

GFNORTE

4Q13 Results

Conference Call
January 31st, 2014.

Material Events

Grupo Financiero Banorte advanced the payment of ordinary dividends corresponding to the first semester of 2014.

- The Ordinary General Shareholders' Meeting (“OGM”) of 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.**
- 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.**

Material Events

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 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.**

Material Events

The Banker: "Bank of the Year 2013 - Mexico" and "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 Bank in Mexico 2013" through the Financial Times's specialized publication - The Banker -.
- 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. Also, the recent acquisitions, the successful stock offering carried out in July 2013 as well as the strategic alliance with IBM, 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.

Material Events

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.**

Material Events

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.**

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.**

Establishment of China Desk.

- **In December 2013, 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.**

Material Events

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 Móvil" 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.**

Material Events

Standard & Poor's increases the ratings for Banorte and Casa de Bolsa Banorte Ixe

- 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.

Material Events

Organizational Changes

As part of ongoing efforts to focus the organization towards a client-centered business model, the following appointments and organizational adjustments were made:

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

These executives will report to Rafael Arana de la Garza (COO).

Yearly Recap GFNorte

Million Pesos

	2012		2013
Net Income	10,888	▲ 24%	13,508
ROE	14.3%		14.2%
ROA	1.3%		1.4%
Efficiency	54.0%		52.0%
Net Interest Margin	4.1%		4.2%
Performing Loan Growth	15.0%		5.9%
Past Due Loan Ratio	2.1%		3.1%
Stock price (pesos)	83.45	▲ 9%	91.36
Book Value per Share	35.20	▲ 9%	38.45
P/BV	2.37		2.38
Earnings per Share	4.68	▲ 14%	5.35

Income Statement

Million Pesos

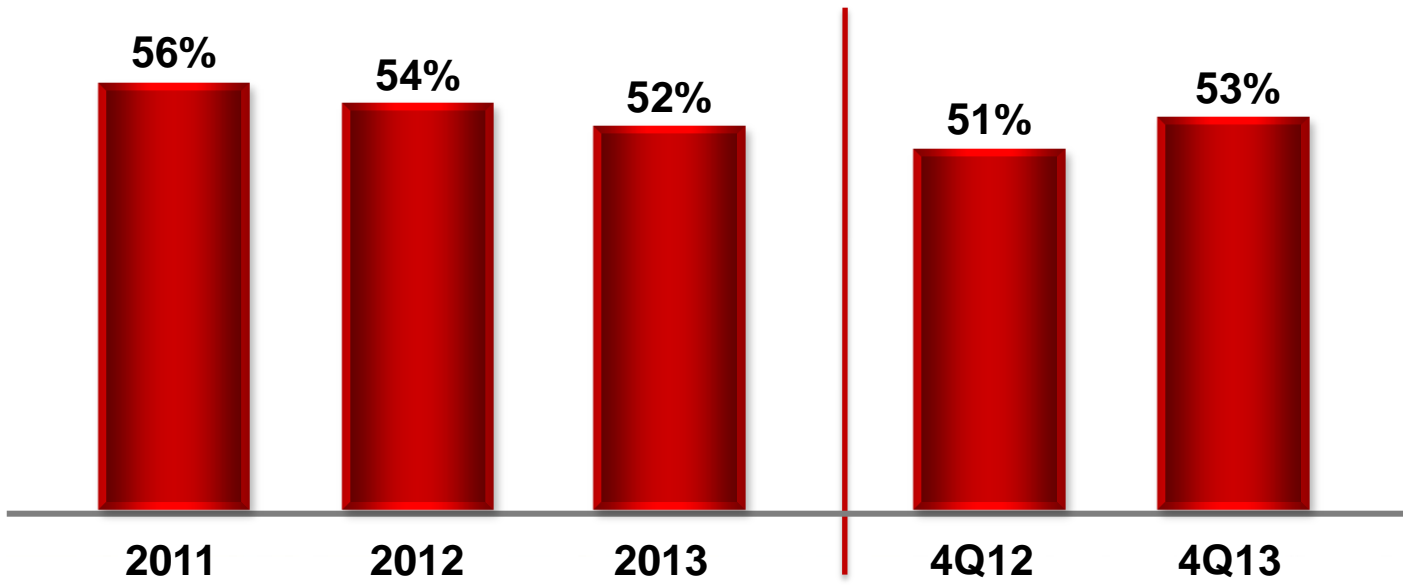
	3Q13	4Q13	2012	2013	Change	
					QoQ	YoY
Net Interest Income	9,663	9,604	32,810	37,181	(1%)	13%
Non Interest Income	3,309	3,809	14,510	16,284	15%	12%
<i>Service Fees</i>	1,820	1,895	6,752	7,278	4%	8%
<i>Recoveries</i>	126	145	1,307	811	15%	(38%)
<i>FX & Trading</i>	610	1,405	4,152	4,971	130%	20%
<i>Other Income (expenses)</i>	754	364	2,300	3,223	(52%)	40%
Total Income	12,973	13,413	47,320	53,464	3%	13%
Non Interest Expense	(6,613)	(7,084)	(25,535)	(27,819)	7%	9%
Net Operating Income	6,360	6,329	21,785	25,646	0%	18%
Provisions	(1,903)	(1,833)	(6,172)	(8,942)	(4%)	45%
Income Tax	(1,084)	(1,075)	(4,128)	(3,555)	(1%)	(14%)
Subs & Minority Interest	153	201	(597)	359	31%	(160%)
Net Income	3,526	3,622	10,888	13,508	3%	24%

