



GFNORTE

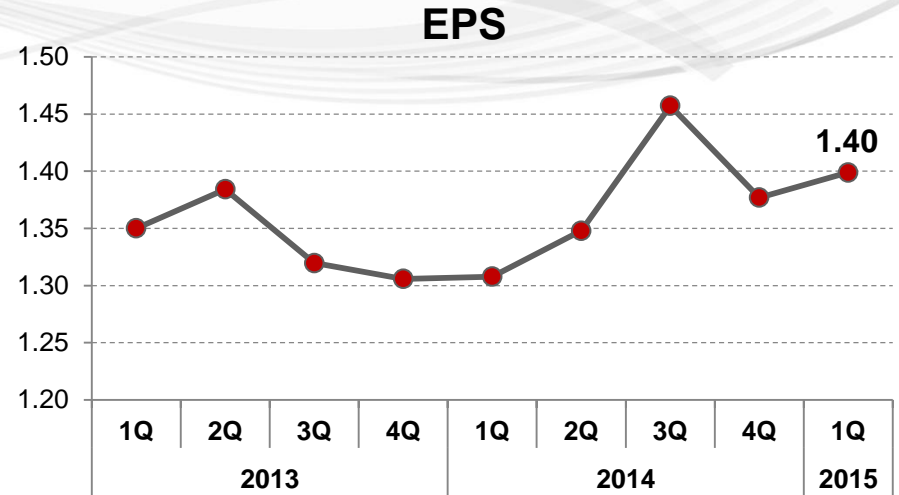
Conference Call: 1Q15 Results

April 24, 2015

Summary

Solid recurring revenues growth

- Net Income growth of 7%
- Increasing EPS to \$1.40 pesos and in a positive growth trend
- Solid growth in recurring revenues on the back of good loan & deposit expansion
- ROE 12.5% pushed by internal capital generation of 13%
- Quarterly growth rates adequate given slow cycle in banking activity



Million pesos	1Q15	QoQ	YoY
Net Income	3,880	2%	7%
NII	11,635	(6%)	12%
Service Fees	2,225	(8%)	15%
Loans	479,808	2%	12%
Deposits	449,649	3%	17%
ROE	12.5%	(0.17)pp	(0.84)pp

Revenues & NIM

Revenues from core business are growing at a good pace

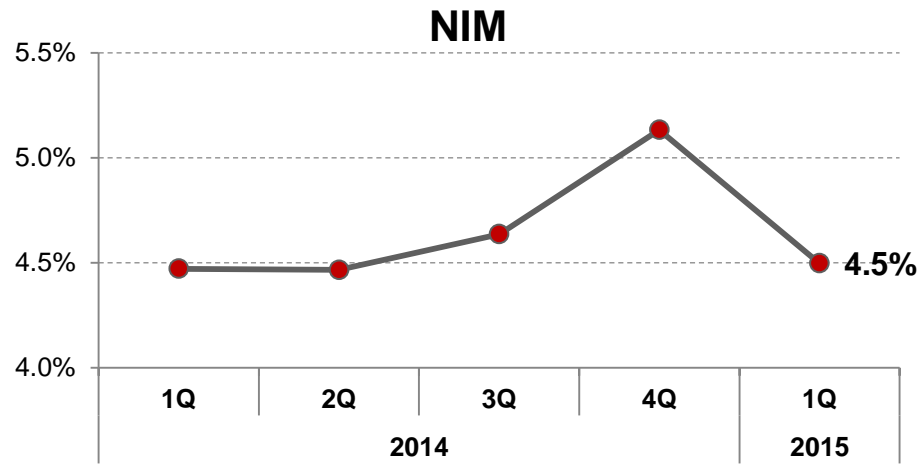
Annual

- Strong NII growth of 12%
 - From loans 12%
 - From insurance & pensions 40%
- Stable NIM at 4.5%

Quarterly

- NII impacted by normalization of loan origination fees
- Net Repo Margin (25%)

Million pesos	1Q15	QoQ	YoY
NII Loans	8,931	2%	12%
Net Loan Fees	195	(81%)	(23%)
NII Repos	981	(25%)	(14%)
NII Valorization Adjustments*	95	(4%)	n.m.
NII Insurance & Pensions	1,435	16%	40%
NII Before LLP	11,635	(6%)	12%
Non Interest Income	3,624	(2%)	(4%)
Total Revenues	15,259	(6%)	8%



* Includes valorization of Financial Assets & Liabilities for FX or inflation, as appropriate.

