



GFNORTE

Conference Call: 1Q16 Results

April 22, 2016

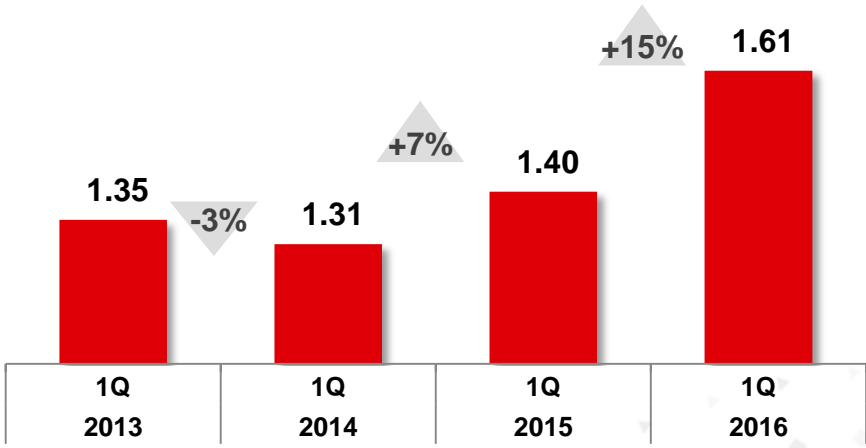
Summary

Acceleration on EPS

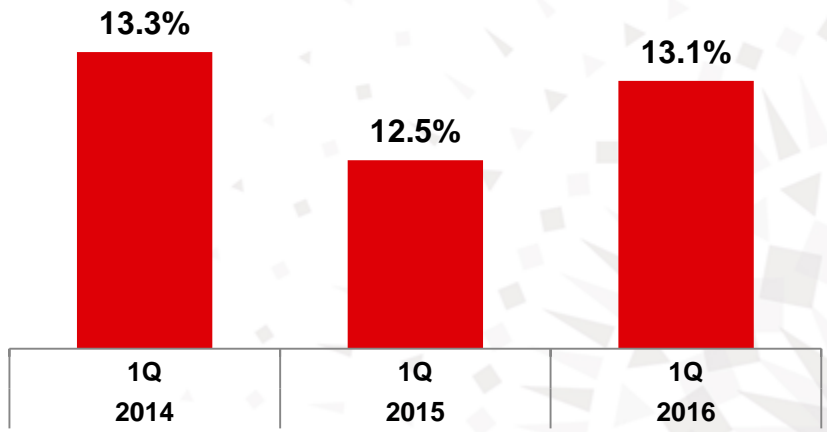
- EPS to \$1.61, growth of 15% YoY.
- ROE at 13.1%.

Million pesos	1Q16	QoQ	YoY
Net Income	4,462	-10%	15%
NII	13,596	10%	17%
Loans	533,556	3%	11%
Deposits	500,690	-2%	11%
ROE	13.1%	(1.67)pp	0.62pp

EPS



ROE



Core Revenues

Improving Core Business

- 1Q is cyclically a slow quarter.
- 1Q16 with a strong growth on NII.
- Core banking fees affected by less working days in the quarter.

Trading Income

	1Q16	QoQ	YoY
FX Gains	270	-34%	-33%
Trading Gains	92	-82%	-81%
Mark to Market Gains	91	-126%	23%
Total	453	-19%	-52%

NII Components

Million pesos	1Q16	QoQ	YoY
NII Loans	10,159	3%	11%
NII Repos	1,132	1%	11%
NII Valorization Adjustments	-36	320%	-171%
NII Insurance & Pensions	2,340	72%	63%
NII Before LLP	13,596	10%	17%

Core Banking Fees

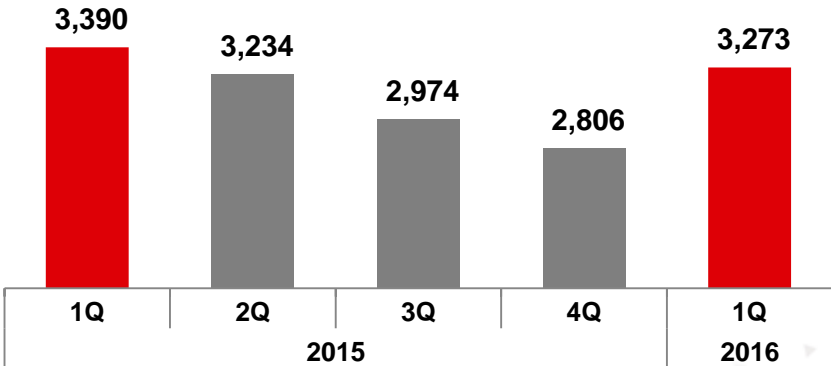
	1Q16	QoQ	YoY
Fund Transfers	286	16%	36%
Account Management Fees	483	-9%	5%
Electronic Banking Services	1,350	-3%	13%
Total	2,119	-2%	14%

