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# **GFNORTE**

## **4Q09**

**February, 2010.**

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- 1. 4Q09 Results**
- 2. Asset Quality**
- 3. Capital Management**
- 4. Subsidiaries**
- 5. Final Remarks**

# Yearly Recap GFNorte



MILLION PESOS

	2008		2009
Net Income	7,014	(17%)	5,854
Recurring Net Income	6,669	(12%)	5,854
ROE	19.7%		14.9%
ROA	1.9%		1.0%
Efficiency	51%		53%
Net Interest Margin	6.8%		4.3%
Performing Loan Growth	24%		(1%)
Past Due Loan Ratio	2.0%		2.5%
Stock Price	24.88	92%	47.84
Book Value Per Share	18.77	9%	20.50
P/BV	1.33	75%	2.33

# Income Statement

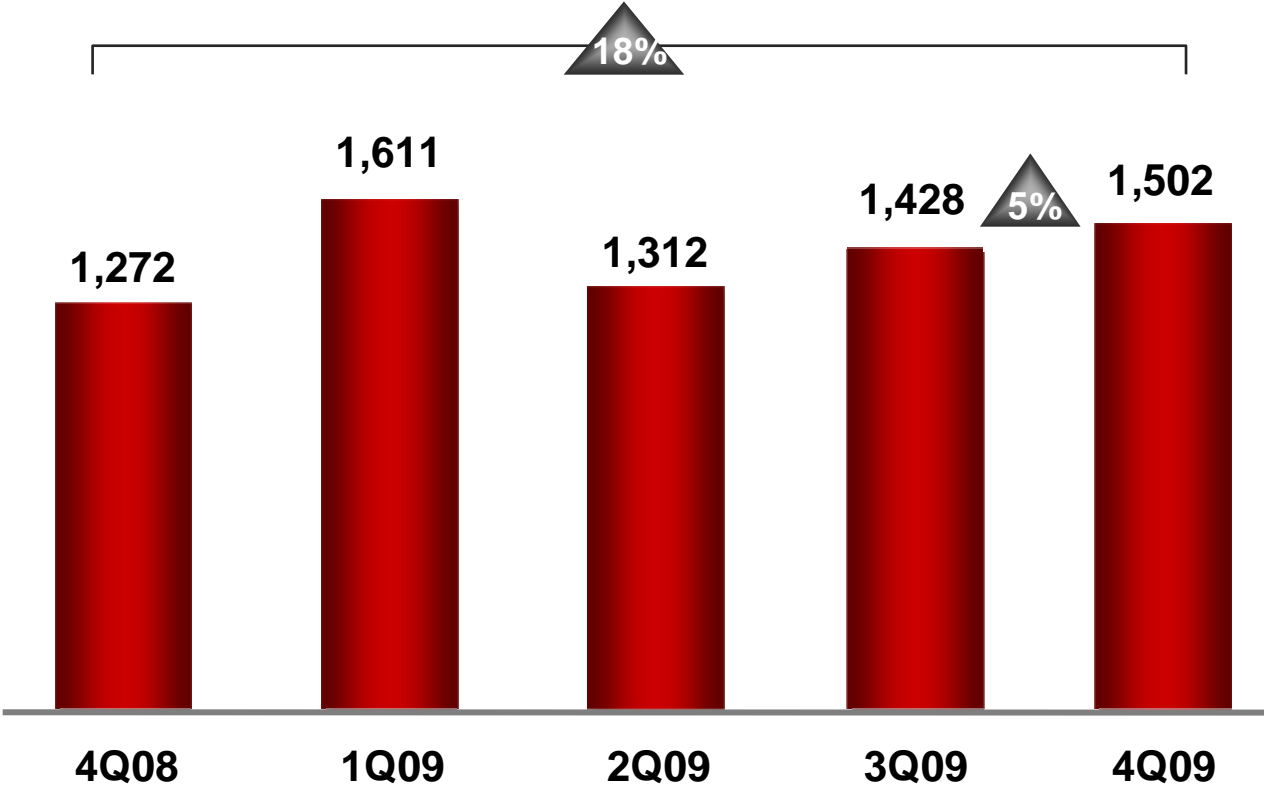


	4Q08	3Q09	4Q09	2008	2009	Change		
						vs. 3Q09	vs. 4Q08	vs. 2008
<b>Net Interest Income</b>	6,451	5,592	5,554	22,585	23,183	(1%)	(14%)	3%
<b>Non Interest Income</b>	2,360	2,460	2,719	8,284	9,177	11%	15%	11%
<i>Service Fees</i>	1,596	1,480	1,761	6,509	6,134	19%	10%	(6%)
