

The BANORTE logo is displayed in large, white, three-dimensional block letters on a dark, textured building facade. To the left of the text is a stylized logo consisting of two overlapping curved shapes.The ixe logo is a white rectangular sign with rounded corners, featuring a circular icon with a stylized 'i' and 'x' inside, followed by the letters 'ixe' in a bold, sans-serif font.

Taking strong strides towards the future

The BANORTE logo is displayed in white text on a red rectangular background.The ixe logo is a circular icon with a stylized 'i' and 'x' inside, followed by the letters 'ixe' in a bold, sans-serif font.

Annual Report 2012

About this Report

This Annual Report is about Grupo Financiero Banorte's challenges, initiatives, results and commitments in the financial, social and environmental areas that its activities encompass.

This is our third integrated Report and the fourth prepared under version 3.1 of the Global Reporting Initiative's (GRI) methodology, the most recent one having been published in 2011. In this Report, the indicators Grupo Financiero Banorte determined as material are stated considering its operation as a financial institution.

A process of global analysis in which the Group's CEO and Senior Management participated was carried out to define content and relevance, and included 10 interviews aimed at defining focus areas and aspects most relevant to GFNorte in 2012. In addition to these interviews, a consulting firm helped us define key financial sector indicators.

The figures and initiatives contained in this Report represent the work performed and achievements obtained from the merger of Grupo Financiero Banorte and Ixe Grupo Financiero, which as of 2012 constitutes GFNorte's base for a comparative measurement of the increasing impact of its initiatives.

The measurement methods used to obtain the results are based on indicators developed by GFNorte, as well as protocols framed in the methodology of reporting organisms like GRI and CDP. This Report will not include the environmental results of the Group, only of Banorte and Ixe –its subsidiaries– which combined represent more than 80% of the Groups's profits. However, a breakdown of GFNorte's carbon footprint generated mainly by energy and fuel consumption will be included in the report issued for the CDP on the dates set by it.

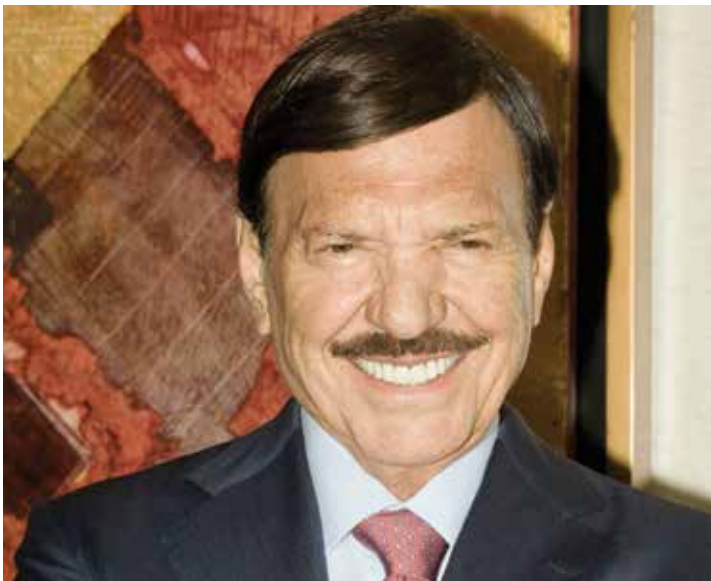


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In memoriam of Roberto González Barrera

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In memoriam of **Roberto González Barrera**



Eight months after Roberto González Barrera's passing, Grupo Financiero Banorte continues to follow the **life example** he left us by working hard to contribute his **vision** and **commitment** for a **stronger country**.

Roberto González Barrera was born in 1930 in the municipality of Cerralvo, Nuevo León, Mexico. His entire life, from early childhood was devoted to business activities, as his formal schooling ended after the third grade. His first business activity consisted of renting shoe shine boxes to his cousins which enabled him to generate some initial savings that would later become the base for his burgeoning business career.

In 1949, guided by his enterprising spirit, Roberto González founded Grupo Maseca (GRUMA) in partnership with his father with an initial production of 15 tons a month. Today GRUMA is a world leader in corn flour production with a presence in 113 countries.

Likewise, and to the surprise of many, Roberto González held a very special position in the local world of finance, becoming the most successful Mexican banker after the banks were re-privatized in 1992. As majority shareholder of Mexico's largest Mexican-controlled bank, he spent more than two decades growing and consolidating Grupo Financiero Banorte.

20 years after the acquisition of Mexico's second smallest bank, and as a result of his untiring efforts, he managed to position Grupo Financiero Banorte as Mexico's third largest bank. This achievement was perhaps one of the biggest challenges of his life, as he himself once said: "I knew nothing about banking. The only thing I knew about banks when I was invited to invest was that I owed them money". Today he has left us with an enormous challenge as a Group, being Mexico's largest

Mexican-controlled, a challenge we will undoubtedly rise to with pride as we follow his example of honesty, perseverance and discipline.

Roberto González will always be an example and source of inspiration for all of us who knew him. He was a great teacher. His humility, cheer, respect and strength as well as his attachment to his roots were his daily compass. He was a committed and responsible man, a person who saw no limits, for whom family was the pillar that sustained each of his achievements, the inspiration that drove him to work hard to achieve his goals, and he took great pride in being Mexican.

Today his many facets have become engraved memories: a tireless businessman and visionary, a philanthropist who was always concerned about the needs of others, but above all a great human being who had a grateful attitude towards life and was concerned about those around him, from his family to each and every one of his employees.

His passing has left a huge gap in the lives of thousands of people, but also a wonderful model for life, an inspiration and call to continue to work for the benefit of Mexicans.

Roberto González Barrera, thank you for making us feel part of your family, your great Mexican family.

Grupo Financiero Banorte

1 Our Message



Message from the Chairman

of the Board of Directors



This second year as Chairman of the Board of Directors of Grupo Financiero Banorte has been very rewarding but has also posed significant challenges. The biggest was undoubtedly the unfortunate passing of Roberto González Barrera, a dear friend and partner in many battles. Like Roberto, I experienced the re-privatization of the banks while at the Ministry of Finance and Public Credit. He demonstrated a great deal of courage by acquiring a small regional bank in an unknown sector, but also great tenacity by converting it into one of the country's largest institutions despite a very adverse environment for banks at the time.

All of us who knew Roberto, especially Banorte's employees, will miss him very much. Now we must work to consolidate his legacy and seek out new sources of growth in order to continue building Mexico's leading bank.

Regarding this, 2012 saw the emergence of significant strategic opportunities for the Financial Group, the most important one being the acquisition of Afore Bancomer, which made Afore XXI Banorte Mexico's largest Retirement Fund Management Company with almost 12 million worker accounts, assets in the region of Ps. 550 billion, and a market share of almost 30%. For Banorte this is a promising business given the opportunities that Mexico's demography and labor market growth represent. Over the next ten years, the assets under management of the Afores are expected to grow by around 15% on average per annum reaching more than 20% of the Gross Domestic Product. This means Afore XXI Banorte will continue to grow, safeguarding the savings of an increasing number of Mexicans and driving profitable investment projects in the country.

The very fact this acquisition was possible is testimony to the positive economic environment in which banks in Mexico have been operating, despite an increasingly complicated international environment, especially in Europe. As I said in last year's Annual Report, some EU countries such as Greece, Spain and Italy are facing a tenuous situation, which became aggravated in 2012. However, and despite all of the problems that arose during the year, the worst-case scenario which saw Greece leaving the Euro never materialized. That would definitely have had very serious implications for international financial markets and prolonging the 2008 global financial crisis, from which we have not yet fully recovered, even more.

Within our region, the US had a year of weak growth but not enough to impact the solid performance of the Mexican economy, which grew by around 4%. The growing competitiveness of Mexican labor and specialization in sectors such as automobiles, technology and aerospace, among others, are undoubtedly driving Mexico's growth. This was reflected in financial markets, which had one of their best years in a very long time. This growth is also thanks to a notable improvement in the political environment following the election of President Peña Nieto and the importance that he, along with other politicians, are placing on the structural reform agenda that I repeatedly pointed out when I was governor of the Bank of Mexico, and which is so essential to achieving a higher rate of growth.

For its part Grupo Financiero Banorte had a year of historically good results that Alejandro Valenzuela will talk about in more detail in the CEO's business report. Growth in the loan portfolio was a noteworthy 15% driven by payroll, credit card, SME, government and mortgage loans. Our total deposits also grew 15%, which kept the

cost of funding stable. On the other hand there was a slight increase of 2.1% in past due loans, mainly due to the clean-up of some Fincasa Hipotecaria (housing) assets. As a result, Banorte consolidated its position as one of Mexico's three largest financial institutions. We are already the second largest bank in terms of government and mortgage loans, the third largest in terms of retail and consumer loans, and the fourth largest in terms of credit cards, having overtaken HSBC in market share in this segment during 2012.

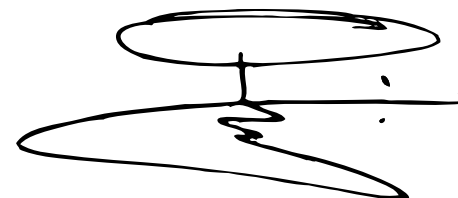
This enabled the Group to post a net profit of Ps. 10.9 billion for 2012, 28% more than in 2011, driven by higher growth in revenues and slower growth in expenses. The Financial Group's efficiency ratio improved due to positive operating leverage obtained during the year, thus enabling us to meet one of our main short-term strategic objectives, consisting of closing the gap with banks in the financial system that boast better efficiency indicators than ours.

With respect to Corporate Governance, we continue to build a more independent and participative Board. During the year we held a strategic session with our Board members in which priorities for the next 5 years were defined. The results of this unprecedented effort on the part of the institution are materializing; for example, the recent alliance signed with IBM to make us a customer-centric institution.

Another new initiative was the First Plenary Session of our Regional Boards in which 115 Board Members and 120 Customers participated along with special guests and speakers. The session was attended by the then President Elect Enrique Peña Nieto at the inaugural dinner and the then President of Mexico Felipe Calderón Hinojosa during the closing ceremony. Distinguished speakers included the Former Chairman of the US Federal Reserve, Alan Greenspan, former Spanish Prime Minister Felipe González and Presidents Ricardo Lagos and Ernesto Zedillo, as well as the former Managing Director of the International Monetary Fund Michel Camdessus, among other special guests. The session addressed topics of international, regional and national interest providing our Board members with unique perspectives and dialogues on the most relevant current issues.

The Plenary Session brought the Regional Boards' first year to a successful close. We now have 174 Board Members sitting on our 5 Regional Boards throughout Mexico, and in 2013 we plan to create a new Regional Board representing the States of Aguascalientes, Guanajuato, San Luis Potosí, Querétaro and Zacatecas with 45 new Board Members, which will take the total number to 219.

Finally, as in previous years, I would like to take this opportunity to reiterate my gratitude to our shareholders, board members, employees and customers for their ongoing commitment to Banorte. 2012 was undoubtedly a good year for the institution, largely due to the teamwork of all of the Financial Group's stakeholders. I would ask you to keep up this work in 2013 so we can achieve the ambitious goals we have set for ourselves.



Guillermo Ortiz

Chairman of the Board of Directors of
Grupo Financiero Banorte

Message from the CEO

of Grupo Financiero Banorte



For Grupo Financiero Banorte, 2012 will be remembered as the year in which Roberto González Barrera, our boss, majority shareholder, Chairman Emeritus and founder of the modern-day Banorte, passed away. Roberto left this institution with a great legacy by transforming it from a small regional bank with a market share of less than 3% to one of Mexico's 3 leading financial institutions with 14% of the loan portfolio and deposits, and the only bank in Mexico controlled by Mexicans. Roberto always held a deep love for Mexico, as reflected in all of the decisions he made at Banorte's helm. Not only did he spearhead efforts for growth, but he also created one of the most modern corporate governance structures in the country to ensure the smooth running of the bank. In this regard, the appointment of Guillermo Ortiz as Chairman of the Board was another step further in the institutionalization of the Financial Group, and an indication of Roberto's great vision in paving the way for his succession in the Board of Directors of Grupo Financiero Banorte. Few businessmen have been able to implement such institutional handovers, but Roberto understood that it was a necessary decision to ensure the institution's continuity, given that it concerned one of the most public companies in Mexico with a very large minority shareholder base.

Our beloved Roberto will be sorely missed, and we will seek to continue his legacy by taking Banorte to new levels of excellence with a long-term institutional vision for the future.

2012 was also marked by several important events for the development of the institution. However, the most relevant one was undoubtedly our consolidation as a leading institution in the retirement savings segment through the acquisition of Afore Bancomer. The merger of Afore Bancomer with Afore XXI Banorte increased our customer base to around 12 million while assets under management rose to around Ps. 550 billion, or almost 30% of all of the funds managed by Mexico's retirement savings system. The acquisition is, without doubt, one of Banorte's most important transformational transactions in recent years.

During the year we opened the Contact Center, named for Roberto González Barrera, designed to integrate the activities that take place in 14 "Contact Centers" across the country with a view to achieving important synergies. With an initial investment of more than Ps. 620 million and more than 40 thousand square meters of construction. The Contact Center will attend Banorte and Ixe customers through 1,700 executives, mostly college students, using a cutting-edge technology platform and security systems. In line with the institution's vision for protecting the environment, the building is environmentally friendly, as it operates with maximum energy efficiency and savings in water consumption.

Some major organizational changes also took place in 2012. Héctor Ávila was appointed Managing Director of Legal, Gabriel Casillas became Managing Director of Economic Research, Marcos Ramírez became Managing Director of Casa de Bolsa Banorte Ixe (following the merger of Casa de Bolsa Banorte with Ixe Casa de Bolsa at the beginning of the year), Luis Pietrini became Managing Director of Wealth and Private Banking, René Pimentel became Managing Director of Asset Management and Business Development, Alejandro Aguilar became Managing Director of Mutual Funds, Samuel Munafó became Managing Director of Inter National Bank, Alejandro Vázquez Managing Director of Institutional Relations and Communication and Javier Salgado Deputy Managing Director of Planning and Finance, among others. As of January 2013, David Aarón Margolín was appointed

Managing Director of Risk Management. These changes were designed to procure a more robust Senior Management team in accordance with the present and future challenges we face as leaders in the Mexican financial industry. We also consolidated our regional organization by optimizing the structure of Ixe and Banorte and this will be gradually reflected in more efficient decisions and better levels of customer service.

With respect to banking infrastructure, Banorte-Ixe made significant progress with the development of all of its service channels. We serve more than 11.3 million bank customers through 1,316 branches, 174 of which correspond to Ixe, 6,707 ATMs and 115,213 POS terminals. During the year the number of branches grew by 2%, ATMs by 5% and POS terminals by 27%. INB has 20 branches in the state of Texas.

The network of third party correspondents increased to 3,080 points of contact, mainly through Telecomm-Telégrafos and 7-Eleven stores. Our clients can open basic accounts, make deposits, pay credit cards and undertake other basic transactions through this network of contact points.