Expenses & Efficiency

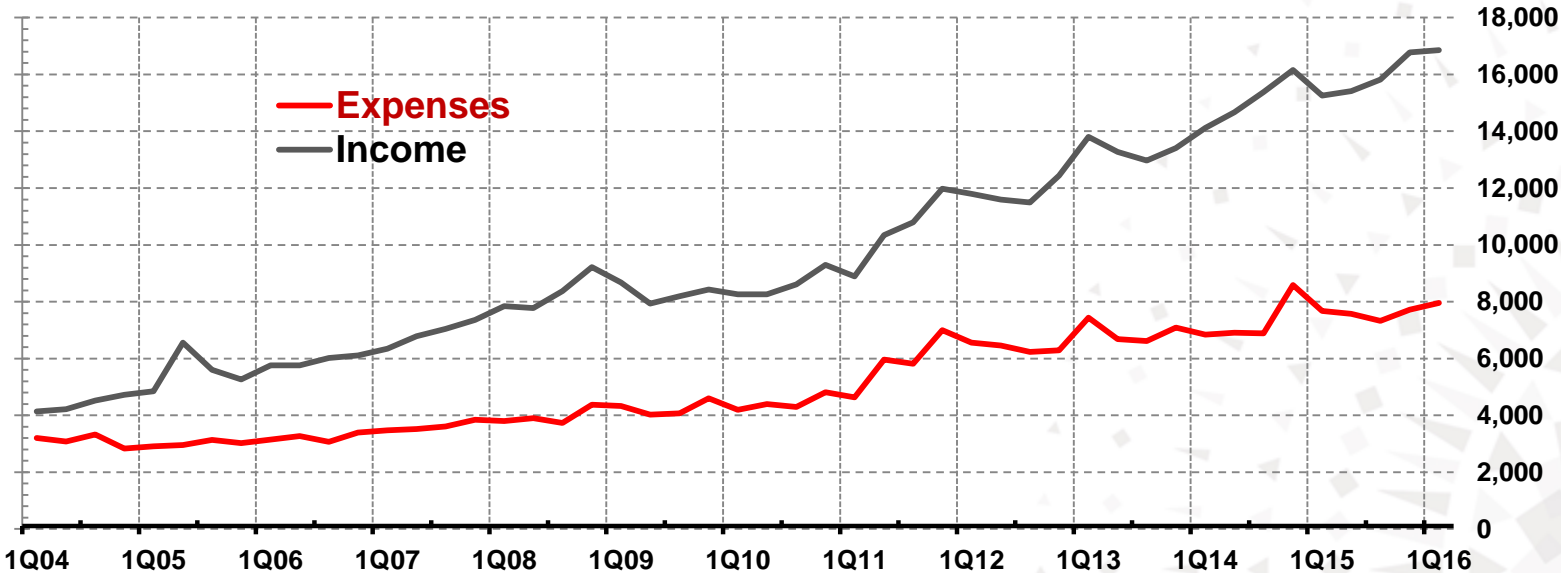
Expense Under Control

- Total expenses under control growing only 4% YoY.
- Personnel expenses & Professional Fees -3% YoY.
- Expenses in line with full year guidance.

