



GFNORTE 2Q10 Results

Conference Call
July 23, 2010.

BANCO NOROESTE



Results 1H10

Yearly Recap GFNorte



Million Pesos

| | 1H09 | | 1H10 |
|------------------------|-------|-----|-------|
| Net Income | 2,923 | 11% | 3,236 |
| Recurring Net Income | 2,789 | 16% | 3,236 |
| ROE | 15.2% | | 15.4% |
| ROA | 1.0% | | 1.1% |
| Efficiency | 52% | | 52% |
| Net Interest Margin | 4.4% | | 4.1% |
| Performing Loan Growth | 8% | | 3% |
| Past Due Loan Ratio | 2.6% | | 2.3% |
| Stock Price (pesos) | 32.05 | 56% | 50.14 |
| Book Value Per Share | 19.30 | 10% | 21.17 |

Income Statement



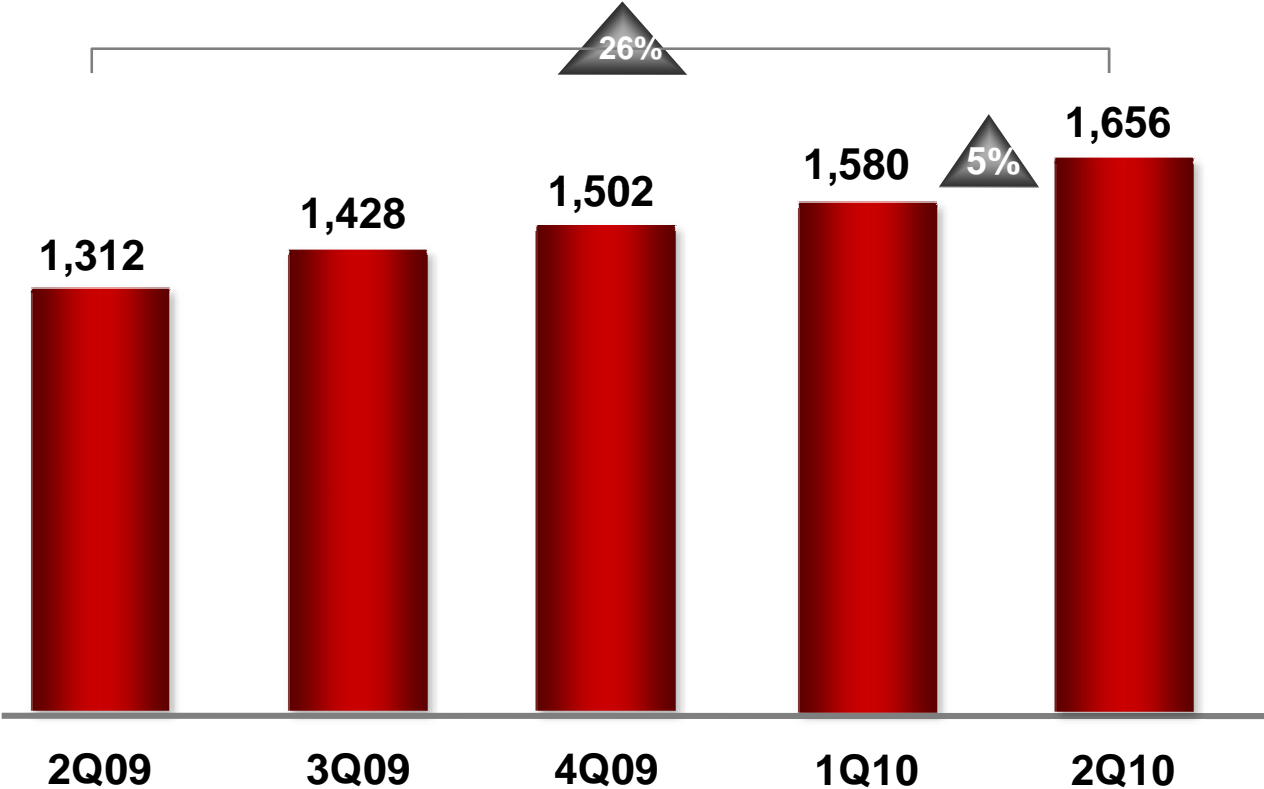
MILLION PESOS

| | 2Q09 | 2Q10 | 1H09 | 1H10 | Change QoQ | YoY |
|--------------------------------|---------|---------|---------|---------|---------------|----------|
| Net Interest Income | 5,838 | 5,533 | 12,037 | 11,095 | (5%) | (8%) |
| Non Interest Income | 1,932 | 2,706 | 3,998 | 5,387 | 40% | 35% |
| <i>Service Fees</i> | 1,447 | 1,625 | 2,894 | 3,240 | 12% | 12% |
| <i>Recoveries</i> | 164 | 224 | 302 | 419 | 37% | 39% |
| <i>FX & Trading</i> | 167 | 580 | 413 | 1,165 | 248% | 182% |
| <i>Other Income (expenses)</i> | 154 | 277 | 390 | 563 | 79% | 44% |
| Total Income | 7,770 | 8,239 | 16,035 | 16,482 | 6% | 3% |
| Non Interest Expense | (4,023) | (4,391) | (8,347) | (8,581) | 9% | 3% |
| Net Operating Income | 3,747 | 3,848 | 7,687 | 7,901 | 3% | 3% |
| Provisions | (2,188) | (1,337) | (4,350) | (3,109) | (39%) | (29%) |
| Non Operating Income | 168 | 21 | 582 | 39 | (87%) | (93%) |
| Income Tax | (429) | (798) | (1,004) | (1,457) | 86% | 45% |
| Subs & Minority Interest | 14 | (77) | 8 | (138) | (654%) | (1,856%) |
| Net Income | 1,312 | 1,656 | 2,923 | 3,236 | 26% | 11% |
| Recurring Net Income | 1,312 | 1,656 | 2,789 | 3,236 | 26% | 16% |

