

GFNORTE

4Q12 Results

Conference Call
January 18th, 2013.

Material Events

Grupo Financiero Banorte acquires Afore Bancomer through Afore XXI Banorte

- **GFNORTE reached an agreement on November 27th with Grupo BBVA to acquire Afore Bancomer through Afore XXI 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.**
- **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.**
- **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, thus becoming the largest retirement savings manager in Mexico.**

Material Events

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.

Yearly Recap GFNorte

Million Pesos

	2011		2012
Net Income	8,517	▲ 28%	10,888
ROE	14.1%		14.3%
ROA	1.1%		1.3%
Efficiency	55.7%		54.0%
Net Interest Margin	4.1%		4.1%
Performing Loan Growth	33.0%	→ W/out Ixe: 20%	15%
Past Due Loan Ratio	1.9%		2.1%
Stock price (pesos)	42.32	▲ 97%	83.45
Book Value per Share	30.45	▲ 16%	35.20
P/BV	1.39		2.37

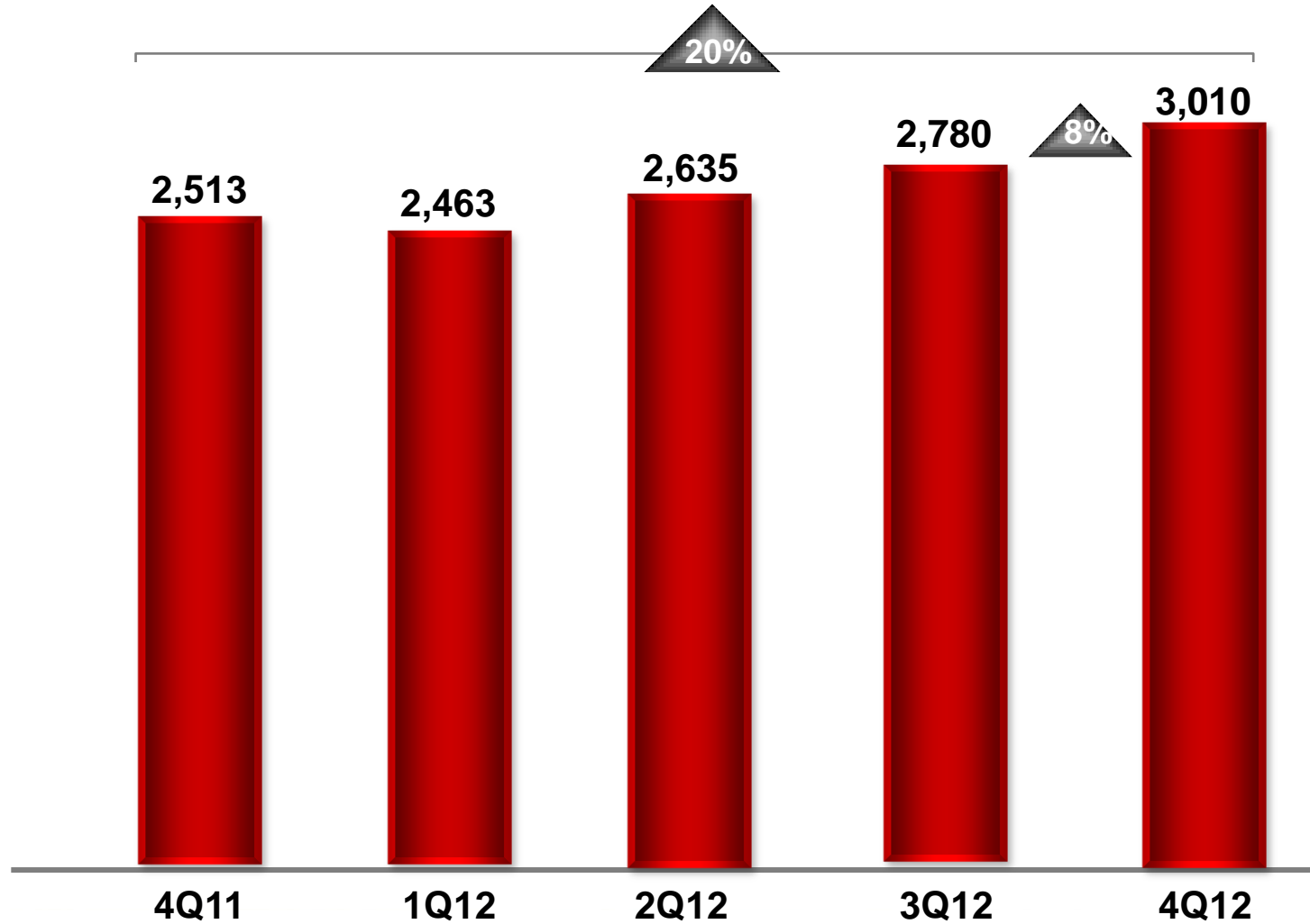
Income Statement

