

Grupo Financiero Banorte - Ixe



BANORTE

Transaction Overview

Grupo Financiero Banorte, S.A.B. de C.V. ("GFNORTE") (BMV:GFNORTEO), and Ixe Grupo Financiero, S.A.B. de C.V. ("IXE") (BMV:IXEGFO) have reached a binding agreement to combine their operations in a transaction valued at approximately US\$1.3bn.

- Under the terms of the agreement, GFNORTE will issue 308 million new shares to IXE shareholders. IXE shareholders will receive 0.3890 GFNORTE shares for each IXE share.**
- The combined company, to be named Grupo Financiero Banorte – Ixe (“Banorte – Ixe”), will continue to be listed as GFNORTEO in the Mexican Stock Exchange.**
- Banorte – Ixe will become the undisputed 3rd largest financial institution in Mexico by assets, deposits, branches and loans and the largest financial institution controlled by Mexican shareholders.**
- The transaction is subject to the satisfactory completion of certain conditions including corporate and shareholder approvals of GFNORTE and IXE, customary regulatory approvals, and other customary closing conditions. It is expected to close in the first quarter of 2011.**

- **The combination is based on the merits of a highly complementary footprint across business lines, customer bases, geography and brands that significantly enhances the value creation potential for both institutions.**
- **The combined entity will benefit from IXE's successful business model and unique franchise value in the A / B demographic segment across some of the main metropolitan areas in Mexico and especially in Mexico City, and GFNORTE's massive retail platform and leading presence in Northern Mexico and other regions of the country.**
- **The potential combination is expected to unleash significant synergies that would accelerate the growth of the business model, allowing Banorte - Ixe to leverage its newfound scale, extensive retail platform and nationwide distribution capabilities.**
- **The expected pre tax NPV of the synergies totals US\$1.3bn, composed primarily of cost synergies.**
- **Banorte-Ixe is in a strong position to make this transaction accretive on an EPS basis in the first full calendar year after integration, as the required breakeven synergies represent only 5-6% of the combined operating expenses.**

- **The structure of the transaction, an all-stock deal, will allow Banorte – Ixe to maintain a robust capitalization ratio, which on a pro-forma basis is expected to reach approximately 16.8% (11.9% Tier 1) which is above the 8% required by Mexico’s regulators, in line with the average for the system and above international standards.**
- **The combined entity has expertise, scale and a strong track record of distinguished client service which will allow Banorte - Ixe to increase its role in the development of the Mexican financial system and to take advantage of the financial penetration opportunities by supplying the products that best meet the needs of its different segments.**
- **Among the benefits to the stakeholders of Banorte - Ixe, the combined entity will increase financial intermediation, develop financial products and services across our different client spectrum, potentiate the capacity of its employees and contribute to the soundness of the Mexican financial system while maintaining a strong focus on Corporate Social Responsibility.**

