Grupo Financiero Banorte

Financial Information as of December 31st, 2013

4Q13

"Bank of the Year Mexico 2011"

"Best Commercial Bank in Mexico 2013"

"Best Bank in Mexico 2011"

"Sustainable Company"

"Best Bank in Mexico 2012"

The Banker TOP 1000 WORLD BANKS 2013

web page: www.banorte.com/ri

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 & 2013"

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 13.51 billion in 2013 and Ps 3.62 billion in 4Q13

Operating Results *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Net Interest Income	8,588	9,663	**9,604**	(1%)	12%	32,810	**37,181**	13%
Non Interest Income	3,858	3,309	**3,809**	15%	(1%)	14,510	**16,284**	12%
Total Income	12,445	12,973	**13,413**	3%	8%	47,320	**53,464**	13%
Non Interest Expense	6,288	6,613	**7,084**	7%	13%	25,535	**27,819**	9%
Provisions	1,996	1,903	**1,833**	(4%)	(8%)	6,172	**8,942**	45%
Operating Income	4,162	4,457	**4,496**	1%	8%	15,613	**16,704**	7%
Net Income	3,010	3,526	**3,622**	3%	20%	10,888	**13,508**	24%

- **Net Interest Income**

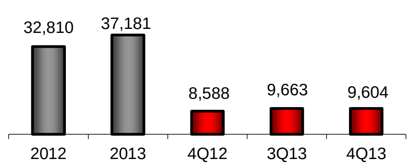
Net Interest Income totaled Ps 37.18 billion in 2013, a 13% YoY increase vs. 2012. Net Interest Income for 4Q13 was Ps 9.60 billion, a 12% YoY increase vs. 4Q12 and a QoQ (1%) decrease vs. 3Q13. The accumulated YoY increase is explained by a better loan mix and higher loan origination fees, offsetting lower Net Interest Income of the Insurance and Annuities companies as a result of increased reserves derived from higher sales of premiums, as well as higher interest expenses related to servicing GFNorte's US 800 million syndicated loan disbursed in February and paid on July 26th. Growth vs. 4Q12 was due to higher loan volumes in segments with a better mix (mainly consumer loans), a lower cost of funding due to growth in core deposits and the payment of the perpetual subordinated notes issued by Ixe with an annual fixed rate of 9.75% in dollars. The QoQ decline vs. 3Q13 is mainly due to a decrease in Net Interest Income of the Insurance and Annuities companies, lower income from money market transactions derived from the downward trend on benchmark interest rates and negative impacts on currency valuation; which was partially offset by the growth in core deposits. Net Interest Income related only to lending activity increased 16% vs. 2012, 15% vs. 4Q12 and 6% vs. 3Q13 as a result of a better loan mix and a lower cost of funding.

During 2013, NIM was 4.2%, 11 basis points more than in the same period of the previous year and the NIM related only to lending activity increased 44 basis points to 7.8%. The NIM for 4Q13 was 4.2%, 10 basis points higher vs. 4Q12 and 16 basis points less than in 3Q13; NIM related only to lending activity was 8.1% in 4Q13, an increase of 61 basis points over the same period of the previous year and 30 basis points vs. 3Q13.

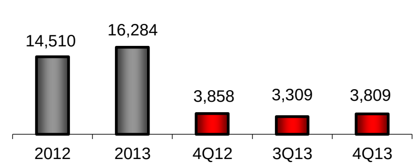
- **Non Interest Income**

Non Interest Income amounted to Ps 16.28 billion during 2013, a 12% YoY increase, driven by growth in almost all items due to better business dynamics. During the quarter, Non Interest Income totaled Ps 3.81 billion, showing a (1%) decrease vs. 4Q12 as a result of a lower level in Other Operating Income and Recoveries, while the 15% increase vs. 3Q13 is mainly due to more trading revenues.

NET INTEREST INCOME (Million Pesos)



NON INTEREST INCOME (Million Pesos)

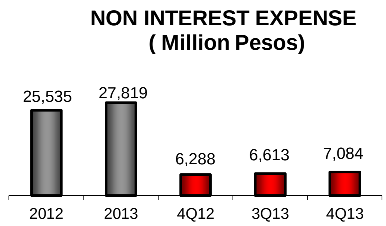


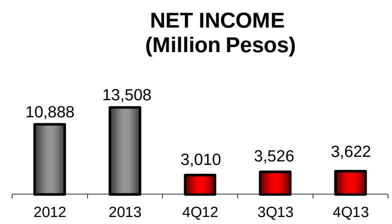
- **Non Interest Expense**

Non Interest Expenses for 2013 were Ps 27.82 billion, 9% higher YoY vs. 2012, this growth is derived from strengthening of various sales forces, the expansion of the operating infrastructure and the payment of bonuses and incentives with a higher profit base. Non Interest Expenses were Ps 7.08 billion in 4Q13, an increase of 13% vs. 4Q12 mainly due to higher Administrative, Promotional and Personnel Expenses, among others. Compared to 3Q13, Non Interest Expenses grew 7% mainly due to higher Professional Fees and Personnel Expenses. The Efficiency Ratio during 2013 was 52.0% showing a decrease of (1.93 pp) vs. 2012 due to the positive operating leverage obtained; during 4Q13 it was 52.8%, 2.3 pp higher vs. 4Q12 and 1.8 pp higher vs. 3Q13, as a result of a faster growth rate in Operating Expenses and in the QoQ comparison also due to a contraction in the Net Interest Income.

- **Provisions**

In 2013 Provisions charged to results totaled Ps 8.94 billion, 45% more than in 2012. This increase was caused mainly by provisions created to cover exposures to the 3 largest home developers: URBI, GEO and HOMEX, as well as to the growth in consumer portfolios that require higher initial provisions as a result of the new expected loss methodology recently adopted, and by the increase in past due loans in the consumer and SME segments as a result of the negative impact of the economic slowdown. Provisions charged to results reached Ps 1.83 billion in 4Q13, an (8%) decrease vs. 4Q12 and (4%) vs. 3Q13. The YoY decline was due to deterioration registered in Fincasa assets in 4Q12, as well as increased provisions in the government portfolio, impacts that were not present this quarter and which offset the increase in Provisions in the Consumer portfolio, mainly in payroll loans. The QoQ decline vs. 3Q13 was due to lower loan loss reserves in the payroll and mortgage portfolios, which offset the increase in provisions for the commercial portfolio.





- **Net Income**

GFNorte reported Net Income of Ps 13.51 billion during 2013, 24% higher vs. 2012 as a result of positive operating leverage, on the back of a 13% YoY growth in total income, as well as a lower rate of growth in operating expenses, which combined with the integration of Afore Bancomer's profits in Subsidiaries' results and the use of tax credits, offset higher loan loss provisions mainly due to home developers' loans. Net Income was Ps 3.62 billion for 4Q13, 3% above the previous quarter and 20% higher vs. 4Q12; both increases were originated by the reduction in provisions, the inclusion of Afore Bancomer's profits in Subsidiaries' results, and a decrease in minority interest derived from the acquisition of Generali's participation in the insurance and annuities companies; on the QoQ comparison also due to higher Non Interest Income.

During 4Q13 the Financial Group's core revenues (net interest income + net fees excluding portfolio recoveries - operating expenses - provisions) totaled Ps 2.58 billion, 18% higher vs. 4Q12. During 2013, core revenues amounted to Ps. 7.70 billion, (2%) lower YoY vs. 2012, as a result of higher provisions.

GFNorte's equity decreased 11% during the quarter, among other movements, due to: i) the purchase of Grupo Generali's stake in the Insurance and Annuities companies, ii) the settlement of the IFC's equity participation in the bank, and iii) the advanced payment of the dividends corresponding to 1H14 on December 31, 2013. These movements, coupled with the capital increase in GFNorte's equity offering on July 22, 2013, resulted among other factors, in the following ratios:

1) ROE during 2013 was 14.2%, a YoY decrease of 12 basis points. During 4Q13, ROE was 12.9%, 214 basis points lower vs. 4Q12 and 108 basis points lower QoQ vs. 3Q13.
2) Return on Tangible Equity (ROTE) was 17.6% during 4Q13, 151 basis points lower YoY vs. 4Q12 and 57 basis points lower vs. 3Q13.

ROA for 2013 was 1.4%, a YoY increase of 15 basis points and in 4Q13 was 1.5%, 12 basis points higher vs. 4Q12 and unchanged vs. 3Q13. The increase in ROA is result of higher profits on the back of a better mix and return on assets. Return on risk-weighted assets was 3.0%, growing 21 basis points vs. 4Q12 and 3 basis points vs. 3Q13.

The Banking Sector's (Banco Mercantil del Norte, Banorte - Ixe Tarjetas and Banorte USA) profits for 2013 totaled Ps 10.69 billion, contributing 79% of GFNorte's net income. ROE was 16.4% during 2013, 54 basis points lower vs. 2012 due mainly to the increase in Banco Mercantil del Norte's equity in February as part of the strategy to replenish the capital used for the Afore Bancomer acquisition. ROA for the banking sector was 1.6%, up 15 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)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Income Statement								
Net Interest Income	8,588	9,663	**9,604**	(1%)	12%	32,810	**37,181**	13%
Non Interest Income	3,858	3,309	**3,809**	15%	(1%)	14,510	**16,284**	12%
Total Income	12,445	12,973	**13,413**	3%	8%	47,320	**53,464**	13%
Non Interest Expense	6,288	6,613	**7,084**	7%	13%	25,535	**27,819**	9%
Provisions	1,996	1,903	**1,833**	(4%)	(8%)	6,172	**8,942**	45%
Operating Income	4,162	4,457	**4,496**	1%	8%	15,613	**16,704**	7%
Taxes	1,030	1,084	**1,075**	(1%)	4%	4,128	**3,555**	(14%)
Subsidiaries & Minority Interest	(121)	153	**201**	31%	(265%)	(2,374)	**359**	(115%)
Net Income	3,010	3,526	**3,622**	3%	20%	10,888	**13,508**	24%
Balance Sheet								
Asset Under Management	1,471,422	1,833,973	**1,829,106**	(0%)	24%	1,471,422	**1,829,106**	24%
Total Assets	916,567	991,171	**1,006,788**	2%	10%	916,567	**1,006,788**	10%
Performing Loans (a)	401,433	413,939	**425,038**	3%	6%	401,433	**425,038**	6%
Past Due Loans (b)	8,481	13,865	**13,655**	(2%)	61%	8,481	**13,655**	61%
Total Loans (a+b)	409,914	427,804	**438,693**	3%	7%	409,914	**438,693**	7%
Total Loans Net (d)	398,180	413,153	**424,404**	3%	7%	398,180	**424,404**	7%
Acquired Collection Rights (e)	3,109	3,330	**3,522**	6%	13%	3,109	**3,522**	13%
Total Loans (d+e)	401,289	416,483	**427,925**	3%	7%	401,289	**427,925**	7%
Total Liabilities	828,057	868,661	**898,097**	3%	8%	828,057	**898,097**	8%
Total Deposits	424,325	430,366	**443,740**	3%	5%	424,325	**443,740**	5%
Equity	88,509	122,511	**108,691**	(11%)	23%	88,509	**108,691**	23%

Financial Ratios GFNorte	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Profitability:								
NIM (1)	4.2%	4.4%	**4.2%**	(0.2 pp)	0.1 pp	4.1%	**4.2%**	0.1 pp
NIM after Provisions (2)	3.2%	3.5%	**3.4%**	(0.1 pp)	0.2 pp	3.4%	**3.2%**	(0.1 pp)
NIM adjusted w/o Insurance & Annuities	4.3%	4.5%	**4.4%**	(0.1 pp)	0.1 pp	4.2%	**4.3%**	0.2 pp
NIM from loan portfolio (3)	7.5%	7.8%	**8.1%**	0.3 pp	0.6 pp	7.3%	**7.8%**	0.4 pp
ROE (4)	15.0%	14.0%	**12.9%**	(1.1 pp)	(2.1 pp)	14.3%	**14.2%**	(0.1 pp)
ROA (5)	1.3%	1.5%	**1.5%**	0.0 pp	0.1 pp	1.3%	**1.4%**	0.1 pp
Operation:								
Efficiency Ratio (6)	50.5%	51.0%	**52.8%**	1.8 pp	2.3 pp	54.0%	**52.0%**	(1.9 pp)
Operating Efficiency Ratio (7)	2.8%	2.7%	**2.8%**	0.1 pp	0.1 pp	2.9%	**2.9%**	(0.0 pp)
Liquidity Ratio (8)	128.4%	148.2%	**137.4%**	(10.9 pp)	9.0 pp	128.4%	**137.4%**	9.0 pp
Asset Quality:								
Past Due Loan Ratio	2.1%	3.2%	**3.1%**	(0.1 pp)	1.0 pp	2.1%	**3.1%**	1.0 pp
Coverage Ratio	138.3%	105.7%	**104.6%**	(1.0 pp)	(33.7 pp)	138.3%	**104.6%**	(33.7 pp)
Past Due Loan Ratio w/o Banorte USA	2.1%	3.3%	**3.2%**	(0.1 pp)	1.1 pp	2.1%	**3.2%**	1.1 pp
Coverage Ratio w/o Banorte USA	139.2%	105.5%	**104.4%**	(1.1 pp)	(34.9 pp)	139.2%	**104.4%**	(34.9 pp)

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

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

8) Liquid Assets / Liquid Liabilities. Where Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, while Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks.

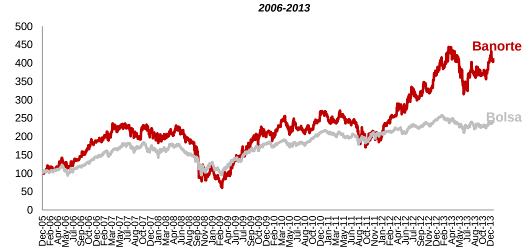
Subsidiaries Net Income (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Banking Sector	**2,539**	**2,545**	**2,953**	**16%**	**16%**	**8,920**	**10,686**	**20%**
Banco Mercantil del Norte (1) (2) (6)	1,953	2,269	2,618	15%	34%	7,505	9,359	25%
Ixe Banco (3)	257	-	-	-	(100%)	754	126	(83%)
Banorte Ixe Tarjetas (4)	330	276	335	21%	2%	662	1,201	81%
Broker Dealer	**267**	**110**	**154**	**41%**	**(42%)**	**681**	**649**	**(5%)**
Banorte- Ixe-Broker Dealer	252	84	134	60%	(47%)	601	562	(6%)
Operadora de Fondos Banorte-Ixe	15	26	21	(21%)	42%	80	87	9%
Long Term Savings	**228**	**441**	**666**	**51%**	**193%**	**1,053**	**1,962**	**86%**
Retirement Funds - Afore XXI Banorte (2)	130	320	263	(18%)	102%	532	1,114	109%
Insurance (7)	88	102	338	231%	283%	471	725	54%
Annuities (7)	9	19	65	253%	617%	49	123	152%
Other Finance Companies	**(1,442)**	**214**	**(81)**	**(138%)**	**(94%)**	**(1,356)**	**362**	**(127%)**
Leasing and Factoring	130	221	174	(21%)	34%	604	599	(1%)
Warehousing	10	14	3	(82%)	(73%)	43	43	(2%)
Ixe Automotriz (5)	(2)	-	-	-	(100%)	33	15	(53%)
Fincasa Hipotecaria (3)	(867)	-	-	-	(100%)	(1,114)	(28)	(97%)
Sólida Administradora de Portafolios (former Ixe Soluciones) (6)	(712)	(22)	(257)	1086%	(64%)	(922)	(266)	(71%)
Other Companies								
Ixe Servicios	1	1	1	4%	(54%)	1	1	137%
G. F. Banorte (Holding)	**1,417**	**216**	**(72)**	**(133%)**	**(105%)**	**1,589**	**(153)**	**(110%)**
Total Net Income	**3,010**	**3,526**	**3,622**	**3%**	**20%**	**10,888**	**13,508**	**24%**

1) Considering a participation of 97.2% since 1Q13, and as of 2Q13 a participation of 97.50%. Since 4Q09 and until that quarter, the stake was of 92.72%, reflecting the investment by the IFC in Banco Mercantil del Norte.
2) Since 1Q12, Afore XXI Banorte is recognized under the equity participation method with Banco Mercantil del Norte. However, for informational and comparison purposes, the Net Income of Afore XXI Banorte is presented in the corresponding business segment.
3) Ixe Banco and Fincasa Hipotecaria were merged into Banco Mercantil del Norte, becoming effective since May 24th, 2013. The presented results correspond to previous periods of that date.
4) Since 1Q12 Banorte – Ixe Tarjetas, SOFOM consolidates with Banco Mercantil del Norte.
5) Ixe Automotriz was merged into Arrendadora y Factor Banorte, becoming effective since May 7th 2013. The results presented correspond to previous periods of that date.
6) On April 26, 2013, it was approved that Banco Mercantil del Norte divested its interest in Sólida, through a spin-off, and subsequently absorbed by Ixe Soluciones, in order to consolidate the recovery banking operations. Afterwards, Ixe Soluciones changed its name to Sólida Administradora de Portafolios. The merger and spin-off were effective on May 24, 2013.
7) As of October 4th, 2013, Seguros Banorte and Pensiones Banorte consolidate 100% in Grupo Financiero, due to the acquisition of the 49% minority stake that Assicurazioni Generali S.p.A. had in these companies.

Share Data	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013
Earnings per share (1) (Pesos)	1.29	1.32	**1.31**	(1%)	1%	4.68	**5.35**
Dividend per Share (Pesos)	0.18	0.18	**0.59**	222%	222%	0.53	**1.14**
Dividend Payout (Recurring Net Income)	20.0%	20.0%	**20.0%**	0%	0%	18.7%	**20.0%**
Book Value per Share (2) (Pesos)	35.20	44.24	**38.45**	(13%)	9%	35.20	**38.45**
Total Shares Outstanding (Million Shares)	2,326.4	2,671.6	**2,773.7**	4%	19%	2,326.4	**2,526.1**
Stock Price (Pesos)	83.45	81.73	**91.36**	12%	9%	83.45	**91.36**
P/BV (Times)	2.37	1.85	**2.38**	29%	0%	2.37	**2.38**
Market Capitalization (Million Dollars)	14,973	16,573	**19,367**	17%	29%	14,973	**17,639**
Market Capitalization (Million Pesos)	194,135	218,351	**253,408**	16%	31%	194,135	**230,788**

1) As of 3Q13, earnings per share calculations consider the new number of shares resulting from the increase in GFNorte's equity following the Public Offering, and are not therefore comparable with previous periods. The 2,671.6 million shares of 3Q13 are the quarterly weighted average; the 2,526.1 million shares are the accumulated weighted average in 2013, while as of closing of 4Q13 the total amount of outstanding shares totals 2,773.73 million shares
2) Excluding Minority Interest.

SHARE PERFORMANCE
2006-2013



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

SUMMARY OF RESULTS

Mexico City, January 30th, 2014 Grupo Financiero Banorte (GFNORTE) reported today its results at the closing of December, 2013. GFNORTE registered profits of Ps 13.51 billion, 24% higher YoY vs. 2012 as a result of the positive operating leverage obtained through a 13% YoY growth in total income, as well as a slower pace of growth in operating expenses, which coupled with the inclusion of Afore Bancomer's profits in Subsidiaries' results and the use of tax credits, offset higher loan loss provisions. The 4Q13 profits amounted to Ps 3.62 billion, 3% above the previous quarter and 20% higher YoY vs. 4Q12; both as a result of the reduction in provisions, the integration of Afore Bancomer's profits in Subsidiaries' results and a decrease in the minority interest derived from the acquisition of Generali's participation in the insurance and annuities companies, and on the quarterly comparison also due to higher Non Interest Income.

Banco Mercantil del Norte (excluding its participation in Afore XXI Banorte) contributed with Ps 9.36 billion, 69% of GFNORTE's profits, a 25% YoY increase. In 4Q13, Banco Mercantil del Norte contributed with Ps 2.62 billion, or 72% of consolidated quarterly earnings.

In 2013, Return on Equity (ROE) was 14.2%, 12 basis points lower YoY vs. 2012, while Return on Assets (ROA) was 1.4%, 15 basis points higher YoY.

- **Deposits and Net Interest Income**

In 4Q13 core deposits increased 15% YoY, driven mainly by efforts to promote Banorte and Ixe deposit products. Demand deposits grew by 21% YoY and retail time deposits by 4%. As a result, core deposits rose by Ps 48.71 billion, from Ps 335.71 billion in 4Q12 to Ps 384.42 billion in 4Q13. Core deposits grew 6% for the quarter vs. 3Q13 on the back of an 8% increase in demand deposits and 1% in retail time deposits.

Net Interest Income during 2013 totaled Ps 37.18 billion, 13% above YoY vs. 2012, due to a better loan mix and higher loan origination fees, offsetting the decrease in the Net Interest Income of the Insurance and Annuities companies and higher interest expenses from servicing GFNorte's USD 800 million syndicated loan disbursed in February and paid on July 26th. During 4Q13, Net Interest Income totaled Ps 9.60 billion, a 12% YoY increase vs. 4Q12 and a (1%) QoQ decrease vs. 3Q13. The YoY growth vs. 4Q12 was on the back of higher loan volumes in segments with a better mix, a lower cost of funding due to growth in core deposits and the payment of Ixe's subordinated notes with a fixed annual rate of 9.75% in dollars. The QoQ decline vs. 3Q13 was on the back of a decrease in Net Interest Income of the Insurance and Annuities companies, lower income from money market transactions derived from the trend on benchmark interest rates and negative impacts on currency valuation; which was partially offset by the growth in core deposits.

- **Loan Portfolio**

At the close of 4Q13, Total Performing Loans increased 6% YoY, growing by Ps 23.61 billion to Ps 425.04 billion. The Loan portfolio registered lower YoY growth rates mainly due to the economic slowdown registered in 2013 and the prepayments made by corporate clients, which were not offset by the origination of new loans in this segment during the year. Total Performing Loans increased 3% QoQ, mostly as a result of the growth in government, commercial, mortgage and payroll loan portfolios.

Commercial loans totaled Ps 113.80 billion, a 7% YoY and 4% QoQ increase, both due to increased placement of business loans, leasing and the reactivation of the Crediactivo product for businesses. **Corporate** loans totaled Ps 75.69 billion, a decline of (14%) YoY and (4%) QoQ, mainly due to the payment or classification to past due of some loans related to home developers, as well as prepayments received from some clients that used the proceeds from capital markets' transactions to settle their liabilities. At the close of December, **Government** loans totaled Ps 95.64 billion, representing an increase of 8% YoY and 6% QoQ as a result of ongoing efforts to continue meeting the demand for loans in this segment, especially from the Federal Government.

Consumer loans, which include mortgage loans, grew by 18% YoY. **Mortgage** loans maintained their rising trend to close the quarter at Ps 81.83 billion, a 13% YoY increase vs. 4Q12 and a 3% QoQ increase, keeping Banorte positioned as one of the banks with higher growth in loan volumes in this segment, despite a very competitive environment. **Payroll** loans totaled Ps 26.11 billion, increasing by 44% YoY vs. 4Q12 and 7% QoQ vs. 3Q13, as a result of growth in the number of Banorte-Ixe payroll deposit accountholders, promotional campaigns for the product and a cross-selling strategy with clients using various channels. **Car** loans increased by 10% YoY and 2% QoQ reaching Ps 11.41 billion at the close of 4Q13, driven by more loan placements generated by promotional campaigns for the product through various channels, cross-selling with clients and alliances with car dealerships. The **Credit Card** portfolio totaled Ps 20.36 billion at the close of 4Q13, a growth of 16% YoY and 3% QoQ, due to portfolio management strategies, promotional campaigns for Banorte – Ixe's products, and increased cross selling with clients.

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

The Financial Group's Past Due Loan ratio was 3.1% at the close of 4Q13, 1.0 pp higher YoY vs. 2012 and (0.1 pp) lower QoQ vs. 3Q13. The YoY growth is mainly due to an increase of past due loans in all segments, except Commercial and Government. Excluding the past due loans for the three troubled home developers, the NPL ratio would be 1.5%, 60 basis points below YoY and 30 basis points lower QoQ vs. 3Q13.

GFNORTE closed 4Q13 with past due loans of Ps 13.66 billion, a 61% YoY growth, mainly due to the increase in past due Corporate loans - especially of home developers - SMEs, Credit card, Mortgage and Payroll loans, as a result of the negative impact of slower economic growth. The (2%) QoQ decline was due to the decrease of past due loans in the Commercial portfolio. The Group's loan loss coverage was 104.6% at the close of 4Q13, (33.7 pp) lower YoY vs. 2012 and (1.0 pp) below vs. 3Q13; the YoY and QoQ reductions were mainly due to past due loans generated by exposures to home developers.

- **Efficiency**

The Efficiency Ratio during 2013 was 52.0%, 193 basis points below YoY vs. 2012, due to the positive operating leverage obtained; in 4Q13 it was 52.8%, a YoY and a QoQ increase of 229 basis points and 184 basis points, respectively, on the back of higher operating expenses and in the QoQ comparison due to a decline in Net Interest Income.

- **Capitalization**

Banco Mercantil del Norte's Capitalization ratio was 15.12% at the close of 4Q13, with a Total Tier ratio of 12.73% and a Core Tier 1 ratio of 11.48%.

- **Other Subsidiaries**

Long Term Savings comprised of Afore XXI Banorte, Insurance and Annuities reported Ps 1.96 billion in earnings during 2013, an 86% YoY increase vs. 2012, and Ps 666 million in 4Q13, 193% above YoY vs. 4Q12 and 51% higher vs. 3Q13. The YoY increases vs. 2012 and 4Q12 were due to the incorporation of Afore Bancomer's results, improved business dynamics in the Insurance and Annuities companies and to a lesser extent, the decrease in minority interest as a result of acquiring Generali's 49% participation in the Insurance and Annuities companies in October.

Banorte - Ixe Tarjetas reported profits of Ps 1.20 billion, 81% higher YoY vs. 2012, due to the SOFOM's purchase of Banco Mercantil del Norte's credit card portfolio during 2Q12 and the consolidation of its results as of that quarter, as well as growth and portfolio management strategies. In 4Q13 profits were Ps 335 million, 2% higher YoY vs. 4Q12 and 21% above QoQ vs. 3Q13, due to the positive impact on margins and fees from loan growth, as well as a lower level of operating expenses.

The **Brokerage Sector** comprised of Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe, reported profits during 2013 of Ps 649 million, (5%) below YoY as a result of a decrease in operating income, and increases in operating expenses and income tax. 4Q13 earnings were Ps 154 million, (42%) lower YoY and 41% higher QoQ. The YoY decrease was due to lower interest income from repo operations caused by the negative impact of reduced market rates on the investment portfolio, as well as lower income from securities and derivatives trading as a result of changes in the market conditions.

Other Finance Companies comprised of Arrendadora y Factor Banorte, Almacenadora Banorte and Solida Administradora de Portfolios (which was spun-off from Banco Mercantil del Norte to later merge with Ixe Soluciones in May 2013), recorded profits of Ps 362 million in 2013.

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 advanced the payment of ordinary dividends corresponding to the first semester of 2014.**

As was timely announced, the Ordinary General Shareholders' Meeting ("OGM") of Grupo Financiero Banorte, S.A.B. de C.V. ("GFNORTE") held on October 14th, 2013, approved the distribution of a cash dividend of Ps 0.7852 per outstanding share, to be paid in four installments of Ps $0.1963 per share each, of which the first payment was made on October 23rd. Subsequently, in the OGM held on December 20th, 2013 it was approved, with representation of 88.25% of the total subscribed and paid shares of the Company's capital, to anticipate the payment to December 31st, 2013 of the dividends that would be disbursed on January 23rd and April 23rd, amounting to Ps 0.1983 per share, respectively. The fourth and last disbursement programmed for the second semester of 2014 remains unchanged and will be distributed on July 23rd, 2014, as agreed in the aforementioned Shareholders' Meeting of October.

- **GFNORTE announced the total payment to the International Finance Corporation for its investment in Banorte in 2009.**

Regarding the use of proceeds from the Global Public Offering carried out in July 2013, GFNORTE informed that as of December 6th the International Finance Corporation ("IFC") received the payment in order to finalize its participation in GFNORTE, equivalent to 54,364,887 shares of the Group; this participation derived from the IFC's investment in Banco Mercantil del Norte, S.A. ("Banorte") since 2009. With this payment, the IFC does not longer have any patrimonial interest on GFNORTE or its subsidiaries.

