

Equator Principles

We consider sustainable development as fundamental to the proper management of our banking business. For this reason and in order to strengthen the integration of environmental and social criteria in the way we do business, on March 12th, 2012, Banorte signed the Equator Principles (EP). We are the second Mexican bank to become a signatory of these principles, which have become the maximum standard for managing environmental and social risks in "Project Finance".

Being committed to responsible finances, during this year, we incorporated into our policies social and environmental criteria that allow us to promote among our employees and customers an increasingly responsible way of doing business. As the third largest bank in Mexico, we know that this long-term vision is essential and will allow us to operate in an increasingly sustainable way.

Also, in our Declaration of Sustainability we recognize that sustainability is vital in the process of maximizing the profitability and growth of the institution, in order to promote in all cases the balance among financial, social and environmental aspects of our operations.

During 2012, we have been working in order to achieve the successful implementation of the EP through a system that allows us to identify, assess, manage and monitor the "Project Finance" transactions whose capital costs exceed \$10 million USD. A similar process has been in place as of October 1st, 2012, for projects of more than \$1 million USD in the area of Corporate Banking through the Social and Environmental Management System (SEMS). Besides allowing us to assign the risk to each project, this process allows us to detect new business opportunities.

To ensure a successful implementation, the *Universidad del Medio Ambiente (UMA)*, a leader in sustainability education and training in Mexico, supports us with the implementation of the EP. UMA staff members work as full-time consultants in our credit analysis and provide their expertise to projects that require it. Also, UMA supported us with the successful implementation of the SEMS.

We recognize that training is a key factor for the proper functioning of our social and environmental risk analysis. For this reason we have trained more than 250 persons through face-to-face and remote courses. We trained 12 Champions, distributed throughout Mexico, who work as specialists in the detection of environmental and social risks in projects.

We are currently developing a specific process of due diligence by industry, that will allow us to conduct an even more exhaustive social/environmental analysis. Additionally, we have developed a training manual in order to provide personnel with technical knowledge in the operation and implementation of our social and environmental risk management system.

Finally, in order to improve our identification of socio/environmental risks, during 2012 we conducted, with the support of UMA, a comparative study between International Finance Corporation Performance Standards and World Bank's Environmental, Health and Safety Guidelines and Mexican law. This study will allow us to detect the gaps between these laws and the IFC performance standards and World Bank Guidelines, so as to identify the industries in which we have greater risk.