We also opened 8 new SME centers in the country bringing the total number of service centers for this customer segment to 10.

The number of clients making Internet transactions grew to more than one million three hundred thousand, 27% more than in 2011, and the number of mobile bank transactions totaled more than ten million, growing 112% in 2012. With a view to continue taking banking services to more and more Mexicans, Banorte-Ixe launched MiFon, a tool that enables transactions to take place between cellular phones by opening a low volume account with minimum requirements. We also launched Pago Móvil, a Banorte Móvil application that enables our customers to use their cellular phones to make payments at shops and internet stores using a secure virtual card without the need for a physical card.

With respect to financial results, Grupo Financiero Banorte recorded historical highs in 2012. Profit for the year amounted to Ps. 10.89 billion, 28% more than in 2011. The YoY increase was due mainly to a 16% increase in total revenues vs. 13% in operating expense, which generated positive operating leverage, as well as contributions from Ixe Banco of Ps. 719 million (+256% vs. 2011), Banorte-Ixe Tarjetas of Ps. 662 million and Afore XXI Banorte of Ps. 532 million (+155% vs. 2011).

In 2012, Return on Equity (ROE) was 14.3%, 25 basis points above 2011. Excluding goodwill from the merger with Ixe, ROE was 18.7%, 1.80 percentage points higher than in 2011. Banking Sector ROE, which includes Banco Mercantil del Norte, Ixe Banco, Banorte-Ixe Tarjetas and INB was 16.9%, 2.70 percentage

points above 2011, while the ROE of Ixe Banco was 14.6%, 10 percentage points above 2011.

The Return on Assets (ROA) of Grupo Financiero Banorte amounted to 1.3%, 12 basis points more than in 2011.

When analyzing the different categories of results, interest income increased by 16% in 2012 YoY to Ps. 32.81 billion driven by loan volumes and a better deposit and loan volume mix. Core deposits grew 10% for the year driven by an 11% rise in demand deposits and 7% in retail time deposits.

Non Interest Income grew 16% YoY totaling Ps. 14.51 billion driven by the inclusion of Ixe's operations, and more revenue from Trading, Fees and Recoveries. Service fees rose 17% driven by better business dynamics reflected mainly in higher electronic banking fees and consumer loan and credit card fees; real estate recoveries rose 17% resulting from the favorable performance of investment projects, trading +49% due to the adequate management of securities and foreign exchange positions, and other operating income (expense) decreased by 18% as a result of a reduction in other income owing to less proprietary and acquired loan portfolio recoveries as well as more expenses related to write-offs and contingencies.

The 2012 Efficiency Ratio was 54%, 1.6 percentage points below the previous year. Non interest expense increased by 13% vs. 2011, mainly because of the inclusion of Ixe's expenses and expenses related to the merger, as well as growth across business areas.

In 2012 Provisions totaled Ps. 6.172 billion, 13% above 2011 due to greater commercial, corporate and payroll loan loss reserve requirements.

At the close of December 2012, performing loans increased 15% YoY to Ps. 401.43 billion. As in 2011, all segments of the loan portfolio again registered positive growth rates in 2012.

Government loans rose 24% YoY to Ps. 88.29 billion. Corporate loans rose 11% in 2012 to Ps. 63.57 billion while commercial loans totaled Ps. 130.93 billion, a YoY increase of 6% driven by 26% growth in the SME segment, which accounts for 22.7% of the commercial loan portfolio and 7.4% of the total loan portfolio.

Consumer loans, including mortgage loans based on internal business definitions, increased by 20% vs. 2011, driven by all segments. Payroll loans, which were again the main driver of the loan portfolio for the year, grew by 35% to Ps. 18.18 billion at the close of December 2012 driven by the cross selling strategy aimed at our more than 3.9 million payroll account holders. Mortgage loans totaled Ps. 72.37 billion for the year,

13% more than in 2011, continuing to consolidate Banorte-Ixe as one of the main mortgage banks for Mexicans. Credit card loans rose 53% due to the inclusion of Ixe's portfolio in the new SOFOM Banorte-Ixe Tarjetas, along with successful loan portfolio management strategies. The car loan portfolio increased by 10% YoY.

The Past Due Loan Ratio was 2.1%, 0.13 percentage points above 2011's, and the past due loan portfolio totaled Ps. 8.48 billion at the end of the year, growth of 22% mainly due to Fincasa Hipotecaria loan impairments and exposures to tourist developments in northwest Mexico; the Group's PDL reserve coverage was 138.3%, lower than the 143.1% recorded in the same period of the previous year. We closed 2012 with a Capitalization Ratio of 14.7% and a Liquidity Ratio of 128%.

The results of the Financial Group's subsidiaries were positive. The Long Term Savings Sector comprising the Afore, Insurance and Annuities companies contributed Ps. 1.05 billion to the group's profit, 84% more than in 2011. Other Finance Companies comprising Arrendadora y Factor (Leasing & Factoring), Almacенadora (Warehousing), Ixe Automotriz (Car Leasing) and Fincasa Hipotecaria (Housing), posted a Ps. 434 million loss for the year, mainly owing to Fincasa Hipotecaria losses; the SOFOM of Arrendadora y Factor recorded a Ps. 604 million profit. Finally, the brokerage sector (Casa de Bolsa Banorte Ixe and Ixe Fondos) reported a Ps. 681 million profit for the year, 63% more than in 2011.

At Banorte we continue to develop a culture of corporate responsibility. We were signatories of the CDP again, positioning GFNorte among the 10 best Latin American companies in terms of performance and disclosure. Banorte was invited to be part of Green Growth Action Alliance (G2A2), a unique public-private partnership that seeks to develop innovative financing models for green growth in order to take advantage of large private sector investments in green infrastructure projects launched at last summer's B20 Summit; we actively participate in the Davos Forum as part of the "G2A2" initiative. With respect to the development of the Social and Environmental Management System (SEMS), which identifies social and environmental risks associated with Corporate and Business Banking loans amounting to more than USD 1 million, in 2012 we analyzed 237 cases, 61% of which were low risk, 3% medium risk and 36% high risk. Along with our 2011 Annual Report we published the declaration "Our Commitment to the United Nations' Global Compact", which was the first Communication on Progress (CoP). We stated our strong support for the United Nations' World Agreement and its ten principles in the area of Human Rights, Labor, the Environment and Anti-corruption. We also committed to continue making the Agreement and its ten principles an integral part of our strategy, culture and business operations. Furthermore, we donated 45,285 toys from our annual collection, 33% more than in the previous year.

The third annual Innovation Awards contest (Premio Ingenio) was also held, which seeks to encourage ongoing innovation at Banorte-Ixe by driving and recognizing the generation of new ideas that impact productivity and the quality of service. This time we received more than 1,000 ideas from our employees divided into 6 categories: Internal Processes, Products and Services, Corporate Responsibility, Integration, Specialized Areas and Implemented Ideas. Some of the winning ideas were: "Pago Móvil Banorte" (Banorte Mobile Payment), "Panic NIP" (PIN Panic), and "Re-ingeniería de Estados de Cuenta" (Account Statement Re-engineering), among others.

Our commitment to customers and to Mexico has resulted in us once again being awarded prestigious distinctions, such as being named the "Best Commercial Bank in Mexico" by World Finance magazine for a fourth year in a row, as well as "Best Bank in Mexico" by Latin Finance, and "Best Management and Investor Relations Team in Latin American 2012" by Institutional Investor for a third year in a row. Likewise, the prestigious magazine The Banker published its

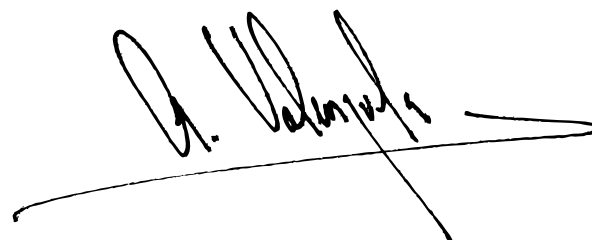
ranking of the 500 bank brands with the greatest value in the world, and in 2012 Banorte ranked 180th with 608 million dollars and an A+ rating.

Banorte ranked number 6 in terms of the best places to work in Mexico according to a Great Place To Work: "Companies with over 5,000 employees" (number 10 in 2010), reflecting the labor culture the Institution has developed by integrating the best of each of the companies it has absorbed.

For a third time and for the second year in a row, the Ministry of the Economy awarded Banorte the "SME 2012 Prize", for being the most active bank in the Small and Medium-Sized Enterprise segment in Mexico through government programs. Banorte funding for SMEs through the program "Programa de Garantías México Emprende" (Mexican Business Loan Guarantees Program) amounted to Ps. 24 billion. The Ministry took into account Banorte's active participation in sectorial programs such as "Construction Industry Support" and "New Entrepreneurs" as well as support for tourism and employment where Banorte applied very competitive interest rates besides playing a fundamental part in the implementation of emerging programs to support the economic revival of companies impacted by natural disasters.

In 2012, the Board of Directors approved cash dividends amounting to Ps. 0.73 per share payable in four installments during 2012 and 2013. This payment is equivalent to 20% of the recurring net income of 2011 in accordance with the new dividends policy approved in 2011. The Financial Group's market capitalization amounted to almost Ps. 200 billion at the close of 2012, or 97% more than in 2011. Our financial solidity was reflected in the ratification of our investment grade credit ratings from Fitch, Moody's, Standard and Poor's and HR Ratings.

Finally, on behalf of all of us who work for Banorte-Ixe I would like to express my deep gratitude to our more than 22 million customers for their trust, which allows us to manage Ps. 1.5 billion in assets. Although we are larger bank, we continue to work to become an institution that is focused on meeting the individual needs of all of our customers, as reflected in the recent strategic venture with IBM to implement a new customer-focused banking model to develop and offer customized bank products and services. I would also like to thank our almost 26,000 co-workers for their effort, dedication and commitment, as well as our shareholders, Board members for their invaluable support in consolidating Banorte-Ixe as The Strong Bank of Mexico.



Alejandro Valenzuela

CEO of Grupo Financiero Banorte

Relevant Figures and Material Events

2012 Relevant Events:

Afore XXI Banorte, becomes the largest Retirement Savings Fund Manager in Mexico.

15% growth in the loan portfolio.

15% growth in total deposits.

Creation of 5 Regional Boards comprising 174 members.

The First Plenary Session of the National Board is held.

Inauguration of the Roberto González Barrera Contact Center.

The Innovation Awards contest generates more than 1,000 ideas in 6 categories.

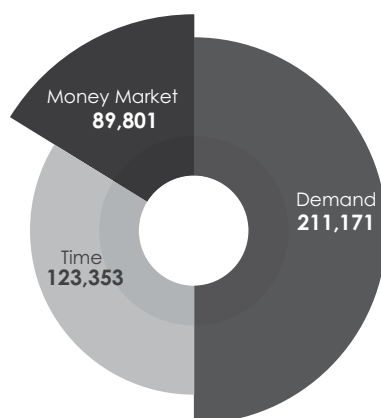
GRUPO FINANCIERO BANORTE⁽¹⁾

	2010	2011	2012
Assets under management	712,414	1,295,330	1,471,422
Total assets	590,230	825,147	916,567
Value of Banorte brand name (million dollars) ⁽²⁾	ND	581	608
Total deposits	292,615	370,293	424,325
Total loan portfolio	270,214	357,507	409,914
Shareholders' equity (without minority interest)	46,117	70,849	81,881
Net income (according to participation)	6,705	8,517	10,888
Earnings per share (pesos)	3.32	3.79	4.68
Dividends declared per share (pesos)	0.52	0.52	0.732
Paid dividends	1,029	1,157	1,240
Book value per share without minority interest (pesos)	22.8	30.5	35.2
Shares outstanding (millions)	2,018.3	2,326.4	2,326.4
Price of share (pesos)	58.86	42.32	83.45
ROE (%)	15.5	14.1	14.3
ROA (%)	1.2	1.1	1.3
Net interest margin adjusted for risk (NIM) (%)	2.9	3.3	3.4
Efficiency ratio (%) ⁽³⁾	51.4	55.7	54.0
Past due loan ratio (%)	2.5	1.9	2.1
Reserve coverage (%)	123.7	143.1	138.3
Capitalization ratio of Banco Mercantil del Norte (%)	16.1	12.9	14.7
Capitalization ratio of Ixe Banco (%)	-	15.3	15.5
Full-time employees and professional services	19,863	24,134	26,211

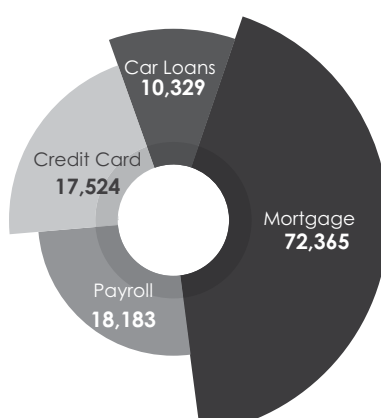
NA – Not Available.
Million pesos.

GFNORTE

Total Deposits

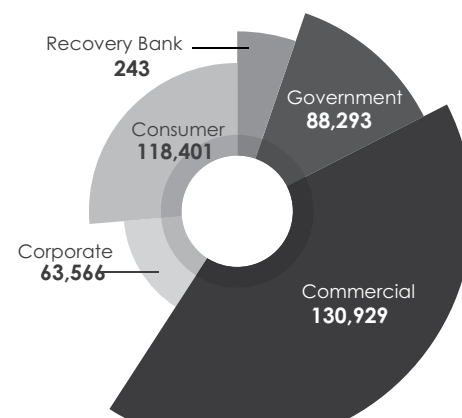


Consumer Loans



Million pesos.

Performing Loans



In January 2012, the merger between Afore Banorte and Afore XXI was completed. As a result, Banco Mercantil del Norte determined that it has no control over Afore XXI Banorte, and does not therefore consolidate it in its financial statements, and recognizes the equity participation method given its significant influence. Financial statements as of December 31st, 2011, reflect the effects of the deconsolidation of Afore XXI Banorte, in order to make them comparable with the 2012 financial statements. Consequently, some 2011 figures differ in this Report to those presented in the 2011 Annual Report.

(1) The information for 2011 consolidates Ixe.

(2) Source: The Banker / Top 500 Banking Brands.

(3) Non Interest Expense / (Total Net Income + Loan Loss Provisions).

