

## The Mexican Financial System is more solid than in the crisis of '95: Alejandro Valenzuela

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Monterrey, N. L., November 10th, 2009. Grupo Financiero Banorte fulfills all the fiscal obligations established legally, affirmed Alejandro Valenzuela, CEO of GFNORTE, at the "Mexico Business Summit" held in this city.

Mr. Valenzuela pointed out that staying current in tax payments is a guideline established by the President of the bank's Board of Directors, adding that GFNorte pays the highest marginal ISR tax rate (28% in 2009). Also, while many institutions outsource personnel management to avoid payment of employee profit sharing (PTU), Banorte pays this obligation to its employees on time.

He added that Banorte paid a combined tax rate of 34.68% for ISR and PTU in 2008, and remanded that the current tax law specifies that financial companies cannot consolidate fiscally.

During his intervention in the panel "the need for stronger financial markets in Mexico", the CEO of GFNORTE expressed that the national banking system is stronger and much more solid today than during the economic crisis of 1995.

The strength of the national financial system - he said - has been possible due to various factors, such as the improvement of regulatory tools and supervision, of which the most important are the creation of organisms such as the Condusef, (National Commission for the Protection of Financial Services' Users), formation of the Credit Bureau, as well as the reforms to the Retirement Savings System (SAR).

Mr. Alejandro Valenzuela also emphasized that some of the elements of the legal framework that have strengthened the financial system have been institutionalizing sound corporate governance practices; better representation of minority shareholders; changes to the bankruptcy legal framework, and greater transparency in information of banks' products and services offered to clients.

He added that society today demands more responsibility from banks, "because it is no longer acceptable to privatize profits and socialize losses" and that he considers it necessary to improve the public's financial education and culture so that they are capable of making better decisions.