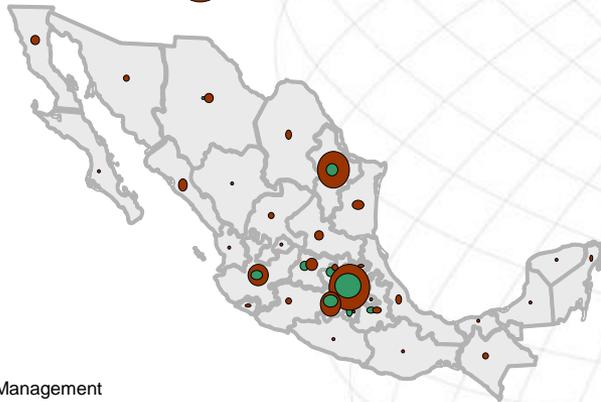
Combination Highlights

IXE and Banorte share complementary footprints

Branch locations

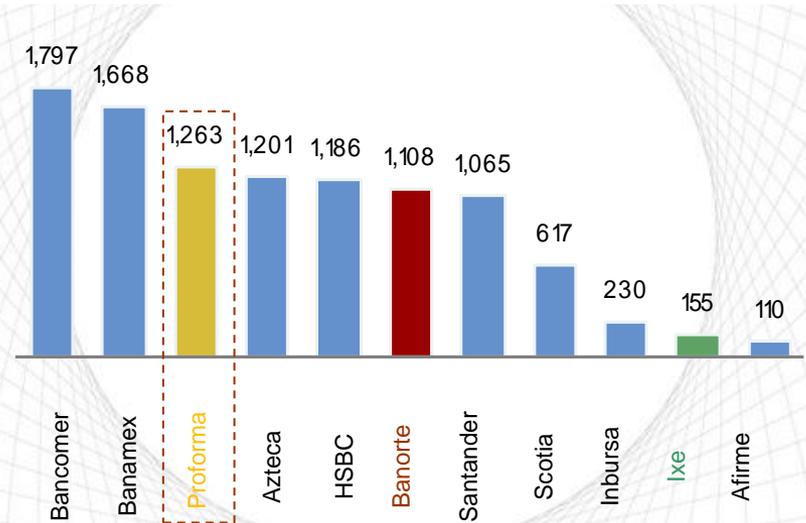
Total branches

● IXE: 155
 ● Banorte : 1,108



Source : Management

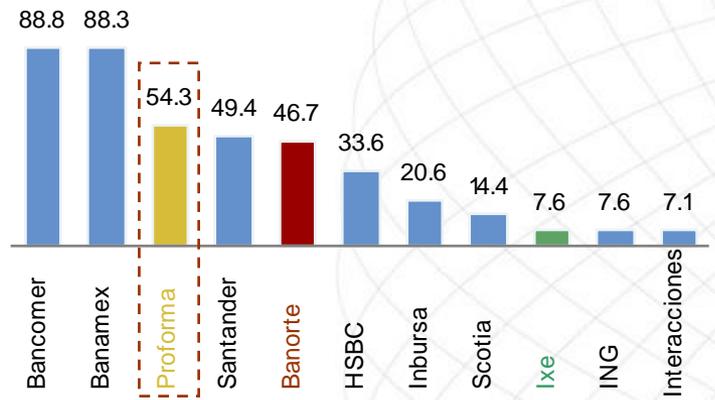
Top 10 banks by branches



Source: CNBV, financial institutions as of June 2010

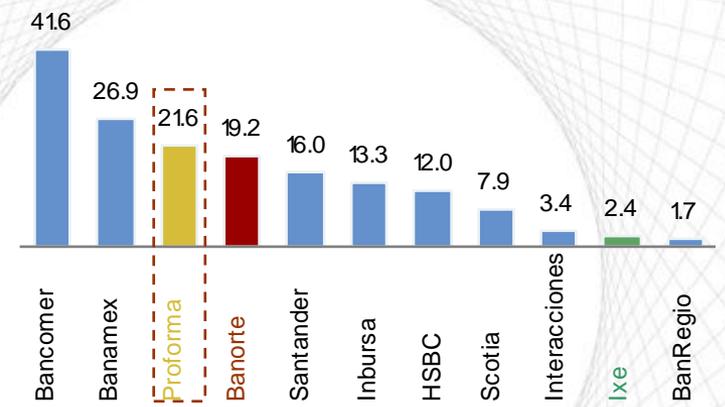
IXE and Banorte share complementary segments

Top 10 banks by assets (US\$bn)



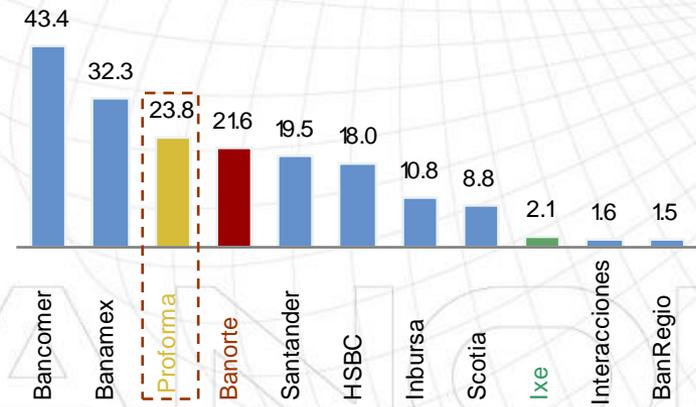
Source: CNBV, financial institutions as of June 2010

Top 10 banks by gross loans (US\$bn)



Source: CNBV, financial institutions as of June 2010

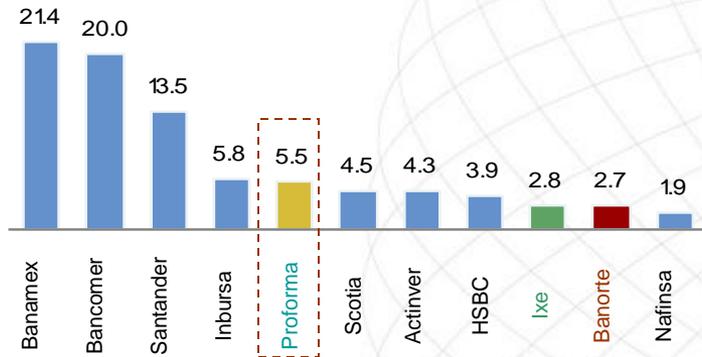
Top 10 banks by deposits (US\$bn)



Source: CNBV, financial institutions as of June 2010

IXE and Banorte share complementary segments

Top 10 Mutual Funds by Net Assets



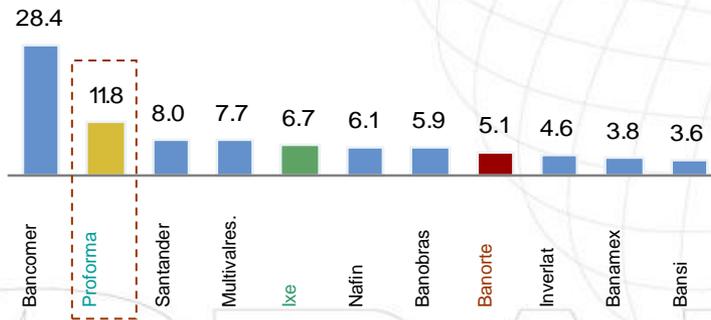
Note: In US\$bn; Source: CNBV, fin. inst. as of July 2010