This payment was consistent with the information provided to the investment public during the equity offering carried out by GFNORTE, as well as with the content of the transaction documents.

- **The Banker awards Banorte as the "Bank of the Year 2013 - Mexico" and the "Best Private Bank in Mexico 2013".**

In December 2013, for the 6th time in the last 9 years, Banorte was awarded as the "Bank of the Year 2013 - Mexico" and the "Best Private Banking in Mexico 2013" through the Financial Times' specialized publication –The Banker- which recognizes and promotes excellence in the banking industry on a global standard.

The "Best Bank of the Year 2013 - Mexico" award considers factors such as growth of core capital, assets, the level of profits achieved by Banorte, and improvements in ROE and Efficiency during the past 12 months. The Group's growth strategy was another factor that the Financial Times considered in this award. Also, Afore Bancomer's acquisition finalized at the beginning of this year, the successful stock offering carried by GFNORTE in July of US 2.5 billion dollars (the largest offering made through the Mexican Stock Exchange - Bolsa Mexicana de Valores), the acquisition of Generali's stake in the Insurance and Annuities companies, as well as the strategic alliance with IBM to generate higher value propositions to customers, were important factors considered to give Banorte the award.

The Banker also awarded Banorte-Ixe as the "Best Private Bank in Mexico in 2013". The magazine considered Banorte-Ixe's success in integrating the two platforms of private banking, incorporating the best features of the two groups; asset management, investment processes and above all, a service culture characterized by the added value offered to clients through a comprehensive products offering, as well as their vision for the future, and innovation in new investment products and platforms.

- **Merger of Mutual Funds at Operadora de Fondos Banorte Ixe.**

During November and December 2013, 16 of the 43 mutual funds of Operadora de Fondos Banorte Ixe were merged, resulting in a range of 35 mutual funds.

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

Date of Merger	Merging Fund	Merged Fund
November 11th	"Ixe Fondo Patrimonial", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda	"Nortemm", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda.
November 11th	"Ixe Fondos Divisas 2", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda	"Ntecob", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda
November 27th	"Ixe Fondo de Mediano Plazo", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda	"Nteaño", S.A. de C.V. Sociedad de Inversión en Instrumentos de Deuda
November 27th	"Ixe Fondo de Corto Plazo", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda	"Ntemes", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda
November 27th	"Ixe Gub", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda	"Ntebono", S.A. de C.V., Sociedad de Inversión en Instrumentos de Deuda
December 5th	"Ixe Fondo Común", S.A. de C.V., Sociedad de Inversión de Renta Variable	"Norteacc", S.A. de C.V., Sociedad de Inversión en Instrumentos de Renta Variable
December 5th	"Ixe Fondo Estrategia 1" S.A. de C.V., Sociedad de Inversión de Renta Variable	"Nortecon", S.A. de C.V., Sociedad de Inversión de Renta Variable
December 5th	"Ixe Fondo Estrategia 2" S.A. de C.V., Sociedad de Inversión de Renta Variable	"Norteequilibrado", S.A. de C.V., Sociedad de Inversión de Renta Variable

- **Banorte-Ixe Securities complies with terms and conditions of the Letter of Acceptance Waiver and Consent issued by FINRA.**

On January 28th, 2014. GFNorte informed that Banorte-Ixe Securities ("BSI") had accepted the terms and conditions of the Letter of Acceptance Waiver and Consent ("AWC") issued by the Financial Industry Regulatory Authority ("FINRA") in the U.S., in which the aforementioned observed two primary regulatory deficiencies in some of BSI's policies and processes; imposing a fine of US 475,000 dollars, which was paid in full by BSI.

GFNorte's management is permanently committed to complying with the applicable regulations in all the jurisdictions where its affiliates operate. Thus corrective actions to internal policies and procedures have been implemented in order to comply with the regulatory requirements of U.S. authorities, which have increasingly scrutinized the businesses of financial institutions in Latin American. GFNorte acknowledges that any deficiency is unacceptable, and therefore has enhanced its systems in order to correct the areas cited by the regulator.

GFNorte and BSI remain committed to providing their Mexican clients with world class services and products that satisfy their particular financial needs in the U.S. markets, but always under the premise of comprehensively complying with the applicable regulations in the U.S. and in cooperation with its authorities.

- **New York Banorte Day.**

Last November 25th**,** Grupo Financiero Banorte's top management, carried out a new edition of *Banorte Day* in New York City, a meeting with more than 100 national and international analysts and investors, in which the institution's current ability to generate value after recent acquisitions was demonstrated, as well as the business transformation strategy, the new model of retail banking and the advances in technology.

Besides Alejandro Valenzuela (CEO) and Guillermo Ortiz (Chairman of the Board), the following executives participated during *New York Banorte Day*: Gabriel Casillas, Managing Director of Economic Analysis; Rafael Arana, Chief Operating Officer; David Suárez, CFO and Head of IR; Fernando Solís, Managing Director of Long-term Savings, Concepción Borjón, leader of Sumando project; Javier Salgado, Deputy Managing Director of Branch Management; Ignacio Aldonza, Managing Director of Technology and Operations; Andrés Aymes, Territorial Director for Southern Mexico; Jesús Garza, Managing Director of Commercial Banking; Manuel Romo, Managing Director of Consumer Products, and Marcos Ramírez, Managing Director of Wholesale Banking.

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

- **Establishment of China Desk.**

In December, Banorte-Ixe announced the creation of "China Desk", covering all the Mexican territory, formed by a team of Chinese and Mexican executives, highly specialized in providing services to Chinese companies established in Mexico or interested in developing business relations in our country.

The "China Desk" offers comprehensive financial solutions that facilitate the establishment of business relationships for Mexican companies with the Asian country and encourages direct investment from China in our country by offering a broad range of financial products and services in Commercial Banking, SME banking, Business and Corporate Banking, Transactional Banking, International Trade, Leasing and Factoring, Investment Banking, among others.

- **Soriana, joins the network of third party correspondents**

As of January 2014, Banorte's clients and accountholders may pay their credit card, online and in real time, all year round in more than 600 Soriana stores. Banorte expands its correspondent network from 4,147 - at the end of December 2013 - to 4,763 currently.

- **Banorte Móvil is awarded as the best financial application.**

In November, Banorte Mobile was awarded the best of e-business in 2013 during the third edition of the CNN Expansion Awards for the Pago Móvil service, which enables users to pay with their cell phone at retail and online establishments without using a physical card. More than 193 small, medium and large companies, entrepreneurs and educational and government institutions were postulated to 11 categories.

- **Credit Ratings.**

<u>Standard & Poor's increases the ratings for Banorte and Casa de Bolsa Banorte Ixe</u>

Derived from the upgrade in the foreign and domestic long-term sovereign ratings of Mexico to “BBB+” and “A”, respectively, last December 20th, Standard & Poor’s Ratings Services raised Banorte's global scale ratings from BBB-/A-3 with positive outlook to BBB/A2 with stable outlook.

Furthermore, S&P increased Banorte's and Casa de Bolsa Banorte Ixe's national scale ratings, from mxAA+/mxA-1+ with positive outlook to mxAAA/mxA-1+ with stable outlook, respectively.

- **Organizational Changes.**

As part of ongoing efforts to focus the organization towards a client-centered business model, the following appointments and organizational adjustments were made, all of them reporting directly to Rafael Arana de la Garza (COO):

<u>José Antonio Murillo Garza</u> as Managing Director of Analytics, responsible for management and trend analysis of institutional information in order to generate better value propositions to clients, **<u>Ayax Carranza Segura</u>** was appointed as Managing Director of Communications and Institutional Relations, in charge of relations with media and other external agents and **<u>Felipe Duarte Olvera,</u>** was appointed as Managing Director of Client Experience, in charge of ensuring quality in the interaction processes with clients and their continuous improvement.

- José Antonio Murillo was previously Advisor to the Chairman of the GFNorte's Board of Directors. Formerly, had a long career at the Mexican Central Bank (Banco de México), in his last position he was Director of Price, Regional Economies and Information Analysis and was Advisor to the International Monetary Fund. He has been professor at ITAM, El Colegio de México and Rice University and has published several articles in specialized economic magazines; he holds a degree in Economics from ITAM and a Ph.D in Ecomics from Rice University.

- Ayax Carranza was previously Executive Director of Communication and Institutional Relations. He has been Deputy Managing Director of the National Council for Normalization and Certification of Competences, Managing Director of Social Communication at the Education Ministry (SEP) and Deputy Director of Corporative Communication and Image at Gruma, among others. Ayax has a degree in Economics from Universidad Tecnológica de México (UNITEC) and a Master's degree in Business Administration from Instituto Politécnico Nacional.

- Felipe Duarte Olvera was previously Advisor to the Financial Group's CEO. Between 2006 and 2012, he was Deputy Minister of Transport at the Ministry of Communication and Transport, Deputy Minister of Competitiveness and Normativity at the Ministry of the Economy, and Technical Secretary of the previous administration's Economic Cabinet. He previously worked at McKinsey and Co. and at the Office of the Presidency for Public Policies. He holds a degree in Management and Public Accounting from ITAM and a Master's in Business Administration (MBA) from Harvard Business School.

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.

- **Net Interest Income**

Net Interest Income *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Interest Income	16,201	16,704	**16,239**	(3%)	0%	60,773	**65,307**	7%
Interest Expense	8,125	7,764	**7,360**	(5%)	(9%)	30,583	**31,065**	2%
Loan Origination Fees	297	311	**429**	38%	44%	1,118	**1,564**	40%
Fees Paid	109	86	**84**	(2%)	(23%)	286	**377**	32%
GFNORTE's Net Interest Income excluding Insurance and Annuities Co.	**8,264**	**9,166**	**9,223**	**1%**	**12%**	**31,022**	**35,428**	**14%**
Insurance and Annuities-Interest Income	605	636	**716**	13%	18%	2,236	**2,564**	15%
Premium Income (Net)	4,426	4,053	**4,145**	2%	(6%)	16,321	**18,026**	10%
Insurance and Annuities-Interest Expense	2	4	**3**	(28%)	30%	4	**14**	240%
Net Increase in Technical Reserves	2,680	1,740	**2,397**	38%	(11%)	8,708	**9,686**	11%
Damages, Claims and Other Obligations (Net)	2,025	2,447	**2,081**	(15%)	3%	8,057	**9,138**	13%
Insurance and Annuities Net Interest Income	**323**	**498**	**381**	**(23%)**	**18%**	**1,789**	**1,752**	**(2%)**
GFNorte's Net Interest Income	**8,588**	**9,663**	**9,604**	**(1%)**	**12%**	**32,810**	**37,181**	**13%**
GFNorte's Provisions	1,996	1,903	**1,833**	(4%)	(8%)	6,172	**8,942**	45%
Net Interest Income Adjusted for Credit Risk	**6,592**	**7,760**	**7,771**	**0%**	**18%**	**26,637**	**28,239**	**6%**
Average Interest Earning Assets	827,033	876,733	**904,220**	3%	9%	792,501	**875,366**	10%
Net Interest Margin (1)	4.2%	4.4%	**4.2%**	(0.2 pp)	0.1 pp	4.1%	**4.2%**	0.1 pp
NIM after Provisions (2)	3.2%	3.5%	**3.4%**	(0.1 pp)	0.2 pp	3.4%	**3.2%**	(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.

During 2013, GFNORTE's Net Interest Income grew 13% YoY as a result of a combined effect of:

a) A 16% increase in net financial revenues and loan origination fees derived from 6% growth in the loan portfolio, mainly in higher yielding products such as Payroll loans, Credit cards, SMEs and Mortgages
b) A (2%) decrease in the NII of the Insurance and Annuities Companies due to an increase in technical reserves stemming from growth in premium sales.
c) Cancellation of the debt servicing cost of GFNorte's US 800 million dollar syndicated loan disbursed in February and paid on July 26th.
d) A 100 basis point decrease in the benchmark rate during the year (50 basis points in March, 25 basis points in September and 25 basis points in October).

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

During 4Q13, the Financial Groups's Net Interest Income grew 12%YoY vs. 4Q12 as a result of a combined effect of:

a) Greater loan placement in sectors with higher margins (mainly in Consumer portfolio).
b) A lower cost of funding due to a YoY 15% growth in core deposits, causing a (9%) decrease in Interest Expenses.
c) An 18% increase in the NII of the Insurance and Annuities companies.
d) The payment on August 26th of the perpetual subordinated notes which paid a fixed annual rate of 9.75% in dollars.

During 4Q13, the Financial Groups's Net Interest Income decreased (1%) QoQ vs. 3Q13 as a result of a combined effect of:

a) A (23%) decrease in the NII of the Insurance and Annuities companies.
b) A (3%) decrease in the financial revenues, due mainly to:
   - Negative impacts registered on the currency valuation of Ps ($41) million, vs. a benefit of $370 million in the same heading in 3Q13.
   - Lower income from money market transactions derived from the downward trends on benchmark interest rates.
c) A better loan portfolio mix (high performing loans).
d) A lower cost of funding resulting from core deposits' growth, originating a (5%) decline in Interest Expenses.

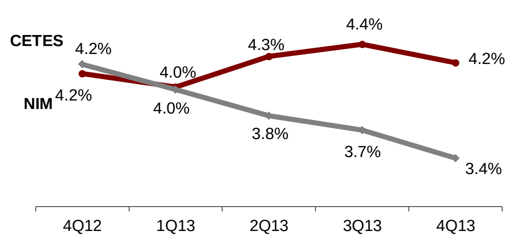
During 2013, the Net Interest Income related only to lending activity grew 16% YoY; in 4Q13 increased 15% YoY vs. 4Q12 and 6% vs. 3Q13, in all cases this is due to a better loan mix (growth in the Payroll, Credit Cards, SME and Mortgage portfolios). **Net Interest Income excluding the Insurance and Annuities** companies increased 14% YoY vs. 2012, 12% vs. 4Q12 and 1% vs. 3Q13.

The average NIM for 2013 was 4.2%, a YoY increase of 11 basis points. **NIM for 4Q13 was 4.2%,** 10 basis points higher YoY vs. 4Q12 and 16 basis points lower QoQ vs. 3Q13. YoY increases resulted from growth in higher yielding segments (Consumer portfolio represented 14% of the total portfolio at the end of 2013 vs. 11% at the end of 2012). The quarterly NIM declined vs. 3Q13 as a result of reduced net interest income due to the negative impact of the decline in the Insurance and Annuities companies' financial revenues.

During 2013, **NIM related to lending activity** increased annually by 44 basis points to 7.8%. During the quarter NIM for the loan portfolio was 8.1%, 61 basis points more than in 4Q12 and 30 basis points more vs. 3Q13.

NIM for the Banking Sector in 2013 was 4.8%, increasing by 29 basis points YoY, and in 4Q13 totaled 4.9%, increasing by 15 basis points vs. 4Q12 and 3Q13, respectively.

NIM VS CETES



- **Provisions**

Provisions charged to results for 2013 totaled Ps 8.94 billion, a 45% YoY increase vs. 2012. The increase is mainly due to provisions created to cover exposures to home developers: URBI, GEO and HOMEX; in addition, the increase is explained by growth in Consumer portfolios that require higher initial provisions under the recently implemented methodology of expected losses, as well as growth in past due loans for the Consumer and SME portfolios as a result of the negative impact of slower economic growth.

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

Provisions charged to results totaled Ps 1.83 billion in 4Q13, an (8%) reduction vs. 4Q12 and (4%) vs. 3Q13. The YOY decline was due to the deterioration in Fincasa assets registered in 4Q12, as well as increased provisions in the Government portfolio; these impacts registered last year offset growth in provisions in the Consumer portfolio, mainly Payroll loans, during this quarter. The QoQ decline vs. 3Q13 was due to lower loan loss reserves in the Payroll and Mortgage portfolios, which offset the increase in Commercial loan provisions.

The **average NIM adjusted for Credit Risks was 3.2% in 2013**, a decrease of 14 basis points vs. 2012 due to the increase in provisions registered during the first half of 2013 resulting from the deterioration in the exposures to home developers and in the loan portfolio as a consequence of the negative impact from weaker economic activity**. This ratio was 3.4% for 4Q13**, 25 basis points higher vs. 4Q12 and 10 basis points lower QoQ vs. 3Q13.

Loan loss provisions represented 24% of Net Interest Income during 2013, a YoY increase of 5 pp vs. 2012. **In 4Q13, loan loss provisions represented 19%** of Net Interest Income, improving from the 23% of 4Q12 and the 20% of 3Q13.

Annualized loan loss provisions during 2013 accounted for 2.2% of the average loan portfolio, a YoY increase of 0.53 pp vs. 2012 mainly on the back of higher provisions related to exposures in home development, and to a lesser extent in the Consumer portfolio. **Loan loss provisions in 4Q13 accounted for 1.7% of the average loan portfolio**, a reduction of (0.3 pp) vs. 4Q12 and (0.1 pp) vs. 3Q13.

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)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Services	1,876	1,820	**1,895**	4%	1%	6,752	**7,278**	8%
Recovery	290	126	**145**	15%	(50%)	1,307	**811**	(38%)
Trading	1,050	610	**1,405**	130%	34%	4,152	**4,971**	20%
Other Operating Income (Expense)	642	754	**364**	(52%)	(43%)	2,300	**3,223**	40%
Non Interest Income	**3,858**	**3,309**	**3,809**	**15%**	**(1%)**	**14,510**	**16,284**	**12%**

Non Interest Income *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Fees Charged on Services	**3,112**	**2,914**	**3,167**	**9%**	**2%**	**11,539**	**12,006**	**4%**
Fees for Commercial and Mortgage Loans	3	5	**3**	(36%)	16%	33	**11**	(66%)
Fund Transfers	121	131	**155**	18%	29%	479	**533**	11%
Account Management Fees	325	348	**375**	8%	16%	1,240	**1,371**	11%
Fiduciary	121	90	**95**	5%	(22%)	384	**362**	(6%)
Income from Real Estate Portfolios	290	126	**145**	15%	(50%)	1,307	**811**	(38%)
Electronic Banking Services	948	1,011	**1,076**	6%	14%	3,377	**3,934**	16%
For Consumer and Credit Card Loans	522	592	**685**	16%	31%	2,030	**2,361**	16%
Fees from IPAB (1)	-	-	**-**	-	-	-	**-**	-
Other Fees Charged (2)	783	611	**632**	3%	(19%)	2,689	**2,622**	(2%)
Fees Paid on Services	**947**	**968**	**1,127**	**16%**	**19%**	**3,480**	**3,917**	**13%**
Fund transfers	11	10	**11**	9%	6%	43	**50**	16%
Other Fees Paid	936	958	**1,116**	17%	19%	3,437	**3,867**	13%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**2,165**	**1,945**	**2,040**	**5%**	**(6%)**	**8,059**	**8,089**	**0%**
Trading Income	**1,050**	**610**	**1,405**	**130%**	**34%**	**4,152**	**4,971**	**20%**
Subtotal Other Operating Income (Expenses) (3)	202	191	**317**	66%	57%	1,058	**1,151**	9%
Non Operating Income (Expense), net (4)	281	392	**(100)**	(125%)	(135%)	615	**1,387**	126%
Other Operating Income (Expense) from Insurance and Annuities (5)	159	170	**146**	(14%)	(8%)	626	**685**	9%
Other Operating Income (Expenses)	**642**	**754**	**364**	**(52%)**	**(43%)**	**2,300**	**3,223**	**40%**
Non Interest Income	**3,858**	**3,309**	**3,809**	**15%**	**(1%)**	**14,510**	**16,284**	**12%**

1) Includes Fees received by asset recovery services from IPAB.
2) Includes fees from letters of credit, transactions with pension funds, warehousing services, 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 2013, Non Interest Income amounted to Ps 16.28 billion, 12% higher YoY due to an increase in almost all headings, except real estate portfolio recoveries, as a result of better business dynamics. **Non Interest Income totaled Ps 3.81 billion for the quarter,** (1%) lower vs. 4Q12 mainly due to reduced Other Operating Income (Expenses) and real estate portfolio recoveries, but increased 15% vs. 3Q13 mainly on the back of higher trading revenues.

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

- **Service Fees**

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

During 2013, Service Fees totaled Ps 7.28 million, an increase of 8% YoY due to better business dynamics in the following items:

i) +16% in electronic banking fees due to more business transactions and payroll services,
ii) +16% in consumer loan fees and credit card fees due to the more client transactions and more cardholders,
iii) +11% in Account Management Fees due to more accounts and adjustments in membership fees, and
iv) +11% in fund transfer revenues due to higher volumes.

On the back of the same business dynamics, **Fees Paid increased 13%** driven by higher fees paid on loans, fund transfers, interbank fees, commissions paid to insurance brokers and foreign payment orders.

Service Fees totaled Ps 1.90 billion in 4Q13, +1% vs. 4Q12 and +4% vs. 3Q13. YoY growth was mainly due to an increase in Consumer and Credit card loan fees (+31%) on the back of higher transactions and number of clients, electronic banking services (+14%) due to more business transactions, Account Management Fees (+16%) derived from higher membership fees and Fund Transfer Fees (+29%), which offset the negative effect presented by the 19% growth in Fees Paid (mainly due to the increase in Fees Paid to insurance brokers and interbank fees) and the (19%) decrease in Other Fees Charged due to lower income from restructured loans.

The 4% QoQ increase vs. 3Q13 is explained by a (+16%) increase in Consumer and Credit card loan fees driven by more transactions and clients, a (+6%) increase in electronic banking fees driven by higher business transactions and payroll services, an (+8%) growth in Account Management Fees, an (+18%) increase in Fund Transfer Fees and a (+3%) increase in Other Fees Charged due to more transfers of cash using armored vehicles, discounts, reimbursements and diverse fees; items which offset the 16% growth in Fees Paid caused partially by higher fees paid to insurance brokers and interbank fees.

- **Trading**

Trading revenues during 2013 totaled Ps 4.97 billion, a YoY growth of 20% due to favorable results from securities and derivatives trading by Banorte and the Annuities company, which offset the decline in valuation gains of Banorte, and the less favorable result of foreign exchange transactions.

Trading revenues in 4Q13 totaled Ps 1.41 billion, an increase of 34% and 130% vs.4Q12 and 3Q13, respectively. The increase vs. 4Q12 was due to the favorable securities and derivatives trading results of Banorte and the Annuities company, as well as by the increase in valuation results of the Insurance and Annuities companies. Meanwhile, the QoQ increase vs. 3Q13 resulted from favorable valuation gains at the Insurance and Annuities companies and Banorte, as well as the positive results of foreign exchange transactions; both effects offset the reduction in Banorte's securities and derivatives trading.

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

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (3) *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Subtotal Other Operating Income (Expenses)	**202**	**191**	**317**	**66%**	**57%**	**1,058**	**1,151**	**9%**
Loan Recovery	342	274	**346**	26%	1%	1,234	**1,384**	12%
Income from foreclosed assets	(38)	(51)	**2**	(103%)	(104%)	(83)	**(145)**	75%
Other Operating Income	(1)	26	**39**	53%	(5907%)	76	**135**	77%
Other Operating Income (Expense)	(102)	(57)	**(70)**	23%	(31%)	(169)	**(223)**	32%
Non Operating Income (Expense), net	**281**	**392**	**(100)**	**(125%)**	**(135%)**	**615**	**1,387**	**126%**
Other Products	780	1,084	**740**	(32%)	(5%)	2,305	**2,988**	30%
Other Recoveries	116	188	**111**	(41%)	(5%)	386	**1,312**	240%
Other (Expenses)	(615)	(880)	**(950)**	8%	54%	(2,075)	**(2,912)**	40%
Other Operating Income (Expense) from Insurance and Annuities	**159**	**170**	**146**	**(14%)**	**(8%)**	**626**	**685**	**9%**
Other Operating Income (Expenses)	**642**	**754**	**364**	**(52%)**	**(43%)**	**2,300**	**3,223**	**40%**

During 2013, Other Operating Income (Expenses) totaled Ps 3.22 billion, a 40% YoY increase due to:

i) Higher portfolio recoveries, mainly from an infrastructure project and a business investment that occurred during 1Q13 and 3Q13,
ii) An increase in *Other Products* resulting from the cancellation of other debtor accounts, higher interests from loans to employees and leasing revenues.
iii) An increase in combined revenues from previously written-off portfolios and the sale of foreclosed assets,
iv) A 77% increase in *Other Operating Income* on the back of greater cancellations of excess preventive estimates, and
v) A 9% increase in income from the Insurance and Annuities companies.

These effects offset the 40% increase in *Other Expenses* generated by more damages, losses and frauds, as well as higher estimates for irrecoverable losses.

In 4Q13, Other Operating Income and Expenses totaled Ps 364 million, which represents a decrease of (43%) vs. 4Q12 and (52%) vs. 3Q13. The decrease with respect to 4Q12 is mainly due to:

i) A 54% increase in Other Expenses resulting from more losses and frauds, and higher estimates for irrecoverable losses,
ii) A (5%) reduction in Other Products due to negative valuation of future benefits from securitizations and lower revenues from sales of property, furniture and equipment, and
iii) An (8%) reduction in income from Insurance and Annuities companies.

The QoQ decrease vs.3Q13 was mainly due to:

i) A (32%) reduction in Other Products from negative valuation of future benefits from securitizations, reduced profits from the sale of property, furniture and equipment, and fewer cancellations of other debtor accounts,
ii) A (41%) decrease in Recoveries,
iii) An 8% increase in Other Expenses resulting from more losses, damages and frauds, and higher estimates for irrecoverable losses, and
iv) A (14%) reduction in income from Insurance and Annuities.

The QoQ 56% increase in acquired portfolio recoveries and in sales of foreclosed assets did not offset the aforementioned effects.

- **Recoveries**

Non Interest Income from Recoveries (including previously written-off proprietary loan portfolio and foreclosed assets classified under "Other Operating Income (Expenses)" amounted to Ps 3.36 billion in 2013, an increase of 18% YoY vs. 2012 mainly due to recoveries linked to an infrastructure project and a business investment during 1Q13 and 3Q13, which offset the (38%) decrease in real estate portfolio recoveries that include the recognition of income related to investment projects, mainly with home developers currently facing solvency and liquidity problems.

In 4Q13 recoveries totaled Ps 604 million, decreasing (15%) QoQ vs. 4Q12 mainly due to the (50%) decline in revenues from real estate portfolios resulting from a slower pace of recognition in revenues linked to investment projects with home developers. Recoveries were 13% higher vs. 3Q13 due to the 15% increase from real estate portfolio recoveries and the increase in combined revenues from the sale of previously written-off portfolio and foreclosed assets.

The amount invested in projects at the end of 4Q13 was Ps 7.20 billion.

- **Non Interest Expense**

Non Interest Expense *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Personnel	2,710	2,916	**3,073**	5%	13%	10,398	**13,077**	26%
Professional Fees	849	605	**867**	43%	2%	2,907	**2,767**	(5%)
Administrative and Promotional	904	1,323	**1,328**	0%	47%	4,899	**4,874**	(0%)
Rents, Depreciation & Amortization	695	820	**794**	(3%)	14%	2,954	**3,219**	9%
Taxes other than income tax & non deductible expenses	569	395	**457**	16%	(20%)	1,826	**1,726**	(5%)
Contributions to IPAB	428	474	**484**	2%	13%	1,610	**1,831**	14%
Employee Profit Sharing (PTU) (1)	134	79	**82**	4%	(39%)	940	**324**	(66%)
Non Interest Expense	**6,288**	**6,613**	**7,084**	**7%**	**13%**	**25,535**	**27,819**	**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 Expenses in 2013 amounted to Ps 27.82 billion, a 9% YoY increase vs. 2012 derived mainly from the strengthening of business areas, the expansion of operating infrastructure and the payment of bonuses and incentives with a higher profit base, which was partially offset by declines in other headings. The increase in expenses occurred in the following items:

i) Ps 2.68 billion in Personnel Expenses (+26%) due to the strengthening of sales forces and the payment of bonuses and incentives with a higher profit base,
ii) Ps 265 million in rents, depreciations and amortizations (+9%) due to the amortization of intangible assets arising from the acquisition of IXE Tarjetas and Afore XXI, the acquisition of new equipment, depreciation of installation charges for the closing of projects and penalty charges for the early termination of leases for branches (both due to the merger of Ixe branches with Banorte branches), the beginning of amortization of related projects capitalized in the Banorte-Ixe merger, leasing agreements related with the IBM contract, the increase in office rents due to inflationary effects, as well as growth in the commercial network, and
iii) Ps 221 million in IPAB contributions (+14%) driven by the YoY growth in liabilities subject to the IPAB fee, mainly deposits.

