

A faded, grayscale image of a grand, historic building with ornate architectural details, including a central archway and decorative sculptures. The building appears to be a significant landmark, possibly a bank or government building.

# GFNORTE 3Q09

November, 2009.

**1. 3Q09 Results**

**2. Asset Quality**

**3. Capital Management**

**4. Subsidiaries**

**5. Final Remarks**

# Yearly Recap GFNorte



MILLION PESOS

	9M08		9M09
Net Income	5,742	(24%)	4,352
Recurring Net Income	5,397	(19%)	4,352
ROE	22%		15%
ROA	2.5%		1.0%*
Efficiency	51.9%		51.6%
Net Interest Margin	7.7%		4.4%*
Performing Loan Growth	31%		2%
Past Due Loan Ratio	1.7%		2.5%
Stock Price	34.92	29%	45.19
Book Value Per Share	18.43	8%	19.86
P/BV	1.89	20%	2.28

\* Includes repos reclassified as balance sheet assets.



# Income Statement



MILLION PESOS

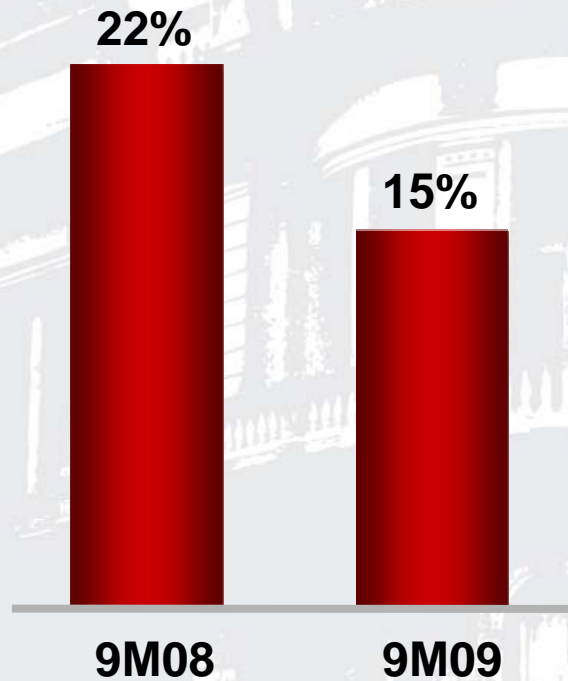
	2Q09	3Q09	9M08	9M09	Change QoQ	AoA
Net Interest Income	5,838	5,592	16,134	17,629	(4%)	9%
Non Interest Income	1,933	2,461	5,924	6,459	27%	9%
<i>Service Fees</i>	1,447	1,481	4,913	4,375	2%	(11%)
<i>Recovery</i>	164	229	530	531	39%	-
<i>FX &amp; Trading</i>	167	411	481	823	146%	71%
<i>Other Income and Expense</i>	154	340	-	730	120%	NA
<b>Total Income</b>	<b>7,771</b>	<b>8,053</b>	<b>22,058</b>	<b>24,088</b>	<b>4%</b>	<b>9%</b>
Non Interest Expense	(4,024)	(4,073)	(11,438)	(12,421)	1%	9%
<b>Net Operating Income</b>	<b>3,747</b>	<b>3,980</b>	<b>10,620</b>	<b>11,667</b>	<b>6%</b>	<b>10%</b>
Provisions	(2,188)	(2,154)	(3,912)	(6,504)	(2%)	66%
Non Operating Income, Net	168	138	1,932	720	(18%)	(63%)
Income Tax	(429)	(545)	(2,808)	(1,549)	27%	(45%)
Subs & Minority Interest	14	10	(90)	18	(31%)	120%
<b>Net Income</b>	<b>1,312</b>	<b>1,428</b>	<b>5,742</b>	<b>4,352</b>	<b>9%</b>	<b>(24%)</b>



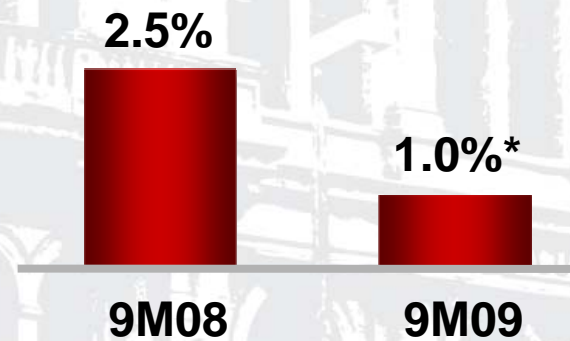
# Profitability



ROE



ROA



\* Includes repos reclassified as balance sheet assets.

