



Transforming
capital into
VALUE

2013 Annual Report



About this Report

With this Annual Report we aim **to communicate** the results of our performance at Grupo Financiero Banorte during the period from January 1st to December 31st, 2013; **as well as to show** how the fulfillment of our commitments – established for the financial, social and environmental areas of our operations – have advanced.

This year we are starting a transition process towards the Global Reporting Initiative (GRI) Methodology, in its G4 version. We are presenting our fourth integrated report, and our fifth report according to the GRI guidelines.

For the definition of the content and the materiality, a materiality analysis was carried out with the help of an external consulting firm. This allowed us to define the information to be included in this Report. The current status of the organization was identified based on policies and procedures, specific business risks and the perception of our stakeholders. Some of the aspects that were included are:

- **Understanding the business model**
- **Identification and analysis of institutional policies and procedures**
- **Analysis of the organizational structure and of the valuechain**
- **Identification of key players (internal and external)**

We are adhering to the comprehensive option, reporting all of the general and specific indicators, based on the GRI G4 Aspects defined as material, as well as on those from the Financial Sector supplement. We are committed as well to **keep on working on strengthening the compliance of the principles of elaboration of the report**, carrying on with the materiality exercise and following up on material aspects and topics along the year.



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OUR MESSAGE

Message from the Chairman

G4-1, G4-2, G4-13, G4-15, G4-EC1



As every year, I am pleased to share once again with our main stakeholders some considerations about the economic and political balance – both at an international and at a domestic level –. These considerations are as well about the effects of such balances over the operations of Grupo Financiero Banorte. This is the third year during which I have been honored to lead the Board of Directors of Grupo Financiero Banorte, thanks to the vote of confidence granted by its shareholders, who confirmed me as a Counselor during the last Ordinary Annual Meeting. I am glad to inform you that, in spite of the challenging environment we faced in 2013, we once again had a year with positive results. Such results will be explained in full detail at the Report of the Chief Executive Officer about Business Progress.

Beginning with the international environment, the year 2013 was defined once again by a low global economic growth, specially derived as a consequence of the deceleration experienced by many emerging economies, as well as by a significant volatility in financial markets. By the beginning of the year, there was a great deal of uncertainty around the economic impact due to the fiscal adjustment in the United States, as well as due to the persisting weakness in the Euro zone. In addition, by the end of the first semester, there were important periods of volatility, since it was expected that the Federal Reserve would start removing its monetary stimuli before what had been planned. This had as a consequence the depreciation of many of the currencies of emerging countries, and there-direction of capital flows toward developed markets and instruments that represented a lower risk.

Mexico was not exempt from experiencing such volatility, and witnessed several periods of instability at the international currency markets, debt markets and capital markets, as a consequence of the uncertainty experienced at an international level. The Mexican peso depreciated along the year, long-term interest rates were **pushed** and the Mexican Stock Exchange Market recorded some periods with a negative tendency. In addition to the aforementioned aspects, the country's economy significantly decelerated in face of the weakness of the external sector; an important decrease in consumption and an important investment fall, especially in infrastructure and in residential construction. Public spending recorded an important decrease by the beginning of the year as a consequence of the government's transition, which also affected the economic activity in the country, although such spending returned to normal during the second half of the year. For the first time in several years, the Bank of Mexico modified its monetary standpoint as a consequence of the economic weakness, resulting in a reduction of 100 basis points in the reference rate during 2013.

While it is true that the economic environment was unfavorable during the year, we must not overlook the fact that 2013 will be remembered thanks to the important agreements reached in the political field; such agreements were translated into the most significant structural reforms that have taken place in the country during the last decades. Reforms in the fields of labor, education, telecommunication, competence, finance, energy and politics will undoubtedly grant Mexico a renewed competitiveness; something that becomes essential for us



to be differentiated from most of the other emerging economies that nowadays show some worrying structural problems. If those reforms are to be implemented in an adequate way, we will witness, without a doubt, a period of high economic growth, important capital flow incomes into the country, a greater productivity and the creation of new employment positions, among other things. Regarding the fiscal reform, while it was necessary to strengthen incomes from taxes, it unfortunately implied a greater number of encumbrances on the incomes of both, people and companies; therefore it will have some negative repercussions in the short-term on the development of the economy. The more those resources are used in order to boost a greater public investment, the faster our economy will be back on the road to growth.

In the case of Grupo Financiero Banorte, just as with the Mexican economy, we are facing important challenges, but we achieved as well some relevant strategic and operational advances during 2013. From the Board of Directors, we participated at some of the most significant strategic decisions that have been taken in the last few years for Grupo Financiero Banorte, and to a certain extent also for the Mexican financial system. The most remarkable one was undoubtedly the purchase of Afore Bancomer. By doing so, we became the largest Administrator of Annuities Funds in the country. We strengthened our presence in the insurance sector and Annuities as well, through the purchase of 49% of the shares held by Generali at those companies, and we placed the highest share bid in the history of the Mexican Stock Exchange Market, thus attracting a relevant sum of capital into the banking system. Regarding the operational aspect, we initiated the first efforts to shape a new banking model focused on the customer, and on the industrialization of processes; these projects are being developed along with IBM and it will allow us to achieve greater levels of efficiency and profitability.

Regarding the results achieved along the year, we achieved a historic net profit in spite of the complexity of the environment. The Loan Portfolio and **deposit-capture accounts** increased at a pace faster than economy, although the portfolio of overdue payments showed a significant increase as a consequence of the financial problems faced by some of our main customers at the sector of housing development, as well as due to the impact of economic weakness. Due to this, during the year 2013 Banorte strengthened its position as one of the three most important financial institutions in Mexico. In regards to our marketshare, we are the first banking institution at granting loans to the government, the third one at granting Mortgage Loans and consumer **credits**, and the one with the fourth most important commercial **portfolio** and credit card portfolio.

In terms of Corporate Governance, I am glad to inform, as acting Chairman of the Board, that during this year seven General Shareholder Meetings of Grupo Financiero Banorte were held – both ordinary and extraordinary. With an average quorum of 90%, some of the resolutions passed in these meetings were:

- The integration of the Board of Directors by 15 **Proprietaries** and by their corresponding **Alternates**. Such Board is formed by a majority of independent members.
- Changes to the corporate structure of the Financial Group through the merger of Ixe Banco and Fincasa Hipotecaria into

Banco Mercantil del Norte and the merger of Ixe Automotriz into Arrendadora y Factor Banorte.

- Carrying out a public share bidding in the domestic **Mexican** and international financial markets.
- The distribution of dividends among shareholders according to the institutions' policies.

In regards to the latter point, the payment of a dividend in cash – an approximate amount of \$2.178 billion pesos, or a total of \$0.7852 pesos per share – was approved in four payments during 2013 and 2014. This equals 20% of the net income of year 2012. Thanks to this attractive return of investment represented by GFNorte for our investors, the market's capitalization value of the Financial Group went up 31% in comparison to the level recorded during the previous year. This strength was also reflected by the confirmation of the degree of investment by the credit ratings granted by Fitch, Moody's, Standard and Poor's and HR Ratings.

By the end of 2013 we had 6 Regional Boards, formed by 219 members. Also, for the second year in a row, the Plenary Session of the National Board was successfully carried out. Over 600 people attended, including members, customers, special guests and lecturers. In this session, topics of international, national and regional relevance were discussed, thus providing our members with unique perspectives and dialogues on some of today's most relevant topics.

Regarding the subject of social responsibility and adhesion to our Sustainability strategy, we continue being signatories of the Carbon Disclosure Project (CDP), and GFNorte was placed, for the second year in a row, as one of the top 10 companies in Latin America in terms of transparency on climate change related information. We will be participating as well as a part of a technical teamwork on measuring financed emissions, and we will keep on working as a leading financial institution on two pilot projects of the Natural Capital Declaration (GCP and UNEP FI) in order to incorporate natural capital into our products and services, which will lead to the conservation of biodiversity and will contribute as well to the environment's resilience. In regards to the environmental aspect, it is noteworthy that the 4,000 m² Green Roof on the Roberto González Barrera Contact Center building. 1,784 m² are garden spaces, thus encouraging energy efficiency and the conservation of endangered species. We additionally implemented version 2.0 of the Social and Environmental Management System (SEMS), which identifies social and environmental risks posed by the credits over 1 million dollars granted by Corporate Banking. Out of the cases we analyzed, 66.6% represented a low risk, 32.8% a medium risk and 0.6% a high risk.

We keep adhering to the Equator Principles framework (EP) that was used to analyze both social and environmental risks of 10 financing projects that were eligible for such scheme. In this way, we have created added value for our customers by offering them a first-class consulting service that allows them to minimize negative impacts – both social and environmental – that could be arise as a consequence of their projects.

In 2013, thanks to the great effort of the Banorte Family and to the effort of its subsidiaries, we managed to gather 44,461 articles, such as toys and blankets, with the help of around 1,000 volunteers – 43%

more than those gathered during the year 2012, through Jugando, Jugando y con Banorte Ixe Ayudando ('Helping with Banorte Ixe while playing!'). Additionally, we benefited 13 institutions by granting them material donations thanks to the Súmate Trust (Fideicomiso Súmate.) It is noteworthy that two of these donations helped two of the family members of some members of the Financial Group in a direct manner.

We maintain our committed support to the Global Compact of the United Nations and to their ten principles in Human Rights, Labor Standards, Environment and Actions against Corruption – this year by means of the presentation of a release on progress at an advanced level.

I would finally like to take this opportunity, as I do every year, to thank in the amplest and most reiterative manner all of our shareholders, members, employees and customers of Grupo Financiero Banorte for their continuous commitment towards our institution.



Guillermo Ortiz
 Chairman of the Board
 of Grupo Financiero Banorte



Message from the CEO

G4-1, G4-2, G4-13, G4-15, G4-EC1



During 2013, Mexico faced important challenges in different fields. Such challenges were translated into a complex and challenging operational environment for Grupo Financiero Banorte. The start of the government's new administration required some priority adjustments in some government programs, such as the Housing one and it led to lower the pace of expenditures in the public investment field. This, along with a consumption contraction and a deceleration in external commerce, led to a low level of economic growth; which decreased from 3.9% of the Gross Domestic Product in 2012 to 1.1% by the end of 2013. Additionally, international financial markets showed volatility due to the uncertainty related to the adjustment needed in the monetary policy initiated by the Federal Reserve of the United States, as well as by the complicated economic situation that is still being faced by many countries of the European region. In addition, the reference rate in Mexico decreased from 4.5% to 3.5% along the year, as a consequence of the weak economic environment we faced.

It is noteworthy that 2013 was also a year of considerable transformation for our country. For the first time in its young democracy, several political agreements were achieved in order to move forward the structural reforms that Mexico needed in order to reach higher levels of competitiveness and productivity. The reforms with a greater impact for our sector were the Financial, the Fiscal and the Energy ones, which we trust that in the medium and long term will contribute to a greater economic development for Mexico. Now, the challenge is to carry out their adequate implementation in order to reach their maximum potential.

For Grupo Financiero Banorte, 2013 was a year defined by strategic changes whose main goal was to increase the value for our shareholders, to get a greater value offer to our customers, a better place for our people to develop their potential and to help us strengthen our position within the Mexican market as the third most important financial institution. We managed to become the largest Administrator of Annuities Funds in Mexico by purchasing Afore Bancomer. We also confirmed our presence in the insurance and annuities market segment by purchasing Generali's 49% participation and we liquidated the investment made by the International Financial Corporation (IFC) at Banco Mercantil del Norte in 2009. Additionally, in March 2013 we signed a strategic alliance with IBM to implement the Sumando program, whose objective is to establish the bases of a new banking model focused on the customer, as well as to develop the industrialization processes that will allow us to offer a better service while getting greater levels of efficiency and improving our profitability.

In order to finance these strategic initiatives and also to strengthen the financial profile of the Group, during the month of July, GFNorte placed a Global Offering in which 447,371,781 shares were allocated. They were assigned at a price per share of \$71.50, thus raising funds for close to \$32 billion pesos – about US\$2.5 billion dollars – turning this Offer into the largest offer in Mexican history and the ninth largest offer ever performed by a financial institution in Latin America. As a result of the promotional efforts of GFNorte's directive team – implemented both in domestic and international markets – and specially as a result of the confidence poured by our investors in this institution in spite

of the volatility shown by financial markets during those months, the offer was oversubscribed 3.4 times, which represents a demand of over US\$8.5 billion dollars. Over 10,126 Mexican **patrimonial** investors participated in this offer, as well as 22 Mexican institutional funds and 160 global institutional funds. Net resources obtained from this offer were used to:

- **Repay** – on July the 26th – the total amount corresponding to the syndicated credit signed by GFNorte with several international banks on February 2013 for USD\$800 millions in order to fund the purchase of Afore Bancomer.
- Strengthen the regulatory capital of Banco Mercantil del Norte. On August 26, Banorte opted to fully pay the Non-Preferential Perpetual Subordinated Obligation issued by Ixe Banco on February 2007 for US\$120 million dollars. Also, during 2014 some resources will be added to Banorte in order to strengthen its basic capital.
- Pay off, on October 4th, the purchase performed by GFNorte of 49% of the equity representative common shares of the Insurance and Annuities Companies previously held by Grupo Generali, for a total amount of US\$858 million dollars.
- Pay off the IFC its 2009 investment in Banco Mercantil del Norte.

On the other hand, during 2013, several organizational changes took place, seeking to adjust senior leadership structure to the new business model based on products, segments and channels. The most relevant changes were the appointment of Manuel Antonio Romo Villafuerte as the General Director of Products and of Jesús Garza Martínez as the General Director of Commercial Banking. Likewise, the General Chief Operating Officer in charge of Rafael Arana de la Garza was created, aimed to strengthen the support areas of the business and to improve the internal service levels within the organization.

Regarding banking infrastructure, Banorte-Ixe presented significant advances in the development of all of its attention channels. By the end of 2013, we were serving close to 13 million customers at the bank through 1,288 branches - 171 of which are Ixe branches-, 7,035 ATMs and 141,432 Point of Sale Terminals (POS). INB had at the time 20-office branches in the state of Texas. Along the year, the number of ATM's increased 5% and the number of POS grew 23%. Meanwhile, the number of office branches decreased 2% due to the efficiency program that seeks to improve the differentiation of both brands.

The network of Third party correspondents grew to reach 4,147 contact points thanks to Telecom-Telégrafos, the 7-Eleven chain and the Tiendas Extra chain. Our customers can open basic accounts at these contact points, as well as depositing, paying credit cards and performing other basic transactions.

We opened as well 6 new SME centers in the country, thus getting to a total of 16.

The number of customers who performed transactions through Internet increased to over one million five hundred thousand, 18% more in comparison to 2012. They performed over seven hundred million

transactions in total – both monetary or not – which represents a 15% increase in comparison to the same period during the previous year.

Along with this, the number of transactions performed through mobile banking grew to reach over twenty-two million, which represents a 120% annual growth; and the number of mobile tokens reached almost 107 thousand units, increasing 196% in comparison to the previous year.

Regarding the operational performance, Grupo Financiero Banorte recorded historic results during 2013. Cumulative profit achieved by the Financial Group along the year was \$13.508 billion pesos, 24% greater than the profit obtained in 2012. The annual increase was mainly due to a 13% increase in the total income vs. a 9% for the operational expense, thus creating a positive operational leverage. This, along with the integration of the results of Afore Bancomer in the concept of Affiliates, counteracted a larger level of derived loan loss provisions, mainly from the portfolio of housing developers, which was significantly deteriorated due to the problems faced by companies such as GEO, Urbi and Homex.

In 2013, the Return on Equity (ROE) of the Group was 14.2%, 12 base points lower in comparison to the one recorded in 2012, due to the impact of the increased capital – resulting from the Public Offering that took place in July – on the accountable capital. By excluding the commercial credit related to the purchases performed by the Group, the Tangible Return on Equity was of 18.7% - the same level recorded in 2012. On the other hand, the ROE of the Banking Sector, which includes Banco Mercantil del Norte, Banorte-Ixe Tarjetas, Banorte USA, Ixe Banco and Fincasa Hipotecaria – these last ones merged with Banorte in May 2013 – rose up to 16.4%, 149 base points over the one registered in 2012. The Return on Assets of Grupo Financiero Banorte increased to 1.4%, 15 base points more than the one recorded during 2012.

When analyzing the different concepts of the results, the financial margin presented an increase of 13% during 2013 in comparison to the previous year, therefore placing itself at \$37.181 billion pesos due to the 6% growth showed by the current portfolio, mainly in high yield products, such as Payroll Loans, Credit Cards, SMEs and Housing, and a better combination of fundraising or collection. Collections at the bank's window increased 15% along the year, propelled by a 21% increase in demand deposits and by a 4% increase in term deposits at the window.

Non-Financial Incomes are 12% higher than those obtained during 2012, by reaching \$16.284 billion pesos due to an increase in almost every concept, except the one of recuperation of real estate portfolios. Fees on Services were increased in 8% because of a better business dynamic, mainly reflected in larger fees on electronic banking, fees on consumer credits and credit cards, account handling and transference of funds; incomes coming from brokerage showed an annual growth of 20%, mainly due to the favorable results at the brokerage of securities and from the derivative transactions of Banorte and the Annuities company; other Incomes and Expenditures of the Operation had a 40% annual increase, while the recuperation of real estate portfolios decreased in 38%.



Meanwhile, the Efficiency Ratio was 52% in 2013, this means, 1.9 percent points less than the one recorded during the previous year. The non-financial expense was increased in 9% in a cumulative way in comparison to 2012, mainly as a consequence of the strengthening of the business areas, the expansion of the operational infrastructure and the payment of bonds and bonuses and/or incentives, whose sum surpassed the one recorded during the previous year by a larger profit base. This was partially offset by the reduction in other concepts.

Loan loss provisions, created to be paid with the money resulting from the 2013 period, got to \$8.942 billion pesos, 45% more than the level reported in 2012. This increase mainly comes from the provisions created to cover expositions in the housing development sector; in addition, the increase can be explained through the growth experienced by the Consumer Portfolio, which require greater initial provisions when the credits are created, as a consequence of the methodology of expected losses, adopted in recent years, as well as by the increase in the portfolio of overdue payments in the consumption segment and in the SMEs segment, due to the negative impact of economic deceleration.

By the end of December 2013, the performing loans increased in 6% in comparison to the same period in the previous year, getting to \$425.038 billion pesos. The Loan Portfolio showed lower growth rates in comparison to those of the previous year, mainly due to the economic weakness recorded along the year, as well as to the pre-payments received by corporate customers, who were not offset by the creation of new credits in this segment. In spite of this, the Loan Portfolio grew at a greater nominal rate than the one of the economy. government loan achieved an 8% annual growth, to reach \$95.636 billion pesos. The corporate portfolio showed a 14% decrease along the year, to get to \$75.690 billion pesos, while the commercial portfolio reached a \$113.795 billion pesos balance, thus showing a 7% annual increase, propelled by the 14% growth of the SMEs segment, which included a 29.7% of the current commercial portfolio and 7.9% of the total performing loans.

Consumer credits, including those of the Real Estate portfolio, in accordance to the internal business definition of the Financial Group, increased 18% in comparison to 2012, propelled by every segment. Payroll credit was once again the main reason for the Loan Portfolio to raise in 44% along the year, to reach \$26.417 billion pesos by the end of December 2013. Its acceptance was encouraged by the promotional campaign of the product and by the cross-sale strategy proposed to our more than 4.45 million payroll users through different channels. Real Estate credit, including recovery banking, closed the year with a \$82.032 billion pesos, 13% more than 2012, encouraged by the increase in the placement of middle class housing mortgages, by the Real Estate program with PEMEX, and by the reactivation of the housing improvement, construction, remodeling and passive payment program, thus strengthening Banorte as one of the most important banks in the housing financing sector for the Mexican market. Credits granted through credit cards increased 16% annually, reaching \$20.323 billion pesos due to the portfolio management strategies, promotional campaigns of the Banorte-Ixe products and a stronger cross-sale for customers. The automotive portfolio, by the end of 2013, reached \$11.412 billion pesos, thus achieving a 10% annual increase as

a result of the promotional campaigns through different channels, to the cross-sale strategy with the customers and to the alliances reached with car dealers.

Grupo Financiero Banorte presented a past-due loan ratio (ICV, as it is known in Spanish) of 3.1%, which is 1.0 percent more than the one recorded during 2012. Past-due Loan Portfolio by the end of the year reached \$13.655 billion pesos. This means it had a 61% increase mainly due to the way in which corporate portfolio increased such past-due Loan Portfolio – especially real estate developers – as well as SMEs, Credit Cards, Mortgage Loans and Payroll Loans, as a consequence of the negative impact of the economic deceleration. By excluding the past-due loan portfolio which comprises the three housing developing companies that show financial problems, the aforementioned ICV becomes 1.5%, or 60 base points below the level recorded during the previous year; meanwhile, the reserve coverage for the Group's overdue payments portfolio represented 104.6%, lower than the 138.3% for the same period during the previous year; the liquidity index was at 137.4%, 9.0 percent points larger than the one presented by the end of 2012.

By the end of 2013, the Capitalization Ratio of Banco Mercantil del Norte, in accordance to the Basilea III Guidelines that became valid and were in force as of January 2013, was placed at 15.12%, made up of a Tier 1 Capital ratio was 11.5%, whereas Tier 1 was 12.7% and Tier 2 was 2.4%.

The results presented by the affiliates of the Financial Group were positive. Their contribution to the equity of the Group, according to their percentage of participation per business sector were: Banking Sector – without taking into consideration Afore XXI Banorte (Banco Mercantil del Norte, Banorte-Ixe Tarjetas and Banorte USA) – obtained a profit equal to \$10.658 billion pesos, 37% more than the one obtained during 2012, and they represented 79% of the profits of the Financial Group; the Brokerage Sector, made up of Casa de Bolsa Banorte-Ixe and Operadora de Fondos Banorte-Ixe, reported cumulative profits of \$649 million pesos, an annual decrease of 5%. The cumulative profit of this sector represented 5% of the profits of GFNorte; the Long-Term Savings sector, made up of Afore XXI Banorte, Insurance and Annuities represented \$1.962 million pesos, 86% more than the one obtained during 2012, and it represented 15% of the profits of GFNorte; the SOFOM and Other Finance Companies, made up of Arrendadora y Factor Banorte, Almacenadora Banorte and Sólida Administradora de Portafolios, recorded a \$391 million pesos profit, thus showing a 53% increase in comparison to the one of 2012, and it represented 3% of the Financial Groups profits. The Holding company showed a loss during the 2013 exercise, for \$153 million pesos.

During 2013, the fourth edition of the Ingenio Awards took place. Such award aims to encourage constant innovation at Banorte-Ixe by acknowledging and motivating the continuous creation of innovative ideas that impact productivity and the quality of service. This time, we received 1,312 ideas coming from our employees, classified into 6 categories: Customer Value, Ideas from My Family, Internal Processes, Social Responsibility, Implemented Ideas and Specialized Areas.