Non Interest Income

Strong core banking revenues growth

Annual

- Service Fees 15% expansion
 - Fees from core banking 22%
- Around 1/3rd of trading gains related to clients
- Other income affected by 211m valuation change

Quarterly

- Cyclical slowdown in banking reflected in most quarterly growth rates

Trading Income

	1Q15	QoQ	YoY
FX Gains	402	70%	17%
Trading Gains	477	40%	(1%)
Mark to Market Gains	74	(137%)	(75%)
Total	953	155%	(15%)

Non Interest Income

	1Q15	QoQ	YoY
Service Fees	2,225	(8%)	15%
Trading Income	953	155%	(15%)
Other Income	446	(52%)	(38%)
Total	3,624	(2%)	(4%)

Core Banking Fees

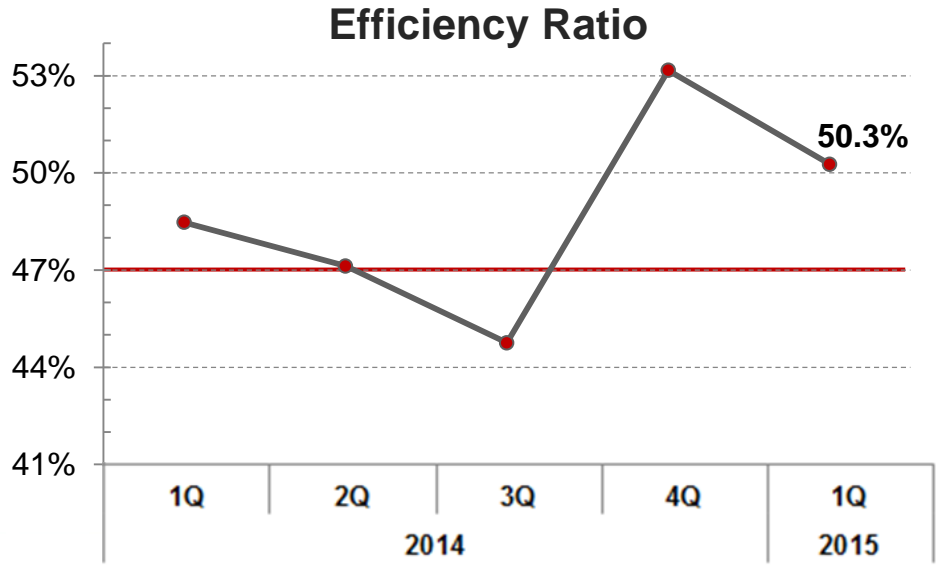
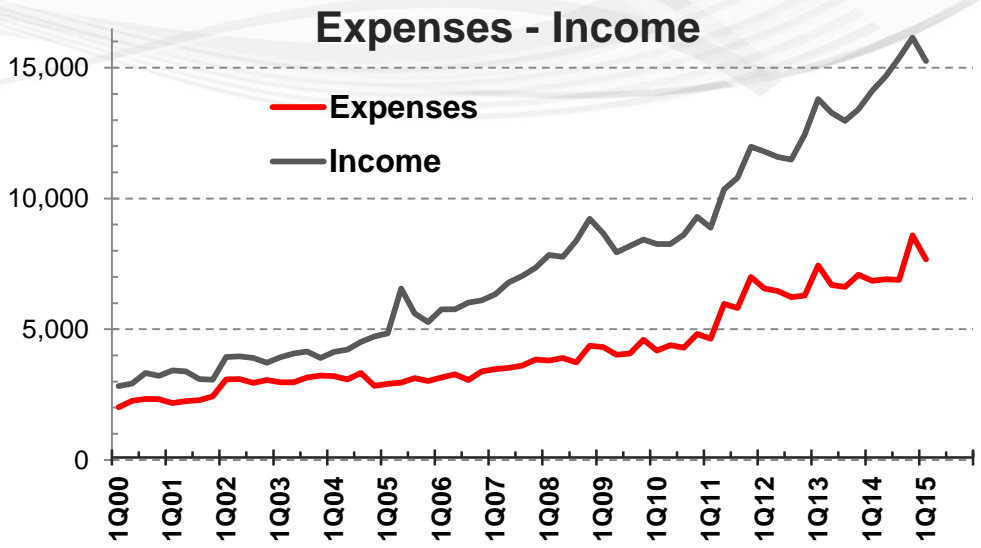
	1Q15	QoQ	YoY
Fund Transfers	209	21%	43%
Account Management Fees	459	16%	31%
Electronic Banking Services	1,193	(4%)	15%
Total	1,861	3%	22%