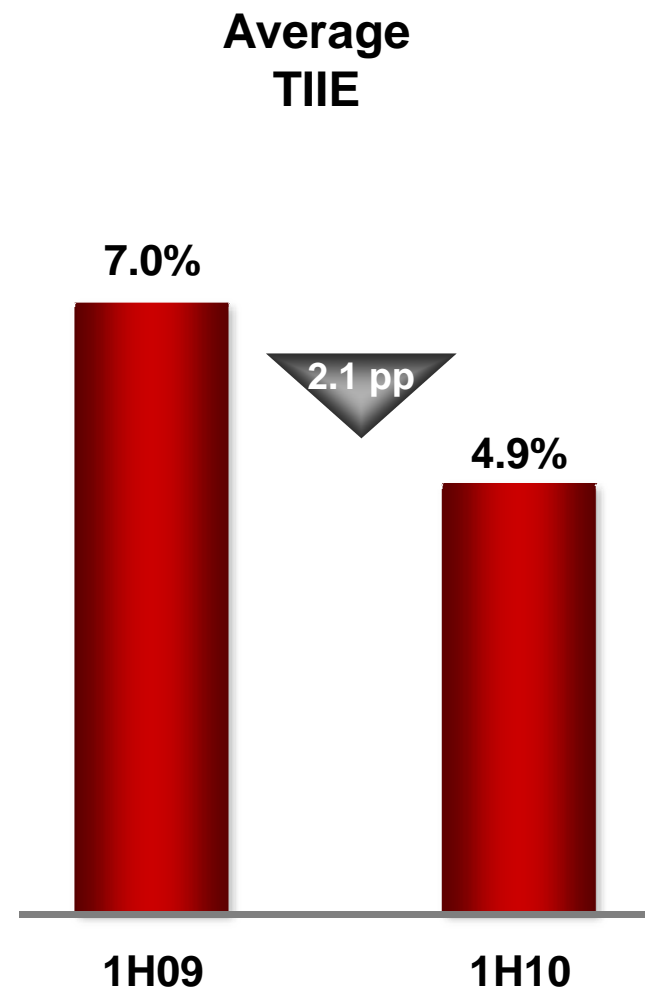
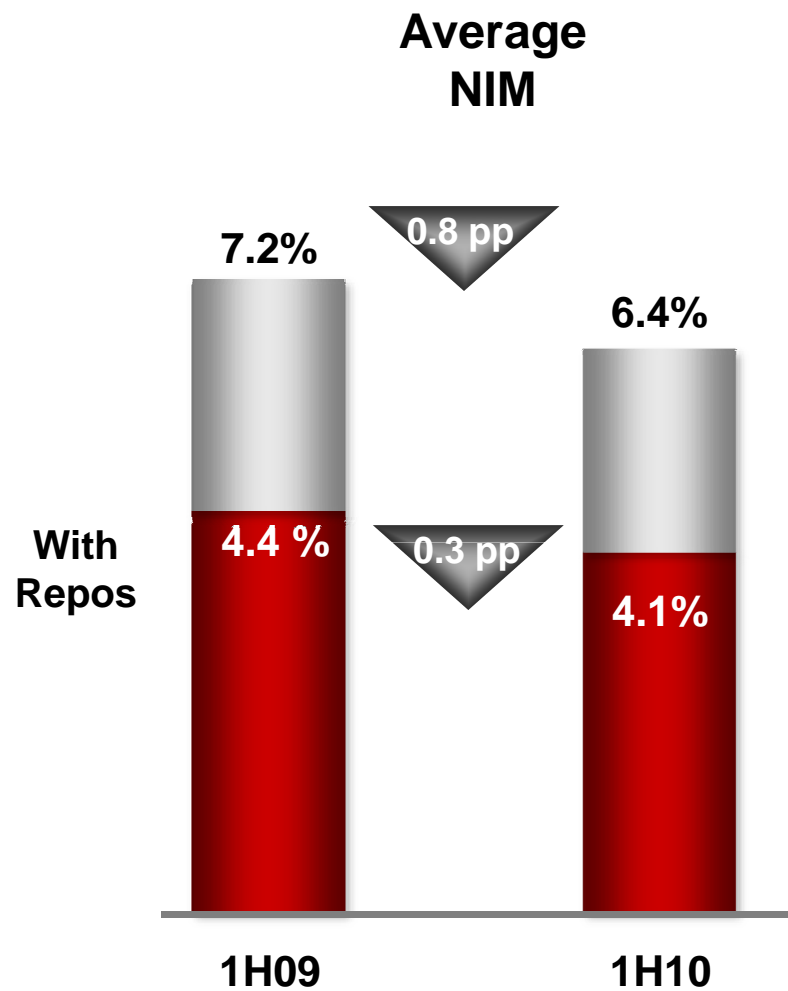
Quarterly Net Income