Million Pesos

	3Q12	4Q12	2011	2012	Change	
					QoQ	YoY
Net Interest Income	8,054	8,588	28,242	32,810	7%	16%
Non Interest Income	3,437	3,858	13,767	14,510	12%	5%
<i>Service Fees</i>	1,530	1,876	7,058	6,752	23%	(4%)
<i>Recoveries</i>	322	290	1,117	1,307	(10%)	17%
<i>FX & Trading</i>	1,024	1,050	2,778	4,152	3%	49%
<i>Other Income (expenses)</i>	562	642	2,814	2,300	14%	(18%)
Total Income	11,491	12,445	42,009	47,320	8%	13%
Non Interest Expense	(6,232)	(6,288)	(23,409)	(25,535)	1%	9%
Net Operating Income	5,259	6,158	18,600	21,785	17%	17%
Provisions	(1,524)	(1,996)	(5,438)	(6,172)	31%	13%
Income Tax	(806)	(1,030)	(3,552)	(4,128)	28%	16%
Subs & Minority Interest	(150)	(121)	(1,093)	(597)	(19%)	(45%)
Net Income	2,780	3,010	8,517	10,888	8%	28%

Quarterly Net Income

Million Pesos



Adjusted Earnings and ROTE

Net Income without Extraordinaries (Million Pesos)

	4Q12	Var. vs.		2012	Change vs.
		3Q12	4Q11		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%