Million pesos

Expenses and Efficiency

We maintain our annual 47% target on efficiency

- Personnel expenses include onetime severance charges
- Admin expenses include inflation increase and business expansion
- Efficiency ratio on a downward trend

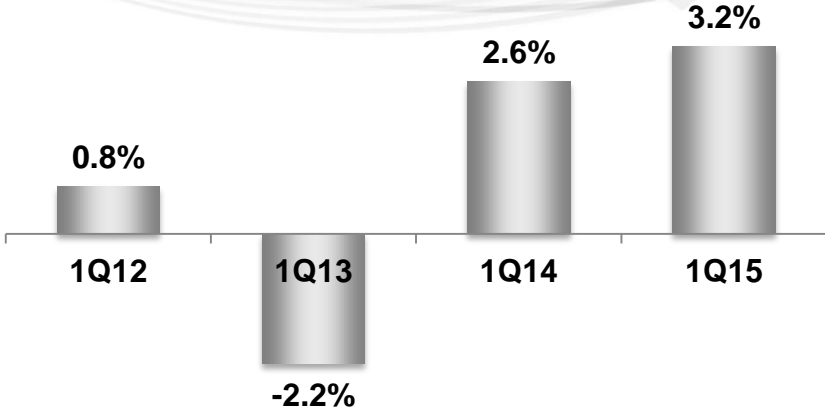


Deposits

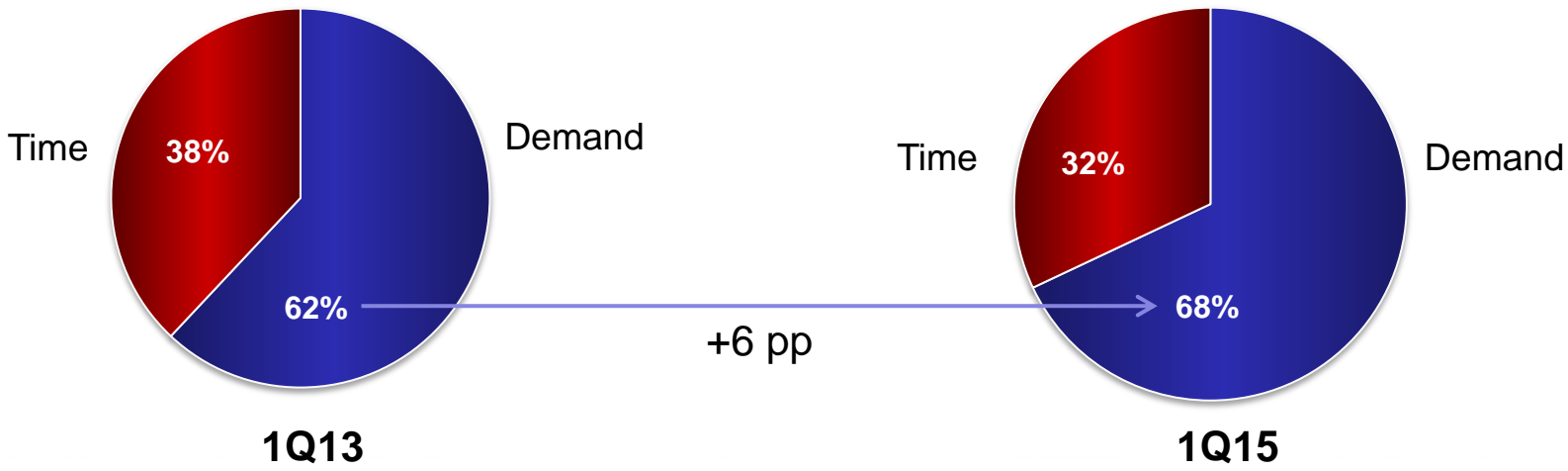
Quarterly Deposits Growth

Highest quarterly deposit growth

- Quarterly growth beats seasonality
- Improving funding mix