These increases were partially offset by reductions, among other concepts, in Professional Fees (-5%) due to a reduction in advisory services, adjustments to outsourced personnel payments and benefits, as well as less administrative and promotional expenses in headings such as advertising, various services such as file custody and lower operating expenses of the credit card portfolio.

Non Interest Expenses totaled Ps 7.08 billion in 4Q13, a 13% increase vs. 4Q12 due mainly to:

i) Ps 424 million in Administrative and Promotional expenses (+47%) driven by more recovery by the bank of prorated expenses with the subsidiaries, seasonal promotional campaigns and higher insurance expenses linked to the sale of consumer products,
ii) Ps 362 million in Personnel Expenses (+13%) as a result of strengthening and growth in business areas and in compensation, as well as the payment of bonuses and incentives with a higher profit base,
iii) Ps 99 million in rents, depreciations and amortizations (+14%) derived from leases linked to the IBM contract, acquisition of software licenses, higher expenses linked to office rents and the amortization of intangible assets arising from the acquisition of IXE Tarjetas and Afore XXI,

iv) Ps 56 million in IPAB contributions (+13%), driven by the growth in liabilities subject to the IPAB fee, mainly deposit, and
v) Ps 18 million in Professional Fees (+2%) from various Corporate expenses, Professional and Advisory Fees (Portfolio Recovery and transformational projects).

In 4Q13 Non Interest Expenses increased QoQ 7% vs. 3Q13 mainly due to growth in the following headings:

i) Ps 261 million in Professional Fees (+43%) due to more Corporate expenses and payments related to portfolio recovery, auditing, notaries, credit bureau inquiries and advisory services for transformational projects,
ii) Ps 157 million in Personnel Expenses (+5%) caused by the payment of bonuses and incentives, and,
iii) Ps 61 million in Other Non Deductible Taxes and Expenses (+16%) due to the increase in VAT payment with respect to 3Q13.

The Efficiency Ratio for 2013 was 52.0%, (1.9 pp) YoY lower vs. 2012 due to the positive operating leverage obtained in the period. **During 4Q13, the Efficiency Ratio was 52.8%**, 2.3 pp higher vs. 4Q12 and 1.8 pp higher vs. 3Q13 due to higher growth in operating expenses, and the QoQ decline also resulted from lower net interest income.

- **Taxes**

Income taxes for 2013 totaled Ps 3.56 billion (14%) lower YoY due to the use of tax credits for the year. In **4Q13, taxes amounted to Ps 1.08 billion**, an increase of 4% YoY and a reduction of (1%) QoQ. **The effective tax rate for 4Q13 was 25.3%,** less than the 27.1% in 4Q12 and 25.6% in 3Q13. **The effective accumulated tax rate during 2013 was 22.8%,** (7.8 pp) lower vs. the 30.6% of 2012 due to the use of tax credits originated mainly from applying the changes to regulations related to the creation of loan loss reserves for commercial loans and the tax deductibility of pension fund contributions.

- **Subsidiaries and Minority Interest**

Subsidiaries and Minority Interest reported a Ps 359 million favorable result during 2013 vs. the (Ps 597) million of 2012, due to the integration of Afore Bancomer's results in Afore XXI Banorte, which are consolidated under the equity participation method in Banco Mercantil del Norte, as well as the October purchase of the 49% participation that the Generali group held in the Insurance and Annuities companies.

In 4Q13, the Ps 201 million result is favorable compared to the (Ps 121) million of 4Q12, resulting from the positive impact of applying the Afore's profits of Ps 270 million (vs. Ps 141 million in 4Q12), as well as the decrease in minority interest in Banorte due to the payment made to IFC and the elimination of minority interest in the insurance and annuities companies. The 4Q13 result improves vs. 3Q13 due to the decrease in minority interest in Banorte derived from the payment made to the IFC.

- **Net Income**

GFNorte reported Net Income of Ps 13.51 billion during 2013, 24% higher vs. 2012 as a result of positive operating leverage, on the back of a 13% YoY growth in total income, as well as a lower rate of growth in operating expenses, which combined with the integration of Afore Bancomer's profits in Subsidiaries' results and the use of tax credits, offset higher loan loss provisions mainly due to home developers' loans. **Net Income was Ps 3.62 billion for 4Q13**, 3% above the previous quarter and 20% higher vs. 4Q12; both were originated by the reduction in provisions, the inclusion of Afore Bancomer's profits in Subsidiaries' results, and a decrease in minority interest derived from the acquisition of Generali's participation in the insurance and annuities companies; on the QoQ comparison also due to higher Non Interest Income.

During 4Q13, Grupo Financiero's core earnings (net interest income + net fees excluding portfolio recoveries - operating expenses - provisions) totaled Ps 2.58 million, 18% higher vs.4Q12. **During 2013, core revenues amounted to Ps. 7.70 billion**, (2%) lower YoY vs. 2012, as a result of higher provisions.

GFNorte's equity decreased 11% during the quarter, among other movements, due to: i) the purchase of Grupo Generali's stake in the Insurance and Annuities companies, ii) the settlement of the IFC's equity participation in the bank, and iii) the advanced payment of the dividends corresponding to 1H14 on December 31, 2013. These movements, coupled with the capital increase in GFNorte's equity offering on July 22, 2013, resulted among other factors, in the following ratios:

1) **ROE during 2013 was 14.2%**, a YoY decrease of 12 basis points. **During 4Q13, ROE was 12.9%**, 214 basis points lower vs. 4Q12 and 108 basis points lower QoQ vs. 3Q13.
2) **Return on Tangible Equity (ROTE) was 17.6% during 4Q13**, 151 basis points lower YoY vs. 4Q12 and 57 basis points lower vs. 3Q13.

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

Return on Tangible Equity (ROTE)

	4Q12	3Q13	4Q13
Reported ROE	15.0%	14.0%	**12.9%**
Goodwill / Intangibles	$20,724	$21,734	**$22,366**
Average Tangible Equity	$57,031	$71,068	**$76,851**
ROTE	19.1%	18.1%	**17.6%**

ROA for 2013 was 1.4%, a YoY increase of 15 basis points and **in 4Q13 was 1.5%**, 12 basis points higher vs. 4Q12 and unchanged vs. 3Q13. The increase in ROA is result of higher profits on the back of a better mix and return on assets. **Return on risk-weighted assets was 3.0%**, growing 21 basis points vs. 4Q12 and 3 basis points vs. 3Q13.

Return on Risk Weighted Assets (RRWA)

	4Q12	3Q13	4Q13
Reported ROA	1.3%	1.5%	**1.5%**
Average Risk Weighted Assets	$384,360	$428,015	**$444,462**
RRWA	2.8%	3.0%	**3.0%**

The Banking Sector's (Banco Mercantil del Norte, Banorte - Ixe Tarjetas and Banorte USA) profits for 2013 totaled Ps 10.69 billion, contributing 79% of GFNorte's net income. ROE was 16.4% during 2013, 54 basis points lower vs. 2012 due mainly to the increase in Banco Mercantil del Norte's equity in February as part of the strategy to replenish the capital used for the Afore Bancomer acquisition. ROA for the banking sector was 1.6%, up 15 basis points YoY.

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)*	4Q12	1Q13	2Q13	3Q13	4Q13	Change QoQ	Change YoY
Tier 1 Capital	46,696	53,723	55,092	56,322	58,585	4%	25%
Tier 2 Capital	11,496	10,898	11,699	11,088	11,034	(0%)	(4%)
Net Capital	58,192	64,621	66,791	67,410	69,619	3%	20%
Credit Risk Assets	297,007	299,551	322,445	334,020	338,033	1%	14%
Net Capital / Credit Risk Assets	19.6%	21.6%	20.7%	20.2%	20.6%	0.4 pp	1.0 pp
Total Risk Assets (1)	394,529	412,488	451,301	453,743	460,316	1%	17%
Tier 1	11.84%	13.02%	12.21%	12.41%	12.73%	0.3 pp	0.9 pp
Tier 2	2.91%	2.64%	2.59%	2.44%	2.40%	(0.0 pp)	(0.5 pp)
Capitalization Ratio	14.75%	15.67%	14.80%	14.86%	15.12%	0.27 pp	0.37 pp

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

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

At the close of 4Q13 Banorte's estimated Capitalization Ratio (CR) was 15.12% considering credit, market and operational risk and 20.6% if only credit risks are considered. **The Core Tier 1 ratio was 11.48%, Total Tier 1 ratio was 12.73% and Tier 2 was 2.40%.**

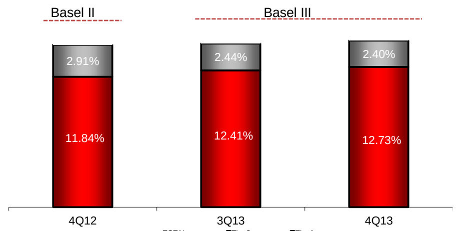
The Capitalization Ratio increased by 0.27** pp versus 3Q13, with the following dynamics:

1.	Growth of profits during 4Q13:	+0.72 pp
2.	Capitalization of December 2013	+0.43 pp
3.	Dividend payments:	-0.44 pp
4.	Growth in risk assets:	-0.22 pp
5.	Increase in Intangibles	-0.11 pp
6.	Investment in Subsidiaries and Securitizations	-0.06 pp
7.	Valuation of Securities Available for Sale and Derivatives	-0.05 pp

The Capitalization Ratio increased 0.37 pp above 4Q12, showing the following dynamics:

1.	Capitalization Initiatives Executed in 2013	+3.54 pp
2.	Profits Generated during the last 12 months:	+3.06 pp
3.	Net effect of Applying Basel III:	+0.93 pp
4.	Investment in Subsidiaries and Intangibles:	+0.34 pp
5.	Growth in risk assets:	-2.52 pp
6.	Investment in Afore Bancomer	-2.30 pp
7.	Dividends paid in 2013:	- 1.29 pp
8.	Change of Reserves' Methodology:	- 0.88 pp
9.	Valuation of Securities Available for Sale and Derivatives:	- 0.26 pp
10.	Reserves considered as Tier 2[1]:	- 0.25 pp

% CAPITALIZATION RATIO



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

1) Loan loss reserves for Financial Intermediaries and Property Investment Projects

** pp: Percentage Points

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

- **Deposits**

Grupo Financiero Banorte

Deposits *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	104,612	106,563	**123,056**	15%	18%
Interest Bearing Demand Deposits (1)	106,842	129,636	**132,241**	2%	24%
Total Demand Deposits (2)	211,454	236,198	**255,297**	8%	21%
Time Deposits – Retail	124,255	127,953	**129,121**	1%	4%
Core Deposits	335,709	364,151	**384,419**	6%	15%
Money Market (3)	89,860	76,552	**59,729**	(22%)	(34%)
Total Bank Deposits	**425,569**	**440,703**	**444,147**	1%	4%
GFNorte's Total Deposits (4)	**424,325**	**430,366**	**443,740**	3%	5%
Third Party Deposits	**111,042**	**156,273**	**150,636**	(4%)	36%
Total Assets Under Management	**536,611**	**596,976**	**594,783**	(0%)	11%

1. Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts to 4Q12, 3Q13 and 4Q13 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: 4Q12= ($1.244) billion; 3Q13 = ($10.337) billion; 4Q13 = ($407) million

- **Deposits**

At the close of 4Q13, GFNorte's Total Deposits amounted to Ps 443.74 billion, an increase of Ps 19.42 billion or a 5% YoY increase vs. 4Q12; and a QoQ increase of Ps 13.38 billion or 3% above vs. 3Q13, driven mainly by the efforts to promote Banorte-Ixe's deposit products.

In the Banking Sector, Total Deposits amounted to Ps 444.15 billion, an increase of Ps 18.58 billion or 4% higher YoY , which is comprised of a 21% increase in Demand Deposits, a 4% increase in Retail Time Deposits and a (34%) decrease in Money Market Deposits. During the quarter, Total Deposits increased by 1%, with Demand Deposits increasing by 8%, Retail Time Deposits by 1% and Money Market Deposits decreased by (22%).

In 3Q13 the Holding Company had a total investment of Ps 10.82 billion in Banco Mercantil del Norte, proceeds that were used in October to pay for Grupo Generali's minority interest in the Insurance and Annuities companies. When excluding the Holding Company's investment in the figures reported in 3Q13, Total Bank Deposits would have grown 3% QoQ, driven by an 8% increase in Core Deposits, and in turn, Demand Deposits would have increased by 13%.

- **Demand and Time Deposits**

At the close of 4Q13, Demand Deposits totaled Ps 255.30 billion, an increase of Ps 43.84 billion or 21% YoY, driven by an 18% increase in Non Interest Bearing Demand Deposits as a result of growth recorded in the average balance of personal accounts (+14%) and corporate accounts (+18%). Interest Bearing Demand Deposits grew 24% YoY, driven by increases in the average balances in personal accounts (+17%), as well as corporate accounts (+47%). Deposits for SMEs, Commercial, Government, Corporate and Businesses recorded a combined YoY growth of 31%.

Demand Deposits increased QoQ by Ps 19.10 billion or 8% vs. 3Q13 driven by a 15% increase in Non Interest Bearing Demand Deposits and 2% in Interest Bearing Demand Deposits; when excluding the Holding Company's investment in Banco Mercantil del Norte of Ps 9.54 billion held as Interest Bearing Demand Deposits as informed the results reported in 3Q13, the QoQ increase would have been 10%. Growth in both headings was generated by higher average balances in personal and corporate products, favored by seasonal dynamics.

Retail Time Deposits totaled Ps 129.12 billion, an increase of Ps 4.87 billion or 4% YoY as a result of campaigns to place promissory notes with different maturities through the branches; the QoQ balance increased by Ps 1.17 billion or 1% vs. 3Q13.

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

As a result of efforts to increase deposits, new personal accounts increased by 10% and corporate accounts by 2% at the close of 4Q13.

- **Money Market Deposits**

The balance of Money Market Deposits at the close of 4Q13 was Ps 59.73 billion, a decrease of (34%) YoY and (22%) QoQ. Both decreases are explained by lower funding needs through money market due to growth of core deposits.

- **Third Party Deposits**

In 4Q13, Third Party Deposits amounted to Ps 150.64 billion, an increase of 36% YoY. During the quarter, Third Party Deposits declined (4%) due to a decrease in third party securities in external custody and third party securities in private banking.

- **Managed Resources**

At the close of December 2013, Managed Resources totaled Ps 594.78 billion, growing Ps 58.17 billion or 11% YoY and declined by (Ps 2.19) billion vs. 3Q13, the latter, as a result of lower balances in Money Market and Third Party deposits.

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

- **Loans**

Performing Loan Portfolio *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY
Commercial (1)	106,257	109,736	**113,795**	4%	7%
Consumer	118,401	134,594	**139,715**	4%	18%
Corporate (1)	88,237	78,874	**75,690**	(4%)	(14%)
Government	88,294	90,526	**95,637**	6%	8%
Sub Total	401,190	413,729	**424,837**	3%	6%
Recovery Bank	243	210	**201**	(4%)	(17%)
Total	401,433	413,939	**425,038**	3%	6%

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

Performing Consumer Loan Portfolio *(Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY
Mortgages	72,365	79,212	**81,833**	3%	13%
Car Loans	10,329	11,163	**11,412**	2%	10%
Credit Cards	17,524	19,844	**20,362**	3%	16%
Payroll	18,183	24,375	**26,108**	7%	44%
Consumer Loans	118,401	134,594	**139,715**	4%	18%

(Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY
Past Due Loans	8,481	13,865	**13,655**	(2%)	61%
Loan Loss Reserves	11,734	14,651	**14,289**	(2%)	22%
Acquired Rights	3,109	3,330	**3,522**	6%	13%

- **Total Performing Loans**

Total Performing Loans increased 6% YoY, growing by Ps 23.65 billion to Ps 424.84 billion at the close of 4Q13, excluding the proprietary loans managed by the Recovery Bank. The Loan portfolio registered lower growth rates YoY mainly due to the economic slowdown registered in the year and the prepayments made by corporate clients, which were not offset by the origination of new loans in this segment during 2013. In spite of this, the loan portfolio grew at a faster pace than the economy.

Total Performing Loans increased 3% QoQ vs. 3Q13, growing by Ps 11.11 billion, resulting mainly from the growth in government, commercial, mortgage and payroll portfolios.

Portfolio growth by segments was as follows:

- **Individual Loans**

✓ **Consumer and Mortgage:** increased by Ps 21.31 billion or 18% YoY vs. 4Q12 and Ps 5.12 billion or 4% QoQ vs 3Q13 **totaling Ps 139.72 billion in 4Q13** as a result of favorable dynamics in all segments.

✓ **Mortgage:** grew by Ps 9.47 billion or 13% YoY **reaching a balance of Ps 81.83 billion**, driven by growth in placement of middle-income mortgage loans, the mortgage program with PEMEX, as well as the reactivation of programs for home improvements, construction, remodeling and payment of liabilities. In 4Q13 the portfolio grew by Ps 2.62 billion or 3% QoQ vs. 3Q13, on the back of favorable dynamics in mortgage loan placements for middle-income segment, the mortgage program with PEMEX, and other mortgage products, including liquidity credit lines. With respect to new loan production during 2013, 16,081 mortgage loans worth Ps 18.36 billion were placed, representing a YoY increase of 11%. As of November 2013, Banorte had a 16.6% share of the mortgage loan market and a 20.0% share of new mortgage loan accumulated production, ranking second and third in the system, respectively.

- ✓ **Credit Cards:** In 2012 Banco Mercantil del Norte acquired 50% of JP Morgan Chase's equity interest in the SOFOM Ixe Tarjetas, and the other 50% of the company owned by Ixe Banco, and its name was subsequently changed to Banorte-Ixe Tarjetas, S.A. de C.V. SOFOM, integrating the business into a single platform. **At the close of 4Q13 the credit card portfolio amounted to Ps 20.36 billion**, an increase of Ps 2.84 billion or 16% YoY and Ps 518 billion or 3% QoQ. Both increases are due to portfolio management strategies, marketing campaigns for Banorte-Ixe products and more cross-selling to clients. New cards for the year amounted to 492,796, a YoY decrease of (1%), and at the close of the quarter, Banorte-Ixe had 1.73 million cards. Transactions for 2013 totaled Ps 52.2 billion, growing 15% YoY as a result of the campaigns to promote card usage, as well as a larger number of cardholders and Point of Sale Terminals (POS). The profitability of the credit card product has increased in recent months, due to loan portfolio growth and adequate portfolio risk management. As of November 2013, Banorte - Ixe had a 7.0% share of total market, ranking fourth in the system.

- ✓ **Payroll:** At the close of 4Q13, the portfolio registered YoY growth of Ps 7.93 billion or 44% YoY and Ps 1.73 billion for the quarter, or 7% QoQ **totaling Ps 26.11 billion**, as a result of growth in the number of Banorte-Ixe payroll account holders, which totaled 4.45 billion, up by 14% YoY, as well as campaigns to promote the product and strategies to cross-sell to clients through various channels. New loan production for 2013 amounted to Ps 31.16 billion or a 40% YoY increase vs. 2012. Likewise, 981,479 new loans were placed during 2013, 25% higher YoY. Payroll loans continue to display robust growth over the last year with good asset quality compared to the system average. As of November 2013, Banorte-Ixe had a market share of 19.0% compared to the total system, ranking third.

- ✓ **Cars:** Car loans grew by Ps 1.08 billion pesos, or 10% YoY and Ps 249 million, or 2% QoQ **at the end of 4Q13 to Ps 11.41 billion** on the back of more new loans driven by promotional campaigns through various channels, cross-selling to clients and alliances with car dealerships. During 2013, 41,328 new car loans were placed worth Ps 8.71 billion or an increase of 8% YoY vs. 2012. The profitability of this product continues to be favorable as a result of higher loan volumes, good asset quality of the portfolio (vs. the system average) and cross-sales of car insurance, which is one of the most important products of Seguros Banorte (insurance company). As of November 2013, Banorte-Ixe had a market share of 15.6% ranking fourth in the system, excluding loans granted by the financial companies of car manufacturers.

- **II. Loans to Institutions**

- ✓ **Commercial:** Commercial loans grew by Ps 7.54 billion, or 7% YoY and increased by Ps 4.06 billion or 4% QoQ vs. 3Q13 **reaching Ps 113.80 billion**. YoY and QoQ growth is on the back of increased placement of business loans, leasing and the reactivation of the Crediactivo product for corporations. **The SME portfolio totaled Ps 33.74 billion**, representing a growth of Ps 4.04 billion or 14% YoY and Ps 1.25 billion or 4% higher vs. 3Q13 The market share in the commercial portfolio (including corporate loans) is 12.9% as of November 2013, ranking fourth in the system.

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

	4Q12	3Q13	4Q13
Performing Portfolio	$29,707	$32,495	$33,743
% of Performing Commercial Portfolio	28.0%	29.6%	29.7%
% de Total Performing Portfolio	7.4%	7.9%	7.9%
NPL Ratio	3.8%	4.8%	5.4%

- ✓ **Corporate: At the close of 4Q13, corporate loans totaled Ps 75.69 billion**, decreasing by (Ps 12.55) billion or (14%) YoY and (Ps 3.18) billion or (4%) QoQ vs. 3Q13. These reductions can be attributed to the payment or classification to past due of some loans related to home developers, as well as prepayments received from some clients that used the proceeds from capital markets' transactions to settle their liabilities. Banorte's corporate loan portfolio is diversified by sectors and regions and shows a low concentration. Banorte's 20 main corporate borrowers account for 10.7% of the total portfolio, decreasing (0.6 pp) QoQ vs. 3Q13 and (1.2 pp) vs. 4Q12. The bank's largest corporate loan represents 1.7% of the total portfolio and has an A1 rating, while number 20 represents 0.3%.

Through the subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida Administradora de Portafolios, GFNORTE has extended loans and participated, through specialized trust operations, in housing development projects. Some of the largest companies in this sector have experienced financial difficulties and three of the largest companies are undergoing a debt restructuring process and have defaulted on their payments. This situation has led to deterioration in the risk profile of these three borrowers. We are currently involved in restructuring negotiations with these companies along with other banks. **As of December 31st, 2013, we had a loan exposure of Ps 8.71 billion to Urbi Desarrollos Urbanos, S.A.B. de C.V., Corporación Geo, S.A.B. de C.V. and Desarrolladora Homex, S.A.B. de C.V**., 1.1% below the previous quarter. These three companies currently represent 2.0% of our total loan portfolio compared to 2.1% in September 2013. **Ps 7.00 billion are past due,** growing by Ps 1.02 billion in 4Q13. 73% of the loan portfolio is guaranteed, decreasing vs. 80% of the previous quarter. **Sólida has Ps 9.18 billion in land and proprietary investments and Ps 553 million in collection rights,** compared to Ps 8.91 billion and Ps 561 million in 3Q13.

- ✓ **Government: At the end of 4Q13, government loans totaled Ps 95.64 billion**, representing an increase of Ps 7.34 billion or 8% YoY and Ps 5.11 billion or 6% QoQ as a result of ongoing efforts to continue meeting demand for loans in this segment, especially from the Federal Government. Banorte's Government portfolio is diversified by sectors and regions, and shows an adequate concentration. Banorte's 20 largest government loans account for 19.5% of the Bank's total portfolio, 0.9 percentage points higher vs. 3Q13 and (1.1 pp) below vs. 4Q12. The largest government loan accounts for 3.0% of the total portfolio and has an A1 rating, while number 20 accounts for 0.4%. The loan portfolio's risk is adequate, as more than 95% of the total portfolio has a fiduciary guarantee (federal budget transfers and local revenues such as payroll tax), and less than 2% of the loans in the portfolio have short-term maturities. The risk-adjusted profitability of government banking is high. As of November 2013, Banorte had a 22.7% market share of government loans in the total system, becoming the leader in this sector of the industry.

- **Past Due Loans**

At the close of 4Q13, past due loans amounted to Ps 13.66 billion, 61% higher YoY vs. 4Q12, mainly due to an increase of past due loans in the corporate portfolio - especially from home developers -, SMEs, credit card, mortgage and payroll loans, derived from the negative impact of the economic slowdown. QoQ declined (2%), on the back of a decrease in past due loans of the commercial portfolio.

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

Million pesos	4Q13	Change Vs. 3Q13	Change Vs. 4Q12
Credit Cards	1,278	22	347
Payroll	628	64	228
Car loans	187	10	52
Mortgage	1,087	74	274
Commercial	3,389	(1,050)	(1,330)
Corporate	7,084	682	5,661
Government	2	(12)	(58)
Total	13,655	(210)	5,174

In 4Q13, Past Due Loan Ratio was 3.1%, 1.0 pp higher YoY vs. 2012 and (0.1 pp) lower QoQ vs.3Q13. The YoY increase is due to more past due loans in all segments, except commercial and government.

Excluding the past due loans for the three troubled home developers, the NPL ratio would be 1.5%, 60 basis points below YoY and 30 basis points lower QoQ vs. 3Q13.

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 showed the following trends during the last 12-months:

	4Q12	1Q13	2Q13	3Q13	4Q13
Credit Cards	5.0%	5.7%	6.0%	6.0%	5.9%
Payroll	2.2%	2.2%	2.4%	2.3%	2.3%
Car loans	1.3%	1.1%	1.4%	1.6%	1.6%
Mortgage	1.1%	1.1%	1.2%	1.3%	1.3%
Commercial	4.3%	4.3%	3.5%	3.9%	2.9%
Corporate	1.6%	1.6%	2.6%	7.5%	8.6%
Government	0.1%	0.0%	0.1%	0.0%	0.0%
Total	2.1%	2.1%	2.2%	3.2%	3.1%

The expected loss of Banco Mercantil del Norte, the Financial group's main subsidiary, represents 2.1% and the unexpected loss 3.3%, both with respect to the total portfolio at the end of 4Q13. The average of expected loss represents 2.1% during the October - December 2013 period. These ratios were 2.2% and 3.4%, respectively, during 3Q13, and 1.4% and 2.9% 12 months ago, retroactively considering the merger of Banorte with Ixe Banco and Fincasa.

Banco Mercantil del Norte's Net Credit Losses (NCL) for the last 12 months amounted to 1.2%.

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

Past Due Loan Variations *(Million Pesos)*	
Balance as of September '13	**13,865**
Transfer from Performing Loans to Past Due Loans	4,853
Portfolio Purchase	0
Renewals	(545)
Cash Collections	(777)
Discounts	(159)
Charge Offs	(1,450)
Foreclosures	(49)
Transfer from Past Due Loans to Performing Loans	(1,153)
Loan Portfolio Sale	(933)
Foreign Exchange Adjustments	(1)
Fair Value - Ixe	4
Balance as of December '13	**13,655**

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, 15% as Risk B and 6% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 4Q13-GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	294,901	651	262	95	299	81	**1,388**
A2	76,002	289	270	142	254	43	**998**
B1	23,551	163	70	-	631	10	**874**
B2	19,316	161	0	0	539	16	**716**
B3	26,706	377	341	0	297	8	**1,023**
C1	6,890	232	3	-	226	41	**502**
C2	5,600	203	17	0	489	76	**785**
D	16,021	4,424	-	-	1,479	292	**6,195**
E	2,401	487	-	-	948	104	**1,540**
Total	471,387	-			-	-	-
Not Classified	(66)	-			-	-	-
Exempt	58	-			-	-	-
Total	471,379	6,986	963	237	5,162	670	**14,017**
Reserves	-	-			-	-	**14,289**
Preventive Reserves	-	-			-	-	**271**

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 31st, 2013.

2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Consumer, Mortgage and Commercial loans, Banorte uses the regulation described in the Official Gazette published on June 24th, 2013, and for Commercial loans granted to Financial Entities it uses internal methodologies approved by the CNBV.

3.- The additional loan loss reserves follow the rules applicable to banks and credit institutions.

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

(Million Pesos)	**Total**
Distressed Portfolio	12,359
Total Loans	471,379
Distressed Portfolio / Total Loans	**2.6%**

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

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

Loan Loss Reserves *(Million Pesos)*	**4Q13**
Previous Period Ending Balance	**14,651**
Provisions charged to results	1,794
Created with profitability margin	0
Reserve Portfolio Sold	-426
Other items	0
Charge offs and discounts:	
Commercial Loans	-130
Consumer Loans	-1,314
Mortgage Loans	-281
Foreclosed assets	-
	-1,725
Cost of debtor support programs	-3
Valorization and Others	-2
Adjustments	0
Loan Loss Reserves at Period End	**14,289**

Loan Loss Reserves amounted to Ps 14.29 billion at the end of the quarter, 2% lower QoQ. 76% of the charge offs and discounts correspond to consumer portfolio, 16% to mortgage loans and 8% to commercial portfolios.