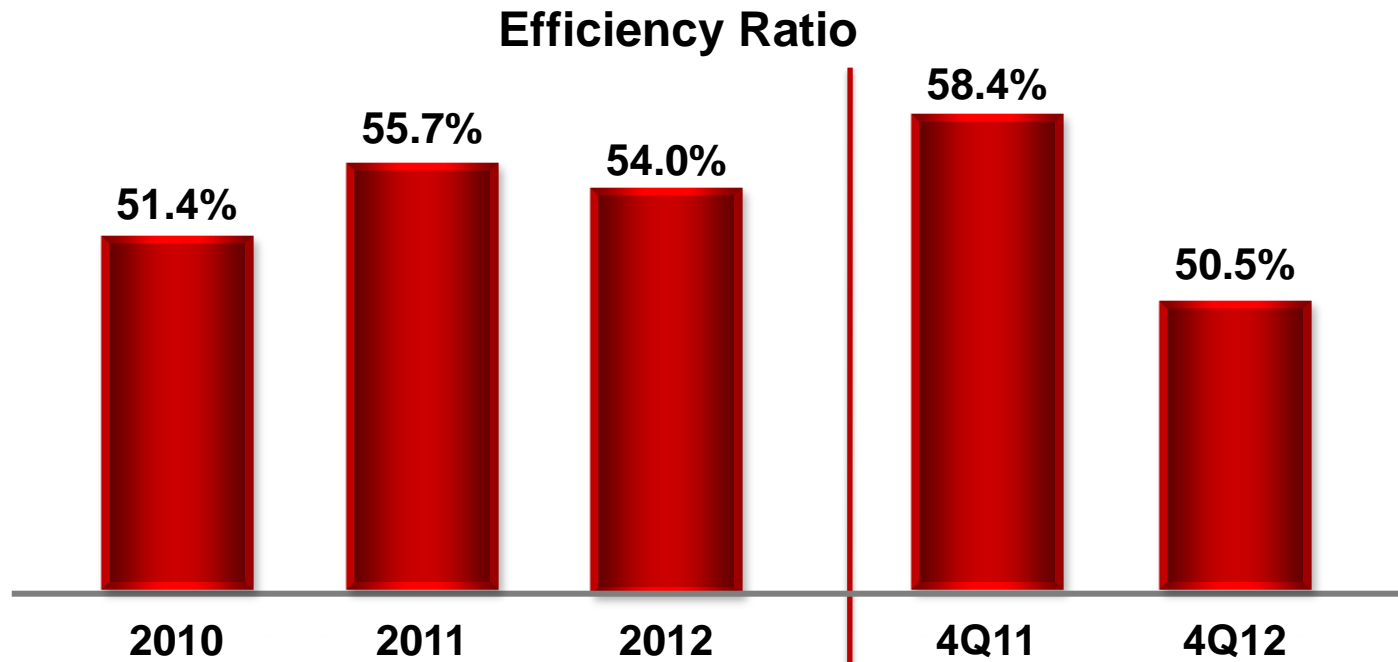
Return on Tangible Common Equity

	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%

Non Interest Expense

Billion Pesos

	2011		2012	4Q11		4Q12
Total Expense	23.4	▲ 9%	25.5	7.0	▼ (10%)	6.3



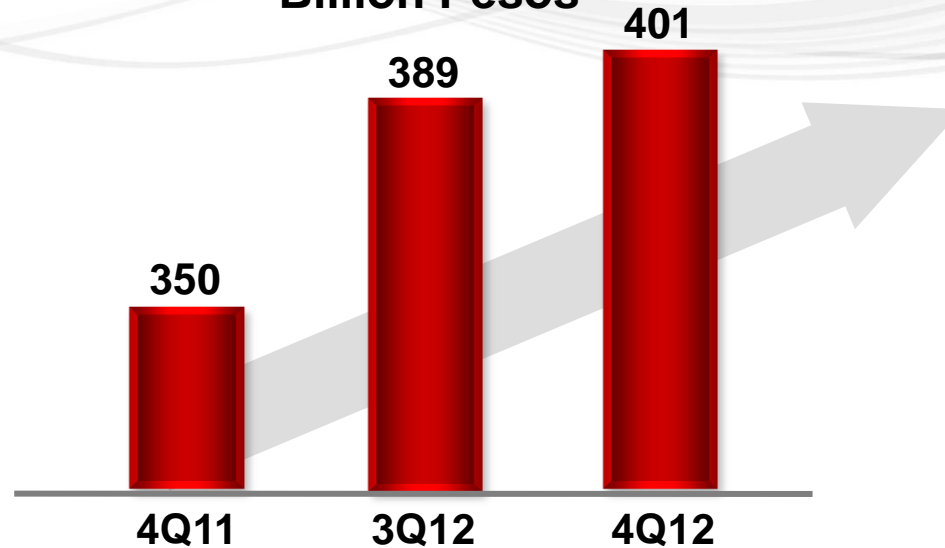
Deposits

Billion Pesos

Deposits	4Q10		4Q11		4Q12
Demand	150	▲ 27%	190	▲ 11%	212
Time	89	▲ 30%	116	▲ 7%	124
Core Deposits	239	▲ 28%	306	▲ 10%	336
Mix					
Demand	63%		62%		63%
Time	37%		38%		37%
	100%		100%		100%