Mexico Debt Issues League Table 2009 – 2010 YTD Book Runner

Rank	Advisor	Proceeds (MXNmm)	Issues	Mkt Sh (%)
4	Inv. Burs.	30,788.1	21	11.5
5	Santander	27,267.1	22	10.2
6	Proforma	24,697.5	31	9.2
6	Ixe	16,483.2	25	6.1
7	BAML	9,042.9	10	3.4
8	Banorte	8,214.3	6	3.1

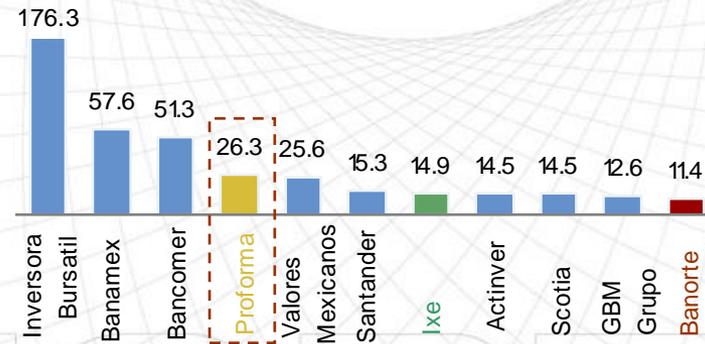
Source: Bloomberg

Debt instrument trading by mkt sh (%)



Note: Corresponds to floating rate debt in Mexico
Source: SIF ICAP as of June 2010

Top 10 brokerages by AUM (US\$bn)

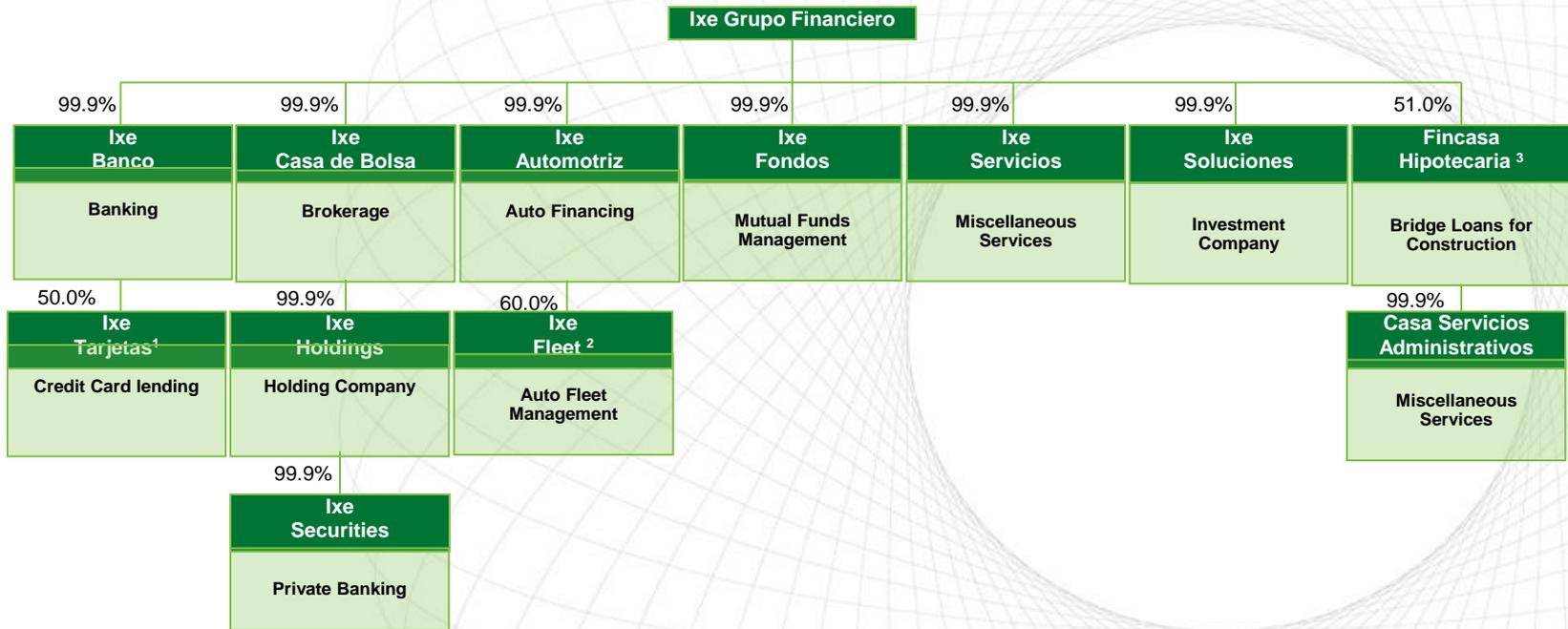


Source: CNBV, financial institutions as of June 2010

About IXE

- **Ixe Grupo Financiero (Ixe Grupo) is a diversified financial services company with businesses primarily in retail and commercial banking, private banking, brokerage and investment banking, asset management, construction finance, mortgage credit business, and automobile leasing and finance.**
- **Ixe Grupo is controlled by a group of Mexican investors as well as by J.P. Morgan Chase.**
- **Through its focus on quality of service, Ixe Grupo has obtained recognition as a premier brand in the Mexican financial market. Ixe Grupo's diverse lines of businesses look to deliver the highest level of quality in service and innovation to its clients. This focus has proven to be successful in building a high-recognized brand in the market where Ixe Grupo competes.**
- **Ixe Grupo's success is based on its people, its corporate culture, and its business philosophy. The Group has managed to assemble a team of skilled professionals and young talented personnel characterized by their commitment to excellence, innovation and transparency.**

