

# Grupo Financiero Banorte

## 3Q15



“Bank of the Year  
Mexico 2014”



“Best Commercial Bank  
in Mexico 2013”



“Best Bank in  
Mexico 2011 &  
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**Institutional Investor**

**Best Latin America  
Executive Team  
2015**

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### **1. Financial Results as of September 30, 2015.**

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## **GFNorte reports Net Income of Ps 12.17 billion in 9M15 and Ps 4.28 billion in 3Q15**

The main highlights include:

- **Net Income grows 7% sequentially and annually**
- **NII with sequential growth of 2% leads to an improved NIM of 4.4%**
- **Core banking fees post another quarter of strong growth at 5%**
- **Quarterly expenses were 3% lower leading to a low 46% cost to income ratio**
- **Sequential loan growth was 3% with positive growth in all the portfolios, and consumer leading the way**
- **Deposits continue flowing strongly maintaining a 16% annual growth**
- **Favorable evolution of asset quality, with the NPL ratio down at 2.7%**
- **Solid capitalization ratio of 14.87% and equity grows 11% YoY.**
- **Annualized ROE for the quarter of 13.2% increasing 56 bps vs. 2Q15**

Grupo Financiero Banorte, S.A.B. de C.V. (BMV: GFNORTEO; OTC: GBOOY; Latibex: XNOR) reported results for the first nine months of 2015, ending September 30, 2015.

GFNorte reports Net Income of Ps 12.17 billion in 9M15, representing EPS of Ps 1.54 growing 7% in the quarter, Net Income came in strong as all businesses and subsidiaries showed positive momentum during the quarter despite the volatility in the market.

In this regard, Marcos Ramírez, the Group's CEO commented, "We are very pleased with the results achieved during this third quarter. Despite a very volatile summer, Net Income is underpinned by strong growth in recurring income. Our main businesses increased at a faster pace than the economy did, as a result of our commercial effort and emphasis on quality and customer service."

"In the banking business, loans grew 12% annually and deposits increased 16% in all customer segments. The corporate and commercial books regained their expansion. Furthermore, Banorte keeps growing faster its consumer book than its peers; our consumer loans balance grew 12% as well. We have gained momentum in some of the products where we had seen strong competition in past months. Banking services fees rose 5% during the quarter and we continue to expand our retail customer base and improve cross-sell. Asset quality remains benign and our NPL ratio decline to 2.7%."

"Our focus will remain on cross-sale, as well as, a strong and competitive commercial offer for our customers as we move into the fourth and final quarter of the year."

Income Statement and Balance Sheet Highlights-GFNorte								
(Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Income Statement</b>								
Net Interest Income	10,875	11,577	<b>11,840</b>	2%	9%	31,654	<b>35,053</b>	11%
Non Interest Income	4,506	3,833	<b>3,976</b>	4%	(12%)	12,517	<b>11,433</b>	(9%)
Total Income	15,381	15,410	<b>15,816</b>	3%	3%	44,172	<b>46,486</b>	5%
Non Interest Expense	6,884	7,575	<b>7,328</b>	(3%)	6%	20,642	<b>22,574</b>	9%
Provisions	3,253	2,778	<b>2,840</b>	2%	(13%)	8,483	<b>8,224</b>	(3%)
Operating Income	5,244	5,057	<b>5,648</b>	12%	8%	15,047	<b>15,688</b>	4%
Taxes	1,397	1,343	<b>1,580</b>	18%	13%	4,356	<b>4,251</b>	(2%)
Subsidiaries & Minority Interest	195	290	<b>216</b>	(25%)	11%	718	<b>730</b>	2%
Net Income	4,042	4,003	<b>4,284</b>	7%	6%	11,409	<b>12,168</b>	7%
<b>Balance Sheet</b>								
Asset Under Management	2,048,680	2,101,588	<b>2,102,794</b>	0%	3%	2,048,680	<b>2,102,794</b>	3%
Total Assets	1,048,642	1,194,806	<b>1,171,183</b>	(2%)	12%	1,048,642	<b>1,171,183</b>	12%
Performing Loans (a)	444,944	486,017	<b>500,208</b>	3%	12%	444,944	<b>500,208</b>	12%
Past Due Loans (b)	14,951	13,996	<b>13,717</b>	(2%)	(8%)	14,951	<b>13,717</b>	(8%)
Total Loans (a+b)	459,896	500,012	<b>513,925</b>	3%	12%	459,896	<b>513,925</b>	12%
Total Loans Net (d)	444,345	485,278	<b>498,912</b>	3%	12%	444,345	<b>498,912</b>	12%
Acquired Collection Rights (e)	3,050	2,651	<b>2,559</b>	(3%)	(16%)	3,050	<b>2,559</b>	(16%)
Total Credit Portfolio (d+e)	447,395	487,929	<b>501,470</b>	3%	12%	447,395	<b>501,470</b>	12%
Total Liabilities	928,026	1,064,652	<b>1,037,028</b>	(3%)	12%	928,026	<b>1,037,028</b>	12%
Total Deposits	463,644	522,870	<b>535,870</b>	2%	16%	463,644	<b>535,870</b>	16%
Equity	120,616	130,154	<b>134,155</b>	3%	11%	120,616	<b>134,155</b>	11%
<b>Financial Ratios GFNorte</b>								
	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Profitability:</b>								
NIM (1)	4.6%	4.3%	<b>4.4%</b>	0.1 pp	(0.2 pp)	4.5%	<b>4.4%</b>	(0.1 pp)
NIM after Provisions (2)	3.2%	3.3%	<b>3.4%</b>	0.1 pp	0.1 pp	3.3%	<b>3.4%</b>	0.1 pp
NIM adjusted w/o Insurance & Annuities	4.5%	4.1%	<b>4.3%</b>	0.2 pp	(0.2 pp)	4.3%	<b>4.2%</b>	(0.1 pp)
NIM from loan portfolio (3)	8.2%	7.8%	<b>7.9%</b>	0.1 pp	(0.3 pp)	8.0%	<b>7.8%</b>	(0.2 pp)
ROE (4)	13.8%	12.6%	<b>13.2%</b>	0.6 pp	(0.6 pp)	13.4%	<b>12.7%</b>	(0.7 pp)
ROA (5)	1.6%	1.3%	<b>1.5%</b>	0.1 pp	(0.1 pp)	1.5%	<b>1.4%</b>	(0.1 pp)
<b>Operation:</b>								
Efficiency Ratio (6)	44.8%	49.2%	<b>46.3%</b>	(2.8 pp)	1.6 pp	46.7%	<b>48.6%</b>	1.8 pp
Operating Efficiency Ratio (7)	2.6%	2.5%	<b>2.5%</b>	(0.1 pp)	(0.2 pp)	2.7%	<b>2.6%</b>	(0.1 pp)
Liquidity Ratio- Basel II (8)	134.8%	N.A.	<b>N.A.</b>	-	-	134.8%	<b>N.A.</b>	-
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III	n.a.	85.6%	<b>102.06%</b>	16.5 pp	-	n.a.	<b>102.06%</b>	-
<b>Asset Quality:</b>								
Past Due Loan Ratio	3.3%	2.8%	<b>2.7%</b>	(0.1 pp)	(0.6 pp)	3.3%	<b>2.7%</b>	(0.6 pp)
Coverage Ratio	104.0%	105.3%	<b>109.4%</b>	4.2 pp	5.4 pp	104.0%	<b>109.4%</b>	5.4 pp
Past Due Loan Ratio w/o Banorte USA	3.3%	2.9%	<b>2.7%</b>	(0.1 pp)	(0.6 pp)	3.3%	<b>2.7%</b>	(0.6 pp)
Coverage Ratio w/o Banorte USA	103.6%	104.8%	<b>108.9%</b>	4.0 pp	5.2 pp	103.6%	<b>108.9%</b>	5.2 pp

1) NIM= Annualized Net Interest Margin / Average Earnings Assets.

2) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.

3) NIM = Annualized Net Interest Margin from loan portfolio / Average Performing Loans

4) Annualized earnings as a percentage of the average quarterly equity over the period, minus minority interest of the same period.

5) Annualized earnings as a percentage of the average quarterly assets over the period, minus minority interest of the same period.

6) Non-Interest Expense / Total Income

7) Annualized Non-Interest Expense / Average Total Assets.

8) Liquid Assets / Liquid Liabilities. Where Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, while Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks.

The financial information presented in this report has been calculated in pesos and the tables are in million pesos, thus, they may seem to have some errors but the differences are because of rounding effects.

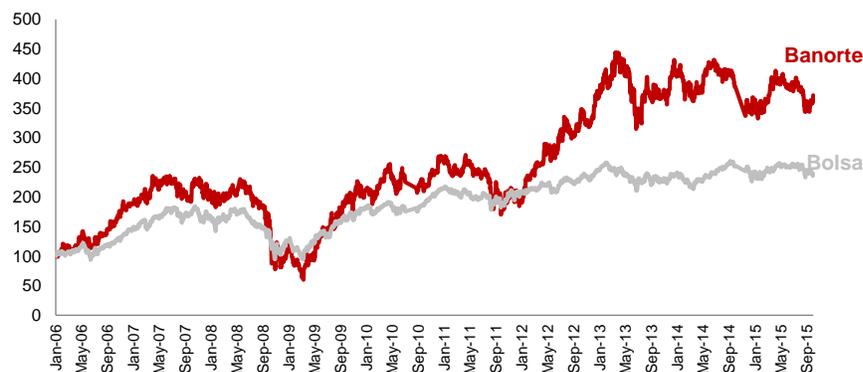
Subsidiaries Net Income (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Banking Sector</b>	<b>2,748</b>	<b>2,729</b>	<b>3,137</b>	<b>15%</b>	<b>14%</b>	<b>7,917</b>	<b>8,600</b>	<b>9%</b>
Banco Mercantil del Norte (1)	2,221	2,237	<b>2,548</b>	14%	15%	<b>6,501</b>	<b>7,112</b>	9%
Banorte Ixe Tarjetas	528	492	<b>589</b>	20%	12%	1,415	<b>1,487</b>	5%
<b>Broker Dealer</b>	<b>297</b>	<b>208</b>	<b>236</b>	<b>13%</b>	<b>(21%)</b>	<b>756</b>	<b>606</b>	<b>(20%)</b>
Banorte- Ixe-Broker Dealer	267	149	<b>179</b>	21%	(33%)	<b>676</b>	<b>434</b>	(36%)
Operadora de Fondos Banorte-Ixe	30	60	<b>56</b>	(6%)	89%	<b>79</b>	<b>173</b>	118%
<b>Long Term Savings</b>	<b>711</b>	<b>1,022</b>	<b>869</b>	<b>(15%)</b>	<b>22%</b>	<b>2,309</b>	<b>2,859</b>	<b>24%</b>
Retirement Funds - Afore XXI Banorte	243	346	<b>282</b>	(18%)	16%	859	<b>922</b>	7%
Insurance	390	603	<b>490</b>	(19%)	25%	1,248	<b>1,679</b>	35%
Annuities	78	73	<b>97</b>	34%	25%	202	<b>258</b>	28%
<b>Other Finance Companies</b>	<b>212</b>	<b>61</b>	<b>57</b>	<b>(7%)</b>	<b>(73%)</b>	<b>413</b>	<b>154</b>	<b>(63%)</b>
Leasing and Factoring	161	133	<b>154</b>	15%	(5%)	491	<b>423</b>	(14%)
Warehousing	8	7	<b>8</b>	18%	9%	23	<b>25</b>	9%
Sólida Administradora de Portafolios (former Ixe Soluciones)	42	(79)	<b>(105)</b>	34%	(352%)	(103)	<b>(294)</b>	185%
Ixe Servicios	1	(0)	<b>0</b>	NA	NA	2	<b>0</b>	NA
<b>G. F. Banorte (Holding)</b>	<b>74</b>	<b>(17)</b>	<b>(15)</b>	<b>(12%)</b>	<b>(120%)</b>	<b>15</b>	<b>(51)</b>	<b>(444%)</b>
<b>Total Net Income</b>	<b>4,042</b>	<b>4,003</b>	<b>4,284</b>	<b>7%</b>	<b>6%</b>	<b>11,409</b>	<b>12,168</b>	<b>7%</b>

1) GFNorte's 98.22% participation of as of 3Q14.

Share Data	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Earnings per share (Pesos)	1.457	1.443	<b>1.545</b>	7%	6%	4.113	<b>4.387</b>	7%
Earnings per share Basic (Pesos)	1.457	1.569	<b>1.553</b>	(1%)	7%	4.113	<b>4.518</b>	10%
Earnings per share Diluted (Pesos)	1.457	1.444	<b>1.545</b>	7%	6%	4.113	<b>4.390</b>	7%
Dividend per Share (Pesos)	0.20	0.24	<b>0.24</b>	0%	24%	0.20	<b>0.73</b>	272%
Dividend Payout (Recurring Net Income)	20.0%	20.0%	<b>20.0%</b>	0%	(0%)	20.0%	<b>20.0%</b>	(0%)
Book Value per Share (Pesos) (1)	42.88	46.27	<b>47.70</b>	3%	11%	42.88	<b>47.70</b>	11%
Issued Shares (Million Shares)	2,773.7	2,773.7	<b>2,773.7</b>	0%	0%	2,773.7	<b>2,773.7</b>	0%
Average Diluted Shares (Million Shares)	2,773.7	2,772.1	<b>2,773.0</b>	0%	(0%)	2,773.7	<b>2,771.9</b>	(0%)
Stock Price (Pesos)	85.78	86.24	<b>82.80</b>	(4%)	(3%)	85.78	<b>82.80</b>	(3%)
P/BV (Times)	2.00	1.86	<b>1.74</b>	(7%)	(13%)	2.00	<b>1.74</b>	(13%)
Market Capitalization (Million Dollars)	17,712	15,250	<b>13,585</b>	(11%)	(23%)	17,712	<b>13,585</b>	(23%)
Market Capitalization (Million Pesos)	237,931	239,206	<b>229,665</b>	(4%)	(3%)	237,931	<b>229,665</b>	(3%)

1. Excluding Minority Interest.

Share Performance  
2006-2015



**GRUPO FINANCIERO BANORTE**

• **Net Interest Income**

Net Interest Income (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Interest Income	15,813	16,012	<b>16,401</b>	2%	4%	48,549	<b>47,974</b>	(1%)
Interest Expense	6,428	5,986	<b>6,031</b>	1%	(6%)	20,896	<b>17,573</b>	(16%)
Loan Origination Fees	441	297	<b>326</b>	10%	(26%)	1,104	<b>907</b>	(18%)
Fees Paid	100	96	<b>96</b>	(0%)	(4%)	280	<b>282</b>	1%
<b>GFNORTE's Net Interest Income excluding Insurance and Annuities Co.</b>	<b>9,727</b>	<b>10,226</b>	<b>10,600</b>	<b>4%</b>	<b>9%</b>	<b>28,478</b>	<b>31,026</b>	<b>9%</b>
Premium Income (Net)	4,507	4,535	<b>4,225</b>	(7%)	(6%)	13,392	<b>14,097</b>	5%
Technical Reserves	2,119	1,130	<b>1,186</b>	5%	(44%)	6,249	<b>4,794</b>	(23%)
Damages, Claims and Other Obligations	2,436	2,543	<b>3,015</b>	19%	24%	7,247	<b>8,034</b>	11%
<b>Technical Results</b>	<b>(48)</b>	<b>862</b>	<b>23</b>	(97%)	(148%)	<b>(104)</b>	<b>1,270</b>	(1323%)
Interest Income (Expenses) net	1,196	490	1,218	149%	2%	3,280	<b>2,757</b>	(16%)
<b>Insurance and Annuities Net Interest Income</b>	<b>1,148</b>	<b>1,351</b>	<b>1,241</b>	<b>(8%)</b>	<b>8%</b>	<b>3,177</b>	<b>4,027</b>	<b>27%</b>
<b>GFNORTE's Net Interest Income</b>	<b>10,875</b>	<b>11,577</b>	<b>11,840</b>	<b>2%</b>	<b>9%</b>	<b>31,654</b>	<b>35,053</b>	<b>11%</b>
GFNORTE's Provisions	3,253	2,778	<b>2,840</b>	2%	(13%)	8,483	<b>8,224</b>	(3%)
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>7,622</b>	<b>8,799</b>	<b>9,000</b>	<b>2%</b>	<b>18%</b>	<b>23,171</b>	<b>26,829</b>	<b>16%</b>
Average Earning Assets	938,399	1,078,324	<b>1,069,081</b>	(1%)	14%	932,289	<b>1,052,005</b>	13%
<b>Net Interest Margin (1)</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.4%</b>	0.1 pp	(0.2 pp)	<b>4.5%</b>	<b>4.4%</b>	(0.1 pp)
<b>NIM after Provisions (2)</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.4%</b>	0.1 pp	0.1 pp	<b>3.3%</b>	<b>3.4%</b>	0.1 pp

1. NIM = Annualized Net Interest Income / Average Interest Earnings Assets.
2. NIM= Annualized Net Interest Income adjusted by Loan Loss Provisions / Average Interest Earnings Assets.

During 9M15, GFNorte's Net Interest Income grew 11% YoY from Ps 31.66 billion to Ps 35.05 billion driven by the combined effect of:

- An 11% increase in Net Interest Income from loans, as a result of the 12% growth in the loan book,
- A 27% increase in Net Interest Income from the Insurance and Annuities companies due to higher technical results,
- A (24%) decrease in net fees from loans, and
- A (2%) decrease in Net Interest Income from repo operations driven by the YoY market interest rate gap.

For the quarter, Net Interest Income amounted to Ps 11.84 billion, 2% higher vs. 2Q15, due to the following effects:

- A 3% increase in the Net Interest Income from the loan book,
- A 14% increase in net fees driven by higher loan volume, and
- An (8%) decrease in Net Interest Income from the Insurance and Annuities companies as a result of lower Technical Results related to a one-time charge of Ps 170 million in claims reserves at the insurance company.

Annuities Net Interest Income in 3Q15 reflect **higher income from inflation valuation on its securities investments**, which amounted to Ps 344 million in 3Q15, comparing to the (Ps 275) million in 2Q15, while for the quarter these were lower than the Ps 447 million of 3Q14. Its effect in the **Net Interest Income** is offset in the **technical reserves** requirements, and therefore, they are neutral to the Net Interest Income result of this company.

**The average Net Interest Margin (NIM) stood at 4.4% in 9M15**, (8 bp) lower YoY as GFNorte grew its earning assets in a higher proportion. **On a quarterly basis, the NIM was 4.4%**, higher in 14 bp vs. 2Q15 due to the combination of a 4% increase in Net Interest Income, excluding the Insurance and Annuities companies, and to a 1% drop in earning assets.

**The average annual NIM excluding Insurance and Annuities companies was 4.2% in 9M15**, (7 bp) lower. **In 3Q15**, this ratio was **4.3%**, 20 bp higher vs. 2Q15.

The average annual NIM adjusted for Credit Risks was 3.4% in 9M15, a 9 bp YoY increase due to the combined effect of higher Net Interest Income and lower provision requirements. On a quarterly basis, this ratio was 3.4%, increasing 10 bp vs. 2Q15 due to the net effect of higher Net Interest Income and lower earning assets, which offset the 2% increase in the quarterly loan loss provisions.

• **Loan Loss Provisions**

In 9M15 Loan Loss Provisions requirements totaled Ps 8.22 billion, (3%) lower YoY and amounted to Ps 2.84 in 3Q15, +2% vs. 2Q15.

On an annual basis, there were lower reserve requirements in corporate and commercial loan balances, which offset higher reserve requirements in the consumer and government books. The quarterly increase came from higher provision requirements in the consumer and government books, offset by lower requirements in the corporate and commercial portfolios.

Loan Loss Provisions represented 23% of Net Interest Income in 9M15, comparing favorably to the 27% in 9M14. In 3Q15, this ratio was 24.0%, 1 bp lower QoQ.

Annualized Loan Loss Provisions in 9M15 accounted for 2.3% of the average loan portfolio, a YoY decline of (35 bp) vs. 9M14. During 3Q15 accounted for 2.3% of the average loan portfolio, remaining flat vs. 2Q15.

• **Non-Interest Income.**

Non-Interest Income (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Fees Charged on Services</b>	<b>3,167</b>	<b>3,602</b>	<b>3,717</b>	<b>3%</b>	<b>17%</b>	<b>9,171</b>	<b>10,771</b>	<b>17%</b>
Fees for Commercial and Mortgage Loans	2	2	(0)	(117%)	(121%)	7	3	(58%)
Fund Transfers	161	195	234	20%	45%	465	638	37%
Account Management Fees	378	521	529	1%	40%	1,102	1,508	37%
Fiduciary	83	87	88	1%	6%	266	286	8%
Income from Real Estate Portfolios	51	21	35	69%	(31%)	149	79	(47%)
Electronic Banking Services	1,126	1,240	1,287	4%	14%	3,245	3,720	15%
For Consumer and Credit Card Loans	705	745	794	7%	13%	2,048	2,242	9%
Fees from IPAB	-	-	-	-	-	-	-	-
Other Fees Charged (1)	660	792	750	(5%)	14%	1,889	2,294	21%
<b>Fees Paid on Services</b>	<b>1,083</b>	<b>1,105</b>	<b>1,194</b>	<b>8%</b>	<b>10%</b>	<b>3,072</b>	<b>3,502</b>	<b>14%</b>
Fund transfers	8	13	5	(63%)	(39%)	35	34	(1%)
Other Fees Paid	1,075	1,092	1,189	9%	11%	3,037	3,467	14%
Expenses from Real Estate Portfolios	-	-	-	-	-	-	-	-
<b>Net Fees</b>	<b>2,083</b>	<b>2,497</b>	<b>2,523</b>	<b>1%</b>	<b>21%</b>	<b>6,099</b>	<b>7,269</b>	<b>19%</b>
<b>Trading Income</b>	<b>1,366</b>	<b>817</b>	<b>659</b>	<b>(19%)</b>	<b>(52%)</b>	<b>4,045</b>	<b>2,430</b>	<b>(40%)</b>
Subtotal Other Operating Income (Expense) (2)	238	334	377	13%	58%	687	805	17%
Non Operating Income (Expense), net	663	11	219	1978%	(67%)	1,198	373	(69%)
Other Operating Income (Expense) from Insurance and Annuities	155	174	197	13%	28%	487	557	14%
<b>Other Operating Income (Expenses)</b>	<b>1,057</b>	<b>519</b>	<b>793</b>	<b>53%</b>	<b>(25%)</b>	<b>2,373</b>	<b>1,734</b>	<b>(27%)</b>
<b>Non-Interest Income</b>	<b>4,506</b>	<b>3,833</b>	<b>3,976</b>	<b>4%</b>	<b>(12%)</b>	<b>12,517</b>	<b>11,433</b>	<b>(9%)</b>

1. Includes fees from letters of credit, transactions with pension funds, warehousing services, financial advisory services and securities trading among others.
2. Most of these revenues are related to recoveries of loan charge-offs.

During 9M15, Non-Interest Income totaled Ps 11.43 billion. Banking service fees grew a strong 21% annually, yet trading income, recoveries and other fees declined, bringing down Non-Interest Income (9%) annually.

Non-Interest Income totaled Ps 3.98 billion on a quarterly basis, an increase of 4% vs. 2Q15, driven by higher Other Operating Income (Expenses) (+Ps 275 million or +53%), recoveries and service fees, offsetting the decline in trading revenues.

Core banking fees, such as account management, fund transfers and electronic banking services, continue to report significant growth of 22% vs. 9M14 and 5% vs. 2Q15.

- **Trading**

**Trading revenues in 9M15 totaled Ps 2.43 billion**, (40%) lower than a year ago. Trading results normalized from the extraordinary gains achieved last year as a result of the 50 bp hike in the benchmark market rate by the Mexican Central bank.

**Trading revenues in 3Q15 totaled Ps 659 million**, a (19%) decline vs. 2Q15. This result was driven by lower valuation gains and trading revenues on securities and derivatives. All elements of trading income were positive during the quarter despite the high volatility of August.

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change
				2Q15	3Q14			
<b>Subtotal Other Operating Income (Expenses)</b>	<b>238</b>	<b>334</b>	<b>377</b>	<b>13%</b>	<b>58%</b>	<b>687</b>	<b>805</b>	<b>17%</b>
Loan Recovery	226	317	299	(6%)	32%	692	915	32%
Income from foreclosed assets	(16)	(6)	112	(1920%)	(788%)	(185)	118	(164%)
Other Operating Income	76	125	5	(96%)	(93%)	322	178	(45%)
Other Operating Expenses	(48)	(102)	(39)	(62%)	(19%)	(142)	(407)	187%
<b>Non-Operating Income (Expenses), net</b>	<b>663</b>	<b>11</b>	<b>219</b>	<b>1978%</b>	<b>(67%)</b>	<b>1,198</b>	<b>373</b>	<b>(69%)</b>
Other Products	1,458	539	913	69%	(37%)	2,931	2,670	(9%)
Other Recoveries	277	85	191	125%	(31%)	789	484	(39%)
Other (Expenses)	(1,072)	(613)	(885)	44%	(17%)	(2,521)	(2,782)	10%
<b>Other Operating Income (Expenses) from Insurance and Annuities</b>	<b>155</b>	<b>174</b>	<b>197</b>	<b>13%</b>	<b>28%</b>	<b>487</b>	<b>557</b>	<b>14%</b>
<b>Other Operating Income (Expenses)</b>	<b>1,057</b>	<b>519</b>	<b>793</b>	<b>53%</b>	<b>(25%)</b>	<b>2,373</b>	<b>1,734</b>	<b>(27%)</b>

**During 9M15 Other Operating Income (Expenses) amounted to Ps 1.73 billion, declining (Ps 639) million or (27%) YoY.** This result is partially explained by valuation adjustment charges on Solida's investment projects related to homebuilders approximately Ps 315 million, recorded in Other Operating Expenses, by the (Ps 521 million) decline in Other Products (Expenses), net and the (39%) reduction in income from asset recoveries. These were not offset by the Ps 526 million growth in revenues from loan write-offs and sales of foreclosed assets and the 14% increase in Other Income from the Insurance and Annuities companies.

**On a quarterly basis, Other Operating Income (Expenses) totaled Ps 793 million, +Ps 275 million or 53% higher vs. 2Q15** mainly due to the increase in: Non-Operating Income (Expenses), revenues from asset recoveries, loan write-offs and sales of foreclosed assets.

- **Recoveries**

**Non-Interest Income from Loans Recoveries totaled Ps 1.60 billion in 9M15, 10% higher YoY** driven by higher revenues from loan write-offs and sales of foreclosed assets.

**In 3Q15 Recoveries amounted to Ps 637 million, increasing 53% vs. 2Q15** because of higher income from acquired portfolios and sales of foreclosed assets

• **Non-Interest Expense**

Non-Interest Expense (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Personnel	2,829	3,234	2,974	(8%)	5%	8,932	9,598	7%
Professional Fees	762	610	551	(10%)	(28%)	2,100	1,676	(20%)
Administrative and Promotional	1,434	1,735	1,771	2%	23%	4,080	5,227	28%
Rents, Depreciation & Amortization	928	1,000	1,048	5%	13%	2,690	3,040	13%
Taxes other than income tax & non deductible expenses	356	377	355	(6%)	(0%)	1,136	1,176	3%
Contributions to IPAB	474	523	533	2%	13%	1,399	1,566	12%
Employee Profit Sharing (PTU)	101	96	96	0%	(5%)	304	289	(5%)
<b>Non-Interest Expense</b>	<b>6,884</b>	<b>7,575</b>	<b>7,328</b>	<b>(3%)</b>	<b>6%</b>	<b>20,642</b>	<b>22,574</b>	<b>9%</b>

**Non-Interest Expenses during 9M15 amounted to Ps 22.57 billion, a 9% YoY increase, which is mostly explained by:**

- I. Ps 1.15 billion in Administrative and Promotional expenses driven by higher transaction volume in various services, such as ATMs and POS, credit card operation, among others, and by the FX depreciation effect on expenses in US dollars,
- II. Ps 666 million in Personnel Expenses driven by costs related to the personnel efficiency program held in 1Q15, among others, and
- III. Ps 351 million in rents, depreciations and amortizations due to higher amortizations of IT projects, inflation adjustments to rent prices and the FX depreciation effect.

**Non-Interest Expenses during 3Q15 amounted to Ps 7.33 billion, a (3%) or (Ps 247) million QoQ decline** as a result of the (Ps 260) million drop in Personnel Expenses related to the normalization of personnel expenses excluding one-off severance charges.

**The Efficiency Ratio during 9M15 stood at 48.6%, +1.8 pp YoY** related to one time severance charges held in 1Q15. **During 3Q15, this ratio was 46.3% lower by (2.8 pp) vs. 2Q15** resulting from lower personnel expenses and a faster pace of growth of total revenues.

• **Taxes**

**Income taxes during 9M15 totaled Ps 4.25 billion, (2%) YoY lower** due to larger deductibles. **For the quarter, these were Ps 1.58 billion, 18% higher QoQ** due to a larger taxable accumulated income base.

**The effective tax rate and Employee Profit Sharing in 3Q15 was 29.2%**, comparing unfavorably vs. the 27.9% in 2Q15 and the 28.0% in 3Q14. **The effective tax rate and Employee Profit Sharing in 9M15 was 28.4%**, (1.9 pp) lower vs. 9M14.

• **Subsidiaries and Minority Interest**

**During 9M15, Subsidiaries and Minority Interest reported Ps 730 million in profits, 2% higher vs. Ps 718 million** registered in 9M14. The annual increase was due to higher profits in Afore XXI Banorte.

**On a quarterly basis, Subsidiaries and Minority Interest totaled Ps 216 million**, decreasing by (Ps 74) million or (25%) vs. 2Q15, driven mainly by the (Ps 65) million decline in Afore XXI Banorte's profits.

• **Net Income**

**In 9M15, GFNorte reported Net Income of Ps 12.17 billion, 7% higher vs. 9M14** result of the positive trend both in revenue generation and expenses control.

**In 3Q15 GFNorte reported Net Income of Ps 4.28 billion, 7% higher vs. 2Q15** due to positive operating leverage. The quarterly surge in profits compares positively to the 3% QoQ increase in 2Q15 and the 2% QoQ growth of 1Q15.

**During 9M15, accumulated recurring revenues (NII + net fees excluding portfolio recoveries - Operating Expenses - Provisions) totaled Ps 11.45 billion, 35% higher vs. 9M14** due to higher Net Interest Income and service fees, as well as by lower Loan Loss Provisions, which offset Operating Expense growth. **In 3Q15, these were Ps 4.16 billion, growing 12% vs. 2Q15** as a result of higher Net Interest Income and a quarterly reduction in Operating Expenses, which compensated growth in Loan Loss Provisions.

ROE for 3Q15 was 13.2%, 56 bp above. 2Q15. ROE for 9M15 was 12.7%, (71 bp) lower than 9M14. Equity increased 11% YoY and 3% QoQ.

Return on Tangible Equity (ROTE) was 15.6% for 3Q15, lower in (96 bp) and (14 bp) vs. 3Q14 and 2Q15, respectively.

Return on Tangible Equity (ROTE)

	3Q14	2Q15	3Q15
ROE	13.8%	12.6%	<b>13.2%</b>
Goodwill & Intangibles (billion pesos)	\$23,030	\$25,145	<b>\$26,642</b>
Average Tangible Equity (billion pesos)	\$90,627	\$99,869	<b>\$102,307</b>
<b>ROTE</b>	<b>16.6%</b>	<b>15.8%</b>	<b>15.6%</b>

ROA for 9M15 was 1.4%, (8 bp) YoY lower; for 3Q15 this ratio was 1.5%, increasing 10 bp vs. 2Q15. Return on Risk-Weighted Assets was 3.0%, decreasing by (6 bp) vs. 3Q14 and flat vs. 2Q15.