Performing Loan Portfolio

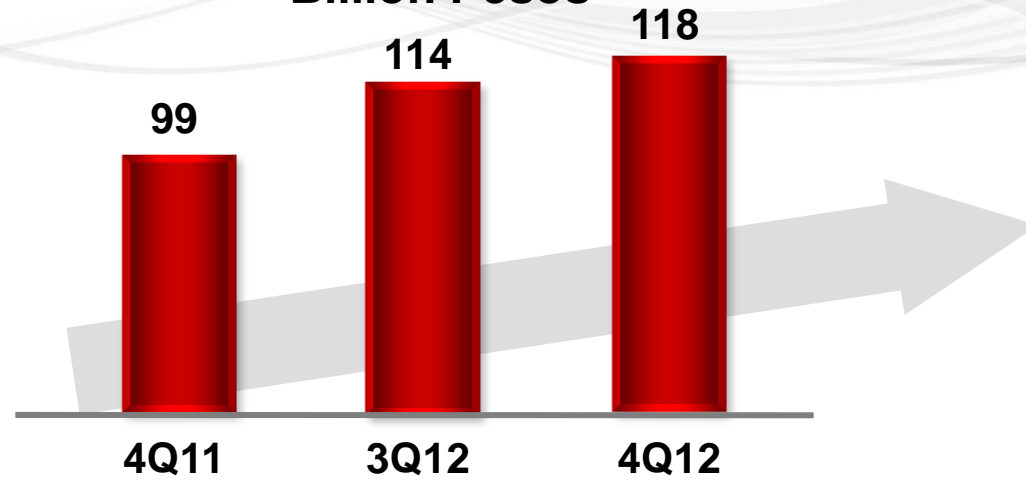
Billion Pesos



	4Q11	3Q12	4Q12	Change	
				QoQ	YoY
Consumer	99	114	118	4%	20%
Commercial	123	130	131	0%	6%
Corporate	57	63	64	1%	11%
Government	71	82	88	7%	24%
Total	350	389	401	3%	15%

Performing Consumer Loan Portfolio

Billion Pesos



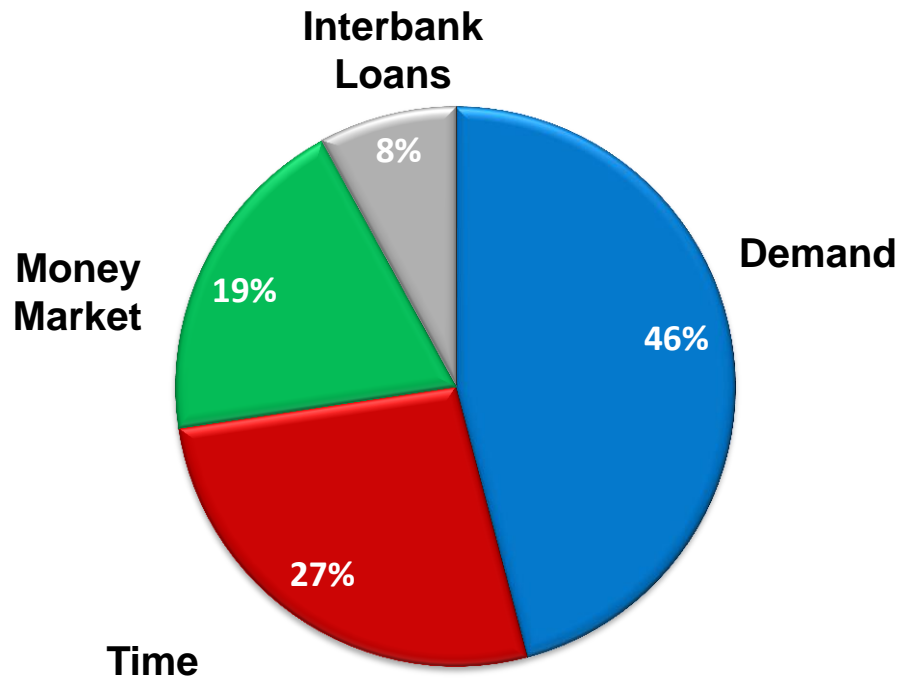
	4Q11	3Q12	4Q12	Change	
				QoQ	YoY
Mortgage	64	70	72	4%	13%
Car	9	10	10	1%	10%
Credit Cards*	11	16	18	7%	53%
Payroll	13	17	18	4%	35%
Consumer	99	114	118	4%	20%