At the end of 4Q13, the loan loss coverage ratio was 104.6% (104.4% excluding INB), decreasing both YoY and QoQ, mainly due to past due loans generated as a result of exposures to home developers.

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

BANKING SECTOR

Banking Sector: Banco Mercantil del Norte, Banorte USA, Banorte- Ixe Tarjetas (since 2Q12), Fincasa (since May 2013) and Afore XXI Banorte (50% ownership).

Income Statement and Balance Sheet Highlights-Banking Sector (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Income Statement								
Net Interest Income	8,026	8,704	**9,053**	4%	13%	30,025	**34,685**	16%
Non Interest Income	2,982	2,943	**3,262**	11%	9%	12,034	**13,313**	11%
Total Income	11,008	11,646	**12,315**	6%	12%	42,059	**47,998**	14%
Non Interest Expense	5,526	6,137	**6,579**	7%	19%	23,203	**25,766**	11%
Provisions	1,904	1,957	**1,800**	(8%)	(5%)	5,833	**8,788**	51%
Operating Income	3,578	3,552	**3,936**	11%	10%	13,023	**13,444**	3%
Taxes	875	951	**919**	(3%)	5%	3,460	**2,761**	(20%)
Subsidiaries & Minority Interest	155	337	**282**	(16%)	81%	68	**1,439**	2004%
Net Income	2,859	2,938	**3,299**	12%	15%	10,139	**12,122**	20%
Balance Sheet								
Total Assets	726,241	800,679	**787,916**	(2%)	8%	726,241	**787,916**	8%
Performing Loans (a)	388,629	407,542	**419,830**	3%	8%	388,629	**419,830**	8%
Past Due Loans (b)	7,281	13,487	**13,317**	(1%)	83%	7,281	**13,317**	83%
Total Loans (a+b)	395,910	421,028	**433,147**	3%	9%	395,910	**433,147**	9%
Total Loans Net (d)	385,354	406,979	**419,382**	3%	9%	385,354	**419,382**	9%
Acquired Collection Rights (e)	2,892	1,948	**1,918**	(2%)	(34%)	2,892	**1,918**	(34%)
Total Loans (d+e)	388,245	408,927	**421,300**	3%	9%	388,245	**421,300**	9%
Total Liabilities	660,126	725,742	**709,990**	(2%)	8%	660,126	**709,990**	8%
Total Deposits	425,569	440,703	**444,147**	1%	4%	425,569	**444,147**	4%
Demand Deposits	211,454	236,198	**255,297**	8%	21%	211,454	**255,297**	21%
Time Deposits	214,115	204,505	**188,850**	(8%)	(12%)	214,115	**188,850**	(12%)
Equity	66,115	74,937	**77,926**	4%	18%	66,115	**77,926**	18%

Financial Ratios Banking Sector	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Profitability:								
NIM (1)	4.8%	4.8%	**4.9%**	0.15 pp	0.15 pp	4.5%	**4.8%**	0.29 pp
NIM after Provisions (2)	3.6%	3.7%	**3.9%**	0.2 pp	0.3 pp	3.6%	**3.6%**	(0.1 pp)
ROE (4)	17.8%	15.9%	**17.3%**	1.4 pp	(0.5 pp)	16.9%	**16.4%**	(0.54 pp)
ROA (5)	1.6%	1.5%	**1.7%**	0.2 pp	0.1 pp	1.4%	**1.6%**	0.15 pp
Operation:								
Efficiency Ratio (6)	50.2%	52.7%	**53.4%**	0.7 pp	3.2 pp	55.2%	**53.7%**	(1.5 pp)
Operating Efficiency Ratio (7)	3.0%	3.1%	**3.3%**	0.2 pp	0.3 pp	3.2%	**3.3%**	0.1 pp
Liquidity Ratio (8)	92.5%	112.1%	**98.8%**	(13.2 pp)	6.3 pp	92.5%	**98.8%**	6.3 pp
Asset Quality:								
Past Due Loan Ratio	1.8%	3.2%	**3.1%**	(0.1 pp)	1.2 pp	1.8%	**3.1%**	1.2 pp
Coverage Ratio	145.0%	104.2%	**103.4%**	(0.8 pp)	(41.6 pp)	145.0%	**103.4%**	(41.6 pp)
Past Due Loan Ratio w/o Banorte USA	1.9%	3.3%	**3.1%**	(0.1 pp)	1.3 pp	1.9%	**3.1%**	1.3 pp
Coverage Ratio w/o Banorte USA	146.1%	104.0%	**103.1%**	(0.9 pp)	(43.0 pp)	146.1%	**103.1%**	(43.0 pp)
Growth (8)								
Performing Loans (9)	15.9%	8.8%	**8.0%**	(0.7 pp)	(7.9 pp)	15.9%	**8.0%**	(7.9 pp)
Core Deposits	9.6%	13.9%	**14.5%**	0.6 pp	4.9 pp	9.6%	**14.5%**	4.9 pp
Total Deposits	15.2%	11.5%	**4.4%**	(7.2 pp)	(10.9 pp)	15.2%	**4.4%**	(10.9 pp)
Capitalization:								
Net Capital/ Credit Risk Assets	19.6%	20.2%	**20.6%**	0.4 pp	1.0 pp	19.6%	**20.6%**	1.0 pp
Total Capitalization Ratio	14.7%	14.9%	**15.1%**	0.3 pp	0.4 pp	14.7%	**15.1%**	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.
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)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Interest Income	13,635	14,018	**13,848**	(1%)	2%	52,518	**55,619**	6%
Interest Expense	5,788	5,540	**5,140**	(7%)	(11%)	23,286	**22,120**	(5%)
Loan Origination Fees	287	311	**429**	38%	49%	364	**1,564**	329%
Fees Paid	108	86	**84**	(2%)	(22%)	284	**377**	33%
Net Interest Income	**8,026**	**8,704**	**9,053**	**4%**	**13%**	**30,025**	**34,685**	**16%**
Provisions	1,904	1,957	**1,800**	(8%)	(5%)	5,833	**8,788**	51%
Net Interest Income Adjusted for Credit Risk	**6,123**	**6,746**	**7,253**	**8%**	**18%**	**24,192**	**25,897**	**7%**
Average Interest Earning Assets	674,906	731,434	**737,454**	1%	9%	665,877	**722,830**	9%
Net Interest Margin (1)	4.8%	4.8%	**4.9%**	0.2 pp	0.2 pp	4.5%	**4.8%**	0.3 pp
NIM after Provisions (2)	3.6%	3.7%	**3.9%**	0.2 pp	0.3 pp	3.6%	**3.6%**	(0.1 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.

During 2013, Net Interest Income grew 16% YoY from Ps 30.03 to Ps 34.69 billion and 18% YoY considering only financial revenues and net fees related to loan origination as a result of an 8% growth in performing loans with a better mix, especially in products accretive to Net Interest Income such as payroll, credit card, SMEs and mortgage loans.

During 4Q13 Net Interest Income totaled Ps 9.05 billion, a 13% YoY increase and 4% QoQ. The YoY and QoQ growth is explained by the portfolio expansion with a better mix, as well as a stable cost of funding. Considering only financial revenues and net fees related to loan origination, Net Interest Income rose 17% YoY vs. 4Q12 and 5% QoQ vs. 3Q13.

The average NIM was 4.8% in 2013, 29 basis points higher vs. 2012. In 4Q13, NIM was 4.9%, 15 basis points higher vs. 4Q12 and 3Q13; the NIM's YoY increase is explained by greater growth in Net Interest Income vs. Average Interest Earning Assets due to a better loan and funding mix.

- **Loan Loss Provisions**

In 2013 Loan Loss Provisions charged to results totaled Ps 8.79 billion and Ps 1.80 billion in 4Q13, registering increases of 51% vs. 2012 and decreases of (5%) YoY and (8%) QoQ vs. 3Q13. The YoY increase was mainly due to provisions created to cover exposures in housing development companies URBI, GEO and HOMEX, as well as growth in consumer portfolios that require higher initial provisions derived from the new methodology of expected losses recently adopted and growth in past due loans in the consumer and SME segments as a result of the negative impact of the economic slowdown. The quarterly changes are due to lower provisions in government portfolio in the case of the variation vs. 4Q12; and reduced provisions in payroll and mortgage portfolios vs. 3Q13.

The average NIM adjusted for Credit Risks was 3.6% in 2013, (5) basis points lower vs. 2012; and 3.9% for 4Q13 comparing favorably vs. 4Q12 and 3Q13.

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)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Services	1,736	1,872	**2,042**	9%	18%	6,751	**7,580**	12%
Recovery	290	16	**25**	54%	(91%)	1,307	**88**	(93%)
Trading	414	503	**595**	18%	44%	2,414	**3,021**	25%
Other Operating Income (Expense)	543	551	**600**	9%	11%	1,562	**2,624**	68%
Non Interest Income	**2,982**	**2,943**	**3,262**	**11%**	**9%**	**12,034**	**13,313**	**11%**

Non Interest Income totaled Ps 13.31 billion in 2013, an increase of 11% YoY; and in 4Q13 amounted to Ps 3.26 billion, 9% higher vs. 4Q12 and 11% above vs. 3Q13. The accumulated YoY growth is due to higher Services fees, Trading revenues and Other Income. During 4Q13, all Non Interest Income items increased vs 3Q13.

- **Non Interest Expenses**

Non Interest Expense (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Personnel	2,751	2,813	**2,933**	4%	7%	9,948	**12,569**	26%
Professional Fees	663	530	**744**	40%	12%	2,309	**2,365**	2%
Administrative and Promotional	442	1,145	**1,234**	8%	179%	4,155	**4,230**	2%
Rents, Depreciation & Amortization	631	768	**729**	(5%)	15%	2,723	**2,992**	10%
Taxes other than income tax & non deductible expenses	484	329	**374**	14%	(23%)	1,550	**1,456**	(6%)
Contributions to IPAB	428	474	**484**	2%	13%	1,610	**1,831**	14%
Employee Profit Sharing (PTU) (1)	127	78	**82**	4%	(35%)	908	**323**	(64%)
Non Interest Expense	**5,526**	**6,137**	**6,579**	**7%**	**19%**	**23,203**	**25,766**	**11%**

Non Interest Expenses during 2013 totaled Ps 25.77 billion, 11% higher YoY mainly due to growth and strengthening of business areas, the expansion of operating infrastructure and the payment of bonuses and incentives with a higher profit base, which was partially offset by decreases in other headings.

Non Interest Expenses in 4Q13 amounted to Ps 6.58 billion, a 19% YoY growth mainly due to higher Administrative and Promotional expenses derived from seasonal promotional campaigns; in addition, Personnel Expenses increased due to strengthening and growth in business areas and in compensations, as well as the payment of bonuses and incentives with a higher profit base.

The Efficiency Ratio during 2013 was 53.7%, (1.5 pp) lower vs. 2012 due to the positive operating leverage obtained. In 4Q13 the Efficiency Ratio was 53.4%, a YoY increase of 3.2 pp vs. 4Q12 and 0.7 pp vs. 3Q13.

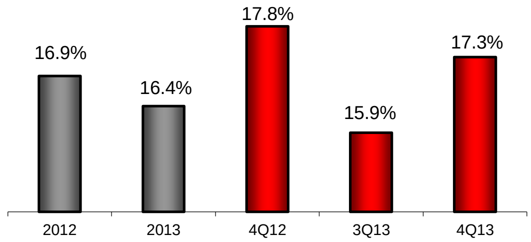
- **Net Income**

The Banking Sector (comprised of Banco Mercantil del Norte, Banorte- Ixe Tarjetas, Banorte USA, Fincasa Hipotecaria since its merger in May 2013 and 50% of Afore XXI) reported net income during 2013 of Ps 12.12 billion, 20% higher YoY as a result of the integration of Ixe Tarjetas and Afore XXI Banorte profits, as well as a reduction in minority interest due to the payment made to IFC at the end of the year. In 4Q13, profits totaled Ps 3.30 billion, 15% higher vs. 4Q12 and 12% above vs. 3Q13, derived from more revenues and lower provisions, as well as a decrease in minority interest. SOFOM Banorte-Ixe Tarjetas, reported net profits of Ps 1.20 billion in 2013, 81% higher YoY vs. 2012, representing 9% of the Financial Group's profits.

ROE during 2013 was 16.4%, 54 basis points lower YoY vs. 2012 mainly due to the increase in Banco Mercantil del Norte's equity in February as part of the strategy to replenish the capital used to acquire Afore Bancomer. ROA for the banking sector was 1.6%, up 15 basis points YoY.

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

ROE
(BANKING SECTOR)



- **NPL Ratio**

The Banking Sector's Past Due Loan Ratio was 3.1% for 4Q13 (includes INB past due loans), 1.2 pp higher YoY vs. 4Q12 mainly due to home developers' past due loans; and (0.1 pp) lower vs. 3Q13.

BANORTE USA

I. Banorte USA

Income Statement– *Banorte USA* *Figures in MEX GAAP (Million Pesos)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Income Statement								
Net Interest Income	158	149	**150**	1%	(5%)	660	**582**	(12%)
Non Interest Income	81	102	**125**	23%	55%	371	**451**	22%
Total Income	238	251	**275**	10%	15%	1031	**1033**	0%
Non Interest Expense	188	185	**198**	7%	6%	764	**755**	(1%)
Loan Loss Reserves	6	8	**11**	45%	90%	85	**36**	(58%)
Operating Income	45	59	**66**	13%	48%	181	**242**	34%
Taxes	13	19	**23**	19%	73%	58	**79**	37%
Net Income	32	40	**44**	10%	37%	124	**163**	32%

Under generally accepted Mexican Accounting Principles (MEX GAAP), the net Income of Banorte USA (a subsidiary of Banco Mercantil del Norte that owns 100% of Inter National Bank, as well as 100% of remittance companies Uniteller and Motran) was Ps 163 million at the close of 2013, increasing 32% YoY, derived mainly to an increase in Non Interest Income, and lower provisions and operating expenses. Banorte USA contributed with 1.2% of the Financial Group's profits in 2013.

II. Inter National Bank (US GAAP)

Income Statement & Balance Sheet Highlights - InterNational Bank *Figures in US GAAP (Millon Dollars)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Income Statement								
Net Interest Income	13	12	**12**	(1%)	(5%)	52	**47**	(9%)
Non Interest Income	5	4	**4**	(12%)	(25%)	21	**20**	(6%)
Total Income	18	16	**16**	(4%)	(11%)	73	**67**	(8%)
Non Interest Expense	13	11	**12**	5%	(7%)	51	**48**	(4%)
Loan Loss Reserves	-	-	**-**	(67%)	(333%)	5	**-**	(98%)
Operating Income	5	5	**3**	(29%)	(28%)	17	**18**	8%
Net Income	3	3	**2**	(28%)	(29%)	11	**12**	8%
Balance Sheet								
Investments in Securities	1,008	662	**658**	(1%)	(35%)	1,008	**658**	(35%)
Performing Loans	697	700	**777**	11%	11%	697	**777**	11%
Past Due Loans	8	6	**7**	11%	(11%)	8	**7**	(11%)
Demand Deposits	917	818	**835**	2%	(9%)	917	**835**	(9%)
Time Deposits	783	620	**607**	(2%)	(22%)	783	**607**	(22%)
Total Deposits	1,700	1,438	**1,442**	0%	(15%)	1,700	**1,442**	(15%)
Equity	424	409	**406**	(1%)	(4%)	424	**406**	(4%)

Financial Ratios INB *Figures in US GAAP (Millon Dollars)*	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Profitability:								
NIM	2.9%	3.1%	**3.3%**	0.1	0.4	3.0%	**2.9%**	(0.1)
ROE	3%	3%	**2%**	(0.8)	(0.8)	2.7%	**3.0%**	0.3
ROA	1%	1%	**1%**	(0.2)	(0.1)	0.5%	**0.6%**	0.1
Operational:								
Efficiency Ratio	73.1%	70.1%	**76.4%**	6.4	3.3	69.7%	**72.5%**	2.9
Asset Quality:								
Past Due Loan Ratio	1.1%	0.9%	**0.9%**	0.0	(0.2)	1.1%	**0.9%**	(0.2)
Coverage Ratio	174.1%	221.2%	**214.2%**	(6.9)	40.2	174.1%	**214.2%**	40.2
Capitalization:								
Leverage Ratio	10.3%	12.1%	**12.9%**	0.8	2.6	10.3%	**12.9%**	2.6
Capitalization Ratio	24.5%	25.9%	**23.9%**	(2.0)	(0.6)	24.5%	**23.9%**	(0.6)

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

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted profits of US 12 million in 2013, 8% higher YoY, mainly due to lower loan loss provisions and a lower level of operating expenses.

INB has an investment portfolio of US 658 million, mainly consisting of mortgage-backed securities, which decreased by US 350 million or (35%) YoY and by US 4 million or (1%) QoQ. The mortgages backing these securities have been rated AAA and have an implicit guarantee from the US Government. In 4Q13, the portfolio presented an unrealized valuation loss of US ($27) million and the weighted average life is 4.9 years.

Total Deposits amounted to US 1.44 billion, decreasing by US 259 million or (15%) YoY and growing by US 3 million QoQ. Performing Loans totaled US 777 million, showing an increase of US 80 million or 11% YoY and US 77 million or 11% QoQ. Past Due Loans totaled US 7 million, registering a reduction of US 1 million or (11%) YoY and an increase of US 1 million or 11% QoQ.

Capitalization and Leverage Ratios remain robust. The Capitalization ratio at the close of 4Q13 was 23.9%, and the Leverage ratio was 12.9%. The Past Due Loan ratio declined (0.2) pp YoY and remained unchanged QoQ at 0.9%; while the Coverage ratio was 214.2% increasing 40.2 pp YoY and decreasing (6.9) pp QoQ.

With respect to Profitability indicators, ROE during 2013 was 3.0%, a 0.3 pp YoY increase; in 4Q13 ROE was 2.2%, (0.8) pp lower YoY and QoQ. During 2013 ROA was 0.6% having increased 0.1 pp YoY; and was 0.5% at the close of 4Q13, decreasing (0.1) pp YoY and (0.2) pp QoQ. The Efficiency ratio in 2013 was 72.5%, 2.9 pp higher YoY and 76.4% during 4Q13, increasing 3.3 pp YoY and 6.4 pp QoQ. NIM during 2013 was 2.9%, decreasing (0.1) pp YoY, and 3.3% in 4Q13, increasing by 0.4 pp YoY and 0.1 pp QoQ.

III. UniTeller Financial Services (US GAAP)

Income Statement and Transactions Highlights *UniTeller Financial Services*	**4Q12**	**3Q13**	**4Q13**	**Change**		**2012**	**2013**	**Change**
Figures in US GAAP (Thousand Dollars)				**QoQ**	**YoY**			**2012**
Profitability:								
Revenues	3,819	4,911	**5,956**	21%	56%	16,039	**20,308**	27%
Cost of Sales	2,738	3,174	**3,790**	19%	38%	10,694	**13,107**	23%
Margin	1,081	1,737	**2,166**	25%	100%	5,345	**7,201**	35%
Expenses	1,410	1,290	**1,669**	32%	21%	5,546	**6,029**	9%
Income before Taxes	-329	448	**467**	4%	242%	-201	**1172**	683%
Net Income	-223	290	**235**	(19%)	205%	-145	**692**	579%
Transactions	0	0	**0**	0	0	0	0	0
# of created transactions (thousand)	849	1,284	**1,525**	19%	80%	3,283	**4,909**	50%

UniTeller Financial Services and Subsidiaries (UFS) recorded profits of US 692 thousand dollars in 2013, 579% above YoY, mainly as a result of more transactions.

At the close of 2013, transactions increased YoY by 50% vs. 2012, derived mainly from the expansion of the processing business, the signing of operating agreements with Western Union, as well as the expansion of the processing service to other institutions.

IV. Sólida USA

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

As of the close of 4Q13, INB's ratio of Classified Assets to Equity was 15.4%.

As of the close of 4Q13, the Assets Managed by Solida USA were as follows:

Sólida Mexico's Foreclosed Assets:	US $25 million
Banorte's Foreclosed Loans and Assets:	US $81 million
INB Classified Assets and Mortgage Portfolio:	US $35 million
Total:	US $141 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)	2012	2013	Change 2012
Net Interest Income	25	25	(2%)
Loan Loss Provisions	(17)	(6)	(65%)
Non Interest Income	1,804	1,944	8%
Non Interest Expense	(1,014)	(853)	(16%)
Pre-tax Income & Subsidiaries	798	1,110	39%
Income Tax and Profit Sharing	(227)	(315)	39%
Net Income	**571**	**794**	**39%**

Assets Under Management (Million Pesos)	4Q13	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**46,678**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**36,340**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects (1):	**7,198**	Solida Asset Management and Banorte	Non Interest Income
Banking Sector Portfolio- Ixe:	**1,375**	Ixe's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Total	**91,591**		

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

- **Net Income**

Recovery Banking posted profits of Ps 794 million in 2013, a 39% YoY increase vs. 2012, mainly driven by higher-non interest income derived from more recoveries, including an infrastructure project in 1Q13, lower loan loss provisions and non interest expenses. In 2013, Recovery Bank contributed with 5.9% of the Financial Group's profits.

- **Assets Under Management**

As at the close of 4Q13, of the Ps 46.7 billion in Banorte total assets managed by the Recovery Bank, 26% corresponded to mortgage loans, 9% to credit card, 17% to crediactivo, 14% to payroll, 8% to foreclosed assets, 10% to middle market companies, 7% to car loans, 3% corporate loans, 4% commercial loans, 1% to personal loans and 1% to subsidiaries. This portfolio generated gross revenues of Ps 979 million in 2013, a YoY decrease of (6%).

At the end of 4Q13, of the Ps 36.3 billion in portfolios acquired and managed by the Recovery Banking unit, 34% corresponded to mortgage loans, 29% to middle-market and commercial loans, 20% to the portfolio managed on behalf of the Mexican mortgage agency SHF, 11% to real estate portfolios, and 6% to foreclosed assets and payments in kind. Gross revenues generated by these portfolios amounted to Ps 1.31 billion in 2013, growth of 22% YoY.

At the close of 4Q13, of Ixe's Total Proprietary Assets amounting to Ps 1.4 billion managed by the Recovery Banking unit, 100% corresponded to foreclosed assets.

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

BROKERAGE

Brokerage Sector (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Brokerage								
Net Income	267	110	**154**	41%	(42%)	681	**649**	(5%)
Shareholder's Equity	2,785	2,370	**2,569**	8%	(8%)	2,785	**2,569**	(8%)
Assets Under Custody	667,873	683,237	**647,996**	(5%)	(3%)	667,873	**647,996**	(3%)
Total Assets	103,344	89,306	**116,576**	31%	13%	103,344	**116,576**	13%
ROE	40.8%	19.1%	**25.0%**	5.9 pp	(15.8 pp)	27.7%	**25.1%**	(2.6 pp)
Net Capital								
Net Capital	2,250	1,845	**2,053**	11%	(9%)	2,250	**2,053**	(9%)

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe) reported profits of Ps 649 million in 2013, (5%) lower YoY vs. 2012 due to a decrease in operating income, and increases in operating expenses and income taxes.

In 4Q13, net income amounted to Ps 154 million, a YoY decrease of (42%) vs. 4Q12 and a QoQ increase of 41% vs. 3Q13. The YoY decrease was originated by lower interest income from repo operations due to the impact of reduced market rates on the investment portfolio, as well as lower income from securities and derivatives trading as a result of changes in market conditions; while the QoQ increase is on the back of higher interest on securities, cash and availabilities, greater income from securities' unrealized gains and higher other products (expenses), net.

In 2013, Brokerage Sector's net income represented 4.8% of the Financial Group's profits.

- **Mutual Funds**

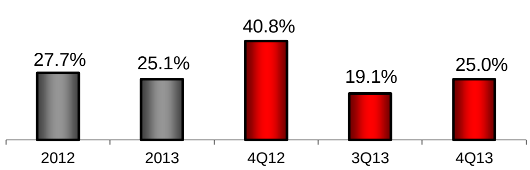
During 2013, Operadora de Fondos Banorte-Ixe reported profits of Ps 87 million, 9% higher YoY vs. 2012, on the back of a higher level of fees derived from growth in assets under management. In 4Q13, net income amounts to Ps 21 million, 42% higher YoY vs. 4Q12 and (21%) lower QoQ vs. 3Q13.

At the close of 4Q13, assets managed by Banorte-Ixe's mutual funds amounted to Ps 111.7 billion, a 13% YoY growth compared with the combined balance of both banks' mutual fund operations as of 4Q12. Resources managed by debt mutual funds totaled Ps 98.5 billion, a combined YoY increase of 10%, while equity mutual funds managed assets totaled Ps 13.2 billion, an increase of 43% YoY. At the close of December, Banorte-Ixe had a 6.9% share of the mutual fund market, 7.7% in debt mutual funds and 3.7% in equity mutual funds.

- **Assets Under Custody**

At the close of 4Q13, AUC totaled Ps 648 billion, a decrease of (3%) YoY and (5%) QoQ due to a decline in assets held in custody for clients.

ROE
(BROKERAGE SECTOR)



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

LONG TERM SAVINGS

LONG TERM SAVINGS (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Afore (1)								
Net Income (a)	281	656	**539**	(18%)	92%	1,149	**2,301**	100%
Shareholder's Equity	6,216	23,835	**24,374**	2%	292%	6,216	**24,374**	292%
Total Assets	6,889	25,153	**25,402**	1%	269%	6,889	**25,402**	269%
AUM (SIEFORE)*	244,956	531,039	**541,545**	2%	121%	244,956	**541,545**	121%
ROE	25.7%	11.2%	**8.9%**	(2.2 pp)	(16.8 pp)	39.4%	**11.5%**	(28.0 pp)
Insurance- Seguros Banorte (2)								
Total Operating Income	480	468	**652**	39%	36%	2,137	**2,334**	9%
Non Interest Expense	229	176	**199**	13%	(13%)	808	**795**	(2%)
Operating Income	251	292	**453**	55%	81%	1,329	**1,539**	16%
Taxes	76	91	**113**	24%	49%	409	**436**	7%
Subsidiaries & Minority Interest	(2)	(1)	**(3)**	293%	12%	**4**	**(6)**	(254%)
Net Income	173	200	**338**	69%	95%	924	**1,097**	19%
Shareholder's Equity	3,252	3,514	**3,854**	10%	19%	3,252	**3,854**	19%
Total Assets	16,803	18,533	**18,470**	(0%)	10%	16,803	**18,470**	10%
Technical Reserves	10,235	11,813	**11,264**	(5%)	10%	10,235	**11,264**	10%
Premiums sold	2,958	2,540	**3,303**	30%	12%	12,176	**13,497**	11%
Coverage ratio of technical reserves	1.3	1.2	**1.3**	0.0 pp	(0.0 pp)	1.3	**1.3**	(0.0 pp)
Capital coverage ratio of minimum guarantee	1.8	1.6	**1.7**	0.0 pp	(0.1 pp)	1.8	**1.7**	(0.1 pp)
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	
Coverage ratio of minimum capital	34.5	39.9	**39.9**	0.0 pp	5.4 pp	34.5	**39.9**	5.4 pp
ROE	21.9%	23.6%	**36.9%**	13.3 pp	15.0 pp	32.1%	**32.5%**	0.4 pp
Annuities (2)								
Total Operating Income	92	116	**157**	35%	71%	365	**510**	40%
Non Interest Expense	66	65	**66**	1%	(1%)	231	**261**	13%
Operating Income	25	51	**91**	78%	259%	134	**250**	86%
Taxes	13	16	**28**	80%	115%	42	**78**	85%
Subsidiaries & Minority Interest	6	1	**3**	227%	(55%)	3	**6**	79%
Net Income	18	36	**65**	80%	266%	96	**178**	86%
Shareholder's Equity	1,173	1,285	**1,250**	(3%)	7%	1,173	**1,250**	7%
Total Assets	42,998	50,307	**52,524**	4%	22%	42,998	**52,524**	22%
Technical Reserves	41,487	48,743	**50,943**	5%	23%	41,487	**50,943**	23%
Premiums sold	2,196	2,184	**1,736**	(21%)	(21%)	8,091	**8,864**	10%
Coverage ratio of technical reserves	1.0	1.0	**1.0**	(0.0 pp)	(0.0 pp)	1.0	**1.0**	(0.0 pp)
Capital coverage ratio of minimum guarantee	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital requirement	N.A.	N.A.	**N.A.**	-	-	N.A.	**N.A.**	-
Coverage ratio of minimum capital	8.5	8.2	**8.2**	0.0 pp	(0.0 pp)	8.5	**8.2**	(0.3 pp)
ROE	6.0%	11.5%	**20.6%**	9.2 pp	14.7 pp	8.1%	**14.4%**	6.3 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 XXI Banorte**

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

The AFORE posted a 2013 net profit of Ps 2.30 billion, 100% higher YoY. In 4Q13, earnings totaled Ps 539 million, 92% higher YoY vs. 4Q12 as a result of growth in revenues due to more assets under management arising from the acquisition of Afore Bancomer and decreased by (18%) QoQ on the back of growth in general administrative expenses and costs related to affiliations and transfers of clients. ROE for Afore XXI Banorte at the close of 2013 was 11.5% and 39.7% excluding goodwill. During 2013, Afore XXI Banorte contributed with 8.2% of the Financial Group’s profits.