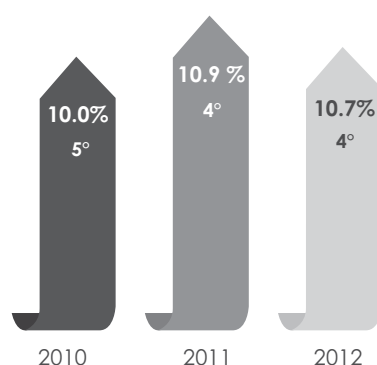
DELIVERY CHANNELS⁽¹⁾	2010	2011	2012
Branches ⁽²⁾	1,134	1,285	1,316
ATMs	5,004	6,367	6,707
Calls received by the Contact Center (millions)	29.7	36.9	41.2
Point of sale terminals (POSs)	58,336	90,649	115,213
POSs transactions (millions)	82	103	131
Third party correspondents	2,750	2,918	3,080
Number of online users (thousands)	760	1,056	1,337
Online transactions (millions)	292	460	613
Number of clients using Banca Móvil (mobile banking) transactions(thousands)	64	74	136
Banca Móvil transactions (millions)	2.0	4.7	10.0

(1) The information for 2011 consolidates Ixe.

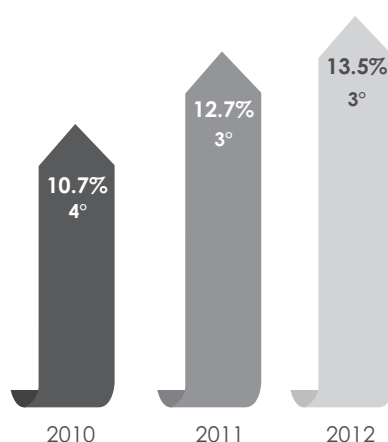
(2) Includes bank modules and excludes foreign branches.

MARKET SHARE

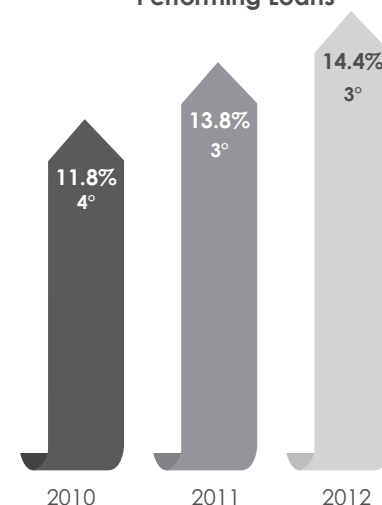
Branches



Deposits GFNorte



Performing Loans



Source: CNBV (Consolidated Financial Statements with Udis Trusts).

Includes credit SOFOMES in applicable institutions.

	Majority Net income 2012	GFNorte ownership in subsidiaries
BANKING SECTOR⁽¹⁾	8,920	92.72%
BROKER DEALER	681	
Casa de Bolsa Banorte Ixe	601	99.99%
Ixe Fondos	80	99.99%
LONG TERM SAVINGS	1,053	
Afore XXI Banorte (Pension Funds) ⁽²⁾	532	50.00%
Seguros Banorte Generali (Insurance)	471	51.00%
Pensiones Banorte Generali (Annuities)	49	51.00%
OTHER FINANCE COMPANIES	(434)	
Arrendadora y Factor Banorte (Leasing & Factoring)	604	99.99%
Almacenadora Banorte (Warehousing)	43	99.99%
Ixe Automotriz (Car Leasing)	33	99.99%
Fincasa Hipotecaria (Housing)	(1,114)	99.99%
OTHER COMPANIES	(921)	
Ixe Soluciones	(922)	99.99%
Ixe Servicios	1	99.99%
HOLDING	1,589	100.00%
TOTAL	\$10,888	

Million pesos.

(1) Includes Banco Mercantil del Norte, Ixe Banco and Banorte-Ixe Tarjetas.

(2) Since 1Q12, Afore XXI Banorte is recognized under the equity participation method with Banco Mercantil del Norte, however, for informational and comparison purposes, the Net Income of Afore XXI Banorte is presented in the corresponding sector business.

2 Who We Are



Organizational Profile

At Grupo Financiero Banorte S. A. B. de C. V. we seek to guarantee an economic, social and environmental balance in areas inherent to our daily operations and maximize the growth and profitability of our company by adhering to strict sustainability criteria and corporate responsibility.

Our Mission

To satisfy our customers' financial needs with high-quality products and services delivered through efficient methods that guarantee integrity, security and confidence, thereby strengthening our value chain with our customers, and always providing our service with efficient and kind attention.

To ensure profitability and value creation in our work in order to support our clients, shareholders and employees.

To preserve the integrity and quality of all of our operations, especially in the management of the Group's deposits and equity.

To be a company that offers employment in a serious and fair manner, under the right working conditions and ethical standards that promote both personal and professional development inside and outside of the workplace, treating each and every one of our employees with the highest sense of dignity and equality, offering opportunities for personal growth.

To assume our responsibility as citizens, employees and an integral part of the Institution to promote growth, becoming leaders in the communities that we serve, promoting their development through the philosophy of "Thinking Big".

To act in a conscientious manner with regards to our environment, preserving the company's used resources and undertaking actions that generate an environmental and social awareness amongst our customers and employees.

Our Values

Our conduct should always be based on integrity, trust, loyalty with absolute respect and acknowledgement of the intrinsic value of the human being. GFNorte rejects any bias related to gender, age, religion, race, social origin, disability, ethnicity, nationality, sexual orientation, family responsibilities, marital status, or any other condition that may result in discrimination. Anyone who intends to defend and exercise their rights, when considering that such rights have been violated, should do so with respect for the Institution, its personnel and the work performed therein.



GFNorte
in numbers:

A network of 1,316 branches
6,707 ATMs
115,213 POS terminals

3,080 third party correspondents
10 SME Centers
22 million customers

GFNorte's strategic partners are the IFC (International Finance Corporation) through its subsidiary Banco Mercantil del Norte; the Italian insurance company Generali in insurance and annuities, and the Instituto Mexicano del Seguro Social (Mexican Social Security Institute) as a result of the recent merger of our respective Afores.

Grupo Financiero Banorte is one of the leading financial institutions in Mexico. Following the merger of Ixe Grupo Financiero we are currently the country's third largest financial group with the largest Mexican shareholder base. We are one of the banks with the best loan portfolio quality indicators of the Mexican financial system with high capitalization and liquidity ratios.

GFNorte has a presence in Mexico and in the United States of America in the south of Texas through Inter National Bank (INB), as well as in New Jersey and California through the remittance services company UniTeller and in New York through Banorte-Ixe Securities International.

GFNorte has developed a wide range of banking and financial products centered on service excellence, which include:

- **Banking Sector:** universal banking services in Mexico through Banco Mercantil del Norte S. A. and Ixe Banco S. A. and through Inter National Bank in the state of Texas, USA, including remittance services through UniTeller in the United States.
- **Brokerage Sector:** broker dealer services and products.
- **Long Term Savings Sector:** afores (pension funds), insurance and annuities.
- **Other Finance Companies:** financial services that include leasing, factoring, warehousing, car leasing with Ixe Automotriz and mortgages with Fincasa Hipotecaria.
- **Other service and asset recovery companies:** through Ixe Soluciones and Ixe Servicios subsidiaries.

Reinforcing its commitment to generating a positive impact on the environment; in 2012 Grupo Financiero Banorte continued alliances with the Association of Mexican Banks (ABM), Red SumarSE in Nuevo León, National Council for the Prevention of Discrimination (CONAPRED), and the UN Global Compact, among others, to create joint work strategies in the area of social responsibility and sustainability.

We also consolidated our position as Mexico's main Afore, posting significant growth in our operations following the acquisition of Afore Bancomer. In order to increase our customer service capabilities, we also opened the Roberto González Barrera Contact Center in Monterrey.



(1) For details of our products and services please visit our web pages: www.banorte.com and www.ixc.com.mx

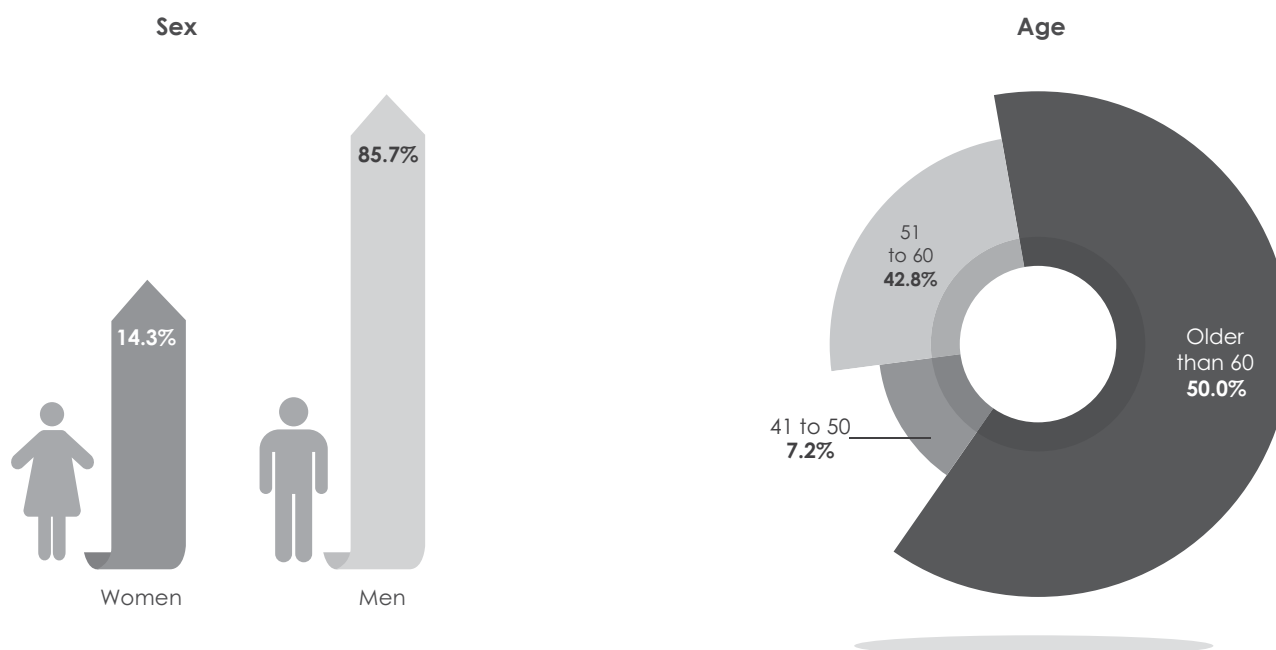
Corporate Governance Structure

GFNorte and its subsidiaries adhere to standards that guarantee the security of financial information and compliance with regulations that govern our Sector, providing our customers, board members, shareholders and other stakeholders with a sense of security and trust. This in turn allows us to achieve our strategic objectives and conduct daily business in a more efficient manner.

Article 24 of the **Stock Market Law** stipulates a minimum of **25% Independent Board Members**.
GFNorte exceeds that percentage with **57%**.

COMPOSITION OF GFNORTE'S BOARD OF DIRECTORS:

Total Proprietary Members: 14



Board members with a motor disability: 7.2%

MEMBERS OF THE BOARD OF DIRECTORS OF GFNORTE

Guillermo Ortiz Martínez
Héctor Ávila Flores

Chairman
Secretary

PROPRIETARY MEMBERS

Guillermo Ortiz Martínez
Bertha González Moreno
David Villarreal Montemayor
Manuel Saba Ades
Alfredo Elías Ayub
Herminio Blanco Mendoza
Everardo Elizondo Almaguer
Patricia Armendáriz Guerra
Armando Garza Sada
Héctor Reyes Retana
Juan Carlos Braniff Hierro
Eduardo Livas Cantú
Enrique Castillo Sánchez Mejorada
Alejandro Valenzuela del Río

Related
Patrimonial
Patrimonial
Patrimonial
Independent
Independent
Independent
Independent
Independent
Independent
Independent
Related
Related

ALTERNATE MEMBERS

Jesús O. Garza Martínez
Juan Antonio González Moreno
José G. Garza Montemayor
Alberto Saba Ades
Isaac Becker Kabacnik
Manuel Aznar Nicolín
Javier Martínez Abrego
Carlos Chavarría Garza
Ramón A. Leal Chapa
Julio Cesar Méndez Rubio
Guillermo Mascareñas Milmo
Alfredo Livas Cantú
Javier Molinar Horcasitas
José Marcos Ramírez Miguel

Related
Patrimonial
Patrimonial
Patrimonial
Independent
Independent
Independent
Independent
Independent
Independent
Independent
Independent
Related
Related

Roberto González Barrera served as Chairman Emeritus of the Board of Directors of GFNorte until August 2012.

REGIONAL MEMBERS

In the area of Corporate Governance, and as stated in the 2011 Annual Report, the creation of 5 Regional Boards in different areas of the country was approved: the North, Northwest, Metropolitan, West and Peninsular regions, comprising 174 Board Members from 21 Mexican states. These Boards were created to provide the Chairman of the Board of GFNorte with advice on relevant aspects and business opportunities in each of these regions.

To date the following have been held:

- 11 Regional Board sessions attended by speakers such as Roy Campos Esquerro, Federico Reyes Heróles, Luis Carlos Ugalde Ramírez, Noé Sandoval Alcázar and Fernando Clavijo Quiroga.
- The First Plenary Session was held on November 6th and 7th, 2012. It was opened by President Enrique Peña Nieto at a gala dinner in Chapultepec Castle, and speakers included Alan Greenspan, Felipe González, Michel Camdessus, Ernesto Zedillo, Ricardo Lagos, Alan Stoga, Herminio Blanco, Carlos Elizondo Mayer-Serra, Federico Reyes Heróles and Gabriel Casillas as well as 400 guests from among the Regional Boards, members of GFNorte's Board of Directors, customers and Group directors. The purpose of the Plenary Session was to identify opportunities for development and learn about national and international economic, political and social issues in order to enrich future Regional Board sessions and present the strategic direction of Banorte in the coming years.

In order to increase the base of Regional Boards, in 2013 the Central Regional Board will be created and will include leading businesspeople and eminent figures from Aguascalientes, Guanajuato, San Luis Potosí, Querétaro and Zacatecas. New members will also be included in the Metropolitan and Peninsular Boards so that Grupo Financiero Banorte will have 6 Regional Boards comprising 219 Board Members from 28 states.

Dialogue and interaction with Board Members will strengthen the connections among them, their respective companies and the Group, leading to a stronger formation of the shareholder base of the institution.



OFFICERS

Our company is made up of people that share the daily commitment to seek excellence in their work in order to provide customers with a better service.

