



# **GFNORTE**

# **4Q10 Results**

**Conference Call**

January 26, 2011.



# Material Events



- **Gruma announced its intention to sell part or all of its stake in GFNorte.** On January 21, 2011, Gruma and GFNorte have made public through the websites of the Bolsa Mexicana de Valores, S.A.B de C.V. (BMV) and the National Banking and Securities Commission (CNBV), that GRUMA intends to sell its common shares of GFNORTE, which as of today represent 8.8% of GFNORTE's capital, through a global offering.
- **Grupo Financiero Banorte and Ixe Grupo Financiero reach a merger agreement.** On November 17th, Grupo Financiero Banorte S.A.B de C.V. ("GFNORTE") (BMV: GFNORTEO) informed that after having carried out the corresponding due diligence, GFNORTE and IXE Grupo Financiero S.A.B. de C.V. ("IXE") (BMV: IXEGFO) had reached a binding merger agreement subject to corporate and authorities' approvals. It is estimated that the merger will be completed by the end of 1Q11.
- **Mexicana de Aviación Exposure.** Following the material event published on August 4th, 2010 to inform the investment community of Banorte's exposure to Mexicana de Aviación's holding company, GFNORTE reports that as of December 31st, 2010 the loan's outstanding balance of Ps. 1.25 billion has been 100% reserved.
- **Marcos Ramírez Miguel is named Chief Corporate Officer.** On December 2010, Marcos Ramírez was named GFNorte's Chief Corporate Officer. Mr. Martinez has a successful professional trajectory of more than 27 years in the financial arena, and over the last three years served as President of the Mexican Stock Brokers' Association "Asociación Mexicana de Intermediarios Bursátiles".



# Results 2010

# Yearly Recap GFNorte



Million Pesos

	2009		2010
Net Income	5,854	▲ 15%	6,705
Net Income ex-Comerci / Mexicana	5,854	▲ 20%	7,045
ROE	14.9%		15.5%
ROA	1.0%		1.2%
Efficiency	53%		52%
Net Interest Margin	4.3%		4.2%
Performing Loan Growth	(1%)		10%
Past Due Loan Ratio	2.5%		2.5%
Stock Price (pesos)	47.84	▲ 23%	58.86
Book Value Per Share	20.49	▲ 11%	22.85