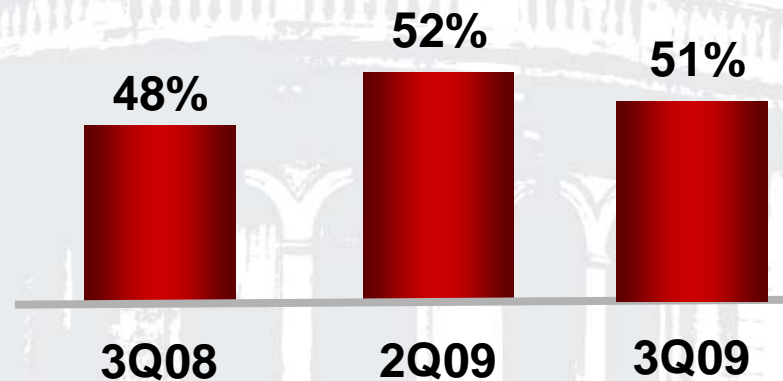
# Cost to Income



BILLION PESOS

	3Q08	2Q09	3Q09	QoQ	YoY
Total Income	7.8	7.8	8.0	4%	4%
Non Interest Expense	3.7	4.0	4.1	1%	9% → Including employee profit sharing in 3Q08: +2%

EFFICIENCY RATIO



# Deposits



BILLION PESOS

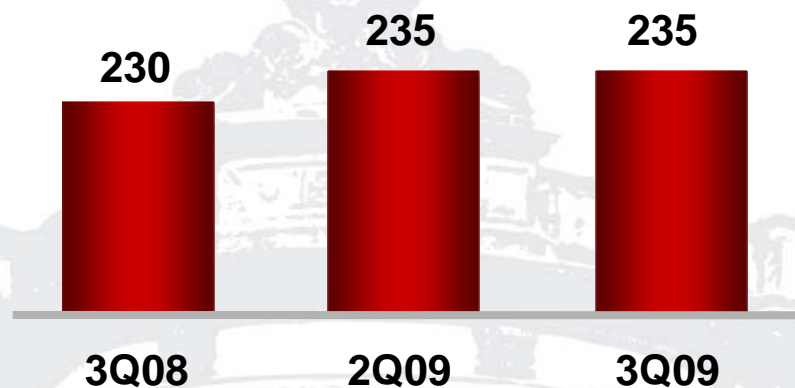
	3Q08	2Q09	3Q09	Change	
				QoQ	YoY
Demand	108	124	122	(1%)	14%
Time	67	83	84	1%	26%
<b>Core Deposits</b>	<b>174</b>	<b>207</b>	<b>206</b>	<b>-%</b>	<b>18%</b>
Money Market	67	59	64	9%	(5%)
<b>Total</b>	<b>241</b>	<b>265</b>	<b>270</b>	<b>2%</b>	<b>12%</b>



# Performing Loan Portfolio



BILLION PESOS



	3Q08	2Q09	3Q09	Change	
				QoQ	YoY
Consumer	74	74	74	1%	-
Commercial	85	86	85	(4%)	-
Corporate	45	43	41	(3%)	(9%)
Government	25	32	34	6%	33%
<b>Total</b>	<b>230</b>	<b>235</b>	<b>235</b>	<b>-</b>	<b>2%</b>