Deposit Mix

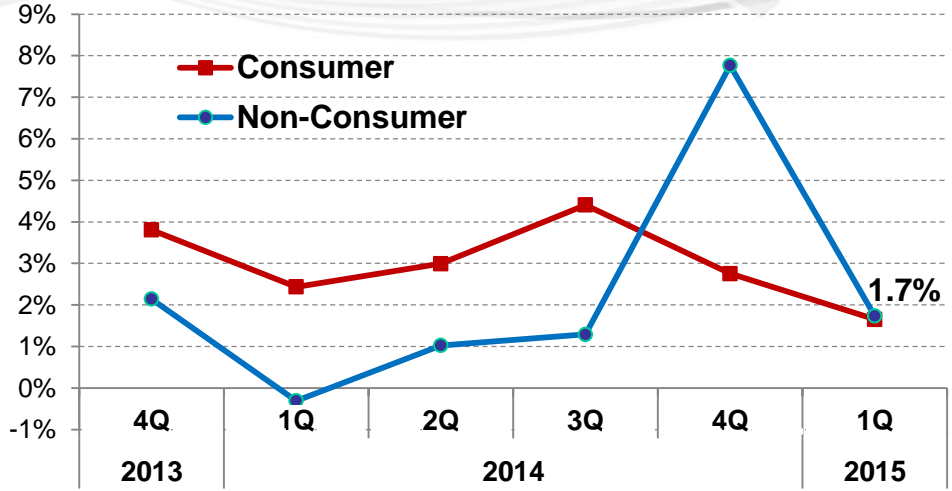


Loan Portfolio

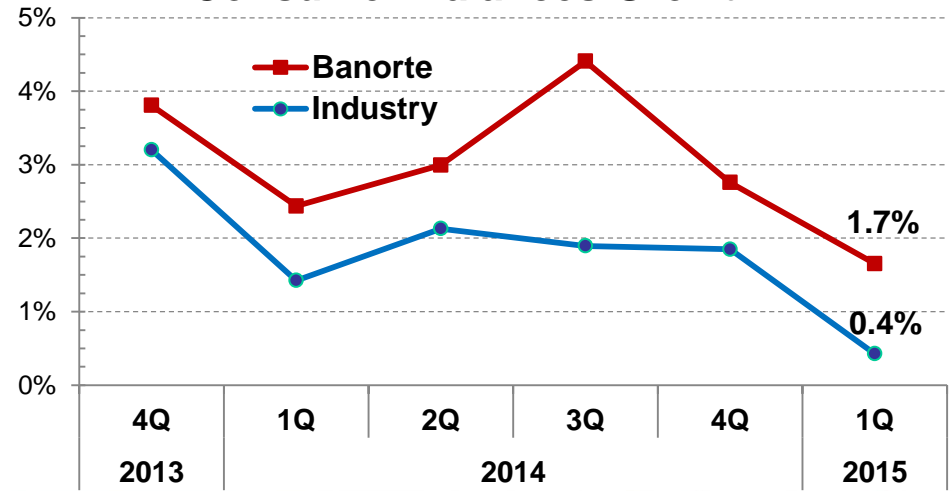
Loan expansion at good start for 2015

- Adequate annual & quarterly growth rates with expansion in consumer and non-consumer
- Consumer growth stronger than Industry

Loan Balances Growth



Consumer Balances Growth



Afore

Consolidating our Afore business

- Double digit revenue growth, despite 3bps reduction in fee
- Net income growth of 4%
- AUM growth of 11%