Non Interest Expense

Billion Pesos

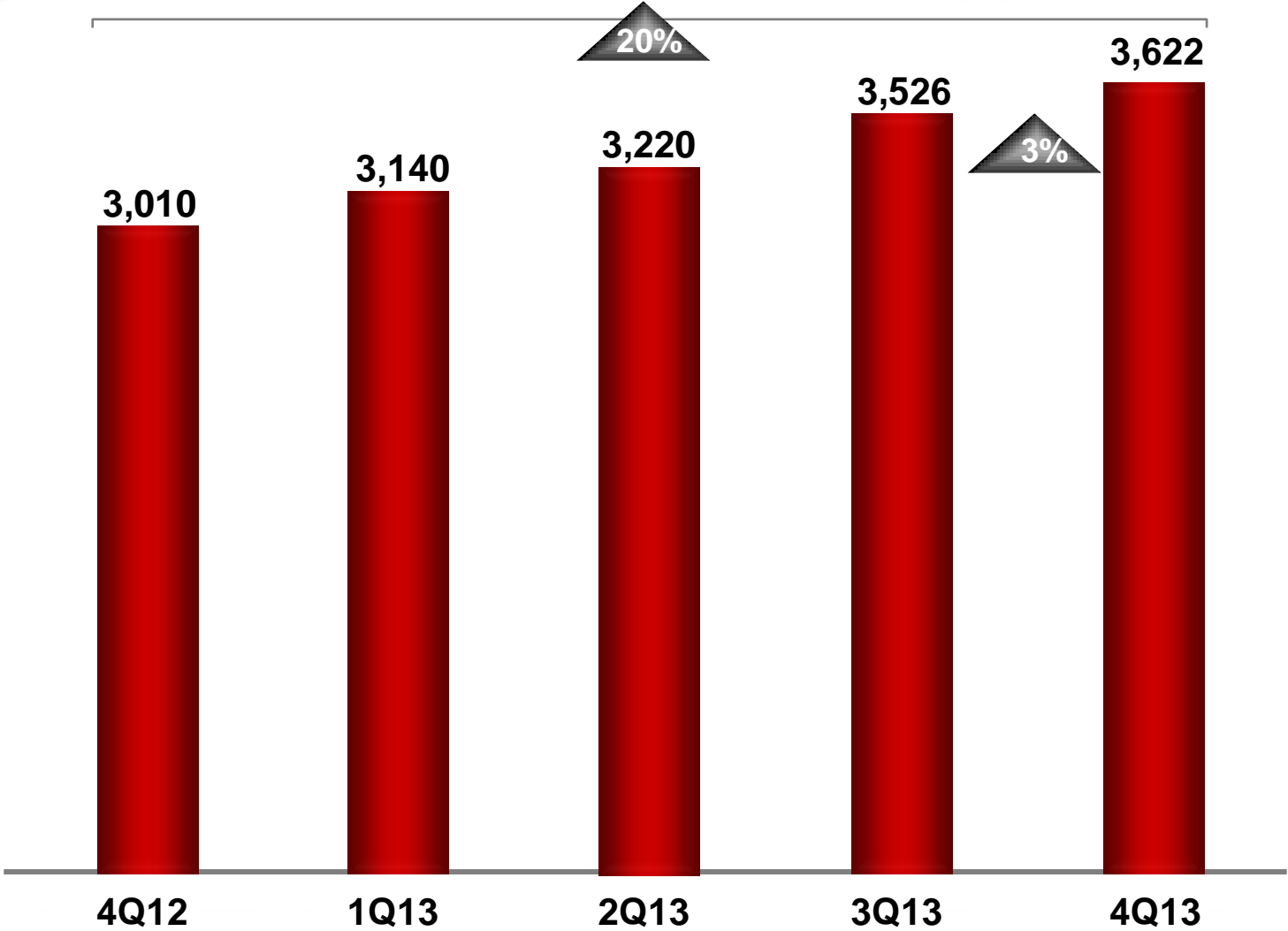
	2012		2013		4Q12		4Q13
Total Expense	25.5	▲ 9%	27.8		6.3	▲ 13%	7.1

