

# SIGNING OF A BINDING AGREEMENT BETWEEN GRUPO FINANCIERO BANORTE AND ASSICURAZIONI GENERALI

**11 Jun 2013**

**Monterrey, N. L. June 11th, 2013.** - Today, Grupo Financiero Banorte, S.A.B de C.V. ("GFNORTE") (BMV: GFNORTEO) and Assicurazioni Generali S.p.A, through its affiliates or subsidiaries ("Generali Group") (BIT: G) signed a binding agreement under which GFNORTE, or any of its subsidiaries and/or affiliates, will acquire 100% of the equity representative common shares of Seguros Banorte Generali, S.A. de C.V.'s ("Seguros Banorte Generali") and Pensiones Banorte Generali, S.A. de C.V.'s ("Pensiones Banorte Generali"), held by Generali Group due to the strategic decision of GFNORTE to operate and fully control these businesses since the minority stakes limited their full growth potential. Generali Group currently holds 49% of Seguros Banorte Generali's and Pensiones Banorte Generali's shares.

Both GFNORTE and Generali Group obtained the respective corporate authorizations in order to sign the binding agreement, which is subject to obtaining the corresponding government approvals, no later than 180 days from the date of signing, period in which, GFNORTE will evaluate different alternatives to finance the acquisition of these minority equity interests.

The amount that GFNORTE will pay for Generali Group's minority equity interest in Seguros Banorte Generali amounts to US 637 million, while the payment of the Pensiones Banorte Generali minority equity interest amounts to US 220.5 million. As a result, the total payment amounts to US 857.5 million, including the payment for excess capital recorded by both companies at the end of April, equivalent to US 48.4 million and US 31.1 million, respectively. The purchase of the stake in Seguros Banorte Generali corresponded to an implied 18x multiple on 2012 full year earnings, which reduces to 16.5x when discounting the excess capital, and to 13.5x of 2013 expected earnings. The purchase of Pensiones Banorte Generali corresponded to an implied 4.9x multiple on 2012 book value, 4.3x considering the expected results of 2013 and the multiple reduces even further when considering the value of the portfolio of the company. These multiple will reduce over time as Banorte captures the synergies of fully operating and controlling these companies.

Seguros Banorte Generali offers mainly life, car, home and medical insurance through a network of agents, independent brokers and mainly through Banco Mercantil del Norte S.A.'s ("Banorte") branch network. At closing of 2012, it ranked ninth in market share in terms of premiums sold and seventh in terms of net income, according to the National Insurance and Bonding Commission ("CNSF"). During the first three months of 2013, Seguros Banorte Generali represented 1.9% of GFNORTE's total assets and 3.4% of its stockholders' equity. The reported net income during this period was Ps. 282 million and Ps. 924 million during 2012, representing 9.0% and 8.5% of the GFNORTE's net income, respectively.

Pensiones Banorte Generali operates, manages and guarantees the payment of annuities derived from the Social Security Law. At the closing of 2012, Pensiones Banorte Generali ranked first in terms of premiums sold, according to CNSF's information. During the first three months of 2013, Pensiones Banorte Generali represented 4.8% of GFNORTE's total assets and 1.4% of its stockholders' equity. The reported net income for this period was Ps. 49 million and Ps. 96 million during 2012, representing 1.6% and 0.9% of the GFNORTE's net income, respectively.

GFNORTE reiterates to the investment public that it will continue adopting the best international corporate practices regarding Corporate Governance and information disclosure. The Financial Group will maintain its strategic and expansion plans to consolidate a leading institution in Mexico; in this sense, we will timely inform the investment community regarding the strategy execution and evolution of our operations. The Investor Relations Department is available for any inquiry or comment regarding this material event at: [investor@banorte.com](mailto:investor@banorte.com) or in the number (55) 52.68.16.80.

## About Grupo Financiero Banorte

Banorte was founded in 1899 in the city of Monterrey, where it first started operations as a small regional player. In 1992, in the banking privatization process, Banorte was acquired by a group of entrepreneurs leaded by Roberto Gonzalez Barrera. Through a series of key acquisitions after the Mexican financial crisis of the mid 1990's, like Bancen and Banpais in 1997 and Bancracer in 2002, Banorte was able to consolidate a nationwide presence in Mexico. It now operates as a financial group known as Grupo Financiero Banorte, offering

universal banking products and services in the Mexican financial system. Banorte is currently the third largest banking institution in Mexico measured by size of loans and deposits. It is the largest provider of State & Municipal government financing, the second in mortgage financing and the third largest provider of commercial loans. As well as increasing its market shares, Banorte has consolidated its position as one of Mexico's most profitable banks and is recognized for its strong fundamentals by showing sound asset quality, as well as high liquidity and capitalization levels. With more than 26 million clients and a footprint of more than 1,300 branches and approximately 6,700 ATMs nationwide, GFNORTE's main business line is retail banking, and it also provides a wide array of products and services through its broker dealer, insurance company, retirements savings funds (Afore), mutual fund operator, leasing & factoring companies and warehousing. GFNORTE manages more than US 148 billion in assets and Banorte is the only retail bank, among the six largest institutions of the country, that is controlled by Mexican shareholders. Its decisions are taken locally without the influence of international headquarters, which has proven to be an advantage given the recent weakness of many global institutions. In 2006, Banorte entered into the U.S. Hispanic market through the purchase of Inter National Bank ("INB"), a Texas-based bank, and two remittance companies in 2007: Uniteller in New Jersey and Motran in California. In 2011, Ixe Grupo Financiero merged with GFNORTE. Its strategic partnerships include the International Finance Corporation ("IFC") at its banking subsidiary, the Mexican Social Security Institute ("IMSS") at the retirement savings fund management business, and the Italian insurance company Generali at the insurance and annuities business. In January 2013, GFNORTE finalized the acquisition of Afore Bancomer through Afore XXI Banorte, becoming the most relevant transaction to date in the retirement savings fund system and creating the most significant Afore in Mexico. GFNORTE's shares trade in the Mexican Stock Exchange ("BMV") with the ticker "GFNORTEO", in the Madrid Stock Exchange under the symbol "XNOR" and in the US ADR OTC market under "GBOOY". For further information, visit [www.banorte.com](http://www.banorte.com)