Personnel Expenses



Cost to Income

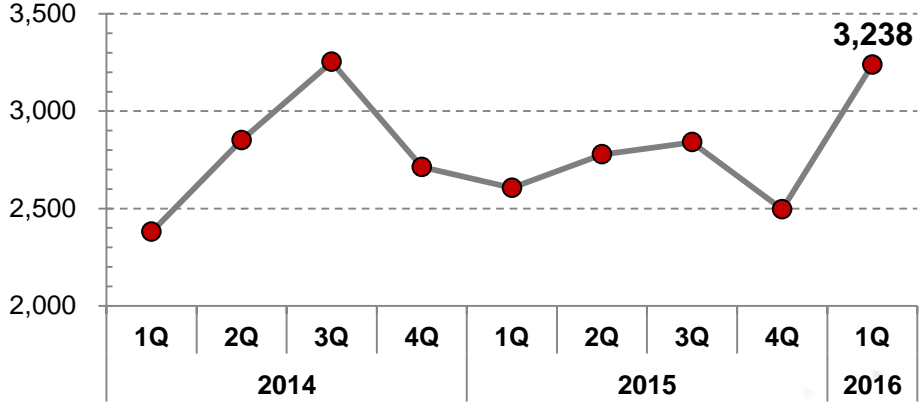


Loan Loss Provisions

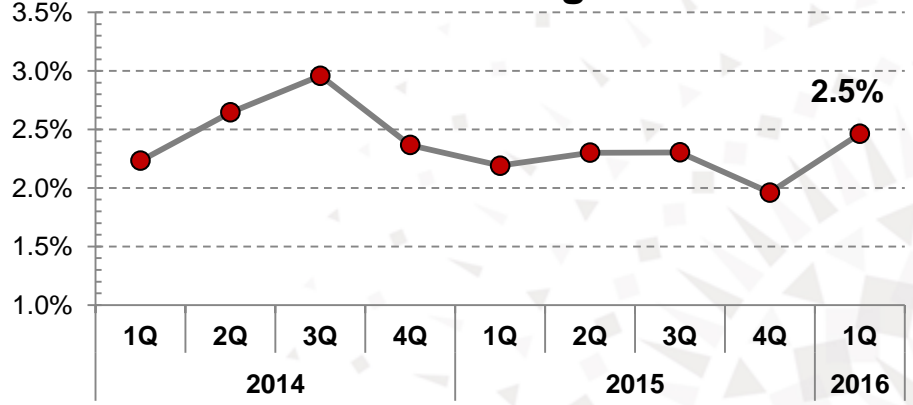
Higher provisions requirements

- \$3,238 on Provisions charge related to new origination mainly.
- Guidance for cost of risk remains unchanged.

Loan Loss Provisions



Provisions to Average Loans



Deposits

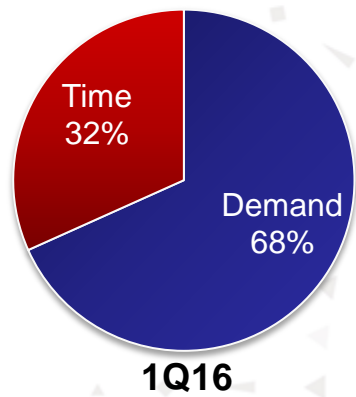
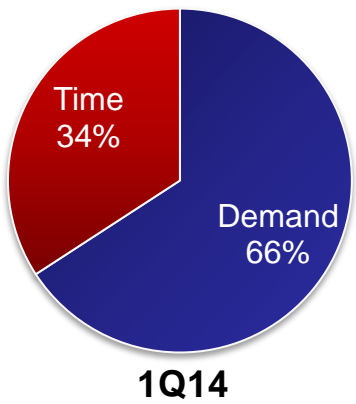
Healthy growth in core deposits

- **Good YoY growth.**
- **On a sequential basis, the decline is related to seasonality.**
- **Mix continues to improve.**

Deposits

	1Q16	QoQ	YoY
Non-Interest Bearing Demand Deposits	170,167	(3%)	18%
Interest Bearing Demand Deposits	172,553	(1%)	5%
Total Demand Deposits	341,549	(2%)	11%
Time Deposits – Retail	159,141	1%	12%
Core Deposits	500,690	(1%)	12%