MANAGING DIRECTORS

Alejandro Valenzuela del Río

Chief Executive Officer of Grupo Financiero Banorte

Business

Jesús Oswaldo Garza Martínez

Managing Director of Retail Banking

Manuel Antonio Romo Villafuerte

Managing Director of Ixe Banco and Credit Cards

José Marcos Ramírez Miguel

Managing Director of Wholesale Banking

Samuel J. Munafo

Managing Director of INB

Luis Fernando Orozco Mancera

Managing Director of Asset Recovery

Fernando Solís Soberón

Managing Director of Long Term Savings

Staff

Rafael Victorio Arana de la Garza

Chief Financial Officer

Sergio García Robles Gil

Chief Corporate Officer

Alejandro Garay Espinosa

Managing Director of Corporate Services

Carla Juan Chelala

Managing Director of Marketing

Héctor Martín Ávila Flores

Managing Director of Legal

Benjamín Vidargas Rojas

Managing Director of Audit

David Aarón Margolín Schabes

Managing Director of Risk Management

Alejandro Vázquez Salido

Managing Director of Communication and Corporate Relations

Guillermo Güémez Sarre

Managing Director of Technology

Javier Molinar Horcasitas

Managing Director of Integration

Mayra Hernández González

Head of Corporate Responsibility

Territorial Management of Banorte

Arturo Valdés Villaseñor

Northwest

Roberto Francisco Ayala Ramos

Border Regions

Sergio Deschamps Ebergényi

North

María del Socorro Bermudez Ramírez

East

Alfonso Páez Martínez

Central

Juan Carlos Cuéllar Sánchez

West

Humberto Luna Gale

Northern Mexico

Andrés Emmanuel Aymes Ansoleaga

Southern Mexico

Alberto Salvador López

South

Héctor Guijarro Ávila

Isthmus

Jorge Luis Molina Robles

Peninsular

Ixe Banco Officers

Miguel Ángel Martínez Sienra

Deputy Managing Director of Commercial Banking

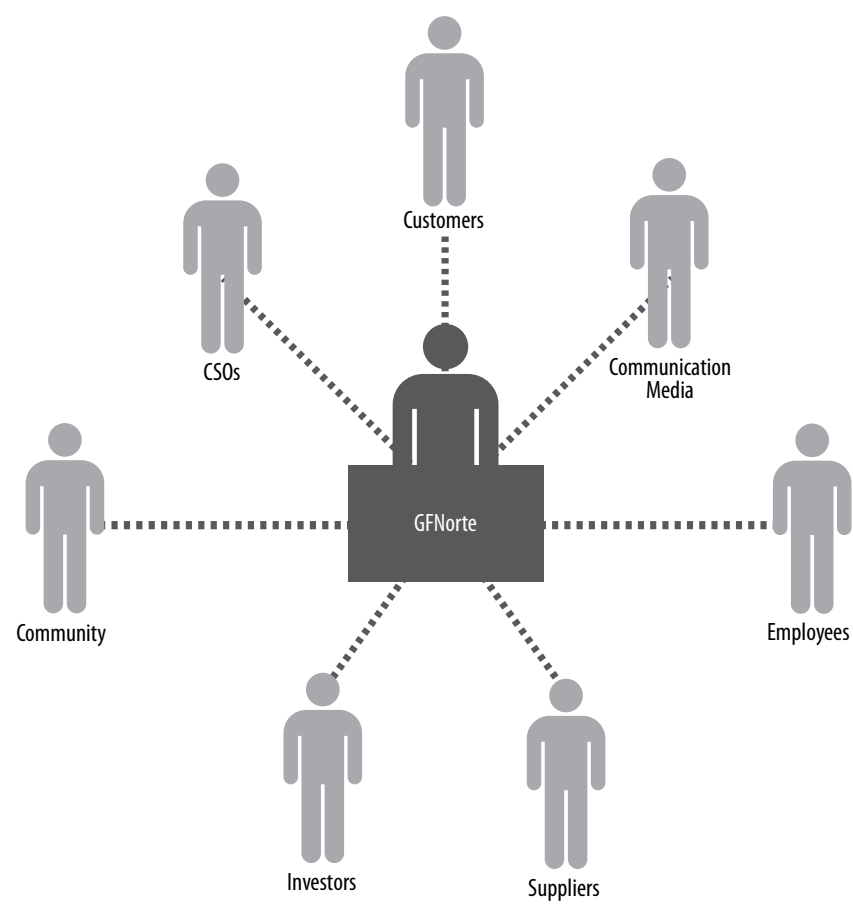
Gerardo Rodríguez Chabolla

Director of Regional Branches

Francisco José Archivaldo Rodríguez Giacinti

Director of Metropolitan Branches

Dialogue with Stakeholders



At Grupo Financiero Banorte we seek to guarantee the integrity, security and trust of our stakeholders while meeting the financial needs of our customers with high quality products and services through efficient delivery media and ethical and reliable operating processes.

Our stakeholder dialogue and interaction model is detailed below:

Stakeholder	Main Concerns	Organization's Response
Investors	• Maintain strong fundamentals.	• Prudent management of the institution's capital; with an adequate balance between business risks and profitability.
	• Adopt better corporate governance practices.	• The Group's corporate practices are updated on an ongoing basis in order to improve them. • The Financial Group has been recognized as one of the best in Latin America in terms of corporate practices and GFNorte's management team has been recognized as one of the best in the Latin American financial sector.
	• Disclose relevant financial and operational information of the Financial Group on a timely manner.	• Quarterly and Annual Reports are published within the timeframes specified by the BMV as well as relevant events related to topics with a significant bearing on the Financial Group or through the BMV Emisnet, STIV2 of the CNBV, OTCQX in the US and Latibex in the Madrid Stock Exchange.
	• Measure and report on the environmental and social impact of the Group's operations and its Value Chain.	• Reports are generated in compliance with GRI, and to CDP, EIRIS and the University of Anáhuac.

Stakeholder	Main Concerns	Organization's Response
Customers	<ul style="list-style-type: none"> • Be served by staff with broad knowledge who advise customers to choose the product or service that best suits their needs. 	<ul style="list-style-type: none"> • There is an ongoing training and staff certification program to ensure that staff provides the right advice and good quality attention.
	<ul style="list-style-type: none"> • Delivery of products and services within the specified timeframes. 	<ul style="list-style-type: none"> • We have automated processes and service level commitments that support the efficient delivery of products and services to the customer; we continually seek to improve our operating and sales processes to meet not only our customers' needs but also their expectations.
	<ul style="list-style-type: none"> • Obtain easy access to funds through different channels that make them close, secure and available. 	<ul style="list-style-type: none"> • Banorte is constantly innovating delivery channels with reference to the strictest security measures so that our customers can undertake transactions securely and easily. Every year Banorte increases its network of branches, ATMs, third party correspondents and develops new access points through mobile and internet devices so it is always at the forefront of innovation and security.
Employees	<ul style="list-style-type: none"> • Work stability following the merger of Ixe. • Quality of life (balance between personal life and work, health care). 	<ul style="list-style-type: none"> • In coordination with Great Place to Work Mexico a program has been implemented to improve the work culture, aimed mainly at Group leaders in order to increase leaders' skills at generating certainty among staff as well as improving the quality of life of our colleagues and involving them in Group projects. • Human Resources has generated a new health scheme that gives each employee better medical services both for themselves and their beneficiaries. • As a result of these actions, Grupo Financiero Banorte was given the GPTW certification ranking 6th out of the best places to work in Mexico.
	<ul style="list-style-type: none"> • Remuneration and opportunities for growth. 	<ul style="list-style-type: none"> • In November 2012, Human Resources brought the salaries and benefits of the two banks (Banorte-Ixe) into line, salaries at Banorte and benefits at Ixe. • Grupo Financiero Banorte currently has one of the best labor offers with benefits that exceed legally mandated ones.
Community	<ul style="list-style-type: none"> • Provide social assistance. 	<ul style="list-style-type: none"> • Through GFNorte's Foundation, we have supported the actions and initiatives of Civil Society Organizations (CSOs) and government institutions that provide social assistance to improve the quality of life of disadvantaged communities through donations, partnerships or knowledge-sharing. • Link solutions to social problems affecting communities with organizations that serve vulnerable populations.
	<ul style="list-style-type: none"> • Rebuild the social fabric. 	<ul style="list-style-type: none"> • Invest funds in community development initiatives that strengthen co-existence and interaction with members of a community and participate in the generation of opportunities for progress with the support of the n Red SumarSE network of like-minded companies.

Stakeholder	Main Concerns	Organization's Response
CSOs	<ul style="list-style-type: none"> Access to financial or in-kind resources. 	<ul style="list-style-type: none"> Through Fundación Banorte (Banorte Foundation), grant cash donations to the following projects: social assistance, education, gender equality, community development, natural disasters, human rights, the environment and sustainability, infant nutrition and health aimed at vulnerable segments of the population. Provide in kind support to social assistance and community development projects through Fideicomiso Súmate ("Jump on Board" Trust) comprising contributions from Group employees. Deliver toys to children and teenagers in public hospitals and orphanages throughout Mexico through our Playing, Playing and with Banorte-lxe Helping project.
	<ul style="list-style-type: none"> Support for institutional capacity building. 	<ul style="list-style-type: none"> Through Fundación Banorte channel funds and talent to the training and professional development of the human capital of not-for-profit organizations in order to improve their performance, services and accountability to donors. Provide scholarships, experience and knowledge to CSO board members and staff to develop skills and abilities in the social and philanthropic development sector through advice, sponsorship and participation in special congresses.
	<ul style="list-style-type: none"> Corporate volunteers. 	<ul style="list-style-type: none"> Volunteer time and talent through Corporate Responsibility initiatives to causes chosen by employees or activities of Fundación Banorte and Súmate.
	<ul style="list-style-type: none"> Company's performance in the areas of human rights, labor, the environment and anti-corruption. 	<ul style="list-style-type: none"> Work continues to be done on the UN Global Compact Communication on Progress and various conferences and training workshops are also held.
Suppliers	<ul style="list-style-type: none"> Payment period. 	<ul style="list-style-type: none"> Suppliers are advised that they will receive payment within 15 to 20 working days. The process also receives ongoing follow-up.
	<ul style="list-style-type: none"> Complete information for negotiations. 	<ul style="list-style-type: none"> All suppliers are provided with complete and identical information to compete in a bid process, thus making it more transparent.
Communication Media	<ul style="list-style-type: none"> Media management in the event of a crisis with the target public and authorities. 	<ul style="list-style-type: none"> Employees receive Media Training on an ongoing basis and key areas learn how to broadcast key messages correctly.
	<ul style="list-style-type: none"> Coherent internal and external messages. 	

Awards and Recognitions

GFNorte we seek to preserve the integrity and quality of our operations, products and services, adapting profitability and making the generation of value the focus of our work, which serve as a guarantee for customers, shareholders and employees. As a result, in 2012 we received the following prizes and recognitions:

Best Commercial Bank in 2012 in Mexico

Awarded by: World Finance.

GFNorte's Achievement: In 2012 the Group materialized two of the largest deals registered in the Mexican financial sector: the merger with Ixe Grupo Financiero, which made it the third largest institution with the most Mexican capital, and the merger with the Mexican Social Security Institute's Afore XXI.

LatinFinance Bank of the Year 2012

Awarded by: LatinFinance.

GFNorte's Achievement: Recognition for growth achieved in the areas of credit cards, government and Small and Medium-Sized Enterprise (SME) financing.

Galardón PyME 2012

Awarded by: Mexican Ministry of the Economy.

GFNorte's Achievement: Recognition for a third time and second year in a row as the bank that has granted the most loans to Small and Medium-Sized Enterprises in Mexico through government programs.

Best Management Team in Latin America in 2012

Awarded by: Institutional Investor.

GFNorte's Achievement: Directors and the Investment Relations Department were given the following recognitions:

Alejandro Valenzuela, CEO:

- Top CEO in Mexico rated by sell-side analysts;
- Third in the Latin American financial sector (sell side).

Rafael Arana, CFO:

- Fifth (sell-side) and seventh (buy-side) in the regional survey

David Suárez, Deputy Managing Director of Investor Relations:

- Best financial sector director in Latin America and in his category in Mexico (sell-side);
- Top in Mexico and number two in the Latin American financial sector (buy-side)

Investor Relations department:

- Number two in the Latin American financial sector (sell side);
- Number one in Mexico (sell and buy-side).



LATINFINANCE®



Top 500 Banking Brands

Awarded by: The Banker.

GFNorte's Achievement: In 2012 Banorte was ranked 180 with a Brand value of 608 million dollars and an A+ rating.



Top 1,000 World Banks Ranking 2012

Awarded by: The Banker.

GFNorte's Achievement:

Banorte obtained the following world rankings:

- #271 in the amount of Tier 1 capital;
- #65 in the profit to Tier 1 ratio;
- #218 in asset size;
- #264 in ROA;
- #799 in leverage.

The best places to work in Mexico with more than 5,000 employees

Awarded by: Great Place to Work.

GFNorte's Achievement: The Group was ranked 6th in terms of the best places to work in Mexico, reflecting the business culture that has been developing in the institution, integrating the best of each institution that has merged with the Group.



GFNorte's Ratification in the Sustainable IPC Index

Awarded by: The Mexican Stock Exchange (BMV).

GFNorte's Achievement: As a result of the adoption of sustainable processes and socially responsible corporate practices, for a second straight year GFNorte was included in the BMV's Sustainable IPC Index.



“We are very encouraged by the fact that experts and fund managers within the financial community view us as a solid and efficient team, and it motivates us to achieve even better results for the benefit of our customers and shareholders”.

Alejandro Valenzuela, CEO of Grupo Financiero Banorte

3 What We Do



Our Corporate Responsibility Strategy

At Grupo Financiero Banorte sustainability means maximizing the profitability and growth of the institution, seeking at all times a balanced development among the financial, economic, social and environmental aspects inherent to our business, particularly in four main areas: the association with the IFC and the Equator Principles; the adoption of the GRI methodology; the measurement of our carbon footprint and the UN Global Compact with an emphasis on education and awareness, with a vision and with actions that ensure that these conditions remain constant to ensure the permanence of our institution in the long term.

We achieved this through work based on four pillars:



Environmental Responsibility

The responsibility to act with awareness of the environment, conserving the resources used by the company and undertaking actions that generate environmental awareness in society.



Community Commitment

The responsibility to support the growth of and to interact with the community, through actions that take into account its interests along with those of the company.



Equality and Governance

The responsibility to create working conditions with ethical standards that foster both personal and professional development within and away from the workplace.



Value Chain

The responsibility to offer quality products and services and to encourage suppliers to adopt more sustainable practices.

These four pillars provide orientation for maintaining a balanced portfolio of high impact initiatives that define the internal and external strategies that GFNorte implements in its daily operations with our stakeholders.

In this way we meet our Corporate Responsibility in **MAKING MEXICO STRONGER.**

Responsabilidad Social Banorte - Ixe



Para hacer más fuerte a México

Our **overall objective** is to ensure that being socially responsible people is part of Grupo Financiero Banorte's DNA.

In 2012, as part of the commitment Grupo Financiero Banorte has adopted with our stakeholders, we have developed initiatives and projects to continue contributing economic, social and environmental value through each of our operations, thereby fostering economic sustainability in Mexico.

In 2012 Grupo Financiero Banorte **did not receive any government support** for its operations.

Thanks to the support of our employees and stakeholders, GFNorte had many achievements in 2012. Some of our economic performance initiatives are:

BANKING SECTOR

During 2012, we continued to migrate the main technologic platforms from Ixe to Banorte following Ixe's integration into GFNorte, to take advantage of synergies while at the same time maintaining the standards of quality and service that our customers deserve.