Along the year, Grupo Financiero Banorte received several prizes and awards in different fields of action. In December, The Banker magazine acknowledged Banorte as “the Best Bank of the year 2013 in Mexico” for the sixth time in the last 9 years; the same magazine, in October, acknowledged Banorte as “the Best Private Bank in Mexico in 2013”. Also in October, during the 2013 Summit of Green Businesses, organized by the Global Institute for Sustainability of the Technological Institute of Monterrey, Banorte was acknowledged for introducing the green platform in favor of MiSMEs, which aims to finance those projects that show the greatest potential for the development of green markets. In August 2013, for the fourth year in a row, the Institutional Investor magazine placed the Directive team and the team of Investors Relations in the top positions among Mexican companies and Latin American banks; also in that month, Banorte was mentioned as “the Best Commercial Bank of Mexico in 2013” by the prestigious magazine World Finance. In July, the renowned magazine The Banker published the Top 1000 World Banks ranking for 2013, and Banorte was located within the Top 10 of Latin American banks, on the ninth position, measured by its capital level. It was the best Mexican bank in that category, and it was placed on the 242nd position worldwide – its previous position was the 271st. Halfway through the year 2013, Banorte led the ranking of “The 50 Most Innovative Companies” of Information Week Mexico, thanks to its Pagomóvil Banorte project. Another magazine that acknowledged the achievements of the bank was Euromoney. In April, it placed Banorte in the sixth position of a study performed on the Best Managed Latin American Companies. In this regard, it was the company that has improved its performance the most in the region, the second one with the highest levels of corporate government and the third one with the most accessible Senior Management team. Moreover, in March, Fund Pro acknowledged Ixe Fondos with the “Platinum Performance Award 2012” for being the Best Fund Manager in Mexico in 2012 in the “Flexible Funds” category. Finally, Fondo Personal MiFon was the winner of the “ConnectBanking” category of the BeyondBanking awards granted by the Interamerican Development Bank. Such awards show their recognition for the best environmental, social and corporate governance sustainability initiatives, performed by Financial Agents in Latin America and the Caribbean.

All of these awards are one more example of the commitment shared by those who collaborate with Grupo Financiero Banorte towards our customers, in order to offer the best services and products, and also towards Mexico, in order to contribute to the economic and social development with our effort and dedication.

I would finally like to express, on behalf of all the people who collaborate at Grupo Financiero Banorte, our most sincere appreciation to our more than 24 million customers for their confidence, since they allow us to manage assets for over \$1.8 billion pesos. I would like to thank and to acknowledge as well my 27,000+ colleagues for their effort, dedication and commitment. To our more than 3,500 shareholders and directors – both national and regional: we acknowledge and appreciate your invaluable support and, even more, your trust vested upon us with the goal of keep strengthening Banorte-Ixe as the Strongest Bank of Mexico.

Alejandro Valenzuela
 CEO of Grupo
 Financiero Banorte



TRANSPARENCY

Corporate Governance

G4-34, G4-35, G4-36, G4-37, G4-38, G4-39, G4-40, G4-41, G4-42, G4-43, G4-45, G4-46, G4-47, G4-49, G4-57, G4-58, G4-LA12

We are governed by standards that seek to guarantee the compliance of the corresponding regulation of our sector. This allows us to, in parallel, grant our customers, members, shareholders and stakeholders, a greater level of security and trust members.

The Board of Directors is the highest management body of GFNorte, as well as the body that oversees, makes the decisions and executes the actions that are needed to guarantee a healthy Corporate Governance, protecting the interests of our shareholders, customers, employees, suppliers and those communities in which we operate.

At GFNorte we have established Support Committees on GFNorte's Board: the Advisory Board, the Management Committee, the Audit and Corporate Practices Committee, Risk Policies Committee, Human Resources Committee, Designation Committee, which are formed up by members of the Board along with the participation of employees of the Institution in some of them. Additionally, this year the Talent Development Committee was created. Such committee supports the development of talent within the Financial Group. It is a responsibility of the Board to authorize the by-laws of the Committees and to assess their management every year.

We defined a governance structure, committees and decision making processes regarding economic, environmental and social matters, which celebrate the diversity and which encourage shared responsibility

During each session of the Board of Directors, a space in the agenda is assigned to review and to manage impacts, risks and opportunities of economic, social and environmental nature. The Corporate Management of Social Responsibility is the one on charge of directly reporting to the Chairman of the Board of Directors on the most relevant topics to the area. Additionally, we are working to establish, during 2014, the Social Responsibility Committee.

Board of Directors of GFNorte

Guillermo Ortiz Martínez	Chairman
Héctor Ávila Flores	Secretary

Proprietary Members

Guillermo Ortiz Martínez	Related
Graciela González Moreno	Patrimonial
José G. Garza Montemayor*	Patrimonial
Manuel Saba Ades	Independent
Alfredo Elías Ayub	Independent
Herminio Blanco Mendoza	Independent
Eduardo Livas Cantú	Independent
Patricia Armendáriz Guerra	Independent
Armando Garza Sada	Independent
Héctor Reyes Retana y Dahl	Independent
Juan Carlos Braniff Hierro	Independent
Miguel Alemán Magnani	Independent
Alejandro Burillo Azcárraga	Independent
Juan González Moreno	Patrimonial
Alejandro Valenzuela del Río	Related

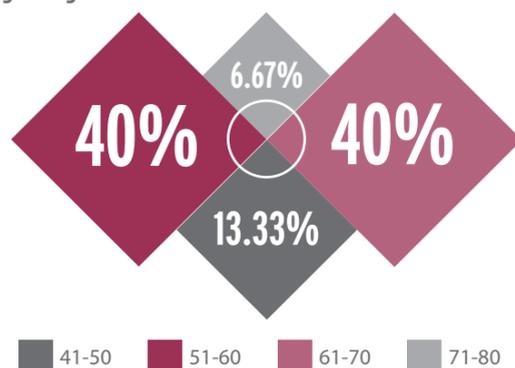
* Mr. José Guadalupe Garza Montemayor stopped participating as a member of the Board of Directors of Grupo Financiero Banorte, S.A.B. de C.V. as of October 2013.

Alternate Members

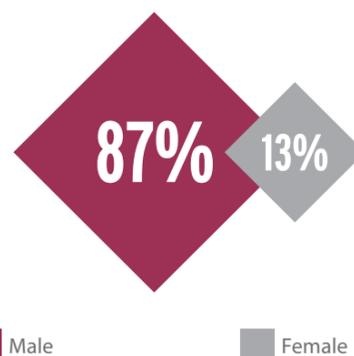
Jesús Oswaldo Garza Martínez	Related
Alejandro Hank González	Patrimonial
David Villarreal Montemayor	Patrimonial
Alberto Saba Ades	Independent
Isaac Becker Kabacnik	Independent
Manuel Aznar Nicolin	Independent
Adrián Sada Cueva	Independent
Everardo Elizondo Almaguer	Independent
Ramón A. Leal Chapa	Independent
Julio César Méndez Rubio	Independent
Guillermo Mascareñas Milmo	Independent
Lorenzo Lazo Margain	Independent
Alejandro Orvañanos Alatorre	Independent
Enrique Castillo Sánchez Mejorada	Related
José Marcos Ramírez Miguel	Related



Age Range



Gender



Criteria to select a candidate to Member

Those people who are evaluated by the Shareholder Meeting, as Director candidates must have – in every case – the following characteristics:

- They must be widely renowned in the business, of public or private institutions or in any of the professional areas in which they work.
- They must be familiar with the main regions in which GFNorte operates its business.
- They must be people with a reputation of integrity and honesty, with a satisfactory credit history; they must as well have the ability to earn the confidence of shareholders, members and senior management.
- They must have shown, along their professional career, a healthy and independent judgment in the area of business.
- They must have ample knowledge and experience in the financial, legal or administrative areas.
- They must have time availability, in order to dedicate it to perform their role as Member, and to participate at the Committees in which the Board may request them to participate.

“... The members – and in their case, the Secretary of the Board of Directors – who may have a conflict of interests [...] must refrain from participating and from being present at the deliberation and voting of such matters, and such abstention will not affect the quorum required for the installment of such Board...”

Extract of our document of Corporate By-Laws

Every time there is a need to update the internal control documents – such as the Mission, Vision, Values, and Conduct Code – or to develop new guidelines, strategies and policies regarding the economic, social and environmental impacts of the organization, they are to be reviewed and authorized by the Audit and Corporate Practices Committee.

All of our collaborators can access Ethics Points, an external reporting system, that strengthens our transparency mechanisms, in pursue of legal and ethical behavior that will protect at the same time the integrity of our company. We also have an inspection and a notification process for its results – such results are communicated to the Audit Committee.

Regional Boards

Under the second year of sessions of our Regional Boards, the purposes for which they were created are still being fulfilled: providing counseling and advice to the Chairman of the Group’s Board of Directors on the most relevant issues and opportunities in the different regions of the country.

With the intention to consolidate these boards and to have a larger coverage at a national level, the Central Regional Board was established. Several important personalities from the states of Aguascalientes, Guanajuato, San Luis Potosí, Querétaro and Zacatecas are part of it. Also, new members from Mexico, the Federal District, Puebla, Tlaxcala, Veracruz and Tabasco were included into the Metropolitan and Peninsular Boards. With this, GFNorte has a total of 6 Regional Boards, made up by 219 renowned entrepreneurs and distinguished personalities from 28 states of the country.

Eleven Regional Boards were established in different cities around the country. Relevant aspects of the current economic, political and social situations around the world, in the country and in each region were discussed in these meetings. Several special guests attended these sessions, such as the Governors of the states of Sinaloa, Yucatán and Guanajuato, the Deputy Secretary of the Revenue System, Dr. Fernando Aportela Rodríguez and the Dean of the UNAM Dr. José Narro Robles. Additionally some lecturers such as Federico Reyes Heróles and Carlos Elizondo Mayer-Serra participated in them.

The participation of the Board’s Members within some of the institution’s initiatives was promoted, such as the GFNorte’s Primary Public Offering shares, the support to the victims of Hurricanes Ingrid and Manuel, the 2013 Analysis and Strategy Meeting that took place in Monterrey, the Workshop of Business Resilience to Climate Change, held at Mexico City, Monterrey and Guadalajara, and the Stock Exchange Encounter of GFNorte, that took place both in Mexico City and Monterrey.

We also celebrated the Plenary Session of the National Board, with the presence of over 600 attendees including the Board’s Members, customers, special guests and lecturers.

Officers

We have a team who is committed to the creation of value through new growth opportunities for our customers while keeping our vision and our commitment to strengthen our country.

Officers	
Alejandro Valenzuela del Río	Chief Executive Officer, Grupo Financiero Banorte
Business	
José Marcos Ramírez Miguel	Managing Director – Wholesale Banking & Casa de Bolsa Banorte Ixe
Gabriel Casillas Olvera	Managing Director – Economic Analysis
Luis Ernesto Pietrini Sheridan	Managing Director – Private Banking and Wealth Management
Víctor Antonio Roldán Ferrer	Managing Director – Transactional Corporate Banking
José Armando Rodal Espinosa	Managing Director – Business & Corporate Banking
Carlos Eduardo Martínez González	Managing Director – Government Banking
Alejandro Eric Faesi Puente	Managing Director – Markets & Institutional Sales
Gerardo Zamora Náñez	Managing Director – Warehouse, Leasing and Factoring
Ricardo Velázquez Rodríguez	Managing Director – Int. Banking & Financial Institutions & Banorte USA
Samuel J. Munafo	Managing Director of Inter National Bank
Carlos Alberto Arciniega Navarro	Managing Director – Treasury
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management and Business Development
Jesús Oswaldo Garza Martínez	Managing Director – Segment and Channel
Manuel Antonio Romo Villafuerte	Managing Director – Products
Fernando Solís Soberón	Managing Director – Long Term Savings
Luis Fernando Orozco Mancera	Managing Director – Asset Recovery
Staff	
Rafael Arana de la Garza	Chief Operating Officer (COO)
Alejandro Garay Espinosa	Managing Director – Corporate Services
David Ricardo Suárez Cortazar	Chief Financial Officer (CFO)
Fausto Hernández Pintado	Chief Strategic Planning and Value Creation Officer
Felipe Duarte Olvera	Managing Director – Client Experience
José Antonio Murillo Garza	Managing Director – Analytics
Concepción Borjón Shears	Sumando Leader
Héctor Martín Ávila Flores	Managing Director - Legal
Ignacio Aldonza Goicoechea	Managing Director – Technology and Operations
Carla Juan Chelala	Managing Director - Marketing
Ayax Carranza Segura	Managing Director - Communications and Institutional Relations
David Aarón Margolín Schabes	Chief Risk Officer
Martha Elena Navarrete Villarreal	Managing Director - Internal Audit
Sergio García Robles Gil	Managing Director – Corporate Affairs
Mayra Hernández González	Executive Director of Social Responsibility



Materiality

G4-18, G4-19, G4-20, G4-21 y G4-26

As part of our efforts to generate an evolution in terms of Sustainability, we have adopted the GRI G4 methodology. Seeking to implement this model in an optimal manner, and to guide the contents of our Annual Report, we carried out a Materiality assessment with support of an external consultancy firm.

We decided to carry out a constant follow up of the Aspects that were determined as material for the company, with the support of our Stakeholders. We thus seek to improve, provide feedback and update those significant Aspects for our next reporting cycle. The materiality review will have an annual temporality and we seek to establish the elaboration of the complete materiality assessment once every three years, with the help of a consultancy firm.

Methodology of the Materiality Research (Carried out in two stages)

Baseline diagnosis

We carried out an analysis of the economic, social and environmental aspects; in such analysis, the current status of the organization was identified, based on its policies and procedures, the business specific risks and the perception of our Stakeholders. Such diagnosis included:

- Comprehension of the business model.
- Identification and analysis of institutional policies and procedures.
- Analysis of the organizational structure and value chain.
- Identification of key actors (both internal and external).
- Comprehension of the impact of our institution on the different Stakeholders.

Material aspect identification

- The analysis was carried out using public information about significant sustainability aspects, in order to understand key issues for our stakeholders.
- An inventory of the challenges of the financial sector was developed, according to the parameters of socially responsible investors, and also adding an analysis of:
 - Public information of financial institutions that were selected as a reference (6 at a national and international level).
 - Risks according to the consideration of **leaders or consultants of society or of the sector** (16; 8 institutions that cover the sector's guidelines and 8 government regulators and coalitions).
 - Information shown in the press about sustainability topics in our organization (2,088 news pieces in the press about GFNorte and the financial sector).

- Perception analysis by 8 civil society organizations.
- Analysis of priority topics for investors, such as Dow Jones Sustainability Index and consideration of relevant aspects for actors such as Bloomberg.

The findings of this research were complemented with information obtained through a series of interviews with senior leadership of strategic areas of our institution.

As a result, 203 topics were identified. By categorizing these topics by affinity and type of potential impact, 26 specific topics clusters were generated. As a consequence, the most relevant topics were organized by their priority to the group, and are reflected in a graphic representation, which was built based on the following criteria:

- Their significance for Grupo Financiero Banorte: this means, the level of attention and management (priority) that such relevant aspects have in our group.
- Their significance for the Stakeholders: the level of attention being paid to the relevant aspects by the public information of our analyzed Stakeholders.

Coverage

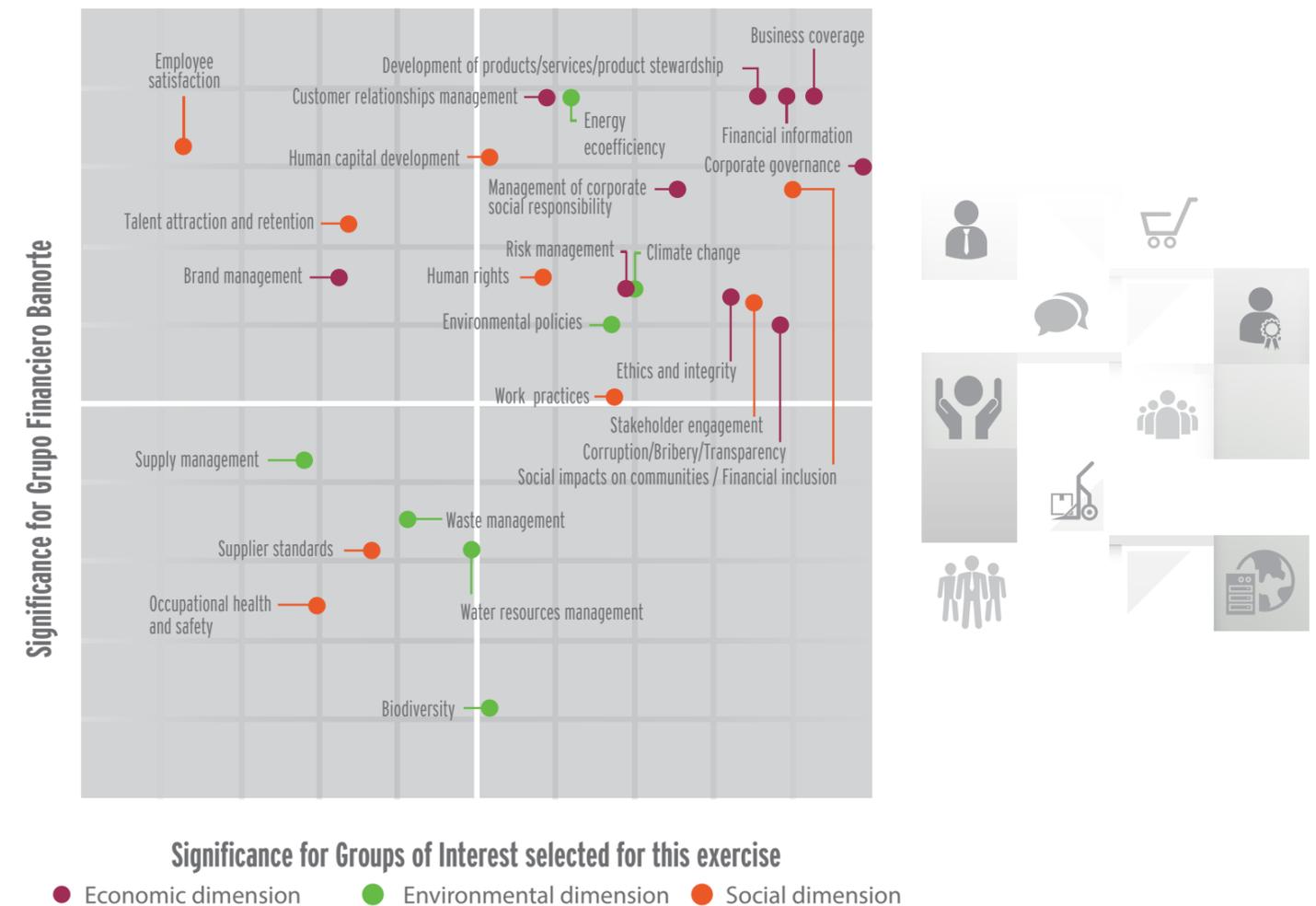
Taking into consideration that the entities that make up Grupo Financiero Banorte are located in the threshold of the financial sector, material topics become significant topics for them as well. It is noteworthy that some of these sub-topics have a slightly different level of attention. However, at an apparent level, they entail the same coverage and priority for the whole Group.

In the graphic representation of the materiality matrix that we have developed, we locate in the upper right quadrant those topics that imply a greater significance, both for Grupo Financiero Banorte and for our Stakeholders. This report represents an effort to reveal the information related to these indicators, which – given the sector in which we operate and our business strategy – become transcendent to inform third parties (specialized indexes, sector evaluators, etc.). That is the case of those aspects located in the frameworks of the Carbon Disclosure Project (CDP), Sustainable IPC, EIRIS and Sustainable Asset Management (SAM).

G4-18, G4-19, G4-20, G4-21, G4-23 y G4-27

Some material topics that have an impact on specific Stakeholders, such as authorities of the sector and the guild and on government entities have been identified. These stakeholders had not been mapped in our previous memories; however, it is worth mentioning that some information has been included in past exercises in regards to the interaction with them.

Materiality Matrix

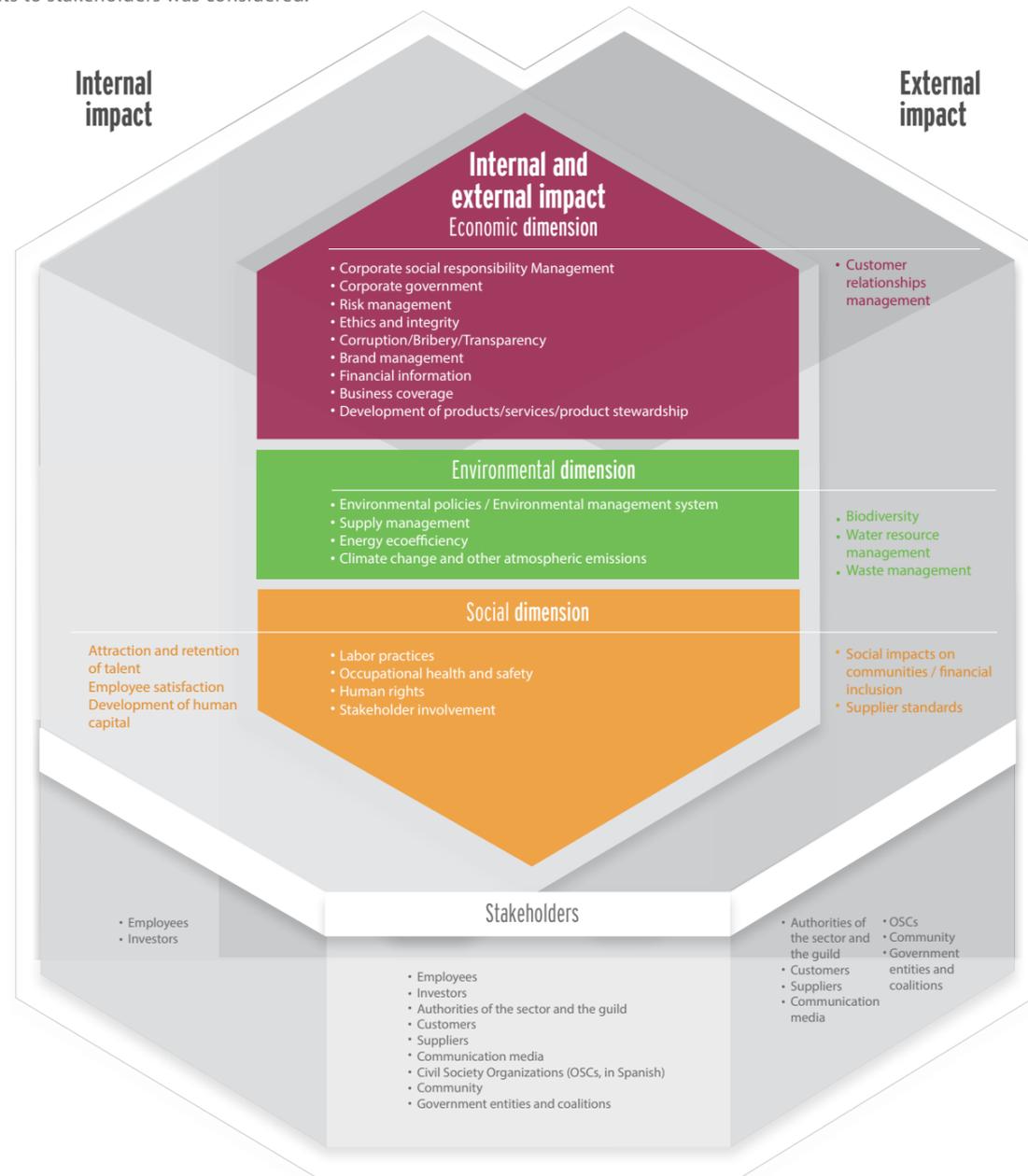




Coverage of Material Aspects

G4-18, G4-19, G4-20, G4-21, G4-24 y G4-27

For the coverage, the impact level that significant topics have over the stakeholders – both internal and external – is taken into consideration, as well as to whether such impact is direct or indirect. On this matter, it is essential to take into consideration that as all the topics are seen in a comprehensive manner, they entail an impact on every stakeholder. The impact may be greater in some, in comparison to others, and for some of them, the effect of such impact is immediate, while for others it can only be seen in the long term. This is why the relative importance of the different material aspects to stakeholders was considered.



Relationship with Stakeholders

G4-25 y G4-26

Accessibility and transparency, as well as an open and constant communication with our stakeholders, are fundamental attributes by means of which we strengthen our bonds and we create alliances and strategic synergies.

Stakeholder Identification Method:

The sustainability strategy of Grupo Financiero Banorte seeks to reach the balance of economic, social and environmental aspects, thus generating positive impacts and reducing negative impacts in pro of our Stakeholders.

