1.8 pp) below 2011 and 50.5% in 4Q12, a YoY reduction of (7.9 pp) vs. 4Q11 and a QoQ decrease of (3.7 pp) vs. 3Q12, as a result of positive operating leverage.

- **Provisions**

Provisions amounted to Ps 6.17 billion in 2012, a YoY increase of 13% vs. 2011, and to Ps 1.99 billion in 4Q12, a YoY increase of 76% vs. 4Q11, partly because the loan loss provisions created in 3Q11 related to the State of Coahuila were freed in the last quarter of 2011 (excluding this impact, the increase would have been 28%). Provisions for the quarter rose 31% QoQ vs. 3Q12.

All of the increases were due to greater commercial, corporate and payroll loan provisions associated mainly with new loan loss reserve requirements in accordance with expected losses, as well as Fincasa's asset impairments, deterioration in exposures to some tourist developments in Mexico's northwest and growth in consumer loans which require higher initial provisions.





- **Net Income**

GFNorte posted Net Income of Ps 10.89 billion in 2012, a YOY increase of 28% vs. 2011 on the back of a favorable performance in all the business lines and a lower growth in expenses, which resulted in positive operating leverage, reversing the 2011 negative trend, as well as the integration of the results of Ixe and Afore XXI Banorte. Net Income totaled Ps 3.01 billion in 4Q12, increasing by 20% YoY vs. 4Q11, derived from the integration of Afore XXI Banorte and a reduction in Non Interest Expense, and was 8% above QoQ vs. 3Q12, due to positive operating leverage driven by higher net interest income and service fees, as well as cost reduction.

Excluding some impairments of Ixe's assets during the quarter, recurring Net Income was Ps $3.22 billion, a QoQ increase of 16% vs. 3Q12 and 28% higher YoY vs. 4Q11. Accumulated one-time merger-related expenses, as well as impacts from Fincasa and Ixe Soluciones asset write-downs, among other concepts, amounted to Ps 476 million in 2012. Adjusted Net Income excluding these non-recurring items amounted to Ps 11.36 billion, 33% above the 2011 level.

Net Income excluding extraordinaries

Million Pesos	4Q12	Var. vs.		2012	Change vs. 2011
		3Q12	4Q11		
Reported Net Income	$3,010	8%	20%	$10,888	28%
+ Integration Costs	$0			$42	
+ Impact of Ixe's Assets	$211			$337	
+ Others	$0			$97	
Recurring Net Income	$3,221	16%	28%	$11,364	33%

4Q12 ROE was 15.0%, increasing by 63 basis points YoY vs. 4Q11 and 57 basis points QoQ vs. 3Q12. The Return on Tangible Equity (ROTE) was 19.1% for 4Q12, 177 basis points above YoY vs. 4Q11 and flat QoQ vs. 3Q12.

2012 ROE was 14.3%, a YoY increase of 25 basis points. Average ROTE for 2012 was 18.7%, 180 points above 2011's 16.9%.

Return on Tangible Equity (ROTE)

	4Q11	3Q12	4Q12
Reported ROE	14.4%	14.5%	15.0%
Goodwill / Intangibles	$20,589	$18,446	$20,724
Average Tangible Equity	$49,183	$54,307	$57,031
ROTE	17.3%	19.1%	19.1%

The Banking Sector's (Banco Mercantil del Norte, Banorte USA, Ixe Banco and Banorte- Ixe Tarjetas) 2012 Net Income amounted to Ps 8.92 billion, accounting for 82% of GFNorte's total profits and registering a ROE of 16.9%, a 270 basis points YoY increase vs. 2011. This sector's ROA was 1.4%, increasing by 33 basis points YoY.

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

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

Income Statement and Balance Sheet Highlights-GFNorte (Million Pesos)	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Income Statement								
Net Interest Income	7,364	8,054	**8,588**	7%	17%	28,242	**32,810**	16%
Non Interest Income	4,614	3,437	**3,858**	12%	(16%)	13,767	**14,510**	5%
Total Income	11,978	11,491	**12,445**	8%	4%	42,009	**47,320**	13%
Non Interest Expense	6,999	6,232	**6,288**	1%	(10%)	23,409	**25,535**	9%
Provisions	1,133	1,524	**1,996**	31%	76%	5,438	**6,172**	13%
Operating Income	3,846	3,736	**4,162**	11%	8%	13,162	**15,613**	19%
Taxes	1,007	806	**1,030**	28%	2%	3,552	**4,128**	16%
Subsidiaries & Minority Interest	(326)	(150)	**(121)**	(19%)	(63%)	(1,093)	**(597)**	(45%)
Net Income	2,513	2,780	**3,010**	8%	20%	8,517	**10,888**	28%
Balance Sheet								
Asset Under Management	1,295,330	1,432,109	**1,471,422**	3%	14%	1,295,330	**1,471,422**	14%
Total Assets	829,277	897,161	**916,567**	2%	11%	829,277	**916,567**	11%
Performing Loans (a)	350,557	389,717	**401,433**	3%	15%	350,557	**401,433**	15%
Past Due Loans (b)	6,949	7,591	**8,481**	12%	22%	6,949	**8,481**	22%
Total Loans (a+b)	357,506	397,307	**409,914**	3%	15%	357,506	**409,914**	15%
Total Loans Net (d)	347,562	386,129	**398,180**	3%	15%	347,562	**398,180**	15%
Acquired Collection Rights (e)	3,559	2,254	**3,109**	38%	(13%)	3,559	**3,109**	(13%)
Total Loans (d+e)	351,121	388,383	**401,289**	3%	14%	351,121	**401,289**	14%
Total Liabilities	752,195	812,449	**828,057**	2%	10%	752,195	**828,057**	10%
Total Deposits	370,290	395,531	**424,325**	7%	15%	370,290	**424,325**	15%
Equity	77,082	84,712	**88,509**	4%	15%	77,082	**88,509**	15%

Financial Ratios GFNorte	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Profitability:								
NIM (1)	4.0%	4.0%	**4.2%**	0.2 pp	0.2 pp	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	3.3%	3.2%	**3.2%**	(0.1 pp)	(0.2 pp)	3.3%	**3.4%**	0.1 pp
NIM adjusted w/o Insurance & Annuities	4.1%	4.1%	**4.3%**	0.1 pp	0.1 pp	4.1%	**4.2%**	0.1 pp
NIM from loan portfolio (3)	7.5%	7.3%	**7.5%**	0.2 pp	(0.1 pp)	7.6%	**7.3%**	(0.3 pp)
ROE (4)	14.4%	14.5%	**15.0%**	0.6 pp	0.6 pp	14.1%	**14.3%**	0.3 pp
ROA (5)	1.2%	1.3%	**1.3%**	0.1 pp	0.1 pp	1.1%	**1.3%**	0.1 pp
Operation:								
Efficiency Ratio (6)	58.4%	54.2%	**50.5%**	(3.7 pp)	(7.9 pp)	55.7%	**54.0%**	(1.8 pp)
Operating Efficiency Ratio (7)	3.4%	2.8%	**2.8%**	(0.0 pp)	(0.7 pp)	3.2%	**2.9%**	(0.3 pp)
Liquidity Ratio (8)	101.8%	118.6%	**128.4%**	9.8 pp	26.6 pp	101.8%	**128.4%**	26.6 pp
Asset Quality:								
Past Due Loan Ratio	1.9%	1.9%	**2.1%**	0.2 pp	0.1 pp	1.9%	**2.1%**	0.1 pp
Coverage Ratio	143.1%	147.3%	**138.3%**	(8.9 pp)	(4.8 pp)	143.1%	**138.3%**	(4.8 pp)
Past Due Loan Ratio w/o Banorte USA	1.9%	1.9%	**2.1%**	0.2 pp	0.2 pp	1.9%	**2.1%**	0.2 pp
Coverage Ratio w/o Banorte USA	149.6%	149.1%	**139.2%**	(9.8 pp)	(10.4 pp)	149.6%	**139.2%**	(10.4 pp)

1) NIM= Annualized Net Interest Margin / Average Earnings Assets.
2) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.
3) NIM = Annualized Net Interest Margin from loan portfolio / Average Performing Loans
4) Annualized earnings as a percentage of the average quarterly equity over the period.
5) Annualized earnings as a percentage of the average quarterly assets over the period.
6) Non Interest Expense / (Total Net Income + Loan Loss Provisions)
7) Annualized Non Interest Expense / Average Total Assets.
8) 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.

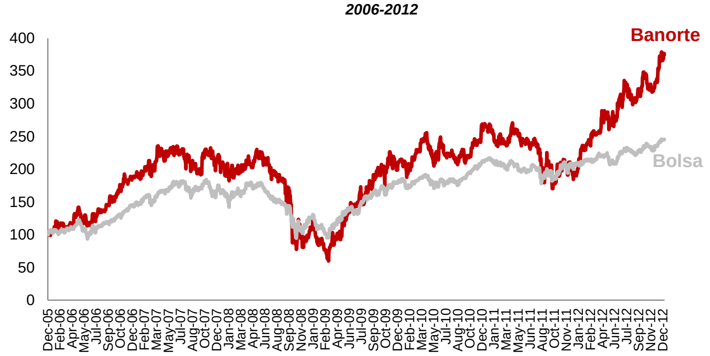
Subsidiaries Net Income (Million Pesos)	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Banking Sector	**1,725**	**2,200**	**2,539**	**15%**	**47%**	**6,544**	**8,920**	**36%**
Banco Mercantil del Norte (1) (2)	1,707	1,852	1,953	5%	14%	6,256	7,505	20%
Ixe Banco	17	102	257	152%	1372%	288	754	161%
Banorte Ixe Tarjetas (4)	-	246	330	34%	-	-	662	-
Broker Dealer	**145**	**139**	**267**	**92%**	**84%**	**418**	**681**	**63%**
Banorte-Broker Dealer	67	-	-	-	(100%)	276	-	(100%)
Banorte- Ixe-Broker Dealer	57	118	252	113%	342%	97	601	517%
Ixe Fondos	21	21	15	(30%)	(31%)	45	80	80%
Long Term Savings	**180**	**268**	**228**	**(15%)**	**26%**	**573**	**1,053**	**84%**
Retirement Funds - Afore XXI Banorte (2)	76	149	130	(12%)	72%	209	532	155%
Insurance	91	111	88	(21%)	(3%)	339	471	39%
Annuities	14	8	9	8%	(36%)	25	49	93%
Other Finance Companies	**164**	**217**	**(729)**	**(435%)**	**(545%)**	**708**	**(434)**	**(161%)**
Leasing and Factoring (3)	151	196	130	(34%)	(14%)	616	604	(2%)
Warehousing	8	17	10	(43%)	23%	40	43	8%
Ixe Automotriz	15	29	(2)	(107%)	(114%)	30	33	11%
Fincasa Hipotecaria	(10)	(25)	(867)	3426%	8486%	22	(1,114)	(5193%)
Other Companies								
Ixe Soluciones	(51)	(68)	(712)	945%	1297%	(64)	(922)	1349%
Ixe Servicios	(2)	1	1	86%	(174%)	2	1	(72%)
G. F. Banorte (Holding)	**352**	**23**	**1,417**	**6134%**	**302%**	**336**	**1,589**	**373%**
Total Net Income	**2,513**	**2,780**	**3,010**	**8%**	**20%**	**8,517**	**10,888**	**28%**

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.
2) Since 1Q12, Afore XXI Banorte is recognized under the equity participation method with Banco Mercantil del Norte, however, for informational and comparison purposes, the Net Income of Afore XXI Banorte is presented in the corresponding sector business.
3) The merger of Leasing and Factoring became effective as of January 31, 2008
4) Since 1Q12, Ixe Tarjetas consolidates with Banco Mercantil del Norte.

Share Data	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Earnings per share (Pesos)	1.08	1.19	**1.29**	8%	20%	3.66	**4.68**	28%
Dividend per Share (Pesos)	0.17	0.00	**0.18**	-	8%	0.52	**0.53**	2%
Dividend Payout (Recurring Net Income)	18.0%	0.0%	**20.0%**	-	11%	18.6%	**18.7%**	1%
Book Value per Share (1) (Pesos)	30.45	33.70	**35.20**	4%	16%	30.45	**35.20**	16%
Total Shares Outstanding (Million Shares)	2,326.4	2,326.4	**2,326.4**	0%	0%	2,326.4	**2,326.4**	0%
Stock Price (Pesos)	42.32	72.76	**83.45**	15%	97%	42.32	**83.45**	97%
P/BV (Times)	1.39	2.16	**2.37**	10%	71%	1.39	**2.37**	71%
Market Capitalization (Million Dollars)	7,059	13,152	**14,973**	14%	112%	7,059	**14,973**	112%
Market Capitalization (Million Pesos)	98,451	169,266	**194,135**	15%	97%	98,451	**194,135**	97%

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
2006-2012



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 17, 2013. Grupo Financiero Banorte (GFNORTE) released its operating results as at the end of December, 2012. GFNORTE reported a Ps 10.89 billion profit, a 28% YoY increase vs. 2011 on the back of a favorable performance in all the business lines and a lower growth in expenses, which resulted in a positive operating leverage, reversing 2011's negative trend, as well as the integration of Ixe and Afore XXI Banorte's results. Profit for the quarter amounted to Ps 3.01 billion, 20% higher YoY vs. 4Q11, driven by the integration of Afore XXI Banorte and a reduction in Non Interest Expense, increasing by 8% QoQ vs. 3Q12 due to positive operating leverage on the back of more interest income and service fees, as well as cost containment.

Banco Mercantil del Norte (excluding its percentage stake in Afore XXI Banorte) accounted for 69% of GFNORTE's accumulated profit, reaching Ps 7.51 billion, while Ixe Banco posted a profit of Ps 754 million for the same period. During 4Q12, Banco Mercantil del Norte contributed Ps 1.95 billion, 65% of consolidated quarterly profits, while Ixe Banco recorded a profit of Ps 257 million for the quarter.

Return on Equity (ROE) was 14.3% in 2012, 25 basis points higher YoY, while Return on Assets (ROA) was 1.3%, a 12 basis points YoY increase vs. 2011.

- **Deposits and Net Interest Income**

Core deposits were up by 10% YoY in 4Q12, mainly driven by promotion of Banorte-Ixe's deposit products. Demand deposits rose 11% YoY and time deposits by 7%. Consequently, core deposits rose by Ps 29.60 billion, from Ps 306.17 billion in 4Q11 to Ps 335.77 billion in 4Q12. Core deposits were up by 5% QoQ vs. 3Q12 on the back of 8% growth in demand deposits and a 1% increase in time deposits.

In 2012 net interest income amounted to Ps 32.81 billion, 16% higher YoY. In 4Q12, net interest income was Ps 8.59 billion, increasing by 17% YoY vs. 4Q11 and 7% QoQ vs. 3Q12 driven by higher loan volumes, a stable cost of funding, and higher net interest income at the Insurance and Annuities companies.

- **Loan Portfolio**

Performing loans grew 15% YoY in 4Q12, an increase of Ps 50.88 billion totaling Ps 401.43 billion. For an eleventh straight quarter, the loan portfolio registered sustained growth in all segments underpinned by the bank's strategies aimed at increasing loan volumes as well as more industry-wide demand for credit. The loan portfolio grew 3% QoQ, driven by solid performance in all components, in particular from the government, mortgage, credit card and payroll loan segments.

Commercial loans amounted to Ps 130.93 billion, a YoY growth of 6%, derived mainly from an increase in middle market company loans, leasing and factoring as well as a 26% YoY increase in the SME loan portfolio, commercial loans were flat QoQ vs. 3Q12. **Corporate** loans totaled Ps 63.57 billion, increases of 11% YoY vs. 4Q11 and 1% QoQ vs. 3Q12, driven by stronger demand for credit in this sector. As at December 2012, **Government** loans amounted to Ps 88.29 billion, increases of 24% YoY and 7% QoQ, respectively, the latter resulting mainly from loans granted to federal government entities, and to a lesser extent to state governments.

Consumer loans, including mortgage loans, rose 20% YoY. **Mortgage** loans maintained their rising trend, totaling Ps 72.37 billion as at the end of the quarter, increasing by 13% YoY vs. 4Q11 and 4% QoQ, underpinning Banorte's position as one of the banks with the highest growth in mortgage loans. **Payroll** loans totaled Ps 18.18 billion, a 35% YoY and 4% QoQ increase vs. 4Q11 and 3Q12, respectively, on the back of growth in the number of Banorte-Ixe payroll clients, product marketing campaigns and a cross-selling strategy across diverse channels. **Car** loans were up 10% YoY and 1% QoQ totaling Ps 10.33 billion as at the close of 4Q12, driven by more loan placements and favorable dynamics in domestic car sales. The **Credit Card** portfolio amounted to Ps 17.52 billion as at the end of 4Q12, which as of 1Q12 includes 100% of the Ixe Tarjetas (Credit Cards) business that partly accounts for the YoY 53% increase, although it can mostly be attributed to loan portfolio management strategies, product marketing campaigns and more cross sales to clients. This also explains the 7% QoQ increase vs. 3Q12.

As at the end of 4Q12, the Group maintained good asset quality, with a Non Performing Loan Ratio of 2.1%, increasing by 0.1 percentage points YoY and 0.2 pp QoQ, one of the lowest of the Mexican financial system. GFNorte closed 4Q12 with past due loans of Ps 8.48 billion, a YoY increase of 22% and a QoQ increase of 12% owing to increases in commercial, payroll and corporate loans, due mainly to the asset impairments at Fincasa Hipotecaria and deterioration of credit exposures to some tourist developments in the northwest of the country, as well as the maturing process of new consumer loans vintages. The Group's loan loss reserve coverage stood at 138.3% as at the end of 4Q12, decreasing (4.8pp) YoY and (8.9 pp) QoQ vs. 3Q12.

- **Efficiency**

The 2012 Efficiency Ratio was 54.0%, decreasing by 176 basis points YoY vs.2011; it was 50.5% for the quarter, decreasing by 791 basis points YoY and 371 basis points QoQ vs. 4Q11 and 3Q12, respectively.

- **Capitalization**

Banco Mercantil del Norte's estimated Capitalization Ratio closed 4Q12 at 14.7% with a Tier 1 Ratio of 11.7%. The ratio decreased by (0.2) percentage points QoQ vs. 3Q12, but increased significantly by 1.7 percentage points YoY vs. 4Q11 as a result of several capital regeneration initiatives. The 4Q12 Capitalization Ratio considers the payment made in December 2012 in order to cover 15% of Afore Bancomer's acquisition. The results at closing of 2012 place Banorte in an adequate position to adopt the new Basel III regulations as of January 2013.

- **Other Subsidiaries**

In 2012 the **Long-term Savings Sector** comprised of Insurance, Annuities and Afore XXI Banorte contributed Ps 1.05 billion to the Financial Group's profits, a YoY increase of 84%, while the 4Q12 contribution was Ps 228 million, 26% higher YoY vs. 4Q11 and (15%) below QoQ vs. 3Q12. The 2012 YoY increase was due to the merger with Afore XXI and better business dynamics at the Insurance and Annuities Companies, while the QoQ decrease vs. 3Q12 can be attributed to a decline in profits at the Afore due to lower portfolio returns and expenses related to the acquisition of Afore Bancomer; in the case of Insurance it was due to higher operating expenses and an increase in the technical reserve requirement.

The **Brokerage Sector** comprised of Casa de Bolsa Banorte Ixe and Ixe Fondos, reported a 2012 profit of Ps 681 million, growing by 63% YoY on the back of more revenues in mutual funds, wealth & private banking, investment banking and structured financing, and a 4Q12 profit of Ps 267 million, representing increases of 84% YoY vs. 4Q11 and of 92% QoQ vs. 3Q12 derived from more revenues in mutual funds, wealth & private banking and structured financing.

In 2Q12 **Banorte - Ixe Tarjetas** acquired the Credit Card portfolio previously managed by Banco Mercantil del Norte. The SOFOM reported a profit of Ps 662 million for the year and Ps 330 million for the quarter.

Other Finance Companies comprised of Arrendadora y Factor Banorte (Leasing and Factoring), Almacenadora Banorte (Warehousing), Ixe Automotriz and Fincasa Hipotecaria, recorded a 2012 loss amounting to (Ps 434) million owing to losses at Fincasa Hipotecaria that were not offset by a $604 million profit at Arrendadora y Factor Banorte. The sector recorded a (Ps 729) million loss for the quarter caused by a loss at Fincasa Hipotecaria amounting to (Ps 867) million. Ixe Soluciones recorded (Ps 712) million in losses for the quarter.

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

RECENT EVENTS

- **Grupo Financiero Banorte acquires Afore Bancomer through Afore XXI Banorte**

GFNORTE reached an agreement on November 27th with Banco Bilbao Vizcaya Argentaria, S.A. and BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero Bancomer ("Grupo BBVA") to acquire Administradora de Fondos para el Retiro Bancomer, S.A. de C.V. ("Afore Bancomer") through Afore XXI Banorte, S.A. de C.V. ("Afore XXI Banorte"), a subsidiary of Banco Mercantil del Norte, S.A. ("Banorte").

On January 9th, the acquisition of Afore Bancomer totaling US 1.73 billion was finalized, of which US 1.6 billion corresponds to the price paid by Afore XXI Banorte and US 135 million to excess capital of Afore Bancomer. The acquisition was approved by the corresponding authorities, including the Federal Commission for Retirement Savings (Comisión Nacional del Sistema de Ahorro para el Retiro – "CONSAR") which granted its approval on November 30th and the Federal Commission for Economic Competition (Comisión Federal de Competencia Económica - COFECO) which authorized the concentration on December 18th.

Banorte contributed with 50% of the price paid by Afore XXI Banorte and the Mexican Social Security Institute ("IMSS") with the remaining 50%. The amount contributed by Banorte through Afore XXI Banorte to pay Grupo BBVA was Ps. $10.25 billion (which does not include the excess capital of Afore Bancomer), and Banorte used its available liquid resources to make this payment. GFNORTE will implement various mechanisms in 2013 to regenerate capital in order to neutralize the short term impact of this acquisition on Banorte's Capitalization ratio.

The operations of Afore Bancomer will be integrated into Afore XXI Banorte as of January 2013, with the corporate identity and operations of Afore XXI Banorte subsisting, thus becoming the largest retirement savings manager in Mexico. As of November 2012, Afore Bancomer manages funds worth Ps. $280.5 billion through 4.47 million accounts. When integrated to Afore XXI Banorte's operations, the managed funds will amount to Ps. $522.2 billion and accounts will total 11.75 million (without considering the accounts with funds deposited at the central bank which are managed by Afore XXI Banorte).

The combination of the two Afores will generate important synergies for the benefit of accountholders and Afore XXI Banorte, including a lower fee on the assets managed, higher service standards, the possibility to offer better returns on workers' accounts and higher operating results for the Afore.

This acquisition, which becomes the most relevant to date in the retirement savings fund system, is another example of GFNORTE's continuous growth strategy through acquisitions, which will generate more value to shareholders, clients and will benefit all the workers integrating the retirement savings system.

- **Banco Mercantil del Norte's Credit Ratings.**

After announcing the acquisition of Afore Bancomer by Afore XXI Banorte, the rating agencies published the following ratings actions of Banco Mercantil del Norte ("Banorte"):

- ✓ **HR Ratings** placed the ratings under special review.
- ✓ **Standard and Poor's** placed the ratings in CreditWatch with negative implications.
- ✓ **Moody's** affirmed the ratings, changing the outlook to Negative from Stable.

In all the cases, their main concern is the impact that the acquisition may have on the capitalization ratios if the transaction is funded with Banorte's existing capital.

In the case of Fitch, the rating agency ratified GFNORTE's and Banorte's ratings with a Stable outlook, given the strategic benefits of this acquisition, as well as its gradual positive impact on the Group's revenue diversification and overall risk profile.

- **Banorte was recognized as "LatinFinance Bank of the Year 2012".**

The international magazine LatinFinance awarded Banorte-Ixe with the recognition of "LatinFinance Bank of the Year 2012", which is granted to the top banks in each country. The selection process considers quantitative aspects such as size, growth, financial strength, profitability, and also intangible elements such as soundness and prudence, which must be considered particularly under challenging moments.

LatinFinance emphasized that Banorte-Ixe lacks the pressure of its competitors, as it does not belong to a foreign owned entity, and has stood out in the last twelve months as a result of its growth in the credit card segment, government and SMEs financing, period in which it has increased its market share from 12% to 13% in deposits and from 13% to 14% in loans, with one of the lowest delinquency ratios in the Mexican financial system.

- **Changes in the Organizational Structure.**

As of January 2013, Héctor Avila was designated as Head of the Legal Department, which he had Co-managed since May 2011. Mr. Avila is currently Secretary of GFNORTE's Board of Directors and was previously Director of the Group's fiduciary area. He graduated from Universidad La Salle's Law School and holds a Financial Law degree from ITAM. His previous professional experience includes being Head of Legal at Televisa's Editorial Division, Head of Fiduciary at Invex Grupo Financiero and Invex Casa de Bolsa. He has 12 years of experience in the legal and fiduciary sector in the Mexican Financial System.

Additionally, as of January 2013, David Margolín has been appointed as Head of Risk Management. David Margolín graduated from the Universidad Nacional Autónoma de México and holds a Degree in Operations Research from Cornell University in New York. He performed different functions at Banco de México from 1980 to date, being the last one as Managing Director of Strategy, Risks and Payment Systems, and formerly as Managing Director of Operations.

- **Consolidation of Grupo Financiero Banorte's Corporate Structure.**

As part of consolidating Grupo Financiero Banorte's corporate structure, the corresponding documentation was delivered to the authorities on December 17th in order to merge Fincasa Hipotecaria with Banco Mercantil del Norte. The merger benefits will be: i) additional synergies due to lower operating costs and ii) a leaner corporate structure. Moreover, during January 2013, Ixe Automotriz will merge with SOFOM Arrendadora y Factoraje, once the corresponding authorizations are granted.

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

GRUPO FINANCIERO BANORTE

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

- **Net Interest Income**

Net Interest Income *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Interest Income	13,604	15,602	**16,201**	4%	19%	50,255	**60,773**	21%
Insurance and Annuities-Interest Income	525	578	**605**	5%	15%	1,825	**2,236**	22%
Interest Expense	6,574	8,027	**8,125**	1%	24%	24,409	**30,583**	25%
Insurance and Annuities-Interest Expense	-	(0)	**2**	(896%)	-	-	**4**	-
Premium Income (Net)	4,022	3,823	**4,426**	16%	10%	15,275	**16,321**	7%
Net Increase in Technical Reserves	3,001	2,010	**2,680**	33%	(11%)	9,316	**8,708**	(7%)
Damages, Claims and Other Obligations	1,405	2,131	**2,025**	(5%)	44%	6,092	**8,057**	32%
Loan Origination Fees	289	285	**297**	4%	3%	922	**1,118**	21%
Fees Paid	95	67	**109**	63%	15%	219	**286**	31%
Net Interest Income	**7,364**	**8,054**	**8,588**	**7%**	**17%**	**28,242**	**32,810**	**16%**
Provisions	1,133	1,524	**1,996**	31%	76%	5,438	**6,172**	13%
Net Interest Income Adjusted for Credit Risk	**6,231**	**6,530**	**6,592**	**1%**	**6%**	**22,804**	**26,637**	**17%**
Average Interest Earning Assets	744,367	805,839	**827,033**	3%	11%	689,523	**792,501**	15%
Net Interest Margin (1)	4.0%	4.0%	**4.2%**	0.156 pp	0.196 pp	4.1%	**4.1%**	0.0 pp
NIM after Provisions (2)	3.3%	3.2%	**3.2%**	(0.1 pp)	(0.2 pp)	3.3%	**3.4%**	0.1 pp

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

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

Millon Pesos	4Q11	3Q12	4Q12	Var. Vs. 3Q12	Var. Vs. 4Q11	2011	2012	Var. Vs. 2011
Interest Income	525	578	**605**	5%	15%	1,825	**2,236**	22%
Premiums' Income (net)	4,022	3,823	**4,426**	16%	10%	15,275	**16,321**	7%
- Interest Expense	-	(0)	**2**	(896%)	-	-	**4**	-
- Net increase in technical reserves	3,001	2,010	**2,680**	33%	(11%)	9,316	**8,708**	(7%)
- Damages, claims and others	1,405	2,131	**2,025**	(5%)	44%	6,092	**8,057**	32%
Net Result	140	261	**323**	24%	131%	1,692	**1,788**	6%

Net Interest Income rose by 16% YoY in 2012, from Ps 28.24 billion to Ps 32.81 billion, on the back of an 18% increase in financial revenues and origination fees following the merger with Ixe Grupo Financiero, the acquisition of 50% of Ixe Tarjetas, 15% growth in performing loans - more notably in products that have a bigger impact on Net Interest Income such as Payroll, Credit Cards, SMEs and Mortgages -, a stable cost of funding due to a YoY 10% growth in Core Deposits and 6% growth in the financial margins of the Insurance and Annuities companies.