Efficiency Ratio



Quarterly Net Income

Million Pesos



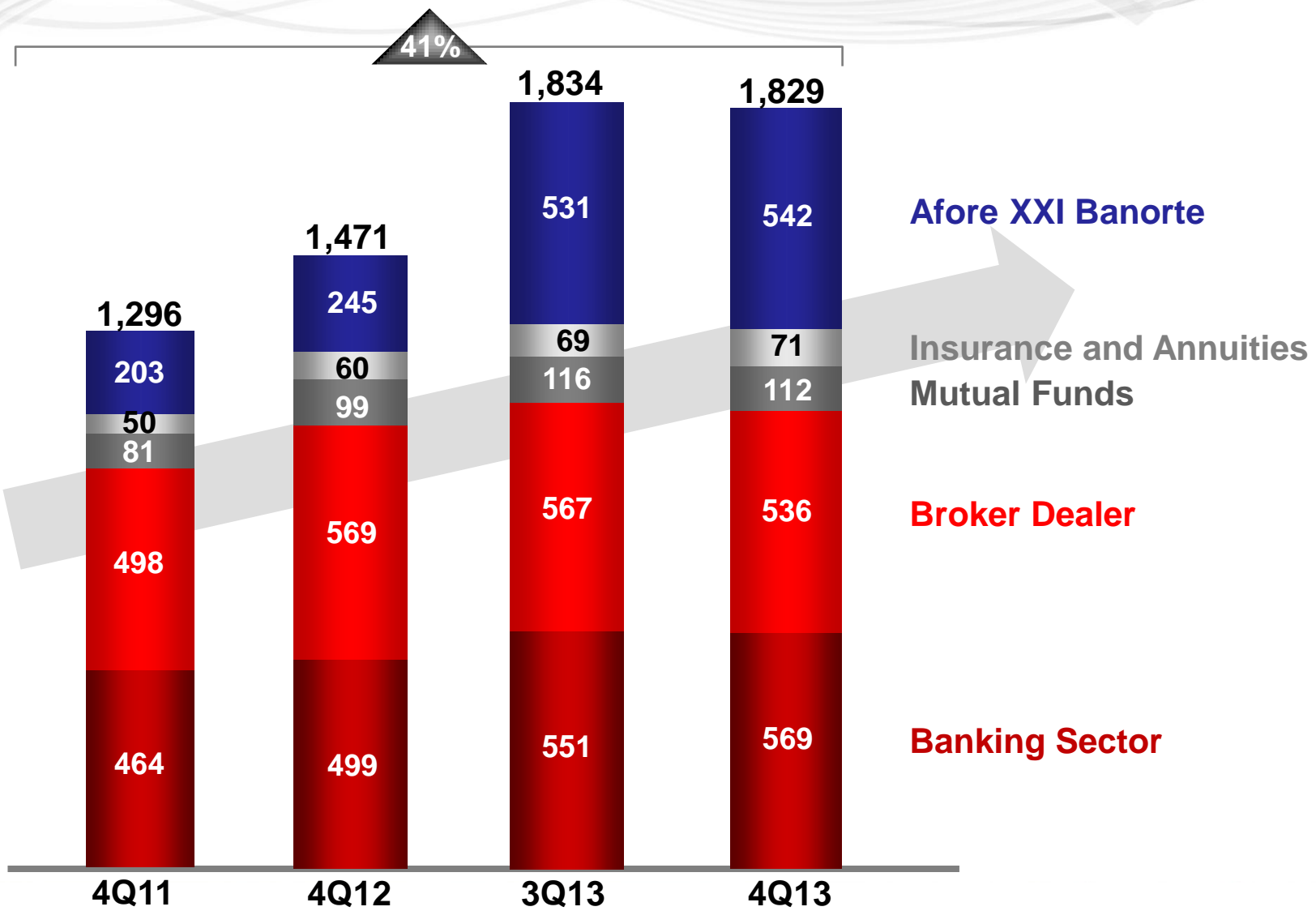
ROTE and Return on Risk Weighted Assets

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

	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%
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%

Assets under Management

Billion Pesos



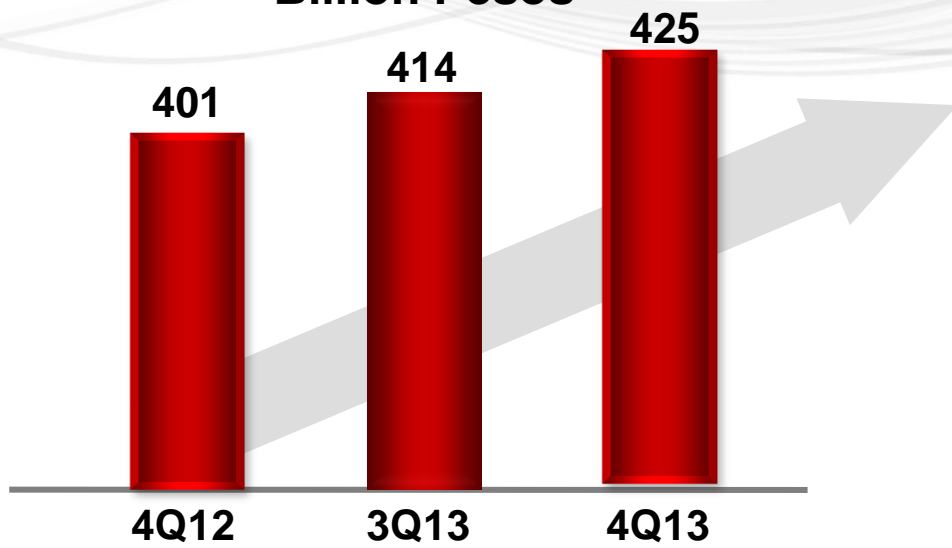
Deposits

Billion Pesos

Deposits	4Q11		4Q12		4Q13