MILLION PESOS



Net Interest Margin

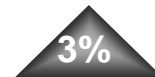


Non Interest Expense

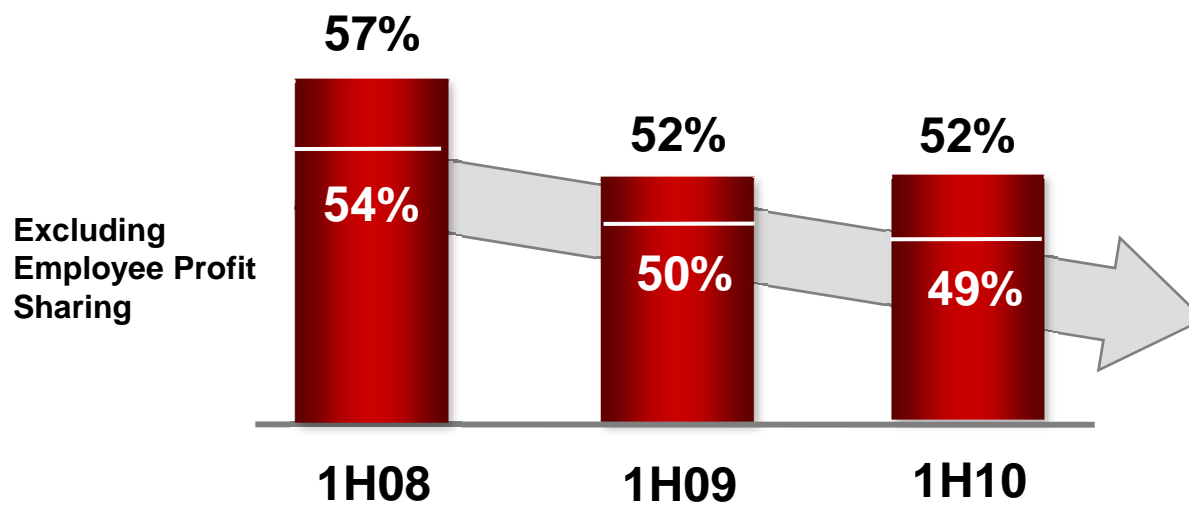


BILLION PESOS

| | 1H09 | 1H10 |
|---------------|------|------|
| Total Expense | 8.3 | 8.6 |



EFFICIENCY RATIO



Deposits



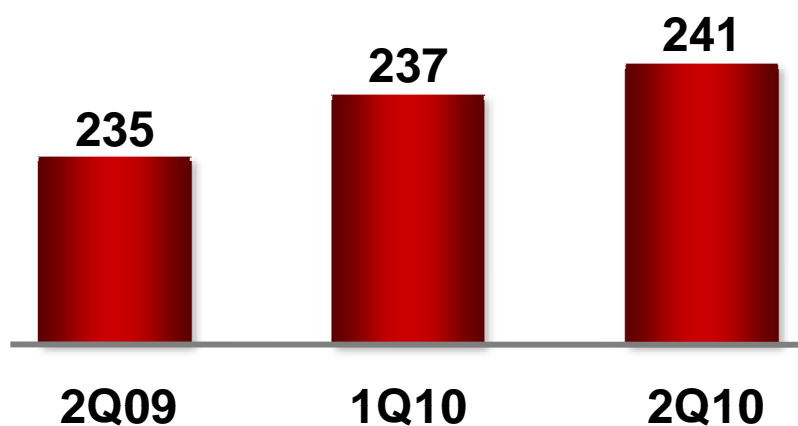
BILLION PESOS

| Deposits | 2Q08 | | 2Q09 | | 2Q10 |
|---------------|------|-------|------|------|------|
| Demand | 107 | ▲ 16% | 124 | ▲ 8% | 134 |
| Time | 64 | ▲ 29% | 83 | ▲ 5% | 87 |
| Core Deposits | 171 | ▲ 21% | 207 | ▲ 7% | 221 |
| Mix | | | | | |
| Demand | 62% | | 60% | | 61% |
| Time | 38% | | 40% | | 39% |
| | 100% | | 100% | | 100% |

Performing Loan Portfolio



BILLION PESOS

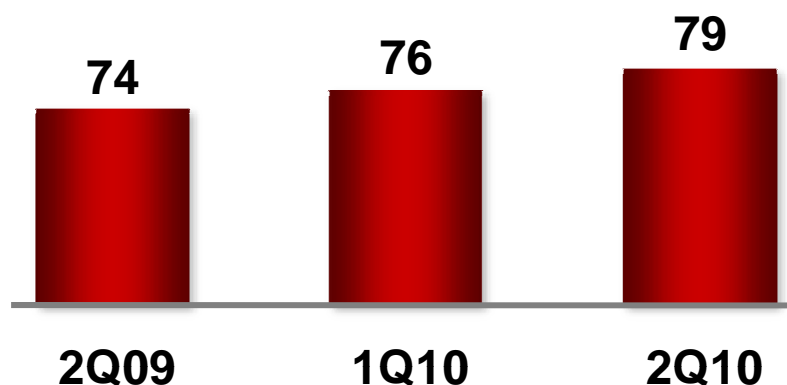


| | 2Q09 | 1Q10 | 2Q10 | QoQ | Change YoY |
|------------|------|------|------|-----|------------|
| Consumer | 74 | 76 | 79 | 3% | 7% |
| Commercial | 86 | 80 | 82 | 2% | (5%) |
| Corporate | 43 | 39 | 39 | 1% | (8%) |
| Government | 32 | 41 | 41 | 1% | 29% |
| Total | 235 | 237 | 241 | 2% | 3% |

Performing Consumer Loan Portfolio



BILLION PESOS

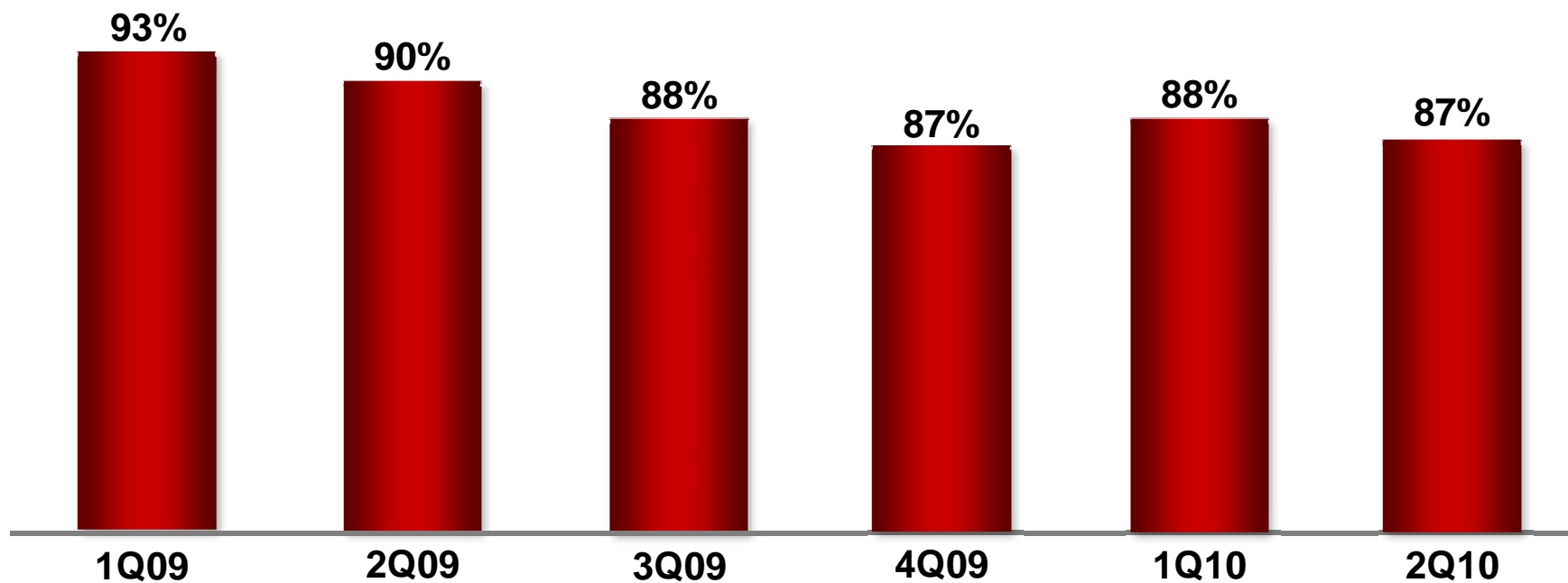


| | 2Q09 | 1Q10 | 2Q10 | QoQ | Change YoY |
|-----------------|-----------|-----------|-----------|-----------|------------|
| Mortgage | 47 | 50 | 52 | 4% | 11% |
| Car | 7 | 8 | 8 | 2% | 5% |
| Credit Card | 13 | 11 | 11 | (1%) | (14%) |
| Payroll | 6 | 7 | 7 | 7% | 17% |
| Consumer | 74 | 76 | 79 | 3% | 7% |