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

Funding and Loan Portfolio Structure

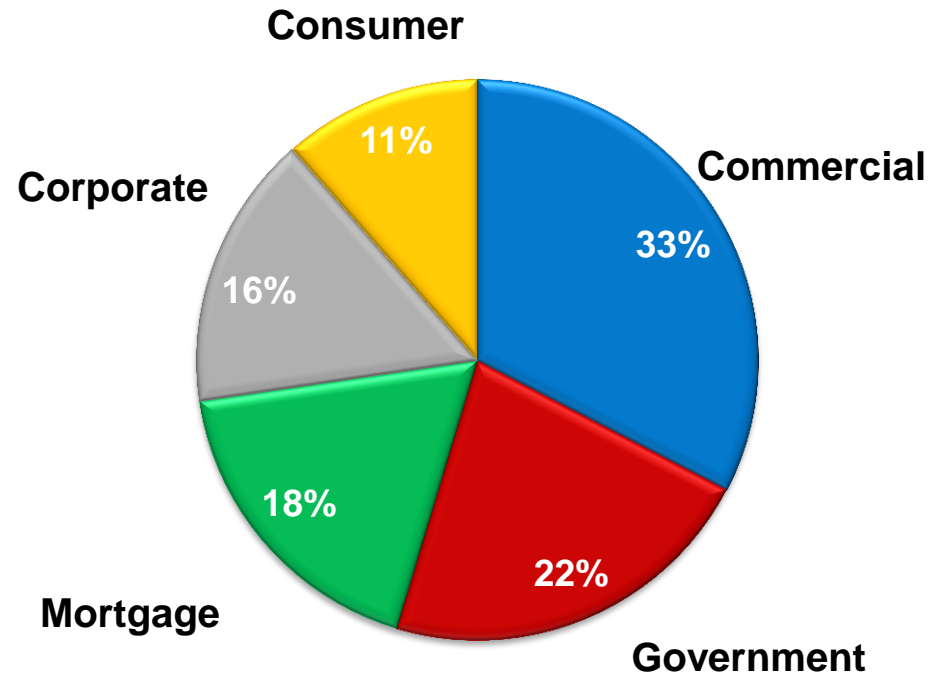
FUNDING

\$460 Billion Pesos



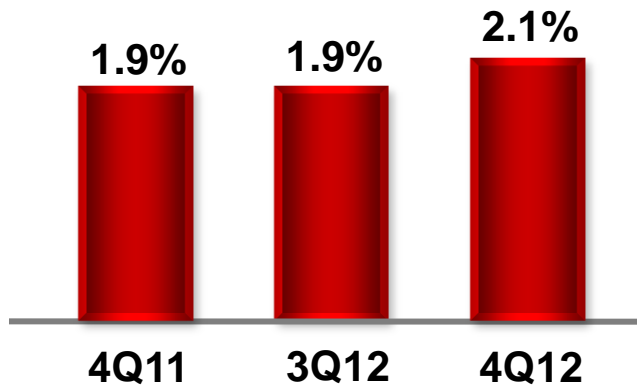
LOAN PORTFOLIO

\$ 410 Billion Pesos

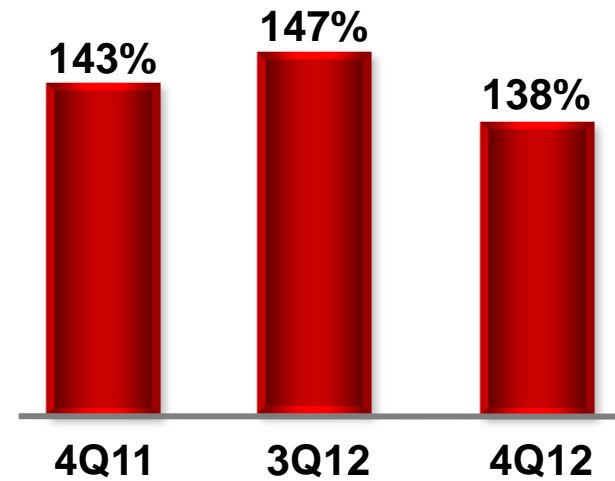