Return on Risk Weighted Assets (RRWA)

	3Q14	2Q15	3Q15
ROA	1.6%	1.3%	<b>1.5%</b>
Average Risk Weighted Assets (billion pesos)	\$484,921	\$519,363	<b>\$526,660</b>
<b>RRWA</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>

• Capitalization

**Banco Mercantil del Norte**

Capitalization (Million Pesos)	3Q14	4Q14	1Q15	2Q15	3Q15	Change	
						2Q15	3Q14
Tier 1 Capital	67,840	69,995	71,864	72,815	<b>72,018</b>	(1.1%)	6.2%
Tier 2 Capital	7,951	8,001	8,200	7,634	<b>7,649</b>	0.2%	(3.8%)
Net Capital	75,791	77,996	80,064	80,450	<b>79,667</b>	(1.0%)	5.1%
Credit Risk Assets	344,453	359,318	359,784	371,761	<b>375,242</b>	0.9%	8.9%
Net Capital / Credit Risk Assets	22.0%	21.7%	22.3%	21.6%	<b>21.2%</b>	(0.4 pp)	(0.8 pp)
Total Risk Assets (1)	506,729	511,057	526,762	532,905	<b>535,919</b>	0.6%	5.8%
Tier 1	13.39%	13.70%	13.64%	13.66%	<b>13.44%</b>	(0.23 pp)	0.05 pp
Tier 2	1.57%	1.56%	1.56%	1.43%	<b>1.43%</b>	(0.01 pp)	(0.14 pp)
<b>Capitalization Ratio</b>	14.96%	15.26%	15.20%	15.10%	<b>14.87%</b>	(0.23 pp)	(0.09 pp)

1. Includes Market and Operational Risks. Inter-company eliminations are excluded.

(\*) The reported capitalization ratio of the period is estimated.

Banorte has fully adopted the capitalization requirements established to date by Mexican authorities and international standards, so-called Basel III, which came into effect as of January 2013.

**At the end of 3Q15 the estimated Capitalization Ratio (CR) for Banorte was 14.87%** considering credit, market and operational risk; and, 21.23% if only credit risks are considered. The Core Tier 1 ratio was 12.60%, Total Tier 1 ratio was 13.44% and Tier 2 was 1.43%.

The Capitalization Ratio decreased (0.23 pp) vs. 2Q15, as follows:

1. Profits for 3Q15	+0.65 pp
2. Growth in risk assets	-0.08 pp
3. Valuation of Financial Instruments, Securitizations and Equity Accounts	-0.09 pp
4. Investment in Subsidiaries and Intangibles	-0.33 pp
5. Dividend payment 2015	-0.38 pp

The Capitalization Ratio decreased (0.09 pp) vs 3Q14, as follows:

1. Profit growth for the period	+2.50 pp
2. Valuation of Financial Instruments, Securitizations and Equity Accounts	+0.13 pp
3. Decrease of Subordinate Debt effectiveness	-0.22 pp
4. Investment in Subsidiaries and Intangibles	-0.74 pp
5. Growth in risk assets	-0.86 pp
6. Dividend payment	-0.90 pp

• Deposits

Deposits (Million Pesos)	3Q14	2Q15	3Q15	Change	
				2Q15	3Q14
Non-Interest Bearing Demand Deposits	129,603	153,071	<b>158,007</b>	3%	22%
Interest Bearing Demand Deposits	148,060	159,803	<b>165,964</b>	4%	12%
<b>Total Demand Deposits</b>	277,663	312,875	<b>323,971</b>	4%	17%
Time Deposits – Retail	133,222	146,834	<b>150,921</b>	3%	13%
<b>Core Deposits</b>	410,885	459,709	<b>474,892</b>	3%	16%
Money Market (1)	53,382	64,496	<b>62,538</b>	(3%)	17%
<b>Total Bank Deposits</b>	<b>464,268</b>	<b>524,205</b>	<b>537,430</b>	3%	16%
<b>GFNorte's Total Deposits (2)</b>	<b>463,644</b>	<b>522,870</b>	<b>535,870</b>	2%	16%
<b>Third Party Deposits</b>	<b>160,116</b>	<b>158,036</b>	<b>160,489</b>	2%	0%
<b>Total Assets Under Management</b>	<b>624,384</b>	<b>682,241</b>	<b>697,919</b>	2%	12%

1. Includes Bank Bonds (Customers and Financial intermediaries).
2. Includes eliminations among subsidiaries: 3Q14 = (Ps 623) million; 2Q15 = (Ps 1.33) billion; 3Q15 = (Ps 1.56) billion.

• Total Deposits

At the end of 3Q15, Total Deposits reached a record high of Ps 535.87 billion, +Ps. 72.23 billion or 16% YoY driven by promotional efforts as well as higher account balances in all client segments and the retail network. On a quarterly basis, Total Deposits increased Ps 13 billion or 2%.

• Loans

Performing Loan Portfolio (Million Pesos)	3Q14	2Q15	3Q15	Change	
				2Q15	3Q14
Commercial	109,617	116,563	<b>118,852</b>	2%	8%
Consumer	153,898	165,815	<b>172,170</b>	4%	12%
Corporate	76,263	78,784	<b>79,374</b>	1%	4%
Government	104,996	124,708	<b>129,675</b>	4%	24%
<b>Sub Total</b>	<b>444,774</b>	<b>485,870</b>	<b>500,071</b>	<b>3%</b>	<b>12%</b>
Recovery Bank	170	147	<b>137</b>	(7%)	(20%)
<b>Total</b>	<b>444,944</b>	<b>486,017</b>	<b>500,208</b>	<b>3%</b>	<b>12%</b>

Performing Consumer Loan Portfolio (Million Pesos)	3Q14	2Q15	3Q15	Change	
				2Q15	3Q14
Mortgages	86,835	93,699	<b>96,757</b>	3%	11%
Car Loans	11,221	11,466	<b>11,970</b>	4%	7%
Credit Cards	22,238	24,089	<b>25,350</b>	5%	14%
Payroll	33,604	36,561	<b>38,092</b>	4%	13%
<b>Consumer Loans</b>	<b>153,898</b>	<b>165,815</b>	<b>172,170</b>	<b>4%</b>	<b>12%</b>

(Million Pesos)	3Q14	2Q15	3Q15	Change	
				2Q15	3Q14
Past Due Loans	14,951	13,996	<b>13,717</b>	(2%)	(8%)
Loan Loss Reserves	15,550	14,734	<b>15,013</b>	2%	(3%)
Acquired Rights	3,050	2,651	<b>2,559</b>	(3%)	(16%)

• Total Performing Loans

**Total Performing Loans increased 12% YoY, growing Ps 55.30 billion for an ending balance of Ps 500.07 billion in 3Q15**, excluding proprietary loans managed by the Recovery Bank. It stands out the significant YoY increase in the commercial book's growth rate; whereas the rest of the books maintain a similar growth rate vs. prior quarters.

**Total Performing Loans increased 3% QoQ, growing by Ps 14.20 billion**, as a result of growth in all segments of the portfolio. It's worth mentioning that the 1% increase in the corporate book ended the declining cycle presented during the last two quarters, in which it was affected by pre-payments.

Growth by segments was:

• Individual Loans

- ✓ **Consumer + Mortgage:** Increased by Ps 18.27 billion or 12% vs. 3Q14 and by Ps 6.36 billion or 4% QoQ, with an **ending balance of Ps 172.17 billion**. Annual and quarterly growths resulted from favorable dynamics in all segments. Derived from the strategy to increase this segment, consumer loans (excluding mortgages) have maintained their proportion within the performing loan portfolio at 15.1% in the last 12 months, and have increased 24 bp QoQ.
- ✓ **Mortgages:** Grew by Ps 9.92 billion or 11% YoY, achieving a **balance of Ps 96.76 billion as of 3Q15**. This growth was driven by all the different product segments of the mortgage book. During the quarter the portfolio grew Ps 3.06 billion or 3% QoQ. As of August 2015, Banorte held a 16.3% market share in mortgage loans balances (ranking third in the system).
- ✓ **Credit Cards:** **At the end of 3Q15 the credit card book totaled Ps 25.35 billion**, growing 14% or +Ps 3.11 billion YoY and 5% or Ps 1.26 billion QoQ. Active portfolio management, coupled with commercial campaigns explained both growths. As of August 2015, Banorte held an 8.2% market share in credit card balances, ranking fourth in the banking system.

- ✓ **Payroll:** At the end of 3Q15, the portfolio increased **Ps 4.49 billion** or 13% YoY and Ps 1.53 billion or 4% QoQ **totaling Ps 38.09 billion**, as a result of growth in the number of Banorte's payroll account holders and a higher credit penetration in this customer group. Payroll loans continue to show good growth and adequate asset quality with respect to the system's average. Banorte held a 19.2% market share in balances as of August 2015, ranking third in the system.
- ✓ **Car Loans:** The portfolio increased Ps 749 million or 7% YoY and Ps 504 million or 4% QoQ to end **3Q15 with Ps 11.97 billion**, continuing with the recovery trend presented since the last quarter due to the strengthening of the commercial strategy aiming to offset the strong competition from financial firms of car manufacturers. As of August 2015, Banorte held a 14.7% market share, ranking fourth in the banking system.

• **II. Loans to Institutions**

- ✓ **Commercial:** Increased by Ps 9.24 billion or 8% YoY and Ps 2.29 billion or 2% QoQ **totaling Ps 118.85 billion**. The leasing and factoring books showed a positive evolution, growing 4% YoY. As of August 2015, the market share in commercial loans (including the Corporate book) was 10.7%, ranking fourth in the system.

**GFNorte's SME performing portfolio balance was Ps 26.61 billion**, (Ps 3.87) billion or (13%) lower YoY and (Ps 0.3) billion lower vs. 2Q15.

**SMEs Portfolio Evolution (billion pesos)**

	3Q14	2Q15	3Q15
<b>Performing Portfolio</b>	\$30,474	\$26,608	\$26,607
<b>% of Performing Commercial Portfolio</b>	27.8%	22.8%	22.4%
<b>% of Total Performing Portfolio</b>	6.9%	5.5%	5.3%
<b>NPL Ratio</b>	9.8%	9.5%	9.5%

- ✓ **Corporate:** At the end of 3Q15 the balance was **Ps 79.37 billion**, increasing Ps 3.11 billion or 4% YoY and Ps 591 million or 1% QoQ. GFNorte's corporate loan book is well diversified by sectors and regions and shows a low concentration risk. GFNorte's 20 main corporate borrowers accounted for 11.1% of the group's total portfolio, increasing by 1.2 pp vs. 3Q14 and decreasing by (0.1 pp) vs. 2Q15. The group's largest corporate loan represents 1.0% of the total portfolio and has an A1 rating; whereas number 20 represent 0.3%.

Through its subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida Administradora de Portafolios, GFNorte granted loans, and participated through SPVs in housing investments projects. Since 2013 some of the largest companies in this sector have experienced financial difficulties; three of the largest companies are undergoing a debt restructuring process and have defaulted on their payments. This situation has led to deterioration in the risk profile of these three borrowers. They are currently involved in restructuring negotiations with GFNorte and other banks.

**As of September 30, 2015 the loan exposure was Ps 5.63 billion in Urbi Desarrollos Urbanos, S.A.B. de C.V., Corporación Geo, S.A.B. de C.V. and Desarrolladora Homex, S.A.B. de C.V.**, 0.6% higher than the prior quarter. This exposure represented 1.1% of the total loan portfolio, flat vs. that of June 2015. In 3Q15, **Ps. 5.41 billion of such credits were classified as non-performing**, decreasing (Ps 3) million QoQ. This exposure has 76% coverage in guarantees, unchanged vs. last quarter. The reserve coverage stood at 42.7% in 3Q15. **Sólida had Ps 5.64 billion in investment projects**, (0.7%) lower than that registered in June 2015. During June, both Corporación Geo and Desarrolladora Homex announced the termination of their bankruptcy processes, as a result from the Judge's favorable ruling. The restructuring process is still yet to be implemented, as both companies require certain authorizations from shareholders and authorities. Therefore, GFNorte's exposure to these companies remains unchanged as of this date.

- ✓ **Government:** At the end of 3Q15 the balance was **Ps 129.68 billion**, growing by Ps 24.68 billion or 24% YoY and Ps 4.97 billion or 4% QoQ, both increases as a result of efforts to continue meeting demand for loans in this segment, including federal government entities. GFNorte's government portfolio is diversified by sectors and regions, and shows adequate concentration risk. GFNorte's 20 largest government loans account for 23.2% of the group's total portfolio, increasing by 2.7 pp vs. 3Q14 and 0.4 pp vs. 2Q15. The largest government loan represents 5.0% of the total portfolio and has an A1 rating; whereas, number 20 represents 0.3%. The portfolio's risk profile is adequate with 34.8% of the loans granted to Federal Government entities and over 97% of loans to States and Municipalities have a fiduciary guarantee (Federal budget transfers and local revenues such as payroll tax), and less than 2% of the loans have short-term maturities. Risk adjusted profitability for Government Banking is high. As of August 2015, Banorte held a 24.3% market share of the total system, ranking second.

• **Past Due Loans**

During 3Q15, Past Due Loans were Ps 13.72 billion, (Ps 1.23) billion lower YoY as a result of lower delinquencies in the commercial, corporate, mortgages and car books. The (2%) QoQ decrease came from lower delinquencies in all segments, except in payroll loans.

The quarterly evolution of NPL balances were as follows:

<u>Million pesos</u>	3Q15	Change. Vs. 2Q15	Change. Vs. 3Q14
Credit Card	1,482	(38)	80
Payroll	1,019	73	265
Car	202	(17)	(13)
Mortgage	1,096	(53)	(106)
Commercial	4,476	(222)	(1,342)
Corporate	5,443	(22)	(118)
Government	-	0	0
<b>Total</b>	<b>13,717</b>	<b>(278)</b>	<b>(1,234)</b>

In 3Q15, the Past Due Loan Ratio was 2.7%, lower by (58 bp) vs. 3Q14 and by (13 bp) vs. 2Q15. Both decreases were the result of a lower PDL Ratio in all segments with the exception of the payroll book.

Excluding the home developers exposure, the PDL Ratio is 1.6%, (44 bp) and (10 bp) lower YoY and QoQ, respectively.

PDL Ratios by segment showed the following trends during the last 12 months:

<b>Past Due Loans Ratios</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>2Q15</b>	<b>3Q15</b>
Credit Cards	5.9%	5.5%	5.5%	5.9%	<b>5.5%</b>
Payroll	2.2%	2.3%	2.2%	2.5%	<b>2.6%</b>
Car Loans	1.9%	2.0%	1.5%	1.9%	<b>1.7%</b>
Mortgages	1.4%	1.4%	1.3%	1.2%	<b>1.1%</b>
Commercial	5.0%	4.4%	3.8%	3.9%	<b>3.6%</b>
SMEs	9.8%	10.0%	8.8%	9.5%	<b>9.5%</b>
Commercial	3.1%	2.2%	2.1%	2.1%	<b>1.8%</b>
Corporate	6.8%	6.3%	6.4%	6.5%	<b>6.4%</b>
Government	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
<b>Total</b>	<b>3.3%</b>	<b>2.9%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.7%</b>

The expected loss for Banco Mercantil del Norte represented 1.8% and the unexpected loss 3.2%, both with respect to the total portfolio at the end of 3Q15. These ratios were 1.8% and 3.2%, respectively in 2Q15 and 2.1% and 3.3% 12 months ago.

Banco Mercantil del Norte's Net Credit Losses (NCL) including write-offs was 1.6%, 11 bp higher vs. 2Q15.

Quarterly changes in accounts that affect Non Performing Loans' balances for the Financial Group were:

<b>Past Due Loan Variations</b> (Million Pesos)	
<b>Balance as of June '15</b>	<b>13,996</b>
Transfer from Performing Loans to Past Due Loans	3,779
Portfolio Purchase	976
Renewals	(179)
Cash Collections	(729)
Discounts	(96)
Charge Offs	(2,256)
Foreclosures	(44)
Transfer from Past Due Loans to Performing Loans	(945)
Loan Portfolio Sale	(795)
Foreign Exchange Adjustments	11
Fair Value Ixe	-
<b>Balance as of September '15</b>	<b>13,717</b>

Around 81% of the loan book is rated A Risk, 13% B Risk and 6% as Risk C, D and E combined.

<b>Risk Rating of Performing Loans as of 3Q15 - GFNorte</b> (Million Pesos)							
CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	396,439	769	416	162	368	129	1,844
A2	54,205	302	92	5	375	44	817
B1	26,227	140	113	3	719	10	984
B2	30,715	87	239	2	733	19	1,080
B3	14,397	251	0	2	414	9	676
C1	7,461	164	85	1	229	44	523
C2	5,226	107	-	8	478	112	705
D	14,911	3,936	0	0	1,561	400	5,897
E	3,647	785	-	-	1,304	128	2,216
<b>Total</b>	<b>553,228</b>						
Not Classified	11						
Exempt	-						
<b>Total</b>	<b>553,240</b>	<b>6,541</b>	<b>945</b>	<b>183</b>	<b>6,181</b>	<b>893</b>	<b>14,743</b>
<b>Reserves</b>							<b>15,013</b>
<b>Preventive Reserves</b>							<b>271</b>

Notes:

1. The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet as of June 30, 2015.
2. The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV.
3. The additional loan loss reserves follow the rules applicable to banks and credit institutions.

Based on B6 Credit Portfolio criteria of the CNBV, a Distressed Portfolio is defined as those commercial loans unlikely to be recovered fully, including both principal and interest pursuant to terms and conditions originally agreed. Such determination is made based on actual information and data and on the loan review process. Performing loans and past-due loans are susceptible of being identified as Distressed Portfolios. The D and E risk degrees of the commercial loan rating are as follows:

<i>(Million Pesos)</i>	<b>Total</b>
Distressed Portfolio	11,028
Total Loans	553,240
<b>Distressed Portfolio / Total Loans</b>	<b>2.0%</b>

- **Loan Loss Reserves and Loan Loss Provisions**

<b>Loan Loss Reserves</b> <i>(Million Pesos)</i>	<b>3Q15</b>
<b>Previous Period Ending Balance</b>	<b>14,734</b>
Provisions charged to results	2,836
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
<u>Charge offs and discounts:</u>	
Commercial Loans	(279)
Consumer Loans	(1,970)
Mortgage Loans	(337)
Foreclosed assets	0
	(2,586)
Cost of debtor support programs	(2)
Valorization and Others	31
Adjustments	0
<b>Loan Loss Reserves at Period End</b>	<b>15,013</b>

**Loan Loss Reserves in 3Q15 totaled Ps 15.01 billion**, 2% higher vs. 2Q15. Moreover, 76% of write-offs, charge-offs and discounts correspond to the consumer portfolio, 13% to mortgages and 11% to commercial.

**The loan loss coverage ratio was 109.4% in 3Q15** (108.9% excluding INB), increasing 5.4 pp YoY and 4.2 pp QoQ.

## RECENT EVENTS

- **Organizational Changes**

In August **Guillermo Chávez Eckstein** was appointed Managing Director of Credit and Risk Management reporting directly to the CEO. This position incorporates credit and risks management functions to achieve a comprehensive and efficient process to support Grupo Financiero Banorte (“GFNorte”) sustainable growth in the lending business.

Guillermo has a solid career of more than 35 years in the financial sector, with experience in areas such as Corporate and Middle-market Banking, Investment Banking, Afores, Risk Management, Credit and Asset Recovery. Guillermo holds a Bachelor's Degree in Chemical Engineering from Universidad Iberoamericana and holds an MBA from IPADE.

- **Institutional Investor Magazine's Rankings**

In September, Institutional Investor magazine announced the “Best Latin America Executive Team 2015” rankings, which were based on a survey to 535 buy-side fund managers from more than 290 institutions and 345 sell-side analysts from almost 50 firms. This survey evaluates attributes such as accessibility of senior managements, quality and depth of answers to inquiries, transparency of financial reporting and disclosure, among others.

For the sixth consecutive year, GFNorte's Management and Investor Relations team were chosen among top Mexican companies and Latin American banks.

- José Marcos Ramírez Miguel, CEO, was ranked second in Mexico and third in Latin America according to the sell-side; whereas the buy-side classified him fourth, both in the regional and domestic rankings.
- Rafael Arana de la Garza, Chief Operating and Chief Financial Officer, ranked as the best CFO in Latam according to sell-side and second by the buy-side; likewise, he obtained the second position in the Mexican ranking according to the buy-and sell side.
- Ursula Wilhelm Nieto, Executive Director of Investor Relations and Financial Intelligence took the second position in the Latin American and Mexican IRO ranking according to the sell-side and ranked third in both buy-side comparative studies.
- Moreover, the Investor Relations department was ranked second in Latin America by the sell-side and third by the buy-side; whereas in the Mexican ranking was selected the best by the sell-side and was placed second by the buy-side.
- Furthermore, for the first time Institutional Investor publish the Best Analyst-Investor Days ranking in which Banorte was ranked top by the sell-side and third by the buy-side.

Category	Position			
	Latin America		Mexico	
	Buy-Side	Sell-Side	Buy-Side	Sell-Side
Best CEO	4/24	3/18	4/54	2/45
Best CFO	2/19	1/18	2/50	2/48
Best IR Professional	3/34	2/32	3/54	2/56
Best IR Team	3/32	2/28	2/71	1/60

- **GFNorte was included in the Dow Jones Emerging Markets Sustainability Index for the second year in a row**

In September, the Dow Jones Sustainability Indices (“DJSI”) announced the inclusion of GFNorte in the Dow Jones Sustainability Index Emerging Markets (DJSI Emerging Markets) for the second year in a row, awarding outperforming companies in the sustainability field. GFNorte is the first and only Mexican financial institution to be included in this index.

This milestone is the result of a solid Social Responsibility and Sustainability program which has enabled GFNorte to include a wide array of initiatives that contribute to generate value and drive Mexico's well-being.

The DJSI methodology – established jointly by S&P Dow Jones Indices and RobecoSAM – assesses companies' performance in economic, social and environmental terms, besides it serves as reference in sustainability matters for global investors. Likewise, it is also a participation platform for those companies which aim to adopt best sustainability practices.

The 2015 edition of Dow Jones Sustainability Index Emerging Markets is integrated by 92 members from 21 industries and 14 countries, considering that 810 companies were invited to participate.

This award contributes to the consolidation of GFNorte as a strong, profitable and permanently committed environment institution, which is also translated into value for its shareholders.

- **Banorte, the most valuable brand in the Mexican financial industry, according to Millward Brown**

In September, the firm Millward Brown published the BrandZ ranking of the top 30 most valuable companies in Mexico, in which Banorte held the 10<sup>th</sup> place for the second year in a row, being the most valuable brand in the Mexican financial industry valued in US 2,207 million.

- **Modification to Banorte's and Sofoms' average Liquidity Coverage Ratio of the second quarter of 2015**

On August 24<sup>th</sup> GFNorte re-published the Report of the Financial Results of the second quarter of 2015 as a result of the modification to Banco Mercantil del Norte S.A.'s ("Banorte") and Sofoms' average Liquidity Coverage Ratio ("LCR") for this period.

		Banorte and Sofoms	
		Former	Revised
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (average)</b>	<b>85%*</b>	<b>85.61%</b>

\*The LCR table appearing in the quarterly report published on July 23<sup>rd</sup> was 85%, figure which expressed in hundredths amounted to 84.74%.

This change obeys to the revision carried out by the National Banking and Securities Commission ("CNBV") on the interpretation and calculation of the LCR, set forth in the General Provisions for Liquidity Requirements of Banks. The methodology to disclose this ratio sets that the calculation must be computed with the simple average of the LCR reported by the Institution the immediate prior quarter.

It is worth mentioning that this was the only change to the content published on July 23<sup>rd</sup>, 2015.

- **Banorte selects Phoenix software to build its omnichannel strategy**

In August Banorte selected Phoenix, a Diebold company, as the new software provider for its entire ATM network. As part of Banorte's strategy to expand its omnichannel capabilities and integrate key back-end systems with its growing ATM infrastructure Banorte added Phoenix's Vista™ and Commander™ software platforms. The software suite provides support for both the multi-vendor ATM infrastructure, and the in-branch solutions; while allowing the bank to be more self-sufficient at developing the tools that improve its efficiency and functionality.

- **Redemption of Banorte 2015 Unsecured Bond**

On July 20, 2015 the Banorte 2015 Unsecured Bond, listed on the Stock Exchange of Luxembourg (ISIN USP14008AA79) for an amount of USD 300 million, was fully amortized. It was issued on July 19, 2010 under the 144A / RegS format and paid an annual fixed rate of 4.375%. Raised funds at the time were used for debt refinancing and general corporate purposes.

**BANKING SECTOR**

Banking Sector: Banco Mercantil del Norte, Banorte USA, Banorte- Ixe Tarjetas and Afore XXI Banorte (50% ownership).

Income Statement and Balance Sheet Highlights-Banking Sector								
(Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change
				2Q15	3Q14			
<b>Income Statement</b>								
Net Interest Income	9,567	9,823	<b>10,251</b>	4%	7%	27,878	<b>29,864</b>	7%
Non-Interest Income	4,102	3,575	<b>3,664</b>	2%	(11%)	11,415	<b>10,888</b>	(5%)
Total Income	13,669	13,398	<b>13,915</b>	4%	2%	39,293	<b>40,752</b>	4%
Non-Interest Expense	6,376	6,999	<b>6,831</b>	(2%)	7%	19,150	<b>20,917</b>	9%
Provisions	3,208	2,690	<b>2,731</b>	2%	(15%)	8,403	<b>7,960</b>	(5%)
Operating Income	4,086	3,709	<b>4,353</b>	17%	7%	11,739	<b>11,875</b>	1%
Taxes	1,298	938	<b>1,170</b>	25%	(10%)	3,687	<b>3,142</b>	(15%)
Subsidiaries & Minority Interest	258	359	<b>299</b>	(17%)	16%	900	<b>961</b>	7%
Net Income	3,046	3,130	<b>3,482</b>	11%	14%	8,952	<b>9,694</b>	8%
<b>Balance Sheet</b>								
Total Assets	867,924	936,237	<b>923,598</b>	(1%)	6%	867,924	<b>923,598</b>	6%
Performing Loans (a)	436,582	476,450	<b>491,116</b>	3%	12%	436,582	<b>491,116</b>	12%
Past Due Loans (b)	14,643	13,536	<b>13,337</b>	(1%)	(9%)	14,643	<b>13,337</b>	(9%)
Total Loans (a+b)	451,226	489,986	<b>504,453</b>	3%	12%	451,226	<b>504,453</b>	12%
Total Loans Net (d)	436,237	475,869	<b>490,011</b>	3%	12%	436,237	<b>490,011</b>	12%
Acquired Collection Rights (e)	1,545	1,416	<b>1,399</b>	(1%)	(9%)	1,545	<b>1,399</b>	(9%)
Total Loans (d+e)	437,782	477,285	<b>491,410</b>	3%	12%	437,782	<b>491,410</b>	12%
Total Liabilities	777,397	837,224	<b>823,106</b>	(2%)	6%	777,397	<b>823,106</b>	6%
Total Deposits	464,268	524,205	<b>537,430</b>	3%	16%	464,268	<b>537,430</b>	16%
Equity	90,527	99,013	<b>100,492</b>	1%	11%	90,527	<b>100,492</b>	11%
<b>Financial Ratios Banking Sector</b>								
	3Q14	2Q15	3Q15	Change		9M14	9M15	Change
				2Q15	3Q14			
<b>Profitability:</b>								
NIM (1)	4.8%	4.5%	<b>4.8%</b>	0.3 pp	0.0 pp	4.7%	<b>4.7%</b>	(0.1 pp)
NIM after Provisions (2)	3.2%	3.3%	<b>3.5%</b>	0.2 pp	0.3 pp	3.3%	<b>3.4%</b>	0.1 pp
ROE (3)	13.7%	12.7%	<b>14.0%</b>	1.2 pp	0.3 pp	14.0%	<b>13.2%</b>	(0.8 pp)
ROA (4)	1.4%	1.3%	<b>1.5%</b>	0.2 pp	0.1 pp	1.4%	<b>1.4%</b>	(0.0 pp)
<b>Operation:</b>								
Efficiency Ratio (5)	46.6%	52.2%	<b>49.1%</b>	(3.1 pp)	2.5 pp	48.7%	<b>51.3%</b>	2.6 pp
Operating Efficiency Ratio (6)	2.9%	3.0%	<b>2.9%</b>	(0.0 pp)	(0.0 pp)	3.0%	<b>3.0%</b>	0.0 pp
Liquidity Ratio- Basel II (7)	116.9%	N.A.	<b>N.A.</b>	-	-	116.9%	<b>N.A.</b>	-
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III	n.a.	85.6%	<b>102.06%</b>	16.5 pp	n.a.	n.a.	<b>102.06%</b>	n.a.
<b>Asset Quality:</b>								
Past Due Loan Ratio	3.2%	2.8%	<b>2.6%</b>	(0.1 pp)	(0.6 pp)	3.2%	<b>2.6%</b>	(0.6 pp)
Coverage Ratio	102.4%	104.3%	<b>108.3%</b>	4.0 pp	5.9 pp	102.4%	<b>108.3%</b>	5.9 pp
Past Due Loan Ratio w/o Banorte USA	3.3%	2.8%	<b>2.7%</b>	(0.1 pp)	(0.6 pp)	3.3%	<b>2.7%</b>	(0.6 pp)
Coverage Ratio w/o Banorte USA	102.0%	103.8%	<b>107.7%</b>	3.9 pp	5.7 pp	102.0%	<b>107.7%</b>	5.7 pp
<b>Growth (8)</b>								
Performing Loans (9)	7.1%	11.5%	<b>12.5%</b>	1.0 pp	5.4 pp	7.1%	<b>12.5%</b>	5.4 pp
Core Deposits	12.8%	15.1%	<b>15.6%</b>	0.5 pp	2.7 pp	12.8%	<b>15.6%</b>	2.7 pp
Total Deposits	5.3%	16.1%	<b>15.8%</b>	(0.3 pp)	10.4 pp	5.3%	<b>15.8%</b>	10.4 pp
<b>Capitalization:</b>								
Net Capital/ Credit Risk Assets	22.0%	21.6%	<b>21.2%</b>	(0.4 pp)	(0.8 pp)	22.0%	<b>21.2%</b>	(0.8 pp)
Total Capitalization Ratio	15.0%	15.1%	<b>14.9%</b>	(0.2 pp)	(0.1 pp)	15.0%	<b>14.9%</b>	(0.1 pp)

1. NIM = Annualized Net Interest Margin for the quarter / Average of Performing Assets.
2. NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Average of Performing Assets.
3. Net Income of the period annualized as a percentage of the quarterly average of Equity (excluding minority interest) for the same period.
4. Net Income of the period annualized as a percentage of the quarterly average of Total Assets (excluding minority interest) for the same period.
5. Non-Interest Expenses / Total Income.
6. Annualized Non-Interest Expenses of the quarter / Average of Total Assets
7. Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms immediately payable + short term loans from banks and of other organisms.
8. Growth compared to the same period of the previous year.
9. Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

• **Net Interest Income**

Net Interest Income-Banking Sector (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Interest Income	13,867	14,429	14,914	3%	8%	42,148	43,626	4%
Interest Expense	4,641	4,807	4,893	2%	5%	15,095	14,387	(5%)
Loan Origination Fees	441	295	324	10%	(26%)	1,104	902	(18%)
Fees Paid	99	94	95	0%	(5%)	279	277	(1%)
<b>Net Interest Income</b>	<b>9,567</b>	<b>9,823</b>	<b>10,251</b>	<b>4%</b>	<b>7%</b>	<b>27,878</b>	<b>29,864</b>	<b>7%</b>
Provisions	3,208	2,690	2,731	2%	(15%)	8,403	7,960	(5%)
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>6,359</b>	<b>7,133</b>	<b>7,520</b>	<b>5%</b>	<b>18%</b>	<b>19,474</b>	<b>21,904</b>	<b>12%</b>
Average Earning Assets	805,068	872,003	859,411	(1%)	7%	784,096	852,424	9%
<b>NIM (1)</b>	<b>4.8%</b>	<b>4.5%</b>	<b>4.8%</b>	<b>0.3 pp</b>	<b>0.0 pp</b>	<b>4.7%</b>	<b>4.7%</b>	<b>(0.1 pp)</b>
<b>NIM after Provisions (2)</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.5%</b>	<b>0.2 pp</b>	<b>0.3 pp</b>	<b>3.3%</b>	<b>3.4%</b>	<b>0.1 pp</b>

1. NIM = Annualized Net Interest Margin for the quarter / Average of Performing Assets.
2. NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Average of Performing Assets.

During 9M15, Net Interest Income increased 7% YoY to Ps 29.86 billion as a result of the 8% growth in Net Interest Income from loans, resulting from an improved portfolio mix and the 12% increase in the loan book, offsetting the (24%) decline in net fees.

In 3Q15, Net Interest Income amounted to Ps 10.25 billion, +Ps 428 million or 4% higher QoQ, driven by the 3% increase in Net Interest Income from loans and the 14% growth in net fees due to a higher portfolio volume.