As of December 2013, assets under management of Afore XXI Banorte amounted to Ps 542 billion, a 121% YoY increase vs. 4Q12 and 2% QoQ vs. 3Q13. The YoY variation is explained by the acquisition of Afore Bancomer.

As of November 2013, Afore XXI Banorte had a 26.7% share of managed funds, ranking as the leader in the market; with 11.52 million managed accounts (this figure does not include 6.11 million accounts managed by Afore XXI with resources deposited in Banco de Mexico), representing 26.1% of the system's total number of accounts, ranking as the leader in the market.

- **Insurance**

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

During 2013, the Insurance company reported profits totaling Ps 1.10 billion (prior to October 4th, 2013, 51% corresponded to GFNorte, after this date 100% of the results correspond to GFNorte), 19% above YoY driven by growth in premiums and financial revenues, as well as a decrease in non interest expenses and the elimination of the 49% minority stake held by Generali, offsetting an increase in damages and claims. 4Q13 earnings amounted to Ps 338 million, a 95% increase vs. 4Q12 and 69% above vs. 3Q13, due to the positive operating leverage obtained and the elimination of the 49% minority stake held by Generali. Seguros Banorte's net income represented 5.4% of the Financial Group’s profits for 2013.

Issued premiums increased 11% YoY totaling Ps 13.50 billion. The technical reserves’ balance was Ps 11.26 billion, increasing by 10% YoY and decreasing by (5%) QoQ.

ROE for the Insurance company was 32.5% at the end of 2013, unchanged vs. 2012.

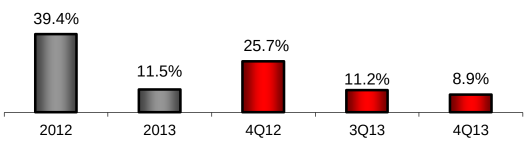
- **Annuities**

During 2013, Pensiones Banorte reported profits totaling Ps 178 million (prior to October 4th, 2013, 51% corresponded to GFNorte, after this date 100% of the results correspond to GFNorte), increasing by Ps 82 million or 86% YoY vs. 2012, due to an increase in interest income derived from growth in loan placements and in trading revenues, and the elimination of the 49% minority stake held by Generali, offsetting an increase in operating expenses. In 4Q13 earnings rose to Ps 65 million, a YoY increase of Ps 47 million vs. 4Q12 or +266%; and Ps 29 million or 80% QoQ. This growth was a result of higher trading revenues and the elimination of the 49% minority stake held by Generali. Pensiones Banorte's net income represented 0.9% of the Financial Group’s profits in 2013.

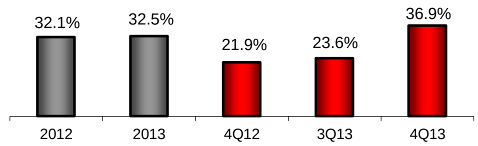
ROE in 2013 for the Annuities company was 14.4%, 6.3 pp higher YoY.

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

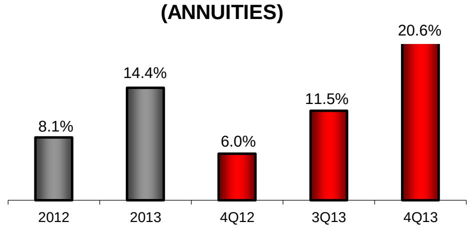
ROE (AFORE)



ROE (INSURANCE)



ROE (ANNUITIES)



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

OTHER FINANCE COMPANIES

Other Finance Companies (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Leasing and Factoring								
Net Income	130	221	**174**	(21%)	34%	604	**599**	(1%)
Shareholder's Equity	2,983	3,034	**3,209**	6%	8%	2,983	**3,209**	8%
Loan Portfolio (1)	19,607	20,025	**19,732**	(1%)	1%	19,607	**19,732**	1%
Past Due Loans	154	248	**210**	(15%)	36%	154	**210**	36%
Loan Loss Reserves	271	338	**312**	(8%)	15%	271	**312**	15%
Total Assets	20,058	20,442	**20,173**	(1%)	1%	20,058	**20,173**	1%
ROE	17.8%	30.3%	**22.3%**	(8.0 pp)	4.5 pp	22.4%	**20.3%**	(2.2 pp)
Warehousing								
Net Income	10	14	**3**	(82%)	(73%)	43	**43**	(2%)
Shareholder's Equity	265	269	**271**	1%	2%	265	**271**	2%
Inventories	351	568	**477**	(16%)	36%	351	**477**	36%
Total Assets	578	807	**711**	(12%)	23%	578	**711**	23%
ROE	15.1%	21.9%	**3.9%**	(18.0 pp)	(11.2 pp)	17.1%	**15.9%**	(1.2 pp)

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

- **Leasing and Factoring**

Arrendadora y Factor Banorte reported profits for 2013, of Ps 599 million, a (1%) YoY decrease vs. 2012, derived from the implementation of the new loan portfolio rating methodology, higher loan loss provisions generated mainly by exposures to home developers and the increase in income taxes. In 4Q13, net income amounted to Ps 174 million, increasing 34% YoY vs. 4Q12 derived from higher income from the leasing portfolio and lower costs of funding; while vs. 3Q13 decreases (21%) on the back of a lower release of reserves mainly due to collections of past due loans from various clients in 3Q13. ROE of the Leasing and Factoring company was 20.3% at the close of 2013, and its net income represented 4.4% of the Financial Group's profits.

At the close of 4Q13, the Past Due Loan ratio was 1.2%, (0.2pp) lower vs. 3Q13 and the Coverage ratio was 148% vs. 136% in 3Q13; while the Capitalization ratio closed at 14.9% considering total risk weighted assets of Ps 21.56 billion.

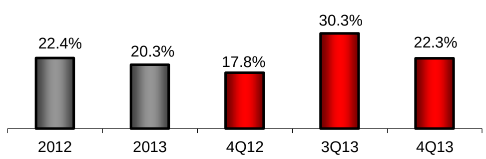
Arrendadora y Factor Banorte continues ranking first in terms of portfolio size and assets among the 45 companies in this sector, according to the Mexican Association of Leasing Companies, Credit and Financing (Asociacción Mexicana de Sociedades Financieras de Arrendamiento, Credito y Factorage, A.C. (AMSOFAC).

- **Warehouse**

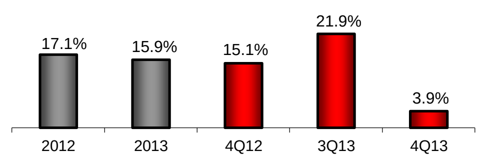
During 2013, Almacenadora posted a net income of Ps 43 million, a YoY decline of (2%) as a result of provisions created due to missing inventory. In 4Q13, earnings totaled Ps 3 million, decreasing (73%) YoY vs. 4Q12 and (82%) vs. 3Q13. ROE for 2013 was 15.9%. Almacenadora Banorte's net income represents 0.3% of the Financial Group's profits.

At the close of 4Q13, the Capitalization Ratio was 7.7% considering total certificates at risk in circulation of Ps 2.82 billion. Almacenadora Banorte ranks 3rd among the 18 warehouses of this sector in terms of generated profits.

ROE (LEASING AND FACTORING)



ROE (WAREHOUSING)



OTHER COMPANIES

Other Companies (Million Pesos)	4Q12	3Q13	4Q13	Change QoQ	Change YoY	2012	2013	Change 2012
Sólida Administradora de Portafolios (formerly Ixe Soluciones)								
Net Income	(712)	(22)	**(257)**	1086%	(64%)	(922)	**(266)**	(71%)
Shareholder's Equity	(517)	2,576	**2,310**	(10%)	(547%)	(517)	**2,310**	(547%)
Loan Portfolio (1)	288	537	**494**	(8%)	71%	288	**494**	71%
Past Due Loans	204	203	**196**	(3%)	(4%)	204	**196**	(4%)
Loan Loss Reserves	234	263	**213**	(19%)	(9%)	234	**213**	(9%)
Total Assets	387	13,015	**14,010**	8%	3524%	387	**14,010**	3524%
Ixe Servicios								
Net Income	1	1	**1**	4%	(54%)	1	**1**	137%
Shareholder's Equity	22	23	**24**	3%	6%	22	**24**	6%
Total Assets	37	34	**32**	(4%)	(13%)	37	**32**	(13%)
ROE	25.2%	10.5%	**10.7%**	0.2 pp	(14.5 pp)	2.7%	**5.9%**	1,449.1 pp

- **Solida Administradora de Portafolios**

On April 26th, 2013 it was approved that Banco Mercantil del Norte divested its interest in Sólida through a spin-off, and subsequently absorbed by Ixe Soluciones in order to consolidate the recovery banking operations. Afterwards, Ixe Soluciones changed its corporate identity to Sólida Administradora de Portafolios. The merger and spin-off became effective on May 24th, 2013.

During 2013, Sólida Administradora de Portafolios posted a loss of (Ps 266) million, a (71%) YoY decline as a result of the losses registered by Ixe Soluciones in 2012. In 4Q13 losses totaled (Ps 257) million, growing by 64% YoY vs. 4Q12 mainly due to valuation reductions in an investment project, provisions for home developers, losses on the sale of TATESA shares, reserves for legal contingencies, depreciation costs of real estate projects, reimbursements of down payments and change of debtor with Banorte in real estate projects.

The Past Due Loan ratio was 39.7% at the close of 4Q13, lower than the 70.9% in 4Q12, but higher than the 37.7% of 3Q13. The Coverage ratio was 109%, decreasing vs. the 130% in 3Q13 and the 115% in 4Q12. The Capitalization ratio at the close of 4Q13 was 12.4%, higher than the 10.9% in the previous quarter.

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

RATINGS

International Ratings - GFNorte

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

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

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

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

INFRASTRUCTURE

INFRASTRUCTURE	4Q12	3Q13	4Q13
Employees (1)	26,108	27,304	**27,474**
Branches (2)	1,316	1,286	**1,288**
INB	20	20	20
ATM's	6,707	6,749	**7,035**
POS's	115,213	133,501	**141,432**

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

- At the close of 4Q13 there were 1,288 **branches**, 2 more vs. 3Q13. The number of branches decreased by 28 over the past 12 months, a YoY decline of (2%), due to the efficiency program implemented. Total branches include 171 Ixe Banco branches dedicated mainly to the "Premium" banking segment.

- 328 **Automatic Teller Machiness** were enabled over the last 12 months, a 5% YoY growth, expanding the network to 7,035 ATM's at the close of 4Q13, including 198 Ixe ATMs.

- 26,219 **Point of Sale Terminals** were enabled during the year, a YoY growth of 23%, bringing the number of installed POSs to 141,432 at the end of December, of which 26,897 belong to Ixe.

- At the end of 4Q13, there were 4,147 contact points through third party **correspondent agreements** with 7-Eleven (1,647), Telecomm-Telegrafos (1,614) and Tiendas Extra (886).

- **SME Centers.** At the end of December 2013 there were 16 operating offices specializing in this segment, 6 more compared to the same period of last year.

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

GFNORTE'S ANALYST COVERAGE

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

BROKER	ANALYST	RECOMMENDATION	DATE
Barclays	Cristina Marzea	Buy	23-jan-14
BBVA	Ernesto Gabilondo	Buy	27-nov-13
Brasil Plural	Eduardo Nishio	Buy	25-nov-13
BTG Pactual	Eduardo Rosman	Buy	03-jan-14
Burkernroad	Lourdes Palma	Buy	31-jul-13
BX+	Andrés Audiffred	Buy	10-dec-13
GBM	Lilian Ochoa	Buy	27-nov-13
Intercam	Sofía Robles	Buy	25-oct-13
Invex	Martín González	Buy	03-jul-13
Itaú BBA	Regina Longo	Buy	23-jan-14
Morgan Stanley	Jorge Kuri	Buy	25-nov-13
Santander	Boris Molina	Buy	17-jul-13
Scotiabank	Claudia Benavente	Buy	26-nov-13
UBS	Philip Finch	Buy	25-oct-13
Vector	Rafael Escobar	Buy	25-oct-13
Actinver	Martín Lara	Hold	11-jun-13
BOFA - Merill Lynch	José Barria	Hold	24-oct-13
Citi	Daniel Abut	Hold	10-dec-13
Credit Suisse	Marcello Telles	Hold	25-nov-13
Deutsche Bank	Mario Pierry	Hold	25-oct-13
Goldman Sachs	Carlos Macedo	Hold	31-oct-13
HSBC	Carlos Gomez	Hold	28-oct-13
Interacciones	Enrique Mendoza	Hold	09-oct-13
JP Morgan	Saul Martinez	Hold	24-oct-13
Nau	Iñigo Vega	Hold	26-jul-13
Nomura	Daragh Quinn	Hold	22-jan-14

BANORTE

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	4Q13
Banco Mercantil Del Norte, S.A. (1)	**97.50%**
Banorte USA (2)	**100.00%**
Retirement Funds – Afore (2)	**50.00%**
Leasing and Factoring	**99.99%**
Warehouse	**99.99%**
Annuities (3)	**99.99%**
Insurance (3)	**99.99%**
Casa De Bolsa Banorte Ixe	**99.99%**
Operadora de Fondos Banorte Ixe	**99.99%**
Ixe Servicios	**99.99%**
Sólida Administradora de Portafolios	**96.76%**

1. Considers as of 1Q13 a 97.2% stake of GFNorte and as of 2Q13 of 97.50%. Since 4Q09 until 4Q12, the stake was 92.72%, reflecting the IFC investment in capital of Banco Mercantil del Norte.
2. Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB Financial Corp.
3. Considers as of 4Q13 a 99.99% stake of GFNorte, derived from the acquisition of the remaining Generali's participation in these companies, formerly the stake was of 51.00%

Holding Company Capital Structure	
Number of Shares (Million)	**SERIE O** As of December '13
Number of Shares Outstanding	2,526.14
Shares held in the bank's Treasury	0

- The 2,526.14 million shares are the accumulated weighted average in 2013; while as of closing of 4Q13 the total amount of outstanding shares totals 2,773.73 million shares resulting from the increase in GFNorte's equity following the Public Offering carried out in July.

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

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

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

Group Officers 4Q13	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Marcos Ramírez Miguel	Managing Director – Wholesale Banking & Casa de Bolsa Banorte Ixe
Gabriel Casillas Olvera	Managing Director – Economic Analysis
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking and Wealth Management
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Gerardo Zamora Nañez	Managing Director – Warehouse, Leasing and Factoring
Ricardo Velázquez Rodríguez	Managing Director – Int. Banking & Financial Institutions & Banorte USA
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management and Business Development
Jesús Garza Martínez	Managing Director – Segment and Channel
Manuel Romo Villafuerte	Managing Director – Products
Fernando Solís Soberón	Managing Director – Long Term Savings
Luis Fernando Orozco Mancera	Managing Director – Asset Recovery
STAFF	
Rafael Arana de la Garza	Chief Operating Officer (COO)
Alejandro Garay Espinosa	Managing Director – Corporate Services
David Ricardo Suárez Cortazar	Chief Financial Officer (CFO)
Fausto Hernández Pintado	Chief Strategic Planning and Value Creation Officer
Felipe Duarte Olvera	Managing Director – Client Experience
José Antonio Murillo Garza	Managing Director – Analytics
Concepción Gpe. Borjon Shears	Sumando Leader
Héctor Martín Ávila Flores	Managing Director - Legal
Ignacio Aldonza Goicochea	Managing Director – Technology and Operations
Carla Juan Chelala	Managing Director - Marketing
Ayax Carranza Segura	Managing Director - Communications and Institutional Relations
David Aaron Margolín Schabes	Chief Risk Officer
Martha Elena Navarrete Villarreal	Managing Director - Internal Audit
Sergio García Robles Gil	Managing Director – Corporate Affairs

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

HOLDING

Income Statement-Holding *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	2013
Income Subsidiaries	2,430	2,519	2,757	1,593	3,248	3,409	3,310	3,694	9,299	13,661
Interest Income	7	11	8	6	16	34	434	(2)	32	481
Interest Expense	-	-	-	-	35	155	35	2	-	228
Fees & Tariffs	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Trading Income	-	-	-	10	(29)	-	-	-	10	(29)
Other Operating Income (Expense)	-	-	-	0	-	-	-	-	0	-
Non Interest Expense	25	25	25	26	49	25	27	30	100	132
Pre-Tax Income	**2,412**	**2,505**	**2,741**	**1,583**	**3,151**	**3,263**	**3,681**	**3,659**	**9,241**	**13,753**
Income Tax	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	(1)	1	2	1	(1)	1	(1)	(1)	3	(1)
Taxes	**(1)**	**1**	**2**	**1**	**(1)**	**1**	**(1)**	**(1)**	**3**	**(1)**
Net Income from Continuos Operations	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**3,682**	**3,660**	**9,238**	**13,754**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Net Income	**2,414**	**2,504**	**2,739**	**1,582**	**3,152**	**3,262**	**3,682**	**3,660**	**9,238**	**13,754**

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

Holding - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**1,034**	**743**	**766**	**361**	**311**	**522**	**10,816**	**272**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**65**	**16**	**17**	**-**	**-**	**-**	**-**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**	**11,500**	**4,900**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**388**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**388**	**11,500**	**4,900**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Performing Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Past Due Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Preventive Loan Loss Reserves	-	-	-	-	-	-	-	-
Net Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Total Credit Portfolio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	7	9	10	10	12	13	34	46
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-	-	-
Investment in Subsidiaries	60,630	63,339	66,216	69,511	84,240	80,310	82,911	88,587
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	7	6	4	3	3	2	3	4
Goodwill and Intangibles	11,394	11,069	11,045	11,021	10,999	10,980	10,955	10,930
Other Assets Short and Long Term	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
	72,038	74,423	77,274	80,544	95,255	91,305	93,903	99,567
TOTAL ASSETS	**73,137**	**75,181**	**78,057**	**80,905**	**95,566**	**92,216**	**116,219**	**104,739**

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

Holding - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Deposits	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	9,901	10,435	-	-
Total Collateral sold	-	-	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	125	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	0	0	754	3,189	0	0	1
Subordinated Non Convertible Debt	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**1**	**0**	**0**	**754**	**13,215**	**10,435**	**0**	**1**
EQUITY	-	-	-	-	-	-	-	-
Paid-in Capital	13,098	13,098	13,098	13,098	13,098	13,098	14,664	14,664
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	18,511	18,511	18,511	18,511	18,847	18,922	48,556	35,257
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**31,608**	**31,608**	**31,608**	**31,608**	**31,945**	**32,019**	**63,219**	**49,921**
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399	5,811	5,811
Retained Earnings	38,258	37,837	37,827	37,032	45,852	41,554	38,713	37,080
Surplus (Deficit) of Secs Available for Sale	570	737	959	1,914	1,881	745	828	674
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)	(1,677)	(1,420)
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)	(771)	(1,083)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,414	4,917	7,656	9,238	3,152	6,413	10,095	13,754
Earned Capital	**41,527**	**43,573**	**46,449**	**48,543**	**50,406**	**49,761**	**52,999**	**54,817**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**73,136**	**75,181**	**78,057**	**80,151**	**82,351**	**81,780**	**116,219**	**104,737**
TOTAL LIABILITIES & EQUITY	**73,137**	**75,181**	**78,057**	**80,905**	**95,566**	**92,216**	**116,219**	**104,739**

Holding - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
TOTAL ON BEHALF OF THIRD PARTIES	-	-	-	-	-	-	-	-
Properties in Custody or Administration	3,716	3,716	3,716	3,716	3,716	3,716	3,716	3,716
Proprietary Transactions	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**
TOTAL PROPRIETARY	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**

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

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	2013
Interest Income	14,591	15,431	16,180	16,806	16,755	16,821	17,340	16,955	63,008	67,871
Interest Expense	6,691	7,743	8,027	8,127	8,091	7,856	7,768	7,363	30,588	31,079
Charged Fees	284	252	285	297	328	495	311	429	1,118	1,564
Fees Paid	50	60	67	109	83	125	86	84	286	377
Net Interest Income from interest & fees (NII)	**8,134**	**7,880**	**8,372**	**8,867**	**8,909**	**9,335**	**9,797**	**9,936**	**33,253**	**37,978**
Premium Income (Net)	4,258	3,814	3,823	4,426	4,971	4,857	4,053	4,145	16,321	18,026
Net Increase in Technical Reserves	2,637	1,381	2,010	2,680	3,033	2,516	1,740	2,397	8,708	9,686
Damages, Claims and Other Obligations	1,833	2,068	2,131	2,025	2,235	2,376	2,447	2,081	8,057	9,138
Net Interest Income (NII)	**7,923**	**8,245**	**8,054**	**8,588**	**8,613**	**9,300**	**9,663**	**9,604**	**32,810**	**37,181**
Preventive Provisions for Loan Losses	1,467	1,186	1,524	1,996	2,073	3,132	1,903	1,833	6,172	8,942
Net Interest Income Adjusted for Credit Risk	**6,456**	**7,059**	**6,530**	**6,592**	**6,540**	**6,168**	**7,760**	**7,771**	**26,637**	**28,239**
Fees for Commercial and Mortgage Loans	12	12	6	3	2	2	5	3	33	11
Fund Transfers	111	124	123	121	119	128	131	155	479	533
Account Management Fees	300	309	306	325	313	334	348	375	1,240	1,371
Fiduciary	84	93	86	121	78	100	90	95	384	362
Other Fees	649	639	618	783	752	627	611	632	2,689	2,622
Income from Real Estate Portfolios	359	337	322	290	238	303	126	145	1,307	811
Electronic Banking Services	781	807	840	948	885	961	1,011	1,076	3,377	3,934
For Consumer and Credit Card Loans	469	534	506	522	510	574	592	685	2,030	2,361
Fees Charged on Services	**2,765**	**2,856**	**2,806**	**3,112**	**2,897**	**3,029**	**2,914**	**3,167**	**11,539**	**12,006**
Fund transfers	11	11	10	11	15	13	10	11	43	50
Other Fees	845	712	944	936	935	858	958	1,116	3,437	3,867
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**857**	**723**	**954**	**947**	**951**	**871**	**968**	**1,127**	**3,480**	**3,917**
Foreign Exchange	229	653	187	322	451	(91)	208	317	1,391	885
Securities-Realized Gains	120	441	215	137	688	1,049	659	330	914	2,726
Securities-Unrealized Gains	833	(199)	621	591	993	(135)	(256)	758	1,847	1,360
Trading Income	**1,182**	**896**	**1,024**	**1,050**	**2,132**	**824**	**610**	**1,405**	**4,152**	**4,971**
Loan Recoveries	289	326	278	342	276	488	274	346	1,234	1,384
Income from foreclosed assets	(4)	(23)	(18)	(38)	(50)	(46)	(51)	2	(83)	(145)
Other Operating Income	194	(100)	(16)	(1)	67	3	26	39	76	135
Other Operating Expense	(18)	(40)	(10)	(102)	(58)	(39)	(57)	(70)	(169)	(223)
Other Products	315	413	796	780	448	716	1,084	740	2,305	2,988
Other Recoveries	174	(8)	103	116	812	201	188	111	386	1,312
Other Operating Expense	(293)	(426)	(741)	(615)	(552)	(530)	(880)	(950)	(2,075)	(2,912)
Other Operating Income (Expense) from Insurance and Annuities	125	173	169	159	172	197	170	146	626	685
Total Other Operating Income (Expense)	**780**	**316**	**562**	**642**	**1,116**	**990**	**754**	**364**	**2,300**	**3,223**
Total Non Interest Income	**3,871**	**3,344**	**3,437**	**3,858**	**5,194**	**3,971**	**3,309**	**3,809**	**14,510**	**16,284**
Total Operating Income	**10,327**	**10,404**	**9,967**	**10,449**	**11,734**	**10,139**	**11,070**	**11,580**	**41,148**	**44,523**
Personnel	2,814	2,540	2,334	2,710	4,009	3,080	2,916	3,073	10,398	13,077
Employee Profit Sharing (PTU)	307	314	185	134	84	79	79	82	940	324
Professional Fees	631	713	714	849	616	678	605	867	2,907	2,767
Administrative and Promotional Expenses	1,171	1,362	1,462	904	1,055	1,168	1,323	1,328	4,899	4,874
Rents, Depreciation & Amortization	730	756	774	695	787	818	820	794	2,954	3,219
Taxes other than income tax & non deductible expenses	527	377	354	569	443	431	395	457	1,826	1,726
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	474	484	1,610	1,831
Total Non Interest Expense	**6,558**	**6,457**	**6,232**	**6,288**	**7,434**	**6,687**	**6,613**	**7,084**	**25,535**	**27,819**
	-	-	-	-	-	-	-	-	-	-
Operating Income	**3,769**	**3,947**	**3,736**	**4,162**	**4,300**	**3,452**	**4,457**	**4,496**	**15,613**	**16,704**
	-	-	-	-	-	-	-	-	-	-
Subsidiaries' Net Income	126	162	143	159	351	162	342	275	590	1,130
	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**3,895**	**4,109**	**3,879**	**4,320**	**4,651**	**3,614**	**4,798**	**4,771**	**16,203**	**17,834**
Income Tax	927	1,138	572	1,016	1,303	385	1,209	774	3,653	3,671
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	213	14	234	14	(73)	(218)	(125)	301	475	(115)
Taxes	**1,140**	**1,152**	**806**	**1,030**	**1,230**	**167**	**1,084**	**1,075**	**4,128**	**3,555**
	-	-	-	-	-	-	-	-	-	-
Net Income from Continuos Operations	**2,755**	**2,957**	**3,073**	**3,290**	**3,421**	**3,447**	**3,715**	**3,696**	**12,075**	**14,279**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(292)	(322)	(293)	(280)	(281)	(227)	(189)	(74)	(1,187)	(771)
	-	-	-	-	-	-	-	-	-	-
Net Income	**2,463**	**2,635**	**2,780**	**3,010**	**3,140**	**3,220**	**3,526**	**3,622**	**10,888**	**13,508**