<i>Recovery</i>	205	229	287	735	819	25%	40%	11%
<i>FX &amp; Trading</i>	559	411	421	1,040	1,244	3%	(25%)	20%
<i>Other Income &amp; Expense</i>	-	340	250	-	980	(27%)	N.A.	N.A.
<b>Total Income</b>	8,811	8,052	8,273	30,869	32,360	3%	(6%)	5%
<b>Non Interest Expense</b>	4,369	4,073	4,604	15,808	17,024	13%	5%	8%
<b>Net Operating Income</b>	4,442	3,979	3,669	15,061	15,336	(8%)	(17%)	2%
<b>Provisions</b>	2,983	2,154	1,782	6,896	8,286	(17%)	(40%)	20%
<b>Non Operating Income, Net</b>	413	138	152	2,346	872	10%	(63%)	(63%)
<b>Income Tax</b>	592	545	496	3,400	2,045	(9%)	(16%)	(40%)
<b>Subs &amp; Minority Interest</b>	(7)	10	(41)	(96)	(24)	(510%)	486%	(75%)
<b>Net Income</b>	1,272	1,428	1,502	7,014	5,854	5%	18%	(17%)

# Quarterly Net Income



MILLION PESOS



# Cost to Income

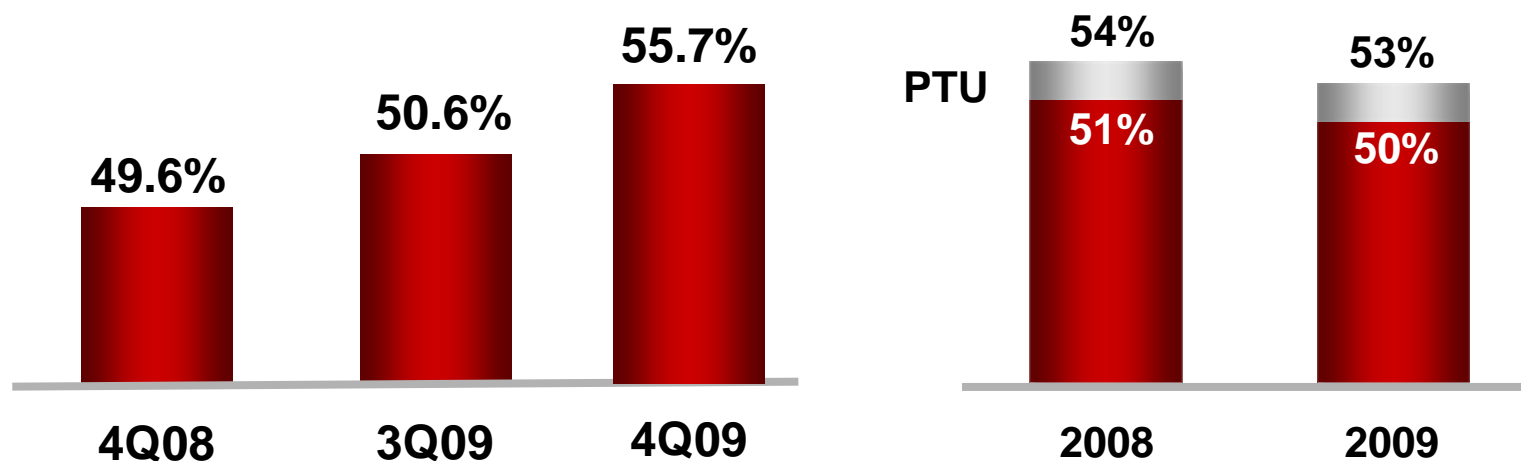


BILLION PESOS

	4Q08	3Q09	4Q09	QoQ	YoY
Total Income	8.8	8.1	8.3	3%	(6%)
Non Interest Expense	4.4	4.1	4.6	13%	5%