Demand	190	▲ 11%	212	▲ 21%	255
Time	116	▲ 7%	124	▲ 4%	129
Core Deposits	306	▲ 10%	336	▲ 15%	384
Mix					
Demand	62%		63%		66%
Time	38%		37%		34%
	100%		100%		100%

Performing Loan Portfolio

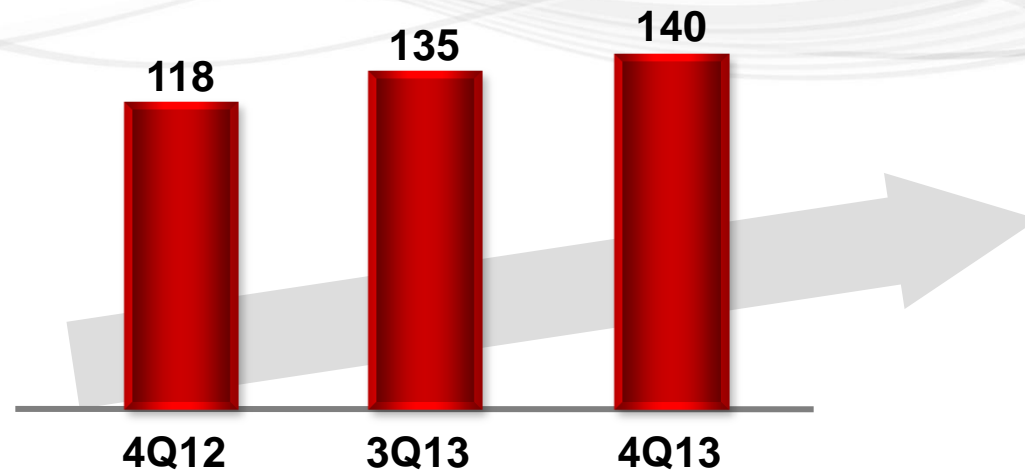
Billion Pesos



	4Q12	3Q13	4Q13	Change	
				QoQ	YoY
Consumer	118	135	140	4%	18%
Commercial	106	110	114	4%	7%
Corporate	88	79	76	(4%)	(14%)
Government	88	91	96	6%	8%
Total	401	414	425	3%	6%