As part of this process, in 2012 we integrated Ixe Banco's electronic channels into GFNorte aligning them with the Group's strategy of efficiency and client vision. This step has increased levels of operational efficiency and has strengthened the catalog of products and services that the Group offers.

Likewise, we are focusing our efforts to improve service in the branch network by offering automated processes using controls that enable prompt and efficient service.

Currently, the strategy of the Banking Department is focused on strengthening the entire bank infrastructure, ATMs, branches and third party correspondents in order to serve growing and emerging markets. To achieve this, we have formal market and population analysis processes at the national level, evaluating each opportunity to further develop the branch network within the main urban and semi-urban centers of the country, thus giving all Mexicans the opportunity to access Banorte and Ixe's products and services.

Branches

Our branches offer a service model that enables us to offer prompt and efficient service. In 2012, we strengthened this model by incorporating tools used to monitor online the transactions of our branch windows in order to anticipate increases in the demand for service.

Furthermore, as a result of the integration with Ixe, services were implemented to address mutual customers before the integration of technology platforms, which allows for on-line deposit services and retirement account operations between both banks.

At the end of the year we had 1,316 branches, 174 of which correspond to Ixe. For 2013, more Ixe branches will be opened in existing markets and in cities where GFNorte has a solid presence.

ATMs

In 2012, the number of ATMs increased from 6,367 to 6,707, and the number of transactions amounted to over 450 million.

Banorte-Ixe has the **second largest network** of ATMs in Mexico serving more than **6.5 million** customers a month.



In 2013, the technology upgrade of the most obsolete equipment will be concluded, continuing to advance strategies to make operations more efficient and we will increase the number of ATM machines in locations that are saturated due to the accelerated growth in plastics.

Point of Sale Terminals

In 2012 transactions grew by almost 40%, more than 15% over the market ranking our institution third in Mexico with a 12% market share. This was driven by better point of sale and e-commerce dynamics.

In 2013 we will seek to strengthen our integrated offerings so as to achieve greater penetration and customer loyalty. Our main challenge is to ensure efficient growth and differentiation of services by segment.



Third Party Correspondents

Banorte has positioned itself as a major player in the third party correspondent market. In 2012 Telecomm-Telégrafos and 7-Eleven transactions rose by more than 26% compared to 2011.

In order to create a product especially designed for markets that still have no access to traditional banking services, a new Level 2 Deposit account was created under the brand **Fondo Personal MiFon** (Personal Fund) linked to a debit card and with the following characteristics:

- Aimed at people with limited access to financial services.
- Can be opened just by making a call, and without having to go to a bank branch.
- Transactions can be conducted through a cellular phone using SMS or through Banorte's network of third party correspondents and ATMs, thus increasing our infrastructure and services to all corners of Mexico.
- Customers can make purchases in thousands of establishments affiliated with MasterCard.

"Contraté mi cuenta con una sola llamada"

Con Cuenta MiFon, ahora puedes realizar acciones sin salir a la calle de tu teléfono celular con tarjetas MasterCard de crédito y débito, además cualquier compra realizada a fin de mes se refleja en una nómina.

Mi dinero en MiFon
100% seguro - 100% cómodo.

Asesoría | Consultas | Depósitos | Retiros | Pagos | Recargas

No esperes más y contrata MiFon al:
01 800 733 1111

BANORTE
El Banco Pionero de México

As part of the institution's interest in increasing banking service penetration, around 400 MiFon accounts linked to a cellular phone were activated in the community of Santiago Nuyoó, Oaxaca, with 2,100 inhabitants located 240 kilometers from the state capital.

This is the first indigenous community where Banorte, along with Telecomunicaciones de México, implemented transfer transactions between MiFon accounts and balance inquiries through a cellular phone network and the mobile payments system. Informational material was prepared for this community in the Mixteco language.

Online Banking

At the end of 2012 more than 1.3 million customers had access to Banorte through the Internet or Ixenet, conducting around 613 million on-line transactions in a socially responsible way and thus contributing to protecting the environment.

Mobile Banking

More than 136 thousand customers used the Mobile Banking service. More than 10 million transactions, more than double those in 2011.

In 2012 Banorte Móvil provided a global, efficient, secure and sustainable solution to a broad segment of our clients, as its platform is compatible with all cellular phone companies in Mexico.

During the first quarter of 2012 developments were presented for the further roll-out of the channel, such as the launch of the cellular token which enables users to generate their security codes directly in their cell phone without having to use their physical token.

By the end of 2012, customers were able to request the Banorte Móvil service by calling the Contact Center without having to visit a branch.



Los 5 minutos que dura tu canción favorita, es lo mismo que tardas en activar

BANORTEmóvil
El banco en tu celular

Activarlo es fácil, rápido y gratis.

1. Llama a Banorte y selecciona la opción 5
2. Elige una de tus cuentas Banorte
3. Ingresas tu número celular
4. Escoges una contraseña
5. Descargas la aplicación en tu celular

BANORTE
México D.F. (55) 5140 5000
Monterrey (81) 8156 9000
Guadalajara (33) 3669 9000
Resto del país 01 800 2266 783
www.banorte.com/banortemovil

Consulta términos, condiciones, comisiones y requisitos de contratación aplicables en www.banorte.com/banortemovil.
Aplican costos por servicios de datos de acuerdo a su compañía telefónica.

BANORTE
EL BANCO FUERTE DE MÉXICO

Google play App Store

Contact Center

One of 2012's biggest events was the inauguration of the Roberto González Barrera Contact Center. This Center represents an interactive channel that places GFNorte at the forefront in terms of meeting our customers' financial service needs. Likewise, the creation of this new infrastructure has made Grupo Financiero Banorte one of the biggest employers in Monterrey generating 1,700 direct jobs.

During 2012 the Center had more than 41.2 million incoming calls and made 18.6 outgoing calls, improving efficiency and quality of care indicators compared to 2011.

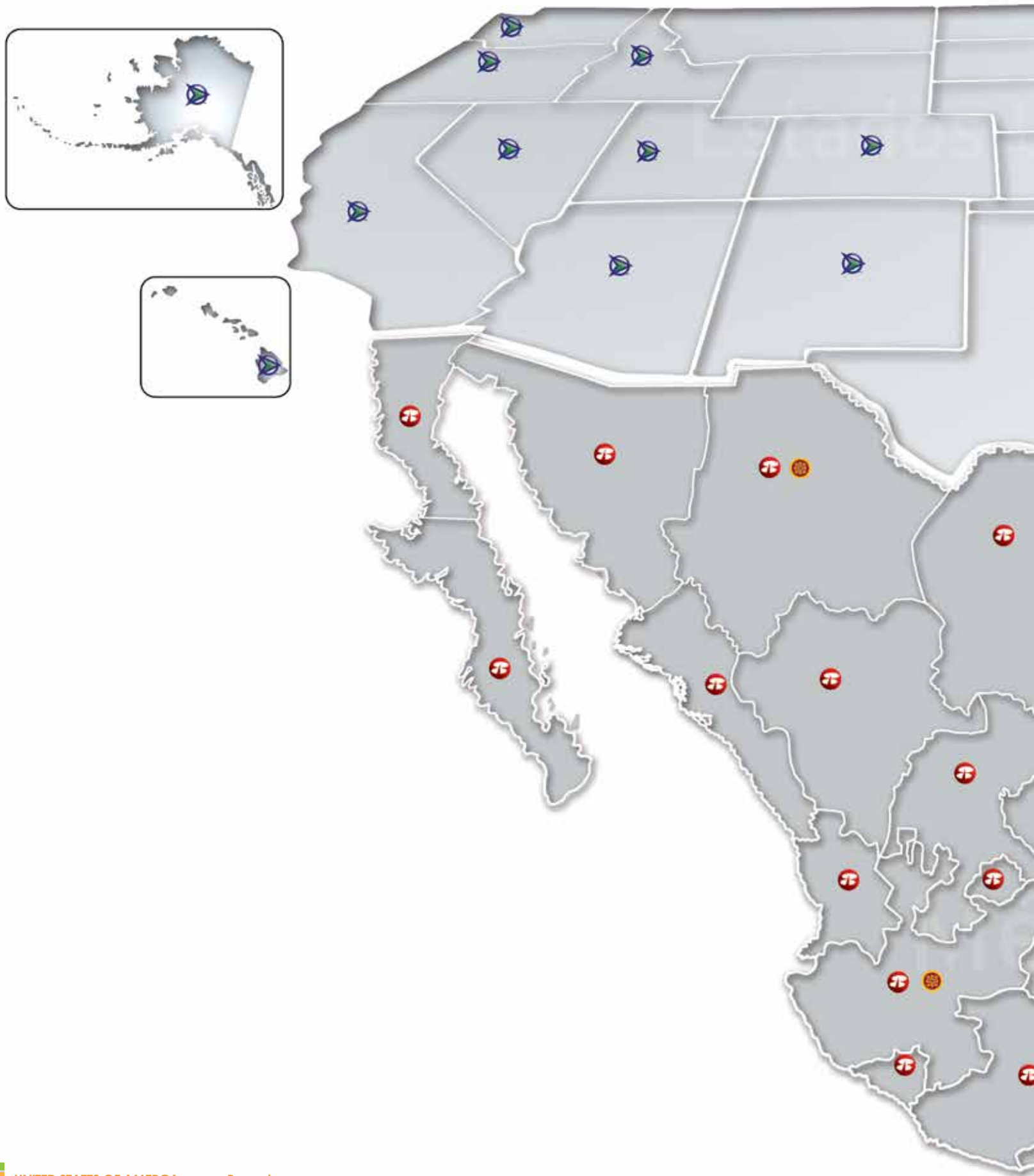
In 2013 we will continue with the project to include all of the Group's Contact Centers in a single building; we also have embarked on the second stage of the transformation project to incorporate our world class operation processes focusing on customers and their needs.

Infrastructure

BANORTE Territory	State	Branches		ATMs		POSs		Third Party Correspondents ⁽¹⁾	
		2011	2012	2011	2012	2011	2012	2011	2012
Southern Mexico	Distrito Federal, Estado de México	148	151	585	608	7,704	11,479	70	299
Northern Mexico	Distrito Federal, Estado de México	135	137	665	658	8,225	10,323	423	216
North	Coahuila, Nuevo León	133	134	925	999	9,639	11,231	36	620
East	Coahuila, Nuevo León, San Luis Potosí, Tamaulipas	82	82	529	563	3,889	4,671	890	391
Central	Aguascalientes, Guanajuato, Jalisco, Querétaro, San Luis Potosí, Zacatecas	116	118	689	756	6,840	8,839	153	154
Northwest	Baja California Norte, Baja California Sur, Sinaloa, Sonora	108	109	564	615	7,445	9,695	256	274
Border regions	Coahuila, Chihuahua, Sinaloa, Durango	68	70	473	472	5,235	6,623	119	135
West	Colima, Guanajuato, Jalisco, Michoacán, Nayarit	122	125	625	650	13,257	15,959	383	393
South	Guerrero, Hidalgo, Morelos, Puebla, Tlaxcala	69	72	350	378	3,258	4,314	198	199
Isthmus	Chiapas, Oaxaca, Tabasco, Veracruz	67	70	299	318	2,657	3,445	263	269
Peninsular	Campeche, Chiapas, Quintana Roo, Yucatán	70	74	458	487	7,735	9,512	127	130
Total		1,118	1,142	6,162	6,504	75,884	96,091	2,918	3,080

(1) The third party correspondents refer to Telecomm-Telégrafos and 7-Eleven.





UNITED STATES OF AMERICA		Branches	
		2011	2012
INB		20	20
UniTeller		1,723	1,742
Banorte-Ixe Securities		3	3

The All Point network that INB uses consists of more than 50,000 ATMs throughout the USA.
 In the case of UniTeller reference is made to agents and in Banorte-Ixe Securities to offices and not to branches.



IXE

State

	Branches		ATMs		POSS	
	2011	2012	2011	2012	2011	2012
Distrito Federal and Estado de México	92	95	128	111	8,022	11,294
Jalisco	26	27	28	28	1,995	2,596
Nuevo León	15	15	15	17	985	1,374
Guanajuato	10	11	10	13	533	790
Puebla	9	10	9	10	567	906
Querétaro	8	9	8	15	829	1,122
Morelos	5	6	5	8	1,751	936
Chihuahua	2	1	2	1	83	104
Total	167	174	205	203	14,765	19,122



Household Loans

Mortgage loans

In 2012, GFNorte registered growth of 20% compared to the previous year, maintaining its leading position in the mortgage market. We were assigned Ps. 1 billion in the bidding process to participate in the "Second Loan" program with Infonavit. We also began a pilot program to place mortgage loans through the Ixe network.

With our characteristic market innovation, we launched Hipoteca Mujer Banorte (Banorte Woman Mortgage) which offers special benefits at important times in life, such as marriage, graduation from university and the birth or adoption of a child through the products Elite and Accesible.

OUR 2013 COMMITMENT: We will seek to improve the product's profitability by strengthening loan placements through the sales force, as well as improving the overall range of our portfolio of products and services.

Payroll loans

Banorte achieved record high figures in 2012 recording the lowest past due loan ratio for these loans in the industry. The portfolio's growth rate was double the market's in 2012 ranking us third in Mexico.

Greater loan placement was driven by marketing campaigns and promotional strategies such as "Zero Opening Fee" and "Double Your Credit" in addition to pre-authorized loan schemes and an intensive placement program called "Banorte Visita" (Banorte's Calling).

OUR 2013 COMMITMENT: Focus on a multi-channel credit offering, bringing the credit decision closer to the customer and making renewal easier. Likewise, we will promote an ongoing improvement in risk strategy in order to maintain the quality of our service at current levels.

Car loans

In 2012, our loan portfolio growth rate in this segment was three times higher than the overall bank car loan market, keeping the past due loan ratio at the best level of the market and enabling us to maintain high levels of profitability for the product.

OUR 2013 COMMITMENT: Continue to establish strategic alliances with brand partnerships and main dealerships to expand loan placement maintaining a balance between growth and quality of origination.

Credit Card

In 2012, "Ixe Tarjetas" changed its corporate name to "Banorte-Ixe Tarjetas", to include the credit card businesses of both banks. The consolidation of our products enabled us to optimize the business platform and obtain higher profitability. Impetus was also given to the placement of new accounts, which reached 405,000 at the end of 2012, the highest level in the history of both portfolios.

The credit card portfolio grew 19% and bank transactions 21%, driven by the successful execution of campaigns such as "From Mexican to Mexican", "Good Weekend", "From Me to Me" and cash withdrawals through convenience checks with preferential rates. At GFNorte our goal



is to reach more customers through strategic campaigns by customer segment.

OUR 2013 COMMITMENT: Launch diverse programs along with high level strategic partners in different industry sectors.

Deposits - Individual

In 2012, Banorte continued to consolidate its range of Individual Core Deposit products. Given our product diversity we are able to attend to all segments in accordance with their specific needs thus procuring greater customer loyalty and retention.