→ Including employee profit sharing in 4Q08: +2%

EFFICIENCY RATIO



# Deposits



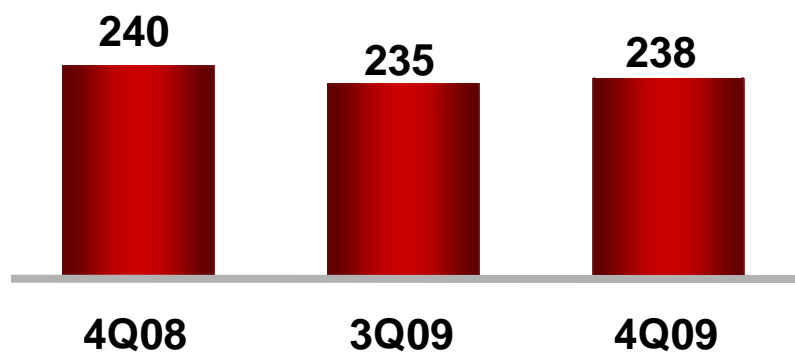
BILLION PESOS

	4Q08	3Q09	4Q09	Change	
				QoQ	YoY
Demand	128	122	138	12%	7%
Time	75	84	85	1%	13%
<b>Core Deposits</b>	<b>203</b>	<b>206</b>	<b>222</b>	<b>8%</b>	<b>9%</b>
Money Market	57	64	53	(17%)	(8%)
<b>Total</b>	<b>261</b>	<b>270</b>	<b>275</b>	<b>2%</b>	<b>5%</b>

# Performing Loan Portfolio



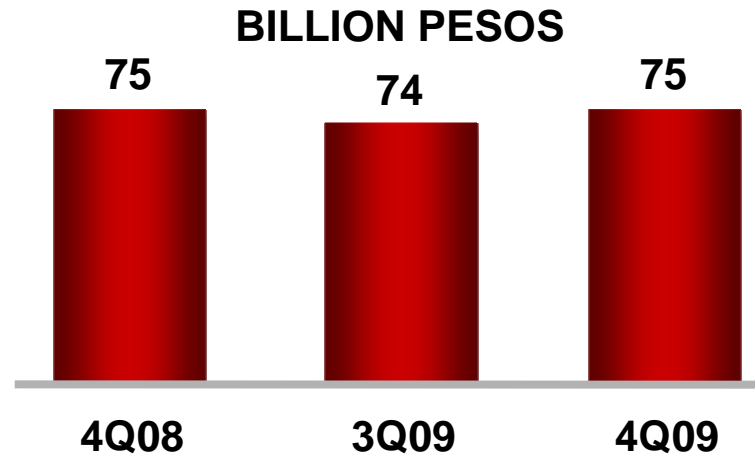
BILLION PESOS



	4Q08	3Q09	4Q09	Change	
				QoQ	YoY
<b>Consumer</b>	75	74	75	1%	0%
<b>Commercial</b>	93	85	84	(1%)	(9%)
<b>Corporate</b>	45	41	40	(3%)	(11%)
<b>Government</b>	27	34	39	16%	44%
<b>Total</b>	240	235	238	2%	(1%)