The average NIM was 4.7% in 9M15, lower by (0.1 pp) over the same period last year due to a faster growth rate in Average Earning Assets than in Net Interest Income. On a quarterly basis, this ratio was 4.8%, 0.3 pp higher vs. 2Q15 as a result of the 4% increase in Net Interest Income and (1%) decrease in earning assets.

The average NIM adjusted for Credit Risks was 3.4% in 9M15, 0.1 pp higher vs. 9M14 due to the combined effect of the growth in Net Interest Income and the annual decline in provisions. In 3Q15, this ratio amounted to 3.5%, higher in 0.2 pp vs. 2Q15 as a result of higher Net Interest Income and reduced earning assets, which offset the 2% growth in quarterly provisions.

• **Loan Loss Provisions**

Provisions charged to results totaled Ps 7.96 billion in 9M15, (5%) lower YoY driven by lower reserve requirements in the corporate and commercial loan balances, which offset higher reserve requirements in the consumer and government books. During the quarter, provisions amounted Ps 2.73 billion, +2% vs. 2Q15, due to higher reserve requirements in the consumer and government books.

• **Non-Interest Income**

Non-Interest Income (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Services	2,106	2,449	2,545	4%	21%	6,129	7,369	20%
Recovery	18	4	19	369%	3%	29	29	1%
Trading	1,083	728	588	(19%)	(46%)	3,487	2,166	(38%)
Other Operating Income (Expenses)	894	393	512	30%	(43%)	1,771	1,325	(25%)
<b>Non-Interest Income</b>	<b>4,102</b>	<b>3,575</b>	<b>3,664</b>	<b>2%</b>	<b>(11%)</b>	<b>11,415</b>	<b>10,888</b>	<b>(5%)</b>

During 9M15, Non-Interest Income amounted Ps 10.89 billion, a (5%) YoY reduction as a result of lower trading revenues and Other Operating Income (Expenses), which were not offset by significantly higher service fees. In 3Q15, Non-Interest Income amounted to Ps 3.66 billion, +2% QoQ, driven by growth in all segments, except for trading. Core banking fees revenues (account management fees, fund transfers and electronic banking services) continue to report high growth, +21.9% YoY and +4.8% QoQ.

• **Non-Interest Expenses**

Non-Interest Expense (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
Personnel	2,695	3,092	<b>2,840</b>	(8%)	5%	8,529	<b>9,181</b>	8%
Professional Fees	669	492	<b>467</b>	(5%)	(30%)	1,821	<b>1,393</b>	(24%)
Administrative and Promotional	1,277	1,535	<b>1,611</b>	5%	26%	3,607	<b>4,649</b>	29%
Rents, Depreciation & Amortization	859	937	<b>984</b>	5%	15%	2,502	<b>2,847</b>	14%
Taxes Other Income & Non Deductible Expenses	303	326	<b>302</b>	(7%)	(0%)	993	<b>996</b>	0%
Contributions to IPAB	474	523	<b>533</b>	2%	13%	1,399	<b>1,566</b>	12%
Employee Profit Sharing (PTU)	99	94	<b>94</b>	(0%)	(5%)	299	<b>284</b>	(5%)
<b>Non-Interest Expense</b>	<b>6,376</b>	<b>6,999</b>	<b>6,831</b>	<b>(2%)</b>	<b>7%</b>	<b>19,150</b>	<b>20,917</b>	<b>9%</b>

**Non-Interest Expenses in 9M15 totaled Ps 20.92 billion**, a 9% YoY increase driven by growth in all lines excepting Professional Fees and Employee Profit Sharing. **In 3Q15, Non-Interest Expenses amounted to Ps 6.83 billion**, (2%) lower QoQ as a result of a reduction in Personnel Expenses, Professional Fees and Taxes Other Income & Non-deductible Expenses.

**The Efficiency Ratio for 9M15 was 51.3%**, +2.6 pp YoY due to higher growth in Non-Interest Expenses vs. total income; whereas, the **quarterly ratio was 49.1%** lower in (3.1 pp) vs 2Q15 thanks to lower Non-Interest Expenses and a higher pace of growth in total income.

• **Net Income**

**Net Income for the Banking Sector in 9M15 was Ps 9.69 billion**, growing 8% YoY driven by higher Net Interest Income, lower tax payments and provisions, and greater profits from subsidiaries, which compensated larger Non-Interest Expenses. **On a quarterly basis, net income was P 3.48 billion**, +11% vs. 2Q15 due to higher revenues and lower Non-Interest Expenses, offsetting higher tax payments, lower profits from subsidiaries and the increase in provisions.

**Net Income for the Banking Sector in 9M15, excluding Afore XXI Banorte results, [was Ps 8.60 billion**, +9% YoY, contributing 71%] of the Financial Group's profits according to its percentage of participation.

**SOFOM Banorte-Ixe Tarjetas posted net profits of Ps 1.49 billion in 9M15**, 5% higher YoY, contributing 12.2% of the Financial Group's profits.

**ROE for 9M15 of this sector was 13.2%**, (0.8 pp) lower YoY; **this ratio for 3Q15 was 14.0%**, higher by 1.2 pp vs. 2Q15. **ROA for 9M15 was 1.4%**, flat vs. 9M14; whereas, **as of 3Q15, ROA was 1.5%**, 0.2 pp higher vs. 2Q15.

• **NPL Ratio**

**The Banking Sector's NPL Ratio for 3Q15 was 2.6%** (includes INB past due loans), lower in (0.6 pp) vs. 3Q14 and in (0.1 pp) vs. 2Q15.

**BANORTE USA**

**I. Banorte USA (MEX GAAP)**

Income Statement - Banorte USA					Change	Change			Change
MEX GAAP (Million Pesos)	3Q14	2Q15	3Q15	2Q15	3Q14	9M14	9M15	9M14	
<b>Income Statement</b>									
Net Interest Income	160	197	214	9%	34%	480	595	24%	
Non Interest Income	122	118	149	26%	22%	361	404	12%	
Total Income	282	315	363	15%	29%	841	999	19%	
Non Interest Expense	186	230	252	9%	35%	588	698	19%	
Provisions	3	(1)	6	615%	126%	16	20	25%	
Operating Income	93	86	106	23%	13%	238	281	18%	
Taxes	32	34	38	11%	17%	79	98	24%	
Net Income	61	51	68	31%	11%	159	183	15%	

Under Generally Accepted Accounting Principles in Mexico (MEX GAAP), **Net Income of Banorte USA** (owner of 100% of Inter National Bank as well as 100% of the remittance company Uniteller) **was Ps 183 million in 9M15, increasing by 15% YoY** driven by higher Net Interest Income, Non-Interest Income and the effect of depreciation in the FX valuation, which offset growth in Non-Interest Expense and higher tax payments. Net Income of Banorte USA during 9M15 represented 1.5% of the Financial Group's profits. On a quarterly basis, profits amounted to Ps 68 million, 31% higher vs. 2Q15 due to same factors presented on the accumulated trend.

**II. Inter National Bank (US GAAP)**

Income Statement and Balance Sheet Highlights - InterNational Bank					Change	Change			Change
Figures in US GAAP (Million Dollars)	3Q14	2Q15	3Q15	2Q15	3Q14	9M14	9M15	9M14	
<b>Income Statement</b>									
Net Interest Income	13	13	13	(2%)	3%	38	39	2%	
Non Interest Income	4	3	4	12%	(5%)	13	11	(14%)	
Total Income	17	17	17	1%	1%	51	50	(2%)	
Non Interest Expense	10	11	11	(0%)	8%	33	33	(1%)	
Provisions	1	0	0	0%	(93%)	1	0	(70%)	
Operating Income	6	5	6	4%	(4%)	17	17	1%	
Net Income	4	3	4	12%	(2%)	11	11	1%	
<b>Balance Sheet</b>									
Investment in Securities	509	547	481	(12%)	(5%)	509	481	(5%)	
Performing Loans	854	943	941	(0.2%)	10%	854	941	10%	
Past Due Loans	8	9	7	(18%)	(5%)	8	7	(5%)	
Demand Deposits	806	863	837	(3%)	4%	806	837	4%	
Time Deposits	592	549	488	(11%)	(18%)	592	488	(18%)	
Total Deposits	1,398	1,412	1,326	(6%)	(5%)	1,398	1,326	(5%)	
Equity	426	439	443	1%	4%	426	443	4%	

Financial Ratios - INB								
Figures in US GAAP (Million Dollars)								
	3Q14	2Q15	3Q15	Change 2Q15	Change 3Q14	9M14	9M15	Change 9M14
<b>Profitability</b>								
NIM	3.4%	3.4%	<b>3.5%</b>	0.1	0.2	3.4%	<b>3.4%</b>	0.1
ROE	3.6%	3.0%	<b>3.4%</b>	0.3	(0.2)	3.5%	<b>3.4%</b>	(0.1)
ROA	0.8%	0.7%	<b>0.8%</b>	0.1	(0.0)	0.8%	<b>0.8%</b>	0.0
<b>Operation</b>								
Efficiency Ratio	61.5%	67.1%	<b>66.3%</b>	(0.8)	4.8	65.3%	<b>65.8%</b>	0.4
<b>Asset Quality</b>								
Past Due Loan Ratio	0.9%	1.0%	<b>0.8%</b>	(0.2)	(0.1)	0.9%	<b>0.8%</b>	(0.1)
Coverage Ratio	201.7%	192.2%	<b>231.0%</b>	38.7	29.3	201.7%	<b>231.0%</b>	29.3
<b>Capitalization</b>								
Leverage Ratio	13.4%	13.2%	<b>14.0%</b>	0.8	0.6	13.4%	<b>14.0%</b>	0.6
Capitalization Ratio	23.7%	22.9%	<b>23.5%</b>	0.6	(0.2)	23.7%	<b>23.5%</b>	(0.2)

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted net profits for **US 11 million in 9M15, a 1% YoY increase** mainly due to higher Net Interest Income and lower provisions and Non-Interest Expense. **The quarterly Net Income increased 12% vs. 2Q15, ending 3Q15 with US 4 million,** driven by higher Non-Interest Income.

**Total Deposits amounted to US 1.33 billion,** decreasing (5%) YoY and (6%) vs. 2Q15. **Performing Loans totaled US 941 million,** increasing 10% vs. 3Q14 and remaining flat vs. 2Q15. **Past Due Loans posted US 7 million,** lower by (5%) YoY and (18%) QoQ.

**INB's Tier 1 Classified Assets Ratio at the end of 3Q15 was 3.85%,** higher quality levels than the average district and national competitors. Capitalization and Leverage Ratios remained robust.

Capitalization and Leverage ratios remained strong. **The Capitalization Ratio ended 3Q15 at 23.5% and the Leverage Ratio was 14.0%. The Past Due Loan ratio was 0.8% (0.1 pp) YoY and (0.2 pp) QoQ lower; the Coverage ratio was 231.0%,** increasing 29.3 pp YoY and 38.7 pp QoQ.

### III. UniTeller Financial Services (US GAAP)

Income Statement and Transactions								
Highlights – Uniteller Financial Services								
Figures in US GAAP (Thousand Dollars)								
	3Q14	2Q15	3Q15	Change 2Q15	Change 3Q14	9M14	9M15	Change 9M14
<b>Profitability</b>								
Revenues	7,326	7,493	9,541	27%	30%	20,493	24,286	19%
Cost of Sales	4,697	4,432	6,069	37%	29%	13,272	14,860	12%
Margin	2,629	3,062	3,472	13%	32%	7,220	9,426	31%
Expenses	1,825	1,814	2,174	20%	19%	5,157	5,954	15%
Income before Taxes	804	1,248	1,298	4%	62%	2,064	3,471	68%
Net Income	533	719	716	(0%)	34%	1,388	2,005	44%
<b>Transactions</b>								
# of Created Transactions (thousands)	2,133	2,314	2,666	15%	25%	5,916	7,098	20%

UniTeller Financial Services and subsidiaries (UFS) **recorded profits of US 2.0 million in 9M15,** comparing favorably to profits of US 1.39 million for the same period of the previous year (+44%) on higher remittances volume.

At the end of 9M15 transactions grew 20% YoY, resulting mainly from the expansion of the processing business, including more services to other institutions.

### IV. Sólida USA

Assets under management by Sólida USA as of 3Q15 are as follows:

Sólida México (Foreclosed Assets):	US \$ 13 million
Banorte (Foreclosed Loans and Assets):	US \$ 65 million
<b>Total:</b>	<b>US \$ 78 million</b>

RECOVERY BANKING

Income Statement Highlights - Recovery Banking			
(Million Pesos)	9M14	9M15	Change vs. 9M14
Net Interest Income	15	19	21%
Loan Loss Provisions	(4)	(5)	46%
Non Interest Income	1,191	1,505	26%
Non Interest Expense	(686)	(727)	6%
Pre-tax Income & Subsidiaries	517	791	53%
Income Tax and Profit Sharing	(125)	(233)	86%
<b>Net Income</b>	<b>392</b>	<b>558</b>	<b>42%</b>

Assets Under Management (Million Pesos)	3Q15	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	100,343	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	28,338	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects:	5,985	Solida Asset Management and Banorte	Non Interest Income
<b>Total</b>	<b>134,666</b>		

• **Net Income**

Recovery Banking posted profits of Ps 558 million in 9M15, 42% higher than the same period in 2014, driven by higher Non-Interest Income and Net Interest Income, which offset higher tax payments, Non-Interest Expenses and provisions. The Recovery Banking's accumulated net income was 4.6% of the Group's profits.

• **Assets Under Management**

The Recovery Bank managed total assets of Ps 100.3 billion at the end of 3Q15, of which 31% correspond to mortgage loans, 18% to crediactivo, 17% to credit cards, 13% to payroll loans, 7% to foreclosed assets, 7% to car loans, 4% to middle market companies and 3% to other loans. Gross revenues in 9M15 amounted to Ps 857 million, 26% YoY higher.

At the end of 3Q15, 37% of the acquired assets managed by the Recovery Bank were mortgages, 22% loans to middle market companies and commercial, 20% were assets managed on behalf of the Mexican mortgages agency SHF, 12% were real estate portfolios and 9% were foreclosed assets and payments in kind. Gross income from these portfolios was Ps 675 million in 9M15, 12% higher YoY.

**BROKERAGE**

Brokerage Sector (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Brokerage</b>								
Net Income	297	208	<b>236</b>	13%	(21%)	756	<b>606</b>	(20%)
Shareholder's Equity	2,540	2,904	<b>3,157</b>	9%	24%	2,540	<b>3,157</b>	24%
Assets Under Custody	778,344	743,088	<b>734,891</b>	(1%)	(6%)	778,344	<b>734,891</b>	(6%)
Total Assets	65,574	131,224	<b>120,631</b>	(8%)	84%	65,574	<b>120,631</b>	84%
ROE	42.7%	28.7%	<b>31.1%</b>	2.3 pp	(11.7 pp)	37.0%	<b>27.5%</b>	(9.5 pp)
<b>Net Capital</b>								
Net Capital (1)	2,132	2,362	<b>2,544</b>	8%	19%	2,132	<b>2,544</b>	19%

1. Net capital structure: Tier 1 =Ps 2.54 billion, Tier 2 = Ps 0 million.

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte Ixe) reported profits of Ps 606 million in 9M15, (20%) lower YoY due to lower Non-Interest Income (mainly trading revenues) and Net Interest Income, as well as to higher Non-Interest Expenses. Net Income during 9M15 represented 5% of the Financial Group's profits.

In 3Q15 Net Income amounted to Ps 236 million, increasing 13% vs. 2Q15 as a result of the important reduction in Non-Interest Expenses and higher Non-Interest Income; factors that offset the decline in Net Interest Income and higher tax payments.

- **Mutual Funds**

Operadora de Fondos Banorte Ixe reported profits of Ps 173 million in 9M15, an increase of Ps 93 million or 118% vs. the same period last year mainly due to greater net fees. Quarterly earnings amounted to Ps 56 million, (6%) lower QoQ, due to a loss in the subsidiaries and associates results and higher Operating Expenses, which were not offset by the increase in Non-Interest Income.

At the end of 3Q15, assets managed by Banorte-Ixe mutual funds totaled Ps 145.7 billion, an annual decrease of (5%). Assets held in fixed income funds totaled Ps 129.7 billion, (4%) lower YoY, while equity funds held assets amounted to Ps 16.0 billion, decreasing (11%) YoY. At the end of September, Banorte had a 7.5% share of the mutual fund market, comprised of 9.0% in fixed income funds and 3.2% in equity funds.

- **Assets Under Management**

At the end of 3Q15, AUMs totaled Ps 734.9 billion, decreasing (6%) YoY and (1%) QoQ.

**LONG TERM SAVINGS**

<b>LONG TERM SAVINGS</b> <i>(Million Pesos)</i>	<b>3Q14</b>	<b>2Q15</b>	<b>3Q15</b>	<b>Change</b>		<b>9M14</b>	<b>9M15</b>	<b>Change</b>
				<b>2Q15</b>	<b>3Q14</b>			<b>9M14</b>
<b>Afore (1)</b>								
Net Income	495	704	<b>575</b>	(18%)	16%	1,753	<b>1,877</b>	7%
Shareholder's Equity	23,928	23,085	<b>23,659</b>	2%	(1%)	23,928	<b>23,659</b>	(1%)
Total Assets	25,245	24,279	<b>24,932</b>	3%	(1%)	25,245	<b>24,932</b>	(1%)
AUM (SIEFORE)*	589,723	620,426	<b>615,180</b>	(1%)	4%	589,723	<b>615,180</b>	4%
ROE	8.4%	12.4%	<b>9.8%</b>	(2.6 pp)	1.5 pp	9.7%	<b>10.8%</b>	1.1 pp
<b>Insurance- Seguros Banorte</b>								
Total Operating Income	783	1,109	<b>941</b>	(15%)	20%	2,428	<b>3,105</b>	28%
Non-Interest Expense	190	240	<b>237</b>	(1%)	24%	596	<b>686</b>	15%
Operating Income	593	869	<b>705</b>	(19%)	19%	1,832	<b>2,419</b>	32%
Taxes	202	264	<b>213</b>	(19%)	6%	582	<b>735</b>	26%
Subsidiaries & Minority Interest	(0)	(1)	<b>(2)</b>	24%	621%	<b>(2)</b>	<b>(4)</b>	186%
Net Income	390	603	<b>490</b>	(19%)	25%	1,248	<b>1,679</b>	35%
Shareholder's Equity	4,554	5,787	<b>6,278</b>	8%	38%	4,554	<b>6,278</b>	38%
Total Assets	21,860	26,637	<b>25,597</b>	(4%)	17%	21,860	<b>25,597</b>	17%
Technical Reserves	12,690	15,449	<b>13,519</b>	(12%)	7%	12,690	<b>13,519</b>	7%
Premiums sold	2,768	3,700	<b>3,476</b>	(6%)	26%	12,516	<b>12,614</b>	1%
Coverage ratio of technical reserves	1.3	1.3	<b>1.4</b>	0.1 pp	0.1 pp	1.3	<b>1.4</b>	0.1 pp
Capital coverage ratio of minimum guarantee	1.9	1.9	<b>2.2</b>	0.3 pp	0.4 pp	1.9	<b>2.2</b>	0.4 pp
Coverage ratio of minimum capital	52.0	63.5	<b>68.9</b>	5.5 pp	16.9 pp	52.0	<b>68.9</b>	16.9 pp
ROE	33.9%	42.3%	<b>32.6%</b>	(9.7 pp)	(1.2 pp)	38.4%	<b>39.4%</b>	1.1 pp
<b>Annuities</b>								
Total Operating Income	183	177	<b>221</b>	25%	21%	495	<b>597</b>	21%
Non-Interest Expense	69	71	<b>80</b>	12%	17%	202	<b>222</b>	10%
Operating Income	114	106	<b>141</b>	34%	24%	293	<b>375</b>	28%
Taxes	37	34	<b>46</b>	33%	24%	93	<b>122</b>	32%
Subsidiaries & Minority Interest	0	1	<b>2</b>	24%	621%	2	<b>4</b>	183%
Net Income	78	73	<b>97</b>	34%	25%	202	<b>258</b>	28%
Shareholder's Equity	1,451	1,437	<b>1,534</b>	7%	6%	1,451	<b>1,534</b>	6%
Total Assets	59,212	65,168	<b>66,977</b>	3%	13%	59,212	<b>66,977</b>	13%
Technical Reserves	57,311	63,169	<b>64,841</b>	3%	13%	57,311	<b>64,841</b>	13%
Premiums sold	2,227	1,967	<b>1,654</b>	(16%)	(26%)	6,028	<b>5,669</b>	(6%)
Coverage ratio of technical reserves	1.0	1.0	<b>1.0</b>	0.0 pp	(0.0 pp)	1.0	<b>1.0</b>	(0.0 pp)
Coverage ratio of minimum capital	10.2	9.7	<b>10.4</b>	0.1 pp	0.0 pp	10.2	<b>10.4</b>	0.2 pp
ROE	22.0%	20.0%	<b>26.2%</b>	6.2 pp	4.2 pp	20.0%	<b>23.7%</b>	3.7 pp

1. Afore XXI Banorte's results are shown in Banco Mercantil del Norte through the equity participation method. For comparative purposes, Afore XXI Banorte's income is included in this section.

• **Afore XXI Banorte**

**Afore XXI Banorte posted net profits of Ps 1.88 billion for 9M15**, 7% higher vs. 9M14 due to higher total income, lower Operating Expenses and valuation gains in the investment portfolios, which offset fewer profits from subsidiaries and higher tax payments. **Quarterly profits amounted to Ps 575 million**, (18%) lower QoQ as a result of mark to market valuation loss of its invested equity and the increase in the operating costs (mainly affiliation and transfers), which were not offset by lower tax payments and higher income.

**ROE for Afore XXI Banorte as of 9M15 was 10.8%**, 1.1 pp higher YoY; excluding goodwill, tangible **ROE is 38.4%**. **As of 3Q15 ROE was 9.8%**, (2.6 pp) QoQ lower. Afore XXI Banorte contributed 7.6% of the Financial Group's profits for 9M15.

Assets under management as of September 2015 totaled Ps 615.2 billion, an increase of 4% YoY and a decline of (1%) QoQ.

According to CONSAR, to September 2015 Afore XXI Banorte had a 24.8% share in managed funds, ranking 1<sup>st</sup> in the market, with 11.16 million accounts (this number does not include 6.3 million accounts managed by Afore XXI with resources deposited in Banco de Mexico), which represent a 23.4% share of the total number of accounts in the system, making it the market leader.

• **Seguros Banorte**

During **9M15, Seguros Banorte reported profits of Ps 1.68 billion**, a 35% YoY increase driven by the important growth in premium income which offset higher tax payments and Non-Interest Expenses. Seguros Banorte's net income represented 13.8% of the Financial Group's profits for 9M15.

**Quarterly earnings totaled Ps 490 million**, (19%) lower QoQ as a result of higher reserve requirements and claims related to FX depreciation.

**Premiums' income (net) increased 14% YoY, totaling Ps 8.83 billion in 9M15**. Moreover, **Technical Reserves totaled Ps 13.52 billion**, increasing 7% YoY.

**ROE for the insurance company was 39.4% in 9M15**, 1.1 pp higher YoY; whereas ROE for 3Q15 was 32.6%, decreasing (9.7 pp) QoQ.

Regarding the disclosure requested by the General Provisions applicable to Financial Groups' controlling companies, for this reporting period:

- i. Risks assumed through the issuance of insurance premiums and bonds, with respect to operations and authorized branches of cancelled operations.
  - *No cancellations were registered during 3Q15 that involved any technical risk.*
- ii. Damages and claims, as well as the fulfillment with reinsurers and bonding companies according to their participation.
  - *In 3Q15 damage ratios remained under control.*
- iii. Costs derived from placement of insurance policies and bonds.
  - *There were no relevant events to disclose in 3Q15.*
- iv. Transfer of risks through reinsurance and bonding contracts
  - *In the P&C book four important businesses of governmental tenders were ceded to reinsurers, mainly foreign entities, by which 100% of the risk was transferred.*
- v. Contingencies arising from non-fulfillment by reinsurers and bonding companies.
  - *There were no relevant events in 3Q15.*

• **Pensiones Banorte**

During **9M15, Pensiones Banorte reported profits of Ps 258 million, +28% YoY** driven by fewer technical reserves, offsetting lower trading revenues and higher tax payments and Non-Interest Expenses. The Annuities company contributed with 2.1% of the Financial Group's profits during 9M15. **During 3Q15, Pensiones Banorte reported profits of Ps 97 million**, increasing 34% vs. 2Q15 as a result of higher Net Interest Income and Non-Interest Income, offsetting higher tax payments and Operating Expenses.

**ROE was 23.7% in 9M15**, 3.7 pp higher vs. 9M14; furthermore, **ROE for 3Q15 was 26.2%**, increasing 6.2 pp QoQ.

**SOFOM AND OTHER FINANCE COMPANIES**

SOFOM & Other Finance Companies (Million Pesos)	3Q14	2Q15	3Q15	Change		9M14	9M15	Change 9M14
				2Q15	3Q14			
<b>Leasing and Factoring</b>								
Net Income	161	133	<b>154</b>	15%	(5%)	491	<b>423</b>	(14%)
Shareholder's Equity	3,702	4,005	<b>4,159</b>	4%	12%	3,702	<b>4,159</b>	12%
Loan Portfolio (1)	20,782	23,519	<b>21,892</b>	(7%)	5%	20,782	<b>21,892</b>	5%
Past Due Loans	168	198	<b>210</b>	6%	25%	168	<b>210</b>	25%
Loan Loss Reserves	311	350	<b>352</b>	1%	13%	311	<b>352</b>	13%
Total Assets	21,094	23,840	<b>22,306</b>	(6%)	6%	21,094	<b>22,306</b>	6%
ROE	17.8%	13.6%	<b>15.1%</b>	1.5 pp	(2.7 pp)	19.0%	<b>14.3%</b>	(4.7 pp)
<b>Warehousing</b>								
Net Income	8	7	<b>8</b>	18%	9%	23	<b>25</b>	9%
Shareholder's Equity	295	231	<b>240</b>	4%	(19%)	295	<b>240</b>	(19%)
Inventories	459	688	<b>596</b>	(13%)	30%	459	<b>596</b>	30%
Total Assets	687	857	<b>747</b>	(13%)	9%	687	<b>747</b>	9%
ROE	10.5%	12.4%	<b>14.1%</b>	1.7 pp	3.6 pp	10.8%	<b>14.7%</b>	3.9 pp
<b>Sólida Administradora de Portafolios</b>								
Net Income	41	(80)	<b>(107)</b>	34%	(361%)	(108)	<b>(297)</b>	176%
Shareholder's Equity	4,007	3,758	<b>3,652</b>	(3%)	(9%)	4,007	<b>3,652</b>	(9%)
Loan Portfolio	4,259	3,285	<b>2,919</b>	(11%)	(31%)	4,259	<b>2,919</b>	(31%)
Past Due Loans	196	262	<b>170</b>	(35%)	(13%)	196	<b>170</b>	(13%)
Loan Loss Reserves	250	268	<b>219</b>	(18%)	(12%)	250	<b>219</b>	(12%)
Total Assets	17,409	15,554	<b>15,330</b>	(1%)	(12%)	17,409	<b>15,330</b>	(12%)
<b>Ixe Servicios</b>								
Net Income	1.1	(0.0)	<b>0.3</b>	(1143%)	(77%)	1.5	<b>0.3</b>	(82%)
Shareholder's Equity	25	145	<b>146</b>	0%	474%	25	<b>146</b>	474%
Total Assets	132	145	<b>146</b>	0%	11%	132	<b>146</b>	11%
ROE	17.3%	(0.1%)	<b>0.7%</b>	0.8 pp	(16.6 pp)	8.4%	<b>0.2%</b>	(8.2 pp)

1. Includes pure leasing portfolio and fixed asset amounting to Ps 17 million registered in property, furniture and equipment (net).

• **Leasing and Factoring**

In 9M15 Arrendadora y Factor Banorte reported profits of Ps 423 million, decreasing (14%) YoY due to higher income tax charges, which were not offset by higher Net Interest Income and Non-Interest Income, as well as fewer provisions; nevertheless, Operating Income increased 24% YoY. The Leasing and Factoring Company contributed 3.5% of the Financial Group's profits in 9M15.

In 3Q15 earnings totaled Ps 154 million, 15% above vs. 2Q15 as result of higher revenues, as well as lower expenses.

At the end of 3Q15, the **Past Due Loans Ratio** was 1.1%, 0.2 pp above. 2Q15 and 3Q14 respectively; while the **Coverage ratio** was 167.8%, (17.8 pp) lower vs. 3Q14 and (8.8 pp) vs. 2Q15. The **Capitalization ratio** estimated as of **September** was 17.1% considering total risk-weighted assets of Ps 24.01 billion.

Arrendadora y Factor Banorte continues to be the market leader in loans and assets among the 47 companies, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

- **Warehouse**

**In 9M15, Warehouse posted profits of Ps 25 million**, growing Ps 2.2 million or 9% YoY as a result of higher revenues, offsetting larger Administrative and Promotion Expenses. Almacenadora Banorte contributed 0.2% of the Financial Group's profits in 9M15.

**In 3Q15, earnings totaled Ps 8 million**, Ps 1.3 million or 18% higher vs. 2Q15 as a result of higher total income which offset greater Administrative and Promotion Expenses and tax payments.

**ROE for 9M15 was 14.7%**, 3.9 pp higher YoY; **ROE for 2Q15 was 14.1%**, higher in 1.7 pp QoQ.

**At the end of 3Q15, the Capitalization Ratio was 309%** considering net capital of Ps 210 million and certificates for sale issued in warehouses of Ps 1.36 billion, according to the new methodology. Almacenadora Banorte ranks third among the 16 warehouses of this sector in terms of profits generated.

- **Sólida Administradora de Portafolios**

**During 9M15, Sólida Administradora de Portafolios reported a loss of (Ps 297) million**, an annual variation of (Ps 190) million mainly due to higher Other Operating Expenses, lower subsidiaries and associates results and greater provisions, which could not offset higher Net Interest Income and reduced tax payments. **In 3Q15, Sólida Administradora de Portafolios posted a (Ps 107) million loss**, which was (Ps 27) million lower on higher provisions and lower Net Interest Income.

**The Past Due Loan Ratio was 5.8% at the end of 3Q15**, (2.2) pp lower vs. 2Q15. **The Coverage ratio was 128.7%**, comparing favorably to the 102.1% of 2Q15 and the 127.6% of 3Q14. **The estimated Capitalization ratio at the end of 3Q15 was 17.4%**, flat vs. 2Q15 and 1.6 pp higher vs. 3Q14.