Loans to Deposits Ratio



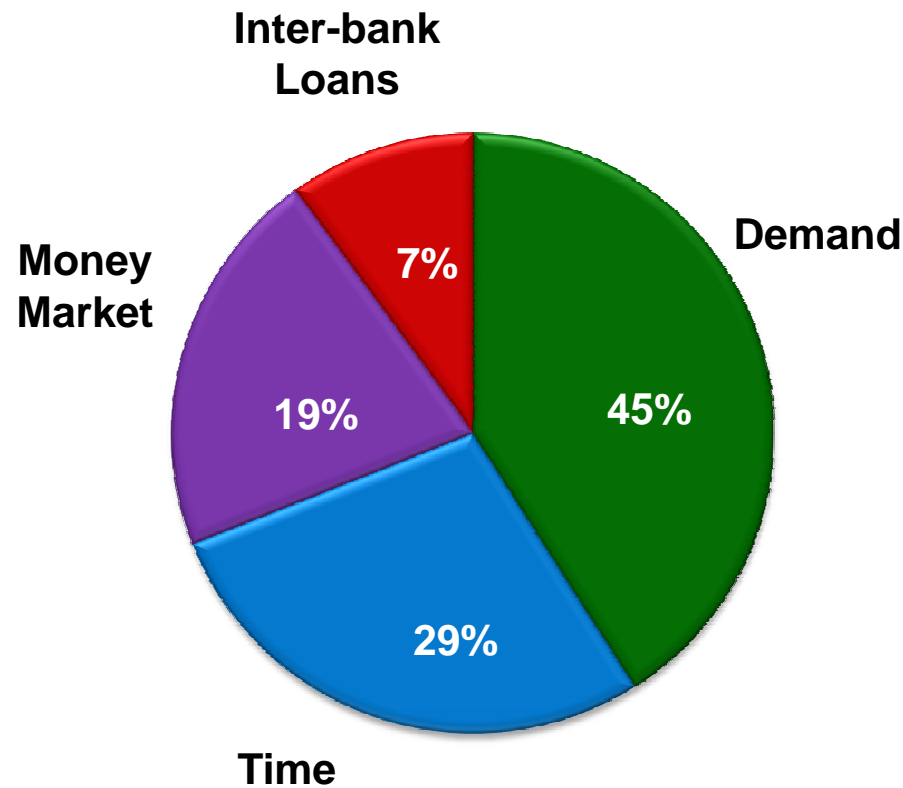
TOTAL LOANS / TOTAL DEPOSITS



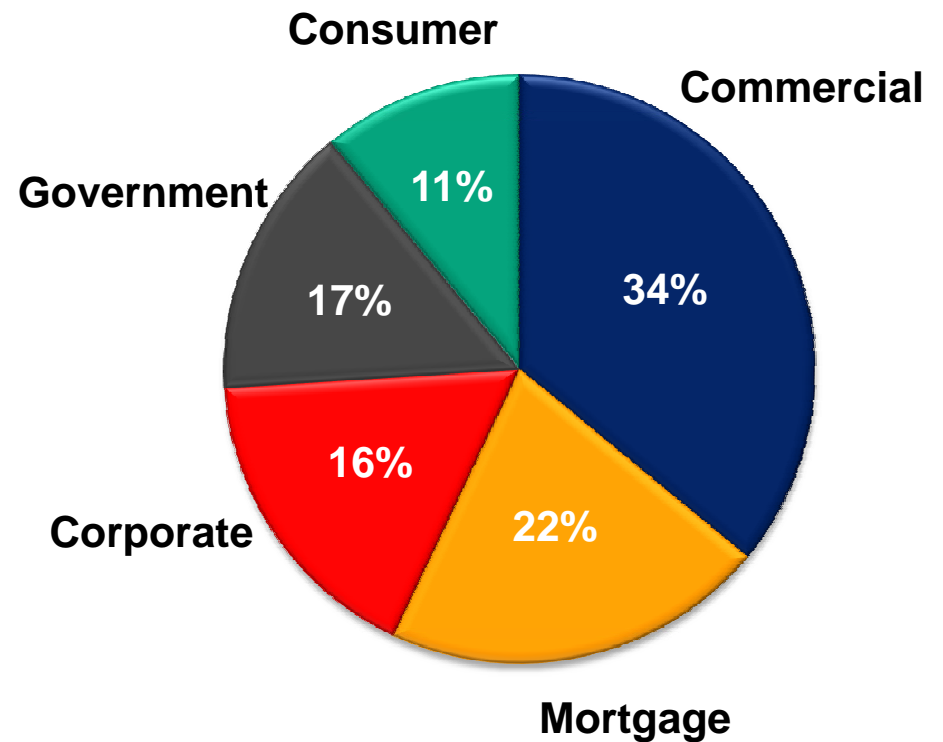
Funding and Loan Portfolio Structure



FUNDING
\$299 Billion Pesos



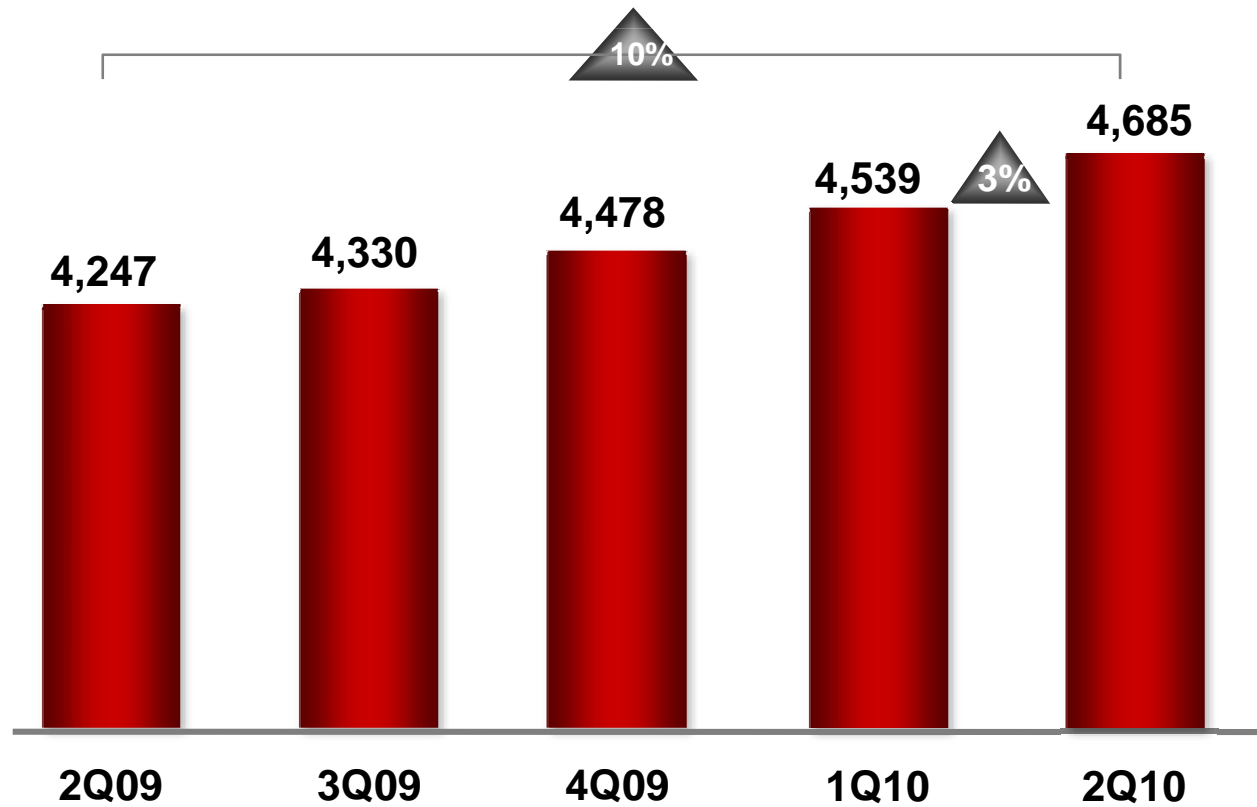