As a leading financial institution in Mexico, we base our strength on the collaboration and the commitment with our stakeholders, in a clear, concise and transparent way.

We consider that our Stakeholders are a crucial part to help us achieve our business strategy. Therefore, to establish the groups with which we work, we consider the following aspects:

- Those actors that are directly or indirectly involved with our institution.
- The degree of influence of the operations and of the impacts generated from within the organization towards the exterior (stakeholders) and vice versa.
- Elements that help us promote confidence – elements to which information is distributed and therefore have an influence in our decision making process.
- Who can complement our mission to improve and to detect our weaknesses and turn them into strength.

In addition to the identification of the groups:

- We analyze the different convergence topics existing between them and the institution.
- We develop channels to dialog and interact.
- We maintain an efficient communication with our groups. We are interested and convinced that generating a healthy and constant pathway to receive feedback is beneficial for the business strategy.
- If necessary, we apply changes according to the business requirements and to the needs of our groups.

The feedback process with the Stakeholders depends of the communication channel that has been previously established with each one of them. Additionally, we have considered carrying out biannual consultation processes with them. This will allow us to exchange information in a direct way in order to have a way to trace and record our interactions with them. Since we wish to have a transparent, clear and periodic dialogue with our key stakeholders – both internal and external – which will lead us to better know their needs and concerns, in order to be able to provide an efficient response to them, this consultation process lines up with what has been provided for by the AccountAbility 1000 (AA 1000) standard.

At GFNorte we are interested in the balance between our economic, social and environmental effects, as well as with those groups with which we relate through our every day operations.





Commitment to our Stakeholders

G4-24, G4-26 y G4-27

Stakeholders	Focal Topics	Connectivity	Linking Area
 Employees	Career development – (continuous technical training with a model to strengthen the skill and leadership of our employees), labor practices and talent retention.	<ul style="list-style-type: none"> • Intranet • Electronic mail • Banorte support line • BanorTV • <i>Ethic points</i> complaint system • Human resources Development portal ▲ Organizational climate survey ■ Magazine of the union 	<ul style="list-style-type: none"> • Human resources
 Investors (Shareholders)	Corporate governance, coverage, expansion and ethics of the business, financial information, risk management and sustainability aspects (impacts and social and environmental contributions).	<ul style="list-style-type: none"> ▲ CNBV Annual report ▲ Annual report ■ Quarterly reports ■ Shareholders meetings ■ Newsletters • Attention telephone line 5268 1680 and investor@banorte.com • Web Page 	<ul style="list-style-type: none"> • Investor relations and Corporate government
 Authorities of the Sector and of the Guild or Union	Integrity of the business operation, follow up and compliance of financial regulations, transparency and timely information reports, corruption, products and services offers and advertising in agreement with regulations.	<ul style="list-style-type: none"> ▲ CNBV Annual report • Electronic mail • Web page ■ Channels appointed by the corresponding authority ■ Committees ■ Meetings of the guild or union 	<ul style="list-style-type: none"> • Investor Relations • Institutional relationships and communication • Regulatory auditing
 Customers	Accessibility to financial products and services, clear information regarding such products and services, satisfaction monitoring and service quality (attention and guidance).	<ul style="list-style-type: none"> • Office branches • Internet banking • Banortel attention Telephone line 01 800 Banorte • Specialized unit of enquiries and Complaints 01 800 627 2292 and une@banorte.com • Commercial web page • Social networks • Satisfaction surveys • Media advertising 	<ul style="list-style-type: none"> • Commercial area • Marketing • Specialized unit of enquiries and complaints

G4-24, G4-26 y G4-27

 Suppliers	Requirements and standards, selection of consumables or supplies, creation of value, social and environmental policies adopted by the institution.	<ul style="list-style-type: none"> • Telephone • Electronic mail ■ Bidding process ■ Meetings 	<ul style="list-style-type: none"> • Purchases and expenditure control
 Communication Media	Access, disclosure and transparency of the group's information, timely media management and wide coverage, coherence and fluency of internal and external messages.	<ul style="list-style-type: none"> • Telephone • Press releases • Electronic mail ■ Press conferences ■ Media calls and announcements • Web page 	<ul style="list-style-type: none"> • Institutional relationships and communication
 CSOs	Impact on climate change and on natural capital, human rights, economic or in-kind supports, strategic alliances and participation in working groups.	<ul style="list-style-type: none"> • Telephone • Electronic mail • Web page • Social networks of Social responsibility ■ Meetings ■ Visits 	<ul style="list-style-type: none"> • Social responsibility and sustainability • Fundación Banorte (Banorte Foundation)
 Community	Management of social responsibility, management of ecosystemic resources, business ethics, cooperation with local communities in which we operate, strengthening of communal living relationships and of progress opportunities to reconstruct the social tissue.	<ul style="list-style-type: none"> • Telephone • Electronic mail • Web page • Social networks ■ Visits to communities ■ Meetings 	<ul style="list-style-type: none"> • Social responsibility and sustainability • Institutional relationships and communication • Regional Boards • Territorial management offices • Fundación Banorte (Banorte Foundation)
 Government Entities and Coalitions	Legislation compliance, compensation agreements for unionized employees, environmental management, (regarding topics such as water and wastes, biodiversity impacts, atmospheric emissions), collaborations and social impact.	<ul style="list-style-type: none"> ■ Committees ■ Participation at forums ■ Meetings • Telephone • Electronic mail • Web page 	<ul style="list-style-type: none"> • Investor relations • Human resources • Institutional relationships and communication • Regulatory auditing • Social responsibility and sustainability

Frequency of Interaction with Stakeholders

- Continuous
- Periodic (weekly, monthly, bimonthly, quarterly, biannually or several times a year)
- ▲ Annual



BANORTE VALUE

Our Mission, Vision and Principles

G4-56

MISSION

We generate trust and financial strength for our customers.

VISION

To be a great ally to grow strong with Mexico.

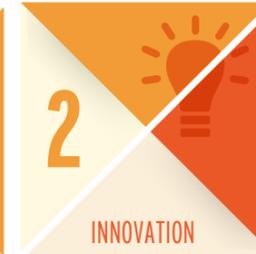
PRINCIPLES



1

SOLIDARITY

It is a mutual responsibility acquired and shared by various people, which allows us to commit in an *ad hoc* manner to the causes of others.



2

INNOVATION

It is the effort we make to obtain something by ourselves or with the help of others; it is a great force of transformation that has led mankind to the highest levels of development and civilization.



3

LOYALTY

It is the sense of commitment for the sake of others; it generates a heightened sense of bonding, loyalty and respect, which the people and groups that we interact with inspire on us.



4

RESPECT

It is to know one's own worth and valuing the worth of others, it is the knowledge of inherent value and the human rights of each person and society.



5

RESPONSIBILITY

It is the obligation to be held accountable of our own actions, even if those are not mandatory; it is the guarantee of the fulfillment of acquired commitments, which produces confidence, reciprocity and peace of mind in people.





Brand Value

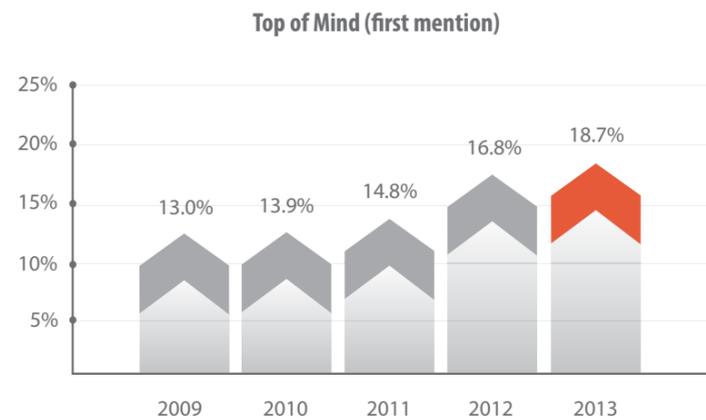
Our company is made up of people who share the commitment of transforming of capital into value, by means of excellence standards for client services, and under the frame of Corporate Social Responsibility that permeates throughout all levels of our organization.

According to the brand valuation consultant, Brand Finance, our brand has grown stronger throughout the years. In their publication of the 500 most important financial brands world-wide, Banorte holds the 147th place, and is valued at US \$985 million dollars, which represents an improvement in its ranking of 33 spots from its placement in 2012 and an increase in value of US \$377 million dollars (62 percent).

Moreover, within the metrics to evaluate knowledge, recognition and strength of our brand within the banking market in Mexico, Banorte has grown consistently and significantly within the last years, advancing from a Top of Mind (brand recognition) of 13 percent in 2009, to 18.7 percent in 2013, representing an increase of 44 percent.

Brand Recognition Yearly Percentages

With the introduction of our Strong Products institutional campaign in September 2013, we achieved important growth in the Brand Recognition indicators, as well as in the attributes related to our company's image.



Source: Advertising Tracking.

Some of the main aspects that were strengthened in positioning terms with the introduction of our Strong Products institutional campaign were:

- Brand differentiation, guaranteeing a unique position in which Banorte can place itself in its own area.
- Leveraging the knowledge and strengthening of a financial culture.
- Consolidation of our image as the Strongest Bank in Mexico.
- Differentiation of the company and its products from the rest of banking offers.
- Generation of closer identification with the brand.
- Consolidation as a protecting bank, committed to the well-being and development of Mexican families.

Grupo Financiero Banorte is today the third most important institution of our country's financial system

We have a complete offer of financial services and wide brand portfolio with which we create value and enrich our company's image; a comprehensive and solid institution.

This image is result of a combination of elements that add value to our operations, which precisely start from the transformation of capital to financial, social and environmental benefits, as well as the constant communication that we sustain with our stakeholders to identify their needs and concerns. At GFNorte, communication and all our marketing actions are the result of a careful strategy aligned to three main imperatives:

- **Transparency:** We send our costumers messages that communicate the reality of our offer of products and services.
- **Opportunity:** We identify the appropriate means and increase the range of our communications for them to reach our stakeholders.
- **Responsibility:** We back up our communications through timely and accurate fulfillment of our commitments.

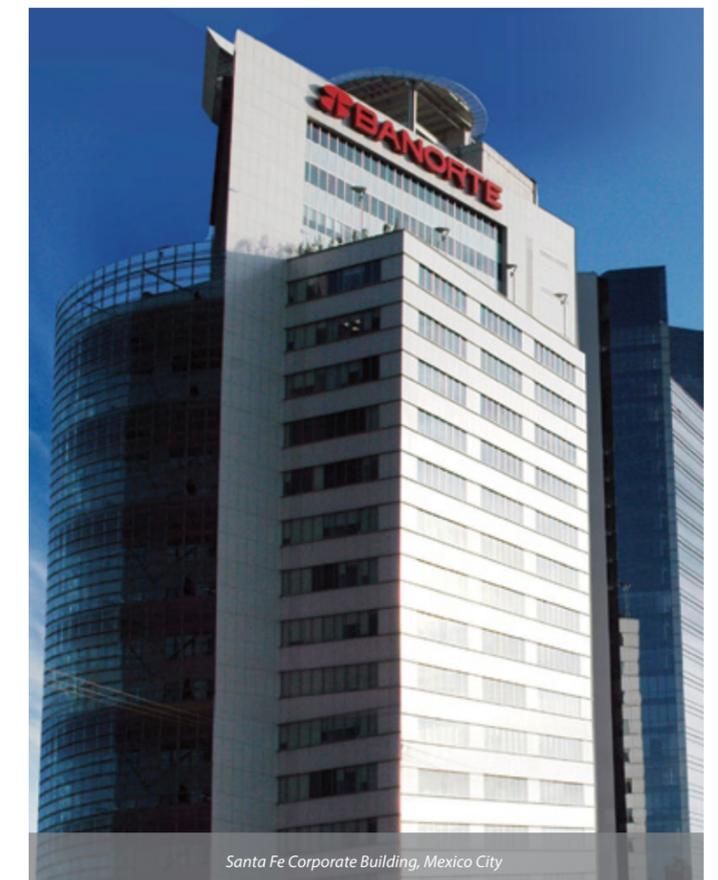
As a financial institution, we are aware that we are a fundamental part in the development and wealth of the communities in which we operate, but mainly of the people who comprise them.

We work every day to renew ourselves, to offer products and services consistent with the needs of our stakeholders, investing financially, socially and environmentally to facilitate their development.

Additionally, we recently incorporated a new model of attention and service focused on the clients, rather than on the products we offer. This new model is based on a segmentation strategy that allows us to identify the needs of our customers in a more efficient and timely manner and generate specific offers.

Actions such as these demand changes throughout our organization, at infrastructure, human resources and technology levels, and generate a strong impact on the communication we have with our customers and of course, in our image and identity.

This vision of continuous improvement and transformation of capital into value for our customers and the communities in which they live is what drives us to constantly revamp ourselves while strengthening our essence as a bank that works for Mexico and all Mexicans.



Santa Fe Corporate Building, Mexico City

BRAND VALUE
 Brand value and ranking by Brand Finance.

In 2012 → our brand value was **608 MMD** and our ranking position was: **180**

In 2013 → our brand value was **985 MMD** and our ranking position was: **147**
 we rose **33** positions

PRODUCTOS FUERTES TE HACEN MÁS FUERTE

Los Chávez

► CRÉDITO HIPOTECARIO ► TARJETA DE CRÉDITO
 ► PAGAMÁS ► SOLUCIÓN INTEGRAL PYME

► BANORTE MÓVIL

¿Y tú, Chávez o no Chávez?
 Contrázalos en esta sucursal o visítanos en www.banorte.com

BANORTE
 EL BANCO FUERTE DE MÉXICO



Organizational Profile

G4-9, G4-10

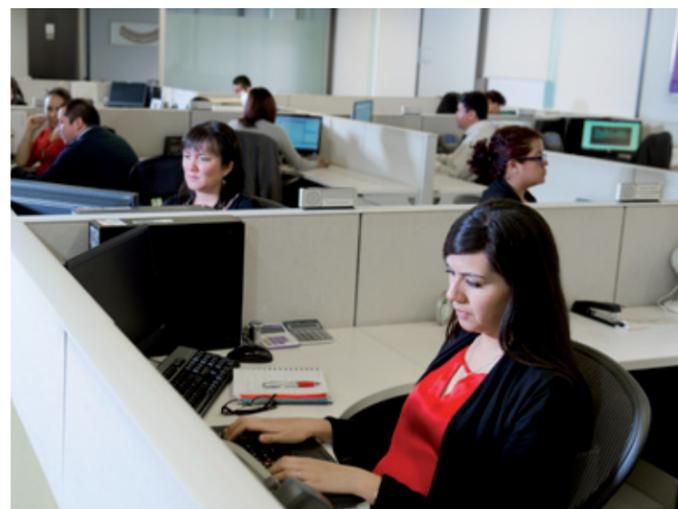
For Grupo Financiero Banorte, generating value and trust throughout our daily operations entails transforming capital into benefits and opportunities for our costumers' growth.

Grupo Financiero Banorte's Workforce

GRUPO FINANCIERO BANORTE WORKFORCE AS AT DECEMBER 2013	Full-time		Part-time		Total	
	2012	2013	2012	2013	2012	2013
Banorte	20,469	20,599	19	14	20,488	20,613
Bank		18,141		14		18,155
Warehousing	20,469	12	19	0	20,488	12
Leasing and Factoring		97		0		97
Specialized Professional Services Management		2,349		0		2,349
Companies in the U.S.A.	495	485	0	0	495	485
INB	395	376	0	0	395	376
UniTeller	83	92	0	0	83	92
Banorte - Ixe Securities	17	17	0	0	17	17
Long Term Savings Sector	5,144	6,390	85	61	5,229	6,451
Afore	3,281	4,561	66	45	3,347	4,606
Insurance	1,657	1,617	17	15	1,674	1,632
Annuities	206	212	2	1	208	213
GFNORTE TOTAL	26,108	27,474	104	75	26,212	27,549

Within the full-time staff category, 322-people staff under an outsourcing plan in the Long Term Savings Sector have been included.

Today, 27,549-person staff makes up Grupo Financiero Banorte



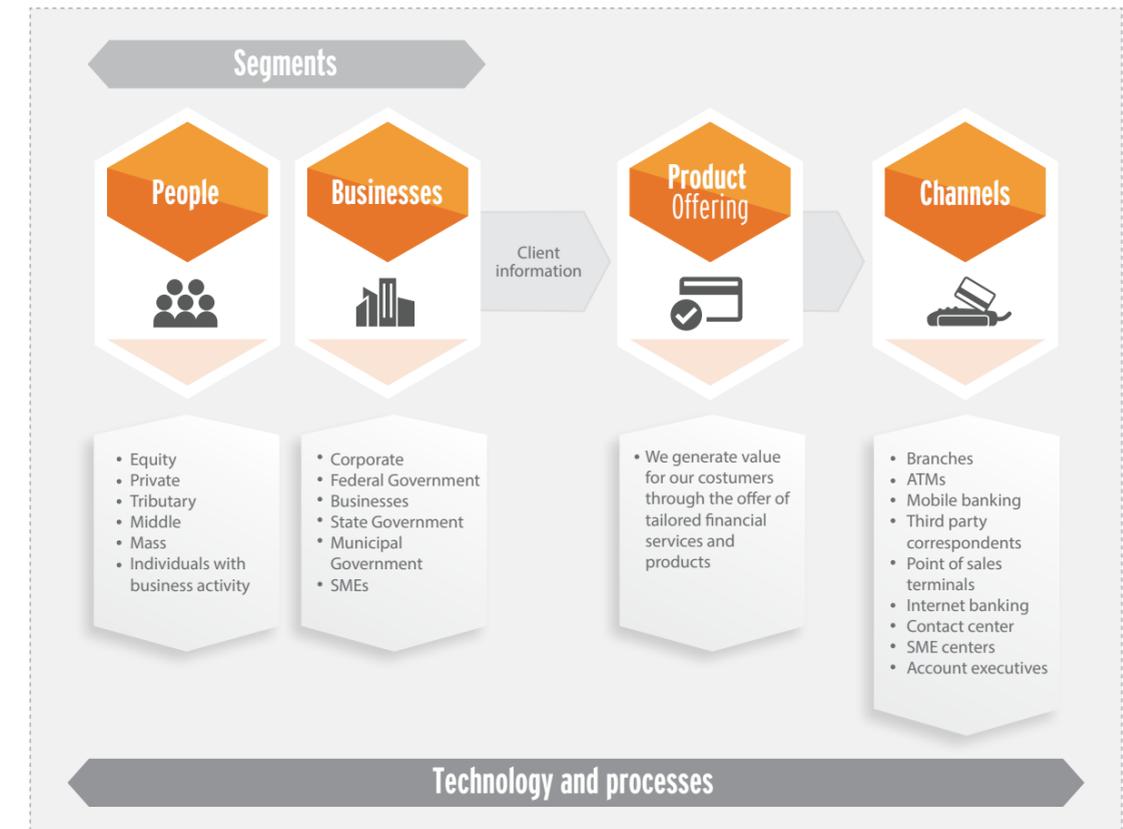
We have an internal control and guideline system, which has been elaborated by the Board of Directors. Our Code of Conduct guarantees everyone's rights and fosters non-discrimination. It is important to note that this document establishes the attention to all requirements made by the competent authorities as one of the basic conduct principles and strict compliance with the current regulations applicable to our business.

How Do We Generate Value?

Through strict corporate social responsibility and sustainability criteria, we focus our efforts to guarantee financial, social and environmental balance in the areas inherent to our operations.

At Grupo Financiero Banorte, we focus on leveraging Mexico's development through the generation of growth opportunities for our costumers. Guided by our organizational philosophy, we develop products and services that not only translate into direct benefits for our stakeholders, but also have a positive impact on the environment through the transformation of capital into value.

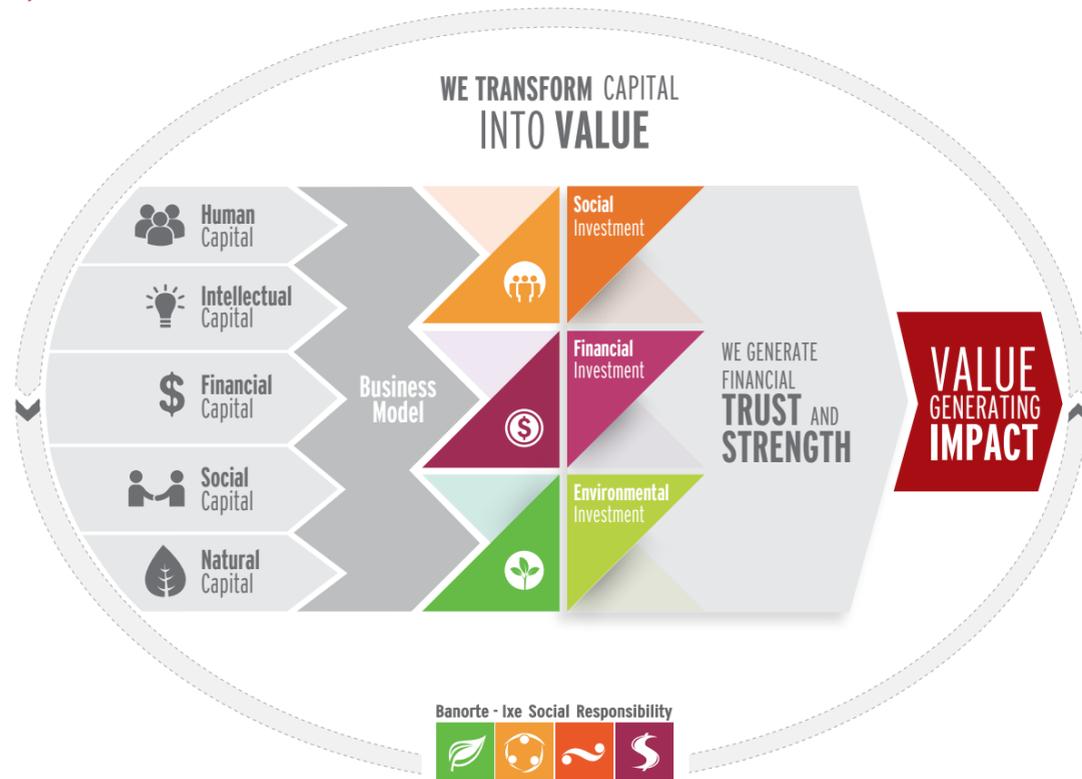
Our Business Model



We have defined and diversified our capital so, through our business model and under the frame of social responsibility we guarantee the financial, social and environmental balance of our operations. Our capital is made up of:

- Financial capital: the company's financial resources
- Intellectual capital: innovation and development (I+D) of new financial channels for our stakeholders
- Human capital: a qualified and trained workforce
- Social capital: relationships and alliances generated by the business
- Environmental capital: environmental resources, used or affected by business activities

We Transform Capital Into Value



Through the investment of our capitals, we generate sustainable growth opportunities facing our day-to-day challenges, working towards a stronger Mexico. Examples of our most important investments are:

National Week of Financial Education

Objective	To generate consciousness of Banorte staff and its' costumers, contributing to better decision making on their personal finances, in benefit of their personal and family's well-being.
Opportunity	To promote the financial strength of our staff and costumers.
Capital	<ul style="list-style-type: none"> Human Financial Intellectual
Material focus	<ul style="list-style-type: none"> Product development/ services/product responsibility Financial information Relationships with stakeholders

Adding value for the client (Sumando Project)

Objective	To offer tailored comprehensive financial solutions for each Segment/Product/Channel.
Opportunity	To evolve by focusing on the client, strengthening capacities in processes, technology and collaborators to generate value from tailored and comprehensive financial solutions.
Capital	<ul style="list-style-type: none"> Financial Intellectual Social
Material focus	<ul style="list-style-type: none"> Product development/ services/product responsibility Business coverage

Comprehensive Energy Control System

Objective	To reduce the use of electrical power by 10 percent, and reduce the impact of the emissions from our operations.
Opportunity	To generate the culture of energy savings within the collaborators and their families.
Capital	<ul style="list-style-type: none"> Human Financial Intellectual Natural
Material focus	<ul style="list-style-type: none"> Energy eco-efficiency Climate change Environmental policy

DEVELOPMENT



Economic Investment

At GFNorte we look to offer more than just a return, through investments that transform capital into value for our society.