	Fee %		
	Dec'13	Dec'14	Dec'15
XXI Banorte	1.10	1.07	1.04
Industry	1.28	1.19	1.11

Million pesos	1Q15	QoQ	YoY
Net Income	598	(9%)	3.7%
Equity	22,380	(7%)	(10%)
Assets	23,604	(7%)	(9%)
AUM	616,374	2%	11%
ROE*	10.3%	0.3 pp	1.0 pp

* Excluding goodwill 37.3%

Insurance & Annuities

Adequate operating trends

- Seguros Banorte focus on bancassurance
- Pensiones Banorte post strong profitability despite strong pricing competition

Seguros Banorte

Million pesos	1Q15	QoQ	YoY
Net Income	586	15%	23%
Equity	5,682	12%	31%
Assets	26,063	8%	32%
Written Premiums	5,438	19%	10%
ROE	43.5%	4.5 pp	(3.2)pp

Annuities

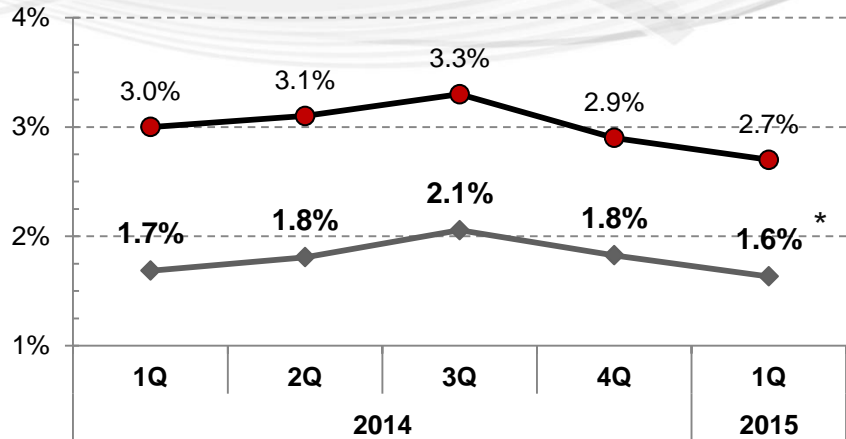
Million pesos	1Q15	QoQ	YoY
Net Income	88	18%	59%
Equity	1,464	7%	12%
Assets	63,842	3%	16%
Written Premiums	2,048	1%	2%
ROE	24.8%	4.4pp	7.4pp

Asset Quality

Trends moving in the right direction

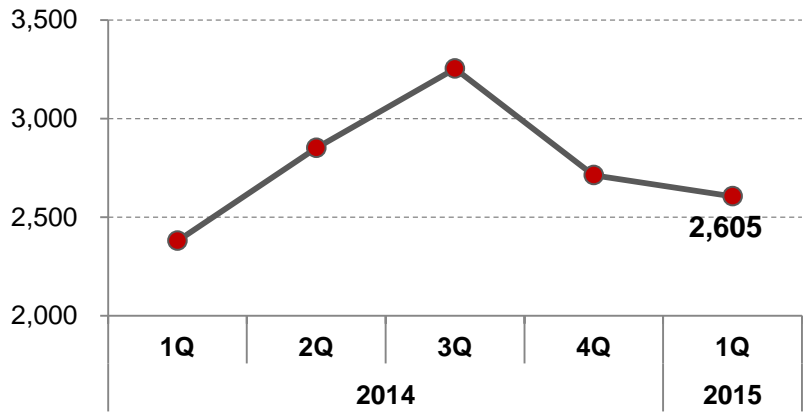
- Excluding homebuilders the lowest NPL ratio of the past 5 quarters
- Low new NPL formation
- Lower LLP requirements of the past three quarters