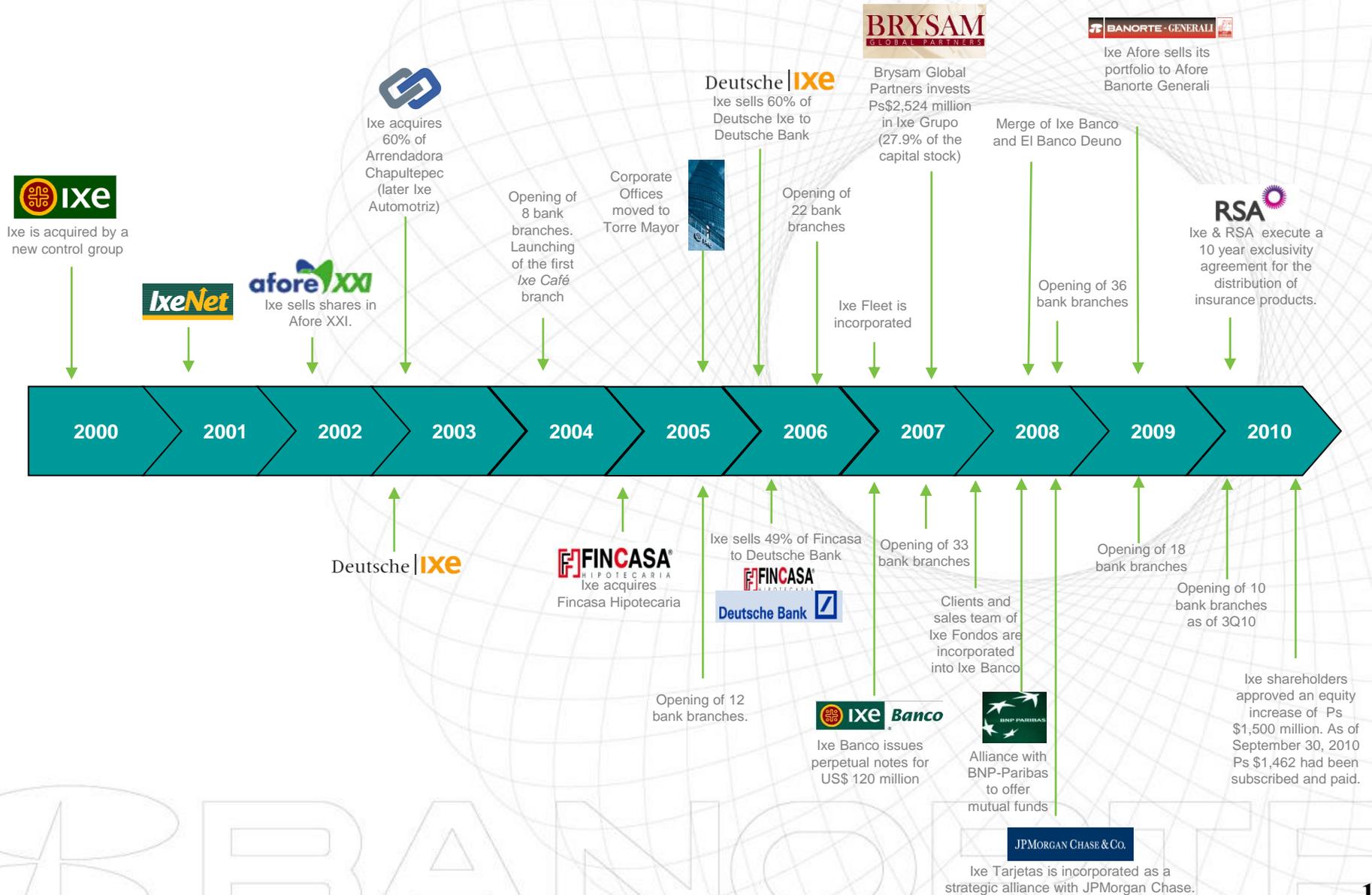
- Ixe Grupo Financiero is a diversified financial institution formed by the following legal entities:

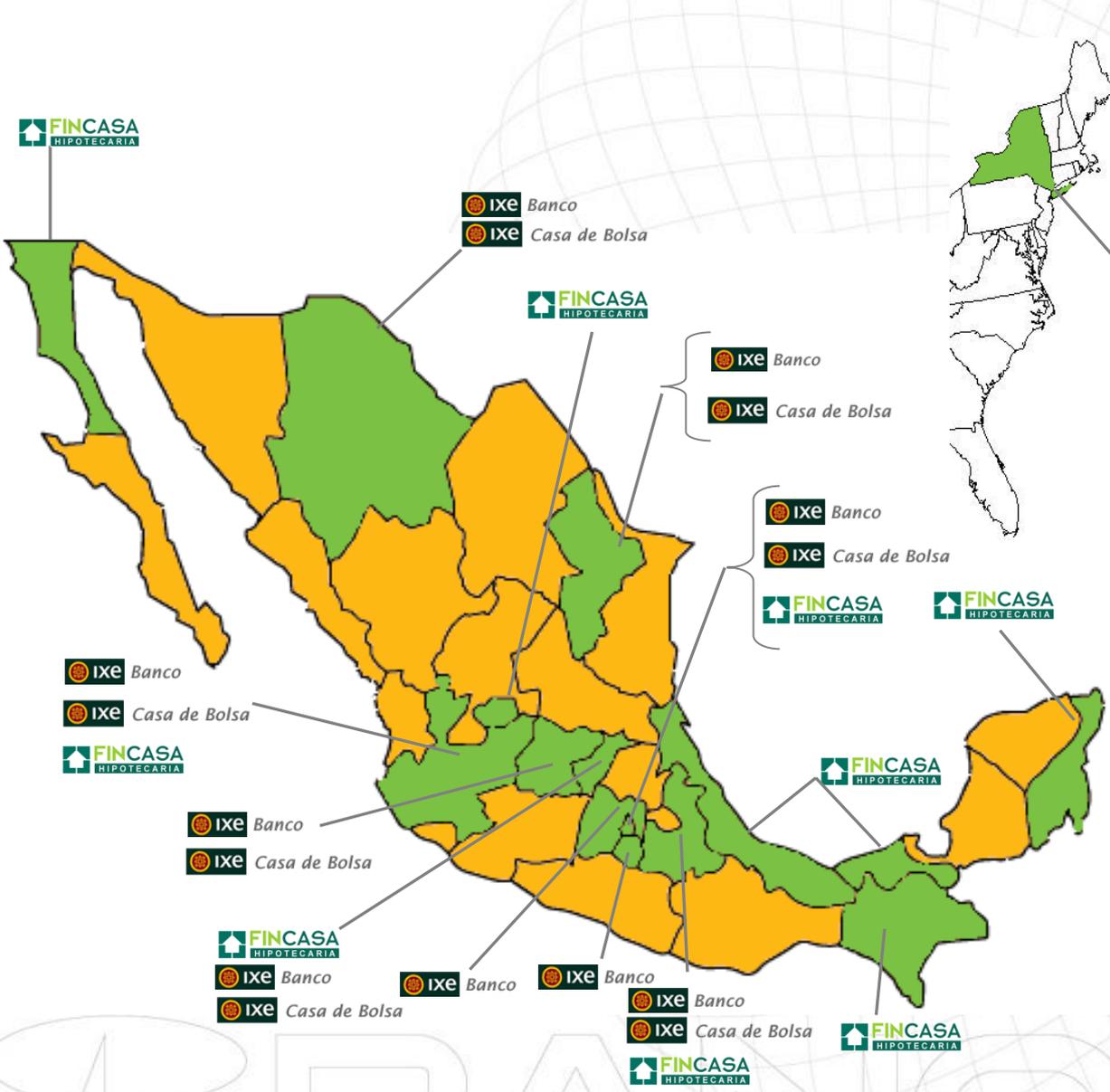


¹ 50% owned by JPMorgan Chase.

² 40% owned by Wheels Inc.

³ 49% owned by Deutsche Bank.





Ixe Banco: 84 branches in Mexico City and Metropolitan Area, 2 in Metepec, 26 in Guadalajara, 7 in León, 5 in Cuernavaca, 14 in Monterrey, 2 in Cd. Juárez, 7 in Puebla, 7 in Querétaro and 1 in Toluca

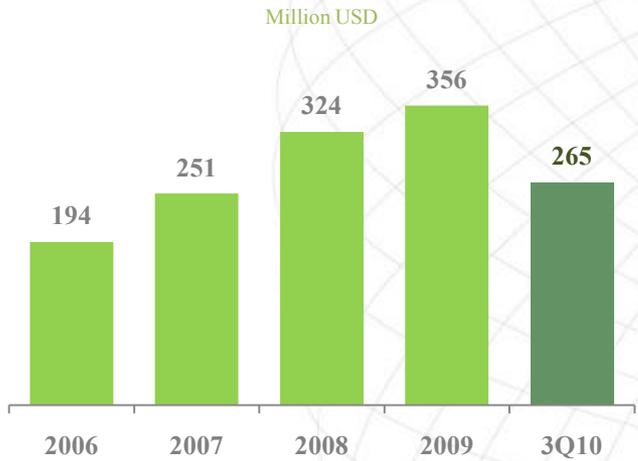
Ixe Casa de Bolsa: 9 branches: 3 in Mexico City, Cd. Juárez, Guadalajara, León, Monterrey, Querétaro and Puebla.

Ixe Securities: Broker-Dealer in New York.