We formalized an alliance with our partner IBM, with whom we are undertaking an ambitious program to evolve a business model that comprises the following objectives:

- Consolidating a client-oriented strategic and comprehensive focus.
- Aligning processes, technology and collaborators towards future needs.
- Offering comprehensive, tailored financial solutions by Segment, Product and Service Channels.
- Offering our costumers a unique experience, through the development of multi-channel strategies.

This way, by means of Sumando (Adding value), we will directly impact our objectives under our Social Responsibility Strategy through:

- The reduction of paper consumption by producing electronic files and process automation.
- Process optimization and establishment of responsibilities, which will leverage an improvement in productivity.
- The generation of assertive sales campaigns in order to set up the achievement of our executives' objectives.
- Risk diminishment within the organization, through strengthening the risk calculation processes.

Shareholders' purchase of Generali (Insurance and Annuities)

In October, and with the corresponding government authorizations, we finalized the acquisition of the minority ownership of Generali's part of Pensiones y Seguros. This purchase corresponds to the remaining 49 percent of the representative capital stock shares of Seguros Banorte Generali and Pensiones Banorte Generali, already owned by the group.

The operation's total sum rose up to US \$858 million dollars, including surplus capital: US \$637 million dollars for Seguros Banorte Generali and US \$221 million dollars for Pensiones Banorte Generali.

Merger of Ixe Automotriz into Arrendadora y Factor Banorte

We completed the authorization from the Ministry of Finance and Public Credit in May to formalize the merger of these two business units. The main objective is to increase placement with our new client database, and offer them more options in leasing products.

With this merger, we achieved the implementation of strategies in the management of our customer portfolio, offering more leasing products categories immediately.

Office expansion and construction of a new parking lot in Tlalpan

We redesigned the offices of our corporate building in Tlalpan, Mexico City comprising 6,500 square meters for 462 staff in the Technology area. This expanded the office capacity by 75 percent incorporating more efficient facilities.



Tlalpan Corporate Building, Mexico City

Construction of a new warehouse and specialized facilities

With the construction of 8,371 square meters in this new storage facility, we have increased the quality in our services to our costumers by reducing risk, improving security and expanding our capacity to offer our services with modern facilities that operate with less risk for staff, customers and merchandise.

To know more about our performance in terms of sustainability, please refer to the About this Report section in this document.

Social Investment

G4-EC3, G4-EC7, G4-LA1, G4-LA2, G4-LA5, G4-LA6, G4-LA9, G4-LA10, G4-LA11, G4-LA12, G4-SO3, G4-SO4, G4-FS14, G4-FS16

Promoting our staff's professional and personal development – both inside and outside the workplace – inside and outside in our society. At Grupo Financiero Banorte, we work towards fair and equitable work sources, under enabling environments and with the highest sense of dignity.

Financial Education Initiatives in the Community :

Initiatives	Main Groups	Objectives	Subject Areas	Main Activities
Financial education workshop in San Juan Numi (Oaxaca)	41 people	To ground the basic concepts of financial education and apply them to daily life.	Saving, Expenses, Income, Planning, Goals and Objectives.	Participative workshop where the concepts and advantages of savings were explained with the MiFon product.
National Week of Financial education (SNEF, in Spanish).	6,993 people benefited national-wide	To develop and disseminate teaching materials for financial education, to generate conscience in Banorte's employees and their Customers. To contribute to make better decisions regarding their personal finances, for their own benefit and their family's.	Saving, Expenses, Income, Planning, Goals and Objectives, Basic financial concepts, Credit, Insurance, Investment, Annuities, Personal Finances.	Workshops and Lectures.

Our Suppliers

Since July 2012, we have integrated over 470 new contracts and subsequent supplier renewals, under a clause referent to the acknowledgment of the 10 principles of the United Nations Global Compact. At this moment, only the inclusion of the clause has been considered and we are working on the development of a series of confirmation, verification and audit mechanisms to guarantee adhesion, commitment and compliance with the Global Compact's criteria.

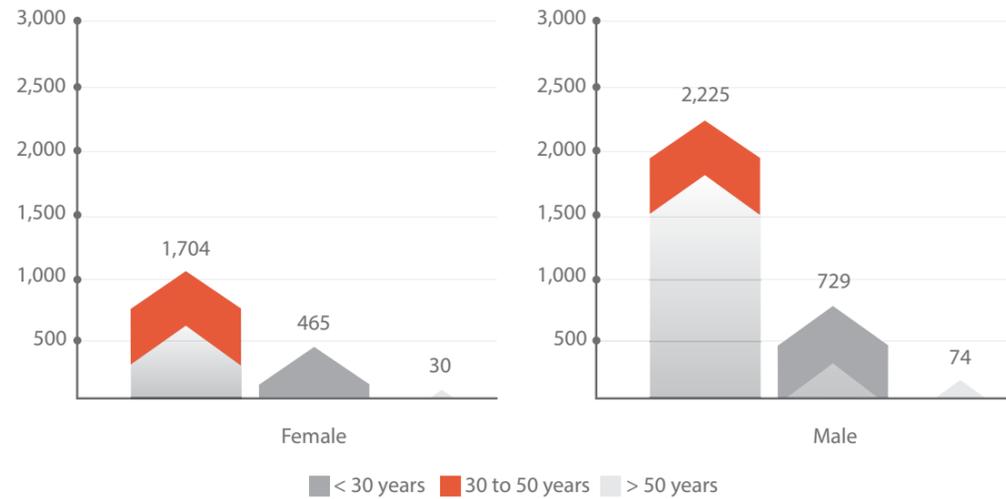
Our Human Capital

The following charts show the description of number of employees, hiring rates and employee rotation.



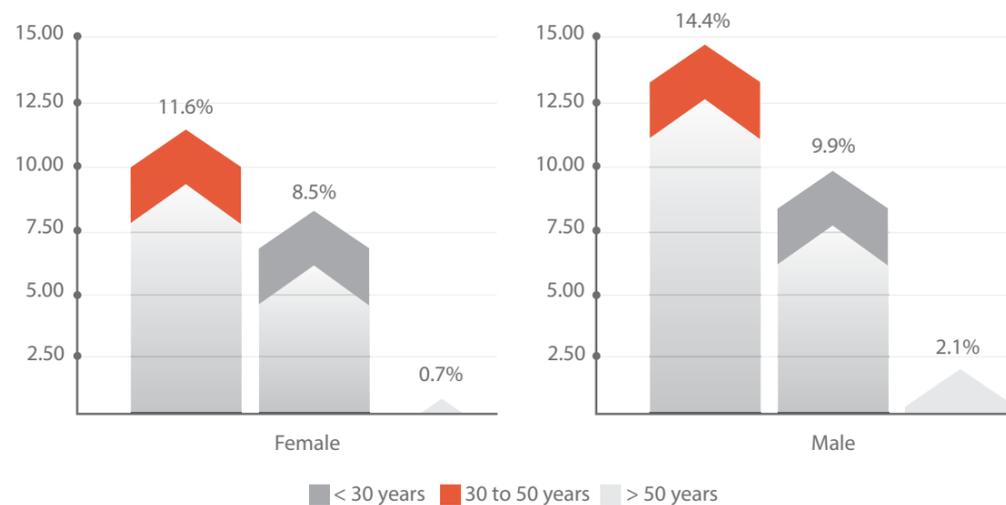


Number of New Recruitments



Information from the Banking Sector.

Average Rotation of Staff by Age



Information from the Banking Sector.

Other Workplace Statistics

Rate of absenteeism due to illness	39.36 days per employee
Rate of leave days due to illness	3.76 days per employee
Rate of lost days	7.3 days lost due to illness

Information from the Banking Sector.

Additionally, we generate new investment that translates into social benefits that we offer to all our full-time staff in the banking sector, including the following:

Compulsory Year-End Bonus	Amount equivalent to 42 days of salary.
Savings Fund	13 percent of salary limited to what is established in article 31, section XII of the Income Tax Act.
Leave	From 10 to 30 days per year.
Paid vacation	From 8 to 23 days salary.
Annuities Plan	This Annuities plan is additional to the one pursuant to the Social Security Act.
Direct Loans	Applicable up to manager level, with one year of service, up to 11 months salary limited to 70 times the Minimum Salary of the Federal District, financed to 60 months. Preferential market interest rate.
Mortgage Loan	Mortgage guaranteed loan, applicable up to manager level for an amount from 50 to 300 times the Banking Minimum Salary. Preferential market interest rate.
Short Term	From six months to one year of service. The amount of the loan can be from one to three months of salary respectively to a maximum of \$655,000 financed to three years. The interest rate applied is fixed during the loan term and is preferential in the current market when applying.
Medium Term	From one year of service. The amount is based on the ability to pay with a maximum cap of \$2,000,000 for all staff with the exception of General Directors, and a maximum cap of \$5,000,000 for General Directors, financed to five years. The interest rate applied is fixed during the loan term and is preferential in the current market when applying.
Car (new cars)	The amount loaned is 95 percent of the invoice value, according to the ability to pay and with a maximum value of \$1,000,000 pesos; the service required is of one year. The interest rate is fixed and preferential in the market during the loan term and the term is of five years.
Car (used cars)	With the same conditions as for new cars, the difference being that the percentage to be loaned on invoice amount will depend on the year of the car on the amount of the original invoice including VAT according to the following: same year – 75 percent, one year prior – 70 percent, two years prior – 60 percent, three years prior – 50 percent, four years prior – 40 percent.

These benefits do not include ASPE employees.

TIPM Mortgage loan	The amount of the loan is based on its purpose and ability to pay, the service term is from one year. The interest rate is preferential in the market. The term can be up to 30 years.
Grocery Vouchers	At operational levels, 10 percent of salary is paid in grocery vouchers with cap by law.
Staff Uniforms	Provided twice a year and applies to all unionized personnel and for operational staff working at branches.
Group Life Insurance	36 months' salary, double compensation for accidental death.
Assistance for funeral expenses	17 months' salary with a cap of 40 times the monthly banking minimum salary.
Sport club fee subsidy	50 percent of the cost of banking sport clubs.
Sport and recreational activities	In-house sporting events are organized according to the established budget.
Medical Services	<ul style="list-style-type: none"> • General and specialized medical consultations • Dental care • Maternity and gynecology • Hospitalization and emergency care • Surgery • Physical rehabilitation therapy • Laboratory tests and analysis • Prosthesis and orthopedic supplies (only to the policy holder) • Eyeglass lenses and frames every two years (only to the policy holder) • Medication • Nursing and layette allowance • The new plan includes a major medical insurance policy and a petty-cash yearly health bonus
Car insurance	Special fleet price via payroll deduction.
Home insurance	Special price via payroll deduction.
Living expense bonus	According to their workplace location, employees up to assistant manager level have the right to a living expense bonus.
Social Security fee subsidy	The corresponding amount is assimilated by the employer.



Occupational health and safety

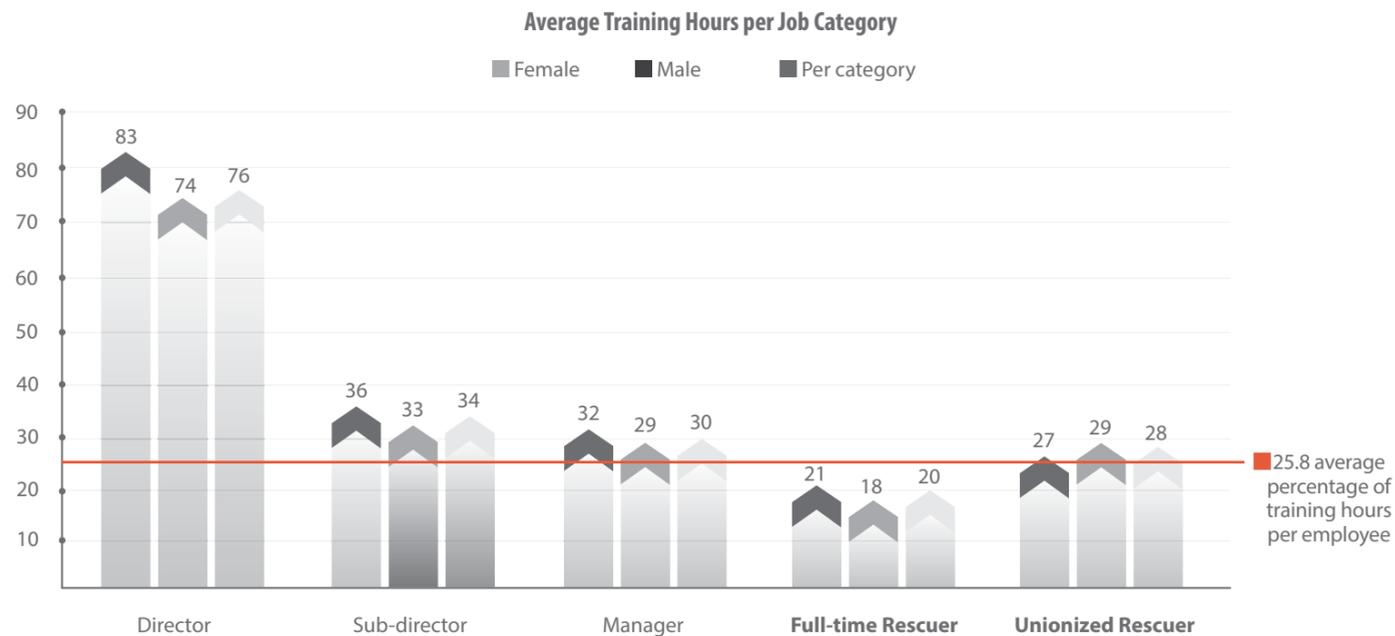
In 2013, we trained 5,490 staff as rescuers in Banorte-Ixe buildings and branches. We carried out a total of 264 events in 17 various regions of the country, including the topics of:

- First aid
- Evacuation and crisis management
- Fire prevention and firefighting
- The Heimlich Maneuver

Training

The average training hours received by the Banking Sector employees during 2013 is described in the following chart:

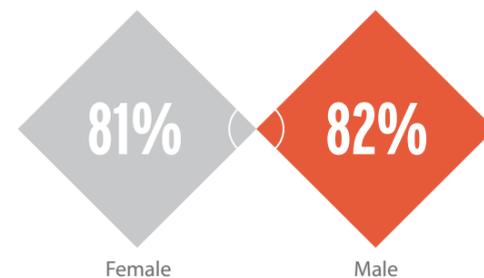
Our commitment in 2014 is to continue with the **occupational health and safety training plan**, with the goal of **275 events** and over **6,004 rescuers**



Information from the Banking Sector.

Towards the support of management skills and continuous training for our employees at the end of their professional careers at GFNorte, we carried out a series of transitional assistance programs, directed to support retiring employees or those who have ceased to work for the institution. We have assisted 270 retirees (130 women and 140 men). This program has only been available for employees in Mexico City.

As part of our continuous improvement process and social investment at GFNorte, our employees are periodically evaluated on their performance and professional careers.



Percentage of employees who receive periodic evaluations on their performance and the progression of their careers

Labor Practices

We always seek to maintain a strict compliance to the lawful and ethical frame of conduct in all of our activities. One of the strategies to achieve this is through the Internal Audit area, which manages and coordinates a yearly planning that prioritizes and produces a workplan for the area. This process is based on strict risk evaluation, which must be approved by the General Director's Office, and the Audit and Corporate Practices Board (CAPS, in Spanish). This audit includes general objectives and guidelines that are also part of specific recommendations from the Control areas (Comptroller and Risk), External Audit and regulating authorities. Through this program, business processes are meticulously evaluated – in a term no longer than three years, – resources are optimized, and the main risks that our business faces are identified with the objective of maintaining high standards of quality control.

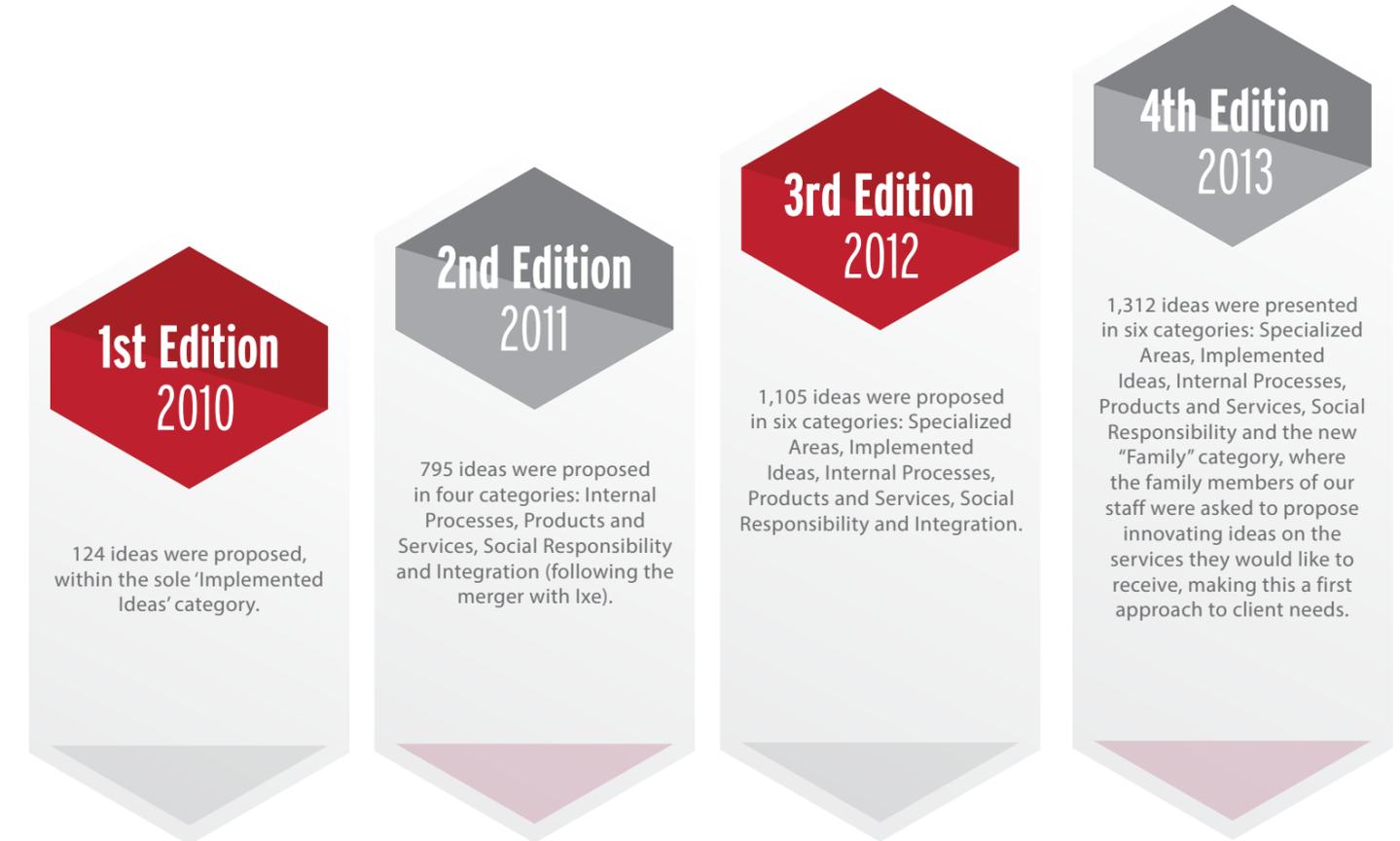
Our staff receives constant training and refreshers regarding money-laundering prevention. Additionally, there is continuous communication to promote the *Ethics Points* whistle-blowing system as a mechanism to notify corruption practices. We have trained 15,103 employees in the prevention of money laundering.

Information from the Banking Sector.

Innovation Award

Convinced that innovation and creativity is a fundamental factor to adapt us to change and to seek continuous improvement, we continue to promote and recognize our employee's efforts through the Banorte's Innovation Award.

Through this initiative, several solutions that make our processes more efficient and that optimize our customers' experience are offered.



We look forward to extending this program to the rest of our costumers.



Inclusive Banorte-Ixe Program

This year, we have laid the foundations to strengthen inclusive recruitment regarding people with disabilities in terms of equal opportunities. To this matter, we performed an analysis of the Financial Group's facilities with the assistance of an external supplier, seeking to determine the feasibility of our facilities for people with disabilities. We have shared the report with the corresponding maintenance area in order to assess the result and possible adjustments.

Simultaneously, we adjusted recruitment tests for the Financial Group; this provided results on the parameters to adjust recruitment evaluations to make them balanced, fair and equitable, guaranteeing the inclusion and non-discrimination of race, age, disability, civil status, gender, social/financial situation and health conditions.

At GFNorte, we strive to maintain our daily operations within the current labor law, and we ended the year with 22 staff with disabilities working in equal conditions, some of them with promotions due to performance during the year.

Súmate Trust

The Súmate Trust has the purpose of involving and consolidating philanthropic assistance from Banorte collaborators, by providing a binding response to the problems of disadvantaged people and communities. It is made up by the voluntary donations from GFNorte employees, who make a money contribution, which is discounted fortnightly via their payroll.

The causes to support are chosen through a committee made up by the employees themselves, who are selected and **distributed at national level**. Due to the fortnightly donations made by 1,200 employees who currently support the Trust, we have been able to benefit 13 institutions at national level, for an amount of \$4,192,938.42.

Our challenge for 2014 is that the Financial Group's affiliates participate as part of the Trust, promoting that 10 percent of our total workforce donate fortnightly.

New support program for the delivery of food provisions to Acapulco

It is fundamental for our business to provide support to the communities affected by natural disasters. Resulting from the catastrophe caused by hurricanes Ingrid and Manuel, we set up various distribution centers, and promoted employee participation nation-wide. The benefit was direct and tangible for the affected families, as we delivered 11,000 food provisions packages equivalent to over \$3 million pesos.

SumaRSE Network in Nuevo León

Banorte continues to work in the SumaRSE Nuevo León Network, an initiative for the reconstruction of social structure and the generation of civic abilities, which helps to generate new development opportunities in the communities of Nuevo León we have selected: La Ermita, Santa Catarina, El Realito, Guadalupe y Capellania, García.

The model we set up seeks the development of installed abilities in the communities for their organization, participation and coexistence; the binding of their groups of inhabitants to businesses, governments, civil organizations and members of other communities for the resolution of problems; changes of life expectations of people in the communities and development that reflects on physical well-being and the cultural and behavioral changes in the community; among other aspects.

The implementation of the model has been possible through the efforts of: 9 **promoters**, 59 participating projects, 58 groups made up by neighbors, 182 activities or events, reaching 1,483 direct recipients and beneficiaries.

Banorte Foundation

Fundación Banorte, A.B.P. has the objective of providing opportunities and improving the quality of life of children, teens, women, men and adults in vulnerable situations, related to financial, social or health conditions or natural disasters.

The support is provided by monetary donations, activities, alliances and know-how sharing, which promote social causes and initiatives and that contribute to the development of disadvantaged communities.

Fundación Banorte's yearly budget is made up by 1 percent of the profits made by the Financial Group. Its main action points are:

- Strategic philanthropy.
- Support to natural disasters.
- Organizational philanthropic culture.

Through **Fundación Banorte** we have donated **\$41,236,856 pesos** to **35 organizations**. We also provided **115 hours** support with **23 of the institution's staff**

Playing, Playing and - with Banorte Ixe – Assisting

This initiative seeks to promote teamwork, community support activities and a sense of belonging to the Financial Group among our employees. The campaign takes place yearly and consists of recollecting toys and delivering them to children hospitalized in Public Hospitals for Children and orphanages, as well as the children of our Security and Housekeeping staff.