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

Net Interest Income grew 17% YoY in 4Q12 reaching Ps 8.59 billion, mainly driven by more loan placements in segments with higher margins, including the consolidation of Ixe Tarjetas, a stable cost of funding, and a 131% increase in the financial margins of the Insurance and Annuities companies. Net Interest Income was up 7% QoQ vs. 3Q12 due to a stable cost of funding, strong quarterly growth in the credit card, mortgage and payroll loans portfolios and a 24% increase in net interest income of the Insurance and Annuities' companies.

Excluding the Insurance and Annuities companies, in 2012 Net Interest Income rose 17% YoY and in 4Q12 registered increases of 14% YoY vs. 4Q11 and of 6% QoQ vs. 3Q12.

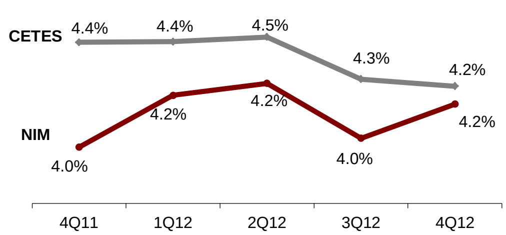
Based solely on financial margins related to lending activity, 4Q12 Net Interest Income grew 16% YoY vs. 4Q11 and 5% QoQ vs. 3Q12; 2012 Net Interest Income grew by 18% YoY vs. 2011.

The average Net Interest Margin (NIM) was 4.1% in 2012, flat YoY, as Average Productive Assets grew at a similar rate as Net Interest Income. The Net Interest Margin (NIM) averaged 4.2% in 4Q12, increasing by 20 basis points YoY vs. 4Q11 and 16 basis points QoQ vs. 3Q12.

The average Net Interest Margin (NIM) excluding the Insurance and Annuities companies was 4.2% in 2012 and 4.3% in 4Q12, increasing by 8 basis points YoY vs. 2011, 14 basis points QoQ vs. 3Q12 and 15 basis points YoY vs. 4Q11. The 2012 lending NIM was 7.3%, a YoY decrease of 32 basis points due to the integration of Ixe's credit card portfolio which has a lower financial margin, and stood at 7.5% in 4Q12, rising 16 basis points QoQ vs. 3Q12 as a result of a better deposit and loan portfolio mix, but was still 5 basis points below the 4Q11 level due to the integration of Ixe's loan portfolio.

The Banking Sector's NIM, which includes the banks and credit card SOFOM loans and securities' investments, was 4.8% in 4Q12, above 4Q11's 4.2% and 3Q12's 4.5%, and increased by 42 basis points between 2011 and 2012 to 4.5%

NIM VS CETES



- **Provisions**

In 2012 Provisions charged to results reached Ps 6.17 billion, increasing 13% YoY vs. 2011 and amounted to Ps 1.99 billion in 4Q12, a YoY increase of 76% vs. 4Q11, partly because the loan loss provisions created in 3Q11 related to the State of Coahuila were freed in the last quarter of 2011 (excluding this impact the increase would have been 28%). 4Q12 provisions rose 31% QoQ vs. 3Q12. All of the increases were due to greater commercial, corporate and payroll provisions associated mainly with the new loan loss reserve requirements in accordance with expected losses, asset impairments at Fincasa and deterioration of some exposures to tourism developments in the northwest of the country, as well as to the growth in the consumer loan portfolio which requires higher initial provisions.

Average NIM adjusted for Credit Risks was 3.4% in 2012, increasing by 0.1 pp YoY vs. 2011, and 3.2% in 4Q12, a YoY decrease of (0.2 pp) vs. 4Q11 and a QoQ decrease of (0.1 pp) vs. 3Q12, due to more loan loss provisions recorded in the quarter.

In 2012 loan loss provisions accounted for 19% of Net Interest Income, the same level YoY; they accounted for 23% of Net Interest Income in 4Q12, comparing unfavorably with 15% in 4Q11 and 19% in 3Q12.

Annualized loan loss provisions in 2012 accounted for 1.6% of the average loan portfolio, a YoY decrease of (0.1 pp) vs. 2011; for the quarter they accounted for 2.0% of the average loan portfolio, increasing by 0.4 pp QoQ vs. 3Q12 and 0.7 pp YoY vs. 4Q11.

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)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Services	2,053	1,530	**1,876**	23%	(9%)	7,058	**6,752**	(4%)
Recovery	353	322	**290**	(10%)	(18%)	1,117	**1,307**	17%
Trading	1,184	1,024	**1,050**	3%	(11%)	2,778	**4,152**	49%
Other Operating Income (Expense)	1,025	562	**642**	14%	(37%)	2,814	**2,300**	(18%)
Non Interest Income	**4,614**	**3,437**	**3,858**	**12%**	**(16%)**	**13,767**	**14,510**	**5%**

Non Interest Income *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Fees Charged on Services	**3,196**	**2,806**	**3,112**	**11%**	**(3%)**	**11,055**	**11,539**	**4%**
Fees for Commercial and Mortgage Loans	16	6	**3**	(60%)	(85%)	50	**33**	(33%)
Fund Transfers	117	123	**121**	(2%)	3%	421	**479**	14%
Account Management Fees	311	306	**325**	6%	4%	1,160	**1,240**	7%
Fiduciary	116	86	**121**	42%	4%	353	**384**	9%
Income from Real Estate Portfolios	353	322	**290**	(10%)	(18%)	1,117	**1,307**	17%
Electronic Banking Services	684	840	**948**	13%	39%	2,444	**3,377**	38%
For Consumer and Credit Card Loans	382	506	**522**	3%	37%	1,418	**2,030**	43%
Fees from IPAB (1)	-	-	**-**	-	-	-	**-**	-
Fees charged by Afore	342	-	**-**	-	(100%)	1,323	**-**	(100%)
Other Fees Charged (2)	874	618	**783**	27%	(10%)	2,770	**2,689**	(3%)
Fees Paid on Services	**790**	**954**	**947**	**(1%)**	**20%**	**2,879**	**3,480**	**21%**
Fund transfers	10	10	**11**	2%	9%	37	**43**	17%
Other Fees Paid	780	944	**936**	(1%)	20%	2,842	**3,437**	21%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**2,406**	**1,852**	**2,165**	**17%**	**(10%)**	**8,175**	**8,059**	**(1%)**
Trading Income	**1,184**	**1,024**	**1,050**	**3%**	**(11%)**	**2,778**	**4,152**	**49%**
Subtotal Other Operating Income (Expenses) (3)	598	234	**202**	(14%)	(66%)	1,501	**1,058**	(30%)
Non Operating Income (Expense), net (4)	306	159	**281**	77%	(8%)	819	**615**	(25%)
Other Operating Income (Expense) from Insurance and Annuities (5)	120	169	**159**	(6%)	33%	494	**626**	27%
Other Operating Income (Expenses)	**1,025**	**562**	**642**	**14%**	**(37%)**	**2,814**	**2,300**	**(18%)**
Non Interest Income	**4,614**	**3,437**	**3,858**	**12%**	**(16%)**	**13,767**	**14,510**	**5%**

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

In addition to the previously mentioned A-2 accounting criteria, starting in 1Q11, Insurance and Annuities companies use the D-2 Accounting Criteria to report Other Operating Income (Expenses) in the Income Statement. As a result, as of that quarter, "Non Operating Income (Expenses) net", which was previously reported after Operating Income, is now reported as "Non Interest Income", and "Other Operating Income (Expenses) from Insurance and Annuities", which was previously consolidated under the equity participation method is now included in the results of the Financial Group. Both items are registered under "Other Operating Income (Expenses)".

Non Interest Income amounted to Ps 14.51 billion in 2012, a 5% YoY increase due to the integration of Ixe and more revenue from Trading and Recoveries.

Non Interest Income amounted to Ps 3.86 billion for the quarter, a QoQ increase of 12% vs. 3Q12 driven by an increase in Service Fees, Other Operating Income and Trading; however, they decreased (16%) YoY vs. 4Q11 due to lower income in all headings including the accounting effect of the consolidation of Afore XXI Banorte results in Banco Mercantil del Norte as of 1Q12 using the equity participation method. Taking into account the income generated by Afore XXI Banorte in these results, in 2012 Non Interest Income would have grown 15% YoY vs. 2011 and 11% QoQ vs. 3Q12, and the YoY decrease vs. 4Q11 would have been just (8%), a quarter when some extraordinary fees were recorded.

- **Service Fees**

As a result of the merger of Afore Banorte with Afore XXI in January 2012, the results of Afore XXI Banorte are reported in the results of Banco Mercantil del Norte (which has a 50% stake in the Afore) using the equity participation method. Given the change in the way the Afore's results are reported, as of that quarter, income from fees charged by this company is no longer reported in the Services heading.

For comparative purposes with previous years, Fees charged by Afore XXI Banorte in 2012 amounted to Ps 2.99 billion and to Ps 802 million in 4Q12, of which 50% correspond to Banorte. These figures represent a YoY growth of 126% vs. 2011 and of 134% vs. 4Q11; QoQ growth vs. 3Q12 was 3%.

Service Fees amounted to Ps 6.75 billion in 2012, a decrease of (4%) YoY, mainly because fees generated at the Afore business were not consolidated under this heading, which offset the following annual increases generated by better business dynamics: i) 38% in electronic banking fees due to more users and bigger business volumes, reversing the negative impact of 2011 caused by new rules for charging ATM usage and the regulation of other fees; ii) 43% in consumer and credit card loan fees due more client transactions; iii) 7% in Account Management fees due to an increase in the number of accounts; iv) 14% increase in income from fund transfers; and v) increases in fees generated by the Fiduciary business. As a result of the same business dynamics, Fees Paid rose by 21% due to larger interbank fees resulting from more credit and debit card transactions among clients, as well as fees paid to Nacional Financiera in relation to credit guarantees and the consolidation of Ixe Banco and Ixe Tarjetas. Service fee income would have grown 15% YoY vs. 2011 if Afore fees had been recorded in this heading.

Service Fees amounted to Ps 1.88 billion in 4Q12, (9%) below YoY vs. 4Q11 but 23% above QoQ vs. 3Q12. The YoY decrease vs. 4Q11 occurred mainly because fees generated by the Afore business are no longer included in this heading, a 20% increase in Fees Paid, and decreases of (10%) in other Fees Charged, which negatively offset a 39% increase in electronic banking fees, 37% in consumer loan and credit card Fees, and more revenues from account management, fund transfers and the fiduciary business. Income from Service Fees would have grown 9% YoY vs. 4Q11 if Afore fees had been consolidated in this heading.

Growth compared to the previous quarter can be mostly attributed to a 27% increase in Other fees charged for advisory services associated with the government banking business, a 13% increase in electronic banking fees due to higher POS terminal fees, and more revenue from the fiduciary business, account management and a decrease in Fees Paid.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loans and the sale of foreclosed assets classified under "Other Operating Income (Expenses)" decreased (1%) YoY vs. 2011, owing to less revenues from acquired loan portfolio recoveries (15%) and revenues from previously written-off proprietary loan recoveries (12%), which offset a 17% increase in real estate portfolio recoveries, including income from investment projects mainly with homebuilders.

Recoveries decreased (20%) QoQ vs. 4Q11, due to declines in all components: (18%) in real estate portfolio revenues, (25%) in combined revenues from the previously written-off portfolio and the sale of foreclosed assets and (12%) in revenues from acquired portfolio recoveries. Compared to 3Q12, they rose 4% QoQ due to more acquired portfolio recoveries and combined growth of 17% in previously written-off portfolios and the sale of foreclosed assets, which offset a (10%) decrease in revenues from real estate portfolios.

As at the end of 4Q12, Ps 6.98 billion was invested in projects.

- **Trading**

Trading fees amounted to Ps 4.15 billion in 2012, a YoY growth of 49% due to the integration of IXE's subsidiaries results and the positive impact of: i) valuation gains of securities' investment by the annuities company and Banorte; and ii) foreign exchange transaction results.

For the quarter they amounted to Ps 1.05 billion, a YoY decrease of (11%) vs. 4Q11, but a QoQ increase of 3% vs. 3Q12 due to positive foreign exchange transaction results.

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (3) *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Subtotal Other Operating Income (Expenses)	**598**	**234**	**202**	**(14%)**	**(66%)**	**1,501**	**1,058**	**(30%)**
Loan Recovery	372	278	**342**	23%	(8%)	1,207	**1,234**	2%
Income from purchased assets	33	(18)	**(38)**	106%	(214%)	99	**(83)**	(184%)
Other Operating Income	214	(16)	**(1)**	(96%)	(100%)	296	**76**	(74%)
Other Operating Income (Expense)	(20)	(10)	**(102)**	906%	399%	(101)	**(169)**	67%
Non Operating Income (Expense), net	**306**	**159**	**281**	**77%**	**(8%)**	**819**	**615**	**(25%)**
Other Products	859	796	**780**	(2%)	(9%)	1,625	**2,305**	42%
Other Recoveries	132	103	**116**	13%	(12%)	451	**386**	(15%)
Other (Expenses)	(685)	(741)	**(615)**	(17%)	(10%)	(1,258)	**(2,075)**	65%
Other Operating Income (Expense) from Insurance and Annuities	**120**	**169**	**159**	**(6%)**	**33%**	**494**	**626**	**27%**
Other Operating Income (Expenses)	**1,025**	**562**	**642**	**14%**	**(37%)**	**2,814**	**2,300**	**(18%)**

As a result of applying A-2 and D-2 Accounting Criteria, information pertaining to Insurance and Annuities Operations is reported under Other Operating Income (Expense) as well as information previously grouped under Other Products and Expenses, Net.

In 2012 Other Operating Income (Expenses) amounted to Ps 2.30 billion, a YoY decrease of (18%), due mainly to a 65% increase in Other Expenses related to more write downs and fraud, a decline of (74%) in Other operating income (in 4Q11 there was a gain from the acquisition of loan portfolios that was not replicated this year and in 2012 there were fewer cancellations of surpluses in preventive estimates) and lower revenues from previously written-off proprietary loan and acquired loan recoveries, decreases that were not offset by a 27% increase in fees from the insurance and annuities companies and a 42% increase in Other Products, the latter mainly resulting from an increase in the valuation of future benefits from securitizations and gains from the sale of property, furniture and equipment.

Other Operating Income (Expenses) amounted to Ps 642 million for the quarter, a QoQ increase of 14% vs. 3Q12, mainly due to the increase in acquired portfolios and previously written-off proprietary portfolio recoveries. Compared to 4Q11, Other Operating Income (Expenses) decreased (37%) YoY, mainly because income from the loan portfolio acquisition that took place in 4Q11 was not replicated this year.

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)	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Personnel	3,352	2,334	**2,710**	16%	(19%)	9,882	**10,398**	5%
Professional Fees	600	714	**849**	19%	41%	2,200	**2,907**	32%
Administrative and Promotional	1,364	1,462	**904**	(38%)	(34%)	4,864	**4,899**	1%
Rents, Depreciation & Amortization	731	774	**695**	(10%)	(5%)	2,867	**2,954**	3%
Taxes other than income tax & non deductible expenses	392	354	**569**	61%	45%	1,370	**1,826**	33%
Contributions to IPAB	364	409	**428**	5%	18%	1,341	**1,610**	20%
Employee Profit Sharing (PTU) (1)	196	185	**134**	(28%)	(32%)	885	**940**	6%
Non Interest Expense	**6,999**	**6,232**	**6,288**	**1%**	**(10%)**	**23,409**	**25,535**	**9%**

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

Non Interest Expense amounted to Ps 25.54 billion in 2012, 9% higher YoY vs. 2011, mainly derived from the integration of Ixe and merger-related expenses, as well as growth in the business areas. Growth occurred across headings, in particular the following ones: i) Ps 708 million in Professional Fees (+32%) due to more advisory services and business-related transactions, as well as legal fees associated with loan portfolio recovery; ii) Ps 516 million in Personnel Expenses (+5%) arising from integrating personnel from Ixe subsidiaries, growth in business areas and employee compensation; iii) Ps 456 million in Other Taxes and Non Deductible Expenses (+33%), mainly the VAT due to higher current expenses as well VAT generated by investment flows, and a decrease in the VAT accreditation factor; iv) Ps 269 million in IPAB Contributions (+20%) due to growth in deposits; v) Ps 87 million in Rents, Depreciations and Amortizations (+3%) due to investments in new furniture and fixtures in buildings (like the Call Center), computer and software equipment and the recognition of the depreciation of finished constructions and the amortization of projects capitalized in the Banorte-Ixe integration, higher office rents due to the effect of inflation, and growth in the bank network; vi) a Ps 55 million increase in Statutory Employee Profit Sharing (+6%); and vii) Ps 35 million in Administration and Promotional Expenses (+1%) due to higher operating costs related to more credit and debit card transactions and more reserves for the points program, as well as expenses related to transport of cash by armored vehicles stemming from more ATMs and a bigger transaction volume, the payment of insurance linked to mortgage, car and payroll loan placements and an increase in current expenses stemming from a larger branch and ATM network.

Expenses amounted to Ps 6.29 billion in 4Q12, a YoY decrease of (10%) vs. 4Q11, mainly as a result of the decrease in Personnel Expenses and Administration & Promotional Expenses derived from synergies obtained during the integration process and other rationalization efforts. Expenses increased 1% QoQ vs. 3Q12 due to higher Personnel Expenses linked to variable compensation and 2013 downsizing efforts, Other taxes and Non Deductible Expenses due to a bigger volume of expenses and investments that must recognize VAT and Fees Paid associated with projects, credit bureau inquiries, loan portfolio recoveries, audits and legal expenses that were not offset by the (38%) decrease in Administrative & Promotional Expenses arising from lower expenses distributed among subsidiaries and fewer reimbursements of expenses linked to consumer loans and (10%) in Rents, Depreciations and Amortizations due to lower payments linked to maintenance and licenses.

The 2012 Efficiency Ratio was 54.0%, (1.8 pp) below YoY vs. 2011 and 50.5% in 4Q12, decreasing by (7.9 pp) YoY vs. 4Q11 and by (3.7 pp) QoQ vs. 3Q12, due to positive operating leverage.

- **Taxes**

2012 Income Tax amounted to Ps 4.13 billion, 16% higher YoY due to the combination of a higher profit base for calculating taxes and lower deferred taxes as as result of depleting during 2011 the loan loss provision surpluses corresponding to previous years. Taxes for the quarter amounted to Ps 1.03 billion, 2% higher YoY vs. 4Q11 and 28% higher QoQ vs. 3Q12, due to a higher profit base, and the 4Q12 reduction in deferred taxes. The 4Q12 effective tax rate and statutory employee profit-sharing rate was 27.1%, above 3Q12's 25.3% but below 4Q11's 29.8%. The 2012 effective tax rate was 30.6%, 100 basis points below 2011's 31.6%.

- **Subsidiaries and Minority Interest**

In 2012, subsidiaries and minority interest reported (Ps 597) million, below 2011's (Ps 1.09) billion on the back of an improvement in Subsidiaries' profit levels after consolidating Afore XXI Banorte's results using the equity participation method, which offset an increase in minority interest at Banco Mercantil del Norte, the Insurance and Annuities companies.

The result for the quarter (Ps 121) million was favorable QoQ vs. 3Q12's (Ps 150) million, as a result of the positive impact from higher profits at other subsidiaries and a reduction in minority interest at Insurance and Annuities, which offset an increase in minority interest at Banco Mercantil del Norte. The result was also favorable compared to the (Ps 326) million recorded in 4Q11 as a result of consolidating the Afore's profits in this heading.

- **Net Income**

GFNorte's 2012 Net Income amounted to Ps 10.89 billion, increasing by 28% YoY vs. 2011 as a result of favorable performance in all the business lines and a lower growth in expenses, which resulted in a positive operating leverage, reversing the 2011 trend, and the integration of Ixe and Afore XXI Banorte's results. It was Ps 3.01 billion for 4Q12, 20% above YoY vs. 4Q11, due to the integration of Afore XXI Banorte and lower Non Interest Expense, and 8% above QoQ vs. 3Q12 due to positive operating leverage driven by higher net interest income and service fees, as well as expense reduction.

Excluding some impairments of Ixe's assets during the quarter, recurring Net Income was Ps $3.22 billion, an increase of 16% QoQ vs. 3Q12 and 28% YoY vs. 4Q11. Accumulated one-time merger-related expenses, as well as impacts from Fincasa and Ixe Soluciones asset write-downs, among other concepts, amounted to Ps 476 million in 2012. Adjusted Net Income excluding these non-recurring items amounted to Ps 11.36 billion, 33% higher YoY vs. 2011.

Net Income excluding extraordinaries

Million Pesos	4Q12	Var. vs. 3Q12	Var. vs. 4Q11	2012	Change vs. 2011
Reported Net Income	$3,010	8%	20%	$10,888	28%
+ Integration Costs	$0			$42	
+ Impact of Ixe's Assets	$211			$337	
+ Others	$0			$97	
Recurring Net Income	$3,221	16%	28%	$11,364	33%

4Q12 ROE was 15.0%, increasing by 63 basis points YoY vs. 4Q11 and by 57 basis points QoQ vs. 3Q12. The Return on Tangible Equity (ROTE) was 19.1% for 4Q12, 177 basis points higher YoY vs. 4Q11 and flat QoQ vs. 3Q12.

2012 ROE was 14.3%, an increase of 25 basis points YoY. Meanwhile, average ROTE was 18.7% in 2012, 180 points above 2011's 16.9%.

Return on Tangible Equity (ROTE)

	4Q11	3Q12	4Q12
Reported ROE	14.4%	14.5%	15.0%
Goodwill / Intangibles	$20,589	$18,446	$20,724
Average Tangible Equity	$49,183	$54,307	$57,031
ROTE	17.3%	19.1%	19.1%

The Banking Sector's (Banco Mercantil del Norte, Ixe Banco, Banorte- Ixe Tarjetas and Banorte USA) profit amounted to Ps 8.92 billion in 2012, contributing 82% of GFNorte's profit, with a ROE of 16.9%, a YoY increase of 270 basis points vs. 2011. This sector's ROA was 1.4%, a YoY increase of 33 basis points.

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

- **Capitalization**

Banco Mercantil del Norte

Capitalization *(Million Pesos)*	4Q11	1Q12	2Q12	3Q12	4Q12	Change QoQ	Change YoY
Tier 1 Capital	42,003	43,965	43,975	45,823	46,318	1%	10%
Tier 2 Capital	8,366	8,122	11,544	11,393	11,496	1%	37%
Net Capital	50,369	52,087	55,519	57,216	57,814	1%	15%
Credit Risk Assets	270,972	275,232	280,610	287,883	297,007	3%	10%
Net Capital / Credit Risk Assets	18.6%	18.9%	19.8%	19.9%	19.5%	(0.4 pp)	0.9 pp
Total Risk Assets (1)	390,312	378,828	378,332	385,749	394,529	2%	1%
Tier 1	10.76%	11.61%	11.62%	11.88%	11.74%	(0.1 pp)	1.0 pp
Tier 2	2.14%	2.14%	3.05%	2.95%	2.91%	(0.0 pp)	0.8 pp
Capitalization Ratio	12.90%	13.75%	14.67%	14.83%	14.65%	(0.2 pp)	1.7 pp

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

At the close of 4Q12 Banorte's estimated Capitalization Ratio (CR) was 14.65% considering credit, market and operational risk and 19.5% if only credit risks are considered. The Tier 1 ratio was 11.74% and Tier 2 was 2.91%.

The Capitalization Ratio decreased (0.2) pp versus 3Q12 due to the following effects:

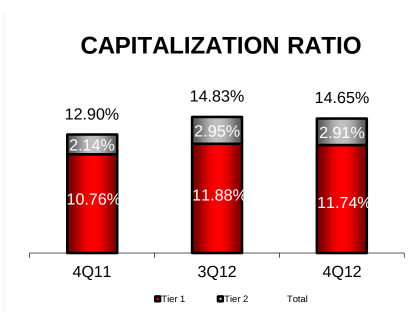
1. Reinvestment of profits generated in 4Q12: + 0.7 pp
2. Reduction in market risk: + 0.3 pp
3. Growth in risk assets during this period: - 0.3 pp
4. Afore Bancomer investment: - 0.4 pp
5. Increase in intangibles: - 0.5 pp

On an annual basis the 4Q12 Capitalization Ratio was 1.7 pp above 4Q11 due to:

1. Profits generated during the year: + 2.2 pp
2. Subordinated Notes' Issuance (TIER 2, Jun-12): + 0.8 pp
3. Reduction in market risk: + 0.4 pp
4. Dividends received from Afore XXI Banorte (May-12): + 0.1 pp
5. Investment increase in securitization instruments: - 0.1 pp
6. Growth in risk assets during this period: - 0.2 pp
7. Afore Bancomer investment (Nov-12) : - 0.4 pp
8. Increase in intangibles: - 0.5 pp
9. Banorte - IXE Tarjetas' Investment (Jan-12, Apr-12): - 0.6 pp

Banorte has fully adopted the capitalization requirements established to date by Mexican authorities and international standards.

Banco Mercantil del Norte



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

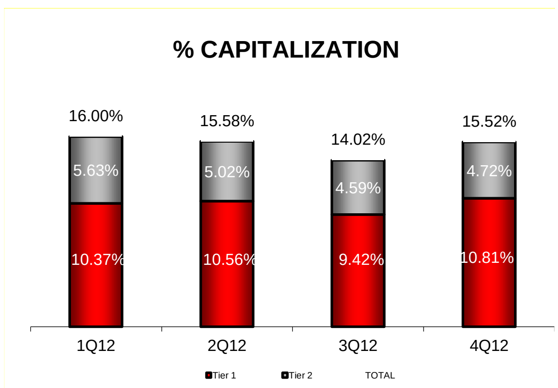
Ixe Banco

Capitalization (Million Pesos)	1Q12	2Q12	3Q12	4Q12
Tier 1 Capital	4,798	5,551	5,209	5,686
Tier 2 Capital	2,603	2,644	2,541	2,483
Net Capital	**$7,401**	**$8,195**	**$7,750**	**$8,169**
Credit Risk Assets	31,963	35,153	36,385	33,246
Market and Operational Risk Assets	14,291	17,435	18,912	19,378
Total Risk Assets (1)	**$46,254**	**$52,588**	**$55,297**	**$52,624**
Net Capital / Credit Risk Assets	23.15%	23.31%	21.3%	24.6%
Tier 1	10.37%	10.56%	9.42%	10.81%
Tier 2	5.63%	5.02%	4.59%	4.72%
Capitalization Ratio	**16.00%**	**15.58%**	**14.02%**	**15.52%**

As at the close of 4Q12 the estimated Capitalization Ratio was 15.52% considering market, credit and operation risks and 24.6% considering only credit risks. The Tier 1 ratio was 10.81% and Tier 2 was 4.72%.

Compared to 3Q12 the Capitalization Ratio increased by 1.5 pp due to the following effects:

1. Reinvestment of profits generated in 4Q12: + 0.6 pp
2. Decrease in risk assets: + 0.8 pp
3.. FX impact on Subordinated Notes: + 0.1 pp



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

- **Deposits**

Grupo Financiero Banorte

Deposits *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	91,860	95,381	**104,612**	10%	14%
Interest Bearing Demand Deposits (1)	98,085	101,108	**106,842**	6%	9%
Total Demand Deposits (2)	189,944	196,489	**211,454**	8%	11%
Time Deposits – Retail	116,223	123,181	**124,314**	1%	7%
Core Deposits	306,168	319,670	**335,768**	5%	10%
Money Market (3)	63,127	75,408	**89,801**	19%	42%
Total Bank Deposits	**369,295**	**395,079**	**425,569**	8%	15%
GFNorte's Total Deposits (4)	**370,290**	**395,531**	**424,325**	7%	15%
Third Party Deposits	**123,918**	**132,938**	**111,042**	(16%)	(10%)
Total Assets Under Management	**493,213**	**528,017**	**536,611**	2%	9%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 4Q11, 3Q12 and 4Q12 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 (4Q11= $995 million; 3Q12 = $452 million; 4T12 = $1,844 million)

- **Deposits**

At the close of 4Q12, Core Deposits amounted to Ps 424.33 billion, an increase of Ps 54.03 billion, or 15% more YoY vs. 4Q11, mainly driven by efforts to promote Banorte-Ixe deposit products. Demand Deposits rose 11% YoY, Time Deposits 7% while Money Market registered YoY growth of 42%.