NPL Ratio

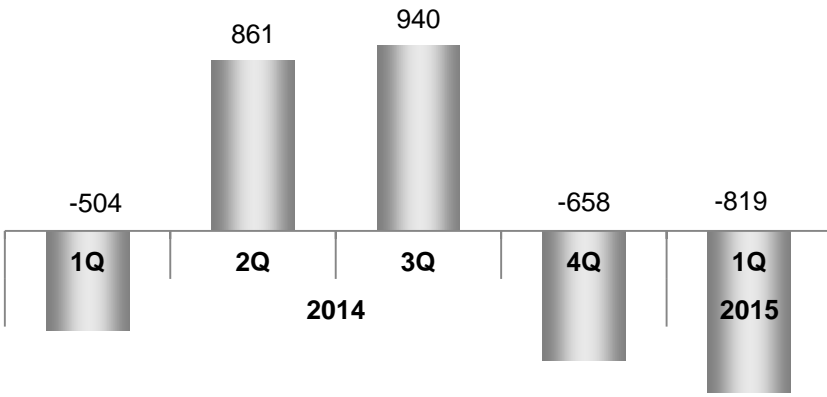


* Excluding exposure to homebuilders

Loan Loss Provisions



NPL formation



Asset Quality Trends

Trends moving in the right direction

- Consumer ratios trending down
- SME loan write-offs of 1'011m pesos
- Corporate NPL is 0% excluding homebuilders
- Government loans are clean

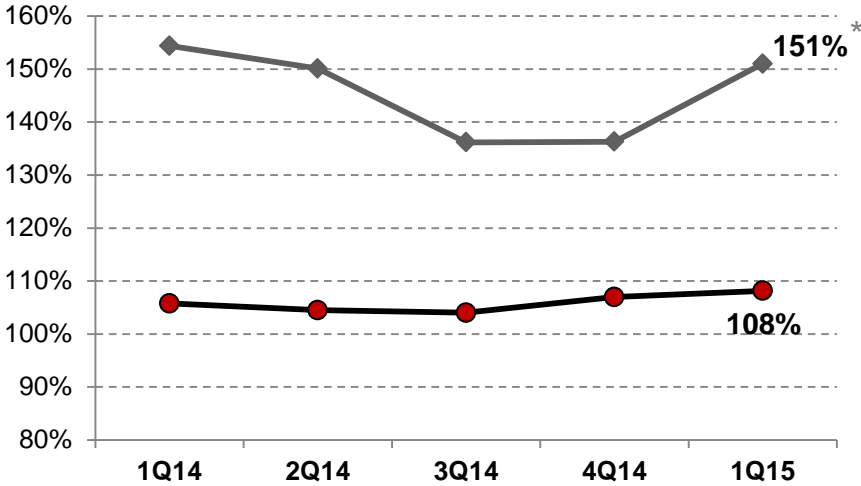
	NPL Ratio					
	1Q14	2Q14	3Q14	4Q14	1Q15	
Credit Cards	6.2%	6.3%	5.9%	5.5%	5.5%	→
Payroll	2.0%	2.5%	2.2%	2.3%	2.2%	↓
Car Loans	1.3%	1.9%	1.9%	2.0%	1.5%	↓
Mortgage	1.3%	1.3%	1.4%	1.4%	1.3%	↓
Commercial	3.6%	3.9%	5.0%	4.4%	3.8%	↓
SME	6.8%	8.5%	9.8%	10.0%	8.8%	↓
Corporate	7.3%	7.3%	6.8%	6.3%	6.4%	↑

Loan Loss Reserves

More reserves for origination, less reserves for deterioration

- Quarterly provision change down 4% on asset quality improvements
- Reserve coverage ratio on an improving trend
- Reserve coverage stronger excluding homebuilders

Coverage Ratio



* Excluding exposure to homebuilders

New VAR methodology

Objective: To align methodology to industry practices

	Old Methodology	New Methodology
Time horizon	10 days	1 day
Books	Trading Available for sale HTM portfolios Loan Book	Trading Available for sale portfolios
Security Factor	x 3	without S.F.

VAR Policies that remain unchanged

- Confidence level: 99%
- Daily Monitoring at T+1
- Methodology: Historic simulation with 500 data points
- Stress Testing Scenarios

Basel III Liquidity Requirements

- New Liquidity requirements enforced by Mexican regulators for the 6 largest banks as of Jan-15
- The CCL ratio (Coeficiente de Cobertura de Liquidez, Liquidity Coverage Ratio) is the main regulatory indicator
- The CCL quantifies the liquidity risk by measuring the relationship of high quality liquid assets and short term (30 days) net cash outflows, **under scenarios of regulatory stress**
- The CCL regulatory requirement will be enforced in a time period:



- Banorte's CCL:

	1Q15
Bank only	99%
Bank & subsidiaries	78%



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