# Consumer Loan Portfolio

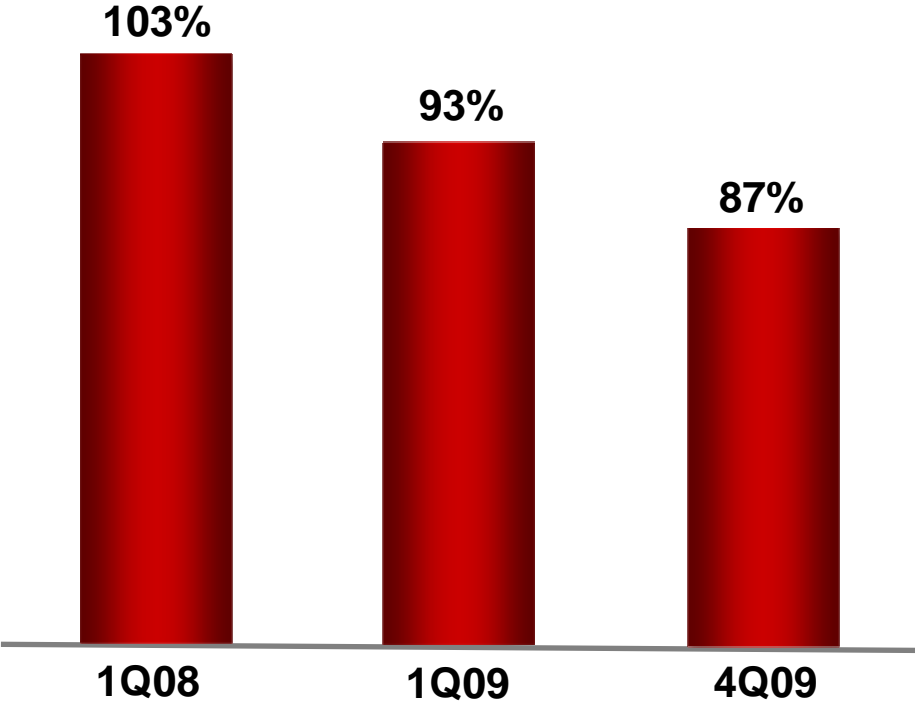


	4Q08	3Q09	4Q09	Change	
				QoQ	YoY
Mortgage	45	48	49	2%	8%
Car	8	7	7	2%	(2%)
Credit Card	15	12	12	(5%)	(22%)
Payroll / Personal	7	6	6	0%	(3%)
<b>Consumer</b>	<b>75</b>	<b>74</b>	<b>75</b>	<b>1%</b>	<b>0%</b>

# Loans to Deposits Ratio



TOTAL LOANS /TOTAL DEPOSITS





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## 2. Asset Quality

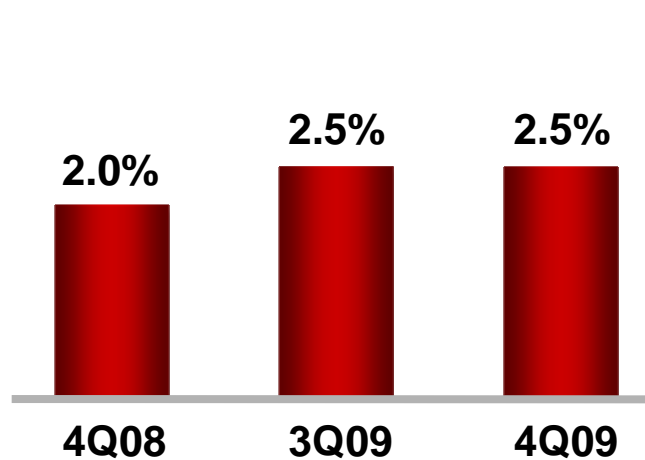
# Asset Quality



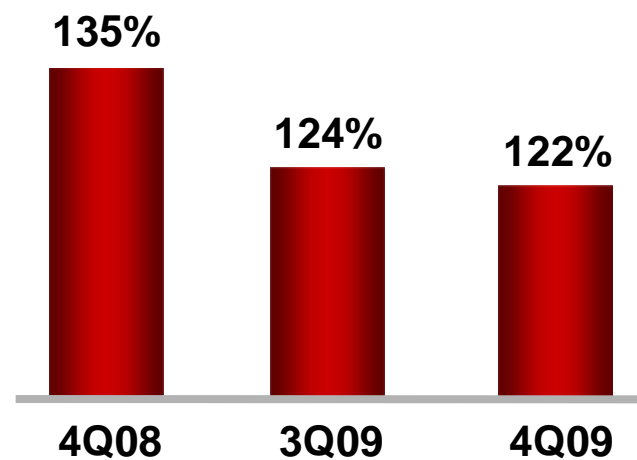
BILLION PESOS

	4Q08	3Q09	4Q09
Total Loan Portfolio	242	237	240
Past Due Loans	4.9	6.1	6.2
Loan Loss Reserves	6.7	7.5	7.5