Asset Quality

PAST-DUE LOAN RATIO



COVERAGE RATIO



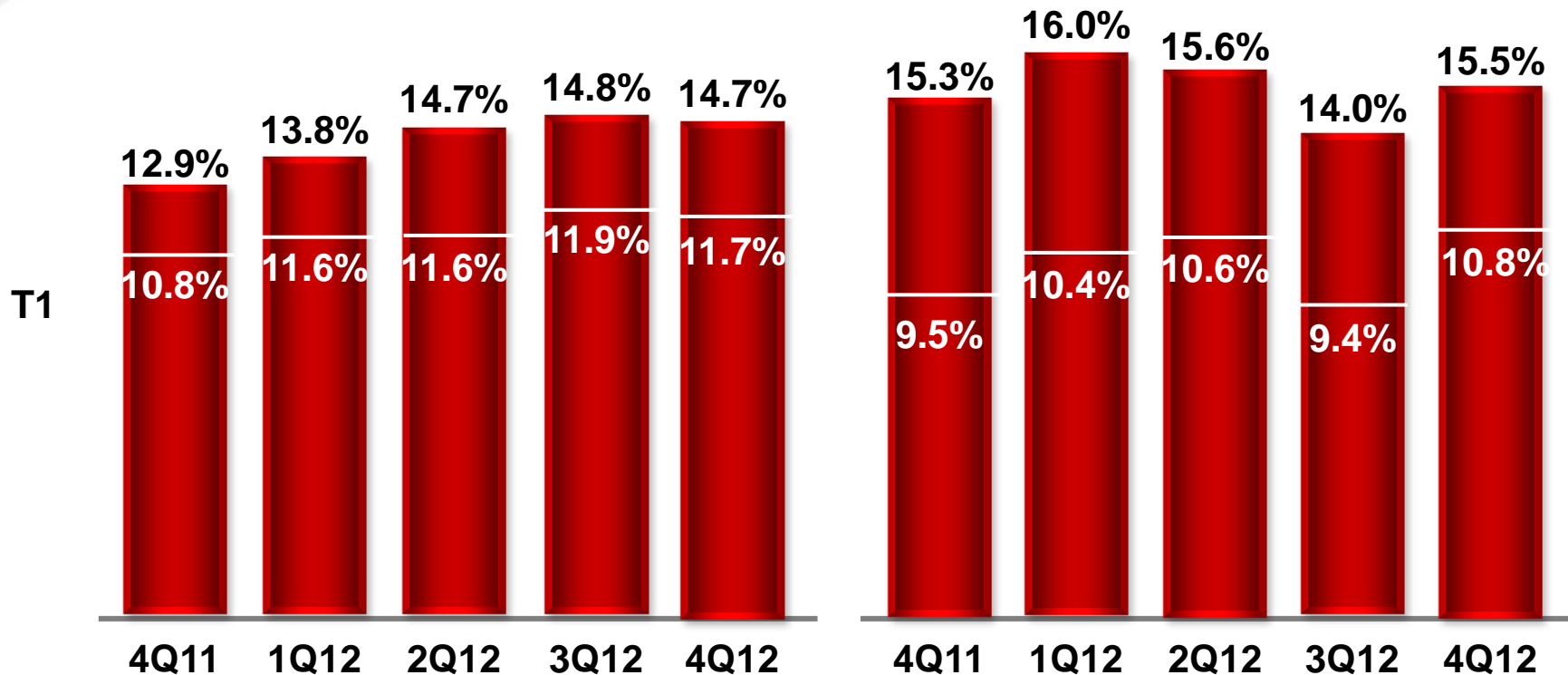
Past Due Loan Ratios

	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 NPL Ratio	1.9%	1.8%	1.8%	1.9%	2.1%

Capitalization and Liquidity

Banorte
(%)

Ixe
(%)