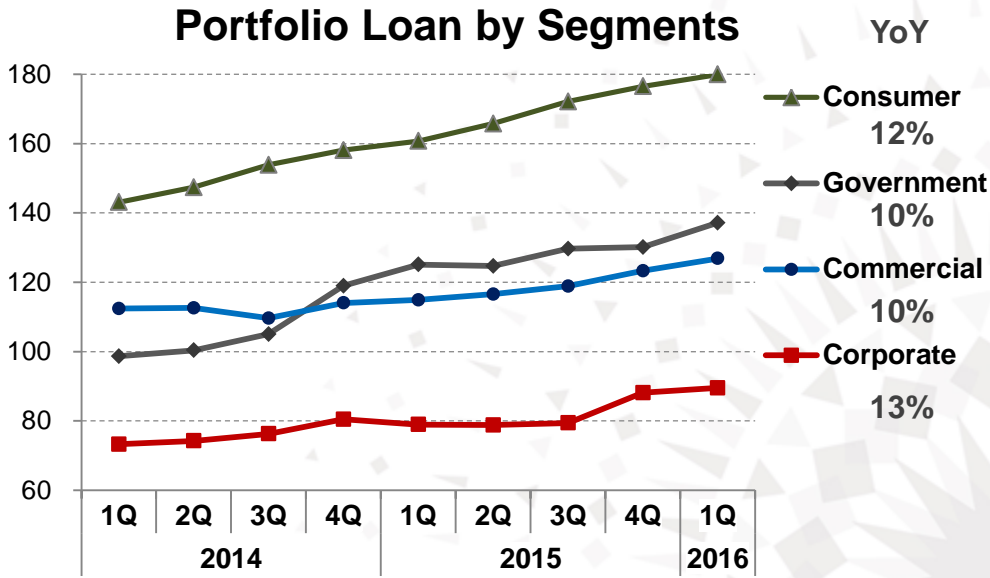
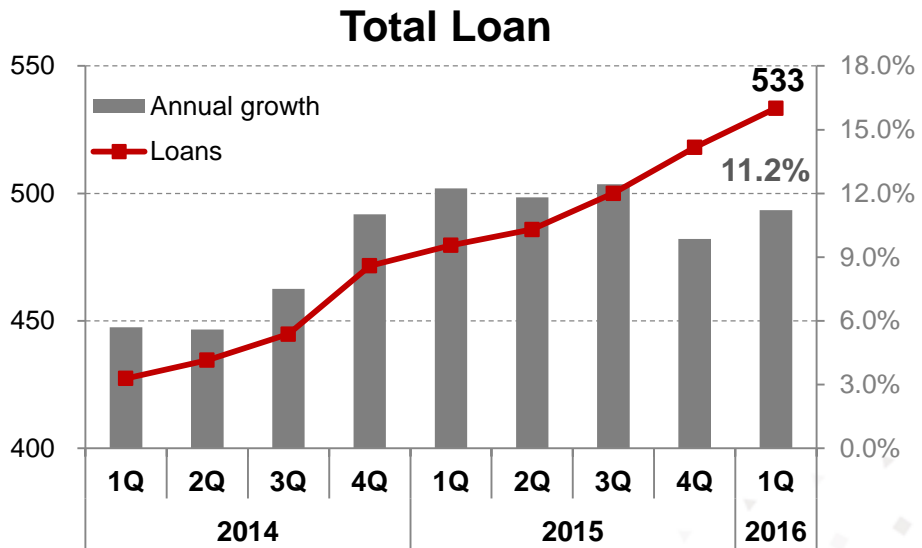
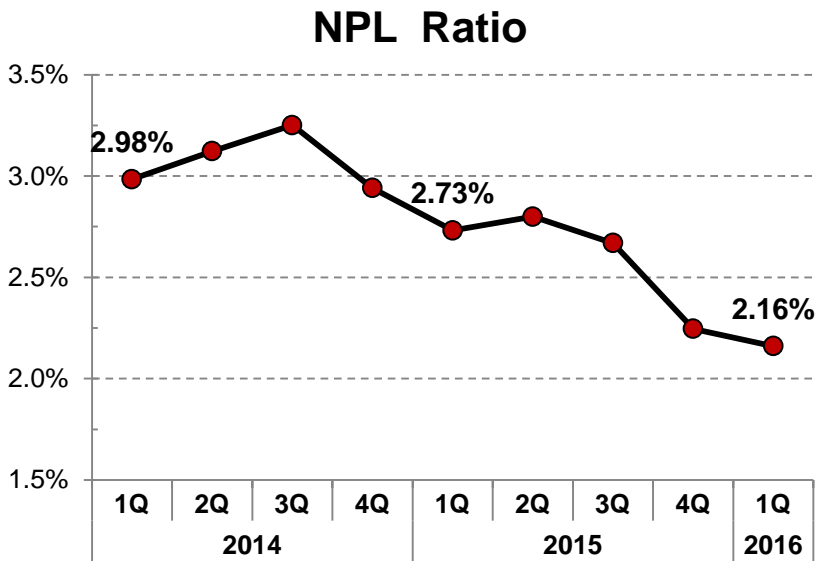
Deposit Mix



Loan Portfolio

Loan Growth with quality

- Consumer growing 12% remains a key driver.
- Improving credit quality.