# Income Statement



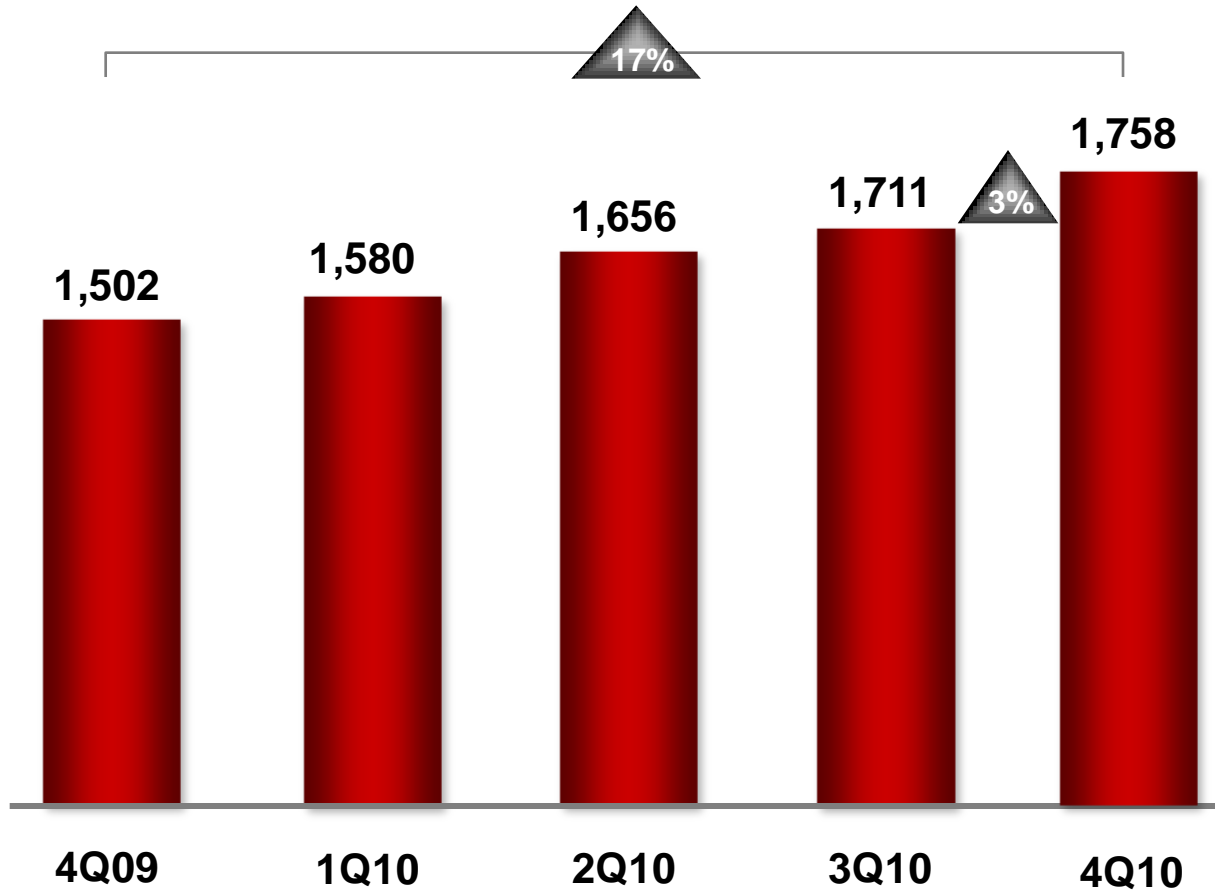
Million Pesos

	4Q09	3Q10	4Q10	Change	
				QoQ	YoY
Net Interest Income	5,554	5,661	5,976	6%	8%
Non Interest Income	2,719	2,554	3,174	24%	17%
<i>Service Fees</i>	1,761	1,717	1,824	6%	4%
<i>Recoveries</i>	287	260	227	(13%)	(21%)
<i>FX &amp; Trading</i>	421	331	193	(42%)	(54%)
<i>Other Income (expenses)</i>	250	246	930	277%	272%
Total Income	8,273	8,215	9,150	11%	11%
Non Interest Expense	(4,604)	(4,296)	(4,815)	12%	5%
Net Operating Income	3,669	3,919	4,335	22%	11%
Provisions	(1,782)	(1,905)	(1,876)	(2%)	5%
Non Operating Income	152	395	147	(63%)	(3%)
Income Tax	(496)	(628)	(720)	15%	45%
Subs & Minority Interest	(41)	(70)	(128)	82%	211%
Net Income	1,502	1,711	1,758	3%	17%