Core Deposits were up 7% QoQ vs. 3Q12 on the back of growth in all headings; Demand Deposits registered growth of 8%, Time Deposits 1% and Money Market 19%.

- **Demand and Time Deposits**

As at the close of 4Q12, Demand Deposits amounted to Ps 211.45 billion, an increase of Ps 21.51 billion, or 11% YoY, driven by 14% growth in non-interest bearing Demand Deposits, as a result of the increase registered in the average balances of personal accounts (+21%) and corporate accounts (+11%). In the case of interest bearing Demand Deposits, YoY growth was 9% on the back of increases in average balances of personal (+18%), as well as corporate accounts (+1%). Deposits from SMEs, Governments and Companies posted combined growth of 6% YoY.

On a quarterly basis, Demand Deposits rose by Ps 14.97 billion, or 8% QoQ vs. 3Q12, driven by a 10% increase in non-interest bearing Demand Deposits and a 6% increase in interest bearing Demand Deposits; growth in both components was generated by higher average balances of personal and corporate accounts.

Time Deposits amounted to Ps 124.31 billion, an increase of Ps 8.09 billion, or 7% YoY, as a result of campaigns to sell promissory notes with various maturities through the branches, as well as the inclusion of Ixe's deposits. Time Deposits rose by Ps 1.13 billion for the quarter, or 1% QoQ vs. 3Q12.

Following efforts to increase deposits, new personal accounts registered growth of 12% YoY and corporate accounts growth of 24% YoY in 4Q12.

- **Money Market Deposits**

Money market deposits amounted to Ps 89.80 billion in 4Q12, or growth of 42% YoY and 19% QoQ. The YoY and QoQ increase can be primarily attributed to the Financial Group's growing funding needs to support asset growth.

.

- **Third Party Deposits**

Third party deposits amounted to Ps 111.04 billion in 4Q12, a decrease of (10%) YoY, and (16%) QoQ, due to a reduction in third party securities in external custody and third party securities in private banking, as part of a strategy to redirect them towards mutual funds.

- **Managed Resources**

As at the close of December 2012, Managed Resources amounted to Ps 536.61 billion, growth of Ps 43.39 billion, or 9% YoY, and Ps 8.59 billion, or 2% QoQ vs. 3Q12, as a result of an increase in Total Deposits.

- **Loans**

Performing Loan Portfolio *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY
Commercial	123,404	130,365	**130,929**	0%	6%
Consumer	98,521	113,668	**118,401**	4%	20%
Corporate	57,175	63,137	**63,566**	1%	11%
Government	71,165	82,292	**88,294**	7%	24%
Sub Total	350,265	389,462	**401,190**	3%	15%
Recovery Bank	292	254	**243**	(4%)	(17%)
Total	350,557	389,717	**401,433**	3%	15%

Performing Consumer Loan Portfolio *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY
Mortgages	64,275	69,679	**72,365**	4%	13%
Car Loans	9,353	10,191	**10,329**	1%	10%
Credit Cards	11,465	16,358	**17,524**	7%	53%
Payroll	13,428	17,441	**18,183**	4%	35%
Consumer Loans	98,521	113,668	**118,401**	4%	20%

(Million Pesos)	4Q11	3Q12	4Q12	Change QoQ	Change YoY
Past Due Loans	6,949	7,591	**8,481**	12%	22%
Loan Loss Reserves	9,944	11,178	**11,734**	5%	18%
Acquired Rights	3,559	2,254	**3,109**	38%	(13%)

- **Total Performing Loans**

Total Performing Loans rose 15% YoY, increasing by Ps 50.93 billion to Ps 401.19 billion as at the close of 4Q12, excluding the proprietary loans managed by Recovery Bank. For an eleventh straight quarter the loan portfolio registered sustained growth across all segments driven by bank strategies to grow lending as well as a favorable economic environment characterized by stronger industry-wide demand for credit.

Total Performing Loans rose 3% QoQ vs. 3Q12, increasing by Ps 11.73 billion on the back of robust growth across components, especially from the government, mortgage, credit card and payroll loan portfolios.

Portfolio growth by headings was as follows:

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

- **Individual Loans**

  - ✓ **Consumer and Mortgage:** This segment registered an increase of Ps 19.88 billion, or 20% YoY vs. 4Q11, and Ps 4.73 billion, or 4% QoQ vs. 3Q12, resulting in a 4Q12 balance of Ps 118.40 billion underpinned by favorable dynamics in all headings.

  - ✓ **Mortgage:** This segment registered an increase of Ps 8.09 billion, or 13% YoY totaling Ps 72.37 billion, driven by more middle-income and residential mortgage loan placements derived from the launch of new mortgage products as well as the reactivation of mortgage products for liquidity, improvement of mortgage loan conditions, construction, remodeling and payment of liabilities. The mortgage loan portfolio grew by Ps 2.69 billion in the quarter, or 4% QoQ vs. 3Q12, with residential loans and other mortgage products displaying favorable dynamics. With respect to mortgage loan production, 16,307 mortgages worth Ps 16.52 billion were placed in 2012, representing YoY increases of 10% and 20%, respectively. As at October, 2012, Banorte had a mortgage loan market share of 16% and a 22% share of new mortgage loan production, ranking second in the system.

  - ✓ **Credit Cards:** In 1Q12 Banco Mercantil del Norte acquired JP Morgan Chase's 50% interest in the SOFOM SOFOM Ixe Tarjetas, and so as of the first quarter of 2012, 100% of the portfolio is consolidated in GFNorte. The SOFOM Banorte-Ixe Tarjetas was subsequently formed, which in April acquired Banorte's Credit Card portfolio as part of the integration of this business into a single platform. The contractual value of the acquired portfolio amounted to Ps 11.76 billion and a purchase value (book value) of Ps. 10.13 billion. As at the close of 4Q12, the loan portfolio balance of Credit Cards amounted to Ps 17.52 billion, growth of Ps 6.06 billion, or 53% YoY, and Ps 1.17 billion, or 7% QoQ. YoY growth can be attributed to the aforementioned consolidation of portfolios, but can be mostly explained by loan portfolio management strategies, marketing campaigns for Banorte-Ixe products and more cross selling to clients. This also explains 7% QoQ growth vs. 3Q12. New credit card placements amounted to 495,465 for the year, a YoY increase of 19%, and at the close of the quarter Banorte-Ixe had 1.73 million cards. Transactions reached Ps 45.4 billion in 2012, a YoY increase of 32% derived from campaigns to encourage card usage and the integration of the Ixe Tarjetas' portfolio. The profitability of the credit card product has increased notably in recent months, making it again one of the bank's most profitable segments. As at October 2012, Banorte – Ixe had a market share of 6.7% in credit card balances, ranking fourth in the system compared to fifth the previous year.

  - ✓ **Payroll:** As at the close of 4Q12, this portfolio had posted a YoY increase of Ps 4.75 billion, or 35% YoY, and Ps 742 million for the quarter, or 4% QoQ, totaling Ps 18.18 billion driven by marketing campaigns for the Payroll product (Crédito de Nómina), a 12% YoY increase in the number of Banorte-Ixe payroll deposit accountholders to 3.91 million and the strategy to boost cross sales through various channels. In 2012 new loan production amounted to Ps 22.24 billion, or a YoY increase of 40% on 2011. Likewise, 784,590 new loans were placed in 2012, 36% more YoY. The Payroll product remains one of the bank's most profitable, displaying robust growth over the last twelve months with good asset quality.

  - ✓ **Cars:** Car loans grew by Ps 976 million, or 10% YoY, and by Ps 138 million, or 1% QoQ in 4Q12, to Ps 10.33 billion on the back of favorable car sale dynamics in Mexico and alliances with dealers to finance car purchases. New loan production rose by 16% YoY in 2012; 41,006 new loans were placed during this period compared to 37,580 in 2011. The profitability of this product has grown due to bigger volumes, good asset quality and car insurance cross selling, which is one of Banorte Generali's key insurance products.

- **II. Loans to Institutions**

  - ✓ **Commercial:** Commercial loans grew by Ps 7.53 billion, or 6% YoY, and by Ps 564 million QoQ vs. 3Q12 to Ps 130.93 billion. YoY growth stemmed from more placements of middle market company loans, leasing and factoring, and the reactivation of the Crediactivo product for businesses. GFNorte's SME loans amounted to Ps 29.71 billion, registering growth of Ps 6.12 billion, or 26% YoY, and Ps 1.43 billion, or 5% QoQ vs. 3Q12. The commercial loan market share (including corporate loans) was 14.2% as at October 2012, ranking third in the system.

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

	4Q11	3Q12	4Q12
Performing Portfolio	$23,583	$28,275	$29,707
% of Commercial Portfolio	19.1%	21.7%	22.7%
% de Total Performing Portfolio	6.7%	7.3%	7.4%
NPL Ratio	3.4%	3.9%	3.8%

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

- ✓ **Corporate:** As at the end of 4Q12, corporate loans amounted to Ps 63.57 billion, increasing Ps 6.39 billion, or 11% YoY and Ps 429 million, or 1% QoQ vs. 3Q12. These increases can be attributed to better business dynamics in this sector and efforts by the corporate banking area to increase lending. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. Banorte's 20 main corporate borrowers account for 11.9% of the bank's total loan portfolio, a QoQ decrease of (0.5) percentage points vs. 3Q12 and a YoY decline of (1.70) percentage points vs. 4Q11. The bank's largest corporate loan accounts for just 1.9% of the total loan portfolio, while number 20 accounts for 0.3%.

- ✓ **Government:** As at the close of 4Q12 this loan portfolio's balance amounted to Ps 88.29 billion, representing growth of Ps 17.13 billion, or 24% YoY, and an increase of Ps 6.0 billion, or 7% QoQ as a result of efforts to continue satisfying loan demand in this segment, especially from state governments, municipalities and decentralized entities, as well as the purchase of the State of Mexico's loan portfolio from Dexia for Ps 6.81 billion, the refinancing of several clients' debt as part of a financial reengineering of their public finances, and more recently by efforts to win a larger share in federal government financing (QoQ growth vs. 3Q12 was due mainly to loans granted to a federal government entity, and to a lesser extent to state governments). Banorte's government loan portfolio is diversified by sectors and regions and displays adequate concentration. Banorte's 20 main government borrowers account for 20.6% of the bank's total loan portfolio, increasing by 0.7 percentage points QoQ vs. 3Q12 and by 1.40 percentage points YoY vs. 4Q11. The biggest government loan accounts for 2.9% of the total loan portfolio while number 20 accounts for 0.4%. The loan portfolio risk profile is also adequate, as 95% of the total loan portfolio has a fiduciary guarantee (federal budget transfers and local revenues, such as the payroll tax); furthermore, only 2% of the loans in the portfolio have short-term maturities. The risk-adjusted profitability of government banking is one of the Financial Group's highest, reflecting Banorte's ongoing efforts to become the leading bank in this segment. As at October 2012, the group's government loan market share was 21.6%, ranking it second in the system.

- **Past Due Loans**

As at the close of 4Q12, past due loans amounted to Ps 8.48 billion, a YoY increase of 22% on 4Q11 and of 12% QoQ vs. 3Q12 mainly owing to an increase in past due loans in the Commercial, Payroll and Corporate segments derived from asset impairments at Fincasa Hipotecaria due to applying Banorte's past due loan policies to this subsidiary as well as the deterioration of commercial loan exposure to tourist developments in the northwest of the country and to the maturing process of new consumer loans vintages.

Banking sector past due loans grew by 11% YoY, a lower rate compared to the Financial Group, mainly because they were not impacted by the deterioration in Fincasa past due loans, although on a quarterly basis they grew by the same proportion as Group's past due loans, mainly because of the deterioration in the commercial loan segment.

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

Million pesos	Balance	Change vs. 3Q12	Change vs. 4Q11
Credit Cards	932	18	29
Payroll	400	63	166
Car loans	135	(12)	14
Mortgage	812	(6)	156
Commercial	4,723	656	1,330
Corporate	1,419	155	127
Government	60	16	49
Total	8,481	891	1,533

The 4Q12 Past due Loan Ratio was 2.1%, increasing by 0.1 pp YoY vs. 2011 and by 0.2 pp QoQ. The YoY and QoQ increases are mainly due to more commercial, corporate and payroll past due loans. Excluding the past due loans of the US operations, the PDL ratio remains at the same level of 2.1%. There has been a notable improvement in the asset quality of the US bank (INB) resulting in a decrease in its PDL ratio of 11.4% to 1.1% between 1Q10 and 4Q12.

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

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

	4Q11	1Q12	2Q12	3Q12	4Q12
Credit Cards	7.3%	6.3%	6.8%	5.3%	5.0%
Payroll	1.7%	1.6%	1.8%	1.9%	2.2%
Car loans	1.6%	1.4%	1.5%	1.4%	1.3%
Mortgage	1.5%	1.3%	1.1%	1.2%	1.1%
Commercial	2.7%	2.5%	2.7%	3.0%	3.5%
Corporate	2.2%	2.2%	2.1%	2.0%	2.2%
Government	0.0%	0.0%	0.0%	0.1%	0.1%
Total	1.9%	1.8%	1.8%	1.9%	2.1%

Quarterly changes in the main headings that affect Non Performing Loans' balances for Banorte and Ixe Banco (without including other Grupo Financiero's subsidiaries) were:

Past Due Loan Variations *(Million Pesos)*	
Balance as of September '12	**6,633**
Transfer from Performing Loans to Past Due Loans	2,727
Portfolio Purchase	0
Renewals	(93)
Cash Collections	(431)
Discounts	(48)
Charge Offs	(664)
Foreclosures	(63)
Transfer from Past Due Loans to Performing Loans	(635)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	10
Balance as of December '12	**7,435**

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

79%of the total loan portfolio is rated as Risk A, 19% as Risk B and 2% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 4Q12-GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES			
		COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A	73,350	-	26	168	**194**
A1	178,598	846	0	-	**846**
A2	97,155	913	-	-	**913**
B	29,023	-	1,005	217	**1,222**
B1	39,106	794	382	-	**1,176**
B2	10,915	81	682	-	**763**
B3	2,445	273	-	-	**273**
C	3,105	-	914	186	**1,100**
C1	391	105	0	-	**105**
C2	714	320	-	-	**320**
D	2,064	408	1,004	6	**1,418**
E	2,689	2,491	184	18	**2,693**
Total	439,553	-	-	-	**-**
Not Classified	(81)	-	-	-	**-**
Exempt	87	-	-	-	**-**
Total	439,559	6,231	4,197	595	**11,023**
Reserves	-	-	-	-	**11,734**
Preventive Reserves	-	-	-	-	**710**

Notes:

1.- The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet at December 31th, 2012.

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.- The additional loan loss reserves follow the rules applicable to banks and credit institutions and to the recognition and the recognition in the deterioration of the loan portfolio quality resulting from unforeseen factors in the portfolio rating methodologies.

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)*	**4Q12**
Previous Period Ending Balance	**11,178**
Provisions charged to results	2,000
Created with profitability margin	-
Reserve Portfolio Sold	(182)
Other items	-
Charge offs and discounts:	
Commercial Loans	(171)
Consumer Loans	(860)
Mortgage Loans	(232)
Foreclosed assets	-
	(1,263)
Cost of debtor support programs	(3)
Valorization and Others	3
Adjustments	-
Loan Loss Reserves at Period End	**11,734**

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

Balance sheet reserves amounted to Ps 11.73 billion at the end of the fourth quarter, 5.0% more than at the end of 3Q12.

68% of charge-offs, cancellations and discounts corresponded to the Consumer loan portfolio, 18% to Mortgage loans and 14% to Commercial loans.

The reserve coverage ratio was 138.3% at the end of 4Q12 (139.2% excluding INB).

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

BANKING SECTOR

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

Income Statement and Balance Sheet Highlights-Banking Sector *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Income Statement								
Net Interest Income	6,835	7,541	**8,026**	6%	17%	25,105	**30,025**	20%
Non Interest Income	3,402	2,735	**2,982**	9%	(12%)	10,843	**12,034**	11%
Total Income	10,237	10,275	**11,008**	7%	8%	35,947	**42,059**	17%
Non Interest Expense	6,595	5,744	**5,526**	(4%)	(16%)	20,694	**23,203**	12%
Provisions	1,020	1,507	**1,904**	26%	87%	5,311	**5,833**	10%
Operating Income	2,623	3,024	**3,578**	18%	36%	9,943	**13,023**	31%
Taxes	717	643	**875**	36%	22%	2,841	**3,460**	22%
Subsidiaries & Minority Interest	35	144	**155**	8%	348%	158	**576**	264%
Net Income	1,940	2,525	**2,859**	13%	47%	7,260	**10,139**	40%
Balance Sheet								
Total Assets	726,082	730,714	**726,241**	(1%)	0%	726,082	**726,241**	0%
Performing Loans (a)	335,314	374,858	**388,629**	4%	16%	335,314	**388,629**	16%
Past Due Loans (b)	6,583	6,487	**7,281**	12%	11%	6,583	**7,281**	11%
Total Loans (a+b)	341,897	381,345	**395,910**	4%	16%	341,897	**395,910**	16%
Total Loans Net (d)	332,452	371,382	**385,354**	4%	16%	332,452	**385,354**	16%
Acquired Collection Rights (e)	2,258	1,929	**2,892**	50%	28%	2,258	**2,892**	28%
Total Loans (d+e)	334,709	373,310	**388,245**	4%	16%	334,709	**388,245**	16%
Total Liabilities	671,173	668,407	**660,126**	(1%)	(2%)	671,173	**660,126**	(2%)
Total Deposits	369,295	395,079	**425,569**	8%	15%	369,295	**425,569**	15%
Demand Deposits	189,944	196,489	**211,454**	8%	11%	189,944	**211,454**	11%
Time Deposits	179,350	198,590	**214,115**	8%	19%	179,350	**214,115**	19%
Equity	54,909	62,307	**66,115**	6%	20%	54,909	**66,115**	20%

Financial Ratios Banking Sector	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Profitability:								
NIM (1)	4.2%	4.5%	**4.8%**	0.2 pp	0.6 pp	4.1%	**4.5%**	0.4 pp
NIM after Provisions (2)	3.6%	3.6%	**3.6%**	(0.0 pp)	0.1 pp	3.2%	**3.6%**	0.4 pp
ROE (3)	14.2%	16.6%	**17.8%**	1.2 pp	3.6 pp	14.2%	**16.9%**	2.7 pp
ROA (4)	1.1%	1.4%	**1.6%**	0.2 pp	0.5 pp	1.1%	**1.4%**	0.3 pp
Operation:								
Efficiency Ratio (5)	64.4%	55.9%	**50.2%**	(5.7 pp)	(14.2 pp)	57.6%	**55.2%**	(2.4 pp)
Operating Efficiency Ratio (6)	3.8%	3.2%	**3.0%**	(0.1 pp)	(0.7 pp)	3.2%	**3.2%**	(0.0 pp)
Liquidity Ratio (7)	101.0%	92.9%	**92.5%**	(0.4 pp)	(8.5 pp)	101.0%	**92.5%**	(8.5 pp)
Asset Quality:								
Past Due Loan Ratio	1.9%	1.7%	**1.8%**	0.1 pp	(0.1 pp)	1.9%	**1.8%**	(0.1 pp)
Coverage Ratio	143.5%	153.6%	**145.0%**	(8.6 pp)	1.5 pp	143.5%	**145.0%**	1.5 pp
Past Due Loan Ratio w/o Banorte USA	1.9%	1.7%	**1.9%**	0.1 pp	(0.0 pp)	1.9%	**1.9%**	(0.0 pp)
Coverage Ratio w/o Banorte USA	150.4%	155.8%	**146.1%**	(9.7 pp)	(4.3 pp)	150.4%	**146.1%**	(4.3 pp)
Growth (8)								
Performing Loans (9)	33.5%	20.8%	**16.0%**	(4.7 pp)	(17.5 pp)	33.5%	**16.0%**	(17.5 pp)
Core Deposits	28.3%	11.7%	**9.7%**	(2.0 pp)	(18.6 pp)	28.3%	**9.7%**	(18.6 pp)
Total Deposits	26.1%	14.1%	**15.2%**	1.1 pp	(10.9 pp)	26.1%	**15.2%**	(10.9 pp)
Capitalization:								
Net Capital/ Credit Risk Assets	18.6%	19.9%	**19.5%**	(0.4 pp)	0.9 pp	18.6%	**19.5%**	0.9 pp
Total Capitalization Ratio	12.9%	14.8%	**14.7%**	(0.2 pp)	1.7 pp	12.9%	**14.7%**	1.7 pp

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

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

- **Net Interest Income.**

Net Interest Income-Banking Sector *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Interest Income	12,611	12,921	**13,635**	6%	8%	46,703	**52,518**	12%
Interest Expense	5,961	5,590	**5,788**	4%	(3%)	22,271	**23,286**	5%
Loan Origination Fees	277	275	**287**	5%	4%	886	**1,077**	22%
Fees Paid	93	66	**108**	64%	16%	213	**284**	33%
Net Interest Income	**6,835**	**7,541**	**8,026**	**6%**	**17%**	**25,105**	**30,025**	**20%**
Provisions	1,020	1,507	**1,904**	26%	87%	5,311	**5,833**	10%
Net Interest Income Adjusted for Credit Risk	**5,815**	**6,033**	**6,123**	**1%**	**5%**	**19,794**	**24,192**	**22%**
Average Interest Earning Assets	653,826	663,364	**674,906**	2%	3%	613,405	**665,877**	9%
Net Interest Margin (1)	4.2%	4.5%	**4.8%**	0.21 pp	0.58 pp	4.1%	**4.5%**	0.416 pp
NIM after Provisions (2)	3.6%	3.6%	**3.6%**	(0.0 pp)	0.1 pp	3.2%	**3.6%**	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.

Net Interest Income grew 20% YoY in 2012, from Ps 25.11 billion to Ps 30.03 billion as a result of a larger expansion in interest income compared to interest expense, driven by a better loan portfolio mix and the integration of Ixe Tarjetas in the bank's results, as well as a stable cost of funding. Based solely on financial revenues generated by lending activity, Net Interest Income rose by 21% for the year.

In 4Q12, Net Interest Income grew 17% YoY to Ps 8.03 billion, driven mainly by more lending in segments with higher margins, including the consolidation of Ixe Tarjetas, and a stable cost of funding; QoQ growth was 6% for the same reasons. Considering only financial revenues related to lending activity, Net Interest Income grew 19% vs. 4Q11 and 4% vs. 3Q12.

The average Net Interest Margin (NIM) was 4.5% at the end of 2012, an increase of 0.4 pp vs. 2011 and 4.8% in 4Q12, 0.6 pp higher than in 4Q11 and 0.2 pp above 3Q12; in all cases the increase in the NIM results from a bigger increase in Net Interest Income compared to Average Productive Assets, derived from a better loan and funding mix.

- **Loan Loss Provisions**

In 2012, Provisions charged to results reached Ps 5.83 billion, 10% above the same year-earlier period and Ps 1.90 billion in 4Q12, an increase of 87% vs. 4Q11 and 26% vs. 3Q12.

The average NIM adjusted for Credit Risks was 3.6% in 2012, 0.4 pp above the previous year; it was also 3.6% for the quarter, an increase of 0.1 pp vs. 4Q11 and flat vs. 3Q12.

- **Non Interest Income**

Non Interest Income *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Services	1,569	1,619	**1,736**	7%	11%	5,597	**6,751**	21%
Recovery	353	322	**290**	(10%)	(18%)	1,117	**1,307**	17%
Trading	435	501	**414**	(17%)	(5%)	1,564	**2,414**	54%
Other Operating Income (Expense)	1,045	293	**543**	85%	(48%)	2,565	**1,562**	(39%)
Non Interest Income	**3,402**	**2,735**	**2,982**	**9%**	**(12%)**	**10,843**	**12,034**	**11%**

In 1Q11, new Accounting Criteria were implemented, among them the so-called D-2 for reporting Other Operating Income (Expenses) in the Income Statement. Consequently, as of that quarter the heading "Other Products (Expenses), net" which had previously come after "Net Operating Profit (Loss)" was included in "Non Interest Income".

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

In 2012, Non Interest Income amounted to Ps 12.03 billion, an increase of 11% YoY due to the integration of Ixe Banco and Ixe Tarjetas' operations, as well as more income from real estate portfolio Recoveries and trading.

Non Interest Income amounted to Ps 2.98 billion for the quarter, decreasing (12%) YoY owing to fewer recoveries, less trading and other operating income, but increased 9% vs. 3Q12, on the back of more fees and other operating income.

- **Non Interest Expenses**

Non Interest Expense *(Million Pesos)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Personnel	3,052	2,211	**2,751**	24%	(10%)	8,803	**9,948**	13%
Professional Fees	464	546	**663**	21%	43%	1,693	**2,309**	36%
Administrative and Promotional	1,227	1,375	**442**	(68%)	(64%)	4,184	**4,155**	(1%)
Rents, Depreciation & Amortization	1,014	720	**631**	(12%)	(38%)	2,803	**2,723**	(3%)
Taxes other than income tax & non deductible expenses	286	307	**484**	58%	69%	1,008	**1,550**	54%
Contributions to IPAB	364	409	**428**	5%	18%	1,341	**1,610**	20%
Employee Profit Sharing (PTU) (1)	187	177	**127**	(28%)	(32%)	861	**908**	5%
Non Interest Expense	**6,595**	**5,744**	**5,526**	**(4%)**	**(16%)**	**20,694**	**23,203**	**12%**

Non Interest Expense amounted to Ps 23.20 billion in 2012, 12% higher YoY vs. 2011 derived mainly from the integration of Ixe Banco and the effect of merging IXE Tarjetas with Banco Mercantil.

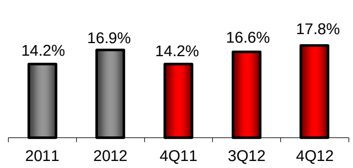
4Q12 Expenses amounted to Ps 5.53 billion, reflecting a notable decrease of (16%) vs. 4Q11, mainly as a result of a reduction in the following headings due to merger-related synergies and other expense reduction efforts: i) Ps 785 million in Administrative & Promotional Expenses; ii) Ps 383 million in Rents, Depreciations and Amortizations; and iii) Ps 301 million in Personnel Expenses. Furthermore, expenses decreased (4%) QoQ vs. 3Q12, mainly as a result of lower Administrative & Promotional Expenses, Rents and Depreciations, which offset a 24% increase in Personnel Expenses.

The 2012 Efficiency Ratio was 55.2%, (2.4 pp) below 2011. The 4Q12 Efficiency Ratio was 50.2%, (14.2 pp) below 4Q11 and (5.7 pp) below 3Q12, due in all cases to positive operating leverage obtained from expense control, as well as higher net interest income.

- **Net Income**

Banking sector net income (comprised of Banco Mercantil del Norte, Banorte USA, Ixe Banco, Banorte-Ixe Tarjetas and 50% of Afore XXI Banorte) amounted to Ps 10.14 billion in 2012, 40% above the 2011 level derived from the integration of Ixe Bank and Afore XXI Banorte's results. Net income for 4Q12 was Ps 2.86 billion, 47% above 4Q11 due to positive operating leverage and a Ps 120 million increase in Subsidiaries' profits from the growing contribution of Afore XXI Banorte; net income rose 13% vs. 3Q12, also on the back of more positive operating leverage. The sector's 2012 ROE was 16.9%, an increase of 270 basis points vs. 2011, while ROA was 1.4%, an increase of 33 basis points compared to the previous year. ROE of 17.8% and ROA of 1.6% YoY in 4Q12 are noteworthy, as these levels reflect convergence towards those seen prior to 2008, despite operating with lower market interest rates.

ROE
(BANKING SECTOR)



- **NPL Ratio**

The Banking Sector's Past due Loan Ratio was 1.8% in 4Q12 (includes INB's past due loans), (0.1 pp) below 2011 and 0.1 pp above 3Q12.

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

BANORTE USA

I. Banorte USA

INCOME STATEMENT ***Banorte USA*** *Figures in MEX GAAP (Million Pesos)*	4Q11	3Q12	4Q12	Change vs 3Q12	Change vs 4Q11	2011	2012	Change vs 2011
Income Statement								
Net Interest Income	164	161	**158**	(2%)	(4%)	650	**660**	1%
Non Interest Income	101	80	**81**	2%	(20%)	361	**371**	3%
Total Income	265	240	**238**	(1%)	(10%)	1,011	**1,031**	2%
Non Interest Expense	193	194	**188**	(3%)	(3%)	700	**764**	9%
Loan Loss Reserves	56	5	**6**	16%	(90%)	113	**85**	(25%)
Operating Income	16	41	**45**	9%	184%	198	**181**	(8%)
Taxes	3	13	**13**	(2%)	285%	64	**58**	(9%)
Net Income	12	28	**32**	15%	165%	134	**124**	(8%)

Under generally accepted Mexican accounting principles (MEX GAAP), the Net Income of Banorte USA (a Banco Mercantil del Norte's subsidiary that owns 100% of Inter National Bank as well as 100% of remittance companies Uniteller and Motran) was Ps 124 million for 2012, a YoY decrease of (8%), derived mainly from adjustments related to the conversion to MEXGAPP accounting standards and to higher Non Interest Expense compared to the year-earlier period, as a result of the process to strengthen various areas such as risks, credit administration and control.