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

GFNorte - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**61,429**	**61,762**	**61,102**	**68,480**	**59,429**	**54,906**	**68,888**	**61,978**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**	**59**	**59**
Negotiable Instruments	107,223	141,675	117,047	123,233	191,562	168,398	180,406	232,926
Securities Available for Sale	60,116	59,924	94,549	115,291	78,888	114,380	116,685	85,031
Securities Held to Maturity	144,000	134,081	123,466	106,849	106,972	95,700	94,021	96,730
Investment in Securities	**311,339**	**335,680**	**335,062**	**345,374**	**377,423**	**378,477**	**391,112**	**414,687**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**7,126**	**336**	**8,757**	**5,694**	**5,008**	**62**	**29**	**202**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139	17,675	14,799
For hedging purposes	342	362	308	27	125	420	37	55
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,559**	**17,712**	**14,854**
Operations w/Derivatives & Securities	**22,491**	**20,990**	**28,940**	**23,960**	**25,915**	**16,620**	**17,741**	**15,056**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**	**162**	**158**
Commercial Loans	173,258	178,293	184,448	186,061	183,509	186,320	183,344	184,624
Financial Intermediaries´ Loans	7,559	8,384	9,045	8,435	8,830	5,575	5,268	4,863
Consumer Loans	38,608	40,977	44,002	46,036	48,317	51,843	55,382	57,883
Mortgage Loans	66,027	67,930	69,933	72,608	74,355	77,348	79,421	82,033
Government Entities´ Loans	75,196	82,843	82,289	88,293	89,583	90,695	90,524	95,636
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**360,648**	**378,427**	**389,717**	**401,433**	**404,594**	**411,782**	**413,939**	**425,038**
Commercial PDL´s	4,362	4,735	5,327	6,138	6,125	6,206	10,813	10,473
Financial Intermediaries PDL´s	19	4	5	4	4	4	27	0
Consumer PDL´s	1,348	1,545	1,397	1,467	1,643	1,890	1,997	2,093
Mortgage PDL´s	858	768	818	812	818	921	1,013	1,087
Government Entities PDL´s	0	36	44	60	41	53	15	2
Past Due Loans	**6,588**	**7,089**	**7,591**	**8,481**	**8,631**	**9,075**	**13,865**	**13,655**
Gross Loan Portfolio	**367,236**	**385,516**	**397,307**	**409,914**	**413,224**	**420,857**	**427,804**	**438,693**
Preventive Loan Loss Reserves	10,415	10,998	11,178	11,734	11,863	14,321	14,651	14,289
Net Loan Portfolio	**356,821**	**374,518**	**386,129**	**398,180**	**401,362**	**406,536**	**413,153**	**424,404**
Acquired Collection Rights	3,110	2,795	2,254	3,109	2,979	3,507	3,330	3,522
Total Credit Portfolio	**359,931**	**377,313**	**388,383**	**401,289**	**404,341**	**410,043**	**416,483**	**427,925**
Account Receivables from Insurance and Annuities	934	831	848	884	958	1,033	1,151	1,281
Premium Debtors (Net)	3,664	4,898	3,507	3,137	4,640	4,774	3,601	3,047
Account Receivables from Reinsurance	3,092	3,637	3,552	2,715	3,058	3,411	4,037	3,563
Benef.receivab.securization transactions	713	660	940	882	795	795	836	738
Sundry Debtors & Other Accs Rec, Net	25,309	41,221	31,244	23,097	25,265	36,000	32,180	21,703
Inventories	18	367	369	351	390	614	568	477
Foreclosed Assets, Net	2,115	2,735	2,974	2,939	2,704	2,573	2,532	2,781
Real Estate, Furniture & Equipment, Net	11,878	12,018	11,896	11,986	11,568	11,707	11,638	12,033
Investment in Subsidiaries	2,009	1,944	4,570	5,170	13,448	13,568	13,913	14,205
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	49	168	-
Goodwill and Intangibles	20,448	21,075	18,446	20,724	20,380	21,198	21,734	22,366
Other Assets Short and Long Term	3,661	4,343	4,700	4,908	4,623	4,194	4,367	4,729
Other Assets	-	-	-	-	-	-	-	-
	73,842	93,728	83,046	76,794	87,828	99,914	96,726	86,924
TOTAL ASSETS	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**	**991,171**	**1,006,788**

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

GFNorte - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	185,186	190,977	196,237	211,171	204,537	216,882	225,712	254,219
Time Deposits-Retail	175,495	176,729	177,795	187,055	182,128	189,071	184,405	179,146
Time Deposits-Money Market	6,237	21,324	15,098	21,533	23,490	12,752	14,485	4,971
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	6,380	6,605	6,401	4,567	4,743	5,389	5,764	5,405
Deposits	**373,297**	**395,635**	**395,531**	**424,325**	**414,898**	**424,095**	**430,366**	**443,740**
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0	2,562	2,974
Short Term Loans	32,230	20,788	31,456	27,628	37,684	29,330	18,597	19,406
Long Term Loans	7,176	7,724	6,856	7,982	7,134	8,005	7,451	7,679
Due to Banks & Correspondents	**43,721**	**34,062**	**40,590**	**35,904**	**46,278**	**37,336**	**28,611**	**30,060**
Technical Reserves	45,675	47,604	49,324	51,722	55,096	58,017	60,556	62,207
Non-assigned Securities for Settlement	1,281	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	223,794	242,015	238,585	244,030	277,118	279,734	278,427	304,021
Secs to be received in Repo Trans, Net	1	-	-	-	-	-	-	-
Repos (Credit Balance)	19	122	112	37	65	64	39	8
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**19**	**122**	**112**	**37**	**65**	**64**	**39**	**8**
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427	17,451	14,827
For hedging purposes	4,174	5,098	4,610	4,461	4,371	3,625	3,769	3,500
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,298**	**19,051**	**21,220**	**18,327**
Total Operations w/ Derivatives & Securities	**244,094**	**267,690**	**262,699**	**266,305**	**301,481**	**298,849**	**299,686**	**322,356**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0	0	0
Payable Accountsfor Reinsurance	1,027	2,054	1,448	805	1,315	1,223	785	759
Income Tax Payable	1,207	1,734	1,742	1,786	1,695	521	852	794
Profit Sharing Payable	307	531	597	738	361	419	495	339
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	7,794	21,715	22,253	8,413	6,792	15,762	12,422	4,282
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	15,631	15,049	15,436	15,027	16,366	14,069	14,333	12,936
Other Payable Accounts	**24,939**	**39,029**	**40,027**	**25,965**	**25,215**	**30,771**	**28,102**	**18,351**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510	18,046	18,001
Deferred Taxes, Net	51	154	538	978	770	-	-	200
Deferred Credits	1,959	2,975	3,085	2,597	2,579	2,473	2,509	2,423
TOTAL LIABILITIES	**750,701**	**808,551**	**812,449**	**828,057**	**866,890**	**872,274**	**868,661**	**898,097**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Paid-in Capital	13,057	13,068	13,070	13,072	13,087	13,086	14,651	14,652
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	18,149	18,276	18,301	18,320	18,756	18,793	48,518	35,219
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**31,206**	**31,344**	**31,371**	**31,391**	**31,843**	**31,879**	**63,169**	**49,870**
Capital Reserves	3,224	3,224	3,224	3,399	3,399	3,399	5,811	5,811
Retained Earnings	38,680	38,453	38,442	37,644	48,075	43,777	40,936	39,303
Surplus (Deficit) of Secs Available for Sale	417	504	706	1,598	1,824	754	849	667
Results from Valuation of Hedging Secs	(2,334)	(2,821)	(2,750)	(2,493)	(2,966)	(1,554)	(1,677)	(1,420)
Results from Conversions	(603)	(322)	(467)	(547)	(912)	(796)	(771)	(1,083)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,463	5,098	7,878	10,888	3,140	6,360	9,886	13,508
Earned Capital	**41,846**	**44,136**	**47,033**	**50,489**	**52,559**	**51,941**	**55,034**	**56,787**
Minority Interest	5,689	6,005	6,307	6,628	4,151	4,138	4,307	2,034
Total Equity	**78,741**	**81,485**	**84,712**	**88,509**	**88,553**	**87,957**	**122,511**	**108,691**
TOTAL LIABILITIES & EQUITY	**829,442**	**890,036**	**897,161**	**916,567**	**955,442**	**960,232**	**991,171**	**1,006,788**

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

GFNorte - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
On behalf of Third Parties								
Customer's Banks	63	64	41	20	101	205	356	24
Dividends Receivable from Customers	-	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-	-
Settlement of Customer Transactions	(21)	(130)	(58)	14	(53)	(237)	(6)	(30)
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**42**	**(66)**	**(18)**	**35**	**48**	**(32)**	**350**	**(7)**
Client Securities Received in Custody	520,812	531,857	547,690	569,079	592,696	576,715	567,449	536,300
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-	-
Clients' Securities	**520,812**	**531,857**	**547,690**	**569,079**	**592,696**	**576,715**	**567,449**	**536,300**
Clients' Repurchase Operations	42,616	83,911	74,793	99,517	57,804	73,572	85,849	112,839
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	30,169	71,886	63,322	89,673	48,913	71,996	84,504	111,486
Purchase of Futures & Forward Contracts, national	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-	-
Trusts under Administration	3,548	2,750	2,272	435	403	361	340	254
Transactions On Behalf of Clients	**76,334**	**158,547**	**140,387**	**189,625**	**107,119**	**145,929**	**170,693**	**224,579**
Investment bank Trans on Behalf of Third (Net)	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**	**93,475**	**83,171**
TOTAL ON BEHALF OF THIRD PARTIES	**660,263**	**765,519**	**762,452**	**817,436**	**767,026**	**793,835**	**831,967**	**844,043**
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Loan Obligations	36,223	34,173	36,840	38,209	39,566	35,435	34,588	28,110
Trusts	255,981	284,156	307,410	340,294	346,701	318,844	264,235	194,018
Mandates	2,788	2,102	2,068	2,171	2,140	1,713	10,806	11,043
Properties in Trusts and Warrant	258,769	286,258	309,477	342,466	348,841	320,557	275,042	**205,061**
Properties in Custody or Administration	399,178	379,725	383,446	405,835	430,381	443,462	477,773	**451,582**
Collateral Received	164,387	109,863	146,606	113,138	136,279	92,754	87,133	**143,033**
Collateral Received or sold or delivered	126,450	119,914	143,448	158,103	140,700	123,678	129,104	**203,074**
Drafts in Transit	-	-	-	-	-	-	-	**-**
Deposits of assets	3,062	3,343	3,042	2,860	2,630	2,531	2,045	**2,816**
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	**-**
Securities to the Corporation for Custody	-	-	-	-	-	-	-	**-**
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	**-**
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	**-**
Securities of the Corp Abroad	-	-	-	-	-	-	-	**-**
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	**-**
Debts with the Contingency Fund	-	-	-	-	-	-	-	**-**
Contingent Assets & Liabilities	1,233	255	255	255	255	255	255	**-**
Uncollected Accrued Interest from Past Due Loans	242	264	282	319	362	368	391	**392**
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	**-**
Integration of the Credit Portfolio	-	-	-	-	-	-	-	**-**
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	**-**
Other Registration Accounts	-	-	-	-	-	-	-	**-**
Proprietary Transactions	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**	**1,006,331**	**1,034,067**
Repo Securities to be Received	-	-	-	-	-	-	-	**-**
(Minus) Repo Creditors	-	-	-	-	-	-	-	**-**
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-	-	**-**
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	**-**
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
TOTAL PROPRIETARY	**989,543**	**933,795**	**1,023,397**	**1,061,186**	**1,099,015**	**1,019,040**	**1,006,331**	**1,034,067**

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

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2013 – DECEMBER 31, 2013 *(Million Pesos)*	
Net Income	**13,508**
Items charged to results that do not generate or require use of resources	
Depreciation	1,216
Technical Reserves	9,686
Provisions	(757)
Income taxes and deferred	3,555
Minority Interest	(359)
	13,341
	26,849
Change in items related to operations:	
Change in Margin Accounts	437
Change in Invesment in Securities	(69,906)
Change in repo debtors	5,492
Change in derivatives (assets)	3,456
Changein Loan Portfolio (net)	(26,132)
Change in purchased receivables (net)	(412)
Change in accounts receivable insurance and bonding institutions (net)	(396)
Change in debtor premiums	90
Change in Reinsurance	(847)
Change in benefits to receive from securitizations	144
Change in foreclosed assets (net)	156
Change in other operating assets (net)	(4,598)
Change in core deposits	19,295
Change in interbank loans and other entities	(5,829)
Change in repo creditors	59,991
Change in collateral pledged sold	(29)
Change in derivatives (liability)	(2,950)
Change in Technical Reserves (net)	799
Change in Reinsurance (net) (liability)	(46)
Change in subordinated debt w ith characteristics of liabilities	(1,457)
Change in other operating liabilities	(6,139)
Change in hedging instruments (the related hedged transaction activities)	(989)
Income Tax Collection (refunds)	0
Income Tax Payments	(5,159)
Net cash generated or used from operations	**(8,180)**
Investment Activities:	
Charges for disposal of property, furniture and equipment	2,681
Payments for acquisition of property, furniture and equipment	(3,939)
Subsidiaries and associated acquisitions charges	1,037
Subsidiaries and associated acquisitions payment	(27,345)
Charges for other investmentes	0
Payments for other investmentes	(1)
Charges for cash dividends	505
Net cash generated or used from investment activities	**(27,062)**
Financing Activities:	
Payments for issued shares	31,200
Payments of cash dividends	(2,911)
Payments associated w ith the repurchase of proprietary shares	437
Net cash flows from financing activities	**28,726**
Net Cash Increase (decrease)	**(6,516)**
Cash flow adjustments given exchange rate or inflation variations	**14**
Cash and cash equivalents at beginning of period	**68,480**
Cash and cash equivalents at end of period	**61,978**

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, 2013
(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	Premium from sale of securities	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available for Sale	Results from val of instrum. Cash flow hedges	Results from Conversions	Net Income	Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2012	**13,072**	**18,320**	**3,399**	**37,644**	**1,598**	**(2,493)**	**(547)**	**10,888**	**6,628**	**88,509**
Changes stemming from stockholders' decisions										
Issued Stock	1,566	29,634								31,200
Creation of Reserves for stock repurchase			2,412	(2,412)						0
Stock repurchases	14	153		(39)	309					437
Capitalization of profits				10,888				(10,888)		
Dividends declared by the General Assembly of Shareholders on October 11 2012 and paid on the following dates										
- January 31, 2013				(426)						(426)
- April 23, 2013				(426)						(426)
- July 23, 2013				(426)						(426)
Dividends declared by the General Assembly of Shareholders on October 14 and December 20 2013 and paid on the following dates										
- October 23, 2013				(544)						(544)
- December 31, 2013				(1,089)						(1,089)
Adcquisition Of Banorte Stocks to IPC		(3,747)								(3,747)
Acquisition of non-controlling stake in Insurance and Pension Banorte		**(8,891)**								**(8,891)**
Changes stemming from profits										
Net Income								13,508		13,508
Result from valuation of securities available for sale					(1,240)					(1,240)
Effect of subsidiaries		(250)		5			(536)			(781)
Result from valuation of instruments of cash flow hedges						1,073				1,073
Change in the regulations of the classification of consumer loans		0		(3,872)						(3,872)
Total	**0**	**(250)**	**0**	**(3,867)**	**(1,240)**	**1,073**	**(536)**	**13,508**	**0**	**8,688**
Recognition of minority interest									**(4,594)**	**(4,594)**
Balance as of December 31, 2013	**14,652**	**35,219**	**5,811**	**39,303**	**667**	**(1,420)**	**(1,083)**	**13,508**	**2,034**	**108,691**

BANORTE

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

BANKING SECTOR

Income Statement -Banking Sector *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	2013
Interest Income	13,006	12,955	12,921	13,635	13,793	13,961	14,018	13,848	52,518	55,619
Interest Expense	6,048	5,860	5,590	5,788	5,933	5,508	5,540	5,140	23,286	22,120
Charged Fees	273	242	275	287	319	504	311	429	1,077	1,564
Fees Paid	49	60	66	108	83	125	86	84	284	377
Net Interest Income (NII)	**7,182**	**7,276**	**7,541**	**8,026**	**8,096**	**8,833**	**8,704**	**9,053**	**30,025**	**34,685**
Preventive Provisions for Loan Losses	1,186	1,237	1,507	1,904	2,026	3,005	1,957	1,800	5,833	8,788
Net Interest Income Adjusted for Credit Risk	**5,997**	**6,040**	**6,033**	**6,123**	**6,070**	**5,828**	**6,746**	**7,253**	**24,192**	**25,897**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	5	3	12	11
Fund Transfers	111	124	123	121	119	128	131	155	479	533
Account Management Fees	300	310	306	325	313	334	348	375	1,240	1,371
Fiduciary	84	87	82	117	74	96	87	93	369	351
Other Fees	521	408	460	492	584	461	437	433	1,881	1,915
Income from Real Estate Portfolios	359	337	322	290	238	(190)	16	25	1,307	88
Electronic Banking Services	781	807	840	948	885	961	1,011	1,076	3,377	3,934
For Consumer and Credit Card Loans	375	628	506	522	510	574	592	685	2,030	2,361
Fees Charged on Services	**2,534**	**2,704**	**2,641**	**2,816**	**2,725**	**2,367**	**2,627**	**2,846**	**10,695**	**10,565**
Fund transfers	11	11	10	11	15	13	10	11	43	50
Other Fees	510	613	690	780	666	684	728	768	2,594	2,847
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**521**	**624**	**700**	**791**	**681**	**697**	**738**	**780**	**2,637**	**2,897**
Foreign Exchange	228	654	187	322	451	(89)	210	322	1,391	893
Securities-Realized Gains	19	301	97	133	464	821	661	343	551	2,289
Securities-Unrealized Gains	374	(78)	217	(41)	395	(118)	(367)	(70)	472	(161)
Trading Income	**621**	**877**	**501**	**414**	**1,310**	**613**	**503**	**595**	**2,414**	**3,021**
Loan Recoveries	279	325	277	298	265	499	274	346	1,179	1,384
Income from purchased assets	(10)	13	(3)	(23)	(47)	(73)	(55)	(17)	(23)	(192)
Other Operating Income	191	(101)	(17)	(2)	59	3	26	39	71	127
Other Operating Expense	(16)	(38)	(31)	(70)	(51)	(35)	(48)	(45)	(156)	(180)
Other Products	115	142	490	403	139	445	284	410	1,151	1,278
Other Recoveries	173	(9)	94	113	811	(39)	158	98	371	1,029
Other Operating Expense	(165)	(172)	(518)	(176)	(230)	(274)	(87)	(231)	(1,031)	(821)
Total Other Operating Income (Expense)	**567**	**159**	**293**	**543**	**947**	**525**	**551**	**600**	**1,562**	**2,624**
Total Non Interest Income	**3,201**	**3,116**	**2,735**	**2,982**	**4,300**	**2,808**	**2,943**	**3,262**	**12,034**	**13,313**
Total Operating Income	**9,198**	**9,156**	**8,768**	**9,104**	**10,370**	**8,636**	**9,689**	**10,515**	**36,226**	**39,210**
Personnel	2,606	2,380	2,211	2,751	3,900	2,924	2,813	2,933	9,948	12,569
Employee Profit Sharing (PTU)	302	303	177	127	83	79	78	82	908	323
Professional Fees	493	607	546	663	529	563	530	744	2,309	2,365
Administrative and Promotional Expenses	1,030	1,307	1,375	442	825	1,025	1,145	1,234	4,155	4,230
Rents, Depreciation & Amortization	668	704	720	631	731	765	768	729	2,723	2,992
Taxes other than income tax & non deductible expenses	440	319	307	484	392	360	329	374	1,550	1,456
Contributions to IPAB/Fobaproa	379	395	409	428	440	433	474	484	1,610	1,831
Total Non Interest Expense	**5,917**	**6,015**	**5,744**	**5,526**	**6,899**	**6,150**	**6,137**	**6,579**	**23,203**	**25,766**
Operating Income	**3,280**	**3,141**	**3,024**	**3,578**	**3,471**	**2,486**	**3,552**	**3,936**	**13,023**	**13,444**
Subsidiaries' Net Income	54	189	144	155	348	472	337	282	542	1,439
Pre-Tax Income	**3,335**	**3,329**	**3,168**	**3,733**	**3,819**	**2,957**	**3,889**	**4,218**	**13,565**	**14,883**
Income Tax	833	864	414	864	1,070	147	1,056	549	2,975	2,822
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	158	88	229	11	(89)	(237)	(105)	370	485	(61)
Taxes	**991**	**952**	**643**	**875**	**982**	**(90)**	**951**	**919**	**3,460**	**2,761**
Net Income from Continuos Operations	**2,343**	**2,377**	**2,525**	**2,859**	**2,838**	**3,048**	**2,938**	**3,299**	**10,105**	**12,122**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	(0)	34	(0)	0	(0)	(0)	(0)	(0)	34	(0)
Net Income	**2,343**	**2,412**	**2,525**	**2,859**	**2,838**	**3,048**	**2,938**	**3,299**	**10,139**	**12,122**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**61,461**	**61,800**	**61,361**	**68,940**	**59,583**	**54,921**	**68,824**	**61,967**
Margin Accounts	**278**	**389**	**453**	**496**	**337**	**105**	**59**	**59**
Negotiable Instruments	72,361	65,797	69,310	52,929	139,529	131,459	134,333	136,344
Securities Available for Sale	60,395	60,214	74,366	90,919	77,562	75,331	74,693	66,715
Securities Held to Maturity	90,717	79,619	66,729	49,358	47,080	40,340	36,135	35,926
Investment in Securities	**223,473**	**205,631**	**210,405**	**193,206**	**264,170**	**247,130**	**245,161**	**238,986**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**6,926**	**336**	**8,757**	**5,205**	**5,072**	**62**	**29**	**2**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	15,023	20,291	19,875	18,239	20,782	16,139	17,675	14,799
For hedging purposes	342	362	308	27	125	31	37	55
Operations w/Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**15,365**	**20,653**	**20,182**	**18,266**	**20,906**	**16,170**	**17,712**	**14,854**
Operations w/Derivatives & Securities	**22,291**	**20,990**	**28,940**	**23,471**	**25,978**	**16,232**	**17,741**	**14,856**
Valuation adjustments for Asset Coverage	**132**	**175**	**175**	**174**	**170**	**166**	**162**	**158**
Commercial Loans	155,708	160,652	166,744	168,034	165,639	170,052	167,683	169,150
Financial Intermediaries´ Loans	14,986	13,360	14,188	15,986	16,176	17,329	16,888	17,354
Consumer Loans	35,267	40,824	43,878	45,975	48,259	51,788	55,330	57,833
Mortgage Loans	65,622	67,550	69,572	72,257	74,007	77,323	79,396	82,008
Government Entities´ Loans	72,473	80,357	80,476	86,378	87,583	88,824	88,244	93,484
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**344,055**	**362,744**	**374,858**	**388,629**	**391,664**	**405,317**	**407,542**	**419,830**
Commercial PDL´s	4,048	4,032	4,301	5,000	4,776	5,833	10,396	10,082
Financial Intermediaries PDL´s	1	0	1	0	-	0	24	0
Consumer PDL´s	1,225	1,512	1,383	1,473	1,649	1,896	2,003	2,098
Mortgage PDL´s	849	754	802	808	817	973	1,064	1,137
Government Entities PDL´s	-	-	0	-	-	-	-	-
Past Due Loans	**6,124**	**6,298**	**6,487**	**7,281**	**7,242**	**8,701**	**13,487**	**13,317**
Gross Loan Portfolio	**350,180**	**369,042**	**381,345**	**395,910**	**398,906**	**414,019**	**421,028**	**433,147**
Preventive Loan Loss Reserves	9,304	9,764	9,963	10,557	10,656	13,659	14,049	13,765
Net Loan Portfolio	**340,876**	**359,278**	**371,382**	**385,354**	**388,250**	**400,360**	**406,979**	**419,382**
Acquired Collection Rights	2,023	2,093	1,929	2,892	2,752	2,039	1,948	1,918
Total Credit Portfolio	**342,899**	**361,370**	**373,310**	**388,245**	**391,002**	**402,400**	**408,927**	**421,300**
Benef.receivab.securization transactions	700	647	927	870	782	795	836	738
Sundry Debtors & Other Accs Rec, Net	23,905	39,078	29,658	22,223	23,143	23,032	21,450	11,185
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	1,814	2,368	2,579	2,557	2,340	2,423	2,395	2,266
Real Estate, Furniture & Equipment, Net	8,791	8,910	8,898	8,986	8,829	8,947	9,014	9,498
Investment in Subsidiaries	2,823	1,789	4,414	5,099	13,374	13,156	13,483	13,765
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	210	228	-	-	-	566	722	274
Goodwill and Intangibles	7,433	8,239	5,658	7,670	7,607	7,802	8,337	9,038
Other Assets Short and Long Term	3,520	3,695	3,934	4,304	4,047	3,518	3,569	3,826
Other Assets	-	-	-	-	-	-	-	-
	49,197	64,956	56,068	51,708	60,123	60,239	59,806	50,589
TOTAL ASSETS	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**	**800,679**	**787,916**

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

Banking Sector - Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	185,511	191,257	196,489	211,454	204,794	217,510	236,198	255,297
Time Deposits-Retail	175,832	177,020	178,806	188,249	182,523	189,206	186,033	179,877
Time Deposits-Money Market	7,352	22,067	15,888	21,900	23,809	13,465	14,485	4,971
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	3,877	4,102	3,895	3,967	3,741	3,985	3,987	4,003
Deposits	**372,572**	**394,446**	**395,079**	**425,569**	**414,867**	**424,166**	**440,703**	444,147
Immediate Redemption Loans	4,315	5,549	2,278	295	1,460	0	2,562	2,974
Short Term Loans	22,717	11,773	21,887	18,272	19,326	9,099	9,138	9,882
Long Term Loans	3,539	3,373	3,759	4,360	3,258	3,451	3,183	3,210
Due to Banks & Correspondents	**30,571**	**20,695**	**27,923**	**22,927**	**24,044**	**12,550**	**14,884**	**16,067**
Non-assigned Securities for Settlement	1,281	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	181,230	158,160	163,704	144,519	219,502	206,038	203,980	196,041
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	19	15	111	36	49	36	33	8
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**19**	**15**	**111**	**36**	**49**	**36**	**33**	8
For trading purposes	14,825	20,456	19,393	17,777	19,927	15,427	17,451	14,827
For hedging purposes	4,174	5,098	4,610	4,461	4,246	3,625	3,769	3,500
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**18,999**	**25,554**	**24,003**	**22,238**	**24,173**	**19,051**	**21,220**	18,327
Total Operations w/ Derivatives & Securities	**201,529**	**183,729**	**187,818**	**166,794**	**243,723**	**225,125**	**225,233**	**214,376**
Valuation adjustments for financial liability coverage	(280)	(224)	(217)	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	0	0	0
Income Tax Payable	902	1,349	1,226	1,117	1,416	108	397	224
Profit Sharing Payable	291	509	571	711	335	409	486	330
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	6,798	21,018	21,222	7,987	5,362	12,925	11,937	4,006
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	12,147	11,805	12,303	12,270	11,194	11,108	11,494	10,361
Other Payable Accounts	**20,137**	**34,682**	**35,322**	**22,085**	**18,307**	**24,550**	**24,314**	**14,920**
Subordinated Non Convertible Debt	16,218	19,571	19,425	19,455	19,258	19,510	18,046	18,001
Deferred Taxes, Net	-	-	140	596	372	-	-	-
Deferred Credits	1,718	2,793	2,917	2,700	2,634	2,523	2,562	2,479
TOTAL LIABILITIES	**642,466**	**655,693**	**668,407**	**660,126**	**723,205**	**708,425**	**725,742**	**709,990**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Paid-in Capital	14,727	14,727	14,727	14,727	15,067	15,577	15,577	15,577
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	1,950
Share Subscription Premiums	3,294	3,294	3,294	3,294	13,154	10,389	10,389	10,389
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**18,021**	**18,021**	**18,021**	**18,021**	**28,221**	**25,966**	**25,966**	**27,916**
Capital Reserves	5,990	6,703	6,703	6,703	6,703	7,761	7,761	7,761
Retained Earnings	33,599	32,883	32,870	32,676	42,824	35,004	34,285	32,284
Surplus (Deficit) of Secs Available for Sale	425	599	850	1,774	1,656	677	722	517
Results from Valuation of Hedging Secs	(2,454)	(2,980)	(2,903)	(2,626)	(3,136)	(1,688)	(1,805)	(1,541)
Results from Conversions	(670)	(376)	(525)	(582)	(958)	(848)	(824)	(1,143)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Resultos of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	2,343	4,755	7,280	10,139	2,838	5,886	8,824	12,122
Earned Capital	**39,234**	**41,586**	**44,275**	**48,084**	**49,927**	**46,792**	**48,962**	**50,000**
Minority Interest	10	10	10	10	10	10	10	10
Total Equity	**57,265**	**59,617**	**62,307**	**66,115**	**78,158**	**72,768**	**74,937**	**77,926**
TOTAL LIABILITIES & EQUITY	**699,731**	**715,310**	**730,714**	**726,241**	**801,363**	**781,193**	**800,679**	**787,916**

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

Banking Sector - Memorandum Accounts *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Investment banking transactions for third parties, net	63,075	75,181	74,393	58,699	67,162	71,223	93,475	83,171
TOTAL ON BEHALF OF THIRD PARTIES	**63,075**	**75,181**	**74,393**	**58,699**	**67,162**	**71,223**	**93,475**	**83,171**
Proprietary Transactions								
Endorsement Guarantees Granted	-	-	-	-	-	-	-	-
Loan Obligations	29,865	34,173	36,840	38,209	39,566	35,435	34,588	28,110
Trusts	255,618	283,800	307,057	339,944	346,354	318,844	264,235	194,018
Mandates	2,788	2,102	2,068	2,171	2,140	1,713	10,806	11,043
Properties in Trusts and Warrant	258,405	285,903	309,124	342,116	348,494	320,557	275,042	205,061
Properties in Custody or Administration	314,697	280,207	284,304	302,961	316,204	325,241	357,893	335,729
Collateral Received	104,582	92,225	116,650	99,340	74,654	74,953	68,298	123,774
Collateral Received or sold	36,677	30,391	50,170	55,121	30,208	33,881	25,764	72,530
Drafts in Transit	-	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent Assets & liabilites	255	255	255	255	255	255	255	-
Uncollected Accrued Interest from Past Due Loans	151	168	165	178	191	325	348	349
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**	**762,189**	**765,553**
Repo Securities to be Received	-	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**744,633**	**723,322**	**797,509**	**838,180**	**809,573**	**790,647**	**762,189**	**765,553**