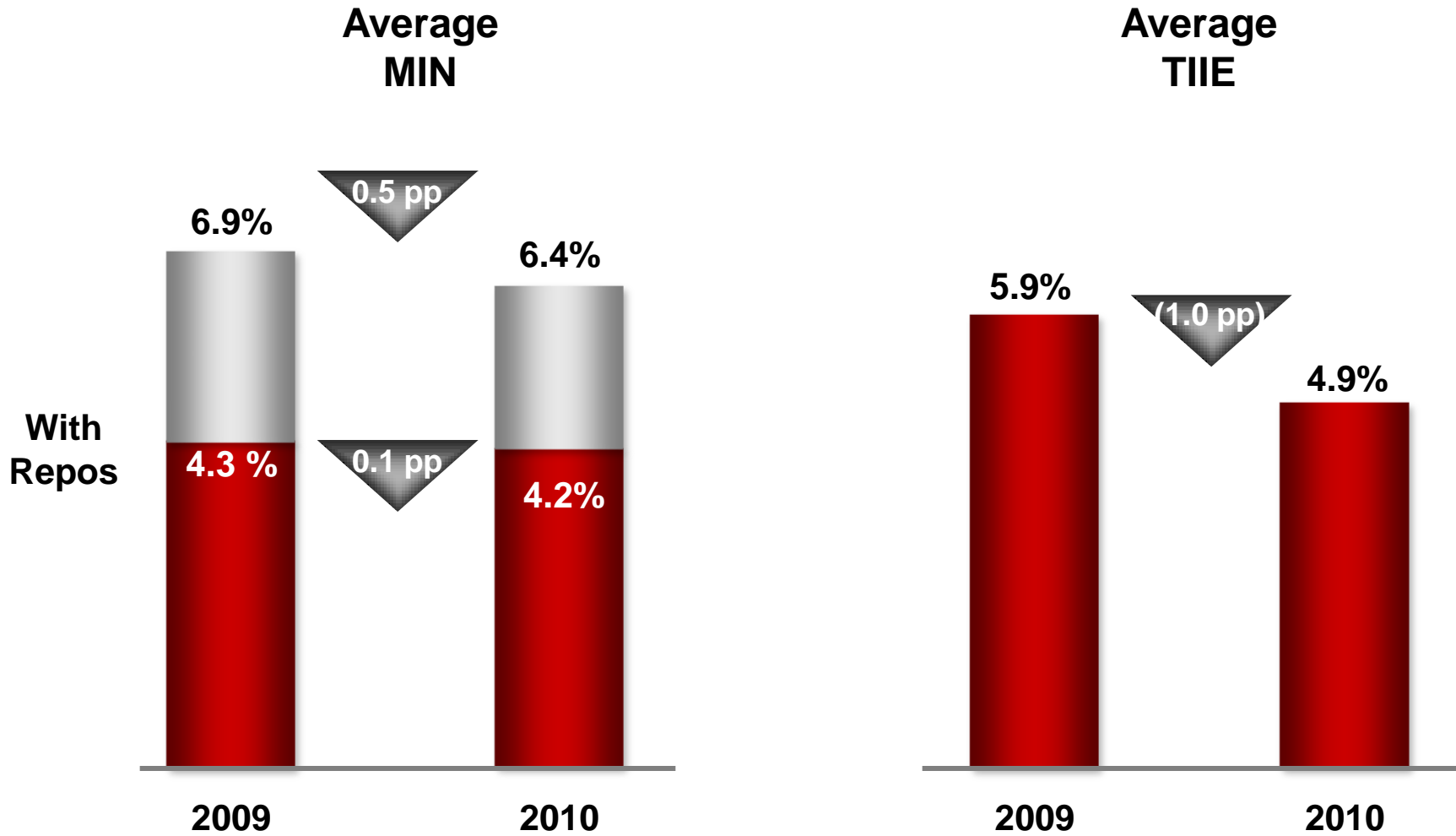
# Quarterly Net Income



Million Pesos



# Net Interest Margin



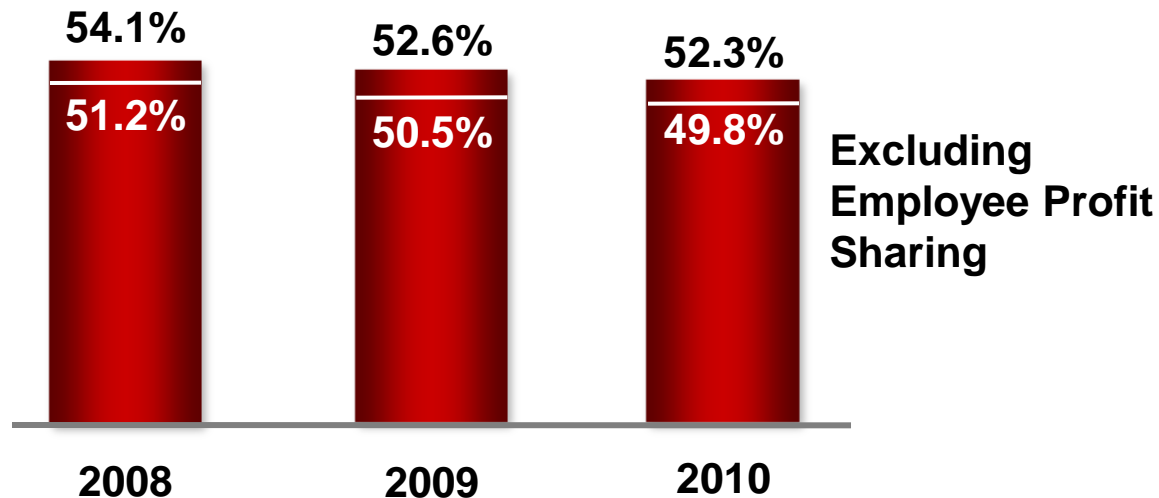
# Non Interest Expense



Billion Pesos

	2009		2010
Total Expense	17.0	▲ 4%	17.7

## EFFICIENCY RATIO





# Deposits



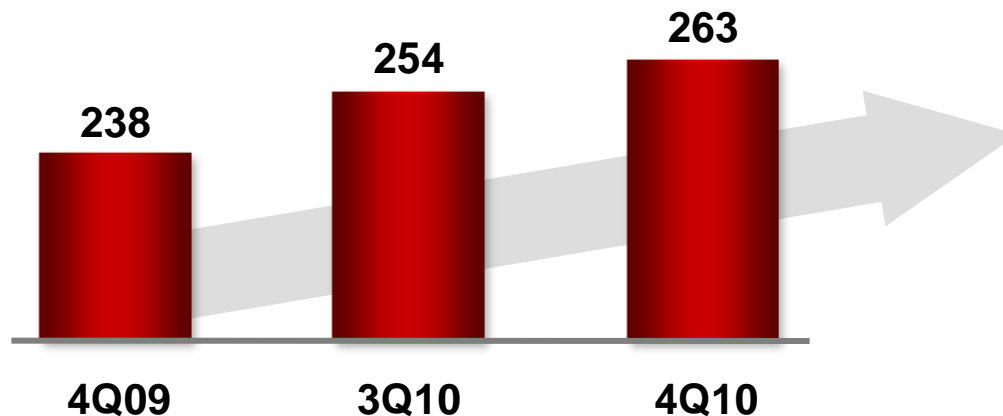
Billion Pesos

Deposits	4Q08		4Q09		4Q10
Demand	128	▲ 7%	138	▲ 9%	150
Time	75	▲ 13%	85	▲ 5%	89
<b>Core Deposits</b>	<b>203</b>	<b>▲ 9%</b>	<b>222</b>	<b>▲ 7%</b>	<b>239</b>
<b>Mix</b>					
Demand	63%		62%		63%
Time	37%		38%		37%
	100%		100%		100%

# Performing Loan Portfolio



Billion Pesos

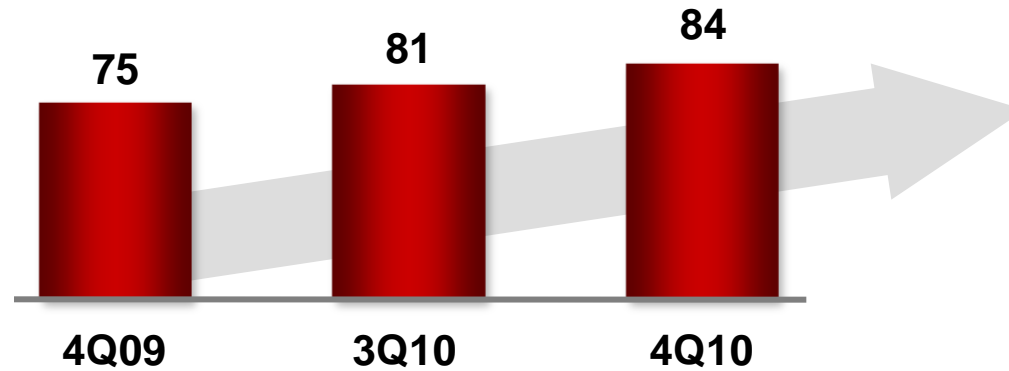


	4Q09	3Q10	4Q10	Change	
				QoQ	YoY
<b>Consumer</b>	75	81	84	3%	11%
Commercial	84	85	88	4%	4%
Corporate	40	44	44	2%	10%
Government	39	44	48	7%	22%
<b>Total</b>	<b>238</b>	<b>254</b>	<b>263</b>	<b>4%</b>	<b>10%</b>