We achieved growth in deposits that was 2.2 times that of the market, with growth in the CD's sold through branches of 12%. Thus Banorte positioned itself as a bank that is constantly growing with notable leadership in the Sector.

Banorte has also sought to drive the use of POS terminals as a secure and convenient means of payment through commercial alliances offering special discounts and marketing campaigns that reward debit card transactions achieving YoY growth in sales of 24% and 27% in 2012 transactions.

OUR 2013 COMMITMENT: Banorte will continue to develop the most complete range of financial products and services. For us, knowing and identifying our customers' needs is fundamental and promotes cross selling. This is how we will become the **MEXICAN BANK FOR MEXICANS** that comprehensively meets all of the financial needs of our stakeholders.

Ixe Banco

In 2012, Ixe Banco consolidated the integration of its processes with those of Grupo Financiero Banorte in line with the Group's organizational profile strategy and customer service policies. This has enabled us to obtain benefits derived from strategic alliances, and at the same time preserve the quality and service standards that Ixe's customers expect.

Banorte and Ixe's Commercial Banking work teams are gradually being integrated. Following a successful pilot test in the state of Jalisco in 2012, we managed to optimize the range of products and services through different brands but using the same standards.

During the year Ixe's geographic presence was also maintained in Mexico's main cities.

At the end of 2012, the total deposits of Ixe Banco's branch network amounted to Ps. 56 billion, or growth of 14% vs. the end of 2011. This has enabled GFNorte to continue the favorable growth trend seen in Ixe's total deposits in recent years.

In 2012 commercial banking remained at levels expected at the beginning of the year; a further 71,000 customers were added to our branch network.

OUR 2013 COMMITMENT: Open the first branches in the south of the country and complete the integration of operating systems at the branches to ensure the maintenance or improvement of the key points of Ixe Banco's customer service model.



SMEs

Driving the SME segment is part of Grupo Financiero Banorte's main development strategies. In 2012 such efforts translated into loan portfolio totaling Ps. 29.71 billion, an increase of 26% on 2011.

In 2012 GFNorte also managed to position itself in the small and medium-sized enterprise sector through the inclusion of 8 new SME Centers located in the country's main cities. Thus, at the end of 2012 there were 10 specialized offices attended by a broad team of qualified people who seek to provide customers in this segment with a comprehensive service.

WHOLESALE BANKING

Government Banking

State and Municipal

The strengthening of the structures of the loans we grant to States and Municipalities underpinned the improvement in S&P's credit rating outlook for Banco Mercantil del Norte, Ixe Banco and Casa de Bolsa Banorte Ixe from "Stable" to "Positive".



The upgrade in the perspective was due to the improvement in Banco Mercantil del Norte's risk positions, specifically in state and municipal loan portfolios, and expectations that risk diversification is ongoing and adequate capitalization levels are maintained.

This was achieved in 2012 because:

- 98% of the loans have a fiduciary guarantee and a source of payment consisting of federal contributions or proprietary revenues.
- 79% of the loans have an interest rate hedge during the life of the loan.
- Long-term loans are recorded or informed in the SHCP public debt registry.
- 99.4% of the loan portfolio has been assigned a rating of B1 or above.
- All of the long-term loans have a favorable legal report regarding the correct appropriation of federal contributions or proprietary revenue as a source of payment.
- At the end of 2012 past due loans were almost zero

Federal Government

In 2012 the Group began a business relationship with UNAM and TRIFE, attending to all of their financial needs. With the same focus on service and specialization, in the energy sector Banorte has strengthened its relationship and service model with PEMEX and CFE.

Given its focus on increasing its national payroll accounts, Banorte managed to add 113,000 Federal Government employees for a total of 935,000 in this Government sector.

Relying on a stronger Banorte-Ixe Investment Banking structure, the Group has participated as underwriter and co-underwriter of debt issuances for FOVISSSTE, PEMEX and GDF.



At the end of 2012, payroll accountholders for all 3 segments (Federal, State and Municipality) totaled 1.86 million employees, growing by 200,000 employees for the year.

Business and Corporate Banking

At the end of the year the loan portfolio of the Business and Corporate segments rose 10% vs. 2011. Core deposits converted to non interest bearing deposits were up 18% compared to the previous year.

During the year the new business model aimed at customer-centered development was launched, which establishes the Figure of Relationship Executive as the central axis for attending all of the customers financial needs with support of a single national level management tool.

Transactional Banking

In 2012, Banorte-Ixe Transactional Banking successfully consolidated itself as a benchmark for financial services quality for customers in the wholesale segment. Leveraging the capabilities of both institutions, we managed to increase cross selling and improve the product range model achieving an increase of 36% in total income compared to 2011.

In 2012 and as part of GFNorte's priority initiatives, the construction and development of Cash Management products in Transactional Banking were defined as well as operating parameters and the business model that will sustain them.

OUR 2013 COMMITMENT: Provide our clients (Corporate, Business and Government) with a comprehensive service model that will yield results and benefits in the following areas:

- Range of comprehensive solutions that go far beyond placement and guarantee compliance with customer expectations.
- Implementation of market best practices in the use of transactional services.
- Encourage and maintain long-term relationships with our stakeholders.
- Maximize our financial results and leadership in practices that foster sustainable economic growth in Mexico.



INTERNATIONAL BANKING AND FINANCIAL INSTITUTIONS

Inter National Bank (INB)

In 2012, INB posted a strong 61% increase in profit and maintained a capitalization ratio of 24.5%, which surpasses regulatory parameters. The quality of the loan portfolio significantly improved, and classified assets as a percentage of capital decreased from 45.8% in 2011 to 23.4% at the close of 2012, which is considered satisfactory by the bank's US regulator and above the average for banks with the same level of assets.

INB continues to strengthen our strategic synergies by offering bi-national products and services to customers in both the United States and Mexico, including: free access to Banorte and Ixe's ATM network as well as to more than 50,000 ATMs in the United States through the All Point network, as well as electronic transfers and free check deposits between accounts of both institutions. INB also offer Banorte-Ixe customers diverse financing options for individuals and corporations.

Financial Institutions

In order to strengthen Banorte's share of the global market, the Financial Institutions Department was created that will act as a Relationship Bank for this segment.

The first responsibility of the area was to sign a series of agreements in 2012 with leading financial institutions in their respective action zones (e.g. Bank of Tokyo-Mitsubishi UFJ). As a result Banorte has managed to offer different international solutions to our customers giving them access to top rate banking and financial services virtually anywhere in the world.

Private Banking

Banorte-Ixe Securities offers customers a range of investment options abroad, mainly for the investor base of the Brokerage Firm's Wealth Banking arm in Mexico and for joint customers through INB. In 2012, the managed portfolio amounted to more than 1.8 billion dollars and comprised Private Banking clients in Mexico and onshore clients in the United States.

Family remittances

In Mexico, Banorte continued to stand out as one of the main players in family remittance payment and management. In 2012, Banorte and UniTeller processed more than 2 billion

dollars corresponding to 9% of the overall market. Efforts to bring banking services to the beneficiaries of these remittances also continued. In 2012, more than 18% of remittances paid by Banorte went directly to a bank account, which represented growth of 21% vs. the previous year.

In 2012, UniTeller processed transfers for more than 40 US transmission companies and banks resulting in growth of more than 23% in processed transactions. Thus UniTeller was once again one of the companies with the highest growth in this Sector in the United States, and one of the processing companies with the greatest prestige in the industry.

OUR 2013 COMMITMENT: At International Banking and Financial Institutions we will continue to strengthen our position as a great financial services option by doing business with families, companies and organizations so the markets we serve are successful and by fostering economic growth within the surrounding communities.

ASSET RECOVERY

In 2012, Banorte Asset Recovery consolidated as the largest recovery bank in the country managing a portfolio of Ps. 90.28 billion. Furthermore, for a fifth year in a row GFNorte obtained the maximum AAFC1 (mex) rating as Special Credit Assets Manager from Fitch Ratings, which provides credit rating and financial research services in our country.

The main achievements in 2012 were:

- To keep the past due loan ratio of commercial bank consumer loan products among the lowest of the market in order to pave the way for growth in this segment.
- To acquire a portfolio of mortgage loans and to increase the amount of managed portfolios from other institutions.
- To create and strengthen a larger and more specialized loan collection and large business loan recovery department.

OUR 2013 COMMITMENT:

- To improve our recovery levels and maintain past due loan indicators for consumer products despite significant growth in loan placement.
- To continue to search for and materialize the acquisition and/or management of new asset packages in the market, and
- To continue to implement specific strategies to increase asset inventory turnover.

BROKERAGE SECTOR

Casa de Bolsa Banorte Ixe and Ixe Fondos

In 2012, Banorte Ixe's Brokerage Firm registered positive results derived from the consolidation of operations between Grupo Financiero Banorte and Ixe Grupo Financiero and the excellent performance of our financial markets.

The Banorte-Ixe brokerage business assets total Ps. 103 billion, almost 5 times more than in 2011. The Brokerage Firm 2012 net profit grew to Ps. 601 million, 2.8 times higher than at the end of 2011, while Ixe Fondos posted a net profit of Ps. 80 million.

In 2012 the Group made the decision to further develop its mutual funds business. As a result of this effort, by the end of 2012 Banorte-Ixe had managed to consolidate its position as the fourth largest mutual fund manager in Mexico with assets under management of Ps. 99 billion.

The YoY growth of Banorte-Ixe's mutual funds was 22%, compared to average growth for the financial system as a whole of 13%, or almost double.

Casa de Bolsa Banorte Ixe successfully maintained its position as one of the most important financial intermediaries and strategic advisors of the Mexican market through its investment banking department, which includes the Corporate Finance and Mergers and Acquisitions businesses.

In 2012, Corporate Finance actively participated in fixed income and equity issuances maintaining its position as one of the main short and long-term debt placement agents in the local market.



In 2012, Casa de Bolsa Banorte Ixe consolidated its position in the Mexican brokerage sector thanks to its leadership and innovation.

The results were as follows:

- It ranked **fourth** in terms of the **total value of customer transactions** under custody.
- It ranked **fourth** in terms of the **highest net profit** of the system.
- We consolidated our position as the **top short-term debt issuer**.
- We consolidated our position as the **fourth largest manager of fixed income** mutual funds in the financial system.
- We have the **best** equity and economic research **team** in Mexico.

OUR 2013 COMMITMENT: Maintain our growth strategy in order to continue to consolidate as one of the most solid brokerage firms of the Mexican market by strengthening technology, operating and human infrastructure in order to provide the best service to our customers.

LONG TERM SAVINGS SECTOR

Afore XXI Banorte

In 2012 Afore XXI and Afore Banorte-Generali were successfully merged as Afore XXI Banorte making it the largest Mexican Afore in terms of accounts and the fourth largest in terms of assets under management.



afore XXI BANORTE

Celebramos 15 años contigo

Afore XXI Banorte, te sigue acompañando en tu formación patrimonial y te comparte algunos de sus logros:

- Administrar profesionalmente tu Cuenta Individual.
- Invertir de manera especializada tus Aportaciones Voluntarias, en sus dos SIEMPRE adicionales.
- Ofrecer contacto directo con tu Cuenta Individual, a través de nuestros Servicios en Línea.
- Informar de manera clara y oportuna con respecto al estado que guardan tus recursos.
- Contar con Expertos especializados en orientarte con respecto al SAT y a tu Cuenta Individual.
- Brindarte servicio de excelencia, reconocido por la autoridad.
- Estar más cerca de ti, a través del uso de Redes Sociales.

No olvides que tu **AFORE de CASA**, conjuga la seguridad social y solidez financiera para hacer crecer tu ahorro.

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CD 98 980000 de Banorte S.A. de C.V. (Banorte) y Afore XXI Banorte S.A. de C.V. (Afore XXI Banorte) son marcas de Banorte S.A. de C.V. y Afore XXI Banorte S.A. de C.V. respectivamente. Banorte S.A. de C.V. y Afore XXI Banorte S.A. de C.V. son miembros de la Asociación Mexicana de Instituciones de Seguros y Fianzas (AMISF).

Numero de Contacto: 01 800 276 5432 (línea gratuita). Banorte y Afore XXI son marcas de Banorte S.A. de C.V. y Afore XXI Banorte S.A. de C.V. respectivamente.

Correo electrónico: [servicio.aforexxibanorte.com](#) • Página de Internet: [www.xxi-banorte.com](#)



In November 2012, an agreement was reached with BBVA Spain management to acquire 100% of Afore Bancomer. The merger of both Afores was completed in March 2013 and has strengthened Afore XXI Banorte as follows:

- The largest Afore in the Mexican system based on total managed accounts: 12 million, equivalent to 27% of the Retirement Savings System total.
- The largest company in the system based on managed funds: as of January 2013 these totaled almost Ps. 550 billion, or 28% of total funds managed by the Afores.
- The Afore offers customers an additional benefit; following the merger the management fee was reduced from 1.33% in the case of Afore XXI Banorte and 1.28% in the case of Afore Bancomer to 1.10% for the merged entity.
- Leading organization in the Voluntary Savings market and Pension Funds Management.
- The company with the most contact points and customer service with more than 100 offices located throughout Mexico.

OUR 2013 COMMITMENT: Consolidate ourselves as Mexico's largest Afore positioning us as the best option of the Sector.

Seguros Banorte Generali (Insurance)

During the year projects of great relevance for the Group were developed that are moreover aligned with the overall strategy and aim to consolidate our presence in the market and achieve ongoing growth that meets customer needs. They include:

- The development of the CIMA project aimed at releasing a new central system for Car Damages, and which will be implemented in 2013.
- "Espacio BG", a new technological platform that enables our agents and dealers to conduct online transactions 24 hours a day, 365 days a year, and positions us at the forefront of internet services in the market.
- The extension of the medical network for Major Medical Expenses Insurance giving the insured access to a network of 7,000 doctors, more than 700 hospitals and 300 support services.

OUR 2013 COMMITMENT: Increase profitability based on a Client Centric Vision through ongoing process improvement, the implementation of new tools and continued attention to the needs of those we insure.

Pensiones Banorte Generali (Annuities)

In 2012 Pensiones Banorte Generali (Annuities) maintained its leadership in terms of market share while at the same time continuing an investment strategy that lowers risks involving positions with a high credit rating and low concentration in the portfolio. Besides generating an adequate yield, this strategy increases the company's solvency margin, which at the close of 2012 was Ps. 734.8 million compared to Ps. 252 million at the end of 2011.

Likewise, in November and December 2012, the merger of Pensiones Banorte Generali and Horizontes Banorte Generali, S. A. was authorized and executed.

OUR 2013 COMMITMENT: Retain our market leadership and continue to provide our retirees with a top quality service.



OTHER FINANCE COMPANIES

Arrendadora y Factor Banorte (Leasing and Factoring)

Fitch Ratings assigned a short-term rating of F1+(mex) and a long-term rating of AA+(mex) to Arrendadora y Factor Banorte's Stock Certificates Program amounting to Ps. 3 billion with a 5-year maturity. Moody's de México, a securities rating company that is authorized and overseen by the CNBV, assigned a rating of Aaa.mx and MX-z to our company for its solid asset quality, outstanding profitability levels, very high credit quality, and good financial flexibility in terms of its funding.