II. Inter National Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET HIGHLIGHTS – Inter National Bank *Figures in US GAAP (Milion Dollars)*	4Q11	3Q12	4Q12	Change vs 3Q12	Change vs 4Q11	2011	2012	Change vs 2011
Income Statement								
Net Interest Income	12	13	**13**	1%	4%	54	52	(4%)
Non Interest Income	5	4	**5**	12%	(9%)	24	21	(13%)
Total Income	18	17	**18**	4%	0%	78	73	(7%)
Non Interest Expense	13	13	**13**	2%	0%	50	51	1%
Loan Loss Reserves	3	0	**0**	(56%)	(94%)	18	5	(71%)
Operating Income	2	4	**5**	15%	172%	10	17	69%
Net Income	1	3	**3**	19%	154%	7	11	61%
Balance Sheet								
Investment in Securities	770	985	**1,008**	2%	31%	770	1,008	31%
Performing Loans	753	707	**697**	(1%)	(7%)	753	697	(7%)
Past Due Loans	30	15	**8**	(45%)	(73%)	30	8	(73%)
Demand Deposits	712	902	**917**	2%	29%	712	917	29%
Time Deposits	934	839	**783**	(7%)	(16%)	934	783	(16%)
Total Deposits	1,646	1,741	**1,700**	(2%)	3%	1,646	1,700	3%
Equity	411	427	**424**	(1%)	3%	411	424	3%

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*	4Q11	3Q12	4Q12	Change vs 3Q12	Change vs 4Q11	2011	2012	Change vs 2011
Profitability:								
NIM	2.9%	2.9%	**2.9%**	0.0	0.0	**3.2%**	3.0%	(0.2)
ROE	1.2%	2.5%	**3.0%**	0.5	1.8	**1.8%**	2.7%	0.9
ROA	0.2%	0.5%	**0.6%**	0.1	0.4	**0.3%**	0.5%	0.2
Operational:								
Efficiency Ratio	73.0%	74.3%	**73.1%**	(1.2)	0.1	**64.1%**	69.7%	5.6
Asset Quality:								
Past Due Loan Ratio	3.8%	2.0%	**1.1%**	(0.9)	(2.7)	**3.8%**	1.1%	(2.7)
Coverage Ratio	71.2%	96.7%	**174.1%**	77.4	102.9	**71.2%**	174.1%	102.9
Capitalization:								
Leverage Ratio	10.0%	10.0%	**10.3%**	0.3	0.3	**10.0%**	10.3%	0.3
Capitalization Ratio	21.9%	25.3%	**24.5%**	(0.8)	2.6	**21.9%**	24.5%	2.6

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted a 2012 profit of US $11 million, a YoY increase of 61%, mainly due to lower Loan Loss Provisions following an improvement in asset quality.

INB has an investment portfolio amounting to US $1.01 billion, mainly consisting of mortgage-backed securities, which increased by US $238 million, or 31% YoY, and by US $23 million, or 2% QoQ. The mortgages backing these securities have been rated AAA and have an implicit guarantee from the US government. As at the end of 2012, the portfolio had an unrealized valuation gain of US $19 million, and the average weighted maturity was 3.3 years.

Total Deposits amounted to US $1.70 billion and increased by US $54 million, or 3% YoY but decreased by US $41 million (2%) QoQ. Performing Loans amounted to US $697 million, decreasing by US $56 million, or (7%) YoY and by US$ 10 million, or (1%) QoQ, while Past due Loans amounted to US $ 8 million, decreasing by US $22 million, or (73%) YoY, and a reduction of US $7 million, or (45%) QoQ, due entirely to the bank's strategy to reduce its Classified Assets.

Capitalization and Leverage Ratios remained robust, which positions the bank adequately to reactivate lending. The 4Q12 Capitalization Ratio was 24.5% and the Leverage Ratio was 10.3%. The Past due Loan Ratio decreased by (2.7) pp YoY to 1.1% while the Coverage Ratio increased by 102.9 pp YoY and by 77.4 pp QoQ to 174.1%.

With respect to end-2012 Profitability indicators, ROE increased by 0.9 pp YoY to 2.7%, ROA by 0.2 pp YoY to 0.5%, and the Efficiency Ratio by 5.6 pp YoY to 69.7%. Meanwhile the NIM declined by (0.2) pp YoY to 3.0%.

III. Sólida USA

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

As a result of such sales, the ratio of Classified Assets to Tier 1 Capital has significantly decreased to 23.4% at the end of 4Q12. As a result of the decline in this indicator, as well as measures implemented as part of the OCC's recommendations, INB's formal agreement with said US regulator has terminated.

As at 4Q12, Sólida USA's Assets under Management comprise the following:

Solida Mexico's Foreclosed Assets:	US $45 million
Banorte Assets:	US $95 million
INB Classified Assets:	US $83 million
Total:	US $222 million

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

RECOVERY BANKING

Income Statement Highlights - Recovery Banking *(Million Pesos)*	2011	2012	Change 2011
Net Interest Income	4	25	551%
Loan Loss Provisions	0	(17)	-
Non Interest Income	1,620	1,804	11%
Non Interest Expense	(981)	(1,014)	3%
Pre-tax Income & Subsidiaries	644	798	24%
Income Tax and Profit Sharing	(192)	(227)	18%
Net Income	**451**	**571**	**27%**

Assets Under Management *(Million Pesos)*	4Q12	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**40,314**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**35,140**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects (1):	**6,982**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**7,847**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**90,283**		

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

As at the close of 4Q12, of the Ps 40.3 billion in Banorte total assets managed by the Recovery Bank, 24% correspond to mortgage loans, 15% to credit cards, 15% to crediactivo, 14% to payroll, 8% to foreclosed assets, 8% to middle-market companies, 7% to car loans, 4% to corporate loans, 2% to commercial loans, 1% to personal loans, 1% to Pronegocio, and 1% to subsidiaries. 2012 revenues generated by this portfolio amounted to Ps 1.04 billion, a YoY increase of 5%.

At the end of 4Q12, of the Ps 35.1 billion in portfolios acquired and managed by Recovery Banking, 34% correspond to mortgage loans, 29% to middle-market and commercial loans, 18% to the portfolio managed on behalf of the Mexican mortgage agency SHF, 11% to real estate portfolios and 8% to foreclosed assets and payments in kind. 2012 revenues generated by these portfolios amounted to Ps 594 million, growth of 17% YoY.

Of Ixe's total proprietary assets amounting to Ps 7.8 billion managed by the Recovery Bank at the end of 4Q12, 35% corresponded to middle-market companies, 24% to mortgage loans, 21% to consumer loans, 15% to foreclosed assets and 5% to commercial loans.

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)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Brokerage								
Net Income	145	139	**267**	92%	84%	418	**681**	63%
Shareholder's Equity	2,591	2,444	**2,785**	14%	8%	2,591	**2,785**	8%
Assets Under Custody	578,762	642,702	**667,873**	4%	15%	578,762	**667,873**	15%
Total Assets	23,528	79,163	**103,344**	31%	339%	23,528	**103,344**	339%
ROE	21.3%	23.3%	**40.8%**	17.5 pp	19.5 pp	17.2%	**27.7%**	10.5 pp
Net Capital								
Net Capital	2,068	1,925	**2,250**	17%	9%	2,068	**2,250**	9%

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Ixe Fondos) posted a Ps 681 million profit in 2012, 63% higher than in 2011. This growth was driven by an increase in resources managed by mutual funds which translate into higher service fees, as well as more income from wealth management and private banking, investment banking and structured financing.

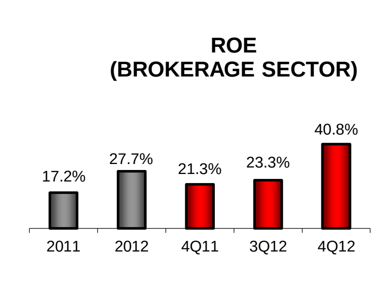
4Q12 profit amounted to Ps 267 million, an increase of 92% vs. 3Q12 and 84% vs. 4Q11. These growth rates were underpinned by more revenues from mutual funds, wealth management and private banking and structured financing.

- **Mutual Funds**

As at the end of 4Q12, assets managed by Banorte-Ixe mutual funds amounted to Ps 99 billion, YoY growth of 22% compared with the combined balance of both banks' mutual fund operations as at 4Q11. Resources managed by debt mutual funds amounted to Ps 89.6 billion, combined YoY growth of 24%, while equity mutual funds managed assets amounting to Ps 9.2 billion, a YoY increase of 11%. As at the end of December, Banorte-Ixe had a 6.6% share of the mutual fund market, debt mutual funds had a 7.4% share and equity mutual funds a 3.3% share.

- **Assets Under Custody**

As at the close of 4Q12, AUC reached Ps 667.9 billion, a YoY increase of 15% and 4% QoQ, driven by growth in funds managed by mutual funds and money market resources.



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)	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Afore (1)								
Net Income (a)	162	321	**281**	(12%)	74%	443	**1,149**	159%
Shareholder's Equity	1,297	2,523	**6,216**	146%	379%	1,297	**6,216**	379%
Total Assets	1,614	3,099	**6,889**	122%	327%	1,614	**6,889**	327%
AUM (SIEFORE)*	203,216	236,627	**244,956**	4%	21%	203,216	**244,956**	21%
ROE	27.5%	54.3%	**25.7%**	(28.6 pp)	(1.8 pp)	22.1%	**39.4%**	17.3 pp
Insurance (2)								
Net Income	177	218	**173**	(21%)	(3%)	665	**924**	39%
Shareholder's Equity	2,701	3,052	**3,252**	7%	20%	2,701	**3,252**	20%
Total Assets	15,921	17,226	**16,803**	(2%)	6%	15,921	**16,803**	6%
Technical Reserves	9,533	10,263	**10,235**	(0%)	7%	9,533	**10,235**	7%
Premiums sold	2,997	2,266	**2,958**	31%	(1%)	10,176	**12,176**	20%
Coverage ratio of technical reserves	1.2	1.3	**1.3**	0.0 pp	0.0 pp	1.2	**1.3**	0.0 pp
Capital coverage ratio of minimum guarantee	1.8	1.8	**1.8**	(0.1 pp)	(0.1 pp)	1.8	**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	31.0	34.5	**34.5**	0.0 pp	3.4 pp	31.0	**34.5**	3.4 pp
ROE	27.2%	29.7%	**21.9%**	(7.7 pp)	(5.2 pp)	25.0%	**32.1%**	7.2 pp
Annuities (2)								
Net Income	28	17	**18**	8%	(36%)	49	**96**	93%
Shareholder's Equity	1,142	1,224	**1,173**	(4%)	3%	1,142	**1,173**	3%
Total Assets	34,279	40,562	**42,998**	6%	25%	34,279	**42,998**	25%
Technical Reserves	32,873	39,061	**41,487**	6%	26%	32,873	**41,487**	26%
Premiums sold	1,925	2,089	**2,196**	5%	14%	8,250	**8,091**	(2%)
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	7.4	N/A	**N/A**	-	-	7.4	**N/A**	-
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	8.1	8.5	**8.5**	0.0 pp	0.4 pp	8.1	**8.5**	0.4 pp
ROE	9.9%	5.4%	**6.0%**	0.5 pp	(3.9 pp)	4.7%	**8.1%**	3.4 pp

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

- **Afore**

At the end of 2011, the merger of Afore XXI and Afore Banorte took place in which Banco Mercantil del Norte has a 50% participation. It previously had a 51% participation in Afore Banorte Generali and results were consolidated in Banco Mercantil del Norte using the straight line method; however, as it is no longer a majority shareholder of Afore XXI Banorte, results are now consolidated in the bank using the equity participation method.

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

The AFORE posted a 2012 net profit of Ps 1.15 billion, 159% more YoY, on the back of an increase in managed assets derived from the merger with Afore XXI. Profit for the quarter amounted to Ps 281 million, 74% above 4Q11 due to more assets under management but decreased (12%) QoQ vs. 3Q12 owing to lower returns on assets managed and an increase in operating expenses related to the acquisition of Afore Bancomer. As a result of the merger with Afore XXI and efforts to capture new accounts, managed funds totaled Ps 244.96 billion, a YoY increase of 21% and 4% QoQ.

At the end of November 2012, Afore XXI Banorte had a 13.0% share of managed funds, ranking 4th in the market with more than 7.27 million managed accounts (this figure does not include the 4.98 million accounts managed by Afore XXI with resources deposited in Banco de México), which represent 16.8% of the system's total accounts, ranking 2nd in the market.

As part of Afore XXI Banorte's expansion in this sector, on November 27th, 2012, GFNorte informed the investment public that it had reached an agreement with Grupo BBVA for Afore XXI Banorte to acquire Afore Bancomer and that the deal was subject to authorizations from CONSAR and COFECO, which were subsequently granted on November 30th and December 18th, respectively. On January 9th, 2013, the deal was closed. Banco Mercantil del Norte contributed 50% of the amount paid by Afore XXI Banorte (Ps 10.25 billion, which does not include the excess capital of Afore Bancomer), and the Mexican Social Security Institute the other 50%. Afore Bancomer's operations will be merged with Afore XXI Banorte's as of January 2013, and Afore XXI Banorte's name and operations will prevail, making it Mexico's largest retirement fund management company, owned jointly by the Mexican Social Security Institute (IMSS) with a 50% interest and Banco Mercantil del Norte, also with a 50% interest [see "Relevant Events" in this Quarterly Report].

As at the close of November 2012, Afore Bancomer managed Ps 281 million in assets and had 4.47 million workers accounts

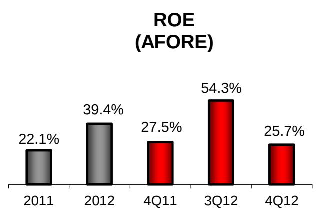
- **Insurance**

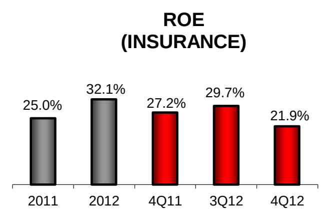
2012 profits amounted to Ps 924 million (51% corresponded to GFNorte), a YoY increase of 39% driven by annual growth in revenues from premiums, financial revenue and trading income, which offset an increase in damages and claims. Profit for the quarter amounted to Ps 173 million, a decrease of (3%) vs. 4Q11 and (21%) vs. 3Q12, due to a 7% rise in damages, claims and other obligations, an 11% increase in operating expenses, and a slight increase in net technical reserve requirements.

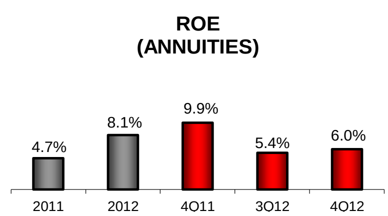
Issued premiums recorded a YoY increase of 20%, totaling Ps 12.18 billion for the year. The technical reserves' balance was Ps 10.24 billion, a 7% increase YoY and flat vs. 3Q12.

- **Annuities**

2012 profit amounted to Ps 96 million (51% corresponded to GFNorte), an increase of Ps 46 million on 2011 due to one off portfolio write-offs in 2011, resulting in higher securities' valuations during this year. Profit for the quarter amounted to Ps 18 million, a decrease of Ps 10 million vs. 4Q11 (36%) due to higher operating expenses, but an increase of 8% QoQ vs. 3Q12 driven by more interest income.







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)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Leasing and Factoring								
Net Income	151	196	**130**	(34%)	(14%)	616	**604**	(2%)
Shareholder's Equity	2,446	2,854	**2,983**	5%	22%	2,446	**2,983**	22%
Loan Portfolio (1)	16,882	18,470	**19,607**	6%	16%	16,882	**19,607**	16%
Past Due Loans	79	146	**154**	6%	95%	79	**154**	95%
Loan Loss Reserves	268	221	**271**	22%	1%	268	**271**	1%
Total Assets	16,814	18,539	**20,058**	8%	19%	16,814	**20,058**	19%
ROE	25.0%	28.4%	**17.8%**	(10.6 pp)	(7.2 pp)	27.8%	**22.4%**	(5.4 pp)
Warehousing								
Net Income	8	17	**10**	(43%)	23%	40	**43**	8%
Shareholder's Equity	246	256	**265**	4%	8%	246	**265**	8%
Inventories	43	369	**351**	(5%)	711%	43	**351**	711%
Total Assets	277	607	**578**	(5%)	108%	277	**578**	108%
ROE	13.2%	27.0%	**15.1%**	(11.9 pp)	1.9 pp	17.6%	**17.1%**	(0.6 pp)
Ixe Automotriz								
Net Income	15	29	**(2)**	(107%)	(114%)	30	**33**	11%
Shareholder's Equity	337	312	**311**	(1%)	(8%)	337	**311**	(8%)
Loan Portfolio (1)	1,318	921	**703**	(24%)	(47%)	1,318	**703**	(47%)
Past Due Loans	66	51	**20**	(60%)	(69%)	66	**20**	(69%)
Loan Loss Reserves	52	30	**5**	(84%)	(91%)	52	**5**	(91%)
Total Assets	1,390	985	**863**	(12%)	(38%)	1,390	**863**	(38%)
ROE	17.7%	39.2%	**-2.6%**	(41.9 pp)	(20.4 pp)	15.2%	**10.8%**	(4.4 pp)
Fincasa Hipotecaria								
Net Income	(10)	(25)	**(867)**	3426%	8486%	22	**(1,114)**	(5193%)
Shareholder's Equity	697	631	**(236)**	(137%)	(134%)	697	**(236)**	(134%)
Loan Portfolio (1)	3,915	3,554	**3,168**	(11%)	(19%)	3,915	**3,168**	(19%)
Past Due Loans	335	792	**907**	15%	170%	335	**907**	170%
Loan Loss Reserves	225	234	**667**	185%	196%	225	**667**	196%
Total Assets	4,575	4,198	**3,034**	(28%)	(34%)	4,575	**3,034**	(34%)
ROE	-5.8%	-15.3%	**-1759.4%**	(1,744.1 pp)	(1,753.7 pp)	5.2%	**-235.2%**	(240.4 pp)

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

- **Leasing and Factoring**

Arrendadora y Factor Banorte posted a 2012 profit of Ps 604 million and Ps 130 million in 4Q12, a decrease of (2%) YoY vs. 2011, (14%) QoQ vs. 4Q11 and (34%) vs. 3Q12, due to more loan loss provisions derived from higher preventive reserve requirements as a result of a slight increase in the past due loan portfolio of the factoring company and a change in some clients' credit ratings. Lower profits at this subsidiary are also derived from a reduction in financial revenues from the loan portfolio due to a less favorable dollar/peso mix.

The 4Q12 Past due Loan Ratio was 0.8%, flat vs. 3Q12, while the Capitalization Ratio stood at 15.6% based on total risk weighted assets of $19.57 billion.

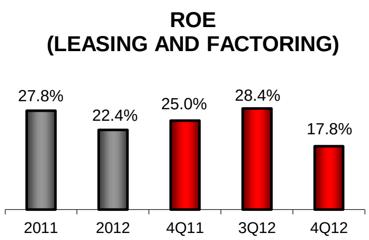
Arrendadora y Factor Banorte ranks 1st in terms of loans and assets among 40 companies in this sector, according to the Mexican Association of Leasing Companies, Credit and Financing (Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

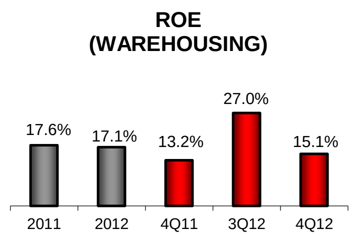
According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

- **Warehouse**

Warehousing reported 2012 net income of Ps 43 million, YoY growth of 8%, while profit for the quarter amounted to Ps 10 million, an increase of 23% vs. 4Q11, but a decrease of (43%) QoQ vs. 3Q12. Annual increases stemmed mainly from more revenues related to inventory sales and warehouse preparation, while the quarterly decrease was due to lower managed inventories.

As at the end of 4Q12 the Capitalization Ratio was 7.72% considering $2.86 million in total certificates at risk outstanding. Banorte's warehousing business ranks 3rd among the sector's 19 warehousing companies in terms of profits generated..





- **Ixe Automotriz**

Ixe Automotriz registered a 2012 net profit of Ps 33 million, a YoY increase of 11%, derived from savings generated from synergies with Banorte. The subsidiary recorded a (Ps 2) million loss for the quarter, as its portfolio is in the process of being amortized in anticipation of its merger with Banorte.

On January 22 2013, GFNorte will hold a shareholders meeting and one of the points on the Agenda will be a proposal to merge Ixe Automotriz with Arrendadora y Factor Banorte, S.A. de C.V. [see Relevant Events in this quarterly report].

- **Fincasa Hipotecaria**

Fincasa Hipotecaria registered a 2012 loss of (Ps 1.11 billion) owing to lower loan volumes, an increase in reserves for individual loans to align its policies with Banorte's, recognition of an SHF accounts receivable estimate, and asset write-offs. Due to impairment of these assets, and because the deterioration process began prior to the merger between Grupo Financiero Banorte and Ixe Grupo Financero, their fair values have been adjusted. In addition to the aforementioned, on December 2012, the procedures were initiated to merge Fincasa Hipotecaria with Banco Mercantil del Norte during 2013.

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)*	4Q11	3Q12	4Q12	Change QoQ	Change YoY	2011	2012	Change 2011
Ixe Soluciones								
Net Income	(51)	(68)	**(712)**	945%	1297%	(64)	**(922)**	1349%
Shareholder's Equity	346	190	**(517)**	(371%)	(249%)	346	**(517)**	(249%)
Loan Portfolio (1)	286	287	**288**	1%	1%	286	**288**	1%
Past Due Loans	174	204	**204**	0%	17%	174	**204**	17%
Loan Loss Reserves	62	139	**234**	69%	277%	62	**234**	277%
Total Assets	1,397	1,146	**387**	(66%)	(72%)	1,397	**387**	(72%)
ROE	-53.0%	-121.5%	**1746.4%**	1,867.9 pp	1,799.4 pp	-27.0%	**-827.7%**	(800.7 pp)
Ixe Servicios								
Net Income	(2)	1	**1**	86%	(174%)	2	**1**	(72%)
Shareholder's Equity	22	21	**22**	6%	3%	22	**22**	3%
Total Assets	31	31	**37**	20%	17%	31	**37**	17%
ROE	-32.3%	14.3%	**25.2%**	10.9 pp	57.4 pp	15.0%	**2.7%**	(12.3 pp)

- **Ixe Soluciones**

Ixe Soluciones posted a 2012 loss of (Ps 922) million due to securities investments' write-downs.

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 Intitutions	Rating	Category	Date
Standard & Poor's	Banco Mercantil del Norte	POSITIVE	Outlook	August, 2012
		BBB-	Counterparty credit - Long term foreign currency	
		BBB-	Counterparty credit - Long term local currency	
		A-3	Counterparty credit - Short term foreign currency	
		A-3	Counterparty credit - Short term local currency	
		BBB-	Senior Unsecured Notes	
	Ixe Banco	POSITIVE	Outlook	
		BBB-	Counterparty credit - Long term	
		A-3	Counterparty credit - Short term	
		BB	Subordinated Junior Notes	
Fitch	Grupo Financiero Banorte	STABLE	Outlook	December, 2012
		bbb	Viability	
		BBB	Long Term Foreign currency (IDR'S)	
		F2	Short Term Foreign Currency (IDR'S)	
		5	Support Rating-GFNorte	
		NF (Not Floor)	Support Rating Floor - GFNorte	
	Banco Mercantil del Norte	STABLE	Outlook	
		bbb	Viability	
		BBB	Long Term Foreign currency	
		F2	Short Term Foreign Currency	
		C	Individual - Foreign Currency	
		2	Support Rating - Banco Mercantil del Norte	
		BBB-	Support Rating Floor -Banco Mercantil del Norte	
	Ixe Banco	STABLE	Outlook	March, 2012
		bb	Viability	
		BBB	Long Term Foreign currency	
		F2	Short Term Foreign Currency	
Moody's	Banco Mercantil del Norte	NEGATIVE	Outlook BFSR	December, 2012
		C –	Bank Financial Strenght	
		NEGATIVE	Outlook	
		A3	Long term local currency deposits	
		NEGATIVE	Outlook	
		A3	Long term foreign currency senior debt	
		STABLE	Outlook	
		P-2	Short term local currency deposits	
		Baa1	Long term foreign currency deposits	
		P-2	Short term foreign currency deposits	
		Baa1	Local currency subordinated debt	
		Baa1	Foreign currency subordinated debt assigned to subordinated cumulative foreign currency debt	
		Baa2	Local currency junior cumulative debt	
		Ba1	Foreign currency assigned to non-cumulative subordinated debt	
	Ixe Banco	STABLE	Outlook	
		D+	Bank Financial Strenght	
		Baa1	Long term local currency deposits	
		P-2	Short term local currency deposits	
		Baa1	Long term foreign currency deposits	
		P-2	Short term foreign currency deposits	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		Baa1	Long term local currency issuer	
		P-2	Short term local currency issuer	
	Arrendadora y Factor Banorte	NEGATIVE	Outlook	
		A3	Long term local currency issuer	
		(P)A3	Long term local currency senior debt	
		(P)P-2	Short term local currency senior debt	
		STABLE	Outlook	
		P-2	Short term local currency issuer	

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

Domestic Ratings				
Rating Agency	**Rated Institutions**	**Rating**	**Category**	**Date**
Standard & Poor's	Banco Mercantil del Norte	POSITIVE	Outlook	August, 2012
		mxA-1+	National Scale Counterparty credit - short term	
		mxAA+	National Scale Counterparty - long term	
	Ixe Banco	POSITIVE	Outlook	
		mxA-1	National Scale Counterparty credit - short term	
		mxAA+	National Scale Counterparty - long term	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		mxA-1+	National Scale Counterparty credit - short term	
		mxAA+	National Scale Counterparty credit - long term	
	Fincasa Hipotecaria	STABLE	Outlook	
		mxA-2	National Scale Counterparty credit - short term	
		mxA	National Scale Counterparty credit - long term	
		mxA-2	Short term debt	
	Ixe Automotriz	STABLE	Outlook	
		mxA-1	National Scale Counterparty credit - short term	
		mxA+	National Scale Counterparty - long term	
		mxA-1	Short term debt	
Fitch	Banco Mercantil del Norte	STABLE	Outlook	December, 2012
		AA + (mex)	National Scale Counterparty - long term	
		F1 + (mex)	National Scale Counterparty - short term	
		A+ (mex)	National Scale Long term subordinated debt	
		F1 + (mex)	Depo. Certi. y P.R.L.V. a Short Term	March, 2012
		AA + (mex)	Depo. Certi. y P.R.L.V. a Long Term	
	Ixe Banco	STABLE	Outlook	
		AA+ (mex)	National Scale Counterparty- long term	
		F1+(mex)'	National Scale Counterparty - short term	
		BB-'	Junio Subordinated perpetual notes	
		BB-'	Junior Subordinated securities	
		C/D	Individual	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		F1 + (mex)	National Scale short term	
		AA + (mex)	National Scale long term	
		AA + (mex)	National Scale Counterparty- long term	
		F1 + (mex)	National Scale Counterparty - short term	
		AA + (mex)	National Scale - long term rating	
		F1 + (mex)	National Scale - short term rating	
	Fincasa Hipotecaria	AA+(mex)'	National Scale Counterparty- long term	
		F1+(mex)'	National Scale Counterparty - short term	
		F1+(mex)'	National Scale - short term Senior Notes	
	Ixe Automotriz	AA+(mex)'	National Scale Counterparty- long term	
		F1+(mex)'	National Scale Counterparty - short term	
		F1+(mex)'	National Scale - short term Senior Notes	
	Seguros Banorte Generali	AA+ (mex)	Fortaleza Financiera del Asegurador	January, 2012
Moody's	Banco Mercantil del Norte	STABLE	Outlook	September, 2012
		Aaa.mx	National Scale - long term deposits	
		MX-1	National Scale - short term deposits	
		Aaa.mx	National Scale - long term senior debt	
		MX-1	National Scale - short term senior debt	
		Aaa.mx	Subordinated debt	
		Aa1.mx	Junior Subordinated debt	
	Ixe Banco	STABLE	Outlook	
		Aaa.mx	National Scale - long term deposits	
		MX-1	National Scale - short term deposits	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		Aaa.mx	National Scale - long term issuer	
		MX-1	National Scale - short term issuer	
	Arrendadora y Factor Banorte	STABLE	Outlook	
		Aaa.mx	National Scale - long term issuer	
		MX-1	National Scale - short term issuer	
		Aaa.mx	National Scale - long term senior debt	
		MX-1	National Scale - short term senior debt	
HR Ratings	Banco Mercantil del Norte	STABLE	Outlook	May, 2012
		HR AAA	Long Term debt	
		HR+1	Short Term debt	
		HR AA+	Subordinated Debt Preferential	

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

INFRASTRUCTURE

INFRASTRUCTURE	4Q11	3Q12	4Q12
Employees	23,898	25,534	**25,783**
Banking (1)	18,742	20,470	**20,836**
Other	5,156	5,064	**4,947**
Branches (2)	1,285	1,306	**1,316**
INB	21	21	20
ATM's	6,367	6,642	**6,707**
POS's	90,649	108,819	**115,213**

1. Includes INB since 4Q06, Uniteller since 1Q07 and Ixe since 2Q11.
2. 5 banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in the Cayman Islands.