Performing Consumer Loan Portfolio

Billion Pesos



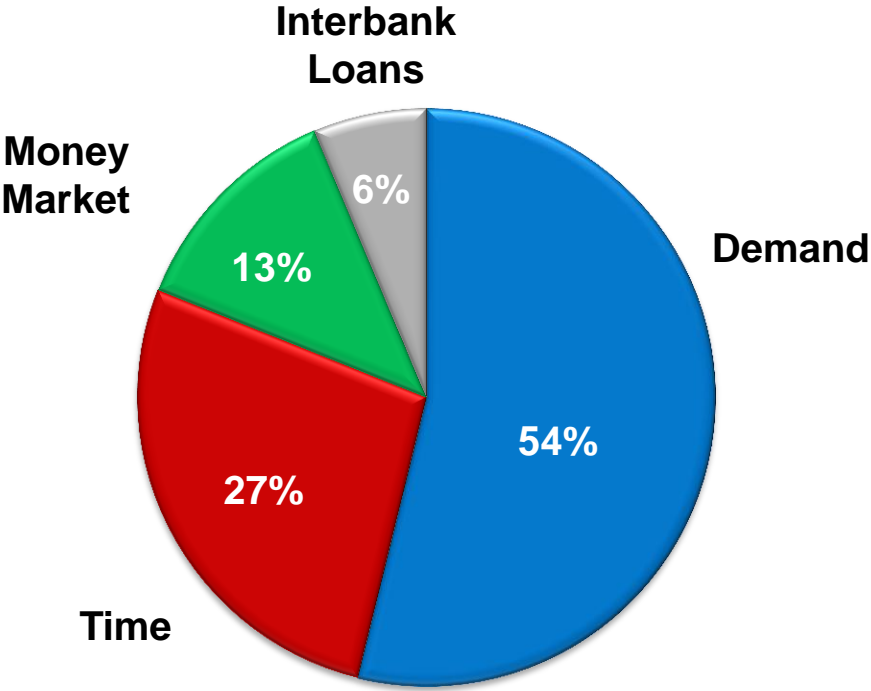
	4Q12	3Q13	4Q13	Change	
				QoQ	YoY
Mortgage	72	79	82	3%	13%
Car	10	11	11	2%	10%
Credit Cards*	18	20	20	3%	16%
Payroll	18	24	26	7%	44%
Consumer	118	135	140	4%	18%