LOAN PORTFOLIO
\$248 Billion Pesos



Distribution Network



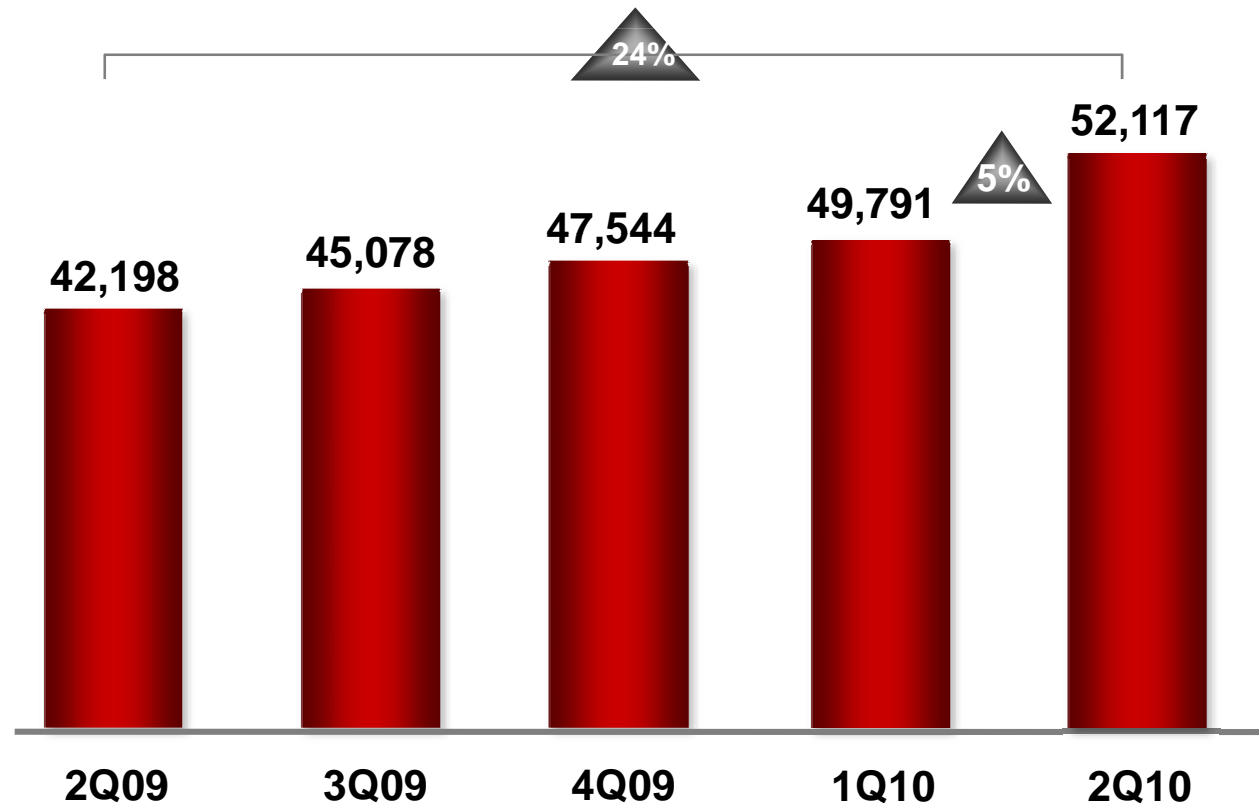
Automated Teller Machines (ATM's)



Distribution Network



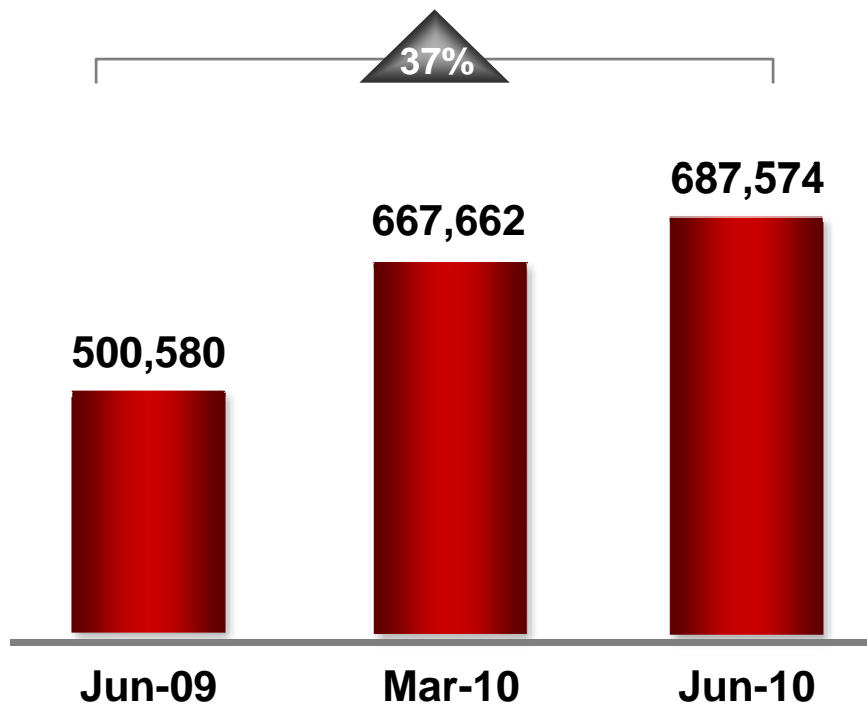
Point of Sale Terminals (POS's)