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

BANORTE USA

Income Statement-Banorte USA *MEX GAAP (Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	2012	2013
Interest Income	221	224	208	198	178	176	177	176	851	707
Interest Expense	58	55	51	47	42	39	34	32	211	147
Charged Fees	4	4	4	6	4	6	6	6	19	22
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income (NII)	**168**	**174**	**161**	**158**	**141**	**142**	**149**	**150**	**660**	**582**
Preventive Provisions for Loan Losses	23	52	5	6	15	2	8	11	85	36
Net Interest Income Adjusted for Credit Risk	**145**	**122**	**156**	**152**	**126**	**140**	**141**	**139**	**574**	**546**
Fees for Commercial and Mortgage Loans	4	3	3	3	2	2	5	3	12	11
Fund Transfers	46	50	49	47	47	56	59	67	192	229
Account Management Fees	20	20	21	19	16	15	17	16	81	64
Fiduciary	-	-	-	-	-	-	-	-	-	-
Other Fees	4	4	3	2	4	4	3	5	13	15
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	5	6	5	5	5	5	6	5	22	21
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-	-
Fees Charged on Services	**79**	**83**	**81**	**76**	**74**	**82**	**88**	**96**	**320**	**341**
Fund transfers	1	1	1	1	1	1	1	1	5	4
Other Fees	26	28	27	26	26	27	26	29	107	108
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	**28**	**29**	**28**	**27**	**27**	**29**	**26**	**30**	**112**	**112**
	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	14	15	14	13	13	17	15	16	56	60
Securities-Realized Gains	7	50	(2)	10	34	11	5	1	65	51
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-	-
Trading Income	**21**	**66**	**11**	**23**	**47**	**28**	**20**	**16**	**121**	**111**
Loan Recoveries	4	2	4	3	11	4	5	12	12	32
Income from purchased assets	1	(19)	(5)	(10)	3	(9)	(5)	13	(32)	2
Other Operating Income	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	-	-	-	-	-	0	0	1	-	2
Other Products	13	18	19	25	19	21	21	18	75	79
Other Recoveries	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	(1)	(0)	(3)	(10)	(1)	(1)	(1)	(0)	(14)	(3)
Total Non Interest Income	**89**	**121**	**80**	**81**	**127**	**97**	**102**	**125**	**371**	**451**
Total Operating Income	**234**	**243**	**235**	**233**	**252**	**237**	**244**	**264**	**945**	**998**
Personnel	77	88	82	77	87	77	82	79	323	325
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-	-
Professional Fees	22	24	29	27	24	23	24	31	102	101
Administrative and Promotional Expenses	52	53	48	51	49	47	52	59	203	207
Rents, Depreciation & Amortization	20	21	21	20	20	19	19	22	82	80
Taxes other than income tax & non deductible expenses	4	5	5	4	5	4	4	3	18	16
Contributions to IPAB/Fobaproa	9	8	9	9	9	9	4	4	36	26
Total Non Interest Expense	**183**	**199**	**194**	**188**	**193**	**179**	**185**	**198**	**764**	**755**
	-	-	-	-	-	-	-	-	-	-
Operating Income	**51**	**45**	**41**	**45**	**59**	**58**	**59**	**66**	**181**	**242**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	**51**	**45**	**41**	**45**	**59**	**58**	**59**	**66**	**181**	**242**
Income Tax	17	15	13	13	19	20	19	23	58	79
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
Taxes	**(17)**	**(15)**	**(13)**	**(13)**	**(19)**	**(20)**	**(19)**	**(23)**	**(58)**	**(79)**
	-	-	-	-	-	-	-	-	-	-
Net Income from Continuos Operations	**34**	**30**	**28**	**32**	**41**	**39**	**40**	**44**	**124**	**163**
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-
Net Income	**34**	**30**	**28**	**32**	**41**	**39**	**40**	**44**	**124**	**163**

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

Banorte USA-Balance Sheet *(Million Pesos)*	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
ASSETS								
Cash and Due from Banks	**2,613**	**2,956**	**1,672**	**894**	**2,202**	**2,678**	**2,094**	**1,139**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities Available for Sale	10,949	10,802	12,691	13,094	11,326	9,929	8,747	8,628
Securities Held to Maturity	11	12	11	-	-	-	-	-
Investment in Securities	**10,960**	**10,814**	**12,703**	**13,094**	**11,326**	**9,929**	**8,747**	**8,628**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	-	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-	-
Operations w/Derivatives & Securities"	-	-	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	7,265	7,607	7,341	7,308	7,031	7,764	7,697	8,754
Financial Intermediaries´Loans	-	-	-	-	-	-	-	-
Consumer Loans	205	199	186	178	163	172	154	155
Mortgage Loans	1,965	1,866	1,709	1,642	1,508	1,506	1,482	1,387
Government Entities´Loans	-	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-	-
Performing Loans	**9,435**	**9,672**	**9,236**	**9,128**	**8,702**	**9,442**	**9,333**	**10,297**
Commercial PDL´s	175	64	95	66	7	23	4	1
Financial Intermediaries PDL´s	-	-	-	-	-	-	-	-
Consumer PDL´s	-	0	0	0	-	0	0	-
Mortgage PDL´s	128	30	40	34	34	33	49	43
Government Entities PDL´s	-	-	-	-	-	-	-	-
Past Due Loans	**303**	**94**	**135**	**100**	**41**	**56**	**53**	**45**
Gross Loan Portfolio	**9,738**	**9,766**	**9,372**	**9,228**	**8,744**	**9,498**	**9,386**	**10,342**
Preventive Loan Loss Reserves	143	67	65	64	69	73	77	85
Net Loan Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**	**9,308**	**10,257**
Acquired Collection Rights	-	-	-	-	-	-	-	-
Acquired Collection Rights, Net	-	-	-	-	-	-	-	-
Total Credit Portfolio	**9,595**	**9,699**	**9,307**	**9,164**	**8,675**	**9,425**	**9,308**	**10,257**
Benef.receivab.securization transactions	-	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	661	699	679	689	661	702	716	717
Inventories	-	-	-	-	-	-	-	-
Foreclosed Assets, Net	455	461	430	403	317	290	246	187
Real Estate, Furniture & Equipment, Net	594	617	583	592	560	582	586	581
Investment in Subsidiaries	148	155	149	150	143	142	144	144
Long-term assets held for sale	-	-	-	-	-	-	-	-
Deferred Taxes, Net	48	37	11	55	70	155	207	128
Goodwill and Intangibles	3,172	3,328	3,175	3,188	3,028	3,141	3,173	3,149
Other Assets Short and Long Term	196	186	239	265	201	168	202	96
Other Assets	-	-	-	-	-	-	-	-
	5,275	5,483	5,266	5,340	4,979	5,181	5,275	5,001
TOTAL ASSETS	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**	**25,425**	**25,025**

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

Banorte USA-Balance Sheet (Million Pesos)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
LIABILITIES								
Demand Deposits	10,788	10,684	11,482	11,791	11,761	11,461	10,697	10,887
Time Deposits-Retail	11,401	11,590	10,805	10,155	9,135	9,251	8,171	7,873
Time Deposits-Money Market	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-	-
Deposits	**22,189**	**22,273**	**22,287**	**21,946**	**20,896**	**20,712**	**18,867**	18,760
Immediate Redemption Loans	-	-	-	-	-	-	-	-
Short Term Loans	89	101	101	96	95	112	114	112
Long Term Loans	-	-	-	-	-	-	-	-
Due to Banks & Correspondents	**89**	**101**	**101**	**96**	**95**	**112**	**114**	**112**
Technical Reserves	-	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	4	6	5	5	1	2	2	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-	-
Total Collateral sold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
For trading purposes	-	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total Operations w/ Derivatives & Securities	**4**	**6**	**5**	**5**	**1**	**2**	**2**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-	-
Payable Accountsfor Reinsurance	-	-	-	-	-	-	-	-
Income Tax Payable	-	28	40	41	43	30	21	28
Profit Sharing Payable	-	-	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	239	286	385	300	387	432	431	404
Other Payable Accounts	**239**	**314**	**425**	**341**	**430**	**462**	**452**	**432**
Subordinated Non Convertible Debt	264	276	265	267	255	269	272	270
Deferred Taxes, Net	-	-	-	-	-	-	-	-
Deferred Credits	12	11	14	14	15	19	18	26
TOTAL LIABILITIES	**22,797**	**22,981**	**23,098**	**22,670**	**21,692**	**21,575**	**19,724**	**19,600**
EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Paid-in Capital	4,668	4,668	4,668	4,668	4,668	4,690	4,690	4,690
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**4,668**	**4,668**	**4,668**	**4,668**	**4,668**	**4,690**	**4,690**	**4,690**
Capital Reserves	-	-	-	-	-	-	-	-
Retained Earnings	478	478	478	478	601	586	586	586
Surplus (Deficit) of Secs Available for Sale	224	255	333	245	144	(20)	(44)	(313)
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-	-
Results from Conversions	242	506	278	309	34	301	350	299
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-	-
Net Income	34	64	92	124	41	80	119	163
Earned Capital	**978**	**1,302**	**1,181**	**1,155**	**821**	**948**	**1,011**	**736**
Minority Interest	-	-	-	-	-	-	-	-
Total Equity	**5,646**	**5,970**	**5,849**	**5,823**	**5,489**	**5,637**	**5,701**	**5,425**
TOTAL LIABILITIES & EQUITY	**28,443**	**28,952**	**28,947**	**28,493**	**27,181**	**27,213**	**25,425**	**25,025**

BANORTE

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

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

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

INFORMATION BY SEGMENTS

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

	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	481	57,183	2,257	95	461	2,103	9,368
Premium Income (Net)	-	-	-	-	9,840	8,864	-
Interest Expense	228	22,498	1,451	1	14	-	9,066
Net Increase in Technical Reserves	-	-	-	-	213	9,473	-
Damages, Claims and Other Obligations	-	-	-	-	6,867	2,550	-
Net Interest Income (NII)	**253**	**34,685**	**806**	**94**	**3,206**	**(1,055)**	**302**
Preventive Provisions for Loan Losses	-	8,788	89	-	-	-	-
Net Interest Income Adjusted for Credit Risk	**253**	**25,897**	**716**	**94**	**3,206**	**(1,055)**	**302**
Loan Origination Fees	-	10,565	60	-	-	-	1,248
Fees Paid	0	2,897	81	0	1,578	-	80
Trading Income	(29)	3,021	-	1	34	1,574	375
Other Operating Income (Expenses)	-	2,624	113	(6)	671	(8)	(64)
Non Interest Income	**(29)**	**13,313**	**92**	**(5)**	**(872)**	**1,566**	**1,479**
Total Operating Income	**224**	**39,210**	**808**	**89**	**2,334**	**510**	**1,781**
Administrative and Promotional Expenses	132	25,766	163	31	795	261	995
Operating Income	**92**	**13,444**	**645**	**59**	**1,539**	**250**	**785**
Subsidiaries' Net Income	13,661	1,439	-	-	0	6	0
Pre-Tax Income	13,753	14,883	645	59	1,539	256	786
Income Tax	-	2,822	26	19	409	0	225
Deferred Income Tax	(1)	(61)	4	(3)	27	78	(2)
Net Income from Continuos Operations	**13,754**	**12,122**	**616**	**43**	**1,103**	**178**	**562**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	(0)	(1)	(0)	(6)	-	-
Net Income	**13,754**	**12,122**	**615**	**43**	**1,097**	**178**	**562**

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

	Operadora de Fondos Banorte Ixe	IXE Servicios	Solida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	0	1	26	71,974	2,558	18	69,434
Premium Income (Net)	-	-	-	18,704	677	-	18,026
Interest Expense	-	-	500	33,758	-	2,301	31,456
Net Increase in Technical Reserves	-	-	-	9,686	-	-	9,686
Damages, Claims and Other Obligations	-	-	-	9,417	-	279	9,138
Net Interest Income (NII)	**0**	**1**	**(474)**	**37,817**	**-**	**-**	**37,181**
Preventive Provisions for Loan Losses	-	-	64	8,942	-	-	8,942
Net Interest Income Adjusted for Credit Risk	**0**	**1**	**(538)**	**28,876**	**-**	**-**	**28,239**
Loan Origination Fees	963	28	795	13,658	1,652	-	12,006
Fees Paid	813	0	0	5,449	-	1,532	3,917
Trading Income	2	-	(8)	4,969	(0)	2	4,971
Other Operating Income (Expenses)	0	0	177	3,508	316	31	3,223
Non Interest Income	**151**	**28**	**963**	**16,686**	**1,967**	**(1,499)**	**16,284**
Total Operating Income	**151**	**28**	**425**	**45,561**	**1,967**	**(1,499)**	**44,523**
Administrative and Promotional Expenses	38	27	308	28,515	983	1,679	27,819
Operating Income	**114**	**1**	**117**	**17,046**	**-**	**-**	**16,704**
Subsidiaries' Net Income	6	-	(63)	15,049	13,919	-	1,130
Pre-Tax Income	119	1	54	32,095	-	-	17,834
Income Tax	32	0	139	3,671	-	-	3,671
Deferred Income Tax	(0)	(0)	(62)	(20)	6	101	(115)
Net Income from Continuos Operations	**87**	**1**	**(22)**	**28,444**	**-**	**-**	**14,279**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	(7)	764	-	(771)
Net Income	**87**	**1**	**(22)**	**28,437**	**20,868**	**5,546**	**13,508**

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 '13

(Million Pesos)

ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	272	61,967	21	17	63	1	833
Margin Accounts	-	59	-	-	-	-	-
Investment in Securities	-	238,986	-	65	10,139	51,752	114,007
Negotiable Instruments	-	136,344	-	30	2,648	250	93,537
Securities Available for Sale	-	66,715	-	36	-	30	18,560
Securities Held to Maturity	-	35,926	-	-	7,490	51,472	1,911
Debtor Balance in Repo Trans, net	4,900	2	-	-	200	-	-
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	14,799	-	-	-	-	-
Transactions with Derivatives For hedging purposes	-	55	-	-	-	-	-
Gross Loan Portfolio	-	421,300	17,410	-	-	-	-
Net Loan Portfolio	-	419,382	17,410	-	-	-	-
Performing Loans	-	419,830	17,511	-	-	-	-
Commercial Loans	-	169,150	14,983	-	-	-	-
Financial Intermediaries´ Loans	-	17,354	363	-	-	-	-
Government Entities´ Loans	-	93,484	2,160	-	-	-	-
Consumer Loans	-	57,833	4	-	-	-	-
Mortgage Loans	-	82,008	-	-	-	-	-
Past Due Loans	-	13,317	210	-	-	-	-
Commercial PDL´s	-	10,082	209	-	-	-	-
Financial Intermediaries PDL´s	-	0	-	-	-	-	-
Government Entities PDL´s	-	-	2	-	-	-	-
Consumer PDL´s	-	2,098	0	-	-	-	-
Mortgage PDL´s	-	1,137	-	-	-	-	-
Preventive Loan Loss Reserves	-	13,765	312	-	-	-	-
Acquired Collection Rights	-	1,918	-	-	-	-	-
Account Receivables from Insurance and Annuities	-	-	-	-	610	671	-
Premium Debtors (Net)	-	-	-	-	2,979	68	-
Account Receivables from Reinsurance	-	-	-	-	3,563	-	-
Benef.receivab.securization transactions	-	738	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	46	11,185	429	68	-	-	1,043
Inventories	-	-	-	477	-	-	-
Foreclosed Assets, Net	-	2,266	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	9,498	2,011	72	246	2	60
Investment in Subsidiaries	88,587	13,765	-	-	1	26	11
Deferred Taxes, Net	4	274	24	0	88	-	-
Total other Assets	10,930	12,864	279	11	582	2	345
Goodwill	9,704	4,101	-	-	-	-	-
Intangible	1,227	4,937	279	2	-	-	36
Other Assets	-	3,826	-	9	582	2	308
TOTAL ASSETS	**104,739**	**787,916**	**20,173**	**711**	**18,470**	**52,524**	**116,299**

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 '13

(Million Pesos)

ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Cash and Due from Banks	**1**	**19**	**597**	**63,791**	**1**	**1,814**	**61,978**
Margin Accounts	**-**	**-**	**-**	**59**	**-**	**-**	**59**
Investment in Securities	**116**	**-**	**-**	**415,066**	**168**	**547**	**414,687**
Negotiable Instruments	116	-	-	232,926	-	-	232,926
Securities Available for Sale	-	-	-	85,341	-	310	85,031
Securities Held to Maturity	-	-	-	96,800	168	237	96,730
Debtor Balance in Repo Trans, net	**-**	**-**	**-**	**5,102**	**-**	**4,900**	**202**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For trading purposes	**-**	**-**	**-**	**14,799**	**-**	**-**	**14,799**
Transactions with Derivatives For hedging purposes	**-**	**-**	**-**	**55**	**-**	**-**	**55**
Gross Loan Portfolio	**-**	**-**	**1,885**	**440,595**	**1,271**	**13,940**	**427,925**
Net Loan Portfolio	**-**	**-**	**281**	**437,073**	**892**	**13,561**	**424,404**
Performing Loans	**-**	**-**	**298**	**437,639**	**857**	**13,458**	**425,038**
Commercial Loans	-	-	298	184,431	759	567	184,624
Financial Intermediaries´ Loans	-	-	-	17,717	-	12,855	4,863
Government Entities´ Loans	-	-	-	95,644	3	11	95,636
Consumer Loans	-	-	-	57,837	68	22	57,883
Mortgage Loans	-	-	-	82,008	27	3	82,033
Past Due Loans	**-**	**-**	**196**	**13,723**	**35**	**103**	**13,655**
Commercial PDL´s	-	-	196	10,486	25	39	10,473
Financial Intermediaries PDL´s	-	-	-	0	-	-	0
Government Entities PDL´s	-	-	-	2	1	-	2
Consumer PDL´s	-	-	-	2,098	3	9	2,093
Mortgage PDL´s	-	-	-	1,137	6	56	1,087
Preventive Loan Loss Reserves	**-**	**-**	**213**	**14,289**	**-**	**-**	**14,289**
Acquired Collection Rights	**-**	**-**	**1,604**	**3,522**	**379**	**379**	**3,522**
Account Receivables from Insurance and Annuities	**-**	**-**	**-**	**1,281**	**-**	**-**	**1,281**
Premium Debtors (Net)	**-**	**-**	**-**	**3,047**	**-**	**-**	**3,047**
Account Receivables from Reinsurance	**-**	**-**	**-**	**3,563**	**-**	**-**	**3,563**
Benef.receivab.securization transactions	**-**	**-**	**-**	**738**	**-**	**-**	**738**
Sundry Debtors & Other Accs Rec, Net	**111**	**5**	**9,805**	**22,691**	**65**	**1,054**	**21,703**
Inventories	**-**	**-**	**-**	**477**	**-**	**-**	**477**
Foreclosed Assets, Net	**-**	**-**	**515**	**2,781**	**201**	**201**	**2,781**
Real Estate, Furniture & Equipment, Net	**0**	**1**	**7**	**11,898**	**212**	**77**	**12,033**
Investment in Subsidiaries	**86**	**-**	**440**	**102,917**	**767**	**89,479**	**14,205**
Deferred Taxes, Net	**1**	**2**	**38**	**430**	**242**	**672**	**-**
Total other Assets	**3**	**4**	**723**	**25,744**	**2,696**	**1,344**	**27,096**
Goodwill	-	-	-	13,804	2,693	1,117	15,381
Intangible	1	4	723	7,210	-	224	6,986
Other Assets	2	-	-	4,729	3	3	4,729
TOTAL ASSETS	**318**	**32**	**14,010**	**1,115,192**	**5,624**	**114,028**	**1,006,788**

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 '13

(Million Pesos)

LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Deposits	**-**	**444,147**	**1,402**	**-**	**-**	**-**	**-**
Demand Deposits	**-**	**255,297**	**-**	**-**	**-**	**-**	**-**
Time Deposits	**-**	**184,847**	**-**	**-**	**-**	**-**	**-**
Time Deposits-Retail	-	179,877	-	-	-	-	-
Time Deposits-Money Market	-	4,971	-	-	-	-	-
Senior Unsecured Debt	**-**	**4,003**	**1,402**	**-**	**-**	**-**	**-**
Due to Banks & Correspondents	**-**	**16,067**	**14,909**	**430**	**-**	**-**	**-**
Immediate Redemption Loans	-	2,974	-	-	-	-	-
Short Term Loans	-	9,882	10,440	430	-	-	-
Long Term Loans	-	3,210	4,469	-	-	-	-
Technical Reserves	**-**	**-**	**-**	**-**	**11,264**	**50,943**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**196,041**	**-**	**-**	**-**	**-**	**112,880**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**8**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives for trading purposes	**-**	**14,827**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives for hedging purposes	**-**	**3,500**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**-**	**759**	**-**	**-**
Other Payable Accounts	**1**	**14,920**	**490**	**10**	**2,592**	**106**	**1,051**
Income Tax Payable	-	224	-	-	441	-	5
Profit Sharing Payable	-	330	-	-	-	-	9
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	4,006	-	-	-	-	809
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	10,361	490	10	2,151	106	228
Subordinated Non Convertible Debt	-	18,001	-	-	-	-	-
Deferred Taxes, Net	-	(0)	-	-	-	225	10
Deferred Credits	-	2,479	163	-	-	-	-
TOTAL LIABILITIES	1	709,990	16,965	440	14,615	51,274	113,941
EQUITY							
Subscribed Capital	49,921	27,916	526	87	709	325	1,429
Paid-in Capital	14,664	15,577	526	87	709	325	1,354
Share Subscription Premiums	35,257	10,389	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	1,950	-	-	-	-	-
Earned Capital	54,817	50,000	2,679	184	3,119	925	929
Capital Reserves	5,811	7,761	367	35	468	131	54
Retained Earnings	37,080	32,284	1,697	104	1,508	618	31
Surplus (Deficit) of Secs Available for Sale	674	517	-	3	46	(2)	254
Results from Valuation of Hedging Secs	(1,420)	(1,541)	-	-	-	-	-
Results from Conversions	(1,083)	(1,143)	-	-	-	-	28
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	13,754	12,122	615	43	1,097	178	562
Capital Mayoritario	104,737	77,916	3,205	271	3,828	1,250	2,358
Minority Interest	-	10	4	0	26	-	-
Total Equity	**104,737**	**77,926**	**3,209**	**271**	**3,854**	**1,250**	**2,358**
TOTAL LIABILITIES & EQUITY	**104,739**	**787,916**	**20,173**	**711**	**18,470**	**52,524**	**116,299**

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 '13

(Million Pesos)

LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de	Total	Charges	Credits	Final Balance
Deposits	-	-	-	445,549	1,809	-	443,740
Demand Deposits	-	-	-	255,297	1,078	-	254,219
Time Deposits	-	-	-	184,847	731	-	184,116
Time Deposits-Retail	-	-	-	179,877	731	-	179,146
Time Deposits-Money Market	-	-	-	4,971	-	-	4,971
Senior Unsecured Debt	-	-	-	5,405	-	-	5,405
Due to Banks & Correspondents	-	-	11,509	42,914	12,863	8	30,060
Immediate Redemption Loans	-	-	-	2,974	-	-	2,974
Short Term Loans	-	-	11,509	32,261	12,855	-	19,406
Long Term Loans	-	-	-	7,679	8	8	7,679
Technical Reserves	-	-	-	62,207	-	-	62,207
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	-	-	308,921	4,900	-	304,021
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Collateral sold or pledged as collateral	-	-	-	8	-	-	8
Transactions with Derivatives for trading purposes	-	-	-	14,827	-	-	14,827
Transactions with Derivatives for hedging purposes	-	-	-	3,500	-	-	3,500
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Payable Accounts for Reinsurance	-	-	-	759	-	-	759
Other Payable Accounts	107	8	186	19,471	1,126	6	18,351
Income Tax Payable	6	0	118	794	-	-	794
Profit Sharing Payable	-	1	-	339	-	-	339
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	4,814	533	-	4,282
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	101	7	68	13,523	594	6	12,936
Subordinated Non Convertible Debt	-	-	-	18,001	-	-	18,001
Deferred Taxes, Net	-	-	-	235	672	637	200
Deferred Credits	-	-	5	2,647	224	-	2,423
TOTAL LIABILITIES	107	8	11,699	919,040	21,595	652	898,097
EQUITY							
Subscribed Capital	112	24	1,127	82,177	32,627	321	49,870
Paid-in Capital	112	24	1,127	34,506	19,855	-	14,652
Share Subscription Premiums	-	-	-	45,721	10,823	321	35,219
Contributions for future capital increases agreed by the governing body	-	-	-	1,950	1,950	-	-
Earned Capital	99	(0)	1,183	113,934	60,268	3,121	56,787
Capital Reserves	10	2	117	14,757	8,946	-	5,811
Retained Earnings	1	(4)	1,088	74,407	38,094	2,989	39,303
Surplus (Deficit) of Secs Available for Sale	-	-	-	1,492	825	-	667
Results from Valuation of Hedging Secs	-	-	-	(2,961)	(1,541)	-	(1,420)
Results from Conversions	-	-	-	(2,198)	(1,115)	-	(1,083)
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	87	1	(22)	28,437	15,061	131	13,508
Capital Mayoritario	211	24	2,310	196,111	92,896	3,442	106,657
Minority Interest	0	-	-	40	26	2,020	2,034
Total Equity	211	24	2,310	196,151	92,922	5,461	108,691
TOTAL LIABILITIES & EQUITY	318	32	14,010	1,115,192	114,517	6,113	1,006,788

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

ACCOUNTING CHANGES AND REGULATIONS

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

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

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

- Mortgage loan: Facilities to cover up to 3 payments of the mortgage loan with a personal loan which may be granted up to the amount of 3 monthly payments and with terms of 36 and 48 months, according to the client's choice, at the same rate that the mortgage loan and excluding opening fees.
- Car loans: Deferral of up to 3 monthly payments, which will be added at the end of the loan, therefore the term is extended 7 additional months from the original term.
- Payroll loans: Deferral of up to 3 monthly payments, which will be added at the end of the loan, therefore the term is extended 7 additional months from the original term.
- Crediactivo: Clients may defer the payment 3 moths though an agreement formalization, deferred monthly payments will be added at the end of the loan and will not affect the original term of the loan, therefore in the last 3 monthly payments the client will double the regular amount.

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

If this special accounting criteria had not been implemented, the loan balances as of December 31st, 2013 would be:

Million Pesos

PERFORMING LOANS	
Commercial Loans	
Business and Commercial	$184,624
Financial Intermediaries	4,863
Government Entities	95,636
Consumer Loans	57,883
Mortgage Loans	82,032
TOTAL PERFORMING LOANS	**425,038**
TOTAL PAST DUE LOANS	
Commercial Loans	
Business and Commercial	10,473
Financial Intermediaries	-
Government Entities	2
Consumer Loans	2,094
Mortgage Loans	1,087
TOTAL PAST DUE LOANS	**13,656**
GROSS LOAN PORTFOLIO	**438,694**
(-) PREVENTIVE LOAN LOSS RESERVES	(14,290)
NET LOAN PORTFOLIO	**424,404**
ACQUIRED COLLECTION RIGHTS	3,522
TOTAL CREDIT PORTFOLIO	**$ 427,926**

Furthermore, net income would have been Ps13.51 billion, as a result of an additional registration of Ps 0.178 million in preventive loan loss reserves that would be originated if the support programs would not have been implemented.

The amount of deferred payments of the plans as of December 31st, 2013 is comprised as follows:

Million Pesos	Deferred Amount
Consumer Loans	$ .045

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

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

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

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

As of December 31st, 2013 the Institution has not granted yet the formerly mentioned supports, and therefore has not applied the authorized special accounting criteria.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Changes to rating methodology for consumer and 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.

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

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

On June 30th, 2010, the Ministry of Finance and Public Credit (SHCP) on behalf of the Federal Government agreed (the Agreement) to the early termination of mortgage debtor support programs (end point and UDIS trusts) with banks.

