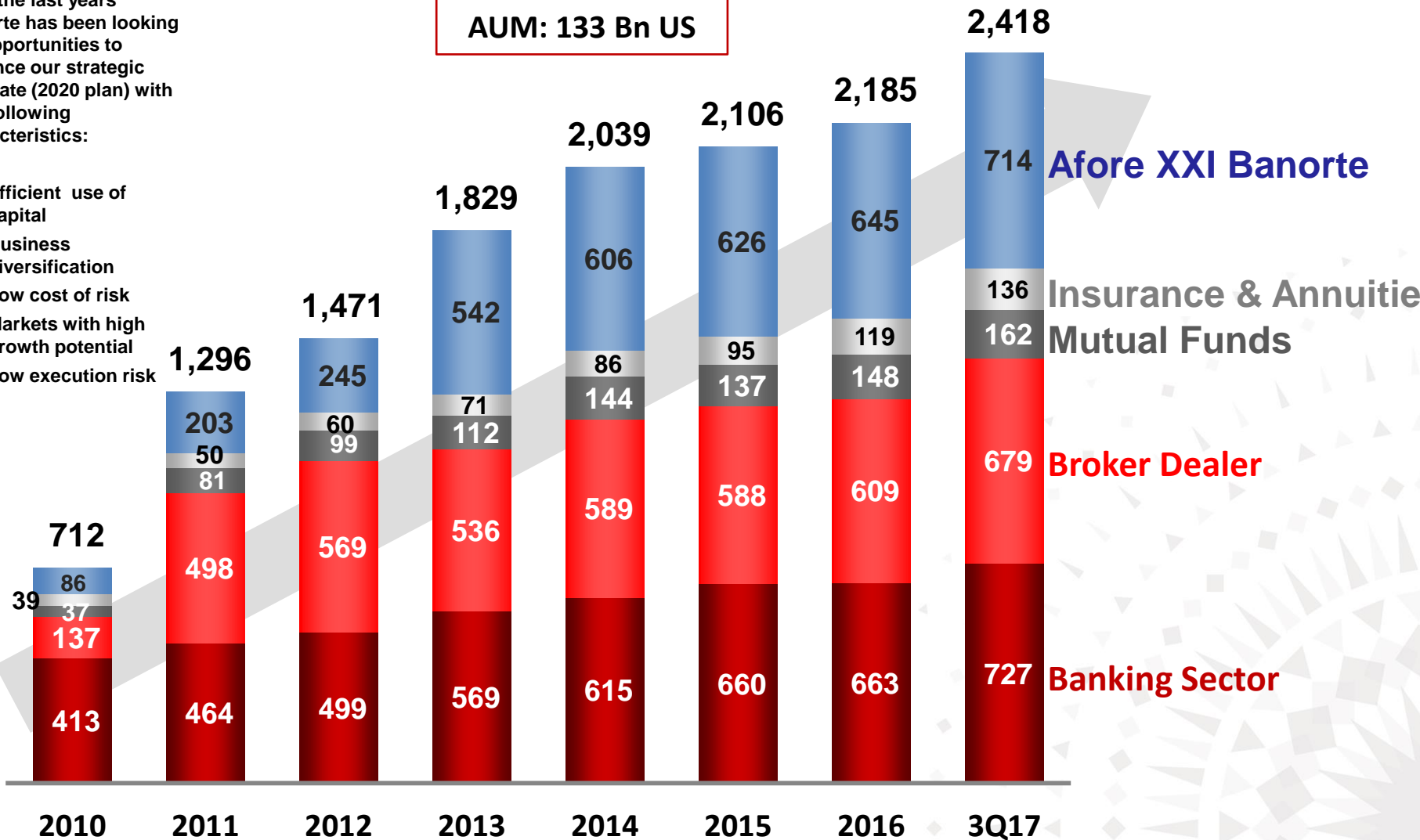


Strategic Alternatives

Over the last years Banorte has been looking for opportunities to enhance our strategic mandate (2020 plan) with the following characteristics:

1. Efficient use of capital
2. Business diversification
3. Low cost of risk
4. Markets with high growth potential
5. Low execution risk

AUM: 133 Bn US



Billion Pesos

Strategic Alternatives

	Valuation Multiples ⁽¹⁾			2Q17 LTM		Opportunity Assessment		
	P/E		P/BV 2Q17	RoE	RoA	Preliminary View on Potential for Synergies	Strategic Merits of Transaction	Financial Merits of Transaction (As Presented on August 7, 2017)
	2018E	2019E						
A	10.4x	9.6x	1.9x	15.9%	1.7%			
B	11.3x	9.8x	2.5x	20.4%	2.6%	<ul style="list-style-type: none"> + Branch network optimization + G&A cost base - High Execution Risk 	<ul style="list-style-type: none"> • Consolidate leadership position in high-growth economic region • Strengthen position in profitable SME segment 	<ul style="list-style-type: none"> • Low potential for cost synergies • Less attractive relative valuation • (0.1%) - 3.0% accretion for first full year⁽²⁾
Interacciones	8.8x	8.0x	1.8x	19.1%	1.3%	<ul style="list-style-type: none"> + G&A cost base + Funding synergies + Cross selling opportunities + Low Execution Risk 	<ul style="list-style-type: none"> • Acquire infrastructure talent and expertise, enhancing Banorte's diversification strategy • Short-term government loan business complementary to Banorte's • Consolidate leadership position in government sector 	<ul style="list-style-type: none"> • Strategic alignment • Minor dilution • 5.1% - 7.5% accretion for first full year⁽²⁾ · 10.5% after additional Diligence • Relative valuation is attractive • High potential for cost and funding synergies • Enhances 2020 plan
Banorte	12.8x	11.3x	2.5x	15.8%	1.7%			

Notes

1. Market data as of October 11, 2017

2. Assumes a 0% to 30% premium to target's market capitalization as of July 31, 2017 and a 100% stock-based transaction