PAST DUE LOAN  
RATIO



RESERVE  
COVERAGE RATIO



# Past Due Loan Ratio by Product

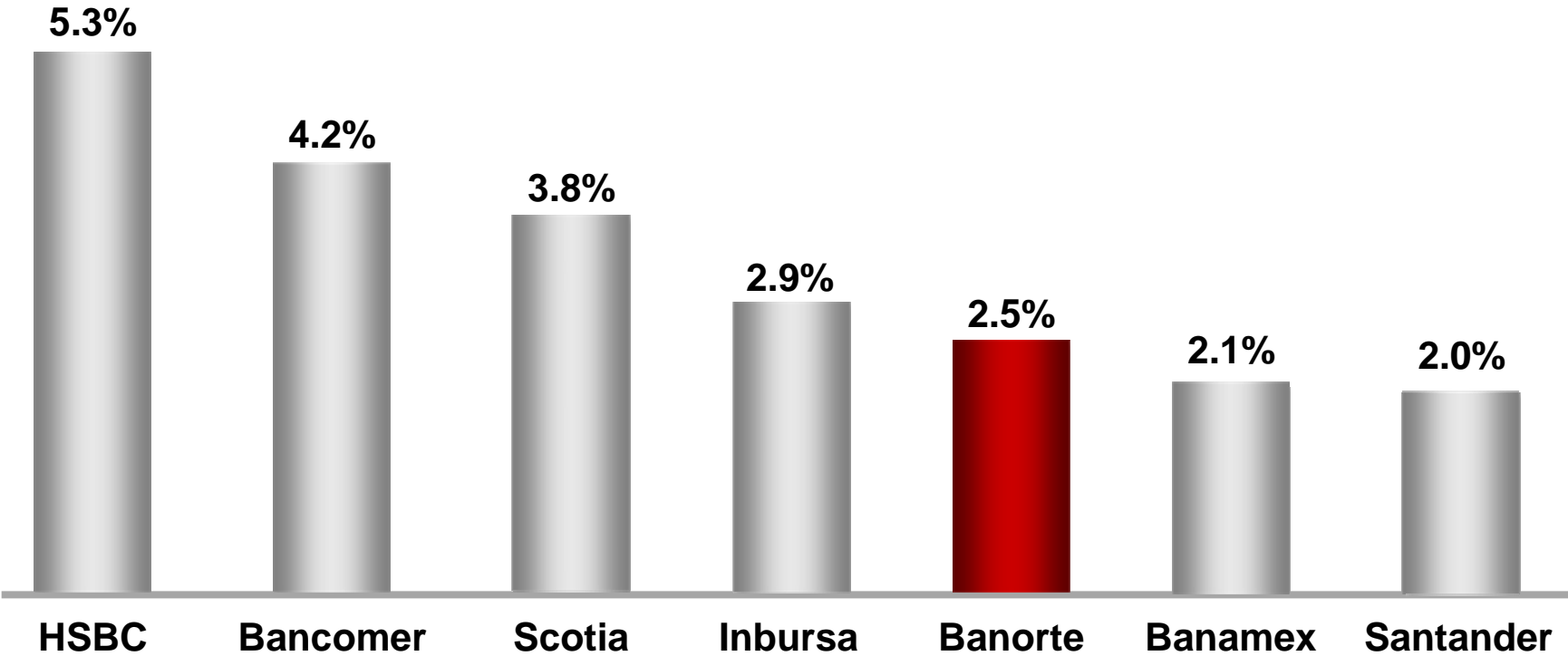


	4Q08	1Q09	2Q09	3Q09	4Q09	
Credit Cards	12.4%	13.6%	14.4%	12.7%	12.0%	↓
Payroll	2.8%	2.9%	3.0%	2.8%	2.8%	▬
Car	2.2%	2.5%	3.0%	2.7%	2.0%	↓
Mortgage	1.6%	1.7%	1.9%	2.0%	2.0%	▬
Commercial	2.0%	2.6%	3.4%	3.6%	4.1%	↑
Corporate	0%	0%	0.1%	0.1%	0.1%	▬
Government	0%	0%	0%	0%	0%	▬

# Industry PDL Ratios



2009



Source: CNBV. Banorte's ratio as of December 2009 and other banks as of November.