**RATINGS**

International Ratings - GFNorte					
Rating Agency	Rated Institutions	Rating	Category	Date	
Standard & Poor's	Banco Mercantil del Norte	STABLE	Outlook	April, 2015	
		BBB	Counterparty credit - Long term foreign currency		
		BBB	Counterparty credit - Long term local currency		
		A-2	Counterparty credit - Short term foreign currency		
		A-2	Counterparty credit - Short term local currency		
		BBB	Senior Unsecured Notes		
		BB	Subordinated Junior Notes (from the merged Ixe Banco)		
Fitch	Grupo Financiero Banorte	STABLE	Outlook	March, 2015	
		bbb+	Viability		
		BBB+	Long term foreign currency (IDR'S)		
		F2	Short term foreign currency (IDR'S)		
		5	Support Rating-GFNorte		
		NF (Not Floor)	Support Rating Floor - GFNorte		
	Banco Mercantil del Norte	STABLE	Outlook		
		bbb+	Viability		
		BBB+	Long term foreign currency		
		F2	Short term foreign Currency		
C		Individual - Foreign Currency			
		BBB-	Support Rating Floor		
		2	Support Rating - Banco Mercantil del Norte		
		BB	Subordinated Junior Notes (from the merged Ixe Banco)		
Moody's	Banco Mercantil del Norte	STABLE	Outlook BFSR	March, 2015	
		baa1	Baseline Credit Assessment		
		STABLE	Outlook		
		A3	Long term local currency deposits*		
		A3	Long term foreign currency deposits		
		P-2	Short term local currency deposits*		
		P-2	Short term foreign currency deposits		
		A3	Long term foreign currency senior debt*		
		Baa2	Long term local currency subordinated debt		
		Baa2 (hyb)	Long term foreign currency subordinated debt		
		Baa3 (hyb)	Long term local currency junior subordinated debt		
		Baa3 (hyb)	Long term foreign currency junior subordinated debt		
		baa1	Adjusted baseline credit assesment		
	A2 (cr)	Long term counterparty risk assesment			
	Prime-1 (cr)	Short term counterparty risk assesment			
	Arrendadora y Factor Banorte	STABLE	Outlook		
		Baa1	Long term local currency issuer*		
P-2		Short term local currency issuer			
(P)Baa1		Long term local currency senior debt*			
		(P)P-2	Short term local currency senior debt		

Domestic Ratings - GFNorte					
Rating Agency	Rated Institutions	Rating	Category	Date	
Standard & Poor's	Banco Mercantil del Norte	STABLE mxA-1+ mxAAA	Outlook National Scale Counterparty credit - Short term National Scale Counterparty - Long term	April, 2015	
	Casa de Bolsa Banorte Ixe	STABLE mxA-1+ mxAAA	Outlook National Scale Counterparty credit - Short term National Scale Counterparty credit - Long term		
Fitch	Banco Mercantil del Norte	STABLE AAA (mex) F1+ (mex)	Outlook National Scale Counterparty - Long term National Scale Counterparty - Short term	March, 2015	
		F1+ (mex) AA+ (mex)	Depo. Certi. y P.R.L.V. short Term Depo. Certi. y P.R.L.V. long term		
	Casa de Bolsa Banorte Ixe	STABLE F1+ (mex) AAA (mex)	Outlook National Scale - Short term National Scale - Long term		
		Arrendadora y Factor Banorte	F1+ (mex) AAA (mex) F1+ (mex) AAA (mex)		National Scale Counterparty - Short term National Scale Counterparty - Long term National Scale - Unsecured Debt - Short term National Scale - Unsecured Debt - Long term
	Almacenadora Banorte		F1+ (mex) AAA (mex)		National Scale Counterparty - Short term National Scale Counterparty - Long term
	Pensiones Banorte	ESTABLE AAA (mex)	Outlook National Scale		March, 2015
	Seguros Banorte Generali	STABLE AAA (mex)	Outlook Financial Strength		February, 2015
Moody's	Banco Mercantil del Norte	STABLE Aaa.mx MX-1 Aa1.mx Aa2.mx	Outlook National Scale - Long term deposits National Scale - Short term deposits Subordinated debt - Long term Junior Subordinated debt - Long term	March, 2015	
		Arrendadora y Factor Banorte	STABLE Aaa.mx MX-1 Aaa.mx MX-1		Outlook National Scale - Long term issuer* National Scale - Short term issuer National Scale - Long term senior debt* National Scale - Short term senior debt
HR Ratings	Banco Mercantil del Norte		STABLE HR AAA HR+1 HR AA+	Outlook Long term debt Short term debt Subordinated Debt Preferential	May, 2015

**INFRASTRUCTURE**

<b>INFRASTRUCTURE</b>	<b>3Q14</b>	<b>2Q15</b>	<b>3Q15</b>
<b>Employees (1)</b>	<b>27,555</b>	<b>26,979</b>	<b>26,990</b>
<b>Branches (2)</b>	<b>1,267</b>	<b>1,184</b>	<b>1,187</b>
<b>INB</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>ATM's</b>	<b>7,167</b>	<b>7,135</b>	<b>7,234</b>
<b>POS's</b>	<b>155,929</b>	<b>151,114</b>	<b>151,081</b>

1. Includes Banking Sector and Afore hired and outsourcing personnel.
2. 5 Banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in Cayman Islands.

**GFNORTE'S ANALYST COVERAGE**

In compliance with the BOLSA MEXICANA DE VALORES, S.A.B. DE C.V requirement, the information of Brokers that have analyst coverage to:

TICKER: GFNORTEO

BROKER	ANALYST	RECOMMENDATION	DATE
Actinver	Carlos Hermosillo	Buy	26-Jan-15
Barclays	Victor Galliano	Buy	26-Jul-15
BBVA		Buy	6-Jul-15
Bradesco	Bruno Chemmer	Buy	16-Apr-15
Brasil Plural	Eduardo Nishio	Buy	30-Sep-15
BTG Pactual	Eduardo Rosman	Buy	24-Jul-15
BX+	Paulina Núñez	Buy	24-Apr-15
Citi	Daniel Abut	Buy	24-Jul-15
Credit Suisse	Marcello Telles	Buy	12-Oct-15
GBM	Lilian Ochoa	Buy	12-Oct-15
HSBC	Carlos Gómez	Buy	25-Sep-15
Intercam	Sofía Robles	Buy	24-Jul-15
JP Morgan	Saul Martínez	Buy	19-Oct-15
UBS	Philip Finch	Buy	1-Oct-15
Vector	Rafael Escobar	Buy	24-Jul-15
BOFA - Merrill Lynch	Mario Pierry	Hold	24-Jul-15
Deutsche Bank	Tito Labarta	Hold	1-Oct-15
Goldman Sachs	Carlos Macedo	Hold	27-Jul-15
Interacciones	Enrique Mendoza	Hold	24-Jul-15
Invex	Ana Sepúlveda	Hold	12-May-15
Itaú BBA	Thiago Batista	Hold	24-Jul-15
Morgan Stanley	Jorge Kuri	Hold	24-Apr-15
Nau	Iñigo Vega	Hold	2-Oct-15
Santander	Boris Molina	Hold	23-Apr-15

**GRUPO FINANCIERO – GENERAL INFORMATION**

<b>GFNorte Ownership of Subsidiaries</b>	<b>3Q15</b>
Banco Mercantil del Norte, S.A. (1)	98.22%
Banorte USA (2)	100.00%
Afore XXI Banorte S.A. de C.V. (2)	50.00%
Arrendadora y Factor Banorte, S.A. de C.V., SOFOM	99.99%
Almacenadora Banorte, S.A. de C.V.	99.99%
Pensiones Banorte, S.A. de C.V.	99.99%
Seguros Banorte S.A. de C.V.	99.99%
Casa de Bolsa Banorte Ixe, S.A. de C.V.	99.99%
Operadora de Fondos Banorte Ixe, S.A. de C.V.	99.99%
Ixe Servicios, S.A. de C.V.	99.99%
Sólida Administradora de Portafolios, S.A. de C.V., SOFOM	98.83%

1. Considers as of 3Q14 a 98.22%.stake of GFNorte.

2. Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB Financial Corp.

<b>Holding Company Capital Structure</b>	
<b>Number of Shares (Million)</b>	<b>SERIE O As of September '15</b>
Number of Issued Shares	2,773.73
Number of Shares Outstanding	2,773.73
Shares held in the bank's Treasury	0.00

## Integration of the Board of Directors as of September 2015

Board of Directors for the fiscal year 2015, appointed and approved in the Annual General Shareholders' Meeting held on April 24, 2015.

Grupo Financiero Banorte	
Board of Directors	
PROPRIETARY MEMBERS	
Carlos Hank González	Chairman
Juan Antonio González Moreno	
David Villarreal Montemayor	
José Marcos Ramírez Miguel	
Everardo Elizondo Almaguer	Independent
Patricia Armendáriz Guerra	Independent
Héctor Reyes-Retana y Dahl	Independent
Juan Carlos Braniff Hierro	Independent
Armando Garza Sada	Independent
Alfredo Elías Ayub	Independent
Adrián Sada Cueva	Independent
Vacant*	Independent
Alejandro Burillo Azcárraga	Independent
José Antonio Chedraui Eguía	Independent
Alfonso de Angoitia Noriega	Independent
ALTERNATE MEMBERS	
Graciela González Moreno	
Juan Antonio González Marcos	
José María Garza Treviño	Independent
Robert William Chandler Edwards	Independent
Alberto Halabe Hamui	Independent
Roberto Kelleher Vales	Independent
Manuel Aznar Nicolin	Independent
Guillermo Mascareñas Milmo	Independent
Ramón A. Leal Chapa	Independent
Isaac Becker Kabacnik	Independent
Eduardo Livas Cantú	Independent
Vacant**	Independent
Javier Braun Burillo	Independent
Rafael Contreras Grosskelwing	Independent
Guadalupe Phillips Margain	Independent

\*As of July, 23, 2015, Miguel Aleman Magnani is no longer part of GFNorte's and Banorte's Boards of Directors.

\*\*As of July, 23, 2015, Lorenzo Lazo Margain is no longer part of GFNorte's and Banorte's Boards of Directors.

Group's Main Officers 3Q15	
NAME	CURRENT POSITION
José Marcos Ramírez Miguel	Chief Executive Officer, Grupo Financiero Banorte
<b>BUSINESS UNITS</b>	
Armando Rodal Espinosa	Managing Director – Wholesale Banking
Carlos Eduardo Martínez González	Managing Director – Retail Banking
Manuel Romo Villafuerte	Managing Director – Consumer Products
Fernando Solís Soberón	Managing Director – Long Term Savings
<b>STAFF</b>	
Rafael Arana de la Garza	Chief Operating Officer & Chief Financial Officer
Guillermo Chávez Eckstein	Chief Credit & Risk Officer
Isaías Velazquez González	Managing Director - Internal Audit

## HOLDING

Income Statement-Holding <i>(Million Pesos)</i>	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2014	9M15
Income Subsidiaries	3,646	3,780	3,968	3,852	3,900	4,020	4,299	15,246	12,219
Interest Income	44	22	20	7	3	8	16	93	27
Interest Expense	-	-	-	-	-	-	-	-	-
Fees & Tariffs	(0)	(0)	(0)	(0)	-	-	-	(0)	-
Trading Income	-	-	-	-	-	-	-	-	-
Other Operating Income (Expenses)	1	0	-	-	-	-	-	1	-
Non-Interest Expense	27	28	27	31	27	26	30	113	83
<b>Pre-Tax Income</b>	<b>3,664</b>	<b>3,774</b>	<b>3,960</b>	<b>3,827</b>	<b>3,876</b>	<b>4,003</b>	<b>4,285</b>	<b>15,226</b>	<b>12,163</b>
Income Tax	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-
Deferred Income Tax	0	(0)	(118)	(9)	(4)	(1)	6	(127)	1
<b>Taxes</b>	<b>0</b>	<b>(0)</b>	<b>(118)</b>	<b>(9)</b>	<b>(4)</b>	<b>(1)</b>	<b>6</b>	<b>(127)</b>	<b>1</b>
<b>Net Income from Continuous Operations</b>	<b>3,664</b>	<b>3,774</b>	<b>4,078</b>	<b>3,837</b>	<b>3,880</b>	<b>4,003</b>	<b>4,278</b>	<b>15,354</b>	<b>12,162</b>
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>3,664</b>	<b>3,774</b>	<b>4,078</b>	<b>3,837</b>	<b>3,880</b>	<b>4,003</b>	<b>4,278</b>	<b>15,354</b>	<b>12,162</b>

Holding - Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>ASSETS</b>							
Cash and Due from Banks	305	279	231	99	30	92	19
Margin Accounts	-	-	-	-	-	-	-
Investment in Securities	-	-	-	-	-	-	-
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Debtor Balance in Repo Trans,net	2,400	2,100	1,300	500	190	1,260	2,305
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Operations w/Derivatives & Securities	2,400	2,100	1,300	500	190	1,260	2,305
Valuation adjustments for Asset Coverage	-	-	-	-	-	-	-
Performing Loans	-	-	-	-	-	-	-
Past Due Loans	-	-	-	-	-	-	-
Gross Loan Portfolio	-	-	-	-	-	-	-
Preventive Loan Loss Reserves	-	-	-	-	-	-	-
Net Loan Portfolio	-	-	-	-	-	-	-
Acquired Collection Rights	-	-	-	-	-	-	-
Total Credit Portfolio	-	-	-	-	-	-	-
Benef.receiveivab.securization transactions	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	54	58	62	63	63	61	59
Inventories	-	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-	-
Real Estate, furniture & equipment, Net	-	-	-	-	-	-	-
Investment in Subsidiaries	95,903	100,536	104,631	109,558	113,124	114,658	117,008
Long-term assets held for sale	-	-	-	-	-	-	-
Deferred Taxes, Net	4	4	122	131	136	136	130
Goodwill and Intangibles	10,909	10,886	10,863	10,840	10,819	10,796	10,773
Other Assets Short and Long Term	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
	106,870	111,483	115,677	120,593	124,141	125,651	127,969
<b>TOTAL ASSETS</b>	<b>109,575</b>	<b>113,863</b>	<b>117,209</b>	<b>121,191</b>	<b>124,361</b>	<b>127,003</b>	<b>130,293</b>

<b>Holding - Balance Sheet</b>							
<i>(Million Pesos)</i>							
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>LIABILITIES</b>							
Demand Deposits	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-
<b>Deposits</b>	-	-	-	-	-	-	-
<b>Due to Banks &amp; Correspondents</b>	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	-	-	-	-	-	-	-
<b>Total Operations w/ Derivatives &amp; Securities</b>	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	0	0	-	1	10	676	1
Subordinated Non Convertible Debt	-	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>10</b>	<b>676</b>	<b>1</b>
<b>EQUITY</b>							
Paid-in Capital	14,664	14,664	14,664	14,648	14,643	14,614	14,612
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Share Subscription Premiums	35,500	35,797	35,815	36,334	36,207	36,371	36,225
Subordinated Convertible Debentures	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>50,163</b>	<b>50,460</b>	<b>50,479</b>	<b>50,983</b>	<b>50,850</b>	<b>50,985</b>	<b>50,837</b>
Capital Reserves	5,811	7,014	7,014	6,657	6,563	5,854	5,809
Retained Earnings	50,846	49,628	49,105	48,429	63,123	61,770	61,770
Surplus (Deficit) of Secs Available for Sale	734	833	541	605	779	74	(532)
Results from Valuation of Hedging Secs	(734)	(594)	(709)	(762)	(1,026)	(578)	(685)
Results from Conversions	(909)	(916)	(737)	(75)	181	339	930
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	3,664	7,438	11,517	15,354	3,880	7,884	12,162
<b>Earned Capital</b>	<b>59,411</b>	<b>63,403</b>	<b>66,730</b>	<b>70,208</b>	<b>73,501</b>	<b>75,342</b>	<b>79,455</b>
Minority Interest	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>109,575</b>	<b>113,863</b>	<b>117,209</b>	<b>121,191</b>	<b>124,351</b>	<b>126,327</b>	<b>130,292</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>109,575</b>	<b>113,863</b>	<b>117,209</b>	<b>121,191</b>	<b>124,361</b>	<b>127,003</b>	<b>130,293</b>

<b>Holding - Memorandum Accounts</b>							
<i>(Million Pesos)</i>							
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	-	-	-	-	-	-	-
Properties in Custody or Management	3,716	3,716	3,716	3,716	3,716	3,716	3,716
Collateral Received	-	-	-	-	-	-	2,308
<b>Proprietary Transactions</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>6,024</b>
<b>TOTAL PROPRIETARY</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>3,716</b>	<b>6,024</b>

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2014	9M15
Interest Income	17,835	16,985	17,009	18,511	16,612	16,501	17,618	70,341	50,732
Interest Expense	7,213	7,256	6,428	6,597	5,556	5,986	6,031	27,494	17,573
Charged Fees	338	325	441	1,134	284	297	326	2,238	907
Fees Paid	85	95	100	88	90	96	96	367	282
<b>Net Interest Income from interest &amp; fees (NII)</b>	<b>10,875</b>	<b>9,960</b>	<b>10,923</b>	<b>12,960</b>	<b>11,251</b>	<b>10,716</b>	<b>11,817</b>	<b>44,718</b>	<b>33,783</b>
Premium Income (Net)	4,971	3,914	4,507	5,301	5,337	4,535	4,225	18,693	14,097
Net Increase in Technical Reserves	3,109	1,021	2,119	3,406	2,478	1,130	1,186	9,655	4,794
Damages, Claims and Other Obligations	2,385	2,425	2,436	2,412	2,475	2,543	3,015	9,659	8,034
<b>Net Interest Income (NII)</b>	<b>10,352</b>	<b>10,428</b>	<b>10,875</b>	<b>12,441</b>	<b>11,635</b>	<b>11,577</b>	<b>11,840</b>	<b>44,096</b>	<b>35,053</b>
Preventive Provisions for Loan Losses	2,380	2,851	3,253	2,712	2,605	2,778	2,840	11,196	8,224
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>7,972</b>	<b>7,577</b>	<b>7,622</b>	<b>9,729</b>	<b>9,030</b>	<b>8,799</b>	<b>9,000</b>	<b>32,900</b>	<b>26,829</b>
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	(0)	9	3
Fund Transfers	146	158	161	173	209	195	234	637	638
Account Management Fees	351	374	378	397	459	521	529	1,499	1,508
Fiduciary	82	101	83	96	111	87	88	362	286
Other Fees	635	594	660	958	753	792	750	2,847	2,294
Income from Real Estate Portfolios	40	57	51	39	23	21	35	187	79
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	1,240	1,287	4,486	3,720
For Consumer and Credit Card Loans	676	667	705	744	703	745	794	2,792	2,242
<b>Fees Charged on Services</b>	<b>2,967</b>	<b>3,037</b>	<b>3,167</b>	<b>3,649</b>	<b>3,451</b>	<b>3,602</b>	<b>3,717</b>	<b>12,820</b>	<b>10,771</b>
Fund transfers	13	13	8	11	16	13	5	45	34
Other Fees	972	990	1,075	1,185	1,187	1,092	1,189	4,222	3,467
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-
<b>Fees Paid on Services</b>	<b>986</b>	<b>1,003</b>	<b>1,083</b>	<b>1,196</b>	<b>1,203</b>	<b>1,105</b>	<b>1,194</b>	<b>4,268</b>	<b>3,502</b>
Foreign Exchange	343	280	226	236	402	118	354	1,085	874
Securities-Realized Gains	481	677	823	340	477	298	173	2,322	948
Securities-Unrealized Gains	292	606	317	(202)	74	401	132	1,013	608
<b>Trading Income</b>	<b>1,116</b>	<b>1,563</b>	<b>1,366</b>	<b>375</b>	<b>953</b>	<b>817</b>	<b>659</b>	<b>4,420</b>	<b>2,430</b>
Loan Recoveries	241	225	226	264	299	317	299	956	915
Income from foreclosed assets	(100)	(68)	(16)	55	13	(6)	112	(130)	118
Other Operating Income	129	116	76	102	48	125	5	424	178
Other Operating Expense	(77)	(16)	(48)	(87)	(266)	(102)	(39)	(229)	(407)
Other Products	761	712	1,458	490	1,219	539	913	3,421	2,670
Other Recoveries	318	193	277	429	208	85	191	1,217	484
Other Operating Expense	(781)	(669)	(1,072)	(538)	(1,283)	(613)	(885)	(3,060)	(2,782)
Other Operating Income (Expense) from Insurance and Annuities	183	150	155	173	185	174	197	660	557
<b>Total Other Operating Income (Expense)</b>	<b>673</b>	<b>643</b>	<b>1,057</b>	<b>887</b>	<b>423</b>	<b>519</b>	<b>793</b>	<b>3,260</b>	<b>1,734</b>
<b>Total Non Interest Income</b>	<b>3,770</b>	<b>4,241</b>	<b>4,506</b>	<b>3,715</b>	<b>3,624</b>	<b>3,833</b>	<b>3,976</b>	<b>16,233</b>	<b>11,433</b>
<b>Total Operating Income</b>	<b>11,742</b>	<b>11,818</b>	<b>12,128</b>	<b>13,444</b>	<b>12,654</b>	<b>12,632</b>	<b>12,976</b>	<b>49,133</b>	<b>38,262</b>
Personnel	3,074	3,029	2,829	4,054	3,390	3,234	2,974	12,986	9,598
Employee Profit Sharing (PTU)	103	101	101	74	98	96	96	379	289
Professional Fees	645	693	762	900	515	610	551	3,000	1,676
Administrative and Promotional Expenses	1,249	1,397	1,434	1,599	1,722	1,735	1,771	5,679	5,227
Rents, Depreciation & Amortization	848	913	928	958	992	1,000	1,048	3,648	3,040
Taxes other income & non deductible expenses	467	314	356	517	444	377	355	1,653	1,176
Contributions to IPAB/Fobaproa	459	466	474	487	510	523	533	1,887	1,566
<b>Total Non Interest Expense</b>	<b>6,845</b>	<b>6,913</b>	<b>6,884</b>	<b>8,590</b>	<b>7,670</b>	<b>7,575</b>	<b>7,328</b>	<b>29,232</b>	<b>22,574</b>
<b>Operating Income</b>	<b>4,897</b>	<b>4,906</b>	<b>5,244</b>	<b>4,855</b>	<b>4,983</b>	<b>5,057</b>	<b>5,648</b>	<b>19,901</b>	<b>15,688</b>
Subsidiaries' Net Income	293	349	248	329	279	345	277	1,220	900
<b>Pre-Tax Income</b>	<b>5,190</b>	<b>5,255</b>	<b>5,492</b>	<b>5,184</b>	<b>5,262</b>	<b>5,402</b>	<b>5,925</b>	<b>21,121</b>	<b>16,589</b>
Income Tax	2,108	1,908	2,408	1,617	1,208	1,537	1,587	8,040	4,331
Tax on Assets	-	-	-	-	-	-	-	-	-
Deferred Income Tax	(608)	(448)	(1,011)	(305)	121	(193)	(7)	(2,372)	(80)
<b>Taxes</b>	<b>1,500</b>	<b>1,460</b>	<b>1,397</b>	<b>1,312</b>	<b>1,328</b>	<b>1,343</b>	<b>1,580</b>	<b>5,668</b>	<b>4,251</b>
<b>Net Income from Continuous Operations</b>	<b>3,691</b>	<b>3,795</b>	<b>4,095</b>	<b>3,872</b>	<b>3,934</b>	<b>4,058</b>	<b>4,345</b>	<b>15,453</b>	<b>12,337</b>
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Minority Interest	(63)	(56)	(54)	(52)	(54)	(55)	(61)	(225)	(170)
<b>Net Income</b>	<b>3,628</b>	<b>3,739</b>	<b>4,042</b>	<b>3,819</b>	<b>3,880</b>	<b>4,003</b>	<b>4,284</b>	<b>15,228</b>	<b>12,168</b>

<b>GFNorte - Balance Sheet</b> <i>(Million Pesos)</i>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>	<b>2Q15</b>	<b>3Q15</b>
<b>ASSETS</b>							
<b>Cash and Due from Banks</b>	<b>70,120</b>	<b>72,074</b>	<b>70,541</b>	<b>73,838</b>	<b>83,716</b>	<b>85,551</b>	<b>88,257</b>
<b>Margin Accounts</b>	<b>74</b>	<b>100</b>	<b>72</b>	<b>45</b>	<b>97</b>	<b>160</b>	<b>105</b>
Negotiable Instruments	247,302	240,754	234,133	248,976	294,182	295,065	245,062
Securities Available for Sale	83,281	78,144	92,465	104,937	117,709	117,035	118,933
Securities Held to Maturity	92,839	88,571	86,860	77,736	80,371	78,694	80,849
<b>Investment in Securities</b>	<b>423,422</b>	<b>407,470</b>	<b>413,459</b>	<b>431,649</b>	<b>492,263</b>	<b>490,794</b>	<b>444,844</b>
<b>Non-assigned Securities for Settlement</b>	<b>-</b>						
<b>Debtor Balance in Repo Trans, net</b>	<b>378</b>	<b>51</b>	<b>8</b>	<b>871</b>	<b>1</b>	<b>0</b>	<b>70</b>
<b>Securities Lending</b>	<b>-</b>						
For trading purposes	14,050	17,786	15,106	16,510	19,211	19,000	23,166
For hedging purposes	76	371	246	86	137	151	103
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>14,126</b>	<b>18,157</b>	<b>15,351</b>	<b>16,597</b>	<b>19,347</b>	<b>19,152</b>	<b>23,269</b>
<b>Operations w/Derivatives &amp; Securities</b>	<b>14,504</b>	<b>18,208</b>	<b>15,360</b>	<b>17,468</b>	<b>19,349</b>	<b>19,152</b>	<b>23,340</b>
<b>Valuation adjustments for Asset Coverage</b>	<b>154</b>	<b>150</b>	<b>147</b>	<b>143</b>	<b>139</b>	<b>136</b>	<b>132</b>
Commercial Loans	182,202	182,992	182,257	191,189	190,682	192,050	195,316
Financial Intermediaries' Loans	3,419	3,825	3,624	3,316	3,156	3,301	2,914
Consumer Loans	60,153	62,542	67,065	68,383	69,597	72,118	75,414
Mortgage Loans	83,153	85,040	87,003	89,918	91,288	93,844	96,892
Government Entities' Loans	98,625	100,344	104,995	118,962	125,085	124,704	129,670
Loans granted as Federal Agent	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>427,553</b>	<b>434,743</b>	<b>444,944</b>	<b>471,768</b>	<b>479,808</b>	<b>486,017</b>	<b>500,208</b>
Commercial PDL's	9,989	10,442	11,377	10,649	9,980	10,162	9,918
Financial Intermediaries PDL's	0	1	1	1	1	0	0
Consumer PDL's	2,058	2,416	2,371	2,370	2,318	2,685	2,703
Mortgage PDL's	1,101	1,153	1,202	1,274	1,175	1,149	1,096
Government Entities PDL's	1	1	-	-	-	-	-
<b>Past Due Loans</b>	<b>13,151</b>	<b>14,012</b>	<b>14,951</b>	<b>14,293</b>	<b>13,474</b>	<b>13,996</b>	<b>13,717</b>
<b>Gross Loan Portfolio</b>	<b>440,704</b>	<b>448,754</b>	<b>459,896</b>	<b>486,061</b>	<b>493,282</b>	<b>500,012</b>	<b>513,925</b>
Preventive Loan Loss Reserves	13,909	14,642	15,550	15,287	14,571	14,734	15,013
<b>Net Loan Portfolio</b>	<b>426,794</b>	<b>434,113</b>	<b>444,345</b>	<b>470,774</b>	<b>478,711</b>	<b>485,278</b>	<b>498,912</b>
Acquired Collection Rights	3,273	3,137	3,050	2,984	2,860	2,651	2,559
<b>Total Credit Portfolio</b>	<b>430,067</b>	<b>437,249</b>	<b>447,395</b>	<b>473,759</b>	<b>481,571</b>	<b>487,929</b>	<b>501,470</b>
Account Receivables from Insurance and Annuities	1,385	1,713	2,200	1,934	2,167	2,444	2,432
Premium Debtors (Net)	4,695	5,668	3,535	4,502	5,952	5,477	4,480
Account Receivables from Reinsurance	3,367	4,856	5,431	5,967	5,865	6,864	5,692
Benef.receiveab.securization transactions	729	789	691	587	583	505	329
Sundry Debtors & Other Accs Rec, Net	37,448	28,175	31,268	26,646	31,845	34,191	36,475
Inventories	442	657	459	922	422	688	596
Foreclosed Assets, Net	2,611	2,670	2,546	2,731	2,678	2,526	2,402
Real Estate, Furniture & Equipment, Net	12,277	12,253	12,320	12,845	13,191	13,468	13,701
Investment in Subsidiaries	14,510	13,731	13,982	13,916	13,115	13,440	13,730
Long-term assets held for sale	-	-	-	-	-	-	-
Deferred Taxes, Net	436	885	1,845	2,311	2,293	2,378	2,712
Goodwill and Intangibles	21,893	22,740	23,030	24,697	23,901	25,145	26,642
Other Assets Short and Long Term	4,399	4,391	4,361	4,022	4,037	3,959	3,845
Other Assets	-	-	-	-	-	-	-
	104,192	98,529	101,668	101,081	106,050	111,085	113,036
<b>TOTAL ASSETS</b>	<b>1,042,534</b>	<b>1,033,781</b>	<b>1,048,642</b>	<b>1,097,982</b>	<b>1,183,186</b>	<b>1,194,806</b>	<b>1,171,183</b>

GFNorte - Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>LIABILITIES</b>							
Demand Deposits	252,652	263,672	276,545	298,852	306,474	311,439	322,376
Time Deposits-Retail	186,461	179,225	180,569	185,220	194,351	196,146	200,285
Time Deposits-Money Market	10,745	2,805	1,518	8,444	8,076	10,108	13,109
Special Funds	-	-	-	-	-	-	-
Senior Unsecured Debt	5,482	5,115	5,011	5,406	4,997	5,177	100
<b>Deposits</b>	<b>455,340</b>	<b>450,817</b>	<b>463,644</b>	<b>497,922</b>	<b>513,899</b>	<b>522,870</b>	<b>535,870</b>
Demand Loans	0	7,809	0	0	0	0	0
Short Term Loans	18,942	19,137	18,155	21,082	17,172	17,546	15,694
Long Term Loans	7,382	7,585	9,077	9,002	11,324	12,438	14,163
<b>Due to Banks &amp; Correspondents</b>	<b>26,324</b>	<b>34,531</b>	<b>27,232</b>	<b>30,084</b>	<b>28,496</b>	<b>29,984</b>	<b>29,856</b>
Technical Reserves	65,182	67,970	70,256	73,693	76,450	78,753	78,485
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	317,580	292,593	296,061	306,602	360,901	362,801	314,327
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	0
Repos (Credit Balance)	32	0	7	154	19	41	3
Securities' Loans	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	<b>32</b>	<b>0</b>	<b>7</b>	<b>154</b>	<b>19</b>	<b>41</b>	<b>3</b>
For trading purposes	14,140	17,704	15,201	17,271	19,664	19,495	24,025
For hedging purposes	3,583	3,071	3,041	4,020	3,381	3,556	4,686
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>17,723</b>	<b>20,775</b>	<b>18,242</b>	<b>21,291</b>	<b>23,045</b>	<b>23,050</b>	<b>28,711</b>
<b>Total Operations w/ Derivatives &amp; Securities</b>	<b>335,335</b>	<b>313,368</b>	<b>314,310</b>	<b>328,046</b>	<b>383,965</b>	<b>385,892</b>	<b>343,041</b>
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	0	0	0	0	0	-	-
Payable Accounts for Reinsurance	1,054	2,449	796	1,619	2,094	1,477	1,606
Income Tax Payable	1,917	2,816	4,547	5,380	1,681	1,572	2,088
Profit Sharing Payable	130	206	304	373	145	217	309
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	9,931	10,678	12,357	3,224	14,996	8,747	10,094
Margin Accounts Payable	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	13,502	15,510	16,168	15,041	15,484	16,950	17,073
<b>Other Payable Accounts</b>	<b>25,480</b>	<b>29,210</b>	<b>33,375</b>	<b>24,019</b>	<b>32,306</b>	<b>27,485</b>	<b>29,564</b>
Subordinated Non Convertible Debt	18,083	15,788	16,021	16,468	16,712	16,790	17,299
Deferred Taxes, Net	-	-	-	-	-	-	-
Deferred Credits	2,511	2,412	2,389	1,459	1,413	1,400	1,307
<b>TOTAL LIABILITIES</b>	<b>929,310</b>	<b>916,544</b>	<b>928,026</b>	<b>973,311</b>	<b>1,055,334</b>	<b>1,064,652</b>	<b>1,037,028</b>
<b>EQUITY</b>							
Paid-in Capital	14,647	14,647	14,647	14,632	14,627	14,610	14,608
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Share Subscription Premiums	35,349	35,664	35,682	36,201	36,079	36,527	36,381
Subordinated Convertible Debentures	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>49,995</b>	<b>50,311</b>	<b>50,330</b>	<b>50,833</b>	<b>50,706</b>	<b>51,137</b>	<b>50,989</b>
Capital Reserves	5,811	7,014	7,014	6,657	6,563	5,854	5,809
Retained Earnings	52,823	51,605	51,082	50,407	64,974	63,622	63,622
Surplus (Deficit) of Secs Available for Sale	732	808	554	634	773	75	(526)
Results from Valuation of Hedging Secs	(734)	(594)	(709)	(762)	(1,026)	(578)	(685)
Results from Conversions	(909)	(916)	(737)	(75)	181	339	930
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	3,628	7,367	11,409	15,228	3,880	7,883	12,168
<b>Earned Capital</b>	<b>61,350</b>	<b>65,284</b>	<b>68,611</b>	<b>72,089</b>	<b>75,346</b>	<b>77,195</b>	<b>81,317</b>
Minority Interest	1,878	1,642	1,675	1,750	1,799	1,823	1,848
<b>Total Equity</b>	<b>113,224</b>	<b>117,237</b>	<b>120,616</b>	<b>124,672</b>	<b>127,851</b>	<b>130,154</b>	<b>134,155</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,042,534</b>	<b>1,033,781</b>	<b>1,048,642</b>	<b>1,097,982</b>	<b>1,183,186</b>	<b>1,194,806</b>	<b>1,171,183</b>