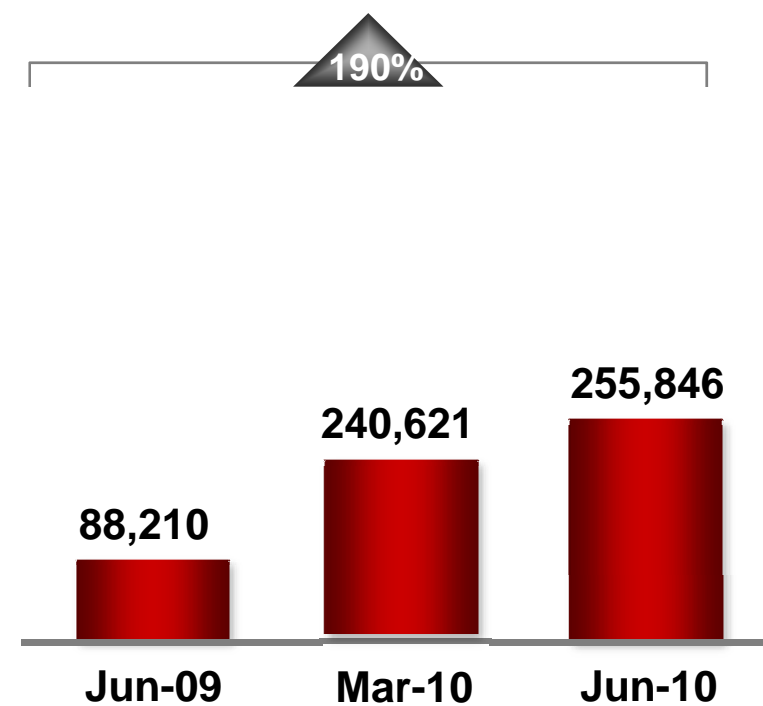
Online Banking – BXI



Existing Online Users



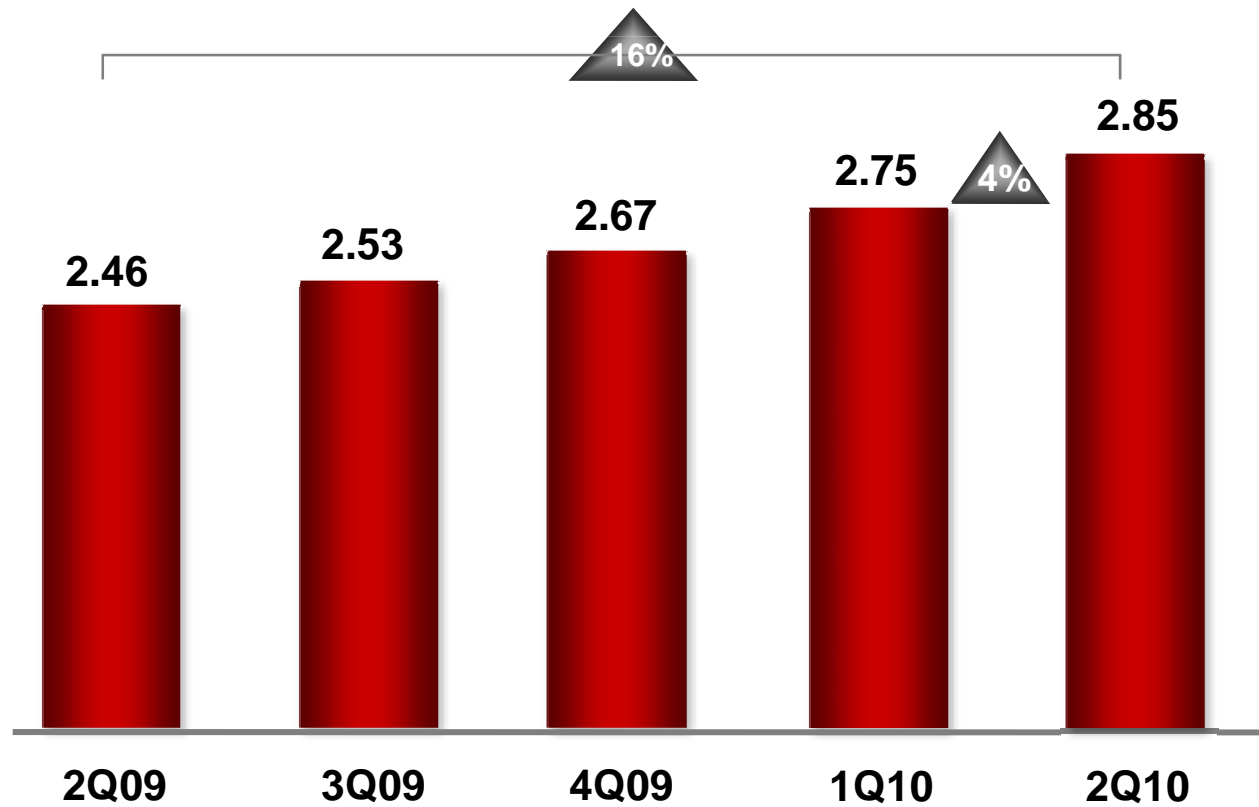
Mobile Banking Transactions



Payroll Clients



Million Clients





Correspondent Banking



- **Banorte and 7-Eleven received authorization by the CNBV to operate under a third party correspondent agreement in order to provide financial services to more Mexicans.**
- **7-Eleven has a network of over 1,100 stores throughout the country.**
- **Services available:**
 - **Cash Deposits.**
 - **Service Payments.**
 - **Banorte's Credit Card Payments.**
- **Transactions will be available during extended hours (including Saturdays, Sundays and official holidays).**
- **Operations are programmed to begin in 3Q10.**



Asset Quality and Capitalization

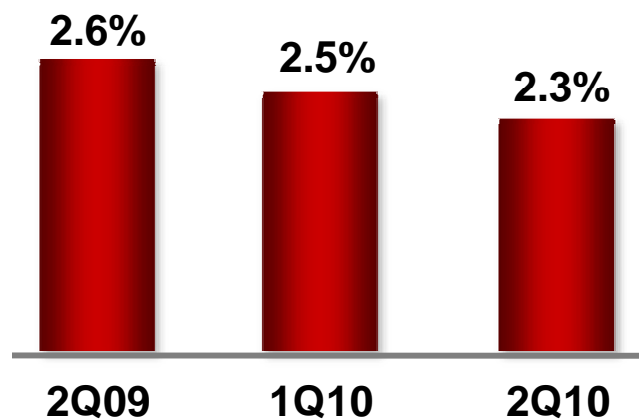
Asset Quality



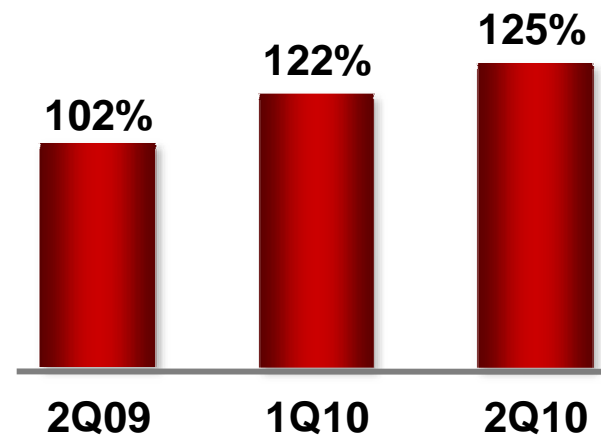
Billion pesos

| | 2Q09 | 1Q10 | 2Q10 |
|----------------------|------|------|------|
| Total Loan Portfolio | 238 | 238 | 243 |
| Past Due Loans | 6.3 | 6.1 | 5.6 |
| Loan Loss Reserves | 6.4 | 7.5 | 7.0 |

