

Grupo Financiero Banorte (GFNORTE) and the Mexican Social Security Institute (IMSS) discuss a strategic alliance between their Afores (Retirement Savings Fund Managers).

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The Mexican Social Security Institute (IMSS) and Grupo Financiero Banorte, S.A.B de C.V. (GFNORTE) (BMV: GFNORTEO) started formal discussions in order to explore strategic alternatives to merge their respective Afores (Afore XXI and Afore Banorte-Generali), with the objective of creating value jointly and constituting the largest fund manager with 100% Mexican capital in the Retirement Savings' System.

If the merger takes place, the new institution would be the largest in terms of number of accounts administered and fourth in the value of managed funds, generating significant cost and revenue synergies to both institutions and their customers.

The merger would be subject to negotiations with Prudential, Afore XXI's current partner with 50 percent ownership, and Assicurazioni Generali, Afore Banorte Generali's partner with 49 percent ownership (Banco Mercantil del Norte currently owns 51% of this Afores' shares). The merger will also be subject to customary regulatory approvals. This transaction will be done through Banco Mercantil del Norte or through another entity of Grupo Financiero Banorte.

Both institutions estimate that the merger could be concluded in November of this year.

GFNORTE reiterates its commitment to the financial community and investors to maintain modern and transparent in information disclosure, strictly in compliance with Mexico's "Ley de Mercado de Valores" (Securities Market Law).