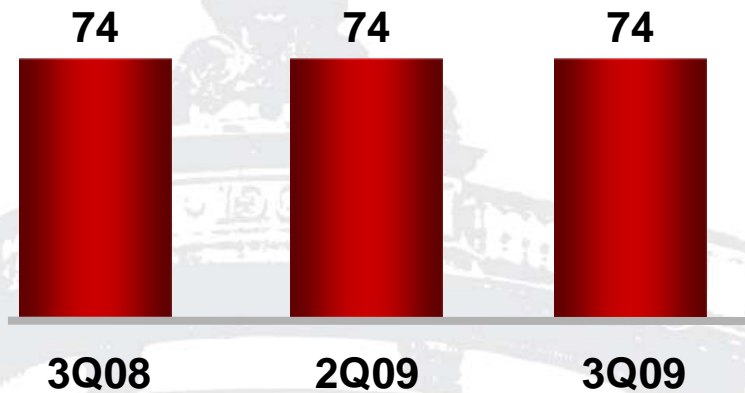




# Consumer Loan Portfolio



BILLION PESOS



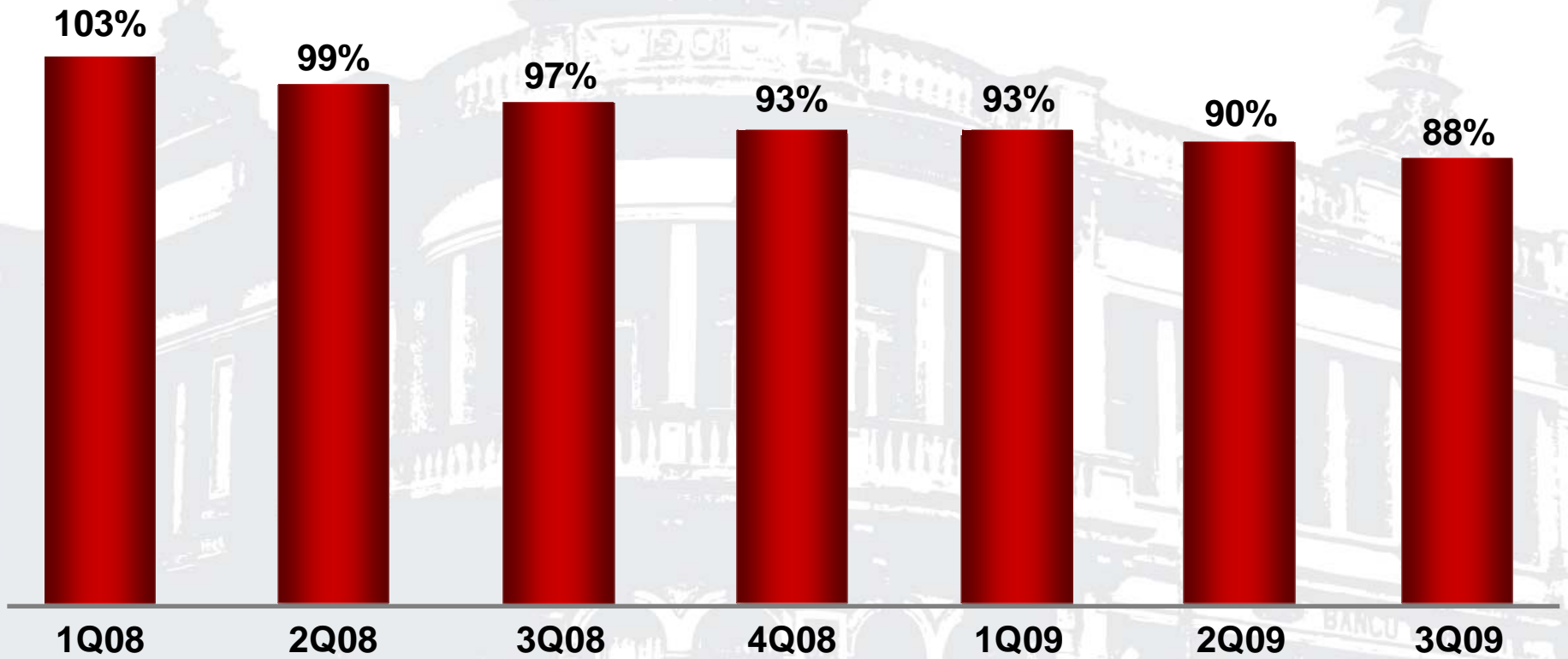
	3Q08	2Q09	3Q09	Change QoQ	Change YoY
Mortgage	43	47	48	2%	12%
Car	8	7	7	(1%)	(7%)
Credit Card	16	13	12	(4%)	(25%)
Payroll / Personal	7	6	6	2%	(9%)
<b>Consumer</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>1%</b>	<b>-</b>