GFNorte - Memorandum Accounts (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>On behalf of Third Parties</b>							
Customer's Banks	264	117	39	52	22	252	34
Dividends Receivable from Customers	-	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-	-
Settlement of Customer Transactions	(193)	(123)	(28)	(21)	(2)	(18)	(16)
Customer Premiums	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-
<b>Customers' Current Account</b>	<b>71</b>	<b>(7)</b>	<b>12</b>	<b>32</b>	<b>20</b>	<b>234</b>	<b>18</b>
Client Securities Received in Custody	546,591	592,850	625,248	588,561	592,356	594,403	589,191
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-	-
<b>Clients' Securities</b>	<b>546,591</b>	<b>592,850</b>	<b>625,248</b>	<b>588,561</b>	<b>592,356</b>	<b>594,403</b>	<b>589,191</b>
Clients' Repurchase Operations	77,927	52,824	59,524	98,802	112,425	126,824	114,729
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	76,581	51,573	58,283	97,555	111,981	126,381	114,288
Purchase of Futures & Forward Contracts, national	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-	-
Trusts under Management	64,280	72,413	75,847	76,857	77,144	73,549	79,143
<b>Transactions On Behalf of Clients</b>	<b>218,788</b>	<b>176,810</b>	<b>193,655</b>	<b>273,214</b>	<b>301,550</b>	<b>326,754</b>	<b>308,160</b>
<b>Investment Bank Trans. on behalf of Third (Net)</b>	<b>85,548</b>	<b>99,955</b>	<b>94,013</b>	<b>90,769</b>	<b>91,311</b>	<b>98,221</b>	<b>95,736</b>
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	<b>850,998</b>	<b>869,609</b>	<b>912,928</b>	<b>952,576</b>	<b>985,237</b>	<b>1,019,612</b>	<b>993,105</b>
<b>Endorsement Guarantees Granted</b>	-	-	-	-	-	-	-
Loan Obligations	28,616	31,840	29,682	43,023	46,200	72,508	165,086
Trusts	167,885	187,006	205,556	212,425	211,808	217,386	283,559
Mandates	10,090	8,957	9,031	9,002	596	9,524	557
<b>Properties in Trusts and Warrant</b>	<b>177,975</b>	<b>195,963</b>	<b>214,587</b>	<b>221,427</b>	<b>212,405</b>	<b>226,910</b>	<b>284,116</b>
Properties in Custody or Management	484,554	489,633	438,328	433,473	441,489	449,344	452,819
Collateral Received	147,461	154,390	110,293	97,855	83,491	87,699	88,377
Collateral Received or sold or delivered	171,305	153,445	115,920	142,005	142,879	161,124	145,469
Drafts in Transit	-	-	-	-	-	-	-
Assets' Deposit	2,404	2,083	1,633	3,346	2,688	2,440	2,029
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-
Contingent assets & Liabilities	-	0	0	1	1	5	13
Uncollected Accrued Interest from Past Due Loans	421	454	495	548	468	492	485
Investments of Retirement Savings Funds	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	85,224	-
<b>Proprietary Transactions</b>	<b>1,012,734</b>	<b>1,027,808</b>	<b>910,938</b>	<b>941,678</b>	<b>929,620</b>	<b>1,085,747</b>	<b>1,138,395</b>
Repo Securities to be Received	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-
Repo Debtors	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	-	-	-	-	-	-	-
<b>TOTAL PROPRIETARY</b>	<b>1,012,734</b>	<b>1,027,808</b>	<b>910,938</b>	<b>941,678</b>	<b>929,620</b>	<b>1,085,747</b>	<b>1,138,395</b>

<b>GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW</b>	
<b>JANUARY 1, 2015 – SEPTEMBER 30, 2015</b>	
<i>(Million Pesos)</i>	
<b>Net Income</b>	<b>12,168</b>
<b>Items charged to results that do not generate or require use of resources</b>	
Depreciation	1,020
Technical Reserves	4,794
Provisions	(4,649)
Income taxes and deferred	4,251
Minority Interest	(731)
	<b>4,685</b>
	<b>16,853</b>
<b>Change in items related to operations</b>	
Change in Margin Accounts	(59)
Change in Investment in Securities	(12,325)
Change in repo debtors	801
Change in derivatives (assets)	(6,645)
Change in Loan Portfolio (net)	(26,068)
Change in purchased receivables (net)	426
Change in accounts receivable insurance and bonding institutions (net)	(498)
Change in debtor premiums	22
Change in Reinsurance	275
Change in benefits to receive from securitizations	258
Change in foreclosed assets (net)	339
Change in other operating assets (net)	(11,531)
Change in core deposits	34,992
Change in interbank loans and other entities	(281)
Change in repo creditors	7,725
Change in collateral pledged sold	(151)
Change in derivatives (liability)	6,755
Change in Technical Reserves (net)	(3)
Change in Reinsurance (net) (liability)	(13)
Change in subordinated debt with characteristics of liabilities	786
Change in other operating liabilities	14,050
Change in hedging instruments (the related hedged transaction activities)	650
Income Tax Payments	(7,933)
<b>Net cash generated or used from operations</b>	<b>18,425</b>
<b>Investment Activities</b>	
Charges for disposal of property, furniture and equipment	694
Payments for acquisition of property, furniture and equipment	(2,477)
Charges for cash dividends	1,119
<b>Net cash generated or used from investment activities</b>	<b>(664)</b>
<b>Financing Activities</b>	
Payments of cash dividends	(2,026)
Payments associated with the repurchase of proprietary shares	(1,506)
<b>Net cash flows from financing activities</b>	<b>(3,532)</b>
<b>Net Cash Increase (decrease)</b>	<b>14,229</b>
<b>Effects for changes in cash and equivalents value</b>	<b>190</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>73,838</b>
<b>Cash and cash equivalents at end of period</b>	<b>88,257</b>

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY										
JANUARY 1, 2014 – SEPTEMBER 30, 2015										
(Million Pesos)										
	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	Premium from sale of securities	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available for Sale	Results from val of instrum Cash flow hedges	Results from Conversions	Net Income	Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2014	14,632	36,201	6,657	50,407	634	(762)	(75)	15,228	1,750	124,672
<b>Changes stemming from stockholders' decisions</b>										
Repurchases of payment plan based on stock	(24)	192	(848)		(24)					(704)
Capitalization of profits				15,228				(15,228)		0
Dividends declared by the Ordinary General Shareholders' Meeting held on:										
January 21, 2015				(675)						(675)
April 24, 2015				(1,351)						(1,351)
<b>Total</b>	<b>(24)</b>	<b>192</b>	<b>(848)</b>	<b>13,202</b>	<b>(24)</b>	<b>0</b>	<b>0</b>	<b>(15,228)</b>	<b>0</b>	<b>(2,730)</b>
<b>Changes stemming from profits</b>										
Net Income								12,168		12,168
Result from valuation of securities available for sale					(1,136)					(1,136)
Effect of subsidiaries, associates and mutual funds		(12)		13			1,005			1,006
Result from valuation of instruments of cash flow hedges						77				77
<b>Total</b>	<b>0</b>	<b>(12)</b>	<b>0</b>	<b>13</b>	<b>(1,136)</b>	<b>77</b>	<b>1,005</b>	<b>12,168</b>	<b>0</b>	<b>12,115</b>
Recognition of minority interest									98	98
Balance as of September 30, 2015	14,608	36,381	5,809	63,622	(526)	(685)	930	12,168	1,848	134,155

**BANKING SECTOR**

Income Statement -Banking Sector (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2014	9M15
Interest Income	14,005	14,276	13,867	14,208	14,283	14,429	14,914	56,356	43,626
Interest Expense	5,225	5,229	4,641	4,543	4,688	4,807	4,893	19,638	14,387
Charged Fees	338	325	441	1,133	283	295	324	2,237	902
Fees Paid	85	95	99	86	88	94	95	365	277
<b>Net Interest Income (NII)</b>	<b>9,033</b>	<b>9,277</b>	<b>9,567</b>	<b>10,712</b>	<b>9,790</b>	<b>9,823</b>	<b>10,251</b>	<b>38,589</b>	<b>29,864</b>
Preventive Provisions for Loan Losses	2,369	2,826	3,208	2,704	2,539	2,690	2,731	11,107	7,960
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>6,664</b>	<b>6,451</b>	<b>6,359</b>	<b>8,008</b>	<b>7,250</b>	<b>7,133</b>	<b>7,520</b>	<b>27,482</b>	<b>21,904</b>
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	(0)	9	3
Fund Transfers	146	158	161	173	209	195	234	637	638
Account Management Fees	351	374	378	397	459	521	529	1,499	1,508
Fiduciary	81	100	83	95	111	87	88	360	285
Other Fees	430	398	423	639	495	503	498	1,890	1,497
Income from Real Estate Portfolios	6	5	18	21	6	4	19	49	29
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	1,240	1,287	4,486	3,720
For Consumer and Credit Card Loans	676	667	705	744	703	745	794	2,792	2,242
<b>Fees Charged on Services</b>	<b>2,726</b>	<b>2,789</b>	<b>2,896</b>	<b>3,312</b>	<b>3,177</b>	<b>3,297</b>	<b>3,448</b>	<b>11,723</b>	<b>9,922</b>
Fund transfers	13	13	8	11	16	13	5	45	34
Other Fees	710	744	764	827	780	830	879	3,046	2,490
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-
<b>Fees Paid on Services</b>	<b>724</b>	<b>758</b>	<b>772</b>	<b>837</b>	<b>796</b>	<b>844</b>	<b>884</b>	<b>3,091</b>	<b>2,524</b>
Foreign Exchange	342	283	229	257	411	125	374	1,111	910
Securities-Realized Gains	436	536	664	219	392	233	88	1,854	713
Securities-Unrealized Gains	270	536	191	(103)	46	371	126	894	543
<b>Trading Income</b>	<b>1,048</b>	<b>1,355</b>	<b>1,083</b>	<b>372</b>	<b>850</b>	<b>728</b>	<b>588</b>	<b>3,859</b>	<b>2,166</b>
Loan Recoveries	241	225	226	264	299	317	299	956	915
Income from foreclosed assets	(107)	(81)	(26)	65	7	(16)	105	(149)	97
Other Operating Income	89	116	76	102	48	125	5	383	178
Other Operating Expense	(65)	(3)	(36)	(33)	(32)	(7)	(0)	(138)	(39)
Other Products	199	363	667	(65)	201	153	354	1,164	708
Other Recoveries	270	76	204	375	139	63	136	925	338
Other Expense	(221)	(225)	(218)	0	(242)	(242)	(386)	(663)	(871)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Income (Expenses)</b>	<b>406</b>	<b>470</b>	<b>894</b>	<b>708</b>	<b>419</b>	<b>393</b>	<b>512</b>	<b>2,478</b>	<b>1,325</b>
<b>Total Non-Interest Income</b>	<b>3,457</b>	<b>3,857</b>	<b>4,102</b>	<b>3,554</b>	<b>3,650</b>	<b>3,575</b>	<b>3,664</b>	<b>14,969</b>	<b>10,888</b>
<b>Total Operating Income</b>	<b>10,121</b>	<b>10,308</b>	<b>10,461</b>	<b>11,562</b>	<b>10,900</b>	<b>10,708</b>	<b>11,184</b>	<b>42,451</b>	<b>32,792</b>
Personnel	2,950	2,884	2,695	3,912	3,249	3,092	2,840	12,441	9,181
Employee Profit Sharing (PTU)	99	101	99	70	96	94	94	369	284
Professional Fees	548	605	669	770	434	492	467	2,591	1,393
Administrative and Promotional Expenses	1,108	1,222	1,277	1,388	1,504	1,535	1,611	4,995	4,649
Rents, Depreciation & Amortization	789	853	859	889	927	937	984	3,391	2,847
Taxes other income & non-deductible expenses	420	270	303	371	368	326	302	1,364	996
Contributions to IPAB/Fobaproa	459	466	474	487	510	523	533	1,887	1,566
<b>Total Non-Interest Expense</b>	<b>6,374</b>	<b>6,401</b>	<b>6,376</b>	<b>7,887</b>	<b>7,087</b>	<b>6,999</b>	<b>6,831</b>	<b>27,037</b>	<b>20,917</b>
<b>Operating Income</b>	<b>3,747</b>	<b>3,907</b>	<b>4,086</b>	<b>3,675</b>	<b>3,814</b>	<b>3,709</b>	<b>4,353</b>	<b>15,414</b>	<b>11,875</b>
Subsidiaries' Net Income	293	349	258	342	302	359	299	1,242	961
<b>Pre-Tax Income</b>	<b>4,040</b>	<b>4,255</b>	<b>4,344</b>	<b>4,017</b>	<b>4,116</b>	<b>4,068</b>	<b>4,652</b>	<b>16,655</b>	<b>12,836</b>
Income Tax	1,782	1,625	2,098	1,370	789	1,133	1,208	6,874	3,131
Tax on Assets	-	-	-	-	-	-	-	-	-
Deferred Income Tax	(573)	(445)	(800)	(337)	245	(195)	(38)	(2,154)	11
<b>Taxes</b>	<b>1,209</b>	<b>1,180</b>	<b>1,298</b>	<b>1,033</b>	<b>1,034</b>	<b>938</b>	<b>1,170</b>	<b>4,720</b>	<b>3,142</b>
<b>Net Income from Continuous Operations</b>	<b>2,831</b>	<b>3,075</b>	<b>3,046</b>	<b>2,984</b>	<b>3,082</b>	<b>3,130</b>	<b>3,482</b>	<b>11,936</b>	<b>9,694</b>
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Minority Interest	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)
<b>Net Income</b>	<b>2,831</b>	<b>3,075</b>	<b>3,046</b>	<b>2,984</b>	<b>3,082</b>	<b>3,130</b>	<b>3,482</b>	<b>11,936</b>	<b>9,694</b>

Banking Sector - Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>ASSETS</b>							
<b>Cash and Due from Banks</b>	<b>70,174</b>	<b>71,828</b>	<b>70,371</b>	<b>73,622</b>	<b>83,447</b>	<b>85,248</b>	<b>87,645</b>
<b>Margin Accounts</b>	<b>74</b>	<b>100</b>	<b>72</b>	<b>45</b>	<b>97</b>	<b>160</b>	<b>105</b>
Negotiable Instruments	184,013	194,110	193,774	172,478	208,758	196,688	153,669
Securities Available for Sale	70,293	67,782	69,116	77,511	83,850	82,238	87,712
Securities Held to Maturity	30,711	24,676	21,069	10,486	10,283	7,837	7,795
<b>Investment in Securities</b>	<b>285,017</b>	<b>286,567</b>	<b>283,959</b>	<b>260,475</b>	<b>302,891</b>	<b>286,763</b>	<b>249,176</b>
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-	-
<b>Debtor Balance in Repo Trans,net</b>	<b>0</b>	<b>51</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>
<b>Securities Lending</b>	-	-	-	-	-	-	-
For trading purposes	14,050	17,786	15,106	16,510	19,211	19,000	23,166
For hedging purposes	76	371	246	86	137	151	103
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>14,126</b>	<b>18,157</b>	<b>15,351</b>	<b>16,597</b>	<b>19,347</b>	<b>19,152</b>	<b>23,269</b>
<b>Operations w/Derivatives &amp; Securities</b>	<b>14,127</b>	<b>18,208</b>	<b>15,360</b>	<b>16,598</b>	<b>19,349</b>	<b>19,152</b>	<b>23,273</b>
<b>Valuation adjustments for Asset Coverage</b>	<b>154</b>	<b>150</b>	<b>147</b>	<b>143</b>	<b>139</b>	<b>136</b>	<b>132</b>
Commercial Loans	165,956	165,932	165,798	173,857	173,430	172,994	177,538
Financial Intermediaries' Loans	15,174	15,575	17,700	17,703	16,424	17,493	15,543
Consumer Loans	60,106	62,499	62,960	64,652	66,230	69,090	72,661
Mortgage Loans	83,130	85,017	86,980	89,918	91,288	93,844	96,892
Government Entities' Loans	96,925	98,238	103,144	117,655	123,336	123,029	128,481
Loans granted as Federal Agent	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>421,290</b>	<b>427,260</b>	<b>436,582</b>	<b>463,784</b>	<b>470,707</b>	<b>476,450</b>	<b>491,116</b>
Commercial PDL's	9,587	10,036	11,017	10,272	9,583	9,768	9,604
Financial Intermediaries PDL's	0	1	1	1	1	0	0
Consumer PDL's	2,063	2,420	2,375	2,353	2,223	2,618	2,637
Mortgage PDL's	1,151	1,202	1,250	1,286	1,175	1,149	1,096
Government Entities PDL's	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>12,801</b>	<b>13,659</b>	<b>14,643</b>	<b>13,912</b>	<b>12,981</b>	<b>13,536</b>	<b>13,337</b>
<b>Gross Loan Portfolio</b>	<b>434,092</b>	<b>440,919</b>	<b>451,226</b>	<b>477,696</b>	<b>483,688</b>	<b>489,986</b>	<b>504,453</b>
Preventive Loan Loss Reserves	13,506	14,215	14,989	14,718	13,952	14,117	14,442
<b>Net Loan Portfolio</b>	<b>420,586</b>	<b>426,703</b>	<b>436,237</b>	<b>462,979</b>	<b>469,736</b>	<b>475,869</b>	<b>490,011</b>
Acquired Collection Rights	1,702	1,610	1,545	1,518	1,480	1,416	1,399
<b>Total Credit Portfolio</b>	<b>422,288</b>	<b>428,313</b>	<b>437,782</b>	<b>464,497</b>	<b>471,216</b>	<b>477,285</b>	<b>491,410</b>
Benef.receiveab.securization transactions	729	789	691	587	583	505	329
Sundry Debtors & Other Accs Rec, Net	29,371	17,464	18,742	15,662	19,427	23,017	25,536
Inventories	-	-	-	-	-	-	-
Foreclosed Assets, Net	2,102	2,162	2,036	2,260	2,197	2,051	1,937
Real Estate, Furniture & Equipment, Net	9,516	9,559	9,720	10,119	10,443	10,618	10,778
Investment in Subsidiaries	14,062	13,278	13,537	13,592	12,808	13,151	13,461
Long-term assets held for sale	-	-	-	-	-	-	-
Deferred Taxes, Net	868	1,336	2,085	2,569	2,453	2,566	2,927
Goodwill and Intangibles	8,472	9,234	9,443	10,998	10,888	11,914	13,336
Other Assets Short and Long Term	4,013	4,007	3,978	3,742	3,752	3,672	3,553
	69,133	57,828	60,233	59,528	62,551	67,495	71,858
<b>TOTAL ASSETS</b>	<b>860,967</b>	<b>862,996</b>	<b>867,924</b>	<b>874,908</b>	<b>939,691</b>	<b>936,237</b>	<b>923,598</b>

Banking Sector - Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>LIABILITIES</b>							
Demand Deposits	253,832	265,051	277,663	300,282	307,955	312,875	323,971
Time Deposits-Retail	187,015	179,756	181,021	185,461	194,609	196,425	200,350
Time Deposits-Money Market	10,745	2,805	1,518	8,444	8,076	10,108	13,109
Special Funds	-	-	-	-	-	-	-
Senior Unsecured Debt	3,951	3,968	4,065	4,510	4,619	4,798	-
<b>Deposits</b>	<b>455,543</b>	<b>451,580</b>	<b>464,268</b>	<b>498,697</b>	<b>515,259</b>	<b>524,205</b>	<b>537,430</b>
Demand Loans	0	7,809	0	0	0	0	0
Short Term Loans	8,729	7,732	7,437	10,700	7,223	7,225	6,680
Long Term Loans	3,049	3,125	4,730	4,073	5,214	6,378	6,991
<b>Due to Banks &amp; Correspondents</b>	<b>11,778</b>	<b>18,666</b>	<b>12,168</b>	<b>14,774</b>	<b>12,437</b>	<b>13,603</b>	<b>13,671</b>
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	242,133	241,965	237,896	208,362	248,747	237,297	202,500
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Repos (Credit Balance)	32	0	6	154	16	11	2
Securities' Loans	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	<b>32</b>	<b>0</b>	<b>6</b>	<b>154</b>	<b>16</b>	<b>11</b>	<b>2</b>
For trading purposes	14,140	17,704	15,201	17,271	19,664	19,495	24,025
For hedging purposes	3,583	3,071	3,041	4,020	3,381	3,556	4,686
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>17,723</b>	<b>20,775</b>	<b>18,242</b>	<b>21,291</b>	<b>23,045</b>	<b>23,050</b>	<b>28,711</b>
<b>Total Operations w/ Derivatives &amp; Securities</b>	<b>259,888</b>	<b>262,740</b>	<b>256,145</b>	<b>229,806</b>	<b>271,808</b>	<b>260,358</b>	<b>231,213</b>
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	0	0	0	0	0	-	-
Income Tax Payable	1,518	2,315	3,808	4,459	1,287	859	1,116
Profit Sharing Payable	120	205	303	373	145	217	309
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	17,205	10,073	10,234	3,072	12,130	8,099	8,292
Margin Accounts Payable	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	10,259	11,799	12,199	11,084	10,995	11,805	12,576
<b>Other Payable Accounts</b>	<b>29,102</b>	<b>24,392</b>	<b>26,544</b>	<b>18,988</b>	<b>24,557</b>	<b>20,980</b>	<b>22,294</b>
Subordinated Non Convertible Debt	18,083	15,788	16,021	16,468	16,712	16,790	17,299
Deferred Taxes, Net	-	-	-	-	-	-	-
Deferred Credits	2,373	2,274	2,252	1,384	1,316	1,289	1,199
<b>TOTAL LIABILITIES</b>	<b>776,768</b>	<b>775,441</b>	<b>777,397</b>	<b>780,117</b>	<b>842,090</b>	<b>837,224</b>	<b>823,106</b>
<b>EQUITY</b>							
Paid-in Capital	17,527	20,022	20,074	20,074	20,074	20,074	20,074
Provision for future capital increase not formalized by its governing entity	2,499	52	-	-	-	-	-
Share Subscription Premiums	10,389	10,389	10,389	11,099	11,274	11,449	11,623
Subordinated Convertible Debentures	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>30,415</b>	<b>30,463</b>	<b>30,463</b>	<b>31,173</b>	<b>31,348</b>	<b>31,523</b>	<b>31,698</b>
Capital Reserves	7,761	8,968	8,968	8,968	8,968	10,157	10,157
Retained Earnings	44,411	43,183	43,203	43,201	54,445	51,454	49,416
Surplus (Deficit) of Secs Available for Sale	576	691	540	510	771	69	(546)
Results from Valuation of Hedging Secs	(840)	(697)	(815)	(869)	(1,137)	(681)	(790)
Results from Conversions	(964)	(969)	(794)	(138)	115	269	853
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	2,831	5,906	8,952	11,936	3,082	6,212	9,694
<b>Earned Capital</b>	<b>53,775</b>	<b>57,082</b>	<b>60,054</b>	<b>63,608</b>	<b>66,243</b>	<b>67,480</b>	<b>68,784</b>
Minority Interest	10	10	10	10	10	10	10
<b>Total Equity</b>	<b>84,200</b>	<b>87,555</b>	<b>90,527</b>	<b>94,791</b>	<b>97,601</b>	<b>99,013</b>	<b>100,492</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>860,967</b>	<b>862,996</b>	<b>867,924</b>	<b>874,908</b>	<b>939,691</b>	<b>936,237</b>	<b>923,598</b>

Banking Sector - Memorandum Accounts							
(Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Investment Banking transactions for third parties, net	85,548	99,955	94,013	90,769	91,311	98,221	95,736
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	<b>85,548</b>	<b>99,955</b>	<b>94,013</b>	<b>90,769</b>	<b>91,311</b>	<b>98,221</b>	<b>95,736</b>
<b>Proprietary Transactions</b>							
Endorsement Guarantees Granted	-	-	-	-	-	-	-
Loan Obligations	28,616	31,840	29,682	43,023	46,200	72,508	165,086
Trusts	167,885	187,006	205,556	212,425	211,808	217,386	283,559
Mandates	10,090	8,957	9,031	9,002	596	9,524	557
Properties in Trusts and Warrant	177,975	195,963	214,587	221,427	212,405	226,910	284,116
Properties in Custody or Management	358,926	344,237	280,141	284,381	290,237	295,499	301,893
Collateral Received	86,962	75,353	75,123	68,010	72,222	78,345	76,255
Collateral Received or sold	35,054	23,364	22,996	15,475	19,629	25,389	21,881
Drafts in Transit	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-
Contingent assets & liabilities	-	0	0	1	1	5	13
Uncollected Accrued Interest from Past Due Loans	378	411	452	505	425	450	442
Investments of Retirement Savings Funds	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	85,224	-
<b>Proprietary Transactions</b>	<b>687,910</b>	<b>671,167</b>	<b>622,981</b>	<b>632,822</b>	<b>641,118</b>	<b>784,330</b>	<b>849,686</b>
Repo Securities to be Received	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	<b>-</b>						
Repo Debtors	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	<b>-</b>						
<b>TOTAL PROPRIETARY</b>	<b>687,910</b>	<b>671,167</b>	<b>622,981</b>	<b>632,822</b>	<b>641,118</b>	<b>784,330</b>	<b>849,686</b>

**BANORTE USA**

Income Statement - Banorte USA								2014	9M15
(Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15		
Interest Income	183	185	183	197	210	218	232	747	660
Interest Expense	31	30	32	33	35	31	30	127	96
Charged Fees	7	7	8	8	8	10	13	31	31
Fees Paid	-	-	-	-	-	-	-	-	-
<b>Net Interest Income (NII)</b>	<b>159</b>	<b>162</b>	<b>160</b>	<b>171</b>	<b>184</b>	<b>197</b>	<b>214</b>	<b>651</b>	<b>595</b>
Preventive Provisions for Loan Losses	11	2	3	5	15	(1)	6	21	20
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>148</b>	<b>160</b>	<b>157</b>	<b>167</b>	<b>169</b>	<b>198</b>	<b>209</b>	<b>631</b>	<b>575</b>
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	(0)	9	3
Fund Transfers	71	80	84	88	95	102	132	323	329
Account Management Fees	15	15	15	15	15	15	12	61	41
Fiduciary	-	-	-	-	-	-	-	-	-
Other Fees	6	6	7	8	10	10	11	27	31
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-	-
Electronic Banking Services	6	9	9	9	9	10	19	32	38
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-	-
<b>Fees Charged on Services</b>	<b>101</b>	<b>112</b>	<b>117</b>	<b>123</b>	<b>130</b>	<b>139</b>	<b>173</b>	<b>452</b>	<b>442</b>
Fund transfers	0	0	0	0	4	5	5	1	14
Other Fees	28	31	30	30	32	33	51	119	116
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-	-
<b>Fees Paid on Services</b>	<b>28</b>	<b>31</b>	<b>31</b>	<b>30</b>	<b>36</b>	<b>37</b>	<b>56</b>	<b>120</b>	<b>129</b>
Foreign Exchange	13	15	15	16	15	17	18	59	50
Securities-Realized Gains	17	0	3	0	1	0	1	21	2
Securities-Unrealized Gains	-	-	-	-	-	-	-	-	-
<b>Trading Income</b>	<b>31</b>	<b>15</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>80</b>	<b>52</b>
Loan Recoveries	3	1	2	3	1	3	1	8	6
Income from foreclosed assets	(4)	6	(1)	1	4	(17)	(1)	2	(14)
Other Operating Income	0	-	(0)	-	1	1	1	(0)	4
Other Operating Expenses	1	1	1	1	-	-	-	5	-
Other Products	17	17	17	22	22	12	11	73	45
Other Recoveries	-	-	-	-	-	-	-	-	-
Other Expenses	(1)	(1)	(1)	(0)	(1)	(1)	(1)	(3)	(2)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Income (Expense)</b>	<b>16</b>	<b>24</b>	<b>19</b>	<b>26</b>	<b>28</b>	<b>(1)</b>	<b>12</b>	<b>85</b>	<b>39</b>
<b>Total Non-Interest Income</b>	<b>120</b>	<b>119</b>	<b>122</b>	<b>135</b>	<b>137</b>	<b>118</b>	<b>149</b>	<b>497</b>	<b>404</b>
<b>Total Operating Income</b>	<b>268</b>	<b>279</b>	<b>279</b>	<b>302</b>	<b>306</b>	<b>316</b>	<b>357</b>	<b>1,128</b>	<b>979</b>
Personnel	82	90	85	94	106	115	122	351	342
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-	-
Professional Fees	25	29	17	24	20	20	24	95	65
Administrative and Promotional Expenses	56	65	61	78	65	67	81	261	212
Rents, Depreciation & Amortization	20	18	16	18	17	19	19	72	55
Taxes other than income tax & non deductible expenses	4	5	4	3	3	4	5	16	12
Contributions to IPAB/Fobaproa	4	3	4	3	5	6	1	14	12
<b>Total Non-Interest Expense</b>	<b>191</b>	<b>211</b>	<b>186</b>	<b>221</b>	<b>216</b>	<b>230</b>	<b>252</b>	<b>808</b>	<b>698</b>
<b>Operating Income</b>	<b>77</b>	<b>68</b>	<b>93</b>	<b>81</b>	<b>90</b>	<b>86</b>	<b>106</b>	<b>319</b>	<b>281</b>
Subsidiaries' Net Income	-	-	-	-	-	-	-	-	-
<b>Pre-Tax Income</b>	<b>77</b>	<b>68</b>	<b>93</b>	<b>81</b>	<b>90</b>	<b>86</b>	<b>106</b>	<b>319</b>	<b>281</b>
Income Tax	24	22	32	26	25	34	38	105	98
Tax on Assets	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-
<b>Taxes</b>	<b>24</b>	<b>22</b>	<b>32</b>	<b>26</b>	<b>25</b>	<b>34</b>	<b>38</b>	<b>105</b>	<b>98</b>
<b>Net Income from Continuous Operations</b>	<b>52</b>	<b>46</b>	<b>61</b>	<b>55</b>	<b>64</b>	<b>51</b>	<b>68</b>	<b>214</b>	<b>183</b>
Extraordinary Items, net	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>52</b>	<b>46</b>	<b>61</b>	<b>55</b>	<b>64</b>	<b>51</b>	<b>68</b>	<b>214</b>	<b>183</b>

## IV. FINANCIAL STATEMENTS

Banorte USA-Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>ASSETS</b>							
<b>Cash and Due from Banks</b>	2,014	2,248	2,355	2,220	1,450	1,096	815
<b>Margin Accounts</b>	-	-	-	-	-	-	-
Negotiable Instruments	-	-	-	-	-	-	-
Securities Available for Sale	7,474	7,190	6,853	7,692	9,007	8,599	8,161
Securities Held to Maturity	-	-	-	-	-	-	-
<b>Investment in Securities</b>	<b>7,474</b>	<b>7,190</b>	<b>6,853</b>	<b>7,692</b>	<b>9,007</b>	<b>8,599</b>	<b>8,161</b>
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-	-
<b>Debtor Balance in Repo Trans.net</b>	-	-	-	-	-	-	-
<b>Securities Lending</b>	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-
Operations w/Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	-	-	-	-	-	-	-
<b>Operations w/Derivatives &amp; Securities</b>	-	-	-	-	-	-	-
<b>Valuation adjustments for Asset Coverage</b>	-	-	-	-	-	-	-
Commercial Loans	9,686	9,608	10,171	11,943	12,676	13,454	14,508
Financial Intermediaries' Loans	-	-	-	-	-	-	-
Consumer Loans	142	138	134	149	143	139	139
Mortgage Loans	1,353	1,321	1,338	1,404	1,435	1,411	1,495
Government Entities' Loans	-	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>11,180</b>	<b>11,067</b>	<b>11,643</b>	<b>13,497</b>	<b>14,254</b>	<b>15,004</b>	<b>16,143</b>
Commercial PDL's	2	1	12	11	6	20	6
Financial Intermediaries PDL's	-	-	-	-	-	-	-
Consumer PDL's	-	-	-	-	-	0	0
Mortgage PDL's	17	23	21	33	26	30	36
Government Entities PDL's	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>18</b>	<b>24</b>	<b>34</b>	<b>44</b>	<b>32</b>	<b>50</b>	<b>42</b>
<b>Gross Loan Portfolio</b>	<b>11,198</b>	<b>11,091</b>	<b>11,676</b>	<b>13,541</b>	<b>14,286</b>	<b>15,055</b>	<b>16,184</b>
Preventive Loan Loss Reserves	90	87	90	100	117	116	126
<b>Net Loan Portfolio</b>	<b>11,108</b>	<b>11,004</b>	<b>11,587</b>	<b>13,441</b>	<b>14,169</b>	<b>14,938</b>	<b>16,059</b>
Acquired Collection Rights	-	-	-	-	-	-	-
<b>Total Credit Portfolio</b>	<b>11,108</b>	<b>11,004</b>	<b>11,587</b>	<b>13,441</b>	<b>14,169</b>	<b>14,938</b>	<b>16,059</b>
Premium Debtors (Net)	-	-	-	-	-	-	-
Benef.receiveab.securization transactions	-	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	721	722	753	832	866	897	974
Inventories	-	-	-	-	-	-	-
Foreclosed Assets, Net	162	118	98	86	82	60	55
Real Estate, furniture & equipment, Net	575	565	576	625	651	664	707
Investment in Subsidiaries	143	141	146	160	166	170	184
Long-term assets held for sale	-	-	-	-	-	-	-
Deferred Taxes, Net	104	105	115	120	113	119	131
Goodwill and Intangibles	3,132	3,114	3,225	3,538	3,669	3,772	4,063
Other Assets Short and Long Term	125	121	98	84	109	118	146
Other Assets	-	-	-	-	-	-	-
	4,962	4,886	5,011	5,446	5,656	5,800	6,260
<b>TOTAL ASSETS</b>	<b>25,558</b>	<b>25,328</b>	<b>25,807</b>	<b>28,799</b>	<b>30,282</b>	<b>30,434</b>	<b>31,295</b>