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

Funding and Loan Portfolio Structure

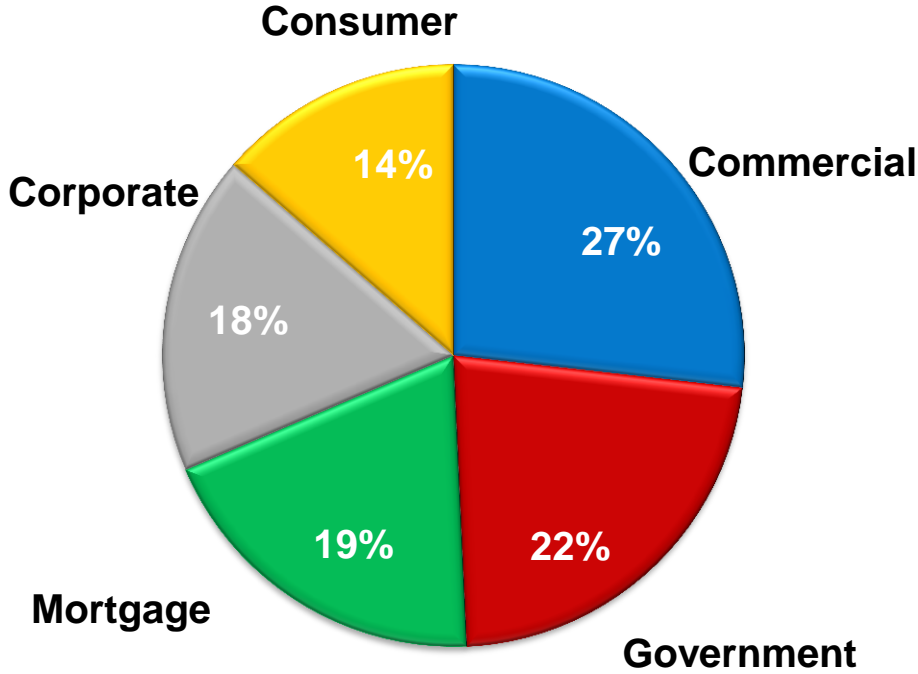
FUNDING

\$474 Billion Pesos



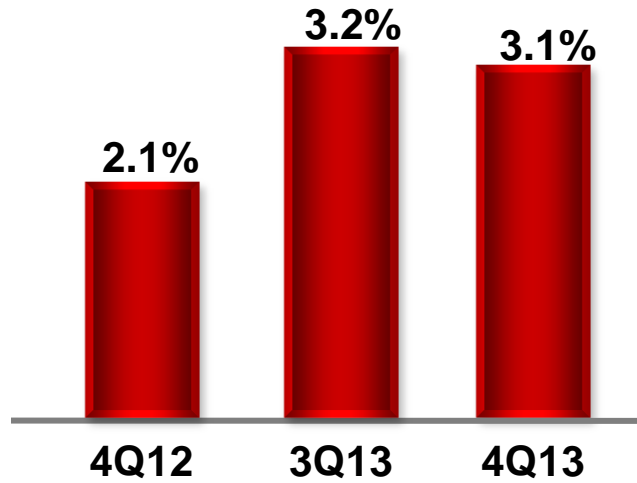
LOAN PORTFOLIO

\$ 439 Billion Pesos

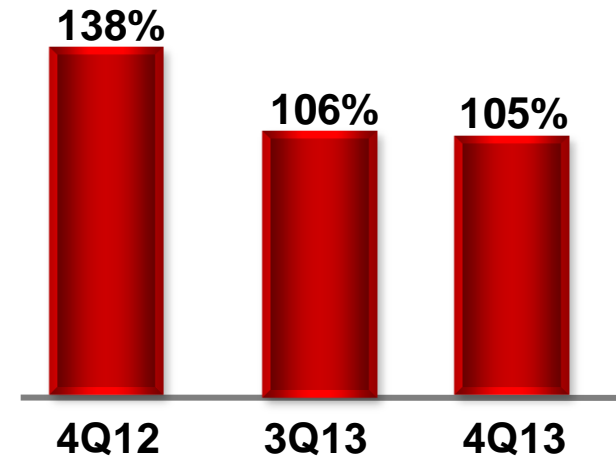