# Performing Consumer Loan Portfolio



Billion Pesos



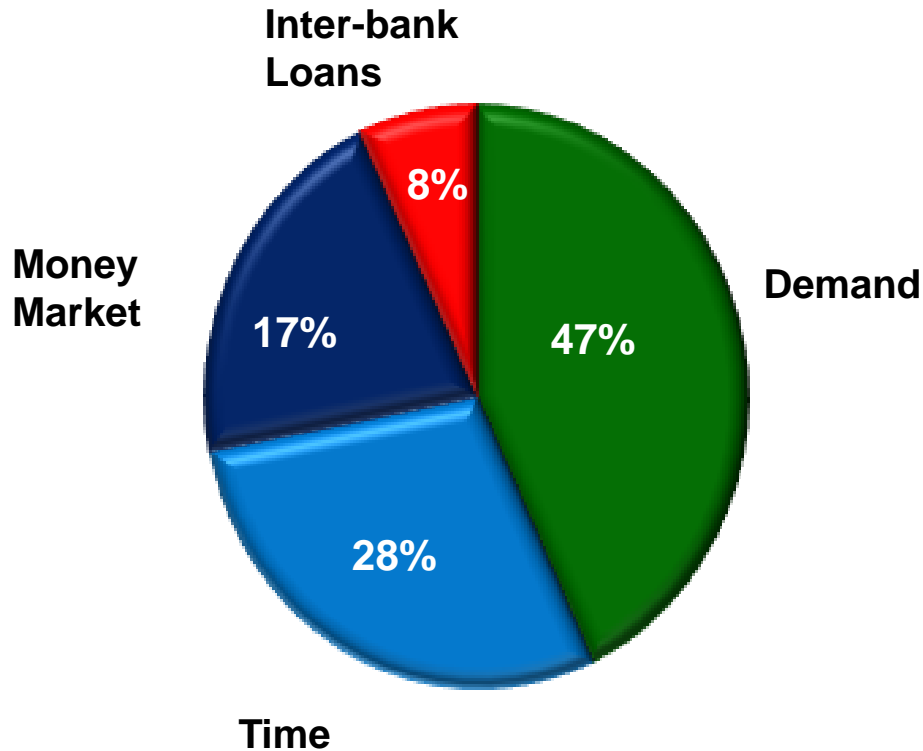
	4Q09	3Q10	4Q10	Change	
				QoQ	YoY
Mortgage	49	54	56	4%	13%
Car	7	8	8	3%	11%
Credit Card	12	11	11	0%	(5%)
Payroll	7	8	9	6%	30%
<b>Consumer</b>	<b>75</b>	<b>81</b>	<b>84</b>	<b>3%</b>	<b>11%</b>