Banorte USA-Balance Sheet (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<b>LIABILITIES</b>							
Demand Deposits	11,483	10,979	10,680	12,562	13,621	13,463	15,061
Time Deposits-Retail	7,549	7,797	7,958	8,666	8,737	8,614	7,229
Time Deposits-Money Market	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-	-
<b>Deposits</b>	<b>19,032</b>	<b>18,776</b>	<b>18,638</b>	<b>21,229</b>	<b>22,358</b>	<b>22,077</b>	<b>22,289</b>
Demand Loans	-	-	-	-	-	-	-
Short Term Loans	114	105	100	111	113	98	35
Long Term Loans	-	6	-	-	-	-	-
<b>Due to Banks &amp; Correspondents</b>	<b>114</b>	<b>112</b>	<b>100</b>	<b>111</b>	<b>113</b>	<b>98</b>	<b>35</b>
Non-assigned Securities for Settlement	-	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	-	-	-	-	-	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-	-
<b>Total Collateral sold</b>	<b>-</b>						
For trading purposes	-	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-	-
<b>Transactions with Derivatives</b>	<b>-</b>						
<b>Total Operations w/ Derivatives &amp; Securities</b>	<b>-</b>						
Valuation adjustments for financial liability coverage	-	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-	-
Income Tax Payable	24	12	59	43	49	22	43
Profit Sharing Payable	-	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	433	430	761	419	432	691	693
<b>Other Payable Accounts</b>	<b>457</b>	<b>441</b>	<b>820</b>	<b>461</b>	<b>481</b>	<b>713</b>	<b>736</b>
Subordinated Non Convertible Debt	269	267	277	304	315	323	349
Deferred Taxes, Net	-	-	-	-	-	-	-
Deferred Credits	30	33	38	51	55	57	69
<b>TOTAL LIABILITIES</b>	<b>19,901</b>	<b>19,630</b>	<b>19,874</b>	<b>22,156</b>	<b>23,322</b>	<b>23,269</b>	<b>23,479</b>
<b>EQUITY</b>							
Paid-in Capital	4,690	4,690	4,690	4,690	4,690	4,690	4,690
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>4,690</b>						
Capital Reserves	-	-	-	-	-	-	-
Retained Earnings	749	749	749	749	964	964	964
Surplus (Deficit) of Secs Available for Sale	(142)	(114)	(141)	(85)	(74)	(106)	(92)
Results from Valuation of Hedging Secs	-	-	-	-	-	-	-
Results from Conversions	307	274	476	1,075	1,316	1,502	2,071
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	52	98	159	214	64	116	183
<b>Earned Capital</b>	<b>967</b>	<b>1,008</b>	<b>1,243</b>	<b>1,953</b>	<b>2,270</b>	<b>2,475</b>	<b>3,126</b>
Minority Interest	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>5,657</b>	<b>5,698</b>	<b>5,933</b>	<b>6,643</b>	<b>6,960</b>	<b>7,165</b>	<b>7,816</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>25,558</b>	<b>25,328</b>	<b>25,807</b>	<b>28,799</b>	<b>30,282</b>	<b>30,434</b>	<b>31,295</b>

## IV. FINANCIAL STATEMENTS

Banorte USA - Memorandum Accounts	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
<i>(Million Pesos)</i>							
Investment Banking transactions for third parties, net	-	-	-	-	-	-	-
<b>TOTAL ON BEHALF OF THIRD PARTIES</b>	-	-	-	-	-	-	-
<b>Proprietary Transactions</b>							
Endorsement Guarantees Granted	-	-	-	-	-	-	-
Loan Obligations	12	13	7	8	17	18	16
Trusts	-	-	-	-	-	-	-
Mandates	-	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-	-
Properties in Custody or Management	-	-	-	-	-	-	-
Collateral Received	-	-	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-	-	-
Drafts in Transit	-	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-
Contingent assets & liabilities	-	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due Loans	-	-	-	-	-	-	-
Investments of Retirement Savings Funds	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-
<b>Proprietary Transactions</b>	<b>12</b>	<b>13</b>	<b>7</b>	<b>8</b>	<b>17</b>	<b>18</b>	<b>16</b>
Repo Securities to be Received	-	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repo Debtors	-	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-	-
<b>Net Repo Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL PROPRIETARY</b>	<b>12</b>	<b>13</b>	<b>7</b>	<b>8</b>	<b>17</b>	<b>18</b>	<b>16</b>

INFORMATION BY SEGMENTS

GFNorte - Income Statement as of September'15							
<i>(Million Pesos)</i>							
	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	27	44,528	1,681	52	380	2,377	3,400
Premium Income (Net)	-	-	-	-	8,830	5,669	-
Interest Expense	-	14,664	955	-	-	-	3,111
Net Increase in Technical Reserves	-	-	-	-	(83)	4,877	-
Damages, Claims and Other Obligations	-	-	-	-	5,522	2,517	-
<b>Net Interest Income (Nil)</b>	<b>27</b>	<b>29,864</b>	<b>726</b>	<b>52</b>	<b>3,770</b>	<b>653</b>	<b>289</b>
Preventive Provisions for Loan Losses	-	7,960	52	-	-	-	-
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>27</b>	<b>21,904</b>	<b>674</b>	<b>52</b>	<b>3,770</b>	<b>653</b>	<b>289</b>
Loan Origination Fees	-	9,922	26	-	-	-	819
Fees Paid	-	2,524	59	0	1,217	-	85
Trading Income	-	2,166	-	5	11	(21)	297
Other Operating Income (Expenses)	-	1,325	80	5	541	(35)	(5)
<b>Non Interest Income</b>	<b>-</b>	<b>10,888</b>	<b>47</b>	<b>10</b>	<b>(665)</b>	<b>(56)</b>	<b>1,026</b>
<b>Total Operating Income</b>	<b>27</b>	<b>32,792</b>	<b>722</b>	<b>62</b>	<b>3,105</b>	<b>597</b>	<b>1,315</b>
Administrative and Promotional Expenses	83	20,917	111	26	686	222	714
<b>Operating Income</b>	<b>(56)</b>	<b>11,875</b>	<b>610</b>	<b>36</b>	<b>2,419</b>	<b>375</b>	<b>602</b>
Subsidiaries' Net Income	12,219	961	-	-	(0)	4	0
<b>Pre-Tax Income</b>	<b>12,163</b>	<b>12,836</b>	<b>610</b>	<b>36</b>	<b>2,419</b>	<b>380</b>	<b>602</b>
Income Tax	-	3,131	197	11	735	-	188
Deferred Income Tax	1	11	(10)	(1)	-	122	(20)
<b>Net Income from Continuous Operations</b>	<b>12,162</b>	<b>9,694</b>	<b>423</b>	<b>25</b>	<b>1,684</b>	<b>258</b>	<b>434</b>
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	(0)	(1)	-	(4)	-	-
<b>Net Income</b>	<b>12,162</b>	<b>9,694</b>	<b>423</b>	<b>25</b>	<b>1,679</b>	<b>258</b>	<b>434</b>

GFNorte - Income Statement as of September'15							
<i>(Million Pesos)</i>							
	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	5	1	446	52,897	1,259	-	51,638
Premium Income (Net)	-	-	-	14,499	402	-	14,097
Interest Expense	-	-	367	19,097	-	1,242	17,855
Net Increase in Technical Reserves	-	-	-	4,794	-	-	4,794
Damages, Claims and Other Obligations	-	-	-	8,039	-	5	8,034
<b>Net Interest Income (Nil)</b>	<b>5</b>	<b>1</b>	<b>79</b>	<b>35,466</b>	<b>-</b>	<b>-</b>	<b>35,053</b>
Preventive Provisions for Loan Losses	-	-	212	8,224	-	-	8,224
<b>Net Interest Income Adjusted for Credit Risk</b>	<b>5</b>	<b>1</b>	<b>(133)</b>	<b>27,243</b>	<b>-</b>	<b>-</b>	<b>26,829</b>
Loan Origination Fees	870	-	117	11,755	984	-	10,771
Fees Paid	607	-	0	4,491	-	989	3,502
Trading Income	-	-	(36)	2,421	-	9	2,430
Other Operating Income (Expenses)	6	2	(164)	1,755	29	9	1,734
<b>Non Interest Income</b>	<b>270</b>	<b>2</b>	<b>(82)</b>	<b>11,440</b>	<b>1,014</b>	<b>(972)</b>	<b>11,433</b>
<b>Total Operating Income</b>	<b>275</b>	<b>3</b>	<b>(215)</b>	<b>38,683</b>	<b>1,014</b>	<b>(972)</b>	<b>38,262</b>
Administrative and Promotional Expenses	33	2	180	22,974	622	1,022	22,574
<b>Operating Income</b>	<b>241</b>	<b>1</b>	<b>(395)</b>	<b>15,709</b>	<b>-</b>	<b>-</b>	<b>15,688</b>
Subsidiaries' Net Income	(1)	-	(59)	13,123	12,223	-	900
<b>Pre-Tax Income</b>	<b>240</b>	<b>1</b>	<b>(455)</b>	<b>28,832</b>	<b>-</b>	<b>-</b>	<b>16,589</b>
Income Tax	68	0	-	4,331	-	-	4,331
Deferred Income Tax	0	1	(157)	(54)	3	28	(80)
<b>Net Income from Continuous Operations</b>	<b>173</b>	<b>0</b>	<b>(297)</b>	<b>24,555</b>	<b>-</b>	<b>-</b>	<b>12,337</b>
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	-	-	-	(5)	165	-	(170)
<b>Net Income</b>	<b>173</b>	<b>0</b>	<b>(297)</b>	<b>24,550</b>	<b>15,684</b>	<b>3,270</b>	<b>12,168</b>

## IV. FINANCIAL STATEMENTS

GFNorte - Balance Sheet as of September 30 '15							
(Million Pesos)							
ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	19	87,645	255	8	58	2	1,248
Margin Accounts	-	105	-	-	-	-	-
Investment in Securities	-	249,176	-	-	12,801	65,801	117,216
Negotiable Instruments	-	153,669	-	-	6,540	-	84,854
Securities Available for Sale	-	87,712	-	-	-	-	31,316
Securities Held to Maturity	-	7,795	-	-	6,262	65,801	1,046
Debtor Balance in Repo Trans, net	2,305	3	-	-	67	(0)	0
Securities Lending	-	-	-	-	-	-	-
Transactions with Derivatives For trading purposes	-	23,166	-	-	-	-	-
Transactions with Derivatives For hedging purposes	-	103	-	-	-	-	-
Valuation adjustments for Asset Coverage	-	132	-	-	-	-	-
<b>Gross Loan Portfolio</b>	-	<b>491,410</b>	<b>19,189</b>	-	-	-	-
<b>Net Loan Portfolio</b>	-	<b>490,011</b>	<b>19,189</b>	-	-	-	-
<b>Performing Loans</b>	-	<b>491,116</b>	<b>19,332</b>	-	-	-	-
Commercial Loans	-	177,538	17,778	-	-	-	-
Financial Intermediaries' Loans	-	15,543	360	-	-	-	-
Government Entities' Loans	-	128,481	1,189	-	-	-	-
Consumer Loans	-	72,661	5	-	-	-	-
Mortgage Loans	-	96,892	-	-	-	-	-
<b>Past Due Loans</b>	-	<b>13,337</b>	<b>210</b>	-	-	-	-
Commercial PDL's	-	9,604	210	-	-	-	-
Financial Intermediaries PDL's	-	0	-	-	-	-	-
Government Entities PDL's	-	-	-	-	-	-	-
Consumer PDL's	-	2,637	0	-	-	-	-
Mortgage PDL's	-	1,096	-	-	-	-	-
<b>Preventive Loan Loss Reserves</b>	-	<b>14,442</b>	<b>352</b>	-	-	-	-
<b>Acquired Collection Rights</b>	-	<b>1,399</b>	-	-	-	-	-
<b>Account Receivables from Insurance and Annuities</b>	-	-	-	-	1,383	1,049	-
<b>Premium Debtors (Net)</b>	-	-	-	-	4,394	86	-
<b>Account Receivables from Reinsurance</b>	-	-	-	-	5,692	-	-
<b>Benef. receivab. securization transactions</b>	-	329	-	-	-	-	-
<b>Sundry Debtors &amp; Other Accs Rec, Net</b>	59	25,536	276	56	-	-	1,364
<b>Inventories</b>	-	-	-	596	-	-	-
<b>Foreclosed Assets, Net</b>	-	1,937	8	-	-	-	-
<b>Real Estate, Furniture &amp; Equipment, Net</b>	-	10,778	2,351	74	261	4	58
<b>Investment in Subsidiaries</b>	117,008	13,461	-	-	1	34	11
<b>Deferred Taxes, Net</b>	130	2,927	34	2	99	-	-
<b>Total other Assets</b>	<b>10,773</b>	<b>16,890</b>	<b>192</b>	<b>11</b>	<b>839</b>	<b>1</b>	<b>265</b>
Goodwill	9,700	5,005	-	-	-	-	-
Intangible	1,073	8,331	192	1	769	0	45
Other Assets	-	3,553	-	11	70	1	220
<b>TOTAL ASSETS</b>	<b>130,293</b>	<b>923,598</b>	<b>22,306</b>	<b>747</b>	<b>25,597</b>	<b>66,977</b>	<b>120,164</b>

GFNorte - Balance Sheet as of September 30 '15								
<i>(Million Pesos)</i>								
ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance	
Cash and Due from Banks	296	31	116	89,679	229	1,651	88,257	
Margin Accounts	-	-	-	105	-	-	105	
Investment in Securities	-	-	-	444,994	183	333	444,844	
Negotiable Instruments	-	-	-	245,062	-	-	245,062	
Securities Available for Sale	-	-	-	119,029	-	96	118,933	
Securities Held to Maturity	-	-	-	80,903	183	237	80,849	
Debtor Balance in Repo Trans, net	-	-	514	2,890	-	2,819	70	
Securities Lending	-	-	-	-	-	-	-	
Transactions with Derivatives For trading purposes	-	-	-	23,166	-	-	23,166	
Transactions with Derivatives For hedging purposes	-	-	-	103	-	-	103	
Valuation adjustments for Asset Coverage	-	-	-	132	-	-	132	
<b>Gross Loan Portfolio</b>	-	-	3,860	514,460	-	12,989	501,470	
<b>Net Loan Portfolio</b>	-	-	2,700	511,901	-	12,989	498,912	
<b>Performing Loans</b>	-	-	2,749	513,197	-	12,989	500,208	
Commercial Loans	-	-	-	195,316	-	-	195,316	
Financial Intermediaries' Loans	-	-	-	15,904	-	12,989	2,914	
Government Entities' Loans	-	-	-	129,670	-	-	129,670	
Consumer Loans	-	-	2,749	75,414	-	-	75,414	
Mortgage Loans	-	-	-	96,892	-	-	96,892	
<b>Past Due Loans</b>	-	-	170	13,717	-	-	13,717	
Commercial PDL's	-	-	104	9,918	-	-	9,918	
Financial Intermediaries PDL's	-	-	-	0	-	-	0	
Government Entities PDL's	-	-	-	-	-	-	-	
Consumer PDL's	-	-	66	2,703	-	-	2,703	
Mortgage PDL's	-	-	-	1,096	-	-	1,096	
<b>Preventive Loan Loss Reserves</b>	-	-	219	15,013	-	-	15,013	
<b>Acquired Collection Rights</b>	-	-	1,160	2,559	-	-	2,559	
<b>Account Receivables from Insurance and Annuities</b>	-	-	-	2,432	-	-	2,432	
<b>Premium Debtors (Net)</b>	-	-	-	4,480	-	-	4,480	
<b>Account Receivables from Reinsurance</b>	-	-	-	5,692	-	-	5,692	
<b>Benef. receivab. securization transactions</b>	-	-	-	329	-	-	329	
<b>Sundry Debtors &amp; Other Accs Rec, Net</b>	120	6	9,756	37,173	62	759	36,475	
<b>Inventories</b>	-	-	-	596	-	-	596	
<b>Foreclosed Assets, Net</b>	-	-	457	2,402	201	201	2,402	
<b>Real Estate, Furniture &amp; Equipment, Net</b>	0	104	3	13,632	212	143	13,701	
<b>Investment in Subsidiaries</b>	91	-	263	130,869	767	117,907	13,730	
<b>Deferred Taxes, Net</b>	-	-	274	3,467	364	1,120	2,712	
<b>Total other Assets</b>	1	6	87	29,065	2,453	1,031	30,487	
Goodwill	-	-	-	14,705	2,453	876	16,281	
Intangible	1	6	87	10,505	-	144	10,361	
Other Assets	-	-	-	3,856	-	11	3,845	
<b>TOTAL ASSETS</b>	<b>508</b>	<b>146</b>	<b>15,330</b>	<b>1,305,667</b>	<b>4,471</b>	<b>138,954</b>	<b>1,171,183</b>	

GFNorte - Balance Sheet as of September 30 '15 (Million Pesos)							
LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
<b>Deposits</b>	-	537,430	100	-	-	-	-
<b>Demand Deposits</b>	-	323,971	-	-	-	-	-
<b>Time Deposits</b>	-	213,459	-	-	-	-	-
Time Deposits-Retail	-	200,350	-	-	-	-	-
Time Deposits-Money Market	-	13,109	-	-	-	-	-
<b>Senior Unsecured Debt</b>	-	-	100	-	-	-	-
<b>Due to Banks &amp; Correspondents</b>	-	13,671	17,075	492	-	-	-
Immediate Redemption Loans	-	0	-	-	-	-	-
Short Term Loans	-	6,680	9,903	492	-	-	-
Long Term Loans	-	6,991	7,172	-	-	-	-
<b>Technical Reserves</b>	-	-	-	-	13,519	64,841	-
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-	-
<b>Creditor Balance in Repo Trans, Net</b>	-	202,500	-	-	-	-	114,646
<b>Secs to be received in Repo Trans, Net</b>	-	-	-	-	-	-	0
<b>Collateral sold or pledged as collateral</b>	-	2	-	-	-	-	0
<b>Transactions with Derivatives for trading purposes</b>	-	24,025	-	-	-	-	-
<b>Transactions with Derivatives for hedging purposes</b>	-	4,686	-	-	-	-	-
<b>Valuation adjustments for financial liability coverage</b>	-	-	-	-	-	-	-
<b>Payable Accounts for Reinsurance</b>	-	-	-	-	1,606	-	-
<b>Other Payable Accounts</b>	1	22,294	854	15	4,068	127	2,719
Income Tax Payable	-	1,116	93	4	745	-	94
Profit Sharing Payable	-	309	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	8,292	-	-	-	-	2,358
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	1	12,576	761	12	3,323	127	267
<b>Subordinated Non Convertible Debt</b>	-	17,299	-	-	-	-	-
<b>Deferred Taxes, Net</b>	-	-	-	-	-	475	3
<b>Deferred Credits</b>	-	1,199	119	-	126	-	0
<b>TOTAL LIABILITIES</b>	1	823,106	18,148	508	19,318	65,443	117,369
<b>EQUITY</b>							
<b>Subscribed Capital</b>	50,837	31,698	526	87	709	325	1,429
Paid-in Capital	14,612	20,074	526	87	709	325	1,354
Share Subscription Premiums	36,225	11,623	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
<b>Earned Capital</b>	79,455	68,784	3,627	152	5,535	1,209	1,366
Capital Reserves	5,809	10,157	499	44	540	176	124
Retained Earnings	61,770	49,416	2,705	84	3,242	776	659
Surplus (Deficit) of Secs Available for Sale	(532)	(546)	-	-	74	(2)	67
Results from Valuation of Hedging Secs	(685)	(790)	-	-	-	-	-
Results from Conversions	930	853	-	-	-	-	82
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	12,162	9,694	423	25	1,679	258	434
Capital Mayoritario	130,292	100,482	4,153	240	6,244	1,534	2,795
Minority Interest	-	10	6	0	34	-	-
<b>Total Equity</b>	130,292	100,492	4,159	240	6,278	1,534	2,795
<b>TOTAL LIABILITIES &amp; EQUITY</b>	130,293	923,598	22,306	747	25,597	66,977	120,164

GFNorte - Balance Sheet as of September 30 '15 (Million Pesos)							
LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
<b>Deposits</b>	-	-	-	537,530	1,660	-	535,870
<b>Demand Deposits</b>	-	-	-	323,971	1,595	-	322,376
<b>Time Deposits</b>	-	-	-	213,459	65	-	213,394
Time Deposits-Retail	-	-	-	200,350	65	-	200,285
Time Deposits-Money Market	-	-	-	13,109	-	-	13,109
<b>Senior Unsecured Debt</b>	-	-	-	100	-	-	100
<b>Due to Banks &amp; Correspondents</b>	-	-	11,607	42,845	12,989	-	29,856
Immediate Redemption Loans	-	-	-	0	-	-	0
Short Term Loans	-	-	11,607	28,683	12,989	-	15,694
Long Term Loans	-	-	-	14,163	-	-	14,163
<b>Technical Reserves</b>	-	-	-	78,360	-	125	78,485
<b>Non-assigned Securities for Settlement</b>	-	-	-	-	-	-	-
<b>Creditor Balance in Repo Trans, Net</b>	-	-	-	317,146	2,819	-	314,327
<b>Secs to be received in Repo Trans, Net</b>	-	-	-	0	-	-	0
<b>Collateral sold or pledged as collateral</b>	-	-	-	3	-	-	3
<b>Transactions with Derivatives for trading purposes</b>	-	-	-	24,025	-	-	24,025
<b>Transactions with Derivatives for hedging purposes</b>	-	-	-	4,686	-	-	4,686
<b>Valuation adjustments for financial liability coverage</b>	-	-	-	-	-	-	-
<b>Payable Accounts for Reinsurance</b>	-	-	-	1,606	-	-	1,606
<b>Other Payable Accounts</b>	146	0	64	30,288	828	103	29,564
Income Tax Payable	36	0	-	2,088	-	-	2,088
Profit Sharing Payable	-	-	-	309	-	-	309
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	10,650	557	-	10,094
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	110	0	64	17,241	271	103	17,073
<b>Subordinated Non Convertible Debt</b>	-	-	-	17,299	-	-	17,299
<b>Deferred Taxes, Net</b>	0	-	-	478	478	-	-
<b>Deferred Credits</b>	-	-	8	1,451	144	-	1,307
<b>TOTAL LIABILITIES</b>	<b>146</b>	<b>0</b>	<b>11,679</b>	<b>1,055,718</b>	<b>18,919</b>	<b>229</b>	<b>1,037,028</b>
<b>EQUITY</b>							
<b>Subscribed Capital</b>	<b>112</b>	<b>144</b>	<b>2,926</b>	<b>88,794</b>	<b>38,127</b>	<b>322</b>	<b>50,989</b>
Paid-in Capital	112	144	2,926	40,871	26,263	-	14,608
Share Subscription Premiums	-	-	-	47,923	11,864	322	36,381
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
<b>Earned Capital</b>	<b>250</b>	<b>1</b>	<b>726</b>	<b>161,105</b>	<b>82,970</b>	<b>3,183</b>	<b>81,317</b>
Capital Reserves	19	2	117	17,487	11,678	-	5,809
Retained Earnings	58	(1)	906	119,616	59,140	3,146	63,622
Surplus (Deficit) of Secs Available for Sale	-	-	-	(938)	(412)	-	(526)
Results from Valuation of Hedging Secs	-	-	-	(1,475)	(790)	-	(685)
Results from Conversions	-	-	-	1,865	935	-	930
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	173	0	(297)	24,550	12,419	37	12,168
Capital Mayoritario	362	146	3,652	249,899	121,097	3,504	132,306
Minority Interest	0	-	-	50	34	1,832	1,848
<b>Total Equity</b>	<b>362</b>	<b>146</b>	<b>3,652</b>	<b>249,948</b>	<b>121,131</b>	<b>5,337</b>	<b>134,155</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>508</b>	<b>146</b>	<b>15,330</b>	<b>1,305,667</b>	<b>140,049</b>	<b>5,566</b>	<b>1,171,183</b>

## ACCOUNTING CHANGES & REGULATION

Numbers in this section are stated in million pesos.

- **Modification to the Severity of Loss Exposure for debtors in bankruptcy.**

On October 30, 2014 the CNBV published an amendment to Regulations for the rating methodology of commercial loan portfolios, to make it congruent with Bankruptcy Law reforms published in January 2014 for loans granted to debtors applying for bankruptcy who had previously submitted a restructuring plan.

The resolution amends Article 114 of the Regulations and applies to the part not covered by real guarantees for loans granted to individuals or corporations who have filed for bankruptcy, with a previous restructuring plan. The amendment establishes that for such cases, Institutions may calculate an Updated Loss Estimate that reflects the best estimate of loss as a percentage of the past due portfolio, considering possible payments or mitigated losses that could be received as payment for the portion of the loan that is not covered.

The Severity of Loss to be used in these cases would be the maximum between the Updated Loss Estimate and the 45% established in the regulation as Severity of Loss for un-subordinated, uncovered positions with less than 18 months of arrears. This calculation can be maintained until an agreement between lender(s) and borrower is reached or until the borrower has been declared in bankruptcy in which case this modification would not apply and the uncovered portion of the loan will be set aside in accordance to the existing regulation which requires up to 100% of Loss Severity for loans 18 months or more in default.

- **Liquidity Coverage Ratio (LCR).**

On December 31, 2014 the CNBV and the Bank of Mexico issued general regulations on liquidity requirements for banking institutions. The resolution establishes a Liquidity Coverage Ratio (LCR), with a calculation methodology following the international standard, which became effective on January 1, 2015.

Banorte has complied with the liquidity regulation by calculating the LCR on a monthly basis, as well as with the quarterly disclosure rules in Annex 5 of said publication.

- **Main changes in accounting criteria B-6 "Loan Portfolio".**

On September 24, 2014, the Commission issued a resolution amending terms corresponding to Accounting Criterion "B-6 Loan Portfolio". The objective was to establish an accounting procedure that credit institutions must observe with regards to loans granted under the terms of Article 43 (Section VIII) and under Article 75 (Sections II and III of Article 224) of the Bankruptcy Act. The main changes are:

- In the definition of *past due loans* is specified that in order to exclude those loans from this definition whose borrowers have declared bankruptcy, the Banks must continue to receive payment on the principal and interest of such loans.

*Past Due Loan Portfolio* - Comprised of those loans:

- a) Whose debtors have declared bankruptcy, with the exception of those loans:
    - i. that continue to make payments under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, or
    - ii. granted under the protection of Article 75 in relation to Sections II and III of Article 224 of the aforementioned Law; or
  - b) Whose principal, interest, or both not have been liquidated under the terms originally pacted, to the effect of that established in paragraphs 53 to 64 of the present criteria.
- The definition of *payment* is added.

*Payment* – the actual delivery of an item, amount or service due that has been agreed upon. Financial income from capital leasing or financial factoring, or capitalized interests is not considered as payment.

- It is specified the statutory basis of the Bankruptcy Act in relation to the procedures that Banks must observe to *transfer to past due loans* those loans to companies in bankruptcy, provided they are in arrears in the payment of their principal and interest.

### Transfer to Past Due Loan

The outstanding amount, following the conditions established in the loan agreement, will be registered past due when:

The debtor has declared bankruptcy, following Bankruptcy Law.

Without prejudice to the provisions of the present paragraph, those payments received under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, as well as loans granted protection under Article 75 in relation to Sections II and III of Article 224 of the Act, will be classified as past due when they have incurred the cases established in numeral 2 of paragraph 53 of Criterion B-6.

- **Early termination of the mortgage debtor support programs.**

On June 30, 2010, the Ministry of Finance and Public Credit (SHCP) on behalf of the Federal Government agreed (the Agreement) to the early termination of mortgage debtor support programs (end point and UDIS trusts) with banks. Consequently, as of January 1, 2011, the Holding Company absorbed the corresponding part of the discount offered in advance to mortgage debtors that participated in the program.

In the Agreement a series of Federal Government's obligations were established, payable in 5 annual amortizations whose maturity date was June 1, 2015. On such date the last payment for an amount of Ps 29 was received. This includes a monthly financial cost as of the day immediately following the cut-off date and until the end of the month immediately preceding the payment date.

As of September 30, 2015, the remaining balance of the SPECIAL CETES that haven't been repurchased by the Federal Government is of Ps. 906, and its maturities are between 2017 and 2027.

During 2015 Ps 3 million were recognized in results in relation to the termination of this program.

### LOAN PORTFOLIO SALES TO SÓLIDA

As instructed by the CNBV in the document 601-II-323110, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Solida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this unit as it had been managing the collections of these loans previously. This was a one-time operation and not a permanent transfer procedure of the Solida's portfolio.

On February, 2003 Banorte sold Ps \$1.9 billion (Ps \$1.861 billion in past due loans and Ps \$64 million in Performing loans) of its own portfolio (including interests) to its subsidiary, Solida Administradora de Portafolios, S.A. de C.V. for Ps \$378 million. The transaction was done based on August 2002 figures, and therefore the final figure that affected the February balance was Ps \$1.86 billion, once the collections made since August 2002 are considered. The past due portfolio, as well as Ps \$1.577 billion in associated loan reserves, were cancelled.

<i>(Million of Nominal Pesos)</i>	Local Currency			Foreign Currency (USD)			Total		
	aug-02	jun-15	sep-15	aug-02	jun-15	sep-15	aug-02	jun-15	sep-15
<b>Performing Loans</b>									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	22	21	0	0	0	54	22	21
<b>Total</b>	<b>59</b>	<b>22</b>	<b>21</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>22</b>	<b>21</b>
<b>Non Performing Loans</b>									
Commercial	405	251	251	293	12	13	698	263	264
Consumer	81	71	71	0	0	0	81	71	71
Mortgage	1,112	222	219	0	0	0	1,112	222	219
<b>Total</b>	<b>1,598</b>	<b>545</b>	<b>542</b>	<b>293</b>	<b>12</b>	<b>13</b>	<b>1,891</b>	<b>556</b>	<b>555</b>
<b>TOTAL LOANS</b>	<b>1,657</b>	<b>566</b>	<b>563</b>	<b>298</b>	<b>12</b>	<b>13</b>	<b>1,955</b>	<b>578</b>	<b>576</b>
<b>Loan Loss Reserves (1)</b>									
Commercial	326	251	251	246	12	13	572	263	264
Consumer	77	71	71	0	0	0	77	71	71
Mortgage	669	233	230	0	0	0	669	233	230
<b>Total</b>	<b>1,072</b>	<b>555</b>	<b>553</b>	<b>246</b>	<b>12</b>	<b>13</b>	<b>1,318</b>	<b>567</b>	<b>565</b>

(1) Reserve requirements using the same classification method used for the bank.

(\*) There was a reserve difference of Ps 21 million as of September 2015.

(\*) The dollar portfolio and reserves are re-expressed in pesos.

(\*) Local Currency includes UDIS valued at the new exchange rate.

In 3Q15 the Loan portfolio showed changes due to: collections of Ps 2.4 million, restructurings of Ps 1.2 million and there were charge offs and discounts of Ps. 13.7 million and during the quarter there were no foreclosed assets. In the Loan loss provisions, there were charge offs and discounts of Ps 3 million. There were transfers from performing loans to past due loans of Ps. 0.12 million and from past due loans to performing loans of Ps 0.03 million.