- As at the close of 4Q12 there were 1,316 **branches**, 10 more compared with 3Q12. The number of branches increased by 31 over the previous 12 months, YoY growth of 2%. Total branches include 174 Ixe Banco branches.
- 340 **Automatic Teller Machines** were enabled over the previous 12 months, YoY growth of 5%, expanding the network to 6,707 ATMs at the end of 4Q12. This growth includes 203 Ixe ATMs.
- 24,564 **Point of Sale Terminals** (POS) were activated during the year, YoY growth of 27%, bringing the number of installed POSs to 115,213 as at the close of December, 19,122 of which belong to Ixe.
- As at the end of 4Q12, there were 3,080 contact points through third party **correspondent agreements** with 7-Eleven (1,471) and Telecomm-Telégrafos (1,609).
- In 2012 Banorte positioned its SME segment with 8 new **SME centers**. As at the end of 2012, there are 10 offices specializing in this segment.

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

BROKEARAGE. GFNORTE ANALYST COVERAGE

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

TICKER: GFNORTE

BROKER	ANALYST	RECOMMENDATION	DATE
BTG Pactual	Marcelo Henriques	Buy	06-nov-12
Citi	Daniel Abut	Buy	03-dec-12
Credit Suisse	Marcello Telles	Buy	28-nov-12
GBM	Lilian Ochoa	Buy	28-nov-12
Goldman Sachs	Jason Mollin	Buy	23-oct-12
Intercam	Enrique Mendoza	Buy	25-oct-12
Invex	Martín González	Buy	15-nov-12
Itaú BBA	Regina Longo	Buy	28-nov-12
Morgan Stanley	Jorge Kuri	Buy	27-nov-12
Santander	Boris Molina	Buy	10-jan-13
UBS	Philip Finch	Buy	28-nov-12
Vector	Rafael Escobar	Buy	07-dec-12
Actinver	Martín Lara	Hold	08-jan-13
Barclays	Fabio Zagatti	Hold	03-dec-12
Deutsche Bank	Mario Pierry	Hold	03-dec-12
HSBC	Victor Galliano	Hold	05-dec-12
JP Morgan	Saul Martinez	Hold	27-nov-12
BBVA	Ernesto Gabilondo	Sell	04-dec-12
BOFA - Merill Lynch	Jorg Friedemann	Sell	28-nov-12

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	4Q12
Banco Mercantil Del Norte, S.A. (1)	**92.72%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**50.00%**
Leasing and Factoring	**100.00%**
Warehouse	**100.00%**
Annuities	**51.00%**
Insurance	**51.00%**
Ixe Banco, S.A.	**100.00%**
Casa de Bolsa Banorte Ixe, S.A. De C.V	**100.00%**
Ixe Fondos, S.A. De C.V.	**100.00%**
Ixe Servicios, S.A. De C.V.	**100.00%**
Ixe Automotriz, S.A. De C.V.	**100.00%**
Ixe Soluciones, S.A. De C.V.	**100.00%**
Fincasa Hipotecaria, S.A. De C.V.	**100.00%**

1. As a result of the merger with Pronegocio on August 31st, 2009. Reflects the IFC investment in capital of Banco Mercantil del Norte because the operation was finalized in 4Q09.

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

Holding Company Capital Structure	
Number of Shares (Million)	**SERIE O** As of December '12
Number of Shares Outstanding	2,326.36
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 4Q12	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Marcos Ramírez Miguel	Managing Director – Wholesale Banking & Casa de Bolsa Banorte Ixe
Gabriel Casillas Olvera	Managing Director – Economic Analysis
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking and Wealth Management
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Ricardo Velázquez Rodríguez	Managing Director – Int. Banking & Financial Institutions & Banorte USA
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management and Business Development
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 & Banorte-Ixe Tarjetas
Fernando Solís Soberón	Managing Director – Long Term Savings
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
Sergio García Robles Gil	Chief Corporate Officer
Alejandro Vázquez Salido	Managing Director - Communications and Institutional Relations

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012
Income Subsidiaries	1,834	2,054	2,132	2,161	2,430	2,519	2,757	1,593	8,181	9,299
Interest Income	2	1	2	4	7	11	8	6	9	32
Interest Expense	-	-	-	-	-	-	-	-	-	-
Fees & Tariffs	-	-	-	-	-	(0)	(0)	(0)	-	(0)
Trading Income	-	-	-	-	-	-	-	10	-	10
Other Operating Income (Expense)	-	-	-	-	-	-	-	0	-	0
Non Interest Expense	4	9	4	49	25	25	25	26	66	100
Pre-Tax Income	**1,831**	**2,046**	**2,130**	**2,116**	**2,412**	**2,505**	**2,741**	**1,583**	**8,124**	**9,241**
Income Tax	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	0	(3)	1	(2)	(1)	1	2	1	(4)	3
Taxes	**0**	**(3)**	**1**	**(2)**	**(1)**	**1**	**2**	**1**	**(4)**	**3**
Net Income from Continuos Operations	**1,831**	**2,049**	**2,130**	**2,118**	**2,414**	**2,504**	**2,739**	**1,582**	**8,128**	**9,238**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Net Income	**1,831**	**2,049**	**2,130**	**2,118**	**2,414**	**2,504**	**2,739**	**1,582**	**8,128**	**9,238**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
ASSETS								
Cash and Due from Banks	**126**	**42**	**252**	**422**	**1,034**	**743**	**766**	**361**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**-**	**45**	**44**	**61**	**65**	**16**	**17**	**-**
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	6	6	6	6	7	9	10	10
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-	-	-
Investment in Subsidiaries	48,331	56,145	57,952	59,085	60,630	63,339	66,216	69,511
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1	4	4	6	7	6	4	3
Goodwill and Intangibles	31	11,100	11,098	11,416	11,394	11,069	11,045	11,021
Other Assets Short and Long Term	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
	48,370	67,256	69,059	70,512	72,038	74,423	77,274	80,544
TOTAL ASSETS	**48,496**	**67,343**	**69,355**	**70,996**	**73,137**	**75,181**	**78,057**	**80,905**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LIABILITIES								
Deposits	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	-	-	-	-
Total Collateral sold	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	0	0	-	-	1	0	0	754
Other Payable Accounts	**0**	**0**	**-**	**-**	**1**	**0**	**0**	**754**
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**0**	**0**	**-**	**-**	**1**	**0**	**0**	**754**
EQUITY								
Paid-in Capital	12,019	13,098	13,098	13,098	13,098	13,098	13,098	13,098
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,248	18,911	18,915	18,511	18,511	18,511	18,511	18,511
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**14,267**	**32,008**	**32,013**	**31,608**	**31,608**	**31,608**	**31,608**	**31,608**
Capital Reserves	3,165	3,224	3,224	3,224	3,224	3,224	3,224	3,399
Retained Earnings	31,499	30,939	30,941	30,548	38,258	37,837	37,827	37,032
Surplus (Deficit) of Secs Available for Sale	562	511	117	196	570	737	959	1,914
Results from Valuation of Hedging Secs	(1,615)	(2,057)	(2,725)	(2,537)	(2,334)	(2,821)	(2,750)	(2,493)
Results from Conversions	(1,213)	(1,163)	(225)	(172)	(603)	(322)	(467)	(547)
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	1,831	3,880	6,010	8,128	2,414	4,917	7,656	9,238
Earned Capital	**34,229**	**35,334**	**37,342**	**39,387**	**41,527**	**43,573**	**46,449**	**48,543**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**48,496**	**67,343**	**69,355**	**70,996**	**73,136**	**75,181**	**78,057**	**80,151**
TOTAL LIABILITIES & EQUITY	**48,496**	**67,343**	**69,355**	**70,996**	**73,137**	**75,181**	**78,057**	**80,905**

Holding - Memorandum Accounts (Million Pesos)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
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.

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte (Million Pesos)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012
Interest Income	11,281	13,011	13,659	14,129	14,591	15,431	16,180	16,806	52,081	63,008
Interest Expense	5,040	6,238	6,557	6,574	6,691	7,743	8,027	8,127	24,409	30,588
Charged Fees	159	214	261	289	284	252	285	297	922	1,118
Fees Paid	35	41	48	95	50	60	67	109	219	286
Net Interest Income from interest & fees (NII)	**6,365**	**6,946**	**7,315**	**7,749**	**8,134**	**7,880**	**8,372**	**8,867**	**28,375**	**33,253**
Premium Income (Net)	3,622	3,925	3,706	4,022	4,258	3,814	3,823	4,426	15,275	16,321
Net Increase in Technical Reserves	2,319	1,917	2,080	3,001	2,637	1,381	2,010	2,680	9,316	8,708
Damages, Claims and Other Obligations	1,391	1,585	1,711	1,405	1,833	2,068	2,131	2,025	6,092	8,057
Net Interest Income (NII)	**6,277**	**7,369**	**7,232**	**7,364**	**7,923**	**8,245**	**8,054**	**8,588**	**28,242**	**32,810**
Preventive Provisions for Loan Losses	1,338	1,318	1,650	1,133	1,467	1,186	1,524	1,996	5,438	6,172
Net Interest Income Adjusted for Credit Risk	**4,940**	**6,051**	**5,582**	**6,231**	**6,456**	**7,059**	**6,530**	**6,592**	**22,804**	**26,637**
Fees for Commercial and Mortgage Loans	3	13	17	16	12	12	6	3	50	33
Fund Transfers	92	104	108	117	111	124	123	121	421	479
Account Management Fees	255	279	314	311	300	309	306	325	1,160	1,240
Fiduciary	75	82	80	116	84	93	86	121	353	384
Other Fees	719	1,126	1,032	1,216	649	639	618	783	4,092	2,689
Income from Real Estate Portfolios	220	284	260	353	359	337	322	290	1,117	1,307
Electronic Banking Services	567	577	616	684	781	807	840	948	2,444	3,377
For Consumer and Credit Card Loans	336	344	357	382	469	534	506	522	1,418	2,030
Fees Charged on Services	**2,267**	**2,808**	**2,784**	**3,196**	**2,765**	**2,856**	**2,806**	**3,112**	**11,055**	**11,539**
Fund transfers	10	9	9	10	11	11	10	11	37	43
Other Fees	568	775	719	780	845	712	944	936	2,842	3,437
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**578**	**784**	**728**	**790**	**857**	**723**	**954**	**947**	**2,879**	**3,480**
Foreign Exchange	173	287	358	365	229	653	187	322	1,182	1,391
Securities-Realized Gains	132	93	128	995	120	441	215	137	1,349	914
Securities-Unrealized Gains	212	(161)	373	(177)	833	(199)	621	591	247	1,847
Trading Income	**517**	**219**	**859**	**1,184**	**1,182**	**896**	**1,024**	**1,050**	**2,778**	**4,152**
Loan Recoveries	257	335	243	372	289	326	278	342	1,207	1,234
Income from purchased assets	27	29	10	33	(4)	(23)	(18)	(38)	99	(83)
Other Operating Income	120	(118)	80	214	194	(100)	(16)	(1)	296	76
Other Operating Expense	(169)	116	(27)	(20)	(18)	(40)	(10)	(102)	(101)	(169)
Other Products	182	286	299	859	315	413	796	780	1,625	2,305
Other Recoveries	131	82	107	132	174	(8)	103	116	451	386
Other Operating Expense	(255)	(119)	(198)	(685)	(293)	(426)	(741)	(615)	(1,258)	(2,075)
Other Operating Income (Expense) from Insurance and Annuities	113	125	136	120	125	173	169	159	494	626
Total Non Interest Income	**2,611**	**2,979**	**3,564**	**4,614**	**3,871**	**3,344**	**3,437**	**3,858**	**13,767**	**14,510**
Total Operating Income	**7,550**	**9,030**	**9,145**	**10,845**	**10,327**	**10,404**	**9,967**	**10,449**	**36,571**	**41,148**
Personnel	1,666	2,575	2,289	3,352	2,814	2,540	2,334	2,710	9,882	10,398
Employee Profit Sharing (PTU)	235	237	217	196	307	314	185	134	885	940
Professional Fees	528	517	555	600	631	713	714	849	2,200	2,907
Administrative and Promotional Expenses	977	1,247	1,276	1,364	1,171	1,362	1,462	904	4,864	4,899
Rents, Depreciation & Amortization	608	733	796	731	730	756	774	695	2,867	2,954
Taxes other than income tax & non deductible expenses	314	325	339	392	527	377	354	569	1,370	1,826
Contributions to IPAB/Fobaproa	302	332	342	364	379	395	409	428	1,341	1,610
Total Non Interest Expense	**4,631**	**5,965**	**5,814**	**6,999**	**6,558**	**6,457**	**6,232**	**6,288**	**23,409**	**25,535**
Operating Income	**2,919**	**3,065**	**3,332**	**3,846**	**3,769**	**3,947**	**3,736**	**4,162**	**13,162**	**15,613**
Subsidiaries' Net Income	(14)	40	(39)	(28)	126	162	143	159	(41)	590
Pre-Tax Income	**2,905**	**3,104**	**3,293**	**3,818**	**3,895**	**4,109**	**3,879**	**4,320**	**13,121**	**16,203**
Income Tax	827	848	945	(0)	927	1,138	572	1,016	2,619	3,653
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	21	(38)	(57)	1,007	213	14	234	14	933	475
Taxes	**847**	**810**	**888**	**1,007**	**1,140**	**1,152**	**806**	**1,030**	**3,552**	**4,128**
Net Income from Continuos Operations	**2,058**	**2,294**	**2,405**	**2,811**	**2,755**	**2,957**	**3,073**	**3,290**	**9,569**	**12,075**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(244)	(247)	(263)	(298)	(292)	(322)	(293)	(280)	(1,052)	(1,187)
Net Income	**1,815**	**2,048**	**2,142**	**2,513**	**2,463**	**2,635**	**2,780**	**3,010**	**8,517**	**10,888**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
ASSETS								
Cash and Due from Banks	**62,312**	**65,360**	**58,260**	**53,968**	**61,429**	**61,762**	**61,102**	**68,480**
Margin Accounts	**178**	**468**	**575**	**252**	**278**	**389**	**453**	**496**
Negotiable Instruments	79,300	107,521	111,612	115,026	107,223	141,675	117,047	123,233
Securities Available for Sale	14,006	22,144	31,347	53,666	60,116	59,924	94,549	115,291
Securities Held to Maturity	159,898	186,042	182,488	162,148	144,000	134,081	123,466	106,849
Investment in Securities	**253,204**	**315,707**	**325,447**	**330,841**	**311,339**	**335,680**	**335,062**	**345,374**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**3,576**	**1,646**	**2,157**	**3,830**	**7,126**	**336**	**8,757**	**5,694**
Securities Lending	**0**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
For trading purposes	5,756	11,841	19,388	15,854	15,023	20,291	19,875	18,065
For hedging purposes	624	535	1,573	623	342	362	308	201
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**6,380**	**12,375**	**20,961**	**16,477**	**15,365**	**20,653**	**20,182**	**18,266**
Operations w/Derivatives & Securities	**9,956**	**14,022**	**23,118**	**20,307**	**22,491**	**20,990**	**28,940**	**23,960**
Valuation adjustments for Asset Coverage	**-**	**91**	**119**	**123**	**132**	**175**	**175**	**174**
Commercial Loans	127,337	156,153	159,383	169,023	173,258	178,293	184,448	186,061
Financial Intermediaries´ Loans	5,775	9,081	9,123	11,560	7,559	8,384	9,045	8,435
Consumer Loans	28,835	30,639	32,373	34,246	38,608	40,977	44,002	46,036
Mortgage Loans	57,348	60,637	62,262	64,567	66,027	67,930	69,933	72,608
Government Entities´ Loans	51,271	55,421	63,095	71,162	75,196	82,843	82,289	88,293
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**270,564**	**311,931**	**326,237**	**350,557**	**360,648**	**378,427**	**389,717**	**401,433**
Commercial PDL´s	4,492	4,969	4,774	4,684	4,362	4,735	5,327	6,138
Financial Intermediaries PDL´s	-	6	6	1	19	4	5	4
Consumer PDL´s	1,312	1,486	1,381	1,286	1,348	1,545	1,397	1,467
Mortgage PDL´s	694	1,086	1,291	967	858	768	818	812
Government Entities PDL´s	-	-	500	11	0	36	44	60
Past Due Loans	**6,498**	**7,547**	**7,953**	**6,949**	**6,588**	**7,089**	**7,591**	**8,481**
Gross Loan Portfolio	**277,063**	**319,478**	**334,189**	**357,506**	**367,236**	**385,516**	**397,307**	**409,914**
Preventive Loan Loss Reserves	9,030	10,196	10,549	9,944	10,415	10,998	11,178	11,734
Net Loan Portfolio	**268,033**	**309,282**	**323,640**	**347,562**	**356,821**	**374,518**	**386,129**	**398,180**
Acquired Collection Rights	2,641	4,105	3,887	3,559	3,110	2,795	2,254	3,109
Total Credit Portfolio	**270,674**	**313,388**	**327,528**	**351,121**	**359,931**	**377,313**	**388,383**	**401,289**
Account Receivables from Insurance and Annuities	887	829	929	953	934	831	848	884
Premium Debtors (Net)	2,186	3,104	2,787	3,442	3,664	4,898	3,507	3,137
Account Receivables from Reinsurance	2,503	2,486	2,096	2,594	3,092	3,637	3,552	2,715
Benef.receivab.securization transactions	959	946	894	856	713	660	940	882
Sundry Debtors & Other Accs Rec, Net	15,810	23,693	23,632	20,524	25,309	41,221	31,244	23,097
Inventories	40	201	545	43	18	367	369	351
Foreclosed Assets, Net	821	1,281	1,723	2,284	2,115	2,735	2,974	2,939
Real Estate, Furniture & Equipment, Net	9,389	11,013	11,166	11,785	11,878	12,018	11,896	11,986
Investment in Subsidiaries	1,384	1,868	2,012	2,280	2,009	1,944	4,570	5,170
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,555	1,757	1,724	-	-	-	-	-
Goodwill and Intangibles	4,145	16,077	16,483	20,589	20,448	21,075	18,446	20,724
Other Assets Short and Long Term	6,162	6,427	6,743	7,315	3,661	4,343	4,700	4,908
Other Assets	-	-	-	-	-	-	-	-
	45,840	69,683	70,733	72,665	73,842	93,728	83,046	76,794
TOTAL ASSETS	**642,164**	**778,717**	**805,780**	**829,277**	**829,442**	**890,036**	**897,161**	**916,567**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LIABILITIES								
Demand Deposits	144,253	160,981	169,650	189,613	185,186	190,977	196,237	211,171
Time Deposits-Retail	145,896	160,937	162,781	162,635	175,495	176,729	177,795	187,055
Time Deposits-Money Market	5,492	6,562	8,147	11,089	6,237	21,324	15,098	21,533
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	3,604	6,889	7,483	6,953	6,380	6,605	6,401	4,567
Deposits	**299,245**	**335,369**	**348,061**	**370,290**	**373,297**	**395,635**	**395,531**	424,325
Immediate Redemption Loans	3,519	1,427	361	3,968	4,315	5,549	2,278	295
Short Term Loans	15,084	19,553	21,874	25,150	32,230	20,788	31,456	27,628
Long Term Loans	6,517	8,427	6,950	6,330	7,176	7,724	6,856	7,982
Due to Banks & Correspondents	**25,120**	**29,407**	**29,185**	**35,448**	**43,721**	**34,062**	**40,590**	**35,904**
Technical Reserves	34,847	36,959	39,210	42,406	45,675	47,604	49,324	51,722
Non-assigned Securities for Settlement	402	1,693	1,708	4	1,281	-	-	-
Creditor Balance in Repo Trans, Net	182,245	233,422	239,462	243,756	223,794	242,015	238,585	244,030
Secs to be received in Repo Trans, Net	0	11	57	-	1	-	-	-
Repos (Credit Balance)	34	21	79	31	19	122	112	37
Securities' Loans	0	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**34**	**21**	**79**	**31**	**19**	**122**	**112**	37
For trading purposes	5,564	12,234	19,429	16,009	14,825	20,456	19,393	17,632
For hedging purposes	2,630	3,067	5,284	5,305	4,174	5,098	4,610	4,606
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,194**	**15,301**	**24,713**	**21,314**	**18,999**	**25,554**	**24,003**	22,238
Total Operations w/ Derivatives & Securities	**190,875**	**250,447**	**266,019**	**265,105**	**244,094**	**267,690**	**262,699**	**266,305**
Valuation adjustments for financial liability coverage	-	(352)	(67)	(91)	(280)	(224)	(217)	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	502	1,178	995	1,246	1,027	2,054	1,448	805
Income Tax Payable	684	869	1,020	710	1,207	1,734	1,742	1,786
Profit Sharing Payable	262	463	677	481	307	531	597	738
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	5,827	14,252	5,661	2,705	7,794	21,715	22,253	8,413
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	12,049	15,140	15,866	15,446	15,631	15,049	15,436	15,027
Other Payable Accounts	**18,821**	**30,725**	**23,223**	**19,342**	**24,939**	**39,029**	**40,027**	**25,965**
Subordinated Non Convertible Debt	17,636	20,438	22,173	16,543	16,218	19,571	19,425	19,455
Deferred Taxes, Net	-	-	-	39	51	154	538	978
Deferred Credits	1,447	1,687	1,766	1,867	1,959	2,975	3,085	2,597
TOTAL LIABILITIES	**588,494**	**705,859**	**730,565**	**752,195**	**750,701**	**808,551**	**812,449**	**828,057**
EQUITY								
Paid-in Capital	11,968	13,053	13,055	13,050	13,057	13,068	13,070	13,072
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	1,680	18,423	18,438	18,006	18,149	18,276	18,301	18,320
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,647**	**31,475**	**31,494**	**31,056**	**31,206**	**31,344**	**31,371**	**31,391**
Capital Reserves	3,165	3,224	3,224	3,224	3,224	3,224	3,224	3,399
Retained Earnings	31,524	30,968	30,966	30,573	38,680	38,453	38,442	37,644
Surplus (Deficit) of Secs Available for Sale	325	339	144	188	417	504	706	1,598
Results from Valuation of Hedging Secs	(1,615)	(2,057)	(2,725)	(2,537)	(2,334)	(2,821)	(2,750)	(2,493)
Results from Conversions	(1,213)	(1,163)	(225)	(172)	(603)	(322)	(467)	(547)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,815	3,862	6,004	8,517	2,463	5,098	7,878	10,888
Earned Capital	**34,001**	**35,172**	**37,387**	**39,793**	**41,846**	**44,136**	**47,033**	**50,489**
Minority Interest	6,022	6,211	6,334	6,233	5,689	6,005	6,307	6,628
Total Equity	**53,670**	**72,859**	**75,215**	**77,082**	**78,741**	**81,485**	**84,712**	**88,509**
TOTAL LIABILITIES & EQUITY	**642,164**	**778,717**	**805,780**	**829,277**	**829,442**	**890,036**	**897,161**	**916,567**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
On behalf of Third Parties								
Customer's Banks	10	66	323	70	63	64	41	20
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	(10)	288	401	76	(21)	(130)	(58)	14
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**(1)**	**354**	**725**	**146**	**42**	**(66)**	**(18)**	**35**
Client Securities Received in Custody	180,623	449,234	449,921	497,608	520,812	531,857	547,690	569,079
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	**180,623**	**449,234**	**449,921**	**497,608**	**520,812**	**531,857**	**547,690**	**569,079**
Clients' Repurchase Operations	41,790	60,997	68,675	58,841	42,616	83,911	74,793	99,517
Clients' Repo Transactions w/ Securities	0	-	2	-	-	-	-	-
Collateral received in guarantee for customer accounts	0	-	4,681	5,981	30,169	71,886	63,322	89,673
Purchase of Futures & Forward Contracts, national	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Trusts under Administration	5,176	5,402	5,024	4,181	3,548	2,750	2,272	435
Transactions On Behalf of Clients	**46,966**	**66,398**	**78,382**	**69,003**	**76,334**	**158,547**	**140,387**	**189,625**
Investment bank Trans on Behalf of Third	**69,252**	**72,038**	**80,941**	**75,989**	**63,075**	**75,181**	**74,393**	**58,699**
TOTAL ON BEHALF OF THIRD PARTIES	**296,841**	**588,024**	**609,968**	**642,746**	**660,263**	**765,519**	**762,452**	**817,436**
Loan Obligations	3,605	11,243	9,793	9,001	36,223	34,173	36,840	38,214
Trusts	127,790	200,021	238,148	246,418	255,981	284,156	307,410	341,571
Mandates	2,151	2,220	2,221	2,143	2,788	2,102	2,068	2,171
Properties in Trusts and Warrant	129,941	202,241	240,369	248,561	258,769	286,258	309,477	**343,742**
Properties in Custody or Administration	264,064	325,040	342,174	377,098	399,178	379,725	383,446	**405,839**
Collateral Received	93,783	131,151	147,459	124,475	164,387	109,863	146,606	**113,194**
Collateral Received or sold	63,319	79,115	90,258	66,971	126,450	119,914	143,448	**158,103**
Drafts in Transit	-	-	-	-	-	-	-	**-**
Certificates of Deposits in Circulation	2,310	1,643	1,231	3,107	3,062	3,343	3,042	**2,860**
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	**-**
Securities to the Corporation for Custody	-	-	-	-	-	-	-	**-**
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	**-**
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	**-**
Securities of the Corp Abroad	-	-	-	-	-	-	-	**-**
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	**-**
Debts with the Contingency Fund	-	-	-	-	-	-	-	**-**
Contingent Assets & Liabilities	255	255	255	255	1,233	255	255	**255**
Uncollected Accrued Interest from Past Due Loans	139	261	239	327	242	264	282	**319**
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	**-**
Integration of the Credit Portfolio	-	-	-	-	-	-	-	**-**
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	**-**
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**557,416**	**750,950**	**831,777**	**829,794**	**989,543**	**933,795**	**1,023,397**	**1,062,527**
Repo Securities to be Received	-	-	-	-	-	-	-	**-**
(Minus) Repurchase Creditors	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repurchase Debtors	-	-	-	-	-	-	-	**-**
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	**-**
Repurchase Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
TOTAL PROPRIETARY	**557,416**	**750,950**	**831,777**	**829,794**	**989,543**	**933,795**	**1,023,397**	**1,062,527**