# Loans to Deposits Ratio



TOTAL LOANS / TOTAL DEPOSITS



A grayscale photograph of a grand, classical-style building facade, likely a historical bank building. The building features ornate architectural details, including a central arched entrance, a balcony with a decorative railing, and a prominent pediment with a central crest. The text '2. Asset Quality' is overlaid in the center of the image.

## 2. Asset Quality

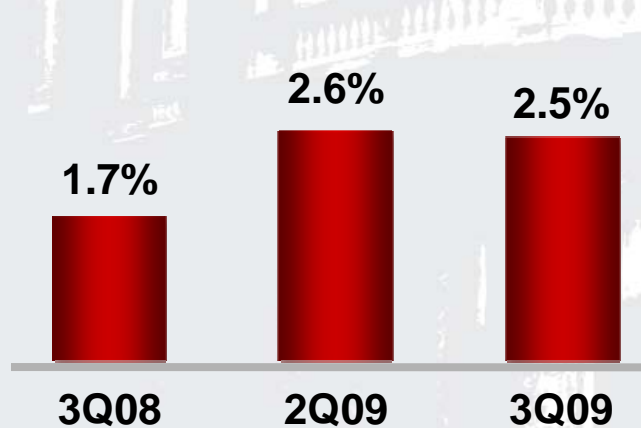
# Asset Quality



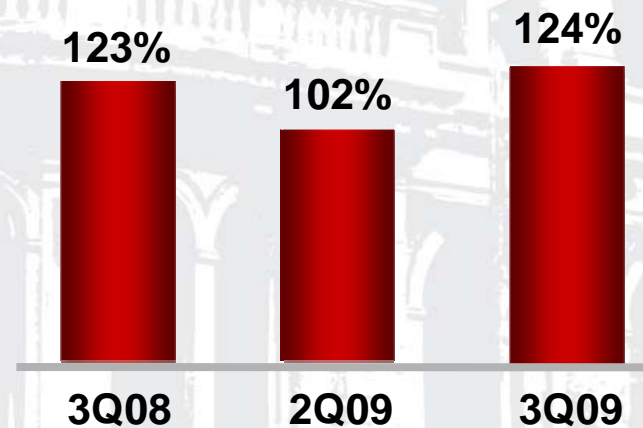
BILLION PESOS

	3Q08	2Q09	3Q09
Total Loan Portfolio	233	238	237
Past Due Loans	4.0	6.3	6.1
Loan Loss Reserves	4.9	6.4	7.5