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## **3. Capital Management**

# Capitalization



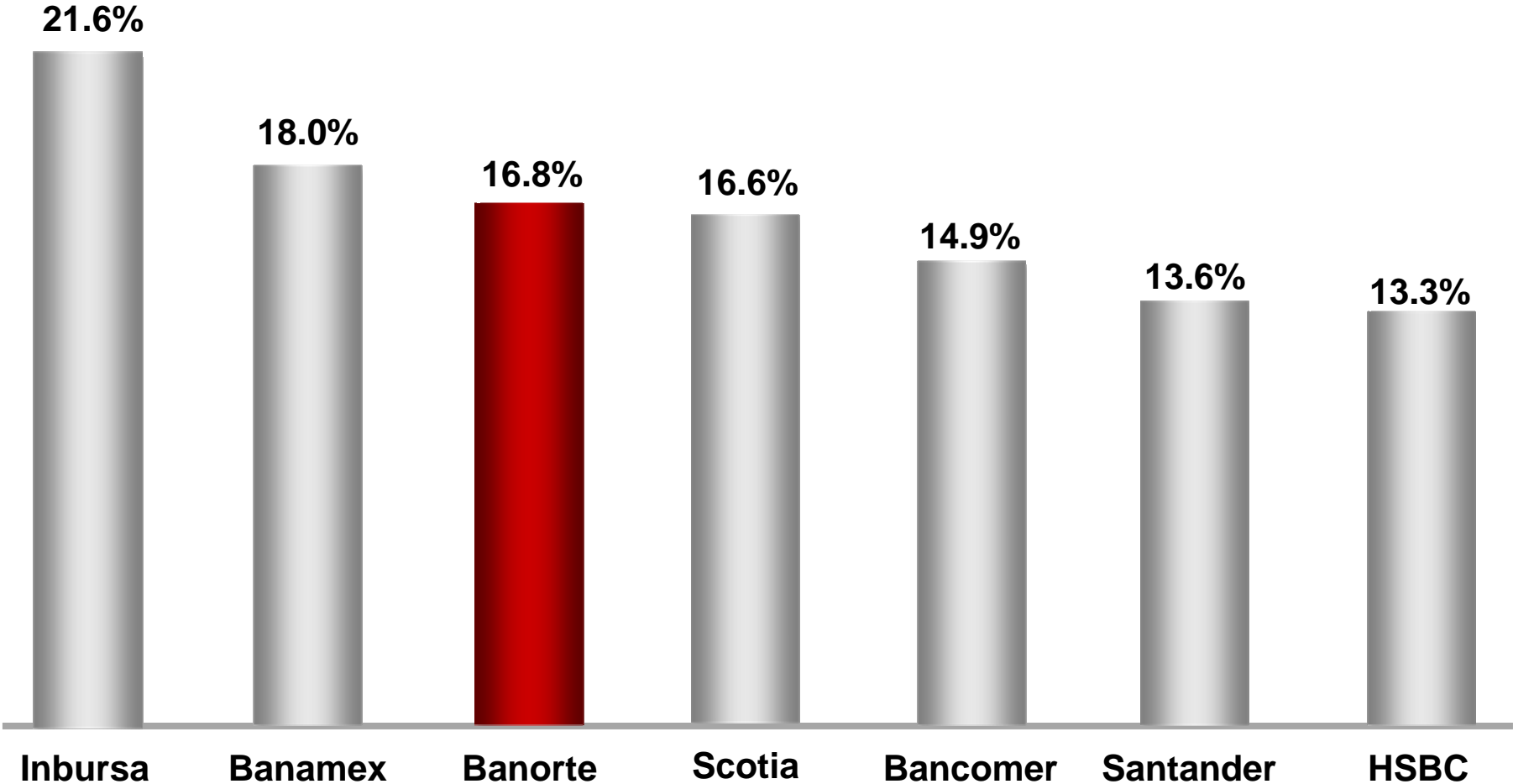
	<b>4Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>3Q09</b>	<b>4Q09</b>
<b>Tier 1</b>	<b>9.4%</b>	<b>9.7%</b>	<b>10.7%</b>	<b>10.9%</b>	<b>12.0%</b>
<b>Tier 2</b>	<b>5.6%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>5.2%</b>	<b>4.8%</b>
<b>TOTAL</b>	<b>15.0%</b>	<b>14.6%</b>	<b>15.6%</b>	<b>16.1%</b>	<b>16.8%</b>
<b>% Tier 1</b>	<b>63%</b>	<b>66%</b>	<b>69%</b>	<b>68%</b>	<b>71%</b>