# Funding and Loan Portfolio Structure



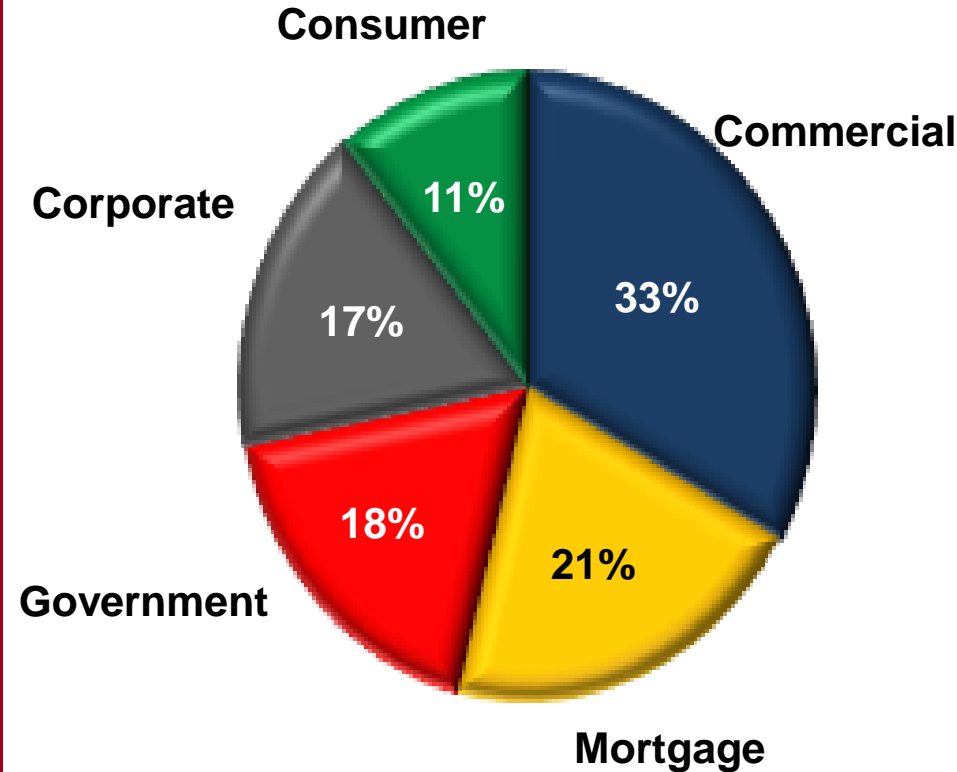
## FUNDING

\$319 Billion Pesos



## LOAN PORTFOLIO

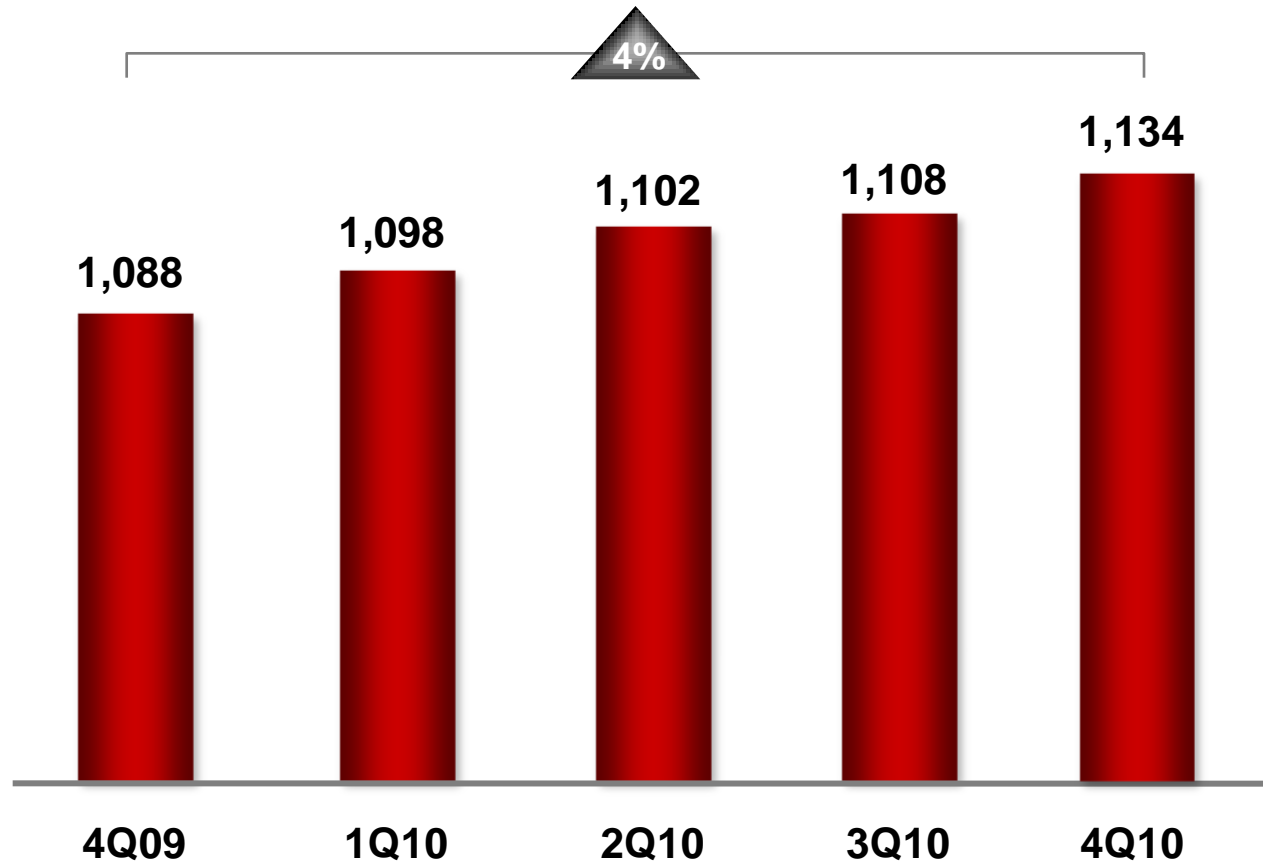
\$270 Billion Pesos



# Distribution Network



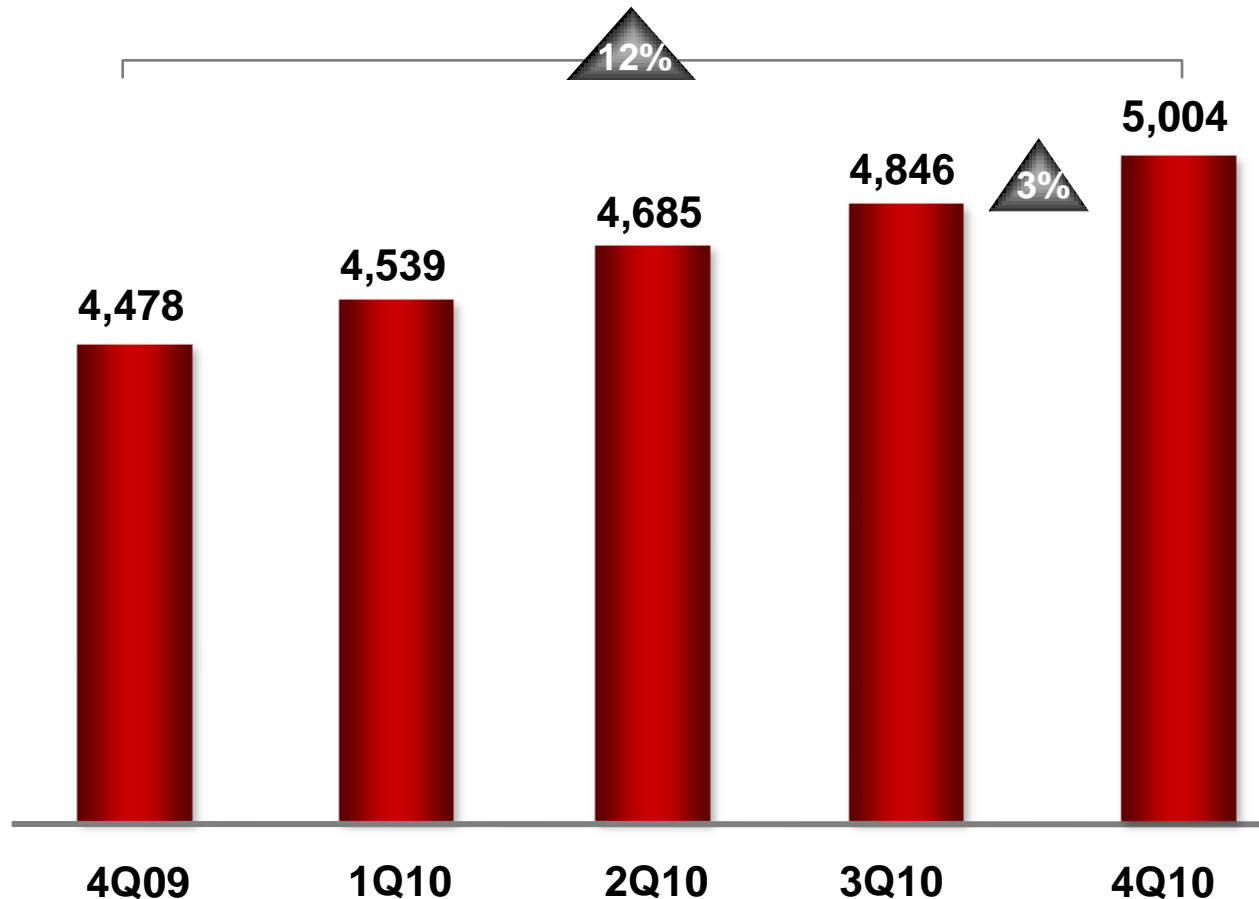