The goal established in 2013 was 35,000 articles including blankets and new toys, or slightly used toys. As well, we proposed to increase the number of volunteers from last year.

This year, we exceeded our goals, going over and above by 27 percent of the goal proposed for the recollection of toys and blankets; 43 percent more volunteers signed-up at national level than the ones enrolled in 2012, reaching over 1,000 participants and delivering a total of 44,461 articles.



Delivery of toys at the 'Dr. Federico Gomez' Children's Hospital



Environmental Investment

G4-EC7, G4-EN3, G4-EN5, G4-EN6, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN23, G4-EN30, G4-EN31, G4-FS1, G4-FS2, G4-FS3, G4-FS5, G4-FS10, G4-FS11

We reinforce our environmental responsibility, maintaining the resources and implementing actions to create a sustainable awareness among our collaborators, customers and suppliers.

All of our operations are governed by an environmental policy that was approved during the session of the Committee of Operations, held on December 18, 2009.

In accordance to these principles, and as the result of an exhaustive analysis of environmental risks applied to the designated credits, during 2013 we carried out concrete actions to mitigate or decrease the negative impacts on our environment and on the communities that depend on it.

Social and Environmental Management System - SEMS

In October 2012 the Social and Environmental Management system of Banorte (SEMS) was established. Such system allows identifying, managing, mitigating and compensating the risks associated to the Loan Portfolio of our company.

In the last quarter of 2013, the Version 2.0 of the system was implemented. This allowed us to optimize the analysis of social-environmental risks of our financing options and to schematize our detection system based on industries and sectors with negative impacts, both for society and for the surrounding environment.

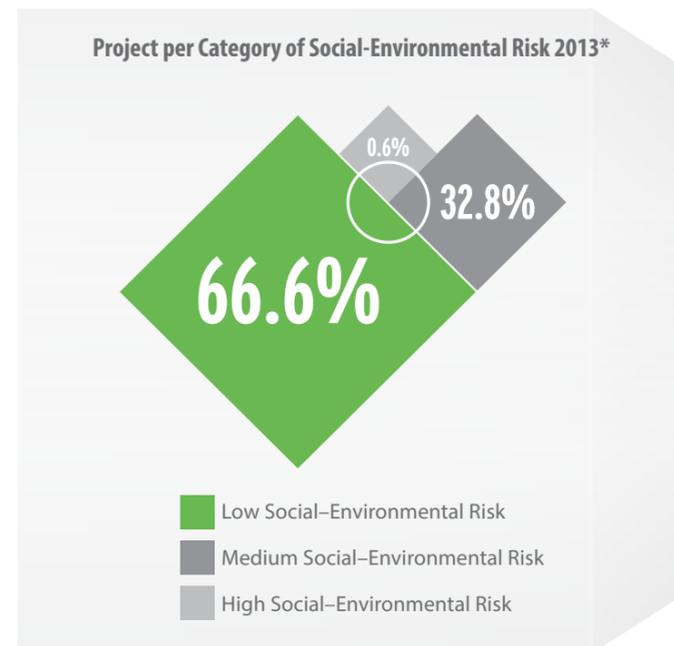
We carried out 12 social – environmental* due diligences, thus offering our customers timely guidance to manage, minimize, mitigate and compensate for the social and/or environmental impacts resulting from the projects to develop.

In addition, we offered 141 personalized consultations to improve the social-environmental yield of our customers. Through these support systems, we seek to promote, a greater contribution among our customers and an active participation with the sustainable development of the communities in which they operate.

* Analyzed and authorized projects.
 In order to get to know more about our performance in terms of sustainability, please refer to the About this Report section in this document.

Our guidelines are based on **4 fundamental principles:**

- **Guaranteeing** a sustainable development.
- **Encouraging** social responsibility in the search of the yield of an investment.
- **Communicating** the awareness of sustainable development and of environmental protection through our daily operations.
- **Integrating** environmental protection to the bank's operations.



Equator Principles

The Equator Principles are an initiative of the financial sector worldwide, was created in 2003 with the objective of guaranteeing that those projects that have been financed by the signing entities are developed in a socially responsible manner, thus reflecting healthy practices of environmental management.

Within the framework of the Equator Principles, we authorized a total of 10 financing projects, under the following classifications:

- Projects with possible social or environmental impacts that may be significantly adverse, which are diverse, irreversible or without precedents: none.
- Projects with possible social or environmental adverse impacts, which are rare in number and, generally, located in specific places, mostly reversible and easily manageable through mitigation measurements: 4 financing projects.
- Projects with possible social or environmental impacts that may be minimum or non-existing: 6 financing projects.

In order to assure the correct performance of the system, we offered in this year 17 hours of training and worked along with the Government's Bank, Structured Financing, Entrepreneurial and Corporate Banking, Juridical, Credit and Risk Areas, with the objective of determining strategic objectives of implementation such as the scope and the contractual commitments.

Adhering to the Equator Principles has allowed us to work along with our customers to manage their environmental and social impacts, as well as to determine opportunity areas and areas in which there could be continuous improvement. Additionally, we have generated added value for our customers, by allowing them to benefit with a first level consulting service that helps them minimize the risks their projects may have, lining up with strict criteria in terms of sustainability.

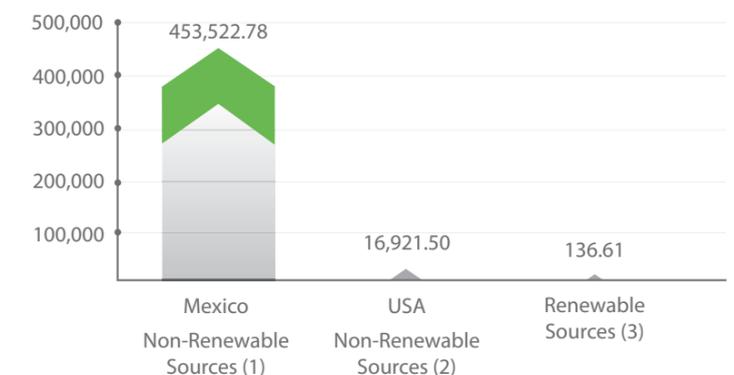
Our social-environmental risk management system is considered as a **strategic project** that brings us closer to the achievement of our goal of having a sustainable bank

Energy and Emissions



We are aware of the environmental impact produced by the consumption of power in our operations; that is why monitoring and maintaining our programs and energy efficiency actions allows us to mitigate our carbon footprint per employee

Electric Power Consumption in GJ

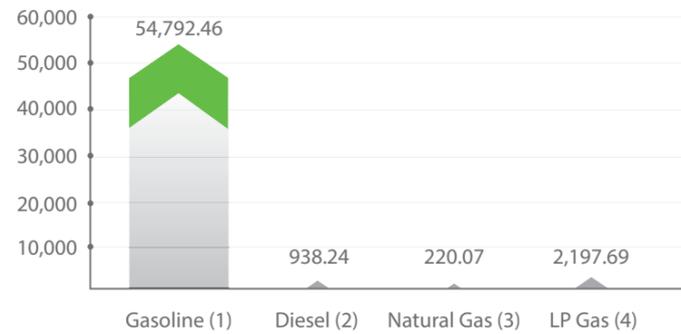


(1) Banorte-Ixe, Pensiones y Seguros Banorte, Arrendadora y Factor SA DE CV SOFOM, Almacenadora Banorte, UniTeller, Afore XXI and Casa de Bolsa Banorte.
 (2) Inter National Bank and UniTeller Outside México, Banorte-Ixe Securities Intl. Ltd.
 (3) Banorte-Ixe. Energy and power produced at the Jurica branch of the state of Querétaro and the Hermanos Aldama branch in the state of Guanajuato, thanks to the use of solar panels.

Amounts expressed in gigajoules.
 Total amount of power generated by the company: 136.61 gigajoules.
 It includes power consumption of buildings owned and/or leased by Banorte.



Consumption of Fuels from Non-Renewable Sources in GJ

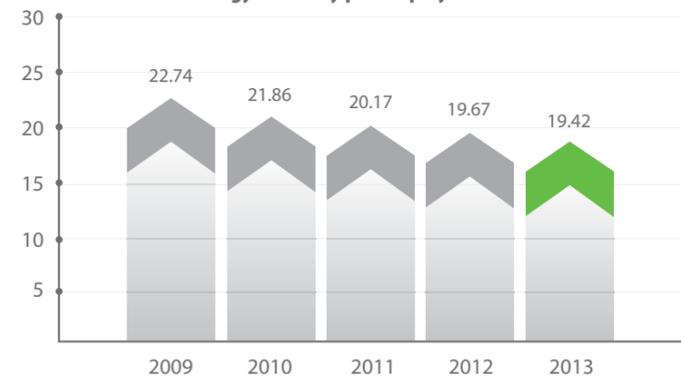


(1) Banorte-Ixe, Inter National Bank, Pensiones y Seguros Banorte, Arrendadora y Factor SA de CV SOFOM, Almacenadora Banorte, Afore XXI.
 (2) Banorte-Ixe, Pensiones y Seguros Banorte, Almacenadora Banorte.
 (3) Inter National Bank.
 (4) Almacenadora Banorte.
 Amounts expressed in gigajoules.

Energy Efficiency

We achieved a 14.6% reduction in energy intensity of the Financial Group in comparison to our base year, 2009

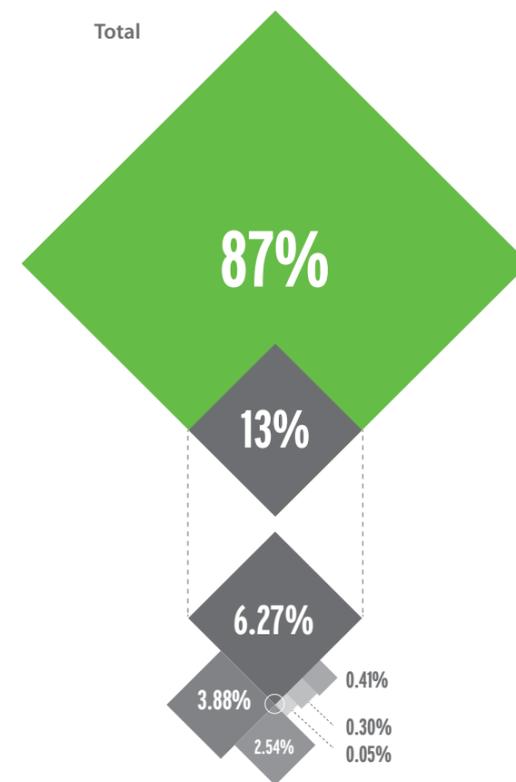
Energy Intensity per Employee in GJ



Note: These data comprises full-time employees into consideration (FTE) from all of Grupo Financiero Banorte.
 (1) Important decrease derived from decreasing the number of utilitarian vehicles and from increasing the efficiency of the use of fuel.
 (2) Reduction due to the implementation of the Integral System of Energy Control (SICE, in Spanish) and due to the performance of solar panels located at the office branches.
 (3) Corresponding to the energy consumed at Banorte-Ixe Securities Intl. Ltd., Banorte-Ixe, UniTeller, Afore XXI, Pensiones y Seguros Banorte, Almacenadora Banorte, Casa de Bolsa Banorte, Inter National Bank and Arrendadora y Factor SA DE CV SOFOM.

Total Emissions of Greenhouse Gas

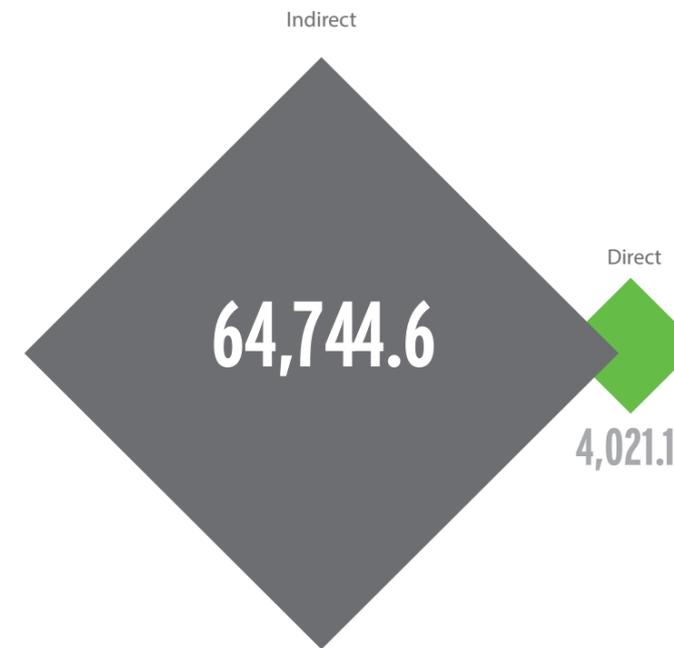
Emissions savings has been the result of energy control programs, as well as of improvement programs on the efficiency of usage of utilitarian vehicles. Investing on the videoconference system has been one of the main actions to mitigate those emissions caused by corporate flights. In 2013, 21,958 videoconferences were carried out at GFNorte, which represents a 46% increase in comparison to the previous year.



 Banorte-Ixe	59,931
 Pensiones y Seguros Banorte	4,338
 Inter National Bank	2,683
 Afore XXI Banorte	1,755
 Almacenadora Banorte	283
 Arrendadora y Factor SA DE CV SOFOM	210
 Banorte-Ixe Securities Intl. Ltd.	36

Quantities expressed in tons of CO₂e.

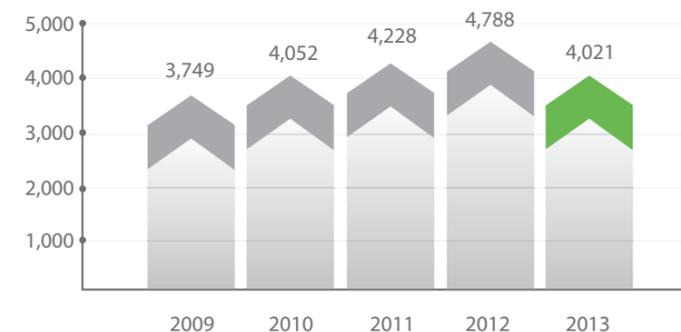
Breakdown of Emissions per Scope



Quantities expressed in tons of CO₂e.

We reduced our direct emissions in 16% in comparison to the ones from 2012

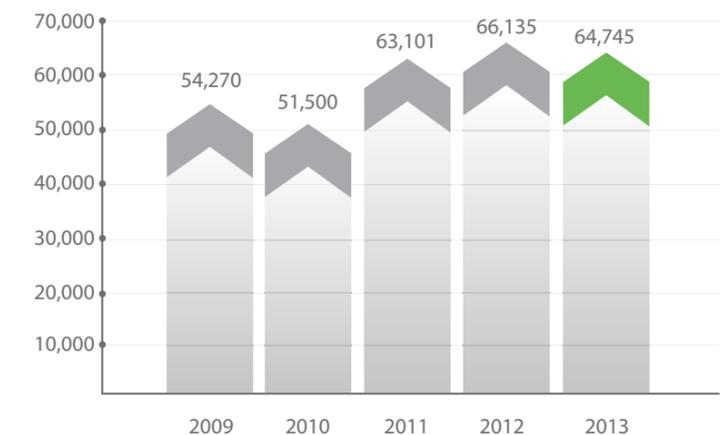
Direct Emissions of Greenhouse Gases



Note: The global warming potentials of the AR4 (2007) were used to convert CH₄ and N₂O into equivalent CO₂ tons. Corresponding to the power consumed at Banorte-Ixe, Afore XXI, Pensiones y Seguros Banorte, Almacenadora Banorte, Inter National Bank and Arrendadora y Factor SA DE CV SOFOM.

We achieved a 2% reduction in indirect emissions caused by consumption of electric power in comparison to the year 2012

Indirect Emissions of Greenhouse gases caused by the Consumption of Electric Power

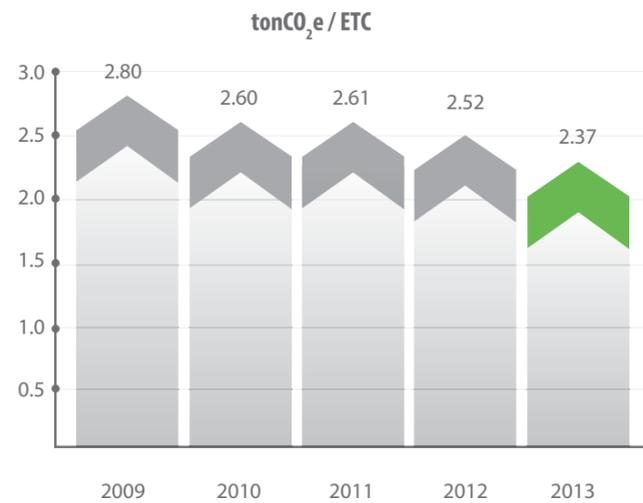


Quantities expressed in tons of CO₂e.

Note: Corresponding to power consumption at Banorte-Ixe, UniTeller, Casa de Bolsa Banorte, Arrendadora y Factor SA DE CV SOFOM, Afore XXI, Pensiones y Seguros Banorte, Almacenadora Banorte, Inter National Bank and Banorte-Ixe Securities Intl. Ltd.

We achieved a 15.8% reduction in the intensity of direct and indirect emissions of greenhouse effect gases in comparison to our base year, 2009

Intensity of indirect emissions of greenhouse gases caused by electric energy consumption



Note: Regarding electric power consumption at Banorte-Ixe, UniTeller, Casa de Bolsa Banorte, Afore XXI, Pensiones y Seguros Banorte, Almacenadora Banorte, Inter National Bank and Banorte-Ixe Securities Intl. Ltd.

Paperless

We keep on making an effort in order to generate a culture of responsible paper and toner consumption amongst our employees. Paper savings achieved during 2013 were 35% greater to the ones achieved during the base year corresponding to each area – 2010, 2011, 2012 – this equals approximately to cumulative savings of 1,100,000 pesos. We are working in order to achieve in 2014 the 50% savings goal that was established for 2013 in 2010.

During 2013, we implemented sending environmental impact reports to the Staff areas that are part of this project. We also started an internal communication campaign called “Ecotips” and we applied an recognition program called “Paperless Hero” for those projects that, in addition to improving the efficiency of internal operations, may generate an environmental benefit. We are thus spreading the word – for the awareness of our collaborators – about the impact caused by our operations, and we encourage the habit of good practices in favor of the environment in our everyday life.

Regarding Electronic Banking, every day there is an increasing number of customers who prefer to use it. By the end of 2013, 377,016 accounts were served. Out of those, 170,070 chose to get their bank statements via e-mail; and 142,667 chose not to get their bank statement sent to their address. In both cases, people chose the “Paperless” option – representing a growth of 63% and 44% respectively in comparison to the year 2012.



We recycled over 1,657 tons of paper during 2013

Sustainability Management System (SMS)

During 2013, we worked on the generation of the necessary processes to start the implementation Sustainability Management System in 2014, which will have as an objective to gather, validate, monitor and analyze data coming from all the affiliates of the Group through key environmental, social and economic indicators.

Furthermore, an analysis of the indicators in which there are initiatives or projects dedicated to improving the performance of the company will allow us to manage risks, minimize the impact of our operations and identify areas of opportunity and development, while communicating in a continuous and transparent way with our Stakeholders.

For the first semester of 2014 we aim to cover all of the indicators of all the affiliates of Grupo Financiero Banorte.

Green Roof on Top of the Contact Center Building

A system to create a natural space with 1,784m² of vegetable populated landscape was designed and installed on top of the Contact Center “Roberto González Barrera” building, between April and September 2013. To complement this project, an environmental education program was also developed, and it will be implemented as of March 2014, seeking to create awareness about the protection and the caring of the environment.

The results obtained from implementing the Green Roof have been:

- Increasing the complementary biodiversity of plants – birds and insects – at the Contact Center Building.
- Air conditioners installed at the story immediately below the green roof have been used in a lesser degree in comparison to how often they were usually utilized before the existence of the green roof.
- 20% of the plants came from Certified Rural Companies of Indigenous Women from the Mixteca Region in the State of Oaxaca.

The expected impact of this project can be divided into the following concepts:

- Conservation of 68 cactaceae plants – agave, echinocactus, cacti, crassula, euphorbias, opuntias, lophocereus, cephalocereus – from the northern, central and southern parts of Mexico. Out of them, 16 are listed in the Official Mexican Regulation of endangered species.
- Visits from 2,000 persons a year, comprising stakeholder groups, as of 2014.
- A survival goal of more than 70% of plant survival was set (40,000 specimens.) by the month of December 2013 the survival rate of the plants was of 95%.

As of 2014 a promotional effort to introduce the green roof as a space that offers educational practices to create awareness in both employees and visitors about taking advantage of underutilized urban spaces.

Scope 1 Direct Emissions	Scope 2 Indirect Emissions caused by electric energy consumption	Scope 3* Other Indirect Emissions
4,021.11	64,744.56	471.97
Total Emissions (equivalent CO ₂ tons)		
68,765.68		

* Only Scopes 1 and 2 are considered within the figure of total emissions, since Scope 3 is optional.

Emissions of Scope 3 correspond to CO₂ tons caused as a consequence of corporate flights. During 2013, a total of 75.90 tonCO₂e was registered for Arrendadora y Factor SA DE CV SOFOM and 396.07 tonCO₂e for Afore XXI.

Emissions Avoided by Means of Internal Initiatives:

Scope 1	Scope 2
146.70	109.56
Total Avoided Emissions (equivalent CO ₂ tons)	
256.26	

Note: Thanks to the solar panels installed at two Banorte branch offices, to the SICE program implemented at Banorte-Ixe and to the savings in the gas consumption of Arrendadora y Factor SA de CV SOFOM.



Green Roof, Contact Center “Roberto González Barrera”, Monterrey, N.L.

Development

During 2013 we adhered to initiatives and international principles and we established commitments with those initiatives and principles of an economic, environmental and social nature. We support our commitment to Mexico by including concrete actions to increase both sensitivity and awareness, inside and outside the working environment with the goal of encouraging the transformation of capital into value and sustainable investment.

Alternative Consulting Screens

Through this project, generated as an initiative of the Legal and Asset Recovery areas, the utilization of consulting screens is encouraged, in order to avoid the unnecessary printing of documents in order to facilitate the previous reviewing of electronic files in an alternative screen. This project was implemented during the second semester of 2013, thus generating savings of paper consumption (as a part of the Paperless Initiative) of 27%, only in the **Asset Recovery Department**.

Generación Impacto (Impact Generation)

Generación Impacto is a joint initiative of Banorte-Ixe and New Ventures México. Such initiative seeks to encourage entrepreneurial initiatives that can solve environmental and social problems. We have a special platform as a part of the project. Through such platform, SMEs are able to attend lectures and training sessions in order to make their businesses stronger, provided by experts of different renowned institutions. The best initiatives are invited to participate at a special networking event with investors. The total duration of this initiative was of 22 weeks.

This year, we jointly created a training platform that offered over 100 resources, comprising courses provided by experts – including directors of Banorte – tutorials, interviews, workshops and articles that deal with topics related to businesses, communication, leadership, innovation and impact measurement. 765 applications were received from SMEs, and there were assistants from 32 states of the Mexican Republic. Over 70 alliances were signed at a national level for the different phases of the initiative (invitation, training and networking). Among those allies, we can mention: British Embassy in Mexico, Universidad Anáhuac, Aspen Network of Development Entrepreneurs, FEMSA, Ernst & Young, Ministry of Economy, BLIS Award, Toks, Microsoft BizSpark.