Asset Quality

PAST DUE LOAN RATIO



COVERAGE RATIO

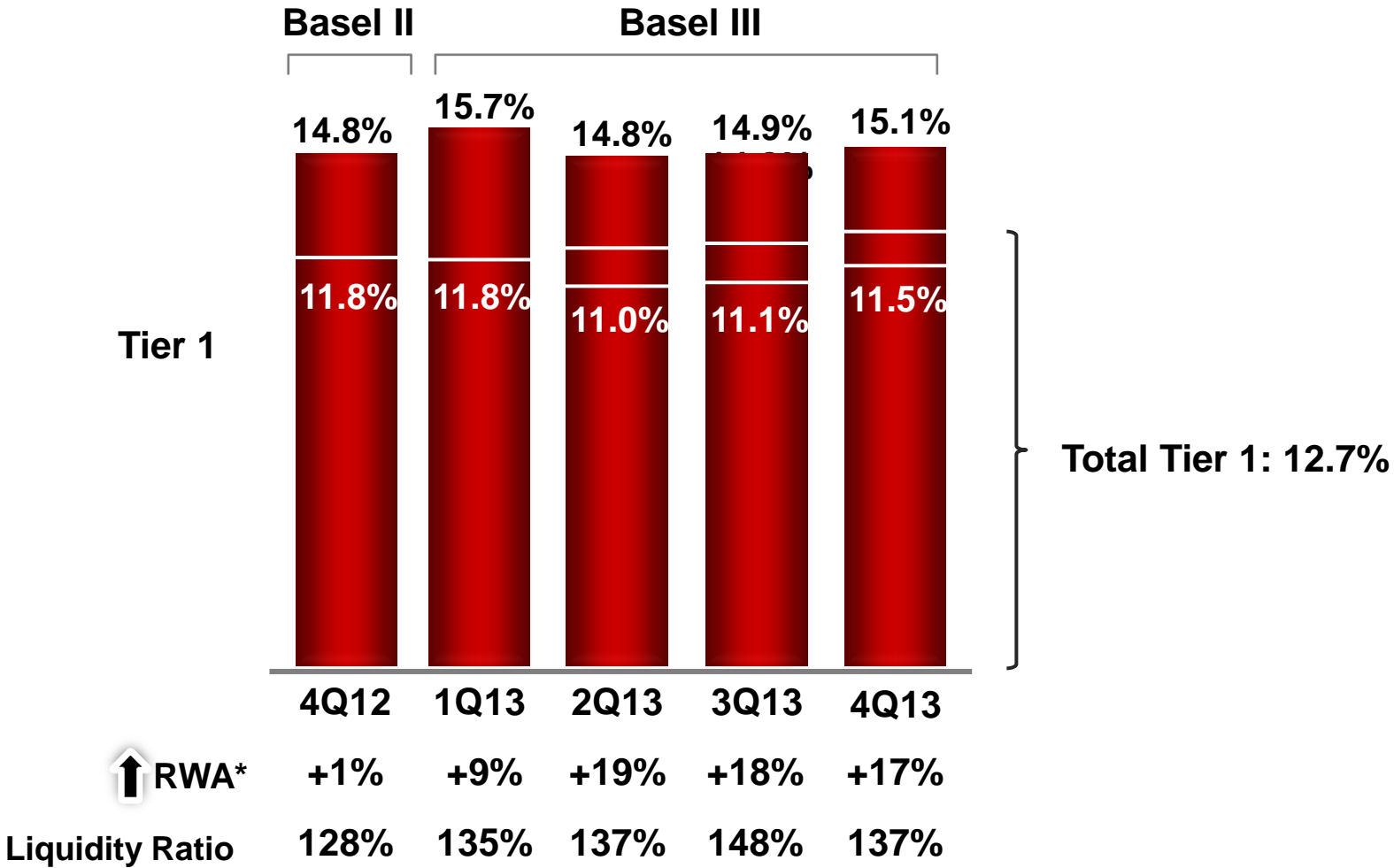


Past Due Loan Ratios

	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 NPL Ratio	2.1%	2.1%	2.2%	3.2%	3.1%

Capitalization and Liquidity

Banorte (%)