**PAST DUE LOAN
RATIO**



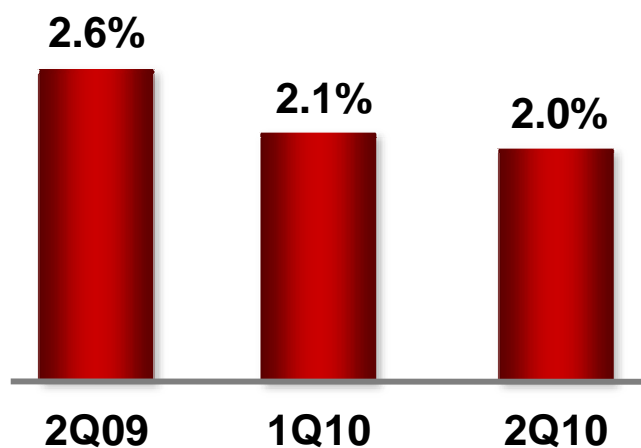
**RESERVE
COVERAGE RATIO**



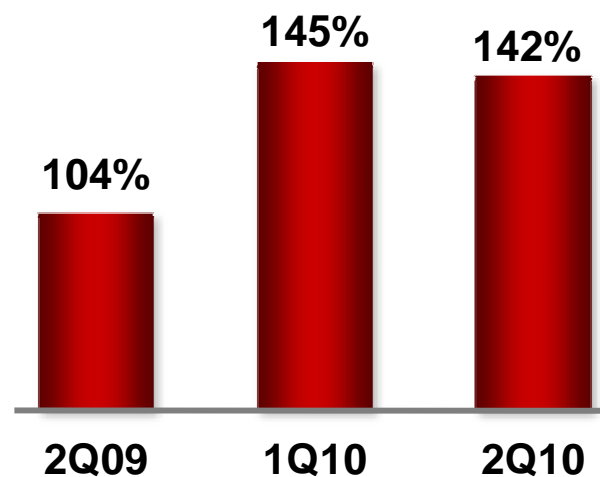
Asset Quality without INB



**PAST DUE LOAN
RATIO**



**RESERVE
COVERAGE RATIO**



Past Due Loan Ratios

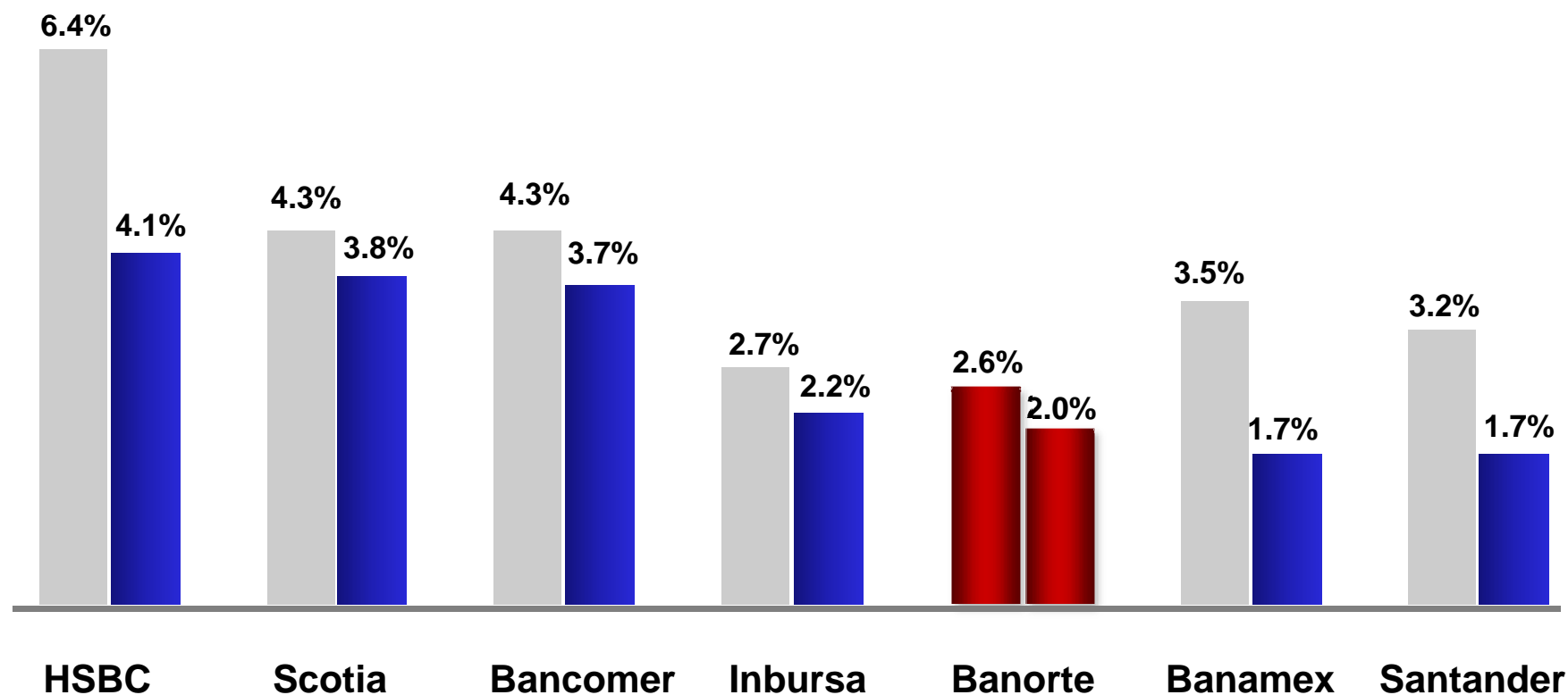


| | 2Q09 | 3Q09 | 4Q09 | 1Q10 | 2Q10 | |
|--------------|-------|-------|-------|-------|-------|---|
| Credit Cards | 14.4% | 12.7% | 12.0% | 10.5% | 10.6% | ↑ |
| Payroll | 3.0% | 2.8% | 2.8% | 2.1% | 1.9% | ↓ |
| Car | 3.0% | 2.7% | 2.0% | 1.4% | 1.3% | ↓ |
| Mortgage | 1.9% | 2.0% | 2.1% | 1.7% | 1.7% | ▬ |
| Commercial | 3.4% | 3.6% | 4.0% | 5.0% | 4.1% | ↓ |
| Corporate | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | ↑ |
| Government | 0% | 0% | 0% | 0% | 0% | ▬ |
| | 2.6% | 2.5% | 2.5% | 2.5% | 2.3% | |

Industry PDL Ratios



June 2009 May 2010



Source: CNBV. Banorte does not include INB. Data as of June 2010.