PAST DUE LOAN RATIO



RESERVE COVERAGE RATIO



# Past Due Loan Ratio by Product

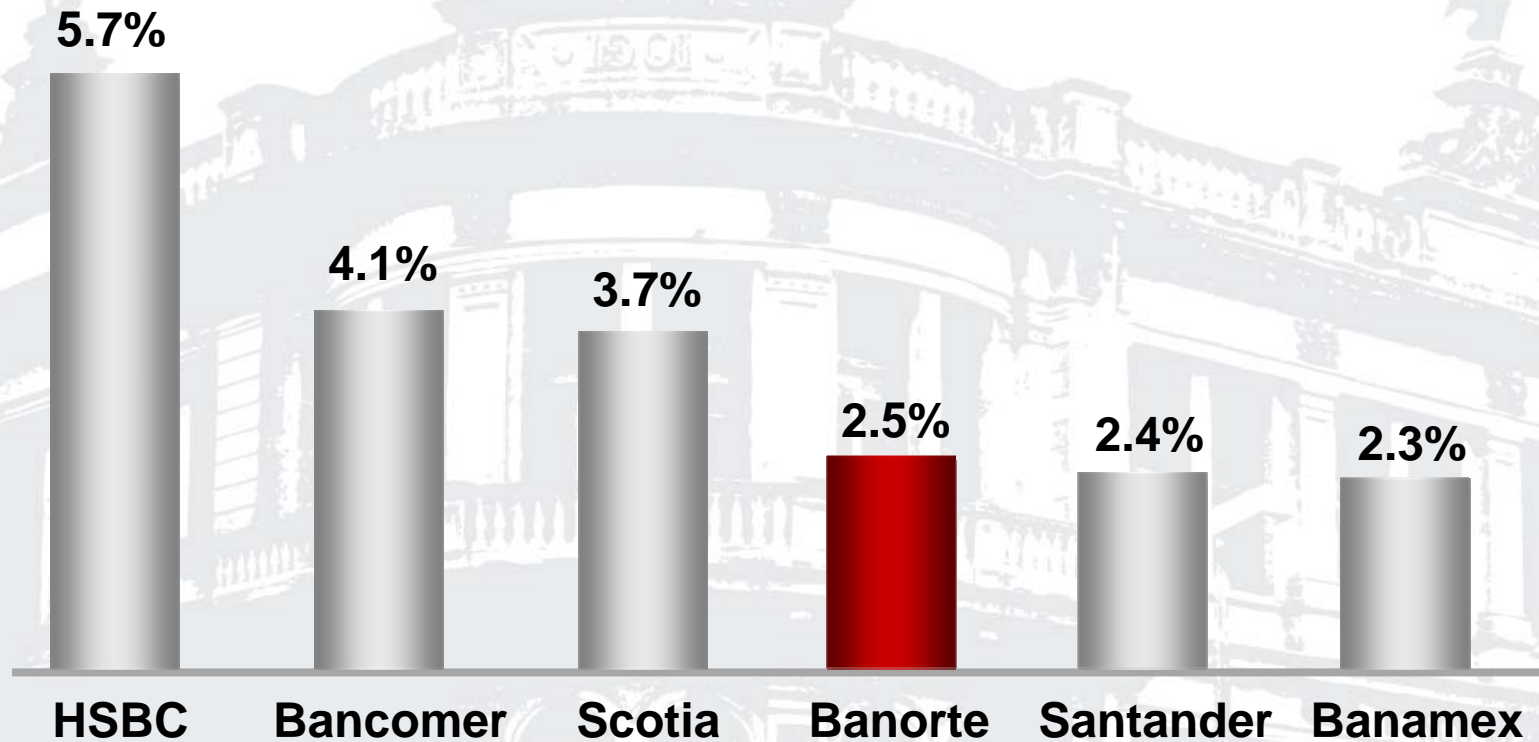


	3Q08	4Q08	1Q09	2Q09	3Q09
Credit Cards	9.0%	12.4%	13.6%	14.4%	12.7%
Payroll	2.2%	2.8%	2.9%	3.0%	2.8%
Car	2.0%	2.2%	2.5%	3.0%	2.7%
Mortgage	1.6%	1.6%	1.7%	1.9%	2.0%
Commercial	1.7%	2.0%	2.6%	3.4%	3.6%
Corporate	0%	0%	0%	0.1%	0.1%
Government	0%	0%	0%	0%	0%