OUR 2013 COMMITMENT: Maintain our local leadership with a significant increase in market penetration and profitability of our portfolios. We will continue to work to meet the expectations of our customers in our role as strategic suppliers of asset investments.

Almacenadora Banorte (Warehousing)

At Almacenadora Banorte the promotion of products for warehouse enabling and inventory commercialization will spur revenue growth following the inauguration of new facilities and cross selling operations with Business Banking clients generating bigger issuances of Certificates of Deposit and new transactions for inventory financing.

OUR 2013 COMMITMENT: Increase revenue through a bigger issuance of Certificates of Deposit and the Inventory Commercialization operation based on synergies and product cross selling, mainly with GFNorte business areas, and with these areas doing the same.

VALUE CHAIN

Regarding the contracting of goods and service providers, we have developed a series of policies aimed at guaranteeing the long-term sustainability of our entire Value Chain.

As of June 2012, a clause was introduced in new contracts and contract renewals that guarantees knowledge, compliance and promotion of the 10 fundamental principles of the UN Global Compact in the area of Human Rights, Labor, the Environment and Anti-Corruption. These values are based on the UN "Universal Declaration of Human Rights", The International Labour Organization's "The Declaration on Fundamental Principles and Rights at Work," the UN's "The Rio Declaration on Environment and Development" and "The United Nations Convention against Corruption".

During the supplier selection process, if the Purchasing Department finds that suppliers are offering the same service characteristics with the same cost-benefit relationship, preference should be given to the company with the "Socially Responsible Company" seal or which actively participates in environmental conservation.



At GFNorte we support the **economy of communities** where we are present, and so in 2012 the **budget** allocated to **Mexican suppliers** was **70%**.

At Grupo Financiero Banorte we have assumed our responsibility with respect to the development of the communities we serve as well as stakeholders both inside and outside of the organization. In this way we establish a relationship between citizens and employees to become leaders and agents of change and promote our philosophy: **TO MAKE MEXICO STRONGER** while at the same time seeking to grow our company.

EMPLOYEES

At Grupo Financiero Banorte we strive on a daily basis to be a company that offers fair and equitable sources of employment under favorable working conditions and the highest sense of dignity. We also work under strict ethical standards that promote the personal and professional development of our employees both inside and outside the workplace.

At the end of 2012 we had the following employees:

GFNORTE EMPLOYEES BY COMPANY AND BY CONTRACT 2012

	Full-Time	Professional Services	Total
Banking Sector, Brokerage Sector and Other Finance Companies	20,963	19	20,982
Banorte, Ixe, Casa de Bolsa, Arrendadora y Factor	20,468	19	20,487
INB	395	0	395
UniTeller	83	0	83
Banorte-Ixe Securities	17	0	17
Long Term Savings Sector	5,144	85	5,229
Afore (pension funds)	3,281	66	3,347
Seguros (insurance)	1,657	17	1,674
Pensiones (annuities)	206	2	208
TOTAL GFNORTE	26,107	104	26,211

Remunerations and Benefits

At GFNorte, our employees are key to community and business development. Our Corporate Responsibility enables us to provide corporate benefits⁽¹⁾ to our colleagues that exceed what is mandated by law.

With respect to the salaries of the employees of our main subsidiary, Banorte, the difference between the standard initial salary and the local minimum wage⁽²⁾ in economic zone A is 5.5% and in zone B it is 110%, above that mandated by the law for such zones.

(1) Interactive Annual Report provides details of compensations and benefits.

(2) The calculation is made based on the minimum wage of banking, which is 50% greater than the minimum established wage.

We try to cover Senior Management positions with executives from the same area but when this is not possible the opportunity is opened up to executives from other cities who are given move allowances that include:

- Payment of moving expenses.
- Travel allowances for a maximum period of 3 months for the executive.
- 3 air travel tickets for the spouse and children.
- Transfer bonus (2 months of salary), representing at least 24 Mexico City minimum wages.



Of the 71 Senior Directors, 3 are from the local community, or 4% of the total.

Labor Agreements

71% of the employees of Banorte do not belong to a union and the rest do. The relationship between Banorte's Union and the Institution has always been one of cordiality and respect. There haven't been any strikes, stoppage threats or collective actions of any kind.

This agreement contemplates a review of the salary scale for unionized positions once a year as well as, other economic and/or in kind benefits, which GFNorte grants every two months. These reviews are mandatory under the Federal Labor Law and take place in accordance with the schedule stipulated in the Collective Bargaining Agreement.

Some of the changes derived from these reviews are: lxe contracts have been changed to Banorte contracts, changes to benefits (medical service, food vouchers to Banorte), lxe merger, acquisition of Afore XXI and of Afore Bancomer, etc.



Health and Safety

At the beginning of 2012, GFNorte developed a specialized area within Health Management aimed at raising, maintaining and monitoring the quality of life of our staff and their families by designing and implementing general and specific programs in the area of health and corporate well-being.

Within this specialized area there are two guiding principles that generate value for our institution: Occupational Health and Preventive Medicine, through which projects that enable us to identify, prevent and remedy our staffs' main health issues are designed and executed.

One of the area's key programs has consisted of analyzing the absenteeism rate due to health related problems in order to identify their main causes and seek a solution in conjunction with other areas of the Group. In 2013 the area will begin developing an adequate registration process in the Group's three main cities: Mexico, Monterrey and Guadalajara.

GFNorte has also made fostering a culture of health prevention throughout the company a priority. In 2012 we undertook a series of preventive programs for the Banorte-lxe family that include:

- Influenza vaccine.
- Vaccination against cervical cancer (vaccine vs. HPV).
- Breast Self Examination Workshop.



Training

For Grupo Financiero Banorte the ongoing training of staff so they can develop as both people and professionals is fundamental, achieving in 2012:

- 84,522 trained participants (monthly average of 7,043 people).
- 50,476 hours of training courses (monthly average of 4,206 hours).

GFNorte offers its employees skills development management and ongoing training programs as follows:

- Academic programs (74 scholarship holders).
- 171 external executive education scholarship holders for diverse programs in collaboration with prestigious universities in Mexico and abroad.
- 804 internal executive education scholarship holders for the English online program.

On the other hand, in 2012 we presented the Talent Development strategy to 7 General Management areas with a proactive development model in more than 37 Management areas covering more than 14,000 employees.

In 2012 402 Top Talent staff were identified and ratified, who already have a separate development program. A central campaign was undertaken to diagnose the potential of Managers, Under Directors and Directors and 92% progress was made. As of this year this process became an integral tool along with other areas of Human Resources for increasing staff retention and promotion rates.

Labor Rights

For us gender equality in the workplace and equal growth and development opportunities for staff is fundamental⁽⁴⁾. All of our staff have the same opportunities and are hired under the same terms and conditions.

It should be mentioned that no activities are undertaken at GFNorte that put employees' labor rights at risk; to guarantee this there is a workers union. Furthermore, Human Resources policy forbids minors working for the company, and there is no forced or non-consensual labor in our company.

Security at Work

The security guards that work at our bank branches are hired by outsourcing companies. Their training programs include a

general overview of preventive human rights, as their main function is to guarantee the security of the building as they have no direct contact with customers. In the event of an incident, criminal offense or action which is out of the ordinary, the external relevant authorities are called upon for support as they are the ones that process or deal with security issues directly.

Furthermore, in 2012 4,287 staff brigade members were given a total of 210 courses at Banorte-Ixe buildings and branches in 17 regions of the country as follows:

- First aid.
- Evacuation and crisis management.
- Fire control and fire fighting.
- Heimlich maneuver.

OUR 2013 COMMITMENT: Continue with the training plan with a goal of 253 events and 5,959 brigade members.

Code of Conduct

GFNorte's Code of Conduct⁽⁵⁾ guarantees the rights of every person and promotes non discrimination. We should mention that one of the Code's guiding principles is the observance of all of the requirements of the competent authorities and strict adherence to regulations applicable to our business.

Operating and Security Risk

For us, the safety of our public and strategic allies is very important, as is reducing risks associated with our daily operations. For this reason, timely follow-up of complaints about discrimination, misuse of funds, robbery, fraud and falsification is a priority for Grupo Financiero Banorte.



⁽⁴⁾ Tables of employees by gender and age are included in our Interactive Annual Report.

⁽⁵⁾ To find out more about it go to: <http://www.banorte.com/portal/empresas/informacion.web?grupo=5&elemento=1297>

During 2012, 56 complaints caused by discrimination or harassment were presented in the system of anonymous complaints, Ethicspoint⁽⁶⁾, which is available for all the subsidiaries of the Group.

Grupo Financiero Banorte has diverse control and prevention structures and mechanisms⁽⁷⁾ in place at its different entities to ensure compliance with legislation that regulates its operations, both with regard to its financial activities and other regulations, such as the regularization of property tax on buildings allocated to some of its companies derived from the recovery of loan guarantees. By law, and in order to prevent such aforementioned situations, our staff complies with anti-money laundering and operating risk training courses; in 2012 we achieved 100% and 97% of our public goal, respectively.

As part of our continuous improvement process, a reengineering process took place during the year at Banco Mercantil del Norte, GFNorte's main subsidiary, consisting of a control card for monitoring each fine that is paid⁽⁸⁾, which includes an analysis of the process involved in determining the origin of errors, and if appropriate, determining the corrective actions that should be implemented to address them.

It should be noted that in 2012 Banorte-Ixe did not receive any complaint with respect to data loss or privacy of information in relation to our customers. This is due to our adherence to Article 117 of the Law on Credit Institutions, which states that information and documentation related to operations and services is confidential. Added to this, we have an internal process of personal data protection to further ensure the confidentiality of customer information.

INICIATIVES

Premio Ingenio (Innovation Awards)

As part of our commitment to driving personal and professional development, at Grupo Financiero Banorte we focus on creating a culture of constant innovation by fostering and recognizing the continuous generation of cutting-edge ideas that position us as an institution that is constantly renewing.

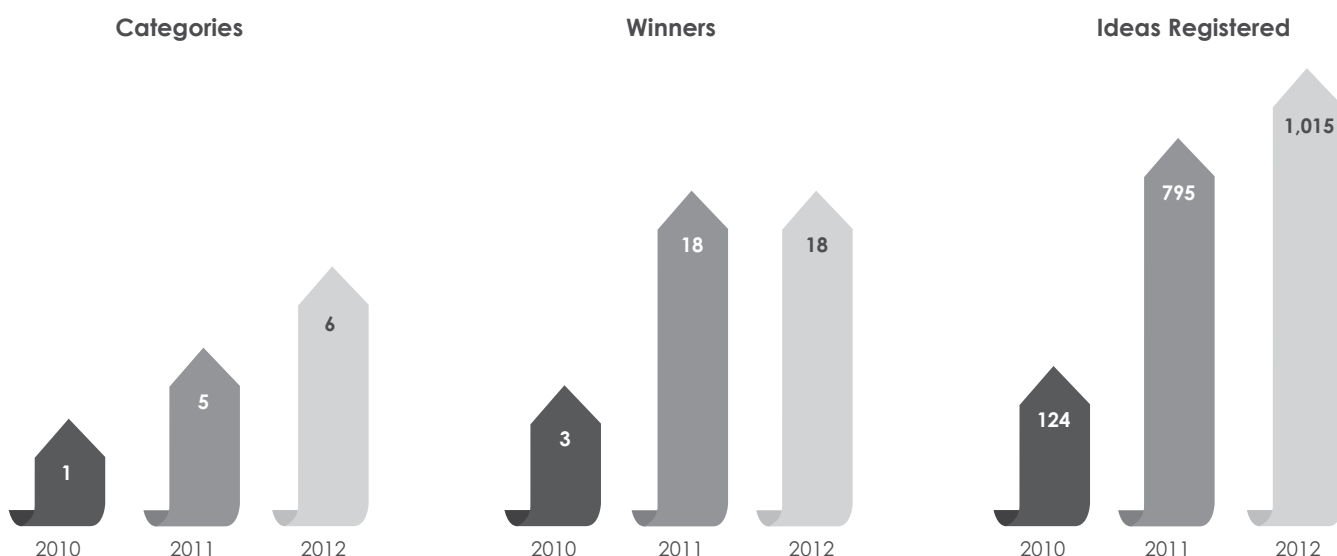


⁽⁶⁾ This system is given by NAVEX GLOBAL™ (www.navexglobal.com/company), an American company based in Oregon, USA and in GFNorte, Ethicspoint began in 3Q07.

⁽⁷⁾ GFNorte diffuses the characteristics of its products and services through diverse media the Group manages with customers in accordance with the Law on Transparency applicable to Mexican regulations.

⁽⁸⁾ Neither the number nor the amount of 2012 fines and payments represent even one thousandth of total revenues or transactions conducted during the normal course of business.

PREMIO INGENIO



In 2012 we received 1,015 ideas through the Innovation Award 2012 program, 918 of which came from Banorte, Ixe and Generali and 97 from INB, as well as ideas from other US subsidiaries participating for the first time, thus surpassing what was achieved in 2011.

As of 2012 the role of Idea Driver was incorporated, who will be responsible for following up on each winning idea's Business Case, strengthening it, submitting it to the Operations/ Technological Committee and implementing it.

State and Municipality Collaboration and Training Program

In 2012, Grupo Financiero Banorte implemented an initiative to actively participate in trainings on financial principles in the communities where we operate through the creation of the State and Municipality Collaboration and Training Program. The aim of this program is to enhance the knowledge of municipal government employees with respect to diverse public financing needs, as well as to provide Banorte customers and prospects with added value in this area.

The initiative trained around 210 local municipalities, the main attendees being the mayors and treasurers of said entities.

Programa Banorte-Ixe Incluyente (Labor inclusion program)

For Grupo Financiero Banorte human capital is the most important resource; for this reason, the Banorte-Ixe Inclusion program aims to



Una marca propia de Banorte - Ixe.

Igualdad, uno de los principales valores por los que trabajamos.

En Banorte Ixe vivimos una cultura de respeto, en donde las condiciones físicas, género, raza, religión o preferencia sexual no importan.

La Cultura de Inclusión Laboral es para ti.

BANORTE 

promote labor inclusion and permanence without discrimination and on an equal basis for people with a disability.

In 2012, GFNorte undertook a pilot program at the Universidad Tecnológica Santa Catarina to test the validity and reliability of psychometric tests applied to people with a disability. The results served as a comparative base for Banorte-Ixe Inclusion Program participants.

4 members of the Program turned out to be Top Talent employees and one has been awarded a scholarship to complete his Bachelor's degree.

The campaign "Banorte-Ixe's Labor Inclusion Culture is for You" was also created with the following objectives:

- Sensitize employees within a culture that favors diversity not discrimination.
- Make employees aware of the different types of discrimination.
- Help employees to embrace diversity as a way of life by creating an organizational environment that maximizes diversity and fosters staff commitment to these issues.