## VI. LOAN SALES TO SÓLIDA

As instructed by the CNBV in the document 601-II-323110 for purposes of determining financial indicators and a general disclosure referred to regulations, we show the integration of the Banorte's portfolio including the portfolio which was sold to Solida Administradora de Portafolios, S.A. de C.V.

<i>(Million of Nominal Pesos)</i>	Local Currency (1)		Foreign Currency (USD) (2)		Total	
	jun-15	sep-15	jun-15	sep-15	jun-15	sep-15
<b>Performing Loans</b>						
Commercial	289,052	293,699	29,007	31,882	318,059	325,580
Consumer	45,853	48,181	0	0	45,853	48,181
Mortgage	92,455	95,418	0	0	92,455	95,419
<b>Performing Loans</b>	<b>427,359</b>	<b>437,298</b>	<b>29,007</b>	<b>31,882</b>	<b>456,367</b>	<b>469,180</b>
<b>Non Performing Loans</b>						
Commercial	9,916	9,779	95	84	10,011	9,863
Consumer	1,229	1,337	0	0	1,229	1,337
Mortgage	1,341	1,279	0	0	1,341	1,279
<b>Non Performing Loans</b>	<b>12,486</b>	<b>12,395</b>	<b>95</b>	<b>84</b>	<b>12,581</b>	<b>12,479</b>
<b>TOTAL LOANS</b>	<b>439,846</b>	<b>449,693</b>	<b>29,102</b>	<b>31,966</b>	<b>468,948</b>	<b>481,659</b>
<b>Loan Loss Reserves</b>	<b>11,397</b>	<b>11,736</b>	<b>261</b>	<b>314</b>	<b>11,657</b>	<b>12,050</b>
<b>Net Loan Portfolio</b>	<b>428,449</b>	<b>437,957</b>	<b>28,842</b>	<b>31,651</b>	<b>457,291</b>	<b>469,609</b>
<b>Loan Loss Reserves</b>					93%	97%
<b>% Past Due Loans</b>					2.68%	2.59%

1. Includes UDIS.

2. The dollar portfolio and reserves are re-expressed in pesos.

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q15				
<i>(Million Pesos)</i>				
Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>208,439</b>	<b>743</b>	<b>72</b>	<b>209,254</b>
<b>Unrestricted</b>	<b>8,560</b>	<b>86</b>	<b>17</b>	<b>8,663</b>
CETES (Special)	-	-	-	-
CETES	329	2	0	331
BONDES	3,132	4	4	3,140
BPA	999	7	(0)	1,006
BREMS	-	-	-	-
Bonds	3,221	70	9	3,300
CBIC	-	-	-	-
Udibonds	(60)	-	0	(60)
UMS	39	1	(1)	38
Treasury Bonds	(19)	-	0	(19)
Treasury Notes	919	2	5	927
Other Government Securities	-	-	-	-
<b>Restricted</b>	<b>199,879</b>	<b>657</b>	<b>55</b>	<b>200,590</b>
CETES (Special)	-	-	-	-
CETES	198	-	0	198
BONDES	45,199	66	9	45,274
BPA	154,450	564	26	155,040
BREMS	-	-	-	-
Bonds	(523)	24	2	(497)
CBIC	-	-	-	-
Udibonds	385	3	(0)	388
UMS	-	-	-	-
Treasury Bonds	1	-	17	19
Treasury Notes	168	-	0	168
<b>Banking Securities</b>	<b>29,345</b>	<b>39</b>	<b>14</b>	<b>29,398</b>
<b>Unrestricted</b>	<b>646</b>	<b>1</b>	<b>(0)</b>	<b>647</b>
Notes	1	-	0	1
CEDES	51	0	0	51
Stock Certificates	439	1	(0)	439
Structured Notes	-	-	-	-
Other Banking Securities	155	-	-	155
<b>Restricted</b>	<b>28,700</b>	<b>38</b>	<b>15</b>	<b>28,752</b>
Notes	4,139	-	1	4,140
CEDES	3,640	4	(0)	3,644
Stock Certificates	18,174	33	12	18,219
Structured Notes	-	-	-	-
Other Banking Securities	2,746	1	1	2,748
<b>Private Securities</b>	<b>6,199</b>	<b>11</b>	<b>200</b>	<b>6,410</b>
<b>Unrestricted</b>	<b>1,523</b>	<b>4</b>	<b>219</b>	<b>1,746</b>
Stock Certificates	434	1	21	456
PEMEX Bonds	3	0	(0)	3
Commercial Paper	-	-	-	-
Corporate Bonds	(205)	-	-	(205)
Euro Bonds	137	3	3	143
GFNORTE stocks	-	-	-	-
BMV stocks	244	-	138	382
Mutual Funds stocks	911	-	57	968
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
<b>Restricted</b>	<b>4,676</b>	<b>7</b>	<b>(19)</b>	<b>4,664</b>
Stock Certificates	4,471	7	(21)	4,457
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	204	-	2	205
GFNORTE stocks	-	-	-	-
BMV stocks	1	-	(0)	1
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	0	-	-	0
<b>Total</b>	<b>243,983</b>	<b>792</b>	<b>286</b>	<b>245,062</b>

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q15 (Million Pesos)				
Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>88,827</b>	<b>585</b>	<b>79</b>	<b>89,491</b>
<b>Unrestricted</b>	<b>14,254</b>	<b>174</b>	<b>(32)</b>	<b>14,396</b>
CETES (Special)	-	-	-	-
CETES	72	-	0	72
BONDES	99	0	0	100
BPA	130	1	0	131
BREMS	-	-	-	-
Bonds	250	4	(11)	243
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	5,445	146	97	5,689
Treasury Bonds	-	-	-	-
Treasury Notes	-	0	-	0
Other Government Securities	8,258	22	(118)	8,161
<b>Restricted</b>	<b>74,573</b>	<b>411</b>	<b>111</b>	<b>75,095</b>
CETES (Special)	-	-	-	-
CETES	110	-	0	110
BONDES	-	-	-	-
BPA	74,313	409	118	74,840
BREMS	-	-	-	-
Bonds	150	3	(8)	145
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
<b>Banking Securities</b>	<b>812</b>	<b>0</b>	<b>(107)</b>	<b>705</b>
<b>Unrestricted</b>	<b>713</b>	<b>0</b>	<b>(108)</b>	<b>605</b>
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	713	0	(108)	605
Other Banking Securities	-	-	-	-
<b>Restricted</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	100	0	0	100
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
<b>Private Securities</b>	<b>29,396</b>	<b>226</b>	<b>(886)</b>	<b>28,736</b>
<b>Unrestricted</b>	<b>20,338</b>	<b>198</b>	<b>(828)</b>	<b>19,709</b>
Stock Certificates	3,366	10	(205)	3,171
PEMEX Bonds	8,832	170	(628)	8,374
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,123	19	(76)	1,066
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	7,017	-	81	7,098
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
<b>Restricted</b>	<b>9,057</b>	<b>28</b>	<b>(58)</b>	<b>9,027</b>
Stock Certificates	5,232	13	(4)	5,241
PEMEX Bonds	3,825	15	(54)	3,786
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
<b>Total</b>	<b>119,035</b>	<b>812</b>	<b>(914)</b>	<b>118,933</b>

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 3Q15 (Million Pesos)				
Securities Held to Maturity	Book Value	Interest	Unrealized gain (loss)	Market Value
<b>Government Securities</b>	<b>58,972</b>	<b>637</b>	-	<b>59,608</b>
<b>Unrestricted</b>	<b>58,972</b>	<b>637</b>	-	<b>59,608</b>
CETES (Special)	906	-	-	906
CETES	0	0	-	0
BONDES	200	0	-	200
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	1,350	27	-	1,377
CBIC	435	7	-	441
Udibonds	56,082	603	-	56,684
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
<b>Restricted</b>	<b>0</b>	<b>0</b>	-	<b>0</b>
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	-	-	-	-
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
<b>Banking Securities</b>	<b>4,993</b>	<b>1,215</b>	-	<b>6,207</b>
<b>Unrestricted</b>	<b>4,993</b>	<b>1,215</b>	-	<b>6,207</b>
Notes	1,778	0	-	1,778
CEDES	1,440	1,052	-	2,492
Stock Certificates	1,622	162	-	1,785
Structured Notes	-	-	-	-
Other Banking Securities	152	0	-	152
<b>Restricted</b>	-	-	-	-
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
<b>Private Securities</b>	<b>14,926</b>	<b>162</b>	-	<b>15,087</b>
<b>Unrestricted</b>	<b>10,546</b>	<b>148</b>	-	<b>10,694</b>
Stock Certificates	10,338	145	-	10,483
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	209	3	-	211
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
<b>Restricted</b>	<b>4,380</b>	<b>14</b>	-	<b>4,393</b>
Stock Certificates	4,380	14	-	4,393
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Fair Value Adjustment Ixe Banco	(54)	-	-	(54)
<b>Total</b>	<b>78,836</b>	<b>2,013</b>	-	<b>80,849</b>

REPURCHASE AGREEMENT OPERATIONS 3Q15					
<i>(Million Pesos)</i>					
Repo Debtors				Repo Creditors	
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Government securities	17,931	17,862	69	0	268,980
Banking securities	6,512	6,513	0	0	26,343
Private Securities	6,779	6,780	2	2	19,003
<b>Total</b>	<b>31,223</b>	<b>31,155</b>	<b>70</b>	<b>2</b>	<b>314,327</b>

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 3Q15	
<i>(Million Pesos)</i>	
Creditor Balance	
Instrument	Fair Value
<b>Futures</b>	
TIIE 28 Futures	-
<b>Forward</b>	
Fx Forward	239
<b>Options</b>	
Rate options	585
Fx options	0
<b>Swaps</b>	
Rate swap	19,927
Fx swap	2,416
<b>Negotiable Total</b>	<b>23,166</b>
<b>Options</b>	
Rate Options	0
Fx options	-
<b>Swaps</b>	
Rate swap	29
Fx swap	74
<b>Hedging total</b>	<b>103</b>
<b>Position total</b>	<b>23,269</b>

<b>DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 3Q15</b> <i>(Million Pesos)</i>	
<b>Debtor Balance</b>	
Instrument	Fair Value
<b>Futures</b>	
TIIE 28 Futures	-
<b>Forward</b>	
Fx Forward	173
<b>Options</b>	
Rate options	478
Fx options	0
<b>Swaps</b>	
Rate swap	19,203
Fx swap	4,172
<b>Negotiable Total</b>	<b>24,025</b>
<b>Swaps</b>	
Rate swap	1,233
Fx swap	3,453
<b>Hedging total</b>	<b>4,686</b>
<b>Position total</b>	<b>28,711</b>

<b>NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 3Q15- Banorte</b> <i>(Million Pesos)</i>			
PRODUCT	TYPE	UNDERLYING	NOTIONAL
FX Forwards	Purchases	Exchange Rate (USD/MXN)	668
FX Forwards	Sales	Exchange Rate (USD/MXN)	216
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	0
FX Forwards	Sales	Exchange Rate (CAD/MXN)	0
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	0
FX Forwards	Sales	Exchange Rate (EUR/MXN)	0
FX Options	Purchases	Exchange Rate (Dollar)	0
FX Options	Sales	Exchange Rate (Dollar)	2
Interest Rate Options	Purchases	TIIE	39,926
Interest Rate Options	Sales	TIIE	68,255
Interest Rate Options	Purchases	LIBOR	0
Interest Rate Options	Sales	LIBOR	0
Interest Rate Swaps	USD LIBOR	LIBOR	518,873
Interest Rate Swaps	MXN TIIE	TIIE	2,299,473
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	22,553
Interest Rate and FX Swaps	CS USDCETE	CETE	0
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	7,521

LOAN PORTFOLIO								
<i>(Million Pesos)</i>								
	Local Currency		UDIS		Foreign Currency		Total	
	3Q14	3Q15	3Q14	3Q15	3Q14	3Q15	3Q14	3Q15
<b>Performing Loans</b>								
Commercial Loans	146,838	147,002	-	-	35,418	48,314	182,257	195,316
Financial Intermediaries' Loans	2,621	1,541	-	-	1,003	1,374	3,624	2,914
Consumer Loans	66,931	75,275	-	-	134	139	67,065	75,414
Mortgage Loans	85,366	95,154	299	244	1,338	1,495	87,003	96,892
Government Entities' Loans	104,089	128,688	-	-	907	983	104,995	129,670
<b>Total</b>	<b>405,845</b>	<b>447,659</b>	<b>299</b>	<b>244</b>	<b>38,800</b>	<b>52,305</b>	<b>444,944</b>	<b>500,208</b>
<b>Past Due Loans</b>								
Commercial Loans	10,942	9,841	6	0	429	77	11,377	9,918
Financial Intermediaries' Loans	1	0	-	-	-	-	1	0
Consumer Loans	2,371	2,703	-	-	-	0	2,371	2,703
Mortgage Loans	1,145	1,037	35	23	21	36	1,202	1,096
Government Entities' Loans	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,460</b>	<b>13,581</b>	<b>41</b>	<b>23</b>	<b>450</b>	<b>113</b>	<b>14,951</b>	<b>13,717</b>
<b>Total Proprietary Loans</b>	<b>420,305</b>	<b>461,240</b>	<b>340</b>	<b>266</b>	<b>39,251</b>	<b>52,418</b>	<b>459,896</b>	<b>513,925</b>

COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 3Q15- GFNorte		
<i>(Million Pesos)</i>		
	PERIOD COST	TOTAL BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	4.9	0.0
Mortgage FOVI	-	-
	<b>4.9</b>	<b>0.0</b>

<b>DEFERRED TAXES 3Q15</b>			
<i>(Million Pesos)</i>			
<b>ASSETS</b>	<b>INCOME TAX</b>	<b>PROFIT SHARING</b>	<b>NET</b>
Excess of preventive reserves accounts over the fiscal limit	2,620	-	<b>2,620</b>
Non deductible provisions and cumulative income	690	-	<b>690</b>
Excess of accounting value over fiscal value on Repossessed Assets	849	-	<b>849</b>
Diminishable profit sharing	118	-	<b>118</b>
Fees received in advance	844	-	<b>844</b>
Effects from valuation of instruments	572	-	<b>572</b>
Tax losses pending amortization	1,852	-	<b>1,852</b>
Provisions for possible loss in loans	1,346	-	<b>1,346</b>
Earnings per Society	7	-	<b>7</b>
Loss on sale of foreclosed assets and credits	93	-	<b>93</b>
Decline in value of real estate	9	-	<b>9</b>
Interest on Loans	0	-	<b>0</b>
Reserve for employee retirement benefits	3	-	<b>3</b>
Current Account Agents	8	-	<b>8</b>
Reserve for additional compensation to agents	12	-	<b>12</b>
Diverse Creditors	137	-	<b>137</b>
Charge-off's Estimates	32	-	<b>32</b>
Tax loss on share sale	4	-	<b>4</b>
Provisions for seniority premiums	20	-	<b>20</b>
Other	80	-	<b>80</b>
<b>Total Assets</b>	<b>9,297</b>	<b>-</b>	<b>9,297</b>
<b>LIABILITIES</b>			
Pension Funds Contribution	(1,005)	-	<b>(1,005)</b>
Loan Portfolio Acquisitions	(428)	-	<b>(428)</b>
Projects to be capitalized	(1,842)	-	<b>(1,842)</b>
Effects from valuation of instruments	(149)	-	<b>(149)</b>
Intangibles' amortizations	(29)	-	<b>(29)</b>
Increase for securities' valuation	(2,219)	-	<b>(2,219)</b>
Receivable interest from securities	(18)	-	<b>(18)</b>
Current Account Agents	(14)	-	<b>(14)</b>
Savings' Inventory	(11)	-	<b>(11)</b>
Goodwill	(719)	-	<b>(719)</b>
Excess of the accounting value over the tax value of foreclosed assets and fix assets	(123)	-	<b>(123)</b>
Other	(29)	-	<b>(29)</b>
<b>Total Liabilities</b>	<b>(6,585)</b>	<b>-</b>	<b>(6,585)</b>
Assets (Liabilities) Accumulated Net	2,712	-	<b>2,712</b>

LONG TERM DEBT AS OF SEPTEMBER '15 - BANCO MERCANTIL DEL NORTE									
<i>(Million Pesos)</i>									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	3,381	15 years	6.862%	13-oct-21	E/ 180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	5,072	5 years	4.375%	19-jul-15	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	11-mar-08	3,000	3,000	3,000	10 years	TIE + 0.60%	27-feb-18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	27-jun-08	2,750	2,750	2,750	10 years	TIE + 0.77%	15-jun-18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	11-mar-08	447	1,749	2,374	20 years	4.950%	15-feb-28	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 12	MXN	08-jun-12	3,200	3,200	3,200	10 years	TIE + 1.50%	27-may-22	E/ 28 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	2,029	10 years	9.25%	14-oct-20	E/ 180 days

BANK AND OTHER ENTITIES LOANS' AS OF 3Q15			
<i>(Million Pesos)</i>			
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Local Banks		-	-
Loans from Foreign Banks generated in the country		-	-
Loans from Foreign Banks generated from foreign country		1,726	1,726
Loans from Development Banks	11,936	4,921	16,857
Loans from Public Funds	7,376	949	8,325
Call Money & Loans from Banks	15,683	-	15,683
Loans from Fiduciary Funds	193		193
Provisions for Interest		61	61
	<b>35,187</b>	<b>7,658</b>	<b>42,845</b>
Eliminations			(12,989)
<b>Total</b>			<b>29,857</b>

CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS - INTEREST RATES 3Q15	
CORE DEPOSITS (BANORTE)	
<b>Demand Deposits</b>	
Local Currency and UDIs	0.54%
Foreign Currency	0.02%
<b>Time Deposits - Retail</b>	
Local Currency and UDIs	2.59%
Foreign Currency	0.55%
<b>Senior Unsecured Debt</b>	
Local Currency and UDIs	-
Foreign Currency	5.30%
DUE TO BANKS & CORRESPONDENTS (BANORTE)	
<b>Immediate Redemption Loans</b>	
Local Currency and UDIs	2.88%
Foreign Currency	-
<b>Public Funds and Development Banks</b>	
Local Currency and UDIs	4.19%
Foreign Currency	1.81%

<b>MAIN CREDIT LINES RECEIVED 3Q15 (BANORTE)</b>					
<i>Million pesos</i>					
	3Q14	2Q15	3Q15	Change vs. 3Q14	Change vs. 2Q15
Banxico (Monetary Regulation Deposits)	30,977	33,449	33,449	8%	0%
Banxico (Repos with the System of Payments)	37,609	36,967	37,229	(1%)	1%
Call Money	65,650	65,650	105,381	61%	61%
<b>TOTAL</b>	<b>134,236</b>	<b>136,066</b>	<b>176,059</b>	<b>31%</b>	<b>29%</b>

<b>TRADING INCOME 3Q15</b>	
<i>Million Pesos</i>	
Trading income	Consolidated
<b>Securities - Unrealized gains</b>	<b>641</b>
Negotiable instruments	<b>80</b>
Derivative instruments - Negotiation	<b>572</b>
Derivative instruments - Hedging	<b>(11)</b>
<b>Impairment loss or revaluation increase</b>	<b>(34)</b>
<b>Result from foreign exchange valuation</b>	<b>11</b>
<b>Result from valuation of precious metals</b>	<b>2</b>
<b>Result from purchase/sale of securities and derivatives</b>	<b>949</b>
Negotiable instruments	<b>504</b>
Securities held for sale	<b>527</b>
Securities held to maturity	<b>0</b>
Derivative instruments - Negotiation	<b>0</b>
Derivative instruments - Hedging	<b>(82)</b>
<b>Result from purchase/sale of foreign exchange</b>	<b>857</b>
<b>Result from purchase/sale of precious metals</b>	<b>4</b>
<b>Transaction costs</b>	<b>0</b>
<b>Intermediation of received collateral</b>	<b>0</b>
<b>Increase derived from trading income adjustments</b>	<b>0</b>
<b>Total</b>	<b>2,430</b>

- **Risk Management**

Risk management at Grupo Financiero Banorte is a fundamental factor in determining and implementing the institution's strategic planning.

The Group's risk management and policies comply with regulations and market best practices.

**GFNORTE'S RISK TOLERANCE**

Grupo Financiero Banorte's Board of Directors has defined its risk limits through a Risk Tolerance Statement.

Risk Tolerance is governed by general and specific guidelines and defined as the risk that the institution is willing to take in order to create value and achieve the strategic objectives of profitability, asset quality, liquidity and solvency.

The five General guidelines are principles that the institution has established and are summarized below:

1. Conservative risk profile: diversified portfolio, growth with high quality and proper capitalization.
2. Stability of results: create value for shareholders and seek leadership position in businesses that are a priority for the Group's strategy.
3. Integral vision of the client: focus on customer service based on innovation.
4. Preserving high reputation: with customers, investors and authorities.
5. Social Responsibility: To generate social and sustainable investments.

There are specific guidelines for the Group, Bank and Sofomes that incorporate three aspects:

1. Maintain profitability measured by ROE (Return on Capital), in line with the Group's strategic goals.
2. Maintain a sufficiently diversified portfolio of quality assets.
3. Maintain adequate liquidity and solvency levels to ensure the normal flow of Bank operations through the control and monitoring of the liquidity coverage ratio, Value at Risk (Market VaR) and Capitalization Ratio.

**RISK MANAGEMENT - CORPORATE GOVERNANCE**

Regarding the structure and organization for a comprehensive risk management, the Board of Directors is responsible for authorizing policies and overall strategies, as well as the Risk Tolerance for Grupo Financiero Banorte, the framework for comprehensive risk management, risk exposure limitations, risk tolerance levels and mechanisms for implementation of corrective actions.

The Board of Directors designated the Risk Policy Committee (CPR) as accountable for managing the risks that GFNorte is exposed to; in order to monitor the performance of operations; and, to comply with objectives, policies and procedures for risk management.

The CPR also monitors the overall limits of risk exposure approved by the Board of Directors, in addition to approving specific risk limits for exposure to different types of risk.

The CPR is integrated with members of the Board, the CEO, the Directors of the entities, Risk Management and Audit, the latter participates with voice but no vote.

For the adequate performance of its objective, the CPR performs, among others, the following functions:

1. Propose for approval by the Board:

- The framework for overall risk management.
- The global limits of risk exposure.
- The mechanisms for implementation of corrective actions.
- The cases or special circumstances which may exceed the overall limits as much as the specifics.

2. Approve and review at least once a year:

- Specific limits for discretionary risks and risk tolerance levels for non-discretionary risks.
- Methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risks to which the holding company is exposed to.
- Models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the Risk Management Unit.

3. Approve:

- Methodologies for identification, valuation, measurement and control of risks of new businesses, products and services that the holding intends to offer to the market.
- Corrective actions proposed by the Risk Management Unit.
- Manuals for comprehensive risk management.
- Technical evaluation aspects of risk management.

4. Appoint and remove the unit responsible for overall risk management, it is ratified by the Board.

5. Report to the Board at least quarterly, the risk profile and its possible negative effects, as well as the non-observance of the Risk Tolerance, the follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

#### **RISK MANAGEMENT UNIT (RMU)**

The RMU helps to identify measure, monitor, limit, control, report and disclose various types of risk to which the Holding Company is exposed and is in charge of the Risk Management department (DGAR).

The DGAR reports to CPR, in compliance with the provisions of Circular of the Commission called "prudential provisions in the Field of Risk Management applicable to Credit Institutions", as to the independence of business areas. The DGAR has methodologies to manage credit, market, liquidity and operational risks.

Credit Risk: revenue volatility due changes in loan loss provisions for impaired loans, and, expected losses on borrower or counterparty defaults.

Market Risk: revenue volatility due to changes of market variables, which affect the valuation of positions for active operations, liabilities or causes of contingent liabilities, such as: interest rates, spread over yields, exchange rate, price indices, etc.

Liquidity Risk: potential loss by the impossibility of renewing liabilities or hiring others to the Holding in normal conditions, by early or forced sale of assets at unusual discounts to meet their obligations.

Operational Risk: loss resulting from inadequate or failed processes, personnel, internal systems or external events. This definition includes technological risk and legal risk. Technological Risk groups all those potential losses from damage, interruption, disruption or failures resulting from use of or reliance on hardware, software, systems, applications, networks and any other distribution channel information, while the legal risk involves the potential loss by sanctions for noncompliance with laws and administrative or judicial decisions unfavorable issue appealed in relation to the Holding operations performed.

The main objectives of the DGAR are the following:

- Provide different business areas clear rules that contribute to its correct understanding to minimize risk and ensure to be within the parameters established and approved by the Board of Directors and the Risk Policy Committee.
- Establish mechanisms to monitor the risk taking within the Holding trying to mostly be a timely and supported by advanced systems and processes.
- Verify the observance of the Desired Profile Risk.
- Standardize measurement and risk control.
- Protect the Holding's capital against unexpected losses from market movements, bankruptcies, credit and operational risks.
- Develop pricing models for different types of risks.
- Establish procedures for portfolio optimization and management of credit portfolio.

#### **Credit Risk**

It is a risk that clients, issuers or counterparts do not fulfill their payment obligations therefore, proper management is essential to maintain the loan quality of the portfolio.

The objectives of credit risk management at GFNorte are:

- Comply with the Risk Profile defined by the Board of Directors.

- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk-performance (yield) ratio
- Provide Executive Management with reliable, timely information to assist decision making regarding funding.
- Provide the Business Areas with clear and sufficient tools to support funding placement and follow-up.
- Create economic value for shareholders by efficient loan risk management.
- Define and keep updated the regulatory framework for the credit risk management.
- Comply with the information requirements that the authorities set forth regarding loan risk management.
- Perform risk management in accordance with the best practices, implementing models, methodologies, procedures and systems based on the main advances worldwide.
- Measure institution's vulnerability to extreme conditions and consider those results for decisions making.

**Individual Credit Risk**

GNorte separates the loan portfolio into two large groups: retail loans and wholesale loans.

The individual loan risk for retail loans is identified, measured and controlled by a parametric system (scoring) that includes origination and behavior models for each of the SME and consumer products: mortgage, car, payroll loans and credit cards.

Individual risk for wholesale loans is identified, measured and controlled by means of Objective Markets, the Criteria for Risk Acceptance, Early Alerts and Banorte's Internal Risk Rating (CIR Banorte).

The Objective Markets, Criteria for Risk Acceptance and the Early Alerts are tools that, together with the Internal Risk Rating are part of GFNorte's Loan Strategy and support the estimated level of credit risk.

The Target Markets are activities selected by region and economic activity – backed by economic research and loan behavior analysis – where Banorte is interested in originating loans.

The Risk Acceptance Criteria includes parameters that describe the risk identified by the industry, which makes it possible to estimate the risk involved for the institution when granting a loan to customers on the basis of their economic activity. The types of risk contemplated in the Risk Acceptance Criteria are financial risk, operation risk, market risk, company life cycle, legal, regulatory, loan experience and management quality.

Early Alerts are a set of criteria based on borrower information and indicators and their conditions that were established as a mechanism for the timely prevention and identification of a probable deterioration in the loan portfolio, thereby enabling the institution to take prompt preventive actions to mitigate the credit risk.

Banorte's CIR is a rating methodology for the borrower which assesses quantitative and qualitative criteria in order to determine the credit quality and it is applied to commercial loans equal to or greater than an amount in Mexican pesos equivalent to four million investment units on the qualification date.

**Portfolio Credit Risk**

GFNorte has designed a portfolio credit risk method that, in addition to including international standards in identification, measurement, control and follow-up, has been adapted to work within the context of the Mexican Financial System.

This credit risk methodology makes it possible to know the current value of the portfolio loans of GFNorte, that is, *the loan exposure*, allowing surveillance of the risk concentration levels per risk qualification, geographical regions, economic activities, currency and type of product in order to know the portfolio's profile and take action to direct it toward a diversification which will maximize profitability with the lowest risk.

Calculating loan exposure implies generating a cash flow of each one of the loans, of both capital and interest to discount it later. This exposure is sensible to changes in the market, thereby facilitating calculations under different economic scenarios.

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The probability of non-compliance is the probability that the debtor will not meet his/her debt obligation with the institution according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition matrixes that GFNorte calculates from the migration of the debtors through different risk qualification levels. The recovery ratio is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply. The

classification of the debtor, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average, which is used to measure the following year's expected loss due to non-compliance or variations in debtors' credit quality. This unexpected loss is an indicator of the loss that could be expected in extreme scenarios and is measured as the difference between the maximum loss given the distribution of losses, at a specific reliability level that in the case of the Banking Sector is 99.5%, and the expected loss.

The results obtained are used as a tool for better decision-making in granting loans and in the diversification of the portfolio, according to the Banks' global strategy. The individual risk identification tools and the portfolio credit risk methodology are periodically checked and updated to allow the application of new techniques that may support or strengthen them.

As of September 30, 2015, Banco Mercantil del Norte's total portfolio was Ps 481.08 billion (excluding Banorte Ixe Tarjetas and INB). The expected loss represents 1.8% and the unexpected loss is 3.2% with respect to the total portfolio. The average expected loss is 1.8% during the period July-September 2015.

Regarding Casa de Bolsa Banorte-Ixe, the credit exposure of investments is Ps 116.58 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between July-September 2015.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 21.88 billion. The expected loss represents 0.8% and the unexpected loss is 4.9% of the total portfolio. The average expected loss represents 0.7% during the July-September 2015 period.

The total portfolio of Solida Administradora de Portafolios was Ps 2.92 billion. The expected loss of the portfolio represents 7.1% and the unexpected loss 10.8%, both with respect to the total portfolio. The average expected loss for the period of July-September 2015 was 7.4%.

The total portfolio of Banorte Ixe Tarjetas is Ps 25.71 billion. The expected loss represents 11.0% and the unexpected loss 8.8% both with regard to the total portfolio. The estimated loss average represents 10.4% for the period of July-September 2015.

### **Credit Risks of Financial Instruments**

To identify, measure, supervise and control loan risks of financial instruments there are defined policies for Origination, Analysis, Authorization and Administration.

Origination policies define the types of financial instruments, as well as the method of evaluating the credit risk of the different types of originators / issuers and counterpart. Credit risk is assigned by means of a rating obtained with an internal methodology, through evaluations of external rating agencies or a combination of both. Maximum parameters of operation are also defined depending on the type of originator / issuer or counterpart, rating and type of operation.

Analysis policies include the type of information and the variables considered to analyze operations with financial instruments when they are presented for authorization to the corresponding committee, including information on the originator or counterpart, financial instrument, destination of the operation inside the group and market information.

The Loan Committee authorizes operation lines with financial instruments in accordance with Authorization policies. The request for authorization is submitted to the business sector and other sectors involved in the operation, with all the relevant information for analysis by the Committee who, if considered appropriate, issues its authorization.

Administration policies for transactions with financial instruments include procedures of Admission, Instrumentation, Compliance with Regulations, Review, Consumption Monitoring, Administration of Lines and Responsibility by the areas and organisms involved in such operations.

On an individual level, the concentration of loan risk with financial instruments is managed on a continuous basis, establishing and monitoring maximum parameters of operation for each tally or originator depending on the qualification and type of operation. There are defined risk diversification policies for portfolios, for economic groups and internal groups. Additionally, the concentration of tally type or originator, size of financial institutions and the region in which it operates are monitored so that an appropriate diversification is obtained and undesired concentrations are avoided.

Credit risk is measured by means of the rating associated with the issuer of a security, which has assigned a level of risk based on two fundamentals:

- 1) The probability of nonfulfillment of the originator, issuer or counterpart, which is expressed as a percentage between 0% and 100% where the better the rating or lower rate differential vs. the instrument of a government bond equivalent the lower the probability of nonfulfillment and vice versa.

- 2) The severity of the loss that could be experienced with regard to the total of the operation in the event of nonfulfillment, is expressed as a percentage between 0% and 100% where the better the guarantees or credit structures, the smaller the severity of the loss and vice versa. To mitigating loan risk and to reduce the severity of losses in the event of non-fulfillment, the counterparts have signed ISDA contracts and agreements to net out, in which lines of credit and the use of collateral to mitigate loss in the event of non-fulfillment are implemented.

As of September 30, 2015, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 233.56 billion, of which 99.5% is rated higher or similar to A-(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 8% of the Tier 1 Capital as of June 2015. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of June 2015 has similar rating to AAA(mex) and is comprised of (average considered term, amount in billions of pesos and rate): market and bond certificates from: Pemex to 7 years for Ps 14.36 at 4.2% and Banco Inbursa market certificates for 1 year and 11 months for Ps 6.21 at 3.1%;

The exposure of Derivatives is (Ps 5.69) billion, of which 96.8% has a rating higher or equal to A-(mex) on local level, placing them in investment grade and the 3 main counterparties other than then Federal or State Governments and National Financial Institutions represent 2% of the Tier 1 Capital of June 2015.