# Industry Capitalization Ratios



2009



Source: CNBV. Banorte's ratio as of December 2009 and other banks as of November.

# Credit Ratings

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<b>Agency</b>	<b>Rating</b>	<b>Outlook</b>	<b>Date</b>
<b>Standard &amp; Poor's</b>	<b>BBB-</b>	<b>Stable</b>	<b>Jan-10</b>
<b>Fitch</b>	<b>BBB</b>	<b>Stable</b>	<b>Feb-09</b>
<b>Moody's</b>	<b>Baa1</b>	<b>Stable</b>	<b>Oct-09</b>

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## 4. Subsidiaries



## MILLION PESOS

	2008		2009
<b>Net Income</b>	701	(9%)	640

## AUM BILLION PESOS

	4Q08	3Q09	4Q09	Change YoY
<b>Banorte's Assets</b>	23	31	32	38%
<b>Acquired Assets</b>	34	30	29	(14%)
<b>Investment Projects</b>	3	3	4	39%
<b>IPAB</b>	2	0.4	0.4	(75%)
<b>Total</b>	62	65	66	7%

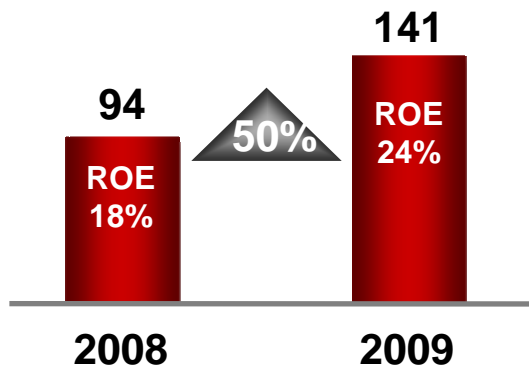
# Long Term Savings



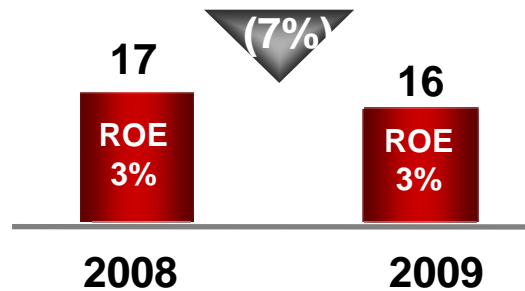
## NET INCOME IN MILLION PESOS

	2008		2009
Total	354	▲ 8%	380

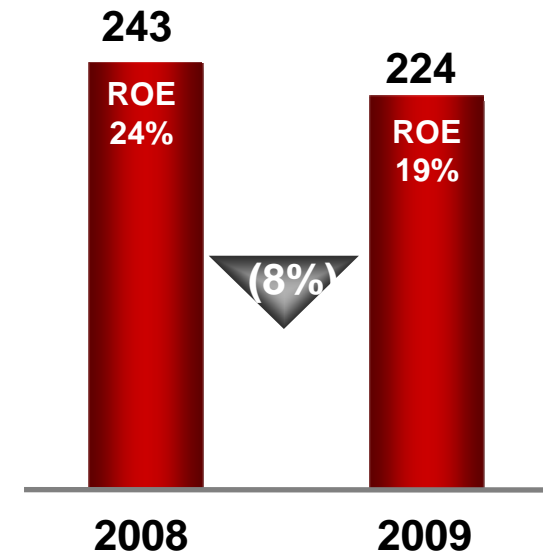
### AFORE



### ANNUITIES



### INSURANCE



# Long Term Savings



## Assets Under Management Billion pesos

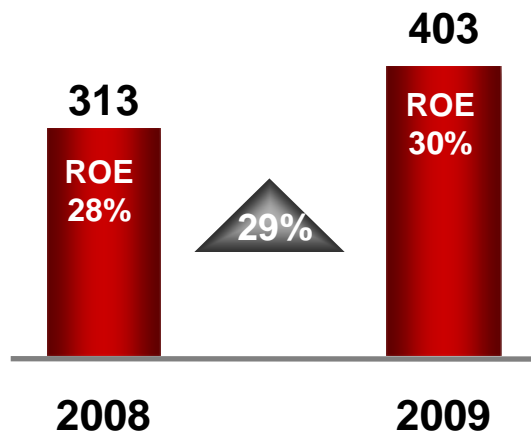
	4Q08	3Q09	4Q09	Change YoY
AFORE	56.2	68.1	71.6	27%
Insurance	11.3	11.6	12.3	8%
Annuities	14.8	16.9	18.2	23%
<b>Total</b>	<b>82.3</b>	<b>96.6</b>	<b>102.1</b>	<b>24%</b>

# Subsidiaries

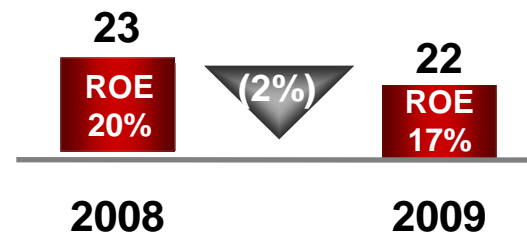


## NET INCOME IN MILLION PESOS

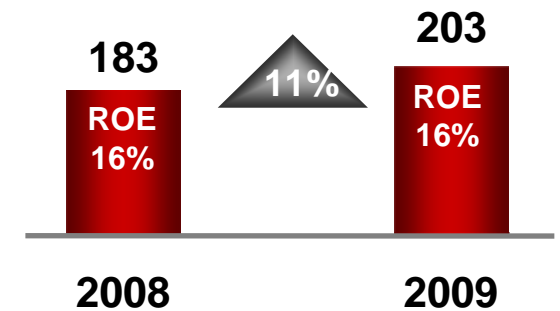