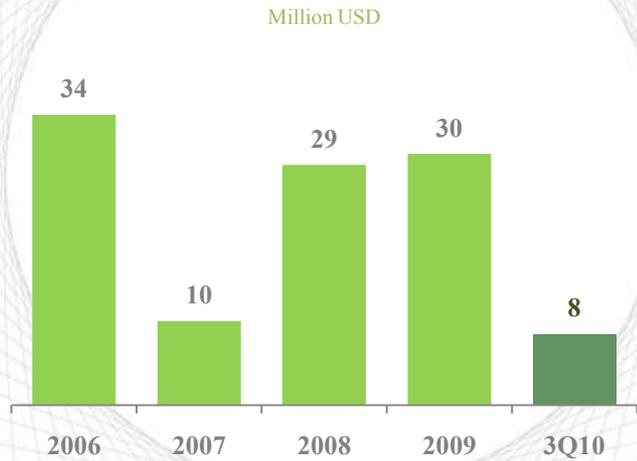
Fincasa: 12 offices distributed in Mexican territory.

Ixe Grupo has achieved steady top line growth

Total Revenues



Operating Profit



¹ Does not include minority interest.

Note: Figures according to internal financial statements (unaudited).

- Established in 1994, Ixe Banco is the banking subsidiary of Ixe Grupo. Ixe Banco serves medium - to large - sized corporate clients and SME's with their credit, treasury, derivatives, and currency exchange needs.



- Ixe Banco focuses its efforts on middle - upper - and upper - income individuals. Its business model is based on client relationship and not on products.

- A/B customers
- One of the highest average deposits account balance in Mexico
- Minimum of MXN20,000 to open an account



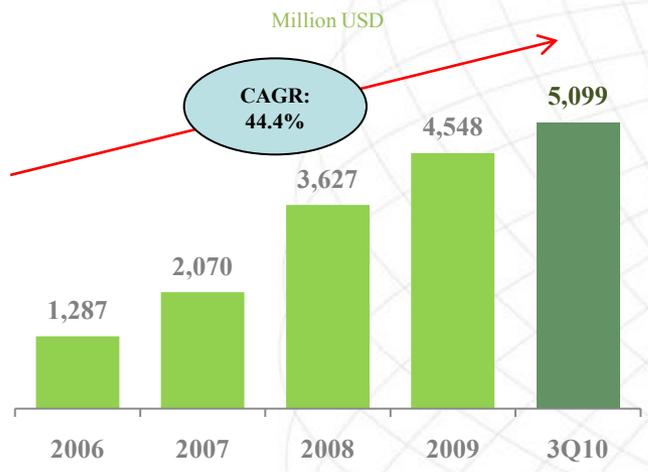
- Ixe Banco developed an innovative branch concept called Ixe Café, which allows customers to carry out financial transactions, access the internet and enjoy a café service in a pleasant atmosphere.