## Branches



# Distribution Network



## Automated Teller Machines (ATM's)

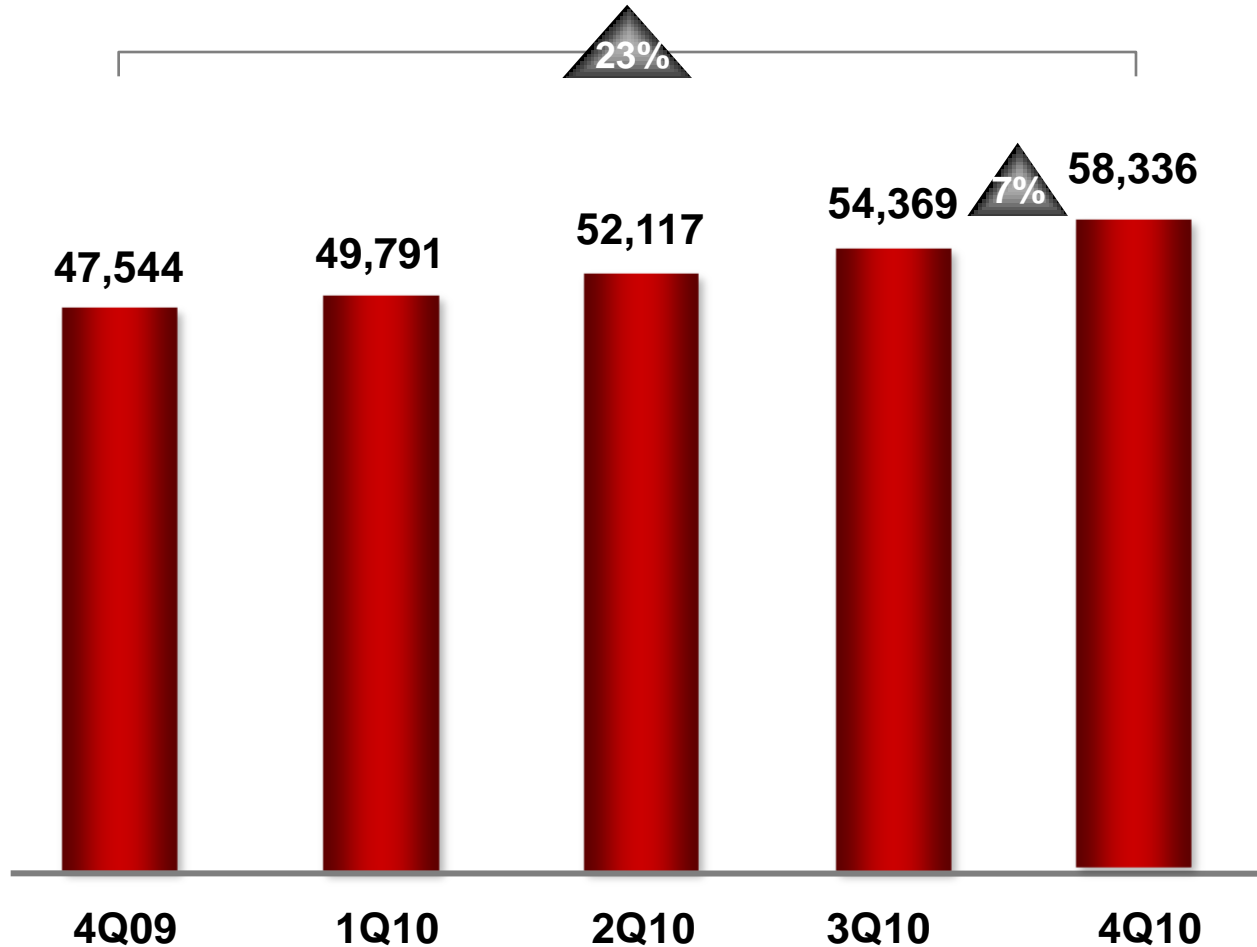


- Banorte's ATM expansion outgrew the 7% growth in the banking system, and Banorte ATM's transactions grew by 15% annually.