As a result of the cooperation agreement signed in December 2011 with CONAPRED to strengthen our culture of diversity and

labor inclusion, we have achieved mutual cooperation for undertaking and participating in diverse analysis and reflection forums on discrimination, and have had access to sensitivity training courses through the online platform Conéctate por la Igualdad y la No Discriminación (Connect for Equality and not Discrimination).

Jugando, Jugando y con Banorte-Ixe Ayudando (Playing, Playing and with Banorte-Ixe Aiding)

Grupo Financiero Banorte undertook this initiative for a third year in a row, which consists of collecting toys and donating them to children in Public Hospitals and Orphanages across Mexico, as well as to the children of cleaning and security area staff.

The 2012 collection goal was 35,000 toys but thanks to the participation of everyone at GFNorte, we managed to collect 45,285, which were distributed as follows: 37,906 on Three Kings Day and 7,379 on Children's Day.

Also, more than 700 volunteers from among our staff changed their office suits for superhero and princess costumes to help deliver the toys.



GFNorte is **very proud** to have such a great team of **volunteers** committed to the well-being of **Mexican children**.

Financial Education

Volunteerism

Reinforcing Grupo Financiero Banorte's commitment to labor inclusion, in April of 2012, 2 informative sessions were held by the institution "Unidos, Somos Iguales" (United We're Equal) for staff and volunteers with a motor or visual disability in Monterrey N.L. The sessions were about how the Group's electronic channels work and the diverse options offered by GFNorte for saving and managing your own money.

Likewise, in July 2012, the Group participated as a host, "Aquí Estoy" (Here I Am) at the summer camp organized by the same institution in Monterrey. The workshop was attended by young people and adults with an intellectual and/or motor disability, and throughout the four days that it lasted, Banorte-Ixe volunteers used simple and fun ways to explain to participants the importance of saving and how easy it is to make it a habit.

With the participation of 11
Banorte-Ixe volunteers, 345
people benefited directly,
and more than 1,300
people indirectly.

Financial Education Week

In 2012, Banorte-Ixe joined forces with CONDUSEF, SHCP and ABM in the National Financial Education Week from October 1st to 7th.

The week included "Chats with the Experts", a forum in which 3 company directors gave presentations about: Credit, Retirement Savings and Investments, which were broadcast nationally through BanorTV. Their speeches were rebroadcast on different days and at different times to the whole of the Banorte-Ixe community so more people could listen to them and Human Resources published the presentation materials on its Intranet for employees to review.

Súmate Trust

Súmate is a trust comprised of donations from Grupo Financiero Banorte employees who voluntarily contribute a percentage of the salary they receive every two weeks to social causes. This is supplemented by a cash donation from Fundación Banorte to causes chosen by the Selection Committee, which is composed of GFNorte volunteers, and which contributes its expertise to the operation of the program.



Thanks to the generosity of the Banorte-Ixe family, in 2012 we supported 9 institutions through in-kind donations (construction, equipment, renovation, etc.) for a total of Ps. 1,603,994.46, and Fundación Banorte donated Ps. 500,000 in cash.

Red SumaRSE Nuevo León 2012

To reinforce the commitment with community development that characterizes Banorte, and as mentioned in our 2011 Report, in February 2011, Fundación Banorte signed a cooperation agreement with Red SumaRSE made up of Monterrey-area foundations and companies with the aim of rebuilding the social fabric of communities in the state of Nuevo León affected by the natural disaster "Alex" (La Ermita in Santa Catarina, El Realito in Guadalupe and Capellanía in García in Nuevo León, México).

In February 2012, the first activities report was published which mentioned the methodology that will contribute to the reconstruction of the social fabric and the generation of civic capacity as a part of the continued growth of this initiative. The second stage, to be developed in 2013, will consist of implementing actions to strengthen the following components: Resilience, Civic Skills, Social Cohesion and Collective Action, all of which have a bearing on the initiative's objective.



Environmental Performance

At Grupo Financiero Banorte we assume our responsibility with the sustainable development of our communities conserving the resources used by the company, and undertaking actions that generate environmental and social awareness among suppliers, customers and employees alike.

For us environmental conservation is a priority, not only because we have assumed a business commitment that translates into strategic actions both inside and outside of the organization, but also because it is everyone's responsibility as citizens to preserve the environment and with this, the biodiversity around us.

To do this we have developed a series of initiatives aimed at reducing energy consumption and the generation of greenhouse gas emissions in our daily operations. Some of them include:

- Banorte's Integral System of Energy Control (SICE), which consists of renovating air conditioning equipment in buildings every 10 years and automating equipment on/off times at branches.
- An air conditioning equipment substitution project replacing equipment that has reached the end of its useful life for more energy efficient equipment.
- Pilot program for the implementation of photovoltaic cells at two Banorte branches.
- Energy efficiency project at the Contact Center, which includes a cutting-edge air conditioning system, heat insulation, and lighting controls and the use of natural light.

As part of our environmental development strategies, we have updated our internal supplier procurement policy for goods and service, to require adherence to the UN Global Compact Declaration and its 10 principles in the area of Human Rights, Labor, the Environment and Anti-Corruption in both new and renewal contracts.

INITIATIVES FOR BANORTE-IXE CUSTOMERS

Electronic banking and account statements

Every month, more than 22,000 customers request Electronic Banking services for individuals allowing them to perform transactions using a computer or a mobile device rather than going to a branch. This reduces polluting emissions related to traveling to a branch, as well as saving on paper receipts and bank slips, the branch would normally issue to customers.

Likewise, more and more customers are opting not to receive printed account statements and only to receive account statements electronically. Currently more than 200,000 account statements are no longer printed.

Simplified POS Terminal receipt

In 2012 work was done on a simplified receipt which consists of a retail establishment giving a customer that made a purchase using a credit or credit card at a Banorte terminal a receipt that is 50% of the normal size but that contains the same information. This action translates into a 25% reduction in paper and ink consumption for POS Terminal receipts.

Mobile Banking service

Another important initiative in the area of environmental development is that since 2012 customers requesting the Mobile Banking service no longer have to go to a branch or sign contracts but can obtain it through our Contact Center instead, thus resolving one of the main reasons to visit a branch besides making the operation paperless.



Cellular token

In 2012 we began migrating the physical token to a mobile device token. In the space of just 8 months, 10% of Electronic Banking customers began using this service and 1 out of every 4 customers that use our products and services prefer to do so with a cellular token.

The elimination of the physical token generates substantial savings for the institution while also contributing to environmental conservation, since as it is no longer needed, neither does it have to be made or thrown away. This project is therefore one of our priorities in 2013.

Token recycling at branches

This initiative consisted of collecting tokens that customers returned either because they stopped working, had expired or because of a migration to a cellular token. These tokens were analyzed to check whether they could be reused by new customers in order to fully exploit their useful life. It is important to mention that to date, none have been discarded, since this type of waste disposal requires special handling.

Pilot project for competitiveness – MiPyME (Micro-SMEs)

Banorte participates jointly with the Global Institute of Sustainability at the Monterrey Institute for Technology and Higher Education (ITESM), the Multilateral Investment Fund (MIF) of the Inter-American Development Bank, FEMSA, and Walmart in the “Pilot project for Micro-SME competitiveness through the Implementation of Sustainable Practices”. The overall aim of this pilot project for Micro-SMEs is to boost their competitiveness within the supply chains of the largest companies (known as anchor or tractor companies) through the implementation of sustainable practices. Within the frame of this project, Banorte seeks to create financial instruments that help Micro-SMEs gain access to clean and efficient technology.

INTERNAL INITIATIVES

Social and Environmental Management System (SEMS)

This process is incorporated in the Bank's credit analysis system which enables us to include environmental data at the Group level as well as improve management of our resources in order to subsequently report them.

During the first phase of its implementation more than 300 of the Group's key people will receive training to ensure that the projects financed by our institution comply with the IFC's set of socio-environmental standards (IFC Performance Standards) through a process that identifies and assigns a level of socio-environmental risk to the projects.

During the year internal roles and responsibilities were also assigned:

- Environment Officer: supervises the working of SEMS and supports the Environmental Coordinator.
- Environmental Coordinator: advises account executives on filtering projects and determining the socio-environmental risks associated with each as well as providing ongoing training for all those involved in the process.

As an External Advisor, UMA supports the Environmental Coordinator with the SEMS implementation process and offers its expertise and knowledge to projects when required.

Likewise, in order to further strengthen the initiative, 11 Champions received training in environmental and social risk. There is one per territory whose main duty is to offer socio-environmental opinions to all involved and resolve doubts about SEMS.



Pago Móvil

In 2012, Grupo Financiero Banorte developed Pago Móvil (mobile payment), a platform that enables customers to make payments at retail establishments without using a physical card. Today our customers are already making payments with their cellular phones instead of using plastic cards meaning that in the future we can have accounts that do not issue cards at all, thus reducing our environmental impact.

Furthermore, in 2012 we began to develop an Environmental Management System (EMS) which will enable us to identify, capture, measure and monitor key environmental indicators at the GFNorte level and which will be implemented in 2013.

Por otra parte, durante 2012 se llevó a cabo el desarrollo de un Sistema de Gestión Ambiental (EMS por sus siglas en inglés) que nos permitirá identificar, capturar, medir y monitorear indicadores ambientales clave a nivel GFNorte y cuya implementación se realizará en 2013.

Paperless Program

Paperless Champions are the green team that promotes and manages internal projects to reduce the use of paper and toner at offices and branches. It constitutes an essential first step towards meeting recycling objectives and lower paper consumption.

Savings on the use of paper for the first phase in 2012 were 37% compared to 19% in 2011.

In order to closely follow up each stage of the program the team was divided into 2, one comprising the representatives of Staff areas (phase 1) and the other representatives of the bank (branch) corresponding to phase 2. These teams met periodically to foster better practices that in 2012 enabled them to make 37% progress with the goal of reducing paper consumption by 50% vs. 2010 in phase 1.

In order to facilitate follow-up, the new figure of Champion Jr. was introduced at branches, its profile being that of an executive involved in internal processes as well as members of areas located in different buildings and/or cities.

As a result of the recent implementation of software that monitors employee printouts, in 2013 each Champion will be able to identify processes that consume relatively more paper allowing Champions to bring focus to new paper reduction initiatives. Likewise, a communication tool will be released (business social network) that is exclusive to the program so Champions can interact and share ideas and good practices and work as a team.

Furthermore, the recycling program will be extended to more corporate buildings, which already began in February 2013 with the incorporation of the Banorte Contact Center.



Inter National Bank

As part of our environmental conservation efforts, Inter National Bank (INB) participated in GFNorte's efforts to assess operating environmental impacts in its report to CDP as well as others such as GRI. For example, McAllen Green Business Certification Program has started, with this, INB **has become the first corporation to participate in the project** and has committed to decrease its environmental footprint in headquarter and branches.

The bank also worked in close cooperation with the Group's Corporate Responsibility Department, and a team of students from the Erb Institute for Global Sustainable Enterprise at the University of Michigan.

As a result, INB employees received a series of training workshops on strategic vision aimed at enabling participants to identify ways to save energy and costs, and promoting the quality of life of staff and connections with the communities in which INB operates.

In 2013 we will seek to convert manuals and other documents of internal use to an electronic format.




At INB **68%** of **customer account statements**
are sent out **electronically**.

Also, Data **center cooling costs** have been **reduced by 45%**.



COMMITMENT TO EXTERNAL INITIATIVES

In 2012 we adhered to a series of international initiatives that reinforce our commitment to Mexico and which include concrete actions for raising awareness both inside and outside of the workplace.

INITIATIVE	GFNORTE'S GOAL	RESULT
	<ul style="list-style-type: none"> Promote Climate Change awareness in Mexico. 	<ul style="list-style-type: none"> GFNorte was recognized for the quality of information it provides to CDP Investors, ranking among the top ten CDP reporters in Latin America in "Disclosure and Performance".
	<ul style="list-style-type: none"> Drive the ecosystem of "Impact Investing" in Mexico. 	<ul style="list-style-type: none"> GFNorte was a sponsoring partner in the Latin American Forum of Impact Investing 2012 (FLII 2012), organized by New Ventures México. We were also sponsors of the event "The Green Pitch, Where impact investment happens" organized by New Ventures México. We also collaborated in "Social Impact Investment Sector Mapping" in Mexico.
	<ul style="list-style-type: none"> Identify, measure and mitigate socio-environmental risks in our project financing credit operations. 	<ul style="list-style-type: none"> Banorte adopted the Equator principles, being the second Mexican bank to sign them. Social and environmental criteria were incorporated in Group policies that will enable us to foster an increasingly responsible way of doing business among our staff and customers. We worked to achieve the successful implementation of the Equator Principles through a system that enables us to identify, assess, manage and monitor "Project Finance" transactions whose cost of capital are USD 10 million or greater.
	<ul style="list-style-type: none"> Generate a better and greater understanding of the impact that our operations have on the environment in countries where we are present taking into account the conservation of Natural Capital(as defined by the Declaration) in our operations, products, services and accounting. 	<ul style="list-style-type: none"> Within the framework of the United Nations Conference on Sustainable Development "Río +20", GFNorte's CEO, Dr. Alejandro Valenzuela, signed the "Natural Capital Declaration".
	<ul style="list-style-type: none"> Generate greater sensitivity and awareness and call on society and governments to adopt concrete measures in response to climate change. 	<ul style="list-style-type: none"> Grupo Financiero Banorte supported the campaign "La Hora del Planeta" (The Hour of the Planet) organized by World Wildlife Fund (WWF) switching off non-essential lights campaign (97% of our installations' interior lighting and awnings) in: <ol style="list-style-type: none"> Banorte administrative offices: <ul style="list-style-type: none"> Santa Fe Corporate Building (DF) Torre Sur Corporate Building (Monterrey) Torre Morelos Building (Monterrey) Héroes Building (Tijuana) Regional Management Building Cancún La Paz Building(Guadalajara) 582 Banorte branches.

4 Indicators and Verifications





Grupo Financiero Banorte's 2012 Annual Report presents the results obtained during the year and has been prepared based on GRI G3.1 Sustainability Reporting Guidelines and the requirements for application level B.

All three sections into which this Report is divided contain material indicators for Financial Group. The Report also contains the baseline for joint actions stemming from the merger of Banorte and Ixe, and the consequent reinforcement of GFNorte's commitment to generating social, environmental and economic value over the years.

The Report is also a Communication on Progress made with the implementation of the ten principles of the UN Global Compact.

For further information about the GRI Index, the Report Audit Letter, Glossary of terms and definitions, and additional information about the initiatives described in this Report, please refer to the interactive version available on our web page www.banorte.com/ri by selecting "Annual Report", the "Financial Information" section, and the document entitled "2012 Interactive Annual Report". You can also consult "2012 Financial Statements" on the same page, which includes the Audit and Corporate Practices' Committee Report and GFNorte's Audited Financial Statements and its notes.

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Para hacer más fuerte a México