- 113 of the 154 branches have the Ixe Café format

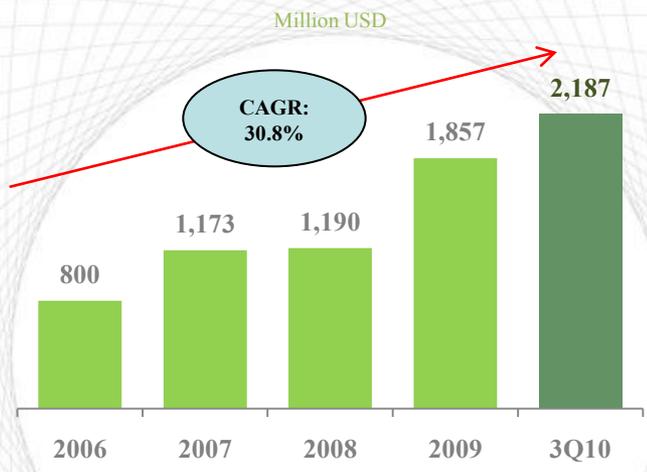


Ixe Banco has managed a solid double digit growth over the past few years

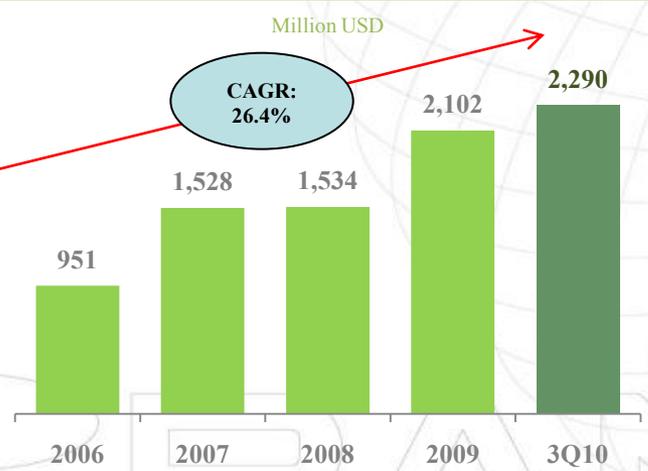
Total Assets*



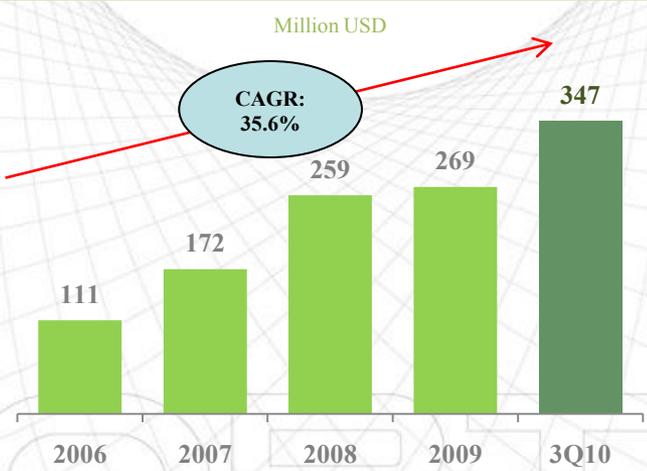
Total Loan Portfolio



Deposits

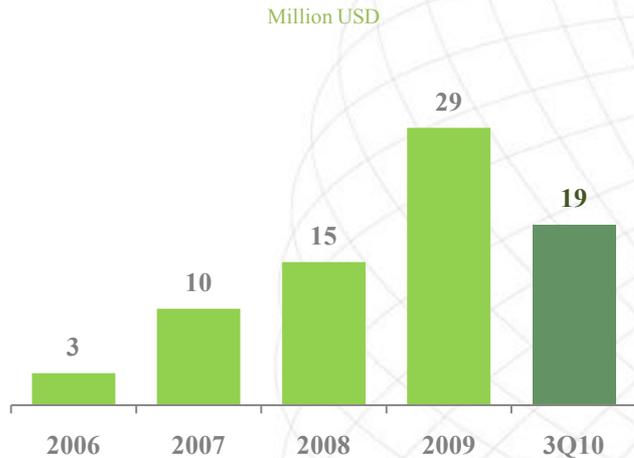


Shareholders' Equity



Strong Asset Quality and Solid Capitalization

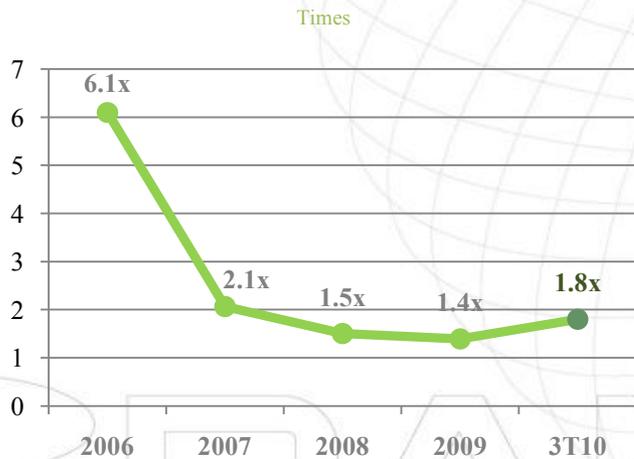
Non Performing Loans



Non Performing Loans/Total Loans



Preventive Loans Reserves/Non Performing Loans



Capital Adequacy Ratio - Total Risk

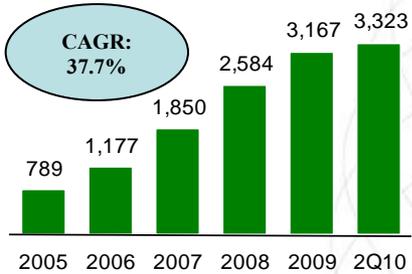


* Preliminary figure.

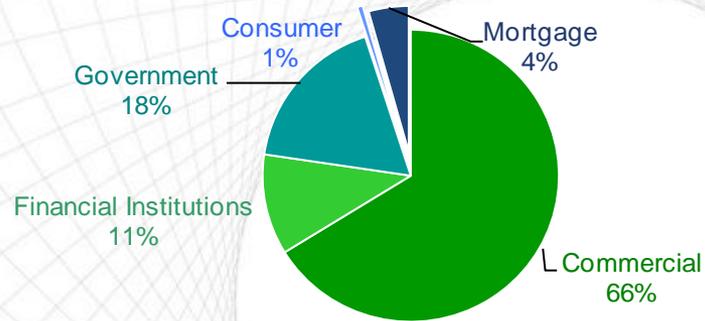
Figures according to internal financial statements (unaudited).

Ixe Banco has built its franchise through a long term development strategy

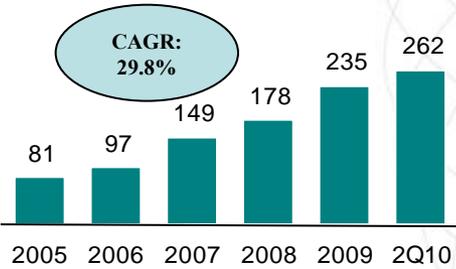
Employees



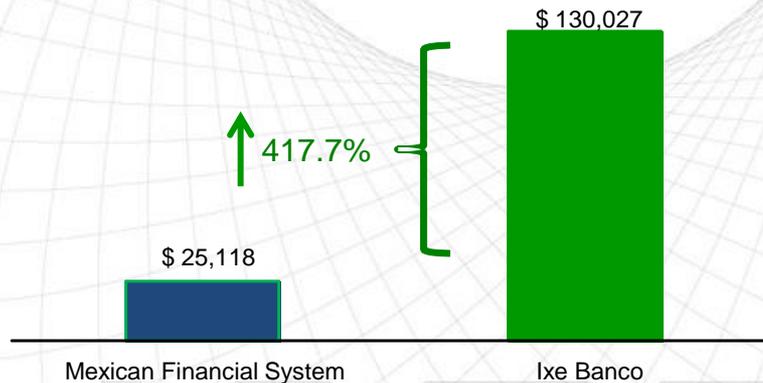
Loan Portfolio Composition



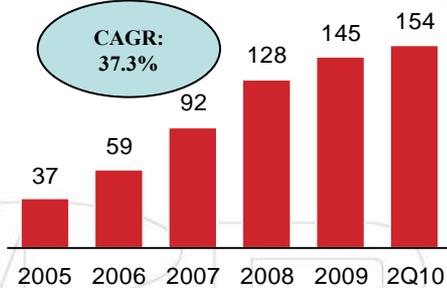
Clients (000's)