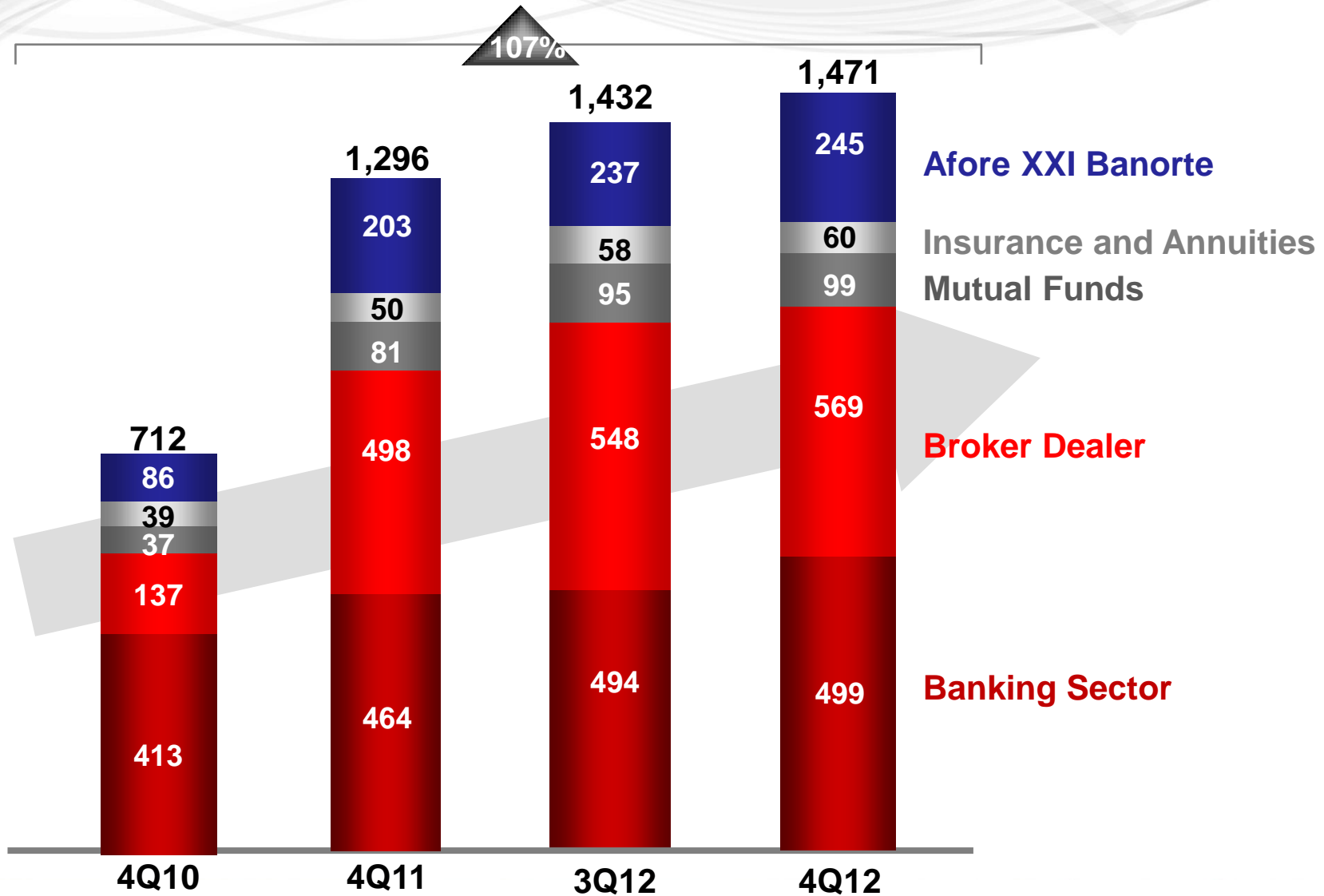


↑ RWA* +20% +13% +8% +6% +1%
 Liquidity Ratio 102% 103% 121% 119% 128%

*RWA= Risk Weighted Assets

Assets under Management

Billion Pesos

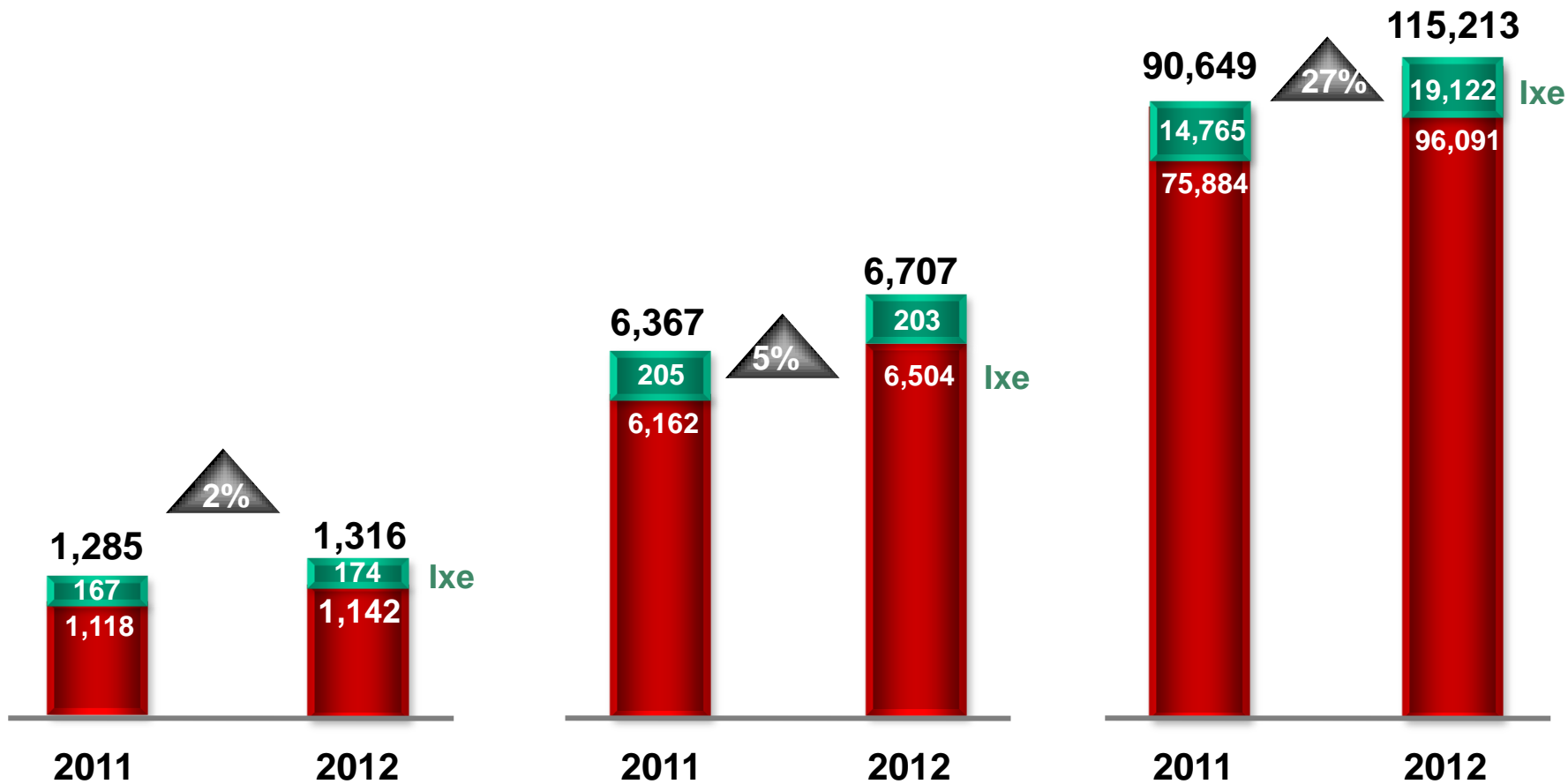


Distribution Network

Branches

ATM's

POS's



Subsidiaries

2012
Million Pesos

Company	Net Income	Change vs YoY	ROE
Banking Sector	8,920	36%	16.9%
Banco Mercantil del Norte	7,505	20%	
Ixe Banco	754	161%	
Banorte –Ixe Tarjetas	662	-	
Broker Dealer	681	63%	27.7%
Long Term Savings			
Retirement Savings	532	155%	39.4%
Insurance	471	39%	32.1%
Annuities	49	93%	8.1%
Other Finance Companies			
Leasing and Factoring	604	(2%)	22.4%
Warehousing	43	8%	17.1%
Other *	(413)		

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

Recovery Bank

Net Income in Million Pesos

	2011	2012
Total	451	571

▲ 27%

AUM* Billion Pesos

	4Q11	4Q12	Change YoY
Proprietary Assets	40.4	40.3	-
Acquired Assets	27.6	28.8	4%
Investment Projects	7.2	7.0	(3%)
Managed Assets "Su Casita"	6.4	6.4	(1%)
Ixe Assets	6.5	7.8	21%
Total	88.1	90.3	2%

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

Inter National Bank

Million Dollars

	2011		2012
Pre-Tax Net Income	28.0		22.1
Provisions	17.7		5.2
Net Income	7.1		11.4
NIM	3.2%		3.0%
ROE	1.8%		2.7%
ROA	0.3%		0.5%
Efficiency	64.1%		69.7%
Total Deposits	1,646	3%	1,700
Performing Loans	753	(7%)	697
PDL Ratio USGAAP	3.8%		1.1%
Coverage Ratio USGAAP	71.2%		174.1
Classified Assets to Capital	46%		23%



 **BANORTE**
EL BANCO FUERTE DE MEXICO

 **BANORTE**