### LEASING AND FACTORING



### WAREHOUSING



### BROKER-DEALER




**MILLION DOLLARS**

	<b>2008</b>	<b>2009</b>
Net Interest Income	27.2	8.9
Loan Loss Reserves	5.3	24.0
MIN	4.3%	3.6%
ROE	21.5%	5.3%
ROA	1.6%	0.5%
Efficiency	42.7%	51.3%
Total Deposits	1,379	▲ 24% 1,715
Performing Loans	1,125	▼ 4% 1,078
PDL Ratio	1.4%	6.9%
Capitalization Ratio	12.5%	17.4%





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## 5. Final Remarks

# Quarterly Events

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- **For a second consecutive year and the fourth time in the last five years, Banorte was awarded “Best Bank of the Year in Mexico” by the prestigious British magazine "The Banker.”**
- **Afore Banorte Generali continues to consolidate its presence in the retirement savings market by purchasing Afore Argos’ assets.**
- **Standard and Poor's ratified the BBB-/ A3 risk rating of Banco Mercantil del Norte. The ratifying of Banorte’s investment grade rating was in spite of Mexico’s lower credit rating, as well as a downgrade to an important number of banks in the system.**
- **Banorte initiated the operational phase as third party correspondent to Telecomm Telegrafos, becoming the only bank to manage savings accounts through the Telecomm facilities**



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## **Contact Information**

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