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, 2012 – DECEMBER 31, 2012 *(Million Pesos)*	
Net Income	**10,888**
Items charged to results that do not generate or require use of resources	
Depreciation	1,148
Technical Reserves	8,708
Provisions	2,265
Income taxes and deferred	4,128
Minority Interest	597
	16,846
	27,734
Change in items related to operations:	
Change in Margin Accounts	(244)
Change in Invesment in Securities	(15,296)
Change in repo debtors	(1,865)
Change in derivatives (assets)	(2,262)
Changein Loan Portfolio (net)	(51,380)
Change in purchased receivables (net)	450
Change in accounts receivable insurance and bonding institutions (net)	68
Change in debtor premiums	305
Change in Reinsurance	(122)
Change in benefits to receive from securitizations	(26)
Change in foreclosed assets (net)	(692)
Change in other operating assets (net)	(837)
Change in core deposits	55,653
Change in interbank loans and other entities	474
Change in repo creditors	271
Change in collateral pledged sold	6
Change in derivatives (liability)	1,715
Change in Technical Reserves (net)	609
Change in Reinsurance (net) (liability)	(441)
Change in subordinated debt with characteristics of liabilities	2,933
Change in other operating liabilities	4,103
Change in hedging instruments (the related hedged transaction activities)	(277)
Income Tax Collection (refunds)	0
Income Tax Payments	(1,821)
Net cash generated or used from operations	**19,058**
Investment Activities:	
Charges for disposal of property, furniture and equipment	1,335
Payments for acquisition of property, furniture and equipment	(2,798)
Subsidiaries and associated acquisitions charges	0
Subsidiaries and associated acquisitions payment	(1,727)
Charges for other investmentes	0
Payments for other investmentes	0
Charges for cash dividends	251
Cash Flow given subsidiary's loss of control	(315)
Net cash generated or used from investment activities	**(3,254)**
Financing Activities:	
Payments of cash dividends	(1,240)
Payments associated with the repurchase of proprietary shares	33
Net cash flows from financing activities	**(1,207)**
Net Cash Increase (decrease)	**14,597**
Cash flow adjustments given exchange rate or inflation variations	**(85)**
Cash and cash equivalents at beginning of period	**53,968**
Cash and cash equivalents at end of period	**68,480**

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, 2012 – DECEMBER 31, 2012

(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	**Premium from sale of securities**	**Capital Reserves**	**Retained Earnings**	**Valuation Effects of Securities Available for Sale**	**Results from val of instrum Cash flow hedges**	**Results from Conversions**	**Net Income**	**Minority Interest**	**Total Stockholders' Equity**
Balance as of December 31, 2011	**13,050**	**18,006**	**3,224**	**30,573**	**188**	**(2,537)**	**(172)**	**8,517**	**6,233**	**77,082**
Changes stemming from stockholders' decisions										
Stock repurchases	22	314		4	(307)					33
Capitalization of profits				8,517				(8,517)		
Creación de Reservas			175	(175)						
Dividends declared by the General Assembly of Shareholders on:										
- February 17, 2012				(395)						(395)
- April 27, 2012				(419)						(419)
- October 11, 2012				(426)						(426)
Changes stemming from profits										
Total	**22**	**314**	**175**	**7,106**	**(307)**	**0**	**0**	**(8,517)**	**0**	**(1,207)**
Net Income								10,888		10,888
Result from valuation of securities available for sale					1,717					1,717
Effect of subsidiaries				(35)			(375)			(410)
Result from valuation of instruments of cash flow hedges						44				44
Total	**0**	**0**	**0**	**(35)**	**1,717**	**44**	**(375)**	**10,888**	**0**	**12,239**
Recognition of minority interest									**395**	**395**
Balance as of December 31, 2012	**13,072**	**18,320**	**3,399**	**37,644**	**1,598**	**(2,493)**	**(547)**	**10,888**	**6,628**	**88,509**

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012
Interest Income	10,357	11,587	12,148	12,611	13,006	12,955	12,921	13,635	46,703	52,518
Interest Expense	4,807	5,583	5,921	5,961	6,048	5,860	5,590	5,788	22,271	23,286
Charged Fees	159	204	247	277	273	242	275	287	886	1,077
Fees Paid	35	39	46	93	49	60	66	108	213	284
Net Interest Income from interest & fees (NII)	**5,674**	**6,169**	**6,428**	**6,835**	**7,182**	**7,276**	**7,541**	**8,026**	**25,105**	**30,025**
Preventive Provisions for Loan Losses	1,337	1,291	1,664	1,020	1,186	1,237	1,507	1,904	5,311	5,833
Net Interest Income Adjusted for Credit Risk	**4,337**	**4,878**	**4,764**	**5,815**	**5,997**	**6,040**	**6,033**	**6,123**	**19,794**	**24,192**
Fees for Commercial and Mortgage Loans	3	4	2	3	4	3	3	3	12	12
Fund Transfers	92	104	108	117	111	124	123	121	421	479
Account Management Fees	255	279	314	311	300	310	306	325	1,160	1,240
Fiduciary	70	76	74	109	84	87	82	117	329	369
Other Fees	261	508	415	528	521	408	460	492	1,711	1,881
Income from Real Estate Portfolios	220	284	260	353	359	337	322	290	1,117	1,307
Electronic Banking Services	567	577	616	684	781	807	840	948	2,444	3,377
For Consumer and Credit Card Loans	336	344	357	382	375	628	506	522	1,418	2,030
Fees Charged on Services	**1,804**	**2,176**	**2,146**	**2,486**	**2,534**	**2,704**	**2,641**	**2,816**	**8,612**	**10,695**
Fund transfers	10	9	9	10	11	11	10	11	37	43
Other Fees	369	444	492	555	510	613	690	780	1,860	2,594
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**379**	**453**	**501**	**565**	**521**	**624**	**700**	**791**	**1,897**	**2,637**
Foreign Exchange	173	285	371	368	228	654	187	322	1,197	1,391
Securities-Realized Gains	133	42	60	852	19	301	97	133	1,088	551
Securities-Unrealized Gains	(106)	25	145	(786)	374	(78)	217	(41)	(722)	472
Trading Income	**200**	**352**	**577**	**435**	**621**	**877**	**501**	**414**	**1,564**	**2,414**
Loan Recoveries	257	330	243	371	279	325	277	298	1,202	1,179
Income from purchased assets	27	36	30	44	(10)	13	(3)	(23)	138	(23)
Other Operating Income	119	(119)	79	186	191	(101)	(17)	(2)	265	71
Other Operating Expense	(167)	120	(22)	(17)	(16)	(38)	(31)	(70)	(87)	(156)
Other Products	184	240	128	454	115	142	490	403	1,006	1,151
Other Recoveries	130	80	107	130	173	(9)	94	113	446	371
Other Operating Expense	(157)	(108)	(15)	(123)	(165)	(172)	(518)	(176)	(404)	(1,031)
Total Non Interest Income	**2,017**	**2,653**	**2,770**	**3,402**	**3,201**	**3,116**	**2,735**	**2,982**	**10,843**	**12,034**
Total Operating Income	**6,354**	**7,531**	**7,534**	**9,217**	**9,198**	**9,156**	**8,768**	**9,104**	**30,637**	**36,226**
Personnel	1,556	2,229	1,965	3,052	2,606	2,380	2,211	2,751	8,803	9,948
Employee Profit Sharing (PTU)	233	234	208	187	302	303	177	127	861	908
Professional Fees	439	376	414	464	493	607	546	663	1,693	2,309
Administrative and Promotional Expenses	838	1,061	1,059	1,227	1,030	1,307	1,375	442	4,184	4,155
Rents, Depreciation & Amortization	501	610	678	1,014	668	704	720	631	2,803	2,723
Taxes other than income tax & non deductible expenses	242	239	241	286	440	319	307	484	1,008	1,550
Contributions to IPAB/Fobaproa	302	332	342	364	379	395	409	428	1,341	1,610
Total Non Interest Expense	**4,111**	**5,081**	**4,908**	**6,595**	**5,917**	**6,015**	**5,744**	**5,526**	**20,694**	**23,203**
Operating Income	**2,243**	**2,450**	**2,626**	**2,623**	**3,280**	**3,141**	**3,024**	**3,578**	**9,943**	**13,023**
Subsidiaries' Net Income	47	70	7	35	54	189	144	155	158	542
Pre-Tax Income	**2,291**	**2,520**	**2,633**	**2,657**	**3,335**	**3,329**	**3,168**	**3,733**	**10,101**	**13,565**
Income Tax	642	653	787	(180)	833	864	414	864	1,902	2,975
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	31	38	(27)	897	158	88	229	11	938	485
Taxes	**672**	**691**	**760**	**717**	**991**	**952**	**643**	**875**	**2,841**	**3,460**
Net Income from Continuos Operations	**1,618**	**1,829**	**1,872**	**1,940**	**2,343**	**2,377**	**2,525**	**2,859**	**7,260**	**10,105**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(0)	(0)	(0)	(0)	(0)	34	(0)	0	(0)	34
Net Income	**1,618**	**1,829**	**1,872**	**1,940**	**2,343**	**2,412**	**2,525**	**2,859**	**7,260**	**10,139**

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
ASSETS								
Cash and Due from Banks	**61,484**	**64,341**	**57,178**	**53,710**	**61,461**	**61,800**	**61,361**	**68,940**
Margin Accounts	**178**	**468**	**572**	**252**	**278**	**389**	**453**	**496**
Negotiable Instruments	63,510	86,079	79,196	104,770	72,361	65,797	69,310	52,929
Securities Available for Sale	14,488	22,670	31,683	53,987	60,395	60,214	74,366	90,919
Securities Held to Maturity	126,928	135,231	128,722	109,039	90,717	79,619	66,729	49,358
Investment in Securities	**204,925**	**243,980**	**239,602**	**267,797**	**223,473**	**205,631**	**210,405**	**193,206**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**3,173**	**1,531**	**2,038**	**3,829**	**6,926**	**336**	**8,757**	**5,205**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	5,756	11,841	19,388	15,854	15,023	20,291	19,875	18,065
For hedging purposes	624	535	1,573	623	342	362	308	201
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**6,380**	**12,375**	**20,961**	**16,477**	**15,365**	**20,653**	**20,182**	**18,266**
Operations w/Derivatives & Securities	**9,553**	**13,906**	**22,999**	**20,306**	**22,291**	**20,990**	**28,940**	**23,471**
Valuation adjustments for Asset Coverage	**-**	**91**	**119**	**123**	**132**	**175**	**175**	**174**
Commercial Loans	112,205	137,215	143,395	152,664	155,708	160,652	166,744	168,034
Financial Intermediaries´ Loans	7,590	12,686	13,311	16,144	14,986	13,360	14,188	15,986
Consumer Loans	28,832	30,427	32,173	34,041	35,267	40,824	43,878	45,975
Mortgage Loans	57,348	60,196	61,844	64,140	65,622	67,550	69,572	72,257
Government Entities´ Loans	51,270	55,412	60,023	68,325	72,473	80,357	80,476	86,378
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**257,246**	**295,937**	**310,746**	**335,314**	**344,055**	**362,744**	**374,858**	**388,629**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial PDL´s	4,372	4,541	4,478	4,369	4,048	4,032	4,301	5,000
Financial Intermediaries PDL´s	-	6	6	1	1	0	1	0
Consumer PDL´s	1,312	1,422	1,327	1,236	1,225	1,512	1,383	1,473
Mortgage PDL´s	694	860	1,057	965	849	754	802	808
Government Entities PDL´s	-	-	500	13	-	-	0	-
Past Due Loans	**6,379**	**6,829**	**7,368**	**6,583**	**6,124**	**6,298**	**6,487**	**7,281**
Gross Loan Portfolio	**263,625**	**302,766**	**318,115**	**341,897**	**350,180**	**369,042**	**381,345**	**395,910**
Preventive Loan Loss Reserves	8,743	9,419	9,922	9,446	9,304	9,764	9,963	10,557
Net Loan Portfolio	**254,881**	**293,347**	**308,193**	**332,452**	**340,876**	**359,278**	**371,382**	**385,354**
Acquired Collection Rights	2,641	2,477	2,330	2,258	2,023	2,093	1,929	2,892
Total Credit Portfolio	**257,522**	**295,824**	**310,523**	**334,709**	**342,899**	**361,370**	**373,310**	**388,245**
Benef.receivab.securization transactions	959	933	881	844	700	647	927	870
Sundry Debtors & Other Accs Rec, Net	15,683	23,179	23,061	20,195	23,905	39,078	29,658	22,223
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	812	873	1,271	1,757	1,814	2,368	2,579	2,557
Real Estate, Furniture & Equipment, Net	7,703	8,280	8,372	8,600	8,791	8,910	8,898	8,986
Investment in Subsidiaries	1,457	1,910	2,025	1,898	2,823	1,789	4,414	5,099
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	1,722	1,685	1,614	328	210	228	-	-
Goodwill and Intangibles	3,956	4,446	4,842	8,814	7,433	8,239	5,658	7,670
Other Assets Short and Long Term	5,723	5,984	6,231	6,748	3,520	3,695	3,934	4,304
Other Assets	-	-	-	-	-	-	-	-
	38,016	47,290	48,297	49,185	49,197	64,956	56,068	51,708
TOTAL ASSETS	**571,678**	**665,900**	**679,290**	**726,082**	**699,731**	**715,310**	**730,714**	**726,241**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LIABILITIES								
Demand Deposits	144,542	161,201	170,651	189,944	185,511	191,257	196,489	211,454
Time Deposits-Retail	145,896	161,977	162,950	163,484	175,832	177,020	178,806	188,249
Time Deposits-Money Market	5,618	6,604	8,398	11,600	7,352	22,067	15,888	21,900
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	3,604	3,586	4,176	4,267	3,877	4,102	3,895	3,967
Deposits	**299,660**	**333,368**	**346,175**	**369,295**	**372,572**	**394,446**	**395,079**	425,569
Immediate Redemption Loans	3,519	1,427	361	3,968	4,315	5,549	2,278	295
Short Term Loans	5,489	11,156	11,315	16,521	22,717	11,773	21,887	18,272
Long Term Loans	3,749	3,790	3,981	2,866	3,539	3,373	3,759	4,360
Due to Banks & Correspondents	**12,758**	**16,373**	**15,657**	**23,355**	**30,571**	**20,695**	**27,923**	**22,927**
Non-assigned Securities for Settlement	402	1,693	1,708	4	1,281	-	-	-
Creditor Balance in Repo Trans, Net	170,063	199,980	195,385	223,513	181,230	158,160	163,704	144,519
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	34	21	79	31	19	15	111	36
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**34**	**21**	**79**	**31**	**19**	**15**	**111**	36
For trading purposes	5,564	12,234	19,425	16,009	14,825	20,456	19,393	17,632
For hedging purposes	2,630	3,067	5,284	5,305	4,174	5,098	4,610	4,606
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**8,194**	**15,301**	**24,709**	**21,314**	**18,999**	**25,554**	**24,003**	22,238
Total Operations w/ Derivatives & Securities	**178,693**	**216,996**	**221,881**	**244,862**	**201,529**	**183,729**	**187,818**	**166,794**
Valuation adjustments for financial liability coverage	-	(352)	(67)	(91)	(280)	(224)	(217)	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	512	516	540	84	902	1,349	1,226	1,117
Profit Sharing Payable	259	452	666	464	291	509	571	711
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	5,826	14,186	5,628	2,699	6,798	21,018	21,222	7,987
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	9,396	11,507	12,387	12,271	12,147	11,805	12,303	12,270
Other Payable Accounts	**15,992**	**26,663**	**19,221**	**15,519**	**20,137**	**34,682**	**35,322**	**22,085**
Subordinated Non Convertible Debt	17,636	20,438	22,173	16,543	16,218	19,571	19,425	19,455
Deferred Taxes, Net	-	-	-	-	-	-	140	596
Deferred Credits	1,387	1,510	1,593	1,691	1,718	2,793	2,917	2,700
TOTAL LIABILITIES	**526,128**	**614,995**	**626,633**	**671,173**	**642,466**	**655,693**	**668,407**	**660,126**
EQUITY								
Paid-in Capital	11,488	14,727	14,727	14,727	14,727	14,727	14,727	14,727
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	2,492	3,294	3,294	3,294	3,294	3,294	3,294	3,294
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**13,980**	**18,021**	**18,022**	**18,021**	**18,021**	**18,021**	**18,021**	**18,021**
Capital Reserves	5,172	5,990	5,990	5,990	5,990	6,703	6,703	6,703
Retained Earnings	27,361	26,435	26,436	26,437	33,599	32,883	32,870	32,676
Surplus (Deficit) of Secs Available for Sale	365	388	4	58	425	599	850	1,774
Results from Valuation of Hedging Secs	(1,669)	(2,154)	(2,878)	(2,675)	(2,454)	(2,980)	(2,903)	(2,626)
Results from Conversions	(1,288)	(1,232)	(246)	(192)	(670)	(376)	(525)	(582)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	1,618	3,448	5,320	7,260	2,343	4,755	7,280	10,139
Earned Capital	**31,560**	**32,874**	**34,626**	**36,878**	**39,234**	**41,586**	**44,275**	**48,084**
Minority Interest	10	10	10	10	10	10	10	10
Total Equity	**45,550**	**50,905**	**52,657**	**54,909**	**57,265**	**59,617**	**62,307**	**66,115**
TOTAL LIABILITIES & EQUITY	**571,678**	**665,900**	**679,290**	**726,082**	**699,731**	**715,310**	**730,714**	**726,241**

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
Investment banking transactions for third parties, net	69,252	72,038	80,941	75,989	63,075	75,181	74,393	58,699
Proprietary Transactions	491,170	634,781	716,846	657,806	744,633	723,322	797,509	839,522
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	255	255	255	255	255	255	255	255
Loan Obligations	3,605	11,243	9,793	9,001	29,865	34,173	36,840	38,214
Trusts	127,790	199,649	237,780	246,053	255,618	283,800	307,057	341,221
Mandates	2,151	2,220	2,221	2,143	2,788	2,102	2,068	2,171
Properties in Trusts and Warrant	129,941	201,868	240,001	248,197	258,405	285,903	309,124	343,392
Properties in Custody or Administration	259,670	282,070	296,977	292,080	314,697	280,207	284,304	302,965
Uncollected Accrued Interest from Past Due Loans	139	162	159	182	151	168	165	178
Collateral Received	63,811	98,066	115,709	85,788	104,582	92,225	116,650	99,396
Collateral Received or sold	33,748	41,116	53,950	22,303	36,677	30,391	50,170	55,121
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	-	-	-	-	-	-	-	-
	560,422	**706,819**	**797,786**	**733,795**	**807,708**	**798,503**	**871,902**	**898,220**

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012
Interest Income	252	248	234	229	221	224	208	198	964	851
Interest Expense	99	90	76	70	58	55	51	47	334	211
Charged Fees	8	4	4	5	4	4	4	6	21	19
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	**161**	**163**	**162**	**164**	**168**	**174**	**161**	**158**	**650**	**660**
Preventive Provisions for Loan Losses	(0)	43	14	56	23	52	5	6	113	85
Net Interest Income Adjusted for Credit Risk	**161**	**120**	**148**	**108**	**145**	**122**	**156**	**152**	**537**	**574**
Fees for Commercial and Mortgage Loans	3	3	2	2	4	3	3	3	11	12
Fund Transfers	36	43	44	50	46	50	49	47	173	192
Account Management Fees	16	16	24	25	20	20	21	19	80	81
Fiduciary	-	-	-	-	-	-	-	-	-	-
Other Fees	4	2	3	4	4	4	3	2	13	13
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	9	9	9	6	5	6	5	5	33	22
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-	-
Fees Charged on Services	**69**	**73**	**83**	**86**	**79**	**83**	**81**	**76**	**311**	**320**
Fund transfers	1	1	1	1	1	1	1	1	5	5
Other Fees	25	28	27	29	26	28	27	26	108	107
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**26**	**29**	**28**	**30**	**28**	**29**	**28**	**27**	**114**	**112**
Foreign Exchange	10	12	14	13	14	15	14	13	50	56
Securities-Realized Gains	-	3	61	22	7	50	(2)	10	86	65
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-	-
Trading Income	**10**	**15**	**75**	**35**	**21**	**66**	**11**	**23**	**136**	**121**
Loan Recoveries	2	3	2	7	4	2	4	3	14	12
Income from purchased assets	(11)	(9)	(8)	(10)	1	(19)	(5)	(10)	(38)	(32)
Other Operating Income	118	(118)	-	-	-	-	-	-	0	-
Other Operating Expense	(146)	146	-	-	-	-	-	-	(0)	-
Other Products	11	14	15	14	13	18	19	25	54	75
Other Recoveries	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	(0)	(1)	(1)	(1)	(1)	(0)	(3)	(10)	(3)	(14)
Total Non Interest Income	**27**	**95**	**138**	**101**	**89**	**121**	**80**	**81**	**361**	**371**
Total Operating Income	**188**	**215**	**286**	**209**	**234**	**243**	**235**	**233**	**898**	**945**
Personnel	66	67	66	75	77	88	82	77	274	323
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-	-
Professional Fees	26	22	23	25	22	24	29	27	95	102
Administrative and Promotional Expenses	41	44	47	57	52	53	48	51	189	203
Rents, Depreciation & Amortization	19	19	21	23	20	21	21	20	82	82
Taxes other than income tax & non deductible expenses	5	4	5	3	4	5	5	4	17	18
Contributions to IPAB/Fobaproa	15	9	10	10	9	8	9	9	43	36
Total Non Interest Expense	**171**	**164**	**172**	**193**	**183**	**199**	**194**	**188**	**700**	**764**
Operating Income	**17**	**51**	**115**	**16**	**51**	**45**	**41**	**45**	**198**	**181**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**17**	**51**	**115**	**16**	**51**	**45**	**41**	**45**	**198**	**181**
Income Tax	5	16	39	3	17	15	13	13	64	58
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
Taxes	**(5)**	**(16)**	**(39)**	**(3)**	**(17)**	**(15)**	**(13)**	**(13)**	**(64)**	**(58)**
Net Income from Continuos Operations	**12**	**34**	**76**	**12**	**34**	**30**	**28**	**32**	**134**	**124**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-
Net Income	**12**	**34**	**76**	**12**	**34**	**30**	**28**	**32**	**134**	**124**

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)*	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
ASSETS								
Cash and Due from Banks	**4,196**	**3,641**	**3,145**	**1,264**	**2,613**	**2,956**	**1,672**	**894**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities Available for Sale	8,480	8,801	10,266	10,756	10,949	10,802	12,691	13,094
Securities Held to Maturity	11	11	12	13	11	12	11	-
Investment in Securities	**8,491**	**8,812**	**10,279**	**10,769**	**10,960**	**10,814**	**12,703**	**13,094**
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	8,095	7,633	8,240	8,198	7,265	7,607	7,341	7,308
Financial Intermediaries´Loans	-	-	-	-	-	-	-	-
Consumer Loans	175	161	185	217	205	199	186	178
Mortgage Loans	2,060	2,010	2,204	2,210	1,965	1,866	1,709	1,642
Government Entities´Loans	-	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**10,331**	**9,805**	**10,628**	**10,624**	**9,435**	**9,672**	**9,236**	**9,128**
-	-	-	-	-	-	-	-	-
Commercial PDL´s	302	283	258	269	175	64	95	66
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	-
Consumer PDL´s	0	0	4	0	-	0	0	0
Mortgage PDL´s	66	102	202	144	128	30	40	34
Government Entities PDL´s	-	-	-	-	-	-	-	-
Past Due Loans	**368**	**386**	**464**	**413**	**303**	**94**	**135**	**100**
Gross Loan Portfolio	**10,699**	**10,190**	**11,092**	**11,037**	**9,738**	**9,766**	**9,372**	**9,228**
Preventive Loan Loss Reserves	187	182	162	164	143	67	65	64
Net Loan Portfolio	**10,512**	**10,009**	**10,930**	**10,873**	**9,595**	**9,699**	**9,307**	**9,164**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-	-	-
Total Credit Portfolio	**10,512**	**10,009**	**10,930**	**10,873**	**9,595**	**9,699**	**9,307**	**9,164**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	600	592	702	1,613	661	699	679	689
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	305	321	562	544	455	461	430	403
Real Estate, Furniture & Equipment, Net	566	552	642	647	594	617	583	592
Investment in Subsidiaries	8	8	9	9	148	155	149	150
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	50	63	-	-	48	37	11	55
Goodwill and Intangibles	3,033	3,147	3,530	3,588	3,172	3,328	3,175	3,188
Other Assets Short and Long Term	202	183	310	332	196	186	239	265
Other Assets	-	-	-	-	-	-	-	-
	4,764	4,867	5,755	6,734	5,275	5,483	5,266	5,340
TOTAL ASSETS	**27,962**	**27,328**	**30,109**	**29,639**	**28,443**	**28,952**	**28,947**	**28,493**

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)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LIABILITIES								
Demand Deposits	9,441	9,336	10,209	9,841	10,788	10,684	11,482	11,791
Time Deposits-Retail	13,223	12,464	13,247	13,034	11,401	11,590	10,805	10,155
Time Deposits-Money Market	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-	-
Deposits	**22,664**	**21,800**	**23,456**	**22,875**	**22,189**	**22,273**	**22,287**	21,946
Immediate Redemption Loans	-	-	-	-	-	-	-	-
Short Term Loans	60	75	91	92	89	101	101	96
Long Term Loans	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	**60**	**75**	**91**	**92**	**89**	**101**	**101**	**96**
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	5	6	12	6	4	6	5	5
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	**5**	**6**	**12**	**6**	**4**	**6**	**5**	**5**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Income Tax Payable	-	-	-	-	-	28	40	41
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	101	228	186	233	239	286	385	300
Other Payable Accounts	**101**	**228**	**186**	**233**	**239**	**314**	**425**	**341**
Subordinated Non Convertible Debt	246	242	285	288	264	276	265	267
Deferred Taxes, Net	-	-	41	42	-	-	-	-
Deferred Credits	13	16	16	13	12	11	14	14
TOTAL LIABILITIES	**23,089**	**22,365**	**24,086**	**23,549**	**22,797**	**22,981**	**23,098**	**22,670**
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	344	344	344	344	478	478	478	478
Surplus (Deficit) of Secs Available for Sale	2	128	218	213	224	255	333	245
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Results from Conversions	(153)	(223)	671	731	242	506	278	309
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	12	46	122	134	34	64	92	124
Earned Capital	**205**	**295**	**1,355**	**1,422**	**978**	**1,302**	**1,181**	**1,155**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**4,873**	**4,963**	**6,023**	**6,090**	**5,646**	**5,970**	**5,849**	**5,823**
TOTAL LIABILITIES & EQUITY	**27,962**	**27,328**	**30,109**	**29,639**	**28,443**	**28,952**	**28,947**	**28,493**

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)*	**1Q11**	**2Q11**	**3Q11**	**4Q11**	**1Q12**	**2Q12**	**3Q12**	**4Q12**
Investment banking transactions for third parties, net	-	-	-	-	-	-	-	-
Proprietary Transactions	13	12	10	8	12	14	14	12
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	-	-	-	-	-	-	-	-
Loan Obligations	13	12	10	8	12	14	14	12
Trusts	-	-	-	-	-	-	-	-
Mandates	-	-	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due Loans	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
	13	**12**	**10**	**8**	**12**	**14**	**14**	**12**

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 '12
(Million Pesos)

	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Banorte - Ixe Tarjetas	IXE Banco	Casa de Bolsa Banorte Ixe
Interest Income	32	48,261	1,909	5	461	1,774	-	5,770	8,274
Premium Income (Net)	-	-	-	-	8,521	8,091	-	-	-
Interest Expense	-	20,735	1,186	1	4	-	-	3,270	8,005
Net Increase in Technical Reserves	-	-	-	-	73	8,635	-	-	-
Damages, Claims and Other Obligations	-	-	-	-	6,130	2,152	-	-	-
Net Interest Income (NII)	**32**	**27,526**	**723**	**4**	**2,776**	**(922)**	**-**	**2,500**	**270**
Preventive Provisions for Loan Losses	-	5,573	63	-	-	-	-	435	-
Net Interest Income Adjusted for Credit Risk	32	21,952	660	4	2,776	(922)	-	2,064	270
Loan Origination Fees	-	9,709	19	87	-	-	-	988	1,208
Fees Paid	0	2,415	32	0	1,383	-	-	222	61
Trading Income	10	1,802	-	0	132	1,295	-	612	312
Other Operating Income (Expenses)	0	1,589	76	3	613	(8)	-	149	133
Non Interest Income	**10**	**10,685**	**63**	**91**	**(639)**	**1,287**	**-**	**1,527**	**1,592**
Total Operating Income	**42**	**32,637**	**723**	**95**	**2,137**	**365**	**-**	**3,591**	**1,862**
Administrative and Promotional Expenses	100	20,681	119	35	808	231	-	2,523	1,072
Operating Income	**(58)**	**11,956**	**604**	**60**	**1,329**	**134**	**-**	**1,067**	**790**
Subsidiaries' Net Income	9,299	576	-	0	4	3	-	(34)	0
Pre-Tax Income	9,241	12,532	604	60	1,334	138	-	1,033	791
Income Tax	-	2,699	-	19	371	2	-	277	227
Deferred Income Tax	3	448	-	(3)	38	40	-	38	(37)
Net Income from Continuos Operations	**9,238**	**9,385**	**604**	**43**	**925**	**96**	**-**	**719**	**601**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Minority Interest	-	34	-	(0)	(1)	-	-	-	-
Net Income	**9,238**	**9,419**	**604**	**43**	**924**	**96**	**-**	**719**	**601**

GFNorte - Income Statement as of December '12
(Million Pesos)