Our Commitments with Initiatives or International Principles

Initiative	GFNorte Objective	Result
Natural Capital Declaration	This is a long-term project. The final expectation is to be able to develop products and financial services that incorporate aspects of natural capital.	For the Pilot Project 1, the goal is to develop methodologies that incorporate natural capital in the risk assessment in terms of credit, through a previous research and analysis carried out at the financial institution.
United Nations Global Compact	For the Pilot Project 2, the goal is to conceive risk policies for agricultural and cattle products.	This is the third year in a row of concrete actions that show the fulfillment of our commitment to the Global Compact, thus obtaining an advanced reporting level of our operations.
CEMEFI / ESR Emblem	Getting and keeping our Socially Responsible Enterprise Emblem.	We have been awarded, for the third year in a row, with the ESR Emblem.
Equator Principles	Maintaining and strengthening our social and environmental impact analysis system.	We granted funding to 10 projects that were subject to social and environmental risk analysis, within the frame of the Equator Principles.
GEI National Program for Greenhouse Gases Report	To strengthen our knowledge on calculating and reporting our GEI emissions according to the General Act of Climate Change.	GFNorte received the GEI2 award. It is the only financial institution in Mexico to get such award in 2013.
CDP Carbon Disclosure Project	To promote the creation of awareness in terms of climate change in Mexico and Latin America.	GFNorte was selected as one of the eight companies that take part in the Climate Disclosure Leadership Index of Latin America, due to its Leadership in Transparency regarding the information provided in 2013 about climate change.
ABM (Mexican Banking Association)	To establish a protocol and a reference framework of the carbon footprint in Mexican Banking.	The results of emissions generations of Mexican banks are expected for 2014, as well as its protocol and the benchmark versus other sectors.
Greenhouse Gas (GHG Protocol) and United Nations Environment Program Finance (UNEP FI)	To determine the methodology of calculation of emissions related to funding, loans and investments as of 2015.	The project consists in developing the guide to help the financial sectors to calculate the emissions of their loan and investment portfolios (Complement of Scope 3).

PROXIMITY

Segments, Products and Channels

G4-6, G4-8, G4-PRS, G4-FS13, G4-FS15

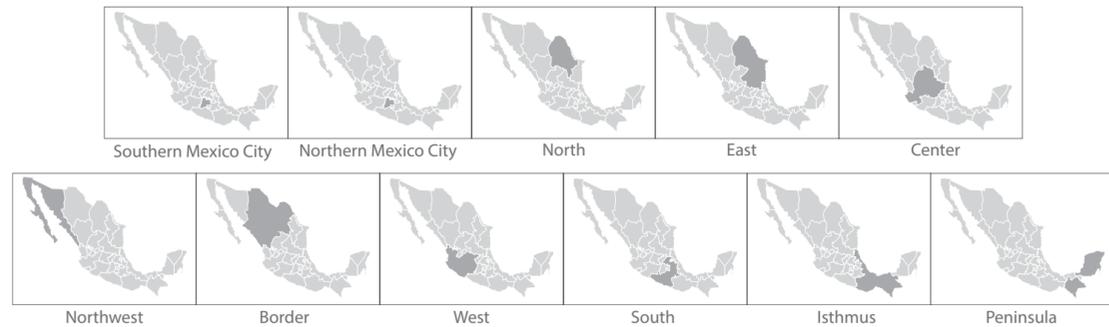
With the goal to stay as the strongest bank of Mexico, we are governed by strict integrity and quality guidelines regarding our operations, products and services; preserving profitability and the creation of value as the focus of our work.

We are present in Mexico and in the United States of America, in southern Texas, through Inter National Bank (INB), as well as in New Jersey and California through the remittance agency UniTeller and in New York through Banorte-Ixe Securities International.

Infrastructure Banorte

Territory	State	Branches		ATMs		POS		Third party correspondents ⁽¹⁾		Disadvantaged population	
		2012	2013	2012	2013	2012	2013	2012	2013	Population density (inhabitants/km ²) ⁽²⁾	Extreme and moderate poverty ⁽³⁾
Southern Mexico City	Distrito Federal, Estado de México	151	146	608	664	11,479	13,308	299	334	1008.81	37.1%
Northern Mexico City	Distrito Federal, Estado de México	137	132	658	676	10,323	12,119	216	400	1008.81	37.1%
North	Coahuila, Nuevo León	134	130	999	1034	11,231	12,927	620	349	34.32	25.6%
East	Coahuila, Nuevo León, San Luis Potosí, Tamaulipas	82	81	563	579	4,671	5,436	391	168	37.14	35.0%
Center	Aguascalientes, Guanajuato, Jalisco, Querétaro, San Luis Potosí, Zacatecas	118	118	756	780	8,839	10,735	154	543	75.73	44.0%
Northwest	Baja California Norte, Baja California Sur, Sinaloa, Sonora	109	106	615	669	9,695	12,046	274	471	24.12	31.4%
Border	Coahuila, Chihuahua, Sinaloa, Durango	70	69	472	496	6,623	7,655	135	503	18.21	37.4%
West	Colima, Guanajuato, Jalisco, Michoacán, Nayarit	125	123	650	652	15,959	18,094	393	443	93.96	44.1%
South	Guerrero, Hidalgo, Morelos, Puebla, Tlaxcala	72	71	378	447	4,314	5,765	199	437	115.82	58.1%
Isthmus	Chiapas, Oaxaca, Tabasco, Veracruz	70	69	318	346	3,445	4,468	269	246	70.10	59.7%
Peninsula	Campeche, Chiapas, Quintana Roo, Yucatán	74	72	487	494	9,512	11,982	130	253	41.57	54.4%
Banorte's Total		1,142	1,117	6,504	6,837	96,091	114,535	3,080	4,147		

(1) Third party correspondents refers to the networks of Telecomm – Telégrafos, 7 Eleven and Tiendas Extra.
 (2) Population density: source: cuentame.inegi.gob.mx
 (3) Extreme and moderate poverty: source: www.coneval.gob.mx



BANORTE USA INFRASTRUCTURE		Branches		Automatic Teller Machine	
		2012	2013	2012	2013
INB	Texas	20	20	31	30
MOTRAN	9 states of the USA	130	108		
UNITELLER	41 states of the USA	1,612	1,665		
BANORTE SECURITIES	Texas, New York	3	2		

The All Point network that uses INB is made up of 43,000 tellers all over the United States.
 In the case of Motran and UniTeller, a reference to Agents is made, and in Banorte Securities to offices, not exactly branches.



	Branches		Tellers		POS	
	2012	2013	2012	2013	2012	2013
Distrito Federal and Estado de México	95	96	111	124	11,294	14,768
Jalisco	27	23	28	23	2,596	3,522
Nuevo León	15	11	17	11	1,374	1,872
Guanajuato	11	10	13	10	790	1,329
Puebla	10	10	10	10	906	1,541
Querétaro	9	9	15	9	1,122	1,496
Morelos	6	6	8	6	936	827
Chihuahua	1	1	1	1	104	190
Quintana Roo		2		2		276
Yucatán		3		2		179
Other States						897
IXE's Total	174	171	203	198	19,122	26,897



Focusing on the Customer

As part of the ongoing efforts directed to guide our Institution towards a customer-focused business model, we created the General Direction of Customer Experience in 2013.

During this period we have focused our actions to obtain the customer perception through different media, including telephone surveys, mystery shoppers, customer service and follow-up about complaints and enquiries, and monitoring of contact centers and researches carried out by the Marketing Department.

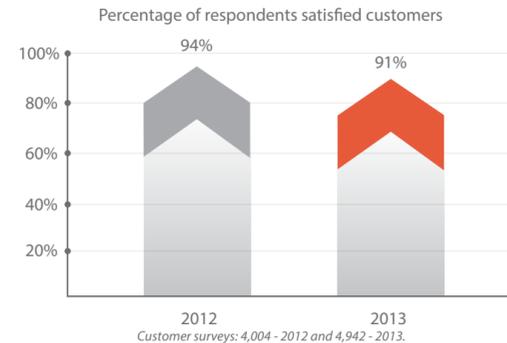
The follow up and analysis of the information allows us to trigger immediate actions in our search for continuous improvement, process re-engineering, new projects and training plans for our personnel, with a special focus on service that guarantees both the attention and satisfaction of the customer.

Telephone Surveys

Through telephone surveys carried out internally and thanks to the support of external suppliers, we identified the customers' level of satisfaction regarding the service we offer at Banorte and Ixe, according to their experience per channel.

Ixe Surveys*

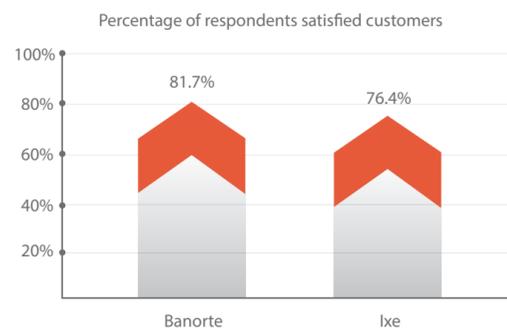
These kinds of surveys include Ixe Directo, Ixe Net, Ixe Calidad and the network of branches. By means of this initiative, direct information about the customers' perception is received. Such information is then transformed into immediate and long-term actions that will positively impact our offer of an excellent service.



*Satisfaction level assessed scale of 1 (completely dissatisfied) to 4 (completely satisfied).

Banorte-Ixe Surveys**

Through surveys carried out by an external supplier, we measured customer satisfaction according to their experience per channel in 2013, in order to identify the level of satisfaction with the service offered by Banorte and Ixe.



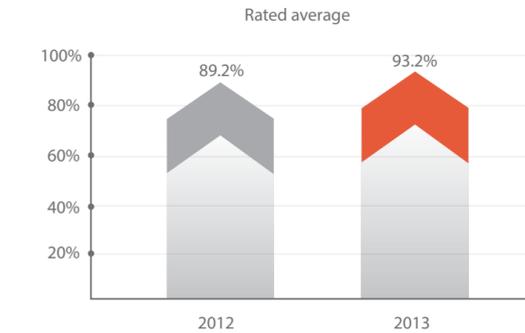
Channels: Branches, ATM, Electronic, Telephone and Mobile Banking
 Customer surveys: 4,764 - Banorte and 3,535 - Ixe.

** Satisfaction level assessed scale of 1 (not at all satisfied) to 7 (completely satisfied).

Mystery shoppers

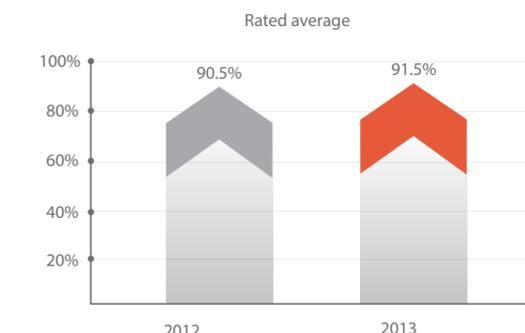
Through Mystery Shoppers (surprise visitors that pretend to be a customer entering a branch) both the image and the service of our branches is monitored and improved, thus looking to standardize the service looking for excellence. This initiative takes place in Banorte and Ixe branches. Thanks to it, service and attention protocols, as well as sales, personal image and branch image can be specifically evaluated every quarter.

Banorte Mystery Shopping***



Visits made to branches: 2,509 - 2012 and 3,699 - 2013.

Ixe Mystery Shopping***



Visits made to branches: 714 - 2012 and 676 - 2013.

***Evaluation scale of 0 to 100.

Branches

1,117 Banorte
171 Ixe
 for a total of
1,288 branches

We have a strong presence along the Mexican Republic through our network of branches. We are located in the third position of banks in terms of the number of our offices.

ATMs

6,837 Banorte
198 Ixe
328 more than in the previous year (5% increase)

Lining up with the CNBV regulations, we performed the necessary adaptations to our ATMs. This allows us to optimally operate those transactions that are carried out by means of cards including a chip.

Third Party Correspondents

4,147 offices:
1,647 7 Eleven
1,614 Telecomm - Telégrafos
886 Tiendas Extra

Our network of Third party correspondents was increased in 35%, strongly propelled by the integration of Tiendas Extra. We achieved a 23% increase in operations through our commissioned parties.

Point of Sale Terminal (POS)

141,432 POS
23% increase
27% billing growth

We represent a 14.5% of the market share - the third most important participant in the market.

Contact Center

49.2 million calls
19% more than in the previous year

Mobile Banking

22 million transactions
120% more
107 thousand users of Token Celular
196% more

As a part of mobile services, we have Banorte Móvil Lite, an independent platform, which is easily engaged through the Contact Center. In such platform, our Banorte customers (natural entities) who have a checking account or a credit card can perform basic operations for their accounts. Nowadays over 29 thousand customers use this application.

Online Banking

1.57 million users
18% more than in the previous year
700 million transactions



Core Deposits

15% increase in portfolio
21% in deposits
4% in installments

We are the 3rd most important participant in the banking sector with 13.4% of the market share.

We integrated the offer of 33 our Banorte-Ixe deposit-capture products, credits and services for individuals under only one contract scheme, thus establishing a long-term relationship with our customers. In addition, we aim to improve the efficiency in the contracting processes for our products, as well as a reduction in the number of printed sheets of paper and in the need of number of signatures needed from our customers.

In order to continue with the standardization of benefits in our debit products of both branches networks, we included the 'armor' service (Blindaje) to Ixe cards. Such service offers – at no cost for the customer – protection against fraud in case of theft or loss, covering expenses taking place within 72 hours prior to filing the report to the bank, comprising an amount of up to \$20 thousand pesos for products with a check book and \$10 thousand pesos for savings products.

For the third consecutive year, our "Gift on the Spot" (Regalo Inmediato) promotional campaigns have allowed us to encourage savings culture by inviting our customers to deposit or to open an account in exchange for a useful gift for their home whenever they deposit or open an account. We created 3 campaigns this year, offering gifts like sets of glasses, glass containers for the oven and spice containers to our customers; these latter displayed some representative works of the Mexican painter Diego Rivera – contributing as well in the promotion of Mexican art.

Credit Card

\$20,323 million pesos in the portfolio
16% more than in the previous year

We increased our catalog of strategic partners to provide exclusive discounts and interest-free monthly installments offers to our customers. We generated 35 exclusive sales jointly with 12 leading commercial businesses, thus achieving a 65% increase in the billing at establishments where the sales were held. We also implemented the re-design of our loyalty program Recompensa Total Banorte, which consists on offering different schemes of point accumulation depending on the kind of card, granting benefits and rewards of high perceived value, improving the levels of service and our customers' experience.

We introduced 2 joint brand credit cards : Tarjeta 40 (Televisa Radio) and Tarjeta United, thus strengthening our product offer.

Payroll Credit

\$26,147 million pesos in portfolio
44% increase

We encouraged the growth of Payroll Loans, allowing them to be contracted since the opening of the payroll account and simplifying its renewal for an open-ended period of time, thus facilitating the customer's process to contract, use and have the funds of such credit line through different electronic channels that bring the credit closer to the customer. This simultaneously translates into a better collection process and better portfolio retention, as well as a decrease impact of the overdue payments portfolio in relation to the incorporation, dissolution and changes of companies and holders of payroll accounts, thus decreasing the impact on the product reserves.

Payroll

4.45 million customers receive their payroll payment through us.
 we added **580,000** employees
39% of them correspond to employees of the Federal Government

We keep focusing on the growing number of payroll account holders in order to retain them and to help them with their development, for they are an important part of our potential customer base for the cross sale of services.

Through our Banorte Visita Program, we focus on visiting those companies that have contracted the payroll service to provide them with the best attention and guidance about the benefits, products and services for the holders of the payroll accounts. This year, we achieved to visit about 9,200 companies, through which we brought the bank closer to the payroll account holders' workplace.

Automotive Credit

\$11,412 million pesos in the portfolio
10% more than the previous year

It is noteworthy that our portfolio's increase was 21% greater than the growth rate in the automotive credit banking market. In addition, we kept the past-due loan ratio in a better position than our competitors, allowing us to maintain our high profitability levels for the product.

We established an extraordinary commercial alliance with the Mexican Association of Ford Dealers (AMDF, in Spanish) by means of which we offer attractive financing conditions to the customers of this automotive brand, so they can purchase new and used vehicles, as well as accessories thanks to AutoEstrene Banorte.

Within the next year, we will continue establishing strategic alliances with manufacturers, brand associations or groups of car dealerships in order to expand our Loan Portfolio.

Mortgage Loans

\$81,833 from current Loan Portfolio
13% more than last year
3 a total of CAPs new'

We participated jointly with INFONAVIT in a pilot of the Real Estate plan known as INFONAVIT Más Crédito by means of which we funded 2,556 credits for a total sum of 1.004 billion pesos. We also established a historic record through Programa de Vivienda Pemex, placing 2.186 billion pesos in financing for the employees of that company.

We also hired a Housing Credit Insurance (SCV, in Spanish) with Sociedad Hipotecaria Federal for a portfolio of 31,052 Mortgage Loans with a total portfolio value of 24.201 billion pesos. This allowed us to have the benefit of liberation of capital and reserves.

With the inauguration of 3 new client attention centers in Veracruz, Saltillo and Chihuahua, we increased our wholesale mortgage offices to 29.

Government Banking

1st place granting government loan
\$95,636 million pesos in the portfolio
8% more than in the previous year

We strengthened our position as the main supplier of services in over 50% of the states in the country, thus maintaining a significant position in the rest of the states. We also reinforce our position as the leading bank in granting credits to government entities with a rate of overdue payments of 0%.

We carried out the First Strategic Forum in Mexico, thereby bringing several Governors, State Ministers, Finance Ministers and important international personalities together, such as Rudolph Giuliani, former Mayor of New York City; César Gaviria, former President of Colombia, and Xavier Sala I Martín, author of the Global Competitiveness Report of the World Economic Forum.

International Bank Uniteller

\$2,227 million dollars in remittances
50% increase in transactions
10% market share

We improved our position in the market through the commercial agreement that we signed with Western Union, by means of which our Banorte Customers can collect the money sent by their family members from foreign territories through Western Union, Orlando Valuta and Vigo.

Proximity

Financial Institutions

We have provided attention to over **160 foreign** companies that started to establish their operations in Mexico

This year, our International Desk started an intense commercial activity in regards to the agreements signed with important Financial Institutions worldwide in 2012. In this stage, we have established our commercial and service offers to provide a response to the needs of foreign companies that come to Mexico to establish their operations. We offered attention to over 160 companies, and 50 of them are already active Banorte-Ixe Customers. These companies are still in their first operational stages in the national market; therefore, we expect a gradual growth during the following months with the potential of providing our service to a volume of over 10,000 employees of those companies in 2014.

Exterior Commerce

We gathered a group of **experts** Commerce to provide the best **guidance** for our customers

As a consequence of the business opportunities evolved from the dynamism of international commerce in our country, we gathered a group of experts in terms of service and financing in exterior commerce. Their objective and focus is oriented towards the development of a more robust offer of products and services in this field, in order to provide import and export Mexican companies with the right platform and infrastructure to support their global operations and the greater activity in the commercial flow from one border to another.

SMEs Banking

Encouraging the SME segment **\$35,669** million pesos
16% increase
6 new SME centers, a total of:
16 offices

As part of our main economic development strategies, we keep on encouraging the sector of small and medium enterprises in a vigorous manner. We incorporated 6 new SMEs centers located in the main cities across the country. We have now 16 specialized offices that allow us to be closer to our customers.

Additionally, we continuously start regional initiatives, which allow us to understand and support their needs in an adequate way according to the local environment.

During the last quarter we activated a special plan to grant credits to MiSMEs along with the Federal Government within the framework of the Crusade Against Hunger and the Program for Social Prevention of Violence and Delinquency. The government set a \$30 million pesos line of credit for Nuevo León, and a \$30 million pesos line of credit for Coahuila, through NAFIN guarantees at 90%. We managed to place \$26.8 million pesos in Monterrey and Saltillo, which meant a 45% of the general amount.

This initiative generated a positive impact in the community by encouraging local economy, promoting job retention and long-term stability of the beneficiaries in their city.

Agricultural and Cattle raising Banking

We are one of the leading institutions in this segment

We encourage primary activities and support the productive chain, thus benefiting over 179 thousand producers.

We support the development of Mexican croplands and pastures by encouraging different projects directed towards the agricultural sector. By means of diverse products and programs of national scope, we seek to strengthen our position as the second bank in the utilization of TIRA resources – Trusts Instituted in Regards to Agriculture (FIRA in Spanish), mainly in the states of Chihuahua, Michoacán, Sinaloa and Tamaulipas.

An outstanding example of our definite support to the Mexican agricultural sector was the support program of sugarcane producers in Veracruz. Such program, along with TIRA and through sugarcane organizations in the region, supported the producers who were facing an oversupply environment and a fall in the price of sugar. The goal was to make financing accessible to primary activities, supporting low-income producers with no needs of mortgage guarantees. Credit lines for \$230 million pesos were authorized for sugarcane organizations in the region. This initiative allows them, as an additional benefit for the community, to facilitate sugarcane refineries to purchase raw materials from local producers, thus contributing to job retention.

STRENGTH



Relevant Figures

G4-EC1

Grupo Financiero Banorte	2011	2012	2013
Assets under management	1,295,330	1,471,422	1,829,106
Total assets	825,147	916,567	1,006,788
Value of Banorte's brand name (million dollars) ⁽¹⁾	581	608	985
Total deposits	370,293	424,325	443,740
Total Loan Portfolio	357,507	409,914	438,693
Shareholder's equity (without minority interest)	70,849	81,881	106,657
Net income (according to participation)	8,517	10,888	13,508
Earnings per share (pesos)	3.79	4.68	5.35
Dividends declared per share (pesos)	0.52	0.732	0.7852
Paid dividends	1,157	1,240	2,911
Books value per share (pesos)	30.45	35.20	38.45
Shares outstanding (millions) ⁽²⁾	2,312.8	2,326.4	2,526.1
Price of share (pesos)	42.32	83.45	91.36
ROE (%)	14.1	14.3	14.2
ROA (%)	1.1	1.3	1.4
Net interest margin adjusted for risk (NIM) (%)	3.3	3.4	3.2
Efficiency ratio (%) ⁽³⁾	55.6	54	52
Past due loan ratio (%)	1.9	2.1	3.1
Reserve coverage (%)	143.1	138.3	104.6
Capitalization ratio of Banorte (%)	12.9	14.7	15.1
Capitalization ratio of Ixe Banco (%)	15.3	15.5	-
Full-time employees ⁽⁴⁾	24,100	26,108	27,474

Delivery Channels	2011	2012	2013
Branches ⁽⁵⁾	1,285	1,316	1,288
ATMs	6,367	6,707	7,035
Calls received by the Contact Center (millions)	36.9	41.2	49.2
Point of sale terminals (POS)	90,649	115,213	141,432
Transactions in POSs (millions)	103	131	162
Amount billed in POSs	90,649	126,146	160,059
Third party correspondents	2,918	3,080	4,147
Number of online users	1,055,808	1,336,782	1,571,086
Online transactions (millions)	460	613	705
Number of clients using Mobile Banking	74,184	136,014	192,245
Mobile Banking transactions (millions)	4.7	10.0	22.1

Million Pesos.

