

Banorte and Ixe reach a preliminary agreement towards a strategic merger

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Mexico D.F., October 19th, 2010. Grupo Financiero Banorte S.A.B de C.V. ("GFNORTE") and IXE Grupo Financiero S.A.B. de C.V. ("IXE") are analyzing different strategic alternatives to jointly create value for their respective shareholders. After a preliminary review, both institutions have reached a non-binding agreement to pursue a merger or analyze other integration mechanisms. According to the agreement, the parties have established a legally binding exclusivity period to complete the due diligence process and finalize negotiations. Upon completion and conclusion of this process, a definitive agreement will be formalized, subject to the approval of the corresponding Board of Directors and authorities.

IXE and GFNORTE believe that there are significant synergies between both institutions' business platforms that will translate into increased profitability and strengthened market presence nationwide, closing the breach with their two main competitors. In this respect, both institutions are convinced that both platforms are highly complementary in terms of brands business lines, client segments and geographical footprint. Additionally, the combined financial strength ensures a better competitive position for the new institution.

The merged institution would become the third most important in Mexico in terms of assets, loans, deposits, branches and distribution network; and the only one controlled by Mexican shareholders. The combined entity would benefit from having a leading retail network in Mexico, being the only institution with two differentiated branch networks by the market segment; the strongest in northern Mexico, combined with Ixe's successful niche franchise with important presence in Mexico City and its metropolitan area. We also believe that there will be joint business opportunities in SME's, leasing, mutual funds and wholesale banking, as well as opportunities to leverage IT, brokerage and consumer banking platforms.

The potential combination is expected to unleash substantial cost, revenue and funding synergies, that would be channeled to bolstering the business model and leveraging Banorte's mass distribution network; all in the interest of our country, customers and shareholders. To the extent that these synergies are fulfilled, the transaction has the potential to be accretive to investors immediately, generating significant value for both institutions and increasing future earnings above current expectations.

About GFNORTE

Grupo Financiero Banorte is one of the leading institutions in Mexico. Its subsidiary Banco Mercantil del Norte, is the third largest bank in the country in terms of deposits and loans. It has more than 1,100 branches, 4,800 ATMs and 54,000 POS terminals, that serve more than 8.3 million customers and almost 8 million additional customers in the AFORE and Insurance company. GFNorte also offers brokerage products and services, private banking, mutual funds, leasing and factoring, warehousing, insurance, pensions and retirement savings. Banorte has presence in Southern Texas through Inter National Bank, as well as in New Jersey and California through the remittance companies Motran and Uniteller, and in New York through Banorte Securities International. Banorte's strategic partners are the International Finance Corporation (IFC) in its subsidiary Banco Mercantil del Norte, and the Italian Insurance Company Generali in its insurance and long-term savings operations. Banorte is one of the banks in the financial system with the best asset quality, and with high levels of capitalization and liquidity.

About Ixe

Ixe Grupo Financiero ("Ixe") is a publicly traded financial group based in Mexico focused in offering top quality products and services to individual and corporate clients. Ixe, through its main subsidiaries offers commercial banking, corporate lending, factoring, investment banking, private banking, brokerage, asset management, auto lending, and mortgage lending products and services among others. Ixe distributes its commercial bank products through an innovative network of 155 branches in Mexico's main cities (85 in Mexico City Metro Area), and offers a direct bank experience to its clients through home delivery services, a top rated on-line platform (Ixe Net), as well as a full time phone banking service (Ixe Directo). Ixe has world class partners in several business lines including a 50/50 joint venture in credit cards with JPMorgan Chase. Ixe has invested significant resources in information technology in an effort to offer innovative products and services in the fastest and most secure environment possible. Ixe is fully committed to continue to support its clients in all of their financial needs with top quality standards