Average Deposit Balance Per Client



Branches ¹



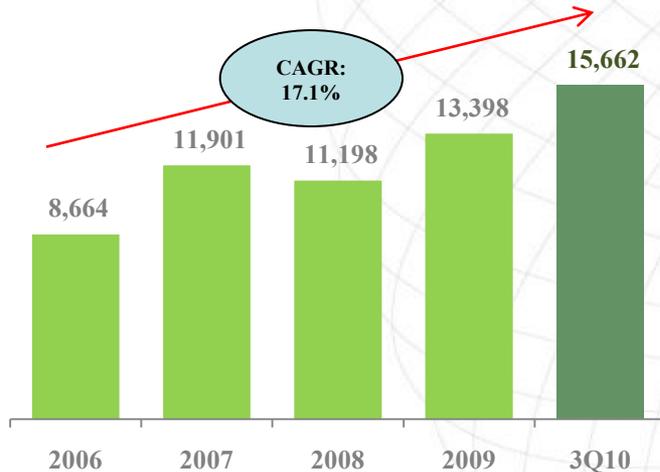
Source: Company's Filings

¹ Does not include El Banco Deumo branches

Ixe Casa de Bolsa was incorporated in 1964. Its strategy is to become a partner in its Clients overall financial transactions. Ixe Casa de Bolsa's Clients include individuals, corporations, as well as government entities, and provides access to a wide array of products and services, including sales and trading, private banking and investment banking.

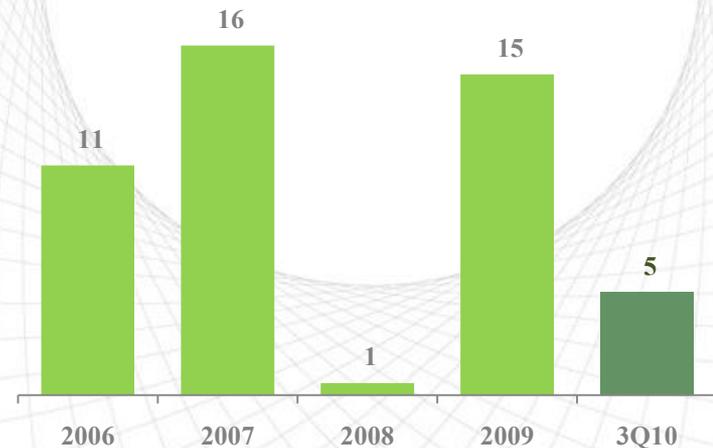
Assets under Management

Million USD



Operating Profit

Million USD

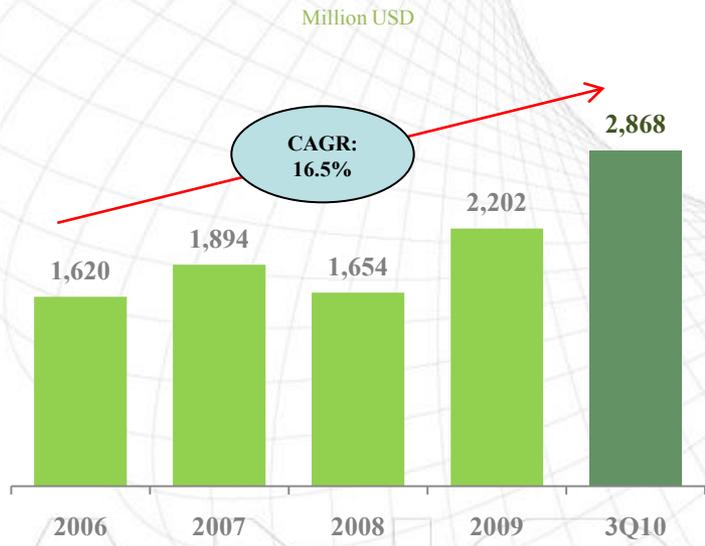


Ixe Fondos is Ixe's mutual funds management company. Ixe Fondos has an offering of 24 mutual funds to cover the investment needs of individuals and corporations.

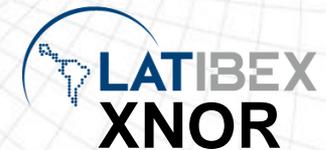
In March of 2008 **IXE and BNP Paribas Investment Partners** signed an agreement to create and distribute global funds in the Mexican market.

Ixe Fondos has achieved two digit CAGR in the last years

Assets under Management



Grupo Financiero Banorte - Ixe



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