The exposure to credit risk for Securities Investments of Casa de Bolsa Banorte Ixe was Ps 116.58 billion, of which 100.0% is rated higher or similar to A+(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 27% of the Capital as of June 2015. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Capital as of June 2015 has a higher or similar rating to A+(mex) and are comprised of (average considered term, amount in billion/million of pesos and rate): market and deposits certificates of Banco Santander Mexicano to 8 months for Ps 2.52 billion at 3.3%; market certificates of Pemex to 2 years and 7 months for Ps 2.45 billion at 3.5%; market certificates and promissory notes of Banobras to 4 months for Ps 2.02 at 3.2%; market certificates of Banamex to 1 year for Ps 1.97 billion at 3.3%; deposit and market certificates of Bancomer to 1 year and 4 months for Ps 1.59 billion at 3.4%; market certificates of Scotiabank Inverlat for 1 year and 5 months for Ps 1.44 billion at 3.4%; market certificates of Banco Inbursa to 10 months for Ps 1.39 billion at 3.4%; market certificates of HSBC to 3 years and 2 months for Ps 1.15 billion at 3.6%; bonds of Deutsche Bank to 7 years and 8 months for Ps 497 million at 9.9%; deposit and market certificates of Banco Interacciones to 2 years for Ps 464 million at 3.9%; bonds of CABEL to 3 years and 3 months for Ps 165 million at 3.3%; and market certificates of Banco Monex to 2 years and 10 months for Ps 144 million at 4.2%. In the case of derivatives, there are no operations.

Arrendadora y Factor Banorte does not have investments in securities or derivatives.

Solida Administradora de Portafolios does not have investments in securities or derivatives

Banorte Ixe Tarjetas had an exposure to securities for Ps 1,000. The 100.0% is distributed in banking instruments. The Institution does not have investments in derivatives.

### **Risk Diversification**

In December 2005, the CNBV issued "General Rules Applied to Credit Institutions" in relation to Risk Diversification.

These guidelines state that the institutions must carry out an analysis of their borrowers and/or loans to determine the amount of "Common Risk"; also, the institutions must have the necessary information and documentation to prove that the person or group of persons represent common risk in accordance with the assumptions established in those rules.

In compliance with the risk diversification rules in asset and liability operations, Banco Mercantil del Norte submits the following information (billion pesos):

Tier 1 as of June 30, 2015	72.82
<b>I. Financings whose individual amounts represent more than 10% of basic equity:</b>	
<u>Loan Operations</u>	
Number of financings	2
Total amount of financings	16.97
% in relation to Tier 1	23%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Tier 1	0%
<u>Overnight Operations</u>	
Number of financings	2
Total amount of financings	23.44
% in relation to Tier 1	32%
<b>II. Maximum amount of financing with the 3 largest debtors and common risk groups:</b>	<b>32.59</b>

In compliance with the rules of diversification of risks in active and passive operations, the following information corresponds to Leasing and Factoring (Arrendadora y Factor Banorte) in billion pesos:

Equity as of June 30, 2015	3.99
<b>I. Financings whose individual amounts represent more than 10% of basic equity:</b>	
<u>Loan Operations</u>	
Number of financings	3
Total amount of financings	2.61
% in relation to Equity	65%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<u>Overnight Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<b>II. Maximum amount of financing with the 3 largest debtors and common risk groups:</b>	<b>5.14</b>

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Sólida Administradora de Portafolios in billion pesos:

Equity as of June 30, 2015	3.76
<b>I. Financings whose individual amounts represent more than 10% of basic equity:</b>	
<u>Loan Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<u>Overnight Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<b>II. Maximum amount of financing with the 3 largest debtors and common risk groups:</b>	<b>0.593</b>

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Banorte Ixe Tarjetas in billion Pesos:

Equity as of June 30, 2015	5.14
<b>I. Financings whose individual amounts represent more than 10% of basic equity:</b>	
<u>Loan Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<u>Money Market Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<u>Overnight Operations</u>	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
<b>II. Maximum amount of financing with the 3 largest debtors and common risk groups:</b>	<b>0.006</b>

**Market Risk (Bank and Brokerage House)**

Market Risk Management is managed through a series of fundamental pillars, highlighting the use of models and methodologies such as Value at Risk (VaR), BackTesting and Stress Testing, which are used to measure the risk of traded products and portfolios.

Risk management is supported by a framework of policies and handbooks through which the implementation, follow up and compliance with market risk limits, and finally the disclosure of the aforementioned limits are settled.

Key risk ratios are disclosed in monthly reports to the Risk Policy Committee and through a daily report to top executives at the institution.

**Value at Risk (VaR) Bank**

Exposure of the institution’s financial portfolios to market risk is quantified using the standard methodology in the industry known as Value at Risk (VaR).

The VaR model considers a one day horizon base, a non-parametric historical simulation with a 99% confidence level and 500 historical observations on risk factors.

Furthermore, it considers all the positions (money market, treasury, equities, FX and derivatives for trading and hedging purposes) classified for accounting purposes as trading and available for sale assets, both on and off the balance sheet.

The average VaR of the portfolio for 3Q15 was Ps 292 million (Ps 8 million lower than the average VaR for 2Q15) and as percentage of the Net capital (Ps 79.67 billion) at the end of 3Q15 was 0.37%.

Million Pesos	3Q14	4Q14	1Q15	2Q15	3Q15
Tota VaR <sup>(1)</sup>	379 <sup>(1)</sup>	298 <sup>(1)</sup>	354	300	292
Net Capital	75,791	77,996	78,690	80,450	79,666
<b>VaR/ Net Capital</b>	<b>0.50%</b>	<b>0.38%</b>	<b>0.45%</b>	<b>0.37%</b>	<b>0.37%</b>

1. VaR adjusted to the new methodology approved in February 2015 by the Risk Policies Committee (for further details please refer to the Notes to Financial Statements of 1Q15.)

Likewise, the average VaR by risk factor for Banorte’s portfolio had the following behavior during the third quarter of the year:

Risk Factor	VaR 3Q15
IPC	6.7
Domestic Interest Rates	209.7
Foreign Interest Rates	105.0
Surcharge	19.7
FX Rate	99.3
Diversification Effect	(148.3)
<b>Total VaR</b>	<b>292.1</b>

The proportion by market risk factor excluding the diversification effect is:

Risk Factor	VaR 3Q15
IPC	1.5%
Domestic Interest Rates	47.6%
Foreign Interest Rates	23.8%
Surcharge	4.5%
FX Rate	22.6%

### ***Sensibility Analysis and Stress Testing under extreme conditions***

Since VaR indicates the potential losses under normal market conditions, Banorte complements its risk analysis by applying tests under extreme conditions known as Stress Testing. This is presented to the Risk Policy Committee on a monthly basis with the main objective of assessing the impact on the institute's positions of extreme movements in risk factors.

### ***Backtesting***

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis, it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the estimated.

### **Value at Risk Casa de Bolsa (VaR)**

The average VaR of the portfolio for 3Q15 is Ps 14 million and as a percentage of the Global Capital (Ps 2.54 billion) for the quarter is 0.55%.

Million Pesos	3Q15
VaR Total	14
Global Capital	2,544
<b>VaR / Global Capital</b>	<b>0.55%</b>

The VaR per risk factor is determined by simulating 500 historical scenarios and assessing instruments by their main risk factor. It is important to note that all Casa de Bolsa Banorte-Ixe positions were taken into account for the analysis were those classified as trading and available for sale, excluding held to maturity positions.

Risk Factor	VaR 3Q15
IPC	0.0
Domestic Interest Rates	13.0
Surcharge	8.7
Diversification Effect	(8.0)
<b>Total VaR Casa de Bolsa</b>	<b>13.7</b>

The proportion by market risk factor excluding the diversification effect is:

Risk Factor	VaR 3Q15
IPC	0%
Domestic Interest Rates	60%
Surcharge	40%

### ***Stress Testing under extreme conditions***

Since risk measurement (VaR) shows potential losses under normal market conditions, Casa de Bolsa Banorte Ixe complements its risk analysis by applying tests under extreme conditions known as *Stress Testing*. This is presented to the Risk Policy Committee on a monthly basis with the main objective of demonstrating the impact on the institute's positions by important movements in risk factors.

### Backtesting

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the estimated.

### Liquidity Risk

Liquidity risk is managed through a series of fundamental pillars that include the use of indicators such as the Liquidity Coverage Ratio (LCR), funding stability and concentration ratios as well as liquidity stress testing, including the follow up of a liquidity risk metric better known as survival horizon. The latter based on a framework of policies and handbooks, including a liquidity contingency plan. Similarly, the liquidity risk management framework takes into account limits and risk tolerance quantitative metrics. The disclosure of the metrics and indicators and their compliance with the established limits, but also the risk tolerance is reviewed through monthly reports to the Risk Policy Committee, weekly reports to the Capital and Liquidity Management Group and quarterly reports to the Board of Directors.

### Profile and Financing Strategy

The composition and evolution of the bank's funding during the quarter is shown in the following table.

Funding Source	2Q15	3Q15	Change vs. 2Q15
Demand Deposits			
Local Currency	271,809	274,641	1.0%
Foreign Currency	27,670	34,326	24.1%
<b>Demand Deposits</b>	<b>299,479</b>	<b>308,967</b>	<b>3.2%</b>
Time Deposits – Retail			
Local Currency (1)	120,362	122,681	1.9%
Foreign Currency	17,858	21,011	17.7%
<b>Core Deposits</b>	<b>437,700</b>	<b>452,659</b>	<b>3.4%</b>
Money Market			
Local Currency (2)	59,740	62,588	4.8%
Foreign Currency (3)	4,798	-	100.0%
<b>Banking Sector Deposits</b>	<b>502,237</b>	<b>515,248</b>	<b>2.6%</b>

1. Includes eliminations among subsidiaries
2. Money Market & Time Deposits
3. Includes bonds

### Liquidity Coverage Ratio

The LCR allows the quantification of liquidity risk through the relationship between liquid assets and net cash outflows in the next 30 days, under a regulatory stress scenario.

The LCR is an indicator designed to ensure that the institution has the liquidity to meet its short term obligations, under an extreme scenario using exclusively high quality liquid assets as source of funding.

The following table presents the average evolution of LCR components in 3Q15.

		Bank and SOFOM	
		Unweighted amount (Average)	Weighted amount (Average)
<b>COMPUTABLE LIQUID ASSETS</b>			
1	Total Computable Liquid Assets	N/A	70,628
<b>CASH DISBURSEMENTS</b>			
2	Unsecured retail financing	333,770	26,540
3	Stable financing	136,737	6,837
4	Less stable financing	197,033	19,703
5	Unsecured wholesale financing	169,664	69,295
6	Operational Deposits	95,785	21,506
7	Non-Operational Deposits	71,581	45,492
8	Unsecured debt	2,298	2,298
9	Secured wholesale financing	N/A	19,592
10	Additional Requirements:	187,511	26,688
11	Disbursements related to derivatives and other guarantee requirements	17,231	7,529
12	Disbursements related to losses from debt financing	-	-
13	Lines of credit and liquidity	170,280	19,159
14	Other contractual financing obligations	-	-
15	Other contingent financing liabilities	353	-
<b>16</b>	<b>TOTAL CASH DISBURSEMENTS</b>	<b>N/A</b>	<b>142,286</b>
<b>CASH INFLOWS</b>			
17	Cash Inflows for secured operations	23,410	6,447
18	Cash Inflows for unsecured operations	71,356	56,829
19	Other Cash Inflows	9,313	9,313
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>104,079</b>	<b>72,589</b>
		<b>Adjusted amount</b>	
<b>21</b>	<b>TOTAL COMPUTABLE LIQUID ASSETS</b>	<b>N/A</b>	<b>70,628</b>
<b>22</b>	<b>TOTAL NET CASH DISBURSEMENTS</b>	<b>N/A</b>	<b>69,526</b>
<b>23</b>	<b>LIQUID COVERAGE RATIO</b>	<b>N/A</b>	<b>102.06%</b>

During 3Q15, the average LCR for the Bank and Sofoms was 102.06%, and at **the end of 3Q15 the LCR was 102.38%**, the aforementioned levels are above the risk tolerance and the regulatory minimum standards.

#### Evolution of LCR Components

The evolution of the LCR components comparing 2Q15 and 3Q15 is presented in the following table.

Component	2Q15	3Q15	Change vs. 2Q15
Liquid Assets	67,529	68,096	0.8%
Cash Inflows*	75,099	70,220	(6.5%)
Cash Outflows	146,959	136,736	(7.0%)

\*See main LCR results

The Liquid Assets that compute in the LCRs for the Bank and Sofoms between 2Q15 and 3Q15 are distributed as follows:

Type of Asset	2Q15	3Q15	Change vs. 2Q15
<b>Total</b>	<b>67,529</b>	<b>68,096</b>	<b>0.8%</b>
Level I	60,177	60,986	1.3%
Level II	7,352	7,110	(3.3%)
Level II A	7,310	7,083	(3.1%)
Level II B	42	27	(35.0%)

**Explanation of LCR ratio**

Given the ongoing activities of Banorte and Sofoms as well as the liquidity management within the institution, comparing the end of 2Q15 with the end of 3Q15 and aiming to strengthen the LCR ratio, we continued using the strategies implemented during the last quarter. Specifically, during this quarter there were lower net cash outflows.

**Liquidity Risk in foreign currency**

Additionally, for liquidity risk quantification and follow-up, in the specific case of the foreign currency denominated portfolio, Banorte uses the criteria established by the Banco de México for the assessment of the foreign currency Liquidity Coefficient.

**Exposure to Derivatives and possible Margin calls**

Banorte applies the regulatory methodology to determine cash outflows for derivatives. At the end 3Q15, estimated outflows for derivatives were as follows:

	2Q15	3Q15	Change vs. 2Q15
Net cash outflows at market value and for potential future exposure	4,499	4,706	4.6%
Cash outflows for a 3 notch credit rating downgrade.	659	634	(3.8%)

**Liquidity Gaps**

As part of the liquidity analysis for the Bank, 30 days liquidity gaps for the institution's assets and liabilities (obligations) are analyzed. Results for the Bank at the end of 3Q15 are presented in the following table.

Concept	2Q15	3Q15	Change vs. 2Q15
Cumulative 30 days Gap	(47,755)	(43,958)	(8.0%)
Liquid assets	67,529	68,096	0.8%
Net Capital	80,450	79,667	(1.0%)
<b>Liquidity vs Net Capital</b>	<b>83.9%</b>	<b>85.47%</b>	<b>1.57 pp</b>

**Interest Rate Risk**

The structural risk of the Balance Sheet is assessed using, among other methodologies, the analysis of balance sheet simulation, which allows the evaluation of future static or dynamic behavior in the Balance Sheet. For the base case, a sensitivity analysis of the movements in the different currencies and rates is carried out, obtaining the impact of such changes on the Economic Value and on the Annual Income.

**Stress Testing under extreme conditions**

As part of its liquidity risk management, Banorte performs tests under extreme liquidity circumstances with internal scenarios to assess the Bank’s liquidity adequacy., A total of 9 scenarios, based on 3 sources of risk (systemic, idiosyncratic and combined) with 3 levels of severity (moderate, medium and severe) are used.

**Contingency Funding Plan**

For the purpose of having comprehensive liquidity management practices, and to ensure its operation in adverse situations in terms of liquidity, Banorte has implemented a contingency funding plan, which incorporates elements to identify possible liquidity problems and defines alternate funding sources available to deal with contingencies.

**Subsidiaries**

Liquidity Risk Management processes for the Bank and its Sofoms are consolidated and controlled by a comprehensive Risk Management Team for Grupo Financiero Banorte.

Key liquidity indicators for 3Q15 are presented in the following table:

Liquidity Ratio	Casa de Bolsa Banorte-Ixe	Arrendadora y Factor	Sólida Administradora de Portafolios	Banorte-Ixe Tarjetas
Cumulative 30 days Gap	1,713	(1,204)	(4,100)	3,118
Liquid assets	2,729	252	116	10
Net Capital*	2,544	4,144	3,652	4,665
Liquidity vs Net Capital*	107.28%	6.08%	3.18%	0.021%

\*Casa de Bolsa Banorte Ixe considers Global Capital.

➤ **Operational Risk**

GFNorte has a formal Operational Risk department headed by the “Deputy Managing Director of Financial and Operational Risk”, reporting directly to the Chief Risk Officer.

Operational Risk is defined as the potential loss due to failures or deficiencies in internal controls, errors in operation processing and storing or in data transmitting, as well as to adverse administrative and judicial rulings, fraud or theft (this definition includes Technological and Legal risk).

The objectives of Operational Risk Management are: a) To allow and support the organization to reach its institutional objectives through prevention and management of operational risks; b) To insure that the existing operational risks and the required controls are duly identified, assessed and in line with the risk strategy established by the organization; and c) To insure that operational risks are duly quantified to make the proper capital allocation per operational risk.

**Pillars of Operational Risk Management**

**I. Policies, Objectives and Guidelines**

As part of the institutional regulations, there are documented policies, objectives, guidelines, methodologies and responsible areas in Operating Risk management.

The Operational Risk Directorship maintains close communication and coordination with the Regulatory Comptrollership in order to facilitate effective Internal Control in which the proper procedures and controls are established that will mitigate Operating Risk in the processes, and provide follow up through the Internal Audit Department.

The Regulatory Comptrollership, as part of the Internal Control System, carries out the following activities to mitigate risk: a) Internal control validations; b) Institutional regulations management and control; c) Monitoring of operating processes' internal control by means of control indicators reports, that are reported by the process comptrollers in the various areas; d) Money Laundering Prevention process management; e) Control and follow up of the regulatory provisions; and f) Analysis and assessment of the operating processes and projects with the participation of the responsible directors of each process in order to insure adequate internal control.

## II. Quantitative and Qualitative Measuring Tools

### Operational Losses Database

To record operating loss events, has a system that enables the central information supplier areas to directly record such events online, which are classified by Type of Event in accordance with the following categories:

**Internal Fraud** - Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep regulations, laws or company policies (excluding diversity/discrimination events) in which at least one company party is involved.

**External Fraud** - Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep the laws, caused by a third party.

**Labor Relations and Safety in the Workplace** - Losses caused by acts incompatible with the legislation or labor agreements regarding hygiene or safety, the payment of personal damage claims, or cases associated with diversity/discrimination.

**Customers, Products & Business Practices** - Losses caused by involuntary noncompliance or negligence of a professional obligation to specific customers (including fiduciary and adjustment requirements), or due to the nature or design of a product.

**Natural Disasters and Other Events** - Losses caused by damage or harm to material assets as a consequence of natural disasters or other events.

**Incidences in the Business and Systems Failures** - Losses caused by incidences in the business and systems failures.

**Process Execution, Delivery and Management** - Losses caused by errors in operations processing or management, as well as relations with commercial counterparties and suppliers.

This historical Database provides the statistics of the operational events in which the institution has incurred to determine their trends, frequency, impact and distribution. Moreover, the Database will make it possible in the future to have enough information to calculate the capital requirements as per Advances Models.

### • **Legal and Fiscal Contingencies Database**

For the recording and follow-up of legal, administrative and tax issues that may arise from adverse ruling, an internal system called "Legal Risk Issues Monitoring System" (SMARL) was developed. This system enables the central data supplying areas to record such events directly and on-line, which are then classified by company, sector and legal issue, among others.

As part of GFNorte's legal risk management, legal and fiscal contingencies are estimated by the attorneys that process the cases, determining its risk level based on an internal methodology. This makes it possible to create the necessary reserves in a determined term (according to lawsuit's term) to face such contingencies.

### • **Risk Management Model**

GFNorte has defined objectives, which are achieved through different plans, programs and projects. Compliance with such objectives may be adversely affected due to operating risks, for which reason a methodology must be in place to manage them within the organization. Consequently, operating risk management is now an institutional policy defined and supported by senior management.

To perform Operating Risk Management, each of the operating risks involved in the processes must be identified in order to analyze them. In this regard, the risks identified by the Regulatory Comptrollership are processed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) by defining tolerance levels, as the case

may be. At present, work is being done on developing a new Institution Operating Risk Management Model and the technological tools needed to implement it.

### **III. Required Capital Calculation**

In accordance with the Capitalization for Operational Risk Regulations in effect, the institution has adopted the Basic Model, which is calculated and reported periodically to the authorities.

### **IV. Information and Reporting**

The information generated by the Database and the Management Model is processed periodically to report to the Risk Policies Committee and the Board of Directors regarding the main operating events that were detected, the trends, identified risks and their mitigating strategies. Reporting is also done on the status of the main Operating Risk mitigation initiatives implemented by the various areas of the organization.

#### **➤ Technology risk**

Technological Risk is defined as all potential losses from damage, interruption, alteration or failures derived from the use of or dependence on hardware, software, systems, applications, networks and any other information distribution channel in the rendering of banking services to the customers. This risk forms an inherent part of Operating Risk, which is why its management is handled collectively throughout the entire organization.

To address the Operating Risk associated with information integrity, and “Integrity Committee” has been created. Its objectives are to align security and information control efforts under a prevention focus, to define new strategies, policies, processes or procedures and to provide solutions to information security issues that affect or may affect the Institutional patrimony.

The functions established by the CNBV or Technology Risk Management are performed by the Institution under institution regulatory and Integrity Committee guidelines.

To address the Operating Risk caused by high impact external events, GFNorte has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) based on a same-time data replication system at an alternate computer site. All the above cover the backup and recovery of the Institution’s critical applications in the event or any relevant operating contingency.

#### **➤ Legal risk**

Legal Risk is defined as the potential loss from failure to comply with the applicable legal and administrative provisions, the issuance of indisputable unfavorable court rulings and the application of penalties regarding the operations that the institution performs.

The Legal Risk must be measured as an inherent part of Operating Risk in order to understand and estimate its impact. Therefore, those legal issues which result in actual operating losses of the SMARL system are later recorded in the SCERO a database of operational events.

Based on the statistics of the current legal issues and real loss events, the Institution can identify specific legal or operating risks, which are analyzed in order to eliminate or mitigate them in an attempt to reduce or limit their future occurrence or impact.

- **Internal Control**

The companies comprising GFNorte have an Internal Control System (SCI) that has been structured according to the guidelines set forth by their Board of Directors, which establishes a general internal control framework, as well as the environment in which it must operate in order to provide reasonable security regarding the effectiveness and efficiency objectives of the operations, reliability on financial statements and compliance of regulation and legal framework.

The SCI's mission is to help running an adequate internal control in the operations and in data generating and recording. The system is made up of various elements:

- A. The Board of Directors with the support of the Advisory Board, Risk Policies Committee (CPR), Audit and Corporate Practices Committee (CAPS) and Human Resources Committee.
- B. The CEO and the departments which support him: Risk Management Unit (RMU), Legal Department and the Comptroller, responsible for ensuring that adequate control levels, operational risks and compliance with regulation are maintained.
- C. Internal Audit, External Audit and the Commissary (The Commissary applies only to GFNorte subsidiaries) as additional support structures to check how the Internal Control System functions and provide reasonable assurance regarding the reliability of the generated data. The Internal Audit Department reports to the Audit and Corporate Practices Committee (CAPS) and maintains full independence from the administrative areas.
- D. The Executive Group as main responsible persons for SCI assurance according to the functions and responsibilities assigned to them. In addition to promoting the enforcement of the regulations established for the Institution and the strategies set forth by the GFNorte's CEO.
- E. Documents that establish the general control criteria that should be followed in the operation and reporting of transactions; in optimizing human, material and technological resources; in the use, security, timeliness and reliability of the information; and in the due compliance with the external and internal regulations. The Code of Conduct that regulates the behavior that each Board member, officer or employee of the Group should assume while performing their activities stress out.
- F. Policy and procedure manuals that regulate documentation, recording and liquidation of operations that the Institution carries out and establish the control points that should be observed, assuring the separation of functions, clear assigning of responsibilities, safekeeping of information and prevention of unlawful acts.

During the third quarter of 2015, activities related to strengthening control, risk evaluation and management, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

- A. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
- B. The policies and procedure manuals have been updated as per changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls.
- C. There has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.
- D. The Supervisory Authorities' requirements have been addressed, the ordinary inspection visits were attended and the information required by the external regulations has been submitted.
- E. Through Process and Management Controllers, various business and support processes that make up the operation in GFNorte are monitored, to report periodically on compliance and identifying where areas of opportunity for timely remediation.
- F. During the quarter, and according to the work plan developed at the beginning of the year, various activities in terms of accounting internal control were carried out.
- G. Requests regarding internal control subjects from diverse internal departments were handled, to the development of new institutional projects, as well as those derived from changes to the Regulation.

**FINANCIAL SITUATION AND LIQUIDITY**

- **Treasury Policy**

GFNorte's Treasury Department is the central unit responsible of balancing GFNorte's liquidity needs, monitoring and managing the regulatory levels, reducing interest rate risk on the balance sheet by using coverage and implementing arbitrage strategies.

The majority of cash currencies and investment in securities are in Mexican pesos and U.S. dollars.

- **Internal and External Liquidity Sources**

The internal liquidity sources, in local and foreign currency, come from the various deposit products that the institution offers to customers.

Regarding external sources of liquidity, it has diverse mechanisms to access the debt and capital markets. The Institution obtains resources through the issuance of debt securities, loans from other institutions - including the Central Bank and international organisms -, as well as from the issuance of subordinated debt. Also considered is the liquidity that the Institution obtains through its proprietary repos' securities that qualify for such transactions. It also has the alternative of obtaining resources through the issuance of shares representing equity.

Currently, the Institution has diverse sources of liquidity. Deposits, including interest bearing and non-interest bearing demand and time deposits, are the bank's main source of liquidity. Negotiable and short term instruments, such as government securities and deposits in the Central Bank and other banks, are liquid assets that generate interest. Liquid assets also include deposits in foreign banks, which are denominated mainly in US dollars.

Detailed information related to liquidity sources is reported in different headings of the GFNorte's Balance Sheet in this report

- **Dividend Policy**

During the April 30, 2003 session, the Board of Directors approved a dividend payment policy in which it will propose to the General Ordinary Stockholders' Meeting a dividend payment consisting of at least 15% of the Partnership's net recurring profit, providing that there is no legal impediment and that market conditions and the Partnership's financial situation allow it.

On October 17, 2011, the Ordinary General Shareholders' Meeting approved to modify the Dividend Policy, for the purpose of aligning dividend payments to the Financial Groups' business performance, so as of that year, dividend payments are as follows:

- 16% of recurring net income in the event that profit growth is between 0% and 10% during the year.
- 18% of recurring net income in the event that profit growth is between 11% and 20% during the year.
- 20% of recurring net income in the event that profit growth is greater than 21%.

● **Related Parties Loans**

According to Article 73 of the Law of Credit Institutions, loans granted to related parties of credit institutions cannot surpass the established limit of 35% of the basic part of the net capital.

In GFNorte as of September 30 and June 30, 2015, the amount of loans granted to third parties is as follows (million pesos):

<b>Lender</b>	<b>Sept-2015</b>	<b>% Basic Equity</b>	<b>June-2015</b>	<b>% Basic Equity</b>
Banorte	Ps 5.94	8.2%	Ps 6.52	9.1%

The loans granted are under the 100% limit set forth by the LIC.

**Banorte.**

As of **September 30, 2015**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 5.94 billion (including Ps 901 million in — Credit Letters “CC”, which are registered in memorandum accounts), representing 1.2% of Banorte's total loan portfolio (excluding the balance of CC). Of the total related loans, Ps 5.48 billion were loans granted to clients linked to members of the Board of Directors; Ps 80 million were granted to clients linked to shareholders and Ps 381 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of September 2015 was 8.2% of the basic part of the equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNorte's loan portfolio based on the general dispositions applicable to credit institutions with regard to rating of loan portfolios issued by CNBV. 99% of the related party loans are rated in Category "A", and the majority of these loans were classified as commercial loans.

As of **June 30, 2015**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 6.52 billion (including Ps 832 million in — Credit Letters “CC”, which are registered in memorandum accounts), representing 1.4% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 6.13 billion were loans granted to clients linked to members of the Board of Directors; Ps 3 million were granted to clients linked to shareholders and Ps 388 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of June 2015 was 9.1% of the basic part of the equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNorte's loan portfolio based on the general dispositions applicable to credit institutions with regard to rating of loan portfolios issued by CNBV and the internal methodology authorized by CNBV, to rate borrowers in the commercial loan portfolio. 94% of the related party loans are rated in Category "A", and the majority of these loans were classified as commercial loans.

- **Loan or tax liabilities**

The tax credits listed below are currently in litigation:

	<b>As of December 31, 2014</b>
<b>BANORTE</b>	<b>\$32</b>
IMSS fees, various occupations	6
INFONAVIT fees, various occupations	26
<b>AFORE XXI BANORTE</b>	<b>\$2</b>
Loan # 4429309391 Payroll Tax of the state of Coahuila	2
<b>SEGUROS BANORTE, S.A. de C.V. (Formerly Seguros Banorte Generali)</b>	<b>\$15</b>
Fiscal year 2003 (document 900-06-01-2009-9518)	15
<b>CASA DE BOLSA BANORTE IXE</b>	<b>\$35</b>
Fiscal year 2007 (document 900 06 05-2010-03968)	35
<b>IXE BANCO</b>	<b>\$13</b>
Income Tax-Profit Sharing for the 2005 fiscal year – inflation adjustment	13

Million pesos

- **People in Charge**

The undersigned represent under oath that, within the scope of our respective functions, we have drawn up the information relative to Grupo Financiero Banorte contained in this report, which, to the best of our knowledge, reasonably reflects its situation. Furthermore, we express that we are not aware that relevant information has been omitted or falsified in this quarterly report or that it contains information that may lead to errors to investors.

Act. Jose Marcos Ramirez Miguel  
Chief Executive Officer of Grupo Financiero Banorte, S.A.B. de C.V.

Eng. Rafael Arana de la Garza  
Chief Operating Officer & Chief Financial Officer

Lic. Isaias Velazquez Gonzalez  
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo  
Deputy Managing Director of Comptrollership

C.P. Mayra Nelly Lopez Lopez  
Executive Director of Accounting

- **Basis for submitting and presenting Financial Statements**

**Grupo Financiero Banorte (GFNorte).** Issues consolidated financial statements with its Subsidiaries in accordance with the General Provisions Applicable to Financial Information of the Regulating Agencies of Financial Groups Subject to Supervision by the National Banking and Securities Commission (CNBV) published in the Official Gazette of the Federation on January 31, 2011 and modified on July, 18, 2011 and December 1, 2014. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect"; which mentions that, the economic environment is non-inflationary, when accumulated inflation of the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

**Banking Sector (Banorte).** Issues consolidated financial statements with its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2005 and modified on March 3 and 28, September 15, December 6 and 8, 2006, January 12, March 23, April 26, November 5, 2007, March 10, August 22, September 19, October 14, December 4, 2008, April 27, May 28, June 11, August 12, October 16, November 9, 2009, December 1 and 24, 2009, January 27, February 10, April 9 and 15, May 17, June 28, July 29, August 19, September 9 and 28, October 25, November 26, December 20, 2010, January 24 and 27, March 4, April 21, July 5, August 3 and 12, September 30, October 5 and 27, December 28, 2011, June 19, July 5, October 23, November 28, December 13, 2012, January 31, April 16, May 3, June 3 and 24, July 12, October 2, December 24, 2013, January 7 and 31, March 26, May 12 and 19, July 3 and 31, September 24, October 30, December 8 and 31, 2014, January 9, February 5, April 30, May 27, June 23, August 27 and September 21, 2015. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic environment is non-inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

**GFNorte and Banorte.** The financial information contained in this document has been developed according to the regulations issued by the CNBV for the regulating agency and the financial entities that make up the Financial Group and to Norms of Financial Information (Normas de Informacion Financiera NIF), issued by the Mexican Council for the Investigation and Development of Norms of Financial Information, A.C. (CINIF). The regulations of the CNBV and the NIF mentioned above differ given the specialized operations of the Credit Institutions. Moreover, there is a difference in the generally accepted accounting principles of the United States (US GAAP) and the regulations and principles established by the American authorities for this type of financial entities. In order to present the information contained herein in an international format, the classification format and the presentation of certain financial information differ from the format used for the financial information published in Mexico.

The information contained in this document is based on the non-audited financial information of each of the entities to which it refers.