# Distribution Network



## Point of Sale Terminals (POS's)



- POS billing grew by 26% annually, outgrowing the banking system's 11% expansion.



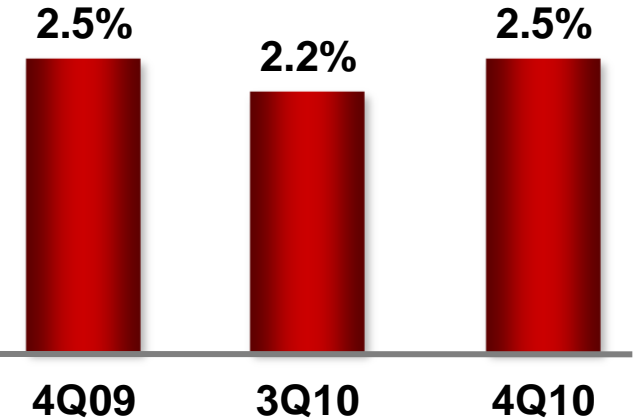
# Asset Quality and Capitalization



# Asset Quality

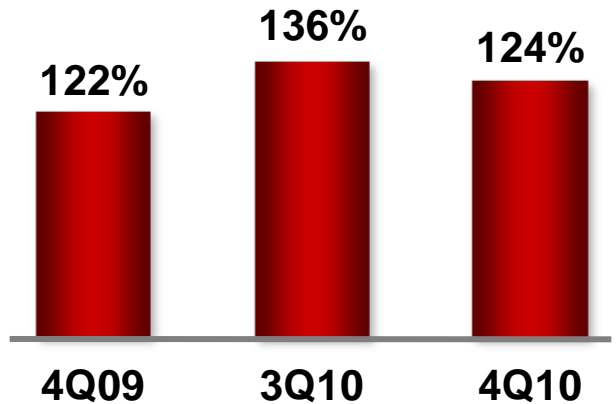


## PAST DUE LOAN RATIO



W/out INB 4Q10: 2.3%

## RESERVE COVERAGE RATIO



W/out INB 4Q10: 134%

# Past Due Loan Ratios



	4Q09	1Q10	2Q10	3Q10	4Q10	
Credit Cards	12.0%	10.5%	10.6%	9.3%	8.5%	↓
Payroll	2.8%	2.1%	1.9%	1.9%	1.8%	↓
Car	2.0%	1.4%	1.3%	1.4%	1.0%	↓
Mortgage	2.1%	1.7%	1.7%	1.9%	1.7%	↓
Commercial	4.0%	5.0%	4.1%	4.1%	3.9%	↓
Corporate	0.1%	0.1%	0.2%	0.1%	2.5%	↑
Government	0%	0%	0%	0%	0%	▬
	2.5%	2.5%	2.3%	2.2%	2.5%	

# Capitalization



	<b>4Q09</b>	<b>1Q10</b>	<b>2Q10</b>	<b>3Q10</b>	<b>4Q10</b>
<b>Tier 1</b>	<b>12.0%</b>	<b>12.1%</b>	<b>12.0%</b>	<b>12.1%</b>	<b>12.1%</b>
<b>Tier 2</b>	<b>4.8%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.0%</b>
<b>TOTAL</b>	<b>16.8%</b>	<b>16.8%</b>	<b>16.7%</b>	<b>16.6%</b>	<b>16.1%</b>
<b>% Tier 1</b>	<b>71%</b>	<b>72%</b>	<b>72%</b>	<b>73%</b>	<b>75%</b>



# Subsidiaries

# Recovery Bank



## Net Income in Million Pesos

	2009	2010
<b>Total</b>	<b>640</b>	<b>692</b>

8%

## AUM BILLION PESOS

	4Q09	4Q10	Change YoY
<b>Proprietary Assets</b>	<b>32</b>	<b>37</b>	<b>16%</b>
<b>Acquired Assets</b>	<b>29</b>	<b>28</b>	<b>(4%)</b>
<b>Investment Projects</b>	<b>4</b>	<b>5</b>	<b>18%</b>
<b>IPAB</b>	<b>0.4</b>	<b>0.0</b>	<b>(100%)</b>
<b>Total</b>	<b>66</b>	<b>71</b>	<b>7%</b>