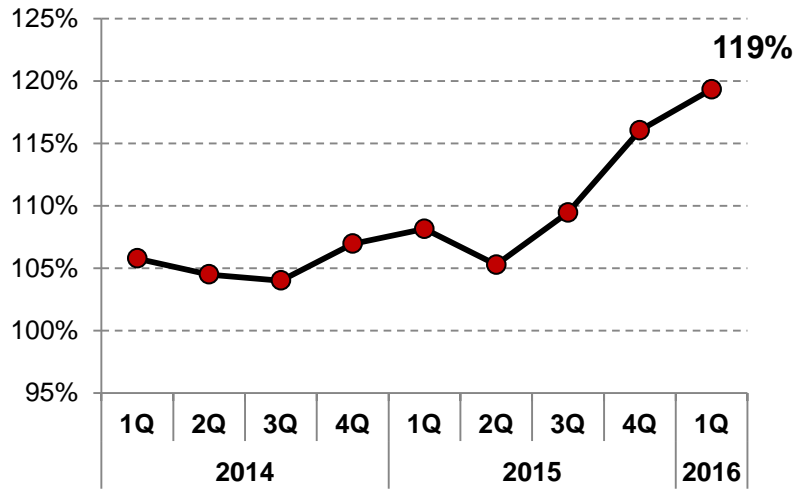


Loan Portfolio

Portfolio quality

- Asset quality improving across all loan books.
- Healthy reserves coverage ratio.

Coverage Ratio



Non Performing Loans

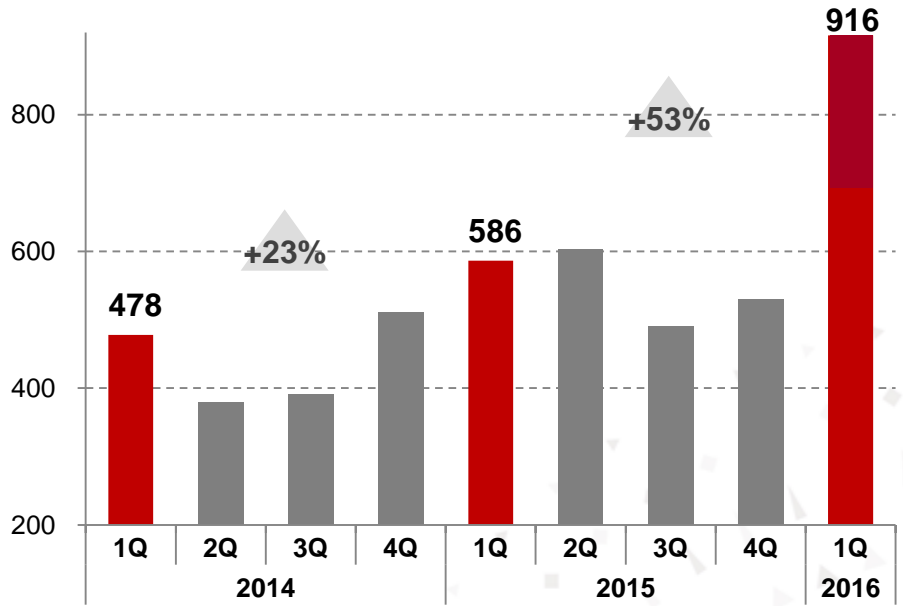
	1Q15	2Q15	3Q15	4Q15	1Q16	
Credit Cards	5.5%	5.9%	5.5%	5.5%	5.4%	↓
Payroll	2.2%	2.5%	2.6%	3.0%	2.6%	↓
Car Loans	1.5%	1.9%	1.7%	1.6%	1.3%	↓
Mortgage	1.3%	1.2%	1.1%	1.1%	1.1%	
Commercial	3.8%	3.9%	3.6%	3.3%	3.2%	↓
Corporate	6.4%	6.5%	6.4%	4.1%	4.0%	↓
Government	0.0%	0.0%	0.0%	0.0%	0.0%	
Total GFNorte	2.7%	2.8%	2.7%	2.2%	2.2%	

Insurance

- New accounting requirements eliminate deferrals on income and expenses related to life policies.
- Life book represents around 30% of the business.
- Strong growth of 18% in net income on business as usual.

	1Q16	QoQ	YoY
Premiums sold	8,783	97%	62%
Total operating income	1,548	51%	47%
Net income	916	73%	56%
<i>Technical reserves</i>	17,275	23%	19%

Seguros Banorte Net Income



N.I. Contribution to GFNorte		
13%	12%	20%



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