# Industry PDL Ratios

September 2009



Source: CNBV

### 3. Capital Management

# Capitalization



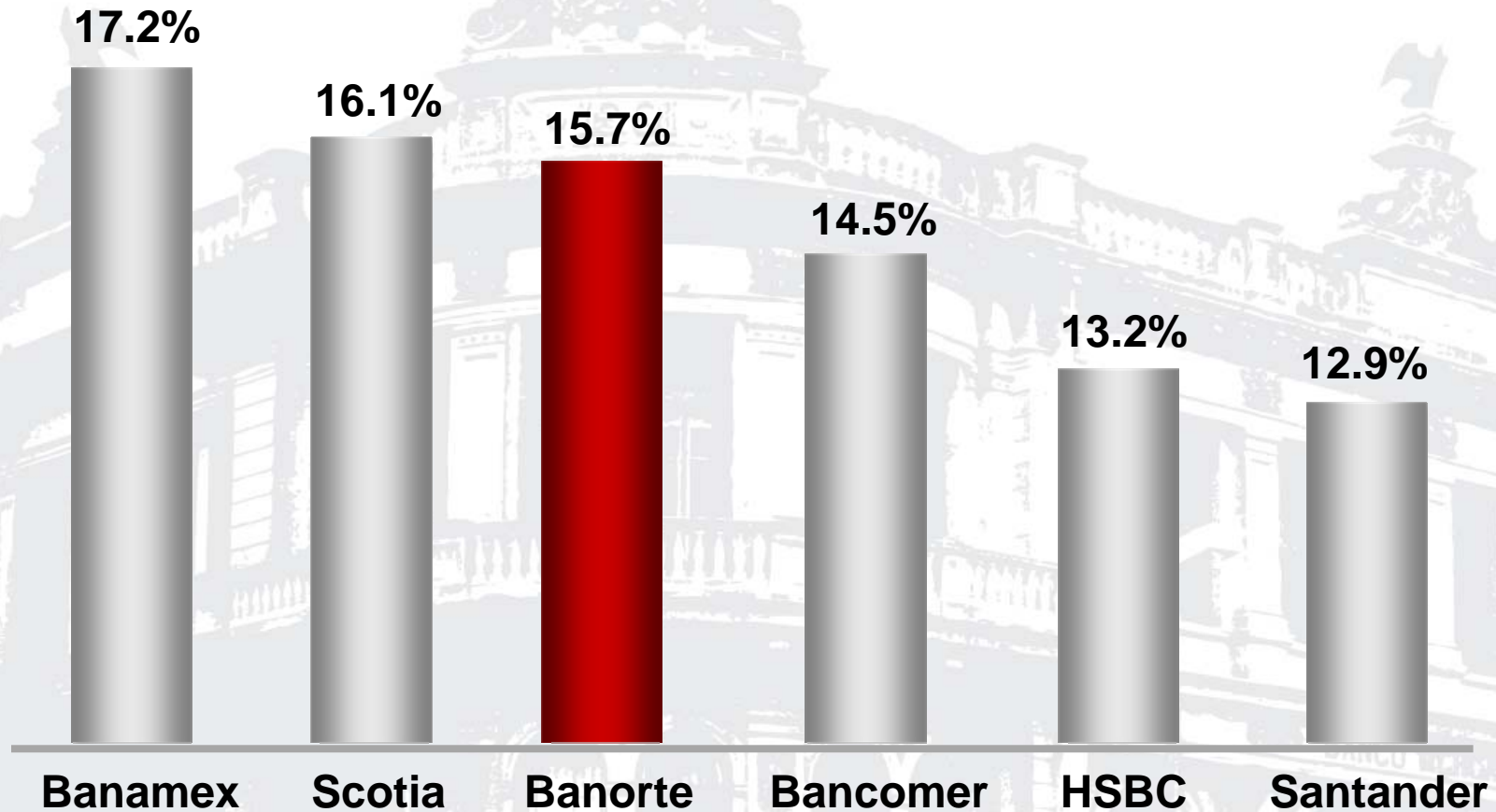
	3Q08	4Q08	1Q09	2Q09	3Q09
Tier 1	10.6%	9.4%	9.7%	10.7%	10.9%
Tier 2	5.2%	5.6%	4.9%	4.9%	5.2%
<b>TOTAL</b>	<b>15.8%</b>	<b>15.0%</b>	<b>14.6%</b>	<b>15.6%</b>	<b>16.1%</b>
% Tier 1	67%	63%	66%	69%	68%



# Industry Capitalization Ratios



August 2009



Source: CNBV

# Credit Ratings



Agency	Rating	Outlook	Date
Standard & Poor's	BBB-	Stable	Dec-08
Fitch	BBB	Stable	Feb-09
Moody's	Baa1	Stable	Oct-09



## 4. Subsidiaries

# Recovery Bank



MILLION PESOS

	9M08	9M09
<b>Net Income</b>	485	402 (17%)