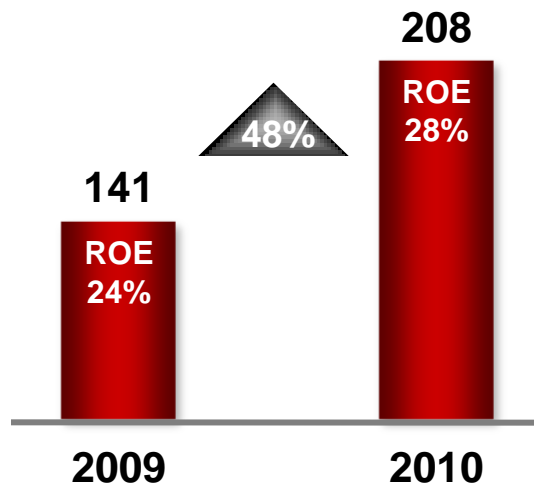
# Long Term Savings



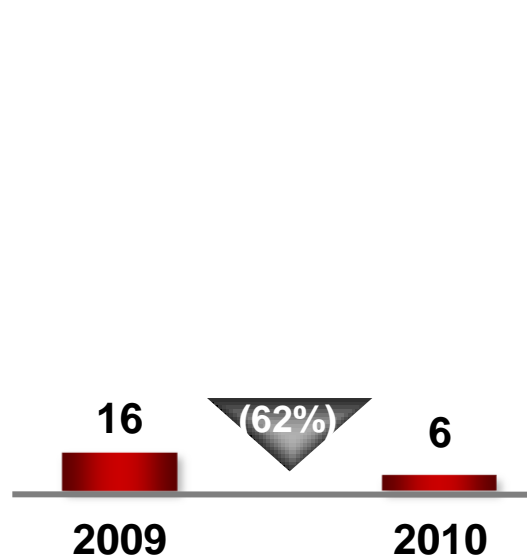
## Net Income in Million Pesos

	2009		2010
Total	380	▲ 17%	444

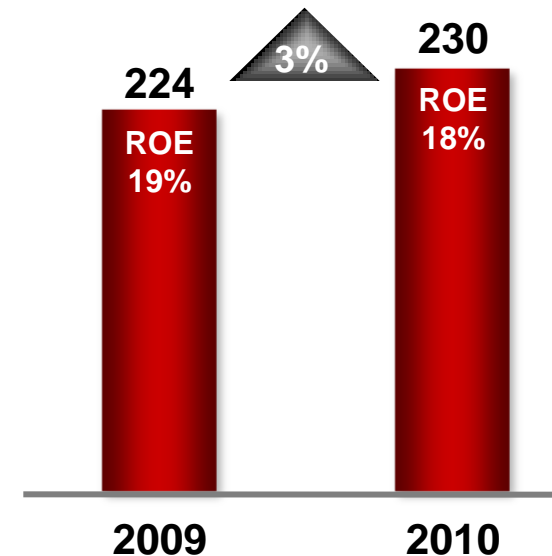
### AFORE



### ANNUITIES



### INSURANCE

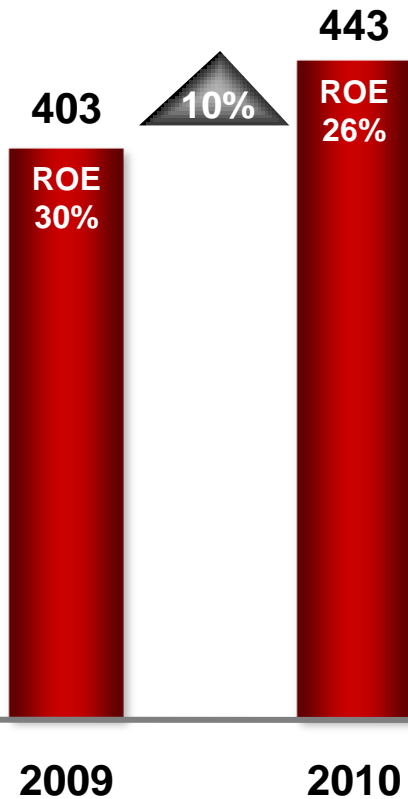


# Subsidiaries

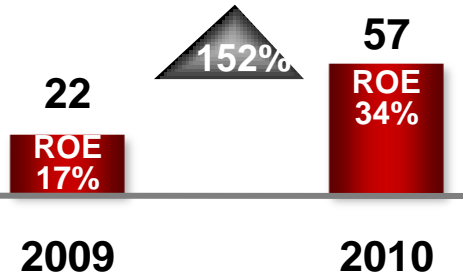


Net Income in Million Pesos

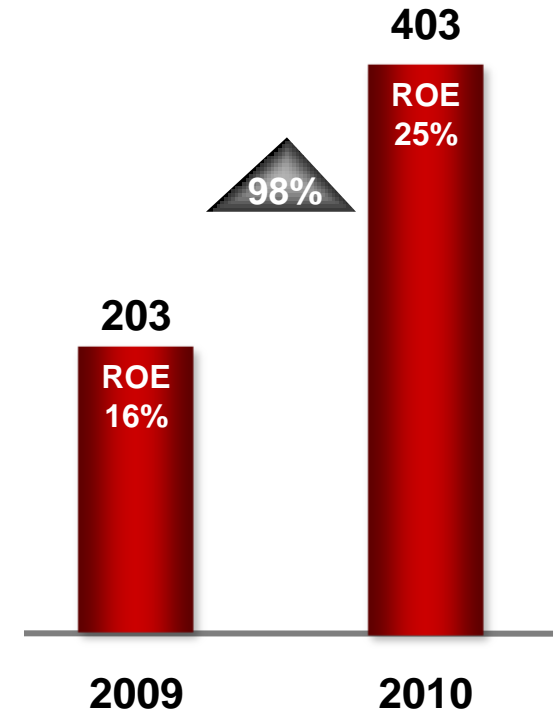
## LEASING AND FACTORING



## WAREHOUSING



## BROKER DEALER





## Million Dollars

	2009		2010
Earnings before taxes *	37.0		19.3
Loan Loss Reserves **	24.0		23.2
Net Income	8.9		(2.1)
NIM	3.6%		3.2%
ROE	3.0%		(0.5%)
ROA	0.4%		(0.1%)
Efficiency	51.3%		78.4%
Total Deposits	1,715	▲ 9%	1,861
Performing Loans	1,042	▼ 13%	903
PDL Ratio	9.3%		8.8%
Coverage Ratio	22.2%		30.7%

\* Earnings before taxes, loan loss reserves and losses on asset sales.

\*\*Including losses on asset sales.





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