	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Interest Income	0	0	427	12	364	67,291	3,183	19	64,127
Premium Income (Net)	-	-	-	-	-	16,612	290	-	16,321
Interest Expense	-	0	336	58	207	33,803	-	2,930	30,873
Net Increase in Technical Reserves	-	-	-	-	-	8,708	-	-	8,708
Damages, Claims and Other Obligations	-	-	-	-	-	8,282	-	224	8,057
Net Interest Income (NII)	**0**	**0**	**91**	**(46)**	**157**	**33,110**	**-**	**-**	**32,810**
Preventive Provisions for Loan Losses	-	-	20	172	752	7,017	-	845	6,172
Net Interest Income Adjusted for Credit Risk	0	0	71	(218)	(595)	26,093	-	(845)	26,637
Loan Origination Fees	877	15	51	-	22	12,977	1,444	7	11,539
Fees Paid	739	0	10	0	1	4,862	-	1,382	3,480
Trading Income	2	-	-	(144)	-	4,020	59	190	4,152
Other Operating Income (Expenses)	6	2	10	(512)	(403)	1,656	414	1,058	2,300
Non Interest Income	**146**	**16**	**51**	**(657)**	**(383)**	**13,791**	**1,917**	**(127)**	**14,510**
Total Operating Income	**146**	**16**	**122**	**(875)**	**(978)**	**39,884**	**1,917**	**(972)**	**41,148**
Administrative and Promotional Expenses	43	15	61	47	144	25,879	1,380	1,724	25,535
Operating Income	**103**	**2**	**61**	**(921)**	**(1,122)**	**14,005**	**-**	**-**	**15,613**
Subsidiaries' Net Income	6	-	-	(0)	0	9,854	9,264	-	590
Pre-Tax Income	109	2	61	(922)	(1,122)	23,859	-	-	16,203
Income Tax	27	3	29	-	-	3,653	-	-	3,653
Deferred Income Tax	1	(2)	(0)	-	(8)	517	69	111	475
Net Income from Continuos Operations	**80**	**1**	**33**	**(922)**	**(1,114)**	**19,689**	**-**	**-**	**12,075**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	(0)	-	-	33	1,220	-	(1,187)
Net Income	**80**	**1**	**33**	**(922)**	**(1,114)**	**19,722**	**17,255**	**7,284**	**10,888**

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 '12

(Million Pesos)

ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Banorte - Ixe Tarjetas	IXE Banco	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	361	64,877	14	3	42	5	-	4,233	880
Margin Accounts	-	109	-	-	-	-	-	387	-
Investment in Securities	-	141,289	-	67	9,191	42,432	-	52,177	101,038
Negotiable Instruments	-	31,199	-	23	4,228	231	-	21,989	65,745
Securities Available for Sale	-	68,382	-	44	-	29	-	22,538	24,916
Securities Held to Maturity	-	41,708	-	-	4,962	42,172	-	7,650	10,377
Debtor Balance in Repo Trans, net	-	5	-	-	489	(0)	-	5,200	-
Securities Lending	-	-	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	12,807	-	-	-	-	-	6,314	-
Transactions with Derivatives For hedging purposes	-	25	-	-	-	-	-	180	-
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-	174	-
Gross Loan Portfolio	-	359,807	17,486	-	-	-	-	28,438	-
Net Loan Portfolio	-	356,916	17,486	-	-	-	-	28,438	-
Performing Loans	-	359,877	17,602	-	-	-	-	28,752	-
Commercial Loans	-	149,278	15,536	-	-	-	-	18,756	-
Financial Intermediaries´ Loans	-	12,720	137	-	-	-	-	3,265	-
Government Entities´ Loans	-	84,618	1,925	-	-	-	-	1,759	-
Consumer Loans	-	41,897	4	-	-	-	-	4,079	-
Mortgage Loans	-	71,364	-	-	-	-	-	893	-
Past Due Loans	-	6,904	154	-	-	-	-	377	-
Commercial PDL´s	-	4,746	94	-	-	-	-	254	-
Financial Intermediaries PDL´s	-	0	-	-	-	-	-	0	-
Government Entities PDL´s	-	-	60	-	-	-	-	-	-
Consumer PDL´s	-	1,376	0	-	-	-	-	97	-
Mortgage PDL´s	-	782	-	-	-	-	-	26	-
Preventive Loan Loss Reserves	-	9,866	271	-	-	-	-	691	-
Acquired Collection Rights	-	2,892	-	-	-	-	-	-	-
Account Receivables from Insurance and Annuities	-	-	-	-	427	458	-	-	-
Premium Debtors (Net)	-	-	-	-	3,062	75	-	-	-
Account Receivables from Reinsurance	-	-	-	-	2,715	-	-	-	-
Benef.receivab.securization transactions	-	870	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	10	20,593	424	68	-	-	-	1,634	695
Inventories	-	-	-	351	-	-	-	-	-
Foreclosed Assets, Net	-	2,243	-	-	8	-	-	314	-
Real Estate, Furniture & Equipment, Net	-	8,516	1,850	67	211	2	-	469	64
Investment in Subsidiaries	69,511	5,096	-	-	1	20	-	3	11
Deferred Taxes, Net	3	-	-	-	104	0	-	227	-
Total other Assets	11,021	11,650	284	22	553	4	-	325	384
Goodwill	9,706	4,073	-	-	-	1	-	-	-
Intangible	1,315	3,312	284	14	-	-	-	286	65
Other Assets	-	4,265	-	8	553	3	-	39	319
TOTAL ASSETS	**80,905**	**627,887**	**20,058**	**578**	**16,803**	**42,998**	**-**	**100,076**	**103,072**

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 '12

(Million Pesos)

ASSETS	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Cash and Due from Banks	1	19	6	2	48	70,491	4	2,016	68,480
Margin Accounts	-	-	-	-	-	496	-	-	496
Investment in Securities	77	-	52	-	-	346,323	166	1,115	345,374
Negotiable Instruments	77	-	-	-	-	123,493	-	259	123,233
Securities Available for Sale	-	-	-	-	-	115,909	-	618	115,291
Securities Held to Maturity	-	-	52	-	-	106,921	166	237	106,849
Debtor Balance in Repo Trans, net	-	-	-	-	-	5,694	-	-	5,694
Securities Lending	-	-	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	-	-	-	-	19,121	-	1,056	18,065
Transactions with Derivatives For hedging purposes	-	-	-	-	-	205	-	4	201
Valuation adjustments for Asset Coverage	-	-	-	-	-	174	-	-	174
Gross Loan Portfolio	-	-	77	213	2,575	408,597	1,236	8,544	401,289
Net Loan Portfolio	-	-	77	54	2,501	405,472	874	8,166	398,180
Performing Loans	-	-	62	84	2,261	408,639	856	8,062	401,433
Commercial Loans	-	-	62	84	1,936	185,651	759	350	186,061
Financial Intermediaries´ Loans	-	-	-	-	-	16,123	-	7,688	8,435
Government Entities´ Loans	-	-	-	-	-	88,303	1	11	88,293
Consumer Loans	-	-	-	-	-	45,979	68	11	46,036
Mortgage Loans	-	-	-	-	325	72,582	27	2	72,608
Past Due Loans	-	-	20	204	907	8,567	18	103	8,481
Commercial PDL´s	-	-	17	204	850	6,165	13	39	6,138
Financial Intermediaries PDL´s	-	-	4	-	-	4	-	-	4
Government Entities PDL´s	-	-	-	-	-	60	0	-	60
Consumer PDL´s	-	-	-	-	-	1,473	2	9	1,467
Mortgage PDL´s	-	-	-	-	57	865	3	56	812
Preventive Loan Loss Reserves	-	-	5	234	667	11,734	-	-	11,734
Acquired Collection Rights	-	-	-	159	74	3,125	362	379	3,109
Account Receivables from Insurance and Annuities	-	-	-	-	-	884	-	-	884
Premium Debtors (Net)	-	-	-	-	-	3,137	-	-	3,137
Account Receivables from Reinsurance	-	-	-	-	-	2,715	-	-	2,715
Benef.receivab.securization transactions	-	-	-	-	13	882	-	-	882
Sundry Debtors & Other Accs Rec, Net	103	13	24	1	3	23,569	62	534	23,097
Inventories	-	-	-	-	-	351	-	-	351
Foreclosed Assets, Net	-	-	0	115	259	2,939	201	201	2,939
Real Estate, Furniture & Equipment, Net	0	1	621	5	6	11,813	212	38	11,986
Investment in Subsidiaries	126	-	-	12	-	74,779	767	70,376	5,170
Deferred Taxes, Net	1	-	28	36	99	497	141	638	-
Total other Assets	3	4	55	2	32	24,338	2,696	1,403	25,631
Goodwill	-	-	-	-	-	13,780	2,693	1,117	15,356
Intangible	1	4	55	2	30	5,368	-	-	5,368
Other Assets	2	-	-	-	2	5,191	3	287	4,908
TOTAL ASSETS	310	37	863	387	3,034	997,007	5,485	85,925	916,567

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 '12 *(Million Pesos)* LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Banorte - Ixe Tarjetas	IXE Banco	Casa de Bolsa Banorte Ixe
Deposits	**-**	**385,981**	**600**	**-**	**-**	**-**	**-**	**39,888**	**-**
Demand Deposits	**-**	**195,029**	**-**	**-**	**-**	**-**	**-**	**16,465**	**-**
Time Deposits	**-**	**186,985**	**-**	**-**	**-**	**-**	**-**	**23,423**	**-**
Time Deposits-Retail	-	165,085	-	-	-	-	-	23,423	-
Time Deposits-Money Market	-	21,900	-	-	-	-	-	-	-
Senior Unsecured Debt	**-**	**3,967**	**600**	**-**	**-**	**-**	**-**	**-**	**-**
Due to Banks & Correspondents	**-**	**17,169**	**15,908**	**287**	**-**	**-**	**-**	**5,888**	**-**
Immediate Redemption Loans	-	425	-	-	-	-	-	-	-
Short Term Loans	-	12,386	11,509	287	-	-	-	5,886	-
Long Term Loans	-	4,358	4,399	-	-	-	-	2	-
Technical Reserves	**-**	**-**	**-**	**-**	**10,235**	**41,487**	**-**	**-**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**108,153**	**-**	**-**	**-**	**-**	**-**	**36,366**	**99,511**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**36**	**-**	**-**	**-**	**-**	**-**	**-**	**1**
Transactions with Derivatives for trading purposes	**-**	**12,271**	**-**	**-**	**-**	**-**	**-**	**6,418**	**-**
Transactions with Derivatives for hedging purposes	**-**	**4,464**	**-**	**-**	**-**	**-**	**-**	**145**	**-**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**-**	**805**	**-**	**-**	**-**	**-**
Other Payable Accounts	**754**	**19,190**	**470**	**23**	**2,511**	**191**	**-**	**2,900**	**974**
Income Tax Payable	-	830	-	2	419	2	-	287	209
Profit Sharing Payable	-	635	-	-	-	-	-	76	22
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	6,985	-	-	-	-	-	1,001	439
Obligations in securitization transactions	-	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	754	10,739	470	21	2,092	189	-	1,535	304
Subordinated Non Convertible Debt	**-**	**16,292**	**-**	**-**	**-**	**-**	**-**	**3,164**	**-**
Deferred Taxes, Net	**-**	**824**	**-**	**2**	**-**	**147**	**-**	**-**	**12**
Deferred Credits	**-**	**2,559**	**97**	**-**	**-**	**-**	**-**	**140**	**-**
TOTAL LIABILITIES	**754**	**566,939**	**17,075**	**312**	**13,551**	**41,825**	**-**	**94,909**	**100,498**
EQUITY									
Subscribed Capital	**31,608**	**13,980**	**306**	**87**	**709**	**325**	**-**	**4,042**	**1,198**
Paid-in Capital	13,098	11,488	306	87	709	325	-	3,239	1,123
Share Subscription Premiums	18,511	2,492	-	-	-	-	-	802	75
Earned Capital	**48,543**	**46,959**	**2,677**	**178**	**2,522**	**848**	**-**	**1,124**	**1,376**
Capital Reserves	3,399	6,473	341	30	376	121	-	230	185
Retained Earnings	37,032	32,632	1,733	103	1,176	632	-	44	280
Surplus (Deficit) of Secs Available for Sale	1,914	1,645	-	2	46	(2)	-	129	284
Results from Valuation of Hedging Secs	(2,493)	(2,628)	-	-	-	-	-	2	-
Results from Conversions	(547)	(582)	-	-	-	-	-	-	26
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	9,238	9,419	604	43	924	96	-	719	601
Minority Interest	-	10	-	0	20	-	-	-	-
Total Equity	**80,151**	**60,949**	**2,983**	**265**	**3,252**	**1,173**	**-**	**5,166**	**2,574**
TOTAL LIABILITIES & EQUITY	**80,905**	**627,887**	**20,058**	**578**	**16,803**	**42,998**	**-**	**100,076**	**103,072**

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 '12

(Million Pesos)

LIABILITIES	IXE Fondos	IXE Servicios	IXE Automotriz	IXE Soluciones	Fincasa Hipotecaria	Total	Charges	Credits	Final Balance
Deposits	-	-	-	-	-	426,469	2,144	-	424,325
Demand Deposits	-	-	-	-	-	211,495	324	-	211,171
Time Deposits	-	-	-	-	-	210,407	1,820	-	208,588
Time Deposits-Retail	-	-	-	-	-	188,508	1,453	-	187,055
Time Deposits-Money Market	-	-	-	-	-	21,900	367	-	21,533
Senior Unsecured Debt	-	-	-	-	-	4,567	-	-	4,567
Due to Banks & Correspondents	-	-	446	884	3,139	43,721	7,825	8	35,904
Immediate Redemption Loans	-	-	-	-	-	425	130	-	295
Short Term Loans	-	-	388	884	2,971	34,311	6,683	-	27,628
Long Term Loans	-	-	58	-	167	8,985	1,011	8	7,982
Technical Reserves	-	-	-	-	-	51,722	-	-	51,722
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	-	-	-	-	244,030	-	-	244,030
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	-	-	37	-	-	37
Transactions with Derivatives for trading purposes	-	-	-	-	-	18,689	1,056	-	17,632
Transactions with Derivatives for hedging purposes	-	-	-	-	-	4,610	4	-	4,606
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	-	-	805	-	-	805
Other Payable Accounts	99	14	66	14	96	27,302	1,344	7	25,965
Income Tax Payable	11	2	24	-	-	1,786	-	-	1,786
Profit Sharing Payable	-	1	0	-	2	738	-	-	738
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	8,425	12	-	8,413
Obligations in securitization transactions	-	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	88	11	42	14	94	16,353	1,332	7	15,027
Subordinated Non Convertible Debt	-	-	-	-	-	19,455	-	-	19,455
Deferred Taxes, Net	-	-	-	-	-	984	638	632	978
Deferred Credits	-	-	41	5	36	2,879	282	-	2,597
TOTAL LIABILITIES	99	14	552	903	3,271	840,703	13,292	646	828,057
EQUITY									
Subscribed Capital	112	24	220	577	845	54,034	22,815	172	31,391
Paid-in Capital	112	24	220	577	845	32,155	19,083	-	13,072
Share Subscription Premiums	-	-	-	-	-	21,880	3,732	172	18,320
Earned Capital	98	(2)	88	(1,094)	(1,082)	102,237	54,750	3,002	50,489
Capital Reserves	6	2	23	0	44	11,232	7,833	-	3,399
Retained Earnings	12	(4)	32	(172)	(12)	73,487	36,818	975	37,644
Surplus (Deficit) of Secs Available for Sale	-	-	(0)	-	-	4,018	2,419	-	1,598
Results from Valuation of Hedging Secs	-	-	-	-	-	(5,119)	(2,626)	-	(2,493)
Results from Conversions	-	-	-	-	-	(1,103)	(556)	-	(547)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-	-
Net Income	80	1	33	(922)	(1,114)	19,722	10,861	2,027	10,888
Minority Interest	0	-	3	-	-	33	-	6,595	6,628
Total Equity	211	22	311	(517)	(236)	156,304	77,565	9,770	88,509
TOTAL LIABILITIES & EQUITY	310	37	863	387	3,034	997,007	90,856	10,416	916,567

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

ACCOUNTING CHANGES AND REGULATIONS

- **Reclassification of securities in Foreign Currency of the Securities Held to Maturity heading to Securities Held for Sale.**

On December 2012, Banco Mercantil del Norte reclassified a portfolio of securities in Foreign Currency of the Securities Held to Maturity heading to Securities Held for Sale, integrated by Mexican Government Securities (UMS) and PEMEX bonds amounting to USD 418.5 million and EUR 19.9 million. This reclassification aimed to improve capitalization ratios and according to the B-2 criteria of "Investment in securities", Banco Mercantil del Norte will not be able to classify securities acquired since that moment and until December 31st, 2014 under the "Securities Held to Maturity" heading.

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

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

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

The criterion establishes the applicable treatment for restructuring and renewal of credit and clarifies the conditions for considering a loan as a current or expired. This amendment came into force on 1 March 2012. The main changes to the criteria listed below:

The criteria establishes the applicable treatment for restructuring and renewal of credit and clarifies the conditions for considering a loan as a performing or non-performing. This amendment came into effect on March 1st 2012. The main changes to the criteria are listed below:
• Fees for restructuring or renewal of credit shall be deferred during the term of the loan.
• In order to consider "Sustainable Payment" loan repayments should cover at least 20% of the principal or the total amount of any interest payments under the restructuring scheme or when renewals were due.
• Establishes that if through a restructuring or renewal various granted loans are consolidated into one credit with the same terms and conditions, the worst one must be used for treatment of claims involved.
• To demonstrate sustained payment, the Parent Company shall make available to the Commission evidence to support that the borrower has the capacity to pay.
• Includes treatment for loans with amortization of principal and interest which shall be periodically restructured or renewed without having passed 80% of the original term, also mentions the treatment during the final 20% of the original term.
• Clarifies the conditions under which the original credit is subject to change without restructuring being considered.

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

On October 5th, 2011, the CNBV published a resolution modifying the general applicable dispositions to Credit Institutions amending the qualification rating methodology for the commercial loan portfolio granted to federal entities and their municipalities. This resolution modifies the current model for reserves based on public qualifications, in order to establish a methodology which qualifies and reserves the portfolio based on potential expected losses for the next following 12 months taking into consideration the probability of non-fulfillment, severity of the loss and exposure to each client's non fulfillment which is in Annex 18 of the mentioned Resolution. The resolution came into effect on October 6th, 2011. GFNorte opted to apply the methodology as of September 30th, 2011 in the case of the Banorte loan portfolio and as of December 31st for the other subsidiaries.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **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.

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

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. At 1Q12 results in a net positive effect in the financial statements of the holding company of Ps 15 million. In 2Q12 a positive net effect results in the financial statements of the holding company of Ps. 22 million. In 3Q12 a positive net effect results in the financial statements of the holding company of $25 million. In 4Q12 a positive net effect results in the financial statements of the holding company of $31 million.

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

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

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

As at December 31st, 2012, the total amount of the Federal Government's payment obligations with respect to commercial loans amounted to $84, which includes $82 corresponding to the conditioned discount portion derived from loans denominated in local currency and in UDIS, and $2 related to the discount applied to loans referred to in number 3.1.2 of Circular 1430.

As at December 31st, 2012, the Federal Government's obligations under the Agreement were:

	Payment date	Amount
Third amortization	June 1st, 2013	$28
Fourth amortization	June 1st, 2014	28
Fifth amortization	June 1st, 2015	28
		$84

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

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

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

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

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

The amount corresponding to the repurchase of SPECIAL CETES was $13, the outstanding balance of SPECIAL CETES that has not been repurchased by the Federal Government as at December 31st, 2012 is 818 with maturities of between 2017 and 2027.

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

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

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

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

	Local Currency			Foreign Currency (USD)			Total		
(Million of Nominal Pesos)	Aug-02	Sep-12	Dec-12	Aug-02	Sep-12	Dec-12	Aug-02	Sep-12	Dec-12
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	13	13	0	0	0	54	13	13
Total	**59**	**13**	**13**	**5**	**0**	**0**	**64**	**13**	**13**
Non Performing Loans									
Commercial	405	301	300	293	108	109	698	409	409
Consumer	81	72	72	0	0	0	81	72	72
Mortgage	1,112	291	282	0	0	0	1,112	291	282
Total	**1,598**	**664**	**654**	**293**	**108**	**109**	**1,891**	**772**	**763**
TOTAL LOANS	**1,657**	**677**	**667**	**298**	**108**	**109**	**1,955**	**785**	**776**
Loan Loss Reserves (1)									
Commercial	326	301	300	246	108	109	572	409	409
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	300	288	0	0	0	669	300	288
Total	**1,072**	**673**	**660**	**246**	**108**	**109**	**1,318**	**781**	**769**

(1) Reserve requirements using the same classification method used for the bank.
(*)There was a Reserve deficit of Ps 31 million as of December 2012.
(*) The dollar portfolio and reserves are re-expressed in pesos.
(*) Local Currency includes UDIS valued at the new exchange rate.
(*) Banorte has a 99.99% stake in Sólida.

In 4Q12 the Loan portfolio showed changes due to: collections of Ps $4.7 million, repossessed assets of Ps $1.8 million, restructurings of Ps $0.8 million and there were charge offs and discounts of Ps. $20.0 million. In the Loan loss provisions, there were charge offs and discounts of Ps $4.4 million. There were transfers from performing loans to past due loans of Ps $0.3 million and transfers from past due loans to performing loans of Ps $0.6 million.

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

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

	Local Currency (1)		Foreign Currency (USD) (2)		Total	
(Million of Nominal Pesos)	Sep-12	Dec-12	Sep-12	Dec-12	Sep-12	Dec-12
Performing Loans						
Commercial	226,763	240,749	18,920	16,722	245,683	257,471
Consumer	23,296	25,180	0	0	23,296	25,180
Mortgage	66,978	69,735	0	0	66,978	69,735
Government	0	0	0	0	0	0
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**317,037**	**335,664**	**18,920**	**16,722**	**335,957**	**352,386**
Non Performing Loans						
Commercial	3,931	4,530	417	559	4,348	5,089
Consumer	555	584	0	0	555	584
Mortgage	1,033	1,030	0	0	1,033	1,030
Government	0	0	0	0	0	0
Non Performing Loans	**5,519**	**6,144**	**417**	**559**	**5,936**	**6,703**
TOTAL LOANS	**322,556**	**341,808**	**19,337**	**17,281**	**341,893**	**359,089**
Loan Loss Reserves	**7,192**	**7,783**	**461**	**471**	**7,653**	**8,254**
Net Loan Portfolio	**315,364**	**334,025**	**18,876**	**16,810**	**334,240**	**350,835**
Loan Loss Reserves					**129%**	**123%**
% Past Due Loans					**1.74%**	**1.87%**

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 4Q12

(Million Pesos)

NEGOTIABLE INSTRUMENTS	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government Securities	94,911	532	95,480	37
Unrestricted	4,616	19	4,637	2
Cetes	1,365	11	1,377	1
Bonds	280	3	282	(0)
Bondes	2,477	4	2,482	1
Bpas	329	0	329	0
Brems	-	-	-	-
UMS	10	0	10	0
Udibonds	154	0	154	0
Stock Certificates	3	0	3	(0)
Restricted	90,295	513	90,843	35
Cetes	2,800	-	2,800	(0)
Bonds	63,450	375	63,855	29
Bondes	1,995	5	2,002	1
Bpas	20,568	131	20,694	(5)
Brems	-	-	-	-
UMS	-	-	-	-
Udibonds	1,010	1	1,009	(2)
Stock Certificates	471	1	484	12
Banking Securities	21,807	30	21,885	47
Unrestricted	4,413	11	4,429	5
Notes	1,354	9	1,363	0
CEDES	269	0	269	0
Bonds	-	-	-	-
Stock Certificates	1,918	2	1,920	(0)
Other Banking Securities	872	0	877	5
Restricted	17,394	19	17,455	42
Notes	257	-	258	1
CEDES	3,185	3	3,187	(0)
Other Banking Securities	2,731	5	2,744	9
Stock Certificates	11,222	12	11,267	33
Private	5,578	17	5,601	6
Unrestricted	2,106	10	2,079	(37)
Commercial Paper Pesos	0	-	0	0
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	3	0	3	0
EUROBONDS	296	4	320	20
Stock Certificates	1,396	5	1,394	(8)
Subordinated paper	-	-	-	-
Securities	301	-	254	(47)
Other securities	111	-	109	(2)
Restricted	3,472	7	3,522	43
Stock Certificates	2,092	3	2,122	27
PEMEX	-	-	-	-
Other	1,379	5	1,400	16
Foreign Government	1	0	1	(0)
Unrestricted	1	0	1	(0)
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	1	0	1	(0)
Other securities	-	-	-	-
Restricted	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	-	-	-	-
Other securities	-	-	-	-
Shares listed in the SIC	151	-	155	4
Guarantee (collateral) for futures	-	-	-	-
Mutual Funds	109	-	112	2
Total	122,558	579	123,233	97

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

SECURITIES HELD FOR SALE 4Q12 (Million Pesos)				
SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government Securities	85,032	661	86,243	549
Unrestricted	13,354	41	13,686	291
Government Securities	12,811	31	13,094	252
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	-	-	0	0
Udibonds	20	0	29	9
Mexican Government Securities (UMS)	396	10	433	28
Treasury Bonds	-	-	-	-
Treasury Notes	127	1	129	1
Restricted	71,678	620	72,557	259
Government Securities	-	-	-	-
Bonds	7,102	17	7,131	13
Bondes	26,287	52	26,305	(34)
Bpas	35,338	493	35,785	(47)
Mexican Government Securities (UMS)	2,120	56	2,502	326
Treasury Bonds	-	-	-	-
Treasury Notes	832	3	834	(0)
Banking Securities	7,259	12	7,248	(23)
Unrestricted	213	-	201	(12)
Stock Certificates	-	-	-	-
CEDES	-	-	-	-
Structured Notes	213	-	201	(12)
Restricted	7,046	12	7,047	(11)
CEDES	1,627	3	1,630	(0)
Stock Certificates 94	5,419	9	5,417	(10)
Private	20,279	168	21,800	1,353
Unrestricted	1,681	28	1,871	162
GFNorte's Stock	-	-	-	-
BMV's Stock	-	-	-	-
Private company bonds	-	-	-	-
EUROBONDS	366	9	389	14
Stock Certificates	593	5	597	(0)
PEMEX	619	14	650	18
CPO	-	-	-	-
Other securities	104	0	236	131
Restricted	18,597	140	19,928	1,191
GFNorte's Stock	-	-	-	-
BMV's Stock	-	-	-	-
Private company bonds	1,151	8	1,313	154
EUROBONDS	-	-	-	-
Stock Certificates 91	3,328	14	3,348	6
PEMEX	5,363	118	6,243	761
Mutual Funds	8,477	-	8,519	41
Total	112,570	842	115,291	1,879

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 4Q12 (Million Pesos) Securities Held to Maturity	BOOK VALUE	INTEREST	MARKET VALUE	UNREALIZED GAIN (LOSS)
Special Cetes	828	0	828	-
Government Securities	75,689	298	75,987	-
Unrestricted	34,769	46	34,815	-
Cetes	1	0	1	-
Bonds	964	4	968	-
Bondes	208	2	209	-
Bpas	403	0	403	-
UMS	-	-	-	-
Udibonds	32,739	38	32,777	-
Stock Certificates	453	3	456	-
Restricted	40,920	252	41,172	-
Cetes	-	-	-	-
Bonds	0	0	0	-
Bondes	1,092	4	1,096	-
Bpas	39,827	249	40,076	-
UMS	-	-	-	-
Udibonds	0	-	0	-
Stock Certificates	0	-	0	-
Banking Securities	5,945	857	6,802	-
Unrestricted	5,041	855	5,896	-
Notes	791	65	856	-
CEDES	1,413	700	2,113	-
Bonds	-	-	-	-
Stock Certificates	1,438	19	1,457	-
Other Banking Securities	1,339	71	1,410	-
Subordinated Paper	60	0	60	-
Restricted	904	3	906	-
Notes	-	-	-	-
CEDES	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	801	2	804	-
Other Banking Securities	103	0	103	-
Private	23,068	401	23,469	-
Unrestricted	13,074	375	13,449	-
Bonds	-	-	-	-
Securities	-	-	-	-
PEMEX	330	8	338	-
EUROBONDS	440	8	447	-
Stock Certificates	12,296	359	12,655	-
Other securities	8	0	8	-
XXXXXXXXXXXXX	-	-	-	-
Sructured Notes	-	-	-	-
Restricted	9,994	26	10,020	-
Bonds	-	-	-	-
PEMEX	-	-	-	-
EUROBONDS	-	-	-	-
Stock Certificates	9,548	24	9,572	-
Sructured Notes	447	2	448	-
Other Debt Securities	-	-	-	-
Government Securities	-	-	-	-
Subordinated paper	(237)	-	(237)	-
Total	105,293	1,557	106,849	-