AUM  
BILLION PESOS

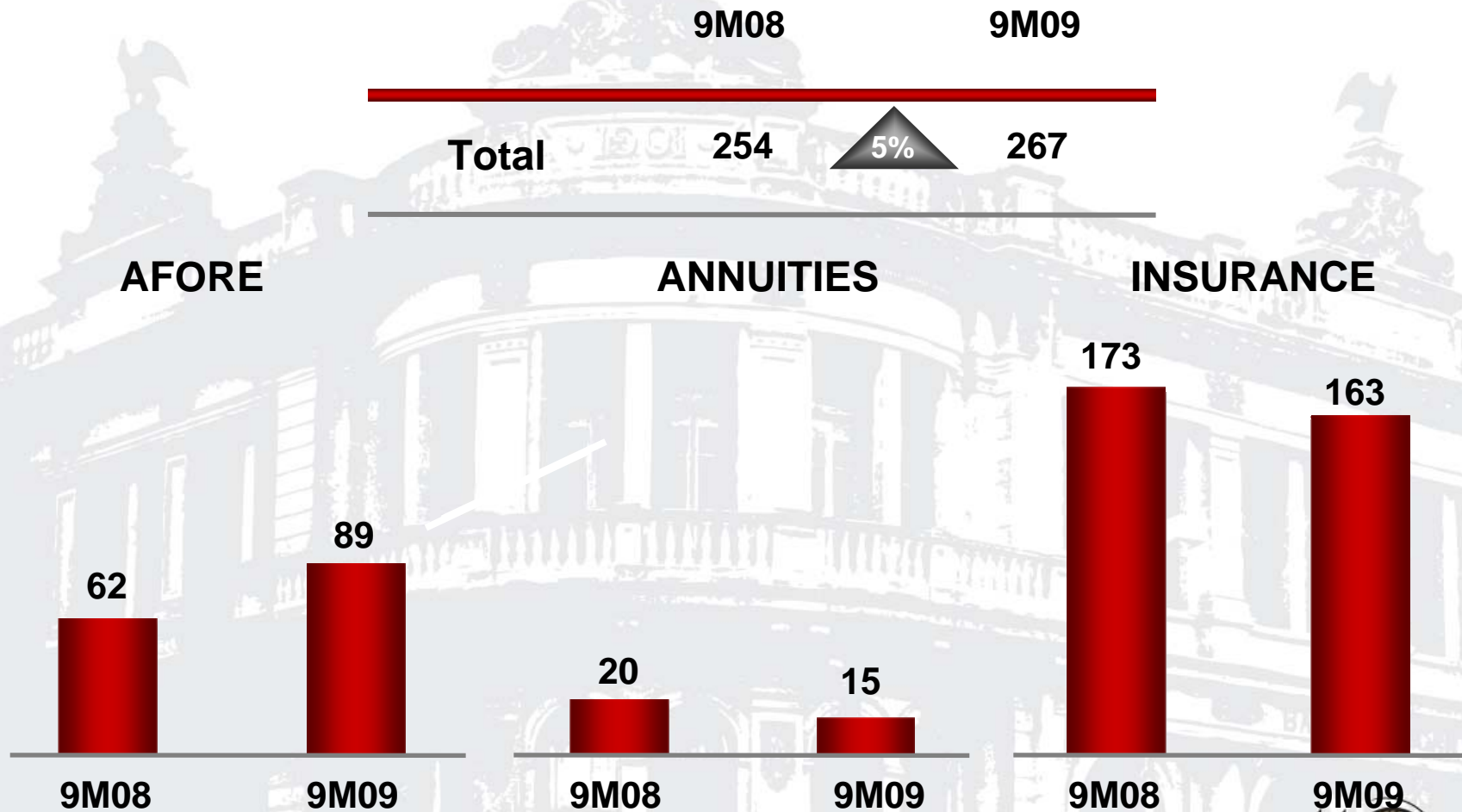
	3Q08	2Q09	3Q09	Change YoY
<b>Banorte's Assets</b>	21.3	28.9	30.9	45%
<b>Acquired Assets</b>	34.0	32.0	30.0	(12%)
<b>Investment Projects</b>	3.1	3.2	3.1	-
<b>IPAB</b>	1.5	1.5	0.4	(74%)
<b>Total</b>	59.9	65.6	64.5	8%