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

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 of December 31st, 2013, the total amount of the Federal Government's payment obligations with respect to commercial loans amounted to $58 million, which includes $56 million corresponding to the conditioned discount portion derived from loans denominated in local currency and in UDIS, and $2 million related to the discount applied to loans referred to in number 3.1.2 of Circular 1430.

As at December 31st, 2013, the Federal Government's obligations under the Agreement were:

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

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

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

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

During 2012 and 2013 results recognized $9 million and $11 million, respectively, in relation to end point and GFNorte support (asset recovery area exit model) corresponding to loans that were not part of the program.

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

The amount corresponding to the repurchase of SPECIAL CETES was $97 million; the outstanding balance of SPECIAL CETES that has not been repurchased by the Federal Government as at December 31st, 2013 is $860 million with maturities of between 2017 and 2027.

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

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-13	dec-13	aug-02	sep-13	dec-13	aug-02	sep-13	dec-13
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	8	8	0	0	0	54	8	8
Total	**59**	**8**	**8**	**5**	**0**	**0**	**64**	**8**	**8**
Non Performing Loans									
Commercial	405	300	302	293	111	112	698	411	414
Consumer	81	72	72	0	0	0	81	72	72
Mortgage	1,112	260	258	0	0	0	1,112	260	258
Total	**1,598**	**632**	**632**	**293**	**111**	**112**	**1,891**	**743**	**744**
TOTAL LOANS	**1,657**	**640**	**640**	**298**	**111**	**112**	**1,955**	**751**	**752**
Loan Loss Reserves (1)									
Commercial	326	300	302	246	111	112	572	411	414
Consumer	77	72	72	0	0	0	77	72	72
Mortgage	669	263	258	0	0	0	669	263	258
Total	**1,072**	**635**	**632**	**246**	**111**	**112**	**1,318**	**746**	**744**

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

(*)There was a Reserve deficit of Ps 27 million as of December 2013.

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

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

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

In 4Q13 the Loan portfolio showed changes due to: collections of Ps $4.0 million, foreclosed assets of Ps $2.2 million, restructurings of Ps $17.0 million and there were charge offs and discounts of Ps. $48.3 million. In the Loan loss provisions, there were charge offs and discounts of Ps $20.3 million. There were transfers from performing loans to past due loans of Ps $0.2 million and transfers from past due loans to performing loans of Ps $0.1 million.

.

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

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

	Local Currency (1)		Foreign Currency (USD) (2)		Total	
(Million of Nominal Pesos)	sep-13	dic-13	sep-13	dic-13	sep-13	dic-13
Performing Loans						
Commercial	260,862	267,511	19,127	19,291	279,989	286,802
Consumer	36,403	38,380	0	0	36,403	38,380
Mortgage	77,921	80,628	1	1	77,922	80,629
Government	0	0	0	0	0	0
Fobaproa / IPAB	0	0	0	0	0	0
Performing Loans	**375,186**	**386,519**	**19,128**	**19,292**	**394,314**	**405,811**
Non Performing Loans						
Commercial	10,386	10,327	441	168	10,827	10,495
Consumer	899	962	0	0	899	962
Mortgage	1,275	1,352	0	0	1,275	1,352
Government	0	0	0	0	0	0
Non Performing Loans	**12,560**	**12,641**	**441**	**168**	**13,001**	**12,809**
TOTAL LOANS	**387,746**	**399,160**	**19,569**	**19,460**	**407,315**	**418,620**
Loan Loss Reserves	**11,692**	**11,432**	**426**	**345**	**12,118**	**11,777**
Net Loan Portfolio	**376,054**	**387,728**	**19,143**	**19,115**	**395,197**	**406,843**
Loan Loss Reserves					**93%**	**92%**
% Past Due Loans					**3.19%**	**3.06%**

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 4Q13

(Million Pesos)

Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**200,440**	**934**	**(61)**	**201,314**
Unrestricted	**2,800**	**8**	**1**	**2,809**
CETES (Special)	-	-	-	-
CETES	189	3	0	193
BONDES	1,857	2	2	1,862
BPA	171	1	0	173
BREMS	-	-	-	-
Bonds	115	0	(1)	114
CBIC	-	-	-	-
Udibonds	250	0	0	250
UMS	22	0	(0)	22
Treasury Bonds	-	-	-	-
Treasury Notes	64	0	(0)	64
Other Government Securities	131	-	-	131
Restricted	**197,640**	**926**	**(62)**	**198,505**
CETES (Special)	-	-	-	-
CETES	2,532	-	0	2,532
BONDES	70,401	118	33	70,551
BPA	111,376	782	(80)	112,078
BREMS	-	-	-	-
Bonds	8,591	19	(9)	8,600
CBIC	-	-	-	-
Udibonds	4,741	8	(6)	4,744
UMS	0	-	-	0
Treasury Bonds	-	-	-	-
Treasury Notes	0	-	-	0
Banking Securities	**22,820**	**32**	**22**	**22,874**
Unrestricted	**581**	**1**	**0**	**582**
Notes	1	0	0	1
CEDES	-	-	-	-
Stock Certificates	566	1	0	567
Structured Notes	-	-	-	-
Other Banking Securities	14	0	0	14
Restricted	**22,239**	**32**	**22**	**22,292**
Notes	(0)	-	(0)	(0)
CEDES	2,267	2	1	2,270
Stock Certificates	16,716	23	10	16,750
Structured Notes	-	-	-	-
Other Banking Securities	3,255	7	10	3,272
Private Securities	**8,771**	**14**	**(46)**	**8,738**
Unrestricted	**1,320**	**2**	**(57)**	**1,265**
Stock Certificates	264	1	(8)	257
PEMEX Bonds	(28)	0	0	(28)
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	217	2	5	223
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	828	-	(52)	776
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	39	-	(2)	36
Restricted	**7,451**	**11**	**11**	**7,473**
Stock Certificates	5,743	8	11	5,761
PEMEX Bonds	1,706	3	0	1,709
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	2	0	(0)	2
Total	**232,030**	**981**	**(85)**	**232,926**

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 4Q13

(Million Pesos)

Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**29,561**	**386**	**28,113**	**58,061**
Unrestricted	**28,817**	**155**	**(487)**	**28,485**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	3,227	8	(0)	3,235
BPA	14,878	112	1	14,991
BREMS	-	-	-	-
Bonds	417	1	(46)	372
CBIC	-	-	-	-
Udibonds	20	0	10	30
UMS	258	6	0	264
Treasury Bonds	-	-	-	-
Treasury Notes	1,058	5	(99)	965
Other Government Securities	8,960	22	(353)	8,628
Restricted	**744**	**231**	**28,601**	**29,576**
CETES (Special)	-	-	-	-
CETES	412	-	0	412
BONDES	-	1	245	245
BPA	-	225	28,318	28,543
BREMS	-	-	-	-
Bonds	136	0	37	174
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	196	5	0	202
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**3,674**	**4**	**(18)**	**3,659**
Unrestricted	**232**	**0**	**(24)**	**209**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	232	0	(24)	209
Other Banking Securities	-	-	-	-
Restricted	**3,442**	**4**	**5**	**3,451**
Notes	-	-	-	-
CEDES	0	(0)	-	0
Stock Certificates	3,442	4	5	3,451
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	**22,209**	**261**	**841**	**23,311**
Unrestricted	**9,450**	**34**	**363**	**9,846**
Stock Certificates	799	7	(108)	698
PEMEX Bonds	347	6	(26)	328
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,134	20	(33)	1,121
GFNORTE stocks	-	-	-	-
BMV stocks	234	-	190	424
Mutual Funds stocks	6,936	-	340	7,276
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**12,759**	**228**	**477**	**13,464**
Stock Certificates	2,859	11	(1)	2,868
PEMEX Bonds	8,783	210	350	9,343
Commercial Paper	-	-	-	-
Corporate Bonds	102	2	3	107
Euro Bonds	979	5	126	1,110
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	36	-	-	36
Total	**55,445**	**651**	**28,935**	**85,031**

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 4Q13 (Million Pesos)				
Securities Held to Maturity	**BOOK VALUE**	**INTEREST**	**XXXX**	**Market Value**
Government Securities	**63,547**	**3,619**	**-**	**67,166**
Unrestricted	**42,710**	**3,503**	**-**	**46,213**
CETES (Special)	860	0	-	860
CETES	99	1	-	100
BONDES	398	1	-	399
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	1,887	4	-	1,891
CBIC	529	3	-	532
Udibonds	38,937	3,494	-	42,431
UMS	-	(0)	-	(0)
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	**20,837**	**116**	**-**	**20,953**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	0	-	-	0
BPA	20,837	116	-	20,953
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**5,482**	**955**	**-**	**6,437**
Unrestricted	**5,380**	**955**	**-**	**6,334**
Notes	1,694	(0)	-	1,694
CEDES	1,425	832	-	2,257
Stock Certificates	1,138	14	-	1,152
Structured Notes	866	108	-	974
Other Banking Securities	257	0	-	257
Restricted	**102**	**0**	**-**	**103**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	(0)	-	-	(0)
Structured Notes	-	-	-	-
Other Banking Securities	102	0	-	103
Private Securities	**22,713**	**484**	**-**	**23,197**
Unrestricted	**12,806**	**458**	**-**	**13,265**
Stock Certificates	12,035	443	-	12,478
PEMEX Bonds	331	8	-	339
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	440	8	-	448
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**9,907**	**26**	**-**	**9,933**
Stock Certificates	9,462	24	-	9,487
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	445	1	-	446
Fair Value Adjustment Ixe Banco	(69)	-	-	(69)
Total	**91,673**	**5,057**	**-**	**96,730**

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

REPURCHASE AGREEMENT OPERATIONS 4Q13 (Million Pesos)	Repo Debtors				Repo Creditors
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Goverment securities	67,520	67,319	200	0	258,083
Banking securities	110	110	0	0	25,030
Private Securities	5,145	5,151	2	8	20,907
Total	**72,775**	**72,581**	**202**	**8**	**304,021**

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

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 4Q13 *(Million Pesos)*	
Creditor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	144
Options	
Rate options	542
Fx options	1
Swaps	
Rate swap	12,785
Fx swap	1,328
Negotiable Total	**14,799**
Options	
Rate Options	1
Fx options	-
Swaps	
Rate swap	53
Fx swap	1
Hedging total	**55**
Position total	**14,854**
Debtor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	96
Options	
Rate options	365
Fx options	5
Swaps	
Rate swap	12,794
Fx swap	1,567
Negotiable Total	**14,827**
Swaps	
Rate swap	1,665
Fx swap	1,835
Hedging total	**3,500**
Position total	**18,327**

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 4Q13- Banorte (Million Pesos)			
PRODUCT	TYPE	UNDERLYING	NOTIONAL
FX Forwards	Purchases	Exchange Rate (USD/MXN)	15,497
FX Forwards	Sales	Exchange Rate (USD/MXN)	9,751
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	0
FX Forwards	Sales	Exchange Rate (CAD/MXN)	0
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	1
FX Forwards	Sales	Exchange Rate (EUR/MXN)	1
FX Options	Purchases	Exchange Rate (Dollar)	160
FX Options	Sales	Exchange Rate (Dollar)	436
Interest Rate Options	Purchases	TIIE	72,254
Interest Rate Options	Sales	TIIE	107,721
Interest Rate Options	Purchases	LIBOR	2,056
Interest Rate Options	Sales	LIBOR	2,070
Interest Rate Swaps	USD LIBOR S 3M	LIBOR	136,105
Interest Rate Swaps	MXN TIIE	TIIE	869,515
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	36,019
Interest Rate and FX Swaps	CS USDCETE	CETE	1,308
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	2,507

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

LOAN PORTFOLIO (Million Pesos)	Local Currency		UDIS		Foreign Currency		Total	
	4Q12	4Q13	4Q12	4Q13	4Q12	4Q13	4Q12	4Q13
Performing Loans								
Commercial Loans	157,200	154,336	-	-	28,860	30,288	186,061	184,624
Financial Intermediaries´ Loans	7,573	3,650	-	-	862	1,212	8,435	4,863
Consumer Loans	45,858	57,728	-	-	178	155	46,036	57,883
Mortgage Loans	70,793	80,306	172	339	1,643	1,388	72,608	82,033
Government Entities´ Loans	88,210	95,243	-	-	83	393	88,293	95,636
Derechos de cobro Fiduciario	-	-	-	-	-	-	-	-
Total	**369,635**	**391,262**	**172**	**339**	**31,626**	**33,437**	**401,433**	**425,038**
Past Due Loans								
Commercial Loans	5,614	10,410	7	6	517	58	6,138	10,473
Financial Intermediaries´ Loans	4	0	-	-	-	-	4	0
Consumer Loans	1,466	2,093	-	-	1	-	1,467	2,093
Mortgage Loans	769	988	10	55	34	43	812	1,087
Government Entities´ Loans	60	2	-	-	-	-	60	2
Total	**7,913**	**13,493**	**16**	**61**	**552**	**101**	**8,481**	**13,655**
Total Propietary Loans	**377,548**	**404,755**	**188**	**400**	**32,177**	**33,538**	**409,914**	**438,693**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q13- GFNorte (Million Pesos)	TOTAL	
	PERIOD COST	PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	10.7	0.0
Mortgage FOVI	-	-
	10.7	**0.0**

At closing of this quarter the balance in debtors support programs totaled Ps 10.7 million without a cost for the period.

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

DEFERRED TAXES 4Q13 *(Million Pesos)*			
ASSETS	INCOME TAX	PROFIT SHARING	NET
Excess of preventive reserves accounts over the fiscal limit	57	-	**57**
Ixe's AAA Portfolio	-	-	**-**
Non deductible provisions and cumulative income	304	-	**304**
Excess of accounting value over fiscal value on Reposessed Assets	638	-	**638**
Diminishable profit sharing	96	-	**96**
Fees received in advance	834	-	**834**
Tax losses pending amortization	1,119	-	**1,119**
Provisions for possible loss in loans	1,039	-	**1,039**
Earnings per Society	-	-	**-**
State Tax on Assets Deferred	-	-	**-**
Loss on sale of foreclosed assets and credits	-	-	**-**
Decline in value of real estate	-	-	**-**
Interest on Loans	-	-	**-**
Reserve for employee retirement benefits	2	-	**2**
Current Account Agents	18	-	**18**
Reserve for additional compensation to agents	1	-	**1**
Diverse Creditors	115	-	**115**
Decrease for securities' valuation	16	-	**16**
Charge-off's Estimates	32	-	**32**
Tax loss on share sale	31	-	**31**
Additional Obligations for Employee benefits	8	-	**8**
Other	190	-	**190**
Total Assets	4,499	-	**4,499**
LIABILITIES			
Pension Funds Contribution	(1,123)	-	**(1,123)**
Loan Portfolio Acquisitions	(427)	-	**(427)**
Projects to be capitalized	(886)	-	**(886)**
Effects from valuation of instruments	(1,113)	-	**(1,113)**
Dividends Federal Home Loan Bank	-	-	**-**
Intangibles' amortizations	-	-	**-**
Unrealized Loss on Securities held for Sale	-	-	**-**
Reversal of Sale Costs	-	-	**-**
Increase for securities' valuation	(146)	-	**(146)**
Receivable interest from securities	(19)	-	**(19)**
Investment of reserves for obligations	(1)	-	**(1)**
Current Account Agents	(23)	-	**(23)**
Savings' Inventory	(12)	-	**(12)**
Savings' Inventory	(892)	-	**(892)**
Other	(19)	-	**(19)**
Total Liabilities	(4,699)	-	**(4,699)**
Assets (Liabilities) Accumulated Net	(200)	-	**(200)**

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 '13- BANCO MERCANTIL (Million Pesos)									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	2,613	15 years	6.862%	13-Apr-21	E/180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	3,920	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	2,262	20 years	4.950%	15-feb-28	E/180 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	30-mar-09	2,200	2,200	2,200	10 years	TIIE + 2.00%	18-mar-19	E/28 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,568	10 años	9.25%	14-oct-20	E/180 days

BANK AND OTHER ENTITIES LOANS' AS OF 4Q13 (Million Pesos)			
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
LOANS FROM LOCAL BANKS		2,975	2,975
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY		-	-
LOANS FROM FOREIGN BANKS GENERATED FROM FOREIGN COUNTRY		112	112
LOANS FROM DEVELOPMENT BANKS	10,527	3,481	14,008
LOANS FROM PUBLIC FUNDS	8,721	831	9,553
CALL MONEY & LOANS FROM BANKS	15,897	-	15,897
LOANS FROM FIDUCIARY FUNDS	300		300
PROVISIONS FOR INTEREST		71	71
	35,445	**7,470**	**42,915**
ELIMINATIONS			(12,855)
Total			**30,060**

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

TRADING INCOME 4Q13 *Million Pesos*	
Trading income	**Consolidated**
Securities - Unrealized gains	**1,403**
Negotiable instruments	**1,468**
Derivative instruments - Negotiation	-67
Derivative instruments - Hedging	2
Impairment loss or revaluation increase	**-41**
Result from foreign exchange valuation	**-220**
Result from valuation of precious metals	**-6**
Result from purchase/sale of securities and derivatives	**2,725**
Negotiable instruments	**1,155**
Securities held for sale	871
Securities held to maturity	1
Derivative instruments - Negotiation	0
Derivative instruments - Hedging	697
Result from purchase/sale of foreign exchange	**1,105**
Result from purchase/sale of precious metals	**5**
Transaction costs	**0**
Intermediation of received collateral	**0**
Increase derived from trading income adjustments	**0**
Total	**4,971**

- **Risk Management**

AUTHORIZED ORGANS

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

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

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

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

1. Propose for approval by the Board:

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

2. Approve and review at least once a year:

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

3. Approve:

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

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

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

6. Report to the Board on corrective actions taken.

UNIT FOR COMPREHENSIVE RISK ADMINISTRATION (UAIR)

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

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

The GDAR routes efforts and has methodologies for:

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

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

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

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

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

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

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

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

Credit Risk

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

The objectives of credit risk management at GFNorte are:

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

Individual Credit Risk

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

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

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

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

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

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

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

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

Portfolio Credit Risk

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

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

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

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

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

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

As of December 31st, 2013, Banco Mercantil del Norte's total portfolio was Ps 417.87 billion. The expected loss represents 2.1% and the unexpected loss is 3.3% with respect to the total portfolio. The average expected loss is 2.1% during the period between October-December 2013.

Regarding Casa de Bolsa Banorte-Ixe's, the credit exposure of investments is Ps 113.24 billion and the expected loss represents 0.00% of the exposure. The average expected loss is 0.01% between October-December 2013.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 19.73 billion. Prospective losses represent 1.0% and unforeseen losses 3.4% of the total portfolio. The prospective loss average represents 1.0% in the period of October-December 2013.

The total portfolio of Sólida Administradora de Portafolios was Ps 494 million. The estimated loss of the portfolio represents 19.6% and the unexpected loss 5.4% both with respect to the total portfolio. The estimated loss average for the period of October-December 2013 was 16.4%.

The total portfolio of Banorte Ixe Tarjetas is Ps. 20.55 billion. The estimated loss represents 11.2%and the unexpected loss 10.9% both with regard to the total portfolio. The estimated loss average represents 11.6% for the period of October-December 2013.

Credit Risks of Financial Instruments

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

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

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

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

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

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

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

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

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

As of December 31st, 2013, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 220.55 billion, of which 99.3% 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 12% of the Basic Capital as of September 2013. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of September 2013 has a higher or similar rating to AA (mex) and is comprised of (average considered term, amount in billion of pesos and rate): bond certificates from Pemex to 5 years and 9 months for Ps. 14.65 to 3.7%; Inbursa market certificates for 2 years for Ps 5.95 at 3.9%; bond certificates and deposit certificates of Banco Santader Mexicano for 7 months for Ps 3.96 billion at 2.6%; bond certificates of Bancomer for 3 months for Ps. 3.79 billion at 2.4% and States' and Municipalities' securitization credit certificates to 23 years and 5 months for Ps 3.42 billion at 2.9%.

The exposure of Derivatives is Ps (3.43) billion, of which 97.5% 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 2% of the Basic Capital of September 2013.

As of September 30th, 2013, exposure to credit risk for Securities Investments of Casa de Bolsa Banorte-Ixe was Ps 113.24 billion, of which 99.9% is rated higher or similar to A-(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 23% of the Basic Capital as of September 2013. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of September 2013 has a higher or similar rating to A+(mex) and is comprised of (average considered term, amount in billion/million of pesos and rate): bond certificates of Pemex to 2 years and 1 month for Ps 1.68 billion at 3.8%; bond certificates of Banco Inbursa to 1 year and 11 months for Ps. 1.52 billion at 4.0%; Scotiabank market certificates for 1 year and 9 months for Ps 937 million at 4.0%; Banco del Bajío deposit certificates to 3 months for Ps 401 million at 3.3%; Deutsche Bank bonds to 9 years and 5 months for Ps 362 million at 11.5%; bond certificated of CFE to 6 years and 6months for Ps 132 million at 3.9%. In the case of derivatives, there are no operations.

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

Exposure to risk of securities of Sólida Administradora de Portafolios was Ps 474 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

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

Risk Diversification

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

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

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

Tier 1 to September 30th, 2013	**56,322**
I. Financings whose individual amounts represent more than 10% of the basic equity	
Loan Operations	
Number of financings	2
Total amount of financings	16,685
% in relation to Basic Capital	30%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	1
Total amount of financings	6,000
% in relation to Basic Capital	11%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**32,355**

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

Equity at September 30th, 2013	**3,031**
1. Financing with individual amounts that represent more than 10% of Tier 1:	
Loan Transactions	
Number of operations	10
Total amount of the financings	5,332
% relative to basic capital	176%
II. Maximum amount of financing with the 3 largest borrowers and Common Risk groups	**4,075**

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

Equity at September 30th, 2013	**2,576**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	5
Total amount of financings	1,669
% in relation to Basic Capital	65%
Money Market Operations	
Number of financings	1
Total amount of financings	474
% in relation to Basic Capital	18%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**1,362**

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 Banorte-IXE Tarjetas (Million Pesos):

Equity at September 30th, 2013	**3,791**
I. Financings whose individual amounts represent more than 10% of the basic equity (on a group level):	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Basic Capital	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**6**

Market Risk

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

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

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

The average VaR for the fourth quarter of 2013 for the portfolio is Ps 4.62 billion.

Million Pesos	4Q12	1Q13	2Q13	3Q13	4Q13
Total VaR*	3,288	3,464	3,732	4,473	4,616
Net Capital**	57,815	64,622	66,570	67,411	69,619
VaR / Neto Capital	5.69%	5.36%	5.61%	6.64%	6.63%

* Quarter Average of the Bank- Banorte

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

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

Million pesos

Risk Factor	VaR
Domestic interest rate	3,944
Foreign interest rate	742
IPC	158
Exchange rate	498
Total VaR - Bank	4,616

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

- ***Backtesting Analysis***

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

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

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

Casa de Bolsa Banorte Ixe

The VaR average of Casa de Bolsa Banorte Ixe 's portfolios for 4Q13 is Ps 278.03 million, which represents 13.54% of the Institution's Net Capital as of December 2013.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V. VaR by Portfolio & Risk Factor Million Pesos	Total 4Q13	
	Average	Closing
VaR		
Shares	0.06	0.00
Money Market	242.08	291.81
Treasury	78.83	78.77
TOTAL	278.03	319.45
Diversifications Effect	(42.93)	(51.13)
	0	0
Net Capital as of September 2013	0	2,053
VAR / Net Capital	**13.54%**	**15.56%**

*Previous to Banxico's approval

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

Banorte Ixe Tarjetas

The VaR average of the Banorte-Ixe Tarjetas for 4Q13 is Ps 5.69 billion which represents +0.0% of the Institution's Net Capital to December 2013. This risk calculation is presented as informative, since the institution invesed its resources in repo operations, promissory notes and checkbooks for a day, which are instruments that have no movements in its valuation.

For their calculation, the Historical Simulation methodology was used with 501 horizon days, and as a policy, calculations were carried out with trust levels of 98% with a horizon time of 10 days, this value is multiplied by a security factor which fluctuates between 3 and 4, accordingly to annual Back Testing results.

BANORTE-IXE TARJETAS VaR Balance. Million Pesos	Total 4Q13	
	Average	Closing
VaR Balance	0.00	0.00
Net Capital *		2,992.29
VAR / Net Capital	**0.00%**	**0.00%**

*Previous net Capital as of closing December 2013

- **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 4Q13 is 99.1%, while the average for the quarter is 104.8%.

Million Pesos (at closing of the quarter)	4Q12	1Q13	2Q13	3Q13	4Q13
Liquid Assets	150,115	234,779	249,189	267,068	255,285
Liquid Liabilities	194,289	191,765	215,252	237,260	257,596
Liquidity Ratio	77.3%	122.4%	115.8%	112.6%	99.1%

Million Pesos (average)	4Q12	1Q13	2Q13	3Q13	4Q13
Liquid Assets	164,011	205,270	228,551	254,324	249,265
Liquid Liabilities	187,977	189,745	197,362	221,354	237,931
Liquidity Ratio	87.3%	108.2%	115.8%	114.9%	104.8%

Average estimate calculated using weekly Liquidity Ratio

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

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

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

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

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

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

The liquidity ratio vs. Net Capital of Casa de Bolsa Banorte Ixe as of December 31st, 2013 is 86.23%.

CASA DE BOLSA BANORTE IXE, S.A. DE C.V.	USE
Liquidity Risk	
Million Pesos	4Q13
Accumulated gap in 1 month (MXP + UDIS)	1,095.10
Liquid Assets	1,770.17
Net Capital	2,052.82
Liquidity vs. Capital	86.23%

The liquidity ratio vs. Net Capital of Arrendadora y Factor Banorte as of December 31st, 2013 is 0.65%

ARRENDADORA Y FACTOR BANORTE	USE
Liquidity Risk	
Million Pesos	4Q13
Accumulated gap in 1 month (MXP)	(2,349.53)
Accumulated gap in 3 months (MXP)	(1,245.86)
Liquid Assets*	20.79
Net Capital	3,204.81
Tier 1 Capital	3,204.81
Liquidity vs. Net Capital	0.65%
Liquidity vs. Tier 1 Capital	0.65%

**Balance in Cash and Due from Banks*

The liquidity ratio vs. Net Capital of Sólida Administradora de Portafolio to December 31st, 2013 is 35.09%.

Sólida Administradora de Portafolios Liquidity Risk Million Pesos	USE 4Q13
Accumulated gap in 1 month (MXP)	(2,063.60)
Accumulated gap in 3 months (MXP)	(5,275.72)
Liquid Assets*	847.45
Net Capital	2,415.05
Tier 1 Capital	2,310.33
Liquidity vs. Net Capital	**35.09%**
Liquidity vs. Tier 1 Capital	**36.68%**

**Balance in Banks*

The liquidity ratio vs. Net Capital for Banorte- Ixe Tarjetas to December 31st, 2013 is 10.63%.

Banorte Ixe Tarjetas Liquidity Risk Million Pesos	USE 4Q13
Accumulated gap in 1 month (MXP)	4,417.18
Accumulated gap in 3 months (MXP)	4,777.02
Liquid Assets*	318.18
Net Capital	2,992.29
Tier 1 Capital	2,992.29
Liquidity vs. Net Capital	**10.63%**
Liquidity vs. Tier 1 Capital	**10.63%**

**Balance in Banks*

- **Operational Risk**

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

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

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

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

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

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

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

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

- ***Risk Management Model***

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

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

III. Required Capital Calculation

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

IV. Information and Reporting

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

- **Technology risk**

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

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

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

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

- **Legal risk**

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

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

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

- **Internal Control**

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

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

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

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

A. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.
B. The Board of Directors revised and approved additions to the Code of Conduct and to the Corporate Governance documents related with Internal Control.
C. The policy and procedure manuals have been updated as per the changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there

has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.

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

E. Monitoring of the various business and support processes that make up the operation in GFNorte through Process Controllers and Management, to report periodically on compliance and identifying where areas of opportunity for timely remediation.

F. During the quarter, and according to the work plan developed at the beginning of the year, the plan regarding Internal Accounting Control was concluded.

- **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, 2013 and September 30th, 2013, the loans granted to related parties totaled Ps 6.78 and Ps 6.76 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.

Lic. David Ricardo Suárez Cortazar
Chief Financial Officerr

Lic. Martha Elena Navarrete Villarreal
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

C.P. Mayra Nelly López López
Executive Director of Accounting

- **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.