Capitalization



| | 2Q09 | 3Q09 | 4Q09 | 1Q10 | 2Q10 |
|----------|-------|-------|-------|-------|-------|
| Tier 1 | 10.7% | 10.9% | 12.0% | 12.1% | 12.0% |
| Tier 2 | 4.9% | 5.2% | 4.8% | 4.7% | 4.7% |
| TOTAL | 15.6% | 16.1% | 16.8% | 16.8% | 16.7% |
| % Tier 1 | 69% | 68% | 71% | 72% | 72% |

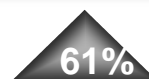


Subsidiaries



MILLION PESOS

| | 1H09 | 1H10 |
|-------|------|------|
| Total | 219 | 353 |



AUM BILLION PESOS

| | 2Q09 | 2Q10 | Change YoY |
|---------------------|------|------|------------|
| Proprietary Assets | 29 | 35 | 23% |
| Acquired Assets | 32 | 29 | (9%) |
| Investment Projects | 3 | 4 | 36% |
| IPAB | 2 | 0.4 | (76%) |
| Total | 66 | 68 | 3% |

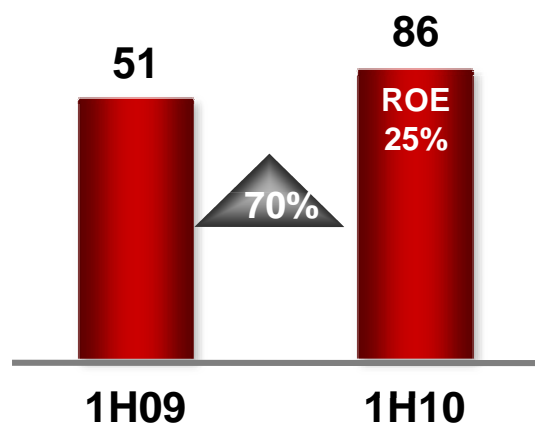
Long Term Savings



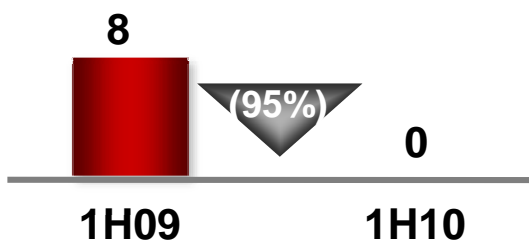
NET INCOME IN MILLION PESOS

| | 1H09 | | 1H10 |
|-------|------|-----|------|
| Total | 179 | 17% | 209 |

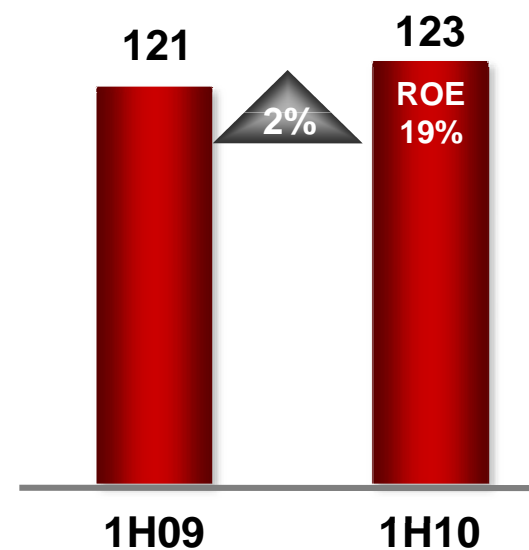
AFORE



ANNUITIES



INSURANCE



Long Term Savings



ASSETS UNDER MANAGEMENT Billion pesos

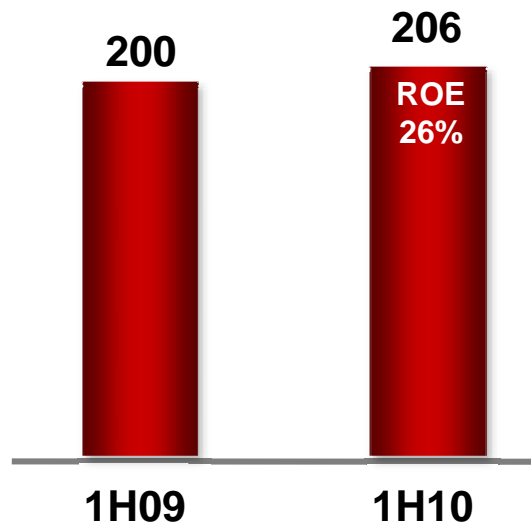
| | 2Q09 | 1Q10 | 2Q10 | Change YoY |
|-----------|------|-------|-------|---------------|
| AFORE | 62.8 | 75.6 | 78.7 | 25% |
| Insurance | 12.2 | 12.3 | 13.4 | 10% |
| Annuities | 16.3 | 19.8 | 21.3 | 31% |
| Total | 91.2 | 107.7 | 113.4 | 24% |

Subsidiaries

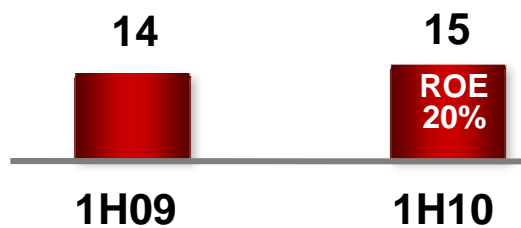


NET INCOME IN MILLION PESOS

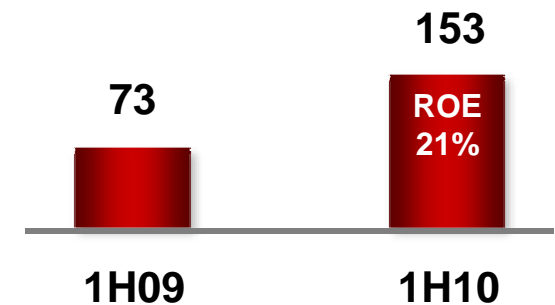
LEASING AND FACTORING



WAREHOUSING



BROKER DEALER



MILLION DOLLARS

| | 1H09 | 1H10 |
|--------------------------------------|-------|--------|
| Earnings before loan loss provisions | 18.2 | 13.8 |
| Loan Loss Reserves | 13.8 | 17.2 |
| Net Income | 3.1 | (2.1) |
| MIN | 3.6% | 3.4% |
| ROE | 2.8% | (1.0%) |
| ROA | 0.3% | (0.2%) |
| Efficiency | 49.9% | 63.6% |
| Total Deposits | 1,694 | 1,720 |
| Performing Loans | 1,086 | 991 |
| PDL Ratio | 4.9% | 6.7% |
| Coverage Ratio | 37.4% | 40.8% |