# Long Term Savings



NET INCOME IN MILLION PESOS



# Long Term Savings



## Assets Under Management Billion pesos

	3Q08	2Q09	3Q09	Change YoY
AFORE	56.1	62.8	68.1	21%
Insurance	13.2	12.2	11.6	(13%)
Annuities	13.7	16.3	16.9	24%
<b>Total</b>	<b>83.0</b>	<b>91.2</b>	<b>96.6</b>	<b>16%</b>

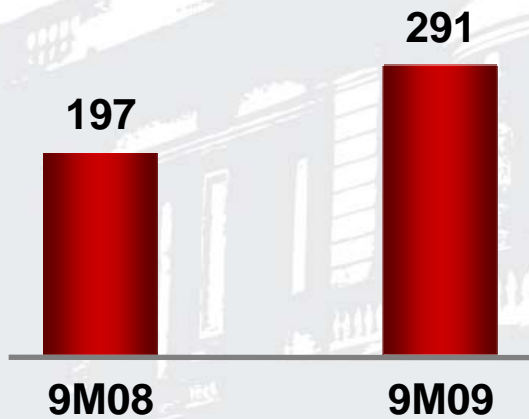


# Subsidiaries



NET INCOME IN MILLION PESOS

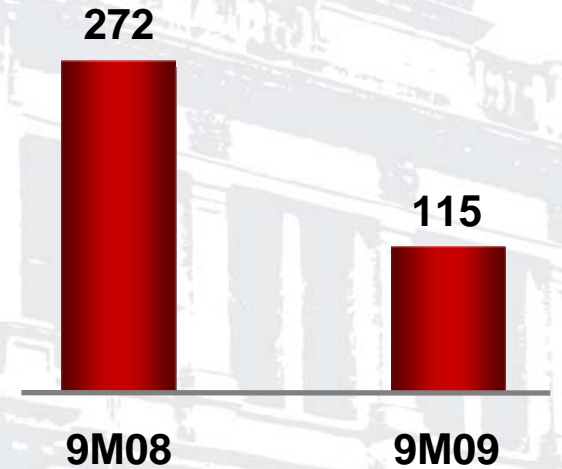
## LEASING AND FACTORING



## WAREHOUSING



## BROKER DEALER



## MILLION DOLLARS IN US GAAP

	2Q09	3Q09	Change QoQ
Net Interest Income	13.6	15.3	12%
Non Interest Income	4.1	4.1	(1.2%)
<b>Total Income</b>	<b>17.8</b>	<b>19.3</b>	<b>9%</b>
Non Interest Expense	9.8	9.2	(6%)
Loan Loss Reserves	12.8	3.0	(76%)
<b>Net Income</b>	<b>(3.0)</b>	<b>4.7</b>	<b>255%</b>
<b>Total Deposits</b>	<b>1,694</b>	<b>1,753</b>	<b>3.5%</b>
<b>Performing Loans (MXGAAP)</b>	<b>1,118</b>	<b>1,126</b>	<b>0.7%</b>
<b>Past Due Loans (MXGAAP)</b>	<b>34</b>	<b>45</b>	<b>32%</b>



## FINANCIAL RATIOS (%)

	2Q09	3Q09
MIN	3.3%	3.5%
ROE	(7.9%)	10.7%
ROA	(0.7%)	1.0%
Efficiency	55.2%	47.7%
PDL Ratio (MXGAAP)	2.9%	3.8%
Reserve Coverage (MXGAAP)	73.3%	70.6%
Capitalization Ratio	13.7%	16.9%
Tier 1 Capital	7.8%	9.3%

## 5. Final Remarks

# Quarterly Events



- Authorization to operate through correspondent banking.
- Launch of “Anniversary Mortgage” with 11% interest rate.
- Launch of “Cuenta Fuerte”, account with bundled products.
- Dividend Payment of Ps 0.18 per share; first of three payments.
- Formalization of IFC’s investment in Banco Mercantil del Norte.
- INB signs a formal agreement with the OCC.
- Pronegocio micro-lending unit is merged with Banorte.

## Contact Information

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