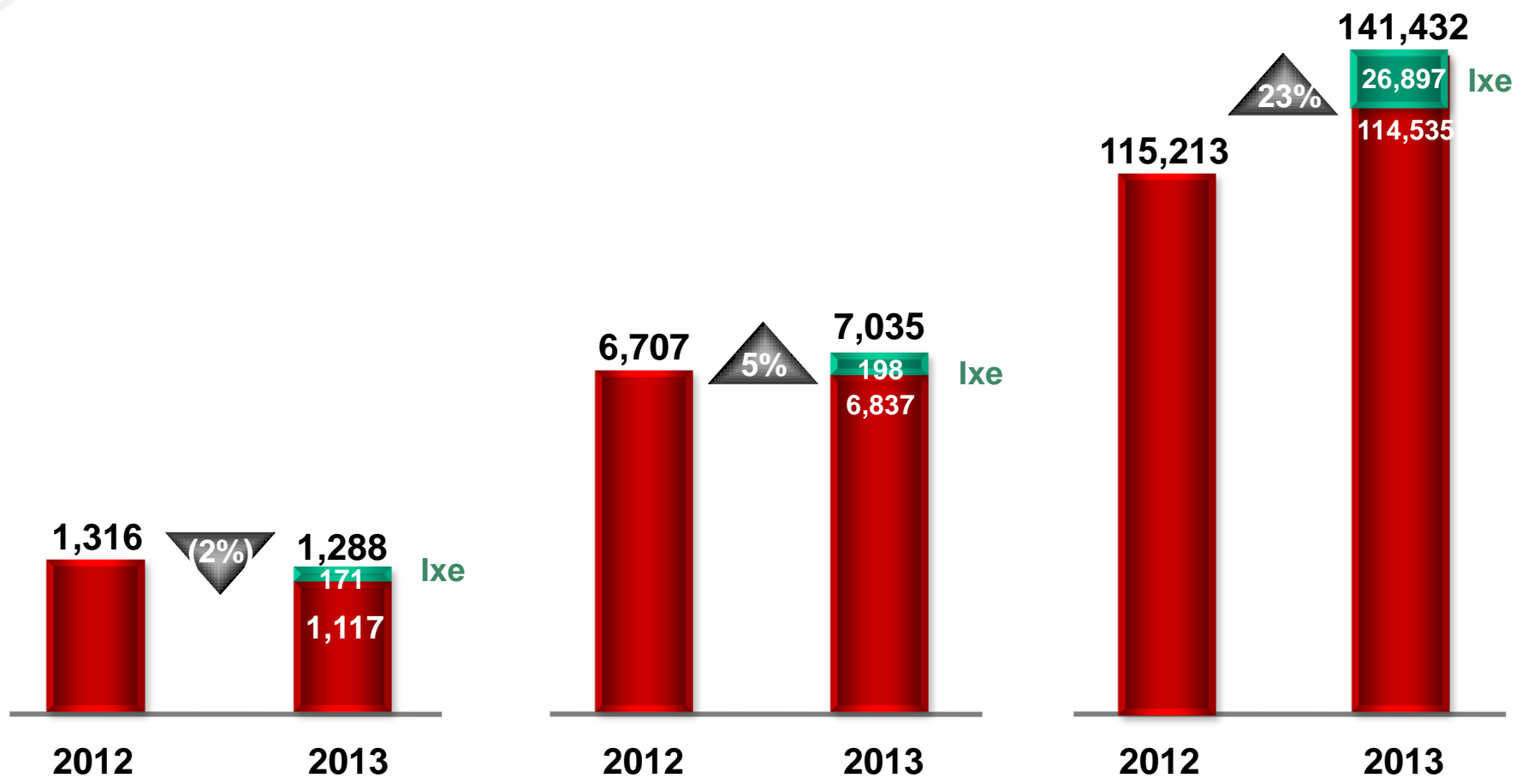
*RWA= Risk Weighted Assets

Distribution Network

Branches

ATM's

POS's



Subsidiaries

2013
Million Pesos

Company	Net Income	Change vs. 2012	ROE
Banking Sector	10,657	37%	16.4%
Banco Mercantil del Norte ¹⁾	9,456	32%	
Banorte –Ixe Tarjetas	1,201	81%	
Broker Dealer	649	(5%)	25.1%
Long Term Savings			
Retirement Savings	1,114	109%	11.5%
Insurance	725	54%	32.5%
Annuities	123	152%	14.4%
Other Finance Companies			
Leasing and Factoring ²⁾	615	(3%)	20.3%
Warehousing	43	(2%)	15.9%
Other *	(418)	(163%)	N.A.

¹⁾ Includes Ixe Banco and Fincasa due to its merger in May 2013.

²⁾ Includes Ixe Automotriz due to its merger in May 2013.

Net Income in Million Pesos

	2012		2013
Total	571	▲ 39%	794

AUM BILLION PESOS

	2012	2013	Change YoY
Proprietary Assets	40.3	46.7	16%
Acquired Assets	28.8	29.2	1%
Managed Assets "Su Casita"	7.4	7.2	(3%)
Ixe Assets	7.8	1.4	(82%)
Total	84.3	84.4	-

Inter National Bank

Million Dollars

	2012		2013
Pre-Tax Net Income*	22.1		18.3
Provisions	5.2		0.1
Net Income	11.4		12.3
NIM	3.0%		2.9%
ROE	2.7%		3.0%
ROA	0.5%		0.6%
Efficiency	69.7%		72.5%
Total Deposits	1,700	(15%)	1,442
Performing Loans	697	11%	777
PDL Ratio USGAAP	1.1%		0.9%
Coverage Ratio USGAAP	174.1		214.2%
Leverage Ratio	10.3%		12.9%
Classified Assets to Capital	23%		15%

* Before Provisions



 **BANORTE**
EL BANCO FUERTE DE MEXICO

 **BANORTE**