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

REPURCHASE AGREEMENT OPERATIONS 4Q12 (Million Pesos)					
	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
SALES	**RECEIVABLES ON**	**SECURITIES TO BE**	**GLOBAL POSITION**	**ASSET BALANCE**	**LIABILITY BALANCE**
Goverment Securities	-	200,591	(200,591)	-	200,591
Banking Securities	-	25,290	(25,290)	-	25,290
Private Securities	-	18,150	(18,150)	-	18,150
Total	**-**	**244,030**	**(244,030)**	**-**	**244,030**
	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
PURCHASES	**RECEIVABLES ON REPURCHASE**	**SECURITIES TO BE DELIVERED**	**GLOBAL POSITION**	**ASSET BALANCE**	**LIABILITY BALANCE**
Goverment Securities	50,951	45,263	5,689	5,689	1
Banking Securities	5,544	5,549	(5)	-	5
Private Securities	4,297	4,323	(26)	5	31
Total	**60,792**	**55,134**	**5,657**	**5,694**	**37**
					244,067

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

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 4Q12 (Million Pesos)					
INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR BALANCE	CREDITOR BALANCE
FUTURES					
Futures' Rates	99,198	(99,200)	(2)	-	-
Over Inflation (INPC)	-	-	-	-	-
Total	99,198	(99,200)	(2)	3	5
FORWARD FX	AGREED PRICE	MARKET VALUE	VALUATION		
Negotiable					
Purchases	6,300	(6,590)	(289)	-	-
Sells	(6,274)	6,578	304	-	-
Total	26	(12)	14	223	209
Hedging					
Purchases	-	-	-	-	-
Sells	-	-	-	-	-
Total	-	-	-	-	-
SWAPS					
Negotiable					
Capital	76,980	(77,160)	(180)	-	-
Interest Rate	1,437	(1,454)	(17)	-	-
Valuation	96,099	(95,684)	415	-	-
Subtotal	174,516	(174,298)	218	18,256	18,039
Hedging					
Capital	10,308	(11,429)	(1,122)		-
Interest Rate	141	(366)	(224)	-	-
Valuation	8,244	(11,309)	(3,065)	-	-
Subtotal	18,693	(23,104)	(4,411)	199	4,610
OPTIONS					
Negociable - Assets					
Swaptions	-	-	-	-	-
Rate Options	1,141	(503)	638	-	-
Fx	-	-	-	-	-
Index Options (IPC)	-	-	-	-	-
Total	1,141	(503)	638	638	-
Hedging - Assets					
Swaptions	-	-	-	-	-
Rate Options	110	(104)	6	-	-
Index Options (IPC)	-	-	-	-	-
Total	110	(104)	6	6	-
Negotiable - Liability					
Swaptions	-	-	-	-	-
Fx	(1)	0	(0)	-	-
Rate Options Fx	(971)	536	(435)	-	-
Index Options (IPC)	-	-	-	-	-
Total	(971)	536	(435)	-	435
Intercompany Operations	-	-	-	-	-
Negotiable	-	-	-	(1,056)	(1,056)
Hedging	-	-	-	(4)	(4)
Debtor Balance				18,266	-
Creditor Balance				-	22,238

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 4Q12- Banorte (Million Pesos)			
PRODUCT	**TYPE**	**UNDERLYING**	**NOTIONAL**
FX Forwards	Purchases	Exchange Rate (Dollar)	2,539
FX Forwards	Sales	Exchange Rate (Dollar)	2,514
FX Options	Purchases	Exchange Rate (Dollar)	-
FX Options	Sales	Exchange Rate (Dollar)	14
Interest Rate Options	Purchases	TIIE	57,977
Interest Rate Options	Sales	TIIE	76,748
Interest Rate Options	Purchases	LIBOR	1,631
Interest Rate Options	Sales	LIBOR	1,590
Interest Rate Options	Swaption Purchases	LIBOR	-
Interest Rate Swaps	USD LIBOR S 3M	LIBOR	98,266
Interest Rate Swaps	MXN TIIE	TIIE	513,136
FX Swaps	CS EURMXN	FIX/FIX	1,347
FX Swaps	CS UDIMXN	UDI	170
FX Swaps	CS USDCETE	CETE	1,142
FX Swaps	CS USDMXN	FIX/FIX	35,282

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q12- Ixe (Million Pesos)			
PRODUCT	**TYPE**	**UNDERLYING**	**NOTIONAL**
FX Forwards	Purchases/ Sales	Exchange Rate (Dollar)	5,060
FX Forwards	Purchases/ Sales	Exchange Rate (EUR)	42
FX Forwards	Purchases/ Sales	Exchange Rate (CAD)	183
FX Options	Purchases	Exchange Rate (Dollar)	-
FX Options	Sales	Exchange Rate (Dollar)	-
Interest Rate Options	Purchases/ Sales	TIIE	21,676
Interest Rate Options	Purchases/ Sales	LIBOR	788
Interest Rate Swaps	USD LIBOR	LIBOR 3M,6M	5,569
Interest Rate Swaps	MXN TIIE	TIIE	222,688
FX Swaps	CS USDMXN	FIX/VARIABLE	13,473
FX Swaps	Purchases/ Sales	Exchange Rate (Dollar)	2,562
FX Swaps	Purchases/ Sales	Exchange Rate (EUR)	49
FX Swaps	Purchases/ Sales	Exchange Rate (CAD)	36

LOAN PORTFOLIO (Million Pesos)	Local Currency		UDIS		Foreign Currency		Total	
	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12
Performing Loans								
Commercial Loans	139,895	157,200	-	-	29,128	28,860	169,023	186,061
Financial Intermediaries´ Loans	10,913	7,573	-	-	647	862	11,560	8,435
Consumer Loans	34,028	45,858	-	-	218	178	34,246	46,036
Mortgage Loans	62,139	70,793	218	172	2,211	1,643	64,567	72,608
Government Entities´ Loans	71,162	88,210	-	-	1	83	71,162	88,293
Total	**318,136**	**369,635**	**218**	**172**	**32,204**	**31,626**	**350,557**	**401,433**
Past Due Loans								
Commercial Loans	4,190	5,614	7	7	487	517	4,684	6,138
Financial Intermediaries´ Loans	1	4	-	-	-	-	1	4
Consumer Loans	1,286	1,466	-	-	-	1	1,286	1,467
Mortgage Loans	811	769	12	10	144	34	967	812
Government Entities´ Loans	11	60	-	-	-	-	11	60
Total	**6,299**	**7,913**	**19**	**16**	**631**	**552**	**6,949**	**8,481**
Total Propietary Loans	**324,435**	**377,548**	**236**	**188**	**32,835**	**32,177**	**357,506**	**409,914**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q12- GFNorte (Million Pesos)	TOTAL	
	PERIOD COST	PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	14.0	0.0
Mortgage FOVI	-	-
	14.0	**0.0**

At closing of this quarter the balance in debtors support programs totaled Ps 14 million without a cost for the period.

- **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	4,753
Total Loans	439,559
Distressed Portfolio / Total Loans	**1.1%**

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

DEFERRED TAXES 4Q12 (Million Pesos)			
ASSETS	INCOME TAX	PROFIT SHARING	NET
Excess of preventive reserves accounts over the fiscal limit	249	103	**352**
Ixe's AAA Portfolio	46	-	**46**
Non deductible provisions and cumulative income	190	61	**251**
Excess of accounting value over fiscal value on Reposessed Assets	568	56	**624**
Diminishable profit sharing	209	83	**291**
Fees received in advance	288	31	**319**
Tax losses pending amortization	810	-	**810**
Provisions for possible loss in loans	543	-	**543**
Earnings per Society	-	-	**-**
State Tax on Assets Deferred	8	-	**8**
Loss on sale of foreclosed assets and credits	-	-	**-**
Decline in value of real estate	-	-	**-**
Interest on Loans	-	-	**-**
Reserve for employee retirement benefits	5	-	**5**
Current Account Agents	12	-	**12**
Reserve for additional compensation to agents	9	-	**9**
Diverse Creditors	123	-	**123**
Decrease for securities' valuation	22	-	**22**
Charge-off's Estimates	31	-	**31**
Tax loss on share sale	32	-	**32**
Additional Obligations for Employee benefits	1	-	**1**
Other	28	1	**29**
Total Assets	3,175	335	**3,510**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	-	-	**-**
Pension Funds Contribution	(908)	(270)	**(1,178)**
Loan Portfolio Acquisitions	(329)	(91)	**(420)**
Projects to be capitalized	(446)	(106)	**(551)**
Effects from valuation of instruments	(99)	(34)	**(133)**
Dividends Federal Home Loan Bank	(6)	-	**(6)**
Intangibles' amortizations	-	-	**-**
Unrealized Loss on Securities held for Sale	-	-	**-**
Reversal of Sale Costs	-	-	**-**
Increase for securities' valuation	(1,027)	-	**(1,027)**
Receivable interest from securities	(15)	-	**(15)**
Investment of reserves for obligations	(1)	-	**(1)**
Current Account Agents	(20)	-	**(20)**
Savings' Inventory	(11)	-	**(11)**
Savings' Inventory	(1,008)	-	**(1,008)**
Other	(116)	-	**(116)**
Total Liabilities	(3,987)	(501)	**(4,488)**
Assets (Liabilities) Accumulated Net	(813)	(166)	**(978)**

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 DECEMBER '12- BANCO MERCANTIL

(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	2,598	15 years	6.862%	13-apr-21	E/180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	3,896	5 years	4.375%	19-jul-15	E/180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	11-mar-08	3,000	3,000	3,000	10 years	TIIE + 0.60%	27-feb-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	27-jun-08	2,750	2,750	2,750	10 years	TIIE + 0.77%	15-jun-18	E/28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	11-mar-08	447	1,749	2,180	20 years	4.950%	15-feb-28	E/180 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	30-mar-09	2,200	2,200	2,200	10 years	TIIE + 2.00%	18-mar-19	E/28 days
Non Convertible Subordinated Bonds Q Banorte 12	MXN	08-jun-12	3,200	3,200	3,200	10 años	TIIE + 1.50%	27-may-22	E/28 days

LONG TERM DEBT AS OF DECEMBER '12- IXE BANCO

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Perpetual Non-Cumulative Subordinated Non-Preferred Callable Notes	USD	26-feb-07	120	1,325	1,559	Perpetual	9.75%	26-feb-49	E/90 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,559	10 años	9.25%	14-oct-20	E/180 days

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

BANK AND OTHER ENTITIES LOANS' AS OF 4Q12 (Million Pesos)	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
LOANS FROM LOCAL BANKS		425	425
LOANS FROM LOCAL BANKS - Banco Mercantil		425	425
LOANS FROM LOCAL BANKS - Ixe Banco		-	-
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY		-	-
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY		96	96
LOANS FROM DEVELOPMENT BANKS	14,557	2,711	17,268
LOANS FROM PUBLIC FUNDS	7,016	420	7,436
CALL MONEY & LOANS FROM BANKS	18,217	-	18,217
LOANS FROM FIDUCIARY FUNDS	212		212
PROVISIONS FOR INTEREST		67	67
	40,002	**3,719**	**43,721**
ELIMINATIONS			(7,817)
Total			**35,905**

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

TRADING INCOME 4Q12 *Million Pesos*	
VALUATION EFFECTS	
Negotiable Instruments	1,360
Repurchase Agreements	-
Derivative instruments	717
Futures	(74)
From repo transactions	-
Range	-
Inflation Adjustment	-
Total	**2,003**
Dividends Received	**(157)**
Negotiable Instruments	800
Securities Held for Sell	260
Securities Held to Maturity	15
Derivative Operations	(161)
Inflation Adjustment	-
Total of Buying and Selling Instruments	914
FX Spot	1,362
FX Forwards	-
FX Futures	-
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	29
Intermediation of metals	7
Changes in valuation of metals	(7)
Intermediation of received collateral	0
Total Foreign Exchange	1,391
Inflation Adjustment	**-**
Total of Buying and Selling	**2,305**
Total Trading Income	**4,152**

- **Risk Management**

AUTHORIZED ORGANS

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

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

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

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

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

2. Approve and review at least once a year:

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

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

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

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

6. Report to the Board on corrective actions taken.

UNIT FOR COMPREHENSIVE RISK ADMINISTRATION (UAIR)

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

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

The GDAR routes 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.

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, 2012, the Banco Mercantil del Norte total portfolio was Ps 358.31 billion. The expected loss represents 1.3% and the unexpected loss is 2.9% with respect to the total portfolio. The average expected loss is 1.3% during the period between October-December 2012.

Banorte- Ixe's Brokerage House, the credit exposure of investments is Ps 100.04 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between October-December 2012.

The total portfolio of Arrendadora and Factor is Ps 19.61 billion. Prospective losses represent 0.7% and unforeseen losses 2.8% of the total portfolio. The prospective loss average represents 0.7% in the period of October-December 2012.

The total portfolio of IXE Banco was Ps 29.13 billion to December 31st, 2012. The estimated loss of the portfolio represents 2.4% and the unexpected loss 0.3%. The estimated loss average for the period of October-December 2012 was 2.5%.

The total portfolio of IXE Automotriz including pure lease is Ps. 701 million. The estimated loss represents 0.7% and the unexpected loss 0.3% both with regard to the total portfolio. The estimated loss average represents 2.0% for the period of October-December 2012.

The total portfolio of Fincasa Hipotecaria (Mortgages) is Ps. 3.17 billion . The estimated loss represents 21.0% and the unexpected loss 28.0% both with regard to the total portfolio. The estimated loss average represents 11.4% for the period of October-December 2012.

The total portfolio of IXE Soluciones is Ps 288 million. The estimated loss represents 81.3% and the unexpected loss 58.8% both with regard to the total portfolio. The estimated loss average represents 62.5% for the period of October-December 2012.

The total portfolio of Banorte-Ixe Tarjetas is Ps 17.48 billion. The estimated loss represents 10.3% and the unexpected loss 10.8% both with regard to the total portfolio. The estimated loss average represents 10.6% for the period of October-December 2012.

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, 2012, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 125.99 billion, of which 99.6% 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 15% of the Basic Capital as of September 2012. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of September 2012 has a higher or similar rating to AA (mex) and is comprised of (average considered term, amount in million of pesos and rate): bond certificates from Pemex to 5 years and 2 months for Ps. 11.083 to 3.5%; and Inbursa market and deposits certificates for 1 year and 2 months for Ps 5,696 at 4.9%; Banco Santander deposits and market certificates for 2 years and 2 months for Ps. 2,990 at 5.0%, and State and Municipal Government loan securitization certificates for 24 years and 5 months for Ps 3,466 at 6.1%.

The exposure of Derivatives is Ps 3.92 billion, of which 98.9% 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 2012.

As of December 31st, 2012, exposure to credit risk for Securities Investments of Casa de Bolsa Banorte-Ixe was Ps 100.03 billion, of which 100% 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 23% of the Basic Capital as of September 2012. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of September 2012 has a higher or similar rating to A-(mex) and is comprised of (average considered term, amount in million of pesos and rate): Banco Inbursa market certificates to 1 year and 10 months for Ps. 1,439 at 5.0%; Scotiabank Inverlat market certificates for 2 years and 10 months for Ps 937 at 5.1%; deposits certificates of Banco del Banjio to 3 months for Ps 499 at 5.0%; Deutsche Bank bonds to 10 years and 7 months for Ps 369 at 10.0%; bond certificates from Pemex to 2 years and 4 months for Ps. 312 to 4.9%; Banco Interacciones market certificates to 1 year and 2 months for Ps 192 at 5.9%; Banco Azteca promissory notes to 1 month for Ps. 184 to 4.6% andCFE market deposits for 7 years and 8 months for Ps 151 at 5%. 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 18.78 billion to December 31st, 2012. Of the total, 8.4% is in securities with government and quasi-government tallies; 77.4% with bank tallies and 14.2% with private tallies.

The risk exposure of derivatives at closing of 4Q12 was Ps 109 million. The total was distributed with 78.4% in bank tallies and 21.0% in private tallies and 0.6% in quasi-government tallies.

The exposure of IXE Automotriz to investments in securities was Ps. 52 million in bank tallies. The total is distributed in bank tallies and the institution does not have investment in derivatives.

Fincasa Hipotecaria does not have investments in securities or derivatives.

For IXE Soluciones, the risk exposure for securities' investments was Ps 1 million, in privately issued bonds. The 100% is distributed in banking counterparties. The Institution does not hold positions in derivative instruments.

The exposure of Banorte-Ixe Tarjetas to investments is for Ps. 340 million 100% is concentrated in bank tallies. The Institution does not hold positions in derivative instruments.

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, 2012	**45,823**
I. Financings whose individual amounts represent more than 10% of the basic equity	
Loan Operations	
Number of financings	4
Total amount of financings	21,634
% in relation to Basic Capital	47%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**31,603**

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

Tier 1 to September 30th, 2012	**2,854**
1. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	9
Total amount of the financings	5,446
% relative to basic capital	191%
II. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**4,363**

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

Tier 1 to September 30th, 2012	**5,209**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	11
Total amount of financings	8,341
% in relation to Basic Capital	160%
Money Market Operations	
Number of financings	13
Total amount of financings	15,891
% in relation to Basic Capital	305%
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:	**3,800**

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

Equity at September 30th, 2012	**312**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	1
Total amount of financings	76
% in relation to Basic Capital	24%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**132**

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

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

Equity September 30th, 2012	630
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	18
Total amount of financings	2,045
% in relation to Basic Capital	324%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**537**

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

Equity at September 30th, 2012	190
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	12
Total amount of financings	902
% in relation to Basic Capital	473%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**353**

In compliance with the risk diversification rules on lending and borrowing, the following information is shown for Banorte-IXE Tarjetas (Million Pesos):

Equity at September 30th, 2012	**2,540**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**4**

Market Risk

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

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

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

The average VaR for the fourth quarter of 2012 for the portfolio is Ps 3.29 billion.

* Quarter Average of the Bank- Banorte

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

Million Pesos	4Q11	1Q12	2Q12	3Q12	4Q12
Total VaR*	2,392	2,399	2,444	2,685	3,288
Net Capital**	50,369	52,087	55,519	56,625	57,815
VaR / Neto Capital	4.75%	4.61%	4.40%	4.74%	5.69%

Moreover, the average Value at Risk per risk factor of the portfolio of instruments described for the Banorte Bank, during the fourth quarter of 2012 is shown below:

Million pesos

Risk Factor	VaR
Domestic interest rate	3,491
Foreign interest rate	376
Exchange rate	418
Capitals	3,288

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

- ***Backtesting Analysis***

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

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

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

➢ ***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% for market risk.

The VaR average for Ixe Banco's portfolios for 4Q12 is Ps 9.11 million, which represents 0.11% of the Ixe Banco's Net Capital to December 2012. (Preliminary figures).

IXE BANCO, S.A. DE C.V. VaR by Portfolio & risk factor Million Pesos	Total 4Q12	
	Average	Closing
VaR 95% 1 day		
Money Market	8.30	19.85
Capital Market	4.43	4.75
Exchange Market	0.13	0.03
Derivatives Market	0.26	0.19
	13.12	24.82
TOTAL	9.11	18.86
Diversifications Effect	(4.01)	(5.96)
Treasury	8.61	9.81
Capital Net		8,169
VAR / Net Capital	**0.11%**	**0.23%**

Note

VaR does not include securities held for settlement.

Note: Net Capital as of December 2012 is preliminary

The VaR average of Casa de Bolsa Banorte Ixe 's portfolios for 4Q12 is Ps 207.27 million, which represents 9.21% of the Institution's Net Capital to December 2012.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	Total 4Q12	
	Average	Closing
VaR		
Shares	28.25	47.21
Money Market	225.42	264.82
Treasury	79.27	68.43
TOTAL	207.27	272.55
Diversifications Effect	(125.67)	(107.91)
Net Capital		2,250
VAR / Net Capital	**9.21%**	**12.11%**

Note

VaR does not include securities held for settlement.

Note: Net Capital as of December 2012 is preliminary

The VaR average of the Fincasa portfolios for 4Q12 is Ps 1.21 million, which represents -0.41% of the Institution's Net Capital to December 2012.

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 day

FINCASA HIPOTECARIA. VaR Balance. Million Pesos	Total 4Q12	
	Average	Closing
VaR Balance	1.21	1.10
Net Capital*		(292.31)
VAR / Capital Neto	**-0.41%**	**-0.38%**

Note

Net Capital as of December 2012 is preliminary

.

The VaR average of the Ixe Automotriz portfolios for 4Q12 is Ps 0.62 million which represents +0.21% of the Institution's Net Capital to December 2012.

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 day.

IXE AUTOMOTRIZ. VaR Balance. Million Pesos	Total 4Q12	
	Average	Closing
VaR Balance	0.62	0.46
Net Capital*		297.50
VAR / Capital Neto	**0.21%**	**0.16%**

Note

Net Capital as of December 2012 is preliminary

The VaR average of the Ixe Soluciones portfolios for 4Q12 is Ps 0.97 million which represents- 0.18% of the Institution's Net Capital to December 2012.

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 day.

IXE SOLUCIONES. VaR Balance. Million Pesos	Total 4Q12	
	Average	Closing
VaR Balance	0.97	0.85
Net Capital *		(527.06)
VAR / Net Capital	**-0.18%**	**-0.16%**

Note

Net Capital as of December 2012 is preliminary

The VaR average of the Ixe Tarjetas for 3Q12 is Ps 2.77 million which represents 0.12% of the Institution's Net Capital to December 2012.

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 day.

BANORTE-IXE TARJETAS VaR Balance. Million Pesos	Total 4Q12	
	Average	Closing
VaR Balance	2.77	2.56
Net Capital *		2,340.65
VAR / Net Capital	**0.12%**	**0.11%**

Note

Net Capital as of December 2012 is preliminary

- **Liquidity Risk and Balance**

In response to the Banking Sector's need to measure global Liquidity Risk and to have consistent follow-up, the Banks us financial ratios, such as the Liquidity Ratios (Liquid Assets / Liquid Liabilities). Liquid Assets include availabilities, securities to negotiate and securities available for sale. Liquid Liabilities include demand deposits, demand interbanking loans and short-term interbanking loans. The liquidity ratio for Banorte at closing of 4Q12 is 77.3%, while the average for the quarter is 87.3%.

Million Pesos (at closing of the quarter)	4Q11	1Q12	2Q12	3Q12	4Q12
Liquid Assets	164,484	151,000	142,019	141,625	150,115
Liquid Liabilities	180,088	184,152	180,479	186,680	194,289
Liquidity Ratio	91.3%	82.0%	78.7%	75.9%	77.3%

Million Pesos (average)	4Q11	1Q12	2Q12	3Q12	4Q12
Liquid Assets	157,210	171,629	136,390	150,655	164,011
Liquid Liabilities	165,791	171,353	171,667	179,802	187,977
Liquidity Ratio	94.8%	100.2%	79.5%	83.8%	87.3%

Average 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 Ixe Banco to December 2012 is 44.63%. The liquidity ratio vs. Net Capital is 217.94%.

IXE BANCO, S.A. DE C.V. Liquidity Risk Million Pesos	Use 4Q12
Accumulated gap in 1 month (MXP + UDIS)	(46,455.00)
Liquid Assets	17,804.00
Net Capital	8,169.21
Tier 1 Capital	5,686.31
Liquidity vs. Net Capital	**217.94%**
Liquidity vs. Tier 1 Capital	**313.10%**
Liquidity Ratio	**44.63%**

Liquidity Ratio= Liquid Assets vs. Deposits

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

Note: Net Capital as of December 2012 is preliminary

The liquidity ratio vs. Net Capital for the Casa de Bolsa to December 31st, 2012 is 64.80%.

IXE CASA DE BOLSA, S.A. DE C.V. Liquidity Risk Million Pesos	USE 4Q12
Accumulated gap in 1 month (MXP + UDIS)	1,361.97
Liquid Assets	1,457.97
Net Capital	2,249.83
Liquidity vs. Capital	**64.80%**

Note: Net Capital as of September 2012 is preliminary

The liquidity ratio vs. Net Capital for Fincasa to December 31st, 2012 is -16.15%.

FINCASA HIPOTECARIA. Liquidity Risk Million Pesos	USE 4Q12
Accumulated gap in 1 month (MXP + UDIS)	219.33
Accumulated gap in 3 months (MXP + UDIS)	284.87
Liquid Assets*	47.21
Net Capital	-292.31
Tier 1 Capital	- 305.05
Liquidity vs. Net Capital	**-16.15%**
Liquidity vs. Tier 1 Capital	**-15.48%**

**Only Banks*

Net Capital as of December 2012 is preliminary

The liquidity ratio vs. Net Capital for Ixe Automotriz to December 31st, 2012 is 19.26%.

IXE AUTOMOTRIZ. Liquidity Risk Million Pesos	USE 4Q12
Accumulated gap in 1 month (MXP + UDIS)	(297.65)
Accumulated gap in 3 months (MXP + UDIS)	(278.66)
Liquid Assets*	57.29
Net Capital	297.50
Tier 1 Capital	296.98
Liquidity vs. Net Capital	**19.26%**
Liquidity vs. Tier 1 Capital	**19.29%**

**Only Banks*

Net Capital as of December 2012 is preliminary

The liquidity ratio vs. Net Capital for Ixe Soluciones to December 31st, 2012 is -0.38%.

IXE SOLUCIONES. Liquidity Risk Million Pesos	USE 4Q12
Accumulated gap in 1 month (MXP + UDIS)	(17.13)
Accumulated gap in 3 months (MXP + UDIS)	(17.13)
Liquid Assets*	1.98
Net Capital	-527.06
Tier 1 Capital	- 530.27
Liquidity vs. Net Capital	**-0.38%**
Liquidity vs. Tier 1 Capital	**-0.37%**

**Only Banks*

Net Capital as of December 2012 is preliminary

The liquidity ratio vs. Net Capital for Ixe Tarjetas to December 31st, 2012 is 14.56%.

Banorte Ixe Tarjetas Liquidity Risk Million Pesos	USE 4Q12
Accumulated gap in 1 month (MXP + UDIS)	4,245.78
Accumulated gap in 3 months (MXP + UDIS)	(77.23)
Liquid Assets*	340.88
Net Capital	2,340.65
Tier 1 Capital	2,328.31
Liquidity vs. Net Capital	**14.56%**
Liquidity vs. Tier 1 Capital	**14.64%**

**Only Banks*

Net Capital as of December 2012 is preliminary

- **Operational Risk**

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

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

To record operating loss events, has a system that enables the central information supplier areas to directly record such events online, which are classified by Type of Event in accordance with the following categories:

Types of Events	Description
Internal Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep regulations, laws or company policies (excluding diversity/discrimination events) in which at least one company party is involved.
External Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep the laws, caused by a third party.
Labor Relations and Safety in the Workplace	Losses caused by acts that are incompatible with the legislation or labor agreements regarding hygiene or safety, the payment of personal damage claims, or cases associated with diversity/discrimination.
Customers, Products & Business Practices	Losses caused by involuntary noncompliance or negligence of a professional obligation to specific customers (including fiduciary and adjustment requirements), or due to the nature or design of a product.
Natural Disasters and Other Events	Losses caused by damage or harm to material assets as a consequence of natural disasters or other events.
Incidences in the Business and Systems Failures	Losses caused by incidences in the business and systems failures
Process Execution, Delivery and Management	Losses caused by errors in operations processing or management, as well as the relations with commercial counterparties and providers.

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

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

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

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

- ***Risk Management Model***

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

To perform Operating Risk Management, each of the operating risks involved in the processes must be identified in order to analyze them. In this regard, the risks identified by the Regulatory Comptrollership are processed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) by defining tolerance levels, as the case may be. At present, work is being done on developing a new Institution Operating Risk Management Model and the technological tools needed to implement it.

III. Required Capital Calculation

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

IV. Information and Reporting

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

- **Technology risk**

Technological Risk is defined 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.

- **Internal Control**

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

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

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

During the fourth quarter of 2012, 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 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.

C. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.

D. 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.

- **Treasury Policy**

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

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

- **Internal and External Liquidity Sources**

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

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

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

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

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

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of December 31st, 2012 and September 30th, 2012, the loans granted to related parties totaled Ps $ 11.54 billion and Ps $13.13 billion, respectively.

- **People in Charge**

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

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

Ing. Rafael Arana de la Garza
Chief Financial Officer

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

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

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