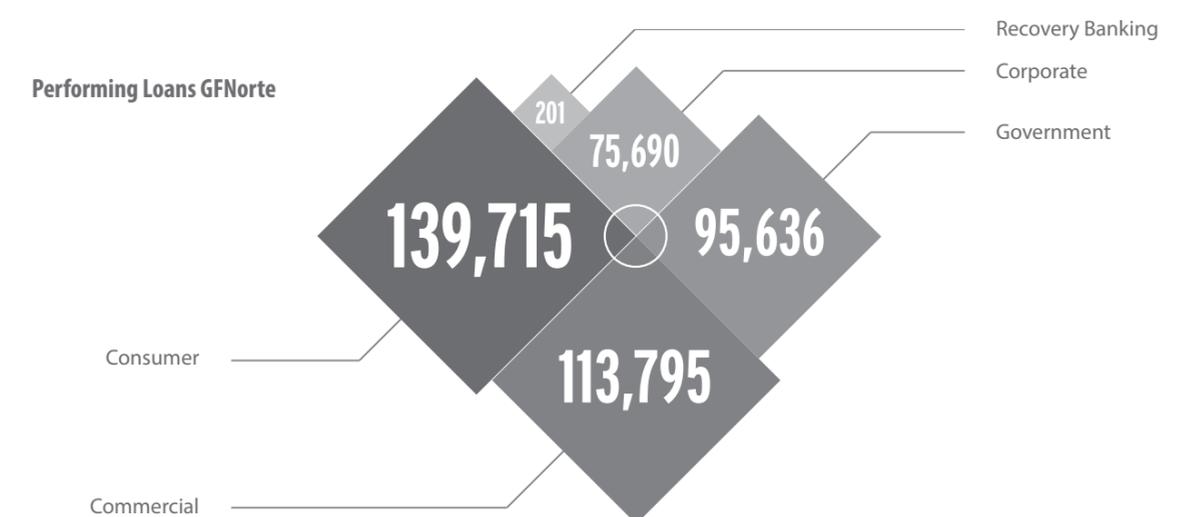
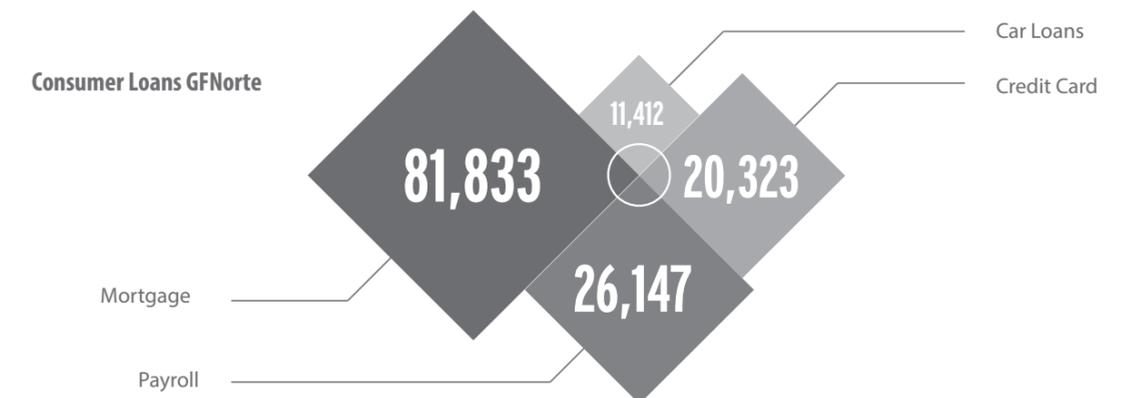
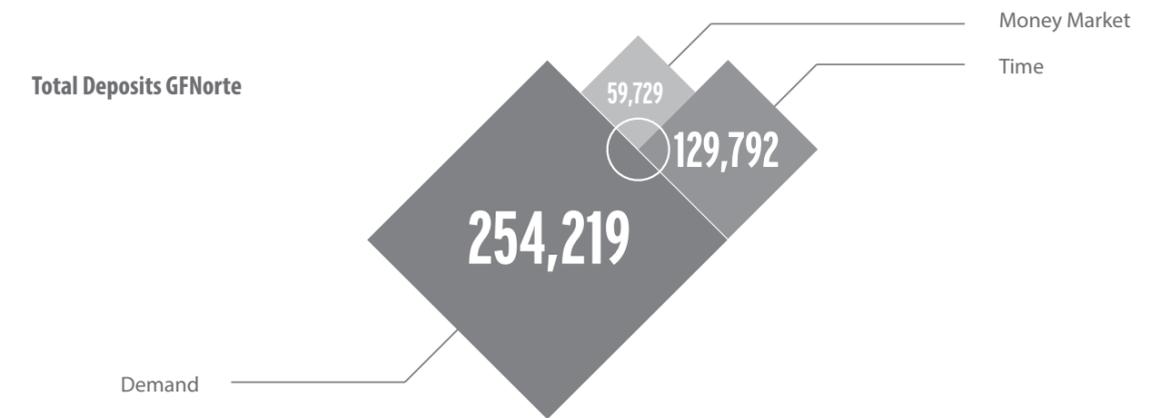
(1) Source: The Banker / Top 500 Banking Brands, February 2013

(2) 2526.1 million weighted average shares are accumulated at the end of 2013; while at the end of 4Q13 total outstanding shares of GFNORTE is at 2773.73 million shares, resulting from the capital increase Ownership Public Offering in July 2013.

(3) Non Financial Expense / (Total Net Income + Loan loss provisions for Risks).

(4) It includes permanent and outsourcing staff

(5) It includes banking modules and excludes agencies in foreign territories.



Note: Amounts in millions of pesos.



G4-17

	Majority Net Income	Share Holding	Majority Net Income	Share Holding
	2012	GFNorte	2013	GFNorte
BANKING SECTOR ⁽¹⁾⁽²⁾⁽³⁾	\$ 7,310	92.72%	\$10,658	97.50%
BROKER DEALERS	\$681		\$649	
Banorte-Ixe Stock Market	\$601	99.99%	\$562	99.99%
Ixe Fondos	\$80	99.99%	\$87	99.99%
LONG-TERM SAVINGS	\$1,053		\$1,962	
Afore XXI Banorte ⁽²⁾	\$532	50.00%	\$1,114	50.00%
Seguros Banorte ⁽⁵⁾	\$471	51.00%	\$725	99.99%
Pensiones Banorte ⁽⁵⁾	\$49	51.00%	\$123	99.99%
OTHER FINANCE COMPANIES	\$255		\$391	
Arrendadora y Factor Banorte	\$604	99.99%	\$599	99.99%
Almacenadora Banorte	\$43	99.99%	\$43	99.99%
Ixe Automotriz ⁽⁴⁾	\$33	99.99%	\$15	
Sólida Administradora de Portafolios ⁽³⁾	(\$425)	99.99%	(\$266)	96.76%
OTHER COMPANIES	\$1		\$1	
Ixe Servicios	\$1	99.99%	\$1	99.99%
HOLDER	\$1,589	100.00%	(\$153)	100.00%
TOTAL	\$10,888		\$13,508	

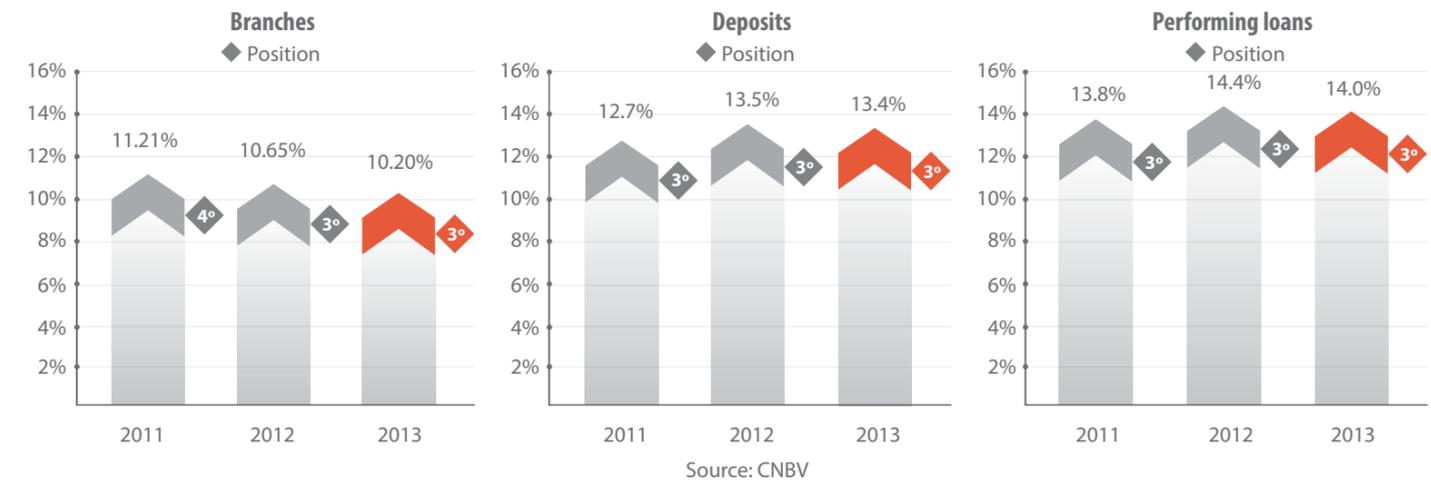
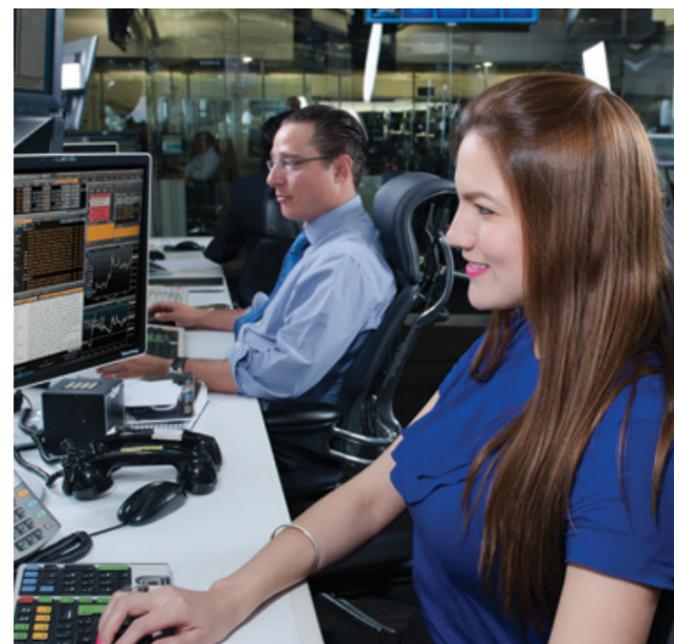
1) Comprising since 1Q13 a participation from GFNorte of 97.2% and for 2Q13 of 97.50%. Since the 4Q09 up to this quarter, the participation was of 92.72%, reflecting the IFC investment in the equity of Banco Mercantil del Norte.

2) As of the 1Q12, Afore XXI Banorte is acknowledged by equity method within Banco Mercantil del Norte; however, for informational and comparison purposes for the profits in this sector, Afore XXI Banorte's income is presented in its corresponding business sector.

3) On April 26th 2013, it was approved that Banco Mercantil del Norte retreated its equity investment in Sólida by means of a demerger, and was subsequently absorbed by Ixe Soluciones to consolidate the operations of recovery banking. Later on, Ixe Soluciones changed its name to Sólida Administradora de Portafolios. The demerger and merger were effective as of May 24, 2013, so for comparative effects, the profit reported by Sólida in 2012 is excluded from the Banking Sector and they are added including what was reported in this period by Ixe Soluciones.

4) Ixe Automotriz merged into Arrendadora y Factor Banorte, effective as of May 7, 2013. The results that are presented in the table correspond to period before that date.

5) As of October 4, 2013 Seguros Banorte and Pensiones Banorte consolidate at 100% at Grupo Financiero, due to the purchase of the minority share (49%) that up to that date had Assicurazioni Generali S.p.A. in these companies.



Prizes and Awards

Bank of the Year 2013 - Mexico and Best Private Bank in Mexico in 2013

Granted by: The Banker
 During the 2013 award delivery, the Financial Times Group, through its publication The Banker, recognized Banorte's efforts to grow and to strengthen its equity. The purchase of Afore Bancomer, the issuance of shares for US\$2.5 billion dollars and the consolidation of the Insurance and Annuities business (among other factors) were taken into consideration to receive such an important award.

Best Commercial Bank of Mexico in 2013

Granted by: World Finance
 GFNorte Achievement: Banorte was named the "Best Commercial Bank in Mexico in 2013".

Top Best Managed Companies in Latin America

Granted by: Euromoney
 Banorte was the second best managed company, and the only one pertaining to the financial sector among the ones that were placed in the top six positions nationwide.

The Latin American Executive Team in 2013

Granted by: Institutional Investor
 The following managers and directors were acknowledged as the best ones in each one of their categories due to the high transparency level in disclosure of financial information, their market knowledge, the access to the members of the Higher Direction Level and the level of accessibility and response from the company. Alejandro Valenzuela – General Director of Grupo Financiero Banorte – was appointed as the third best CEO of financial institutions in Latin America, and the second best in Mexico. Rafael Arana – Financial Director – and David Suárez – Head of Relationships with Investors – were located in the first places, both in the evaluation for Mexico and Latin America.

The Investor Relations Department was selected as the second best in Latin America for the sell-side and as third best for the buy-side. In Mexico, both groups placed it in number 2.

Best Economic Analysts in the World

Granted by: Bloomberg
 Gabriel Casillas – General Director of Economic Analysis – and Delila Paredes – Executive Director of Economic Analysis of Banorte – were acknowledged among the best economic analysts in the world.

Beyond Banking Award

Granted by: Banco Interamericano de Desarrollo (BID)
 The Personal Fund MiFon received the Beyond Banking award, granted to the best environmental, social and corporate governance initiatives that use banking technology, both in Latin America and the Caribbean.

Sustainable IPC

Granted by: Bolsa Mexicana de Valores (BMV, Mexican Stock Exchange Market)
 GFNorte was ratified by the BMV within the Sustainable IPC, thanks to the permanent adoption of sustainable and socially responsible processes as part of its corporate practices.

2013 Socially Responsible Enterprise Emblem

Granted by: Mexican Center for Philanthropy
 Banorte Ixe obtained the 2013 ESR Badge for the third consecutive year, for satisfactorily fulfilling the standards established in the strategic fields of corporate social responsibility.

Introduction of Plataforma Verde in Favor of MiSMEs

Granted by: Global Institute for Sustainability of the Technological Institute of Monterrey
 During October, as part of the 2013 Summit of Green Businesses, Banorte was acknowledged for the introduction of the green platform in favor of Micro, Small and Medium Enterprises that aims to finance those projects with a greater potential for the development of green markets.

2013 Emblematic Work Award

Granted by the Ibero-American Board of Interior Designers (C.I.D.I.)
 Our Banorte-Ixe Contact Center "Don Roberto González Barrera" was acknowledged due to its valuable urban concept as the 2013 Emblematic Work.



ABOUT THIS REPORT



Message from the Executive Management of Social Responsibility

G4-DMA

I am very glad to be able to write these lines to you and to share some of the most relevant successes we have lived this year at the institution, from the point of view of our Social Responsibility and Sustainability strategy.

2013 has been a very special year for Grupo Financiero Banorte, not only because of the remarkable economic performance of our institution, but also because the culture of being a socially responsible enterprise is being significantly incorporated into our company, in a more firmer and solid way in our daily operations, our way of thinking and in our objectives. One of the roads that we have started in a more decided way in order to achieve this, is the adoption of the commitment to identify and manage impacts, risks and opportunities in terms of sustainability through the multidisciplinary team shaped at the Social Responsibility area.

In regards to one of our most precious principles, the transparency in disclosure, we hereby present this 2013 Annual Report by following the Global Reporting Initiative methodology, in its G4 version. The standard to elaborate GRI reports represents a high commitment to us, as a means to express the performance of our organization – as well as the most outstanding initiatives put into practice in order to be more sustainable – in a clear, precise and transparent manner. We have decided to get started with the transition process towards the application of this new version, seeking to be coherent with our objective of always following the best practices in terms of a clear communication with our stakeholders.

As part of the commitments entailed by the adoption of this new version, we carried out an extensive materiality analysis with the aid of an external consultancy firm, which allowed us to determine, categorize and prioritize our most relevant topics – and that we have tried to communicate in the widest possible way in this issue. Therefore, we have incorporated a chapter into this Report that is dedicated to indicate the findings of such analysis, which is additionally helping us to design new important action paths to strengthen the dialog mechanisms we are to follow with our stakeholders and that are to be implemented in 2014.

Furthermore, I am pleased to inform you that we carry out continuous efforts to crystallize our will of presenting an integrated Annual Report. Therefore, in addition to incorporating the GRI G4 standard, we have tried to incorporate as well an extraordinary initiative presented by The International Integrated Reporting Board (IIRC) in this issue. Its working method provided us an excellent model to expose our performance; its core consists in providing our readers greater information about how the organization works, about the assessment of intangibles and about our future vision in terms of the most significant business projects.

Through the incorporation of the perspective offered by the IIRC, in addition to the GRI G4 standard, we present this integrated Annual Report in which we pretend to communicate our essence, thus translated into concrete actions through which we Transform Capital into Value.

Thank you very much.

Mayra Hernández González
Executive Director of Social Responsibility



GRI Indicator Index

We are regulated by the G4 Guide standards for the elaboration of Sustainability Reporting Guidelines of the Global Reporting Initiative methodology, reiterating our commitment to building solid bases that will translate our daily work into a higher social, financial and environmental investment.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
STRATEGY AND ANALYSIS				
✓	3 - 9	G4-1	Declaration from the Executive President of the Board of Directors	Letter from Chairman and Letter from CEO.
✓	3 - 9	G4-2	Impacts, risks and opportunities	Letter from Chairman and Letter from CEO.
ORGANIZATIONAL PROFILE				
	Cover	G4-3	Name	Cover
		G4-4	Brands, products and/or services	For details about our products and services, please see: www.banorte.com and www.ixe.com.mx
	Inside front cover	G4-5	Headquarters	Second page cover.
	44 - 47	G4-6	Countries where we operate	Organizational profile.
		G4-7	Nature of the ownership and legal form	Grupo Financiero Banorte, S.A.B. de C.V.
	44 - 47	G4-8	Markets served	Products, segments, channels (map).
	24	G4-9	Scale of the organization	Organizational profile.
✓	24	G4-10	Employment	Organizational profile.
✓		G4-11*	Employees protected by collective bargaining agreements	26 percent of employees are covered by collective agreements, corresponding to collaborators in the Banking Sector.
		G4-12	Organization's supply chain	We had a total of 1,329 suppliers registered during 2013; 93 of which are foreign and 1,236 are national. They are classified as follows: 155 purchase suppliers and 1,174 service suppliers. We also have the classification by temporality: 673 permanent and 656 temporary.
✓	3 - 9	G4-13	Significant changes during the reporting period	Letter from Chairman and Letter from CEO.
		G4-14	Precautionary principles	We do not have studies on environmental risks or impacts of new investments and products. However, precautionary measures are being considered to build new branches and mitigate environmental impact such as: <ul style="list-style-type: none"> • Separation of solid waste. • Use of treated water. • Water recycling. • Collection of rain water. • Use of ecological sanitation. • Use of recycled materials. • Use of lead-free vinyl paint. • Controlled lighting and air-conditioning. • Green lighting.
✓	3 - 9	G4-15	Social, environmental and financial programs and initiatives	Letter from Chairman and Letter from CEO.
✓		G4-16	Presence in associations	GFNorte actively participates with the Mexican Banking Association (ABM in Spanish) among others.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
MATERIAL ASPECTS AND COVERAGE				
✓	56	G4-17	Operational structure	The list of entities that make up Grupo Financiero Banorte can be consulted in detail in the Certified Financial Statements, on page www.banorte.com , in the Investor Relations section.
✓	14 - 16	G4-18	Definition of content	As referenced in the Materiality section, the content of this report has been determined considering the significance of definite aspects of interest both to our stakeholders and our institution. Furthermore, the significant topics are reported in an ample context of sustainability, i.e., considering their financial, social and environmental impact, thus facilitating information comparability and traceability. This leads us to comply with the principles with stakeholders' principle of participation and the sustainability, materiality and comprehensiveness context.
✓	14 - 16	G4-19	Material aspects	Materiality.
✓	14	G4-20	Boundary within the organization of each Material aspect	Materiality.
✓	16	G4-21	Boundary outside of the organization of each Material aspect	Materiality.
✓	61	G4-22	Consequences from the restatements of information provided in previous reports and their reasons	In relation to consequences resulting from restatements in this reporting period, none was presented due to no mergers or acquisitions. This is because all changes derived therefrom were reported in 2012. Restatement changes are only provided for the environmental area, as previous reports indicated an emissions reduction target of 20% in 2009 only considering Banorte. This changed and now the present goal for 2014 is to achieve an emissions reduction target of 20% from base year 2009 within the whole of Grupo Financiero Banorte. The Paperless goal remains the same, because as of 2013 we have not been able to reach with the one previously established. Regarding waste management, we have introduced a measurement methodology for generated waste, which did not exist in previous years. In general, by considering the total financial nature of the business, the information presented in this report has not been significantly altered.
✓	15	G4-23	Significant changes from previous reporting periods	Materiality.
STAKEHOLDER PARTICIPATION				
✓	16 18-19	G4-24	Stakeholders engaged by the organization	Stakeholders.
✓	17	G4-25	Identification and selection of stakeholders to engage	Stakeholders.
✓	15 17-19	G4-26	Approach to stakeholder engagement	Stakeholders.
✓	15-16 18-19	G4-27	Key topics and concerns of stakeholders	Stakeholders.
REPORT PROFILE				
	2 nd inside cover	G4-28	Reporting period	About this report.
	2 nd inside cover	G4-29	Date of most previous report	About this report.
	2 nd inside cover	G4-30	Reporting cycle	About this report.
	Back cover	G4-31	Contact	Back cover.



VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓	70-71	G4-32	Index	GRI Table. We chose and complied with the comprehensive conformity option, reporting all specific and general indicators, based on all GRI's G4 and the Financial Sector Addendum aspects defined as material; furthermore, we are committed to continue working to strengthen our compliance with the reporting principles, to continue with the materiality exercise and to provide follow-up on material aspects and topics along the year. The Verification Letter is attached. To learn more about our external verification process, consult the declaration in indicator G4-33.
	70-71	G4-33	External assurance	External verification is carried out by the consulting firm Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.). The scope of this verification is included in the Verification Letter. The company carries out a selection process for the verification bureau, which is later audited by the . Audit and Corporate Practices Committee and finally ratified by the Board of Directors. Verification by a third party is important in order to validate the certainty of data presented in the annual report.
GOVERNMENT				
✓	11 - 12	G4-34	Governance structure of the organization	Corporate Governance.
✓	11	G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives	Corporate Governance.
✓	11	G4-36	Executive-level positions or with responsibility for economical, environmental and social issues	Corporate Governance.
✓	11	G4-37	Consulting processes between stakeholders and the highest governance body	Corporate Governance. Stakeholders. The head of each area leads the relationship and dialogue with various stakeholders, with the periodicity that the natural relationship implies (see pages 18 and 19). In the event of any relevant issue that must be presented to the Board of Directors, said Board will take it into consideration.
✓	11	G4-38	Composition of the highest governance body and its committees	Corporate Governance.
✓	11	G4-39	Functions of the Chairman of the Board	Not reported.
✓	11	G4-40	Nomination and selection processes for the highest governance body and its committees	Corporate Governance.
✓	12	G4-41	Processes to avoid and manage possible conflicts of interest	Extract from the GFNorte Social Statutes document. "... The members and, given the situation, the Secretary of the Board of Directors, who have a conflict of interest of any kind, must refrain from participating and being present during the deliberation and voting of said issues, without this affecting the quorum required in order to name said Board..."
✓	12	G4-42	Role of the highest governance body to establish the organization's purpose, values and strategy	Every time the need to update the internal control documents (such as Mission, Vision, Values, Code of Conduct, among others) arises, they proceed to be reviewed and authorized by the Audit and Corporate Practices Board (CAPS). The Board of Directors then ratifies the authorization of this kind of documents.
✓	11	G4-43	Measures taken to develop the knowledge of the highest governance body for economic, social and environmental aspects	Corporate Governance.
✓		G4-44	Evaluation of the highest governance body's performance	The evaluation process is internal and confidential.
✓	11	G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	Corporate Governance.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓	11	G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	The analysis of the effectiveness of risk management processes for economic, social and environmental issues is carried out by the Executive Management of Social Responsibility.
✓	11	G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Corporate Governance.
✓		G4-48	Committee or highest position regarding sustainable reporting	The Annual Report is approved by the Executive Management of Social Responsibility.
✓	11	G4-49	Process for communicating critical concerns to the highest governance body	Corporate Governance.
✓		G4-50	Nature and total number of critical concerns that were communicated to the highest governance body	This information is confidential as it represents a direct impact to our business strategy.
✓		G4-51	Remuneration policies for the highest governance body and senior executives	Remunerations received by the members of the Board of GFNorte are set by the Shareholders' Assembly during their Ordinary Session regularly carried out in April each year.
✓		G4-52	Process for determining remuneration	Remunerations received by the members of the Board of GFNorte are set by the Shareholders' Assembly during their Ordinary Session regularly carried out in April each year.
✓		G4-53	Consideration of stakeholders' opinions to determine retribution	Communication channels with different stakeholders are kept open. Up to this date, we have not received any request from them to suggest or discuss on the issue of retribution for the advisers. When any request about this issue is presented, it will be taken into account in the agenda of the corresponding session of the Board.
✓		G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees	The ratio of salary of senior management level individuals within the organization to the one of non-senior management employees is 8.6 times the average salary.
✓		G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	Not applicable, given that the person who has the highest salary did not have a raise during the reporting period.
ETHICS AND INTEGRITY				
✓	21	G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Organizational profile.
✓	12	G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	All employees have access to the Ethics Points platform (an external whistle-blowing system for transparency in ethics and legal issues). A review process is implemented to present it to the Audit Board.
✓	12	G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	
	59	G4-DMA	Disclosure of Management Approach (DMA)	About this report.
FINANCIAL SCOPE				
	3 - 9 54 - 57	G4-EC1	Direct economic value generated and distributed	Financial investment.
✓	31	G4-EC3	Social benefit programs	Social investment.
✓		G4-EC5	Standard entry level wage	Ratio of standard entry wage and local minimum wage in sites with significant operations. Sites with significant operations. - National-wide. Minimum wage in zone "A": \$6,025 pesos Position: Cashier with various duties. National wage scales.



VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓	34 - 35 41	G4-EC7	Infrastructure Investments and services for the public benefit	Economic Investment.
ENVIRONMENTAL SCOPE				
✓		G4-EN1*	Materials used by weight or volume	We used 1,092.87 tons of paper during 2013, considering the operations of Almacenedora Banorte, Afore XXI, Banorte-Ixe, Arrendadora y Factor, S.A. de C.V SOFOM, Casa de Bolsa Banorte, Inter National Bank and Pensiones y Seguros Banorte.
✓	37 - 40	G4-EN3*	Direct/indirect energy consumption	Environmental investment.
✓	37 - 40	G4-EN5*	Energy intensity	Environmental investment.
✓	37 - 40	G4-EN6*	Reduction of energy consumption	Environmental investment. Our cumulative economic savings derived from the SICE program since the start of 2007 rose up to 93.5 million pesos. Savings from energy generation through solar panels exceeds 200,000 pesos since their implementation in 2012.
✓		G4-EN8*	Total water withdrawal by sources	We consumed 587,824.7 cubic meters obtained from the Municipal Reserve. This number includes 2013 data from Inter National Bank, Almacenedora Banorte, Pensiones y Seguros Banorte, Banorte-Ixe, Arrendadora y Factor SA de CV SOFOM, Casa de Bolsa and UniTeller Mexico. For Pensiones y Seguros Banorte, the calculation was made as follows: with the number of employees that paid for water in SAP in each building during 2013, an average cost was obtained by cubic meter. Thus, this value divided by the monthly amount paid provided the monthly consumption in each building. For Banorte-Ixe, Arrendadora y Factor, Casa de Bolsa and UniTeller Mexico, the calculation was made by estimating the average cost by cost center, according to the monthly expense of each center and the number of full-time employees in each building; the cost per state stipulated for commercial use was considered with an average of 21.67 working days per month and a provision of 50 liters per day per employee in office.
✓	38 - 40	G4-EN15*	Direct greenhouse gas emissions (scope 1)	Environmental investment.
✓	38 - 40	G4-EN16*	Energy indirect greenhouse gas emissions (scope 2)	Environmental investment.
✓	38 - 40	G4-EN17*	Other indirect greenhouse gas emissions (scope 3)	Environmental investment. 471.96 tons of CO ₂ corresponding to the emissions from corporate air travel in Arrendadora y Factor SA de CV SOFOM and Afore XXI, calculated by a financial control consolidation approach and considering the global warming potentials for CO ₂ , CH ₄ and N ₂ O published in the AR4 for a timeframe of 100 years.
✓	38 - 40	G4-EN18*	Intensity of greenhouse gas emissions	Environmental investment. GFNorte's goal in 2014 for this indicator is to get a 20% reduction in regards to the 2009 base year.
✓	38 - 40	G4-EN19*	Reduction of greenhouse gas emissions	We avoided the generation of 256.26 tons of CO ₂ , corresponding to the direct emissions of Arrendadora y Factor, as well as savings from the implementation of the SICE program and solar panels in Banorte-Ixe branches. Videoconferencing is a key element in the improvement of environmental performance at GFNorte. During 2013, 21,958 videoconferences were carried out in Arrendadora y Factor SA de CV SOFOM, Pensiones y Seguros Banorte, Banorte-Ixe, (including videoconferencing with New York offices) and Afore XXI.
✓	40	G4-EN23*	Waste management	Total waste generated in 2013 by Banorte-Ixe Securities Intl., Ltd was 159 tons; 128.5 of them were recycled, comprising plastic, metal, glass, paper and cardboard waste. Furthermore, Banorte-Ixe recycled 10,000 tokens (158 kg). Our goal for 2014 is to increase waste recycling in 5% from 2013. The economic return due to paper recovery at Banorte-Ixe and Pensiones y Seguros was over 3 million pesos.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓		G4-EN29*	Significant fines and non-monetary sanctions for non-compliance to environmental laws and regulations	GFNorte did not have environmental fines during 2013.
✓	38	G4-EN30*	Transport	Environmental investment.
✓	36 - 42	G4-EN31*	Environmental investments	During 2013, we inaugurated 7 new videoconferencing rooms for Banorte in Los Cabos, Monterrey and the Federal District. Additionally, we renewed the technology of 11 videoconferencing rooms: 6 for Ixe in Guadalajara, Guanajuato, Queretaro, Puebla, Monterrey and Ixe IDEPI; and another 5 in the Federal District and Monterrey for Banorte-Ixe. This investment exceeds \$10 million pesos.
✓		G4-EN32*	Percentage of new suppliers that were screened using environmental criteria	We do not have a procedure to analyse environmental criteria. However, since the 2nd semester of 2012, we motivate our suppliers to pursue best practices in human rights, labor, environmental and anti-corruption issues through the incorporation of a clause in their new contracts and renewals, where they indicate their commitment to know and comply with the principles of the Global Compact (not necessarily meaning that they have signed the Global Compact themselves). Up to this date, 470 suppliers have contracts that declare this commitment.
SOCIAL PERFORMANCE				
DS – LABOR PRACTICES AND RESPECTABLE WORK				
✓	30	G4-LA1*	Number and rate of new employee hires and turnover	Social investment.
✓	31	G4-LA2*	Standard benefits for full-time employees	Social investment.
		G4-LA3*	Return to work and retention rates	Return to work rates and retention after maternity/paternity leave: 89.73%.
✓	32	G4-LA5*	Health and safety committees	Occupational Safety During 2013, we trained 5,490 rescuers in Banorte-Ixe's buildings and branches comprising a total of 264 events in 17 different regions of the country considering topics such as: • First aid. • Evacuation plans and crisis management. • Firefighting and suppression. • Heimlich Maneuver.
✓	30	G4-LA6	Absenteeism and lost days	Social investment. The data provided refers to weekdays.
✓	32	G4-LA9	Training	Social investment.
✓	32	G4-LA10	Training	Social investment.
✓	32	G4-LA11	Performance and career development reviews	Regular performance evaluation: 82% for men and 81% for women (Chart included).
✓	12, 29, 34	G4-LA12	Diversity	Social investment.
✓		G4-LA13	Ratio of the basic salary and remuneration of women to men for each employee category	There is no gender distinction between salaries at GFNorte; differences are only due to the valuation adjustments made to the vacant position when hiring, without gender being a factor of influence. At senior management level, we have an average salary of \$100,735 pesos for women and \$110,835 for men, at middle management of \$28,355 pesos for women and \$30,780 for men, and at operational level \$10,875 for women and \$11,325 for men.



VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT
✓		G4-LA14*	Percentage of new suppliers that were screened using labor practices working criteria We do not have a procedure to analyse environmental criteria. However, since the 2 nd semester of 2012, we motivate our suppliers to pursue best practices in human rights, labor, environmental and anti-corruption issues through the incorporation of a clause in their new contracts and renewals, where they indicate their commitment to know and comply with the principles of the Global Compact (not necessarily meaning that they have signed the Global Compact themselves). Up to this date, 470 suppliers have contracts that declare this commitment.
✓		G4-LA16	Number of grievances about labor practices We rely on the <i>Ethic Points</i> system to report anonymous and confidential complaints. We can therefore pay attention to corruption cases and to those that may threaten our best labor practices. In 2012, we reported that "56 complaints due to discrimination or harassment were presented"; to complement this datum, we also expressed that the total number of reports in that year was of 332. In 2013, the number of reports decreased to 259 cases: 228 of Human Resources and 31 of Internal Control. It is noteworthy that no complaint was reported due to discrimination this year. As part of the complaints received in terms of Human Resources, the following classifications could be observed: discrimination or harassment, violation of policies and codes of conduct, misbehavior, violence, threats or theft, and insecure working conditions. Regarding Internal Control, the existing classifications are: operational topics, false accounting, erroneous information, illicit enrichment and forgery of agreements or records.
DS – HUMAN RIGHTS			
✓		G4-HR1*	Investment agreements and contracts that include human rights clauses There are no investment agreements. As for the suppliers, we have 470 agreements in which they state their commitment to know and comply with the principles of the Global Compact – without necessarily meaning they have signed it.
✓		G4-HR2*	Training on human rights policies or procedures We do not currently provide training about topics regarding human rights.
✓		G4-HR3*	Incidents of discrimination We rely on the <i>Ethic Points</i> system to report anonymous and confidential complaints. We can therefore pay attention to corruption cases and to those that may threaten our best labor practices. In 2012, we reported that "56 complaints due to discrimination or harassment were presented"; to complement this datum, we also expressed that the total number of reports in that year was of 332. In 2013, the number of reports decreased to 259 cases: 228 of Human Resources and 31 of Internal Control. It is noteworthy that no complaint was reported due to discrimination this year. As part of the complaints received in terms of Human Resources, the following classifications could be observed: discrimination or harassment, violation of policies and codes of conduct, misbehavior, violence, threats or theft, and insecure working conditions. Regarding Internal Control, the existing classifications are: operational topics, false accounting, erroneous information, illicit enrichment and forgery of agreements or records.
✓		G4-HR10	Percentage of new suppliers that were screened using human rights criteria. We do not have a procedure to analyse environmental criteria. However, since the 2 nd semester of 2012, we motivate our suppliers to pursue best practices in human rights, labor, environmental and anti-corruption issues through the incorporation of a clause in their new contracts and renewals, where they indicate their commitment to know and comply with the principles of the Global Compact (not necessarily meaning that they have signed the Global Compact themselves). Up to this date, 470 suppliers have contracts that declare this commitment.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT
✓		G4-HR12	Number of grievances about human rights impacts We rely on the <i>Ethic Points</i> system to report anonymous and confidential complaints. We can therefore pay attention to corruption cases and to those that may threaten our best labor practices. In 2012, we reported that "56 complaints due to discrimination or harassment were presented"; to complement this datum, we also expressed that the total number of reports in that year was of 332. In 2013, the number of reports decreased to 259 cases: 228 of Human Resources and 31 of Internal Control. It is noteworthy that no complaint was reported due to discrimination this year. As part of the complaints received in terms of Human Resources, the following classifications could be observed: discrimination or harassment, violation of policies and codes of conduct, misbehavior, violence, threats or theft, and insecure working conditions. Regarding Internal Control, the existing classifications are: operational topics, false accounting, erroneous information, illicit enrichment and forgery of agreements or records.
DS - SOCIETY			
✓	33	G4-SO3*	Risks, policies and procedures related to corruption The Internal Auditing Management Department is the one responsible to annually manage and coordinate this process.
✓	33	G4-SO4*	Employee training on anti-corruption policies and procedures Social Investment.
✓		G4-SO5*	Total number and nature of confirmed incidents of corruption and measures taken In general, the resolutions implemented this year for all complaints reported through the <i>Ethic Points</i> reporting system, both for Human Resources and for Internal Control, were: <ul style="list-style-type: none"> Without foundation: 48% Fining the accused person: 25% Employment termination: 15% Disciplinary review: 7% Relocation: 3% Suspension without pay: 1.5% Accused under observation: 0.5%
✓		G4-SO7	Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation We have no reports regarding this concept.
✓		G4-SO8	Significant fines and non-monetary sanctions for non-compliance with laws and regulation We received 257 fines that were paid for by Banorte Banco in the year 2013, for a total amount of \$4,374,239.14 pesos.
✓		G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society We do not have a procedure to analyse environmental criteria. However, since the 2 nd semester of 2012, we motivate our suppliers to pursue best practices in human rights, labor, environmental and anti-corruption issues through the incorporation of a clause in their new contracts and renewals, where they indicate their commitment to know and comply with the principles of the Global Compact (not necessarily meaning that they have signed the Global Compact themselves). Up to this date, 470 suppliers have contracts that declare this commitment.
✓		G4-SO11	Number of grievances about impacts on society GFNorte does not have any complaint nor grievance about social impacts reported.
DS - PRODUCT RESPONSIBILITY			
✓	47 - 48	G4-PR5	Results or key conclusions of customer satisfaction surveys Social Investment.
✓		G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship Along this year, GFNorte received 2 fines regarding advertising matters – they were both immediately paid for by the institution as been provided for by law. We work to keep our strict adherence to the regulations established by the authorities regarding advertising directed to our customers.



VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓		G4-PR8	Privacy of our customers' data	3 cases related to the customers' data privacy were recorded: <ul style="list-style-type: none"> • Delivery of bank statements to non-authorized individuals. • Providing information about balances or transactions. • Providing information about the customer's account type. We continuously work to reinforce our adherence to the GFNorte Conduct Code, in order to avoid these situations from happening.
✓		G4-PR9	Fines due to the non-compliance of the regulation on the use and the delivery of products and services	The total amount corresponding to the fines mentioned in indicator G4-PR7 was \$670 thousand pesos.
FINANCIAL SUPPLEMENT				
	36	FS1	Policies with specific environmental and social components, applied to business lines	Environmental Investment.
✓	36 - 37	FS2	Procedures for assessing and screening environmental and social risks in business lines	We have currently two social and environmental analysis and risk management frameworks: SEMS (for Corporate and Commercial Banking) and the Ecuador Principles for all areas of the bank. Through these methodologies, we analyze each case before providing support through financing to some project, whether it is own or a third party's. <ul style="list-style-type: none"> • Social and Environmental Management System (SEMS): for transactions with requested amounts greater than USD\$1 million regarding investment projects or working capital of more than 2 years. Ecuador Principles: Financial consultancy services whose total investment amount rises up to USD\$10 million or higher. Projects with a total investment sum of USD\$10 million or more. Business loans related to one single project, with a minimum total financing amount of USD\$100 million dollars for more than two years when Banorte's individual exposure rises up to USD\$50 million or more. Temporary credits with a length shorter than two years, aiming to be refinanced with a loan for a project or a business loan related to a definite project. When a yearly emissions figure of more than 100,000 tons of CO ₂ equivalent is projected.
✓	36 - 37	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Environmental Investment.
✓	36 - 37	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Environmental Investment.
✓		FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	We have no products designed to provide specific environmental benefits.
✓	36 - 37	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	We know the number of transactions that took place, according to SEMS information, but we do not have any the portfolio's information so as to be able to determine the percentage.
✓	36 - 37	FS11	Percentage of assets subject to positive and negative environmental or social screening	We know the number of transactions that took place, according to SEMS information, but we do not have any the portfolio's information so as to be able to determine the percentage.

VERIFICATION PAGES 70-71	PAGE	INDICATOR	2013 REPORT	
✓	44	FS13	Access points in low-populated or economically disadvantaged areas by type	Shown in the Infrastructure table. We have national presence in every state of the country, through our network of branches, automatic teller machines and third-party correspondents. We seek to increase our banking correspondents network, because through them we can deliver our financial products and services to a higher number of people.
✓	29	FS14	Initiatives to improve the access to financial services for disadvantaged people	Social Investment We also integrated an option to expand texts in approximately 80% of the contents of the Banorte.com site, thus allowing our customers who have visual weaknesses to increase the font size for a more comfortable reading experience.
✓	47 - 48	FS15	Policies for the fair design and sale of financial products and services	Segments, Products and Channels There is no specific policy for the design and offer of financial services and products. However, we adhere to all of the existing Internal Control policies of the Financial Group.
✓	29	FS16	Initiatives to enhance financial literacy by type of beneficiary	Social Investment.

* Indicators corresponding to the commitments established with the World Pact, adhering to the equivalence of the principles with the GRI indicators.

✓ Corresponding to indicators verified by an external party.



Deloitte.

Independent assurance report to Grupo Financiero Banorte, S.A.B de C.V. (GFNorte) Management on the Annual Report 2013

Responsibilities of GFNorte and of the Independent Reviewer

The preparation of the Annual Report 2013 (AR), as well as the content is responsibility of GFNorte, who is also responsible of defining, adapting and maintaining the management systems and internal controls from which the analysis information is obtained.

Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively for the management of GFNorte in accordance with the terms of our letter of agreement dated February 12th, 2014 and is not intended to be nor should it be used by someone other than this.

Scope of our Work

The scope of our assurance was limited, and is substantially lower than a reasonable assurance work. Therefore the security provides is also lower. This report in no case can be understood as an audit report.

We conducted our review of the AR under the following conditions and/or criteria:

- a) The adaptation of the contents of the AR to the Global Reporting Initiative (GRI) Guidelines version 4 (G4) and according to the materiality study provided by GFNorte.
- b) The review of the sustainability performance indicators reported according to the option Comprehensive and specified in the GRI Index at the same report.

- c) The information contained in the AR is consistent with supporting evidence provided by management.

Assurance standards and procedures

We have performed our work in accordance with the *International Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of IFAC.*

Our review work included the formulation of questions to the management as well as various areas of GFNorte that have participated in the elaboration of the AR and the application of certain analytical and sample screening tests that are described below.

- a) Meetings with staff of GFNorte to learn the principles, systems and applied management approaches.
- b) Analysis of the processes to collect, validate and consolidate the data presented in the AR.
- c) Analysis of the coverage, relevance and integrity of the information included in the AR in terms of the understanding of GFNorte and of the requirements that stakeholders have identified as material aspects.
- d) Selected sample review from the evidence that supports the information included on the AR.

The following table details the revised indicators.

G4 - 1	G4 - 20	G4 - 35	G4 - 45	G4 - 55	G4 - EN6	G4 - EN31	G4 - LA13	G4 - SO5	FS3
G4 - 2	G4 - 21	G4 - 36	G4 - 46	G4 - 56	G4 - EN8	G4 - EN32	G4 - LA14	G4 - SO7	FS5
G4 - 10	G4 - 22	G4 - 37	G4 - 47	G4 - 57	G4 - EN15	G4 - LA1	G4 - LA16	G4 - SO8	FS8
G4 - 11	G4 - 23	G4 - 38	G4 - 48	G4 - 58	G4 - EN16	G4 - LA2	G4 - HR1	G4 - SO9	FS10
G4 - 13	G4 - 24	G4 - 39	G4 - 49	G4 - EC3	G4 - EN17	G4 - LA5	G4 - HR2	G4 - SO11	FS11
G4 - 15	G4 - 25	G4 - 40	G4 - 50	G4 - EC5	G4 - EN18	G4 - LA6	G4 - HR3	G4 - PR5	FS13
G4 - 16	G4 - 26	G4 - 41	G4 - 51	G4 - EC7	G4 - EN19	G4 - LA9	G4 - HR10	G4 - PR7	FS14
G4 - 17	G4 - 27	G4 - 42	G4 - 52	G4 - EN1	G4 - EN23	G4 - LA10	G4 - HR12	G4 - PR8	FS15
G4 - 18	G4 - 32	G4 - 43	G4 - 53	G4 - EN3	G4 - EN29	G4 - LA11	G4 - SO3	G4 - PR9	FS16
G4 - 19	G4 - 34	G4 - 44	G4 - 54	G4 - EN5	G4 - EN30	G4 - LA12	G4 - SO4	FS2	

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Conclusions

Based on the performance of our work described in this report, nothing comes to our attention that could make us believe that the AR contains significant errors or has not been prepared in accordance with the Comprehensive option established in the Sustainability Reporting Guidelines G4.

Recommendations

Additionally we present our recommendations for strengthening future Annual Reports, which do not modified the conclusions expressed in this report.

- Continue working in the materiality matrix, related with the primary sources of information and communication with other stakeholders in the study, which will allow to consolidate the commitment of GFNorte to its stakeholders and sustainability strategy, as well as in the process of reporting.
- Work on the documentation of the procedures for the development of indicators, establishing methodologies of calculations and the people in charge of validating information and sources. This helps to strengthen both the verification process and the understanding of those responsible in the construction of the Annual Report and of its value in sustainability.
- Continue with the efforts to integrate and deepen the indicators according to the GRI Sector Supplement and G4.
- Strengthen efforts to identify, maintain and expand the scope of the indicators reported in all areas of the business, which will improve the measurement and management of impacts on sustainability by the Group.

Also, we have submitted to the Corporate Social Responsibility Officer of GFNorte our recommendations concerning areas of improvement in the management of sustainability, specifically in the indicators that were verified.

Galaz, Yamazaki, Ruíz Urquiza, S.C.
 Member of Deloitte Touche Tohmatsu Limited

MBA Daniel Aguiñaga Gallegos
 May 6th, 2014

About this Report



**ASOCIACIÓN DE NORMALIZACIÓN Y CERTIFICACIÓN, A.C.
(ANCE, A.C.)**

**Verification Statement for Corporate Greenhouse Gas (GHG) Emissions
Inventory Report
2013**

Prepared by:

Grupo Financiero Banorte, S.A.B. de C.V.

Verification process executed under the approach defined by:

NMX-SAA-14064-3-IMNC-2007/ISO 14064-3:2006

Specification with guidance for the validation and verification of greenhouse gas assertions.

To verify that the corporate greenhouse gas emissions inventory report has been performed in compliance with the requirements of:

CDP and Mexico GHG Program

Based on the methodology of the GHG Protocol developed by the World Business Board for Sustainable Development (WBCSD) and the World Resources Institute (WRI), revised edition in Spanish, SEMARNAT, Mexico 2005.

During the operating period:

January 1st 2013 to December 31th, 2013

Taking into account:

Direct emissions: 4,021.11 tonCO₂e
Indirect emissions: 64,744.56 tonCO₂e
Total emissions: 68,765.68 tonCO₂e

Under a limited level of assurance, where no evidence has been found to assume that the information contained in the corporate greenhouse gas emissions inventory report prepared by Grupo Financiero Banorte, S.A.B de C.V. is materially incorrect, in accordance with the context accompanying this statement.

**ING. MARTÍN FLORES RUÍZ
DIRECTOR OF CONFORMITY ASSESSMENT**

ANCE, A.C. Accreditation Registry Awarded by the Mexican Entity of Accreditation (ema): OVVGEI 001/11
Effective Date: April 7, 2011, Expiration Date: April 7, 2015

Accredited sectors
Energy and Industrial Processes

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IPC SUSTAINABLE INDEX

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