

# Banorte Securitizes the largest state and city government loan portfolios

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Mexico, D.F., November 22, 2007. Today Grupo Financiero Banorte, through the Banorte Brokerage House, successfully completed the issuance of stock certificates backed by a package of loans to Mexican State and City government for a total of Ps 5,342 million.

This stock issue is part of a program amounting to Ps 25 billion with a five-year term. The transaction, the first of its kind, is the largest securitization of State and City loans for this type of financing.

This securitization, approved by the corresponding financial authorities, was completed in two stages, represented by two series: The A Preferential Series for a total of Ps 5,231 million, and the B Subordinate Series amounting to Ps 111 million.

The stocks were successfully placed and, consequently, the A Preferential Series reported a TIIE + 18 base point rate with a 1.23 market demand. The B Subordinate Series, on the other hand, reported a TIIE + 65 base point rate and a 1.19 demand.

Based on its assets, this securitization received an excellent rating of mxAAA by Standard & Poor's. Moody's rating was Aaa.mx.

The B Subordinate Series received the highest rating assigned to a subordinate bond for this type of issue, i.e. mxAA by Standard & Poor's, and As3.mx by Moody's.

The loan portfolio considered for the issue, made up of 23 loans in pesos at an adjustable rate, is characterized by its excellent quality as all the loans are backed up by Federal Shares, and most of them are duly rated individually.

The operation will allow Banorte to continue to help the three levels of government that require financing in increasingly competitive conditions.

It is important to point out that Banorte has an area that specialized in loan portfolios, called "Banorte Sólida", which Fitch Ratings rates with a AAFC- (Mex) as a loan administrator. This is the highest rating given to any asset managing firm in Mexico.